



**INTEGRATED DEVELOPMENT PLAN  
2010/2011**

# TABLE OF CONTENTS

## CHAPTER 1: INTRODUCTION

1.1 Mbhashe Municipality IDP.....	1
1.2 Purpose of the IDP.....	1
1.3 Basis for IDP.....	1- 4
1.4 Organisational Arrangements.....	5 - 15

## CHAPTER 2: SITUATIONAL ANALYSIS

<b>2.1 MBHASHE DEMOGRAPHIC PROFILE.....</b>	<b>16</b>
2.1.1 Mbhashe in Context.....	16
2.1.2 Mbhashe Population.....	17-20
<b>2.2 SOCIO-ECONOMIC PROFILE.....</b>	<b>20-21</b>
<b>2.2.1 Economic Indicators.....</b>	<b>22</b>
2.2.1.1 Employment Skills.....	23-26
2.2.1.2 Gross Domestic Product.....	26
2.2.1.3 Gross Value Added.....	27-28
<b>2.2.2 Social Indicators.....</b>	<b>28</b>
2.2.2.1 Crime.....	28-30
2.2.2.2 HIV/AIDS.....	30-31
2.2.2.3 Poverty.....	31-32
2.2.2.4 Human Development Index.....	32
<b>2.3 INFRASTRUCTURE AND SERVICES.....</b>	<b>32</b>
<b>2.3.1 Communication.....</b>	<b>32</b>
<b>2.3.2 Infrastructure Development.....</b>	<b>33</b>
2.3.2.1 Water.....	33-35
2.3.2.2 Sanitation.....	35-37
2.3.2.3 Energy.....	37-38
2.3.2.4 Housing.....	38-40
2.3.2.5 Refuse Removal.....	40-42
2.3.2.6 Access to Service Delivery Per Ward.....	42
<b>2.4 ECONOMIC GROWTH POTENTIAL OF MBHASHE.....</b>	<b>43</b>
<b>2.5 LOCAL ECONOMIC DEVELOPMENT</b>	
2.5.1 Agricultural Development.....	44-47
2.5.2 Tourism.....	47-49
2.5.3 Manufacturing and Small, Medium and Micro Enterprises.....	49
2.5.4 Fishing.....	49-50
2.5.5 Institutional Arrangement for LED.....	50-51
<b>2.6 SOCIAL NEEDS CLUSTER</b>	
2.6.1 TRAFFIC SECTION AND LAW ENFORCEMENT.....	51-52
2.6.2 SOCIAL FACILITIES.....	52-53
2.6.3 WASTE MANAGEMENT.....	53
2.6.4 CEMETERIES.....	53-54
2.6.5 LIFE-SAVING-COASTAL ZONE MANAGEMENT.....	54
2.6.6 MUNICIPAL BEAUTIFICATION.....	54-55
2.6.7 HIV/AIDS.....	55
2.6.8 COMMUNITY SAFETY AND SECURITY.....	55-56
2.6.9 HEALTH AND HYGIENE.....	56
<b>2.7 INFRASTRUCTURE CLUSTER</b>	
2.7.1 LAND AND HOUSING.....	56-57
2.7.2 TOWNSHIP ESTABLISHMENT.....	57-61
2.7.3 GENERAL PROPERTY VALUATION.....	61
2.7.4 SPATIAL DEVELOPMENT FRAMEWORK.....	61
2.7.5 LAND REFORM AND SETTLEMENT PLANS.....	61-62
2.7.6 RURAL HOUSING PROJECT AT WARD 17 AND 26.....	62-63
2.7.7 LAND USE CONTROL.....	63-65
<b>2.8 TECHNICAL SERVICES.....</b>	<b>65-68</b>
<b>2.9 INSTITUTION AND FINANCE CLUSTER</b>	
2.9.1 Revenue Management.....	69
2.9.2 Expenditure Management.....	69
2.9.3 Supply Chain Management.....	69-70
2.9.14 Risk Management.....	70
2.9.5 Information and Communication Technology (ICT).....	70
2.9.6 Budget and Reporting.....	70-71
2.9.7 Financial Viability.....	71-78
<b>2.10 ENVIRONMENT.....</b>	<b>78-80</b>
<b>2.10 RE-DETERMINATION OF BOUNDARIES.....</b>	<b>80</b>

2.11 WARD SURVEY.....	80-83
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## **CHAPTER 3: VISION, CLUSTER OBJECTIVES AND STRATEGIES**

3.1 Municipal Vision.....	84
3.2 Mission.....	84
3.3 Strategic Cluster Approach.....	84-85
3.5 Local Economic Development.....	86-87
3.6 Service Delivery.....	88-89
3.7 Governance.....	90-91
3.8 Financial Viability.....	91-92
3.9 Municipal Transformation.....	92-95

## **CHAPTER 4: SPATIAL DEVELOPMENT FRAMEWORK**

E.1 Priority Basic Needs.....	96
E.2 Priority Settlement Nodes.....	96-97
E.3 Spatial Development Framework Proposals.....	97-101
E.4 Priority Development Zones.....	101-102
E.5 Priority Sectors and Areas for Economic Development.....	102-105
E.6 Priority Areas for Land Reform.....	105-106
E.6 Proposed Development Precincts from A-L .....	106-114

## **CHAPTER 5: CLUSTER PRIORITIES, PROJECTS AND PROGRAMMES**

5.1 LED and Environment Cluster.....	114-116
5.2 Infrastructure Cluster.....	116-117
5.3 Social Needs Cluster.....	117-118
5.4 Institution and Finance Cluster.....	118

## **CHAPTER 6: FINANCIAL PLAN**

6.1 Financial Strategies.....	119
6.2 Financial Guidelines.....	119-120
6.3 Revenue Raising Strategies.....	120
6.4 Asset Management Strategies.....	121
6.5 Financial Management Strategies.....	121-122
6.6 Cost Effectiveness Strategies.....	122
6.7 Operational Expenditure and Revenue Forecast.....	122-123

## **CHAPTER 7: SECTOR PLANS AND PROGRAMMES**

7.1 Local Economic Development Plan.....	123-135
7.2 Waste Management Plan.....	136-139
7.3 Integrated Transportation Plan .....	139
7.4 Land Reform and Settlement Plan.....	139
7.5 Integrated Environmental Plan.....	139
7.6 Integrated Disaster Management Plan.....	140
7.7 Water Sector Plan.....	140
7.8 Communicable Diseases Plan.....	140
7.9 Area Based Planning.....	140

## **CHAPTER 8: PERFORMANCE MANAGEMENT FRAMEWORK**

8.1 Introduction.....	140
8.2 Policies and Legislative Framework.....	140
8.3 Approach.....	141-178

### 1. MBHASHE MUNICIPALITY IDP

An Integrated Development Plan of a municipality is the key strategic planning tool for the municipality. It is described in the Municipal Systems Act (MSA) – 2000 as: “...the principal strategic planning instrument which guides and informs all planning and development, and all decisions with regard to planning, management and development in the municipality”. – Section 35 (1) (a)

In 2002, Mbashe Municipality adopted the first Integrated Development Plan (IDP) for the municipality. The IDP was developed in accordance with the requirements set out in the Municipal Systems Act (32 of 2000). The new council was elected in March 2006 and had three options i.e.

- Prepare a new IDP
- Adopt the IDP of its predecessor, or
- Adopt the IDP of its predecessor with amendments

The MSA Section 25 (1) says “Each municipal council must, within a prescribed period after the start of its elected term, adopt a single, inclusive and strategic plan for the development of the municipality.....” The Act goes on to say “An Integrated Development Plan adopted by a municipal council remains in force until an integrated development plan is adopted by the next elected council. The IDP which was adopted by council in 2006/2007 was the reviewed IDP which was done by the previous council. In 2009/2010, the council in terms of the municipal systems act has to review the IDP every year hence the reviewed IDP for 2010/2011.

### 1.2 PURPOSE OF THIS DOCUMENT

This document sets out the results of the municipality’s reviewed 2008/2009 IDP process, and describes the following:-

- The process followed to prepare Mbashe’s IDP.
- The key informants like Stats SA that has provided the basis for preparing the IDP.
- The set Objectives, strategies, programmes and projects that have been set for the next three years are identified and are carried in this document.
- The Spatial Development Framework for the municipality.

### 1.3 Basis for the IDP 2010/2011

This IDP is undertaken as part of the continuous cycle of planning, implementation and monitoring was illustrated in the approved process plan.

The reviewed IDP 2010/2011 was undertaken within the framework of National, Provincial and District plans and policies, with particular consideration being given to the National Spatial Development Perspective (NSDP) and the Eastern Cape Provincial Growth and Development Plan (PGDP).

All what is contained in this IDP is formulated on the deliberations of the following:-

- IDP representative forums
- Strategic workshop
- IDP and Budget Technical Steering Committee
- IDP Cluster meetings
- HOD meetings
- Executive Committee meetings

This IDP and Budget preparation was undertaken in an integrated way, through the strategic processes detailed below:

- An IDP representative forum was held in 3 March 2010, where progress over the last year (2008/2009) was considered and the IDP process plan was presented.
- IDP Steering Committee meetings were held on November, December (2009) and January and February 2010.
- A strategic workshop was held on the 11<sup>th</sup> and 12<sup>th</sup> of February 2010 at Blue Lagoon Hotel, East London to establish the strategic direction (setting new strategies and objectives), that was attended by both councilors and officials.
  - Cluster working groups were also held over the month of March to evaluate those strategies and putting up projects. Government departments and Non-Government Organizations (NGO's) were invited and fully participated in IGR meeting which was held in the month of March.
- An IDP representative forum was held on the 03<sup>rd</sup> of March 2010, where the draft objectives, strategies, programmes and projects were presented for consideration.
- The draft IDP was adopted by the council in its ordinary sitting on the 31<sup>st</sup> of March 2010.
- Roadshows took place between the 5<sup>th</sup> to the 16<sup>th</sup> of April 2010.
- The IDP representative was held on the 20<sup>th</sup> of May 2010 to look at the final draft.
- The council meeting for the adoption of the draft sat on the 30<sup>th</sup> June 2010. The IDP was finally adopted on the 30<sup>th</sup> June 2010

However, the IDP Process Plan is given as follows:

## 1. **INTRODUCTION**

The Local Government: Municipal System Act 2000, Section 28 requires all municipalities to formulate process Plans that outline how they will go about preparing their Integrated Development Plan. The Mbashe Local Municipality is hereby formulating its Process Plan as required by legislation for the drafting of IDP and budget for 2009/2010 Financial Year. The Process Plan is an organized Activity Plan that outlines the process of drafting and reviewing the IDP and Budget.

The IDP has to be drafted every five years and reviewed annually in order to:

- Ensure its relevance as the Municipality's STRATEGIC PLAN and as such should inform aspects such as the Institutional and Financial
- Inform other spheres of government

## **LEGAL CONTEXT**

The drafting and reviewal of the IDP is legislated in Section 34 of the Municipal Systems Act which states:

A Municipal Council:

- (a) Must review its Integrated Development Plan –

- (i) Annually in accordance with an assessment of its performance measurements in terms of SECTION 41; and
  - (ii) to the extent that changing circumstances so demand; and
- (b) May amend its IDP in accordance with a prescribed process.

## **CONTENT**

In the IDP review cycle changes to the IDP may be required from three main sources:

- Comments from the MEC, if any;
- Amendments in response to changing circumstances; and
- Improving the IDP process and content.

These can be seen to be inputs into the IDP review process. A requirement to be able to undertake the review is a Performance Management System. The main output is a reviewed IDP. This, depending on the circumstances of the municipality, is likely to comprise a number of components, including;

- A reviewed spatial development framework
- Reviewed sector plans
- Updated list of projects
- Budget
- Reviewed municipal and departmental score cards.

## **IDP AND BUDGET PROCESS PLAN 2010/2011**

### **INTRODUCTION**

The Local Government: Municipal System Act 2000, Section 28 requires all municipalities to formulate process Plans that outline how they will go about preparing their Integrated Development Plan. The Mbashe Local Municipality is hereby formulating its Process Plan as required by legislation for the drafting of IDP and budget for 2009/2010 Financial Year. The Process Plan is an organized Activity Plan that outlines the process of drafting and reviewing the IDP and Budget.

The IDP has to be drafted every five years and reviewed annually in order to:

- Ensure its relevance as the Municipality's STRATEGIC PLAN and as such should inform aspects such as the Institutional and Financial
- Inform other spheres of government

## **LEGAL CONTEXT**

The drafting and reviewal of the IDP is legislated in Section 34 of the Municipal Systems Act which states:

A Municipal Council:

- (c) Must review its Integrated Development Plan –
  - (iii) Annually in accordance with an assessment of its performance measurements in terms of SECTION 41; and
  - (iv) to the extent that changing circumstances so demand; and
- (d) May amend its IDP in accordance with a prescribed process.

## **CONTENT**

In the IDP review cycle changes to the IDP may be required from three main sources:

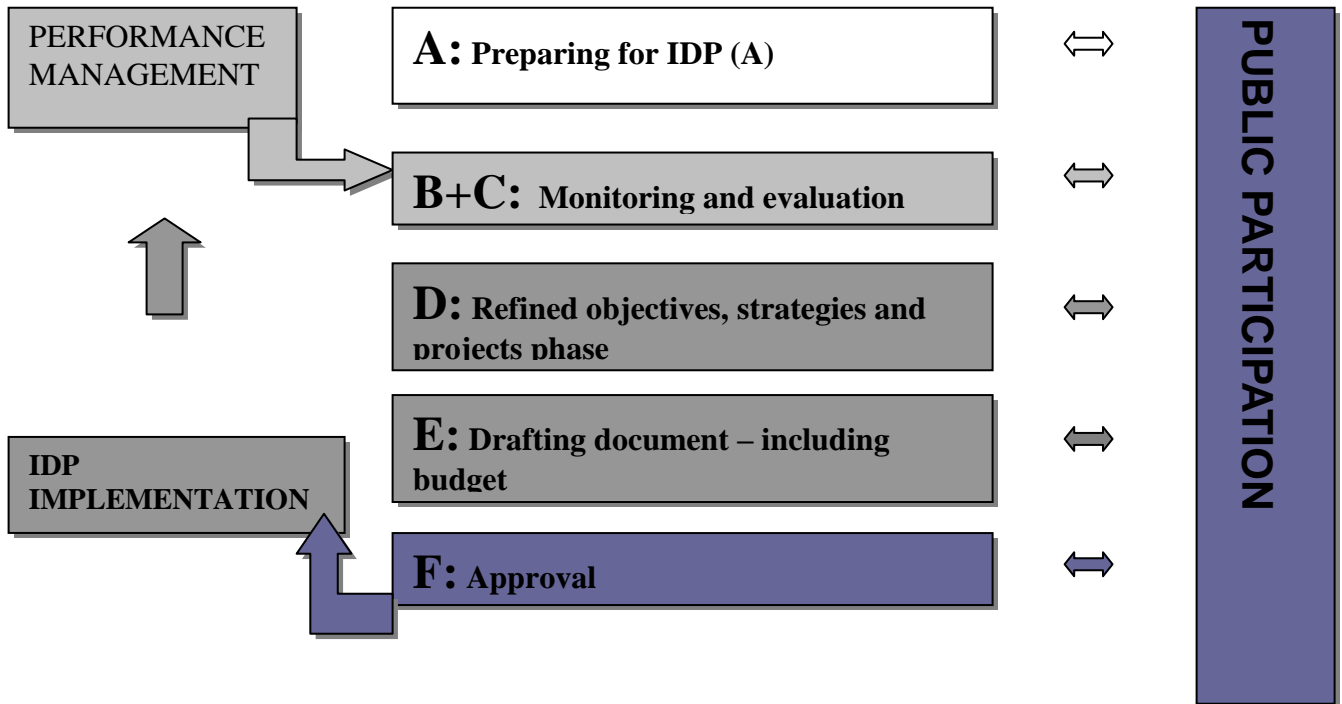
- Comments from the MEC, if any;
- Amendments in response to changing circumstances; and
- Improving the IDP process and content.

These can be seen to be inputs into the IDP review process. A requirement to be able to undertake the review is a Performance Management System. The main output is a reviewed IDP. This, depending on the circumstances of the municipality, is likely to comprise a number of components, including;

- A reviewed spatial development framework
- Reviewed sector plans
- Updated list of projects
- Budget
- Reviewed municipal and departmental score cards.

## PROCESS

The process reflected in the diagram below represents a continuous cycle of planning, implementation and review. Implementation commences after the Municipal Council adopts the initial IDP.



The process reflected in the diagram above represents a continuous cycle of planning, implementation and drafting of the IDP. Implementation commences after the Municipal Council adopts the initial IDP.

Through the year implementation/performance is monitored, new information becomes available and major unexpected events may occur. Some of this information is used to make immediate changes to planning and implementation. Relevant inputs are then integrated into the process of drafting of the IDP.

After adoption of the revised IDP, implementation as well as situational changes will continue to occur; this is monitored throughout the year and evaluated for consideration in the next IDP review.

## 2. ORGANISATIONAL ARRANGEMENTS

### ROLE PLAYERS

The following structures, used in the previous IDP draft and review processes will guide this five/5 year draft IDP process.

- IDP Representative Forum
- IDP Steering Committee



- IDP Cluster Team
- IDP Ward Committees
- IGR Forum

## **ROLES AND RESPONSIBILITIES**

The roles and responsibilities of each of these structures/individuals are reflected in the table below:

<b>Person/structure</b>	<b>Roles and responsibilities</b>
<b>Executive Committee-Mayor</b>	<ul style="list-style-type: none"> <li>• Manage the drafting of the IDP;</li> <li>• Assign responsibilities in this regard to the Municipal Manager;</li> <li>• Submit the draft Framework Plan and Process Plan to the Council for adoption;</li> <li>• Submit the draft IDP to the Council for adoption and approval;</li> <li>• The responsibility for managing the drafting of the IDP has been assigned to the Municipal Manager/IDP Manager.</li> </ul>
<b>Municipal Manager/IDP Manager</b>	<p>The IDP Manager will have the following responsibilities:</p> <ul style="list-style-type: none"> <li>• Preparation of the Process Plan;</li> <li>• Day-to-day management and coordination of the <b>IDP</b> process in terms of time, resources and people, and ensuring; <ul style="list-style-type: none"> <li>○ The involvement of all relevant role-players, especially officials;</li> <li>○ That the timeframes are being adhered to;</li> <li>○ That the planning process is horizontally and vertically aligned and complies with national and provincial requirements;</li> <li>○ That conditions for participation are provided; and</li> <li>○ Those outcomes are being documented.</li> <li>○ Chairing the IDP Steering Committee;</li> <li>○ Management of consultants.</li> </ul> </li> </ul>
<b>IDP Steering Committee</b>	<p>The Steering committee is a technical working team of dedicated officials who support the IDP Manager to ensure a smooth planning process. The Municipal Manager is responsible for the process but will often delegate functions to the officials that form part of the Steering Committee.</p> <p><b>Chairperson:</b> Municipal Manager/IDP Manager</p> <p><b>Secretariat:</b> Council Support Staff – Administration</p> <p><b>Members:</b></p> <ul style="list-style-type: none"> <li>❖ Heads of Departments – Human Resource Finance Works Community Services Land and Housing</li> </ul>

	<p style="text-align: center;"><b>Local Economic Development</b></p> <ul style="list-style-type: none"> <li>❖ The IDP Steering Committee will be responsible for the following: <ul style="list-style-type: none"> <li>• Commission research studies;</li> <li>• Consider and comment on: <ul style="list-style-type: none"> <li>○ Inputs from subcommittee(s), study teams and consultants; and</li> <li>○ Inputs from provincial sector departments and support providers.</li> </ul> </li> <li>• Process, summarize and draft outputs;</li> <li>• Make recommendations to the Rep Forum;</li> <li>• Prepare, facilitate and minute meetings. Prepare and submit reports to the IDP Representative Forum.</li> </ul> </li> </ul>
<b>IDP Representative Forum</b>	<p>The <b>IDP Representative Forum</b>, which was used in the first IDP review process, will be resuscitated.</p> <p><b>Chairperson:</b> The Mayor</p> <p><b>Secretariat:</b> The secretariat for this function will be provided for in meetings of the IDP Steering Committee by the Administration function.</p> <p><b>Membership:</b> It will comprise the same members as the previous year and additional relevant representatives.</p>
<b>Support providers and planning professionals</b>	<p>Service providers will be used for the following:</p> <ul style="list-style-type: none"> <li>• Providing methodological/technical support on the sector plans, budget reform, mainstreaming and other ad hoc support as required;</li> <li>• Facilitation of planning workshops as required.</li> </ul>

**SCHEDULE OF MEETINGS FOR IDP AND BUDGET PROCESS  
IDP PROCESS PLAN**

<b>JULY-PRE-PLANNING PHASE</b>			
<b>ITEM. NO.</b>	<b>ACTIVITIES</b>	<b>NATURE OF THE MEETING</b>	<b>DATE</b>
1.	Reviewal of the PMS framework plan	None	N/A
2.	Preparation of the IDP process plan	None	N/A
3.	Adoption of the IDP/Budget process and Framework plans	Special Council Meeting	2009
4.	Advertising of the framework plan	None	
5.	Presentation of the	Cluster meetings	

	project plans		
6.	PMS reporting (2007/2008 reports)	Cluster meetings	
7.	Preparations for the IDP launch	IDP/Budget steering committee	
AUGUST-PLANNING PHASE			
ITEM. NO.	ACTIVITIES	NATURE OF THE MEETING	DATE
1.	PMS reporting (Project progress)	Cluster meetings	2009
2.	Launch of the IDP	IDP rep. forum	20 August 2009
3.	Preparations for Community Based Planning	IDP/Budget steering committee	27 August 2009
SEPTEMBER-PLANNING PHASE			
ITEM. NO.	ACTIVITIES	NATURE OF THE MEETING	DATE
1.	PMS reporting (Project progress)	Cluster meetings)	9 <sup>th</sup> and 10 <sup>th</sup> September 2009
2.	Reviewal of sector plans	None	01 <sup>st</sup> to 30 <sup>th</sup> September 2009
3.	Community Based Planning starts	Village and Ward meetings	01 <sup>st</sup> to 30 <sup>th</sup> September 2009
OCTOBER-ANALYSIS PHASE			
ITEM. NO.	ACTIVITIES	NATURE OF THE MEETING	DATE
1.	PMS reporting (Project progress)	Cluster meetings	07 <sup>th</sup> and 08 <sup>th</sup> October 2009
2.	Preparations for the analysis phase	IDP steering committee	15/10/2009
3.	Considering reports from the wards (CBP)	IDP steering committee	15/10/2009
4.	Sector plan reports from the head of departments	IDP steering committee	15/10/2009
5.	Collecting of information from various sources by sectional heads.	None	01 <sup>st</sup> to 31 <sup>st</sup> October 2009
NOVEMBER-ANALYSIS PHASE			
ITEM. NO.	ACTIVITIES	NATURE OF THE MEETING	DATE
1.	Presentation of the Situational Analysis to the steering committee	Steering Committee meeting	05 November 2009
2.	PMS reporting (Project progress)	Cluster meetings	11 <sup>th</sup> and 12 <sup>th</sup> November 2009
3.	Presentation of situational analysis	Cluster meetings	11 <sup>th</sup> and 12 <sup>th</sup> November 2009
4.	Reporting on Ward priorities	Cluster Meetings	11 <sup>th</sup> and 12 <sup>th</sup> November 2009
5.	Presenting the Situational	IDP representative forum	20 November 2009

	Analysis and Ward priorities to Rep forum	meeting	
DECEMBER-STRATEGIES PHASE			
ITEM. NO.	ACTIVITIES	NATURE OF THE MEETING	DATE
1.	Receiving reports for the strategic session meeting from the section heads	None	04/12/2009
2.	Considering reports for strategic session	IDP/Budget steering committee	09/12/2009
JANUARY-STRATEGIES PHASE			
ITEM. NO.	ACTIVITIES	NATURE OF THE MEETING	DATE
1.	PMS reporting (Project progress)	Cluster meetings	20 <sup>th</sup> and 21 <sup>st</sup> January 2010
2.	Final preparations for the Strategic session	IDP steering Committee Meeting	22/01/2010
3.	Reviewal of the strategies and objectives, setting up new objectives and strategies based on new priorities	Strategic session meeting	28 <sup>th</sup> and 29 <sup>th</sup> January 2010
FEBRUARY-STRATEGIES PHASE			
ITEM. NO.	ACTIVITIES	NATURE OF THE MEETING	DATE
1.	PMS Reporting	Cluster meetings	10 <sup>th</sup> and 11 <sup>th</sup> February 2010
2.	Presentation of the strategies and objectives by cluster heads	Cluster Meetings	10 <sup>th</sup> and 11 <sup>th</sup> February 2010
3.	Determining projects based on the objectives and strategies	Cluster Meetings	10 <sup>th</sup> and 11 <sup>th</sup> February 2010
4.	Considering projects from other sector departments	IGR forum meetings	22 <sup>nd</sup> to 26 <sup>th</sup> February 2010
MARCH-PROJECTS PHASE			
ITEM. NO.	ACTIVITIES	NATURE OF THE MEETING	DATE
1.	Presentation of the draft IDP and Budget to steering committee	IDP/Budget steering committee	05 March 2010
2.	PMS reporting (project progress)	Cluster meetings	10 <sup>th</sup> and 11 <sup>th</sup> of March 2010
3.	Presentation of the draft IDP to Rep. forum	IDP representative forum meeting	12 March 2010
4.	Presentation and approval of the draft IDP to and by council	Council Meeting	18 March 2010
5.	Advertising of the IDP, calling for public	None	19 March 2010

	comments		
APRIL-APPROVAL PHASE			
ITEM. NO.	ACTIVITIES	NATURE OF THE MEETING	DATE
1.	PMS reporting	Cluster meetings	07 <sup>th</sup> and 08 <sup>th</sup> April 2010
2.	Presentation of the IDP to the communities	IDP road shows	24 March to 23 April 2010
MAY-APPROVAL PHASE			
ITEM. NO.	ACTIVITIES	NATURE OF THE MEETING	DATE
1.	Looking at the comments from the roadshows	IDP Steering Committee Meeting	03/05/2009
2.	Presentation of the final draft IDP to steering committee	IDP Steering Committee meeting	07/05/2010
3.	PMS reporting	Cluster meetings	11 <sup>th</sup> and 12 <sup>th</sup> May 2010
4.	Presentation of the final draft IDP to IGR	IGR	14/05/2010
5.	Presentation of the final draft IDP to rep forum	IDP representative forum	19/05/2010
6.	Approval of the draft final draft IDP by council	Council Meeting	25/05/2010
7.	Submission of the draft IDP to MEC and other relevant departments	None	28/05/2010
JUNE-APPROVAL PHASE			
ITEM. NO.	ACTIVITIES	NATURE OF THE MEETING	DATE
1.	Printing of the IDP documents	None	N/A
2.	PMS reporting (Project progress)	Cluster meetings	09 <sup>th</sup> and 10 <sup>th</sup> June 2010
3.	Presentation of project plans	Cluster meetings	09 <sup>th</sup> and 10 <sup>th</sup> June 2010
4.	Presentation of the SDBIP and Municipal Scorecard to council	Council meeting	24 June 2010

### 2.3.2 BUDGET PROCESS PLAN

PROCESS	LEGISLATIVE REQUIREMENTS	RESPONSIBILITY	TIME FRAME
Implementation of the budget 2009/10 financial year	MFMA s53	Municipal Manager	01 July 2009
Start with the preparation of			

the next budget and review previous year's budget checklist.		Mayor	31 July 2009
Mayor tables in council the schedule of key deadlines setting the time table for: preparing, tabling and approving the budget, reviewing the IDP and budget related policies and consultation processes at least 10 months before the start of the budget year. Mayor establishes committees and consultation forums for the budget process	MFMA s21,22,23 and MSA s34, chapter 4	Mayor	30 August 2009
Council through the IDP review process determines strategic objectives for service delivery and development for next three –year budget including review of district, provincial and national government sector and strategic plans of Mbashe Municipality.	National Treasury recommendation	Council	September -October 2009
Submit quarterly report to council on the implementation of the budget and financial affairs of the municipality	MFMA s 52 (d)	Mayor	10 October 2009
Council finalizes tariffs (rates and service charges) policies for the next financial year	MSA s 74,75	Council	November –December 2009
Assess the performance of the municipality in the first six months of the financial year	MFMA s 72	Municipal Manager	25 January 2010
Submit mid-year performance assessment report to council	MFMA s 54 (1) (f)	Mayor	31 January 2010
Review proposed national and provincial allocations and projects for the next three years information which will be made available	MFMA s36	Municipal Manager	25 January 2010
Table the adjustments budget for 2009/10 if necessary	MFMA 72 (3)	Mayor	February 2010
Annual budget tabled at council at least 90 days before the start of the budget year.	MFMA 16 (2)	Mayor	30 April 2010

Public hearings on the budget and council debate.	MSA Chapter 4 as amended	Mayor	May 2010
Council consider views of the local community, National Treasury, provincial Treasury and other organs of the state.	MFMA 23(1)	Council	May 2010
Mayor to be provided with an opportunity to respond to submissions during consultation and table amendments for council consideration. Council to consider approval of budget and plans at least 30 days before start of budget year.	MSA Chapter 4 as amended MFMA 24(1)	Mayor Council	May 2010 30 May 2010
Consider approval of annual budget 2010/11 by resolution, setting taxes and tariffs. Approving changes to IDP and budget related policies. Approving measurable performance objectives for revenue by source and expenditure by vote before start of budget year	MFMA s 16,24,26,53	Council	June 2010
Submit Service delivery implementation plan (SDBIP) 2010/11 within 14 days after approval of the budget	MFMA 69(3)	Municipal Manager	14 June 2010
Approval of Service delivery implementation plan (SDBIP) 2010/11 within 28 days after the approval of the budget and ensure that annual performance contracts are included in accordance with s 57(2) of the MSA.  Ensure that the annual performance agreements are linked to the measurable performance objectives approved with the budget and SDBIP.  The mayor submits the approved SDBIP and performance agreements to	MFMA s 53 MSA s38-45, 57(2)	Mayor	28 June 2010

council, MEC for Local Government and makes public within 14 days after approval.			
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### **IDP CLUSTER TEAMS**

IDP Clusters usually formed as a combination of the IDP Steering Committees and IDP representative Forum members need to continue to function. To ensure alignment and coordination with the ADM Cluster Teams the following clusters must be in place:

<b>CLUSTER</b>	<b>PRIORITY ISSUES</b>
Institution & Finance	<ul style="list-style-type: none"> <li>• Institution</li> <li>• Finance</li> <li>• Communication</li> <li>• Special Programmes</li> <li>• Intergovernmental relations</li> </ul>
Local Economic Development and Environment	<ul style="list-style-type: none"> <li>• Agriculture</li> <li>• Manufacturing</li> <li>• Tourism</li> <li>• SMME</li> <li>• Mining</li> <li>• Fishing</li> <li>• Forestry</li> </ul>
Social Needs	<ul style="list-style-type: none"> <li>• Municipal (environmental) Health</li> <li>• HIV/AIDS</li> <li>• Disaster Management and Fire Fighting</li> <li>• Primary Health Care</li> <li>• Safe and Healthy Environment</li> <li>• Environment</li> </ul>
Infrastructure	<ul style="list-style-type: none"> <li>• Sanitation</li> <li>• Roads</li> <li>• Telecommunication and Electricity</li> <li>• Solid Waste</li> <li>• Land and Housing</li> <li>• Building Control</li> </ul>



### 3. **MECHANISM AND PROCEDURES FOR PUBLIC PARTICIPATION**

One of the main features of the Integrated Development planning process is the involvement of community and stakeholder organizations in the process. Participation of affected and interested parties is obligatory in the IDP drafting process and is set down in SECTIONS 16-18 of the Municipal Systems Act. This is to ensure that the IDP addresses the real issues that are experienced by the citizens of a municipality.

The Mbashe Local Municipality comprises a large geographical area with many people. To ensure that there is representation of various organized and groups our Municipality will be using following approach:

- ❖ The Amathole District Municipality will place a blanket notice on the Local newspaper (Daily Dispatch) inviting interested parties to participate in the Representative Forums (Mbashe Local Municipality being one).
- ❖ Languages being used as medium of communication will be English and Xhosa.
- ❖ National and Community radios will be used including Umhlobo Wenene, University of Transkei Community Radio, Khanya Community Radio.
- ❖ Use of Local Circulating Newspapers
- ❖ Announcements in churches, schools, community activities like Imbizo, weddings etc.

The Representative Forum will meet throughout the IDP Process. The frequency of meetings is highlighted in the Schedule of Meetings.

### 4. **LEGALLY BINDING PLANS AND DOCUMENTS**

National legislation can be distinguished between those that deal specifically with municipalities arising from the Local Government White Paper on the one hand and sector planning legislation on the other.

The Municipal Structures and Systems Acts are specific to municipalities. The Systems Act has a specific chapter dedicated to IDPs and is the driving piece of legislation for the development of IDPs.

National sector legislation contains various kinds of requirements for municipalities to undertake planning. Sector requirements vary in nature in the following way:

- Legal requirements for the formulation of a discrete sector plans (e.g. a water services development plan).
- A requirement that planning be undertaken as a component of, or part of, the IDP (like a housing strategy and targets).
- Links between the IDP and budget process as outlined in the Municipal Finance Management Act, No 56 of 2003.
- Legal compliance requirement (such as principles required in the Development Facilitation Act – DFA – and the National Environmental Management Act – NEMA).
- More a recommendation than a requirement, which is deemed to add value to the municipal planning process and product (in this case, Local Agenda 21).

These are highlighted in the table below:

<b>Category of requirement</b>	<b>Sector requirement</b>	<b>National Department</b>	<b>Legislation/policy</b>
Legal requirement for a district/local plan	Water Services Development Plan	Department of Water Affairs and Forestry	Water Services Act

	Integrated Transport Plan	Department of Transport	National Transport Bill
	Waste Management Plan	Department Environmental Affairs & Tourism	White Paper on waste Management
	Spatial planning requirements	Department of Land Affairs	DFA/Land Use Management Bill (forthcoming)
Requirement for sector planning to be incorporated into IDP	Housing strategy and targets	Department of Local govt. Housing & Traditional Affairs	Housing Act (Chapter 4, Section 9)
	Coastal management issues	Department of Environmental Affairs & Tourism	
	LED	Department of Provincial and Local Government	Municipal Systems Act
	Integrated Infrastructure Planning	Department of Provincial and Local Government	

## 5. **ACTION PLAN AND BUDGET**

### **ACTION PLAN**

Each Phase of the IDP drafting process will be initiated by a Steering Committee meeting, followed by a Representative Forum Meeting. Representative Forum meetings are scheduled to facilitate community participation and relevant input to the IDP process. Alignment of process between Mbhashe Local Municipality and Amathole District Municipality will be adhered to. Attendance by Mayor and Municipal Manager/IDP Manager in DIMAFO meetings will be a necessity. Also the participation on all Steering Committee and Representative Forum Meetings by ADM Municipal Support Unit will be greatly encouraged.

### **BUDGET**

The Mbhashe Local Municipality has allocated an amount of R265 000 for the 2009/2010 financial year and it will be allocated as follows:

❖	IDP REP forum meeting	-	R50 000.00
❖	Printing Costs	-	R80 000.00
❖	Strategic session meeting	-	R80 000.00
❖	Ward Participation	-	<u>R55 000.00</u>
❖	<b>TOTAL</b>		<b><u>R265 000.00</u></b>

## CHAPTER 2: SITUATIONAL ANALYSIS

### 2.1 MBHASHE DEMOGRAPHIC PROFILE

#### 2.1.1 MBHASHE IN CONTEXT

Mbhashe municipality is situated in the south eastern part of the Eastern Cape Province, and is bound by the Qhora River in the south to Mncwasa River in the north along the Indian Ocean. The municipality borders the following municipalities:

- King Sabata Dalindyebo (in the eastern part)
- Ngcobobo (to the western part)
- Mngquma (to the South)
- Ntsika Yethu (in the South-Western part)

Mbhashe has earned the name from the beautiful river called Mbhashe which flows from the banks of Ngcobobo flowing through Dutywa, Gatyana (Willowvale) and Xhora (Elliotdale). Mbhashe is comprised of the three towns of Dutywa, Gatyana and Xhora and numerous rural settlements. The area also boasts the head offices of the AmaXhosa Kingdom at Nqadu Great Place.

Mbhashe is 3030.47 km<sup>2</sup> in area and consists of 26 wards and 51 Councillors. The vision of the Municipality is a ***“vibrant institution able to provide quality and accessible services to all its communities in a socio economic manner, with the aim of benefitting her people”***. Four clusters of key development priorities are identified i.e. LED and Environment, Social Needs, Infrastructure and Institutional and Finance clusters.

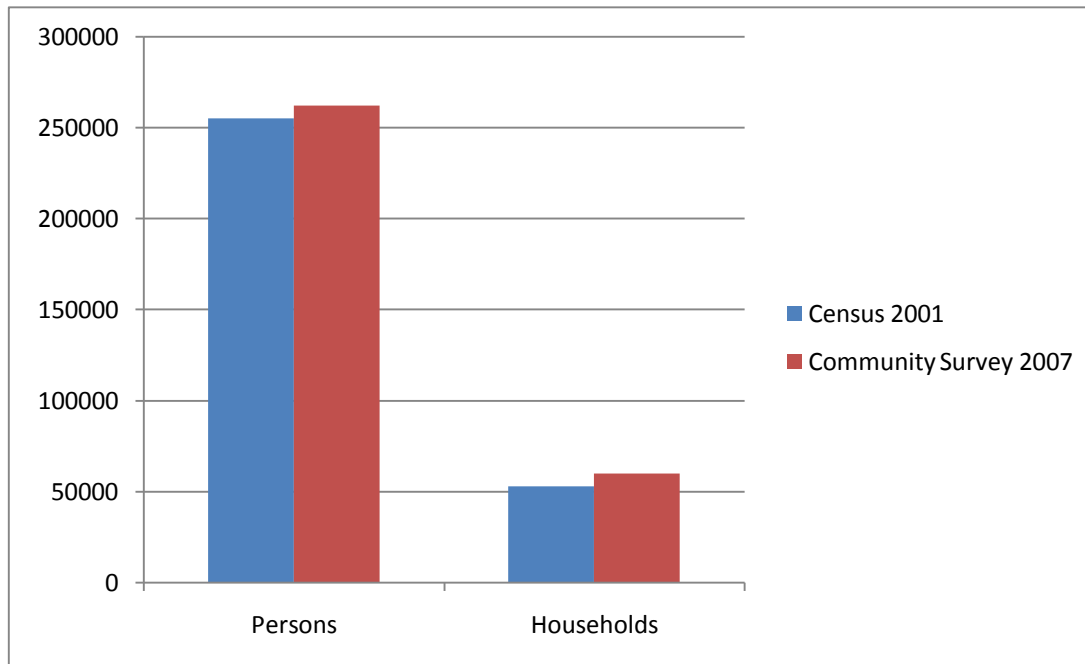
Mbhashe is predominantly rural, with high levels of unemployment, poverty and dependency. The dependency ratio is set to increase if employment opportunities are not created for the large and youthful population. Mbhashe's location on the Wild Coast provides the key for potential economic growth as the area is said to be one of the most sought after coastal tourism destinations in the Eastern Cape. The municipality is in the process of developing its own official LED strategy with the assistance of Teba Development and is presently using the Amathole District Strategy and is investigating means to exploit the Wild Coast's potential, and will make use of the Amathole District's plans and focus on the development and expansion of Agriculture, forestry, mining and tourism. The road networks are severely under-maintained with few roads that are tarred, which adds to the economic challenges experienced by the local population as many rural areas and basic services, such as schools, are inaccessible.

## 2.1.2 MBHASHE POPULATION

**Table 1: Comparison of Census 2001 Data With Community Survey 2007 Data**

Persons		Households	
Census 2001	Community Survey 2007	Census 2001	Community Survey 2007
255 071	262 008	52 886	59 705

**Figure 1: Comparison of Census 2001 Data With Community Survey 2007 Data**



Source: Stats SA- Census 2001 and Community Survey 2007

The current population of Mbhashe according to Community Survey in 2007 shows that the population has increased from 255071 to 262 008 people and households have increased from 52886 to 59 705. The population distribution ranges between 6 068 (2 108 households) and 14 822 (3 324 households) persons per ward. The average household size has 5-6 people. The population is distributed as follows:-

**Table 2: Population Distribution by Race – Mbhashe Municipality**

RACE	POPULATION	
African	261,699	99.88%
Coloured	57	0.02%
Indian	178	0.06%
White	77	0.02%
<b>TOTAL</b>	<b>262,011</b>	<b>100%</b>

Source: Statistics SA (Community Survey 2007)

**Table 3: Population Demographics per Ward (1996)**

POPULATION DEMOGRAPHICS PER WARD (1996)						
Ward	Population	African	Coloured	Indian	White	Other
1	11390	99.0%	0.0%	0.0%	0.0%	1.0%
2	9861	99.5%	0.1%	0.0%	0.0%	0.4%
3	8671	99.8%	0.0%	0.0%	0.0%	0.2%
4	10159	99.6%	0.0%	0.0%	0.0%	0.3%
5	6714	99.8%	0.0%	0.0%	0.0%	0.2%

6	11831	99.8%	0.1%	0.0%	0.0%	0.1%
7	3146	97.0%	1.4%	0.2%	0.9%	0.5%
8	12994	99.7%	0.0%	0.1%	0.0%	0.2%
9	14533	99.6%	0.0%	0.0%	0.0%	0.3%
10	13951	99.4%	0.0%	0.0%	0.0%	0.5%
11	7008	99.4%	0.0%	0.0%	0.1%	0.5%
12	13255	99.3%	0.1%	0.0%	0.0%	0.6%
13	8054	98.4%	0.4%	0.2%	0.3%	0.7%
14	6679	99.0%	0.4%	0.2%	0.1%	0.3%
15	7138	99.8%	0.1%	0.0%	0.0%	0.1%
16	14169	99.3%	0.0%	0.0%	0.1%	0.6%
17	12421	99.3%	0.1%	0.0%	0.0%	0.6%
18	9454	99.7%	0.0%	0.0%	0.0%	0.2%
19	13865	99.7%	0.1%	0.0%	0.0%	0.2%
20	8325	99.4%	0.2%	0.0%	0.0%	0.3%
21	9446	98.5%	0.2%	0.0%	0.0%	1.2%
22	7437	99.4%	0.0%	0.0%	0.0%	0.6%
23	10127	98.5%	0.0%	0.0%	0.0%	1.4%
24	13878	99.5%	0.1%	0.0%	0.0%	0.4%

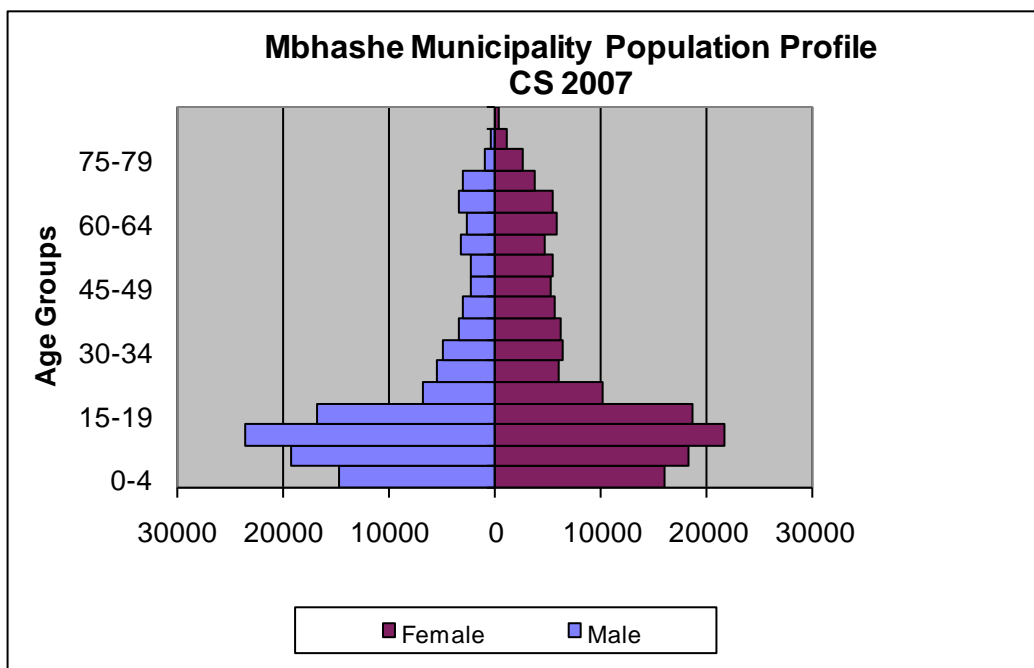
Source: Stats SA: 1996 Census

**Table 4: Demographic Profile**

Age	Male	Female	Total
0 - 4	14800	16005	30805
5 - 9	19308	18296	37604
10 - 14	23542	21649	45191
15 - 19	16726	18725	35451
20 - 24	6853	10183	17036
25 - 29	5423	6049	11472
30 - 34	4861	6494	11355
35 - 39	3395	6218	9613
40 - 44	2951	5711	8662
45 - 49	2256	5245	7501
50 - 54	2324	5423	7747
55 - 59	3240	4742	7982
60 - 64	2628	5863	8491
65 - 69	3380	5528	8908
70 - 74	3022	3701	6723
75 - 79	947	2702	3649
80 - 84	354	1079	1451
85 +	643	399	1042

Stats SA: Community Survey 2007

**Figure 2: Mbashe Municipality Population Pyramid**



Stats SA: Community Survey 2007

In terms of the demographic profile of the Mbashe Municipality it is evident that there is a large population that are school going with 43% of the population being under the age of 15. This would imply that there would be a greater need for social services such as schools and crèches, as community facilities such as sports fields. There is a high dependency ratio on the economically active portion of the population.

**Table 5: Age Distribution**

0 – 4	30 809	11.7%
5 – 14	82 123	31.3%
15 – 34	77 533	29.7%
35 – 64	53 864	20.6%
Over 65	17 682	6.7%
<b>TOTAL</b>	<b>262,011</b>	<b>100%</b>

Source: Statistics SA Community Survey 2007

In terms of gender distribution there is a higher percentage of females (55.5%) compared to males (44.5%) and this can be attributed to males leaving the area in order find employment in the bigger cities.

**Table 6: Gender distribution by age**

	MALES	%	FEMALES	%
0 – 4	14800	6.10	16 009	5.99
5 – 14	42853	15.96	39270	16.06
15 – 34	33 864	12.78	43 669	16.13
35 – 64	16777	7.00	37087	12.81
Over 65	8360	2.66	9322	4.51
<b>TOTAL</b>	<b>116654</b>	<b>44.5</b>	<b>145 357</b>	<b>55.5</b>

Source: Statistics SA Community Survey 2007

## 2.2 SOCIO-ECONOMIC PROFILE

The Mbashe Municipality is overwhelmingly rural, where the majority of residents (95.41%) live on tribal land and more than half (54.12%) of households own their properties, of which 90.32% are fully paid-up owners. Mbashe has only two **unsettled land claims** seeking land for housing (1) and for livestock farming (1). The Local Municipality performs poorly in respect of **Crime** owing to limited police coverage by geographical area and particularly by population size. However, the local crime rate (14.58 crimes per 1000 people) is low and has declined substantially (-3.70%pa) over the past three years.

