



Integrated Development Plan Review 2010/2011

CONTACT: Municipal Manager

Mr. P. Bacela

70 Cathcart Road, Queenstown 5320

OFFICE OF THE MUNICIPAL MANAGER

Telephone +27 45 807 2746

Fascimale +27 45 807 2733

E-mail: lib@lukhanji.co.za

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GLOSSARY OF TERMS

ABET	Adult Based Education and Training
ABSA	Amalgamated Banks of South Africa
AIDS	Acquired Immune Deficiency Syndrome
CBO	Community Based Organization
CMIP	Consolidated Municipal Infrastructure Programme
CPF	Community Policing Forum
CSIR	Council for Scientific and Industrial Research
DBSA	Development Bank of South Africa
DEAT	Department of Tourism, Environment and Economic Affairs
DFA	Development Facilitation Act No 67 of 1995
DHS	District Health System
DLA	Department of Land Affairs
DLGH& TA	Department of Local Government, Housing & Traditional Affairs
DM	District Municipality
DME	Department of Mineral and Energy
DoA	Department of Agriculture
DoE	Department of Education
DoH	Department of Health
DoSD	Department of Social Development
DoT	Department of Transport
DPLG	Department of Provincial and Local Government
DPSS	Department of Public Safety and Security
DPWRT	Department of Public Works, Roads and Transport
DSAC	Department of Sport, Arts and Culture
DWAF	Department of Water Affairs and Forestry
ECA	Environmental Conservation Act
EIA	Environmental Impact Assessment
ES	Equitable Share (grant)
FBO	Faith Based Organizations
ECDC	Eastern Cape Development Corporation
ECPGDS	Eastern Cape Provincial Growth & Development Strategy
GGP	Gross Geographic Product
GIS	Geographical Information System
GTZ	German Technical Cooperation
GVA	Gross Value Added
HDI	Human Development Index
HIV	Human Immune Deficiency Virus
HR	Human Resource
IDC	Independent Development Corporation
IDP	Integrated Development Plan
IDT	Independent Development Trust
IT	Information Technology
ITP	Integrated Transportation Plan
IWMP	Integrated Waste Management Plan
JOC	Joint Operational Centre
LDO	Land Development Objectives
LED	Local Economic Development
MAYCO	Mayoral Committee
MEC	Member of the Executive Committee
MIG	Municipal Infrastructure Grant

MFMA	Municipal Finance Management Act
MSIG	Municipal Support & Institutional Grant
MSyA	Municipal Systems Act, 2000
MStA	Municipal Structures Act, 1998
NDC	National Development Corporation
NEMA	National Environmental Management Act
NER	National Electrification Regulator
NGO	Non Governmental Organizations
NSS	National Sanitation Strategy
PATA	Promotion of Administrative Justice Act
PIMS	Planning and Implementation Management Support
PMS	Performance Management System
PPP	Public Private Partnership
RDP	Reconstruction and Development Programme
REDs	Regional Electricity Distributors
SADC	Southern African Development Community
SALGA	South African Local Government Association
SANDF	South African National Defense Force
SAPS	South African Police Service
SGB	School Governing Body
SMME	Small, Medium and Micro Enterprises
STDs	Sexual Transmitted Diseases
TB	Tuberculosis
TLC	Transitional Local Council
TRC	Transitional Rural Council
USAID	United States Agency for International Development
UYF	Umsobomvu Youth Fund
VAT	Value Added Tax
VIP	Ventilated Improved Pit (dry sanitation facility)
WSDP	Water Services Development Plan
ASGISA	Accelerated and Shared Growth Initiative of South Africa
BDS	Business Development Services
CASP	Comprehensive Agriculture Support Programme
CHARTO	Chris Hani Regional Tourism Organisation
CHDM	Chris Hani District Municipality
RTP	Responsible Tourism Planning
SMME	Small Medium and Micron Enterprises
SOE	State Owned Enterprises
SoR	State of Environment Report

EXECUTIVE SUMMARY

1.1 INTRODUCTION

This document represents the reviewed integrated development plan 2010/11 for the Lukhanji Municipality. It has been formulated in line with the requirements of the Local Government Municipal Systems Act (MSA) 32 of 2000 which prescribes for the review of municipal integrated development plan (IDP).

Following the adopted of the process plan in October 2009, this review IDP was formulated in order to address the following:

- Updating of the planning baseline information
- Incorporation of the changes in community priorities as expressed through consultative ward engagements
- Identification of new priorities for 2010/11 as well as strategies to deal with them
- Improving readability of the document in order to make it accessible
- Responding to the comments made by LGHTA in the MEC assessment of last IDP
- Responding to Auditor General concerns raised on our statements and report
- Improving the quality of our plan to ensure its credibility

1.2 DEMOGRAPHIC PROFILE

Lukhanji has an estimated population of about 195 000 people living in 51 054 households. On average there are 4 persons per household. The majority (91%) of the population remains Black even though there is a relatively high level of mix when compared to other eastern municipalities in the region

1.3 ECONOMIC DEVELOPMENT & ENVIRONMENT

Lukhanji is a strategic and important economic sub-region in the Chris Hani district. It has the highest concentration of urban settlements, industrial activity, commerce, transport infrastructure services; regional service centres (offices of government and NGOs), social development services (tertiary schools, specialist health facilities, and other amenities).

Lukhanji has an estimate GDP of R2,7 billion by 2008 (Global Insight). This accounts for over 48% of the district GDP of R5,7 billion (Global Insight 2008). The following are key economic indicators:

- 53% of population is indigent (with incomes of less than R1500pm)
- Queenstown has highest HDI in the region (0,60)
- Unemployment is estimated at 32% (official definition)
- Lukhanji economy has comparative regional advantage in trade, finance and transport sectors
- Largest portion of household incomes is spent on food (23%), transport (14%) and finances or payment of policies (16%)

1.4 SERVICE DELIVERY PROFILE

Service delivery backlogs

- Water is 8%
- Sanitation is 27% if accept the national policy definition of basic level
- Electricity connection for households backlog is 36%
- Refuse backlog is 5%

Roads, Stormwater & Transport

According to 2006 IDP research in Queenstown, 95% of the roads are surfaced and in poor to fair condition. The rest are gravel roads in a fair to poor condition. Mlungisi: 20% of the roads are surfaced and in a fair condition. 55% is gravel from fair to poor quality. The rest are graded roads. Ezibeleni: 30% of the roads are surfaced and in a fair condition. The rest are gravel roads in a poor condition. Whittlesea: all the roads in this area are in a poor condition. Whittlesea has 25% surfaced roads, 50% gravel roads and 25% graded roads. All the roads in Sada area are graveled roads except for 7km of the main transport route 95% of the roads in Ekuphumleni are gravel while Emadakeni and Shiloh have graded roads.

The department of Roads and Transport together with Public Works have set aside an estimated combined investment of over R21 million towards road construction and maintenance in the Lukhanji areas.

Land & Housing services

While it is acknowledged that housing is not a primary competence of a local municipality, it is a key priority for Lukhanji. The demand for housing at Lukhanji is estimated at a rounded figure of approximately 40 000 households. An estimated amount of over R96 million is budgeted for RDP housing in various areas of the municipality. This figure will be completed by housing projects budgeted and planned by Department of Land Affairs in our areas.

Education, Safety & Health

- About 75% of adult population is functionally literate
- Another 10% has never been to school
- Crime prevention is a priority of our municipality. The municipality will continue to promote and participate in the community policing forums. Most prevalent crimes are assaults, burglaries and theft.

- Health services and HIV/Aids are priorities for our municipality even though we are not an authority for primary health. About 10% of the population is HIV positive and another 1% has full blown Aids by 2008 (Global Insight 2008)

Sports, Arts and Culture

The municipality intends to lobby the department of sports recreation, arts and culture to support its goals for development of sports facilities and other essential community facilities like libraries and museums in our areas.

Community facilities & Cemeteries

Lukhanji has a competence for amenities and community facilities like halls and cemeteries. It currently owns and operates a few.

1.5 INSTITUTIONAL DEVELOPMENT, TRANSFORMATION & FINANCIAL VIABILITY

Our municipality has committed to revising our institutional design in line with our Macro Strategy WHICH encourages us to focus on our assigned powers and functions mandate before we can do all other functions that are not assigned to us. We have so far managed to put in place key institutional systems and processes including:

- a 3 year capital budget and operational budget
- an SDBIP , a comprehensive PMS
- an Employment Equity Plan , Work Place Skills Plan, Work Place Aids Plan
- review and completion of our suite of HR policies and By-laws
- an Indigent Policy , credit control & revenue strategy
- Risk management plan, an Internal audit function

1.6 GOOD GOVERNANCE

We have prioritized good governance and are committed to ensuring a culture of good governance and corruption free environment.

We also aim to improve our capacity to perform regulatory functions by developing and adopting together with communities relevant by-laws and policies in the critical areas of pound management, street trading, environment, business compliance inspections and public nuisance control.

It is our intention to continue to engage our communities on all aspects of our planning and service delivery via IDP representative forum, Mayoral Imbizos and Ward committee support as well as CDWs.

We also plan to revitalize our intergovernmental relations by fostering strong links between our municipality and other government levels via the IGF.

1.7 SPATIAL DEVELOPMENT FRAMEWORK

A summary of our SDF is given in SECTION 19 of the document. It highlights key spatial development and land use proposals. However, the current SDF which was adopted by council in 2008 is planned to be reviewed during 2010/11 in order to align it with the new developments and current IDP vision.

1.8 CONCLUSION

Our IDP process for this review was based on a methodology that seeks to ensure maximum participation, hence a communication strategy in our Process plan and ensure an outcome of a credible IDP.

We have tried to align our methodology to the Assessment tool used by **dplg (later known as Cogta)** to conduct MEC assessment as an additional guide to ensure this outcome of a credible IDP.

We want to acknowledge all those that participated in the process and encourage all including sector departments and other development agencies to rally behind the municipality in implementing this IDP.

PLANNING PROCESS

2 INTRODUCTION

In line with the provision of the Local Government Municipal Systems Act (MSA) 32 of 2000 which prescribes for the review of municipal integrated development plan (IDP), this document presents a DRAFT IDP review for implementation in 2010/11. Once adopted by council the IDP will serve as the overarching and principal strategic plan through which all decisions with regards to municipal planning, budgeting, management and prioritization for development will be premised. While the municipality will develop and implement sector plans, it is the view of this council that the IDP supersedes all other plans of a municipality.

This revised IDP must be read and understood within the context of a rolling 5 year development vision beginning at the inauguration of the current council (2006) until its tenure end in 2011.

3 AREAS THAT ARE REVISED

3.1 Response to MEC assessment

MEC assessed our previous document and highlighted few areas that need further attention. This document updates the planning information in some of these areas namely, LED and Spatial Development Framework.

3.2 Response to concerns raised by auditor general

In auditing our final report and financial statements, AG raised a number of concerns relating to the planning and performance management processes. This document introduces a template that provides for a strong link between our IDP development priorities, budget, PMS and SDBIP framework.

In addition a sub-section discussing our plans to deal with auditor general issues has been developed and incorporated into this report's situation analysis chapter in order to improve our analysis of the municipal financial viability.

3.3 Situation analysis update by new set of community needs

Following a round of consultation with our communities via mayoral Imbizos and ward committee engagements new information relating to people's

needs was collected and has been used to inform the situation analysis section under service delivery as well as the selection of development priorities for 2010/11.

3.4 Integration of plans by sector departments

Sector departments were also engaged via the representative forums and direct one-on one with some in which new information about their 2010/11 development plans was obtained. This information has changed the document in the situation analysis and the identification of projects for implementation in 2010/11.

3.5 New Mandate from 22 April 2009 Elections

Following the national elections successfully held on 22 April 2009 and the subsequent changes effected by the new government administration, our IDP has had to adjust its focus in line with the new government priorities.

The situation analysis took into consideration some of the new resolutions taken at the EC Provincial Lekgotla held on 27 June 2009 in an attempt to refocus government service delivery and increase our impact. To this effect the municipality through its broad consultative IDP representative forum agreed to adopt from the new government mandate and add to its priorities the Rural Development.

3.6 IDP FORMULATION METHODOLOGY

The formulation of this IDP follows a strategic planning methodology or approach which seeks to:

- a) **Identify the problem statement:** this is done by first defining the process to be followed and resources to be deployed. Thereafter, conduct a gap analysis using the existing IDP and interviews with key stakeholders who are using it as basis for guiding their development implementation decisions. The aim of the exercise being to determine the extent to which changes in the municipal situation warrant a review. It also looks at what works and what doesn't in the current IDP.
- b) **Analyse current reality:** this is done in order to understand and appreciate the extent of the development achievements and also quantify key challenges together with their implications for the municipality. This involves analysing issues relating to the demographic profile, state of service delivery (focusing on the scale of accessibility, coverage and backlogs), state of economic development, environmental issues, institutional and financial profiles. Through a consultative process at the level of steering committee and the representative forum, these issues are raised, analysed and debated to arrive at a set of key priority focus areas for the municipal council to pursue during its term of office.
- c) **Define development vision, objectives and macro strategy:** this is done through consultative process at the level of steering committee and representative forum wherein available options to deal with the state of current reality defined in the situation analysis are debated at length and Vision for municipal development is

agreed upon. The departure point of this forward planning exercise is a common appreciation of a macro strategy to guide municipality's efforts of addressing the identified set of key priority focus areas. It involves a facilitated agreement on the Lukhanji development vision, mission and guiding values (principles) to be followed.

- d) **Identify clear objectives and agree on a set of supporting operational strategies, programmes and projects** to be implemented in pursuit of the agreed development vision.
- e) **Integrate and align all sector plans:** this is done as part of the IDP process and its aim is to ensure smooth and effective implementation. It involves a careful synchronization of deliverables in the various planning processes. This process assumes that departmental sector plans are available and therefore will only be incorporated and aligned for implementation purposes. Therefore, it focuses on only those that are known and available at time of adoption by council.
- f) **Obtain buy-in of the plan:** this is done by allowing a 21 day scrutiny of the IDP document by interested and affected parties including public before it is finalised for council approval as 2009/10 IDP REVIEW and submission to MEC
- g) **Document and market the plan:** compile a final IDP document and print copies for distribution, implementation, lobbying of resources from development agencies and submission to MEC. The intention is for the final version of the IDP to be further marketed by the municipality to relevant development agencies and internal operational structures via the adopted implementation clusters.

4 THE PROCESS PLAN

As required by the Systems Act-200, a process plan was formulated and adopted to guide the review process. The plan outlines the mechanisms and procedures followed in the formulation of this IDP review. In terms of the process plan the following institutional arrangements were adopted.

4.1 Organisational arrangements

4.1.1 Lukhanji Municipal Council

The Municipal Council is chaired by the executive mayor. Its role in the IDP formulation process shall include the following:

- Oversee the development and review of the IDP
- Adopt the Integrated Development Plan and Budget

4.1.2 IDP Manager

The IDP Manager, Ms Z Somthunzi and Donovan from Admin will manage the Municipal IDP. In terms of the process the IDP manager is tasked to:

- Ensure that the Process Plan is drafted and adopted by the Municipal Council;
- Manage the local municipal IDP by ensuring that all daily planning activities are performed within an efficient and effective consideration of available time; financial and human resources;
- Encourage an inclusive participatory planning process and compliance with action programme
- Facilitate the horizontal and vertical alignment of the various internal and external departmental programmes
- Ensure that the planning process outcomes are properly documented
- Manage service providers engaged in the municipal IDP process
- Chair the IDP Steering Committee
- Nominate persons in charge of different roles.
- Responds to comments on the draft reviewed IDP from the public.
- Adjusts the IDP in accordance with the comments of the MEC for local Government.
- The Municipal IDP Manager will coordinate with various government departments and other HODs to ensure that all the projects, strategies and objectives of the local municipality are shared and distributed amongst government departments so that they might incorporate them in their planning process and vice versa

4.1.3 IDP Steering Committee

The IDP steering committee comprising of internal senior management will be tasked to:

- Provide technical and advisory support to the IDP Manager
- Perform daily planning activities including the preparation and facilitation of events; documentation of outputs and making recommendation to the IDP Manager and the Municipal Council
- Commission feasibility studies and business plans for projects
- Commission in depth studies
- Interact with the Local steering committee local members regarding local projects.
- Prepare, facilitate and document meetings
- Act as the secretariat for the IDP Representative Forum.

Meetings shall be held as per the action programme or when considered necessary by the chairperson.

4.1.4 IDP Representative Forum

The IDP representative forum will be chaired by the Executive Mayor and will be composed of representatives from the following institutions or interest groups:

- Secretariat of IDP steering committee
- Mayco members
- Ward Committees
- Traditional leaders
- Chamber of businesses
- Youth groups
- Rate payers
- Agricultural Union
- Members of women associations
- HIV/Aids council
- NGO's and CBOs
- Government Departments
- IDP Steering Committee
- Ward committee members
- Community development workers

In addition to the above list the representative forum the following sector departments will be invited to participate in all workshops.

Dept Agriculture

Dept Public Works

Dept Education

Dept Health

Social Development

S.A.P.S

Dept Land Affairs

Dept of Water Affairs & Forestry

Correctional Services

Dept Home Affairs

Economic Affairs

Sport Arts & Culture

Dept of Labour

The task of the representative forum shall be to:

- Represent the interest of various constituencies in the IDP planning process
- Provide an organizational platform and mechanism for discussion, negotiation and decision making between stakeholders
- Provide a communication mechanism for the exchange of ideas and opinions among the various stakeholder interest groups
- Participate in the setting up of key performance indicators including the monitoring thereof in line with the performance Management Manual of the Local Municipality
- Monitor the performance of the planning and implementation process

4.1.5 Roles and responsibilities of stakeholders

The IDP planning process includes a wide range of role-players with certain key responsibilities. To enable smooth implementation of the IDP Review action plan the following roles and responsibilities have been allocated in the following manner.

ACTORS	ROLES AND RESPONSIBILITIES
1. Council	<ul style="list-style-type: none"> ▪ Consider and adopt reviewed IDP ▪ Consider and adopt Framework plan ▪ Encourage public participation ▪ Keep public informed about the contents of the IDP
2. IDP Co-ordinator	<ul style="list-style-type: none"> ▪ Ensure that the Process Plan and reviewed IDP are adopted by the Council ▪ Manage the local municipal IDP by ensuring that all daily planning activities are performed within an efficient and effective consideration of available time; financial and human resources; ▪ Encourage an inclusive participatory planning process and compliance with action programme ▪ Facilitate the horizontal and vertical alignment of the district IDP ▪ Ensure that the planning process outcomes are properly documented ▪ Manage service providers to the district or local municipal IDP ▪ The IDP Manager will coordinate with various government departments and to ensure that all the projects, strategies and objectives of the local municipality are shared and distributed amongst government departments so that they might incorporate them in their planning process and

ACTORS	ROLES AND RESPONSIBILITIES
	vice versa
3. Heads of Departments & Senior Management	<ul style="list-style-type: none"> ▪ Provide technical and advisory support to the IDP Manager ▪ Perform daily planning activities including the preparation and facilitation of events; documentation of outputs and making recommendation to the IDP Manager and the Municipal Council ▪ Interact with the relevant cluster regarding the prioritization of their individual departments projects and programmes for the following years ▪ Provide clear terms of reference to service providers
4. Chris Hani PIMSS	<ul style="list-style-type: none"> ▪ Provide support and guidance on IDP Review process ▪ Assist municipalities to achieve the target dates ▪ Interact with service providers to ensure that a quality product is provided ▪ Assist with workshops ▪ Project Management and Implementation Support Services ▪ Ensure that clusters achieve integrated planning ▪ Ensure that an uniform reporting mechanism is devised
5. Sector Departments	<ul style="list-style-type: none"> • Ensure the participation of Senior personnel in the IDP review process • Horizontal alignment of programmes and strategic plans within the clusters • Provide technical support and information to the planning process • Contribute relevant information to support the review process within the clusters • Incorporate district and local municipal projects into departments planning within the clusters
6. National & provincial governments	<ul style="list-style-type: none"> • Monitor and evaluate the preparation and implementation process • Provide training and capacity building support to the local municipality • Coordinate support programmes so that overlapping does not occur • Provide technical guidance and monitor compliance with provincial policy and legal framework • Provide financial support to the IDP planning and implementation process
7. Support providers	<ul style="list-style-type: none"> • Provide methodological and technical guidance • Conduct in depth studies when commissioned by the Steering Committee • Ensure delivery of a product that is user friendly and tailor made for each municipality

4.1.6 Community Participation strategy

PHASE	PARTICIPATION MECHANISM & PLANNING EVENTS
Analysis	<ul style="list-style-type: none"> ▪ Use of workshops to verify data on community priorities ▪ Use of ward Committees to verify data
Projects	<ul style="list-style-type: none"> ▪ Use of workshops to verify data on community priorities ▪ Use of ward Committees to verify data
Approval	<ul style="list-style-type: none"> ▪ Use of workshops to verify data on community priorities ▪ Use of ward Committees to verify data

4.1.7 Mechanisms and procedures for public participation

Community participation

Community participation is pivotal to the sustainability of the entire IDP review and implementation process and will occur in the following manner as outlined in the table below:

PARTICIPATION MECHANISMS
<ul style="list-style-type: none"> ▪ Use of IDP Representative Forum to verify data & add additional data ▪ Use of IDP representative forum to ensure that community priorities are adequately reflected in the IDP. ▪ Use of Councillors to call meetings to keep communities informed on the IDP progress ▪ Publish Annual reports on municipal progress ▪ Newspaper advertisements to inform communities of the process ▪ Pamphlets/summaries on IDP's ▪ Making the IDP available for public comment ▪ Making the IDP document accessible to all members of the public

a) Appropriate Language Usage

The most appropriate language to be used will be local language *isiXhosa*. In areas where people are not using the local language, interpreters will play a part in this process. As most of the people are illiterate, mass meetings and radio are the most effective way of gathering and disseminating information. Facilitators of meetings and broadcasters have to ensure that they use simple language in explaining concepts so that people can understand the process and become empowered to participate in the IDP process.

b) Appropriate Venues, transport and refreshments

Meetings will be held in Queenstown and transport will be provided for those councilors coming from outlying villages in line with council policy for rebates and stipends. The municipality will be responsible for organizing workshop logistics and venue equipment.

4.1.9 Mechanisms and Procedures for Alignment

The IDP Manager will be responsible for ensuring smooth coordination of the municipal IDP development and its alignment with the district IDP review through the use of workshops and bilateral discussions with affected sector departments. Inter-departmental Forum will be utilized as a mechanism for alignment of programmes and projects.

PHASE	ALIGNMENT ON CROSS CUTTING ISSUES	WITH WHOM
2. Strategies	<ul style="list-style-type: none"> ▪ Technical input on objectives and goals of programmes ▪ Local and wide strategic debates 	<ul style="list-style-type: none"> • Affected Gov Departments
3. Projects	<ul style="list-style-type: none"> ▪ Technical input on projects ▪ Input on budgets ▪ Cross cutting projects e.g. HIV/Aids 	<ul style="list-style-type: none"> • Affected Gov Departments
4. Integration & Alignment	<ul style="list-style-type: none"> ▪ Technical input ▪ Sector alignment & integration 	<ul style="list-style-type: none"> • Affected Gov Departments
5. Approval	<ul style="list-style-type: none"> ▪ Submission; Comments on revised IDP's 	<ul style="list-style-type: none"> • Affected Gov Departments

4.2 Guiding Legislation and Policy framework

The Lukhanji Municipality's IDP formulation and implementation processes will be bound by all laws of the republic and in particular the following listed pieces of legislation and policies informs the context within which we are revising and implementing our IDP.

- RSA Constitution: 108 of 1996
- Development Facilitation Act: 1995
- LG Municipal Structures Act: 117 of 1998
- LG Municipal Systems Act: 32 of 2000
- LG Municipal Finance Management Act: 56 of 2003
- LG Municipal Property Rates Act: 2003
- Land Use Management Act: 2001
- 1997 Policy on the Transformation of Public Service "Batho Pele"

- 1998 Policy on Developmental Local Government “LG White Paper”
- 2001 Regulations on Municipal Planning and Performance Management
- National Treasury Guidelines on MFMA
- National Frameworks on SDF, LED, IDP format
- 1996 DPLG (cogta) Guidelines on S57 manager’s performance contracts and bonus for contracted municipal managers
- SALGA guidelines on IDP and PMS
- EC Framework for spatial development
- EC Provincial Growth and Development Strategy 2004 -2014
- PGDS Amendments following 2009 Elections
- Cogta Framework for MUTAS / LGTAS

SITUATION ANALYSIS

5 LOCALITY CONTEXT

Lukhanji is a category B municipality situated within the Chris Hani District of the Eastern Cape Province. It is made up of the combination of the greater Queenstown and surrounding farms and villages, Ilinge, Hewu / Whittlesea and Ntabethemba. Lukhanji is landlocked by the municipalities of Tsolwana and Inkwanca to the west and Emalahleni and Intsika Yethu to the north and Amahlathi to the east.

The figure below shows the locality of Lukhanji LM within the Chris Hani District municipal context.



Figure 1: Lukhanji locality Plan

Lukhanji occupies a strategic geographic position within the Chris Hani District municipality and covers approximately 4231 km² in extent. It comprises of 27 wards.

Its central location with arguably the largest urban centre (Queenstown) in the district attracts many people on a daily basis from surrounding municipalities of Tsolwana and Inkwanca to the west and Emalahleni to the north and Intsika Yethu and Amahlathi to the east as well as Nxuba Municipality to the south.

6 DEMOGRAPHIC PROFILE

This section outlines the demographic profile of the Lukhanji municipality. In an attempt to improve and update statistical planning information various sources have been used and referenced to inform the analysis in this section. Statistics from sources such as Global Insight, ECSSEC, (Rural Support Services) RSS and the Bureau of Market Research are used to complement the analysis in this document as well as to try and update census 2001 statistics where this is possible.

Where figures are conflicting with vast differences and the sources used do not extrapolate from the national authority (Statistics SA), the document reverts back to the Statistics SA figures as final figures since this is the only authority for statistical information in the country.

6.1 Population size

Global Insight 2008 estimates the population of Lukhanji to about 195 000 people living in 51 054 households. On average there are 4 persons per household. The majority (91%) of the population remains Black even though there is a relatively high level of mix when compared to other eastern municipalities in the region.

6.1.1 Population gender & age distribution

Lukhanji population make-up is similar to that experienced by the country with 48% males and 52% females. The fact that females constitute the majority of population suggests that targeted strategies should be implemented to ensure effective participation of women in the processes of municipal planning and implementation. The following figure shows age distribution patterns within the Lukhanji population.

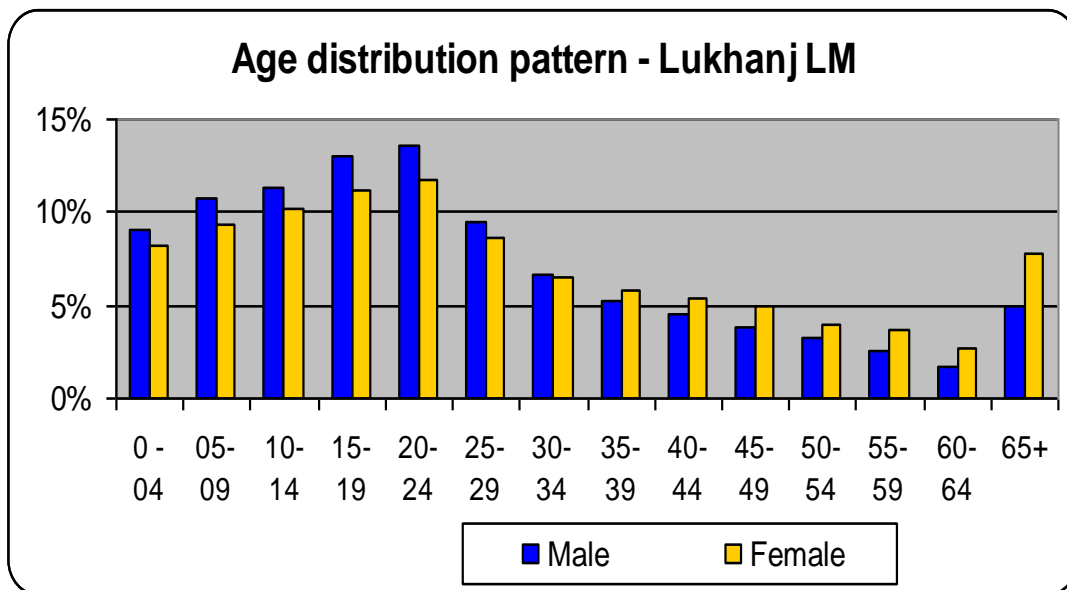


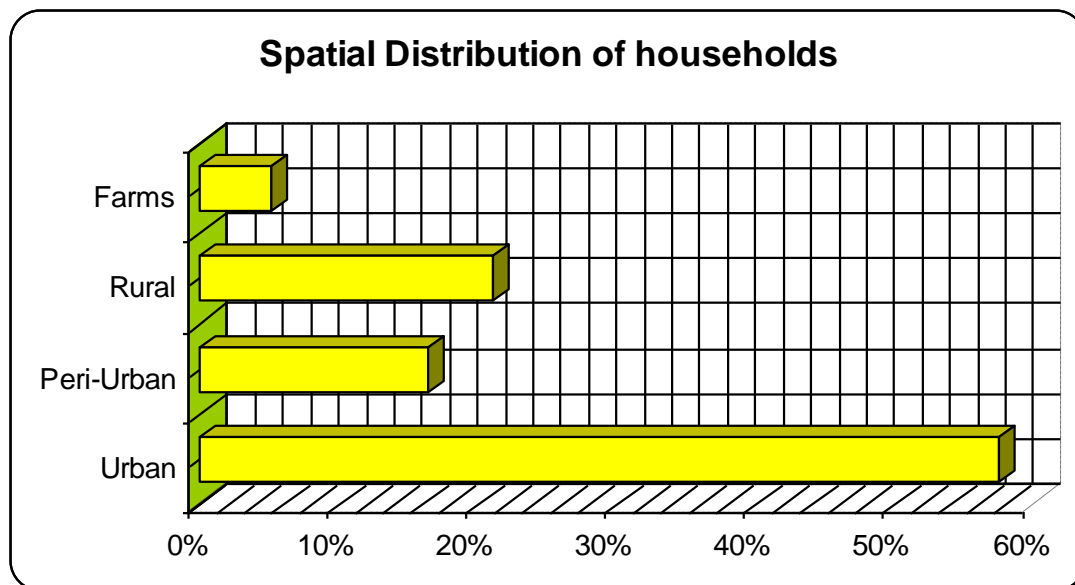
Figure 2: Age distribution patterns

While there are more males in the age groups 0-25 years of age, the Age-Gender the structure of the population shifts materially with females showing larger numbers than males. When requested to comment on this phenomenon, the district health office and Lovelife local branch could not attribute any clear links between this phenomenon and the impact of Aids among young people in Lukhanji. An assumption is made based on anecdotal observations that this phenomenon can be attributable to various tendencies including migration of young economically active males to bigger cities in search of jobs and better opportunities.

6.1.2 Household dynamics

Lukhanji has an estimated population of **51 054** households. This translates to an average household size of 4 persons per household and almost 19% of the entire district population.

The majority of households in Lukhanji reside in urban formal dwellings. A small minority lives in farm areas. The figure below illustrates this point further.



Source: Municipal Demarcation Board: 2006

The existence of 21% households in rural villages and 16% in peri-urban settlements poses a challenge for service infrastructure expansions and delivery of essential services. The majority of underserved households with regards to water, sanitation, refuse; electricity and road network comes from these settlement areas. It is therefore necessary to design targeted programmes for infrastructure delivery to these areas as part of implementing the new priority of Rural Development.

7 ECONOMIC DEVELOPMENT PROFILE

Even though there is no consensus on the actual role of local government in economic development, there seems to be adequate guidance in the legislative and policy framework given by the following:

- **Reconstruction and Development Programme** (1996)
- **South African Constitution's** section 153 states that,

"A municipality must structure and manage its administration, 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."

- **1996 Local Government Transition Act**
- **1998 Local Government White paper** which introduces the concept of developmental local government:

- “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 lives.”

- **Municipal Systems Act (2000)**

In this piece of legislation the Integrated Development Plan is seen as the key instrument to achieve organic, sustainable local economic development; as well as regulate municipal expenditure in respect of LED and build municipal partnerships for LED.

- **EC Provincial Growth and Development Plan (PGDP)**

The PGDP commits government to achieving the following listed development targets and goals.

- 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 a secondary education.
- To improve the literacy rate in the Province by 50% by 2014.
- To reduce by three quarters the maternal mortality rate by 2014.
- To eliminate gender disparity in education and employment by 2014.
- To reduce by two-thirds the under-five 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.

The attainment of these targets and goals rely on implementation of decisive economic development programmes which essentially calls for municipalities to develop and implement successful economic growth plans. The critical issue for the Lukhanji Municipality economic strategy will be to

position the municipality favourably in relation to this and other similar programmes so as to optimally benefit from and align with PGDS

7.1 Overview of economic development in Lukhanji

Lukhanji is a strategic and important economic sub-region in the Chris Hani district. It has the highest concentration of urban settlements, industrial activity, commerce, transport infrastructure services; regional service centres (offices of government and NGOs), social development services (tertiary schools, specialist health facilities, and other amenities).

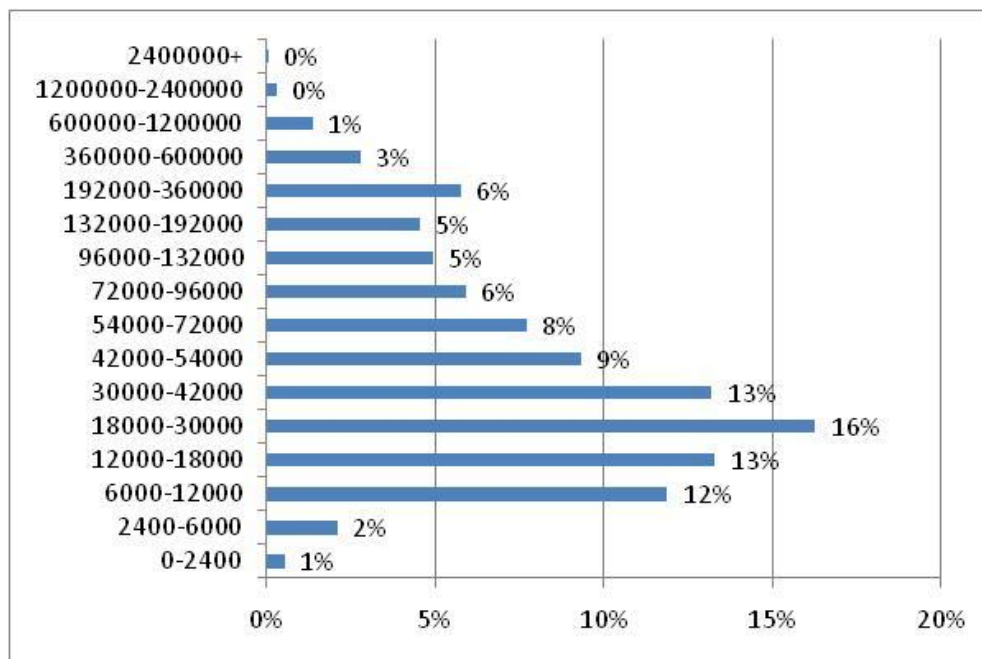
Lukhanji has an estimate GDP of R2,7 billion by 2008 (Global Insight). This accounts for over 48% of the district GDP of R5,7 billion (Global Insight 2008). These figures are based on constant 2000 prices.

