



INTEGRATED DEVELOPMENT PLAN

2010/11 Review

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1 GLOSSARY OF TERMS

ABET	Adult Based Education and Training
ABSA	Amalgamated Banks of South Africa
AIDS	Acquired Immune Deficiency Syndrome
ASGISA	Accelerated and Shared Growth Initiative for South Africa
CASP	Comprehensive Agriculture Support Programme
CBO	Community Based Organization
CPF	Community Policing Forum
CSIR	Council for Scientific and Industrial Research
DBSA	Development Bank of South Africa
DEAT	Department of Environment and Tourism (Also known as DEA)
DFA	Development Facilitation Act No 67 of 1995
DLA	Department of Land Affairs
DLGH	Department of Local Government
DM	District Municipality
DME	Department of Mineral and Energy
DoALR	Department of Agriculture and Land Reform
DoE	Department of Education
DoH	Department of Health
DH	Department of Housing
DoSD	Department of Social Development
DoRT	Department of Roads and Transport
DPLG	Department of Provincial and Local Government (National)
DPW	Department of Public Works
DSAC	Department of Sport, Arts & Culture
DWAF	Department of Water Affairs and Forestry
ECA	Environmental Conservation Act
EIA	Environmental Impact Assessment
ES	Equitable Share (grant)
FBS	Faith Basic Services
ECDC	Eastern Cape Development Corporation
ECPGDS	Eastern Cape Provincial Growth & Development Strategy
EXCO	Executive Committee
GP	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
LDO	Land Development Objectives
LED	Local Economic Development
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
PMS	Performance Management System
PPP	Public Private Partnership
RDP	Reconstruction and Development Programme
REDs	Regional Electricity Distributors
RTP	Responsible Tourism Planning
SMME	Small Medium and Micron Enterprises
SOE	State Owned Enterprises
SoR	State of Environment Report
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

This section gives an executive summary of the Engcobo Municipal IDP Review 2010/2011 report.

1.1 Why did we review our previous IDP?

This review is a response to:

- Legal requirements in terms of LG Municipal Systems Act
- Comments made by MEC on our previous document and an attempt to ensure a credible plan
- Comments raised in our management report by Auditor General relating to planning and Performance Management processes
- Changes in the planning data available to us for improving our understanding of the scale and scope of development challenge facing the municipality

1.2 The development challenge

Engcobo Municipality is a local municipality that can be categorised as a B4 (largely rural with a low economic and revenue base). It faces immense challenges for development and is characterised by high backlogs for services, unemployment and poverty. Yet there are also existing and underutilised opportunities. Key points about this challenge are summarised here below:

1.2.1 Demographic dynamics

We have a rising population estimated to be around 149 000 people and 36 000 households. The majority of population is female (53%) and youth. There are about 66 people per square kilometre.

1.2.2 Economic Development and Environment

Our economy is under performing and currently fails to create needed jobs and revenues. A dedicated LED strategy is planned to assist guide our interventions in turning this situation around.

We have an estimated GDP of R606 million and a purchasing / buying power of approximately R1,9 billion. Despite this picture, unemployment remains as high as 57% with indigent households estimated around 32% of population.

Key sector with potential but currently under performing and needing focused interventions include Agriculture, Forestry, Manufacturing and Tourism. Our current economy is highly undiversified with community services accounting for the majority of present jobs. This is viewed as unsustainable and undesirable.

We do not have necessary skills and institutional capacity to deliver on our environmental management responsibilities and continue to suffer problems of decaying urban aesthetics, prevalent soil erosion and sporadic draughts.

Institutional Development and Transformation

Our main strategic challenge for institutional development is that we have not yet moved out of establishment stage. We still lag behind in terms of our operational systems and working equipment.

As indicated earlier, we lack adequate skills and capacity to undertake all our assigned powers and functions.

We have an executive committee system type council and manage through 6 key administrative departments including that of the office of the municipal manager.

1.2.3 Good Governance

Our priority focus areas for the next year will be on public participation, entrenching local democracy and fighting corruption as we lead to 2012 local elections. While we have started to address structural challenges in our finance department, we still unable to achieve a clean audit outcome. This is our strategic priority result area.

1.2.4 Financial Viability

As indicated above, we have structural economic challenges that impact negatively on our financial viability. These include among others: Low revenue base, Low levels of exposure to high incomes resulting in growing indigent category, Poor levels of payment, inadequate systems and our inability to achieve a clean audit outcome.

1.2.5 Service Delivery

Indeed, our analysis show that we lag behind with provision of basic and other required services and run a strategic risk of not meeting our millennium and EC PDGS goals if this situation is not rescued. Our backlogs are water (40%), sanitation (58%), Electricity (47%), Refuse (17%), Road network (150km of gravel and approximately 25km of tarred surfaces). There are also other challenges such as poor accessibility of facilities and quality outputs affecting Education, Health, Public Transport, Social Development and Safety & Security. These challenges militate against our strength to better the lives of our people.