The local economy is highly **concentrated**, dominated by the Community Services sector in terms of both GVA and employment. The cost of doing business in the area is lower than the Provincial average, considering the favourable distance, and travel time to the major economic centre of East London as well as favourable expenditure on transport, communication and finance relative to the Provincial average. Further considerations are severely limited access to business **service providers** and fairly limited access to development and financial support institutions, contrasted with comparatively high municipal regulatory capacity.

Mbashe claims the most youthful population (54.09% aged under 20 years) as well as the highest rates of poverty (90.38%) and dependency (5.10) in Amathole, coupled with high unemployment (78.51%) and higher than average proportion of people (7.12%) aged over 64 years. An indication of the depth of poverty in the area is revealed by the Municipality's share of the Provincial poverty gap (6.01%), which is substantially higher than its share of the Provincial population (4.31%).

The Municipality's low **Productivity** score points to the low GDP per worker (formal and informal), a shortage of skills available to the economy, and particularly low growth in value creation relative to labour remuneration and especially employment. Mbashe emerges with the lowest **Formal Economy Performance** in the Eastern Cape, principally on the basis of being the most grant-dependent local economy in the Province. Other factors are the highly concentrated economy and poor GDP performance. However, Mbashe emerges as a leading economy, both nationally and Provincially, in respect of formal employment growth performance and has experienced a positive shift in share of employment, but a negative shift in share for GDP contribution from 1996 to 2004. By contrast, the Municipality falls into the top half of all municipalities in the Province on **Economic Absorption Capacity** on the basis of relatively high total disposable income and buying power.

Negative contributory factors are the negative income-expenditure balance and below average economic multipliers and informal sector capacity to generate economic opportunities relative to formal employment.

The local economy claims a comparative advantage, for both GDP and employment in Community Services, which is overwhelmingly dominated by Education (38.59% GVA and 46.24% employment).

Further **comparative advantages**, in terms of GDP contribution, are reflected for Agriculture centre on Forestry and Logging (8.11%); and Trade – centred on the Retail sub-sector (11.15%) emerge as a further employment advantage.

The Municipality claims a range of leading products, including subtropical and deciduous fruit, maize, and tourism, where the latter is identified as having very high potential given the Municipality's favourable location on the Wild Coast. Dryland potential exists for maize and beans, and the area is identified as suitable for forestry. Good market (broilers, eggs) and field cropping (maize, and dry beans) as well as for hydroponics production, notably of tomatoes.

Factors contributing to low **Resident Participation Capacity** in Mbhashe are the very low HDI (0.41), below average access to education and particularly health professionals, and a comparatively high proportion of child-headed households in the Eastern Cape context.

Functional literacy (44.24%) is low, as is the qualification rate (5.24%) and the proportion of residents that have gained at least a matric (9.40%). **Women's Economic Participation** is marginal, where women account for 55.09% of the population yet constitute only 48.37% EAP and face substantially higher unemployment (81.71%) and rate of growth in unemployment (5.51% pa) than men.

Mbhashe reflects poor **Municipal Capacity** considering the very low ratio of municipal employees to population and limited number of functions performed with capacity. Managerial capacity is moderate, although municipal manager experience is high and some capacity is evidenced by the presence of local tourism, regulatory, trading and planning staff.



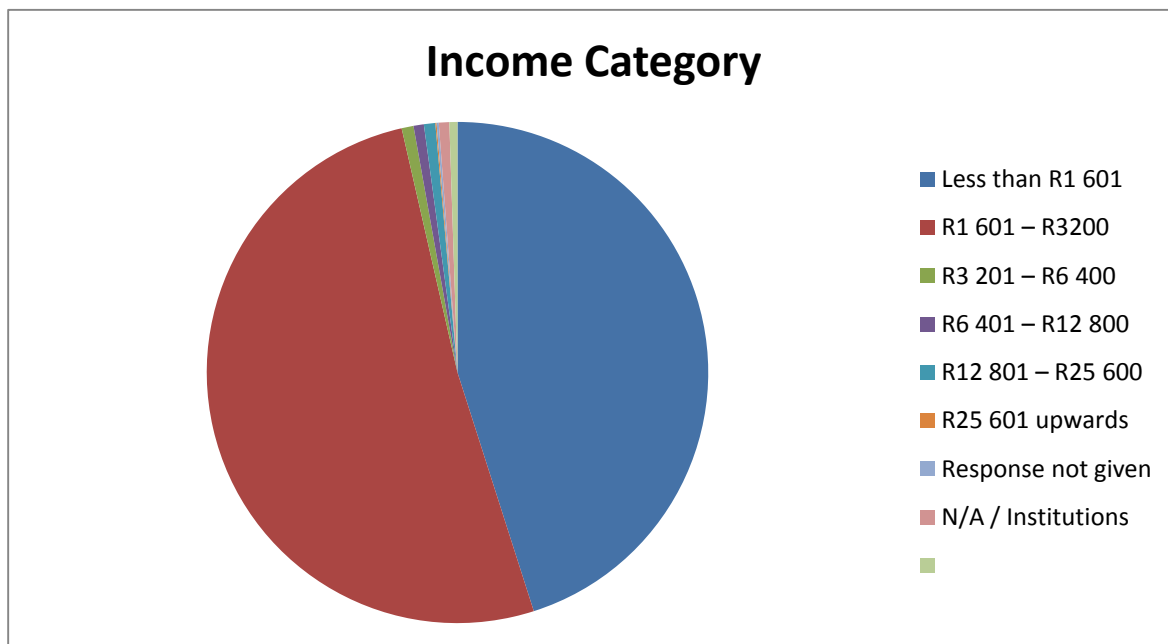
## 2.2.1 ECONOMIC INDICATORS

**Table 7: Income Categories**

Income Category	Gender		Population Group				Total
	Male	Female	Black	Coloured	Indian or Asian	White	
No income	53124	64959	118015	25	43	0	118083
Less than R1 601	58695	75819	134381	23	110	0	134514
R1 601 – R3200	1080	928	2008	0	0	0	2008
R3 201 – R6 400	678	1067	1745	0	0	0	1745
R6 401 – R12 800	841	1095	1840	0	0	74	1914
R12 801 – R25 600	215	0	215	0	0	0	215
R25 601 upwards	239	129	368	0	0	0	368
Response not given	959	806	1765	0	0	0	1765
N/A / Institutions	820	547	1357	11	0	6	1357

Source: Stats SA: Community Survey 2007

**Figure 3: Income Category**



Source: Stats SA: Community Survey 2007

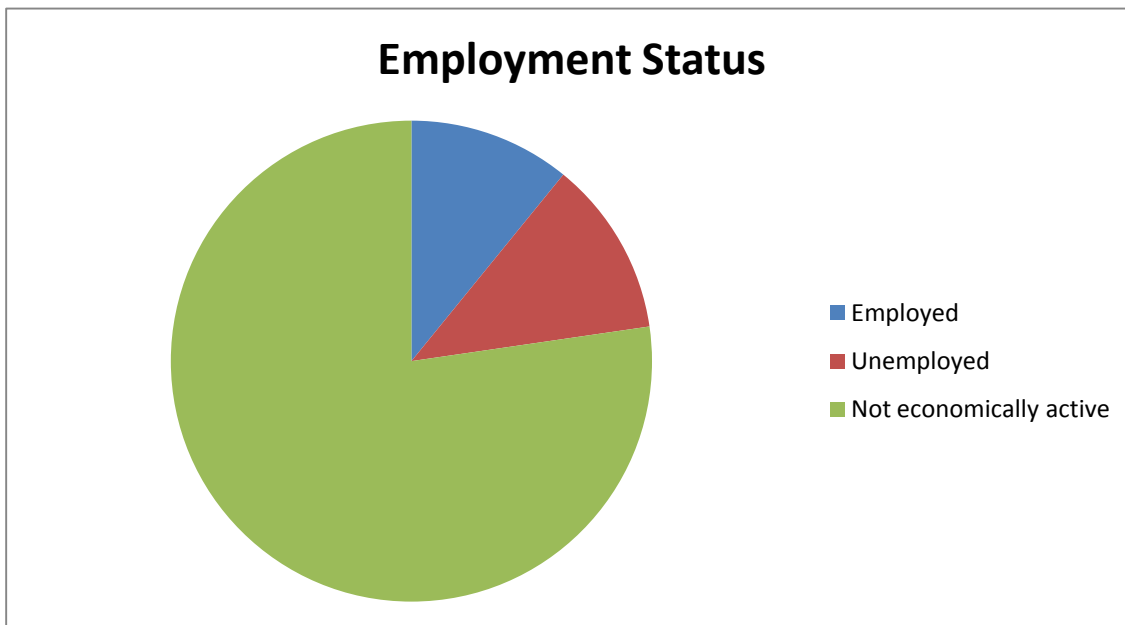
The majority of the population of Mbashe lives below the poverty line, and there is a high unemployment rate. Most households are very poor with 96% earning less than R1601 per month which includes 43% of the population who are under the age of 15 and therefore not economically active.

**Table 8: Employment Status**

Employment status	Gender		Population Group				Total
	Male	Female	Black	Coloured	Indian or Asian	White	
<b>Employed</b>	6089	7298	12925	9	0	74	13387
<b>Unemployed</b>	7710	6845	14555	0	0	0	14555
<b>Not economically active</b>	35508	59651	95055	22	88	0	95159

Stats SA: Community Survey 2007

**Figure 4: Employment Status**



Stats SA: Community Survey 2007

### 2.2.1.1 Employment and Skills

The majority of the employed population fall within the low skilled, elementary category, and unspecified occupation groups. There is a large proportion of the population that is not economically active. In terms of the Eastern Cape Provincial Growth and Development Plan, the Province aims to halve unemployment by 50 % by 2014.

**Table 9: Employment Status in Percentage (1996)**

Ward	EMPLOYMENT STATUS (%) 1996	
	Employed	Unemployed
1	26.9	73.1
2	23.7	76.3
3	30.0	70.0
4	22.5	77.5

5	17.5	82.5
6	33.3	66.7
7	84.8	15.2
8	31.0	69.0
9	37.1	62.9
10	37.5	62.5
11	18.3	81.7
12	28.1	71.9
13	50.3	49.7
14	42.2	57.8
15	10.4	89.6
16	21.4	78.6
17	35.5	64.5
18	41.0	59.0
19	26.5	73.5
20	19.8	80.2
21	16.0	86.0
22	17.0	83.3
23	12.2	87.8
24	21.3	78.7

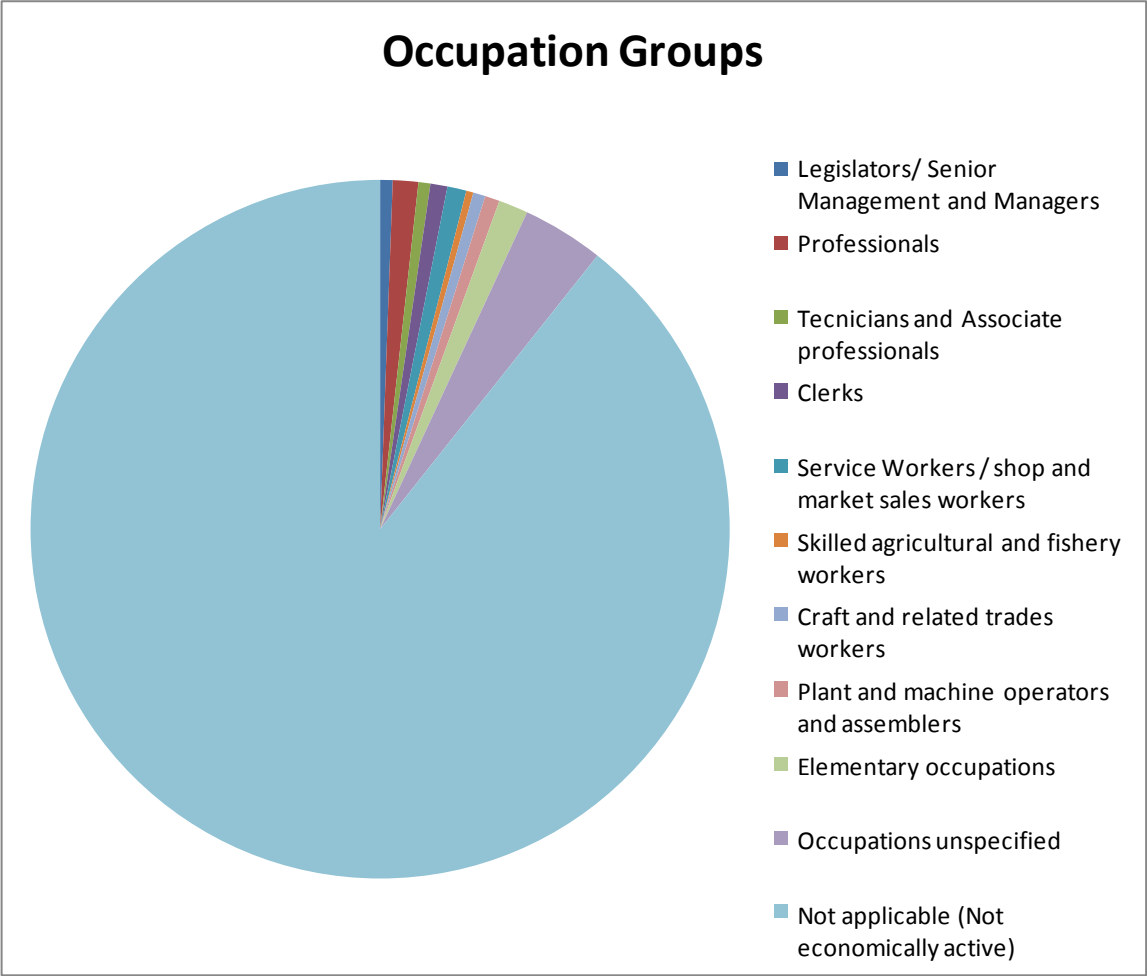
Source: Stats SA: 1996

**Table 10: Occupation Groups**

Occupation	Gender		Population Group				Total
	Male	Female	Black	Coloured	Indian or Asian	White	
Legislators/ Senior Officials / Managers	403	320	649	0	0	74	723
Professionals	403	1068	1471	0	0	0	1 471
Technicians / Associate Professionals	302	391	693	0	0	0	693
Clerks	7	975	982	0	0	0	982
Service Workers / Shop and Market sales workers	610	494	1104	0	0	0	1 104
Skilled agricultural and fishery workers	271	141	412	0	0	0	412
Craft and related trades workers	707	0	707	0	0	0	707
Plant and machine operators and assemblers	788	62	850	0	0	0	850
Elementary occupations	419	1290	1709	0	0	0	1 709
Occupations unspecified and not elsewhere classified	2179	2556	4726	9	0	0	4 726
Not applicable (not economically active)	44297	67580	111767	22	88	0	111 877

Stats SA: Community Survey 2007

**Figure 5: Occupation Groups**

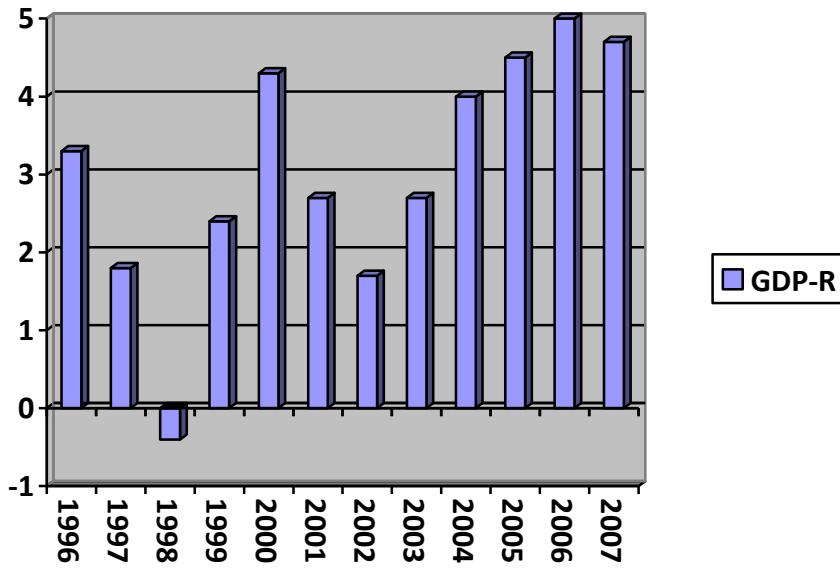


Stats SA: Community Survey 2007

**2.2.1.2 Gross Domestic Product**

According to Statistics SA, the provincial economy grew by an annual average of 3.6 percent from 2000 to 2007 (see figure 6). To meet the Eastern Cape Provincial Growth and Development Plan 2014 target, a 5.3 percent GDP-R growth rate or higher) needs to be maintained.

**Figure 6: Eastern Cape GDP-R – Growth Rate**

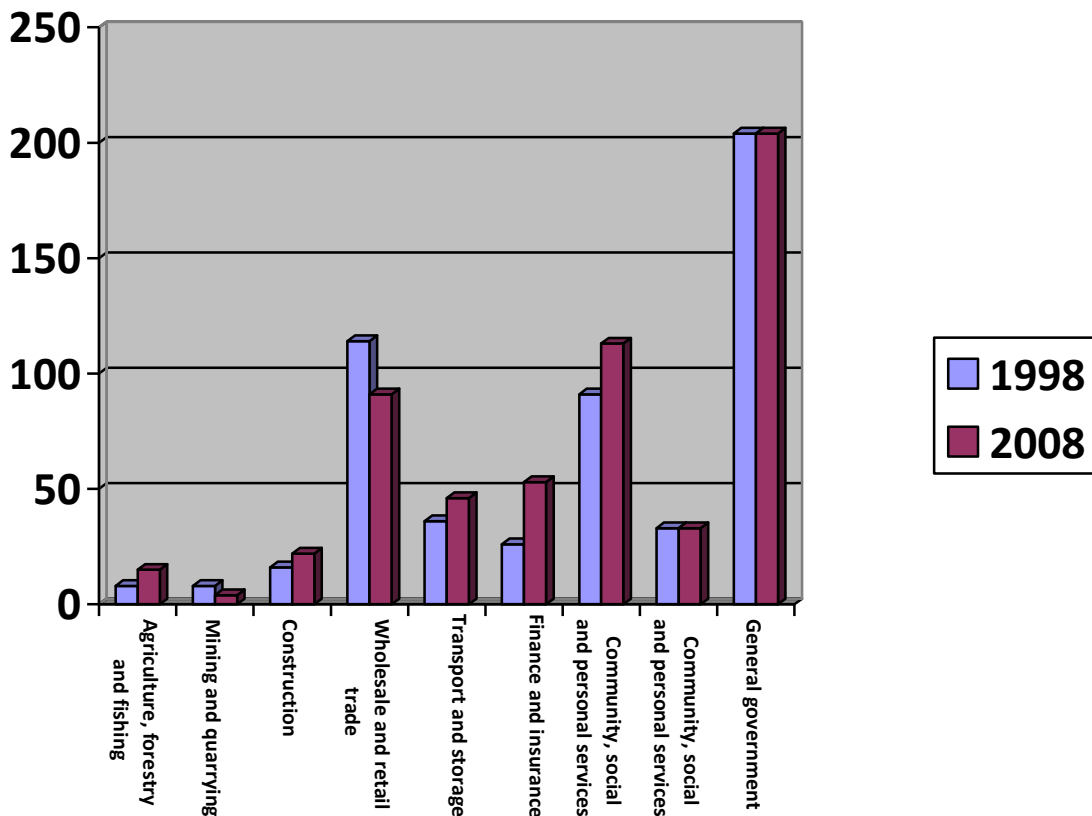


Source: Eastern Cape Socio Economic Consultative Council Web page (2009)

### **2.2.1.3 Gross Value Added**

From the graph below, it can be seen that the Mbhashe Municipality economy is dominated by the general government sector, followed by wholesale and retail trade and community, social and personal services. There has been a slight improvement in all indicated sectors except mining and quarrying, and wholesale and retail trade where there has been a decline, and Community, social and personal services, and General government which have remained unchanged. This is of concern as these are the largest contributors to the economy.

Figure 7: GVA-R for Mbashe (1998 – 2008)



Source: Eastern Cape Socio Economic Consultative Council Web page (2009)

## 2.2.2 SOCIAL INDICATORS

### 2.2.2.1 Crime

According to Shaw (1998) local government in crime prevention can take a variety of forms. This can be broadly summarized into nine categories which span a spectrum of functions internal and external to municipal government. These can be categorized as follows:

- Internal prevention;
- Improving police accountability;
- Aligning resources and objectives within a crime prevention framework;
- Ensuring development projects take account of crime prevention principles;
- Co-ordination of crime prevention;
- Effective by-law enforcement;
- Effective traffic law enforcement;
- Assisting victims of crime; and
- Initiating targeted crime prevention programmes.

The ordinary daily activities of local government involve issues of local level management and governance, thus, many crime functions are inherent to the ordinary operations of local government.

Crime also varies from area to area across the country, as do the causal factors for offending. These factors imply that different strategies may need to be used to prioritise different problems in different areas. Table 11 below provides an indication of the levels of crime for the past two years in Mbashe Municipality.

**Table 11: Mbashe Crime Statistics (Elliotdale, Willowvale, Dutywa): April 2007 – March 2009**

	WILLOWVALE		ELLIOTDALE		DUTYWA	
CRIME CATEGORY	2007/2008	2008/2009	2007/2008	2008/2009	2007/2008	2008/2009
<b>CONTACT CRIMES (CRIMES AGAINST THE PERSON)</b>						
Murder	50	57	16	14	46	47
Total sexual crimes	74	83	39	38	97	97
Attempted murder	26	13	14	7	15	22
Assault with the intent to inflict grievous bodily harm	279	249	194	145	247	206
Common Assault	102	75	45	42	70	54
Robbery with aggravating circumstances	32	27	32	18	67	79
Common robbery	51	12	26	6	19	21
<b>CONTACT-RELATED CRIME</b>						
Arson	15	5	18	10	17	5
Malicious damage to property	60	43	27	10	62	56
<b>PROPERTY-RELATED CRIME</b>						
Burglary at business premises	0	0	0	2	43	48
Burglary at residential premises	82	119	77	49	124	139
Theft of motor vehicle and motor cycle	7	3	10	6	30	26
Theft out of or from motor vehicle	8	5	9	10	36	35
Stock theft	47	49	24	15	121	80
<b>CRIME HEAVILY DEPENDENT ON POLICE ACTION FOR DETECTION</b>						
Illegal possession of firearms and ammunition	22	66	7	6	21	32
Drug related crime	32	30	8	21	89	112
Driving under the influence of alcohol or drugs	0	5	0	3	36	12
<b>OTHER SERIOUS CRIME</b>						
All theft not mentioned elsewhere	70	73	55	64	126	103
Commercial crime	11	5	6	12	59	56
Shoplifting	4	4	13	20	42	48
<b>SUBCATEGORIES OF AGGRAVATED ROBBERY FORMING PART OF AGGRAVATED ROBBERY ABOVE</b>						
Carjacking	1	1	3	1	1	5
Truck Hijacking	1	0	0	0	0	0
Robbery at business premises	2	4	6	7	4	18
Robbery at residential premises	0	10	1	9	6	26



<b>OTHER CRIME CATEGORIES</b>						
Culpable homicide	8	3	8	3	36	34
Public violence	1	0	0	0	1	1
Crimes in injuria	0	1	25	12	3	6
Neglect and ill-treatment of children	2	0	0	0	2	2
Kidnapping	0	0	0	0	2	2

Source: South African Police Services (SAPS), 2009

### 2.2.2.2 HIV/AIDS

**Table 12: Prevalence of HIV/AIDS**

		<b>1997</b>	<b>2002</b>	<b>2007</b>
<b>AREA</b>	<b>Population group</b>			
<b>Eastern Cape</b>	<b>Total</b>	<b>185,622</b>	<b>494,044</b>	<b>634,319</b>
	Black African	182,404	478,403	605,112
	Coloured	2,972	14,101	25,352
	Indian or Asian	19	150	428
	White	227	1,389	3,426
<b>Amatole District municipality</b>	<b>Total</b>	<b>55,235</b>	<b>145,060</b>	<b>182,941</b>
	Black African	54,855	143,122	178,970
	Coloured	322	1,586	3,102
	Indian or Asian	5	40	113
	White	53	312	756
<b>Mbhashe Local Municipality</b>	<b>Total</b>	<b>6,516</b>	<b>17,639</b>	<b>23,378</b>
	Black African	6,515	17,631	23,348
	Coloured	1	7	23
	Indian or Asian	0	0	2
	White	0	1	4

Source: Eastern Cape Socio Economic Consultative Council Web page (2009).

It is estimated the population of Eastern Cape in 2007 to be about 6, 67 million. About 10% of the population (634,319) were living with HIV, including 81 000 who were newly infected in 2006.

Of the 634 319 people infected with HIV, 23 378 reside within Mbashe Municipality. It is also of concern that the prevalence of HIV/AIDS in Mbashe has increased fourfold, from 6 516 in 1997, to 23 378 in 2007.

According to the Multi-sectoral HIV and AIDS Strategic Framework 2007-2014, in 2005 about 58 000 people in the Eastern Cape were estimated to be sick with AIDS-related illnesses, with an estimated 39 000 AIDS deaths in that year. It is estimated that there are 226 000 orphans in the Eastern Cape Province – of these, 124 000 were orphaned as a result of AIDS. According to the Multi-sectoral HIV and AIDS Strategic Framework 2007-2014 in 2006, AIDS accounted for 64% of all deaths in the age band 15-49.

In the last decade, HIV and AIDS have seriously influenced mortality statistics. This situation prevails, despite the fact that for the past 20 years both the information and the technology has been available to prevent new infections and improve the health and well-being of those living with HIV and AIDS. The involvement of local government is essential to the efficacy of the national HIV and AIDS strategy, as local government is the layer of government closest to communities. Local government is in a strong position to address the impact of the epidemic on the social and economic life of communities.

While the role of local government in HIV and AIDS service delivery is indirectly contained within the constitutional responsibilities of a number of legislative and policy frameworks including the Constitution, the National AIDS Strategy, the National Integrated Plan, The Municipal Systems Act, and the White Paper on Local Government (IDP policy framework).

The role of local government response is established through a set of developmental local government mandates, which include among other things:

- Ensuring provision of services to communities in a sustainable manner;
- Promoting safe and healthy environments;
- Promoting sustainable social and economic development;
- Assessing and responding to the development needs of communities;
- Establishing sustainable and “liveable” settlements; and
- Responsive problem solving and a commitment to working in open partnerships with business, trade unions and community-based organisations.

Local Government is in a strong position to provide political leadership and vision regarding HIV and AIDS, and develop partnerships with local stakeholders and communities which should be clearly articulated in the IDP. Integrated Development Plans (IDPs) for local governments should have clear and concise strategies for HIV and AIDS response at the local level as well as the allocation of a programme and budget for HIV/AIDS training and prevention. Service delivery also needs to be responsive to the specific needs of orphans, child headed households and people living with HIV/AIDS.

### 2.2.2.3 Poverty

**Table 13: Poverty levels for Amathole District (1996 – 2005)**

<b>Municipality</b>	<b>1996 (%)</b>	<b>2005 (%)</b>
Mbashe	68.6	77.9
Mnquma	62.3	75.0
Great Kei	56.1	79.5
Amahlathi	59.0	75.3
Buffalo City	41.5	50.1
Nggushwa	64.1	80.2
Nkonkobe	55.9	69.2
Nxuba	56.6	80.3

Source: Amathole District Growth and Development Summit 2007

In terms of Mbhashe Municipality, the poverty levels have increased since 1996. This is an area that needs to be looked into as almost 80% of the population are living in poverty. This is aligned to the high level of unemployment prevalent in the municipality and places a great burden on social services.

#### 2.2.2.4 Human Development Index

**Table 14: Human Development Index for Amathole District (1996 – 2005)**

Municipality	1996	2005
Mbhashe	0.37	0.42
Mnquma	0.46	0.50
Great Kei	0.42	0.44
Amahlathi	0.46	0.50
Buffalo City	0.56	0.59
Nggushwa	0.41	0.46
Nkonkobe	0.45	0.49
Nxuba	0.46	0.50

Source: Amathole District Growth and Development Summit 2007

The Human Development Index is a measure of development which includes life expectancy, literacy and income. In terms of the Amathole District, the Mbhashe Municipality indicates the lowest score as compared to the other Municipalities. Although there has been some improvement since 1996 this is still well below the urban centres such as Buffalo City.

### 2.3 INFRASTRUCTURE AND SERVICES

#### 2.3.1 COMMUNICATION

Mbhashe's **communications** (transport and telecommunications) infrastructure is underdeveloped, with the lowest percentage road surfacing (0.37%) in the Province and very limited (14.32%) direct access to telephones by the local population as shown in Table 15. The Municipality does have operational rail and air transport facilities coupled with favourable cellular network coverage. The municipality also has the advantage of close proximity to Mthatha and the Provincial secondary economy of East London.

**Table 15: Access to Telephones**

Telephone and cellphone in Dwelling	510
Telephone only in Dwelling	618
Cellphone	6 152
Neighbour	5 921
Public Telephone	15914
Other – Nearby	2 999
Other – Not Nearby	5 685
No access	14 739

Source: Statistics SA

#### 2.3.2 INFRASTRUCTURE DEVELOPMENT

On **Quality of Life**, Mbhashe emerges as the most underdeveloped in the Province with a low level of access to water services (see Table 17), below average access to clinics and very limited access to electricity (see table 20-24), sanitation (see table 19), and refuse services (see table 28). By contrast, Mbhashe fares well on access to adequate shelter (see table 26) and reflects above Provincial average access to schools. (Source: Statistics SA)

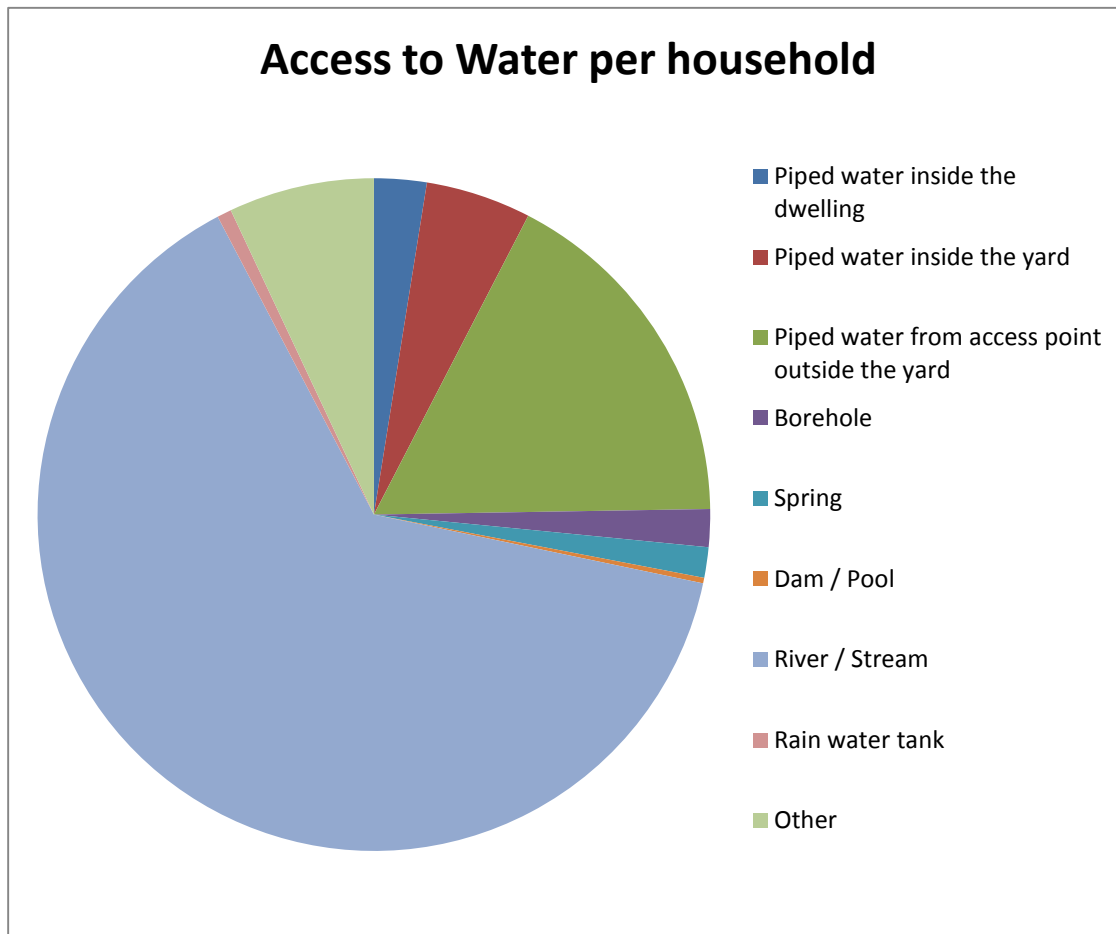
### 2.3.2.1 Water

Table 16: Access to Water per Household

Access to water	Population Group				Total
	Black	Coloured	Indian or Asian	White	
Piped water inside the dwelling	1 504	0	0	0	1 504
Piped water inside the yard	3 020	0	0	0	3 020
Piped water from access point outside the yard	10 223	0	0	0	10 223
Borehole	1 081	0	0	0	1 081
Spring	873	0	0	0	873
Dam / Pool	158	0	0	0	158
River / Stream	38 080	92	0	0	38 172
Water vendor	412	0	0	0	412
Rain water tank	4 087	0	10	75	4 172
Other	89	0	0	0	89

Stats SA: Community Survey 2007

**Figure 8: Access to Water per household**



Stats SA: Community Survey 2007

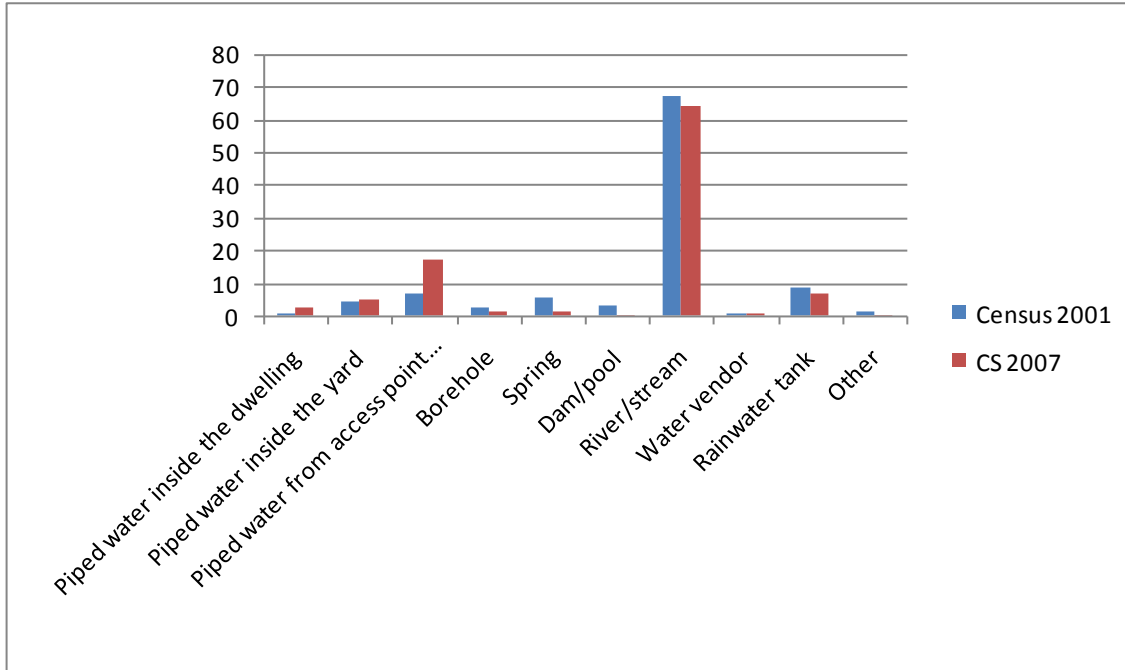
There has been an increase in access to piped water to a point outside the yard between 2001 (6.7%) and 2007 (17.1%). In general, the population access water from rivers and streams (63.9%) and there is therefore a need for improved level of service provision in this regard, as there has been significantly little change in the provision of water.

**Table 17: Percentage distribution of households by type of water source**

	Census 2001	CS 2007
Piped water inside the dwelling	0.6	2.5
Piped water inside the yard	4.3	5.1
Piped water from access point outside the yard	6.7	17.1
Borehole	2.2	1.8
Spring	5.6	1.5
Dam/pool	2.8	0.3
River/stream	67.3	63.9
Water vendor	0.5	0.7
Rainwater tank	8.7	7.0
Other	1.2	0.1
Total	100	100

Source: Statistics SA Census 2001 and Community Survey 2007

**Figure 9: Percentage distribution of households by type of water source**



Source: Statistics SA Census 2001 and Community Survey 2007

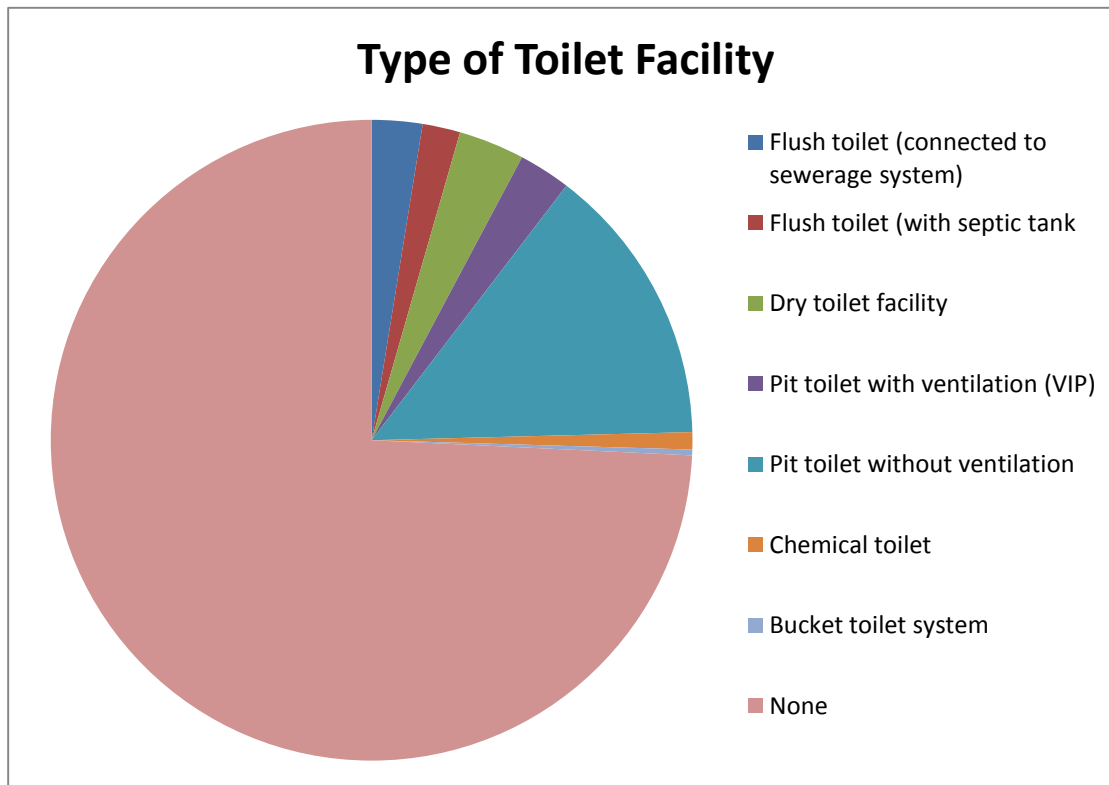
**2.3.2.2 Sanitation**

**Table 18: Access to Sanitation**

Type of Toilet Facility	Population Group				Total
	Black	Coloured	Indian or Asian	White	
Flush toilet (connected to sewerage system)	1 521	0	0	0	1 521
Flush toilet (with septic tank)	1 061	0	0	75	1 136
Dry toilet facility	1 982	0	0	0	1 982
Pit toilet with ventilation (VIP)	1 556	0	10	0	1 566
Pit toilet without ventilation	8 480	0	0	0	8 480
Chemical toilet	518	0	0	0	518
Bucket toilet system	174	0	0	0	174
None	44 236	92	0	0	44 328

Stats SA: Community Survey 2007

**Figure 10: Access to Sanitation**



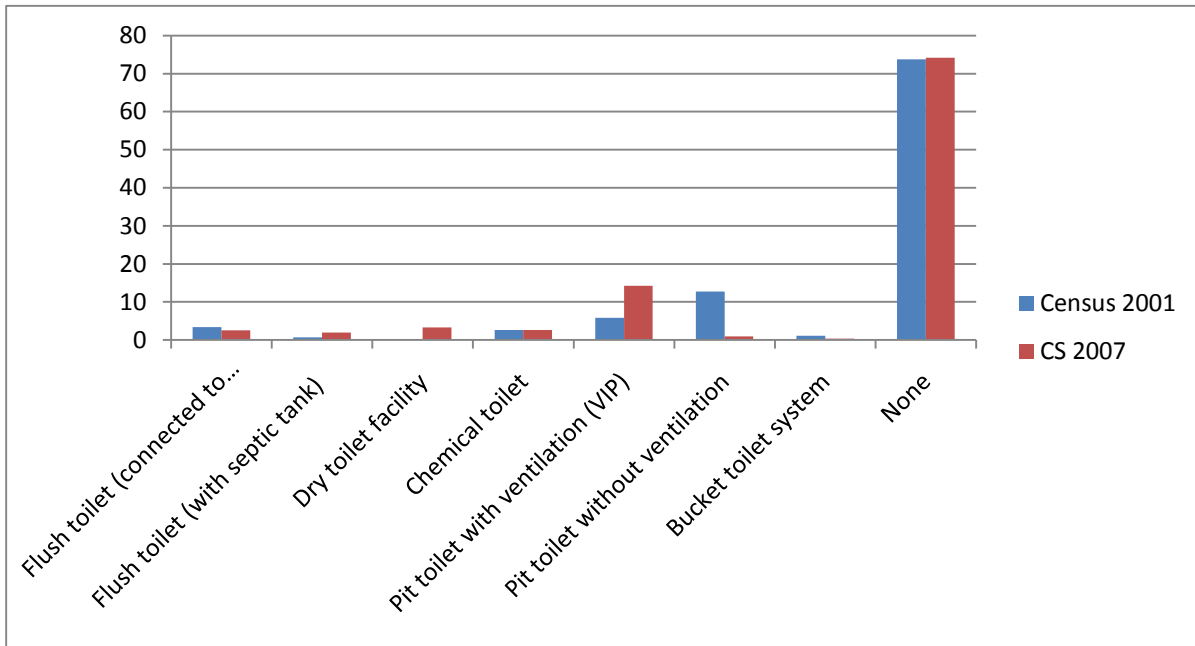
There is a major concern with respect to access to sanitation. There has been an increase from 73.8% to 74.2% of households having no access to proper sanitation. There has been an increase in the number of VIP Toilets from 5.8% to 14.2% however, this has had limited impact on improving the quality of life of the population of Mbashe, and a concerted effort needs to be made to address this.

**Table 19: Percentage Distribution of households by type of Toilet Facilities**

	<b>Census 2001</b>	<b>CS 2007</b>
<b>Flush toilet (connected to sewerage system)</b>	<b>3.4</b>	<b>2.5</b>
<b>Flush toilet (with septic tank)</b>	<b>0.7</b>	<b>1.9</b>
<b>Dry toilet facility</b>	<b>-</b>	<b>3.3</b>
<b>Chemical toilet</b>	<b>2.6</b>	<b>2.6</b>
<b>Pit toilet with ventilation (VIP)</b>	<b>5.8</b>	<b>14.2</b>
<b>Pit toilet without ventilation</b>	<b>12.7</b>	<b>0.9</b>
<b>Bucket toilet system</b>	<b>1.1</b>	<b>0.3</b>
<b>None</b>	<b>73.8</b>	<b>74.2</b>
<b>Total</b>	<b>100</b>	<b>100</b>

Source: Statistics SA

**Figure 11: Distribution of households by type of Toilet Facilities**



Source: Statistics SA

### 2.3.2.3 Energy

**Table 20: Energy Used For Cooking and Heating Per Household**

Energy Usage	Electricity	Gas	Paraffin	Wood	Coal	Animal Dung	Total
<b>Cooking</b>	7150	1254	6568	39102	30	5490	59594
<b>Heating</b>	6067	67	9551	42561	61	1293	59600

Stats SA: Community Survey 2007

**Table 21: Energy Used For Lighting Per Household**

Energy Usage	Electricity	Gas	Paraffin	Candles	Solar	Other	Total
<b>Lighting</b>	24133	186	24745	10236	98	307	59705

Stats SA: Community Survey 2007

**Table 22: Comparison of Energy used for Lighting per Household**

Energy Usage Lighting	Electricity	Gas	Paraffin	Candles	Solar	Other
Census 2001	15.6	0.4	55.4	27.5	0.2	0.9
Community Survey 2007	40.4	0.3	41.4	17.1	0.2	0.5

Source: Statistics SA

The majority of households utilize electricity and paraffin for lighting purposes. There has been a significant increase in the provision of electricity from 2001 (15.6%) to 2007 (40.4%) and a corresponding decrease in the use of candles and paraffin.



**Table 23: Comparison of Energy used for Cooking per Household**

Energy Usage Cooking	Electricity	Gas	Paraffin	Wood	Coal	Animal dung	Solar	Other
Census 2001	4.9	1.8	13.7	71.1	0.2	7.7	0.1	0.4
Community Survey 2007	12.0	2.1	11.0	65.6	0.1	9.2	-	0.1

Source: Statistics SA

The majority of the population utilises wood and paraffin for cooking, however there has been a decrease in the use of these between 2001 and 2007 and a corresponding increase in the use of electricity (4.9% to 12%).

**Table 24: Comparison of Energy used for Heating per Household**

Energy Usage Heating	Electricity	Gas	Paraffin	Wood	Coal	Animal dung	Solar	Other
Census 2001	3.8	0.5	19.8	70.5	1.1	3.6	0.1	0.7
Community Survey 2007	10.2	0.1	16.0	71.3	0.1	2.2	0.0	0.2

Source: Statistics SA

The majority of the population utilises wood and paraffin for heating, however there has been a decrease in the use of these between 2001 and 2007 and a corresponding increase in the use of electricity (3.8% to 10.2%).