While the economy of Lukhanji has recorded some positive growth between the years 2001 and 2008, the growth has not happened at the same pace that backlogs and poverty has grown. This tended to reverse the gains and further pointed to the need for increased implementation of the existing municipal strategy for LED.

7.2 Economic Development Indicators

7.2.1 Household Income Distribution

Understanding household income distribution patterns is important for planning because household access to income has a direct bearing on the ability to pay for services and sustain livelihood. The figure below shows a five year trend of household income distribution in the Lukhanji municipality.



Source: Global Insight 2008

The above figure shows improvement in the number of households with access to income. Households with incomes of between R1 and R1500 per month, reduced from approximately 53% in 2001 to 28% by 2008.

This is welcome news considering that households earning gross incomes of less than R1500 per month are regarded in the indigent policy¹ of the municipality as poor. Therefore, they will require subsidy assistance to access basic services. With reduced pressure on subsidy requirements the municipality may have additional resources to utilise in other development priorities and needs. This must not be reason to be complacent since the challenge to reduce poverty remains high especially when considering the high unemployment rate.

The need for the municipality to invest in building its local economy so as to create income generating opportunities and livelihood security nests for its communities is still necessary.

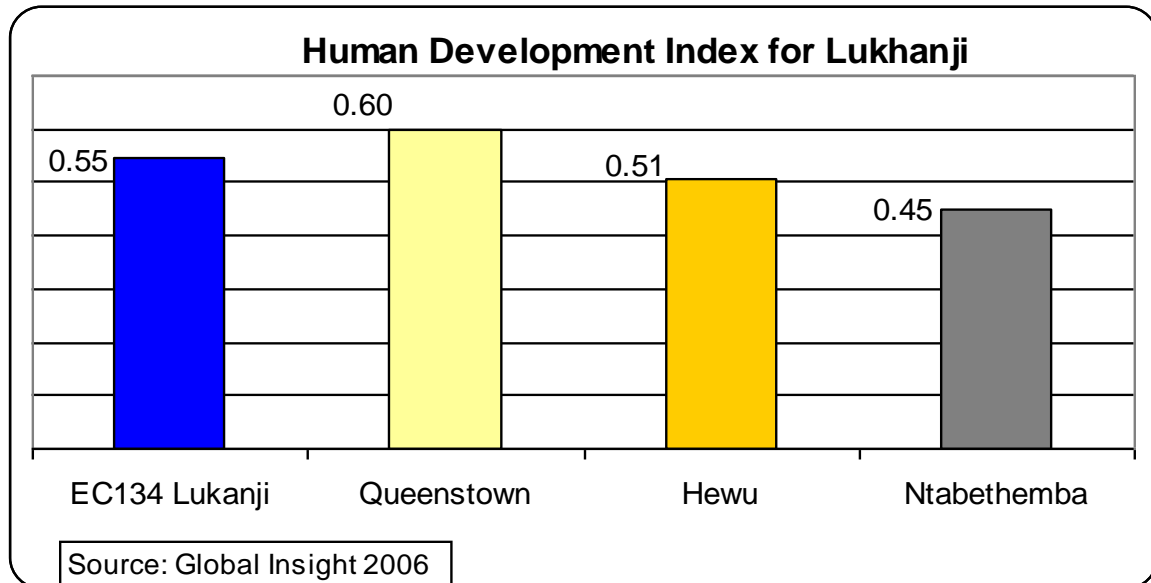
7.2.2 Human Development Index

Lukhanji has a human development index of 0,55 with Queenstown showing an index of 0.60 (highest in the district) and Hewu and Ntabethemba achieving indices of 0.51 and 0.45 respectively.

¹ **"Indigent"** means an indigent household whose total household income is between R781 and R1600 per month or such amount determined by Council annually during the budget process – Lukhanji Support Policy 2007.

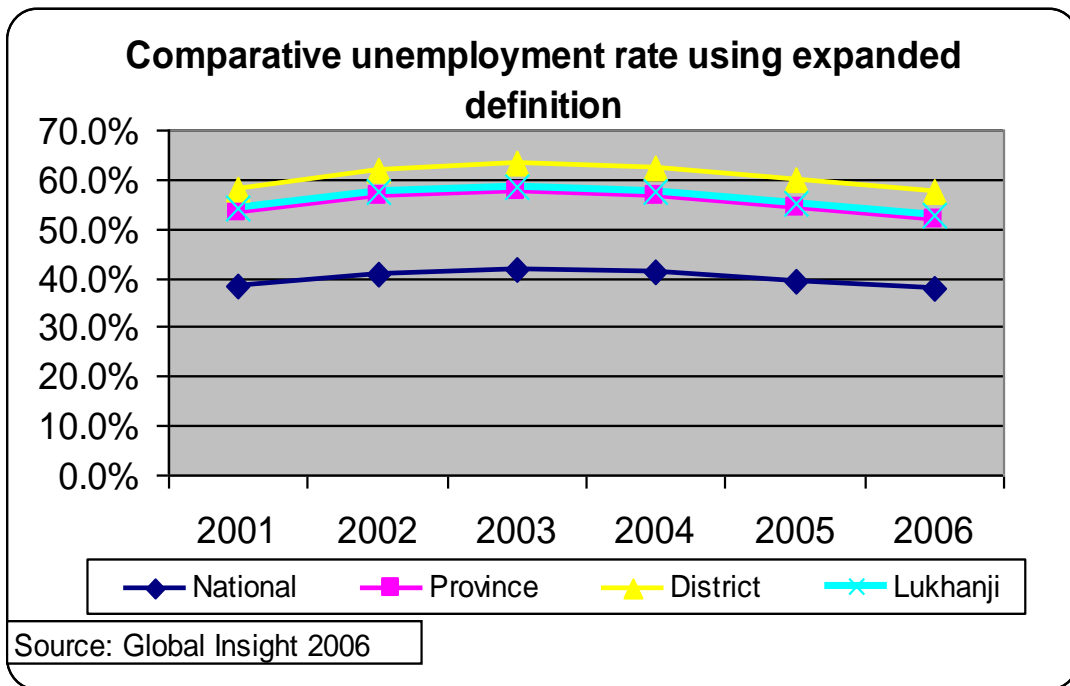
The human development index (HDI) is a useful mechanism to gauge the level of development of a local economy. The HDI is a composite, relative index that attempts to quantify the extent of human development of a municipality (area). It is based on measures of life expectancy, literacy and income.

The HDI is calculated as the average of indices of life expectancy at birth, adult literacy and per capita income. For a municipality to be well developed, it must achieve a HDI closer to 1. The closer the figure is to 1 the better the lifestyle. The following figure indicates HDI levels among Lukhanji areas.



7.2.3 Unemployment

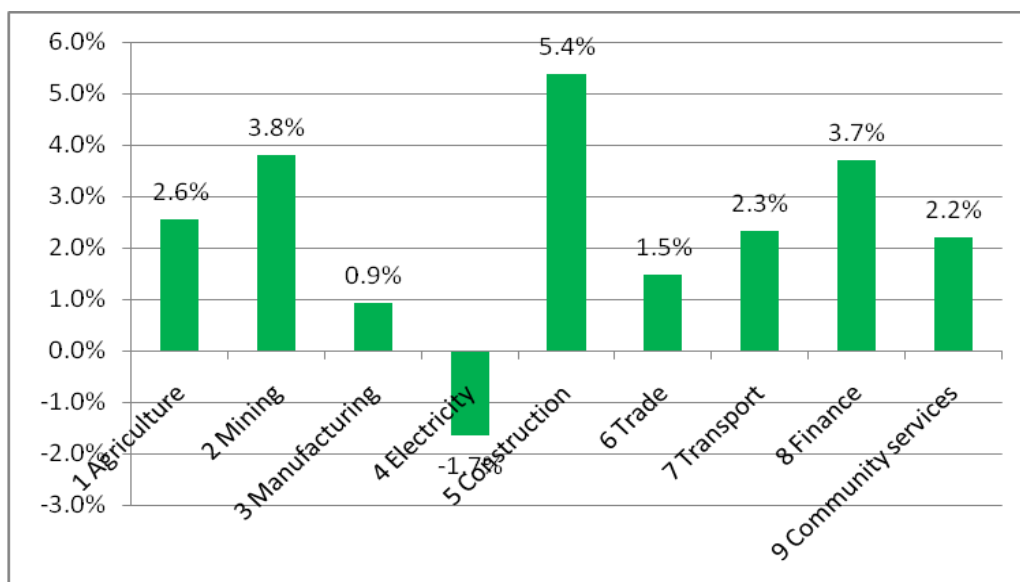
Unemployment is a major development challenge in Lukhanji. According to research done by Global Insight, unemployment in Lukhanji has improved slightly between 2001 and 2006 by 1.3% decline. This figure is better than that of the district (0.8%) and the country (0.5%) while slightly lower than that of the EC province at 1.4% over the same period.



About 29% of the total population is economically active. Off this number an estimated 32% were unemployed by end 2008.

7.2.4 Gross Value Add by sectors

In the last decade 1996 to 2008, the construction sector has added more gross value to the economy than any other of the broad nine sectors. Other key contributions were experienced in the mining, finance and agricultural sectors. The figure below gives comparative gross value adds contribution by sectors between the period 1996 to 2008 (Global Insight: 2008).



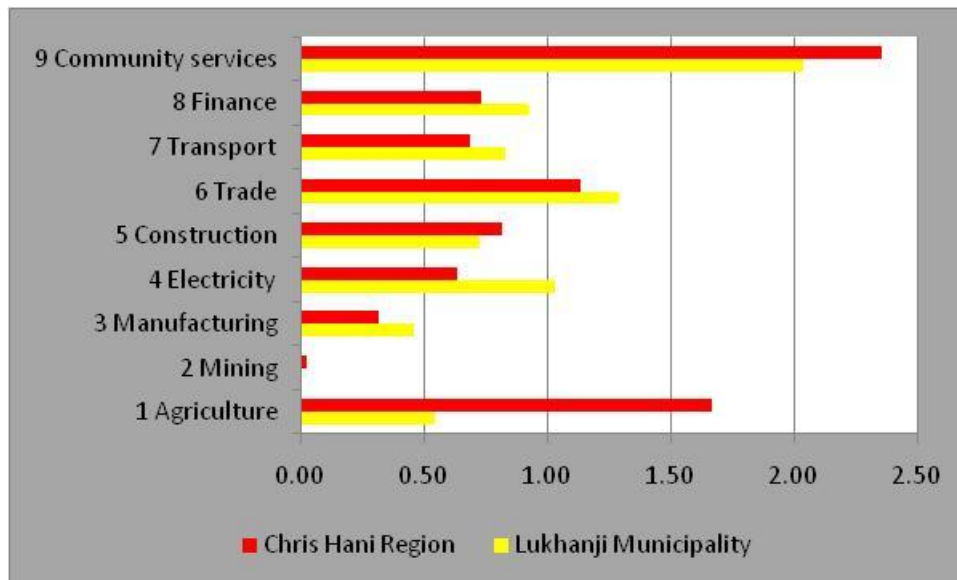
Even though we have a competitive advantage when compared to the regional economy on the electricity sector, its contributions to gross value

add in the economy has declined over the last decade (1996 -2008) by about 1.7%.

7.2.5 Comparative advantage

Location quotient is useful in measuring the competitive edge of an economy. It provides an indication of the comparative advantage of an economy. A local or municipal economy has a location quotient larger (smaller) than one, or a comparative advantage (disadvantage) in a particular sector when the share of that sector in the regional economy is greater (less) than the share of the same sector in the provincial /national economy.

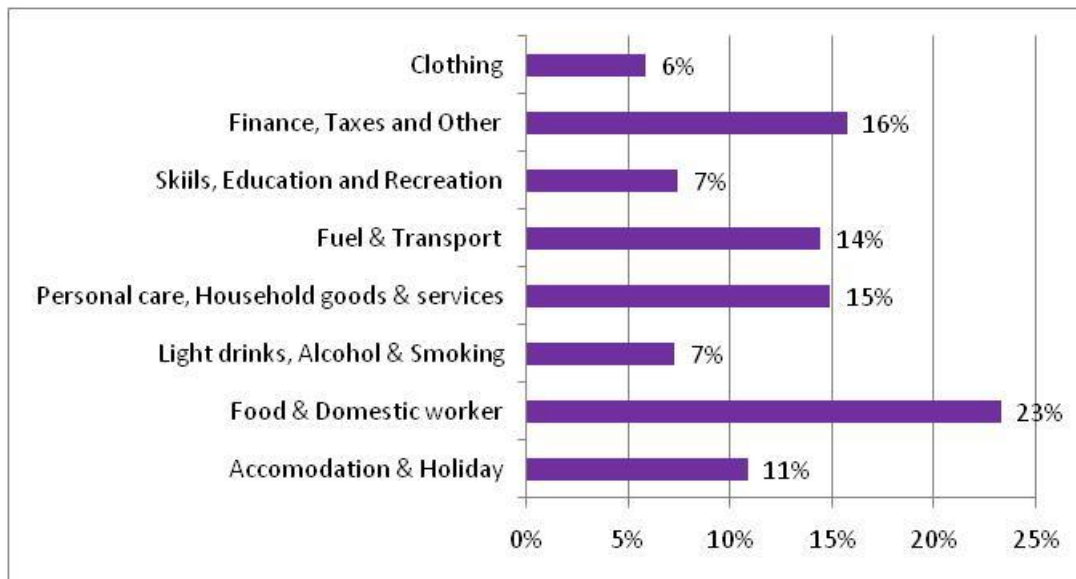
The figure below compares Lukhanji economic competitiveness to that of the Chris Hani region by nine broad economic sectors. It shows that Lukhanji economy compares better in the sectors of Trade (retail), Electricity, Finance, Transport and Manufacturing while Chris Hani compares better in Community service, Agriculture and Construction sectors.



7.2.6 Household Expenditure

The majority of household expenditure goes to food and domestic workers (23%) followed by finances at 16% (ie. Payment for policies) and transport at 14%.

The figure below gives a comparative distribution by expenditure items. It also provides useful information in understanding patterns of expenditure in the local economy and can be a useful guide for investment decisions.



7.2.7 General macro-level challenges of the local economy

The Lukhanji economy is not growing at optimal levels and this must be thoroughly investigated and addressed as part of the planned process for establishing a comprehensive investment framework which must be implemented as part of our LED strategy. Among the key questions that the strategy should attempt to resolve are the following:

- What role should the municipality assume in economic growth vis-a-verse other role players
- What strategic sectors should Lukhanji focus its spending in order to yield higher impact (medium term of 5 years) on combating of poverty, unemployment and lack of investments
- What specific sector strategies and programmes should be pursued and who & how must interventions be funded
- What institutional mechanisms should be set up in order to plan and deliver effectively on the committed economic growth programme
- What targets and development goals should the municipality commit to in order to contribute optimally to current district, provincial and national growth plans.

In order to resolve the above key economic development questions, the municipality may need to pay particular attention to:

- Low skills base – the level of skills in the municipality is low. The skills that are available are also not in the sectors that will drive the

municipal's economy such as government, retail, agriculture, manufacturing and tourism.

- Poor savings culture due to low household access to disposable incomes – the little income that rural communities have is spent on fulfilling physiological needs such as food with almost nothing to spend on other items.
- Poor access to markets – rural farmers have challenges in accessing markets outside their local economies. This is mainly because of lack of information and resources to access markets.
- Lack of business support – generally the lack of business support to existing businesses and this hampers their growth potential. There is a need to offer integrated business support in a sustainable way. This may require attention to those services that are in the control and realm of LG mandate including:
 - Infrastructural support investment on such things as access roads, electricity, refuse, water & sanitation
 - Improving efficiency and turn-around times in the processing of development applications

8 ENVIRONMENTAL CHALLENGES & CONTEXT FOR ENVIRONMENTAL RESPONSIBILITIES

Lukhanji is assigned power and function for air and noise pollution. However, there is currently insufficient capacity to fully deal with the function of air pollution.

Lukhanji subscribes to international and national environmental treaties which give it additional secondary responsibilities for environmental planning and management. The latter role is often interpreted to include tasks such as:

- local agenda 21 initiatives,
- environmental impact assessment facilitation into NEMA,
- bio-diversity and nature conservation management initiatives,
- participation in the state of environment reporting initiatives either by district municipality or by DEAT

8.1.1 CLIMATE

Lukhanji is a high altitude area reaching heights of 1070m above sea level. Temperatures in areas like Queenstown are often in the extremes with

sometimes figures reaching highs of 33°C in mid summer while dropping to as low as -2°C on a cold winter day.

The landscape is characterized by steep undulating slopes rolling down the Lukhanji mountain range.

8.1.2 VEGETATION AND SOIL TYPES

Lukhanji is characterised by dry high-veld Sandy Grassland and Valley Thicket. Because of a history of a lack of management and overgrazing of communal grazing lands in the former homeland areas these areas tend to be in a poor condition. Poor vegetation cover and low diversity combined with poor farming methods on communal land often lead to erosion problems. Prevalent soil types are mostly sandy loams and clay loams.

8.1.3 HYDROLOGY

Lukhanji water systems are fed by terrestrial summer rains and floods which drain into local streams, dams and rivers like:

- Klippart River
- Bongolo River
- Ockraal River
- Shiloh River
- Black Kei River

Dams of significance include the Waterdown Dam and Bonkolo Dams which supply approximately 70% and 30% respectively of the potable water supply to the greater part of the municipality. The Ockraal Dam is utilised for irrigation purposes only. The Berry (a raw water balancing dam and part of the Queenstown water treatment works) and Bongolo dams also double up as recreational dams.

8.1.4 SUMMARY OF THE KEY ENVIRONMENTAL CHALLENGES

Soil Erosion – Over grazing, dispersive soils and hilly terrain has led to major erosion problems in most areas. The predominately gravel road network in the rural areas and in much of the poorer urban residential areas is also negatively affected by stormwater erosion

Veld fires – veld fires which are deliberate as well as accidental often cause huge damages to sensitive vegetation, animal life and sometimes burn people's harvest.

Invasive plant species - Lukhanji municipal areas have a serious problem of invasive plant species like Lapesi, wattle, and sumthorn which is notorious for damaging sheep wool. Lapesi and wattle flora species have high water consumption which tends to diminish scarce water resource prematurely and result in problems of drought and insufficiency in irrigation water supplies.

Speculative game farming and illegal hunting – uncontrolled growth of game farming activities or initiatives and illegal hunting is a growing concern in Lukhanji for many reasons including among others:

- Perceived loss of valuable and productive fertile agricultural land
- perceived threat of extinction of protected species

Declining aesthetic quality in our cities and towns – lack of respect for hygienic practices and cleanliness by many of our citizens (ie – tossing litter on street and illegal dumping) is a common problem in our urban centres and this tends to result in declining aesthetic quality of our urban form and physical environment. The other contributor to this problem is a lack of capacity to maintain public spaces like parks by the municipality as well as poor maintenance of the built environment like buildings by private owners.

9 INFRASTRUCTURE & SERVICES DELIVERY PROFILE

Understanding the extent to which households as well as businesses are provided and have access to infrastructure services is central to delivering the mandate of a developmental local government. This section explores the extent to which households in Lukhanji have access to services such as water, sanitation, roads & stormwater, electricity, land and housing.

9.1 Water & Sanitation

Chris Hani District municipality is a water services authority while Lukhanji acts as a water services provider for all the areas under the Lukhanji municipality. This means that the primary responsibility to ensure that local people have access to water and sanitation services & infrastructure rests with the district. Lukhanji municipality is responsible for operation and maintenance of water and sanitation services within its areas of jurisdiction. As a developmental local government assigned powers to plan for its development the municipality has interest in ensuring sustainable household access to basic services.

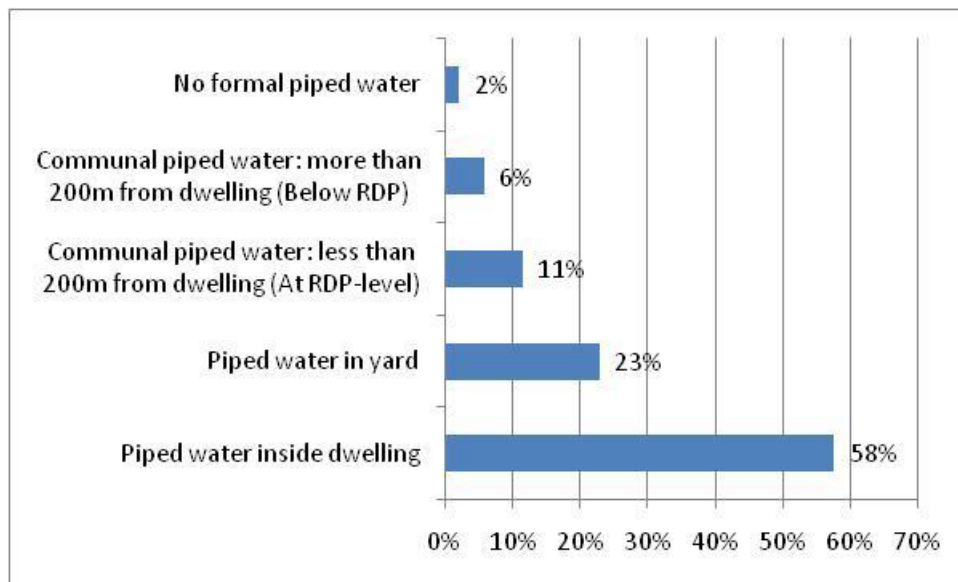
9.1.1 Water Supply arrangements

While backlogs for water supply still exist Chris Hani Municipality has reduced them significantly over the last few years. In terms of the water supply arrangements in the Lukhanji the district appointed rural water scheme maintenance contractor – Amanzabantu – to operate and maintain rural schemes until June 2008 when the responsibility was planned to be assumed over by Lukhanji Municipality. Lukhanji has been providing water services on its own in the town areas of Queenstown and Hewu / Whittlesea since 2001.

9.1.2 Source of supply & provision

Bulk potable water is supplied from Waterdown and Bonkolo dams. While irrigation water is supplied from the Waterdown, Oxkraal and Bushmanskraans dams (0.52mm³). As potable water demand has reached available supply a new water scheme to bring water from the Xonxa dam to Queenstown will be designed and implemented over the next few years. Water Demand management is also being implemented by both the District and Lukhanji to bring down water losses.

The figure below uses Global Insight statistics to understand extent of water supply connections in the Lukhanji areas.

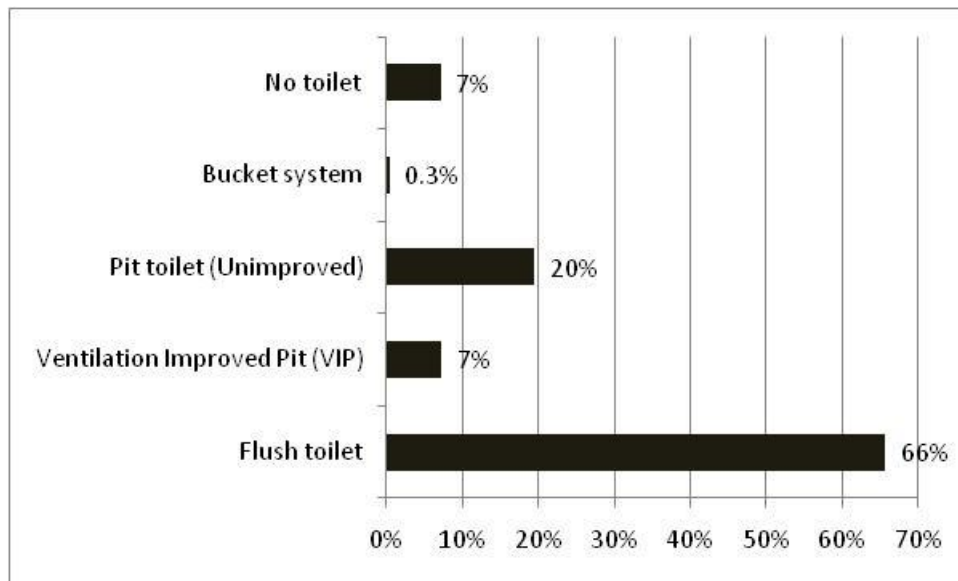


According to Global Insight 2008 at least 92% of households have access to water supply at RDP level. About 23% have yard connections while another 11% are served through communal level connections (either borehole or linked to a rural water scheme). Current water connection backlog is estimated at only 8% by 2008. At this rate of service delivery it is highly likely that Lukhanji will be able to meet its IDP & Millenium development objective of wiping basic service backlog by 2014.

9.1.3 Sanitation

Sanitation backlogs remain higher than that of water in especially the rural areas. The falling behind of basic sanitation is attributable to slow processes of VIP implementation in the last five years compared to water. The figure

below compares a distribution of households by levels of access to sanitation services.

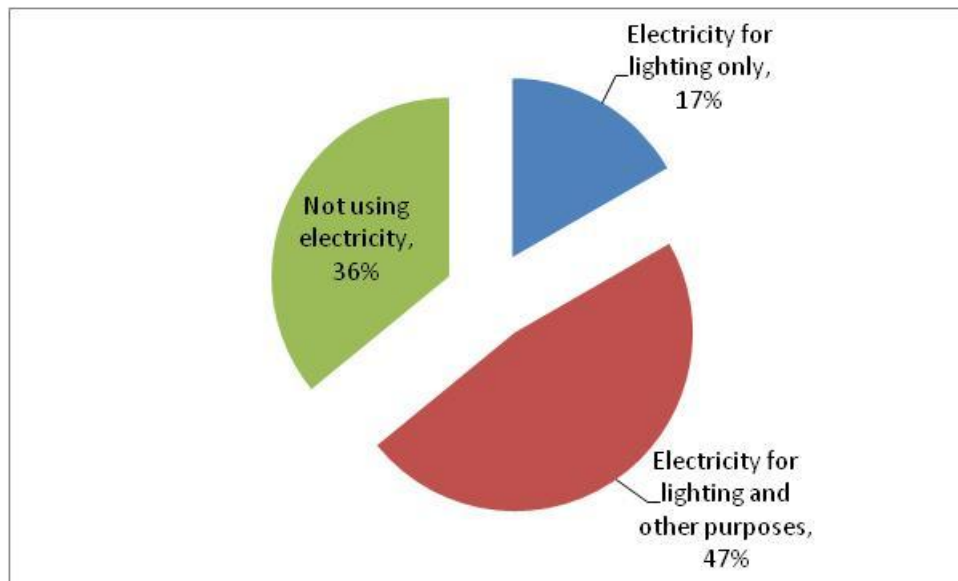


According to the figure above sanitation backlog can be said to be 7% (meaning only those without any form of service) or 27% (meaning all those households who do not meet the definition of basic level sanitation in our National policy (includes those served with unventilated pit latrines and buckets).

9.2 Electricity and energy supply sources

Eskom is a sole provider of bulk electricity services in the Lukhanji jurisdictional areas while the municipality purchases and resells to households in the Queenstown urban areas. Eskom has approved some refurbishment plans and network extensions for Queenstown areas during 2010/11 financial year.

The figure below indicates that backlogs for household electricity connection are 36% when considering the whole of the municipality (inclusive of Eskom supplied areas). There is accurate data at the moment to allow for estimates of business connection backlogs and we aim to engage Eskom to arrive at a useful planning figure.



9.3 Roads & Stormwater

The municipality is responsible for the construction, maintenance and upgrading of local access roads and stormwater infrastructure. Other roads are the responsibility of the Provincial department of Transport and the South African National Roads Agency Limited (SANRAL). Information on condition of road index is still sort from Public Works and will be updated.

General observations by community leaders who participated in the representative forum discussions and mayoral Imbizos indicate that the general state of road infrastructure is poor and weakening across the urban and rural areas.

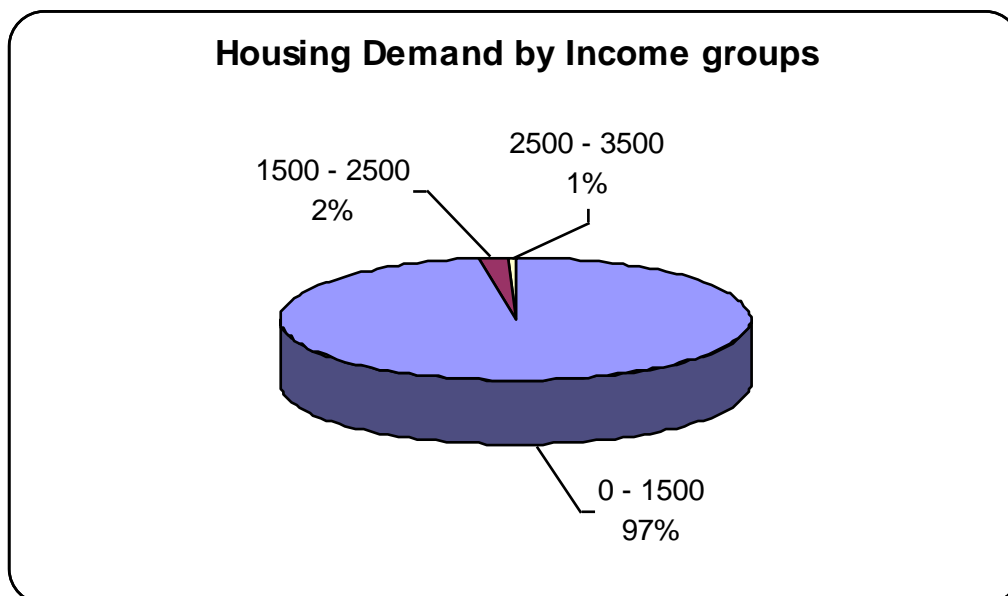
Anecdotal information from the technical services department estimates that in the Queenstown area about 95% of the roads are surfaced and can be said to be in a poor to fair condition. The rest are gravel roads in a fair to poor condition. Mlungisi: 20% of the roads are surfaced and in a fair condition. 55% is gravel from fair to poor quality. The rest are graded roads. Ezibeleni: 30% of the roads are surfaced and in a fair condition. The rest are gravel roads in a poor condition. Whittlesea: all the roads in this area are in a poor condition. Whittlesea has 25% surfaced roads, 50% gravel roads and 25% graded roads. All the roads in Sada area are graveled roads except for 7km of the main transport route 95% of the roads in Ekuphumleni are gravel while Emadakeni and Shiloh have graded roads.

Access roads to rural areas are gravel and some are in urgent need of repair due to lack of regular maintenance and storm water drainage. The department of Roads and Transport together with Public Works have set aside an estimated combined investment of over R21 million towards road construction and maintenance in the Lukhanji areas. Using MIG funding and its newly established road plant unit Lukhanji Municipality is also successfully rehabilitating both Urban and Rural gravel roads. The current programme is rehabilitating 2km in each ward on a rotational basis. This investment is expected to reduce access road backlog in especially rural areas.

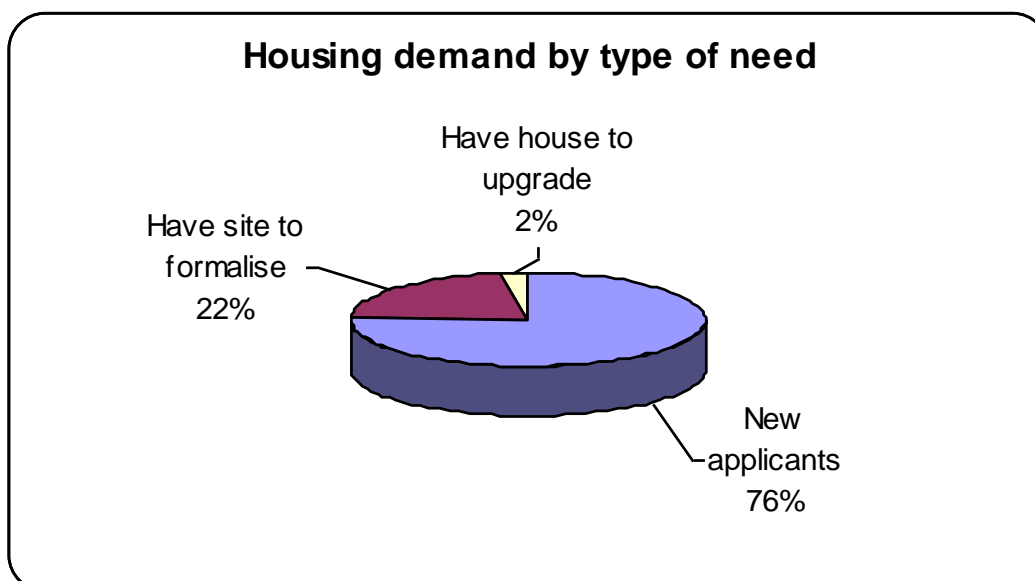
9.4 Housing

While it is acknowledged that housing is not a primary competence of a local municipality, it is a key priority for Lukhanji. To this effect the municipality has a dedicated housing department that assist with the planning and facilitation of PHDB applications for subsidy housing and rental housing stocks as well as implementing People Housing Programmes on behalf of the National Department.

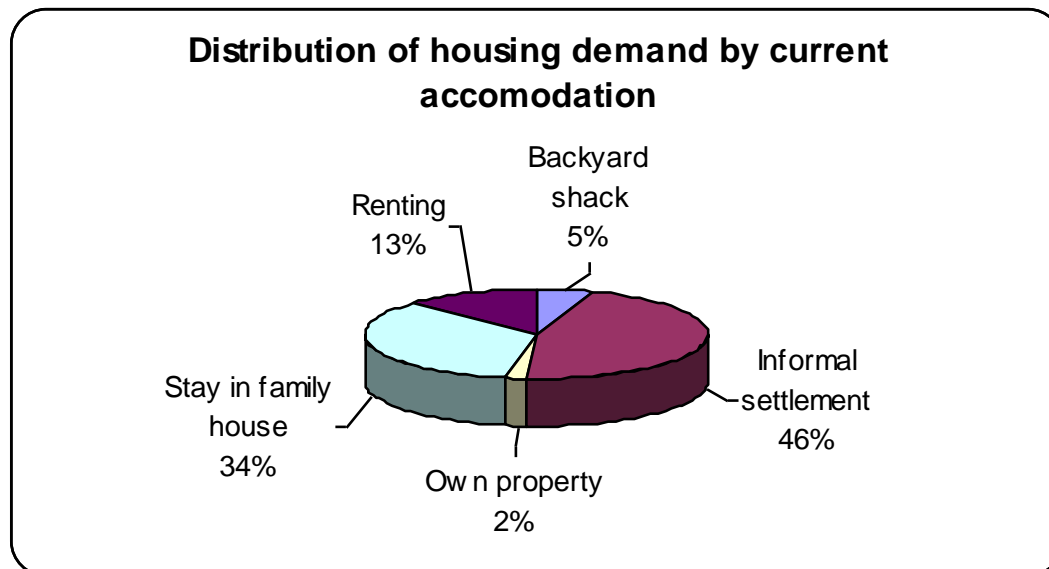
The current projects the waiting list which indicates the demand for housing at Lukhanji is estimated at a rounded figure of approximately 40 000 households. This figure only represents those households that may qualify for a range of housing subsidies. The figure below gives an indication of the housing demand by income groups.