Summary of Key Priorities for 2010/11

- Water and Sanitation
- Financial viability
- Good governance
- Transport Infrastructure
- Local Economic Development and food security
- Electrification
- Health
- Housing
- Educational Facilities
- Social and recreational facilities
- Special Programmes
- Safety and security
- Rural Development

1.3 Planning for the future

This IDP review has not amended the agreed vision and mission of the municipal council. The document also provides a detailed list of programmes and projects to be implemented in attempting to reverse the development challenge outlined above. It further provides a framework for ensuring smooth integration, alignment and synergy in the implementation of this IDP's intention. It concludes with the outline of the processes followed in approving this IDP review for implementation.

1 INTRODUCTION

This document represents a review integrated development plan (IDP) for 2010/11. It is drawn as a legal and planning management requirement in partial fulfilment of the requirements of the LG Municipal Systems Act (MSA) 32 of 2000. Section 34 of the Systems Act, states that a municipal council must review its IDP,

- i. Annually and in accordance with the assessment of its performance measurements
- ii. To the extent that changing circumstances warrant review

2 LOCALITY CONTEXT

Engcobo is a category B municipality situated within the Chris Hani District (see figure below) of the Eastern Cape Province. It is made up of the main town of Engcobo and surrounding villages.



Figure 1: Engcobo locality Plan

PROCESS PLAN & GAP ANALYSIS

3 THE REVIEW FOCUS AREAS

A gap analysis conducted on the current IDP document pointed to the following key areas for specific attention and improvement during the formulation of this IDP review 2010/11.

3.1 Updating of the planning data

We have collected better information to update our planning baseline. The information changes relate to inputs by desktop statistical research, ward consultations and sector departmental engagements.

The planning information is also updated to accommodate recent changes in government restructuring which took place after the April 2009 elections.

3.2 Response to comments raised during MEC assessment

MEC for LG identified a couple of areas that needed to be strengthened to ensure that our document meets the credible status. These related to issues such as interpretation of our development challenges, representation of that view in the spatial development framework and formatting of the report.

This review has amended the report structure, inputs on the reflections of our challenges relating to the following:

- Municipal Institutional Development and Transformation

- Financial Viability
- Local Economic Development
- Good Governance
- Service Delivery
- Spatial Development Framework

3.3 Response to issues raised by AG relating to IDP & PMS linkages

Auditor General has raised concern over shortfalls in certain aspects of our planning process. In particular, key concerns were raised relating to the alignment of PMS and IDP. This IDP review has been designed to ensure clear alignment between its IDP KPAs, development objectives and Targets used in our performance scorecards and SDBIPs.

4 THE REVIEW PROCESS PLAN

The following section outlines the process plan for the formulation of Engcobo IDP review 2010/11. It outlines the mechanisms and procedures that will be 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 Engcobo Municipal Council

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

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

4.1.2 IDP Manager

The IDP Manager role resides with the Acting Municipal Manager who has in turn delegated it to the IDP Manager. 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 largely 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 Mayor and will be composed of representatives from the following institutions or interest groups:

- Secretariat of IDP steering committee
- Ward Committees
- Youth groups
- Rate payers
- Traditional Leaders
- Civic bodies & Entities

- NGO's and CBOs
- Sector Departments and the District Municipality
- IDP Steering Committee
- Community development workers

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 ▪ Encourage public participation ▪ Keep public informed about the contents of the IDP
2. IDP Manager	<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

ACTORS	ROLES AND RESPONSIBILITIES
	<p>effective consideration of available time; financial and human resources;</p> <ul style="list-style-type: none"> ▪ 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 ▪ 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 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. District Municipality	<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

ACTORS	ROLES AND RESPONSIBILITIES
	<p>within the clusters</p> <ul style="list-style-type: none"> • 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 – dplg guide for credible IDPs • 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

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 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

- 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

- **Appropriate Language Usage**

Formal documentation and communication will be done in English but in meetings, participants would be encouraged to use their own language where this would enhance communication and participation. In some instances, interpreters may be used to facilitate smooth communication. Facilitators of meetings would be encouraged to make use of simple language in explaining concepts so that people can understand the process and become empowered to participate in the IDP process.

- **Appropriate Venues, transport and refreshments**

Meetings will be held in Engcobo and transport will be provided for those councillors 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.