### 2.3.2.4 Housing

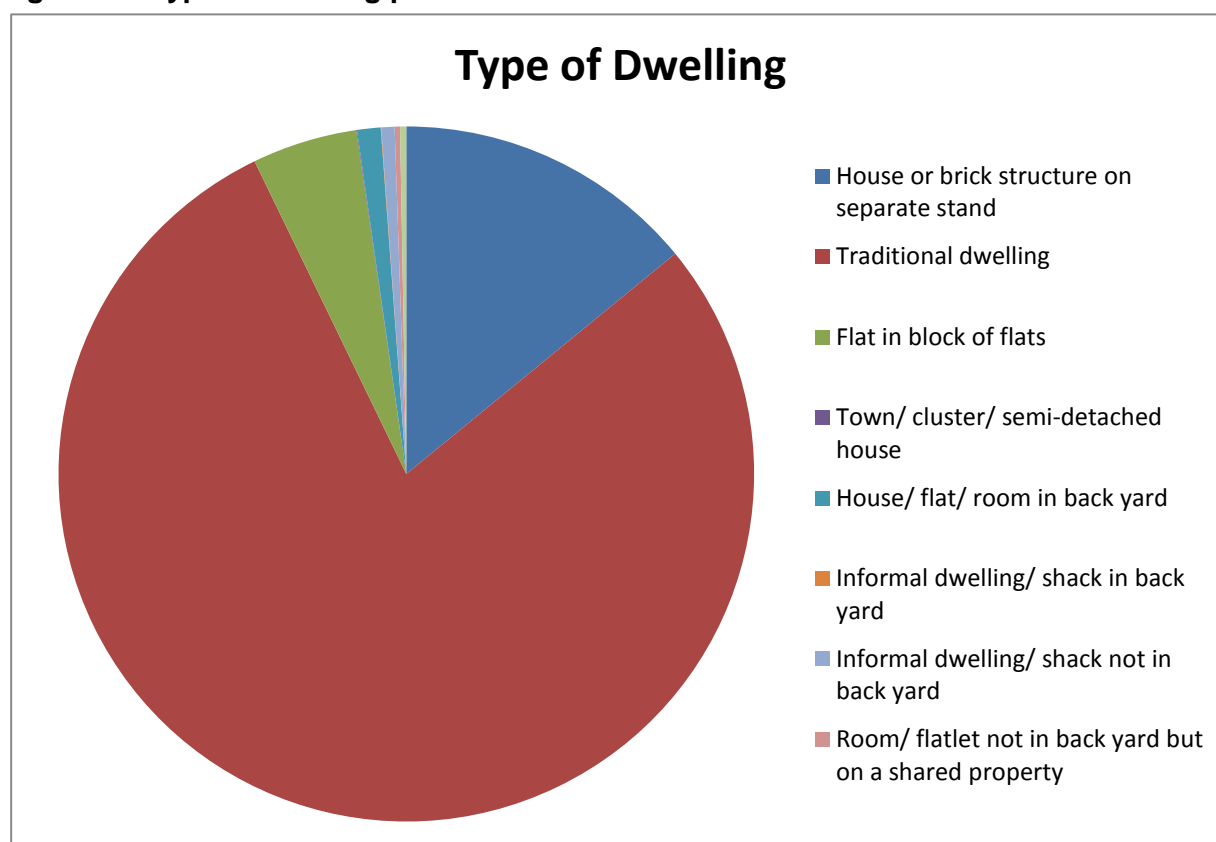
**Table 25: Type of Dwelling per Household**

Type of Dwelling	Population Group				Total
	Black	Coloured	Indian or Asian	White	
House or brick structure on a separate stand or yard	8 318	0	10	75	8 403
Traditional dwelling/hut/ structure	46 920	92	0	0	47 012
Flat in block of flats	2 916	0	0	0	2 916
Town / cluster/ semi-detached house	21	0	0	0	21
House/ flat/ room in back yard	652	0	0	0	652
Informal dwelling/shack in back yard	15	0	0	0	15
Informal dwelling/shack not in back yard (eg in informal/squatter settlement)	367	0	0	0	367
Room/ flatlet not in	148	0	0	0	148

<b>back yard but on a shared property</b>					
<b>Other</b>	172	0	0	0	172

Stats SA: Community Survey 2007

**Figure 12: Type of Dwelling per Household**



Source: Statistics SA

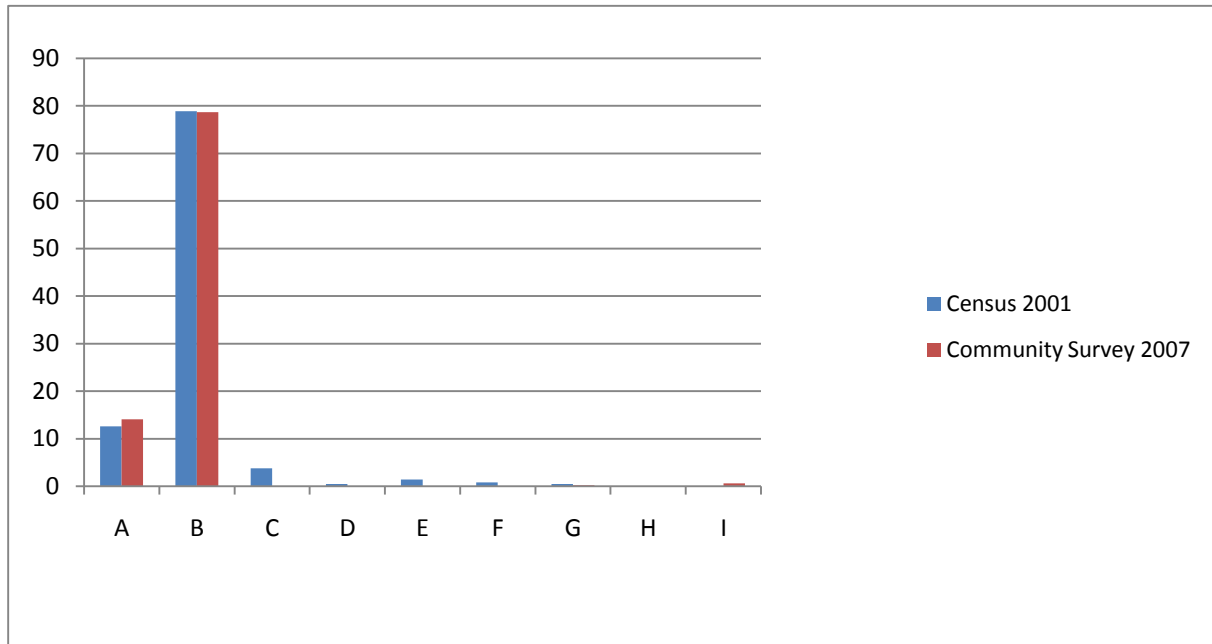
The largest portion of dwelling is traditional dwelling (78.7%), followed by brick structures on a separate stand. There has been no significant change in provision of housing from 2001 to 2007.

**Table 26: Percentage Distribution of Households by Type of Main Dwelling**

Category	Type of Dwelling	Census 2001	Community Survey 2007
A	House or brick structure on a separate stand or yard	12.6	14.1
B	Traditional dwelling/ hut/ structure	78.9	78.7
C	Flat in block of flats	3.8	4,9
D	Town / cluster/ semi-detached house	0.5	0.0
E	House/ flat/ room in back yard	1.4	1,1
F	Informal dwelling/ shack in back yard	0.8	0.0
G	Informal dwelling/ shack not in back yard (eg in informal/ squatter settlement)	0.5	0.2
H	Room/ flatlet not in back yard but on a shared property	0,1	-
I	Other	-	0,3

Stats SA: Community Survey 2007

**Figure 13: Percentage Distribution of Households by Type of Main Dwelling**



Source: Statistics SA

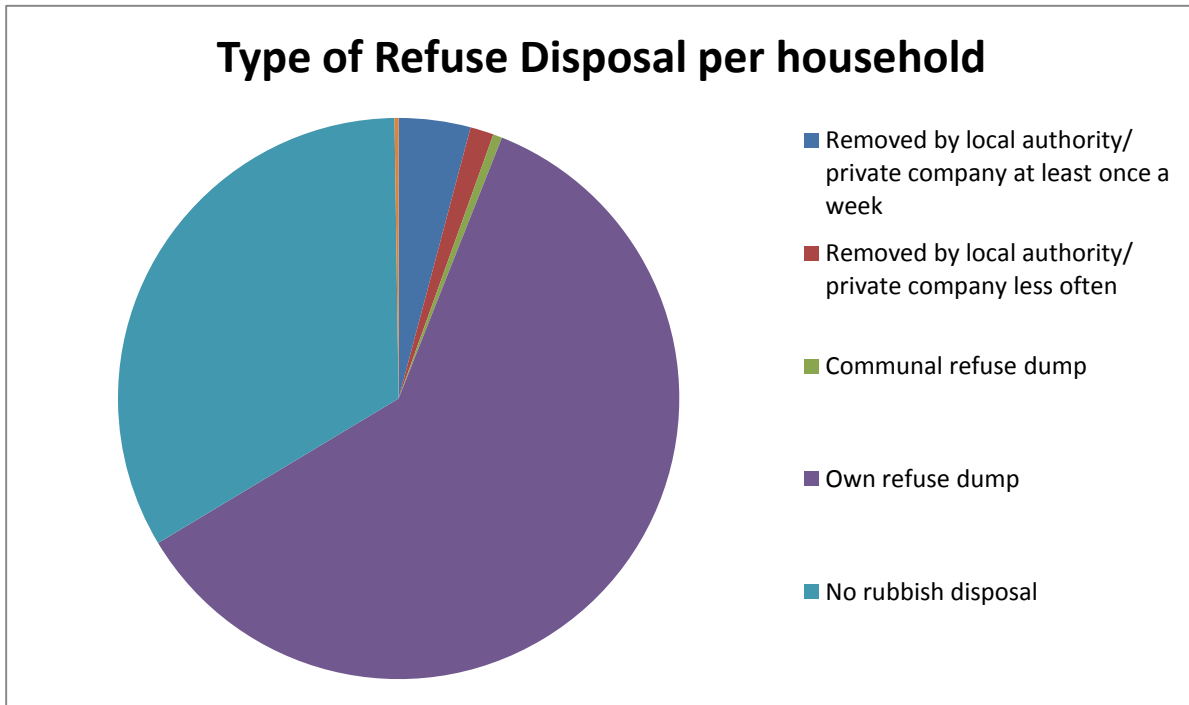
**2.3.2.5 Refuse Removal**

**Table 27: Type of Refuse Disposal per Household**

Removed by local authority / private company at least once a week	Removed by local authority / private company less often	Communal refuse dump	Own refuse dump	No rubbish disposal	Other
2467	806	311	36053	19930	139

Stats SA: Community Survey 2007

**Figure 14: Type of Refuse Disposal per Household**



Stats SA: Community Survey 2007

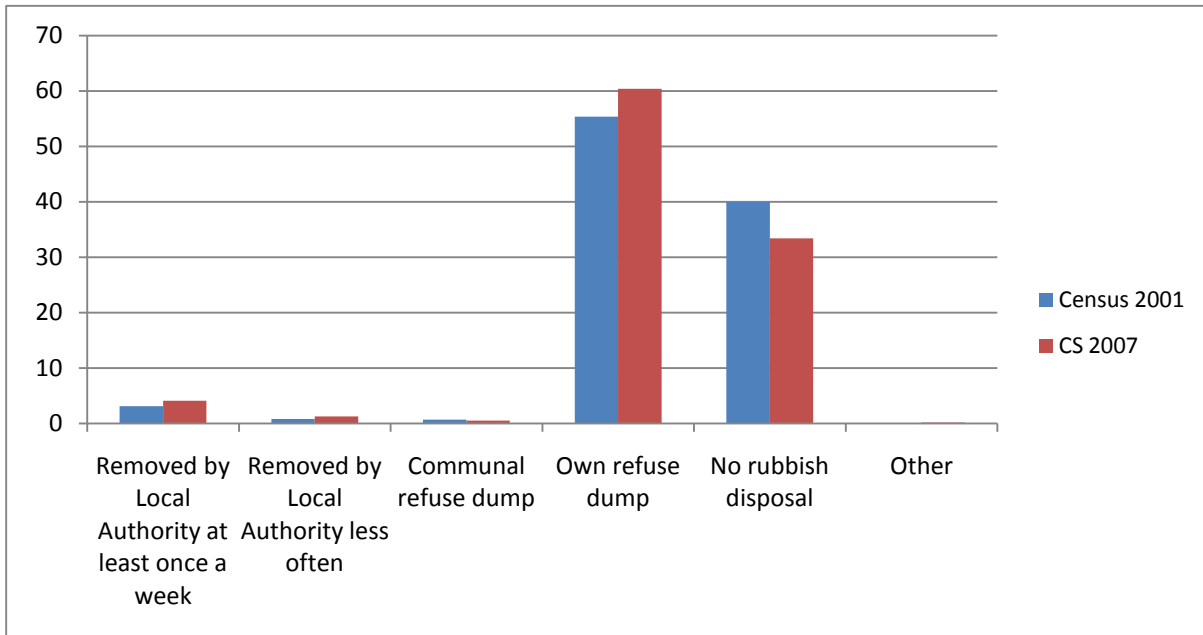
The majority of the household do not have access to municipal services for refuse removal. 60.4% utilize their own refuse dump and 33.4% have no access to refuse removal.

**Table 28: Percentage of Household by Type of Refuse Disposal**

	<b>Census 2001</b>	<b>CS 2007</b>
<b>Removed by Local Authority at least once a week</b>	<b>3.1</b>	<b>4.1</b>
<b>Removed by Local Authority less often</b>	<b>0.8</b>	<b>1.3</b>
<b>Communal refuse dump</b>	<b>0.7</b>	<b>0.5</b>
<b>Own refuse dump</b>	<b>55.4</b>	<b>60.4</b>
<b>No rubbish disposal</b>	<b>40.0</b>	<b>33.4</b>
<b>Other</b>	<b>-</b>	<b>0.2</b>
<b>Total</b>	<b>100</b>	<b>100</b>

Stats SA: Community Survey 2007

**Figure 15: Percentage of Household by Type of Refuse Disposal**



Stats SA: Community Survey 2007

**2.3.2.6 Access to Service Delivery Per Ward**

In terms of Table 29 below it is noted that Ward 7 has the largest proportion of households with access to infrastructure services.

**Table 29: Access to Service Delivery per Ward 1996**

SERVICE DELIVERY 1996						
Ward	Households	Formal dwellings (%)	Telephones at home (%)	Electricity (%)	Sanitation (%)	Piped Water (%)
1	2 181	6.0	0.0	1.2	0.0	0.0
2	1 759	12.2	0.1	0.1	0.0	0.1
3	1 710	5.4	0.0	1.4	0.0	0.0
4	1 932	5.4	0.1	0.6	0.0	0.2
5	1 237	19.5	0.9	1.0	0.3	0.0
6	2 238	35.5	0.3	23.0	0.0	0.0
7	1 231	37.1	17.5	58.1	81.9	31.8
8	2 581	30.3	0.4	0.9	0.0	0.0
9	3 148	14.8	0.4	1.4	0.2	0.0
10	2 894	26.9	0.0	1.0	0.1	0.0
11	1 316	4.6	0.2	1.0	1.5	0.8
12	2 856	26.8	0.1	0.6	0.8	0.1
13	1 894	45.1	2.7	17.9	4.2	5.3
14	1 383	20.0	1.2	14.6	2.8	2.2
15	1 364	2.4	0.0	0.4	0.0	0.0
16	3 011	7.1	0.2	0.7	0.2	0.0
17	2 621	17.6	0.3	0.4	0.0	0.0
18	2 067	19.4	0.0	0.5	0.1	0.3
19	2 825	7.3	0.0	0.2	0.3	0.1
20	1 608	2.3	0.2	0.4	0.5	0.1
21	1 733	5.0	0.0	0.2	0.0	0.0
22	1 233	11.6	0.0	0.1	0.0	0.1
23	1 811	3.1	0.1	0.1	0.2	0.0
24	2 170	5.4	0.0	0.5	0.5	0.4

Source: Stats SA: 1996

## 2.4 ECONOMIC GROWTH POTENTIAL OF MBHASHE

The strategic framework for economic development in the Eastern Cape identifies four key areas:-

- N2 corridor
- Umzimvubu catchments dam
- Kei rail
- Agro-processing

Mbhashe Municipality will benefit most from the Kei Rail as it connects between Mthatha to East London. ***The Kei Rail Project currently forms part of a broader, multi-sectoral approach to boosting economic growth in the Kei Development corridor (KDC), encompassing the area between East London and Mthatha. This includes the formulation of a sustainable socio-economic development strategy; an integrated development plan and an implementation action plan. These plans centre on developing the economy in the KDC in support of a sustainable rail service.***

Mbhashe's economic potential if harnessed can also be used in addressing poverty and meeting the government's target of halving unemployment and poverty by 2014. Forestry is one of the projects that Mbhashe is presently working on and is one of the major projects identified in ASGISA's infrastructural projects. Large areas of land were left underutilized by farmers who claim that, there's a lot of machinery needed for them to continue with maize production, and their option is in the bio-fuels industry. The bio-fuels initiative is also a project where Mbhashe could succeed on in creation of employment and fighting poverty.

Targeted areas for investment and major economic potentials for Mbhashe includes:-

- Agricultural Development
- Fishing
- Mining and quarrying
- Transport facilities
- Bio-fuels
- Mariculture
- Tourism
- Building, construction and roadwork
- Indigenous Medicinal plants
- Manufacturing and SMME
- Forestry

### Participatory Needs Analysis

Key issues identified regarding employment and unemployment needs analysis from the communities.

- Inadequate access of subsistence farmers to commercial farmers
- Lack of knowledge of sources of financing of Small Micro Medium Enterprise
- Large increase on poverty and consequences thereof, including increased crime levels
- Non recognition and value of tourists attraction in the identified areas of tourism
- Poor access to tourists sites
- Insufficient training and skills development opportunities
- Limited market facilities for communities to market local produce and goods

There is a critical need to develop poverty alleviation strategies and mechanisms to engage current communal farmers in productive economic activities. It is important that all efforts be undertaken to facilitate local economic development in the municipal area.

## **2.5 LOCAL ECONOMIC DEVELOPMENT**

### **2.5.1 AGRICULTURAL DEVELOPMENT**

The subsistence agricultural sector is the biggest contributing sector in the economy of Mbashe. Many households use agriculture for subsistence and they heavily rely on it for food. The areas of the municipality are mostly under communal land tenure, agriculture in the Mbashe area is mostly small scale crop farming and open grazed livestock. There are various concentration points on agricultural development such as:-

- Maize production
- Vegetable production
- Livestock improvement
- Poultry
- Citrus fruit

#### **MAIZE PRODUCTION**

- Maize is the mostly used crop/grain in the Mbashe area mainly because many of the households use it as their staple food.
- The municipality in partnership with the farmers is now engaged on a massive maize production programme. The programme is done in a way which will not collide with the Department of Agriculture's massive production. The programme is called "Silimile", and was piloted in 12 wards and later spread to 25 wards, where the ward identifies a 50ha area. The wards participating in the programme currently are 25. Tractors are then being clustered together for that particular area; the farmers provide money to buy fuel and pay for the driver and the municipality co-ordinates, provides the fertilizer and seed for all the 50ha in 25 wards.

#### **CHALLENGES**

- The main challenge regarding tractors is management which makes it difficult for other areas to access.
- There's major infrastructural backlog as most of the areas are not fenced, more especially in the Elliotdale area where there is no farm plan.
- Along the Mbashe and Nqabara rivers there are valleys which are suitable for maize production but the limitation is extreme bad conditions of road making it difficult to reach the ploughing fields by an auto-mobile.
- Limited funding for the roll-out of the proposed programme in the next few years and making the programme sustainable.
- Low market base for the produce.
- The proximity of the supply base that makes it difficult for other farmers to access.

#### **ACTION DESIRED/REMEDIAL ACTION**

- The Department of Agriculture has been asked to do the farm plans for all the remaining ploughing fields that were not done before.
- The Municipality undertook a study on maize milling and the findings was that a small scale milling is possible with the quality and quantity of maize being produced.
- Other recommendations were as follows: - increase the area in the Willowvale and Elliotdale wards where the soil depth is more suitable for maize.
  - The engagement of the other neighbouring municipalities for purposes on one milling plant which will have no problems with the supply of raw-material.
  - Private sector persons to open up small scale milling plant in the three units of Mbashe or engage on a Private-Public Partnership.

## **VEGETABLE PRODUCTION**

- Vegetable production is another area where households source food from, in the form of community gardens and own gardens. Several projects and co-operatives are now irrigated and are producing enough for selling in the local market. These projects have to a large extent created jobs for some who were jobless and are now earning ±R600 a month from income generated through vegetable production.
- To ensure access to the market, an Agri-park has been established where the Siyazondla groupings, the vegetable co-operatives will be able to sell their produce. The Agri-park is located at Duff Location (ward 09).

## **CHALLENGES**

- Poor road conditions make it difficult to access the market for the produce.
- The increased price of fuel makes the production cost of vegetable to rise as some of the projects still use fuel for irrigation pumps, and this has also increased the transport costs of delivery.
- The unavailability of the electricity contributes to the ever increasing costs of production making it difficult for the local project to compete with the well established ones.
- Transportation of produce to the market is a major challenge for our farmers.

## **ACTION DESIRED / REMEDIAL ACTION**

- The municipality is engaging the Department of Roads for roads to some of the sites like Agri-park.
- Further addressing the issue of the market, the municipality is planning to have vegetable markets in all the three towns of Mbhashe.
- These initiatives are expected to answer the call for a market from farmers in the whole Mbhashe area i.e. the 521 groups of Siyazondla and other small scale farmers.
- Nearby schools are also going to be assisted by the Department of Rural Development by capacitating them to be able to provide vegetable to the Agri-Park as well.
- Negotiations are being held with the Dept. of Education where co-operatives that provide nutrition to schools will buy the soup from the Agri-park.

## **LIVESTOCK**

- Mbhashe contains arguably the richest land for livestock in the Amathole district. Public private partnerships and improved farming methods can expand commercial livestock farming in the Mbhashe areas. The sheep in the Dutywa area is said to be around 295 000 in numbers making it the largest number in the Amathole district.
- Cattle are spread all over the Mbhashe area whilst main focus is on improvement on quality of cattle for meat and skin for leather production.
- Goat is largely in the Willowvale area (about 32 000) and small projects that are aimed at improving quality for milk production are started there.

## **CHALLENGES**

- The study conducted showed there's no enough grazing land.
- The absence of a clear and known legislation on the issue of land redistribution.
- The absence of the Spatial Development Framework for the rural areas makes the chiefs and headmen to relinquish the grazing land to the high demand for land for households. This is hitting negatively to the plans for the improvement of wool in the area and the fight to push back the frontiers of poverty.
- Animal diseases.
- There's a visible amount of skills shortage in the animal farming industry.



## **REMEDIAL ACTIONS**

- The authority and function for the development of farm plans is with the Department of Agriculture.
- Every year, the Department of Agriculture and the municipality plan for the known and the unknown outbreaks of diseases in animals. A scheme was developed where the municipality pays for vaccine, the farmer pays for each animal vaccinated and the money is collected by farmers in dipping tank formations then banked, and the Department of Agriculture co-ordinates and manages the programme.
- A number of workshops and training need to be conducted for the farmers, Chiefs and the councilors on the following areas: - CLARA, training programmes for farmers etc.
- To ensure market access, the municipality is planning the wool shed where all the wool grower associations will put their wool and made ready for transportation to the formal industry. The farmers in this case will gain benefits associated with the economies of scale.

## **POULTRY**

- For the past 9 years the municipality has assisted small poultry farmers to grow chicken and sell for profit. That was done as a poverty relief programme.
- In year 2006, the municipality commissioned the services of the Agricultural Research Council to investigate why the poultry projects fail and do not graduate to a business model. The major cause for concern was the readiness of the market immediately when the product is ready for sale.
- Since then, the piloting of a bigger project started in Ward 12 (Ntshantshongo area) where full support is given to 60 women in 4 projects.

## **CHALLENGES**

- Market for the products
- Training for the projects

## **REMEDIAL ACTIONS**

- An agreement was reached with the local retailers that they are going to buy the produce from the local projects, but the suppliers could not meet the required quantity at the required time. The municipality is now in the process of establishing the chicken abattoir so that the chicken is taken to the abattoir once the chicken is ready for sale, thus providing enough market for those projects.
- A number of institutions have been consulted and agreed on the training of the projects. These institutions are, King Hintsa FET College, Tsolo Agricultural College, Agricultural Research Council, Fort Kox, Department of Labour and the independent service providers.

## **CITRUS**

The Willowvale area is also an area where there's potential for citrus fruit production. The area is dominated by deep, well drained and aerated soils. The climate is characterized by warm summer and cold winter with the mean annual temperature of 27°C. This area receives a summer rainfall of 780mm per annum. The municipality together with the communities in the Willowvale and Xhora area has started the citrus fruit production in households. During 2007/2008 financial year the participants were 80 households in Lubomvini (ward 24), 100 households in Jujura (ward 23) and 100 households in Zithulele (ward 19) and 61 households in Mhlahlane (ward 19). Another 3000 trees were added and was distributed in all wards of Mbashe.

## **CHALLENGES**

- Agreement with communities on land use management.

## **REMEDIAL ACTIONS**

- A series of workshops is being organized and facilitated on the land use and CLARA.
- The municipality provide citrus trees to eight wards
- Linking interested farmers to ASGISA-EC is a possible solution.

### **2.5.2 TOURISM**

Tourism can provide a major boost to the district's economy, linking the many diverse attractions of Mbhashe. Strong branding is needed to link the different features.

Activities include the following:-

- Heritage and Cultural Tourism Development
- Coastal Development
- Craft Development
- Recreational facilities

#### **2.5.2.1 HERITAGE AND CULTURAL TOURISM DEVELOPMENT**

- Heritage forms part of socio-economic and cultural development. It contributes significantly to the gross domestic product through tourism, particularly cultural tourism. The development, marketing and packaging of heritage tourism routes will accelerate the contribution of tourism in the municipality.
- Cultural heritage – The area is very rich in cultural heritage as it boasts things like San paintings in the Dutywa area, showing the signs that the San once habited in the area of Sinqumeni and other surroundings. The graves of former Kings of amaXhosa who fearlessly led a fight against white colonial domination like King Hintsa. Lastly, the forts where the white generals used during the world war like Fort Malan. The area also hosts the home of the second democratically elected South African President, former President Thabo Mbeki at Mbewuleni/Ngcingwane. Also, the area hosts the capital of the Kingdom of amaXhosa at Nqadu Great Place. Given this rich and great cultural heritage there are a number of opportunities to explore linked to the present development that is taking place in these sites.

There's Amathole Heritage Initiative which is responsible for the development and unearthing this rich history and heritage in the Amathole district. The initiative consists of four heritage routes (King Phalo, King Sandile, Chief Maqoma and Makana). Phalo route (where Mbhashe belongs) encompasses Great Kei, Mngquma and Mbhashe Municipality. There are sites which have been identified for development such as signage, access improvements, information displays and other anchor projects linked to the heritage and tourism development such as the Visitor Information Centre for Dutywa. Such sites are identified:-

- King Hintsa's grave
  - King Sarhili's grave
  - Sinqumeni caves
  - Fort Bowker
- There are other places identified in the Liberation Heritage Route which is a National Project that seeks to establish a route based on the war against colonialism and national oppression.

### 2.5.2.2 COASTAL/NODAL DEVELOPMENT

Areas earmarked for development in the coastal zone include the following:-

AREA	PROPOSED NODE	SUITABLE FOR	CURRENT INITIATIVES
Qhora	1 <sup>st</sup> order	Hotels and accomodation	Cultural village plus recreational facilities
Jujura	2 <sup>nd</sup> order	Backpackers	No development
Beechamwood	2 <sup>nd</sup> order	Camping facilities	No development
Nqabarha	2 <sup>nd</sup> order	Lodge	Feasibility done and all land arrangements done.
DWESA-CWEBE	Protected area	Conservation	Recreational facilities
Haven	2 <sup>nd</sup> order	Hotel	Proposed hotel renovation
Nkanya	2 <sup>nd</sup> order	Backpacker	Feasibility done
Qatywa	2 <sup>nd</sup> order	Lodge	Feasibility and business plan done
Bulungula	2 <sup>nd</sup> order	Backpacker	Backpackers
Mpame	2 <sup>nd</sup> order	Lodge	Council resolution given.

- Adventure and Eco-Tourism – the natural beauty of the area makes it possible to unlock the tourism potential of the area in activities such as nature photography, bird watching, hiking, bungee jumping, abseiling, horse riding etc. These are all possible in areas of Mbhanyana falls in Elliotdale etc.
- Sport tourism – In many areas along the coast at Kobb Inn, Mbashe River Mouth, Bulungula, there's a potential especially in activities such as cross country, quad bike riding, canoeing, surfing and there's plenty of land for 9 to 18 hole golf course.
- Hospitality Industry – There's plenty of accommodation and service products that are utilized and tourists from various areas such as Europe come to places like Kobb Inn, Haven and Bulungula.
- Nodal development – Presently Mbashe has no area demarcated as first order node and has few demarcated as 2<sup>nd</sup> order node. Application to DEDEA has been made regarding the upgrading of Xhora Mouth which include Nkanya and Qatywa as 2<sup>nd</sup> order and the upgrading of Qhora Mouth as 1<sup>st</sup> order. This is pending the infrastructure provision in the Qhora area before the permission is given for this type of development.

### 2.5.2.3 CRAFT DEVELOPMENT

- Mbashe Craft Development initiative was launched in 2004, the aim being to organize crafter under one organization.
- Individual craft projects are advised to register as co-operatives so that they are able to trade.
- In preparation for 2010, training was emphasized in the past three years so that quality products are sold during the FIFA Soccer World Cup.
- Opportunity is given to crafters to showcase in areas like Grahamstown Arts Festival, MACUFE and any other area where craft material is strongly marketed.

#### CHALLENGES

- The large numbers of craft projects are formed as people remain poverty stricken; this result in government losing focus on who must be assisted.

#### REMEDIAL ACTION/RECOMMENDATIONS

- The individual projects/co-operatives form clusters so that they are able of trade as cluster and access funds as one co-operative.
- Training on other community initiatives other than craft.

### 2.5.2.4 RECREATIONAL FACILITIES

- As part of the Coast Care Project that is funded by DEAT, there are places in the coast which were earmarked for various kinds of activities, they are:-
  - Qhora – Recreational facilities meant for visitors and tourists to the area have been built such as braai stands, resting facility and thatched roof for shade.
  - Beechamwood – camps site and braai facilities
  - Dwesa – Braai stands, thatched roof and parking facilities.
- An application for funds is considered by DEAT to do feasibility study for the Dutywa Dam project. The feasibility will look at various opportunities that can be enhanced in the the Dutywa Dam.

### 2.5.3 MANUFACTURING AND SMME

There are other several opportunities and initiatives undertaken by the people in every ward of Mbhashe. These initiatives are apart from the common agricultural initiatives which people engage themselves in for subsistence purposes. These initiatives range from:-

- brick making (given the governments' programme on low cost housing development, there's an increase in demand for bricks hence initiatives by projects in ward 01, 03, 17 and 26)
- Bakery (the school feeding scheme gave the opportunity for the establishment of co-operatives in the bakery industry, which is found in almost every ward).

#### SMME DEVELOPMENT

This is the area where there are challenges such as:-

- Access to finance
- Training
- Inability to fill in documents

As a response to these challenges, the municipality is doing the following:-

- A range of financial institutions that issue finances are called to present to the SMME's.
- The department of Labour is offering training on the projects like Bakery and ECATU is assisting on brick making etc.
- Several workshops are planned to assist emergent SMME to fill in necessary documents that are required to tender.

### 2.5.4 FISHING

The municipality conducted a study on fishing in the past year. The study showed there's major potential in this industry as there's little done on this sector.

Mbhashe boasts with the wild coast full of large river mouths and seas. These are all the areas where different forms of fishing can take place.

The area covers the area between the Qhora River and Zithulele River. There are different types of fish available in the area but the control on use is still in the hands of the Department of Economic Affairs and Tourism – Marine and Coastal Management.

The study showed that the following projects can be undertaken in the areas mentioned:-

AREA	POSSIBLE PROJECT
Shixini	Suitable estuary for recreational fishery
Xhora	Suitable for community based canoe hire and ghillies
Nqabara Mouth	Conservation area/protected zone
Jujura Mouth	Angling destination
Qora Mouth	There's a boat house and sea launching is possible
Jotela	Recreational fishery

Further recommendations included the formation of the Focus Group which will be made of technical people i.e. government departments, NGO's and Government agencies, Further Education and Training institutions and Institutions of higher learning,

### **2.5.5 INSTITUTIONAL ARRANGEMENT FOR LED**

Institutional arrangements for LED refer to the range of organizations, structures and networks through which LED can be co-ordinated, managed, implemented and monitored. In terms of the constitution of the republic of South Africa, section 152 (1) (c) reads "to promote social and economic environment".

The white paper on Local Government re-inforces this mandate. It defines developmental local government as, "Local government committed to working with citizens and groups within the community to find sustainable ways to meet their social, economic and material needs, and improve the quality of their lives,"

Mbhashe Municipality has assisted in the establishment of units which offer potential benefits for the management, implementation and monitoring of LED programmes and/or projects. These are:

- Municipal LED unit
- Community Development Trusts
- Section 21 companies

#### **MUNICIPAL LED UNIT**

In addition to LED, the unit deals with the Integrated Developmental Planning, the Performance Management Systems and the Integrated Governmental Relations. The unit is comprised of the following personnel:

- Strategic Manager
- LED/IDP Co-ordinator
- LED Officer: Agricultural Development
- LED Officer: SMME
- LED Officer: Tourism
- IDP/PMS Officer (Vacant)
- Administrator

#### **COMMUNITY DEVELOPMENT TRUSTS**

A number of Community Development Trusts have been established and registered on various areas for dealing with development in specific areas: They are:

- Dwesa/Cwebe Development Trust
- Nqabara Development Trust
- Qhora Development Trust
- Weza Development Trust
- Qatywa Development Trust
- Mpame Development Trust

#### **SECTION 21 COMPANIES**

1. Local Tourism Organisation
2. Mbhashe Farmers Association

These two organizations were registered as section 21 companies and the municipality is working very closely with them. The only problem is that both have not entered into an agreement with the municipality yet in order for them to do their own fundraising for their operations. For operations they presently rely on the municipality at the time the assistance is

needed. The municipality therefore intends to make them separate entities and work independently and closely with the municipality.

## **LED FORUM**

Above all the institutions that work with and closely with the municipality in implementation of LED programmes and projects, there's a structure that involves many other stakeholders i.e. the LED forum. All these organizations are required by council resolution to report their activities in the LED forum. The forum is composed of:

- Mbashe LED standing committee Councillors
- Mbashe LED officials
- Local Tourism Organisations
- Community trusts
- Co-operative Forum
- Mbashe Farmers Association
- Community Based Organisations dealing with LED
- Government institutions dealing with economic development

## **2.6 SOCIAL NEEDS CLUSTER**

### PRIORITIES

- Traffic section and Law enforcement
- Social Facilities i.e. Libraries, community halls in 24 wards, Pounds, community sport grounds & parks.
- Waste Management
- Cemeteries
- Life Saving
- Municipal Beautification
- Community Safety and Security
- Food Security
- HIV/AIDS
- Disaster Management

### **2.6.1 TRAFFIC SECTION AND LAW ENFORCEMENT**

#### STATUS QUO

- Staff increased to 13 traffic wardens intended to focus on all three (03) units.
- Testing of learners licenses opened and targeted revenue collection at R300 000 for 2009/10.

#### CHALLENGES

- Drivers license testing station still closed due to compliance issues.
- Continuous conflict between operators.
- Staff shortages for law enforcement and administration.

#### STRENGTHS

- Improved traffic control in Dutywa
- Revenue collection target increased to R500 000 for law enforcement and R300 000 for learners license.

## WEAKNESSES

- Delays on re-opening of drivers license.
- Follow up on offenders to pay traffic fines and court fines on time.

## REMEDIAL ACTION

- Work on compliance issues on drivers license re-opening.
- Recruit more staff for law enforcement and administration

### **2.6.2 SOCIAL FACILITIES**

#### STATUS QUO

- 24 Community Halls
- One sport facility for netball, soccer and rugby in all 26 wards
- Two standard dreamfield soccer fields for wards 17 and 26
- Three libraries one in each unit
- Three pounds one in each unit
- Park is only at Gqubhuzeni Location.

#### CHALLENGES

- There are no policies guiding on the use and management of community halls
- Nine (09) are affected by storm
- There is a backlog in as far as our infrastructure is concerned, like our pounds that are not up to standard except for Willowvale , Dutywa and Elliotdale land had to wait for survey to be completed.
- There is a need for more new sport grounds to be erected hence the wards are vast.
- Staff shortage are also a challenge for our sport grounds for maintenance and supervision
- Campaigns for community awareness in our communities are necessary.

#### STRENGTHS

- Willowvale, Dutywa and Elliotdale libraries are functional.
- 300 Chairs per community hall has been supplied to most
- Pound fees, hall rentals, public toilets, grave sites and library fees are all contributing to the municipality's revenue collection.
- All wards have community play grounds (bladed and have steel poles both netball, rugby and soccer) and ward 10 even fenced and have toilets
- Participated in ADM Mayor's Cup which is meant to fight crime in youth.
- Suitable land for erection of a standard pound in Dutywa and Elliotdale has been identified.
- Literacy programmes in Elliotdale and Willowvale have been started and are doing well.
- Two dreamfields for ward 17 and 26.
- In the meantime one park at Gqubuzeni Location is in Ward 26 in conjunction with DBSA.

## WEAKNESSES

- No budgets or maintenance plans for community halls to cover damages.
- Elliotdale library not electrified yet

## REMEDIAL ACTION

- There is a need to work on the staffing needs.
- More community awareness campaigns on pound use and tariffs, use of halls, library awareness are necessary.

### **2.6.3 WASTE MANAGEMENT**

#### **STATUS QUO**

- Refuse collection for all 03 units is prioritized
- Bulk of work for Dutywa done afternoon to evening to avoid congestion
- Drivers also used as supervisors
- Elliotdale disposable site construction near completion, work for Dutywa and Willowvale still at planning for transfer stations.

#### **CHALLENGES**

- Provision of acceptable disposable sites and staffing

#### **STRENGTHS**

- Successful cleaning campaigns for all three units.
- Involvement of locals in cleaning their areas.
- Teaching of learners about importance of cleaning environment.
- Cleaner towns

#### **WEAKNESSES**

- Limited budget

#### **REMEDIAL ACTION**

- To work with ADM in providing acceptable sites
- Staff improvement
- Improve budget
- 

### **2.6.4 CEMETERIES**

#### **STATUS QUO**

- One cemetery for each unit
- Surveys for proper land for three cemeteries completed.

#### **CHALLENGES**

- None

#### **STRENGTHS**

- Well maintained cemeteries

#### **WEAKNESSES**

- None

#### **REMEDIAL ACTION**

- Well co-ordinated maintenance plan



## **2.6.5 LIFE SAVING- COASTAL ZONE MANAGEMENT**

### STATUS QUO

- Provision of life savers for festive and Easter holidays
- Target areas Kobb-Inn, Dwesa, Cwebe , Mpame

### CHALLENGES

- Equal provision of local trained guards.
- More projects to sustain lifesavers in off- peak season.

### STRENGTHS

- Reduced cases of drowning in our beaches during Easter and December 2009.
- Involvement of DEAT
- Improving our coastal zone
- Provision of our braai areas
- Provision of toilets during the Festive season in beaches (Kob-Inn, Dwesa, Mpame,Cwebe,Lubanzi)

### WEAKNESSES

- None

### REMEDIAL ACTION

- Multi skilling local guards.

## **2.6.6 MUNICIPAL BEAUTIFICATION**

### STATUS QUO

- Provision of flower beds for all three units
- Christmas lights for all three towns
- Maintenance of streets and grass cutting.

### CHALLENGES

- Christmas lights and robots more technical for the department.

### STRENGTHS

- Managed to provide Christmas lights for all three towns
- Improved flower beds

### WEAKNESSES

- Delays in lighting for Christmas and more technical for the department.
- Well maintained grounds

### REMEDIAL ACTION

- Staffing
- Removal of Christmas lights function and robots to technical services for relevant expertise.

## **2.6.7 HIV/AIDS**

### STATUS QUO

- The testing rate has declined from 72,90% 2005 to 69,18% 2006 so far we have not managed to get statistics for 2007 and above
- Awareness campaigns have been effected in different strategies
- Voluntary Counseling and Testing Programmes
- Campaigns to increase HIV/AIDS Test rates
- Development & Distribution of HIV/AIDS magazines
- Encouraging and strengthening of HIV/AIDS community initiatives

### CHALLENGES

- The data that we use for HIV/AIDS statistics still tends to be somewhat unreliable
- The biggest challenge for the Municipality is to co-ordinate HIV/AIDS activities by various stakeholders, how we are in a situation where various organization ,NGO's and government each has got its own programmes and in that process there are omissions in the way

### STRENGTHS

- Improved intergovernmental relations
- Ward based awareness campaigns

### WEAKNESSES

- Outdated HIV/AIDS statistics

### REMEDIAL ACTION

We will co-ordinate the exchanging of action plans by Local Municipality, NGO's, ADM as well as government departments and any other stakeholders within area.

## **2.6.8 COMMUNITY SAFETY AND SECURITY**

### STATUS QUO

- Community safety forums and crime awareness programmes are organized together with SAPS and other government departments.
- Clearing of roadsides and high crime areas.
- Numbering of 720 houses in Elliotdale, Dutywa and Willowvale in progress.

### CHALLENGES

- There is a need for our plans to be clear and well coordinated with relevant stake holders e.g. SAPS, Amathole and others
- Data and crime statistics are not available on time.
- There are always delays and infrequent intervals in availing/ release of crime statistics which therefore affects the assessment of impact of the programmes on a regular basis.
- Stakeholders are not always keen to play their roles, so they need to be mobilized.
- As a local municipality, there is always a lack of necessary resources as well as institutional capacity.

### STRENGTHS

- House numbering project provides also employment for locals.

## WEAKNESSES

- Delayed crime statistics reports

## REMEDIAL ACTION

- Stakeholders and communities to be well co-ordinated and be part of drawing up a clear program of action for Mbashe Municipality.
- Awareness campaigns for communities and stakeholders need to be organized.

### **2.6.9 HEALTH AND HYGIENE**

#### STATUS QUO

- It is necessary for the municipality to see to it that people have access to the basic needs, so water quality management is necessary, so as to channel it through to the ADM or relevant government departments.
- There is a need for the identification of poverty alleviation and other related causes.
- Waste management and control
- Health surveillance of premises such as dumping sites that are not cared for are hazardous to community health and need to be frequently monitored.
- Prevention of communicable diseases through information sharing with the Department of Health and other stakeholders
- Health and Hygiene awareness Campaign.

#### CHALLENGES

- There is general lack of formal water sources people depend on running water from rivers to survive.
- Our disposable sites are old and not up to standard as well as general infrastructure is ageing
- There are always staff shortages
- Infrastructure backlog
- Development of appropriate organizational structure.

#### REMEDIAL ACTION

- There is a need for programmes that address basic needs e.g. water sanitation, food control, and health and hygiene information.

### **2.7 INFRASTRUCTURE CLUSTER**

#### **2.7.1 LAND AND HOUSING**

Land and housing department will be able to provide 70% of households which translates to 13443 households with an adequate housing by 2014. Almost 5.42% which translates to 728 households had been provided with housing. It is the departments' objective to provide 31% of households with housing i.e. shelter that meets norms and standards, access to clean and healthy portable water, approved sanitation, electricity, roads and other amenities by the end of financial year 2008/09. Even though we did not meet this target, the department is working very hard to achieve its objective.

Spatial development framework has been provided to serve as developmental guidance for future and sustainable development. Jonas and Associates have submitted a Draft Review of Spatial Development Framework for the 2009/2010 years. To enable the rates within urban areas to be based on market values, the department reviews general valuations every fourth year and whenever changes occur in the properties. Redemption estates have also been appointed to undertake this mammoth task that will see us through the next five years beginning July 2008.

## INTRODUCTION

Land and housing department is responsible for land administration, administration of municipality owned houses, buildings and general property valuations in Mbhashe Municipality. The department is processing all subdivisions of land, minor and major.

Programs/projects that this department is engaged in are:

- Township establishment
- General valuations
- Spatial development framework
- Housing development
- Administration, maintenance and repairs of municipality owned houses and buildings
- Acquisition of unused buildings from other departments or parastatals for use in the municipality development initiatives.
- Administration of contracts of sales and leases in respect of municipality's immovable properties.
- Cleansing of the municipality's urban and surrounding areas of illegal structures and shacks

### 2.72 TOWNSHIPS ESTABLISHMENTS

This department has been processing several housing development initiatives.

- Dutywa extension 8 for low cost housing
- Dutywa extension 9 for low cost housing
- Dutywa extension 7 for middle income housing (amendment)
- Dutywa extension 3 for middle income housing (revalidation)
- Willowvale extension 5 for middle income housing
- Elliotdale extension 6 for middle income housing and low cost housing
- Elliotdale extension 5 middle income housing (revalidation)
- Bachelor flats ( rental housing)
- N2 middle income housing
- A student village (rental housing)
- Elliotdale extension 2 (PHP) and Willowvale Ext 1 (PHP)
- Elliotdale 7000 B.N.G (rural settlement housing plan) houses.

#### **Other projects include:**

- Maintenance and repairs of municipality owned houses and buildings
- Acquisition of unused buildings from other departments or parastatals for use in the municipality development initiatives. Government departments such as Public Works have several buildings within our three Municipal Units. The majority of these buildings are in a state of decay. The departments have promised to dispose some of these buildings to the Municipality.
- Cleansing of the municipality's urban and surrounding areas of illegal structures and shacks. The illegal structures have been removed, even though it is still work in progress as some hawkers are still defiant.
- Construction of two shopping malls (Old Tennis Court and N2 shopping Malls) to ease congestion in the Dutywa CBD and to expand consumer options. Tennis court shopping mall is at an advanced stage, tender for Willowvale Shopping Mall and N2 Shopping Mall have been awarded to different service providers respectively.
- Construction of two recreational parks for children and adults for pleasure time.

These projects commenced at the beginning of 2009 and are expected to be finalized three years, that is, 2012.

The department of housing is funding the surveying and planning of the housing projects in conjunction with the local municipality.

### **2.7.2.1 DUTYWA EXT. 8**

This project is meant alleviate shortage of accommodation to low income category and to clean up the shacks in Dutywa.

#### **PROGRESS**

- Registering of township is complete
- Engineering designs has been done
- Surveying planning and engineering drawing has been paid which total led to R704 857-00
- Beneficiary list with 753 names was tested and 637 came through, 108 names are being verified by this office for resubmission for further testing, 17 names tested to have subsidized houses and 13 tested to be dead.
- 400 subsidies and housing support centre grant were approved on 01 December 2004 with an amount of R10 320 00-00 and R228 000-00 respectively.
- Signed a memorandum of agreement between departments of housing, ADM and Mbhashe Local Municipality in order for ADM to give assistance in this project for phase 1i.e. construction of services.
- A.D.M has appointed an Engineering consultant.

#### **CHALLENGES**

- The municipality is faced with high demand for housing, more so in Dutywa unit because of centralization of district activities in the unit by government departments.
- ROD expired
- In the process of finalizing the deceased beneficiary approval on HSS
- Application for revised new quantum for both services and top-structure required.
- The municipality is also focusing at removing of all shacks. Currently, there are +- 1000 shacks in Dutywa. The Council has approved the relocation of shacks from Ezifama, G.P.O and Ngubethole School to eastern side of Govern Mbeki township, and money to meet relocation costs and light infrastructural services has been budgeted for. The area where the shacks are to be placed has been measured and fenced as to control the sprawl of shacks and also to give protection to shack owners.
- However, negotiations about the date for relocation are still in place with the affected parties, in this case, the shack owners.
- It was determined by the DHLG/ DHS (Department of Human Settlement) that the engineering consultant appointed by Mbhashe Municipality lacks experience in terms of preparing the tender document and the engineering consultant need to pursue a joint venture with an established consultant. This task has since been delegated to ADM. A consultant has since been appointed. Engineering designs are complete and approved, and construction is expected to commence in January 2010.