When analysing the waiting list by type of need, it is shown that the majority (76%) of the demand emanates from new applications as shown in the figure below.



An analysis of the waiting list was conducted to establish the main sources of its origination. The assessment indicate that current housing demand arise from residents currently in informal settlements, renting, co-habiting, staying within nuclear families and backyard shacks. The figure below shows the distribution of housing demand by current accommodation within Lukhanji.



A housing sector plan is needed to drive and guide municipal interventions in a strategic and focused manner. This plan would among other things need to be tasked with investigating and quantifying current housing demand and backlogs for the various income group categories in Lukhanji.

9.5 Household Access to Refuse Removal

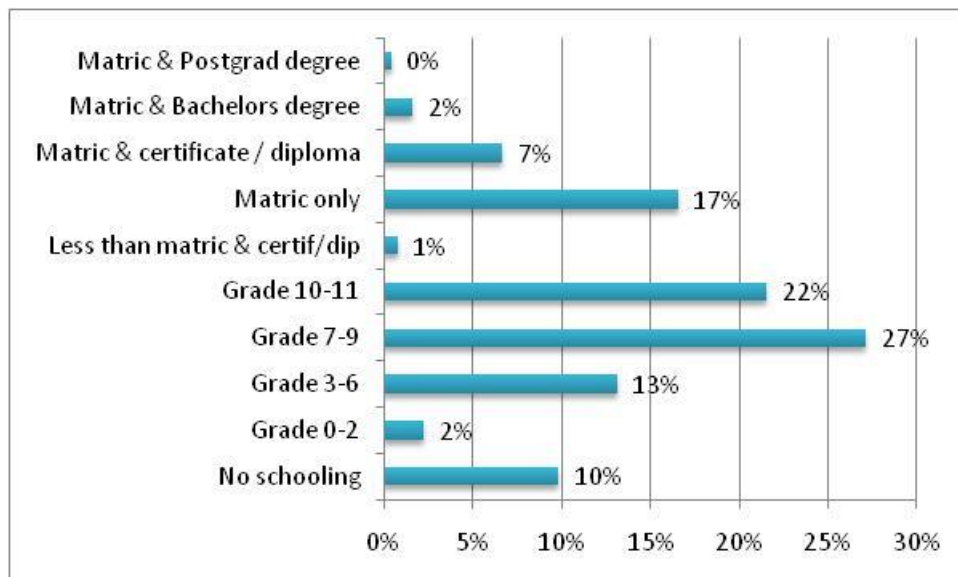
Lukhanji municipality is responsible for providing refuse removal service to its areas of jurisdiction. Since the establishment of Lukhanji municipality in 2000, this service has generally been provided to urban areas of Queenstown and Whittlesea/Sada only. Rural areas are generally using a range of temporary mechanisms such as own dump within the yard and illegal dump sites. The existing IWMP will be revised to aid decision making in 09/10.

According to Global Insight statistics of 2008 about 59% of households have access to weekly refuse removal service. Another 2,5% receives regular but adhoc collections from the municipality. About 34% of households use own dumps while the remaining **5%** has no provision at all for disposing their refuse and waste. The latter two categories can be defined as clear backlog for waste removal service in Lukhanji.

9.6 Education

The role of the Lukhanji municipality in Education is to facilitate and cooperate with the Department of Education for the provision of schools, education programs as well as directly provide for erection of early childhood learning facilities like crèches. In particular the municipality needs to communicate information to relevant authorities in terms of key priority areas needing education infrastructure and services.

The municipality also has direct interest in the monitoring of education and functional literacy levels among its economically active population so as to ensure adequate supply of critical skills needed for growing the local economy. The figure below indicates levels of educational attainment by adult population.



Source: Global Insight 2008

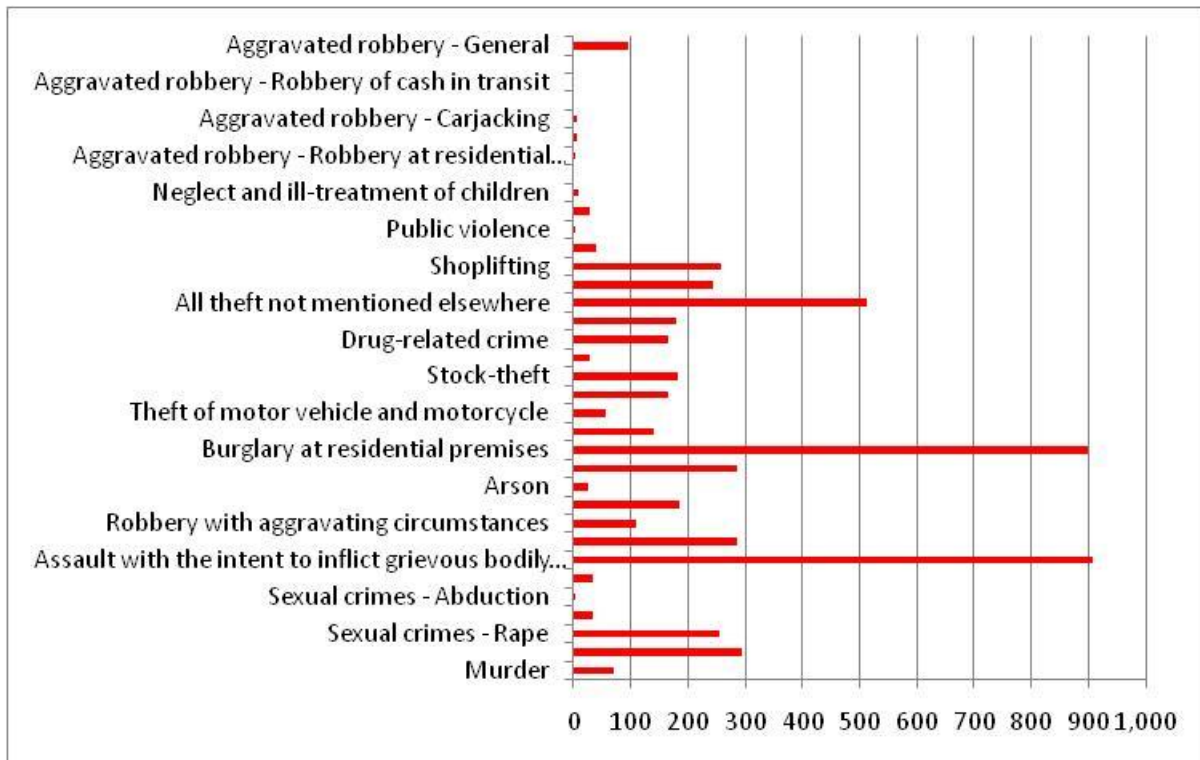
At least 75% of adult population (20 years and older) are functionally literate (meaning that they have completed education level grade 07 and higher). About 10% of the same population has no schooling at all. Another 17% has only completed matric while an estimated 26% has matric and further education attainment.

9.7 Safety and Security

Lukhanji does not have its own municipal police force therefore the responsibility for providing safety and security services in its areas rests with the South African Police Services Department (SAPS). The intention of

the municipality is to work in partnership with the security cluster departments like SAPS, Correctional services and Justice to promote crime awareness and leverage efforts for crime reduction.

According to crime statistics published annually and extrapolated by Global Insight in the figure below, dominant crimes in Lukhanji are common law crimes like assaults, burglary and theft.



In an attempt to involve communities in the reduction of crime and resolution of disputes in the area, Community Policing Forums (CPF) were established. Research shows that the CPF's are not active in some areas due to lack of training on safety and security techniques.

In order to maintain low levels of crime in Lukhanji, more safety and security services such as mobile police services need to be provided. CPFs also need to be well equipped with training to achieve their maximum effectiveness. Below is a table list of existing facilities in Lukhanji.

Police stations	Courts of law
Bridge Camp	Queenstown
Ezibeleni	Whittlesea

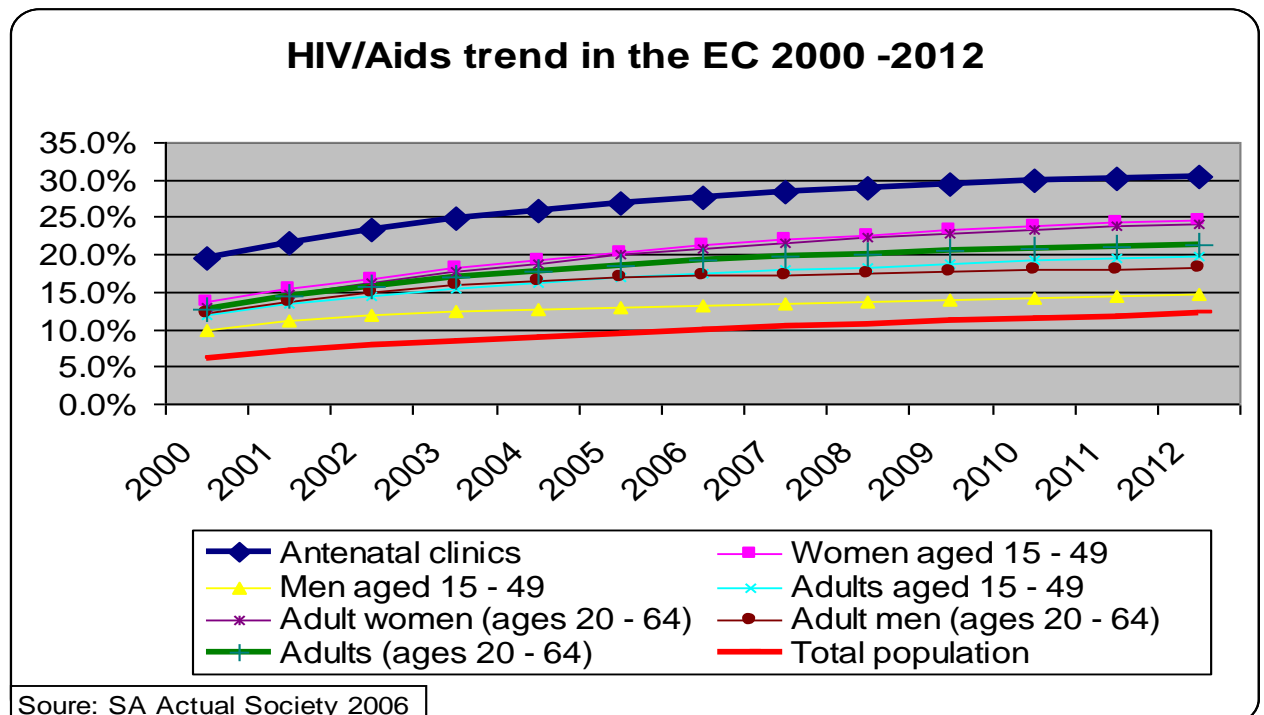
Ilinge	Ezibeleni
Kolomane	
Queenstown	
Tylden	
Whittlesea	
Klein Bulhoek	
Mlungisi	

9.8 Health

Primary health is a competence of the Provincial department of Health. Chris Hani DM is responsible for municipal health. There are mainly four parties that provide health facilities in the study area namely, Department of health, Chris Hani District Municipality, Lukhanji municipality and Private institutions.

HIV/Aids is a public health concern that the municipality should to at least monitor and proactively contribute to the reduction of the impact and the spread of HIV/Aids among its communities. An estimated 10% of population have contracted HIV while another 1% suffers from full blown Aids (Global Insight 2008).

The figure below gives longitudinal projections of HIV/Aids impact.



In terms of access to health facilities, Lukhanji seems to be well endowed. The main challenge is the quality of services as highlighted by the matrix table below. There are a total of 33 clinics in the municipal area. The department of Health is responsible for 28 of these clinics and the council manages 5 clinics which includes one AIDS clinic. The table below gives a matrix of the quality of health service provision using common national indicators.

QUALITY OF HEALTH CARE SERVICE INDICATOR	BENCHMARK	LUKHANJI HEALTH CARE SERVICE & FACILITIES
Access to health facilities (clinics)	1: 10 000 households	Lukhanji needs 19 clinics. It is well served with its 33 clinics
Access to health facilities (L-1 Hospital)	1 : 25 000	Needs 8 L-1 hospitals. Has a regional facility supplemented by private operations
Nurses per 100 000 population	12 / 100 000 population	
Hospital beds per 1000 population	2.5 / 1000 population	
Emergency Medical Vehicles per 100 000 population	5-8 vehicles / 100 000 population	

9.9 Sports and Recreation

Sports arts and cultural heritage services are a primary competence of the Department of Sports, Arts and Culture. Lukhanji municipality plays a facilitative role in the identification of needs and cooperates with the Department of sports arts and culture in the implementation of such services. Most of the existing community sports facilities need repair and the majority of wards do not have well planned sporting facilities.

9.10 Community Facilities (Halls & Cemeteries)

Lukhanji has a competence for amenities and community facilities like halls. It currently owns and operates a few.

There are also several sports and cultural facilities which were vandalized. The Municipality is currently in the process to upgrade these facilities. However in the areas outside Queenstown and the surrounding townships there is a lack of arts, culture and recreation facilities which hamper the development of a prominent youth sports culture.

10 INSTITUTIONAL DEVELOPMENT & TRANSFORMATION PROFILE

10.1 Organizational review analysis

This section will determine the organizational capacity of Lukhanji Local Municipality to meet its service delivery obligations, by assessing whether:

1. the powers and functions that have been allocated to it in terms of legislation;
2. the extent to which the organizational design at Lukhanji Local Municipality is responding to the allocated powers and functions; and
3. to examine the gaps that are apparent through this analysis.

10.2 Constitutionally Allocated Functions

The table below illustrates the powers and functions that have been allocated to local government in terms of Part B of Schedules 4 and 5 of the Constitution.

Part B of Schedule 4	Part B of Schedule 5
<ol style="list-style-type: none"> 1. Air pollution 2. Building regulations 3. Child care facilities 4. Electricity and gas reticulation 5. Fire-fighting services 6. Local tourism 7. Municipal airport 8. Municipal planning 9. Municipal health services 10. Municipal public transport 11. Pontoons, fairies, settees, piers and harbours excluding the regulations of international and national shipping 	<ol style="list-style-type: none"> 16. Beaches and amusement facilities 17. Billboards and display advertisement in public places 18. Cemeteries, funeral parlors and crematoria 19. Cleansing 20. Control of public nuisance 21. Control of undertakings that sell liquor to the public 22. Facilities for the accommodation care and burial of animals 23. Fencing and fences 24. Licensing and controlling of undertakings that sell food

Part B of Schedule 4	Part B of Schedule 5
12.Municipal public works only in respect of the needs of the municipalities 13.Storm water management system 14.Trading regulations 15.Water and sanitation services (limited to potable water supply system, domestic waste water and sewerage disposal system)	to the public 25.Local amenities 26.Local sport facilities 27.Markets 28.Municipal abattoirs 29.Municipal parks and recreation 30.Municipal roads 31.Noise pollution 32.Pounds 33.Public places 34.Refuse removals, refuse dumps and solid waste disposals 35.Street trading 36.Street lighting 37.Traffic and parking

Powers and functions that Lukhanji Local Municipality is authorised to perform

Functions of Lukhanji Municipality	<u>Authoriz</u> <u>ation /</u> (Power)	Definition
Air pollution	Yes	Any change in the quality of the air that adversely affects human health or well-being or the ecosystems useful to mankind, now or in the future.
Beaches and Amusement facilities	Yes	The area for recreational opportunities and facilities along the sea shore available for public use and any other aspect in this regard which falls outside the competence of the national and provincial government.
Billboards and the display of advertisements in public places	Yes	The display of written or visual descriptive material, any sign or symbol or light that is not intended solely for illumination or as a warning against danger which: promotes the sale and / or encourages the use of goods and services found in: -streets-roads-thoroughfares-sanitary passages-squares or open spaces and or -private property
Building regulations	Yes	The regulation, through by-laws, of any temporary or permanent structure attached to, or to be attached to, the soil within the area of

Functions of Lukhanji Municipality	Authorization / (Power)	Definition
		jurisdiction of a municipality, which must at least provide for: Approval of building plans, Building inspections, and Control of operations and enforcement of contraventions of building regulations if not already provided for in national and provincial legislation.
Cemeteries, funeral parlours and crematoria	Yes, including DM function	The establishment conduct and control of facilities for the purpose of disposing of human and animal remains.
Child care facilities	Yes	Facilities for early childhood care and development which fall outside the competence of national and provincial government
Cleansing	Yes	The cleaning of public streets, roads and other public spaces either manually or mechanically
Control of public nuisance	Yes	The regulation, control and monitoring of any activity, condition or thing that may adversely affect a person or a community
Control of undertakings that sell liquor to the public	Yes	The control of undertakings that sell liquor to the public that is permitted to do so in terms of provincial legislation, regulation and licenses , and includes an inspection service to monitor liquor outlets for compliance to license requirements in as far as such control and regulation are not covered by provincial legislation
Electricity reticulation	Yes	Bulk supply of electricity, which includes for the purposes of such supply, the transmission, distribution and, where applicable, the generation of electricity, and also the regulation, control and maintenance of the electricity reticulation network, tariff policies, monitoring of the operation of the facilities for adherence to standards and registration requirements, and any other matter pertaining to the provision of electricity in the municipal areas.
Facilities for the accommodation, care and burial of animals	Yes	The provision of and/or the regulation, control and monitoring of facilities which provide accommodation and care for well or sick animals and the burial or cremation of animals, including monitoring of adherence to any standards and registration requirements and/or compliance with any environmental health standards and regulations
Fencing and fences	Yes	The provision and maintenance and/or regulation of any boundary or deterrents to animals and pedestrians along streets or roads
Fire Fighting	Yes	In relation to District Municipality "Fire fighting" means: Planning, co-ordination and regulation of

Functions of Lukhanji Municipality	<u>Authoriz</u> <u>ation /</u> (Power)	Definition
		fire services; specialised fire fighting services such as mountain, veld and chemical fire services; co-ordination of the standardisation of infrastructure, vehicles, equipment and procedures; training of fire officers. In relation to Local Municipality "Fire fighting" means: Any function not included in the definition applicable to a district municipality, including fighting and extinguishing of all fires; the rescue and protection of any person, animal or property in emergency situations not covered by other legislation or powers and functions
Licensing and control of undertakings that sell food to the public	Yes	Ensuring the quality and the maintenance of environmental health standards through regulation, a licensing mechanism and monitoring of any place that renders in the course of any commercial transaction, the supply of refreshments or meals for consumption on or to be taken away from the premise at which such refreshments or meals are supplied. Implement policy and regulations;
Licensing of dogs	Yes	The control over the number and health status of dogs through a licensing mechanism.
Local amenities	Yes	The provision, manage, preserve and maintenance of any municipal place, land, and building reserved for the protection of places or objects of scenic, natural, historical and cultural value or interest and the provision and control of any such or other facility for public use but excludes such places, land or buildings falling within competencies of national and provincial governments.
Local sport facilities	Yes	The provision, management and/or control of any sport facility within the municipal area.
Local tourism	Yes	The promotion, marketing and, if applicable, the development, of any tourist attraction within the area of the municipality with a view to attract tourists; to ensure access, and municipal services to such attractions, and to regulate, structure and control the tourism industry in the municipal area subject to any provincial and national legislation, and without affecting the competencies of national/provincial government pertaining to "nature conservation", "museums", "libraries" and "provincial cultural matters".
Markets	Yes	The establishment, operation, management, conduct, regulation and/or control of markets other than fresh produce markets including market permits, location, times, conduct etc.

Functions of Lukhanji Municipality	Authorization / (Power)	Definition
Municipal abattoirs	Yes	The establishment conduct and/or control of facilities for the slaughtering of livestock.
Municipal airport	Yes, including DM function	A demarcated area on land or water or a building which is used or intended to be used, either wholly or in part, for the arrival or departure of aircraft which includes the establishment and maintenance of such facility including all infrastructure and services associated with an airport, and the regulation and control of the facility, but excludes airports falling within the competence of national and provincial governments
Municipal Health Services	No	Subject to an arrangement with MECs to do the necessary authorizations, or alternatively, subject to amendments to the Structures Act, Municipal Health Service means environmental health services performed by a district municipality and includes: Air pollution, Child care facilities, Control of public nuisances •Control of undertakings that sell liquor to the public, Facilities for the accommodation, care and burial of animals •Licensing and control of undertakings that sell food to the public •Licensing of dogs •Markets •Municipal abattoirs, Noise pollution, Pounds •Care for the Aged
Municipal parks and recreation	Yes	The provision, management, control and maintenance of any land, gardens or facility set aside for recreation, sightseeing and/or tourism and include playgrounds but exclude sport facilities.
Municipal Planning	Yes	The compilation and implementation of and integrated development plan in terms of the Systems Act.
Municipal public transport	Yes	The regulation and control, and where applicable, the provision of: Services for the carriage of passengers, whether scheduled or unscheduled, operated on demand along a specific route or routes or, where applicable, within a particular area, Scheduled services for the carriage of passengers, owned and operated by the municipality, on specific routes
Municipal roads	Yes	The construction, maintenance, and control of a road which the public has the right to and includes, in addition to the roadway the land of which the road consists or over which the road extends and anything on that land forming part of, connected with, or belonging to the road, and also, for purposes of a local municipality, includes a street in build-up areas.

Functions of Lukhanji Municipality	Authorization / (Power)	Definition
Noise pollution	Yes	The control and monitoring of any noise that adversely affects human health or well-being or the ecosystems useful to mankind, now or in future.
Pontoons and ferries	Yes	Pontoons, ferries, jetties, piers and harbours, excluding the regulation of international and national shipping and matter related thereto, and matters falling within the competence of national and provincial governments
Pounds	Yes	The provision, management, maintenance and control of any area or facility set aside by the municipality for the securing of any animal or object confiscated by the municipality in terms of its by laws.
Public places	Yes	The management, maintenance and control of any land or facility owned by the municipality for public use
Refuse removal, refuse dumps and solid waste disposal	Yes, including DM function	the removal of any household or other waste and the disposal of such waste in an area, space or facility established for such purpose, and includes the provision, maintenance and control of any infrastructure or facility to ensure a clean and healthy environment for the inhabitants of a municipality
Sanitation	No	The establishment, operation, management and regulation of a potable water supply system, including the services and infrastructure required for the regulation of water conservation, purification, reticulation and distribution; bulk supply to local supply points, metering, tariffs setting and debt collection so as to ensure reliable supply of a sufficient quantity and quality of water to households, including informal households, to support life and personal hygiene and establishment, provision, operation, management, maintenance and regulation of a system, including infrastructure, for the collection, removal, disposal and/or purification of human excreta and domestic waste-water to ensure minimum standard of services necessary for safe and hygienic households
Storm water	Yes	The management of systems to deal with storm water in built-up areas
Street lighting	Yes	The provision and maintenance of lighting for the illuminating of streets
Street trading	Yes	The control, regulation and monitoring of the selling of goods and services along a public pavement or road reserve
Trading	Yes	The regulation of any area facility and/or activity

Functions of Lukhanji Municipality	Authorization / (Power)	Definition
regulations		related to the trading of goods and services within the municipal area not already being regulated by national and provincial legislation
Traffic and parking	Yes	The management and regulation of traffic and parking within the area of the municipality including but not limited to, the control over operating speed of vehicles on municipal roads.
Water (Potable)	No	The establishment, operation, management and regulation of a potable water supply system, including the services and infrastructure required for the regulation of water conservation, purification, reticulation and distribution; bulk supply to local supply points, metering, tariffs setting and debt collection so as to ensure reliable supply of a sufficient quantity and quality of water to households, including informal households, to support life and personal hygiene and establishment, provision, operation, management, maintenance and regulation of a system, including infrastructure, for the collection, removal, disposal and/or purification of human excreta and domestic waste-water to ensure minimum standard of services necessary for safe and hygienic households
Housing	No	The Provincial Department of Housing and Local Government & Traditional Affairs is authorized with this function. The mandate is given to the Province while the Municipality is appointed by service (and performance) contract as Implementing agent, facilitator and promoter. The client is DHLGTA and the beneficiaries are the citizens of Lukhanji.
Primary Health Care	No	The Provincial Department of Health is authorized with this function and it is delegated mainly to the DM. Lukhanji Municipality is appointed by service (and performance) contract. The client is the Province and the beneficiaries are the citizens of Lukhanji. The DM is the main Implementing agent in Lukhanji, facilitator and promoter of Health Services. The role of Lukhanji Municipality is to allow and promote all Health Services and to attend to related health functions and issues, e.g. related to refuse removal; no. 31 and Municipal Health Functions as listed under numbers; 1, 6, 8, 9, 11, 14, 15, 19, 20, 22, 27 and 29.

Functions currently being performed by Lukhanji Local Municipality

Part B of Schedule 4	Part B of Schedule 5
<ol style="list-style-type: none"> 1. Building regulations 2. Child care facilities 3. Electricity and gas reticulation 4. Fire-fighting services 5. Local tourism 6. Municipal airport 7. Municipal planning 8. Municipal health services 9. Municipal public transport 10. Municipal public works only in respect of the needs of the municipalities 11. Storm water management system 12. Trading regulations 	<ol style="list-style-type: none"> 13. Billboards and display advertisement in public places 14. Cemeteries, funeral parlors and crematoria 15. Cleansing 16. Control of public nuisance 17. Control of undertakings that sell liquor to the public 18. Facilities for the accommodation care and burial of animals 19. Fencing and fences 20. Licensing and controlling of undertakings that sell food to the public 21. Local amenities 22. Local sport facilities 23. Markets 24. Municipal abattoirs 25. Municipal parks and recreation 26. Municipal roads 27. Noise pollution 28. Pounds 29. Public places 30. Refuse removals, refuse dumps and solid waste disposals 31. Street trading 32. Street lighting 33. Traffic and parking

10.3 Organogram

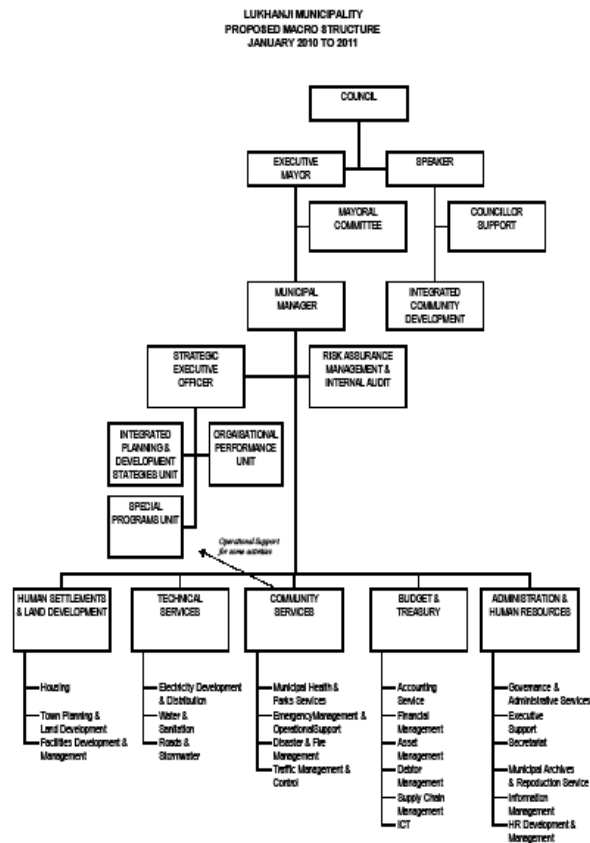
Following the changes in the leadership of the municipality effected late 2009 and the subsequent proposals to restructure the administration, a new organogram was adopted with the following changes to the structure of the municipality:

Administration

- Office of the Municipal Manager
- Strategic Executive officer within the office of the Municipal Manager
- Human Settlements and Land Administration
- Technical Services
- Community Services
- Budget and Treasury
- Administration and Human Resources

Political Offices

In addition to this admin structure, there are dedicated political offices linked to council servicing the Executive Mayor and the Speaker of the council.



10.4 Organisational assessment

Analysis of the organisational capacity and their implications for effective administration, governance and delivery of services reflect the following observations:

- For purposes of administration the organisation is structured into SIX key departments plus the offices of the Mayor and Speaker. These are listed above. Each department is further divided into units or line functional divisions.
- These departments are staffed by a combined sum total of 586 employees
- For purposes of governance the organisation is lead by its council and the executive mayor who is supported by the mayoral committee. Councillors taken from the mayoral committee are allocated to departments as portfolio heads giving policy leadership to departmental management.
- Council is made up of 53 councillors from wards plus 6 full time councillors consisting of the Executive Mayor, Speaker and 4 of the 5 portfolio heads. For each department, there are portfolio councillors allocated to support governance of the department and service as link between that department and council structures.

The table below gives an overview of the distribution of staffing by various departments within the Lukhanji local municipality.

Category	Description	Office of Manager	Office of Mayor & Speaker	Estates & Planning	Corporate Services	Community Services	Technical Services	Finance
Senior Management	First line of decision makers among officials.	2	0	1	1	1	2	1
Middle Management	First line of delegation authority when senior manager is off			3	2	3	2	3
Professionals	All individuals who are professionals with qualifications in various areas. NB-This includes a range of people from clerk to someone with a three year or more qualifications who is not a senior or middle manager. This excludes secretaries	6		25	6	80	35	48
Supervisors	Individuals with supervisory responsibility. For example a foreman, team leader tasked with overseeing general workers.			5		22	10	6
General workers	All employees that are not professionals, who generally work specific hours and to a			15	2	213	89	2

Category	Description	Office of Manager	Office of Mayor & Speaker	Estates & Planning	Corporate Services	Community Services	Technical Services	Finance
	strict job description and has no responsibility to manage any other person. This would typically include secretaries, drivers, street sweepers, security guards, cleaners, etc							

Analysis of staffing indicates that Lukhanji has a well decentralized management responsibility. For example, the ratio of general workers to supervisor is eight.

Lukhanji staffing arrangements reflect an outward orientation which emphasise focus on service delivery. This is shown by the fact that 74% of total staff comes from key service delivery departments (community and technical services) that engages and interact directly with the consumer as opposed to support function (finance, corporate services).

The challenge lying ahead is to improve on efficiency (systems and processes) and capacity in the processes of service delivery and within the individuals operating in these services. For this to happen, more efforts will be needed to conduct targeted training / skilling and monitoring of performance of Lukhanji staff.

11 FINANCIAL VIABILITY

11.1 Overview

Lukhanji has stable financial management continues to improve its capacity. However, there are challenges including:

- The lack of achievement of a clean audit outcome even though we have moved from qualified in 07/8 to an unqualified in 08/9. There is more room for improvement in this area and we have a clear AG response management plan to assist in this regard.
- Over dependence of state grants to funds most of our operations and service delivery plans
- High bad debt ratio of approximately 22% of OPEX

11.2 Financial viability goals

Lukhanji municipality is committed to striving for sustainable and sound fiscal management practice. Financial viability has been prioritised as a key area of focus for 2010/11. We acknowledge that a lot needs to be done in this area to achieve our goals including among other:

- Achieving a clean audit by end of 20011/12
- Improve internal audit function (appoint additional level 4 officer) and implement a risk management plan
- Improve monitoring and implementation of internal control oversight by employing additional clerks
- Be fully compliant with GRAP and MFMA requirements in terms of our ASSET register and Financial reporting
- Improve own capacity to raise revenue by implementing effective revenue enhancement and collection strategy
- Increased our revenue collection rate to between 80% and 85% from its current levels of 78% as at February 2010

11.3 Auditor General Concerns

AG has raised a number of concerns in our last financial year statements and report relating to:

- Planning processes (alignment of PMS, IDP and SDBIP). This is addressed specifically in the integration chapter of this document.
- Accounting records and recording
- Asset register
- General Internal controls issues

A management plan has been development and adopted to address the pertinent concerns in a view to improving our audit outcome.

11.4 Essential financial strategies and plans

In order for the municipality to achieve the above targets, we shall need to put in place urgently the following:

- Transparent and inclusive process of budgeting
- Align SDBIP, PMS and IDP targets and ensure that these are made to be foundational elements of contracting with our section 57 managers
- Revenue management and collection strategy
- Update existing indigent policy and programmes database
- Update current Valuation Roll and revise rates and tariff policy accordingly

- Improve effectiveness of our supply chain management policy implementation and intended outcomes through continuous training and capacity building
- Review of the existing risk management plan

12 GOOD GOVERNANCE PROFILE

The council is committed to promoting a culture of good governance. There are a number of good governance challenges facing the municipality. They include but not limited to:

- Ineffective intergovernmental relations: the relationship between the municipality and some sector departments need improvements. Co-operation between spheres will be promoted via IGR platforms and continuous engagements at operations level.
- Public participation: While there is good understanding between the council and its communities, more work is needed to educate public about their roles and responsibilities relating to municipal planning, payment for services, environmental management and ward committee functions
- Corruption: While there are policies and mechanisms for dealing with perceived acts of corruption in our operations, continuous efforts to fight and prevent corruption are necessary
- PMS: A clear performance management framework and functional PMS is needed to improve monitoring and evaluation of the organisations performance against set goals for development as entailed in this IDP
- Customer relations: Our administrative management attitude and culture need to promote adherence to the Batho Pele principles.
- Special Programmes – council is committed to promoting inclusion and empowerment of the marginalized population grouping into our mainstream economy. This will be achieved through organized efforts delivered via our SPU programmes.

13 SPATIAL DEVELOPMENT FRAMEWORK (SDF)

Lukhanji SDF was completed and approved by council in 2008 and could not be reviewed as planned during 2009/10 in order to align it with the current IDP as well as update it in line with changes in our spatial environment. We shall pursue this goal in the coming year.

SDF provides an important principle-led instrument for forward planning and decision-making on land development. It is indicative in intent and not prescriptive.

Key legislation and policies that informs the approach, foundation and parameters to spatial planning and the SDF are:

- The Development Facilitations Act (Act 67 of 1995)
- The LG Municipal systems act, 2000
- National Land and Transport Act, 2000

- National Spatial Development Framework
- Provincial Spatial Development Framework
- The White Paper on Wise Land Use: Spatial Planning and Land Use Management (March 2001)
- The Land Use Management Bill (July, 2002)
- The White Paper on National Transport Policy (August, 1996)

The Municipal Systems Act, 2000 requires that a SDF be prepared as a sector plan within the IDP. There are other pieces of legislation that informs municipal spatial development planning. For example, the Development Facilitation Act chapter 1, prescribes that the Municipality is legally obliged to apply the General Principles of Land Development when engaging in spatial planning and land use management.

According to the White Paper on Wise Land Use: Spatial Planning and Land Use Management (Dept. of Land Affairs, 2001) the intentions of the SDF are to:

- Function as a strategic, indicative and flexible forward planning tool, to guide decisions on land development.
- Develop a set of policies and principles, an approach to the management of spatial development in a Municipal area, which is clear enough to guide decision-makers in dealing with land development applications.
- Provide a logical framework for spatial development, i.e. indicate what developments would be supported, funded and prioritised in the short and medium term.
- To provide a framework for private sector development and investment decisions.
- Facilitate the social, economic and environmental sustainability of the area.
- Enable framework for dealing with natural resource management, land reform, subdivision of rural land and conservation of prime and unique agricultural land.