Work Break Down	November					December				January				February				March					April							
	2	9	16	23	30	7	14	21	28	4	11	18	25	1	8	15	22	1	8	15	22	29	5	12	19	26				
engagements																														
Internal sector plans																														
Budget alignment																														
SDBIP + PMS alignment																														
APPROVAL																														
draft document																														
comments period																														
Mayoral Imbizos																														
Final IDP review 2010-11																														

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 Binding legislation

The Engcobo Municipality's IDP formulation and implementation processes will be bound by the following set of legislations (the inventory in the table below is not exclusive of other applicable legislation that may be omitted for lack of information or other reason):

NATIONAL LEGISLATION	SUMMARY/SCOPE OF LEGISLATION
GENERAL MANAGEMENT	
Constitution of the Republic of South Africa 1996	To introduce a new constitution for the Republic of South Africa and to provide for matters incidental thereto
Local Government: Municipal Systems Act, 2000	<p>To give effect to “developmental local government”</p> <p>To set principles, mechanisms and processes to promote social and economic upliftment of communities and to ensure access to affordable services for all</p> <p>To set a framework for planning, performance management, resource mobilization and organizational change and community participation</p>
Local Government: Municipal Structures Act, 1998 as amended	<p>To provide for the establishment of municipalities in accordance with the requirements relating to the categories and types of municipality, the division of functions and powers between municipalities and appropriate electoral systems</p> <p>To regulate internal systems, structures and office-bearers</p>
Consumer Affairs (Unfair Business Practices) Act, 1996	To provide for the investigation, prohibition and control of unfair business practices in the interest of consumers
Local Government Cross-boundary Municipalities Act, 2000	To authorize the establishment of cross-boundary municipalities, to provide for the re-determination of the boundaries of such municipalities under certain circumstances and to provide for matters connected therewith
Local Government: Municipal	To provide for the demarcation of boundaries of

NATIONAL LEGISLATION	SUMMARY/SCOPE OF LEGISLATION
Demarcation Act, 1998	municipalities for the establishment of new municipalities
Municipal Electoral Act, 2000	To regulate municipal elections To amend certain laws and to provide for matters connected therewith
Organized Local Government Act, 1997	To provide for the recognition of national and provincial organizations representing the different categories of municipalities and the designation of representatives to participate in the National Council of Provinces etc,
Promotion of Local Government Affairs Act, 1983	To provide for the co-ordination of functions of general interest to local authorities and of those functions of local authorities which should in the national interest be co-ordinated
Local Government Transition Act, 1993	To provide for matters relating to municipalities in the interim phase, powers and functions of municipalities and actions of officials and councilors
Occupational Health and Safety Act, 1993	To provide for occupational health and safety in the work place and the protection of persons outside the work place against hazards to health and safety arising from activities of persons at the work place
Promotion of Access to Information Act, 2000	To control and regulate the right of all persons to access to information
Promotion of Fair Administrative Justice Act, 2000	To give effect to the right to administrative action that is lawful, reasonable, and procedurally fair in terms of the Constitution of the Republic of South Africa 1996
Promotion of Equality and Prevention of Unfair	To give effect to section 9 read with item 23(1) of Schedule 6 to the Constitution of the Republic of

NATIONAL LEGISLATION	SUMMARY/SCOPE OF LEGISLATION
Discrimination Act, 2000	<p>South Africa, 1996, to prevent and prohibit unfair discrimination and harassment</p> <p>To promote equality and to eliminate unfair discrimination and to prevent and prohibit hate speech and to provide for matters connected therewith</p>
FINANCE	
Appropriation of Revenue Act, 2000	To provide for a fair division of revenue to be collected nationally between national, provincial and local government spheres for the 2000/2001 financial year and for matters connected therewith
Businesses Act, 1991	<p>To repeal certain laws regarding the licensing of businesses</p> <p>To provide for the licensing and operation of certain businesses, shop hours and related matters</p>
Debt Collectors Act, 1998	To provide for controlled debt collecting
Income Tax Act, 1962	To provide for the payment of taxes on incomes of persons and taxes on donations
Insolvency Act, 1936	To consolidate and amend the law relating to insolvent persons and their estates
<p>Local Authorities Capital Development Fund Ordinance, 1978</p> <p>READ WITH</p> <p>Local Government Affairs Second Amendment Act, 1993</p>	To provide for the establishment and management of a Capital Development Fund and for matters incidental thereto
Municipal Accountants' Act, 1988	To provide for the establishment of a board for Municipal Accountants and for the registration of