### **2.7.2.2 DUTYWA EXT 9: DOTI IN - SITU UPGRADE**

The municipality commonage was invaded. The municipality is regularizing the settlement to a desired standard.

#### **PROGRESS**

- 500 subsidies were approved in principle by DHLG/ DHS.

#### **CHALLENGES**

- The project is faced with "land claim" by the old Doti community (rural area) which needs to be resolved before the application can be submitted to the board.

- Some supposed community leaders of the Doti community who in 2000 were interdicted from demarcating land beyond certain boundaries once again unlawfully demarcated land to people. We however appointed MESSRS Jikwana Nginda and Associates to proceed to obtain a high court order evicting these new invaders.

### **2.7.2.3 DUTYWA EXTENSION 3, 7 AND ELLIOTDALE EXT.5**

Purpose: to reduce high demand for middle income housing by selling serviced sites. Dutywa EXT 7 was approved with 80 sites in 2003. Due to high demand for middle income, the council resolved to amend the project from 80 to 312 residential sites and also to revalidate the approvals that had lapsed for Dutywa Ext. 3 with 264 residential and Elliotdale Ext. 5 with 102 residential. Elliotdale Ext 5 is undergoing registration process with the conveyancer.

#### **PROGRESS**

Due to the fact the general plan 245/1992 for Ext 3 has expired, the council has recently resolved that the township establishment be started afresh and be amended into a high income residential area.

The conditions of township establishment and revalidation of approvals for Elliotdale Ext.5 was submitted to DHLG.

#### **CHALLENGES**

- Funding for infrastructure
- Topographical challenges in Elliotdale also scare developers away and department invites interested developers to contact the department with proposals so that we find alternative means to speed up process.

### **2.7.2.4 WILLOWVALE EXT. 5**

The project comprises of 251 residential for middle income category.

#### **PROGRESS**

- Township establishment is complete and the township was registered on 12 October 2004
- A tender was advertised on the daily dispatch on Dec 2007 inviting proposals from the developers and tender was opened in public in 8<sup>th</sup> January 2008

#### **CHALLENGES**

- Funding
- Also here topography is a challenge. Prospective developers are requested to contact the department to find a way forward

### **2.7.2.5 ELLIOTDALE EXT. 6**

The project comprises of 600 sites i.e. 200 sites for middle income and 400 sites for low cost.

#### **PROGRESS**

- Planning is complete and total amount of R120 000-00 has been paid
- The appointed land surveyor abandoned the project has re-opened his practice and has made some arrangements to finish the work.

## CHALLENGES

- Funding for infrastructure

### 2.7.2.6 ELLIOTDALE EXTENSION 2 (PHP) AND WILLOWVALE EXTENSION 1(PHP)

Funding for the development of all low cost housing is from DHLG. The department aimed at completing the construction of houses at the two Housing projects i.e. Elliotdale Extension 2 with 292 and Willowvale Extension 1 with 97 units within 2004 but because of various reasons, time frames could not be met. These projects were approved in 1997 and 1998 respectively.

- Elliotdale Extension 2 was very unfortunate to have not been listed amongst the blocked projects by DHLG in 2002 and as such, retained old subsidy belts of R16000/subsidy including variance.
- Willowvale Extension 1 subsidies were reviewed to R22 808/subsidy including variance.

## PROGRESS

- 180 houses were completed at Elliotdale Extension 2, 86 are under construction and 26 units have not been started or claimed from the department of Housing.
- The department has also applied for poorly built houses to be included in the department's rectification programme.
- An Instruction to Perform Work (IPW) for status quo investigation to be issued to Professional Resource Teams (PRT's).
- Application for funding for rectification and un-blocking to be submitted to Project Adjudication Committee (PA Com) based on status quo investigation.

## CHALLENGES

- The location of **Elliotdale** project is such that the material is expensive to import due to high transportation cost.
- The site at Elliotdale also had extreme topographical conditions were most floor slabs are having six rows above ground level and that means more building materials needs to be used.
- Project blocked and work done is of poor quality
- Relocation of survey pegs to determine proper boundaries
- Services are incomplete and in poor state.
- In **Willowvale**, project blocked and some units are incomplete.
- Relocation of survey pegs
- Bush-clearing and big trees removal required
- Only 32 houses were completely built at Willowvale extension 1 in 2004, 25 units are on various stages of construction, 8 units not built but claimed the funds from the department, and 33 units are still unclaimed from the department.

### Elliotdale 7000 B.N.G (Breaking New Grounds) houses.

This project requires an Environmental Authorisation. The project is blocked due the fact that the bricks used were of poor quality and did meet the standard set by NHBRC (National Home Builders Regulatory Council). To keep the project moving, the Housing Department decided to provide VIP Toilets.

#### **Progress**

- Cemforce is on site, constructing the VIP toilets at Ward 17.
- Currently 502 VIP toilets have been constructed on both Wards, i.e. 17 and 26
- Dreamfields is constructing sport fields at Ward 26.
- These fields are about to be finished

## Challenges

- Inaccurate list of beneficiary audit delays the progress as some toilets are provided to people whose names do not appear on the list.
- Terrain makes it difficult to construct the toilets
- EIA required

### 2.7.3 GENERAL PROPERTY VALUATION

Property rates are paid based on values of properties, therefore it is essential to review market values every fourth year. The new Municipal Property Rates Act no.6 of 2004 requires that all municipalities implement it by 1<sup>st</sup> July 2008 and those not ready to implement is exempted until 1<sup>st</sup> July 2009. Our services provider, Redemption Estate, has come up with a total number of erven for all three units. A summary of the 2009 valuation roll is provided below,

Unit	Total Erven	Total Value of Erven
Dutywa	1717	R282,589,500
Elliotdale	631	R57, 842,500
Willowvale	1053	R126,380,000

## CHALLENGES

The new Municipal Property Rates Act requires that, the process must be started at least 12 months before the implementation date of 1<sup>st</sup> July 2009. The municipality is not in a position to implement the new Property Rates Act by 1<sup>st</sup> July 2009 due to financial system (Venus).

### 2.7.4 SPATIAL DEVELOPMENT FRAMEWORK

A need of an SDF plan is to provide the municipality with a tool to assist in arriving at informed developmental decisions to ensure sustainable development decisions and management of its future land development.

## PROGRESS

The approved Spatial Development Framework Plan (SDF) has been adopted by the council. We have appointed a service provider to review the current SDF in order for it to talk to current challenges and developments. An approved Draft copy of SDF for 2009/10 has been submitted for review and additions where necessary by various departments.

### 2.7.5 LAND REFORM AND SETTLEMENT PLANS

#### 2.7.5.1 GWENTSHE AND CUNTSULA (WARD 13) ELLIOTDALE

The project involves formalization of rural areas by means of proper planning and surveying. The project is monitored by the Amathole District Municipality.

## PROGRESS

The project is in the initial phases.

Messrs. Tshani consultants a firm of professional planners and Messrs. Palmer Flatela a firm of professional land surveyors has been both appointed by the ADM to provide planning and survey services.

#### 2.7.5.2 MAXELEGWINI AND MBOYA (WARD 25 &11) WILLOWVALE)



The project involves formalization of rural areas by means of proper planning and surveying. The project is monitored by the Amathole District Municipality.

## **PROGRESS**

The project is at an advanced stage and the appointed professional planner, Mark Roberts has presented the proposed layouts plan for the area. The challenge of the project is that the appointed planner has discovered that some of the planned sites have encroached municipal land. The appointed planner has proposed that the encroached portions of municipal land be given to the people affected in order to enable smooth implementation of the plan.

### **2.7.5.3 BOLOTWA AND LENCANE**

The project involves formalization of rural areas by means of proper planning and surveying.

## **PROGRESS**

The project is at an advanced stage and Nzelenzele, Preston and Medcalf the appointed land surveyor are through with planning and are about to apply to the DHLG for surveying of the areas. The municipality has requested the service provider to make a presentation on the nature of the application to the DHLG.

### **2.7.6 RURAL HOUSING PROJECT AT WARD 17 and 26 (7000UNITS)**

The provincial Department of Housing put on an advert inviting contractors to tender for 590 units. Site inspection was done. The provincial Department of Housing proposed the phasing of constructing the houses, phase 1 being the construction of 590 units. Unfortunately not even one contractor was interested to tender for the construction. Department of Housing therefore opted to reduce the number to 100 houses. The process will start afresh with effect from the 3<sup>rd</sup> to 6<sup>th</sup> November 2008. The service provider approved by ADM to do EIA had community participation meetings so that all the comments could be forwarded together with the report to ADM.

## **CHALLENGES**

Ten show houses are at stand still because of:

- Scarcity of water
- Shortage of skilled labour
- Locality of the project and the terrain makes it difficult to obtain interested bidders for the construction of top-structures.
- Beneficiary pre-screening
- Distance from town to the area
- Bad roads and lack of infrastructure, etc.
- Bricks used during the construction of show-houses do not meet the standards set by NHBRC, as a result ECATU has been given a go ahead to demolish the show-houses.
- Therefore all ten (10) show houses were condemned by NHBRC.

## **PROGRESS**

- The development will start after the EIA report has been approved by the department of Environmental Affairs.
- DBSA and Teba Bank have made commitment to assist in speeding up the development process by providing capacity building and human resources.
- Human settlement department is busy preparing submission for rectification of 10 show houses

- EIA awaiting procurement of service provider for the finalization of Transport Network Plan.
- Beneficiary administration and pre-screening process under way.

## **2.7.7 LAND USE CONTROL**

### **WILLOWVALE COMMONAGE INVASION**

In the past few years the residents of rural areas surrounding Willowvale commonage illegally demarcated sites from the municipal commonage for themselves. The municipality then appointed Messrs. Majeke, Mjali & Co who obtained a court order evicting the transgressors.

There are new land invasions from the Maxelegwini side which are taking place. Messrs Mancotywa, Ndzabela and Associates were appointed by the Municipality to attend to this unfortunate turn of events.

### **PROGRESS**

The appointed attorneys are working towards obtaining a court order evicting the invaders.

#### **2.7.7.1 REMOVAL OF ILLEGAL STRUCTURES: DUTYWA**

The municipality has been experiencing illegal mushrooming of caravans and containers and Council resolution was obtained to this effect.

Messrs. Tshiki and sons who were appointed to act on behalf of the municipality in this matter have won the case. Sherriff Ntsibantu was hired by the municipality to implement the court order and as a result all the illegal structures were removed on the 08<sup>th</sup> October 2009

#### **2.7.7.2 RENOVATION OF THE MUNICIPAL HOUSES AND BUILDINGS**

Municipal houses in all three units are currently unsightly, including all residential, businesses and community facilities. To improve this situation the department has set aside a budget of R1 million for the 2008\2009 financial year and local service providers have been appointed to remedy the situation.

### **CHALLENGES**

- Some of these houses (residential) are illegally occupied by municipal employees who are determined to resist any attempts to evict them and are refusing to pay anything in the form of rental and services charges. These include houses reserved for Mayors and Municipal Managers.
- In business the tenants/occupiers no longer honor their lease agreements and are not contributing any revenue to the municipality.
- Some of the buildings are at a state of decay and it is difficult to renovate them.

### **REMEDIAL ACTION**

- Messrs Jikwana, Nginda and Associates have been instructed to evict all municipal employees in illegal occupation of municipal houses and apply for automatic rent interdict. This anarchy will be dealt with once and for all.
- Those who have abandoned their conditions of leases, a process of canceling their leases and \ or demanding full settlement of their arrears have been initiated and we await results soon.
- Budget for renovations has to be increased as some of the houses need a total overhaul.

### **2.7.7.3 ACQUISITION OF HOUSES FROM OTHER DEPARTMENTS**

The department has begun a process of identifying houses belonging to other departments or parastatals that are unused or less productive. These departments mostly owe the municipality monies for rates and services running to millions of rands. As we are all in the mission of service delivery we tried to find common ground of bailing each other out of the crisis. One example is a proposal by TRANSIDO that the municipality writes off their debts and in turn they transfer their properties in the three units to the municipality for small business development purposes. This has been accepted by Council and the transfer has been finalised. Public Works have several buildings within our three Municipal Units. The majority of these buildings are in a state of decay. The departments have promised to dispose some of these buildings to the Municipality

#### **CHALLENGES**

- These houses and buildings are mostly in a state of decay and will be expensive to renovate or reconstruct.
- They are all illegally occupied by people who are neither paying rent nor rates to either the municipality or their landlords.
- We may meet resistance in evicting them which may lead to costly litigation.

#### **PROGRESS**

- Council has approved transfer of Transido to the municipality
- The municipality together with Transido is currently engaging occupants and discussing their future and future relations.
- Despite communication difficulties with the Department of Public Works, the department is patiently initiating talks with them with the purpose of persuading them to follow the Transido route.

### **2.7.7.4 RENTAL HOUSING**

Dutywa town in particular is unbearably over populated. This has burdened the infrastructural planning in town more especially sewerage, roads and electricity. This is a result of an unexpected increase of schools around town. Residents responded by converting their residential houses into boarding hostels. A scenario is a four roomed house we visited which was converted to house 40 students and each paying R400-00 per month, 10 sharing a room and ranging in ages from 10 years to 20 years, and of different genders. Crime has since escalated, employees have been left stranded and without accommodation and having to resort to staying in surrounding rural areas. Original shack dwellers have left their shacks to let them to students up to as much as R300-00 per month.

#### **CHALLENGES**

- Urban sprawl coupled with shack mushrooming
- Lack of rental housing in particular for local employees.
- Resultant urgent need for infrastructural improvement.
- Delays by the Ezifama shack dwellers, such as vacating of the site, etc

#### **PROGRESS**

The following development proposals have been initiated and approved by council.

- Construction of a middle income housing project at the place currently known as Ezifama (shacks on the left hand side from Dutywa to Butterworth. This project is at an advanced stage. The developers are working towards the construction show houses.
- Construction of bachelor flats to complement the middle income housing.
- Construction of a student village next to or beyond the new health center / King Hintsa FET.

## 2.8 TECHNICAL SERVICES

### Construction of Roads

Municipality has limited resources to fund construction and rehabilitation of access road. The construction and rehabilitation of access roads within Mphashe Municipal area is mainly funded by Municipal Infrastructure Grant (MIG). In addition to that a few of the roads within Municipal area are proclaimed and are taken care by the provincial government.

The MIG annual allocation allows doing construction/rehabilitation of only about 15km of access roads per year. Due to a very high level of understaffing of Technical Services Department, the department was struggling to achieve 2008-09 financial year targeted works which caused a carryover of about 60% of 2008-09 goals. At the start of 2009 -10 financial year the department was busy mainly in finishing of the unfinished 2008-09 works which caused a huge back log in attending 2009 -12 targeted works. As the most of the 2008-09 works are finished, the department has started to look into 2009-12, 3-year IDP for implementation.

15 out of 57 identified backlog roads are considered for either construction or rehabilitation in IDP 2009 – 12. The following tables show status of identified backlog roads and planned roads.

Status of identified backlog roads:

WARD	ACCESS ROAD	LENGTH (Km)	STATUS
1.	Surfacing of internal town roads	10 km	Partly consider
2	Sheshegu from N2 to Mthetho J.S.S and Flower J.S.S	7km	Considered in 2009-12
3.	Bongweni access road	3 km	Yet to consider
4.	Gxara Maxhama	8km Need to assess	Yet to consider Yet to consider
5.	Singeni to Ngqokweni	5km	Yet to consider
6.	Luxhomo	4km	Considered in 2009-12
7.	Gudlindlu to Nweleni Vutha to Khnaga	6km Need to assess	Considered in 2009-12 Yet to consider
8.	Makakanzima to Xobo	6km	Yet to consider
9.	Kulozulu Cungcwini Mngeka	7km Need to assess Need to assess	Yet to consider Yet to consider Yet to consider
10.	Ncedane to Komkhulu Bam to Zenzele Futheni to Beyaphi	7.8km Need to assess Need to assess	Yet to consider Yet to consider Yet to consider
11.	Nokatana Mfezane	8km Need to assess	Yet to consider Yet to consider
12.	Melithafa to Sirhosheni Riverview to Xobo Fameni to Velelo	6.3km Need to assess Need to assess	Considered in 2009-12 Yet to consider Yet to consider
13.	Ntsimbakazi to Hlakothe Bhungu to Hlakothe Ntsimbakazi J.S.S.	5.7km Need to assess Need to assess	Yet to consider Yet to consider Yet to consider
14.	Ncihana to Xuba Miller to Kroxa Tandiwe to Mcelwane Jongulwandle to Hall Tubeni to Qwili Maqolo to Mngazana	6.9km Need to assess Need to assess Need to assess Need to assess	Considered in 2009-12 Yet to consider Yet to consider Yet to consider Yet to consider
15.	Nobulala to Mpange house Caweni to Maxhama	7km Need to assess	Considered in 2009-12

WARD	ACCESS ROAD	LENGTH (Km)	STATUS
	Manganyelwa to Nobangile	Need to assess	Yet to consider Yet to consider
16.	Mngcakatelweni to Ntshuqe	8.1km	Considered in 2009-12
17.	Xhora Mouth to Zithulele Zithulele to Mhlahlane Mpame to Lumkwana Zithulele to Lubanzi	7.3km Need to assess Need to assess Need to assess	Yet to consider Yet to consider Yet to consider Yet to consider
18.	Dangata to Cwebe	4.5km	Yet to consider
19.	Nkonjane to Dayi Gume	6.7km Need to assess	Yet to consider Yet to consider
20.	Flathini to Goqo Fubesi Kunene Nkatha	5.3km Need to assess Need to assess Need to assess	Considered in 2009-12 Yet to consider Yet to consider Yet to consider
21.	Nakazana Access Road Jotela Vulandlu to Mnqwena Qwaninga to Mantlaneni Bojini to Macirheni Hadi to Qhorha	5km Need to assess Need to assess Need to assess Need to assess Need to assess	Considered in 2009-12 Considered in 2009-12 Yet to consider Yet to consider Yet to consider Yet to consider
22.	Nomawaka Xonyeni Phathilizwe	9.2km Need to assess Need to assess	Considered in 2009-12 Yet to consider Yet to consider
23.	Bongweni Maxelegwini Gosani	4.9km Need to assess Need to assess	Considered in 2009-12 Yet to consider Yet to consider

Status of 2009-10 planned roads:

In the 2009-10 IDP, the Municipality had identified a 3-year rolling plan for construction of roads covering until 2012. There are altogether 59 projects under consideration for the period. A brief on status of those roads is given hereunder:

- 10 completed and 3 at 90% to 95% completion
- 1 at 10% progress and at dispute with Consultants
- 5 at Budget Maintenance
- 5 at design stage (Includes 4 to submit MIG 1)
- 7 at procurement stage, 1 will be done in-house
- 11 at registration to MIG
- 16 site visits completed to submit MIG 1 by Municipality and preparing tender documents for appointment of Consultants.

Provincial proclaimed roads and their condition:

ROAD NAME	AREA COVERED	STATUS
08257	Dutywa to Ngcobo via Mputhi (65 km)	Surfaced road
08234	Dutywa to Ngcobo via Bolotwa	Gravel road
08335	Colosa to Mbangcolo	Gravel road
08045	Dutywa to Willowvale	Surfaced road
08046	Willowvale to Msengeni	Gravel road
08331	Gwadu to Gqubuzeni	Gravel road
08044	Dutywa to Dwesa via Fort Malan	Gravel road
18045	Willowvale to Qhora (30 km)	Gravel road
08345	Willowvale to Beechamwood	Gravel road
18033	Xhora to Haven	Gravel but in progress of being surfaced in phase 1, 2 and 3
08328	Xhora to Qatywa via Madwaleni	Phase 1 and 2 will cover the surfacing
08324	Xhora to Tafalehashe	Gravel road

There are several projects that could benefit from these roads being surfaced, e.g. Kobb-Inn/Gcalekaland Cultural Centre, Qatywa and Nkanya Lodges, Dwesa/Haven Hotel Development etc.

#### **Operation and Maintenance**

The municipality has bladed about 195.5 km for voting station during national election so that people can have access to the voting stations. Access roads to Mthetho and Flower JSS where maintained, about 2km.

#### **Electrification**

About 60% of households have access to electricity in and around Mbhashe Municipal area. Of 313 villages in Mbhashe more than 180 have electric power. Eskom has planned for further development and coverage which is presented below:

<i>Project Name</i>	<i>Estimated # of Houses</i>	<i>Year</i>
Gatyana Ph 2B1	1800	2010
Elliotdale Rural A1	1800	2010
Munyu Ph 2 or Extensions	1317	2010
Shixini Ph 1	1000	2009/10
Shixini Ph 2	2411	10/11
Ntsimbakazi Ph 1	1000	10/11
Ntsimbakazi Ph 2	1060	11/12
Elliotdale Ph 3	4082	2012
Elliotdale Ph 4	4000	2012

Shixini Ph1 electrification project is on construction stage which will cater a total of about 1,000 consumer connections (30 villages) and is funded by DME. The project is at 12% progress with 120 consumer connections completed.

The municipality has appointed service providers for installation and refurbishment of street lights in Dutywa, Elliotdale and Willowvale.

#### **Water and Sanitation**

Amathole District Municipality was declared a Water Services Authority (WSA) in terms of the powers and functions devolved by the Local Government Municipal Structures Act, 117 of 1998. Therefore, it is the Amathole District who is taking care of the development in this sector. A brief status of the water and sanitation projects is given here under.

Project Name	Status / Stage
Elliotdale Solid Waste Disposal Site	Construction
Idutywa East Water Supply Scheme	Design & Tender

Idutywa Taxi Rank: Phase 3	Construction
Mbashe North Water Supply Scheme: Phase 1	Defects Liability Period
Mbashe North Water Supply Scheme: Phase 2	Defects Liability Period
Mbashe North Water Supply Scheme: Phase 3	Design & Tender
Mgwali North Water Supply Scheme	Report / Preliminary Design
Mgwali South Water Supply Scheme	Report / Preliminary Design
Mncwasa Regional Water Supply: Phase 1	Design & Tender
Mncwasa Regional Water Supply: Phase 2	Design & Tender
Mncwasa Regional Water Supply: Phase 3	Design & Tender
Mncwasa Regional Water Supply: Phase 4	Design & Tender
Nqadu Regional Water Supply Scheme	Defects Liability Period
Qwaninga Water Supply: Phase 2 & 3	Defects Liability Period
Qwaninga Water Supply: Phase 4	Construction
Qwaninga Water Supply: Phase 5	Construction
Sundwana Water Supply Scheme	Preliminary Design
Xora Regional Water Supply Scheme: Phase 1a & b	Design & Tender / Construction
Xora Regional Water Supply Scheme: Phase 1c & d	Design & Tender
Xora Regional Water Supply Scheme: Phase 1e & f	Design & Tender

### Challenges

Main challenge the department facing is understaffing of personnel. Out of 10 technical positions it was working with only one, the PMU Manager since February 2009. Recently the department has got Technical Manager, a Technician and a short term (3 months) contracted QS Technician. All though Municipality is trying hard to recruit necessary staff, it is not successful yet. Other challenges the department facing is shortage of equipment due to inadequate funds. These cause underperforming by the department to a great extent resulting delay in service delivery as well as challenges in quality of services whatever it manages to offer.

## 2.9 INSTITUTION AND FINANCE CLUSTER

### Budget and Treasury

The purpose of the Budget and Treasury Office is to perform budgeting, accounting, analysis, financial reporting, cash management, debt management, asset management, supply chain management and financial management. With the introduction of the King 2 Report on Corporate Governance as well as increased attention paid to compliance issues it is necessary that Mbashe Municipality take active measures to ensure that all its activities comply with, and take into account all legislated provisions and Best Practice Standards.

Section 122 (1) of the Municipal Finance Management No. 56 of 2003 indicates that, "every municipality and every municipal entity must for each financial year prepare annual financial statements". The annual financial statements for 2008/09 financial year were prepared in the General Recognized Accounting Practice (GRAP). This is an achievement for the municipality because low capacity municipalities are required to submit in GRAP the 2009/10 financial statements. Treasury is organizing more training for the implementation of GRAP by low capacity municipalities.

The finance department is responsible for the following functions:-

1. Revenue Management
2. Expenditure Management
3. Supply Chain Management
4. Risk Management

5. Information and Communication Technology
6. Budget

## **1. REVENUE MANAGEMENT**

Section 64 (2) (a) states that, “the municipality must have an effective revenue collection systems consistent with the municipality’s credit control and debt collection policy”. The Mbhashe credit control and debt collection policy has been adopted by the council. The municipality is using Venus financial system for recognizing revenue when it is earned, accounts for receipts of revenue and billing of its debtors.

The department is in the process of verifying its debtor’s book and will embark on a data cleansing exercise. This will assist the municipality in developing a reliable consumer database to ensure realistic budgeting. There is an improvement of payments received from government departments in the 2009/2010 financial year.

The municipality has the register for indigent households in line with the indigent policy which was adopted by the council. The municipality is rolling out free basic electricity and alternate energy to indigent households.

### **Challenges**

The revenue base for the municipality and recovery of debts is limited as a result 90% of revenue is from grants.

Staff still needs training on using Venus financial system, as a result billing is not done timeously.

There is incorrect consumer database.

Billing for refuse collection is also incorrect.

### **Remedial Actions**

The municipality needs to implement credit control and debt collection.

The department will organize trainings on Venus financial system.

## **2. EXPENDITURE MANAGEMENT**

Whereas the municipality is still using cheques for the payments of creditors there is an effective internal control. Payments are made directly to the person to whom it is due and are made by way of not transferable cheques.

Expenditure is authorized by the authorized signatories appointed by the Council. All creditors are paid within 30 days of receiving the relevant invoice.

### **Challenges**

Salaries offered by the institution are not competitive enough as to attract skilled personnel.

Staff are not well trained on how to use the financial system. This causes delay in producing monthly reports.

### **Remedial Actions**

The municipality must provide sufficient budget for training.

## **3. SUPPLY CHAIN MANAGEMENT**

The municipality has a fair, equitable and transparent supply chain management policy which is reviewed yearly in order to comply with relevant legislations.

The municipality is in the process of procuring a supplier data base system to ensure fair engagement of service providers.

### **- Assets**

The municipality is using BAUD system which is GRAP compliant for the recording of its assets.

Infrastructure assets will be evaluated before the end of 2009/10 financial year and be added to the asset register.



## **Challenges**

The biggest challenge is that some of the supply chain functions are still decentralized and for supply chain to function efficiently and effectively all functions need to be centralized.

The unit needs more staff to enhance capacity, for example, there is no fleet controller to monitor the use of municipal vehicles.

## **Remedial Actions**

Supply chain functions need to be centralized.

Review the organogram to meet the needs of the institution.

## **4. RISK MANAGEMENT**

The municipality has employed an Internal Auditor to ensure that the risks facing the institution are looked at and managed. The municipality has already conducted a risk assessment and hence the establishment of risk committee as to implement recommendations by the Internal Auditor and Auditor General.

## **Challenges**

The municipality does not have risk management policy and fraud prevention and anti-corruption strategies which will talk to the risks facing the institution.

The municipality has not yet established an internal audit and the one internal auditor is entrusted with all the functions of Internal Auditing.

## **Remedial Action**

The municipality needs to develop risk management related policies and strengthen the internal audit unit.

## **5 INFORMATION AND COMMUNICATION TECHNOLOGY (ICT)**

The municipality's ICT has demands has increase rapidly over the years, this can be attributed to the increase in staff and the implementation of computerized financial systems.

The municipality has employed an intern and contracted a service provider to assist the technician and to transfer skills.

The department has installed a telephone system in order to put controls and monitor the use of telephone. Each employee has been allocated a monthly budget and a pin code.

Communications and information technology officers will be trained on updating the website for the municipality.

## **Challenges**

The ICT infrastructure capacity does not meet the needs of the municipality.

The municipality needs to expand its staff establishment plan as far as ICT is concerned.

## **Remedial Action**

The municipality needs to upgrade its ICT infrastructure.

Review the organogram for ICT section.

## **6. BUDGET AND REPORTING**

Section 16 (1) of the Municipal Finance Management Act No.56 of 2003 states that, "the council of a municipality must for each financial year approve an annual budget for the municipality before the start of that financial year". Budget is prepared in line with our Integrated Development Plan.

Mbhashe municipality is a low capacity municipality and as such was required by the National Treasury to prepare and submit its 2009/10 budget in a format as prescribed in circular 28. The budget was adopted 30 days before the start of the financial and submitted to the National and Provincial Treasury as per section 24 (1).

The budget for 2010/11 financial will be prepared and submitted in format prescribed in circular 48.

The municipality is submitting section 71 reports to National Treasury and the Provincial Treasury in line with the new appendix B format.

### Challenges

Budget processes started late.

More training is needed on the budget regulations and reporting format.

There is a shortage of staff to assist in the budget office because of these new regulations.

### Remedial Actions

Filling of a vacant post.

Trainings will be organized to capacitate employees on the regulations.

### FINANCIAL VIABILITY

The annual budget of the municipality must be funded from realistically anticipated revenues from each revenue source. The following are our sources of revenue:-

1. Own revenue – which consists of rates, refuse, and other revenue.
2. Grants and subsidies.

Description	2007/08	2008/09			2009/10		
	Budget	Budget	Actual Expenditure / Receipts	% Spent/Received	Budget	Actual Expenditure	% Spent/Received
Personnel Expenditure	22,566,393.00	28,199,718.00	27,086,245.00	96	36,395,475.00	15,550,553.00	43
General Expenses	20,792,491.00	38,071,904.00	24,388,713.07	63	37,042,603.00	17,722,247.50	56
Capital Expenditure	21,991,858.00	21,025,500.00	10,770,749.39	51	34,073,990.00	18,152,295.00	53
<b>TOTAL</b>	<b>65,350,742.00</b>	<b>87,297,122.00</b>	<b>62,245,707.46</b>	<b>71</b>	<b>107,512,068.00</b>	<b>51,425,095.50</b>	<b>48</b>
Own Revenue	3,129,819.00	3,511,992.00	3,719,716.25	105	6,738,622.00	2,378,837.04	35
Grants & Subsidies	61,910,749.00	68,378,317.00	62,743,317.00	92	96,475,831.00	55,608,899.29	58
<b>TOTAL</b>	<b>65,040,568</b>	<b>71,890,309.00</b>	<b>66,463,033.25</b>	<b>92</b>	<b>103,214,453.00</b>	<b>57,987,736.33</b>	<b>56</b>

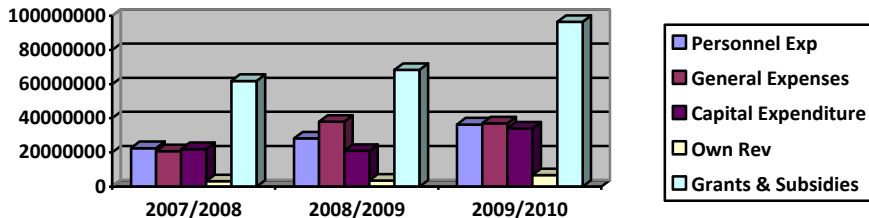
This diagram shows the budget for expenditure (personnel, general & capital) and revenue (own & grants) for three consecutive years and the actual for two years (2008/09 & 2009/10). The personnel budget has increased by 25% from 2007/08 to 2008/09 and by 29% from 2008/09 to 2009/10 financial year. The personnel establishment of the municipality is growing to meet the needs of the community, which is shown by the increase in the personnel expenditure. The budget for personnel expenditure for 2007/08, 2008/09 and 2009/10 was 35%, 32% and 34% of the total expenditure respectively.

The total expenditure budget increased from 2007/08 to 2008/09 by 34% and from 2008/09 to 2009/10 increased by 23% and the total income budget increased by 11% in 2008/09 and by massive 44% in 2009/10. This can be attributed by a considerable increase in grant funding.

The capital budget for 2007/08, 2008/09 and 2009/10 was 34%, 24% and 32% of the total budget respectively. The municipality has spent 51% of the capital budget in 2008/09 and 53% in 2009/10 to date. The total actual expenditure for 2008/09 was 71% of the total budgeted expenditure and for 2009/10 is still at 48% of the total budgeted expenditure after six months.

The budget for grant funding for 2007/08 and 2008/09 was 95% of the total revenue and 93% for 2009/10. This means own revenue was 5% for both 2007/08 and 2008/09 and 7% for 2009/10. Own revenue increased from 2007/08 to 2008/09 by 12% and from 2008/09 to 2009/10 by massive 92%. The municipality has received 92% of the total budgeted income in 2008/09 and 56% has already been received in the current financial year.

The graph below illustrates the movement in the budgets of the three comparative financial years .i.e. 2007/08, 2008/09 & 2009/10



Clearly, the overall budget for the municipality has been increasing from 2007/08 to 2009/10 financial years. There has been a slight improvement in our own revenue, whereas the graph clearly shows that the municipality is dependent on grants and subsidies.

### AUDIT COMMITTEE

Mbhashe Local Municipality has an effective Audit Committee which comprises of three members outside the institution. The committee started working in January 2009. The committee held five effective meetings which among others were to discuss the performance of the municipality against its strategic plans.

### HUMAN RESOURCES & ADMINISTRATION DIVISION

Our vision will be to ensure that is staffed with high skilled and suitable qualified personnel in each job their capacity optionally utilized to provide service delivery to the people of their area.

Our mission is to provide strategic direction on Human Resources related matters and ensure that the administration of the institution is in sound footing able to respond in the mandate of the developmental local government.

### STATUS QUO

The department aims to improve on its performance and apply relevant policies and prescripts of law when conducts its function.

### POLITICAL STRUCTURE

Mbhashe Local Municipality is a category B headed by the mayor who is the chairperson for the EXCO. The Speaker is the chairperson of the council. We have six standing committees that are headed by the six portfolio heads.

The mayor, speaker are three portfolio heads are full time.

Full complement of our political office bears including traditional leaders is 60. The Chief whip is a member of the ruling party and opposition parties are also having their respective members in the whippery.

## HUMAN RESOURCES & ADMINISTRATION CORE FUNCTIONARIES

- Policy formulation & Review
- Training & Development ( Staff & Councilors)
- Employment Assistance Programme
- Labour Matters
- Priority Skills Acquisition
- Recruitment and Selection
- Management of the Organisational structure

## POLICY FORMULATION & REVIEW

### STATUS QUO

- We managed to review the following policies
  - ❖ Leave Policy- for the past years most audit queries emanated from inaccuracy of data reflected in our leave records. This policy was then reviewed taking all the raised queries into consideration H.O.D's are requested to take this very seriously as there is a lot of AWOL in all our departments.
  - ❖ Recruitment and Selection Policy- This policy appeared to be having very serious challenges, as such it was imperative that it should be reviewed. Expert opinion was sort and the policy is currently used when recruitment and selection of new staff is being done.

## PUBLIC PARTICIPATION POLICY

This policy was formulated as to guide how the whole concept of sensitizing people about the role of the municipality and what was expected of them as citizens within our area.

### CHALLENGES:

- Reliance on service providers remain a big challenge as they charge exorbitant fees for service rendered
- Impact of unavailability of some stakeholders during the actual implementation causes lot of delay thereby impacting negatively on service delivery.
- Very many bottlenecks that lead to delay in recruitment and selection e.g. challenge emanating from unions.
- Wastage done by advertising one position more than two times due to unnecessary technicalities raised during short listing.

### REMEDIAL ACTION:

Prioritization of recruitment should be taken seriously so as to reduce the high unemployment rate.

### EMPLOYEES ANALYSIS PER GENDER

#### SECTION 57 EMPLOYEES

POSITION	MALE	FEMALE	STATUS
MUNICIPAL MANAGER	1	-	ACTING
CHIEF FINANCIAL OFFICER	-	1	CONTRACTED
COMMUNITY SERVICE	-	1	CONTRACTED
HR & ADMIN	1	-	CONTRACTED

LAND & HOUSING	1	-	ACTING
TECHNICAL SERVICES	1	-	CONTRACTED
STRATEGY / LED	1	-	CONTRACTED
<b>GRADE TOTAL</b>	<b>05</b>	<b>02</b>	

**MAYOR AND MUNICIPAL MANAGERS OFFICE**

	<b>POSITION</b>	<b>M</b>	<b>F</b>	<b>STATUS</b>
1	OFFICER MANAGER	-	-	VACANT
2	SECRETARY TO MAYOR	-	1	PERMANENT
3	S.P.O	1	-	PERMANENT
4	COMMUNICATI ON OFFICER	1	-	PERMANENT
5	MAYORAL DRIVER	1	-	PERMANENT
6	INTERNAL AUDITOR	1	-	PERMANENT
7	SECRETARY TO M/M	-	1	PERMANENT
<b>GRAND TOTAL</b>		<b>04</b>	<b>02</b>	<b>01</b>

**HUMAN RESOURCE & ADMINISTRATION DEPARTMENT**

	<b>POSITION</b>	<b>M</b>	<b>F</b>	<b>STATUS</b>
1	SENIOR HR OFFICER	-	1	PERMANENT
2	PERSONNEL OFFICER	-	1	PERMANENT
3	L.R.O	-	-	VACANT
4	PAYROLL OFFICER	-	1	PERMANENT
5	DEPARTMEN TAL SECRETARY	-	1	PERMANENT
6	S.A.O	-	-	VACANT
7	ADMIN. OFFICER	-	-	VACANT
8	ADMIN. ASSISTANT	-	-	2x VACANT
9	UNIT ADMINISTRA TOR	-	-	2x VACANT
1	RECORDS OFFICER	-	1	PERMANENT
11	RECORDS CLERK	-	-	VACANT
1	RECEPTIONI ST	-	1	PERMANENT
13	COMMITTEE			

	CLERK (1)	-	1	PERMANENT
14	COMMITTEE CLERK (2)	-	1	PERMANENT
15	TEA MAKER/CLE ANER(WORK S DEPARTMEN T)	-	1	PERMANENT
	TEA MAKER/CLE ANER (LIBRARY)	-	1	PERMANENT
	TEA MAKER /CLEANER (LED/CSD)	-	1	PERMANENT
	TEA MAKER /CLEANER (NEW OFFICES)	-	1	PERMANENT
	TEA MAKER /CLEANER (NEW OFFICES)	-	1	PERMANENT
	TEA MAKER /CLEANER (NEW OFFICES)	-	1	PERMANENT
	TEA MAKER /CLEANER (WILLOWVAL E)	-	1	PERMANENT
	TEA MAKER /CLEANER (ELLIOTDAL E)	-	1	PERMANENT
	TEA MAKER /CLEANER	-	-	PROPOSED
6 (a)	MESSENGE R	1	-	PERMANENT
(b)	MESSENGE R	1	-	PERMANENT
17	COUNCIL DRIVER	1	-	PERMANENT

### **LAND AND HOUSING**

	<b>POSITION</b>	<b>M</b>	<b>F</b>	<b>STATUS</b>
1	SENIOR LAND & HOUSING OFFICER	1	-	PERMANENT
2	TOWN PLANNER	1	-	PERMANENT
3	HOUSING OFFICER	-	1	PERMANENT
4	PROPERTY REGISTRY CLERK	-	1	PERMANENT
5	DEPARTMENTAL	-	1	

	SECRETARY			PERMANENT
<b>GRAND TOTAL</b>		<b>02</b>	<b>03</b>	

**COMMUNITY SERVICES DEPARTMENT**

	<b>POSITION</b>	<b>M</b>	<b>F</b>	<b>STATUS</b>
	SENIOR TRAFFIC OFFICER	1	-	PERMANENT
	SENIOR CSO	-	-	VACANT
	SENIOR LIBRARIAN	-	-	?
	DEPARTMENTAL SECRETARY	-	1	PERMANENT
	TRAFFIC OFFICER	1	-	PERMANENT
	TRAFFIC OFFICER (TESTING)	-	-	VACANT
	TRAFFIC OFFICER (EXAMINER)	-	1	PERMANENT
	TRAFFIC OFFICER (EXAMINER)	-	-	VACANT
	TRAFFIC WARDEN	1	-	PERMANENT
	TRAFFIC WARDEN	1	-	PERMANENT
	TRAFFIC WARDEN	-	1	PERMANENT
	ENATIS LERK	1	-	PERMANENT
	LIBRIARIAN	-	1	PERMANENT
	POUND MASTER	1	-	PERMANENT
	ENVIRONMETAL OFFICER	-	-	VACANT
	CLEANSING OFFICER	-	-	VACANT
	CLEANSING SUPERVISOR/ DRIVER W/VALE	1	-	PERMANENT
	CLEANSING SUPERVISOR/	1	-	PERMANENT

	DRIVER E/DALE			
	CLEANSING SUPERVISOR/ DRIVER	1	-	PERMANENT
	CLEANSING DRIVER	1	-	PERMANENT
	CLEANSING DRIVER	1	-	PERMANENT
	GENERAL ASSISTANCE	10	-	PERMANENT

**BUDGET AND TRESURY DEPARTMENT**

	<b>POSITION</b>	<b>M</b>	<b>F</b>	<b>STATUS</b>
<b>1</b>	S.F.O	1	-	PERMANENT
<b>2</b>	SCM OFFICER	1	-	PERMANENT
<b>3</b>	REVENUE ACCOUNTANT	-	1	PERMANENT
<b>4</b>	EXPENDITURE ACCOUNTANT	-	-	VACANT
<b>5</b>	B & T OFFICER	-	1	PERMANENT
<b>6</b>	IT TECHNICIAN	1	-	PERMANENT
<b>7</b>	ASSERTS CLERK	1	-	PERMANENT
<b>8</b>	SCM BUYER	-	-	VACANT
<b>9(a)</b>	CASHIER W/VALE	-	1	PERMANENT PERMANENT
<b>(b)</b>	CASHIER DUTYWA	-	1	PERMANENT
<b>(c)</b>	CASHIER E/DALE	-	1	PERMANENT
<b>10</b>	DEPARTMENTAL SECRETARY	-	1	PERMANENT
<b>11(a)</b>	ADMIN SUPPORT CLERK (B&T)	-	-	VACANT
<b>(b)</b>	ADMIN SUPPORT CLERK (SCM)	-	-	VACANT
<b>12</b>	CREDITORS CONTROLLER	1	-	VACANT
<b>13</b>	CUSTOMER CARE CLERK	-	1	PERMANENT
<b>14</b>	EXPENDITURE	1	-	PERMANENT
<b>15</b>	DEPTORS CONTROLLER	-	-	VACANT



## 2.10 ENVIRONMENT

Mbhashe Municipality did and adopted the strategic environmental assessment (SEA) in 2007. This process involved evaluating environmental impacts of policies, plans, and programmes. The principle of sustainability guided the recommendations to be made to the SEA. Sustainable development focuses on the need to maintain capital resources such as natural capital (clean air, water etc), Human Capital (health, skills, culture etc), Social capital (institutions and structures) and financial capital.

The approach that was used was divided into six, i.e.

1) Baseline assessment which involves:

- Socio-economic assessment
- Bio-physical assessment
- Review of plans, policies and programmes such as SDF and IDP
- Institutional and regulatory analysis

2) Opportunity and constraint analysis

- Identification of opportunities for development
- Identification of constraints to development
- and the implications of these on development and spatial planning

3) Development of an environmental sensitivity atlas to aid planning and decision making.

The pre-liminary recommendation includes:

- exclusionary zones (areas most suitable for conservation and associated uses)
- precautionary zones (areas sensitive to development)

4) Provisionally evaluate 3 proposed coastal development nodes i.e. Qhora, Xhora and Nqabarha mouths. Recommendations will be made for future node identification and upgrade.

5) Broad recommendations with regard to development in terms of planning, authorisation and implementation.

6) Development of an environmental implementation plan to assist with the implementation of the SEA recommendations.

## ISSUES, OPPORTUNITIES AND CONSTRAINTS

The issues raised are:

1) Socio-economic Analysis

These issues include poverty in the area of Mbhashe, poor infrastructure, untapped potential and lack of economic development. There are also opportunities raised such as tourism, urban development, agriculture, forestry, forest rehabilitation, mariculture, aquaculture and mining. Mbhashe Municipality has also raised these as major economic potentials.

2) Bio-physical

Issues raised include opportunities created by wealth of natural capital for future generations, whilst these are threats such as poorly protected from affects of development, there's poor documentation, high level of exploitation and degradation.

3) Coastal development

Recommendations that were made to Wild Coast Spatial Development Framework (WCSDF) and the reviewed Mbhashe SDF include:

- a) upgrade of Qhora to first order node
- b) classification of Nqabarha as 2<sup>nd</sup> order node

c) classification of Xhora as 2<sup>nd</sup> order node

Whilst there are advantages such as strong and established tourism base, disadvantages will include loss of natural beauty, impact on priority estuaries and sensitive vegetation.

Therefore, a further more detailed investigation will be required on these nodes, a thorough look on the sustainability of the nodes, associated land uses should be investigated and structure plans are required before any development.

The broad overall recommendations made are the following

- increase in-house capacity i.e. Mbhashe must prioritize employment of the Environmental officer
- all projects, plans, programmes should consider environmental issues-through environmental atlas

The council further agreed that the recommendations for the upgrade of Qhora to 1<sup>st</sup> order and Nqabara and Xhora Mouth as 2<sup>nd</sup> order.

### **2.10.1 NEIGHBOURING MUNICIPALITIES**

It was stated at the beginning that our neighbouring municipalities are four (4) and were named as follows:

- King Sabata Dalindyebo
- Ngcobo
- Intsika Yethu
- Mmquma

There are several implications and many issues one has to consider when dealing with the aforesaid municipalities. There are cross border or neighbour issues that may pose challenges to our own municipality and also opportunities that we can share for economic development of both municipalities.

#### **2.10.1.1 King Sabata Dalindyebo**

The municipality boasts the birthplace of the former state president, Dr NR Mandela. In the economic front, the area also boasts the Nelson Mandela museum situated in Mthatha, Qunu and Mvezo. Mvezo villagers in KSD and the people in Ludondolo were always people who used to cross the Mbhashe River attending each other's occasions. There are projects which link the two municipalities like the proposed en-route from Mvezo museum to Tsholora where the late King of AmaXhosa was buried.

#### **2.10.1.2 Ngcobo**

Many locations which belong to Ngcobo use the Dutywa Town as their home town to buy some groceries and other items. Many of the municipality programmes that are in operation at Ngcobo or Dutywa, people usually boast with one another concerning those, for example Ngcobo dishes out paraffin as part of the Free Basic Services whilst the Mbhashe Municipality doesn't.

#### **2.10.1.3 Intsika Yethu**

Locations like Ziwundwana, Esikhobeni and other surrounding locations originally belong to Dutywa Magisterial district but in terms of demarcation, the area belongs to Intsika Yethu. This has affected the people of the area very negatively as their schools and other issues relating to the municipality have to be done in Cofimvaba – where the offices of Intsika Yethu are. Teachers have to travel long distances via other towns like Ngcobo or Butterworth enroute to Cofimvaba to reach their offices.