13.1 Spatial planning criteria

Based on the spatial analysis, the following points or issues are noted as key planning informants to the formulation of the Lukhanji Spatial Development Framework:

- The concentration of population in Lukhanji is fairly pronounced, with nearly 50% of the population residing in the urban areas of Greater Queenstown, Ilinge and Whittlesea.
- Given the primacy of the Queenstown conurbation within the Lukhanji Municipal area (and its importance as a regional service centre), the spatial development emphasis in this regard should be placed on: -
 - Ensuring an efficient urban form and the consolidation of the fragmented settlement pattern prevailing in Queenstown in the medium term;

- Ensuring adequate linkages between the main settlement components of Queenstown, Mlungisi and Ezibeleni, and the enhancement of sub-regional linkages to the Sada-Whittlesea area and surrounding rural settlement areas such as Lesseyton, RA60 (Ilinge) etc.
- From a spatial development perspective, the corridor linking the Greater Queenstown urban centre with the Sada-Whittlesea urban complex to the south – the R67 – is of strategic importance. This is especially so because of the development of denser rural settlements in the area known as RA60, located west of the R67.
- Whilst the proximity of the Sada-Whittlesea urban complex to adjacent rural settlement areas such as Zweledinga and Zulukama suggests that it has some potential to develop into a local service centre, the predominance of the Queenstown urban economy and the range of higher order goods and services available there indicate that this potential may be limited in the short-medium term.
- Nevertheless, the overriding objective in spatial development terms in the Sada-Whittlesea area is the consolidation of the fragmented urban development pattern and the development of a more efficient services provision network in the area.
- The fragmented and sprawling nature of land use that characterises the rural settlement areas in the former Ciskei and Transkei elements of the Lukhanji area represent a major challenge to appropriate land use management.
- The nature of the land use arrangements in these areas is complicated by the historically complex tenure arrangements there, and the lack of appropriate planning, which reflects the livelihood needs of the residents of these areas.
- The focus, therefore, in the rural settlement areas needs to be placed on setting in motion a programme of local planning, which should inform the establishment of appropriate institutional arrangements to oversee and manage land use decisions in these areas. The objective is to minimise settlement sprawl and ensure wise land use practices to prevent further land degradation in these areas.
- Based purely on the distribution of productive potential in the municipal area, it is suggested that a **dual investment strategy** could be followed:
 - Ensure an adequate and sustained rate of investment in social goods and transfers in the Sada-Whittlesea urban complex and the under-developed rural settlement areas; and
 - Counterbalance this with a strategy to focus higher order infrastructure and facilities development in the Greater Queenstown area.

Applying the key spatial informants identified on the basis of the analysis to the guidance provided by the Lukhanji IDP, the following are identified as the Key Spatial Development Issues to be addressed by the Spatial Development Framework: -

Key Spatial Development Issues	
Spatial Fragmentation vs. Basic Needs	This issue highlights the problems inherent in attempting to provide a basic level of service to all residents, whilst dealing with the reality of a spatially fragmented settlement pattern, often comprising of low density, sprawling settlements. The challenge to sustainability is fundamental.
Urban Efficiency (integration)	This refers to the need to consider the inter relationship between the various development needs and settlement areas in Lukhanji and highlights the need to ensure that the main urban centers of Queenstown and Sada-Whittlesea are managed and transformed so as to function with optimum efficiency.
Settlement Trends & Urbanisation	This refers to the current problem of Informal settlement formation in both urban areas such as Mlungisi and in peripheral or rural settlement areas. The challenge is to manage spatial development so as to draw people in to an area where services and facilities can be delivered on a more sustainable basis, and implies focusing on a coherent service and housing delivery policy.
Environmental Management	This refers to the sustainable use of the natural environment and the protection/conservation of environmentally sensitive areas
Land Use Management	This issue highlights the need to ensure that the policies and institutional structures are set in place to allow the Lukhanji Municipality to practice wise land use management in both the urban and rural area under its jurisdiction.

The following objectives were identified in response to the Priority Spatial Issues

Key Spatial Development Issues	Proposed Spatial Development Objectives
1. Spatial Fragmentation vs. Basic Needs	To fulfill basic needs obligations and address spatial integration within available means
2. Urban Efficiency (integration)	To create well-structured, compact and efficient urban settlements
3. Settlement	To develop appropriate land and services for

Trends & Urbanisation	communities requiring settlement assistance
4. Environmental Management	To adhere to environmental law and protect environmentally sensitive areas
5. Land Use Management	To develop and implement an appropriate Land Use Management System (LUMS)

13.2 Spatial Development Strategies

The following spatial development strategies have been formulated to correspond with the spatial development objectives outlined above.

- Ensure efficiency and sustainability of basic services, by promoting the integration of sprawling settlements in both urban and rural areas.
- Consolidate and integrate spatial development by developing land in proximity to public transport and existing services.
- Develop infill areas within fragmented settlement areas.
- Institute a programme of monitoring settlement formation in urban and rural areas.
- Support a land reform and settlement development programme by identifying zones of opportunity for land development.
- Implement the principles of Integrated Environment Management (IEM).
- Implement a programme to develop appropriate new Zoning Schemes for Urban and Rural areas, in line with the direction of new legislation.

13.3 Spatial structuring elements

Four basic Spatial Structuring Elements guide spatial development decision-making in the Lukhanji area: these elements are used to manage and guide development into certain patterns or arrangements, which are intended to promote more efficient future development

13.4 Development Nodes of Importance

The following classes of node have been identified and/or are proposed:

NODE TYPE	AREA/LOCALITY	DESCRIPTION
Municipal Level – Level 3 Primary Node	Greater Queenstown	The higher order urban settlement in Lukhanji, this area should be targeted for the following: - <ul style="list-style-type: none"> • Investment in infrastructure; • Development of new public-funded housing areas; • Development of regional social goods

NODE TYPE	AREA/LOCALITY	DESCRIPTION
		<p>and facilities, including educational institutions, and sports and recreational facilities</p> <ul style="list-style-type: none"> • Land use management that focuses on establishing the CBD as an attractive area to do business in. • Land use management that facilitates the orderly development of office and retail accommodation
Municipal Level – Level 2 Secondary Node	Greater Whittlesea	<p>The secondary urban settlement in Lukhanji, this area should be targeted for the following: -</p> <ul style="list-style-type: none"> • Investment in infrastructure; • Land use management that focuses on improving the CBD; • Land use management that promotes urban infill in the development of new public-funded housing areas; • Feasibility study on establishing intensive irrigation-fed agricultural enterprises at Shiloh and below the Ockraal Dam. • Development and Marketing of Liberation Heritage Route at Sada and Ntabelanga/ Bulhoek
Central Business District	1. Queenstown	<p>The Queenstown CBD is the most important locality for local economic development and serves as a regional centre to a wide hinterland. It should be prioritised for: -</p> <ul style="list-style-type: none"> • A CBD Revitalisation Framework, which is aimed at identifying optimum land use and traffic arrangements in the locality.
	2. Whittlesea	<p>The Whittlesea CBD is a minor business and administrative centre, located along the R67 mobility route to Queenstown. It should be prioritised for: -</p> <ul style="list-style-type: none"> • The development of appropriate public transport facilities to facilitate its role as a sub-regional transport interchange and minor service centre. • Appropriate land use management interventions to ensure a more

NODE TYPE	AREA/LOCALITY	DESCRIPTION
		effective land use pattern in and around the CBD.

13.5 Development Corridors of Importance

The following corridors are identified within the municipality: -

TYPE	AREA/DESCRIPTION OF LOCALITY
Mobility Routes – Municipal level	<ul style="list-style-type: none"> • N6 East London-Queenstown-Bloemfontein • R67 Fort Beaufort-Whittlesea-Aliwal North • R61 Cradock-East London • R392 Dordrecht-Queenstown-Fort Beaufort • R396 Lady Frere-Queenstown-Fort Beaufort
Mobility Routes – Local level	<ul style="list-style-type: none"> • N6-Ezibeleni Access Road
Activity Corridors	<ul style="list-style-type: none"> • Cathcart Road, Queenstown
Activity Streets	<ul style="list-style-type: none"> • Victoria Road, Queenstown • Whittlesea Main Road (R67)

13.6 Urban Edges

The concept of an urban edge is most commonly used to identify the outer limits of areas where the Municipality would prefer to see an urban level of development. In short, the urban edge defines the proposed boundary line where the transition from the urban area to peri-urban and rural development is seen to be desirable, involving differing land use characteristics and density of development

It is important to note that the Urban Edge defines the zone within which the municipality will endeavour *to upgrade levels of infrastructure over a period of time and according to available resources, to support higher densities of residential, industrial, and commercial development.*

Beyond the Urban Edge, it is envisaged that rural communities will enjoy lower density environments with basic infrastructure and social facilities.

For the purposes of consistency, the urban edges are proposed to run as follows: -

- Queenstown Urban Edge – this follows the former Queenstown TLC boundary but includes the farm known as New Rathwick, located south of Mlungisi, which is identified as a priority public funded housing development area.

- Sada-Whittlesea Urban Edge – this follows the former Whittlesea TLC boundary and includes the low-lying area between the settlements of Whittlesea, Sada and Ekuphumleni, which is identified as a potential development area for urban agriculture.

Finally, one of the primary functions of the Urban Edge is to protect valuable agricultural land from being eroded by urban sprawl. For this purpose, *agricultural land is seen as all land zoned for agricultural purposes plus all land (whether zoned or not) that was defined as agricultural land in terms of the Subdivision of Agricultural Land Act (Act No. 70 of 1970) and land currently used for either commercial or non-commercial agricultural purposes: excluding land identified in the Spatial Development Framework for non-agricultural development.*

The following principles apply: -

- The future identification of Prime and Unique Agricultural land is held to represent a limitation on the use of such land for non-agricultural purposes.
- In addition, urban agricultural activities in appropriate localities is strongly supported and the Lukhanji Municipality should investigate forming a joint partnership approach to this issue with the Department of Agriculture and, if possible, relevant NGOs.
- Lastly, rural agriculture is held to be a prime resource in Lukhanji and needs to be nurtured in both formal commercial enterprises as well as in the traditional rural settlement areas, where much value could be realised by appropriate support and management of resources.

13.7 Environmental Constraints

The environmental conservation and management areas in Lukhanji comprise all afforested areas, nature reserves, river flood plains, steep slopes in excess of 1 in 6 gradient and fragile ecosystems. The following points are noted: -

- A key consideration and structuring element is the definition of an extended conservancy network by the Sub-Tropical Thicket Ecosystem Planning (STEP) Programme, in the eastern sector of the Municipal area. This area is defined as one that contains systems of natural pathways for conservation-worthy plants and animals that ensure these species survival. As such, this area should be protected from high-impact land uses.
- At a local level, the impact of 1:100-Year floodlines needs to be calculated and illustrated on all Site Development Plans for development in both Queenstown and Whittlesea.

- In this regard, it is noted that Queenstown is developed within the Komani river valley, situated south of the foothills of the Stormberg Mountain range. It should be noted that Section 144 of the National Water Act (Act 36 of 1998) requires that all development be subject to the illustration of the 1:100 Floodline.

13.8 Special development areas

In order to give a focus for the organisational activities of the Municipality as it strives to achieve its developmental goals, several specific areas (or geographic localities) have been identified as Special Development Areas. These are: -

- The Central Business Districts (CBDs) of Greater Queenstown and Greater Whittlesea
- New Public-Funded Housing Development Areas: -
 - New Rathwick
 - Ezibeleni West Infill Areas
 - Mlungisi Infill Areas
 - Sada-Whittlesea Infill areas
- Rural Development Areas
 - Rural Settlement Upgrade Areas
 - Areas for Agricultural Development (Land Reform)

Queenstown CBD

The economy of Queenstown is built primarily upon administrative and retail services. In order to ensure optimal development and performance of these sectors, it is important to plan and allow for their future extension in the Queenstown CBD.

Whittlesea CBD

Whittlesea's main role is as a service centre to the surrounding rural hinterland.

- Some opportunities exist to further increase this role by developing its commercial sector.
- Potential also exists for Whittlesea to develop into an urban node, with strong links to Queenstown. Currently most residents commute to Queenstown or other higher order nodes for employment and to access higher order goods and services.
- The medium-term potential for Whittlesea to accommodate a periodic market should be explored.

13.9 Public-Funded Housing Development Areas

In order to achieve urban efficiency, compact cities must be encouraged. This is achieved through infill and increased densification. Residential settlements must also be easily serviced and accessible.

The following areas have been identified for public-funded residential development: -

(i) **Public-funded Housing Development Areas: Greater Queenstown**

LAND IDENTIFIED FOR FUTURE RESIDENTIAL DEVELOPMENT			
PUBLIC-FUNDED HOUSING			
AREA	SURFACE AREA HECTARES	POTENTIAL NUMBER OF DWELLING UNITS 16 Units / ha	TOTAL (Cumulative)
NEW RATHWICK			
LU 1	628.1	10 050	10 050
MLUNGISI INFILL AREAS			
LU 2	13.1	210	210
LU 3	20.6	330	540
LU 4	10.8	173	713
LU 5	90.5	1448	2161
EZIBELENI WEST INFILL AREAS			
LU 6	81.41	1303	1303
LU 7	24.02	384	1687
LU 8	121.59	1945	3632
LU 9	50.5	808	4440
LU 10	27.57	441	4881
LU 11	82.54	1321	6202
TOTAL NUMBER OF RESIDENTIAL UNITS @ 16 UNITS/Ha			18 413

(ii) **Public-funded Housing Development Areas: Greater Whittlesea**

A negative feature in the Greater Whittlesea area is its extremely fragmented settlement pattern, with three separate urban components.

Consequently, a priority spatial development approach in this area is to ensure that future public-funded housing developments counteract this fragmentation and are planned on infill areas to encourage the development of a more consolidated urban form, over time.

The following areas have been identified for public-funded housing developments: -

LAND IDENTIFIED FOR FUTURE RESIDENTIAL DEVELOPMENT PUBLIC-FUNDED HOUSING			
AREA	SURFACE AREA HECTARES	POTENTIAL NUMBER OF DWELLING UNITS 16 Units / ha	TOTAL (Cumulative)
LU 1	92.71	1483	1483141483
LU 2	60.58	970	2453
TOTAL NUMBER OF RESIDENTIAL UNITS @ 16 UNITS/Ha			2453

From a strategic point of view, given the economic primacy of the Queenstown conurbation, it should be noted that large-scale residential growth should not be encouraged in Greater Whittlesea, as the area lacks the range and scale of economic activities needed to sustain a growing population.

Rather, in the short to medium term (next 5 – 10-year horizon), it would be more beneficial and cost efficient to focus increased residential growth in Queenstown, where development potential is greater (some 18,000 units at a relatively low density of 16 units/ha).

13.10 Rural Development Areas

As a category of special development area, rural development areas are identified where special circumstances prevail that require intervention and/or development support. Two such instances are identified, namely: -

- Areas where Rural Settlement Upgrade is required to: -
- Redress decades of poor land use control and unwise land use practices; and
- To institute a spatial planning and institutional platform for extending land use management to these areas on a systematic basis.
- Areas where land potential is such that Land Reform For Agricultural Development initiatives may be encouraged.

13.11 Land use management guidelines

It is accepted that the Municipality intends to approach the issue of land use management on a more holistic scale, using currently available statutory planning mechanisms, including the Land Use Planning Ordinance and the Development Facilitation Act.

Proposed key elements to a more holistic approach to land use management are: -

- Firstly, in respect of the concern to ensure a more sustainable approach to urban and rural settlement development, a prototypical framework for categorising settlement models or "types" and

associating these with typical Levels of Service (LOS) provision is proposed .

- Secondly, in order to provide a flexible guideline to land use management in the different urban and rural settings of the Lukhanji area, four distinct types of Spatial Management Area are identified, each with applicable Preferred Land Use Outcomes.

Settlement Models and Prototypical Levels of Services

The underlying intention of defining different settlement models – or “typical forms of settlement” – is the establishment of a range of spatial planning and servicing options that the Lukhanji Municipality could endorse and make available to prospective beneficiaries of a land development process.

It is acknowledged at the outset that the range of settlement models is more easily contemplated in a ‘greenfields’ situation. However the models are not only for new developments, but can be used to broadly identify and categorise existing settlements in order to shape planning and support interventions in these areas.

The following are the suggested range of generic settlement models proposed:

Settlement Models 1 -3

1 Broad Development Parameter	Model No.	Model 1.	Model 2.	Model 3.
Primary Source of Development Funding		<ul style="list-style-type: none"> • Housing Development Subsidy • Municipal Infrastructure Grant (MIG) 	<ul style="list-style-type: none"> • DLA Settlement & Commonage Grants • Housing Development Subsidy • Municipal Infrastructure Grant (MIG) 	<ul style="list-style-type: none"> • DLA LRAD Subsidy • Beneficiary contribution • Institutions (Land Bank etc.)
Location		<ul style="list-style-type: none"> • Urban infill / Within Urban Edge 	<ul style="list-style-type: none"> • In Rural Settlement Areas 	<ul style="list-style-type: none"> • Outside defined Rural Settlement Areas • Within an area where specific provision has been made for restriction of land use for production.

1 Broad Development Parameter	Model No.	Model 1.	Model 2.	Model 3.
Responsibility for Servicing		<ul style="list-style-type: none"> Local Authority 	<ul style="list-style-type: none"> Local Authority (possibly with DM support) 	<ul style="list-style-type: none"> Private
Dominant Land Use		<ul style="list-style-type: none"> Residential with requisite support uses. 	<ul style="list-style-type: none"> Mixed (residential and agriculture) 	<ul style="list-style-type: none"> Farming enterprises
Livelihoods Base		<ul style="list-style-type: none"> Primarily the urban economy 	<ul style="list-style-type: none"> Mixed (urban and land-subsistence) 	<ul style="list-style-type: none"> Primarily Agriculture
Investment Priority		<ul style="list-style-type: none"> Higher order infrastructure Housing Community facilities 	<ul style="list-style-type: none"> Land Basic Level of Service (LOS) infrastructure Livelihood opportunities 	<ul style="list-style-type: none"> Land Agricultural infrastructure

13.12 Preferred Land Use Outcomes in Spatial Management Areas

In order to provide a user-friendly yet flexible guide to land use management, it is proposed to apply the concept of Preferred Land Use Outcomes in relation to identified Spatial Management Areas. For these purposes, Spatial Management Areas (SMAs) are areas that are identified on the basis of their unique characteristics.

The SMAs identified within the Lukhanji Municipal area are noted as follows:

- (i) The Greater Queenstown Urban Area
- (ii) The Greater Whittlesea Urban Area
- (iii) Rural Settlement Upgrade Areas
- (iv) Extensive Non-Urban Land Use Areas

The Preferred Outcomes set out in the SDF describe broadly the Lukhanji Municipality's policy positions on issues such as: -

- Maintenance of an urban edge;
- Urban Renewal initiatives (e.g. Queenstown CBD);
- Land Use change from residential to non-residential uses;

- Densification of urban residential environments to facilitate efficiency

13.13 Preferred land use outcomes - Greater Queenstown

Description of the Area	<p>This SMA is comprised of the following areas: -</p> <ul style="list-style-type: none"> • The urban area of Queenstown, including the suburbs of Mlungisi, Aloveale, Victoria Park and Queensview Park • The urban area of Ezibeleni • The proposed residential extension area of New Rathwick • The Lawrence de Lange Nature Reserve <p>The SMA is defined by the proposed urban edge, as illustrated on Plan No. 5.3.</p>
Status of Policy Plans Applicable in the SMA	<p>The following existing Spatial Plans have effect in SMA 2: -</p> <ul style="list-style-type: none"> • The Queenstown TLC Structure Plan
Preferred Land Use Outcomes in SMA	<ul style="list-style-type: none"> i) Land use management is enforceable through normal zoning scheme regulations, i.e. land uses allowed in terms of applicable zonings and density control. ii) Compliance with the Land Use Management System and conditions of approval of land use applications is to be actively enforced. iii) Provide protection of any Heritage Buildings. iv) Provide land use management measures for the orderly intensification of land use within the Queenstown CBD. v) Provide for promotion of the regeneration of the Queenstown CBD. vi) Allow for the densification of residential land uses in public-funded housing development areas to facilitate economical housing provision. vii) Identify areas in which business development should be promoted through land use management measures, through a Local Spatial Development Framework. viii) Measures to prevent land invasion to be actively implemented. ix) Provision should be made for urban agricultural development where feasible on land within and surrounding urban settlements.

Applicability of Legislation

AREA

APPLICABLE LEGISLATION ZONING SCHEME

Queenstown	LUPO	Queenstown Zoning Scheme
Mlungisi	Regulation R1897 in terms of Act 4 of 1984	Standard Zoning Scheme per Regulation
Ezibeleni	Township Regulations R293 of 1961, as amended	None. Land use regulated by conditions of Deed of Grant

13.14 Preferred land use in the greater Whittlesea urban area

Description of the Area	<p>This SMA is comprised of the following areas: -</p> <ul style="list-style-type: none"> • The urban area of Whittlesea, including township extensions • The urban area of Sada • The urban area of Ekuphumleni <p>The SMA is defined by the proposed urban edge, as illustrated on Plan No. 5.5.</p>
Status of Policy Plans Applicable in the SMA	There are no forward plans that have effect in this area.
Preferred Land Use Outcomes in SMA	<p>i) Provide land use management measures for the orderly intensification of land use within the Whittlesea CBD.</p> <p>ii) Provide for promotion of the regeneration of the Whittlesea CBD.</p> <p>iii) Allow for the densification of residential land uses in public-funded housing development areas to facilitate economical housing provision.</p> <p>iv) Measures to prevent land invasion to be actively implemented.</p> <p>v) Provision should be made for urban agricultural development where feasible on land within and surrounding urban settlements.</p>

Applicability of Legislation

AREA	APPLICABLE LEGISLATION	ZONING SCHEME
Whittlesea	Ciskei Land Use Regulation Act No. 15 of 1987	None. Land use amendments by application referred to Land Use Planning Board
Sada	Township Regulations R293 of 1961, as amended	None. Land use regulated by conditions of Deed of Grant
Ekuphumleni	Township Regulations R293 of	None. Land use regulated by

	1961, as amended	conditions of Deed of Grant
Ekuphumleni Ext. 1	Ciskei Land Use Regulation Act No. 15 of 1987	None. Land use amendments by application referred to Land Use Planning Board

13.15 Preferred land use in rural settlement upgrade areas

Description of the Area	<p>These SMAs are comprised of the following areas: -</p> <ul style="list-style-type: none"> • The Zulukama area • The Zweledinga/Hembu area • The Shiloh area • The RA60 area • The Lesseyton area, including the settlements of Lesseyton, New Beka, Reinbron, Toisekraal, Xuma and Tabata • The Hala – Cacadu area • The Nonesi – Cacadu area • Ilinge <p>The SMAs are broadly illustrated on Plan No. 5.6.</p>
Status of Policy Plans Applicable in the SMA	There are no forward plans that have effect in this area.
Preferred Land Use Outcomes in SMA	<p>i) Growth of rural settlements to be limited through land use management and density control to prevent uncontrolled expansion into communal agricultural land.</p> <p>ii) Measures to prevent land invasion to be actively implemented.</p> <p>iii) Informal enterprises (such as brick making enterprises etc.) along rivers and/or dams should be formalised and controlled, subject to environmental legislation.</p> <p>iv) Prime and unique agricultural land to be identified and secured from future settlement development.</p>

Applicability of Legislation

AREA	APPLICABLE LEGISLATION	ZONING SCHEME
Ilinge	Township Regulations R293 of 1961, as amended	None. Land use regulated by conditions of Deed of Grant
RA60	LUPO	None. Land use regulated by LUPO Scheme

		Regulations
Former Ciskei and Transkei rural settlement areas/villages	Land Regulations R 188 of 1969	None.

13.16 Preferred land use in extensive non-urban land use areas

Description of the Area	<p>These SMAs are comprised of the following areas: -</p> <ul style="list-style-type: none"> • Areas identified for land reform for agricultural development, including the Gwatyu bloc, and the Allanwater area, as identified on Plan No. 5.6. • Other areas not included in the identified urban edges of Greater Queenstown and Greater Whittlesea, or incorporated into the defined Rural Settlement Upgrade areas. <p>The SMAs are illustrated on Plan No. 5.6.</p>
Status of Policy Plans Applicable in the SMA	There are no forward plans that have effect in this area.
Preferred Land Use Outcomes in SMA	<p>i) Land use management is enforceable through normal zoning scheme regulations, i.e. land uses allowed in terms of applicable zonings and density control.</p> <p>ii) Compliance with the Land Use Management System and conditions of approval of land use applications is to be actively enforced.</p> <p>iii) Measures to prevent land invasion to be actively implemented.</p> <p>iv) Informal enterprises (such as brickmaking enterprises etc.) along rivers and/or dams should be formalised and controlled, subject to environmental legislation.</p> <p>v) Prime and unique agricultural land to be identified and secured from future settlement development..</p>

Applicability of Legislation

AREA	APPLICABLE LEGISLATION	ZONING SCHEME
The whole, excluding areas formerly part of the ex-Transkei and/or ex-Ciskei	LUPO (15 of 1985)	None. Land use regulated by LUPO Scheme Regulations
Land areas formerly part of ex-Transkei and/or ex-Ciskei	Environmental legislation	None

13.17 Key spatial planning programmes and priority projects

In order to give effect to the SDF, two spatial development programmes and related priority projects are identified. These are noted as: -

- The Urban and Rural Forward Planning Programme
- The Land Use Management Programme

The Forward Planning Programme

The proposed key Forward Planning Projects for the Lukhanji Municipality are: -

Key Forward Planning Projects

Project Title	Reason for Project's Importance
1. Queenstown CBD Revitalisation Framework	This project is needed to put in place a detailed framework for land development and traffic management in the Queenstown CBD and immediate surrounds.
2. Greater Whittlesea Local Spatial Development Framework	This project is needed to put in place a detailed Spatial Development Framework to manage land development in Whittlesea, Sada, Ekuphumleni and surrounds. Issues that need to be resolved are the linkages between the urban area and the surrounding rural settlement areas, and the incorporation of urban agriculture elements within the urban edge. The proposed budget makes allowance for the inclusion of agricultural development specialists on the Planning Team.
3. Zweledinga Zone Plan and Local Planning process	It is envisaged that a process would be undertaken to engage with communities residing in the Zweledinga area to obtain general agreement on the configuration of settlements, the appropriate spatial planning processes to meet land needs, and a base register of land rights in the subject area. The project is deemed a priority because of reported dynamism in settlement formation in the area, as well as historical tensions around land issues.

The Land Use Management Programme

The Land Use Management Programme addresses the ongoing need for the Lukhanji Municipality to engage in proactive land use management in both urban and rural areas, in line with the intentions of the new spatial planning system in South Africa.

Key activities forming part of this programme are the establishment of an integrated GIS-based dataset logging all cadastral data and financial management data in a user-friendly system. Part of this dataset should be made up of key information on land uses and, where applicable, cadastrally defined land use zones as per applicable Zoning Schemes and/or the Land

Use Planning Ordinance Scheme Regulations. The proposed key Land Use Management Projects for the Lukhanji Municipality are: -

Key Land Use Management Projects

Project Title	Reason for Project's Importance
1. Implementation of <i>first</i> generation Integrated Zoning Scheme for Greater Queenstown area	This project is needed to put in place a more functional Zoning Scheme to enhance the Municipality's performance of its land use regulation role.
2. Conversion of Township Establishment Status of: - a. Ezibeleni b. Sada c. Ekuphumleni	This project will facilitate the conversion of these townships from R293 townships. The process will lead to a number of positive outcomes, including the potential to incorporate these areas into an operational Zoning Scheme as well as bringing them within the ambit of the Upgrade of Land Tenure Act (Act No. 112 of 1991), which will enable the conversion of lesser forms of title to freehold ownership.
3. RA60 Pilot Land Use Management Scheme	The project is proposed in terms of land reform objectives. It is envisaged that a process would be undertaken that would result in an agreed-upon land use management system that would enable the Municipality and the RA60 communities to manage land use and protect land in the subject area. The project is deemed a priority because RA60 has previously been formally planned and is now experiencing influx and reported land invasions.

14 INTRODUCING THE CLUSTER CONCEPT

In order to improve effective realisation of the vision captured in our IDP, a clustering approach to its implementation was adopted. In terms of this approach tasks needed to be conducted will be organised and concentrated into clusters so as to maximise use of limited capacity in delivering IDP programmes. Through these clusters, it is envisaged that relevant sector departments and partner agencies will be able to participate in the municipalities efforts in a more structured and focused way.

The following clusters will be utilised for organising and implementing IDP programmes.

1. Finance, Governance and Administration
2. Economic Development and Planning

3. Community Services and Social Needs
4. Technical services

Each cluster will be convened by a relevant head of department appointed for this purpose and tasked to facilitate the drafting of a cluster programme and ensure that the cluster meets and discuss relevant issues at least once every quarter.

15 FUNCTIONAL AREAS BY CLUSTERS

Based on the situation analysis and discussions at steering committee and representative forum level, the following are key functions for Lukhanji. Note that functions are listed at programme level which implies that in each key functional area, a set of projects will emerge. While the municipality prioritized its top ten KPAs all functions still need to be resourced and performed.

15.1 Finance, Governance & Admin Cluster

- a) Functional administration & Governance
- b) Intergovernmental Relations
- c) Policies & By-laws
- d) Public participation
- e) Support to council political leadership and CDWs
- f) Financial viability
- g) Budgeting
- h) Financial reporting and credit control
- i) Property valuation and billing
- j) Financial policies
- k) HR policies
- l) Indigent policy
- m) Work Place Skills plan
- n) Equity plan and Transformation

15.2 Economic Development & Planning cluster

- a) Local Economic development

- b) Poverty alleviation (linked to LED, indigent policy and special programmes)
- c) Markets
- d) Street trading
- e) Local Tourism
- f) Fencing
- g) Environmental Management
- h) Municipal planning
- i) Housing & Settlement planning
- j) Integrated Development Planning
- k) Performance Management System
- l) Spatial Development Framework
- m) Liberation Heritage Route

15.3 Community services and Social Needs cluster

- a) Disaster Management - Fire fighting
- b) Municipal Health – Health & Hygiene promotion
- c) Special Programmes (including Aids, Disabled, Youth & Women)
- d) Education – early childhood & adult learning programmes
- e) Cemeteries
- f) Cleansing
- g) Waste Management- Refuse removal & transfer stations
- h) Pound Management
- i) Public Safety & Traffic
- j) Public spaces and Parks
- k) Amenities - Sports & Recreation facilities
- l) Community facilities (Halls, pay points, libraries, Museums etc)
- m) Licensing of dogs
- n) Control of liquor selling outlets
- o) Control and inspection of food selling outlets
- p) Public transport

- q) Street lighting

15.4 Technical Services cluster

- a) Water supply provision
- b) Sanitation service provision
- c) Electricity
- d) Roads and Stormwater
- e) Telecommunication
- f) Municipal Public Works
- g) Facilitation of EPWP implementation

15.5 LUKHANJI KEY PRIORITIES (KPAs) FOR 2010/2011

- I. Good Governance (IGR + Restorative Justice processes –renaming)
- II. Institutional Development & Transformation
- III. Financial viability (Clean Audit, budgeting and Revenue improvement)
- IV. Local Economic development
- V. Rural Development
- VI. Service delivery
 - a. Roads and Stormwater
 - b. Housing
 - c. Electricity
 - d. Local Tourism development
 - e. Community and recreational facilities & Amenities
 - f. Special Programmes
 - g. Water & Sanitation provision
 - h. Municipal planning

15.6 LUKHANJI DEVELOPMENT TARGETS FOR 2010/2011

GOOD GOVERNANCE + FINACIAL VIABILITY

- To achieve a clean audit by June 2011
- To improve turnaround time for completion of budget: adjustment by 14 February, DRAFT 10/11 budget to 31 March 2010
- To improve turn around for dealing with disciplinary cases brought before the DC to less than 60 days from date of initial charges by end 2010

- To have all our employees signing a pledge to anti-corruption programme by beginning 2010/11
- To develop clear policy for restorative justice processes and renaming

INSTITUTIONAL DEVELOPMENT & TRANSFORMATION

- To revise and automate and cascade performance management
- To adopt a HR retention strategy
- To adopt revised EEP with specific targets for women, youth and disabled in our top three levels of management
- To apply for accreditation as a housing delivery agent of the department by end of 2010/11 financial year
- To fill all critical budgeted vacancies in the organogram by June 2010
- To facilitate accredited training of at least 40 officials and 8 councilors
- To facilitate training and capacity building of all ward committees

LOCAL ECONOMIC DEVELOPMENT

- To improve Agric contribution to economy by between 1% and 2.5%
- To support Local Tourism Agency
- To adopt an Agriculture and Rural development plan
- To create at least 2500 jobs through implementation of municipal public works programme and EPWP by June 2010 (LED unit function is to collate data from other sections)
- To pilot Liberation Heritage Route at Sada and Ntabelanga/Bulhoek

SERVICE DELIVERY

- To ensure that 90% of our households have safe places to dispose of their refuse and waste by end 2010/11
- To facilitate construction of 2000 low cost houses with support from EC department of Housing
- To facilitate supply of electricity to 85% of households by June 2011
- To construct 50km of new gravel road network in our rural areas by June 2011
- To maintain and or upgrade at least 25km of road surface (Tarr + Gravel) by June 2011
- To facilitate increase household access to water and sanitation services to about 95% for water and 90% for sanitation by June 2011

STRATEGIES & OBJECTIVES

16 VISION

“A municipality of choice that seeks to work closely with its people to promote good governance, economic growth and sustainable delivery of services”

16.1 Mission

To strive for financial and administrative stability while constantly providing effective, affordable, sustainable quality services and also promoting sustainable integrated development in order to achieve socio economic upliftment, stability and growth.