NATIONAL LEGISLATION	SUMMARY/SCOPE OF LEGISLATION
	Municipal Accountants and the control of their profession
Municipal Consolidated Loans Fund Ordinance, 1952 READ WITH Local Government Affairs Second Amendment Act, 1993	To provide for the establishment and management of a Consolidated Loans Fund as approved by the Premier
Local Government Municipal Finance Management Act, 2003	To regulate financial management in the local sphere of government to require that all revenue, expenditure assets and liabilities of municipalities and municipal entities are managed efficiently and effectively, to determine responsibilities of persons entrusted with local sphere financial management and to determine certain conditions and to provide for matters connected therewith
Pension Benefits for Councilors of Local Authorities Act, 1987	To provide for pension benefits for councilors
Public Finance Management Act, 1999	To regulate financial management in the national and provincial governments and, inter alia, provincial public entities
Prescribed Rate Of Interest Act, 1975	To prescribe and regulate the levying of interest from debtors
Reporting by Public Entities Act, 1992	To provide for the reporting to Parliament by public entities
Value-added Tax Act, 1991	To provide for the taxation in respect of the supply of goods and services
Local Government Transition Act, 1993	To provide for matters relating to municipalities in the interim phase, powers and functions of municipalities and actions of officials and councillors

NATIONAL LEGISLATION	SUMMARY/SCOPE OF LEGISLATION
Local Government: Property Rates Bill 2000	To regulate general property valuation
ADMINISTRATION / CORPORATE AND LEGAL SERVICES	
Electoral Act, 1998	To manage and regulate elections on national, provincial and local government level
Expropriation Act, 1975	To provide for the expropriation of land and other property for public and certain other purposes and matters connected thereto
Housing Arrangements Act, 1993	To provide for the establishment of a National and Regional Housing Board(s) and the abolition of certain existing boards.
Rental Housing Act, 1999	To define the responsibility of Government in respect of rental housing
Residential Landlord and Tenant Act, 1997	To provide for the regulation of landlord-tenant relations in order to promote stability in the residential rental sector in the province.
TOWN PLANNING AND SPATIAL DEVELOPMENT	
Provision of Certain Land for Settlement, 1993	To provide for the designation of certain land and to regulate the subdivision of such land and settlement of persons thereon.
Advertising on Roads & Ribbon Development Act, 1940	To control advertising on national and regional roads
Ordinance 113 and LUPO (land use planning ordinance)	To control the land use rights within the former black areas
Development Facilitation Act, 1995	To provide for Integrated Development Plans, reflecting current planning and to institutionalize development tribunals for evaluating applications
Physical Planning Act, 1991	To provide guidelines for the drafting of urban development

NATIONAL LEGISLATION	SUMMARY/SCOPE OF LEGISLATION
	Plans
Regulations on Advertisements on or Visible from National Roads, 1998	To control all advertising on national and regional roads
Subdivision of Agricultural Land Act, 1970	To control the subdivision of farm land and agricultural holdings
Land Use Management Bill, 2002	To establish a uniform land use management system.
Planning Professions Act, 2002	To provide for the training and registration of professional Planners
ENVIRONMENT	
Environmental Conservation Act, 1982	To provide for environmental impact assessments and exemptions, noise control areas etc
Environment Conservation Act, 1989	To provide for the effective protection and controlled utilization of the environment and for matters incidental thereto
National Environmental Management Act, 1998	To provide for co-operative environmental governance by establishing principles for decision making on matters affecting the environment and to provide for matters connected therewith
ENGINEERING / TECHNICAL SERVICES	
Advertising on Roads & Ribbon Development Act, 1940	To control advertising on national and regional roads
Regulations on Advertisements on or Visible from National Roads, 1998	To control all advertising on national and regional roads
National Building Regulations and Building Standards Act, 1977	To provide for the promotion of uniformity in the law relating to the erection of buildings in the areas of jurisdiction of local authorities and for the prescribing of building standards
National Water Act, 1998	To provide for fundamental reform of the laws

NATIONAL LEGISLATION	SUMMARY/SCOPE OF LEGISLATION
	relating to water resources
Water Services Act, 1997	To provide for the rights of access to basic water supply and sanitation, national standards and norms for tariffs and services development plans
SAFETY AND SECURITY	
Criminal Procedure Act, 1977	To consolidate and regulate procedure and evidence in criminal proceedings
Disaster Management Act, 2002	To provide for an integrated, co-ordinated and common approach to disaster management by all spheres of government and related matters
Fire Brigade Services Act, 1987	To provide for the rendering of fire brigade services and certain conditions to the rendering of the service
Gatherings and Demonstration Act, 1993	To control public gatherings and procession of marches
Hazardous Substances Act, 1973	To control matters relating to gas, petrol and liquids
National Land Transport Bill, 1999	
National Land Transport Interim Arrangements Act, 1998	To make arrangements relevant to transport planning and public road transport services
Urban Transport Act, 1977, as amended 1992	To promote the planning and provision of adequate urban transport facilities
National Road Traffic Act, 1996	To regulate traffic on public roads, the registration and licensing of motor vehicles and drivers, including fitness requirements and incidental matters
Road Traffic Management Corporation Act, 1999	To provide in the public interest for co-operative and co-ordinated strategic planning, regulation, facilitation and law enforcement in respect of road traffic matters and to provide for matters