#### **2.10.1.4 Mmquma**

There are also locations which belong to Dutywa and Willowvale districts magisterial and which belong to Mmquma Municipality but they are not far from Butterworth as Intsika Yethu is. Several programmes call for joint partnership like the bridge that intergrate Qhora to Mazeppa to make the two areas accessible. Projects like sales pens that are targeted for Qhora (inland) would benefit both

Mnquma farmers and Mbhashe farmers and is aimed for the neutral venue or border. Other projects which appear in the IDP's for both municipalities include the waste disposal recycling plant, maize milling etc.

## 2.11 RE-DETERMINATION OF BOUNDARIES

Proposals for a change on the ward boundaries came from different quarters to the Demarcation Board. In consultation with the people, certain recommendations were made to the board and the board proposed to re-determine the boundaries by including the following locations to Mbhashe Municipality, these are:-

- Xonya
- Ngqutura
- Cwecweni
- Nxamagele
- Skobeni
- Keti
- Jama
- Nkohla
- Wakeni

A special council meeting was held on the 11<sup>th</sup> of April 2008 and agreed on the recommendations of the board.

## 2.12 WARD SURVEY

- The process followed that led to the kind of results shown below was consultative of all the people of Mbhashe. This process included every village where every individual is expected to make a contribution. Ward secretaries, ward councilors and Community Development Workers (CDW's) were trained on the method of undertaking the survey.
- A simple questionnaire was developed and sent out to the villages. The first meetings were held at village level where the ward secretary and the ward committee, the ward councilor and the CDW's role were to facilitate those meetings. Apart from other questions raised in the questionnaire, each village had to come up with the priority number one for that particular village. A delegation of two was then sent to ward level where consolidation of ward priorities was discussed.

- The results on the top priorities from wards were thus as follows:-

Ward	Priority Need	Locality	Cluster	Responsible Institution
1.	1)Sanitation 2)Access road 3)High Mast Light	Govan Mbeki Doti Stadium	Infrastructure Infrastructure Infrastructure	ADM Municipality Municipality
2.	1) Dipping Tank 2) Access Road and Bridge 3) Dipping Tank	Mamfeneni Mputi to Xen Upper Colosa	LED Infrastructure LED	DoA Municipality DoA
3.	1) Fencing of ploughing fields 2) Community Hall 3)Shearing shed	Ndakeni Bongweni Mamfeneni	LED LED LED	DoA DoA DoA
4.	1) Fencing of ploughing fields 2) Shearing Shed 3) Toilets	Gxarha Mbewuleni All wards	LED LED Infrastructure	DoA DoA ADM

5.	1) Access Road 2) Fencing of ploughing fields 3) Community Hall	Mazizini – Vinindwa Kumbanga Upper Bolotwa	Infrastructure LED Social Needs	Municipality DoA Municipality
6.	1) Toilets 2) Access Road 3) Fencing of ploughing fields	Whole ward Njemane Nqabane	Infrastructure Infrastructure LED	ADM Municipality DoA
7.	1) Community Hall 2) Dipping Tank 3) Stock Dam	Candu Mabeleni Mbelo	Social Needs LED LED	Municipality DoA DoA
8.	1) Toilets 2) Dipping Tank 3) Stock Dam	Whole ward Mabeleni Mbelo	Infrastructure LED LED	ADM Municipality Municipality
9.	1) Access Road 2) Toilets 3) Stock Dam	Lower Falakahla Rwantsini Nqabarha Clinic	Infrastrucure Infrastructure LED	Municipality ADM Municipality
10.	1) Access Road 2) Community Hall 3) Nolitha Bakery	KuloZulu – Cungwini Mngeka Ntlabane	Infrastructure Social Needs LED	Municipality Municipality Municipality
11.	1) Access Road 2) Shearing Shed 3) Toilets	Ncedana - Komkhulu Manqoba Whole ward	Infrastructure LED Infrastructure	Municipality DoA ADM
12.	1) Fencing of ploughing fields 2) Stock Dam 3) Toilets	Mahlezana Manqoba Whole Ward	LED LED Infrastructure	DoA DoA ADM
13.	1) Water 2) Fencing of ploughing fields 3) Access Road	Whole ward Fameni Xobo - Riverview	Infrastructure LED Infrastructure	ADM Municipality Municipality
14.	1) Dipping Tank 2) Access Road 3) Toilets	Lusungulo Ntsimbakazi-Hlaloti All Wards	LED Infrastructure Infrastructure	DoA Municipality ADM
15.	1) Fencing of ploughing fields 2) Destroying of Alien Plants 3) Toilets	Tabase All wards All wards	LED LED Infrastructure	DoA DoA ADM
16.	1) Access Road 2) Fencing of Mealie fields 3) Water and Sanitation	Nobulala - kwaTshutsha Whole ward Whole Ward	LED LED Infrastructure	Municipality DoA ADM
17.	1) Fencing of ploughing fields 2) Access Road 3) Access Road	Zinkolokotha Mqhele - Mrhabi Ngqatyana - Zilangeni	LED Infrastructure Infrastructure	DoA Municipality Municipality

18.	1) Stock Dam 2) Access Road 3) Toilets	KwaNditya Mndwaka – Hlamati All wards	LED LED Infrastructure	DoA Municipality ADM
19.	1) Community Hall 2) Access Road 3) Swing Bridge	Mpame Luthubeni – Zithulele Mncwasa	Social needs Infrastructure Infrastructure	Municipality Municipality Municipality
20.	1) Community Hall 2) Access Road 3) Fencing of ploughing fields	Hobeni Sundwana – Palini Cwebe	Social needs Infrastructure LED	Municipality Municipality Municipality
21.	1) Access Road 2) Stock dams 3) Dipping tank 4) Toilets	Makhwaneni-Qolweni Whole ward Mendu Nqabona Bridge	Infrastructure LED LED Infrastructure	Municipality DoA DoA ADM
22.	1) Access Road 2) Dipping tank 3) Swing Bridge 4) Stock dams 5) Electricity	Fubesi Chamshe Sihlanwini Whole ward Whole ward	Infrastructure LED Infrastructure LED Infrastructure	Municipality DoA Municipality DoA Eskom-DME
23.	1) Access Road 2) Sanitation 3) Chicken production	EmaCirheni Whole ward Qwaninga	Infrastructure Infrastructure LED	ADM ADM DoA
24.	1) Fencing of ploughing fields 2) Access Road 3) Swing Bridge	Nkeleketho Phatilizwe - Nomawaka Qhingqala - Msengeni	LED Infrastructure Infrastructure	Municipality Municipality Municipality
25.	1) Swing Bridges 2) Access Road 3) Toilets	Mqothwana Bhongweni Whole ward	Infrastructure Infrastructure Infrastructure	Municipality Municipality ADM
26	1) Access Road 2) Access Road 3) Fencing of Ploughing Fields	Phungula – Aldery Store Qingqana – Luthubeni Qhingqalo	Infrastructure Infrastructure LED	Municipality Municipality DoA

UNIT	PRIORITIES	LOCALITY	CLUSTER	Responsible Institution
Dutywa	1) Tar road 2) Wool processing and cleaning 3) Restructuring	Coghlain - Stolom Dutywa Dutywa	Infrastructure LED Infrastructure	Transport Municipality Municipality
Gatyana	1) Tar road	Willowvale – Kob Inn	Infrastructure	Department of Transport

	2) Upgrading of Sewerage System 3) Taxi Rank	Willowvale Willowvale	Infrastructure Infrastrucure	ADM Municipality
Xhorha	1) Upgrading of Sewerage System 2) Multipurpose Centre 3) Tar road	Xhorha Mantintiza Lutubeni - Zitulele	Infrastructure Infrastructure Infrastrucure	ADM Municipality Department of Transport
Dutywa and Gatyana	Tar road	Dutywa - Dwesa	Infrastructure	Department of Transport
Xhorha	Job Creation Project	Xhorha	Infrastructure	Department of Labour

The top five priorities that wards came up with are given below in their order of importance:-

- Drinking and drinkable water
- Road construction and maintenance
- Household electrification
- Sanitation
- Fencing of ploughing fields (for agricultural activities to take place)

## CHAPTER 3: VISION, CLUSTER OBJECTIVES AND STRATEGIES

### 3.1 MUNICIPAL VISION

Mbhashe Local Municipality will be a vibrant institution able to provide quality and accessible services to all its communities in a socio economic manner, with the aim of benefiting all her people.

### 3.2 MISSION

We will strive to become an effective and efficient municipality able to manage its resources and stimulate economic growth, promote a safe and healthy environment for the betterment of all.

### 3.3 THE STRATEGIC CLUSTER APPROACH

A district (Amathole) wide level agreement was reached on clustering the priority issues within four (4) strategic clusters, namely:-

- Infrastructure
- Local Economic Development and Tourism
- Social Needs
- Institutional and finance

### 3.4 STRATEGY FRAMEWORK FOR GROWTH AND DEVELOPMENT 2004-2014

The objectives and strategies relate to the targets for growth and development in the Eastern Cape for the period 2004-2014. These targets are listed as the following:-

- To maintain an economic growth rate of between 5% and 8% per annum.
- To halve the unemployment rate by 2014.

- To reduce by between 60% and 80% the number of households living below the poverty line by 2014.
- To reduce by between 60% and 80% the proportion of people suffering from hunger by 2014.
- To establish food self-sufficiency in the Province by 2014.
- To ensure universal primary education (UPE) by 2014, with all children proceeding to the first exit point in the secondary education.
- To improve the literacy rate in the Province by 50% by 2014.
- To reduce by two-thirds the under-five mortality rate by 2014.
- To reduce by three quarters the maternal mortality rate by 2014.
- To halt and begin to reverse the spread of HIV/AIDS by 2014.
- To halt and begin to reverse the spread of tuberculosis by 2014.
- To provide clean water to all in the Province by 2014.
- To eliminate sanitation problems by 2014.

There are six strategic objectives (SO's) which are key to the implementation of these targets. The key strategic objectives are described as follows:-

- Systematic poverty eradication through a holistic, integrated and multi-dimensional approach to pro-poor programming.
- Agrarian transformation and strengthening household food security.
- Consolidation, development and diversification of the manufacturing base and tourism potential.
- Human Resource Development.
- Infrastructure Public development.
- Sector and Institutional transformation.

### **3.5 LOCAL ECONOMIC DEVELOPMENT**

These objectives and strategies are based on various material conditions and Provincial and National targets including the Provincial Growth and Development Plan. The objectives and strategies also based on the Local Government key performance areas. For example LED objectives are based on PGDP SO 2, the agrarian transformation and strengthening household food security and SO 3, the consolidation, development and diversification of the manufacturing base and tourism potential.

With regard to strategic objective 2, the PGDP states, "one of the keys to poverty eradication lies in the rapid transformation of the agricultural sector. The challenge of poverty requires a focus on the growth of the agrarian economy in the former homelands through:-

- Programmes to promote household food security by expanded smallholder production.
- Development of commercial agriculture through optimum use of highest potential agricultural land in the former homelands.
- A focus on land redistribution and, in the longer term, land tenure reform to release land for poor households and for new commercial farming enterprises.

With strategic objective 3, the PGDP states, "The manufacturing sector requires consolidation by extending growth beyond a relatively small number of volatile export markets. Diversification into new markets can be achieved through three main strategies:-

- Consolidating the value chain and supply chain in existing markets by identifying inputs that can be supplied and higher value products linked to existing production.
- Creation of regional growth points for manufacturing development based upon availability of raw materials, skills and existing industrial profile.
- The development of agro-industries based upon expanded agricultural production in the former homelands."

The cluster objectives address the following five priorities:-

- Agricultural Development
- Tourism
- SMME

- Mining

Objectives and strategies structured into 5 plus KPA's of the Five Year Local Government Strategic Agenda.



## KPA 1: LOCAL ECONOMIC DEVELOPMENT

Priority Area	Objective	Strategy	Indicator	Measurement Source	Baseline	10/11	11/12	12/13	Accountable Official
Agricultural Development	Development of a vibrant Agricultural sector able to sustain itself towards 2014.	Assist farmers associations and farmers in self help programmes	Number of farmers associations/ groups assisted	Quarterly reports	25	50	75	100	Strategic Manager
		Strengthen value chain programmes through partnerships and PPP's	Number of projects formed in partnership	Quarterly reports	0	1	2	3	Strategic Manager
		Develop support for development and sustainability of recreational fishery	No. of projects established	Quarterly reports	0	1	2	3	Strategic Manager
Heritage Development	To ensure comprehensive management of heritage resources.	Rehabilitate and maintain the established heritage sites	No. of sites rehabilitated and maintained	Quarterly reports	4	4	4	4	Strategic Manager
Enterprise Development	Creation of viable and sustainable enterprises able to increase economic growth rate by 6% in 3 years.	Mobilize support for small, medium and micro enterprises.	Number of SMMEs assisted	Quarterly reports	0	05	10	20	Strategic Manager
		Develop and mobilize support for co-operatives	No. of co-operatives assisted	Quarterly reports	5	10	15	20	Strategic Manager

		Capacitate and empower local SMMEs by creating linkage with development agencies	No. of SMME's benefited	Quarterly reports	1	4	4	4	Strategic Manager
Tourism	Develop and market Mbashe as a tourist destination towards 2014.	Attract investment to tourism development projects.	Numbers of areas open for new tourism investment.	Quarterly reports	6	8	10	12	Strategic Manager
		Market Mbashe to become a renowned tourist destination.	No. of marketing tools used	Quarterly reports	2	4	4	4	Strategic Manager
Investment creation	To develop and market Mbashe as an investment destination	Designate specific nodes and package them for development	Nodes identified and master plans developed.	Quarterly reports	0	1	2	2	Strategic Manager/Land and Housing Manager
		Create an investment friendly environment by reducing red tape	Red tape issues identified and changed.	Quarterly reports	0	2	4	6	Land and Housing Manager/CFO/ Strategic Manager
Rural Development	To create an environment conducive for business growth and development	To provide the hard and soft infrastructure for LED	No. of areas provided with the infrastructure	Quarterly reports	0	10	20	30	Strategic Manager

**KPA 2: SERVICE DELIVERY**

Priority Area	Objective	Strategy	Indicator	Measurement Source	Baseline	10/11	11/12	12/13	Accountable official
Land	To ensure maximum and sustainable usage of land by 2014	Surveying and planning of administrative areas	No. of villages surveyed	Quarterly reports	0	3	6	8	Land and Housing Manager
		Ensure that all municipal land is well planned and surveyed	Surveyed land	Quarterly reports	0	9	12	15	Land and Housing Manager
Housing	To provide adequate housing to 75% of households by 2014	Eradicate the informal settlements within the town.	Informal shacks removed	Quarterly reports	0	3	5	7	Land and Housing Manager
	To provide adequate accommodation to needy municipal employees.	Build municipal residences	Flats provided	Quarterly reports	0	1	2	3	Land and Housing Manager
Municipal Property	To provide clean and safe municipal properties	Keep municipal properties in good condition	Renovated properties	Quarterly reports	13	3	5	8	Land and Housing Manager
Roads	To provide quality and trafficable road network throughout Mbashe by 2014.	Construct new roads	No. of roads constructed	Quarterly reports	12	18	35	48	Technical Services Manager
		Maintain the	No. of	Quarterly	-	1250	1600	2000	Technical Services

		existing road network	kms of road maintained	reports		km	km	km	Manager
Electricity	To provide the three units (towns) with adequate electrical service	Maintain the street lights in the three units	No. of street with adequate street lights	Quarterly reports	0	All	All	All	Technical Services Manager
	To provide electricity to all wards	Apply for more funding to DME	No. of household connected	Quarterly reports	500	2000	3000	4000	Technical Services Manager
Disaster	Enhance management of disasters within Mbhashe	Alleviation of severe poverty programmes	No. of beneficiaries	Quarterly reports	30	45	60	75	Community Services Manager
		Review a plan for Agricultural Disasters	Approved plan	Quarterly reports	1	1	1	1	Community services manager
		Develop a plan for maritime disasters	Approved plan	Quarterly reports	0	1	1	1	Community Services Manager
		Develop a plan for road carnage reduction	Approved plan	Quarterly reports	0	1	1	1	Community Services Manager
Social Facilities	Provision of sporting facilities	Construct new sports facilities	No. of facilities provided	Quarterly reports	6	4	8	12	Community Services Manager
		Develop a maintenanc	Approved plan	Quarterly reports	1	1	1	1	Community Services Manager

		e plan for existing facilities							
	Provide and extend the use of recreational facilities	Identify and develop a park site.	Park site developed	Quarterly reports	0	1	2	3	Community Services manager
Environment	Create an environmentally friendly environment	Develop waste disposal plan	Approved plan	Quarterly reports	0	1	1	1	Community Services Manager
		Create a health and clean environment	Clean towns	Quarterly reports	1	3	3	3	Community Services Manager
		Create environmental awareness to the communities	Awareness campaigns conducted	Quarterly reports	0	5	5	5	Community Services Manager
		Prepare landfill sites to the approved standard.	Licensed landfill sites	Quarterly reports	-	3	3	3	Community Services Manager
Free basic services	Ensure indigent population benefit from the free basic services	Develop accurate indigent register	Register approved	Quarterly reports	1	1	1	1	CFO
		Subsidies indigent households	No. of households benefited	Quarterly reports	5200	8000	8000	8000	CFO

### KPA 3: GOOD GOVERNANCE

Priority Area	Objectives	Strategy	Indicator	Measurement Source	Baseline	10/11	11/12	12/13	Accountable Official
Priority Skills	To retain scarce skills in our area	Offer financial assistance	No. of students assisted	Quarterly reports	1	3	3	3	Corporate Services Manager
		Develop retention strategy	Adopted strategy	Quarterly reports	0	1	1	1	Corporate Services Manager
Policy	To ensure compliance with legislation	Review of all personnel related policies	No. of policies reviewed	Quarterly reports	7	7	7	7	Corporate Services Manager
Public Participation	Ensuring that all stakeholders participate in the municipality	Review Public Participation strategy	Approved strategy	Quarterly reports	1	1	1	1	Corporate Services Manager
		Develop communication strategy	Approved strategy	Quarterly reports	1	1	1	1	Corporate Services Manager
		Capacitate ward committees	No. of workshops organized for ward committees.	Quarterly reports	3	6	6	6	Corporate Services Manager
IGR	Ensure intergration of government programmes.	Organise IGR forums	No. of IGR forums held	Quarterly reports	4	4	4	4	Office Manager/Strategic Manager/All managers
Employee Wellness Programme	Create conditions conducive for a healthy working environment	Organise awareness programmes	No. of workshops organized	Quarterly reports	1	4	4	4	Corporate Services Manager
PMS	To ensure that	Review	Adopted	Quarterly	1	1	1	1	Strategic Manager

	an effective PMS is complied with.	PMS Policy Framework	PMS framework	reports					
		Cascade PMS to all levels in the municipality	Signed AA's and PA's	Quarterly reports	1	1	1	1	All Managers
Councillor Support	Create climate conducive to the workings of the council and councillors	Organize and conduct induction to the new council	Councillor induction workshop	Quarterly report	1	-	-	-	Municipal Manager
		Review the rules of order	Rules reviewed	Quarterly report	1	-	-	-	Municipal Manager

#### KPA 4: FINANCIAL VIABILITY

Priority Area	Objectives	Strategy	Indicator	Measurement Source	Baseline	10/11	11/12	12/13	Accountable Official
Risk Management	To improve audit opinion	Develop action plan based on audit report	Number of findings addressed	Monthly reports.	0	50	70	100	CFO/All Managers
	To have an effective Risk Management Strategy	Develop risk management policy.	Approved policy	Quarterly reports	0	1	1	1	CFO
		Develop fraud prevention policy	Approved policy	Quarterly reports	0	1	1	1	CFO
Budget	Credible budget	Prepare budget according to circular 48.	Budget in line with IDP.	Quarterly reports	0	1	1	1	CFO/All Managers
		Implement	Approved	Quarterly	2	5	5	5	CFO

		& develop budget related policies.	policies	reports					
Financial Management	Ensure that the municipality is financially viable	Implement credit control & debt collection policy.	Reduced number of debtors	Monthly reports	0	50	60	90	CFO
		Develop revenue enhancement strategies.	Approved strategy	Monthly Reports	0	50	60	90	CFO
	Present fully GRAP compliant Annual Financial Statements	Updating of books of accounts	Fairly presented financial statements	Quarterly reports	1	1	1	1	CFO
Information Technology (IT)	Smooth running of IT & communication	Upgrading of IT infrastructure to meet the needs of the institution	Reliable & useful IT system	No. of queries solved	25	70	80	100	CFO
		Website maintenance	Updated information	Updated website	25	70	80	100	All Managers

#### KPA 5: MUNICIPAL TRANSFORMATION

Priority Area	Objectives	Strategy	Indicator	Measurement source	Baseline	10/11	11/12	12/13	Accountable Official
Spatial Development	Ensure proper demarcation of	Review SDF	Reviewed SDF	Quarterly reports	1	1	1	1	Land and Housing Manager/Strategic



t Framework	land.								Manager
By-laws	Ensure proper compliance with the Legislation	Review street trading by-law	Approved by-law	Quarterly reports	1	1	1	1	Strategic Manager/Community Services Manager
		Develop beach by-laws	Approved by-law	Quarterly reports	1	1	1	1	Strategic Manager/Community Services Manager
IDP	To ensure the development of a credible IDP	Develop IDP	Adopted IDP	Quarterly reports	1	1	1	1	Strategic Manager
Capacity building	Training, development & empowerment of staff	Compile EEP in compliance with legislation	Approved EEP	Quarterly report	1	1	1	1	Corporate Services Manager
Capacity building	Training, development & empowerment of staff	Provide training to municipal staff	No. of training courses accomplished	Quarterly Report	5	7	7	7	All Managers
SPU	Development and capacity of the vulnerable groups	Develop youth development strategy	Approved strategy	Quarterly Report	0	1	1	1	Office Manager
		Develop gender development strategy	Approved strategy	Quarterly Report	0	1	1	1	Office Manager
		Develop old persons development strategy	Approved strategy	Quarterly Report	0	1	1	1	Office Manager
		Develop disabled development strategy	Approved strategy	Quarterly Report	0	1	1	1	Office Manager

Delegations	Ensure that there are proper delegations in the municipality	Review delegations policy	Approved policy	Quarterly report	1	1	1	1	Municipal Manager
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## CHAPTER 4: SPATIAL DEVELOPMENT FRAMEWORK

### SPECIAL DEVELOPMENT AREAS

#### E.1 PRIORITY BASIC NEEDS – Plan 3

Areas of greatest need are defined as those areas with the lowest per capita income levels and the worst-off settlement areas i.t.o. the poverty index. These areas require priority basic needs intervention and strategic proposals to improve the level of well-being of communities in these areas (poverty alleviation programs and basic infrastructure investment).

#### E.2 PRIORITY SETTLEMENT NODES (Urban Areas)

##### E.2.1 Dutywa (Refer Plan 14)

##### E.2.1.1 Development Perspective - Key Spatial Development Features

The development perspective is informed by the following:

- Land Use and Development Trends
- Land tenure
- Current development planning initiatives in the area

##### a) Land Use and Development Trends

From discussions with Municipal officials and role-players, and a land use survey undertaken in Dutywa, the following spatial and land use trends were noted:

- The area around the railway station is being used for a number of commercial to light industrial uses as well as general residential buildings (flats). With the Mthatha – East London Rail Refurbishment project currently underway and the proposed re-routing project possibly following, the railway line is regarded as an important linkage between the town and other settlements along the route (ranging from smaller rural settlements to other urban centers). With the railway line possibly becoming an alternative mode of transport, greater accessibility between town and peri-urban settlements/villages situated along the line may encourage rural-urban integration along these routes.
- Recent surfacing of the Ngcobo Road improved accessibility towards the west of the town. Improved access, along with spatial development proposals developed for the area around the railway line developed by the Kei Rail project will encourage future development and extension towards the west of the town. Large tract of land along the drainage courses immediately south and north of the town, draining in a westerly direction, appears to be potential flood areas. No records of previous floodline studies are however available. With pressure on the town to expand and new residential and social-infrastructure development being directed in a south and northeasterly direction, areas adjoining the drainage features are under pressure to develop.
- Land uses such as the golf course and airstrip, situated within potential flood areas, are not being used at present. The needs for revival and upgrading of these used have been expressed.
- Parts of the CBD are experiencing both pedestrian and vehicle traffic congestion due to uncontrolled informal trading in the road reserves.
- A number of informal uses (residential and business) are visible on commonage land. In addition to this, an educational facility is situated on commonage land to the south east of the town center area.
- The existing cemetery is situated in close proximity to a drainage feature, which is unacceptable in terms of current criteria for cemetery provision. In addition to this, cemetery space is limited and the need exists for identification of a suitable alternative site.
- Traffic congestion on the section of the N2 which functions as the main road through town.
- Lack and in some instances absence of loading bays and on site parking on business sites.
- Economic activity in the town is centered on retail / trade and service trade.
- Mixed densities, varying between large low density to residential to high-density business and “general residential” uses within the Central Town area.
- Development of rental accommodation in the form of rows of single rooms often without dedicated cooking facilities and only shared ablutions. These occur as primary uses on single residential erven, or as secondary uses to the single residential dwelling on erven.
- The formalisation of the “informal” residential extension to the town is incomplete.

- Availability of planned residential extensions in Dutywa (both low income and middle income), at various stages of development.

**b) Land Tenure**

- The majority of erven within Dutywa are registered by way of Title Deeds in the name private individuals. Land surrounding the township, which falls within the town commonage area, is registered in the name of the Municipality.
- Land surrounding the commonage is registered in the name of the state.

**c) Current development planning initiatives and activities taking place**

Development proposals underway include the following:

- Development of a petrol filling station adjoining the N2, to the south of the CBD
- Preparation of a Township Layout Plan for a new middle income extension to the west of the CBD, south of the Ngcobo access road; and application for extension of validity of the proposed middle income residential extension to the north of the CBD.;
- Extension to the Bus Terminus immediately south of the CBD to form a centralised Public Transport Facility;
- Development of a multi purpose center in the north western extent of the CBD;
- Development of a Craft Market and Tourism Information Centre in the CBD area;
- Construction of a new regional health center to the immediate south of the sport stadium;
- Additional low cost residential development and top structure construction to the North West of town.
- Construction of new Municipal offices on erf 456.

**E.3 Spatial Development Framework Proposals**

**Proposed extension of the urban edge**

- It is proposed that the urban edge be extended to incorporate the “rural” settlements of Mantlaneni and Isheshegu to the immediate west and south-west of the town, along the alignment of the railway line, Ngcobo and N2 access road.
- In addition to this it is proposed that large-scale expansion in a north easterly direction be limited.

**Proposed Development of Middle-Income Residential area**

- It is proposed that the approved middle-income residential extension to the north of the town be developed. This should be followed by the development of the proposed middle-income residential area to the west of the CBD.
- Proposed Development of Middle to High-Income Residential areas
- Clearing of informal settlement to the south east of the town – proposed future middle to high-income development in this area.
- Further investigation into development feasibility of a high-income residential development to the west of the old golf course and Dutywa dam.
- Development of new cemetery
- It is proposed that the existing cemetery, situated along the drainage feature to the east of the CBD be closed and an alternative site be identified for development. The possibility of using level land to the east of Extension 4 needs to be investigated.
- Kei Railway Line Project – Urban Development Framework Proposals (see Plan 7.2.6)
- Urban Development Framework Proposals developed by the Kei Railway Line Project, specifically applying to the western and southwestern extent of the town and adjoining “rural” area are incorporated into the Spatial Development Proposals for the town. It must be noted that these proposals were formulated, based on the assumption that the Railway Line will become a primary mode of transport of goods and passengers. It is therefore important to ensure that SDF proposals are based on the projected development scenarios and implications for land development.

- In addition to the proposals referred to above, it is proposed that some land in the vicinity of the station be reserved for Industrial purposes, and that the focus not only be on residential / business development.

### **Future CBD and Residential Extension**

- In line with the Urban Development Framework Proposals mentioned above, it is proposed that future extension of the CBD area be directed along the Ngcobo access road, in the direction of the railway station. Additional residential development towards the east and north east should be limited and instead be directed towards the area west and south west of the town.
- Proposed densification of central town area
- Proposed densification of both residential and business uses in the central town area and along main movement lines. This is also to provide an opportunity for a variety of housing options. Affordable housing provision should also include options for rental accommodation.
- Proposed Open Space System
- It is proposed that areas deemed as potential flood areas (as identified during the recent floodline study) be incorporated into an open space system for the town. Uses such as the golf course, sports fields and arable fields can be incorporated into the open space system. No permanent structures should be allowed within the 1:100 year flood area.
- Informal and illegal land uses on Municipal commonage land
- It is proposed that each of the informal uses identified during the land use survey in the town be assessed. Where regarded as acceptable, such uses need to be formalized by way of subdivision and rezoning. Uses regarded as unacceptable need to be relocated to suitable areas.
- Retaining the airstrip
- Retaining the airstrip, especially in the light of its proximity to proposed health centre.

#### *E.3.2 Elliotdale (Refer Plan 15)*

##### **E.3.2.1 Development Perspective - Key Spatial Development Features**

The development perspective is informed by the following:

- Land Use and Development Trends
- Land tenure
- Current development planning initiatives in the area

#### **a) Land Use and Development Trends**

- From discussions with Municipal officials and role-players, and a land use survey undertaken in Elliotdale, the following spatial and land use trends were noted:
- The town has a linear form, being situated along a ridge. The original part of the town consists mainly of large residential erven, administrative facilities such as Magistrates Office and business erven. More recent residential extensions to the town are situated towards the north and west of the CBD area. These are separated from the older part of town (which includes the CBD area) by steep drainage features.
- No floodline information is available for drainage features affecting the town.
- Due to the landscape, poor linkages exist between the various components of the town.
- Mixed densities, varying between large low density residential to high-density business and “general residential” uses within the Central Town area.
- A number of land uses are situated on the municipal commonage. These include formal uses such as the Vehicle Testing station, Departmental Offices, Sport Stadium, Technical School, Hospital and Small Business facility. Informal uses on commonage land include a Taxi facility, shop and mechanical works.
- A number of the larger erven within the town are vacant or are considerably under-utilized. A number of these are owned by Government Departments.
- The town is situated along the access route to high potential coastal tourism development areas (Breezy Point and The Haven Hotel).
- Economic activity in the town is centered on retail / trade and service trade.

- Development of rental accommodation in the form of rows of single rooms often without dedicated cooking facilities and only shared ablutions. These occur as primary uses on single residential erven, or as secondary uses to the single residential dwelling on erven.
- There are a number of planned residential extensions in Elliotdale, at various stages of development.
- There is no formal approved waste disposal site to serve the town. Informal site is being used.

#### b) Land Tenure

- The majority of erven within Elliotdale are registered by way of Title Deeds in the name private individuals. Land surrounding the township, which falls within the town commonage area, is registered in the name of the Municipality.
- Land surrounding the commonage is registered in the name of the state.

#### c) Current development planning initiatives and activities taking place

- Development proposals underway include the following:
- Construction of a new sewerage treatment works.
- Development of an Indoor Sports Facility adjoining the Sport Stadium.
- Development of a new taxi rank in the center of CBD area.
- New library for the town recently completed;
- Additional middle income and low cost residential development to the north and east of town.

### E.3.2.2 Spatial Development Framework Proposals

#### Proposed extension of the urban edge

- It is proposed that the urban edge be aligned with the commonage boundary.

#### Proposed extension of CBD

- It is proposed that the CBD area be extended towards the north as the need for additional business sites arise. Densification of land use needs to be encouraged within the area proposed for future business extension

#### Proposed densification of central town area

- Proposed densification of both residential and business uses in the central town area and along main movement lines. This is also to provide an opportunity for a variety of housing options. Affordable housing provision should also include options for rental accommodation.

#### Small Business / Light Industrial sites

- It is proposed that provision be made for small business / light industrial sites. The area around the mechanical works to the east of the town needs to be considered.

#### Proposed Open Space System

- It is proposed that a dedicated floodline study be done around the drainage features within the urban area. This study is to determine the 1:100 year floodline. It is proposed that areas deemed as potential flood areas be incorporated into an open space system for the town. Low impact recreational uses such as parks, playing fields and sports fields can be incorporated into the open space system. No permanent structures should be allowed within the 1:100 year flood area.

#### Proposed expansion of the Cemetery

- It is proposed that a feasibility assessment be undertaken for the proposed expansion of the cemetery – in a

#### Informal and illegal land uses on Municipal commonage land

- It is proposed that each of the informal uses identified during the land use survey in the town be assessed. Where regarded as acceptable, such uses need to be formalised by way of subdivision and rezoning. Uses regarded as unacceptable need to be relocated to suitable areas.

#### Regulate General Residential Developments (Backyard Flats)

- Rental accommodation in the form of backyard flats on single residential and business erven plays an important role in provision of affordable rental accommodation in the urban areas of Mbashe. It is however important to ensure compliance with land use restrictions and health and fire safety regulations.

#### Proposed Floodline Study

- It is proposed that a floodline study be undertaken for the town to determine the position of the 1:100 year floodline.

### E.3.3 Willowvale (Refer Plan 16)

#### E.3.3.1 Development Perspective - Key Spatial Development Features

The development perspective is informed by the following:

- Land Use and Development Trends
- Land tenure
- Current development planning initiatives in the area

##### a) Land Use and Development Trends

- From discussions with Municipal officials and role-players, and a land use survey undertaken in Willowvale, the following spatial and land use trends were noted:
- The town is situated along the access route to high potential coastal tourism development areas (Kobb Inn and Dweza Nature Reserve).
- No records of previous floodline studies for drainage features around the town are available.
- A number of large properties, central to the town, are overgrown with exotic trees. These properties are mostly owned by Government Departments and are underutilized.
- There is no clear concentration of business activities in one part of the town and the business area stretches along the entire length of the main road through the town.
- Apart from more recent residential development in the western part of town, the rest of the town consists mainly of extremely low-density development.
- Newly planned low to middle income residential extensions are situated to the east of the town.
- A number of land uses are situated on the municipal commonage. These include formal uses such as the Public FET College, Wholesale Building Supply, Sport Stadium and a School.
- Economic activity in the town consists mainly of retail / trade and service trade. In addition to the retail / business function, important social and administrative facilities such as a clinic, magistrate's office and police station are situated in the town.
- Development of rental accommodation in the form of rows of single rooms often without dedicated cooking facilities and only shared ablutions. These occur as primary uses on single residential and business erven, or as secondary uses to the single residential dwelling or business on erven.
- An informal taxi rank is situated within the main road's reserve to the east of town.
- An informal settlement on erf 128.

##### b) Land Tenure

- The majority of erven within Willowvale are registered by way of Title Deeds in the name private individuals. Land surrounding the township, which falls within the town commonage area, is registered in the name of the Municipality.
- Land surrounding the commonage is registered in the name of the state.

##### c) Current development planning initiatives and activities taking place

- Development proposals underway include the following:
- Low and middle-income residential developments to the east of the town.
- An existing low cost housing development (near completion) aimed at accommodating residents of the informal settlement on erf 128.
- Proposals for development of a new taxi rank for the town.
- Development of an Indoor Sports Centre in the Town Square area, next to the TRC Hall.
- Proposals for subdivision of the Town Square area to make provision for additional business erven.

#### E.3.3.2 Spatial Development Framework Proposals

##### Proposed extension of the urban edge

- It is proposed that the urban edge be extended to include developments to the immediate west of the town.

##### Proposed densification of central town area and residential area to immediate north

- Densification of land use needs to be encouraged within the town. It is proposed that an application be made for transfer of vacant or underutilized state owned land to the municipality.

##### Proposed Taxi Facility

- Subject to the necessary permission / transfer, it is proposed that a central taxi facility be positioned on the south-eastern corner of erf 126. The area surrounding the proposed taxi rank (subject to the transfer of the land) needs to be considered for establishment of small business / service industrial sites.

##### Proposed Open Space System

- It is proposed that a dedicated floodline study be done around the drainage features within the urban area. This study is to determine the 1:100 year floodline. It is proposed that areas deemed as potential flood areas be incorporated into an open space system for the town. Low impact recreational uses such as parks, playing fields and sportsfields can be incorporated into the open space system. No permanent structures should be allowed within the 1:100 year flood area.

Informal and illegal land uses on Municipal commonage land

- It is proposed that each of the informal uses identified during the land use survey in the town be assessed. Where regarded as acceptable, such uses need to be formalised by way of subdivision and rezoning. Uses regarded as unacceptable need to be relocated to suitable areas.

Regulate General Residential Developments (Backyard Flats)

- Rental accommodation in the form of backyard flats on single residential and business erven plays an important role in provision of affordable rental accommodation in the urban areas of Mbashe. It is however important to ensure compliance with land use restrictions and health and fire safety regulations.

Clearing of overgrown areas

- Apart from creating a fire hazard in parts of the town, further spread of invader species needs to be controlled.

Prevention of informal residential development

- It is proposed that necessary steps be taken to prevent the informal settlement on erf 128 being redeveloped by further influx of “landless” residents from the rural hinterland.

Possible Middle income residential extension

- Approximately 16 hectares of land to the south west of the town appears to be suitable for future middle-income residential expansion. It is proposed that a detailed feasibility assessment be undertaken.

**E.4 PRIORITY DEVELOPMENT ZONES (Coastal Zone) – (REFER PLAN 17)**

**In line with the recommendations of the Coastal SDF, the concepts and components of this SDF are incorporated in the municipality’s SDF.**

**E.4.1 Conceptual Approach**

- The adopted concept for spatial development in the Coastal Area is that of concentrated development in defined nodes and settlement areas, linked to each other and surrounding areas by a hierarchy of roads and footpaths.
- For the purpose of providing the basis for Land Use Management, specific land use categories (or elements) are defined whilst directives for future development provide some guidelines for future growth.

**E.4.2 Described Land Use Elements**

- The main Land Use Elements providing the basis for land use management includes:

Towns: urban and peri-urban areas of high intensity mixed use;

Rural Service Centres: nodes within rural settlement areas;

First Order Nodes: coastal nodes capable of supporting larger scale developments;

*Second Order Nodes: coastal nodes with limited service levels;*

*Rural settlement and emerging farming areas, including settlement, subsistence and small-scale agriculture, resource management areas including grasslands used for grazing and harvesting of thatching grass, woodlots, medicinal plant reserves;*

*Nature Tourism Area: heritage and biodiversity conservation, LUM informed by BSAP products, nature based tourism activities and facilities at defined development sites, could include some areas of rural settlement, natural resource harvesting and subsistence agriculture where conditions support this as a sustainable land use. This is the equivalent of the “ecotourism” / low impact tourism or special control zone established in terms of the Wild Coast Tourism Development Policy;*

*No Development zones: no infrastructure at all, only footpaths and horse/ donkey trails*

Commercial agriculture, mariculture and plantation forestry;

Other, including infrastructure installations, cell phone masts and sand mining sites.

Note: Only the land uses in *italic* are the ones that presently apply to the Mbashe Coastal Zone.

**E.4.3 Spatial Framework Proposals – as reflected on Plan 17**

Second Order Nodes

<b>EXISTING</b>	<b>PROPOSED FOR REVIEW</b>
-	Xora (limited growth)
Breezy Point	Breezy Point
The Haven/Mbashe	The Haven/Mbashe
-	Nqabara (limited growth)
Qora Mouth	Qora Mouth (limited growth)



The future potential for growth of these nodes and main linkage route of each are summarised as follows:

Node name	Status	Growth potential	Linkage Route
Xora	2 <sup>nd</sup> order (proposed new)	Limited growth point	Elliotdale
Breezy Point	2 <sup>nd</sup> order in Nature reserve	Limit to existing footprint	Mbhashe, Cwebe, Elliotdale
Mbhashe	2 <sup>nd</sup> order in Nature reserve	Limit to existing footprint	Breezy Point, Cwebe, Elliotdale
Cwebe	Nature reserve	Nature tourism development area	Mbhashe, Elliotdale
Dwesa	Nature reserve	Nature tourism development area	Cwebe, Elliotdale
Nqabara	2 <sup>nd</sup> order (proposed new)	Limited growth point	Willowvale, Elliotdale
Qora Mouth	2 <sup>nd</sup> order	Limited tourism growth point, Nature tourism development area	Willowvale

(Limited growth points are coastal nodes where opportunities for growth are constrained spatially or by access constraints.)

#### Nature Tourism Areas

<p>Mpame – southern end of the sandy beach          Belungwini estuary – south bank          Nkanya estuary – south bank          Nqabara estuary – existing campsite on the south bank and RULIV initiative          Beecham Woods</p>
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#### No Development Zone

<p>Mpame Forest. A narrow coastal area extending approximately 10 km from Mpame Point to Xora River, enclosing sensitive dune environments, coastal habitats and coastal forest areas.</p>
<p>Nqabara / Beecham Wood / Shixini. A narrow coastal area extending approximately 20 km from the southern boundary of Dwesa Nature Reserve to just north of the Qora tourism development node. Encompasses sensitive coastal environment, Nqabara estuary, termitaria and wetlands. A setback is provided at Shixini to facilitate development of public facilities for recreational use by day</p>

#### Rural Settlements and emerging farming areas

<p>All areas within the Mbhashe Coastal Zone, outside of Nature Tourism Areas, No Development Zones and the Second Order Nodes</p>
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## E.5 PRIORITY SECTORS AND AREAS FOR ECONOMIC DEVELOPMENT

This refers to areas earmarked in terms of their specific economic development potential and would require strategic targeted investment. These areas are defined in terms of varying sectors of economic opportunity evident in Mbhashe and are as follows: -

### **E.5.1 Forestry, Agriculture and rural development**

Areas identified with potential for general agricultural and forestry purposes.

#### **E.5.1.1 Agriculture (Refer Plan 18 and 19)**

- The entire Mbhashe area is regarded as an important agricultural area and supports the approach that agriculture must be the cornerstone of rural development and economic upliftment in Mbhashe. **Plan 18** reflects the general categorisation of soil classes with related potential for agricultural based activities.
- **Intensive Agriculture (Plan 18)** refers to areas identified for its potential for irrigated crop production (in accordance with previous studies). These areas will need to be considered for specialized infrastructure provision and appropriate land development and tenure arrangements).
- The following areas have been identified for their potential for irrigated crop production. They are Lower Mbangcolo Irrigation Scheme, Mendu Irrigation Scheme, Shixini Irrigation Scheme, Nondobo Irrigation Scheme – current projects are underway to develop these schemes through the RuLiv Programme. Other areas being considered for irrigation projects are in Ward 5 near Mbanga, Ward 8 near Khasa, Ward 12 near Bikana / Mbangcolo and Ward 9 near Duff.

- **Rural Livelihoods Programme (Refer Plan 19)**
- Plan 7 represents the agricultural potentials of Mbhashe and details the relevant RuLiv development clusters (Clusters 1-15). Projects in priority clusters 1, 4, 10 and 12 are being initiated.

#### **E.5.1.2 Forestry Potential (Refer Plan 20)**

- Forestry Potential refers to areas with moderate to high potential for commercially viable forestry development. Plan 7b reflects the areas that have potential for commercial forestry development.
- **Good potential** (Commercial plantations recommended) - Areas that are regarded as having Good Potential need to be reserved for Forestry Development. These are mostly situated along the periphery of the municipal area. For the purposes of achieving economy of scale, it is important to consider forestry development proposals in adjoining municipalities and inclusion of such these areas in the broader forestry development area.
- **Moderate potential** (Possibly commercial plantations – yields expected to be low/moderate) – Areas regarded as having Moderate Potential need to be considered for possible small scale forestry development and/or woodlots, for production of timber for use and potential value adding activities at local level. Such areas could however have higher potential for other types of development, which should first be considered (i.e. for Agricultural production).

### **E.5.2 Tourism Development Areas**

#### **E.4.2.1 Coastal Tourism - Wild Coast Spatial Development Initiative and Wild Coast Tourism Development Policy. (Refer Plan 17)**

- Tourism Development within the Coastal Zone is guided by the Wild Coast Tourism Development Policy. The area to which it applies includes the 1000m above the high-water mark as well as tidal portion of estuaries. The policy consists of the following:
- Provides an overview of key issues constraining tourism development along the Wild coast.
- Provides guidelines for spatial development, siting and design, infrastructure provision, tenure arrangements, local community participation and empowerment, tourism education and training, operation and management, marketing and promotion and security.
- Provides environmental guidelines for spatial planning, aesthetic & design, ecological considerations, resource consumption, tourist activities, socio economic considerations and environmental management.
- Makes proposals for institutional arrangements for implementation of the guidelines.

Based on the policy guidelines, spatial mapping was prepared for the entire coastal area. The mapping depicts the various Normal Control Zones (1<sup>st</sup> and 2<sup>nd</sup> order nodes), Eco-tourism zones and Conservation Zones

The table below summarizes the Tourism and Environmental Spatial Guidelines and associated Zones as reflected on the Spatial Mapping for the coastal strip (Refer Plan 9).

<b>Wild Coast Tourism Development Policy</b>		<b>Wild Coast Spatial mapping macro zones</b>	
<u>Tourism Spatial Guidelines</u>	<u>Environmental Spatial Guidelines</u>	<u>Spatial Guidelines</u>	<u>Proposed Permissible Land Uses</u>
1 <sup>st</sup> Order Nodes 2 <sup>nd</sup> Order Nodes	Normal Control Environments (occur within all 1 <sup>st</sup> and second order nodes)	Normal Control Zone	<p><b>First order nodes and coastal hinterland:</b> Large hotel and cluster developments, with cottage settlements. Accessory, supportive tourism development facilities eg shops, bottle stores, petrol stations &amp; repair facilities are permitted;</p> <p><b>Second order nodes:</b> cottage settlements, smaller cluster complexes and family hotels may be developed. Rapid approval of development likely if within the development intentions of the municipal IDP/ SDF</p> <p>..</p>
Eco-tourism zones	Special Control environment (areas outside 1 <sup>st</sup> and 2 <sup>nd</sup> order nodes and outside No Development Environment)	Special Development Zone	<p>Limited and regulated tourism activities, Small accommodation facilities that are low-key, low-impact and in harmony with the natural environment; Controlled traditional residential housing development Subsistence agricultural activities (ploughing fields/ grazing lands etc); Low impact airstrips; Infrastructure other than eco-tourism facilities and traditional residential (such as schools and offices) to be discouraged) Full IEM procedures to precede any development</p>
Conservation area (Any area outside nodes or eco-tourism zones)	No Development Environment (Designated areas in or outside nodes or eco-tourism zones)	No Development Zone	<ul style="list-style-type: none"> <li>• Regulated through co-management arrangements and EMPs.</li> <li>• No subsistence agriculture and grazing to be phased out over time</li> <li>• Controlled subsistence harvesting in line with EMP.</li> <li>• No permanent physical structures</li> <li>• Eco-tourism and soft-adventure activities encouraged</li> </ul>

#### E.4.2.2 Other Tourism: eco-tourism and cultural tourism (Refer Plan 9)

- This refers to the historical sites, nature reserve areas with potential for tourism development and conservation.
- Eco-tourism includes tourism areas such as the Nqabarha Gorge and Qora River Gorge hiking trails.
- The Mbongo Mountains and Mbashe River boasts beautiful scenic routes for hiking and lookout points.
- Cultural / Heritage focus includes the Nqadu Great Place: Homestead of the Great Xhosa King and other significant sites: Although not recognized as significant tourism nodes for development in the short term it is worth mentioning the following important historical / heritage sites in Mbashe, namely:
  - King Gambushe's Burial site (Ward 16)
  - King Sarhilli's Burial Site (Ward 15)
  - King Hintsas's grave (Ward 14)

#### E.5 PRIORITY AREAS FOR LAND REFORM – REFER PLAN 21

- Proposals for priority areas targeted for land reform - contained in the Land Reform and Settlement Plan, prepared by the Amathole District Municipality, include the following priority areas:

##### E.5.1 Settlement Zone B: Densification and formalisation of existing settlements

- "This zone includes the major urban centre of Mbashe, namely Dutywa. Dutywa is located on the N2 route between Butterworth and Mthatha. This zone includes portions of Wards 6, 7 and 8."
- "It is envisaged that this zone is earmarked for densification and formalisation of settlement. It is proposed that the town (former TLC area) is planned for densification of settlement for Model 1 type settlements and that the periphery (peri urban area) surrounding the town is earmarked for densification and formalisation of settlement (Model 2 type settlements). Expansion and densification of the peri urban area would be in response to rising demand for formal settlement near to the town."