16.2 Value

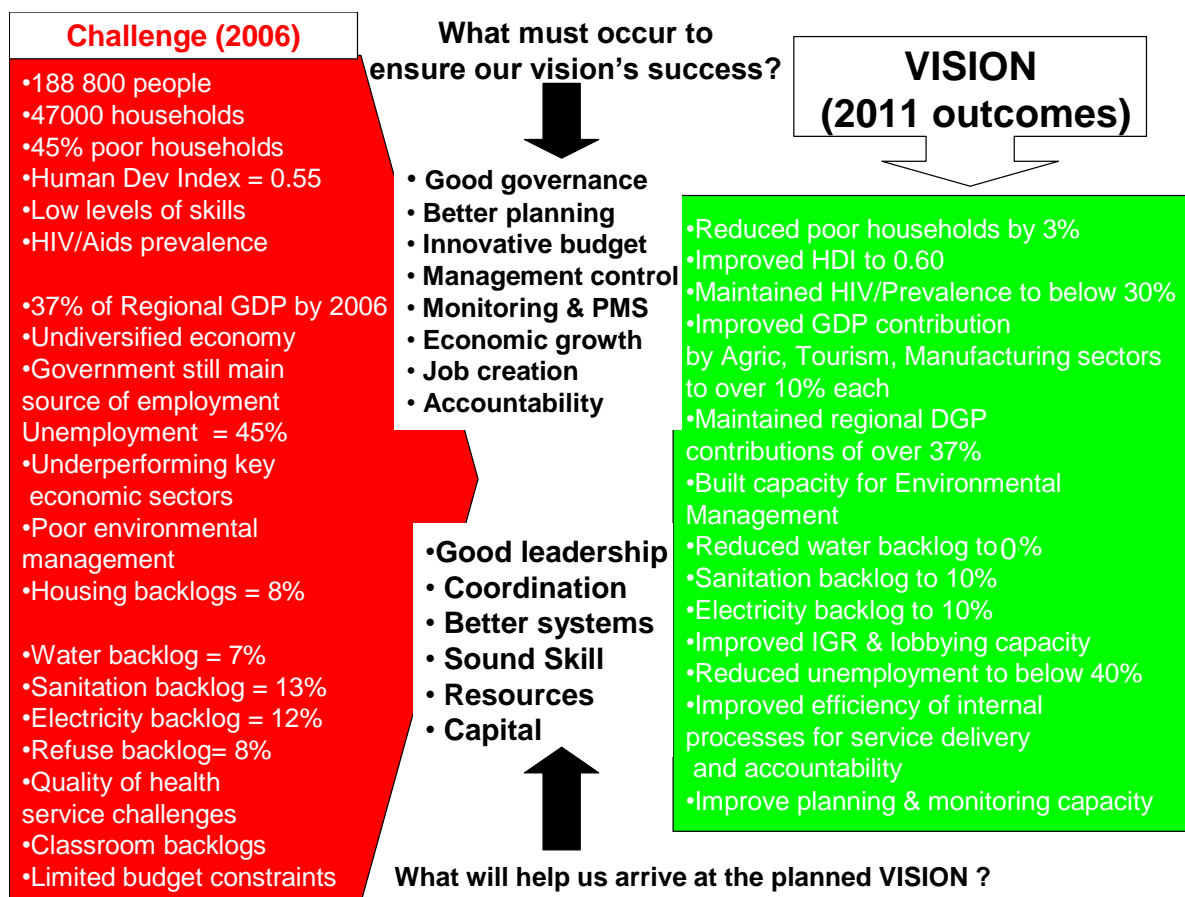
In addition to the Batho Pele principles, our municipality commits itself to upholding the following set of values:

- Good governance
- Accountability
- Public participation
- People Development
- Teamwork
- Integrity
- Tolerance
- Honesty
- Responsibility
- Trust

17 THE MACRO STRATEGY

It is clear from the situation analysis that the development challenge facing the municipality is massive. There are high and compounding service backlogs co-existing with high levels of poverty and unemployment. Available resources are unable to keep-up with the pace of compelling and competing development needs from communities. There is consensus among participants in this IDP formulation that such a situation is undesirable and unsustainable.

A cohesive development vision and macro strategy is essential to turn things around and prevent the looming collapse of development. Priorities have been identified and it is clear that there is inherent competition among them. Unfortunately the reality of the situation is that resources are not available for wholesale redress of the key issues emerging from the analysis. Therefore, a macro strategy that informs the approach to any potential interventions towards addressing the challenges is essential. The macro strategy represents a deliberate commitment by the council to leap towards our vision as illustrated in the diagram below.



It is notable from the above diagram that in order to realize the adopted macro development strategy, the organization will have to undergo key changes in the way that it has been going about its business. The decision to follow the strategy has its implication and requirements (listed in the diagram).

18 OBJECTIVES & STRATEGIES

The following tables outline key objectives and strategies identified for implementation.

18.1 Finance, Governance & Admin Cluster

KPA	OBJ NO.	OBJECTIVE	STRATEGY	STRATEGY CODE
Functional Administration	01	To ensure stable and functional administration	By revising the organogram in line with powers and functions and service delivery mandate	1 FG&A 01
			By implementing and enforcing compliance with Batho Pele principles	2 FG&A 01
			By establishing a customer care centre	3 FG&A 01
			By developing a HR recruitment and retention strategy	4 FG&A 01
Intergovernmental Relations	02	To maintain effective intergovernmental relations	By establishing an intergovernmental forum	1 FG&A 02
			By constantly reminding departments of their responsibilities regarding IDP implementation	2 FG&A 02
Good Governance	03	To maintain reputation of the organisation and ensure good governance practice	By developing and implementing effective municipal code of good governance procedure's manual and implementing restorative justice processes	1 FG&A 03
Policies & By-laws	04	To review existing Policies & by-laws and publicise for by-in and effective implement	By identifying critical areas needing by-laws and commissioning their development and implementation	1 FG&A 04
			By building capacity to enforce existing by-laws	2 FG&A 04
			By updating and implementing the indigent policy	3 FG&A 04

KPA	OBJ NO.	OBJECTIVE	STRATEGY	STRATEGY CODE
Public Participation	05	To ensure effective public participation and encourage people centred and people driven municipal processes of planning and decision making	By supporting the work of Community Development Workers (CDWs)	1 FG&A 05
			By training and supporting of ward committees and councillors	2 FG&A 05
			Empower representative forum to continuously engage in effective municipal debates on key development planning issues	3 FG&A 05
			By developing a clear communication strategy and implementing it	4 FG&A 05
Financial viability	06	To ensure sound financial systems and compliant practices at all times	By developing and implementing effective revenue raising and collection strategy	1 FG&A 06
			By developing and implementing strict financial control systems in line with GAMAP /GRAP (MFMA) requirements	2 FG&A 06
			By Performing financial accountability oversight and monitor expenditure to ensure strict compliance with budget and responding to AG queries	3 FG&A 06
			By revising the valuation roll in line with Property Rates Act to cover the entire municipality and linking it to the billing system	4 FG&A 06
			By budgeting innovatively and enforcing strict compliance with adopted 2010/11 budget	5 FG&A 06
			By producing and implementing revised tariffs in line with adopted 2010/11 budget	6 FG&A 06
			By developing asset management policy and plan	7 FG&A 06

KPA	OBJ NO.	OBJECTIVE	STRATEGY	STRATEGY CODE
Support to Council political leadership	07	To provide effective support to council processes and its political structures	By providing dedicated administrative support to council meetings, committees, political offices of Mayor, Speaker and others	1 FG&A 07
Work Place Skills Plan	08	To develop and implement a work place skills plan	By drafting and adopting the strategy by December 2010	1 FG&A 08
Equity Plan	09	To ensure that our organisation is transformed and reflects local demographics in its staffing composition	By setting clear transformation targets and implementing an employment equity plan linked to WSP and HR retention strategy	1 FG&A 09
			By introducing clear targets for senior management staffing and monitoring them via our recruitment strategy	2 FG&A 09

18.2 Economic Development & Planning Cluster

KPA	OBJ. NO.	OBJECTIVE	STRATEGY	STRATEGY CODE
Local Economic Development	10	To support and promote SMMEs development and co-operatives	By implementing LED strategy and investment framework to guide municipal interventions in economic development	1 ED&P 10
			By establishing partnerships with strategic institutions in order to mobilise needed resources for economic development and capacity building	2 ED&P 10
			By building capacity and training of LED officers in the municipality	3 ED&P 10
			By facilitating implementation of poverty alleviation programmes by sector departments and other agencies	4 ED&P 10
	11	To diversify local economy and improve value chain support	By monitoring performance of key sectors based on defined LED strategy outcomes	1 ED&P 11
			By promoting value chain activities in the agricultural, rural development and manufacturing products	2 ED&P 11
			By promoting agriculture and rural development together with the department of Agriculture	3 ED&P 11
Unemployment	12	To reduce unemployment and create job opportunities	By creating short terms jobs through the implementation of our infrastructure projects and facilitation of EPWP labour intensive delivery programme and skilling of the unemployed	1 ED&P 12
Trade and Markets	13	To regulate, support and manage local markets and street traders	By developing and enforcing relevant by-laws to regulate and manage street trading and informal market	1 ED&P 13

KPA	OBJ. NO.	OBJECTIVE	STRATEGY	STRATEGY CODE
			By formalising informal street trading / hawkers	2 ED&P 13
			By identifying and linking local producers to relevant markets as part of the strategy	3 ED&P 13
Local Tourism	14	To establish potential and grow sector contribution to GDP	By implementing the adopted local tourism plan	1 ED&P 14
		To Pilot sustainable Liberation Heritage Route in Greater Whittlesea/Sada/ Ntabelanga	Protect LHR Site at Sada; Develop Tourism Facilities at Sada/Ntabelanga; Package and Market Route nationally and internationally	
Fencing	15	To mobilise resources for fencing of open lands, arable lands, and public facilities	By lobbying for joint resources from sector departments and implementing fencing projects	1 ED&P 15
Municipal Planning	16	To ensure building of capacity for effective planning and implementation of our programmes	By training of our staff to manage planning and implementation of committed programmes	1 ED&P 16
			By annually revising and adopting IDP before 31 March of the financial year	2 ED&P 16
			By annually revising and adopting municipal budget before 31 March of the financial year	3 ED&P 16
			By continually revising and implementing PMS	4 ED&P 16
			By continually revising and implementing SDF	5 ED&P 16
			By continually revising and implementing SDBIPs	6 ED&P 16
Environmental Management	17	To ensure effective management of the environment and conservation	By developing internal capacity and lobbying support and resources from other government spheres for environmental management, state of environment reporting and processing of EIAs	1 ED&P 17
			By developing an environmental sector strategy to guide activities such as the prevention of soil erosion and conservation	2 ED&P 17

KPA	OBJ. NO.	OBJECTIVE	STRATEGY	STRATEGY CODE
Housing & Land Reform	18	To facilitate delivery of different mix of housing development	By implementing the housing sector plan to guide implementation of housing development	1 ED&P 19
			By facilitating the processing of applications for housing subsidies on behalf of local beneficiaries	2 ED&P 18
			By lobbying land affairs to support the planning, implementation of land reform, survey and housing projects in our areas	3 ED&P 18
Billboards and advertising	19	To regulate placing and erection of billboards and advertising on public areas	By developing inventory and database of advertisers and package information to attract investments through the usage of local billboards along streets and major roads	1 ED&P 19

18.3 Community Services & Social Needs Cluster

KPA	OBJ. NO.	OBJECTIVE	STRATEGY	STRATEGY CODE
Disaster Management (Fire fighting)	20	To ensure effective management and prevention of fires in all areas of the municipality	By disseminating information and educating public about the eminent risks of fires	1 CS&SN 20
			By training fire fighters within the municipality	2 CS&SN 20
Pounds	21	To provide and manage pounds for the control of stray animals	By maintaining existing pounds and ensuring safe keeping of animals found astray on our roads and public spaces	1 CS&SN 21
Special Programmes	22	To coordinate and implement special programmes	By developing operational plans with community involvement and implement accordingly	1 CS&SN 22
Refuse & Waste collection	23	To provide reliable, efficient, affordable and sustainable service to residents and businesses	By upgrading and regularly maintaining current fleet of working equipment / assets	1 CS&SN 23
			By expanding service coverage to peri-urban and rural areas needing the service	2 CS&SN 23
			By investigating alternative ways of managing waste and promoting recycling of renewable materials (bottle, plastic, glass etc)	3 CS&SN 23
Cleansing	24	To ensure regular maintenance and cleaning of streets and public places	By ring fencing the cleansing function with health and hygiene promotion function	1 CS&SN 24
			By recruiting and deploying cleaners to sweep streets and public places under supervision of Community Services Department	2 CS&SN 24
Municipal Health	25	To regulate premises selling food and liquor	By enforcing compliance with local by-laws and liquor licensing requirements	1 CS&SN 25
	26	To issue and regulate licensing of dogs	By issuing & enforcing compliance with licensing requirements	1 CS&SN 26

KPA	OBJ. NO.	OBJECTIVE	STRATEGY	STRATEGY CODE
	27	To conduct health and hygiene promotion	By undertaking awareness programmes as part of sanitation roll-out programmes	1 CS&SN 27
			By lobbying for funding from the district allocation of Municipal Health & Sanitation funds	2 CS&SN 27
Health Service	28	To facilitate provision of reliable health services and infrastructure	By implementing the SLA and cooperating with District Health office to maintain existing infrastructure and service levels	1 CS&SN 28
			By influencing and supporting the Provincial Health Department to implement commitment made for Lukhanji via SLA and IGF	2 CS&SN 28
	29	To fight the spread of HIV and Aids as well as other communicable diseases	By coordinating together with the district health office the activities of the local Aids Council	1 CS&SN 29
			By support initiatives by municipal structures and other local agencies including ward committees to increase awareness campaigns	2 CS&SN 29
Education	30	To facilitate provision of infrastructure for education and training	By influencing department of education to implement commitments made in their 2010/11 budget for Lukhanji areas via IGF	1 CS&SN 30
	31	To provide early child development support	By supporting, establishing and providing institutions that offer early childhood education and learning – crèches	1 CS&SN 31
	32	To lobby for the development of a local skills development centre	By lobbying for funding from external donors and department of education	1 CS&SN 32
Cemeteries	33	To provide reliable and sufficient space for safe burial in all our areas	By providing effective cemetery service support and maintaining existing facilities and ensuring safe entry and exit points to cemeteries	1 CS&SN 33

KPA	OBJ. NO.	OBJECTIVE	STRATEGY	STRATEGY CODE
			By auditing current cemeteries and installing a functional identification or numbering system for graves	1 CS&SN 33
Public Safety & Traffic	34	To contribute to the reduction of crime	By participating in policing forums (Community Policing Forum & Transport Forum)	1 CS&SN 34
	35	To contribute to law enforcement on the roads	By enforcing compliance with traffic regulations and issuing penalties for contraventions	1 CS&SN 35
Sports, amenities and access to social facilities	36	To facilitate construction and maintenance of sports and recreation amenities	By influencing department of Arts, Sports & Culture to deliver on commitments made for Lukhanji areas	1 CS&SN 36
	37	To ensure provision and maintenance of public parks and amenities	By planning for allocation of land to parks and other amenities	1 CS&SN 37
			By maintaining existing parks, sports amenities owned by the municipality	2 CS&SN 37
Public transport	38	To facilitate smooth provision of public transportation service	By facilitating provision of public transport facilities and management of routes by operators and improving the intermodal rank in Queenstown	1 CS&SN 38

18.4 Technical services cluster

KPA	OBJ. NO.	OBJECTIVE	STRATEGY	STRATEGY CODE
Water	39	To facilitate reduction in current backlogs	By lobbying the district to accelerate delivery of basic water service and infrastructure in all our areas to reduce backlog by further 5% for water by June 2011	1 TS 39
	40	To improve access to and security of water supply	By discouraging and reducing incidences of illegal connections and ensuring that existing network supports community equitably	1 TS 40
			By lobbying the CHDM to complete HEWU bulk and Xonxa Dam schemes and sinking of new boreholes in priority areas	2 TS 40
	41	To facilitate management of water demand	By implementing water demand management strategies and public education in line with Chris Hani WSDP and improving monitoring and evaluation of impact as well as installing bulk meters in Whittlesea	1 TS 41
	42	To improve level of service provision in rural areas	By improving cooperation between CHDN and Lukhanji on the implementation of ROMP for service level options in rural village schemes	1 TS 42
Sanitation	43	To facilitate reduction in current backlogs	By lobbying the district to accelerate delivery of basic sanitation service and infrastructure and to reduce backlog by 18% in June 2011	1 TS 42
Electricity	44	To facilitate reduction in current backlogs	By lobbying Eskom to accelerate delivery of basic electricity service and infrastructure in all our areas	1 TS 44
			By providing street lighting and high mast lights in peri-urban and rural areas	2 TS 44

KPA	OBJ. NO.	OBJECTIVE	STRATEGY	STRATEGY CODE
	45	To facilitate supply of reliable electricity service to residents and businesses	By providing and maintaining household connections while influencing Eskom to supply local businesses with reliable service via IGF	1 TS 45
			By promoting investments in alternative supply sources like solar and windmill based power energy and complying with Energy Services Act by 2011	2 TS 45
			By promoting and supporting initiatives to curb cable theft via education campaigns and enforcement of by-laws	3 TS 45
Roads & stormwater	46	To ensure provision of effective and sustainable roads and stormwater service construction and maintenance	By rehabilitating and upgrading access roads leading to community facilities and major settlements via our MIG allocations	1 TS 46
			By constructing and maintaining stormwater infrastructure	2 TS 46
			By improving regular maintenance of tar and gravel roads	3 TS 46
			By lobbying other agencies like SANRA, Public Works, Roads & Transport to construct, maintain and upgrade local access roads in line with their 2010/11 & 2011/12 budget commitments	4 TS 46
Telecommunication	47	To facilitate and ensure construction & maintenance reliable telecommunication network and systems	By lobbying telecommunication service providers like Telkom, Cell C, MTN and Vodacom to provide necessary infrastructure for network coverage in all Lukhanji areas	1 TS 47
			By installing functional ICT infrastructure within the municipality	2 TS 47
Municipal Public Works	48	To ensure construction and maintenance of municipal buildings	By budgeting, planning and executing building construction projects (buildings and maintenance) using internal funds, skill and machinery	1 TS 48
Building control	49	To regulate and control erection of building structures in line with	By developing and enforcing compliance with building control by	1 TS 49

KPA	OBJ. NO.	OBJECTIVE	STRATEGY	STRATEGY CODE
& Regulations		local by-laws and planning schemes	laws, town planning schemes and national building regulations	

19 MUNICIPAL TURN-AROUND STRATEGIES

Following the instruction of the new minister of Cooperative Governance for all municipalities to engage in municipal turn-around strategy exercises, Lukhanji Municipality adopted the following set commitments aimed at introducing the turn-around changes needed to bring the organization back on track. However, the agreed MUTAS commitments could not be fully costed as there were no new financial resources injected into the municipality to address the MUTAS. It is expected that the municipal leadership will facilitate the realization of the MUTAS via the IGF as many of the needed interventions fall outside of the mandate scope of powers and functions of the Lukhanji Municipality. Below is the agreed MUTAS.

Turn Around Strategy for Local Government (LGTAS)

1.1 Objectives

The objectives of the LGTAS are:

- To restore the confidence of the majority of our people in municipalities, as the primary delivery machine of the developmental state at a local level.
- To re-build and improve the basic requirements for a functional, accountable, responsive, effective, efficient developmental local government
- To ensure that the municipality meets the basic needs of communities;
- To build clean, effective, efficient, effective responsive and accountable local government;
- To improve performance and professionalism in municipalities;
- To improve national and provincial policy, oversight and support;
- To strengthen partnerships between communities, civil society and local government.

1.2 Root Causes of Municipal Problems

Seven root causes of municipal problems have been identified viz:

Systemic Factors: two tier system; limited revenue base; demarcation.

Legislative Factors: inappropriate legislation; over- and under-regulation

Political factors: inter- and intra-political conflicts and polarisation

Accountability Systems : lack of performance management systems; poor oversight; poor community participation mechanisms

Capacity & Skills : lack of capacity in small & rural municipalities

IGR support & oversight : fragmented national and provincial support; weak oversight

Intergovernmental Fiscal Regime : poor grant design & limited impact; grant dependency

1.3 Pre 2011 LGTAS Priorities

1. Accelerate the service delivery programme on basic services: water, sanitation, electricity, human settlements, refuse removal, roads etc.
2. Address immediate financial and administrative problems in municipalities
3. Regulations to stem indiscriminate hiring and firing
4. Eliminate fraud and corruption in municipalities
5. Ensure & implement a transparent municipal supply chain management system
6. Strengthen Ward Committee capacity & implement new ward governance model
7. Include national and provincial commitments in IDPs
8. Differentiated responsibilities and simplified IDPs
9. Funding and capacity strategy for municipal infrastructure
10. Restructure the Municipal Infrastructure Grant (MIG)
11. Intergovernmental agreement with metros on informal settlement upgrade
12. Rearrange capacity grants & programmes, including Siyenza Manje support
13. Upscale Community Works Programme
14. Implement Revenue Enhancement – Public Mobilisation campaign
15. Launch “good citizenship” campaign, focusing on governance values to unite the nation

No .	Priority Turn Around Focal Area	What is the situation of each area of the HRM/D listed below by January 2010?	Annual Target for 2010/11		Capacity challenges identified during the assessment	Municipal Action (Which specific activities will the municipality undertake to deliver on its yearly target?)	Indicators	Unblocking Actions Needed from other Spheres and Agencies (Name the sphere/agent from whom a specific support is needed and clearly specify the actions)
			Dec. 2010	Jun. 2011				
	developed	<p>been concluded but a policy is to be developed.</p> <p>Un availability of HR Plan</p> <p>No strategies in place to attract scarce skill and retain the existing staff.</p>	Dec 2010		<p>of employees policy.</p> <p>Un availability of HR Plan</p> <p>No strategies in place to attract scarce skill and retain the existing staff</p>	<p>To develop a functional HR Plan</p> <p>To Develop strategies to attract scarce skills and retain the existing staff.</p>	<p>Availability of functional HR Plan</p> <p>Availability of strategies to attract scarce skills and retain the existing staff.</p>	

No .	Priority Turn Around Focal Area	What is the situation of each area of the HRM/D listed below by January 2010?	Annual Target for 2010/11		Capacity challenges identified during the assessment	Municipal Action (Which specific activities will the municipality undertake to deliver on its yearly target?)	Indicators	Unblocking Actions Needed from other Spheres and Agencies (Name the sphere/agent from whom a specific support is needed and clearly specify the actions)
			Dec. 2010	Jun. 2011				
1.2	Vacancies in S57 position	Ali section 57 positions are filled No female section 57 managers			N/A No female section 57 managers	N/A To bridge the gap in sec 57 female manager's employment	Filling of all Section 57 Managers positions Availability of Sec 57 female managers.	N/A N/A
1.3	Vacancies technical positions (Planners, Engineer) General Vacancies	No vacancies 19 % vacancy rate of all staff members Non reviews of the organizational structure	Dec 2010 Dec 2010		N/A 19 % vacancy rate of all staff members. Non	N/A Municipality to fill the posts To review the organization	Filling of all technical positions Fully populated organogram Reviewed organization	N/A N/A N/A

No .	Priority Turn Around Focal Area	What is the situation of each area of the HRM/D listed below by January 2010?	Annual Target for 2010/11		Capacity challenges identified during the assessment	Municipal Action (Which specific activities will the municipality undertake to deliver on its yearly target?)	Indicators	Unblocking Actions Needed from other Spheres and Agencies (Name the sphere/agent from whom a specific support is needed and clearly specify the actions)
			Dec. 2010	Jun. 2011				
		since amalgamation	0		reviews of the organizational structure since amalgamation	al structure	structure	
1.4	All S57 with signed performance Agreements and submitted to the Department	All section 57manager performance agreements have been signed and submitted to the department			N/A	N/A	% of performance agreements signed and forwarded to the Department	N/A
1.5	Development of a Performance	Institutional, and line managers		June 2011	Departmental and Cascading	Municipality to interact with the	Cascaded PMS to lower levels	SALGA, COGTA and DLGTA

No .	Priority Turn Around Focal Area	What is the situation of each area of the HRM/D listed below by January 2010?	Annual Target for 2010/11		Capacity challenges identified during the assessment	Municipal Action (Which specific activities will the municipality undertake to deliver on its yearly target?)	Indicators	Unblocking Actions Needed from other Spheres and Agencies (Name the sphere/agent from whom a specific support is needed and clearly specify the actions)
			Dec. 2010	Jun. 2011				
	Management System Framework	scorecards have been developed. No performance audit committee, Chris Hani DM is not assisting the LM in implementation and monitoring of PMS.		1	of PMS to lower levels No performance audit committee, Chris Hani DM is not assisting the LM in implementation and monitoring of PMS.	national bargaining council To establish performance audit committee To approach Chris Hani to assist in this respect	Availability of functional performance audit committee Availability of meaningful assistance in the development and implementation of PMS	N/A Municipality ,and DM
1.6	Skills	WSP			N/A	N/A	N/A	N/A

No .	Priority Turn Around Focal Area	What is the situation of each area of the HRM/D listed below by January 2010?	Annual Target for 2010/11		Capacity challenges identified during the assessment	Municipal Action (Which specific activities will the municipality undertake to deliver on its yearly target?)	Indicators	Unblocking Actions Needed from other Spheres and Agencies (Name the sphere/agent from whom a specific support is needed and clearly specify the actions)
			Dec. 2010	Jun. 2011				
	development plan for employees (2009/10)	completed and submitted to LGSETA						
1.7	a) LLF meetings convened as planned b) Organisational rights procedure developed	LLF is not fully functional, meeting are not planned	Dec 2010		LLF is not fully functional, meeting are not planned	To ensure that LLF is fully functional	Availability of Functional LLF	N/A
1.8	Employment Equity plan	Employment Equity Policy and the plan is in place.			N/A	N/A	Availability of Employment Equity Policy	N/A
1.9	Staff Turn over	Increase in Staff Turn Over	Dec 2010		Increase in Staff Turn Over	Municipality to appoint on positions	Filling of vacated positions	N/A

No .	Priority Turn Around Focal Area	What is the situation of each area of the HRM/D listed below by January 2010?	Annual Target for 2010/11		Capacity challenges identified during the assessment	Municipal Action (Which specific activities will the municipality undertake to deliver on its yearly target?)	Indicators	Unblocking Actions Needed from other Spheres and Agencies (Name the sphere/agent from whom a specific support is needed and clearly specify the actions)
			Dec. 2010	Jun. 2011				
						that have been vacant due to retirements, resignations deaths, etc.		
2. LEGAL SERVICES								
	Legal Services	No Legal Services Unit, only one person co-ordinating.			No Legal Services Unit, only one person co - ordinating.	Establishment of Legal Services Unit	Availability of functional Legal Services Unit	N/A

No .	Issues from Comprehensive Assessment Report 2009	Priority Turn Around Focal Area	What is the status of ICT with regard to the following areas as of January 2010?	Annual Target for 2010/11		Capacity challenges identified during the assessment	Municipal Action (Which specific activities will the municipality undertake to deliver on its yearly target?)	Indicators	Unblocking Actions Needed from other Spheres and Agencies (Name the sphere/agent from whom a specific support is needed and clearly specify the actions)
				Dec . 2010	Jun. 2011				
3.		Information Communication Technology							
3.1	ICT Unit is not covered by the comprehensive report of 2009.	Establishment of highly institutionalized and well resourced ICT unit	No ICT unit established		June 2011	No ICT unit established	Fill the ICT vacant posts	Established functional ICT unit	COGTA, Treasury & DLGTA-Funding
No trainings attended yet as per skills development requirements			Dec 2011		No trainings attended yet	Ensure that ICT staff have appropriate and up to date skills to perform their duties	Improvement on ICT support services	COGTA, Treasury & DLGTA-Funding	
ICT policies are developed and adopted			Dec 2010		ICT policies are developed and adopted but they are old.	Review the ICT policies and adopt those that are in draft	Implementation of ICT policies	In- house	

No .	Issues from Comprehensive Assessment Report 2009	Priority Turn Around Focal Area	What is the status of ICT with regard to the following areas as of January 2010?	Annual Target for 2010/11		Capacity challenges identified during the assessment	Municipal Action (Which specific activities will the municipality undertake to deliver on its yearly target?)	Indicators	Unblocking Actions Needed from other Spheres and Agencies (Name the sphere/agent from whom a specific support is needed and clearly specify the actions)
				Dec . 2010	Jun. 2011				
3.2		Establishment of up to date equipment & software to optimize IT services	Server room not compliant with standards		June 2011	Server room not compliant with standards	Ensure that Server room is in a secured and good condition	Established Server room that meet the standards by Dec 2010	COGTA, Treasury & DLGTA-Funding

No.	Priority Turn Around Focal Area	What is the status of IDP with regard to the following areas as of	Annual Target for 2010/11	Capacity challenges identified	Municipal Action (Which specific activities will the municipality	Indicators	Unblocking Actions Needed from other Spheres and Agencies
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		January 2010?	Dec 2010	Jun. 2011	during the assessment	undertake to deliver on its yearly target?)		(Name the sphere/agent from whom a specific support is needed and clearly specify the actions)
4	Integrated Development Planning				Capacity level index:			
4.1	National and provincial commitments in IDPs	Poor participation of national and provincial departments	6	3	Sector participation has improved but the quality of input in the IDP is a challenge	Through IGR ensure that officials that attend IDP meetings have decision making powers	No. of departments represented by senior officials	Lukhanji LM, OTP, DLGTA To mobilise sector departments
4.2	Community participation/consultation	Municipality had no Ward Based Plans	1	-	Municipality could not conduct Ward Based Planning due to financial constraints	Municipality to budget for Ward Based Planning	% of municipal budget towards Ward Based Planning	Lukhanji LM, DLGTA, CHDM For financial assistance
4.3	Staff Vacancy Rate	LED Manager is also an IDP Manager	1	-	There is no IDP Co-ordinator and is not catered for in the municipal organogram	Municipality to prioritise the position of IDP co-ordinator in the currently reviewed organogram	Position of IDP co-ordinator reflected in the municipal organogram	Lukhanji LM To review organogram
4.4						Municipality to budget and appoint IDP Co-ordinator	Position of IDP Co-ordinator filled	Lukhanji LM Budget and appoint IDP Co-ordinator

No.	Priority Turn Around Focal Area	What is the status of IDP with regard to the following areas as of January 2010?	Annual Target for 2010/11		Capacity challenges identified during the assessment	Municipal Action (Which specific activities will the municipality undertake to deliver on its yearly target?)	Indicators	Unblocking Actions Needed from other Spheres and Agencies (Name the sphere/agent from whom a specific support is needed and clearly specify the actions)
			Dec 2010	Jun. 2011				
4.5	IDP/Budget alignment	The IDP is not aligned to budget	1	-	The IDP has been adopted without IDP	Municipality to ensure that budget is aligned to IDP	IDP/Budget aligned	Lukhanji LM To align IDP and budget

No.	Priority Turn Around Focal Area	How effective is each of the following public participation structure/mechanism as of January 2010?	Annual Target for 2010/11		Capacity challenges identified during the assessment	Municipal Action (Which specific activities will the municipality undertake to deliver on its yearly target?)	Indicators	Unblocking Actions Needed from other Spheres and Agencies (Name the sphere/agent from whom a specific support is needed and clearly specify the actions)	Budget	MUTAS Projections
			Dec. 2010	Jun. 2011					Current IDP	
5.	Governance and Public Participation index:						Capacity level			
5.1	IGR Structures	They are functional that is, both at the District and Local level	2	2	In terms of the functionality of IGR structures, the sector departments participation is very poor.	Municipality to engage both the CHDM and sector departments managers.	Presentation of Quarterly Reports to Council.	DLGTA and OTP to assist in this regard particularly the poor attendance by sector departments.		

No.	Priority Turn Around Focal Area	How effective is each of the following public participation structure/mechanism as of January 2010?	Annual Target for 2010/11		Capacity challenges identified during the assessment	Municipal Action (Which specific activities will the municipality undertake to deliver on its yearly target?)	Indicators	Unblocking Actions Needed from other Spheres and Agencies (Name the sphere/agent from whom a specific support is needed and clearly specify the actions)	Budget	MUTAS Projections
			Dec. 2010	Jun. 2011					Current IDP	
5.2	Mayoral Outreach Programme	It is effective and the next round of Mayoral Outreach Programmes will be	17 cluster meetings & 8 stakeholders	1	N/A		.		N/A	

No.	Priority Turn Around Focal Area	How effective is each of the following public participation structures/mechanisms as of January 2010?	Annual Target for 2010/11		Capacity challenges identified during the assessment	Municipal Action (Which specific activities will the municipality undertake to deliver on its yearly target?)	Indicators	Unblocking Actions Needed from other Spheres and Agencies (Name the sphere/agent from whom a specific support is needed and clearly specify the actions)	Budget	MUTAS Projections
			Dec. 2010	Jun. 2011					Current IDP	
		during the month of May 2010.								
5.3	Petitions Management	There was one towards the end of last	N/A	N/A			by end of June 2010.	DLGTA, SALGA, CHDM and OTP to assist in this regard.	N/A	

No.	Priority Turn Around Focal Area	How effective is each of the following public participation structures/mechanisms as of January 2010?	Annual Target for 2010/11		Capacity challenges identified during the assessment	Municipal Action (Which specific activities will the municipality undertake to deliver on its yearly target?)	Indicators	Unblocking Actions Needed from other Spheres and Agencies (Name the sphere/agent from whom a specific support is needed and clearly specify the actions)	Budget	MUTAS Projections
			Dec. 2010	Jun. 2011					Current IDP	
		year issue related to political matter								
5.4	Customer Care Services mechanisms	There is a Customer Care official /Call centre			No Customer Care unit in place	Establishment of a Customer Care Unit	Functionality of Customer Unit by June 2011	To lobby Provi DLGTA , CHDM and OTP	N/A	

No.	Priority Turn Around Focal Area	How effective is each of the following public participation structures/mechanisms as of January 2010?	Annual Target for 2010/11		Capacity challenges identified during the assessment	Municipal Action (Which specific activities will the municipality undertake to deliver on its yearly target?)	Indicators	Unblocking Actions Needed from other Spheres and Agencies (Name the sphere/agent from whom a specific support is needed and clearly specify the actions)	Budget	MUTAS Projections
			Dec. 2010	Jun. 2011					Current IDP	
5.5	Capacity Development Programmes for Councillors	Training Committee composed of Portfolio Head of HR and Admin, SDF, one	N/A	N/A	There is a conflict between Officials and Councillors on utilization of SETA Grant	The municipality to engage SETA on this matter by May 2010	Report be presented to Council by June 2010	DLGTA, SETA and SALGA		

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			Dec. 2010	Jun. 2011					Current IDP	
5.6	Roles and Responsibilities of Office Bearers	The offices of the Mayors, Speakers and the Chief Whip roles and responsibilities	N/A	N/A						

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			Dec. 2010	Jun. 2011					Current IDP	
5.7	Public Participation Strategy	There is no Public Participation Strategy and a draft Communication Strategy is in place.	Implementation of the Communication Strategy Muni	Implementation of the Communication Strategy and its	No a Public Participation Strategy	Development of Public Participation Strategy by Nov 2010 Adoption of the communication strategy	Adoption of the draft Communication Strategy by end of May 2010	DLGTA , CHDM and OTP Communication Units to assist in this regard.	N/A	

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			Dec. 2010	Jun. 2011					Current IDP	
	Functionality of Ward Committees		unicipality and DLGTA meet by May 2010.	reviewal Implementation of the Protocol and its review	Lack of record keeping and	by end of May 2010. To develop mechanism for monitoring		CHDM, DLGTA, COGTA and SALGA	N/A	R300 000

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			Dec. 2010	Jun. 2011					Current IDP	
		They are functioning except for some that are not holding their		by March 2010.	<p>submission of quality reports.</p> <p>Lack of office administration skills.</p> <p>Failure to consistently hold meetings</p>	g and evaluation of ward committee functionality by September 2010.	Protocol developed and adopted by end of June 2010.	DLGTA and COGTA to assist in this process		

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			Dec. 2010	Jun. 2011					Current IDP	
	Integration of CDWs into Municipal Programmes	meetings according to plan.			by some ward committees. Insufficient budget to perform their scope of work	The municipality to engage the DLGTA by May 2010				

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			Dec. 2010	Jun. 2011					Current IDP	
					Their programme is not properly coordinated and they claim that, they are accountable to the DLGTA while they are					

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			Dec. 2010	Jun. 2011					Current IDP	
		They are participating in municipal programmes eg Ward Commit			provided an office space e.g community halls and lack of transport					

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			Dec. 2010	Jun. 2011					Current IDP	
5.8	Political Oversight Committees/Mechanisms	It was initially slow off the mark but now functions at an almost optimal level	2	2	Not all members of the Oversight Committee have been trained because of the limited funding.			DLGTA and SALGA to assist in this regard.		