NATIONAL LEGISLATION	SUMMARY/SCOPE OF LEGISLATION
	connected therewith
Prevention of Illegal Eviction from and Unlawful Occupation of Land Act, 1998	To provide for the eviction of unlawful occupants of land and the protection of the rights of such occupants under certain conditions
Regulation of Gatherings Act, 1993	To control public gatherings and procession of marches
South African Police Service Act, 1995	To provide, inter alia, for a municipal (city) police
HEALTH AND WELFARE	
Hazardous Substances Act, 1973	To control matters relating to gas, petrol and liquids
Health Act, 1977	To provide for the promotion of the health of the inhabitants of the Republic, for the rendering of health services, to define the duties, powers and responsibilities of certain authorities which render such services and for the co-ordination of the services
National Policy For Health Act, 1990	To provide for control measures to promote the health of the inhabitants of the republic and for matters connected thereto
HUMAN RESOURCES	
Employment Equity Act, 1998	To promote the constitutional right of equality and the exercise of true democracy To eliminate unfair discrimination in employment To redress the effect of unfair discrimination in the work place to achieve a workforce representative of the population
Basic Conditions of Employment Act, 1997	To give effect to the right to fair labour practice To provide for the regulation of basic conditions of employment
Compensation of Occupational Injuries and	To regulate the categories of persons entitled to compensation for occupational injuries and

NATIONAL LEGISLATION	SUMMARY/SCOPE OF LEGISLATION
Diseases Act, 1993	diseases, and to determine the degree of disabled employees
Labour Relations Act, 1995	To regulate the organisational rights of trade unions, the right to strike and lock-outs To promote and facilitate collective bargaining and employee participation in decision making To provide simple procedures for labour disputes
Skills Development Act, 1998	To provide for the implementation of strategies to develop and improve the skills of the South African workforce, to provide for Learnerships, the regulation of employment services and the financing of skills development
Skills Development Levies Act, 1999	To provide for the imposition of a skills development levy and for matters connected therewith
South African Qualifications Authority Act, 1995	To provide for the establishment of a National Qualifications Framework and the registration of National Standards Bodies and Standards Generating Bodies and the financing thereof
Unemployment Insurance Act, 1966	To provide for the payment of benefits to certain persons and the dependants of certain deceased persons and to provide for the combating of unemployment
ELECTRICITY	
Electricity Act, 1987	To provide for and regulate the supply of electricity and matters connected thereto

4.3 National & Provincial Policy Planning Framework

- National Planning Framework 2009 -2014
- National Turn Around Strategy for LG - 2009
- Eastern Cape Provincial Growth & Development Plan (PGDP)

- Eastern Cape Spatial Development Plan
- DPLG Credible IDP guide 2009

SITUATION ANALYSIS

This section provides an overview of the composite development challenge facing Engcobo Municipality based on its own self assessment and analysis.

It highlights key issues and challenges relating to the Demographic, Institutional Transformation and Development, Financial Viability, Local Economic Development, Service Delivery profiles and Spatial Development Framework.

5 DEGRAPHIC PROFILE

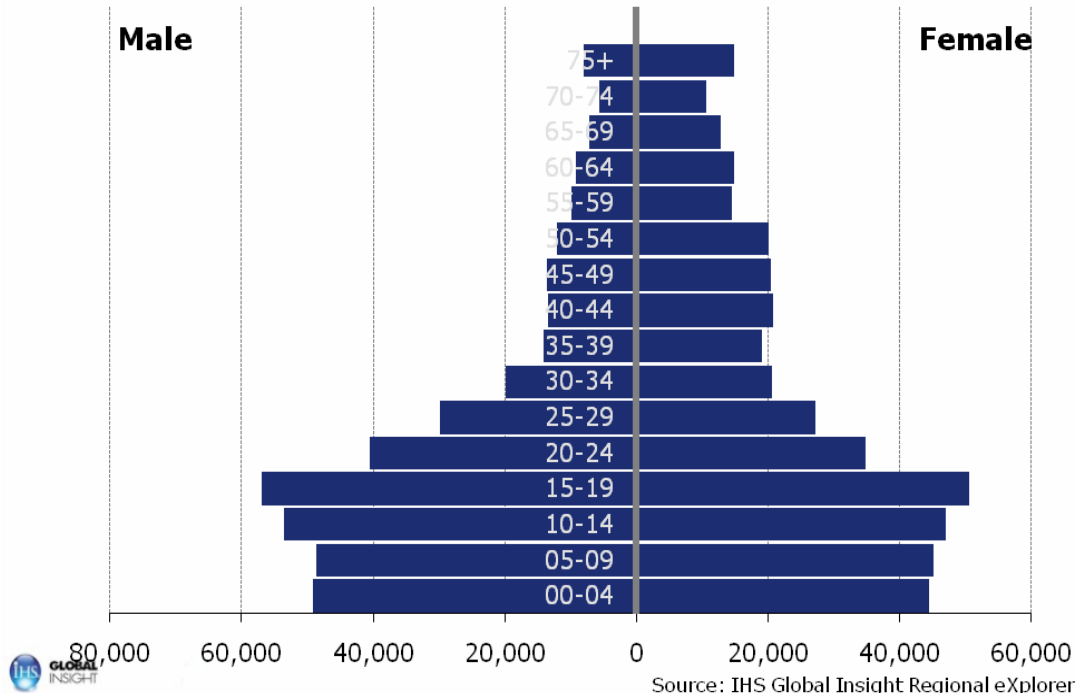
5.1 Population size and gender distribution