##### E.5.2 Development Support Zone 2 (includes portions of Ward 3,4,5, North of Dutywa)

- This zone is located adjacent N2, North of Dutywa. Includes portions of Ward 3,4,5.
- This zone is largely defined by a priority RuLiv Cluster Programme that focuses on SMME development, HIV/Aids projects, organic farming, vegetable production, sheep farming and maize production.
- This zone is not earmarked as a priority area for settlement purposes but rather regarded as an area where spatial planning and tenure reform might be required in support of development initiatives in the area (e.g. potential emerging farmers or agriculture initiatives borne out of the RuLiv programme as a means to alleviate poverty.)

##### E.5.3 Settlement Zone B: Densification and formalization of existing settlements (No. 3: Elliotdale)

- This zone is situated to the east of Dutywa located on the northern boundary of the Mbashe Municipal area. It is located in Ward 14.
- It is envisaged that this zone is earmarked for densification and formalisation of settlement. It is proposed that the town (former TLC area) is planned for densification of settlement for Model 1 type settlements and that the periphery (peri urban area) surrounding the town is earmarked for densification and formalisation of Model 2 type settlements. Expansion and densification of the peri urban area extending south of the town would be in response to rising demand for formal settlement and related services near to the town.

##### E.5.4 Development Support Zone (No. 4: East of Elliotdale)

- This zone lies to the south east of Elliotdale and includes portions of wards 21 and 22.
- This zone is largely defined by a *priority* RuLiv Cluster Programme that focuses on developing maize production projects, organic vegetable production and sheep farming projects in this Precinct.
- It is envisaged that this zone is regarded as a priority development support zone to address poverty in this area. This zone is not earmarked as a priority area for settlement purposes

but rather regarded as an area where spatial planning and tenure reform is necessary to support potential emerging farmers or agriculture initiatives borne out of the RuLiv programme.

- This zone lies within one of the “worst-off” areas in terms of the Mbashe IDP, 2002 Poverty Index Plan and requires poverty alleviation interventions as a priority.

#### E.5.5 Development Support and Settlement B: Densification and formalization of existing settlement (No 5: Dwesa-Cwebe)

- This zone is prioritized for both strategic tourism investment opportunities and related land reform and settlement projects. A recent detailed development planning exercise has been completed in this zone (The Dwesa - Cwebe Development Plan, 2003).

#### E.5.6 Settlement Zone B: Densification and formalization of existing settlements (No. 6: Willowvale)

- Includes a portion of Ward 13 and a small portion of Ward 9. This zone is situated on the main access route to the coast and is the key linkage to Dutywa.
- It is envisaged that this zone is earmarked for densification and formalisation of settlement. It is proposed that the town (former TLC area) is planned for densification of settlement for Model 1 type settlements and that the periphery (peri urban area) surrounding the town is earmarked for densification and formalisation of Model 2 type settlements. Further detailed zone planning is required in this area.

#### E.5.7 Development Support Zone (No. 7: Nqadu)

- This zone is situated between Dutywa and Willowvale and is home to Nqadu Great Place, home of the great Xhosa King.
- This zone is largely defined by a *priority* RuLiv Cluster Programme that focuses on the development of forestry and medicinal plant production, maize production and sheep farming. Tourism and SMME related activities are also supported through the RULIV Programme in this area.
- This zone is not earmarked as a priority area for settlement purposes but rather regarded as an area where spatial planning and tenure reform may be required to potential development initiatives and project in this area, such as potential emerging farmers or agriculture initiatives borne out of the RuLiv programme and also for strategic tourism related developments in the area.

## SPATIAL DEVELOPMENT FRAMEWORK

### 1. PROPOSED DEVELOPMENT PRECINCTS – Plan 22

- For the purposes of this plan, special development areas were combined and grouped together as strategic development zones of multiple potential for development. These development zones, or Development Precincts are considered to be most favorable for varying levels of investment.
- No precinct is defined for a single level of funding (i.e. only basic needs or only capacity building investment) but is rather identified because they reflect an area, which shows potential for growth, requiring various levels of investment. Certain precincts are motivated on the basis that they require a significant injection of funding to meet basic needs (such as water and sanitation, roads upgrading, etc.) to alleviate poverty as a priority, whilst others require a greater focus of strategic investment to build on specific economic potentials evident in the area. Twelve precincts have been identified in Mbashe and are motivated as follows (these precincts are not listed in any particular order): -

#### **PRECINCT A**

Includes portions of Wards 1, 2 and 9

Motivating factors:

- Contains the main service centre of the Mbashe area, namely Dutywa Town.

- Dutywa Town is the seat of the Mphashe Municipality.
- Has strong economic growth potential and has existing institutional and human resource capacity in the town
- Has basic infrastructure and services in the town
- Is positioned along the National (N2) route, with Dutywa Town forming the key linkage between East London and Mthatha.
- A RULIV PROGRAMME CLUSTER IS EARMARKED FOR THIS AREA, FOCUSING ON SMME DEVELOPMENT, HIV/AIDS PROJECTS, ORGANIC FARMING AND VEGETABLE PRODUCTION, SHEEP FARMING AND MAIZE PRODUCTION.
- This precinct falls within the East London – Mthatha Railway Project Development Zone and is earmarked for priority infrastructure and service delivery.
- Identified as a priority area for Land Reform

#### Development considerations:

- Recognize this precinct as the main service centre to the sub region.
- In terms of the community based needs assessment the area's priority needs are for infrastructure and higher order service delivery.
- To build on the existing infrastructure supply networks and to upgrade and improve their existing capacity (housing, water, sanitation, roads, etc.)
- To provide new and improve existing secondary services (such as schools, tertiary training centres, sport facilities)
- Institution / capacity building: to develop the skills and human resources available in the area.
- Infrastructure provision and capacity building must give consideration to the agricultural potential recognized in this precinct through the RULIV programme and in terms of the needs assessment. A significant number of needs expressed by settlements in Ward 6 and Ward 8 were for agricultural support, such as the need for water provision for stock farming and irrigation, fencing of fields, provision/development of community gardens, agricultural facilities and market places.

#### **PRECINCT B**

Includes portions of Wards 6,5,7 and 4

#### Motivating factors:

- Dissected by the National (N2) Route and railway line linking East London to Mthatha.
- Is earmarked for water supply projects and electrification projects (Refer to plan 5)
- Areas within this precinct are rated as the second "worst off" areas in terms of the poverty index (refer Plan 4) and require basic infrastructure and service delivery.
- Local Economic Development initiatives are evident along the N2 route (a market place for craft and agricultural produce is being established adjacent the N2). Informal sand mining is taking place along the Mphashe River.
- The Mphashe River offers potential for eco-tourism opportunities.
- Agriculture: The Rural Livelihoods Programme has three development clusters (Clusters 1, 14 and 15) earmarked in this precinct of which initiatives proposed in Priority Cluster 1 are underway.
- Identified as a priority area for Land Reform

#### DEVELOPMENT CONSIDERATIONS:

- This precinct should be considered primarily for basic services and infrastructure provision to alleviate poverty.
- Most responses in the community needs assessment refer to roads upgrading (both proclaimed and access roads) and the provision of toilets, electricity, water and sanitation.
- Other needs relate to secondary service provision such as schools, crèches, sports facilities and community halls and also for agricultural support infrastructure and services.

- Agricultural projects being initiated through the rural livelihoods programme are as follows: organic farming and vegetable production, maize production, goat and sheep farming. an irrigation project is proposed in the northern most part of the precinct. forestry and medical plant production falls within priority cluster 1. led activities and tourism opportunities are recognized along the n2 and Mbashe river.

## **PRECINCT C**

Includes portions of Wards 13 and 8

Motivating factors:

- Contains the key settlement node and service centre, namely Elliotdale Town.
- Has existing basic infrastructure and services in the Elliotdale Town, with a CMIP water supply project and Dept. of Housing and Local Government Housing project ongoing in the Town.
- Electrification of villages is proposed in the settlements to the south west of Elliotdale Town (refer to Plan 5).
- A strategic tourism zone is identified in this area with the Cape Vulture Colony at Sibane (near Collywobbles), being the key focal area. It is proposed that strategic linkages be considered which extends this zone to Elliotdale Town and to Mvezo (in the King Sabata Dalindyebo Municipal area), which boasts the Nelson Mandela Museum. This Precinct lies on the Mbashe River with eco-tourism potential. The hydroelectric scheme near collywobbles is a potential place of interest for tourists.
- The Community Based Public Works Programme has earmarked a development cluster within this Precinct, which focuses on tourism projects linked to the Cape Vulture Colony near Collywobbles. This includes a proposed link road between Sibane (location of the Cape Vulture Colony) and Msikithi and a cultural community centre in the Elliotdale Town.
- Agriculture potential is recognized in this area through the RULIV Programme, which has proposed two clusters in this Precinct. These clusters support projects to develop maize production, livestock farming, organic farming and vegetable farming, forestry and medicinal plants, and related SMME projects.
- A potential irrigation project is also identified in this Precinct.
- Ward 14 is described as one of the “worst off” areas in terms of the poverty index study and requires focused poverty relief interventions (refer to Plan 4).
- Identified as a priority area for Land Reform

Development considerations

- This Precinct requires a considerable input of basic needs funding to upgrade existing infrastructure and services to the town and to provide new infrastructure and services to surrounding areas. Improved access roads, provision of water and sanitation and electricity were expressed needs of these communities
- The overwhelming majority of needs expressed in this Precinct were for poverty alleviation projects.
- Provision of secondary services (schools, crèches and health services) were also expressed needs in the area.
- Consider strategic investment to boost the tourism potential of the Precinct as a key employment sector to alleviate poverty.
- A strategic link road is proposed to form a circular tourism route linking Elliotdale Town to Mvezo and to the Cape Vulture Colony. This is very conceptually presented on Plan 6.
- Improving the road conditions in the area would be imperative to support strategic development decisions to boost tourism
- Consider infrastructure provision, which enables the agricultural potential of the area to benefit, e.g. water supply systems to support proposed irrigation projects.

## **PRECINCT D**

Includes Portions of Wards 16

### Motivating factors

- This Precinct lies within one of the “worst-off” areas in terms of the poverty index analysis and requires poverty alleviation interventions.
- The primary needs expressed by communities in this Precinct relate to infrastructure delivery, specifically for upgrading of access roads, provision of water and sanitation, electricity and housing.
- Two small community based commercial projects are identified in this area, namely a Women’s baking project and a community garden. One could build on the initiative of these projects to stimulate further LED opportunities as a means to address poverty.
- Madwaleni Hospital is situated in this Precinct, and provides a ready market place for LED opportunities.
- Inhabitants in this area are employed at the Hospital and have some spending power to support a market place.
- Madwaleni has a local water supply system.
- The potential for agriculture is recognized through the RULIV Programme, which has a priority development cluster within this Precinct. The RULIV programme is currently supporting maize production projects, organic vegetable production and sheep farming projects in this Precinct.
- Expressed needs related to agricultural support in terms of the provision of dams, community garden- and other projects, provision of dipping tanks, windmill repairs and the fencing of agricultural fields.
- Higher order service needs were expressed for the provision of schools and crèches, a sports stadium, public telephones, toilets, community halls, and health services.
- A further need was expressed for the release of land.
- Identified as a priority area for Land Reform

### Develop considerations

- Accessibility to these areas is poor because of the poor road conditions and hilly terrain.
- A priority intervention would be to upgrade access roads to key services and potential markets in the area.
- Basic infrastructure delivery must be viewed as a priority in the area.
- Infrastructure, such as the provision of water supply systems must take cognizance of the agricultural requirements as per the potentials and needs mentioned above.
- A key strategic link road is proposed which largely follows the course of the existing proclaimed road in the area. This road needs to be upgraded as a priority intervention to improve accessibility and promote economic development. This would also facilitate the provision of other infrastructure to the area. This proposed link road runs from Zithulele Hospital (in the south) in a northerly direction, bordering Precinct D en route to the main road to Mqanduli and Elliotdale Towns. This road would promote tourism to the sub region providing greater access to the coastal areas, such as Mpame, which is recognized as a strategic tourism fishing area.

## **PRECINCT E**

Includes the coastal area of Ward 19

### Motivating factors

- This Precinct’s location on the Coast includes the 1km coastal zone earmarked as a strategic tourism area, falling within the Wild Coast Spatial Development Initiative Zone. The coastal zone falling within this precinct is demarcated as “Special Development Zone” or “Eco-Tourism Zone”. Land use and activities envisaged include limited and regulated tourism activities, small accommodation facilities, controlled traditional residential housing,



subsistence agriculture, social facilities and infrastructure to traditional residential settlements and low impact airstrips.

- Developing tourist attractions was an expressed need of communities in this Precinct.
- Numerous forests and a major river course characterize this area.
- Two community-based projects are active in the area, namely a vegetable garden project and a Talimofu Beadwork project.
- Sand mining is also evident in this Precinct.
- The communities in this area are known to have well kept fruit and vegetable gardens and cultivated lands throughout the year.
- Zithulele Hospital is situated in this Precinct and is regarded as a ready market place for SMME enterprises.
- Inhabitants in this area are employed at the Hospital and may have some spending power to support a market place.
- A number of villages surrounding Zithulele Hospital have access to a local water supply system.
- The area is regarded as one of the “worst off” areas in terms of the poverty index analysis. However it boasts potential in terms of the agrarian lifestyle of the people, existing LED potentials and its proximity to the coast for tourism.

#### Development considerations

- Basic infrastructure and service provision is critical to the development in the area to alleviate poverty, especially the upgrading of roads to improve access to the coast and essential services.
- The proposed strategic link road, as discussed in Precinct D, dissects Precinct E, along the coast and then runs northwards linking the two Precincts.
- Expressed needs of communities in this area were for the provision of schools, crèches and community halls. The need to fence properties and public places, the upgrading of access roads, the provision of water and sanitation, electricity and public telephones was also expressed.
- This is an environmentally sensitive area

### **PRECINCT F**

Includes the coastal area of Ward 20 and a portion of Ward 21

#### **Motivating factors**

- This Precinct’s location on the Coast includes the 1km coastal zone earmarked as a strategic tourism area, falling within the Wild Coast Spatial Development Initiative Zone. The coastal zone falling within this precinct is demarcated as “Special Development Zone” or “Eco-Tourism Zone”. Land use and activities envisaged include limited and regulated tourism activities, small accommodation facilities, controlled traditional residential housing, subsistence agriculture, social facilities and infrastructure to traditional residential settlements and low impact airstrips.
- Tourism development was an expressed need of communities in this Precinct.
- It is situated adjacent the Dwesa –Cwebe Development Zone which is receiving much development interest presently.
- A community-based women’s craft market is active in this Precinct at the coast.
- Sand mining activities are evident in this area.
- The agriculture potential of this area is recognized through the RULIV programme which proposes organic vegetable production, SMME and tourism related projects in the area. Expressed needs relating to agriculture were for the development of dams, community gardens, dipping tanks, fencing of fields, and windmill repairs
- This zone is considered a “worst off” area in terms of the poverty index analysis and requires poverty intervention programmes

### **Development considerations**

Basic infrastructure investment and services are required to alleviate poverty in the area. Expressed needs in for infrastructure relate to the need for improved access roads and the provision of water and sanitation and electricity.

- Upgrading of roads to improve access to the coast and essential services is key.
- Strategic interventions should primarily focus on tourism development, as a major employment sector in this Precinct.
- Development initiatives in this Precinct must build on the existing initiatives and possible spin-offs generated from the adjacent Dwesa – Cwebe Development Initiatives
- Provision and upgrading of infrastructure, particularly water supply systems must take cognizance of the agricultural potentials and needs described above.
- This is an environmentally sensitive area.

### **PRECINCT G**

Includes Ward 21, portions of Wards 22, 14, 21 and 26

#### **Motivating factors**

- This precinct includes the Dwesa-Cwebe Development zone, which is presently receiving much attention and investment from various development initiatives.
- Numerous development plans and programmes are active in this Precinct, namely the Dwesa Cwebe Development Plan, the CBPWP; the European Union Activities linked to the Wild Coast Spatial Development Initiative.
- The coastal zone includes two second order nodes namely The Haven Hotel / Mbhashe Point and Breezy Point. The balance of the coastal zone is demarcated as Eco-Tourism Zone, with the Dwesa Nature Reserve having a clear conservation focus.
- It is incised by the Niagara and Mbhashe Rivers, which are key tourism features in the area. An eco tourism / community tourism development venture is being planned for Niagara.
- Through the various programmes, infrastructure related projects (water supply projects, roads upgrading) are currently being implemented.
- Electrification projects are proposed in the area for the year 2003 (Refer to Plan 5).
- Numerous tourism facilities and activities are being proposed/developed by the EU Tourism Development Project. These include Dews Restitution Route, Lentando Campsite, Dews Chalets, Mend and Mindanao Tented Camps, Mbhashe Tented Camp and Mahayana Caravan Park and Tented Camp.
- The agriculture potential of this Precinct is recognized through the RULIV Programmed which has a priority cluster in this Precinct and is currently developing the following projects: goat farming, forestry and medicinal plant harvesting and other tourism and SMME related activities closer to the coastline.
- Mend Irrigation Scheme is a project currently being supported through the RULIV Programmed.
- Forestry is an important natural resource in this area.
- The development of the fishing industry was an expressed need in this Precinct.
- A community-based women's baking project is active in this area. A need was expressed to develop baking projects in this area.
- A significant traditional craft centre is active in the area.

#### **Development considerations**

- Future development activities must align to the extensive developments currently taking place in this precinct presently.
- Infrastructure provision must consider the potentials relating to agriculture in the area, specifically water provision in support of stock farming and irrigation projects. The majority of needs expressed by communities in this Precinct (Ward 19) related to agriculture development such as the need for stock dams, farming projects, dipping tanks, forestry projects, and the development of a nursery.
- Other infrastructure needs were for water and sanitation provision, electricity, and improvement of access roads.

- Expressed needs for tourism development were for the establishment of a tourism training college and for skills development (such as computer skills).
- The need for secondary services such as schools, health services, policing services and public amenities (community hall, sports centre and post office) were also raised.
- Conservation of the natural systems / forests in this area is vital.
- The area is the subject of the Dwesa –Cwebe Development Plan. This plan includes detail development proposals for the area with a detailed Spatial Development Framework.

## **PRECINCT H**

Includes a small portion of Ward 23 along the coast.

### **Motivating factors**

- This small Precinct is primarily recognized as a strategic investment area for coastal tourism development and includes the Qora Mouth Second Order Node which includes Kobb Inn holiday resort.
- It includes the mangrove swamps, a key natural system in the area.
- A brick-making project is active in the Gojela area in this Precinct.
- The area is also considered a “worst off area” in terms of the poverty index study and therefore requires programmes to alleviate poverty.

### **Development considerations**

- Consider interventions, which promote tourism as a key employment sector to alleviate poverty.
- Build on existing LED initiatives (brick making)
- Conservation of the natural systems in this Precinct is vital.
- Provision of infrastructure to support tourism is important.
- The supply of electricity and upgrading of access roads was key needs expressed. Other needs related to the provision of Community halls, schools and crèches and health services. Fencing of fields and provision of dipping tanks for agriculture were also expressed needs.

## **PRECINCT I**

Includes the Northern most portion of Ward 23.

### **Motivating factors**

- Includes granite mining LED activities
- The agricultural potential of the area is recognized through the RULIV Development Programme, which promotes organic farming and vegetable production in the area and is currently supporting the development of the Shixini Irrigation Scheme.
- The Precinct is situated along the main corridor (linear development zone) linking Willowvale to the Coast (at Kobb Inn / Qora Mouth)
- A housing project is currently underway in Egedegene settlement in this Precinct (CBPW Programme).
- There is a current CMIP water project in the Precinct.

### **Development considerations**

- Basic infrastructure is required to alleviate poverty in this zone which is describe as “worst-off” in terms of the poverty index study.
- Interventions in this Precinct should primarily support agriculture and LED related potentials to alleviate poverty.
- Appropriate infrastructure provision is key to the development of this Precinct. E.g. water supply systems to support cultivation and irrigation projects)
- Phased infrastructure implementation approach can be adopted which is linked to the available networks and systems in adjacent Precinct J (includes Willowvale Town).
- Skills development to facilitate LED initiatives need to be considered.

## **PRECINCT J**

Includes a portion of Ward 25 and a small portion of Ward 11.

### **Motivating factors**

- Contains Willowvale Town - a key service centre in Mbhashe.
- Is dissected by two development corridors (linear development zones), which link the coastal resort areas to Dutywa via Willowvale.
- Basic infrastructure and services are available in the Town and adjacent settlements.
- Economic services are available in the town, such as spaza shops, hotels, banking services, etc.
- Secondary services such as a library, clinics and schools are available in the Town.
- CMIP water projects are near completion in surrounding settlements (Bongweni, Gosani)
- Forests are a key natural resource in this Precinct.
- Agriculture potential of this precinct is supported by the RULIV Programme, which proposes forestry and medicinal plant production and goat farming.
- RULIV is currently supporting a HIV/Aids project in Willowvale Town.
- Inhabitants of the Willowvale area use the Tafalofefe Hospital in the Mquma Municipal area.
- Identified as a priority area for Land Reform

### **Development considerations**

- The development focus in this Precinct should be to primarily upgrade infrastructure and services to establish Willowvale as a higher order town.
- A phased infrastructure development approach should be adopted to systematically provide infrastructure to surrounding settlements building on the capacity in the town.
- The upgrading of roads to the town, the coastline and essential services (such as Tafalofefe Hospital) is key to the development of this Precinct and its broader service area.
- Key needs expressed in this Precincts relate to the provision of electricity, the upgrading of access roads, the provision of secondary services such as schools, health services and community halls.
- Expressed agricultural needs were for the fencing of fields and the provision of dipping tanks.
- Conservation of the forests in this Precinct is critical.

## **PRECINCT K**

Includes Portions of Ward 11.

### **Motivating factors**

This Precinct is home to Nqadu Great Place (the current residence of the Xhosa Nation King).

- It is viewed as a key tourism and cultural area.
- It is situated between the towns of Dutywa and Willowvale
- Current development initiatives are taking place in the area, namely: CBPW Programme Cluster: developing water supply projects, a multipurpose community centre and upgrading roads to the area.
- The Agriculture potential of the area is supported through the RULIV Programme, which has earmarked a priority cluster in this Precinct for the development of forestry and medicinal plant production, maize production and sheep farming. Tourism and SMME related activities are also supported through the RULIV Programme in this area.
- Forests are a key natural resource in this area.
- The Precinct is dissected by a key corridor (strategic linear development zone), which links Nqadu to the Towns of Willowvale and Dutywa.
- Identified as a priority area for Land Reform Development Considerations
- The focus of intervention should be to primarily develop the tourism and agriculture potential of the area.
- Infrastructure provision should support the strategic tourism and agricultural development focus of the area.

## **PRECINCT L**

Includes a portion of Ward 12

### **Motivating factors**

- This is regarded as an affluent and well-planned settlement area with available essential services, such as schools and health services.
- It is home to old military forts, namely Fort Malan and Fort Bowler, which are regarded as potential tourism attractions to the area.
- Eskom is proposing electrification of a number of villages in this Precinct in the year 2007 (Refer to Plan 5).
- This Precinct is situated along a key access road (strategic linear development zone), linking Dutywa to the Coast at Dwesa.
- Agriculture potential of the area is recognized through the RULIV Programme, which proposes the development of maize production, organic farming and vegetable production, and tourism related development.

### **Development considerations**

- Development should focus on developing the Precinct as a key settlement area in Mbhashe.
- The upgrading and provision of necessary secondary services should be prioritized.
- Improve access to this area to spread its sphere of influence as a growing service centre to Mbhashe.
- Invest in infrastructure to support agriculture as a key economic sector of employment to this area.
- Provide strategic investment to improve the tourism potential of the area.

## **CHAPTER 5: CLUSTER PRIORITIES, PROJECTS AND PROGRAMMES**

### **5.1 LED AND ENVIRONMENT CLUSTER**

Poverty is widespread throughout Mbhashe and is a priority issue to be addressed. This is most evident in Elliotdale which is one of the most poverty stricken districts in the republic. This makes the whole Mbhashe area the one of the worst municipalities with high rate of unemployment and poverty in the country. As a response to that, the province has put the municipality under project consolidate and is put under the Integrated Sustainable Rural Development Plan (ISRDP) node. Unemployment is very high and most of the inhabitants of Mbhashe rely on government remittances (pensions and grants) and on agrarian subsistence lifestyle for survival. Local Economic Development is critical to providing employment opportunity to improve the livelihood of the inhabitants of Mbhashe.

Agriculture, Tourism and Forestry are recognized as the key sectors to develop the local economy. Many initiatives are active in Mbhashe and are making a significant contribution to the urban and rural livelihoods of Mbhashe's inhabitants. These include key DEAT funded projects linked to tourism and the Agricultural co-operative development in vegetable and grain (maize) production.

It is important then to build on the existing initiatives taking place in the area. Furthermore, it is important that through the IDP and Mbhashe's Spatial Development Framework (summary given as chapter 6 on this IDP document), external initiatives and programmes are guided by the IDP's priorities and developmental proposals for the area.

**LED AND ENVIRONMENTAL CLUSTER PROJECTS & PROGRAMMES**

WARD	PROJECT	PROJECT DESCRIPTION	2010/2011		2011/2012		2012/2013	
			Amount	Source	Amount	Source	Amount	Source
All	Medicine to stock farmers	Provide medicine to stock farmers	300 000	Mbhashe	330 000	Mbhashe	350 000	Mbhashe
12	Stock dams and fencing	Provide stock dams and fencing.	100 000	Mbhashe	150 000	Mbhashe	200 000	Mbhashe
20 24 04	Sarhili Hintsa Esinqumeni Caves	Grass cutting and maintenance at the sites	15 000 15 000 15 000	Mbhashe	20 000 20 000 20 000	Mbhashe	25 000 25 000 25 000	Mbhashe
13,01,25	Hawker Co-operatives	Assist Mbhashe Hawker Co-operative	100 000	Mbhashe	130 000	Mbhashe	150 000	Mbhashe
01,13,25	Brick-making Co-operatives	Provide inputs to brick making projects	80 000	Mbhashe	180 000	Mbhashe	180 000	Mbhashe
22,24,04	Bakery Co-operatives	Provide inputs to bakery co-operatives	30 000	Mbhashe	180 000	Mbhashe	180 000	Mbhashe
08,20,05	Craft Co-operatives	Provide inputs to craft co-operatives	30 000	Mbhashe	180 00	Mbhashe	180 000	Mbhashe
All	Co-operatives	Train and register co-operatives	260 000	Mbhashe	400 000	Mbhashe	400 000	Mbhashe
All	Mbhashe Business Forum, SMMEs and Co-operatives	Organise workshops, seminars,best-practices summits	100 000	Mbhashe	120 000	Mbhashe	120 000	Mbhashe
14	Hlakothi-Ntsimbakazi Community Game Park	Conduct facilitation and business planning for game park	150 000	Mbhashe	250 000	Mbhashe	200 000	Mbhashe
All	Mbhashe Marketing Brochure	Develop brochure	50 000	Mbhashe	60 000	Mbhashe	70 000	Mbhashe
All	Beach festival	Organize beach festival	80 000	Mbhashe	90 000	Mbhashe	100 000	Mbhashe
All	Mbhashe Craft Festival	Organize Craft Festival	140 000	Mbhashe	150 000	Mbhashe	160 000	Mbhashe
All	Mbhashe Traditional Show	Organize Traditional Show	20 000	Mbhashe	30 000	Mbhashe	40 000	Mbhashe
01	Dutywa small town regeneration project	Workshop community on the regeneration project	20 000	Mbhashe	20 000	Mbhashe	30 000	Mbhashe
All	Dams	Provision of dams for stock farmers	700 000	Mbhashe	200 000	Mbhashe	250 000	Mbhashe

02,04,07,10,11,15,16,17,19,23,25,26	Dipping tanks	Renovate dipping tanks	380 000	Mbhashe	300 000	Mbhashe	320 000	Mbhashe
08,02,05,16	Fencing	Provide fencing material to maize producers	100 000	Mbhashe	400 000	Mbhashe	375 000	Mbhashe
All	Process Plan	Develop Process Plan	400 000 OPEX	Mbhashe	400 000	Mbhashe	400 000	Mbhashe
All	LED Strategy	Review LED Strategy	300 000	Mbhashe	50 000	Mbhashe	-	Mbhashe
All	Tourism Master Plan	Develop Tourism master plan	100 000	Mbhashe	20 000	Mbhashe	-	Mbhashe
23	Gcalekaland Cultural Centre	Development of a heritage and cultural centre	2 600 000	DLGTA				

## 2 INFRASTRUCTURE CLUSTER PROJECTS AND PROGRAMMES

WARD	PROJECT	PROJECT DESCRIPTION	2010/2011		2011/2012		2012/2013	
			Amount	Source	Amount	Source	Amount	Source
	Revitalidate Ext.3	Design layout	R 350 000	Mbhashe	R400 000	Mbhashe	R400 000	Mbhashe
	Renovations	Rectify RDP Houses in Willowvale	R 1m	Mbhashe	R1.2M	Mbhashe	R1.2M	Mbhashe
	Renovations	Renovations to Municipal Property	R 500 000	Mbhashe	R530 000	Mbhashe	R550 000	Mbhashe
	Survey	Survey site for Recreational Park	R 50 000	Mbhashe	R330 000	Mbhashe	R360 000	Mbhashe
01,13,25	Feasibility for recreational park	Feasibility for recreational park	R300 000	Mbhashe	-	-	-	-
	GIS	GIS software	R50 000	Mbhashe	-	-	-	-
	SDF	SDF review	R100 000	Mbhashe	R110 000	Mbhashe	R120 000	Mbhashe
01	Doti Access Roads	Construction of a road and storm water drainage	-	MIG	-	-	--	
03	Bongweni Access Road	Construction of a road and storm water drainage	-	MIG	-	-	-	
07	Luxhomo	Construction of a road and storm	-	MIG	-	-	-	

		water drainage						
08	Gudlindlu to Nweleni	Construction of a road and storm water drainage	-	MIG	-	-	-	
09	Makakanzima to Xobo	Construction of a road and storm water drainage	-	MIG	-	-	-	
10	Mngeka	Construction of a road and storm water drainage	-	MIG	-	-	-	
13	Melitafa to Sirhosheni	Construction of a road and storm water drainage	-	MIG	-	-	-	
15	Ncihana to Xuba	Construction of a road and storm water drainage	-	MIG	-	-	-	
16	Nobulala to Mpange house	Construction of a road and storm water drainage	-	MIG	-	-	-	
18	Mngcakatweni to Ntshuqe	Construction of a road and storm water drainage	-	MIG	-	-	-	
19	Dangata to Dayi	Construction of a road and storm water drainage	-	MIG	-	-	-	
22	Flathini to Goqo	Construction of a road and storm water drainage	-	MIG	-	-	-	
23	Nakazana	Construction of a road and storm water drainage	-	MIG	-	-	-	
24	Nomawaka	Construction of a road and storm water drainage	-	MIG	-	-	-	
25	Bongweni	Construction of a road and storm water drainage	-	MIG	-	-	-	
23	Jotela	Construction of a road and storm water drainage	-	MIG	-	-	-	
01	Sport facilities	Construction of change rooms and master lights for Dutywa Stadium	-	-	-	MIG	-	
13	Riverview to Xobo	Construction of a road and storm water drainage	-	-	-	MIG		
18	Mdwaka – Hlamathi	Construction of a road and storm water drainage	-	-	-	MIG		
11	Ncedana- Komkhulu	Construction of a road and storm water drainage	-	-	-	MIG		
22	Fubesi	Construction of a road and storm	-	-	-	MIG		



		water drainage						
19	Manzibomvu-Zithulele	Construction of a road and storm water drainage	-	-	-	MIG		
17	Zembe-Magoxo	Construction of a road and storm water drainage	-	-	-	MIG		
16	Nobulala	Construction of a road and storm water drainage	-	-	-	MIG		
05	Vinindwa-Mazizini	Construction of a road and storm water drainage	-	-	-	MIG		
06	Njemane-Bethani	Construction of a road and storm water drainage	-	-	-	MIG		
08	Khanya	Construction of a road and storm water drainage	-	-	-	MIG		
23	Tafeni-Macirheni	Construction of a road and storm water drainage	-	-	-	MIG		
15	Jongulwandle-Qgubhuzeni	Construction of a road and storm water drainage	-	-	-	MIG		
25	Bhongweni	Construction of a road and storm water drainage	-	-	-	MIG		
10	Ntlabane	Construction of a Community Hall	-	-	-	MIG		
20	Hobeni	Construction of a Community Hall	-	-	-	MIG		
11	Dadamba	Construction of a Community Hall	-	-	-	MIG		
19	Mpame	Construction of a Community Hall	-	-	-	MIG		
04	Sinqumeni	Construction of a Community Hall	-	-	-	MIG		
25	Willowvale Town	Reticulation of Willowvale sewerage	R2M	ADM	-	-	-	
	Water Provision	Mbhashe North water supply	R18m	ADM	-	-	-	
	Water Provision	Nqadu water supply	R500 000	ADM	-	-	-	
	Water Provision	Qwaninga water supply phase 4&5	R2m	ADM				
	Water Provision	Sundwane water supply	R3.7m	ADM	-	-	-	-
	Water Supply	Xora water supply project	R9m	ADM	-	-	-	-
	Water Supply	Mncwasa water supply	R30m	ADM	-	-	-	-
	Water Supply	Mgwali North water supply project	R1m	ADM	-	-	-	-
	Water Supply	Mgwali south water supply project	R5m	ADM	-	-	-	-
	Water supply	Idutywa east water supply project	R15M	ADM	-	-	-	-
	Sanitation provision	Area wide sanitation project (Mbhashe phase 1 a, Mhlohlozi	R6m	ADM	-	-	-	-

		phase 2 and Gatyane phase 2)						
	Sanitation provision	Kumbanga and Cwebe Sanitation	R1m	ADM	-	-	-	-

### 5.3 SOCIAL NEEDS CLUSTER

WARD	PROJECT	PROJECT DESCRIPTION	2010/2011		2011/2012		2012/2013	
			Amount	Source	Amount	Source	Amount	Source
All	Material contribution in disaster area	Alleviation of severe poverty programmes	R 500 000	Mbhashe	R530 000	Mbhashe	R560 000	Mbhashe
All	Agriculture disaster plan	Review plan for Agricultural Disasters	R 50 000	Mbhashe	R60 000	Mbhashe	R70 000	Mbhashe
	Maritime disaster plan	Develop a plan for maritime disasters	R 50 000	Mbhashe	R60 000	Mbhashe	R70 000	Mbhashe
	Lifesaving	Ensure safety at beaches	R 500 000	Mbhashe	R850 000	Mbhashe	R900 000	Mbhashe
01	Public Amenities- port Facilities	Construct new sports facilities	R 500 000	Mbhashe	R530 000	Mbhashe	R560 000	Mbhashe
	Recreational Facility	Identify and develop a park site	R 300 000	Mbhashe	R280 000	Mbhashe	R300 000	Mbhashe
	Disposal Plan	Develop a Waste Disposal Plan	R 50 000	Mbhashe	R60 000	Mbhashe	R70 000	Mbhashe
	Operation Cleanup	Create a healthy and clean environment	R 250 000	Mbhashe	R260 000	Mbhashe	R270 000	Mbhashe
17	Sports field	Develop a Sports Field @ Zithenjini		Provincial Development of Human Settlement				
17	Community Hall	Build a Community Hall @ Mgojweni		Provincial Development of Human Settlement				

#### 5.4 INSTITUTION AND FINANCE CLUSTER PROJECTS AND PROGRAMMES

WARD	PROJECT	PROJECT DESCRIPTION	2010/2011		2011/2012		2012/2013	
			Amount	Source	Amount	Source	Amount	Source
	Priority Skills Acquisition	Offer financial assistance	R200 000	Mbhashe	R220 000	Mbhashe	R230 000	Mbhashe
	Registry system	Security for Registry Section	R200 000	Mbhashe	R220 000	Mbhashe	R230 000	Mbhashe
	Policy formulation and review	Review of all personnel related policies	R150 000	Mbhashe	R160 000	Mbhashe	R170 000	Mbhashe
	Community Participation	Review public participation strategy	R500 000	Mbhashe	R550 000	Mbhashe	R600 000	Mbhashe
	Communication System and Municipal Branding	Develop Communication Strategy	R 500 000	Mbhashe	R550 000	Mbhashe	R600 000	Mbhashe
	Leadership Programme	Capacitate Ward Committees	R 350 000	Mbhashe	R350 000	Mbhashe	-	-
		Organize and conduct induction to the new council	R 350 000	Mbhashe	-	-	-	-
	Employee Wellness Programme/Employee Assistance Programme	Organize awareness programmes	R 350 000	Mbhashe	R350 000	Mbhashe	R380 000	Mbhashe
	Municipal Code	Review the Rules of Order	R 100 000	Mbhashe	R120 000	Mbhashe	R130 000	Mbhashe
	Human Resources Development	Compile EEP in compliance with legislation	R 350 000	Mbhashe	R370 000	Mbhashe	R380 000	Mbhashe
		Provide training to Municipal Staff	R 350 000	Mbhashe	R360 000	Mbhashe	R370 000	Mbhashe

## CHAPTER 6: FINANCIAL PLAN

### 6.1 FINANCIAL STRATEGIES

Background	
Purpose	<ul style="list-style-type: none"> <li>▪ To create the medium term strategic financial framework</li> <li>▪ To allocating municipal resources through the municipal budgeting process</li> <li>▪ To ensure the financial viability and sustainability of the municipal investments and operations</li> <li>▪ To outline revenue and expenditure forecast</li> <li>▪ To link capital projects with potential source of financing</li> <li>▪ To maximize opportunities that will enhance Mbashe financial strength</li> <li>▪ To align plans and policies to IDP</li> <li>▪ To establish a basis for monitoring progress</li> </ul>
Segment:	<ul style="list-style-type: none"> <li>♣ Financial Guidelines</li> <li>♣ Revenue Raising Strategies</li> <li>♣ Asset Management Strategies</li> <li>♣ Financial Management Strategies</li> <li>♣ Cost Effectiveness strategies</li> <li>♣ Operational Expenditure and revenue forecast</li> </ul>

In a local municipality environment, financial planning is not easy and will change constantly. This is because we are at a transitional period. We have to progress whilst the policies and legislations are being updated. This therefore suggests that there will be a lot of changes due to a lot unforeseen circumstance which are often not predictable.

It is human nature to rate his needs as the most important and its natural for communities to demand first priority while various needs are extensive and diverse The National government is focusing on Local economic development and thus creating employment opportunities which will lead to poverty alleviation. As the municipality we cannot turn a blind eye on the reality of infrastructural backlog. All these needs will have to be addressed from the limited resources available to our disposal.

It should be noted that in any budget or financial plan there will always be needs that cannot be accommodated and that will raise a perception of neglect. However, financial planning must be done in the municipality to accommodate the principle of sustainability and sound financial management. It is critical that these strategies should be constantly improved as the Integrated Development Plan is constantly revises taking into consideration the financial unknown that will arise from time to time.

### 6.2 FINANCIAL GUIDELINES

National Treasury sets out growth rate of the Capital, Operating and trust Expenditure annually to maintain macro-economic and physical stability. The Finance Department is thus setting guideline for Budget and Annual Financial Statements preparation. The guidelines are based on sound municipal financial planning and financial strategy.

1. Budgets should be prepared taking into account polices and priorities of the municipality.
2. The municipality is not permitted to budget for end year deficit.
3. The maximum expenditure increase for capital as well as operating budget will be R105 198 237.
4. An agreement has been entered into for functions that have been removed from the authority of the municipality.
5. Possible sources of funding for the functions that are under the power of the municipality should be investigated.
6. GAMAP readiness is crucial to ensure compliancy with legislation and Accounting practices.

7. Affordability and sustainability are important issues to be considered when determining priorities.
8. Municipal Assets should be adequately maintained to minimize capital spending on upgrading and replacement cost.
9. In year monitoring of spending is very crucial
10. Municipality should not amend the budget more than twice per annum.

### **6.3 REVENUE RAISING STRATEGIES**

The purpose of this strategy is to ensure that all possible avenues are explored to maximize the receipt of monies available to council by way of intergovernmental transfer of grants or donations and to ensure that monies owed to the municipality are duly collected.

#### ◆ **Tariff Policy**

A policy was developed, workshopped and presented to the standing committee of the council now for budgetary purposes, it is necessary for the council to adopt a tariff policy.

The following form basis of revenue generation in the municipality

#### ***Property Rates***

The charges in respect of property rates will be determined based on the municipal valuation of land and the improvements thereon

#### ***Water (ADM Authority)***

- Consumers will be categorized as households, Commercial, Government
- Basic charge to households for the first 6kl
- Cost related tariff for more than 6kl

#### ***Refuse***

#### ***Sanitation (ADM Authority)***

#### ***Traffic Fines***

#### ***Leases***

#### ◆ **Subsidies and Grants**

In order for the municipality to obtain maximum benefit from external monies available, a procedure should be put in place to ensure that all grants, donations and subsidies are investigated, applied for and received at appropriate times.

Management will be brought together to study the available sources of grants, donations and subsidies. The study will ensure that the municipality receives maximum benefit from external funding available.

#### ◆ **Credit Control Policy**

The policy sets out to control and manage the recovery of outstanding debt due to council. This policy is in place and is subject to regular updates. There is a need to obtain authority to issue summons and attach properties for those that do not pay or an attorney will have to be employed to carry out these duties on our behalf.

A procedure to determine Provision for doubtful debts will be clearly outlined to reduce audit queries.

## **6.4 ASSET MANAGEMENT STRATEGIES**

The purpose of the strategy is to optimize the use of all assets under the control of Mbhashe Municipality. Personnel to be responsible for this has been approved by council and will start being operational in July 2004.

### ◆ Asset Management Policy

A detailed policy is necessary in order to facilitate the effective management, control and maintenance of assets. The policy in place is not detailed and it will have to be reviewed to ensure GAMAP compliance and inclusivity.

The main objective of the policy is to ensure that Municipal assets are properly managed and accounted for by:

- Recording all fixed assets
  - Ensure the accurate recording of asset information
  - Accurate recording of asset movement
  - Exercise strict control over all assets
  - Providing correct and meaningful management information
  - Effecting adequate insurance of all assets
  - Proper maintenance of municipal Assets
- ◆ GAMAP Compliant Asset Register

The Municipal Finance Management Act is bringing a change in financial accounting for municipalities and is called the General Accepted Municipal Accounting Practice (GAMAP). This will govern the administration and reporting of financial affairs of the municipality. A fixed Asset register that complies with the GAMAP requirement will be essential.

### ◆ Asset Management System.

A computerized Asset Management System with an asset tracking bar-coded disc and scanners should be put in place.

The system will allow for regular audit of all assets to be completed in a shorter time frame and therefore allowing for more regular updates of the register, thus enabling better management of the municipal asset.

## **6.5 FINANCIAL MANAGEMENT STRATEGIES**

The purpose of this strategy is to ensure that financial Systems in place at Mbhashe Municipality are of such quality to allow for the generation of accurate and timely bills and reports at all times.

### ◆ Integrated Financial Information System

A search for an integrated financial system is being carried out. A system that will be user friendly and be able to generate the financial reports required by the legislation, council, other departments and customers and be GAMAP compliant at the same time by:

- Producing reliable and accurate bills
- Producing categorized and aged reports
- Being interfacial to other software used by the municipality
- Updating all accounts up to balance sheet

### ◆ Budget

Inclusively in budget preparation will continue to be encouraged, though at the moment departments do not co-operate in this exercise. This is aiming at encouraging all departmental heads to be responsible and manage their own budgets. Budgetary controls will be straitened to ensure that there is economic efficiency and effectiveness.

The municipality will ensure conformity to National Treasury reporting requirements through use of the adequate financial systems.

## 6.6 COST EFFECTIVENESS STRATEGIES

The purpose of this strategy is to ensure that Mphashe municipality employs the most cost effective operating practices.

The municipality will use the District forums to improve performance and to benchmark against other municipality. The assistance from the Province will be utilized to ensure that administration of funds is constantly improved.

### ◆ Training and Development of Staff

Training and courses are being planned to ensure that all financial as well as non financial staff and councilors will be in a better position to evaluate the financial position of the municipality. This trainings will be planned to ensure that finance staff are able to carry out their duties so as to comply with the legislations, policies, Council, Provincial and National reporting requirements.

### ◆ Cost-Effectiveness

All departments of Mphashe Municipality are challenged continually with identifying the most cost effective means of operating by employing the methods commonly associated with the Best Operating Practices.

## 6.7 OPERATIONAL EXPENDITURE AND REVENUE FORECAST

<b>ESTIMATED REVENUE AND GRANTS</b>		
<b>Revenue/Income</b>	<b>2008/2009</b>	<b>2009/2010</b>
Assessment Rates	1 484 000	1 573 040
Refuse Removal	265 000	280 900
Rental of facilities and equipment	199 051	406 754
Interest on Investments	1 020 000	1 983 785
Fines	24 168	500 000
Grants and donations	74 505 710	96 475 831
Other income	5 837 407	3 976 265
Transfer to funds		3 643 640
<b>TOTAL</b>	<b>83 340 905</b>	<b>105 198 237</b>
<b>EXPENDITURE</b>		
Employee related costs – Salaries	17 606 858	20 096 894
Employee related costs – social contributions	2 651 416	3 026 558
Remuneration of councilors	7941 444	12 919 828
Depreciation	560 668	1 682 004
Repairs and Maintenance	3 986 217	2 503 392
General expenses	21 051 045	22 289 211

General expenses - Projects	13 034 642	12 250 000
Contributions to Capital	21 055 500	34 073 990
<b>TOTAL</b>	<b>83 340 905</b>	<b>105 198 237</b>

### **Impact on Operating Budget**

The implementation of capital project will have an impact on any municipality's operational grant, negative or positive. Calculation of this impact is extremely difficult. Operational as well as maintenance costs should be provided for, but financial forecast within the scope of IDP is sometimes affected by limited resources to conduct such studies

## **CHAPTER 7– SECTOR PLANS AND PROGRAMMES**

### **7.1 LOCAL ECONOMIC DEVELOPMENT PLAN**

Mbhashe Municipality does not have an adopted LED Plan, however a draft has been formulated and the following are extracts from the draft. The municipality acknowledges the work done by Duncan Stewart who was doing a plan based on the Elliotdale Rural Settlement project. The nature of this draft is the reflection of his work and that of the LED officials. Projects and programmes identified are those that the municipality implements and/or intend implementing and are/were already adopted by council. Concerning the strategy, the Amathole Regional Economic Development Strategy (AREDS) applies to all local municipalities within the district including Mbhashe.