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			Dec. 2010	Jun. 2011					Current IDP	
5.9	Integration of Traditional Leadership/Traditional Councils into Local Government Programmes	Currently they are not part of municipal programmes			Need for capacitation on the roles and responsibilities of municipal Council and Traditional Leaders	Ensure participation of Traditional Councils in all activities of Municipality	Well functioning municipality	DLGTA to assist in these processes		

No.	Priority Turn Around Focal Area	How effective is each of the following public participation structures/mechanisms as of January 2010?	Annual Target for 2010/11		Capacity challenges identified during the assessment	Municipal Action (Which specific activities will the municipality undertake to deliver on its yearly target?)	Indicators	Unblocking Actions Needed from other Spheres and Agencies (Name the sphere/agent from whom a specific support is needed and clearly specify the actions)	Budget	MUTAS Projections
			Dec. 2010	Jun. 2011					Current IDP	
5.10	Declaration of interests by Councillors and Section 57 Manager	Register is in place but being maintained			The Councillors do fail to comply	Declaration of interests by Councillors annually	To present register to council by June 2010			

No.	Priority Turn Around Focal Area	How effective is each of the following public participation structures/mechanisms as of January 2010?	Annual Target for 2010/11		Capacity challenges identified during the assessment	Municipal Action (Which specific activities will the municipality undertake to deliver on its yearly target?)	Indicators	Unblocking Actions Needed from other Spheres and Agencies (Name the sphere/agent from whom a specific support is needed and clearly specify the actions)	Budget	MUTAS Projections
			Dec. 2010	Jun. 2011					Current IDP	
5.11	Gift Register	No gift register in place.			Unaccounted gifts received by both officials and councilors.	Gift Register to be developed for officials and councilors by Corporate Services office.	Gift register presented to Council meeting for adoption by September 2010.	DLGTA and SALGA to assist in this regard.		

No.	Priority Turn Around Focal Area	What is the status of LED with regard to the following areas as of January 2010?	Annual Target for 2010/11		Capacity challenges identified during the assessment	Municipal Action (Which specific activities will the municipality undertake to deliver on its yearly target?)	Indicators	Unblocking Actions Needed from other Spheres and Agencies (Name the sphere/agent from whom a specific support is needed and clearly specify the actions)
			Dec. 2010	Jun. 2011				
6.	Local Economic Development							
6.1	Municipal financial contribution to LED						% of LED budget against the total budget	
6.2	LED Plan aligned to the District LED Strategy; adopted by Council.	There is an LED strategy that is aligned to the DM's which was adopted by council	1	-	Though the strategy had been adopted by council it is difficult for reader/potential investor to ascertain whether there is political	To develop a mayors foreword which will be attached as an appendice to the strategy to certify political buy-in.	1 LED strategy/plan with political foreword	LM To develop the foreword appendice.

No.	Priority Turn Around Focal Area	What is the status of LED with regard to the following areas as of January 2010?	Annual Target for 2010/11		Capacity challenges identified during the assessment	Municipal Action (Which specific activities will the municipality undertake to deliver on its yearly target?)	Indicators	Unblocking Actions Needed from other Spheres and Agencies (Name the sphere/agent from whom a specific support is needed and clearly specify the actions)
			Dec. 2010	Jun. 2011				
					buy-in			
		There is an aerodrome industrial hub feasibility study that was conducted	-	1	Lack of funds to develop the industrial park	Resuscitate the funding model that was discussed with ECDC, possibly with the aim of approaching other funders.	1 MOU signed committing to the development of the industrial hub	LM, CHDM, ECDC, DEDEA, DORT, DED and DTI
		There is an draft internal communication plan	-	1	The locality is not widely marketed to potential funders.	Develop a marketing plan to market the municipal area to potential investors	1 Marketing Plan	LM, CHDM, DEDEA, SEDA, ECDC and GCIS

No.	Priority Turn Around Focal Area	What is the status of LED with regard to the following areas as of January 2010?	Annual Target for 2010/11		Capacity challenges identified during the assessment	Municipal Action (Which specific activities will the municipality undertake to deliver on its yearly target?)	Indicators	Unblocking Actions Needed from other Spheres and Agencies (Name the sphere/agent from whom a specific support is needed and clearly specify the actions)
			Dec. 2010	Jun. 2011				
6.3	Staff vacancy rate	There were a total of 2 LED positions in the organogram, which were all filled.	1	-	The LED/IDP manager has recently resigned leaving the unit with one employee and the unit is overloaded with work which can translate in the ineffectiveness of the unit.	Review the LED part of the organogram to assess the relevant no. of employees needed to drive the function.	1 Reviewed organogram	LM To review organogram and employ LED manager
						Speed-up the employment of the LED manager	1 LED Manager employed	LM

No.	Priority Turn Around Focal Area	What is the status of LED with regard to the following areas as of January 2010?	Annual Target for 2010/11		Capacity challenges identified during the assessment	Municipal Action (Which specific activities will the municipality undertake to deliver on its yearly target?)	Indicators	Unblocking Actions Needed from other Spheres and Agencies (Name the sphere/agent from whom a specific support is needed and clearly specify the actions)
			Dec. 2010	Jun. 2011				
6.4	Public awareness and access to policies/regulations	There are street trading by-laws	2	-	The targeted businesses are not aware of the by-laws hence they are not adhered to.	Review the trading and develop transportation by-laws in consultation with the targeted groups.	No. of by laws reviewed	LM, CHDM, DORT and DoH
			-	2				
6.5	Co-ordination of functional partnerships	There is no stakeholder forum, however there is a LED advisory			The advisory committee does not include civil society groups	Establish LED forum	1 functional LED forum	LM, CHDM, DEDEA, DARD and DLGTA

No.	Priority Turn Around Focal Area	What is the status of LED with regard to the following areas as of January 2010?	Annual Target for 2010/11		Capacity challenges identified during the assessment	Municipal Action (Which specific activities will the municipality undertake to deliver on its yearly target?)	Indicators	Unblocking Actions Needed from other Spheres and Agencies (Name the sphere/agent from whom a specific support is needed and clearly specify the actions)
			Dec. 2010	Jun. 2011				
		committee, which is representative of business and government						

No.	Issues from Comprehensive Capacity Assessment	Priority Turn Around Focal Area	Indicate the number of households with access to the basic services below as of January 2010 as against the total number of households	Annual Target for 2010/11		Capacity challenges identified during the assessment	Municipal Action (Which specific activities will the municipality undertake to deliver on its yearly target?)	Indicators	Unblocking Actions Needed from other Spheres and Agencies (Name the sphere/agent from whom a specific support is needed and clearly specify the actions)
				Dec. 2010	Jun. 2011				
7.		Basic Service Delivery index:				Capacity level			
7.1		Access to Water	47000 81% of households have yard connections, 2.9% have boreholes and 12% RDP stand pipes. 7% remains without water		2012	There is serious drought, the Waterdown dam that is the main source is seating at 60%. The capacity of pipelines is insufficient, pipelines	The plan to use Xonxa dam to keep Bongolo dam full is in place. Water Crisis is formed comprising of LM, DM, DWA, National Treasury and Business people	% of households with access to potable water	LM, DM, DWA, National Treasury and Business people

No .	Issues from Comprehensive Capacity Assessment	Priority Turn Around Focal Area	Indicate the number of households with access to the basic services below as of January 2010 as against the total number of households	Annual Target for 2010/11		Capacity challenges identified during the assessment	Municipal Action (Which specific activities will the municipality undertake to deliver on its yearly target?)	Indicators	Unblocking Actions Needed from other Spheres and Agencies (Name the sphere/agent from whom a specific support is needed and clearly specify the actions)
				Dec. 2010	Jun. 2011				
						deliver 18 megalitres per day while the usage is between 25 and 30 megalitres. Bongolo dam which is always assisting with the shortfall that the municipality is having is			

No .	Issues from Comprehensive Capacity Assessment	Priority Turn Around Focal Area	Indicate the number of households with access to the basic services below as of January 2010 as against the total number of households	Annual Target for 2010/11		Capacity challenges identified during the assessment	Municipal Action (Which specific activities will the municipality undertake to deliver on its yearly target?)	Indicators	Unblocking Actions Needed from other Spheres and Agencies (Name the sphere/agent from whom a specific support is needed and clearly specify the actions)
				Dec. 2010	Jun. 2011				
						also way below as it is seating at 20% and the municipality is not allowed to use it unless there is emergency.			
7.2		Access to sanitation	60% of households use waterborne system. 27.9 is		Apr 2011	There are still households with no sanitation in rural areas.	CHDM has started with rural sanitation programme	12 % of households with access to sanitation service	CHDM

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				Dec. 2010	Jun. 2011				
			using VIPs. All buckets were eradicated. 12% is without sanitation in rural areas			Waste Water Treatment Works (WWTW) is reaching maximum capacity.	CHDM is in the planning stages to ensure that the capacity is increased.		
7.3		Access to electricity	97% is connected. LM has a backlog of	Dec 2010		Lack of skills on critical positions, and equipment for	There is plan to ensure that vacancies are filled in the	Filling of posts	LM.

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				Dec. 2010	Jun. 2011				
			3%. 100% will be connected by 2014 as ESKOM's target.	Jul 2010 (1 st ph)	Sept 2011 (2 nd Ph)	Planning and Development. There is no plant and vehicles are dilapidated. Vehicles are more in the workshop than on the field. There is no	next financial year. The plan is to replace the old fleet with the new fleet in a period of four years due to budget constraints. The Technical Services section is planning to	New vehicles and plant Completed Master Plan	LM DE

No .	Issues from Comprehensive Capacity Assessment	Priority Turn Around Focal Area	Indicate the number of households with access to the basic services below as of January 2010 as against the total number of households	Annual Target for 2010/11		Capacity challenges identified during the assessment	Municipal Action (Which specific activities will the municipality undertake to deliver on its yearly target?)	Indicators	Unblocking Actions Needed from other Spheres and Agencies (Name the sphere/agent from whom a specific support is needed and clearly specify the actions)
				Dec. 2010	Jun. 2011				
				Nov 2010		funding to upgrade and refurbish existing networks	request for increase of its capital budget to R5million annually. Municipality is also waiting for feedback from National Treasury. Municipality is in the process of drawing up a 5 year Master Plan that will		

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				Dec. 2010	Jun. 2011				
							assist in the application of funding with the DME.		
7.4		Refuse removal and solid waste disposal	70% households have access to weekly refuse removal.			Trucks are aged 20 to 30 years old.	Section needs LM to increase its capital allocation so as accelerate plant replacement programme If additional containers can	Availability of funding will ensure 100% of communities with access to refuse removal services	LM

No.	Issues from Comprehensive Capacity Assessment	Priority Turn Around Focal Area	Indicate the number of households with access to the basic services below as of January 2010 as against the total number of households	Annual Target for 2010/11		Capacity challenges identified during the assessment	Municipal Action (Which specific activities will the municipality undertake to deliver on its yearly target?)	Indicators	Unblocking Actions Needed from other Spheres and Agencies (Name the sphere/agent from whom a specific support is needed and clearly specify the actions)
				Dec. 2010	Jun. 2011				
						<p>Refuse containers cannot service needs, there are not enough skips to service the informal settlements.</p> <p>There is illegal</p>	<p>be purchased they pay themselves. Standardization to be considered.</p> <p>Municipality is planning to provide additional skips and embark on awareness campaigns.</p>		

No.	Issues from Comprehensive Capacity Assessment	Priority Turn Around Focal Area	Indicate the number of households with access to the basic services below as of January 2010 as against the total number of households	Annual Target for 2010/11		Capacity challenges identified during the assessment	Municipal Action (Which specific activities will the municipality undertake to deliver on its yearly target?)	Indicators	Unblocking Actions Needed from other Spheres and Agencies (Name the sphere/agent from whom a specific support is needed and clearly specify the actions)
				Dec. 2010	Jun. 2011				
						dumping.			
7.5		Access to municipal roads	Backlog is 2375 KMs. A municipality is doing 160 KMs a year and that will take almost 15 years	Jul 2010	Jun 2011	Shortage of maintenance team to manage the whole town. The team is 35% of what municipality needs. Tarred roads are deteriorating at an	The Technical Services section is planning to put up a proposal to the Council for more staff. LM has to apply for funding and use some stringent debt collection	Enhanced team Approved debt collection plan by Council	LM LM

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				Dec. 2010	Jun. 2011				
						alarming rate and there is no funding for it.	methods so as to improve its revenue base.		
7.6		Formalisation of informal settlements						% of households living in formal settlements	
7.7		Access to Housing			2011/2012	Housing Backlog Current housing backlog of ± 40000 for the	Housing Sector Plan to be developed and implemented by 2011/2012.	Housing Sector Plan Developed and Implemented	Dept of Human Settlement Dept Land Affairs

No .	Issues from Comprehensive Capacity Assessment	Priority Turn Around Focal Area	Indicate the number of households with access to the basic services below as of January 2010 as against the total number of households	Annual Target for 2010/11		Capacity challenges identified during the assessment	Municipal Action (Which specific activities will the municipality undertake to deliver on its yearly target?)	Indicators	Unblocking Actions Needed from other Spheres and Agencies (Name the sphere/agent from whom a specific support is needed and clearly specify the actions)
				Dec. 2010	Jun. 2011				
					2011/2014	income group 0-3500. Various causes e.g. lack of planning, migration to urban areas and previous positioned, etc.	Housing Sector Plan developed to include planning for a period of 5 years ahead and to be updated on an annual basis. A clear beneficiary policy be developed through public	Beneficiary Policy developed and Adopted.	LM

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				Dec. 2010	Jun. 2011				
						<p>lists. Process of Prioritizing from waiting list of wards, Commitment of Ward Councilors. Changing of beneficiary and ward committees (don't give recognition of previous committee's</p>	<p>participation. Ongoing process by having the policy revised and refined on an annual basis.</p> <p>Clear indication be sought from Province with regard to the</p>	<p>Response from Dept of Housing</p>	<p>LM , Dept of Housing.</p>

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				Dec. 2010	Jun. 2011				
						work). Project Administration Clear indication whether projects should be implemented by the Municipality or the Dept. of Housing.	administration of future Housing Projects. To rollout a program of consumer education which will form part of Housing Sector Plan. Report on all vacant houses to be submitted to		

No .	Issues from Comprehensive Capacity Assessment	Priority Turn Around Focal Area	Indicate the number of households with access to the basic services below as of January 2010 as against the total number of households	Annual Target for 2010/11		Capacity challenges identified during the assessment	Municipal Action (Which specific activities will the municipality undertake to deliver on its yearly target?)	Indicators	Unblocking Actions Needed from other Spheres and Agencies (Name the sphere/agent from whom a specific support is needed and clearly specify the actions)
				Dec. 2010	Jun. 2011				
						Selling of Low Cost Houses. Handover certificates and other documentation linked to the construction process to be completed Vacant and	the council and assistance be obtained from the Province as to possibility of canceling and reallocation. Program of Consumer Education will be ongoing. Clear policy on vacant houses to be developed and	Regular reporting on these matters. Ongoing process and consideration of grading	LM

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				Dec. 2010	Jun. 2011				
						vandalized houses. Poor Quality and Delays.	Dept of Housing be requested that the registration of title deeds be delayed until occupation to make the process of cancellation easier. Details to be supplied by Directorate	contractors.	

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				Dec. 2010	Jun. 2011				
							Technical Services. Stricter management of contracts and clear terms of reference to contractors to be developed by a legal expert.		
7.8		Access to Free Basic Services				There is no FBS Personnel; the program		% of Indigent households with access	

No .	Issues from Comprehensive Capacity Assessment	Priority Turn Around Focal Area	Indicate the number of households with access to the basic services below as of January 2010 as against the total number of households	Annual Target for 2010/11		Capacity challenges identified during the assessment	Municipal Action (Which specific activities will the municipality undertake to deliver on its yearly target?)	Indicators	Unblocking Actions Needed from other Spheres and Agencies (Name the sphere/agent from whom a specific support is needed and clearly specify the actions)
				Dec. 2010	Jun. 2011				
				May 2010		<p>is managed by finance section. Casuals are employed when there is need.</p> <p>The current policy is not credible.</p> <p>There is no exit strategy.</p>	The municipality is reviewing the credible indigent policy for adoption.	to Free Basic services (water; electricity and sanitation)	

No .	Issues from Comprehensive Capacity Assessment	Priority Turn Around Focal Area	Indicate the number of households with access to the basic services below as of January 2010 as against the total number of households	Annual Target for 2010/11		Capacity challenges identified during the assessment	Municipal Action (Which specific activities will the municipality undertake to deliver on its yearly target?)	Indicators	Unblocking Actions Needed from other Spheres and Agencies (Name the sphere/agent from whom a specific support is needed and clearly specify the actions)
				Dec. 2010	Jun. 2011				
7.9		Landfill sites licensing and certification (Land issues)				Ownership of land(uncertainties around the ownership, as well as land still owned by Province) High demand for services sites available for sale to individuals. Management of Land and	Current SDF to be developed and refines to address all relevant issues.		LM

No.	Issues from Comprehensive Capacity Assessment	Priority Turn Around Focal Area	Indicate the number of households with access to the basic services below as of January 2010 as against the total number of households	Annual Target for 2010/11		Capacity challenges identified during the assessment	Municipal Action (Which specific activities will the municipality undertake to deliver on its yearly target?)	Indicators	Unblocking Actions Needed from other Spheres and Agencies (Name the sphere/agent from whom a specific support is needed and clearly specify the actions)
				Dec. 2010	Jun. 2011				
10. DISASTER MANAGEMENT									
						Equipment is old and outdated, there is a need to replace it	LM will solicit		

No.	Issues from Comprehensive Capacity Assessment	Priority Turn Around Focal Area	Indicate the number of households with access to the basic services below as of January 2010 as against the total number of households	Annual Target for 2010/11		Capacity challenges identified during the assessment	Municipal Action (Which specific activities will the municipality undertake to deliver on its yearly target?)	Indicators	Unblocking Actions Needed from other Spheres and Agencies (Name the sphere/agent from whom a specific support is needed and clearly specify the actions)
				Dec. 2010	Jun. 2011				
						According to the study by Pricewaterhouse Coopers, municipality needs more staff than as in the organogram	more funding from the Province		
						Existing infrastructure needs to be maintained and upgraded			

No .	Issues from Comprehensive Capacity Assessment	Priority Turn Around Focal Area	Indicate the number of households with access to the basic services below as of January 2010 as against the total number of households	Annual Target for 2010/11		Capacity challenges identified during the assessment	Municipal Action (Which specific activities will the municipality undertake to deliver on its yearly target?)	Indicators	Unblocking Actions Needed from other Spheres and Agencies (Name the sphere/agent from whom a specific support is needed and clearly specify the actions)
				Dec. 2010	Jun. 2011				
						There is a need for mobile clinic			

No.	Priority Turn Around Focal Area	What is the status of financial management with regard to the following areas as of January 2010?	Annual Target for 2010/11		Capacity challenges identified during the assessment	Municipal Action (Which specific activities will the municipality undertake to deliver on its yearly target?)	Indicators	Unblocking Actions Needed from other Spheres and Agencies (Name the sphere/agent from whom a specific support is needed and clearly specify the actions)
			Dec. 2010	Jun. 2011				
4.	Financial Management and Viability:				Capacity level index:			
4.1	Revenue enhancement strategy	Draft revenue enhancement plan developed			Household which are receiving un-metered services.	The plan for the installation of water meters has been implemented as the DM has already installed water meters at Whittlesea. The LM need to negotiate with the DM	All households are correctly billed on a monthly basis.	DM to provide information and funding.

No.	Priority Turn Around Focal Area	What is the status of financial management with regard to the following areas as of January 2010?	Annual Target for 2010/11		Capacity challenges identified during the assessment	Municipal Action (Which specific activities will the municipality undertake to deliver on its yearly target?)	Indicators	Unblocking Actions Needed from other Spheres and Agencies (Name the sphere/agent from whom a specific support is needed and clearly specify the actions)
			Dec. 2010	Jun. 2011				
					<p>Tampering/illegal connections</p> <p>Losses of water and electricity units</p>	<p>for the transfer of database regarding households with water meters.</p> <p>To appoint a dedicated team to monitor and completely</p>	<p>Identify defaulters and take necessary action.</p> <p>Monitor on a regular basis.</p>	n/a

No.	Priority Turn Around Focal Area	What is the status of financial management with regard to the following areas as of January 2010?	Annual Target for 2010/11		Capacity challenges identified during the assessment	Municipal Action (Which specific activities will the municipality undertake to deliver on its yearly target?)	Indicators	Unblocking Actions Needed from other Spheres and Agencies (Name the sphere/agent from whom a specific support is needed and clearly specify the actions)
			Dec. 2010	Jun. 2011				
						<p>ban the unauthorized connections. The LM will try to maintain levels of losses at acceptable international norms. Water losses will be reduced by installing water devices at Whittlesea and also the appointment of plumber to</p>		

No.	Priority Turn Around Focal Area	What is the status of financial management with regard to the following areas as of January 2010?	Annual Target for 2010/11		Capacity challenges identified during the assessment	Municipal Action (Which specific activities will the municipality undertake to deliver on its yearly target?)	Indicators	Unblocking Actions Needed from other Spheres and Agencies (Name the sphere/agent from whom a specific support is needed and clearly specify the actions)
			Dec. 2010	Jun. 2011				
						monitor and fix leakages,.		
4.2	Debtor management	Outdated, inaccurate information on debtors system, title deed list obtained from Registrar not reliable			Information on debtor system outdated Collection of outstanding debt needs to be improved Poor payment levels especially Whittlesea	Database cleansing will be implemented Consistent implementation of incentive policy and debt collection and credit control policy Councillors to mobilize and educate communities to pay for	Updated data base and also improve debt collection through revenue management strategy.	Funding from DM, Treasury n/a

No.	Priority Turn Around Focal Area	What is the status of financial management with regard to the following areas as of January 2010?	Annual Target for 2010/11		Capacity challenges identified during the assessment	Municipal Action (Which specific activities will the municipality undertake to deliver on its yearly target?)	Indicators	Unblocking Actions Needed from other Spheres and Agencies (Name the sphere/agent from whom a specific support is needed and clearly specify the actions)
			Dec. 2010	Jun. 2011				
					/Sada 5%	services rendered, The revenue enhancement plan which has already been developed will be applied consistently to improve payment levels,		
4.3	Cash flow management	Municipality reliant on equitable share			Municipality reliant on equitable share grants	To review tariff structure to improve financial position of	To improve the municipality's liquidity	n/a

No.	Priority Turn Around Focal Area	What is the status of financial management with regard to the following areas as of January 2010?	Annual Target for 2010/11		Capacity challenges identified during the assessment	Municipal Action (Which specific activities will the municipality undertake to deliver on its yearly target?)	Indicators	Unblocking Actions Needed from other Spheres and Agencies (Name the sphere/agent from whom a specific support is needed and clearly specify the actions)
			Dec. 2010	Jun. 2011				
		grants			Formula used for calculation of equitable share is questionable	municipality. Formula need to be revised to accommodate and address backlogs.		
4.5	Capital expenditure	Current capital budget does not address new infrastructure			Insufficient funding available for maintenance of moveable and immovable	Development of maintenance plan for Plant and Machinery	To enhance infrastructure in the three towns	Funding from Treasury, cogta to develop asset management plan
•	Audit Action plan	Audit action plan			Audit action plan	To monitor progress on a	Movement toward clean audit report	n/a

No.	Priority Turn Around Focal Area	What is the status of financial management with regard to the following areas as of January 2010?	Annual Target for 2010/11		Capacity challenges identified during the assessment	Municipal Action (Which specific activities will the municipality undertake to deliver on its yearly target?)	Indicators	Unblocking Actions Needed from other Spheres and Agencies (Name the sphere/agent from whom a specific support is needed and clearly specify the actions)
			Dec. 2010	Jun. 2011				
	developed	developed and workshopped with risk committee			developed, but not fully implemented	weekly basis and report to the Mayor and AG,	and reduction on audit queries.	
4.7	Submission of Annual Financial Statements	Reconciliations done to Febr 2010			Reconciliations in some instances not being performed on monthly basis Full implementation of GRAP standards	Monitor and ensure the reconciliations are done on a monthly basis. An assessment to be conducted to establish a list of all outstanding Grap	Adhere to timelines	n/a

No.	Priority Turn Around Focal Area	What is the status of financial management with regard to the following areas as of January 2010?	Annual Target for 2010/11		Capacity challenges identified during the assessment	Municipal Action (Which specific activities will the municipality undertake to deliver on its yearly target?)	Indicators	Unblocking Actions Needed from other Spheres and Agencies (Name the sphere/agent from whom a specific support is needed and clearly specify the actions)
			Dec. 2010	Jun. 2011				
						requirements which need to be implemented.		
4.8	MIG expenditure by end of financial year				n/a	n/a	n/a	n/a
4.9	Asset register developed.	Action plan developed. Asset count has started.			Asset register which is GRAP compliant needs to be developed. Development of asset management	Completion of the plan which has already been started. The policy need to be developed and submitted to the Council for	GRAP compliant Asset register	Funding from Treasury, cogta

No.	Priority Turn Around Focal Area	What is the status of financial management with regard to the following areas as of January 2010?	Annual Target for 2010/11		Capacity challenges identified during the assessment	Municipal Action (Which specific activities will the municipality undertake to deliver on its yearly target?)	Indicators	Unblocking Actions Needed from other Spheres and Agencies (Name the sphere/agent from whom a specific support is needed and clearly specify the actions)
			Dec. 2010	Jun. 2011				
					t policy. Incomplete information on municipal properties	adoption and thereafter implemented. Outstanding information to be obtained from Human Settlement.		
4.10	Supply Chain Management policy.	SCM Policy reviewed annually, training to staff annually, SCM unit established			SCM policy is in existence but there is non-compliance with the requirements of the	All staff involved need to be trained on the processes to be followed to be able to adhere to the requirements	Compliance with the requirements of the SCM policy	n/a

No.	Priority Turn Around Focal Area	What is the status of financial management with regard to the following areas as of January 2010?	Annual Target for 2010/11		Capacity challenges identified during the assessment	Municipal Action (Which specific activities will the municipality undertake to deliver on its yearly target?)	Indicators	Unblocking Actions Needed from other Spheres and Agencies (Name the sphere/agent from whom a specific support is needed and clearly specify the actions)
			Dec. 2010	Jun. 2011				
					SCM policy.	of the SCM policy		
4.11	Audit Committee	AC members appointed – shared service with Lukhanji Mun			The municipality experiences problem with the shared service resulting to audit committees not being fully functional.	Monitor to ensure full functionality as specified in the Audit Charter.	Fully functional audit committee	n/a

No.	Priority Turn Around Focal Area	What is the status of financial management with regard to the following areas as of January 2010?	Annual Target for 2010/11		Capacity challenges identified during the assessment	Municipal Action (Which specific activities will the municipality undertake to deliver on its yearly target?)	Indicators	Unblocking Actions Needed from other Spheres and Agencies (Name the sphere/agent from whom a specific support is needed and clearly specify the actions)
			Dec. 2010	Jun. 2011				
4.12	Internal Audit Unit	Internal audit unit with one internal auditor and one intern, audit plan developed.			The organogram provides one position for the unit resulting to not being fully functional.	In the interim an intern will be accommodated in the unit and then review the organogram to increase the capacity in the unit.	Fully functional internal audit unit and adherence to audit charter	n/a
5.	Local Economic Development							
5.1	Municipal contribution to LED							
5.2	LED Plan aligned to the PGDS;							

No.	Priority Turn Around Focal Area	What is the status of financial management with regard to the following areas as of January 2010?	Annual Target for 2010/11		Capacity challenges identified during the assessment	Municipal Action (Which specific activities will the municipality undertake to deliver on its yearly target?)	Indicators	Unblocking Actions Needed from other Spheres and Agencies (Name the sphere/agent from whom a specific support is needed and clearly specify the actions)
			Dec. 2010	Jun. 2011				
	adopted by Council.							

No.	Issues from Comprehensive Capacity	Priority Turn Around Focal Area	Indicate the number of households with	Annual Target for 2010/11	Capacity challenges identified during the assessment	Municipal Action (Which specific activities will	Indicators	Unblocking Actions Needed from other Spheres and Agencies
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	Assessment		access to the basic services below as of January 2010 as against the total number of households	Dec. 2010	Jun. 2011		the municipality undertake to deliver on its yearly target?)		(Name the sphere/agent from whom a specific support is needed and clearly specify the actions)	
1.		Basic Service Delivery					Capacity level index:			
1.8		Access to Free Basic Services				<p>The current Indigent policy is not Credible. A credible policy is still a draft.</p> <p>Households that depend on Eskom in provisioning of FBE are not all provided. The non availability of FBS personnel is a problem that causes data capturing to go</p>	The Credible Indigent policy will be adopted by Council on 30 th May 2010.	Adopted Indigent Policy		

No.	Issues from Comprehensive Capacity Assessment	Priority Turn Around Focal Area	Indicate the number of households with access to the basic services below as of January 2010 as against the total number of households	Annual Target for 2010/11		Capacity challenges identified during the assessment	Municipal Action (Which specific activities will the municipality undertake to deliver on its yearly target?)	Indicators	Unblocking Actions Needed from other Spheres and Agencies (Name the sphere/agent from whom a specific support is needed and clearly specify the actions)
				Dec. 2010	Jun. 2011				
						slowly e.g the current data was collected on July 2009 is still being captured. and FBW due to lack of infrastructure and rovisioning of Free basic Electricity, Free Basic water and Free Basic			

No.	Issues from Comprehensive Capacity Assessment	Priority Turn Around Focal Area	Indicate the number of households with access to the basic services below as of January 2010 as against the total number of households	Annual Target for 2010/11		Capacity challenges identified during the assessment	Municipal Action (Which specific activities will the municipality undertake to deliver on its yearly target?)	Indicators	Unblocking Actions Needed from other Spheres and Agencies (Name the sphere/agent from whom a specific support is needed and clearly specify the actions)
				Dec. 2010	Jun. 2011				
						Sanitation in some urban and rural areas is infrastructure.			

1.5 LGTAS Alignment with IDP

No.	Priority Turn Around Focal Area	Current IDP targets	MUTAS-priorities for June 2011 (<i>Changed Situation</i>)	Municipal Action	Indicators	Budget	
						Current IDP allocations	MUTAS projections
1.	Basic Service Delivery						
1.1	Access to water	To reduce backlog by 5% by 2011	Ward 1 & 2 Ward 12, 13 & 27	To facilitate reduction in current backlogs	No. of houses with water connections	CHDM budget WSP Business Plan : R 1mil	R 1mil
1.2	Access to sanitation	To reduce backlog by 18% by 2011	All outstanding wards	To facilitate reduction in current backlogs	No. of houses with toilets	CHDM budget	N/A
1.3	Access to electricity	To reduce backlog by 1100 H/H's by 2011	Ward 1, 5, 14, 17, 18 & 19	Facilitate Eskom process to electrify houses. Tembani, Galawater and 120 infills Electrify Sabata Dalindyebo & Nomzamo RDP houses	500 new connections by Eskom 600 connections by Lukhanji	R 4.8 mil R 1.6mil	DME to approve the application.
1.4	Refuse removal and solid waste disposal	Provision of solid waste infrastructure	Wards 2 & 27	Build Lesseyton Tipsite and Ilinge Transfer stations	Completed refuse removal infrastructure.	R2.07 mil	R2.07 mil
1.5	Access to municipal roads	Rehabilitation of 48 km of existing gravel roads	Wards 1-8, 12, 14-19 & 27	Rehabilitation of gravel roads in rural & urban areas.	No. of km's regravelled.	R 3 914 583	R 3 914 583
		1.4 km Gravsealing of existing gravel roads.	Wards 4,6-8, 15	Appoint & oversee Service Providers	No. of km's gravsealed	R 2.5 mil	R 2.5 mil

No.	Priority Turn Around Focal Area	Current IDP targets	MUTAS-priorities for June 2011 (<i>Changed Situation</i>)	Municipal Action	Indicators	Budget	
						Current IDP allocations	MUTAS projections
		Upgrading of existing stormwater drainage system	Ward 2	Appoint & oversee Service Providers	Reduction in flooding of houses	R 1 321 107	R1 321 107
1.6	Formalisation of informal settlements	Servicing of 180 H/H with water and sanitation	Ward 8 & 25	Provide household water and toilets	No. of households with access to water & sanitation	R 1.3 mil	R 1.3 mil
1.7	Access to Housing	Complete Housing projects	Accelerate the delivery of housing and eliminate informal settlements	Wooden structures in Illinge to be addressed Completion of RDP houses to be accelerate	No of structure completed and handed over	R 117 ,4 mil	R 164,1 mil
1.8	Indigent Register Updated	None	Indigent Register to be extended to areas not currently covered	Extend indigent services to all areas and settlements not covered Ward Committees to be made responsible to update registers in their wards.	Updated indigent register containing detail of all indigents in Lukhani	OPEX	OPEX
1.9	Roads and stormwater	Provide access to roads	Ward 14	Appoint a consultant to design the Qwabi bridge and a contractor to construct the bridge.	Access across Kuzitungu River	R2.4 mil	R2.4 mil
1.10	Roads and stormwater	Maintain roads	All wards will benefit	Make a financial contribution on the SANRAL project for the upgrade of Cathcart Road	A rehabilitated Cathcart Road	R 1 917 471	R 1 917 471
1.11	Municipal Public Works	Maintain municipal buildings	Ward 14	Appoint builders and monitor their work in the upgrade of the EX TRC Creches	Upgraded EX TRC Creches	R 180 000	R 180 000

No.	Priority Turn Around Focal Area	Current IDP targets	MUTAS-priorities for June 2011 (Changed Situation)	Municipal Action	Indicators	Budget	
						Current IDP allocations	MUTAS projections
1.12	Community Lighting	Provide Community lighting	Wards 2, 4, 7-10, 15, 18	Appoint contractors and monitor them in installing the lighting.	Improved community lighting in the affected wards	R 3 632 000	R 3 632 000
1.13	Cemeteries	Provision of cemeteries	Wards 5, 9-14, 16, 18	Appoint a contractor to build the Whittlesea cemetery.	Improved access to the cemeteries	R 1 000 000	R 1 000 000
1.14	Local Economic Development (LED)	Support Local Economic Development	Ward 17	Appoint and monitor a contractor building the LED infrastructure	Infrastructure for LED	R 950 000	R 950 000
1.15	Municipal Public works	Provision of community facilities	Wards 3 & 12	Appoint service providers to design and build the Yonda community hall	Improved access to community facilities	R 1 095 000	R 1 095 000
1.16	Municipal Public works	Provision of community facilities	Wards 4, 6-8, 15	Appoint service providers to design and build the Ezibeleni conference centre	Improved access to community facilities	R2.5 mil	R2.5 mil
1.17	Municipal Public works	Upgrade of a community hall into a youth centre	Wards 18, 20, 22, 24	Appoint service providers to design and upgrade the Mlungisi community hall	A youth centre in Mlungisi	R0.9 mil	R0.9 mil
1.18	Municipal Public works	Upgrade and build new public ablution facilities in Whittlesea	Wards 5, 9-14, 16, 18	Appoint service providers to design and upgrade the Whittlesea public ablution facilities	Ablution blocks in Whittlesea	R0.8 mil	R 0.8 mil
1.19	Walkways and Pavements	Provide walkways and pavements in Whittlesea	Wards 5, 9-14, 16, 18	Design and employ local people to build the walkways and pavements	Walkways and Pavements in Whittlesea	R0.8 mil	R0.8 mil
2.	Public Participation						
2.1	Functionality of Ward	None	Increase monthly	Budget for an increase	Increased	R162 000	R1.6 mil