Engcobo municipality has an estimated population of 149 000 people living in 36 000 households. This represents an estimated household average of 6 persons per household. The population density is estimated to be 66 people per square kilometre. However, it should be noted that this average density varies across specific place areas when comparing especially urban and rural areas.

There are more females (53%) than males (47%) in our population. This calls for dedicated programmes of integration and incorporation of women in key planning and decision making roles of our municipality. The figure below gives a comparative view of gender age distribution in our communities.

The analysis of gender age distribution shows that Engcobo population is very youthful and comprise of a large number of school going age groups. Youth development and learner support programmes would have to be prioritised in order to deal with the needs of this majority section of our populations.

Population Pyramid, Total, 2008 EC - DC13 Chris Hani District Municipality



5.2 Household dynamics

Engcobo is a rural municipality with just over 4% of its households residing in the urban centre and peri-urban areas of Engcobo, Clarkbury and All-Saints.

With the majority of households in rural villages, it will be imperative for the council to adopt effective strategies for rural development as a matter of priority.

6 LOCAL ECONOMIC DEVELOPMENT

The council is in the process of reviewing its current LED Strategy in order to guide interventions aimed at implementing the municipality's resolve to grow the economy and to increase the revenue base. The municipality sees its role in economic development as primarily to create conducive environment for investment attraction and leveraging of efforts for sustained growth and poverty alleviation. We do not see ourselves as primarily responsible for job creation even though we identify as our inherent role the need to plan and coordinate economic development. As required by the Regulation on the systems Act, we shall comply with the national KPA requiring us to monitor measure and report

on how many jobs (opportunities) we created as part of rolling-out our capital expenditure programmes.

6.1 General Indicators for economic development

In our chosen role, we seek to influence, monitor and track our performance in the following economic development indicators:

6.1.1 Gross Development Product

The overall economy of Engcobo has experience only a percentage growth in the last decade (1996 -2008). This situation must be turn-around if we are to curb compounding problems of unemployment, service backlogs and poverty.

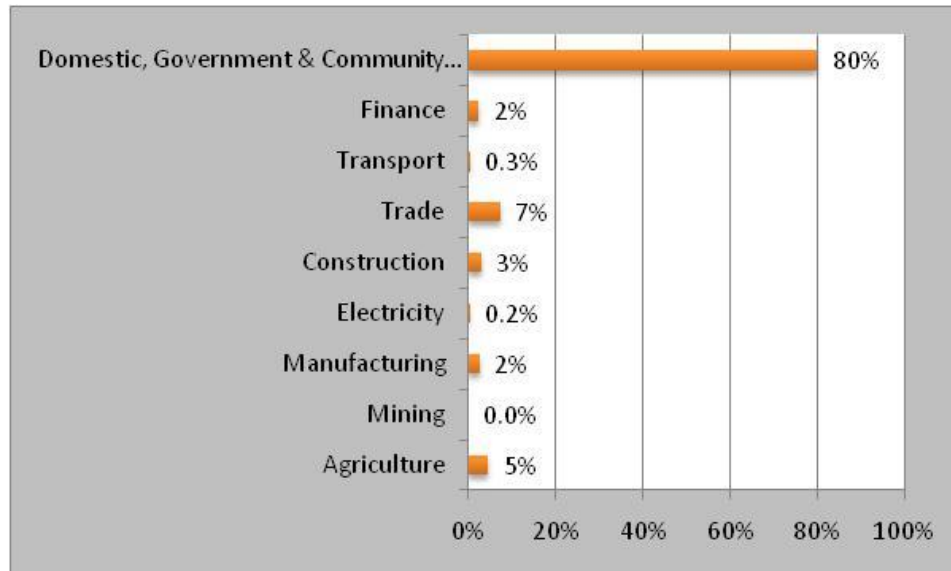
The gross develop product is estimated by 2008 (Global Insight) to be approximately R606 million.

6.1.2 Employment

Unemployment is an important indicator of economic development. Our unemployment rate is estimated to be 57,2% (1official definition). This situation is compounded by lack of efficiencies in our employment industries and sectors of the economy.