#### **1. INTRODUCTION**

The Mbhashe Municipality's IDP has identified Tourism and Agriculture as the main resources that are key for the economic development of the region. The resources include a 22 hectare arable land and natural attractions such as the wild coast. The development of the LED Development Plan is aimed at unlocking the growth potential of the greater Mbhashe Municipality that could be of benefit to the larger Mbhashe populace.

#### **2. DESCRIPTION OF PLANNING AREA**

Under the present municipal demarcation the three Magisterial Districts of Dutywa, Elliotdale (Xhora) and Willowvale have been combined to form the Mbhashe Local Municipality. This forms the Northern most L.M. of the Amathole District Municipality. The district is bound in the South East by a long section of the Indian Ocean coastline. In the North West the N2 National road cuts through the area and through the main town of Dutywa. The three towns of Dutywa, Willowvale and Elliotdale are important commercial centres, providing commercial and government support



services to the local community. Except for within these three towns all land within the area is state land falling under communal tenure.

### **ECONOMIC DEVELOPMENT OPPORTUNITIES**

The opportunities for local economic development in the area are huge but there's a huge backlog in infrastructure development for those. It is important however to provide as much support to the few that do exist in order to have maximum impact on the livelihoods of the local population.

#### **3.1 Agricultural Development**

Generally the agricultural potential in Mbashe is good. There is a mixture of climatic zones. The area is well watered, soils are reasonable and given the large local population agricultural markets are good and presently under exploited. The table below gives a good indication of the potential that exists in various agricultural enterprises. It is felt that properly exploited, after a five year period, the Mbashe agricultural sector could produce an annual turnover of R 125 million per annum and employ an additional 6 550 jobs on a sustainable basis.

The implementation methodology revolves around a development initiative that has been leveraged by the DBSA. The DBSA have encouraged involvement in the L.M. of Teba Development and two of its implementing partners Lima and Mncunube. Funding has been committed by DFID through the Commark Trust and from the Goldfields Foundation to run a comprehensive farmer support and livestock mentorship programme in the Elliotdale district. These two projects started in 2008 and good working partnerships have been established with the Dept of Agriculture as well as the Mbashe L.M. LED office. What is however still required is to find additional funding to expand this programme throughout the rest of Mbashe to include Dutywa and Willowvale.

#### **AGRICULTURAL SECTOR ECONOMIC OPPORTUNITIES**

<b>ENTERPRIZE</b>	<b>OPPORTUNITY</b>	<b>IMPLEMENTATION METHODOLOGY</b>	<b>POTENTIAL GROWTH IN 5 YEARS</b>	<b>JOB CREATION IN 5 YEARS</b>
Crop Production	The area is well suited for crop production. Maize, beans and oilseeds could be grown by small holders. This can happen provided farmer support systems & market linkages were in place	The Teba Development agricultural facilitator is supporting farmers in Elliotdale in partnership with DOA and MLM staff. This needs to be expanded to rest of Mbashe.	Over 5 000 ha's of new and improved cropping land could be developed by a farmer support team. Annual turnovers of R 45 million could be achieved.	These projects would sustain direct employment for 5 000 farm workers
Vegetables	This requires the development of irrigation at household or scheme level	The agricultural facilitation team could lead this programme, but it would require government and donor support for irrigation capital investment.	Medium sized schemes and rain water harvesting projects could be established. An area of 150 ha's could be developed with an annual turnover of R10.5 million	Irrigation projects would generate a minimum of 600 direct jobs
Broiler production	Establishment of small broiler projects of 500 bird units, selling into local	The agricultural facilitation team once expanded to the whole of Mbashe but	25 by 500 bird units could be established with annual turnover of R 3.75 million	Total of 50 direct jobs

	markets	could not manage implementation and support.		
Forestry	Well suited to eucalypt and wattle production. Small holder production is possible, but group schemes are more feasible	By commissioning a forestry potential study including a community consultation process with the establishment of timber market linkages.	There is potential for group schemes of over 4 000 ha's being established, with annual turnover of R48 million.	A total of 600 direct forestry jobs
Livestock	The area is highly suited to small holder production of small and large stock. This enterprise is already very active, but improved husbandry, animal reproduction and market linkages, could boost production	The Teba Development livestock mentorship programme is about to be funded by Goldfields in the Elliotdale district. This needs to be expanded across the rest of Mbhashe in partnership with the Veterinary division of the DOA.	Support could be provided to 5 000 large stock and 40 000 small stock units. This would produce a turnover of R17.5 million	A total of 300 direct jobs
Citrus fruit production	The area in Elliotdale and Willowvale is most suited for citrus.	The municipality has started with the programme at household level.	Large percentage of land that is not used can be converted to citrus forests.	A total of 20 direct jobs per 50 hectares could be created.
<b>TOTAL AGRICULTURAL PRODUCTION</b>			<b>After five years a potential exists for annual production to exceed R 125 million</b>	<b>A total of 6 550 sustainable agricultural jobs can be created</b>

### 3.2 Construction Sector

The proposed housing programme stands to improve local employment conditions considerably. This can also greatly enhance skills transfer to local people and it is hoped that the best can be made of this opportunity. The housing project will actively develop an entrepreneurial class through the support of emerging contractors as well as the development of downstream material manufacturers, suppliers and transport contractors. This LED strategy explores a number of other economic opportunities that could be developed through the construction sector. By looking at housing, schools, community access roads and water supply alone it is felt that an annual investment of R 180 million could be achieved annually within Mbhashe in the next five years. The construction sector could on its own develop 4 435 direct jobs within the next five years.

#### CONSTRUCTION SECTOR ECONOMIC OPPORTUNITIES

ENTERPRIZE	OPPORTUNITY	IMPLEMENTATION METHODOLOGY	POTENTIAL GROWTH IN 5 YEARS	JOB CREATION IN 5 YEARS
Housing	Through its Breaking New Ground policy on housing government has the opportunity to stimulate considerable economic opportunity through the funding of a rural housing programme.	The Dept of housing has allocated 7 000 housing units to two wards in Elliotdale. Progress on implementation has been slow, but the potential is considerably high.	Once in full operation a government housing project could construct 1 000 units per annum. Resulting in an annual investment of R 90 million rand per annum. A total of 23% would be spent on labour and with SMME support another 10-15% could	Each housing unit creates 1.25 jobs per annum. A total of 1 875 direct construction jobs would be created as a result.

			materials sourced from local suppliers	
School Buildings	The back log of schools within Mphashe is estimated at over 30.	Through collaboration, between Dept of Education, Public Works, and the DBSA a construction programme could be developed.	If three class rooms were to be constructed at 6 schools per annum it would generate R40.5 per annum. Again 23% would be spent on local labour and local material suppliers could be encouraged	The schools project would generate 960 jobs on an annual basis
Community Access Roads	The construction of community access roads using labour based techniques. Provides jobs, improved roads & access and empowers communities to construct & maintain their own infra-structure	This would require the enhancement of the existing programme through the department of transport. Grants could be made to community development forums to run road construction projects	A small L.M. level project investing R10 million per annum would construct 83 km of good quality community access road per annum. A total of 70% would accrue to local labour and an additional 20% to local material suppliers.	A community access roads programme could provide 700 construction jobs per annum within rural communities.
Water Supply	A number of large scale water supply projects have been proposed and suggested for Mphashe and the back log is considerably very high.	Some of these projects are about to be constructed and are sitting between the Amathole D.M. and DWAF	If project implementation on large scale domestic water supply projects were to invest R40 million per annum into the district. R9.2 million would be spent on local labour	Water projects could generate 900 jobs on a sustainable basis per annum.
<b>TOTAL CONSTRUCTION SECTOR</b>			<b>The construction sector could sustain a R 180 million rand annual invest in housing and community level infra-structure</b>	<b>A total of 3 810 direct construction jobs could created per annum within the Mphashe area</b>

### 3.3 Small Enterprise Development

The two sectors of agriculture and construction have the ability to develop considerable local small enterprise opportunities in their wake. The main SMME developments in these sectors are the small scale farmers and emerging contractors themselves, which will form the core of these sectors. A number peripheral or associated enterprises including ploughing, transporting, block making and material and input supplies have been identified in the table below. These SMME's are estimated to generate an annual turnover of R128 million per annum in the next five years. The SMME's will also provide direct employment for 280 people on a sustainable basis.

#### **SMALL ENTERPRISE ECONOMIC OPPORTUNITIES**

<b>ENTERPRIZE</b>	<b>OPPORTUNITY</b>	<b>IMPLEMENTATION METHODOLOGY</b>	<b>POTENTIAL GROWTH IN 5 YEARS</b>	<b>JOB CREATION IN 5 YEARS</b>
Ploughing contractors	A few contractors exist and there is considerable room for expansion.	As part of the farmer support programme ploughing contractors need to be encouraged and supported. Equipment credit is an important limiting factor.	In the wake of the agricultural programme 10 enterprises could be sustained. These should generate gross incomes of R4.8 million p.a.	This would create 20 direct local employment opportunities.
Transport contractors	In rural areas transport provision is critical both agricultural and construction sectors could support a large network of contractors	Emerging transport contractors would need to be supported through the Mbashe LED office. Again credit is an important factor.	The establishment of 20 transport contracts supporting the sector seems achievable. These contractors could generate R7.2 million in the local economy	Create at least 40 local jobs
Block makers	Given the demand for a variety of concrete products the expansion of existing and the development of new block enterprises is highly likely	The supervision team of the housing project as well as the Mbashe LED team would need to provide support	The development of 5 block makers with an annual turnover of R 7.2 million is feasible	Create 50 direct jobs
Nurseries & Agricultural input suppliers	The supply of good quality inputs such as seedlings, fertilizer, day old chicks, stock feed & chemicals is an essential part of farmer support services	The farmer support team would support this process through their business linkage activities.	The establishment of three enterprises in each of the three towns is feasible. These enterprises could generate R9 million p.a.	A total of 20 jobs could be created within these enterprises
Material Suppliers	A growing construction industry will support existing material suppliers as well as develop some new ones. These will vary in size from large corporate to small start up firms	The demand for building material will create opportunities for materials retailers. The Mbashe LED staff would also need to provide support services to these traders	The estimated local demand for materials will be in the region of R100 million p.a. It is expected that at least 15 local & regional suppliers will benefit in this process	It expected that 150 jobs would be created
Baking	With the school nutrition programme taking shape, the bakery projects have easy access to the market with the excess going to the locality.	Co-operative development in this industry will assist. The full support from the Department of Education in terms of using local or ward based co-operatives for the supply of food to schools.	The estimated demand is high given the present government's intention to provide food to more children.	It is a women empowerment programme which can change the lives of 520 women who will be employed in the programme.
<b>TOTAL SMME OPPORTUNITIES</b>			<b>R 128 million</b>	<b>800 jobs</b>

### 3.4 Tourism & Housing Estates

Given the large unspoilt Wild Coast coastline that Mbashe has, the potential for tourism development in both resorts and housing estates is considerable. Developments of this nature

can stimulate private sector investment, enhance the construction sector and provide long term job opportunities in servicing and maintaining these resorts and investments.

The tourism sector of the wild coast has suffered from years of underdevelopment as a result of poor levels of private sector investment, continuous bungling by bureaucrats and a communal land tenure system that requires considerable planning and consultation, before private sector investment is possible. The last serious resort development on the Wild Coast was the establishment of the Wild Coast Sun Casino at Mzamba in the 1980's since then no notable investments have taken place. The Mbashe coast has some particularly high potential coastal development areas. These include the Nqabara and Xhora river mouths, Qhora, as well as the large coastal forest reserves of Dwesa and Cwebe. The coastal forests of Dwesa and Cwebe have been returned to the community in two land claims that were settled in 2001. Since this period the community property trusts have been dealing with the Dept of Environmental Affairs and the ECDC (Title holders of the Haven Hotel). This period however has seen little or no progress in developing the tourism opportunities. Judging by reports from people that have been involved in the process is that officials have not really done, much to move the developmental process forward. On the other side the trust is seen as not closer to the people and no reports are given to them as a result in some areas there's a lot of infighting within the communities. It would appear that procrastination and ineptitude have resulted in massive lost opportunities for local communities and project beneficiaries.

Independent tourism facilitators give one the assurance that these two coastal reserves represent a massive opportunity for high level international investors developing joint ventures in partnership with local communities. These sort of opportunities will however not be achieved with the present stakeholder groups managing the negotiation process at Dwesa and Cwebe.

The newly developed Hluma investment agency is starting to play a role in the Dwesa process. Their presence may improve chances of positive developments in the area. It is however felt that specialist tourism facilitator expertise is needed to advise Mbashe on all its tourism options.

What is needed is an open and transparent process calling for bids from investors. Other possible lodge sites within Mbashe could also be investigated and this includes a viewing site of the Cape Vulture in the Mbashe canyon in a place called Collywobbles.

Private sector housing developments in coastal villages have been important economic development stimulators in other parts of the world. The lack of access to land on the Wild Coast has not only severely limited this opportunity, but resulted in clandestine land deals with traditional authorities and the construction of un-official and illegal beach cottages. What is required is an open consultative planning process with communities and traditional authorities in targeted locations. The Mbashe LED office says that they have started a process of consultation with communities at the Xhora Mouth. As well as begun the planning for a cultural

village in the area. This process needs to be driven as the economic benefits for the communities are considerable.

### **3.5 Black Granite Mining**

The Willowvale area of Mbhashe has large deposits of Black Granite, a highly sort after material for the international construction industry. There have been small informal attempts made by small mining companies to mine these deposits. The granite beneficiation expertise is largely based in Italy and mining would require markets to be secured in advance, in a relatively difficult industry.

This opportunity does however warrant further investigation and the appointment of specialist consultant to develop a business plan in consultation with local communities and the assistance in sourcing likely joint venture strategic partners.

### **3.6 The N2 Corridor**

The N2 passes through Mbhashe and its main town of Dutywa. The N2 provides the district with good access. The town of Dutywa is an important government and commercial centre. But its growth opportunities are limited. Local development specialists say that industrial development opportunities are limited. In neighbouring Butterworth large factories, part of a decentralised industrial policy of the past are still empty and are unutilised.

There is however plans for the refurbishment of services in Dutywa as part of an urban renewal programme through National Development Partnership Grant. This would do much to improve the town as well as stimulating jobs and the economy of Mbhashe.

## **3. SUMMARY OF ECONOMIC IMPACT**

The main potential drivers of the Mbhashe economy are Agriculture and Construction as well as the associated Small Enterprise activity that these two main sectors could stimulate. These sectors are already set up for roll out as various departments have already made sizeable financial commandments to housing and infrastructure as well as the fact the Teba Development have set up a team to assist the Dept of Agriculture with farmers support and livestock mentorship services. These two sectors have the ability to generate 11 160 jobs within a five year period.

### **Summary of Economic Impact**

<b>SECTOR</b>	<b>ESTIMATE TURNOVER P.A. AFTER 5 YEARS</b>	<b>ESTIMATE NO. OF SUSTAINABLE DIRECT JOBS</b>
Agriculture	R 125 million	6 550
Construction	R 180 million	3 810

Small Enterprise	R 128 million	800
<b>TOTAL</b>	<b>R 433 million p.a.</b>	<b>11 160</b>

#### 4. PRIORITISATION OF PROJECTS

##### 5.1 TOURISM PROJECTS

- Gcalekaland Cultural Village
- Camping sites at Beechamwood
- Ntsimbakazi/Hlakothi Community Game Park
- Dutywa/N2 Visitor Information Centre
- Dwesa/Cwebe Tourism Hub
- Qatywa Community Tourism Development
- Mpame Lodge Development
- Ngqeza Lodge Development
- Nkanya Backpacker Lodge
- Bulungula Backpackers
- Events (Haven Beach Festival, Craft Zone Mania, Cape Vulture Viewing)
- Development of Arts and Crafts
- Old Golf Course Development at Dutywa
- Kanyisa Ntsimbi Cultural Centre
- Mbhanyana Falls

##### HERITAGE SITES EARMARKED FOR DEVELOPMENT

- Birthplace of former President Thabo Mbeki and home of former Robben Island prisoner Govan Mvuyelwa Mbeki at Mbewuleni
- Graves of AmaXhosa Kings (King Hintsa, King Sarhili)
- Nqadu Great Place (Home of AmaXhosa Kingdom)
- Esinqumeni caves
- Battlefields (Gwadana, Fort Malan, Fort Bowker)

## AGRICULTURAL DEVELOPMENT PROJECTS

- Nguni Cattle Breeding
- Wool Improvement
- Livestock production and Improvement
- Siyazondla
- Vegetable Processing Plant
- Broiler Production
- Citrus Fruit Production
- Crop production (Maize, beans)
- Maize Milling Plant

## SMME DEVELOPMENT

- Support for small scale producers
- Co-operative development (block making, baking)

Other projects of importance

- Granite mining
- Forestry
- Fishing and Mariculture
- Support to Construction enterprises

## IMPLEMENTATION PROPOSALS

ENTERPRISE	IMPLEMENTATION PROPOSAL	ORGANISATIONS INVOLVED	ESTIMATED BUDGET
Gcalekaland Cultural Village	With the R2.8m budget available, the municipality outsourced for the implementing agency to take the project to implementation stage.	ADM, Dept of Arts and Culture, Department of Housing and Local Government, Mbhashe LED,	R8m
Camping sites at Beechamwood	The project has been funded through coast care project funded by Department of Environmental Affairs and Tourism.	DEAT, Mbhashe LED/Community Services, DEDEA	R300 000
Ntsimbakazi/Hlakothi Community Game Park	The sourcing of a consultant to do facilitation and business planning and also plan a business modelling.	ECPB, DEDEA, DLA, Department of Local Government and Traditional Affairs, Mbhashe LED, ADM, ECDC	R30m



Dutywa/N2 Visitor Information Centre	Upgrading of the structure of the VIC to accommodate businesses so as to be able to attract more people and tourists.	Mbhashe LED	R650 000
Dwesa/Cwebe Tourism Hub	The upgrading of Haven Hotel and reconstruction of Dwesa chalets are two most important aspects of this project. Hluma Development Agency has shown interest but was turned down by the trust..	ECPB, ECDC, DEDEA, DWAF, Mbhashe LED, ADM, DLA	
Qatywa Community Tourism Development	Funding to the value of R5m has been made available for the start of the project. Consultants are assisting the community in furthering the project.	DEAT, DEDEA, DLA, Mbhashe LED	
Mpame Lodge Development	Interest has been shown by the community and private partner to operate a lodge in the coastal Mpame.	DEDEA, DLA, Mbhashe LED	
Coastal Village Planning at Qhora	The orderly and legitimate growth of coastal villages will stimulate economic development. Funding needs to be allocated for the appointment of a consultant to look at the long term benefit to communities and to the municipality.	DEDEA, DLA, Mbhashe LED	R700 000
Ngqeza Lodge development	Land has been made available for the development of the lodge at Ngqeza. A business partner is needed by the community. The municipality need to assist to get the private investor.	DEDEA, Mbhashe LED, ECDC,	
Nkanya Backpacker Lodge	A lot of preparations have been done by the community with regard the development of the lodge. The municipality and other stakeholders must assist to help the community to get funding.	ECDC, DLA,	
Bulungula backpackers	The lodge is made of a partnership between the community of Bulungula and the private person.	DME, DWAF, ADM,	R5m

	Assistance in terms of infrastructure (electricity, access road, water) is needed from the municipality.		
Events (Haven beach festival, Craft festival, Cape Vulture Viewing)	Events such as these will be used as drawcards to bring tourists to the area.	Mbhashe LED, LTO,	R300 000
Development of Arts and Crafts	This involves mainly training to the crafters in the area. Crafters display their craft work in craft centres around Mbhashe. The main partner in this programme is the Department of Arts and Culture of which Mbhashe is working nicely with.	Department of Arts and Culture, Mbhashe LED	R300 000
Old Golf Course Development at Dutywa	Many have shown interest in developing the area. Services of an implementing agent to look at feasibility, business planning, architecture, business planning and business modeling are needed.	Mbhashe LED,	R300 000
Kanyisa Ntsimbi Cultural Centre	Phase 1 of the Cultural Centre has been done at a cost of R3.8m from IDT. Business modeling is needed for the project to run smoothly.	IDT, DSRAC, Mbhashe LED, ECDC,	R200 000
Mbhanyana Falls	Well placed at 3km from the Haven Hotel. What must be dealt with is the entrance to the site and the view area.	DEDEA, Mbhashe LED	R800 000
Heritage sites	Heritage sites in Mbhashe relate well with the Liberation Heritage Route and Mbhashe must prepare itself for the inclusion of the projects in the LHR.	ADM, DSRAC, Mbhashe LED	R40 000
Nqadu Great Place	Development of this place as a place that will be able to entertain and assist AmaXhosa on various issues is envisaged but lack funding.	Department of Local Government and Traditional Affairs,	
Nguni Cattle Breeding	Weza is piloting the project which seems to be a success, now the	DoA, Asgisa-EC,	R200 000

	programme needs to be vigorously expanded to farmers at village levels.		
Wool improvement	The programme on wool improvement lack funding whilst it proves to be a success. A pilot need to be done where concentration will be high and more funding sourced and provided.	DOA, Asgisa-EC, ARC, DEDEA,	R5m
Livestock production and Improvement	The Teba livestock mentorship programme needs to be fully established and expanded into Willowvale & Dutywa	DoA, UFH,	R2m
Siyazondla	About 1500 households are presently benefiting from the programme, and this proves to be an example of a rural development concept the country needs. A business plan to expand the programme has been submitted to National Lottery for consideration.	DoA, DWAF, Mbhashe LED	R16m
Vegetable Processing Plant	With the large packs coming form Siyazondla groups and other projects a plant where vegetable is processed is built. A partnership between the DoA and UFH assisted with plant. Storage facilities need to be done at district level i.e. Willowvale and Elliotdale to prepare the vegetables to the plant.	DoA, Mbhashe LED, UFH	R1m
Broiler Production	Many women households are sustained by the making of a broiler chicken but this need to be expanded to greater heights. This will include feasibility on chicken abattoir.	DoA, Mbhashe LED	R1m
Citrus Fruit Production	The programme has been done throughout he households but more land is needed for the programme. The use of Isibaya is needed to expand the programme to other areas.	DoA, ADM, ARC, Isibaya, Mbhashe LED	R300 000

Crop production	Mbhashe municipality and the DOA need to continue with the programme of assisting small scale farming. The programme needs to be expanded by inviting other stakeholders like Teba development.	DoA, Mbhashe LED, Teba Development	R5m
Maize Milling Plant	With the feasibility being conducted and concluded, it is evident that partnerships with farmers across Mbhashe are the only way in which this would become feasible.	DoA, DEDEA, ECDC, Mbhashe LED, Mbhashe Farmers Association,	
Co-operative development	A co-operative strategy needs to be developed.	ADM, DEDEA, Department of Local Government and Traditional Affairs,	R300 000
Granite mining	Many companies came to the communities to show interest in the mining, some companies have signed agreements with the communities and the municipality is left behind. Mining continues at Luvundu.	DME, DLA, Mbhashe LED, Aspire	
Forestry	It is necessary to find funding for the appointment of a forestry consultant to write up a forestry business plan in consultation with communities and possible strategic forestry partners	Dept of Forestry, Mbhashe LED, Teba, Asgisa - Eastern Cape.	Forestry Consultants Appointment R 500 000
Fishing	A study which shows the great potential of fishing in some areas of the municipality was done to completion. The business plans for the projects identified need to be developed. A service provider is needed to accomplish the task.	DEAT-MCM, Department of Agriculture, Forestry and Fisheries, DEDEA,	R300 000 for consultants
Mariculture	Known to be a very lucrative type of business, opportunities in this sector need to be enhanced. The municipality needs to develop proposals for funding for feasibility in this field.	DoA, DEAT-MCM,	R400 000 for consulting work
Support to	The service providers in	Department of Education,	-

construction enterprises	this area could benefit from schools upgrading, community access roads etc.	Public Works, Roads, Mbhashe Technical Services.	
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## 7.2 WASTE MANAGEMENT PLAN

The Mbhashe Municipality does not have an officially adopted Waste Management Plan. However, the Amathole District Municipalities District Waste Management Plan is applicable to Mbhashe. In addition to this, based on work undertaken to date, the following forms the basis of the Municipalities approach to Waste Management.

### WASTE DISPOSAL

Existing operational sites in the Municipality are listed in the table below:

### EXISTING OPERATIONAL WASTE DISPOSAL SITES

SITE	PERMIT	PRELIMINARY CLASSIFICATION
<b>MBHASHE</b>		
Dutywa	NO	General waste - communal - leachate producing
Elliotdale	NO	General waste - communal - leachate producing
Willowvale	NO	General waste - communal - leachate producing

All of the sites in the smaller centres that will ultimately require permits, either for closure or upgrading, are likely to be classified as communal. Permit application can thus be done in accordance with the less onerous "Directions", referred to above.

The above list excludes sites that are no longer operational and that will, in theory, still have to be closed in accordance with DWAF's requirements. There are many such sites.

Most of the sites are not operated properly in accordance with the DWAF minimum requirements. Common problems associated with site operations on many of the sites are:

Sites are not fenced and there is no access control.

Informal recyclers and scavengers operate on the sites (particularly those sites in areas where a recycling market exists).

- There is no control of what waste is being deposited on the site.
- There is no record being kept of waste that is placed on the site.
- Waste is not being properly compacted or covered.
- Waste is being burned.
- Odours.
- No diversion of stormwater from or off the site.
- Windblown litter in the areas surrounding the sites.
- Excessive leachate contaminating surface and probably ground water.
- Access conditions to, and on, many of the sites during inclement weather.
- Lack of supervision on the sites.
- No plant to spread and compact waste and cover material.
- No monitoring of groundwater.
- Some of these problems also exist on the permitted sites. This could result in withdrawal of permits if the site operations are not improved to meet the DWAF Minimum Requirements.

There is no fixed collection time and service provision is irregular, particularly in Elliotdale and Willowvale. This is due to the fact that solid waste workers are also responsible for water and sewerage.

- The sharing of transport between towns and lack of supervisory personnel in each town is problematic.
- There is no communication between the municipalities and the community, e.g. while

the officials believe they provide service in Elliotdale, the business and residents confirm that there are no, or irregular, services being provided. This is complicated by the fact that works managers reside in Dutywa and there is therefore irregular supervision in the other towns.

- Business takes out waste randomly and people do not keep collection days.
- The low priority given to waste matters by Council, which results in insufficient allocation of resources for waste management.
- The poor state of the disposal sites and access problems during poor weather.
- Non-payment resulting in less resources being available to fund services.
- Lack of collection in rural areas.
- Dumping and burning of garden waste.
- Lack of waste minimisation, recycling, composting and education/awareness programmes.
- Lack of bylaws and enforcement capacity.
- Problems at Landfill Site as described above

### **Projects**

The IDP identifies strategies to:

- Use the future Butterworth regional site for Dutywa and, by implication, close the Dutywa site.
- Upgrade and permit the sites at Elliotdale and Willowvale.

These projects have, however, not been initiated and there is no funding allocation.

### **Available services**

The main towns in Mbashe are Dutywa, Elliotdale and Willowvale. There are 559 villages in the rural areas. The total population in 2003 is estimated to be approximately 292 000 of which 3% are resident in the towns, 96% in the rural villages and 1% in farming areas.

#### **1.1.1.1 A. Residential Waste Collection Services**

Refuse removal is only available in the urban areas (2% of households). The balance has no service (64%), use communal dump sites (1%) or dump on site (32%). There are no licensed waste sites in Mbashe. What is of concern is that the existing dumping sites are not licensed which is leading to the pollution of water sources that people use downstream for domestic purposes.

Waste is collected on a daily basis in the residential areas in Dutywa and twice a week in Elliotdale and Willowvale. Waste is collected in bags. No collection services are provided in the rural areas. Residents dispose of their own waste, either on site or in communal pits, where it is either burned or buried.

#### **1.1.1.2 B. Trade Waste Collection Services**

Trade waste is collected on a daily basis from outside properties. No standard containers are provided and waste is collected from drums, bins, bags and whatever other containers are being used by the business/institution.

#### **1.1.1.3 C. Street Cleaning**

Litter is collected in the streets of the formal areas in all the towns on a daily basis and some main roads are occasionally swept during intensive cleanup projects.

Fifty new litterbins have recently been installed in the CBD areas in Dutywa and thirty in both Elliotdale and Willowvale. These are cleared on a daily basis.

#### **1.1.1.4 D. Garden Waste Services**

There is no scheduled or specific garden waste service. Waste is often dumped on the streets and is collected by the municipality or burned.

#### **1.1.1.5 E. Sundry Services**

Illegal dumps, accumulations of waste and animal carcasses are removed by the Municipality but on an irregular basis.

#### **1.1.1.6 F. Hazardous Waste**

There are no significant generators of hazardous waste. Medical waste generated in clinics and hospitals is incinerated at the nearest hospital facility.

#### **1.1.1.7 G. Waste Minimisation**

There are no recycling, composting or waste minimisation programmes of any significance.

#### **1.1.1.8 F. Waste Disposal**

- There are waste disposal sites in all three towns, none of which are permitted or properly operated.
- All sites have the same problems:
- Paper/plastic/litter dispersion into surrounding areas.
- Waste is burned and not covered or compacted.
- Sites produce smoke and odours.
- Sites are not fenced.
- Sites are not managed.
- The sites are generally accessible except during poor weather when access is difficult.

#### **1.1.1.9 G. BY LAWS**

By-laws are there but they are not enforced.

#### **1.1.1.10 H. PLANT AND VEHICLES**

- The following vehicles are being used:
- Dutywa: 1995 6 cubic meter 1-ton truck and a 1997 5-ton truck.
- Willowvale: 1998 2.5 cubic meter tractor-trailer system.
- Elliotdale: 2001 6 cubic meter 5-ton truck.

These vehicles are used for general duties and not only for waste collection.

### **Objectives and Strategies**

## **Objectives**

- Formation of a biodegradable waste facility and a collection point for non-biodegradable waste for each rural village (composting and recycling centre in each village).
- Regular weekly kerbside collection in urban areas.

## **Strategies**

- Raise awareness of waste disposal issues and methods in rural and urban *areas (waste education programme)*.
- Establish sorting programme *(recycling programme)*.
- Link rural non-biodegradable waste collection with an LED opportunity such as *(recycling)*.
- Link urban systems with regional disposal facility in Butterworth *(system of transfer/transport to regional site)*.
- Link into environmental plan for the area *(integrated planning)*.
- License existing sites at Willowvale and Elliotdale.
- Establish community competition for best kept environment (waste education/ awareness campaign).

## **Projects**

- Link with proposed Butterworth Regional Site.
- Formulate waste management plan for Mbashe

## **7.3 INTEGRATED TRANSPORTATION PLAN**

The Mbashe Municipality does not have an officially adopted Transport Plan. However, the Amathole District Municipalities District Integrated Transport Plan is applicable to Mbashe.

## **7.4 LAND REFORM AND SETTLEMENT PLAN**

The Mbashe Municipality does not have an officially adopted Land Reform and Settlement Plan. However, the Amathole District Municipalities District Land Reform and Settlement Plan is applicable to Mbashe.



#### **7.5 INTEGRATED ENVIRONMENTAL PLAN**

The Mbashe Municipality does not have an Integrated Environmental Plan. However, the formulation of an Integrated Environmental Plan has been identified as a project and is included in the IDP project list.

#### **7.6 INTEGRATED DISASTER MANAGEMENT PLAN**

The Mbashe Municipality does not have an Integrated Disaster Management Plan. However, the ADM is assisting us to formulate our own.

#### **7.7 WATER SECTOR PLAN**

The Mbashe Municipality has an adopted Water Sector Plan. Prioritisation of Water and Sanitation projects are based on the recommendations of this plan.

#### **7.8 COMMUNICABLE DISEASES (HIV/AIDS) PLAN**

The Mbashe Municipality does not have a Communicable Diseases Plan. However, the formulation of a Communicable Diseases (HIV/AIDS) Plan is on the card.



## **CHAPTER 8 – PERFORMANCE MANAGEMENT FRAMEWORK**

### **INTRODUCTION**

This document represents a revised performance management framework for Mbhashe local municipality.

It outlines the objectives, principles, process, procedures and the model that guides how the municipality implements its performance planning, monitoring, review, reporting, auditing and evaluation.

It further, identifies the key stakeholders and their respective roles in the managing of municipal performance management. Once adopted by council it will be binding on all in the municipality as a policy framework for implementing performance management.

### **Working definition**

There is no universal definition of Performance management. However, it is intended that our PMS will as Stratdev Planning (2008) defines, serve as “a deliberate use of measures to plan, monitor, review, report and audit performance progress against a set of targets as well as a process that must signal early warning mechanisms so that necessary interventions to ensure achievement of desired outcomes, can be taken.

We subscribe to the view shared by Van de Walt (2004) that performance management is also about:

- Efficiency relationships between inputs and outputs,
- Reducing inputs or costs of inputs,
- Following relationships among inputs, outputs and outcomes.

### **Policy and legal framework**

Our performance management processes are informed by the following policy and legal framework.

#### ***Policy context***

In 1997 the white paper on local government introduced the concept of performance management systems as a mechanism to improve accountability and enhance public trust on local government. The white paper further suggests that by involving communities in setting key performance indicators and reporting back to communities on performance, accountability is increased, and public trust in the local government system is also enhanced.

In 1998, the White Paper on Transforming Public Service Delivery (Batho Pele) was adopted as a framework to enhance and enforce quality service among civil servants. All employees of public entities (government institutions including local government municipalities) are obliged to adhere to the provisions of the Batho Pele framework. These provisions are captured in the form of the following eight key principles:

- a) **Consultation:** - Citizens should be consulted about the level and quality of public service they receive, and, where possible, should be given a choice about the services which are provided.
- b) **Service standards:-** Citizens should know what standard of service to expect and should be consulted if promised service standards are to change including development targets set in terms of the IDP.
- c) **Access:** - All citizens should have equal access to the services to which they are entitled. State of exposure to income or poverty should not be reason enough to lack access to a basic level of service.
- d) **Courtesy:-** Citizens should be treated with courtesy and consideration.
- e) **Information:-** Citizens should be given full and accurate information regarding public services they are entitled to receive.
- f) **Openness and transparency:-** Citizens should know how departments are run, how resources are spent, and who is in charge of particular services.
- g) **Redress:-** If the promised standard of service is not delivered, citizens should be offered an apology, a full explanation and a speedy and effective remedy; and when complaints are made citizens should receive a sympathetic, positive response.
- h) **Value-for-money:-** Public services should be provided economically and efficiently in order to give citizens the best possible value-for-money.

In August 2001 regulations on municipal planning and performance management were published by Department of Provincial and Local Government (**dplg**) to further explain the requirements of the LG Municipal Systems Act 32 of 2000.

According to the regulations a municipal PMS must ensure that it:

- complies with all the requirements set out in the Municipal Systems Act;
- demonstrates how it is to operate and be managed from the planning stage up to the stages of performance and reporting;
- clarifies the roles and responsibilities of each role-player, including the local community, in the functioning of the system;
- clarifies the processes of implementing the system within the framework of the integrated development planning process;
- determines the frequency of reporting and the lines of accountability for performance;
- relates to the municipality's employee performance management processes;
- provides for the procedure by which the system is linked to the municipality's integrated development planning processes;

The regulations also prescribe that municipalities must monitor their performance and report on these national indicators (in addition to their local level indicators):

- a) the percentage of households with access to basic level of water, sanitation, electricity and solid waste removal;
- b) the percentage of households earning less than R1100 per month with access to free basic services;
- c) the percentage of a municipality's capital budget actually spent on capital projects identified for a particular financial year in terms of the municipality's integrated development plan;
- d) the number of jobs created through municipality's local economic development initiatives including capital projects

- e) the number of people from employment equity target groups employed in the three highest levels of management in compliance with a municipality's approved employment equity plan;
- f) the percentage of a municipality's budget actually spent on implementing its workplace skills plan; and
- g) financial viability as expressed by the following ratios:

(i) 
$$A = \frac{B - C}{D}$$

Where - "A" represents debt coverage  
 "B" represents total operating revenue received  
 "C" represents operating grants  
 "D" represents debt service payments (i.e. interest plus redemption) due within the financial year;

(ii) 
$$A = \frac{B}{C}$$

Where - "A" represents outstanding service debtors to revenue  
 "B" represents total outstanding service debtors  
 "C" represents annual revenue actually received for services;

(iii) 
$$A = \frac{B + C}{D}$$

Where - "A" represents cost coverage  
 "B" represents all available cash at a particular time  
 "C" represents investments  
 "D" represents monthly fixed operating expenditure.

In 2006 the Government Gazette No.29089 was issued to further gave clarity on the Local Government Municipal Performance Regulations for municipal managers and managers directly accountable to municipal managers. The circular sets out how the performance of Section 57 staff will be uniformly managed monitored and improved. The regulations address both the employment contract and performance agreement of municipal managers and managers directly accountable to municipal managers. It further provides a methodology for the performance management system as well as criteria for performance bonus payments. The regulations also provide an approach for addressing under-performance, should this occur

### **Legal context**

**The Constitution (1996)** is the founding legal document framing local government. Chapter 7 of The Constitution establishes the sphere of local government and forms the premise for subsequent policy and legislative documents on local government.

According to Chapter 7, the Objects of local government, Section 152 (1), are -

- (a) to provide democratic and accountable government for local communities;
- (b) to ensure the provision of services to communities in a sustainable manner;
- (c) to promote social and economic development;
- (d) to promote a safe and healthy environment; and

- (e) to encourage the involvement of communities and community organizations in the matters of local government.

152 (2) mentions that a municipality must strive, within its financial and administrative capacity, to achieve the objects set out in subsection (1).

Section 153, Developmental duties of municipalities, states that a municipality must -

- (a) secure and manage its administration and budgeting and planning processes to give priority to the basic needs of the community, and to promote the social and economic development of the community; and
- (b) participate in national and provincial development programmes.

The Constitution does not make explicit mention of the development and implementation of a performance management system, but the importance of the effective provision of services, accountability, development and management are mentioned.

**The municipal systems act 32 of 2000** calls for all municipalities to establish and implement performance management systems. In its chapter six, the act prescribes for all municipalities to:

- develop a performance management system
- set targets, monitor and review performance based on indicators linked to their integrated development plan (IDP)
- publish an annual report on performance for the councillors, staff, the public and other spheres of government
- incorporate and report on a set of general indicators prescribed nationally by the minister responsible for local government
- conduct an internal audit on performance before tabling the report.
- have their annual performance report audited by the Auditor-General
- involve the community in setting indicators and targets and reviewing municipal performance

**In terms of section 53 of the Municipal Finance Management Act (MFMA) 2003**, the mayor of a municipality must take reasonable steps to ensure that the annual performance agreements of the municipal manager and all senior managers are linked to the measurable performance objectives approved with the budget and to the service delivery and budget implementation plan; and are concluded in accordance with section 57(2j) of the Municipal Systems Act.

Coupled with the MSA: 2000, the MFMA: 2003 provide for the development of a mid-term budget and performance assessment of the municipality. The development of the mid-year budget and performance assessment report should give an indication on the progress made by the municipality for the past six months. The MFMA requires that the accounting officer of the municipality take into account the performance of the municipality against the performance expectations set by senior managers and their departments.

## **PM Objectives**

The rationale for introducing performance management in our municipality goes beyond mere compliance with policy and legislation requirements. Through our PMS, we seek to achieve the following objectives:

### ***Increased accountability***

It is the intention of this council that the performance management system must be implemented in a manner that ensures increased accountability between:

- The residents of the Mbashe Local and the municipal council,
- The political and administrative components of the municipality,
- Each department and the executive office.
- Between Municipal manager and his direct reports (otherwise commonly known as senior managers or section 56 & 57 managers)
- Between each employee and the organization or employer representative (supervisor)

### ***Learning and improvement***

While ensuring that accountability is maximised, the performance management system must also provide a mechanism for learning and improvement. It should allow for the municipality to know which approaches (development, leadership, management and operations) are having the desired impact, and enable the municipality to improve delivery. It should form the basis for monitoring, evaluating and improving the impact of implemented Integrated Development Plan.

### ***Early warning signals***

The performance management system should provide Managers, the Municipal Manager, Standing Committees and the Executive committee with early warning of non-performance of the full implementation of the Integrated Development Plan. It is important that the system ensures decision-makers are timeously informed of possible non-performance, so that they can facilitate pro-active intervention, if necessary.

### ***Effective decision-making***

The performance management system should provide appropriate management information that will allow efficient, effective and informed decision-making, particularly on the allocation of resources.

The objectives listed above are not exhaustive, but summarise the core intensions and intended benefits for implementing performance management system in our municipality. These objectives will inform our periodic evaluation of our performance management system so that we can continue to improve it and its functionality.

## **Founding principles**

Council acknowledges that PMS will be about people and therefore things may from time to time become sensitive. To manage the sensitivity and to ensure fairness and

objectivity in applying our PM framework, we therefore adopt the following principles to inform how we arrive at and communicate decisions about performance and its outcomes.

Through implementing these principles, we hope to increase ability to comprehend performance feedback whenever given to an individual person or the collective municipal organization.

- ◇ POLITICALLY DRIVEN - Legislation clearly tasks the municipal council and mayor as the custodians of the performance management system. The Mayor **MUST lead** both the implementation and improvement of the system. Further, Legislation allows for the delegation of this responsibility or aspects of it to the municipal manager or other appropriate structures as the Mayor may deem fit.
- ◇ UNIFORMITY - System must apply uniformly to all affected
- ◇ DEVELOPMENTAL - Must be developmental in nature, not punitive. Therefore, must focus on outcomes or development impact achievements rather than placing emphasis on short term individual benefits like for example the reward of potential earnings in the form of bonuses
- ◇ EQUITY OF RIGHT -Must balance organisational needs and employee rights
- ◇ SIMPLICITY - The system should be simple user – friendly and should enable the municipality to operate within the existing capacity of its financial, human resources and information management system.
- ◇ PERFORMANCE CONTRACTS -Must provide for signing of performance contracts by section 57 managers and other direct reportees (contracted in terms of the Systems Act and 2006 Guidelines for municipal managers) to the municipal manager
- ◇ PMS MODEL -Must identify suitable model commensurate with existing organisational capacity, constraints & LG legal context.
- ◇ EARLY WARNING -Must promote use as an early warning system
- ◇ INTEGRATION - The performance management system should be integrated into other management processes in the municipality, such that it becomes a tool for more efficient and effective management rather than an additional reporting burden. It should be seen as a central tool to the on – going management functions
- ◇ TRANSPARENCY – Must provide for effective participation of affected parties in arriving at final targeted performance commitments (setting of targets to be discussed and agreed with those the people / units whose performance will be managed)
- ◇ DEMOCRATIC - Must provide for involvement of key stakeholders in the processes of PM planning, monitoring, review, reporting and auditing
- ◇ OBJECTIVITY - Performance management must be founded on objectivity and credibility in terms of both the processes of managing performance and the information on which it relies. Sources of data for measuring indicators should be



scrutinized to enhance credibility of information and therefore objective decision making.

## Stakeholders

The following figure identifies key stakeholders and outlines their respective roles and responsibilities in the discharge of performance management activities or processes.

Table 1: Stakeholder Roles and Responsibilities

<b>STAKEHOLDERS</b>	<b>PERFORMANCE PLANNING</b>	<b>MEASUREMENT AND ANALYSIS</b>	<b>PERFORMANCE REPORTING &amp; REVIEWS</b>
<b>IDP Rep Forum</b>	<ul style="list-style-type: none"> <li>• Be consulted on needs</li> <li>• Develop the long-term vision for the area</li> <li>• Influence the identification of priorities</li> <li>• Influence the choice of the indicators and setting of targets</li> </ul>		Be given the opportunity to review municipal performance and suggest new indicators and targets
<b>Council</b>	<ul style="list-style-type: none"> <li>• Facilitate the development of a long-term vision</li> <li>• Develop strategies to achieve vision</li> <li>• Identify priorities</li> <li>• Adopt indicators and set targets</li> </ul>		Review municipal performance bi-annually
<b>Portfolio (s79) Committees</b>	<ul style="list-style-type: none"> <li>• Influence the preparation of the SDBIP Scorecards</li> <li>• Ensure involvement of communities in setting of municipal targets</li> </ul>	Monitor performance of relevant services	<ul style="list-style-type: none"> <li>▪ Receive reports from service managers</li> <li>▪ Review monthly SDBIP Scorecards</li> <li>▪ Report to Exco</li> <li>▪ Adopt corrective actions where</li> </ul>

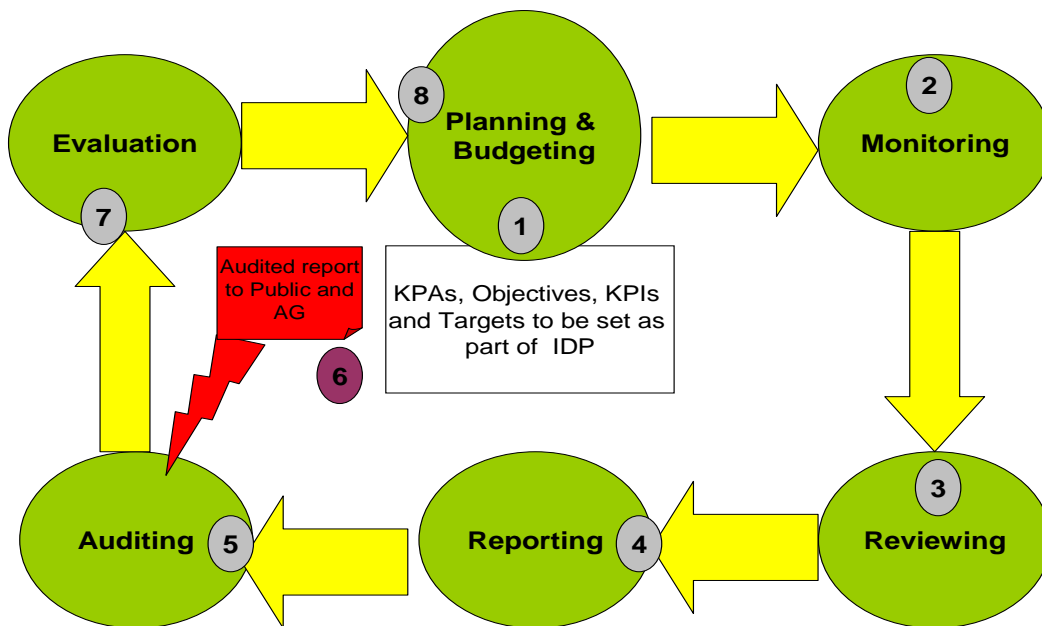
			necessary and recommend to Exco
<b>Executive Committee</b>	<ul style="list-style-type: none"> <li>• Play a leading role in giving strategic direction and developing strategies and policies for the municipality</li> <li>• Manage the development of an IDP</li> <li>• Approve and adopt indicators and set targets</li> <li>• Communicate the plan to other stakeholders</li> </ul>		Conduct the major reviews of municipal performance, determining where goals had or had not been met, what the causal reasons were and to adopt response strategies
<b>The Management Team</b>	<p>Assist the Executive Committee in:</p> <ul style="list-style-type: none"> <li>▪ Providing strategic direction and developing strategies and policies for the municipality</li> <li>▪ Manage the development of the IDP</li> <li>▪ Ensure that the IDP is integrated</li> <li>▪ Identify and propose indicators and targets</li> <li>▪ Communicate the IDP to other stakeholders</li> <li>▪ Develop SDBIPs and Budget</li> </ul>	<p>Regularly monitor the implementation of the IDP, identifying risks early</p> <ul style="list-style-type: none"> <li>• Ensure that regular monitoring (measurement, analysis and reporting) is happening in the organization</li> <li>• Intervene in performance problems on a daily basis</li> </ul>	<ul style="list-style-type: none"> <li>▪ Conduct quarterly reviews of performance</li> <li>▪ Ensure that performance reviews at the political level are organised</li> <li>▪ Ensure the viability of information</li> <li>▪ Propose response strategies to the Executive Committee</li> <li>▪ Report to Exco</li> </ul>
<b>Internal Audit</b>			Produce Quarterly Audit Reports for the Municipal Manager and Audit Committee

<b>Audit Committee</b>			<ul style="list-style-type: none"> <li>▪ Review internal Audit Reports</li> <li>▪ Assess system and indicators</li> <li>▪ Provide audit report twice annually to Council</li> </ul>
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### PM process

Performance management must be a continuous and cyclic integral process in our calendar year planning and operations. It must involve 7 distinct repetitive process steps as illustrated in the figure below:

**Figure 1: The cyclic process of PM**



#### **Step 01: Planning for PM**

Planning for our performance management must happen within the context of IDP. The reason for this is because in the formulation of IDP, communities have ample space to influence and input ideas into municipal strategic planning via the representative forum.