No.	Priority Turn Around Focal Area	Current IDP targets	MUTAS-priorities for June 2011 (<i>Changed Situation</i>)	Municipal Action	Indicators	Budget	
						Current IDP allocations	MUTAS projections
	Committees	Training of Ward Committees	allowances for Ward Comm. Members Train Ward Committee members	in the allowances of all Ward Comm Members Arrange training for members not trained during the first phase.	allowances for all Comm members. Ward Committee members do update of indigent register All ward committee members trained.	R200 000	2011/2012
2.2	Broader public participation policies and plans	None	Review, Develop and adopt communications strategy	Adoption of draft communication strategy by Nov 2010	Communications Strategy in place	OPEX	OPEX
2.3	Public Communication systems	None	Development of Public Participation Strategy	Adoption of Public Participation Policy by Nov. 2010	Public Participation Policy in place	OPEX	OPEX
2.4	Complaints management systems	None	Establishment of of Customer Care Unit	Functionality of Customer Care Unit by June 2011	Customer Care Unit established	None	OPEX
2.5	Feedback to communities	None	Regular Ward Constituency meetings	Report back sessions Councillors to be arranged. Performance Indicator for Ward Committee members	No of Ward Committee and Constituency meetings held.	None	To be part of performance objectives of Ward Committees
3.	Governance						
3.1	Political Management and Oversight						
3.1.1	Stability of Councils	None	Regular Troika + 1 sessions	Schedule fortnightly meetings between Mayor, Speaker, Chief Whip and Speaker.	Stable Political and Administrative environment within institution	OPEX	OPEX

No.	Priority Turn Around Focal Area	Current IDP targets	MUTAS-priorities for June 2011 (<i>Changed Situation</i>)	Municipal Action	Indicators	Budget	
						Current IDP allocations	MUTAS projections
3.1.2	Delegation of functions between political and administration	None	Refine Delegations Manual	Redraft delegation manual to clearly define role of all roleplayers within institution	Delegation framework revised before Jan 2011	OPEX	OPEX
3.2	Administration						
3.2.1	a) Recruitment and selection policies and procedures developed b) Policy on suspension of employees developed	None	Redraft recruitment & selection policy so as to encompass retention strategy Develop suspension policy	Develop a retention strategy and incorporate into existing recruitment and selection policy Develop suspension policy	Refine recruitment, selection and retention policy by Nov 2010 Suspension procedures incorporated into disciplinary code.	OPEX	OPEX
3.2.2	Vacancies (Top 4-MM, CFO, Planner, Engineer)	None	All critical posts filled	Fill vacancy of planner and IDP Manager by 1 July 2010	Vacancy of IDP Manager/Planner filled by 1 July 2010	R395 000	R395 000
3.2.3	Vacancies other S57	None	None	None required	N/A	0	0
3.2.4	Top 4 appointed with signed Performance Agreements	None	None	None required	N/A	0	0
3.2.5	All S57 with signed performance Agreements	All S57 employees to sign Agreements	Agreements to be aligned with IDP/Budget	To revise and align performance agreements with national priorities	All S57 managers signed revised performance agreements by 1 July 2010	R50 000	R50 000
3.2.6	Organisational Performance Management System developed	None	Develop Performance Management System inclusive of all employees	Implementation of Organisational performance Management System for all employees	Organisational PMS developed	R200 000	R200 000

No.	Priority Turn Around Focal Area	Current IDP targets	MUTAS-priorities for June 2011 (<i>Changed Situation</i>)	Municipal Action	Indicators	Budget	
						Current IDP allocations	MUTAS projections
3.2.6	Skills development plan for employees	Develop Skills Dev Plan and claim grants from LGWSETA	Develop a WSP and submit by June 2010	Draft Skills plan before due date	Implementation of the approved WSP	R200 000	R200 000
3.3	Labour Relations						
3.3.1	a) LLF meetings convened as planned	None	Restructuring of LLF	Nomination of 2 more Councillors to represent Council on LLF. Bargaining Council competency	Functional LLF	OPEX	OPEX
	b) Organisational rights procedure developed	None	Organisational Rights agreement in place		Organisational Rights Agreement adopted by LLF		
4.	Financial Management						
4.1	Revenue enhancement programme developed	Implement revenue raising and collection strategy	Ensure full implementation of strategy	Draft revenue enhancement plan. To be adopted and implemented in July 2010 Creation of additional pay points	Plan implemented and positive results achieved	Nil	R200 000
					Additional pay point created and operational	Nil	R250 000
4.2	Debt management programme developed	None	Update debtor system information	Database cleansing will be implemented Implementation of incentive and debt collection and credit control policy	Updated database	Nil	R50 000
			Improve collection rate		Improved debt collection through revenue management strategy	Nil	Nil
4.3	Cash flow management model	None	Reduce reliability on equitable	Review tariff structure of services	Improved liquidity	Nil	R150 000

No.	Priority Turn Around Focal Area	Current IDP targets	MUTAS-priorities for June 2011 (<i>Changed Situation</i>)	Municipal Action	Indicators	Budget	
						Current IDP allocations	MUTAS projections
	developed		share Address formula used for equitable share allocations	Discussions to be held with relevant authorities	More realistic allocation of equitable share	Nil	Nil
4.5	Funding Plan shows capital expenditure	None	Address budget allocation for maintenance of moveable and immoveable assets	Development of maintenance plan for property, plant and equipment.	Maintenance plan developed	Nil	Nil
4.6	Clean Audit plan developed	None	Strive to obtain clean audit by 2014	Audit action plan to be developed	Plan developed and implemented.	Nil	Nil
4.7	Submission of Annual Financial Statements	Compliant statements prepared timeously	Grap compliant Financial Statements	Monthly accounts closed off and reconciled Obtain listing of all outstanding Grap requirements	Monthly reconciliations done Adherence to Grap requirements	R500 000	R500 000
4.8	% MIG expenditure by end of financial year	Implement all approved MIG projects	Expend all MIG grants received	Implement all projects	Dumpy Adams Phase3, Lessyton Tipsite, Whittlesea Cemetery, Hawkers Stalls, Kuzitungu Bridge, Macibini Hall, Regravelling and gravsealing of roads, ILinge stormwater Phase 2, ILinge transfer station, etc.	R 27,5 mil	R 27,5 mil

No.	Priority Turn Around Focal Area	Current IDP targets	MUTAS-priorities for June 2011 (<i>Changed Situation</i>)	Municipal Action	Indicators	Budget	
						Current IDP allocations	MUTAS projections
4.9	Asset management register developed.	Develop and implement Grap compliant register	Develop asset management policy	Policy to be developed and adopted by Council	Policy adopted and implemented	Nil	R25 000
			Grap compliant asset register by 2014	Completion of plan already started	Grap compliant asset register	R235 000	R200 000
4.10	Supply Chain Management policy applied in a fair and transparent manner (e.g. open tenders, Bid Adjudication committee established.	None	Adherence to supply chain regulations and policy	Train all supply chain practitioners	Compliance with requirements of SCM policy	Nil	Nil
5.	Local Economic Development						
5.1	Municipal contribution to LED	Various projects	Implement LED projects budgeted for	Obtain funding for LED projects	Zulukama livestock improvement programme, LED Corridor programme, Isolentsha resource group project, LTO operational costs, Liberation heritage route programme	R1.4 mil	R1.4 mil
5.2	LED Plan aligned to the PGDS; adopted by Council.	LED Strategy	Align LED strategy to	Adopt LED Strategy	LED Strategy adopted	OPEX	OPEX

20 LIST OF COMMITMENTS BY SECTOR DEPARTMENTS (R457 million in 2010/11)

Name of Department	SAPS	Interdepartmental programme ISRDP	Contact, property & domestic crimes	SAPS	Budget	
SAPS	Interdepartmental programme ISRDP	Nicro victim support	Rapes & Assaults		-	
	Nicro victim support	Sector Policing			-	
	Sector Policing	Community policing forum			-	
	Community policing forum	Social development			-	
	Social development	One stop centre			-	
	One stop centre	JJ youth care			-	
	JJ youth care	Local joints			-	
	Local joints	Schools against crime			-	
	Schools against crime business against crime	business against crime Fraud, robberies (All)			-	
Agriculture	Hayden Park	Stock water	Xashimba	Abattoir (Year 1 &2)	702,126	
	Xashimba	Abattoir (Year 1 &2)		Cimezile	740,000	
	Cimezile	Dip renovation		Cimezile	75,000	
	Ezibeleni	Ezibeleni		Ezibeleni	300,000	
	Allen Water Kolomani	Crop production 1.Veg production	SIYAKHULA 2. Crop production	Whittlesea Whittlesea	39,330 5,245	

Name of Department	SAPS	Interdepartmental programme ISRDP	Contact, property & domestic crimes	SAPS	Budget
	Oxton	Crop production		Whittlesea	11,700
	Mbekweni	Crop production		Whittlesea	24,292
	Emthonjeni	Cattle feed		Queenstown	18,800
	Sithembisa Ukukhanya	1. Crop production 2. Cattle feed		Queenstown	24,416
	Siyaphakama	Veg production		Queenstown	629
	Joe slovo	Veg production		Queenstown	1,300
	Rathwick	Veg production		Queenstown	650
	Siyakhula		FOOD SECURITY PROJECTS		1,240,150
	Siyazondla				
Public Works	Building of schools			Khulasomelele JSS	4,296,369
				Luvuyo Lerumo SSS	14,139,023
				Zingquthu JSS	3,092,040
				Sibuyele	1,199,587
				Yonda	1,375,213
	Building of clinics			Sada CHC	38,962,842
				Frontier Hospital	28,638,940
				Komani Hospital	109,783,649
				Zingquthu	2,937,611

Name of Department	SAPS	Interdepartmental programme ISRDP	Contact, property & domestic crimes	SAPS	Budget
				Clinic	
	Maintenance programme	Standby generators			17,356,084
		Kitchen equipment			18,982,484
		Laundry equipment			16,962,153
		Air conditioning equipment			13,606,477
		Refrigeration equipment			12,227,861
		Steam boiler equipment			36,793,842
		Auto clave equipment			36,793,842
DEDEA	Waste management	Waste recycling		Ezibeleni	1,800,000
DLGTA	Municipal Development & Planning			Budget for entire CHDM	1,342,000
	Municipal Infrastructure, Disaster Management and Free Basic services			Budget for entire CHDM	1,184,000
	Municipal Infrastructure, Disaster Management and Free Basic services			Budget for entire CHDM	1,500,000
	Municipal Governance			Budget for entire CHDM	0
	Local Economic Development Facilitation			Budget for entire CHDM	705,000
				Budget for entire CHDM	405,000

Name of Department	SAPS	Interdepartmental programme ISRD	Contact, property & domestic crimes	SAPS	Budget
	Municipal Support & Monitoring Services			Budget for entire CHDM	765,000
Department of Housing	NEW RATHWICK	3000 (Water, sewer, roads & storm-water)			6,000,000
	QUALITY CIFFINS	18 (Water, sewer, roads & storm-water)			500,000
	BRAKKLOOF - 281 RURAL IRDP	281		Correcting defects	5,900,000
	TOISEKRAAL	364			10,600,000
	ZOLA	225			7,100,000
	XUMA	126			3,100,000
	Ilinge Phase 2 - R/L 2	59			-
	Q/TOWN : COMDEV	3 021			630,000
	Q/TOWN : CONSOLIDA (PHP)	521			-
	Q/TOWN : EZIBELANI P1	251			5,460,000
	Q/TOWN : ILINGE	1 156			10,500,000
	Q/TOWN : Imvani rural	160			4,550,000
	QUEENSTOWN : Enkululekweni - R/L 1	541			105,000
	QUEENSTOWN : Ezibeleni Ext. : Ph 2 - R/L 1	700			12,740,000
WHITTLESEA - MADAKENI	300			8,400,000	
Department of Community Safety &	7 PCPS Action Plans implemented at police stations			Queenstown, Whittlesea, Cradock, Cofimvaba,	35,000

Name of Department	SAPS	Interdepartmental programme ISRDP	Contact, property & domestic crimes	SAPS	Budget
Liasion				Middelburg,	
	Public education campaign			Thornhill,	20,000
	Support community Safety Forums within the identified Local Municipalities			Ezibeleni,	9,000
	Establish and support District Community Safety Forum			Ilinge	10,000
	Oversee the functioning of victim friendly centres at police stations			Queenstown	-
	Capacity Building for the Community Police Forum			All police clusters within the CHDM and those whose accounting police station are within the district municipality	
Department of Roads and Transport	Construction of Supply & Erection of Stock Proof Fencing			Lukhanji & Emalahleni Local Municipalities: Along R396 from	3,314,742

Name of Department	SAPS	Interdepartmental programme ISRDP	Contact, property & domestic crimes	SAPS	Budget
				Queenstown to Lady Frere	
	Supply and erection of Stock Proof Fence			Lukhanji Local Municipality: Queenstown to Whittlesea	2,061,615
	Supply and Erection of Stock Proof Fence			Lukhanji/Emalahleni Municipalities on R392 from Queenstown to Dordrecht	8,000,000
SASSA (listed in the project table under poverty alleviation)	CSG Extension			All Local municipalities in Chris Hani	44 844 000
	Age Equalization			All Local municipalities in Chris Hani	34 272 000

21 Municipal Budget 2010/11

The preparation of this budget document evolved the making of critical policy decisions and key strategies and policy directions that were given by the Mayoral Committee over the past months. In August of 2009 the Mayoral committee approved a set of assumptions and forecasts that were then used to prepare 'baseline' budgets. These 'baseline' budgets formed the basis for operating budget discussions and these were given to the Directors to review and revise within given guidelines. These revised baseline budgets returned by the directors then formed the basis for the draft budget that was built upon the key assumptions and decisions (see *section 10 for a discussion of budget assumptions*).

The budget and financial policies used to develop this budget are focused on making Lukhanji financially sustainable in the long run. One of the biggest challenges facing the municipality in the near future is maintaining an operating year end cash balance to allow for positive operating cash flows and unexpected contingencies. We must not only have sufficient cash available to pay all the creditors that we owe as required by the MFMA but also to allow for a cash reserve to even out sporadic cash flows during the operating year. We have worked diligently toward this goal over the past few years and have finally reached the point where we anticipate beginning the next financial year with enough cash to pay our creditors and still maintain some level of cash reserves.

As presented, the Budget for 2010/11 balances expenditures with revenues and available cash balances as required by the MFMA. In addition, we anticipate moving toward our goal of maintaining an operating cash reserve of 30 days.

Operational Revenues are anticipated to reach **R387.9 Million** (including currently known grants received for operational expenditures); **operational expenditures** funded from cash carry forwards and operating revenues are proposed at **R387.5 Million**.

The Capital Budget is funded from a blend of conditional grants, proposed borrowings and cash carried forward from prior years. Capital expenditures for 2010/11 are estimated to total **R27 Million** for a variety of projects and purchases.

In preparing the budget many issues emerged that had to be taken into account. Several assumptions were utilized to produce estimates and forecasts. In addition, many policy decisions were incorporated into this budget document. The following list attempts to give the most significant of these.

Operating Revenues

- Revenues are shown on a 'billed' (or accrual) basis where applicable. In many cases revenue billed is much higher than cash actually collected on that billing. An offsetting bad debt expense is also included for each billed revenue vote. This expense must be considered in any revenue discussion. **Allocations for bad debt** include the following amounts.

- Electricity 26.1 million
 - Rates .8 million
 - Refuse Collection 9.1 million
 - Water & Sanitation 15.1 million
 - Debtor's Interest 15.2 million
- **Rates and tariffs** in most cases contain proposed increases. A detailed listing and explanation of these is included in this document (see appendix A). To summarize these recommended increases:
 - Electricity 28.0% increase
 - Rates 8.0% increase
 - Refuse Collection 15.0% increase
 - Water & Sanitation 6.0% increase
 - The **Equitable Share** Allocation from the National Treasury is **R86,908,000** which is up from the current budget of R70,964,100.
 - The operating budget anticipates an agency **payment from the Chris Hani District Municipality** for providing the water and sanitation service of **R41,854,844 in the Lukhanji Municipal Area**. This amount is based on the model we have used for the past three years.
 - The anticipated agency fees from the province are set at levels that reflect preliminary provincial funding levels. In the case of the Primary Health Clinics these levels do not fund the anticipated expenditures and thus must be subsidized from operating revenues from other areas. This subsidy from operating revenues for 2010/11 amounts to **R1,126,951**.

Operating Expenditures

- **Employee salaries** and related expenses are increased by the level indicated by correspondence from SALGA. This amount to an **8% increase in 2010/11**. Council salaries are also budgeted to increase this same amount. In addition, all positions are budgeted to be filled for the entire year except where contract workers are used in the place of a vacancy. In Rand terms the salary and allowance related budget increased by almost R12.8 Million over the adjusted budget in the current 2009/10 budget.
- **Primary health clinics** are currently budgeted at a **deficit of R1,126,951**. This means that the provincial allocation to Lukhanji is under the anticipated actual expenditures for next year by this amount. This amount

uses an anticipated increase in provincial funding levels for clinics based on correspondence received.

- **Electricity bulk purchases** are anticipated to **increase by 28.9** for next year.
- All costs related to our current **DBSA loan** and the repayment for **past fleet purchases** are fully funded in this budget. In addition, the budget makes appropriations for the repayment of **new debt** for capital acquisitions including the fleet replacement program, maintenance of the electricity reticulation, and other capital items. A complete listing is included in the budget document.
- An amount of **R1,500,000** has been allocated in the operating budget for normal street maintenance and repairs material
- **No amount** is included in the operating budget for the purchase of small equipment and machinery.

Capital Budget

The capital budget reflected in this document utilizes actually anticipated revenues, cash forward and borrowings to fund the budgeted expenditures of **R27 million**. Major items include the allocation of **R27 Million** in conditional capital grants allocated to the municipality. The largest of these include the **MIG** grant (**R22**) million), the **Neighbourhood Development Partnership Grant (R5 million)**.

Other items in the operating budget

Included in the appendix is a separate listing of various conditional grants/other funded items and programs included within the operating budget. Most of these items (amounting to some **R2 Million**) are funded by conditional grants that specify exactly what the money can be expended on.

Conclusion

The budget as presented in this document meets the requirements of the MFMA and is presented to Council for consideration and review.

As with any such endeavour, preparation of this document required the participation and time of many individuals. Appreciation and thanks are expressed to all those involved in making this possible.

The table and charts below show the percentage makeup of the revenue and expenditures for the 2010/11 Lukhanji Budget.

Executive Summary 2010/11 Tabled Budget Overview

Revenues			
Operating Budget Revenues (000's)		Capital Budget Revenues (000's)	
Assessment Rates	37,448	Loans taken by Municipality	-
Fines	160	Municipal Infrastructure Grant (MIG)	22,017
Electricity Tariffs	115,606	Neighbourhood Development Partnership Grant	5,000
Interest on Debtor Accounts	16,283	Housing Grants	-
Water Tariffs	22,428		
Sewer Tariffs	13,368		
Refuse Tariffs	18,351		
Government Grants and Subsidy:			
Equitable Share	86,908		
Operational Grants	2,000		
	<u>88,908</u>		
Agency Fees:			
Water and Sewer	41,855		
Primary Health	9,862		
Libraries	2,424		
	<u>54,141</u>		
Gain on Sale of Property	-		
Other Revenues	23,288		
	<u>389,981</u>		
Total Operating Revenues	<u>389,981</u>	Total Capital Revenues	<u>27,017</u>
Cash Carry Over from prior year (grants & ATTIC)	-	Cash Carry Over Prior Year (grants)	-
Total Revenue and Cash	<u><u>389,981</u></u>		<u><u>27,017</u></u>
Expenditures			
Operating Budget Expenditures (000's)		Capital Budget Expenditures (000's)	
Salaries, Wages, Allowances & related costs	118,307	Roads, Pavements, Bridges and Stormwater	9,653
Small Capital	-	Cemetries	1,000
Electricity Bulk Purchases	95,473	Land and Buildings	500
General Expenses	34,151	Community Lighting	3,632
Repairs and Maintenance	12,208	Community Halls	1,095
Repayment on Municipal Debt	7,590	Sportfields	1,836
Provision for Bad Debts:		Refuse Sites	2,070
Assessment Rates	751	LED Facilities	950
Debtor Interest	15,253	Ex TRC Chreches	180
Electricity	26,091	Other	1,101
Water	9,712	Neighbourhood Development Partnership Grant (Still to be identified)	5,000
Refuse	9,189		
Sewer	5,423		
	<u>66,419</u>		
Operational Grants (see detail list)	2,000		
Municipal Services Charges	1,356		
WSSA Management Contract	52,093		
Provision for Working Capital	385		
Total Operating Budget Expenditures	<u>389,981</u>	Total Capital Expenditures	<u>27,017</u>

22 ALIGNMENT & INTERGRATION OF SECTOR PLANS

22.1 Integration and alignment with National, Province and District plans

The table below outlines the approach and responses adopted to ensure alignment with national, provincial and district programmes & plans.

INTEGRATION AND ALIGNMENT STRATEGY FOR THIS IDP		
	PROGRAMMES & GUIDELINES	LUKHANJI RESPONSES
National	Legislation & Policies	Process Plan recognizes the list that informs our IDP approach
	National Spatial Development Perspective	Resolved to revise its SDF to incorporate objectives of NSDP
	Millennium Development Goals	Have set target for water & sanitation backlogs - which must be facilitated with Chris Hani DM
	National LED Framework	Will utilise the framework as guide in its current process of formulating LED Strategy
Province	EC- Growth & Development Strategy	Have identified key strategic localized projects in response to the EC Provincial 24 PRIORITIES
	Spatial Development Framework	Have adopted the hierarchy principle in determination of nodal areas
Sector Departments	5 Year plans	Have acknowledged all key projects that are budgeted and conformed for implementation in 2010/11 within Lukhanji areas.
		Formal letters of confirmation of commitments to be issued by Mayor as part of ;lobbying departments to act on their commitments - 2010/11
District	IDP Framework	Informs our Process Plan activity schedule
	Water services Development Plan	Informed by our target priorities for meeting millennium goals - lobby DM to implement
	Disaster Management Plan	Informs our localized fire fighting responses - work closely at operational level
	Waste Management Plan	Informs our localized refuse collection strategies - work closely at operational level
	LED Strategy	Key district commitments relating to the DM Economic summit to be reinforced

22.2 BRIEF SUMMARY OF SECTOR PLAN ASSESSMENT

22.2.1 Local Economic Development Strategy

A LED strategy was developed and adopted in 2010 and is being implemented. One of the major challenges of the strategy is lack of internal resources to implement project commitments in the led STRATEGY for 2010/11. This is seen as a threat to economic development and would require the municipality to lobby external parties to fund its LED programme. Among other issues the LED strategy provides guidance in terms of possible interventions for:

- Increasing the growth potential and improved GDP contribution for underperforming sectors like Agriculture, Manufacturing, Tourism and Retail so that they can be able to absorb larger quantities of unemployed labour force
- Support for SMMES
- Investment attraction strategies
- Institutional arrangements for LED programmes at Lukhanji
- Strategic decision on which sectors to focus municipal interventions
- Poverty alleviation and job creation interventions

22.2.2 Integrated Waste Management Plan

Lukhanji is not an authority for waste management services but has primary responsibilities for dispensing refuse removal services to households and businesses located in its jurisdictional areas. As part of its intended holistic approach to waste and refuse management, the municipality has resolved to work closely with Chris Hani DM in ensuring safe disposal of waste by its households. The intension is not to develop our own waste management plan but rather to adopt and modify that of Chris Hani for our application in Lukhanji.

22.2.3 HIV/Aids workplace plan

The Lukhanji Local Municipality is working with its partners the Consolidated Municipal Transformation Programme (CMTP), Chris Hani District Municipality (CHDM), the Eastern Cape AIDS Council (ECAC) and Umhlaba Development Services (UDS) to develop an HIV and AIDS mainstreaming strategy, in an effort to effectively mainstream HIV and AIDS responses in the Municipality.

Lukhanji's response to HIV and AIDS has focused both internally and externally.

Responses have included:

- According to Council documentation, the HIV and AIDS programme and specifically LAC work is located within the SPU, which reports to the Mayor. However it appears that within the Municipality there is varying understanding of where the responsibility for HIV and AIDS programming is located.

- While currently there is no LAC coordinator, the Municipality has been working with CHDM and the ECAC to attempt to access funding to appoint an HIV and AIDS coordinator for five years.
- While the LAC was launched in 2002 with the assistance of the CHDM, it appears that the structure has been inactive for some time. The Municipality has recently attempted to revive the structure, and has re-examined the Terms of Reference and membership of the LAC.
- There is a health-focused HIV strategy in place but does not appear to be implemented. The development of the strategy was facilitated by the Education and Training Unit (ETU) in May 2005 and it focuses on three strategic focus areas: care for people living with HIV and AIDS; education, prevention, awareness and openness; and care for orphans.
- The current IDP indicates a need to develop a strategy to lower impact of HIV and AIDS and Tuberculoses linked to the work of the Chris Hani District Municipality and provincial programmes. The focus appears to be largely on identifying, promoting and supporting initiatives to improve awareness.
- There is a draft workplace policy that is in the process of being finalised by a task team at municipal level.

The aims of the Lukhanji HIV and AIDS Mainstreaming Strategy are:

- Established internal workplace programme in place and fully implemented
- Increased partnerships and collaboration with relevant governmental and non-governmental stakeholders
- Increased access to treatment, care and support
- Increased awareness, access to and dissemination of accurate HIV and AIDS, and STI information
- Increased local economic development opportunities and activities, especially for vulnerable groups

In order to achieve the overall objective and aims, the HIV Mainstreaming Strategy will focus on five key areas:

- Internal workforce of Lukhanji
- Internal services and functions of Lukhanji, including increased access to local economic development opportunities
- Partnerships and coordination of HIV and AIDS services within the municipal area
- Advocacy and lobbying with key governmental and non-governmental stakeholders
- Information and knowledge on HIV and AIDS

22.2.4 Workplace Skills Plan

Lukhanji does have a workplace skills plan but it is not fully functional. It needs additional resources to aid implementation and effective monitoring of commitments. The updating and improving implementation of this plan has been identified as a project for 2010/11.

22.2.5 Employment Equity Plan

The municipality has an employment equity plan but the current plan is not fully implemented and there are no regular reports on how the organisation is performing in terms of its targets.

The current version of the EEP is outdated and needs to be revised during 2010/11.

22.2.6 Credit control & debt collection strategy

The municipality has developed and adopted a credit control and debt collection strategy which is being implemented under the custodianship of the finance department.

This plan needs to be given some time in order to fully assess its impact.

22.2.7 Indigent policy

As part of the municipality's commitment to ensuring access to basic services by all its households, a subsidy policy has been developed to support poor households who are unable to afford services. The policy provide for subsidization of poor households to access basic services like water, sanitation, refuse and electricity. This policy must be updated in order to ensure quality verification of beneficiaries and alignment with the property rates act following the adoption of the new valuation roll.

22.3 ASSESSMENT MATRIX FOR SECTOR PLANS INTEGRATION

ASSESSMENT MATRIX FOR SECTOR PLANS / POLICIES 2009/10							
CLUSTER	DEPARTMENT	SECTOR PLAN / POLICY	STATUS OF SECTOR PLAN / POLICY			BUDGETED 2010/11	
			Being formulated	Exist / Considered for review	Does not exist. Must be formulated	Yes	No
Finance & Institutional	Finance	Credit control & debt collection			X	X	
		Indigent policy		X		X	
		Budget 2010/11	X				
	Corporate services	HR Procedures Manual		X			
		Organizational design plan		X			
		Employment equity plan		X			
		Workplace skills plan			X	X	
	Office of Manager	Performance Management plan		X		X	
		Service Delivery		X			

ASSESSMENT MATRIX FOR SECTOR PLANS / POLICIES 2009/10							
CLUSTER	DEPARTMENT	SECTOR PLAN / POLICY	STATUS OF SECTOR PLAN / POLICY			BUDGETED 2010/11	
			Being formulated	Exist / Considered for review	Does not exist. Must be formulated	Yes	No
		Budget Implementation Plans					
Economic development	Office of Manager	LED Strategy		X		X	
		Environmental sector plan			X		X
		Tourism sector plan		X			
		Spatial Dev Framework		X		X	
	Estate & Planning	Housing sector plan		X			X
Community services & social needs	Community services	HIV/ Aids workplace strategy		X			X
		Waste management sector plan			X		X
		Disaster management plan			X		X
Infrastructure	Technical services	Capital Investment plan		X			

23 MONITORING & PERFORMANCE MANAGEMENT

23.1 SERVICE DELIVERY BUDGET & IMPLEMENTATION PLAN FRAMEWORK

The table below gives an illustration of the framework used to develop our SDBIP.

Key Priority Area (line function focus area)	Project Name	Ward	Fund Source	Project Budget	Planned target / Output	PROJECTED MONTHLY PROGRESS & QUARTERLY CASHFLOWS - 2010/11				Source of Evidence	Accountable Person
						Sep	Dec	March	June		

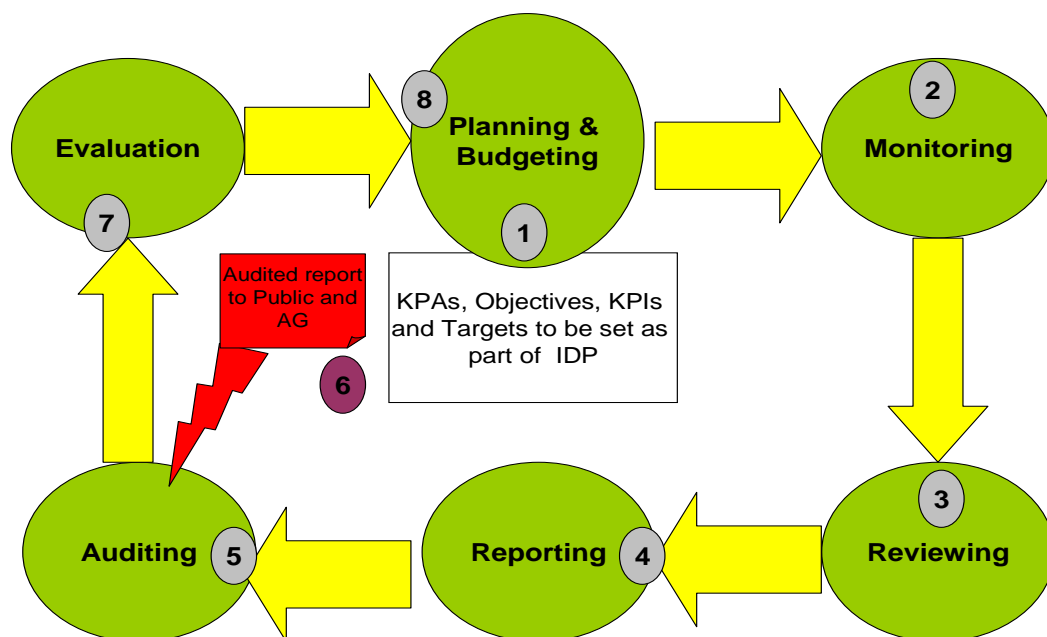
23.2 PERFORMANCE MANAGEMENT FRAMEWORK

23.2.1 INTRODUCTION

The section below outlines the framework for guiding the implementation of performance management in our municipality. It provides a decision making reference for agreed processes, mechanisms and procedures that must be followed when implementing performance management in the municipality. It ensures a system that complies fully with the requirements of local government legislation relating to performance management (see section 4 below).

23.2.2 WHAT IS PERFORMANCE MANAGEMENT?

There is no universal definition of Performance management. For, our purposes a working definition is suggested in which the term PM is used to refer to "a continuous and cyclic process of evaluating our actions and operations to determine whether we are delivering the desired level of development committed in our IDP". This process is envisaged to roll-out incrementally following the steps illustrated in the figure below:



Our performance management process will involve among other things:

- ◇ developing performance scorecards (three levels - Strategic and Departmental) and an appraisal tool for all staff below a section 57 manager
- ◇ setting of clear objectives, indicators and targets for performance (Based on IDP)
- ◇ determining baseline levels for indicators before finalizing targets
- ◇ gathering of measurement information to determine progress against set indicators and targets

- ◇ regular reviewing of performance (monthly, quarterly & annually)
- ◇ periodic reporting on performance (monthly, quarterly & annually)
- ◇ regular auditing of performance reports
- ◇ periodic assessing, evaluating and reviewing of the effectiveness of PMS itself

23.2.3 WHAT IS THE POLICY CONTEXT FOR MUNICIPAL PMS?

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 policy 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 policy. 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.

The two policies mentioned above provide the framework for implementing performance management system in a municipality.

In order to ensure compliance with the objects of the constitution and national policy, Lukhanji municipality accepted the local government and Batho Pele white papers as its policy framework for performance management system and for advancing the cause of local government transformation

23.2.4 WHAT LEGAL CONTEXT INFORMS OUR PMS?

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 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 act.

The regulations provide minimum requirements for a municipal performance management system and prescribe a set of seven national key performance indicators that must be measured and reported to national government by all municipalities annually. 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:

$$(i) \quad A = \frac{B - C}{D}$$

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;

$$(ii) \quad A = \frac{B}{C}$$

Where - "A" represents outstanding service debtors to revenue

"B" represents total outstanding service debtors

"C" represents annual revenue actually received for services;

$$(iii) \quad A = \frac{B + C}{D}$$

Where - "A" represents cost coverage

"B" represents all available cash at a particular time

"C" represents investments

"D" represents monthly fixed operating expenditure.

In 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.

The legislative framework referred to above provides a solid case for the implementation of Lukhanji performance management systems in local municipalities.

23.2.5 HOW WILL ESTABLISHING PMS BENEFIT OUR MUNICIPALITY?

For Lukhanji LM, the rationale for establishing PMS goes much deeper than the mere partial fulfilment of the legislative requirements. The following are other benefits for implementing a PMS.

23.2.5.1 Increased accountability

The performance management system should aim to provide a mechanism for ensuring increased accountability between:

- The residents of the Lukhanji Local and the municipal council,
- The political and administrative components of the municipality,
- Each department and the executive office.

23.2.5.2 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 are having the desired impact, and enable the municipality to improve delivery. It should form the basis for monitoring, evaluating and improving the Integrated Development Plan.

23.2.5.3 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.

23.2.5.4 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 functions listed above are not exhaustive, but summarise the intended benefits of the performance management system to be developed and implemented. These intended functions should be used to evaluate the performance management system periodically.