Off the 34 sectors of the economy that Global Insight researched in 2008, only less than four actively contribute to our GDP and Employment. The figure below gives a comparative distribution of employment by sectors.

¹ Official definition of unemployment includes persons who are economically active and unemployed but not actively seeking employment.



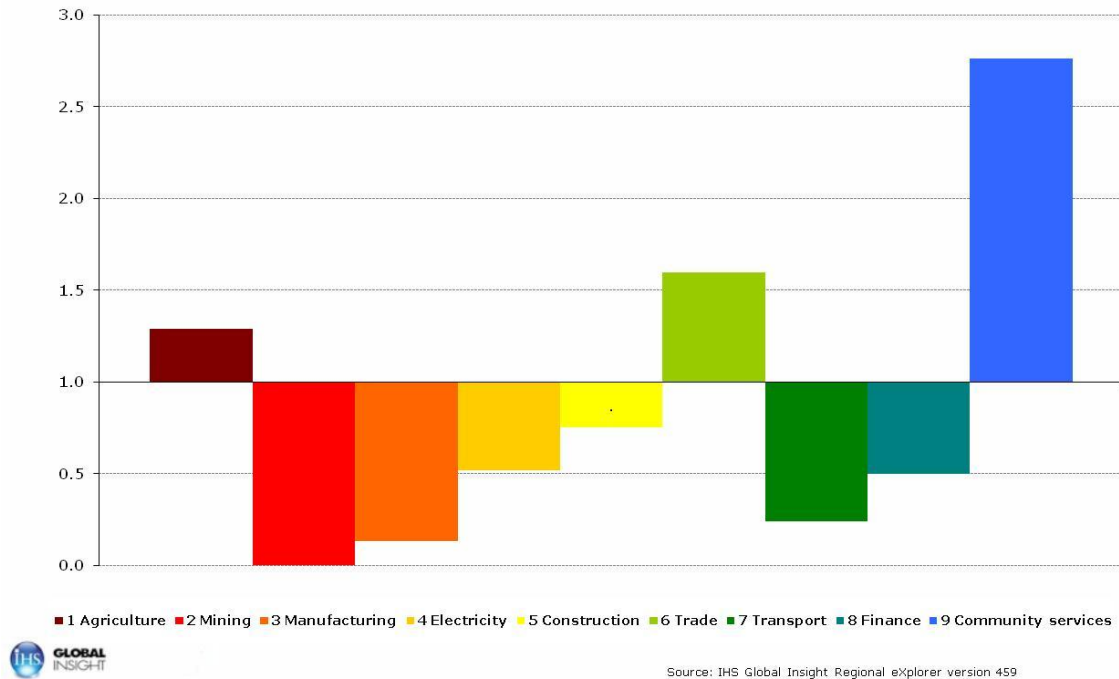
The major contributing sector to employment is community and domestic services followed by trade and agriculture. The overall performance of the primary and secondary economic sectors (ie. Agriculture, Mining and Manufacturing) in our economy is evidently weak. This poses a sustainability threat to our job market and needs to be thoroughly examined when revising the LED strategy in 2010/11.

Our economy is relatively well undiversified even though active sector show poor employment performance. Our tress index² remains 76 and shows better diversification when compared to that of the Chris Hani District at 65.12.

Our competitive advantage is in fewer sectors like Agriculture, Transport, Forestry and Community services. The figure below shows a comparative location quotient (indicator of the levels of competitive advantage in an economy) based on 9 broad sectors.

² The Tress index indicates the level of concentration or diversification in an economy. It is estimated by ranking the nine sectors according to their contributions to GVA or employment, adding the values cumulatively and indexing them. A tress index of zero represents a totally diversified economy, while a number closer to 100 indicates a high level of concentration (Global Insight:2008).

**Location quotient
EC137: Engcobo Local Municipality, 2008**



6.1.3 Underutilized potential in strategic sectors

There is a need to improve performance of important but currently underdeveloped potential sectors like Agriculture, Tourism and Forestry.

Forestry sector

Forestry has the potential to become one of the most productive sectors in the local economy with approximately 5,455ha of forests. The development of a vibrant wood cluster is currently being investigated through the Integrated Sustainable Rural Development Programme.

The main type of wood found in the local plantations is soft wood commonly from pine trees. The table below gives an inventory of the existing types and names of forest plantations and indigenous forests in the municipal area.