Therefore it is expected that if they influence IDP content, they have already directly input on the performance management process of setting development objectives, indicators and targets. There will be no need to further consult them on the same when

finalizing the performance scorecards. This undertaking implies that our planning for PM is an inherently integral part of the IDP formulation process which must produce:

- ◇ A set of consulted upon and agreed KPAs
- ◇ Broad development objectives and targets
- ◇ A set clear measurable performance objectives, indicators (KPIs) and Targets by which the IDP implementation must be measured
- ◇ A framework for implementing PM
- ◇ Using this parameter, the PMS/IDP manager must drive a process of facilitating:
  - Initiation of a process and institutional operational arrangements for PM to take place
  - Concluding of performance agreements with section 57 managers
  - Drafting of organizational and individual performance scorecards (in accordance with framework / policy)
  - Drafting of service delivery budget and implementation plans (SDBIPs)
  - The implementation of PMS (steps 02 -08 in the above diagram)

### **Performance Co-ordination**

The Mayor will be responsible for the oversight of the co-ordination policy framework and account to the Council in this regard. The implementation of the performance management system will be the responsibility of the Municipal Manager. He/she will be accountable to the Executive Committee and be responsible for coordinating the implementation of the planning, measurement, reporting and reviews of the PMS. He will regularly do the following:

- ✓ Develop planning and reporting templates;
- ✓ Co-ordinate their completion, submission and analysis; and
- ✓ Ensure that the Portfolio Committee, Executive Committee and Council have necessary technical support to meet their responsibilities in terms of the performance management system.
- ✓ Issue memos and invites for PM sessions

### ***Step 02: Monitoring performance***

Monitoring signifies the beginning of the implementation process of PM. It involves on-going operational processes of:

- ◇ Collecting performance information using agreed tools (scorecards / SDBIP) and formats
- ◇ Generating and populating a portfolio of evidence file
- ◇ Analysing the information
- ◇ Conducting performance investigations to ascertain facts about progress in the implementation process
- ◇ Quality assuring the information collected and submitted by fieldworkers

- ◇ Overseeing progress in the course of project implementation to ensure realization of set targets or intended outcomes

This step is largely driven by operations and lead by supervisors in those line functional operations. It is however, council rule that the primary responsibility for quality assurance and performance monitoring in any of the municipal scorecards resides with the principal head of the department in the case of SDBIP scorecards and Municipal Manager in the case of management scorecards and the overall corporate strategic scorecard of the council.

Monitoring performance is an on-going daily routine process and must take place at all times in the municipality. It forms the backbone of oversight functions by the various levels of authority in our municipality.

### **Step 03: Reviewing performance**

Reviewing performance is a stage at which the organization must take stock of its performance through a well defined systematic process, involving:

- ◇ Assessment of performance progress based on agreed tools (agreed levels in the framework)
- ◇ Determination of progress (based on KPIs and Targets) by making comparisons of reported progress against past levels of achievement and bearing in mind the desired standard or target of performance at the end of a given timeline.

The table below summarizes the arrangements for performance reviews in our municipality. It outlines the levels and the frequencies by which various performance reviews should take place.

**Table 2: Performance review levels**

<b>REPORTING STRUCTURE</b>	<b>REVIEWING STRUCTURE</b>	<b>TYPE OF REPORT</b>	<b>FREQUENCY</b>
Departments	Management Team	SDBIP Scorecard	Monthly
Departments	Standing Committee	SDBIP Scorecard	Quarterly
Management team	Executive Committee	High Level Summary	Quarterly
Management Team	Council	Strategic Scorecard	Quarterly
Council	DIMAFO	District Scorecard	Annually
Council	Public (IDP Forum)	Citizen's Report	Annually
Council	Province	Annual Report	Annually

### **11.5.1 Departmental Reviews**

Performance of departments must be reviewed by the management chaired by HoD every month using their SDBIP Scorecard. No monthly departmental review must be allowed to seat later than the 5<sup>th</sup> day of the following month. Decision makers should be immediately warned of any emerging failures to service delivery such that they may intervene if necessary.

Departments should use these reviews as an opportunity to reflect on their goals and programmes and whether these are being achieved. Minutes of these reviews should be incorporated in the portfolio of evidence files and also inform the quarterly report for the standing committee. Changes in departmental scorecard indicators and targets may be proposed at this meeting but can only be approved by the relevant Standing Committee, in consultation with the Municipal Manager.

On a monthly basis, the HoD will submit a report on the department's performance in the SDBIP Scorecard format to the management team. On a quarterly basis he/she will submit a report on the department's performance in the SDBIP Scorecard to the relevant Council head who will table the report to the relevant Standing Committee.

HODs will formulate their SDBIP Scorecard reports by taking into account the performance of the various sections within each department. The SDBIP Scorecard requires inputs from each section such that a comprehensive report is collated on the performance of each department. The Head of each section is entirely responsible for the provision of sectional reports to the management team and standing committee chair at agreed times.

Each Standing committee will be required to review the performance of their respective departments against their SDBIP Scorecards, on a monthly basis. The Standing Committee should review and appraise the performance of the service against committed targets and draw out key issues to communicate to the Council. Where targets are not being met, Standing Committee should ensure that the reasons for poor performance are satisfactory and sufficient, and the corrective strategies proposed are sufficient to address the reasons for poor performance. Changes in indicators and targets can only be approved by the relevant Standing Committee, on the recommendation of the Municipal Manager.

### **11.5.2 Management Team Reviews**

On a quarterly basis the management team will review the overall performance of municipality's departments using the SDBIP reports of departments. No management team review should be allowed to seat later than the 10<sup>th</sup> day of the next quarter month. The management team lead by municipal manager will consolidate departmental SDBIP scorecard inputs to their respective Standing Committee and prepare a submission on the Strategic Scorecard to Exco. In preparation for and prior these reviews, the office of the Municipal Manager must develop an analysis of municipal wide performance.

The management team will need to reflect on whether targets are being achieved, what are the reasons for targets not being achieved where applicable and corrective action that may be necessary. Where targets need to be changed, the management team can propose these for Exco to endorse and for approval by the Council.

#### **11.5.4 Executive Committee Reviews**

On a quarterly basis, the Executive Committee should review the municipal performance against both the performance report produced by the Management team and key issues raised by the Standing Committees heads.

The quarterly reviews should culminate in a comprehensive annual review of performance in terms of both the SDBIP Scorecards and the Strategic Scorecard.

The review should reflect on the performance of service and the Strategic Scorecard. The Executive Committee will need to ensure that targets committed to are being met; where they are not, satisfactory and sufficient reasons should be provided with corrective action proposed that is appropriate and adequate to address the reasons for poor performance.

The review should also focus on reviewing the systematic compliance to the performance management system by departments, Standing Committees and the Municipal Manager.

#### **11.5.5 Council Reviews**

At least twice annually, the council will be required to review municipal performance based on the performance report submitted by the Standing Committee every quarter. The Municipal System Act requires that the annual report (MFMA section 72) should at least constitute a performance report (the Strategic Scorecard), financial statements and an audit report. The council reviews will always take place by no later than 2<sup>nd</sup> Friday of July and January respectively in a given financial year. It may be good precedence to encourage the incorporation of the performance reports to even regular section 71 (MFMA quarterly) reports submitted to treasury by CFO.

#### **11.5.6 DIMAFO Reviews**

The council has agreed to participate in the district performance management as a category B municipality of the ADM. It therefore participates in DIMAFO activities. The District Mayors Forum (DIMAFO) will, after the end of the municipal financial year, receive performance reports from municipalities based on their Strategic Scorecard. This report must be produced by no later than 31 July of the beginning year.

It will analyse these in terms of the objectives and targets set in the District Scorecard and produce a synthesis report of local government performance and development in the district area. It will use this report to account to the public. This report will also form part of the DM's annual report that will be submitted to other spheres of government.

#### **11.5.7 Public Reviews**

The Municipal Systems Act requires the public to be given the opportunity to review municipal performance. Our council subscribes to this requirement.

In addition to the local government performance and development annual report mentioned above, a user-friendly citizen's report will be produced by the PMS/IDP coordinator and submitted to the mayor for assisting with his task of public reporting.

The public review must always be scheduled to happen no later than the 31 July of each year. This report should be a simple, easily readable and attractive document that summarises the performance of the municipalities in the district municipal area for the public consumption. Community inputs into the report must be consolidated for consideration in the next IDP review process.

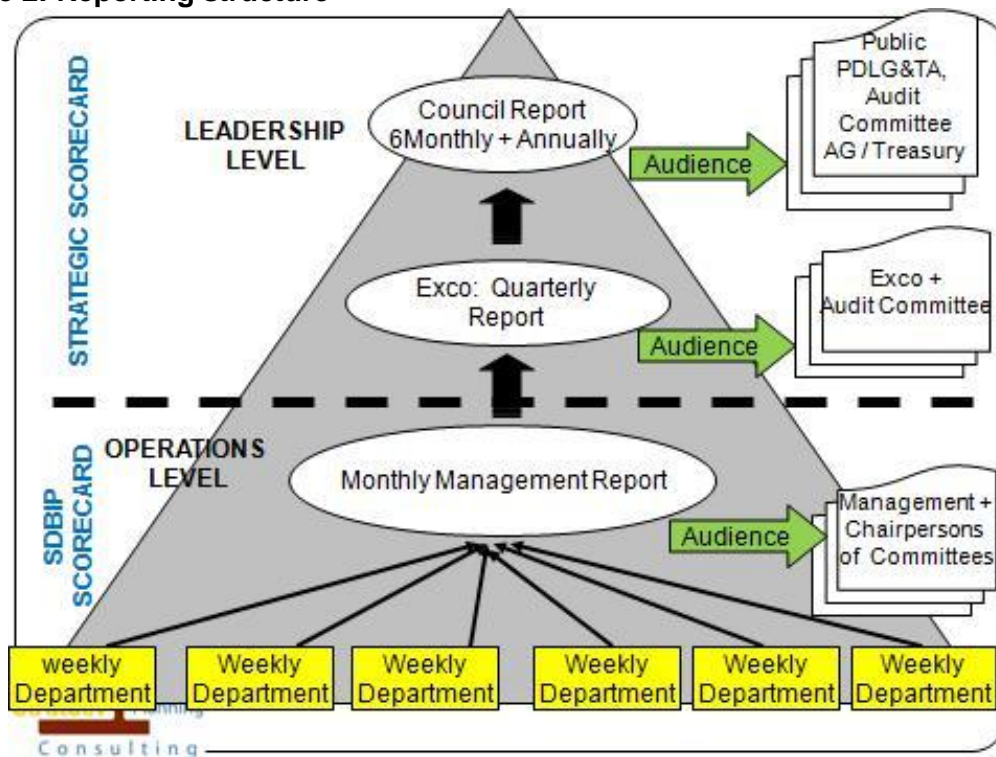
It is also proposed that a public campaign be annually embarked on to involve communities in the review of municipal performance. Such a campaign could involve the following methodologies:

- Various forms of media including radio, newspapers and billboards can be used to convey the communities report. The public should be invited to submit comment via telephone, fax, email and public hearings to be held in a variety of locations.
- The public reviews should be concluded by a review by the IDP Representative Forum as part of IDP review processes

### Reporting

Reporting arrangement will follow similar process to that outlined in the above section (Review stage) and may include more frequent meetings at operational level in order to for the department give effect and comply with this framework's requirements. HoD are encouraged to hold regular weekly inter-departmental management sessions aimed at discussing issues that will form part of their monthly performance reports using their SDBIP scorecards. This will also allow for effective early warning interventions where necessary. The figure below illustrates the envisaged reporting flows.

Figure 2: Reporting structure



### Auditing of performance reports

At least twice annually the council will be required to receive and endorse municipal performance reports for submission to the audit committee. These reports must be prepared by the management team and received by council by the same deadlines for review mentioned earlier.



The Regulations specify that any auditing must include assessment of:

- The functionality of the municipality's Performance Management System;
- The compliance of the system with the legislation; and
- The extent to which performance measurements

### **Audit Committee**

The Municipal Council must ensure that the mandate of the audit committee includes the responsibility to audit performance reports at least twice annually. It is suggested that before the municipal performance report is tabled to the audit committee, it must be seen by the internal auditor for his/her advice. This will minimise possibilities for adverse outcome opinions on the report.

In composing the municipal audit committee Council must ensure that:

- Majority of members of the Audit Committee are not councillors or employees of the municipality;
- Chairperson of the Audit Committee is neither a councillor nor an employee of the municipality;
- Members of the Audit Committee have credibility within the communities and organs of civil society; and the
- Composition of the Audit Committee sufficiently caters for the following competencies:
  - ✓ An understanding of performance management;
  - ✓ An understanding of municipal finance;
  - ✓ An understanding of development, including rural development;
  - ✓ An insight into municipality's IDP objectives.

The operation of the audit committee must be governed by section 14 (2-3) of the regulations. As per the regulations, the performance audit committee will:

- Review the quarterly reports submitted to it by internal audit unit;
- Review the municipality's performance management system and make recommendations in this regard to the council of that municipality;
- Assess whether the performance indicators are sufficient;
- At least twice during a financial year submit an audit report to the municipal council.

The audit committee should also be tasked with assessing the reliability of information reported. In order to fulfil its function, a performance audit committee may in accordance with the regulations:

- Communicate directly with the Council, Municipal Manager or internal; and external auditors of the municipality concerned;
- Access any municipal records containing information that is needed to performance its powers;
- Request any relevant person to attend any of its meetings, and if necessary to provide information requested by the committee; and
- Investigate any matter it deems necessary for the performance of its duties and the exercise of its powers.

### **PM below a section 57 manager**

Council instructs for performance management to apply to officials from Municipal manager to level 5 inclusive of non-contracted middle managers in 2010/11. This implies



## **Implications for extension to level 5**

The inclusion of non-section 57 managers into the performance management systems does **NOT** imply:

- Liability for performance failure to the extent that the S57 has
- Changes to basic conditions of employment in the form of shift from an advantageous permanent status to a contract employee. Therefore, security of employment is protected
- Exclusion from commonly negotiated benefits by the bargaining council for annual salary adjustments
- Participation of non-section 57 employees in the financial performance bonus system currently set aside for contracted S57 employees

Instead, **it implies** the following for a formerly non-section 57 employee:

- That you will be asked to account for your responsibility in a systematic and objective way
- That you will on the basis of excellent performance displayed be recognised for benefits in the council reward system including any one or a combination of the following:
  - A certificate of recognition issued by the mayor on an annual mayoral award ceremony
  - A qualification for an agreed proportionate (calculated using an agreed formula) percentage increase above normal CPIX on your salary notch (which is a financial benefit)
  - **No promise** by council of a financial bonus as a result of high performance achievement
  - A rare recognition qualifying a person to receive a fully paid Diploma /Degree Bursary in accordance with council rules or terms and conditions
  - A possible secondment to a council recognised partner organization for advanced coaching and internship learning SABATIC paid leave (linked to your job) of one full month

## **Responding to Organisational Performance**

This section outlines how the municipality may reward good organisational performance and address poor organisational performance.

### ***Good or Exceptional Performance***

Good and exceptional performance by a department or an individual will be recognized and rewarded in accordance with the provisions of council policy for performance awards.

Examples of consistent good performance will also be paraded as models for motivating other members of the municipality or a partner organization.

### ***Poor Performance***

Underperformance and consistent poor results will also be acknowledged and isolated for in-depth investigation into the causal effects and possible restorative interventions. In dealing with poor performance the council will be guided by the best interest of the municipality and its mandate for service delivery.

Where consistent poor results are observed the following must happen:

- Poorly performing departments should provide analysis and reasons for poor performance;
- An investigation should be conducted in an event of not providing sufficient reasons to deepen the understanding of the underlying problems, whether they are policy related; systemic, structural or attributed to the poor performance of individuals.
- A decision must be taken on the way forward at the best interest of the organization.

### **Employment Contract**

Section 57 of Municipal Systems Act, stipulates that there must be a written employment contract between the municipality, the Municipal Manager and managers directly accountable to Municipal Managers.

The employment contract must be subject to the terms and conditions of the Municipal Systems Act, the MFMA, and other applicable legislation (refer to sub-regulation 4(1))

- In the event that the employment contract does not refer to the applicability of other legislation, that omission will not affect the legal validity of the employment contract.
- The contract will in the event be subordinate to any legislation even in the case where parties themselves are aware of such legislation.

### ***Validity of employment contract***

Sub-regulation 4(1) (a), further provides that employment in terms of an employment contract must be subject to signing of a separate performance agreement within 90 calendar days after assumption of duty and annually after the commencement of the financial year.

The Municipality and the employee will still be able to enter into a valid performance agreement after 90 day period, provided that there is a consensus between parties that the employment contract is still in force (refer to sub-regulation 4(4)(a) and sub-regulation 24(1))

### ***Performance Agreements***

A performance agreement represents a basis for monitoring and managing the performance of a manager and provides a legal mechanism for responding directly to a managers' level of performance whether excellent or poor.

The performance agreement must be entered into for each financial year (concluded within 30 days of the beginning of the financial year or 90 days from date of employment) .Not concluding a performance agreement within the stipulated time

frames will amount to breach of employment contract. The party responsible for the breach must be given an opportunity to remedy the breach.

If the breach is not remedied within the agreed timeframes then there will be a basis for initiating procedures towards terminating the contract.

### **Signing retrospectively**

Performance agreement must be signed within 90 calendar days after assumption of duty (refer to MSA section 57(2))

- The Municipal Council does not have the authority to change the prescripts
- The absence of a performance agreement at the end of the financial year will fatally affect the ability of the municipality to pay performance bonus to the affected employee.

### ***Performance Scorecard linked to signed contract***

A performance plan establishes a detailed set of objectives and targets to be met by the Section 57 employee as well as the time frames within which these should be met.

The specifics of the performance plan will be determined by the Executive Mayor, in consultation with the employee, and will be based on IDP, SDBIP, and the budget. It shall include the following elements:

- Key objectives;
- Key performance Indicators;
- Targets; and
- Weightings

Employees will be measured in terms of their contribution on the goals and strategic planning as set out in the municipality's IDP.

Performance will be assessed based on two components:

- Key Performance Areas (KPA): - these relate to functional competencies i.e. day to day operations. This has an 80% weighting of the final assessment.
- Core Competency Requirements (CCRs): - these relate to managerial and professional competencies. The CCR has a weighting of 20% of the final assessment.
- Weightings per KPA will be agreed upon between employee and employer.

### ***Personal Development Plan***

It is a part of performance agreement stating activities including training that an employee wishes to undertake for self improvement or required to advance the objectives of the organization.

### ***Assessing Performance***

The Performance Regulations for Municipal Managers (2006) stipulates in detail how the assessment process should be undertaken. When assessing the Municipal Manager, the Mayor must establish a panel that will include:

- ✓ Executive Mayor;
- ✓ Chairperson of the performance audit committee or the audit committee in the absence of a performance audit committee;
- ✓ Member of the Executive committee;
- ✓ Mayor and/or municipal manager from another municipality; and

- ✓ Member of a ward committee as nominated by the Executive Mayor.

When assessing managers directly accountable to the municipal manager, the municipal manger establish a panel that will include:

- ✓ Municipal Manager;
- ✓ Chairperson of the performance audit committee or the audit committee in the absence of a performance audit committee;
- ✓ Member of the Executive committee; and
- ✓ Municipal manager from another municipality.

**Table 4: Core Competency Requirements from Regulations (2006)**

<b>CORE COMPETENCY REQUIREMENTS FOR EMPLOYEES (CCR)</b>		
<b>Core Managerial and Occupational Competencies</b>	<b>Choice</b>	<b>Weight</b>
<b>Core Managerial Competencies</b>		
Strategic Capability and leadership	X	
Programme and Project Management	X	
Financial Management	X	
Change Management		
Knowledge Management		
Service Delivery Innovation		
Problem Solving and Analysis		
People Management and Empower	X	
Client Orientation and Customer Focus		
Communication		
Honesty and Integrity		
<b>Core Occupational Competencies</b>		
Competence in Self Management		
Interpretation of and implementation within the legislative and policy frameworks		
Knowledge of developmental local government	X	
Knowledge of Performance Management		

<b>CORE COMPETENCY REQUIREMENTS FOR EMPLOYEES (CCR)</b>		
<b>Core Managerial and Occupational Competencies</b>	<b>Choice</b>	<b>Weight</b>
<b>Core Managerial Competencies</b>		
Knowledge of global and South African specific political, social and economic Contexts	X	
Competencies in policy conceptualisation, analysis and implementation		
Knowledge of more than one functional municipal field discipline		
Skills in Mediation		
Skills in Governance	X	
Competencies as required by other national line sector departments		
Exceptional and dynamic creativity to improve the functioning of the municipality	X	
<b>TOTAL PERCENTAGE</b>	<b>-</b>	<b>100%</b>

### ***Process & Scoring***

Performance will be reviewed on a quarterly basis within two weeks after completion of the evaluation unit to which the employee belongs or is responsible for managing.

- The performance plan will include Personal Development Plan, in order to address any weaknesses or skills gaps which may have been identified.
- The annual performance appraisal will involve
  - ✓ Key Performance Area; and
  - ✓ CCR assessment.

The beginning of the process of conducting performance management, the journey for performance re-definition, re-modeling and preparation for excellence in performance

- Discuss Key Performance Area;
- Discuss Performance Objectives;
- Discuss Key Performance Indicators;
- Discuss Employees Action Plan;
- Discuss Employee Development Plan;
- Review the Plan; and
- Acknowledge the plan (signing)

**Table 5: The 5-point rating scale**

<b>LEVEL</b>	<b>TERMINOLOGY</b>	<b>DESCRIPTION IN REGULATION</b>	<b>PROPOSED DEFINITIONS PERFORMANCE INDICATORS</b>	<b>REVISED OR AGAINST</b>
<b>5</b>	<b>Outstanding Performance</b>	Performance far exceeds the standard expected of a employee at this level.	Individual has performed exceptionally well on these indicators and has very significantly surpassed expectations.	
<b>4</b>	<b>Performance significantly above expectations</b>	Performance is significantly higher than the standard expected in the job.	Individual has performed well and has gone slightly above expectations.	
<b>3</b>	<b>Fully</b>	Performance fully meets the standards expected in all areas of the job.	Individual has met the expectations associated with these indicators	
<b>2</b>	<b>Performance not fully effective</b>	Performance is below the standard required for the job in key areas. Performance meets some of the standards expected for the job.	Performance is below the standard required for the job in key areas	
<b>1</b>	<b>Unacceptable performance</b>	Performance does not meet the standard expected for the job.	Individual has poorly performed on these indicators significantly below the standard required	

The Regulations do not deal with the detail of how to convert the points from the 5- point rating scale into percentage of performance even though the bonus calculation, as per Regulations, will be based on the percentage (%)level of performance achieved.

The scoring will take the score obtained and divide it by 3 to reach a % score. In this way a score of 3 from the scale , which means that performance fully meets the standards expected in all of the job, will then result to 3/3 which will be 100%; 4/3 will be 133% and 5/3 will be 166%

**(I) HOD's performance measurement**

The combined KPA and CCR assessment scores, weighted 80% and 20% respectively make up the overall assessment score. The individual managers' scorecards have three components.

- The first two (2) component are the scores that are based on the performance of the municipality constituting 80% KPA score; and



- The third component is about the manager's competency

The overall municipal performance based on the Strategic Scorecard is measured at the end of the financial year only. The collective score of municipal performance is represented by the average of the departmental scores during the period under review, for the purposes of assessing the performance of an HOD during the

(ii)

There will also be three components also in the case of the Municipal Manager as shown in the table below.

**Table 6: 80% for s57 Manager Workout**

MUNICIPAL MANAGER			HOD'S		
COMPONENT	WEIGHTING	SOURCE	COMPONENT	WEIGHTING	SOURCE
Collective score for municipal performance	60%	Overall municipal scorecard score	Collective score for municipal performance	20%	Overall municipal scorecard score equally owned by all directors and MM
Average departmental scores	20%	Sum of departmental scores divided by the no. of departments	Score for departmental performance	60%	Overall Departmental Scorecard score
CCR score of a manager	20%	CCR appraisal result	CCR score of a manager	20%	CCR appraisal result

**Worked example of an HOD performance score calculation**

COMPONENT	WEIGHTING	PERFORMANCE SCORE	WEIGHTED SCORE
Collective score for the municipal performance	20%	60%	20% X 60% = 12%
Score for departmental	60%	70%	60% x 70% = 42.5%

performance			
CCR score of a manager	20%	55%	20% x 70% = 11%
<b>Final Score (sum of weighted score)</b>			<b>65%</b>

### ***Dispute Resolution***

Any disputes about the nature of the employee's performance agreement, whether it relates to key responsibilities, priorities, methods of assessment and/or salary increment in the agreement, must be mediated by:

- In the case of the Municipal Manger, the MEC for local Government in the province within thirty (30) days of receipt of formal dispute from the employee, or any other person designated by the MEC; and
- In the case of managers directly reporting to the Municipal Manager, the Executive Mayor within thirty (30) days of receipt of a formal dispute from the employee; whose decision shall be final and binding on both parties.

### ***Performance Bonus Criteria***

The regulations provide that between 5% and 14% of the inclusive annual remuneration package may be paid to the employee after the end of the financial year and only after an evaluation of performance and approval of such evaluation by the Municipal Council, as a reward for a level of performance deserving of a bonus in terms of the bonus criteria.

In determining the bonus payment, the regulations specify that the relevant percentage depends on the overall rating calculated by using the applicable assessment rating calculator:

- A score of **100% - 120%** is awarded a performance bonus ranging between **0% - 5%**;
- A score of **130% - 149%** is awarded a performance bonus ranging between **5% - 9%**; and
- A score of **150% and above** is awarded a performance bonus ranging between **10% - 14%**.

### ***Salary Adjustment of a S57 manager***

The respective employee's salary can be adjusted if it is understood that the high levels of performance can be sustained and are not once off. (This salary adjustment is over and above any inflationary adjustment)

### **Evaluation and Improvement of the Performance Management System**

Once a complete cycle of PM has lapsed, it is necessary in the same manner that we review our IDP annually to also take stock of:

- ◇ What works in our current PMS? – so we can maintain and strengthen

- ◇ What is lacking? – so we can intervene and amend accordingly
- ◇ What lessons? – so we can increase operational efficiencies arising out of implementing a PMS

The Municipal Systems Act (2000) requires the municipality to evaluate its performance management system annually. It is proposed that after the full cycle of the annual review is complete, the performance management team will initiate an evaluation report annually, taking into account the input provided by departments. The report will be discussed by the Management Team and finally submitted to the Executive Committee for discussion and approval.

## **PMS MODEL FOR MBHASHE LM**

### ***What is a model?***

A model for performance management provides simplified mechanisms for understanding how better to organise and roll-out the various aspects of performance that should be measured, reported on and managed. It also provides a useful tool to predict and project future scenarios so that current decision-making could influence the desired future.

### ***Why the Municipal Scorecard Model?***

The Municipal Scorecard Model is a conceptual framework that provides guidance as to what aspects of the municipality's performance should be measured and managed. The model has proved useful in performance management for it provides balance, simplicity, mapping of inter – relationships and alignment to the Integrated Development Planning processes of the municipalities.

#### **Balance**

The model prompts municipal organizations to take a balanced view in terms of how it measures and manages its performance. It prevents bias by ensuring that performance measurement does not heavily rely on one facet of performance (i.e. financial viability), but rather encapsulates a multi – perspective holistic assessment of the municipality's performance.

#### **Simplicity**

The model covers all key areas of performance within the municipal organization.

#### **Mapping of inter – relationships**

The model maps out the interrelationships between different areas of performance. These inter – relationships relate to the extent to which poor performance in one category would lead to poor performance in other related areas and the converse. These inter – relationships help both in the planning stage and the review stage, particularly in the diagnosis of causes of poor performance.

#### **Alignment to the IDP Processes**

The model aligns the processes of performance management to the IDP processes of the municipality. It ensures that the IDP is translated into performance plans that will be monitored and reviewed. The categories of key performance areas provided in the model relate directly to the identified priority areas of the municipality's IDP.

The Municipal Scorecard Model is the model recommended by Local Government for managing Performance Management for municipalities. The Municipal Scorecard model is based on three levels of scorecards in the context of a “District Municipality” and embodies five (5) Key Performance Areas and two (2) levels of scorecards in the context of a “Local Municipality”. Performance is measured at each level and according to the five (5) Key Performance Areas.

In addition, the Municipal Scorecard Model is:

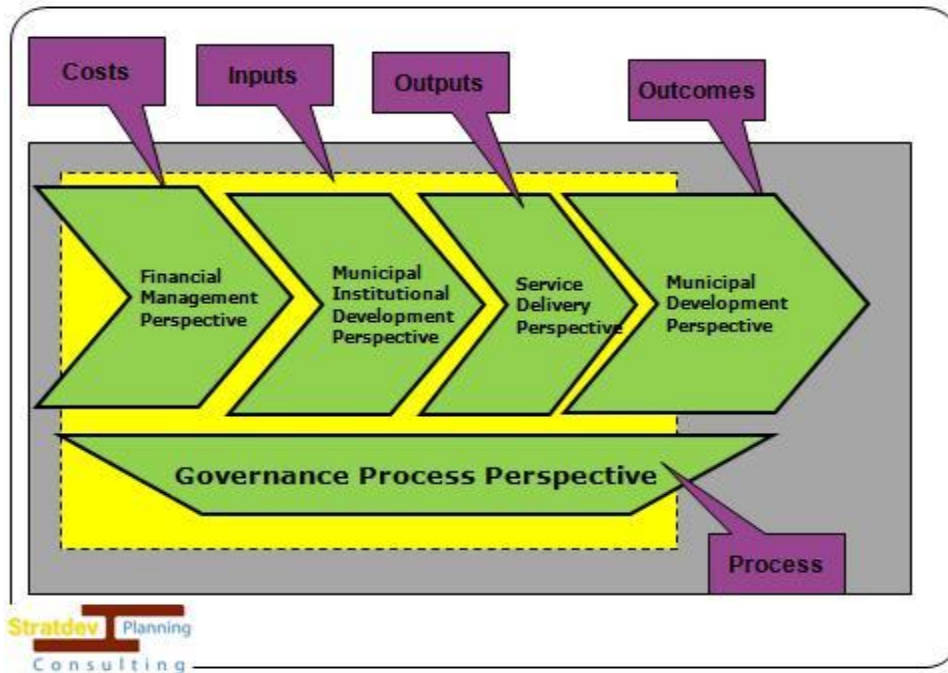
- Tightly aligned to the strategic planning and IDP processes of the municipality;
- Directly relevant to the notion of developmental local government;
- A balanced view of performance based on municipal inputs, outputs, outcomes and process;
- A simple portrayal of municipal performance, where inter – relationships can be mapped (municipal – wide, sectoral/departmental and unit/programme levels);
- Compliant with the requirements of the Municipal Systems Act (2002) and its subsequent regulations (2001 and 2006);
- Based on the five (5) Key Performance Areas for Local Government as determined in the Five Year Local Government Strategic Agenda and used in the Regulations and Vuna Awards for Performance Excellence.

### **The Key Characteristics of the Municipal Scorecard Model**

The Municipal Scorecard Model has two (2) main features:

- The model uses the five (5) Key Performance Areas for Local Government as areas against which municipal performance must be measured and managed; and
- The model considers performance at three (3) levels i.e. District Scorecard, Strategic Scorecard and SDBIP Scorecard in the context of a district municipality whereas in the context of a local municipality, it considers performance at two (2) levels i.e. Strategic Scorecard and SDBIP Scorecard.

**Figure 3: Schematic representation of the Municipal Scorecard Model**

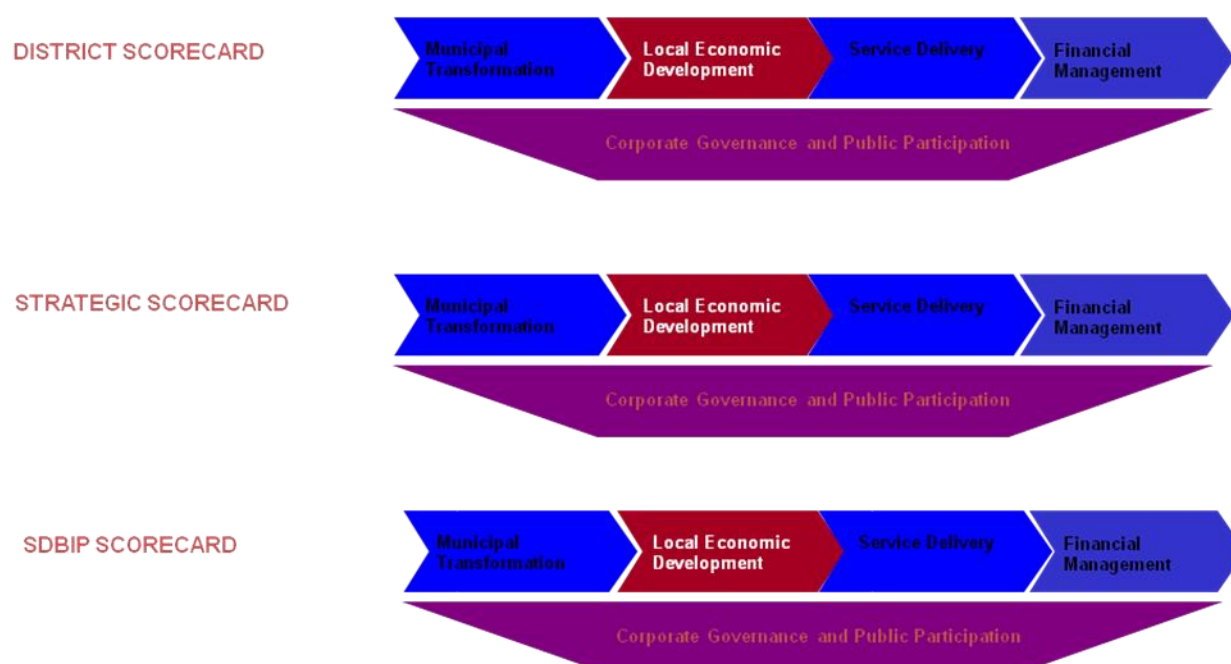


### Analysis of the Municipal Scorecard Perspectives

NO	PERSPECTIVE	DEFINITION
1.	The Municipal Development	Assesses whether the desired development impact in the municipal area is being achieved Incorporates social, environmental and economic development aspects Constitutes the development of priorities for the municipal area and indicators that tell whether the desired development outcomes are being achieved This relates to the measurement of developmental outcomes in the municipal area
2.	The Service Delivery	Assesses performance with respect to the delivery of services and products This relates to the output of the municipality
3.	The Institutional Development	Assesses performance with respect to the management of municipal resources: Human Resources Information Organizational Infrastructure Asset Management
4.	The Financial Management	Assesses performance with respect to financial management and viability, including: Financial viability indicators Operating income vs. Operating expenditure performance

		Financing infrastructure investment vs. capital expenditure performance Financial management performance
5	The Governance	Assesses performance with respect to engagements and relationships with its stakeholders in the process of governance. It includes, amongst others: Public participation, including the functionality and impact of ward committees Functionality and impact of municipal governance structures (council structures including the offices of the speaker, and portfolio committees/ clusters and executive) Access to information Intergovernmental relations

**Figure 4: Levels of the Municipal Scorecard Model**



***The different levels of the scorecard***

The Municipal Scorecard Model has three (3) levels of scorecards in the case of a District Municipality and two (2) levels of scorecards in the case of a Local Municipality. The toolkit will focus on the two (2) levels of the scorecards for the local municipalities under review.

***The Strategic Scorecard/ Organizational Scorecard***

Organizational Performance Management is concerned with the overall performance of the Municipality in relation to giving effect to the Integrated Development Plan. The strategic scorecard will provide an account of performance for the local municipality towards development in the municipal area. This scorecard reflects on the corporate level performance for the entire municipal organization. The development perspective of this scorecard will therefore be about providing a basis for the municipality to assess the

extent of the impact of its strategies as an organization. The strategic scorecard indicators of this scorecard will be corporate output focused.

The Municipal and HODs will use it as a basis for reporting to the Executive Committee/ Executive Committee, Council and the general public. The frequency for reporting of the strategic scorecard could depend on the nature of forums, like for instance it might be proposed that it be reported bi – annually to the Executive Committee and the public annually. The targets will be set on a five (5) year time frame. The Municipal Manager is primarily responsible for the performance on the Strategic Scorecard. The Strategic Scorecard forms the largest component of how the municipal manager’s performance will be managed.

***The SDBIP Scorecards/ Departmental Scorecard***

The Service Delivery and Budget Implementation Plan scorecard captures the performance of each municipal department and provides a comprehensive picture of each municipal department. It consists of objectives, indicators and targets derived from the service plan and strategies. The SDBIP Scorecards will be comprised of the following components:

<b>PERSPECTIVE</b>	<b>COMPONENTS</b>
<b>The Municipal Development</b>	<ul style="list-style-type: none"> <li>▪ Sets out the developmental outcomes that the service is to impact on</li> <li>▪ Assesses the extent to which the strategies that are driven by the departments are contributing towards ensuring that the municipality makes its expected contribution</li> </ul>
<b>The Service Deliverable</b>	<ul style="list-style-type: none"> <li>▪ Sets out the products and services that the departments will deliver</li> <li>▪ It includes service delivery targets and performance indicators for each quarter</li> </ul>
<b>Institutional Transformation</b>	Sets out how the department will manage and develop its human resources, information and organizational infrastructure
<b>Financial Management</b>	Includes projections of revenue to be collected at source and operational and capital expenditure by vote
<b>Governance</b>	Sets out how departments will improve its relationship with its stakeholders

**Each of the Five (5) Perspectives will be allocated a weighting in line with priority/ focus areas for the municipality as defined and allocated in the IDP**

<b>PERSPECTIVE</b>	<b>WEIGHTING (%)</b>
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Municipal Institutional Development and Transformation	
Service Delivery	
Local Economic Development	
Municipal Financial Viability and Management	
Good Governance and Public Participation	
<b>Total</b>	<b>100%</b>

In addition to the requirements of the Municipal Finance Management Act and the National Treasury Guidelines for SDBIPs, the SDBIP scorecard approach thus provides an additional opportunity to set objectives, indicators, and targets for, as well as report against service outcomes, institutional transformational issues and stakeholder relations. Performance in the form of a SDBIP Scorecard will be reported to the Management Team and the relevant portfolio committee/ cluster on a quarterly basis respectively.

The HoDs will be primarily responsible for performance on the SDBIP Scorecard and as such is closely linked to the performance of HoDs. Furthermore, the SDBIP Scorecard will be cascaded down into the departments where it will be monitored.

Sections heads within departments are responsible for reporting to the HOD's. SDBIP Scorecards and performance reports must be formulated at departmental meetings constituted at least by the HoD and Section Heads.

Section planning must be informed by the SDBIP Scorecard and performance reporting must feed into the SDBIP Scorecard report. Each section must have its own implementation plan that contributes to the overall implementation of the SDBIP Scorecard

**It is of critical importance to ensure that the SDBIP Scorecard does not duplicate the current reporting, but rather be integrated as a core component of the municipality's vertical reporting system. It should simplify all regular reporting from departments to the municipal manager and portfolio clusters**

### **Scorecard Concepts**

The Strategic and SDBIP Scorecards should be presented in a consistent format so that they are easy to use and understand. Concepts that commonly used in the development of scorecards are tabulated below:

<b>CONCEPT</b>	<b>DEFINITION</b>
<b>Key Performance Area</b>	Key areas of responsibility
<b>Strategic Objectives</b>	Statements (often drawn from IDP), about what a service wants to achieve.



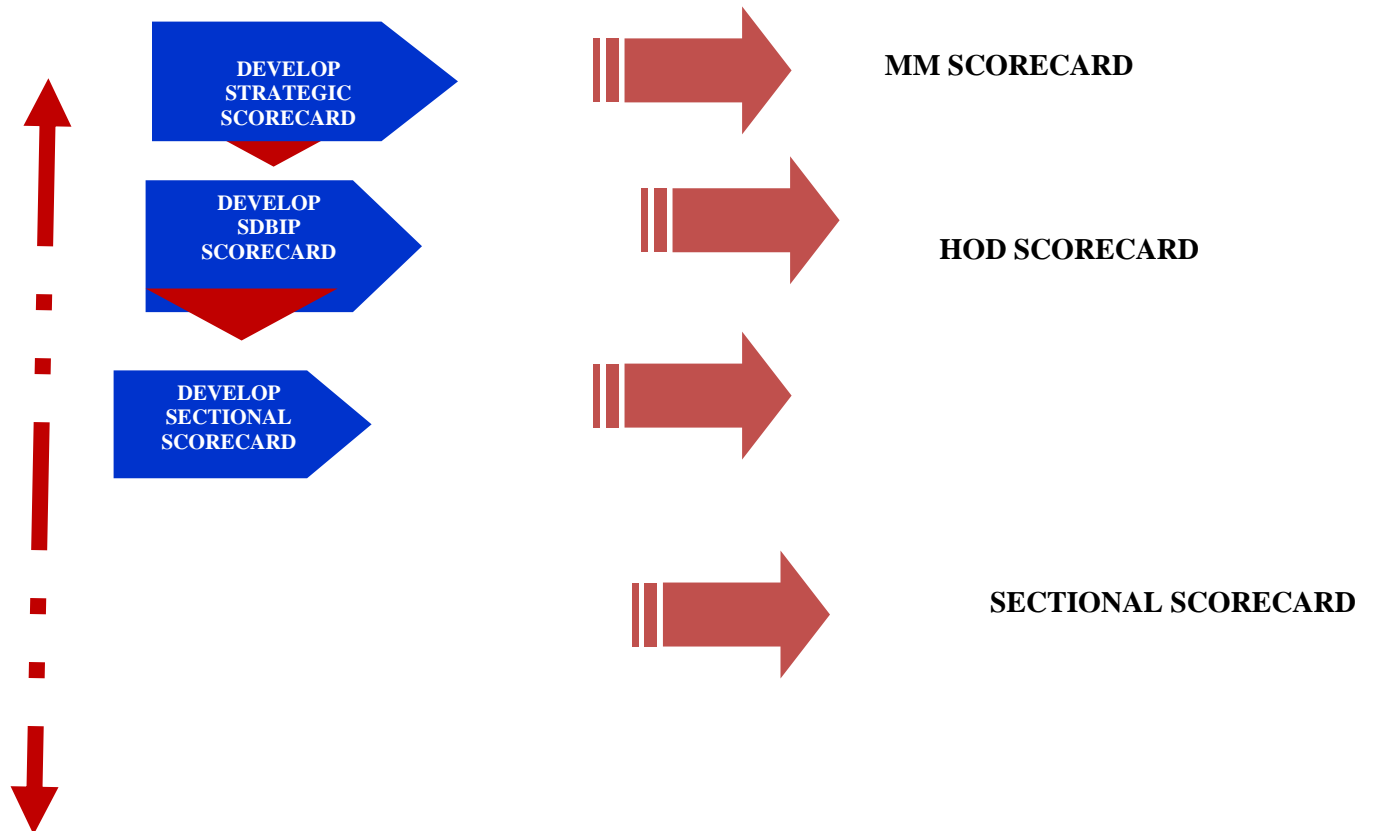
<b>Indicators</b>	Variables (qualitative or quantitative) that tell us whether we are making progress towards achieving our objectives
<b>Baseline Measure</b>	Value (or status quo) of the indicator before the start of the programme or prior the period over which performance is to be monitored and reviewed.
<b>Target</b>	Value (or desired state of progress) of the indicator that is intended to be achieved by a specified time period.
<b>The measurement source/means of verification and frequency</b>	Indicates where the data for measuring will emanate from, and how frequently the indicator will be measured and reported.  Evidence in terms of the target met
<b>Indicator custodian</b>	Refers to the person that takes responsibility for the monitoring of change in the indicator and reports on it.

**Individual Performance Management**

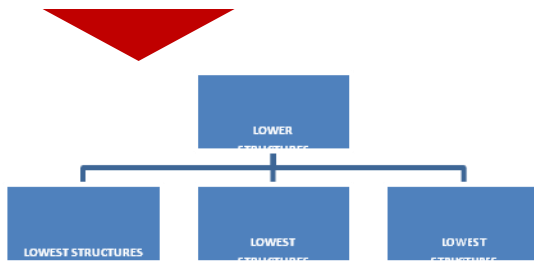
Linked to the Organizational Performance Management System are the individuals who contribute to the success or failure of the Municipality/Organization. Each individual will have performance objectives, targets and standards that are linked to objectives of his/her Section, Department and Municipality.

The strategic scorecard will form the basis of measurement for the MM whilst the SDBIP will form the basis for measurement for HODs. The strategies will then be drilled down to the lower structures within the municipality

**Figure 5: Cascading PMS**



## INDIVIDUAL SCORECARD



### ***The implications of the adoption of the model***

The adoption of the model suggests the need for the municipality to re – organize its systems and internal structures in order to make optimal use of the scorecards and the KPAs in all aspects of the PMS cycle, which includes performance planning, implementation, performance measurement and analysis, performance reviews and reporting.

### ***The five (5) Key Performance Areas for Local Government***

The Municipal Scorecard Model uses five (5) Key Performance Areas for Local Government which are:

- Municipal Transformation and Organizational Development;
- Infrastructure Development and Service Delivery;
- Local Economic Development;
- Municipal Financial Viability and Management; and
- Good Governance and Public Participation.