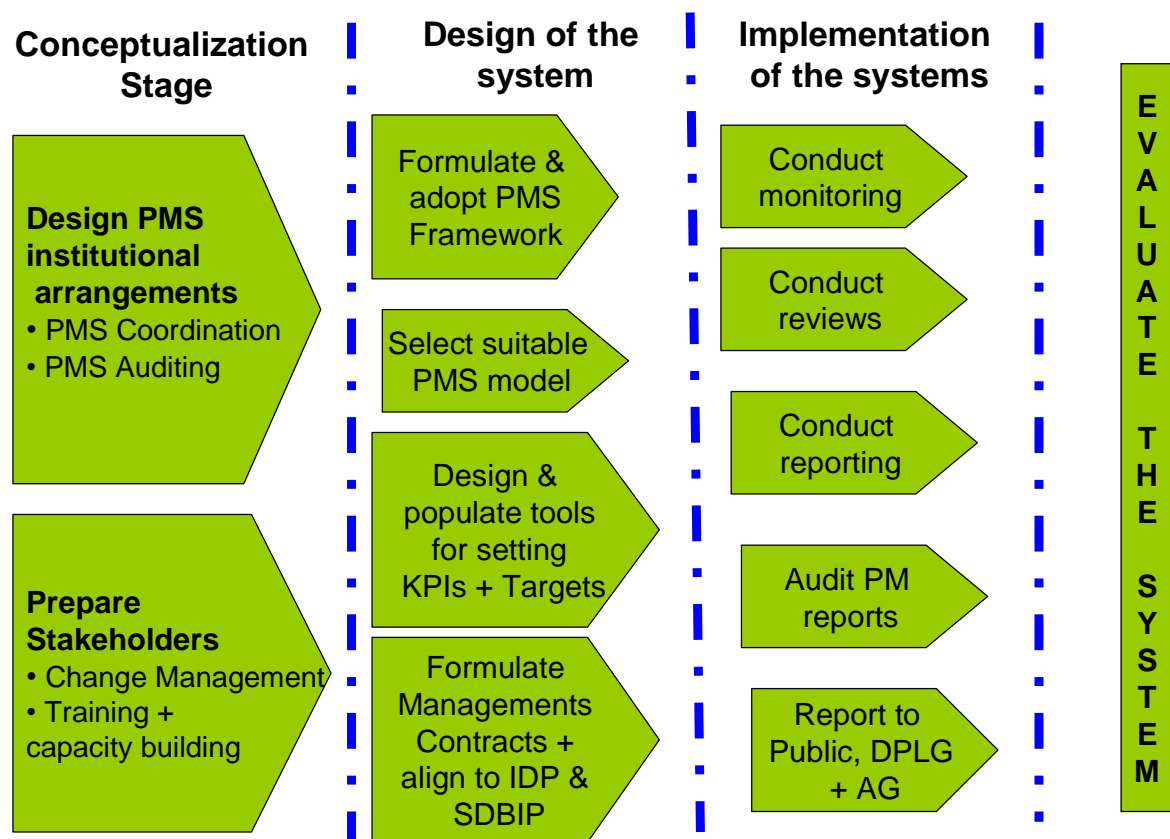
23.2.6 WHAT PRINCIPLES SHOULD BE ADOPTED TO GUIDE OUR PMS IMPLEMENTATION?

This policy provides for implementation of a comprehensive Lukhanji PMS based on the following set of guiding principles:

- ◇ 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 short term individual benefits like earning bonuses
- ◇ EQUITY OF RIGHT -Must balance organisational needs and employee rights
- ◇ PERFORMANCE CONTRACTS -Must provide for signing of performance contracts by section 57 managers
- ◇ 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
- ◇ 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

23.2.7 HOW WILL PMS BE DEVELOPED?

The figure below gives an illustration of the process designed to develop our PMS and reflect on the steps to be followed in its implementation.



23.2.8 INSTITUTIONAL ARRANGEMENTS

23.2.8.1 PMS Co-ordination

For purposes of coordinating PMS activities inside the municipality the framework provides for the delegation of authority to the corporate services manager to be the PMS coordinator. In terms of the envisaged role the PMS coordinator shall:

- ◇ Facilitate PMS communication
- ◇ Coordinate daily liaison
- ◇ Issue memos inviting inputs and reports from managers
- ◇ Facilitate implementation (monitoring & measurements of KPIs, reviews, report consolidation & submission, liaison with PMS audit committee etc)

23.2.8.2 PMS Audit function

For purposes of ensuring a mechanism for the auditing of our performance management reports, the framework provides for:

- ◇ Maintaining current status quo whereby the district PM Audit committee also audits reports of the local municipality via an agreement with the district

- ◇ Creation of internal audit function to look at municipal PM reports prior to them being forwarded to the audit committee
- ◇ The extension of the terms of reference of the current audit structure which currently audits financial statements only to also incorporate the task of auditing performance reports of the municipality
- ◇ Preparation and submission of PM reports to be audited at least twice a year. This will happen during the months of January and June of each year. In this instance the policy suggests that the second report be an annual report to prevent duplication.

23.2.8.3 Public participation

For purposes of ensuring effective participation by all relevant stakeholders in the PM processes, the policy provides for the recognition and use of the same structures set for the IDP. In terms of this policy, public participation for the planning of PMS takes place during IDP formulation which must cater for the formulation of:

- ◇ Key development priorities agreed for each year
- ◇ Development objectives
- ◇ Key development targets agreed

Therefore, IDP steering committee and Representative forums will serve as main key platforms for public and broader stakeholder participation.

23.2.8.4 Stakeholder Roles and Responsibilities

The following table outlines the key roles and responsibilities to be discharged by the various role players in the process.

Stakeholders	Performance Planning	Measurement and Analysis	Performance Reporting & Reviews
IDP Rep Forum	<ul style="list-style-type: none"> • Be consulted on needs • Develop the long term vision for the area • Influence the identification of priorities • Influence the choice of indicators and setting of targets 		<ul style="list-style-type: none"> • Be given the opportunity to review municipal performance and suggest new indicators and targets
Council	<ul style="list-style-type: none"> • Facilitate the development of a long-term vision. • Develop strategies to achieve vision • Identify priorities • Adopt indicators and set targets 		<ul style="list-style-type: none"> • Review municipal performance bi-annually
Portfolio Committees	<ul style="list-style-type: none"> • Influence the preparation of SDBIP scorecards • Adopt SDBIP scorecards • Ensure involvement of communities in the setting of municipal targets (IDP) 	<ul style="list-style-type: none"> • Monitor performance of relevant services 	<ul style="list-style-type: none"> • Receive reports from service managers • Review monthly SDBIP scorecards • Report to Mayco • Adopt corrective actions where necessary and recommend to Mayco
Mayco	<ul style="list-style-type: none"> • Play the leading role in giving strategic direction and developing strategies and policies for the organisation • Manage the development of an IDP • Approve and adopt indicators and set targets • Communicate the plan to other stakeholders 		<ul style="list-style-type: none"> • 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

Stakeholders	Performance Planning	Measurement and Analysis	Performance Reporting & Reviews
Management Team	Assist the Executive Committee in <ul style="list-style-type: none"> • providing strategic direction and developing strategies and policies for the organisation • Manage the development of the IDP • Ensure that the plan is integrated • Identify and propose indicators and targets • Communicate the plan to other stakeholders • Develop SDBIPs & Budget 	<ul style="list-style-type: none"> • Regularly monitor the implementation of the IDP, identifying risks early • Ensure that regular monitoring (measurement, analysis and reporting) is happening in the organisation • Intervene in performance problems on a daily operational basis 	<ul style="list-style-type: none"> • Conduct quarterly reviews of performance • Ensure that performance reviews at the political level are organised • Ensure the availability of information • Propose response strategies to the Executive Committee • Report to Exco
Internal Audit			<ul style="list-style-type: none"> • Produce quarterly audit reports for MM and Audit committee
Performance Audit Committee			<ul style="list-style-type: none"> • Review internal audit reports • Assess system and indicators • Provide audit report twice annually to council

23.2.9 PMS MODEL FOR LUKHANJI LM

23.2.9.1 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.

23.2.9.2 Why is a model important for PM?

Models have proved useful in performance management for the following reasons. They provide:

Balance: A good model will ensure balance in how the organisation measures and manages its performance. It should not bias performance

measurement by relying on one facet of performance, but represent a multi-perspective holistic assessment of municipal performance.

Simplicity: A good model should organise simply, what would otherwise be a long list of indicators attempting to comprehensively cover performance, into a set of categories sufficiently covering all key areas of performance. Models differ most significantly in what they assert are the key aspects of performance.

Mapping of Inter-relationships: A good model will map out the inter-relationships 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 in both the planning stage and the review stage, particularly in the diagnosis of causes of poor performance.

Alignment of resources to strategy: A good model will align the processes of performance management to the Integrated Development Plan & budgeting processes of the organisation. It will ensure that the Integrated Development Plan is translated into performance plans that will be monitored and reviewed. The categories of key performance areas provided by a model should relate directly to the identified priority areas of the Integrated Development Plan.

International experience in both the private and public sectors has shown that traditional approaches to measuring performance that tends to be heavily reliant on financial measures are severely lacking. These approaches tended to over-emphasise financial efficiency over other equally important variables of performance measurement and thereby providing a skewed perspective of the organisation's performance, particularly for a municipal organisation.

However, with recent developments in performance measurement literature in both the public and private sector, it has become well accepted that in order to assess an organisation's performance, a balanced view is required, incorporating a multi-perspective assessment of how the organisation is performing as seen by differing categories of stakeholders.

23.2.9.3 The Municipal Scorecard model

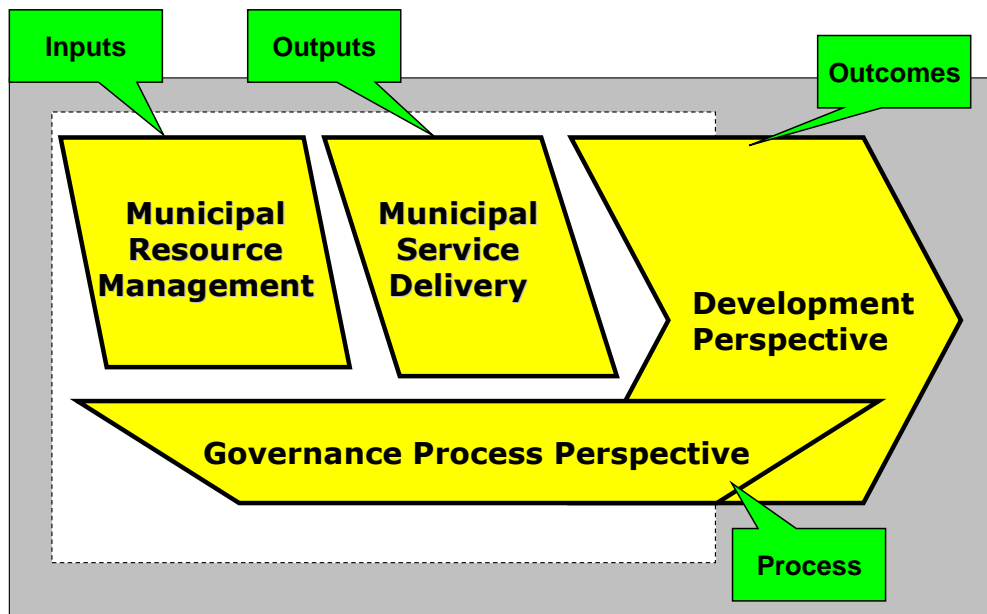
In terms of this policy the municipal scorecard model is to be used as a preferred model for the municipality. This model provides a modified version of the balanced scorecard model which has been adapted to SA local government legislation environment. It is also based on four key perspectives outlined later in this section.

The choice of this model is based on the strengths that it is:

- Tightly aligned to the strategic planning (IDP) and Budget processes
- Directly relevant to the notions of developmental local government and co-operative governance
- Fits neatly with the envisaged legal process of managing performance in a municipal organisation in SA
- A balanced view of performance based on inputs, outputs, outcomes and processes

- A simple portrayal of municipal performance, where inter-relationships can be mapped
- Has been adopted as the recommended model for municipalities by the South African Local Government Association (SALGA) because of its simplicity and relevance to local government environment.

The Municipal Scorecard is based on four key perspectives, outlined in the figure below.



The Development Impact (Outcomes) Perspective: In this perspective the municipality will need to assess whether the desired development impact in the municipal area is being achieved. This perspective will constitute the development priorities for the municipal area and indicators that tell us whether the desired development outcomes are being achieved. It will be difficult to isolate development outcomes for which the municipality is solely accountable. It is expected that the development priorities and indicators, will often lie within the shared accountability of the municipality, other spheres of government and civil society. The measurement of developmental outcomes in the municipal area will be useful in telling us whether our policies and strategies are having the desired development impact.

The Service Delivery (Outputs) Perspective: This perspective should tell us how a municipality is performing with respect to the delivery of services and products. This relates to the output of the municipality as a whole.

The Resource (costs + inputs) Management Perspective: This perspective should tell us how a municipality is performing with respect to the management of its resources:

- Budget & other financial Resources

- Human Resources
- Systems & Information
- Organizational Infrastructure (enabling equipment)

This relates to the inputs of the municipality as a whole.

Governance Process Perspective: This perspective should tell us how a municipality is performing with respect to its engagement and relationship with its stakeholders in the process of governance. This perspective should include, amongst others:

- Public participation
- Intergovernmental relations
- Customer care relations
- Citizen satisfaction
- Access to Information
- Communication strategies

This relates to the governance processes of the municipality as a whole.

DEFINITION OF CONCEPTS USED IN THE SCORECARDS

Objectives: are statements about what a service wants to achieve.

Indicators: are measures that tell us whether we are making progress towards achieving our objectives.

A baseline measure: is the value of the indicator before the start of the programme or prior to the period over which performance is to be reviewed.

A target: is the value of the indicator that we want to achieve by a specified time.

The measurement source and frequency: should indicate where the data emanates from, and how frequently it can be measured and reported. This information will assist the auditing process.

These have been used as the basis of the plans for the strategic and service scorecards.

CRITERIA ADOPTED TO GUIDE SELECTION OF SUITABLE INDICATORS

Focused and Specific: Is the indicator selected clear, focused and not stated in an ambiguous way?

Measurable: Does the indicator have defined unit of measurement? Note that this unit must also be used in determining the target.

Valid and Relevant: Validity is the degree to which an indicator measures what it is intended to be measured. Is the indicator relevant to the objective of the performance being measured?

Reliable: Reliability is the degree to which repeated measures, under exactly the same conditions will produce the same result. How reliable is your indicator?

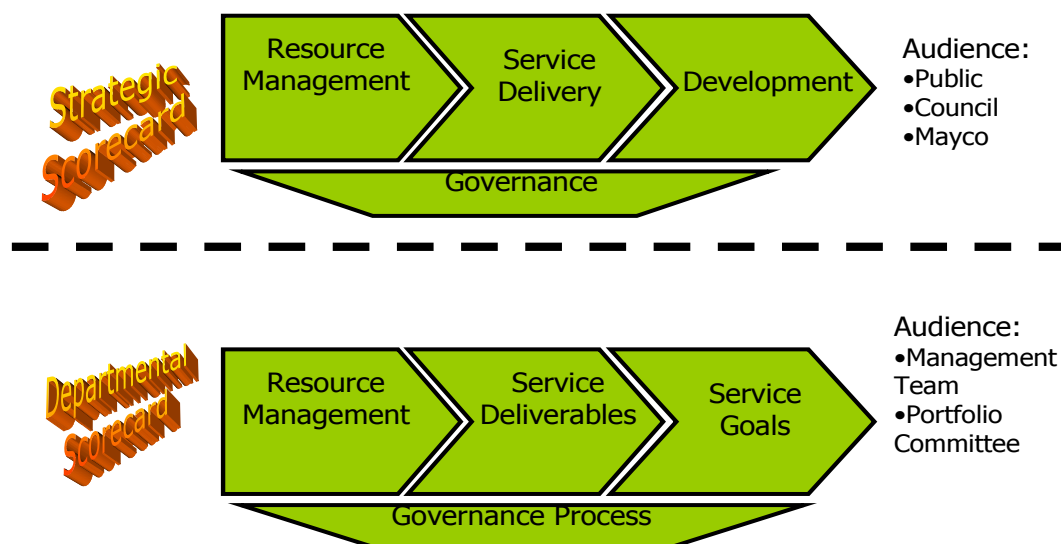
Simple: Good indicators will be simple, easy to communicate. A composite indicator would try to measure a series of performance dimensions at the same time, this may confuse. Where possible avoid using complex or composite indicators.

Minimise perverse consequences: Poorly chosen indicators, while they may have noble intentions, can have perverse consequences in the behaviours it incentives. Choose indicators that will incentives behaviour that is desired and not unintended results.

Data Availability: Good indicators will also rely on data that is, or intended to be, available on a regular basis. Be careful of choosing indicators that will not have data to be measured against.

23.2.9.4 Levels of scorecards in a municipal scorecard model

There are two levels of scorecards recommended in the municipal scorecard model. These include the strategic and the services outcome scorecards as depicted in the figure below.



The Strategic Scorecard: The strategic scorecard will provide an overall picture of performance for the municipality as a whole, reflecting performance on its strategic priorities. The Municipal Manager and Managers of Departments will use it after review as a basis for reporting to the Mayoral Committee, Council and the public. In terms of this policy this scorecard is to be reported to Mayoral Committee quarterly, to Council six-monthly and the public annually for review.

Service Scorecards: The service scorecards will capture the performance of each defined service (can be a directorate or department line-function). Unlike the strategic scorecard, which reflects on the strategic priorities of the municipality, a service scorecard will provide a comprehensive picture of the performance of that service. It will consist of objectives, indicators and

targets derived from the service plan and service strategies. It will be crucial that service scorecards should not duplicate current reporting, but be integrated to form a core component and simplify all regular reporting from departments to the Municipal Manager and Standing Committees.

Service Scorecards will be comprised of the following components:

- Service Outcomes, which set out the developmental outcomes that the service is to impact on,
- Service Deliverables, which set out the products and services that the service will deliver,
- Resource Management, which sets out how the service will manage its Human and Financial resources, Information and Organisational Infrastructure
- Stakeholder Relations, which sets out how the service will improve its relationship with its key stakeholders

Performance in the form of a service scorecard will be reported to the Municipal Manager and relevant Standing Committee for review. The policy provides for the reporting in terms of this level of scorecard to be undertaken at least monthly. The policy assumes that the reporting on this level scorecard will be preceded by internal departmental reporting (reports from unit managers and supervisors to be consolidated by the head of departments) which is expected to happen more regularly than monthly intervals and would ideally inform the monthly management reports.

The policy suggests that municipal scorecard formats be designed to reinforce aggregation of information and alignment with service delivery budget and implementation plans (SDBIPs).

23.2.10 MONITORING AND MEASUREMENT OF INDICATORS

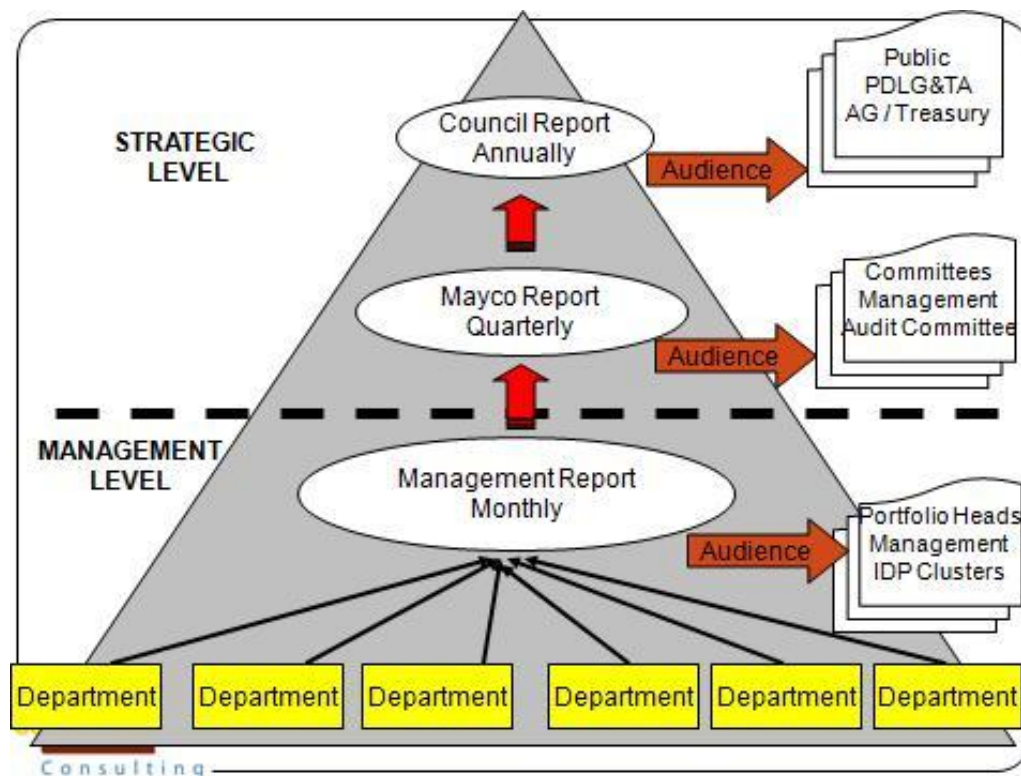
For each indicator the scorecard require a responsible official, usually the respective line manager, to be designated by name. While this official is not necessarily fully accountable for performance on this indicator, he/she has the responsibility for conducting measurements of that indicator, analysing information and reporting results for reviews.

Analysis requires that line managers compare current performance with targets, past performance and possibly the performance of other municipalities, where data is available, to determine whether or not performance is poor. They should also analyse the reasons for performance levels and suggest corrective action where necessary.

Municipal-wide outcome indicators and satisfaction surveys may need to be co-ordinated centrally. It is recommendable that the PMS coordinator be tasked with this responsibility. An effort should also be made to undertake regular (annually) surveys in order to provide data for indicators organisationally and for the different service scorecards:

23.2.11 PERFORMANCE REPORTING AND AUDITING

The following figure outlines the envisaged PM reporting processes and lines of authority.



Performance reporting: As indicated in the above diagram reporting will commence from the internal department (weekly and chaired by HoD) then cascade to management (receive monthly management reports and chaired by municipal manager), thereafter, a bi-monthly report will be tabled to Myco by management. This report will move be consolidated with comments of Mayco into a quarterly report to be tabled to council. At least two six-monthly reports will be forwarded for auditing by the audit committee during January and June of each year.

At the end of the year, an annual performance report will be produced and summarized for public reporting by the mayor via Imbizos and by the manager to auditor general and PDLG&TA.

Quality Control: All auditing should comply with Section 14 of the Municipal Planning and Performance Management Regulations (2001). Managers responsible for line functions should undertake quality control of the information gathered and presented in the scorecard.

Co-ordination: The performance management coordinator is required by the framework to co-ordinate and ensures good quality of reporting and reviews. It is his or her role to ensure conformity to reporting formats and check the reliability of reported information, where possible or when asked to do so by Mayco / council.

Performance Investigations: This policy provides for the Mayoral Committee or Audit Committee when deemed necessary to can commission in-depth performance investigations where there is either continued poor performance, a lack of reliability in the information being provided or on a random ad-hoc basis. Performance investigations could cover assessment of:

- The reliability of reported information
- The extent of performance gaps from targets
- The reasons for performance gaps
- Corrective action and improvement strategies
- Validity of evidence material submitted in support of claims

While the internal audit function may be used to conduct these investigations, it is preferable that external service providers, preferably academic institutions/practitioners, who are experts in the area to be audited, should be used. Clear terms of reference will need to be adopted by the Executive Committee, should such a need for investigation arise.

Audit Committee: As indicated earlier the municipality will make use of the district committee via a service level agreement. This facility will be complemented by the internal audit function which shall have been made by extending the current terms of reference for the existing audit committee currently responsible for financial statements to also cater for auditing of PM reports at least twice per annum.

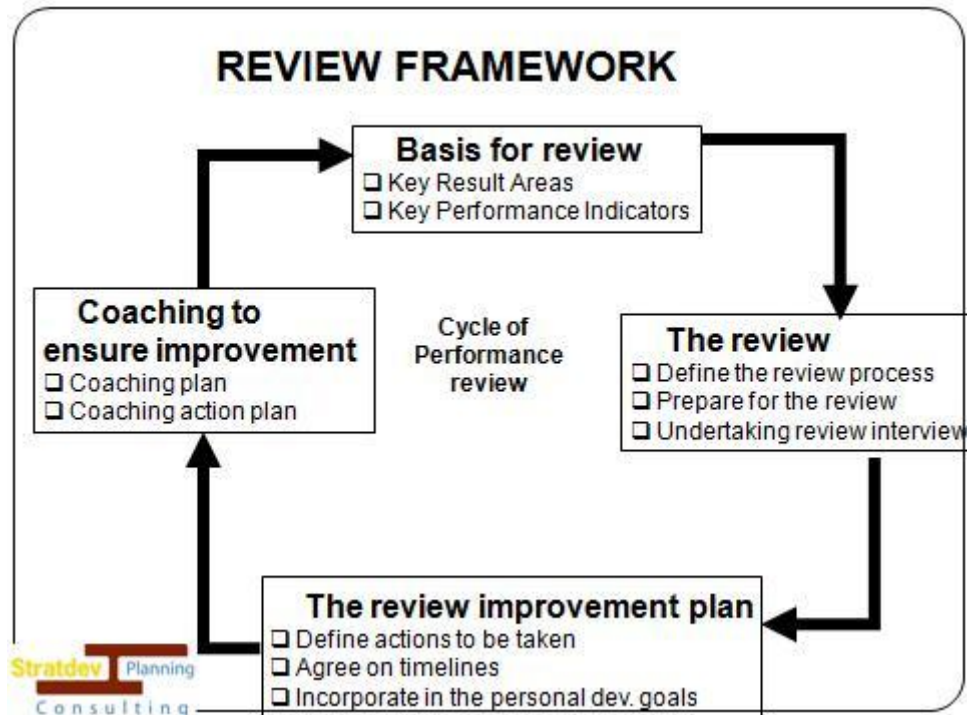
23.2.12 PERFORMANCE REVIEWS

Performance reviews must be conducted at various intervals and levels of authority in order to determine as to the progress made against committed performance targets. Every review session must be documented and evidence material filed in case it is called by senior level reviews or the audit committee. Prior to reviews taking place by the Management Team, Mayoral Committee and Council, performance reporting will need to be tracked and co-ordinated. The Performance Management coordinator is responsible for this process.

It will also be useful to provide an overall analysis of municipal performance with respect to the strategic scorecards and department scorecards, at least for quarterly and annual reviews. Such an analysis could pick up trends in performance over time and over all departments. It is proposed that the Performance Management Coordinator be responsible for this.

23.2.12.1 How should reviews be conducted?

The following figure provides a guideline for setting-up a review process.



The review process should involve the following guideline steps:

1. Prepare for the review
 - Set appointments and schedule interview sessions
 - Produce and circulate scorecard templates (FORMS)
 - Commission self appraisals
2. Conduct review interviews
3. Discuss and agree on improvement plan
4. Feedback review outcomes to those concerned

During the review, the reviewing person / committee or structure must ensure the following things happen:

- ◇ Confirm what is expected of employee / department being reviewed
- ◇ Encourage those reviewed to feel comfortable and create conducive atmosphere for discussing issues frankly and fairly
- ◇ Fairly and equitably measure performance of individual / department.
- ◇ Agree on the final determination of performance achieved
- ◇ Identify strengths and areas of improvement
- ◇ Give feedback in terms of the reward/ recognition of good performance / excellence or the steps to be taken to address poor performance
- ◇ Align individual performance behaviour with organizational performance goals (IDP vision)
- ◇ Incorporate lessons of the previous year's performance into the following year's performance (Learning curve) by jointly developing a Performance Improvement Plan with the manager concerned
- ◇ Agree on a performance improvement plan

If the review session is to lead to the determination of salary progressions and bonuses in the case of individual management reviews, then the following rules should apply:

- 1) Determination of final scores will be based on the scoring model which uses a rating scale of 1 – 5 combined with point system
- 2) The employee will be allowed during the review to provide evidence to his /her claims should this be necessary
- 3) An aggregate score should be determined after adding all KPA scores achieved in the review
- 4) The decision of the audit committee ON SCORES is final
- 5) A manager can only qualify for a bonus portion when he/ she has achieved a minimum of level 3 overall score
 - a. A score of 251 – 300 will qualify for 50% of bonus possible
 - b. A score of 301 – 350 will qualify for 60% of bonus possible
 - c. A score of 351 – 400 will qualify for 75% of bonus possible
 - d. A score of 401 – 450 will qualify for 90% of bonus possible
 - e. A score of 451 – 500 will qualify for 100% of bonus possible

Combining points & rating on a scale with 5 levels

Points	Rating	Meaning
451-500	5	outstanding performance
351-450	4	commendable performance
251-350	3	satisfactory performance
151-250	2	marginal performance
0-150	1	unsatisfactory performance

EXPLANATION OF LEVELS

Level 5: Outstanding performance: Performance far exceeds the standard expected of a member at this level. The incumbent has achieved exceptional results against all performance criteria agreed and has maintained this all year round.

Level 4: Performance significantly above expectations. Significantly higher than expected. Incumbent has achieved exceptional results against more than half of the performance criteria and indicators and fully achieved all others throughout the year.

Level 3: Fully effective. Performance fully meets the standard expected in all areas of the job. Incumbent has achieved results against all significant performance criteria and indicators and incumbent has achieved results significantly above expectation in one or two less significant areas.

Level 2: Performance is below standard required for the job in key areas (judge per weight etc). Incumbent has achieved adequate results against many key but not all others during the course of the year.

Level 1: Performance does not meet the standard expected for the job. The incumbent has not met one or more fundamental requirements and / or is achieved results that are below expectation in most result areas.

23.2.12.2 Suggested levels of reviews

Section 57 Management Reviews: It is intended that a review committee comprising of the municipal manager, a standing committee councilor of that department and an independent auditor who must be a member of the audit committee review their performance of a section 57 manager at least every second month, using his/her personal contract scorecard. Managers will be reviewed on their overall annual performance during the period 01 July and 30 July of every year to conclude the year ended 30 June and to determine salary progression moves and bonuses.

Departmental Reviews: It is intended that departments review their performance at least monthly, using their department scorecards and SDBIPs. Decision-makers should be immediately warned of any emerging failures to service delivery to ensure that they can intervene if necessary. It is important that departments use these reviews as a platform to reflect on their goals and programmes and whether these are being achieved. Minutes of these reviews should be forwarded to the performance management coordinator. Changes in indicators and targets may be proposed at this meeting but can only be approved by the relevant standing committee, in consultation with the Performance Management Coordinator.

Management Team Reviews: Departments have to report on their performance in the department scorecard format to the Municipal Manager and the Managers of departments every month. These reviews must also provide for section 57 managers to report on their individual scorecards to the municipal manager. In order to avoid duplication of reporting efforts the SDBIPs must also be reported at these platforms. Additional indicators that occur in the departmental scorecard & SDBIP should also be reviewed. The formulation of the process of review will be co-ordinated by the proposed performance management coordinator.

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 endorse these, for approval by the relevant standing Committee. The Management Team can delegate tasks to the performance management coordinator in developing an analysis of performance prior to Management Team reviews.

Standing Committee Reviews: Each Standing Committee is required to review the performance of their respective departments against their department scorecard every second month. The Standing Committee should appraise the performance targets. Where targets are not being met, the 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 that do not appear in the strategic scorecard may be proposed to and can only be approved by the relevant Standing Committee, in consultation with the IDP manager and Performance Management Coordinator (Strategic Planning Manager). Changes in indicators and targets that fall within the strategic scorecard will need to be approved by the Exco / Council.

Mayoral Committee Reviews: On a quarterly basis, the Mayoral Committee is tasked to engage in an intensive review of municipal performance against both the department scorecards and the strategic scorecard, as reported by the Municipal Manager. This must also incorporate reviews based on SDBIPs in order to avoid duplication of reporting processes.

Many of the indicators in the strategic scorecard will only be measurable on an annual basis. The quarterly reviews should thus culminate in a comprehensive annual review of performance in terms of both scorecards.

The review should reflect on the performance of services and the strategic scorecard. The Mayoral Committee will need to ensure that targets committed to in the strategic scorecard are being met, where they are not, that satisfactory and sufficient reasons are provided and that the corrective action being proposed is sufficient 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.

Incentives for Excellent Performance: It is the intention of the PMS framework that the Executive Committee not only pays attention to poor performance but also to good performance. It is expected of the Executive Committee to acknowledge good performance, where departments have successfully met targets in their department scorecards.

Council Reviews: At least annually, the Mayoral Committee is required to report to Council on municipal performance. This reporting takes place using

the strategic scorecard in an annual report. The Municipal Systems Act requires that the annual report should at least constitute a performance report (the strategic scorecard), financial statements and an audit report.

Public Reviews: The Municipal Systems Act requires the public to be given the opportunity to review municipal performance. Therefore in addition to the annual report mentioned above, user-friendly citizens' report is intended to be produced as part of our PMS for public consumption. The citizens' report has not yet been produced at our municipality but it is envisaged to be a simple, easily readable and attractive document that translates the strategic scorecard for public consumption.

It is envisaged also that a public campaign shall be annually embarked on to involve citizens in the review of municipal performance. Such a campaign could involve the following methodologies:

- ◇ Ward committees would be reported to (once systems are developed fully) and submit their review of the municipality to council. The performance management team should be used to summarise this input.
- ◇ Various forms of media including radio, newspapers and billboards would be used to convey the citizens' 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 are planned to be concluded by a review by the Integrated Development Plan Representative Forum or Mayoral Imbizos.

23.2.13 EVALUATION AND IMPROVEMENT OF THE MUNICIPAL PMS

The Municipal Systems Act requires the Lukhanji Local Municipality to annually evaluate its performance management system. At the end of the planning year cycle as part of the annual review of the municipality's IDP, the council must always evaluate:

- The adherence of the performance management system to the Municipal Systems Act.
- The fulfilment of the objectives for a performance management system captured earlier in this document.
- The adherence of the performance management system to the principles captured earlier in this and those subscribed to in terms of the Batho Pele white paper discussed under section 3 of this document.
- Opportunities for improvement and a proposed action plan for areas to be revised.

The process of implementing a performance management system in Lukhanji LM is viewed as a learning process, where we are continuously improving the way the system works to fulfil the objectives of the system and address the emerging challenges from a constantly changing environment.

24 IDP APPROVAL

Following the draft IDP review report tabled to and adopted by council in March 2010, comments were invited from all stakeholders and interested parties during the month of April. All received inputs were considered and consolidated into this final document. The main inputs came from communities, provincial government, sector departments, internal municipal department and the Municipal Turn-Around Strategy initiative which took place during the same period.

In addition, a round of ward consultative meetings were held to present the draft IDP and budget 2010/11 to our communities and invite their comments and inputs. Not much new issues arose out of these session and any new inputs were also considered in the drafting of this final report.

Having given all stakeholders an opportunity to air their views and influence municipal decision making regarding this plan and the intended development programme for the next financial year 2010/11, the Lukhanji Municipal council is satisfied that all necessary planning activities as envisaged in the IDP review process plan were carried out accordingly and therefore RESOLVES to adopt this document as our 2010/11 IDP review and thereby instructs our administration to implement the plan using the agreed and adopted 2010/11 budget then monitor progress and report to council via adopted performance management scorecard and SDBIP.

DECLARATION OF DRAFT IDP REVIEW 10/11 **ADOPTION**

COUNCIL RESOLUTION & DATE OF ADOPTION:.....

SIGNATURE

.....
Mr P. Bacela
MUNICIPAL MANANGER

.....
DATE

.....
Cllr Nontsele
EXECUTIVE MAYOR

.....
DATE