TYPE	NAME	SIZE
Commercial Plantations	Engcobo W12; Mbeni W9; Manina W15; Mtintloni W14; Nkobongo W4; Mboleni W9; Qanguleni W9	3 733 ha
Indigenous forests	Mxikixwa W12; Gulandoda W15; Ngqongqotha W6; Mjanyane W4; Nkobongo W3&4; Mkhonkotha W9; Mhlahlane-Egqaga W9; Mngcozo W6; Nqguru W2; Waca W6; Dumba W6; Eliphakathi W6; Ntsunguzini W6; Haba W3; Nkcoyi W2; Khovoti W9; Khalinyanga W11; Toyi W11; Qebe W13; Vakele W13; Ta W13; Mthala W13; Mqabu W4; Lubisi W14; Ngxangxasi W15; Ndlunkulu W15; Nkotshe W15; Dyubhashe W16; Gqonci W16; Cacazayo W16; Fulanisi W16; Beki W16; Hanisi W16; Hlophekazi W16; Ngqayi W16; Didwayo W16; Nqancule W 16; Mgudu W16	1 722 Conservation plan.
Sawmills	Transkei Timber W5 ; Maqwathini W15; Dyampi W14; Javi W 15; Lottering W6	

Agricultural Development

Agriculture

Agriculture like forestry has the potential of being the primary active sector in the local economy. However this potential is not adequately utilised. Most households focus on subsistence farming with the most commonly kept livestock being cattle, sheep, goats, horses and donkeys. There are a number of existing irrigation schemes that lie under utilized in Ngcacu; Clarkebury; Gqutyini (currently installed) and mhlophekazi.

In addition, another four formal agricultural schemes have been identified in the areas of Mgwali, Ntibaneni, Madzikane and Xuka.

Local Tourism development

Local Tourism development is a competence of local municipal sphere but we currently do not have a comprehensive strategy to drive our interventions in this sector of the economy. It is a sector with proven potential but remains under-utilised.

Established tourist sites are limited although huge potential exists in the municipality to become an eco-tourist hotspot as a result of the scenic beauty, biodiversity richness and cultural tourism.

Potential in this sector exist in the following key areas:

1. Heritage Sites

- a) Walter Sisulu History Centre
- b) Dr AB Xuma history centre
- c) Clarkebury institution
- d) Manzana heritage initiative
- e) Tora bus accident
- f) Sitshwini Site at Quluqu
- g) Rock Art and Caves
 - Elucwecwe Rock Art
 - Khalinyanga Rock Art
 - Nombihli Rock Art – Gubenxa A/A
 - Sinqumeni Rock Art – Upper Gqaga A/A
 - Dyobashe Rock Art – Upper Gqaga A/A
 - Ngquru
 - Lunguza cliff

2. Natural Tourism

- a) Forests /Green Vegetation
- b) Birds
- c) Seasonal Waterfalls
- d) Proposed of Qoba Nature Reserve
- e) Sentube waterfall
- f) Mgudu waterfall – Mgudu A/A

3. Cultural Tourism

- a) Cultural Background
- b) AmaXhosa Traditional Activities
- c) Ixuka River Art Centre
- d) Qutubeni - Cultural village

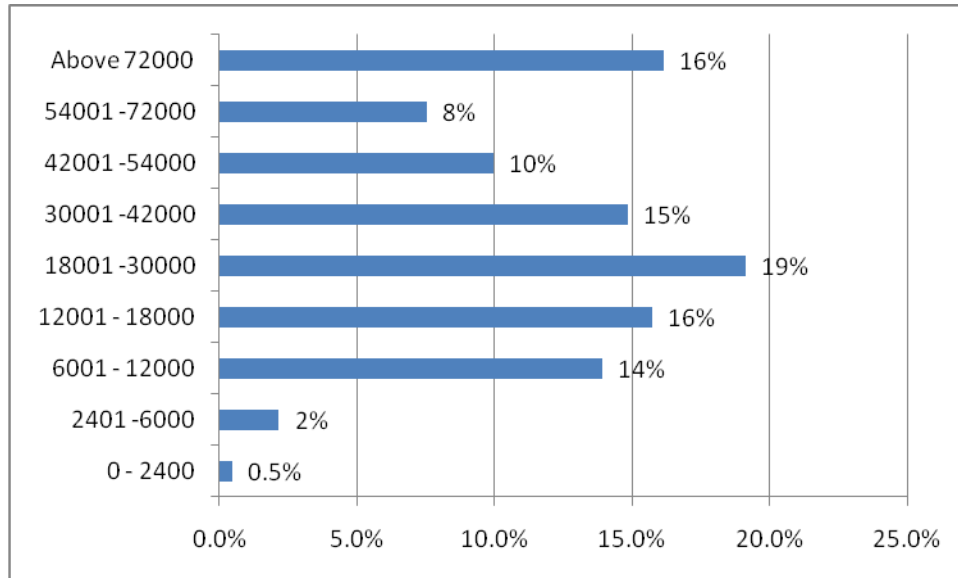
There are initiatives underway to develop the untapped potential in the following manner:

1. Conserve and develop Rock Art and develop trails
 - Conserve these Rock Arts by protecting the sites by fence so that people do not destroy them.
 - Development of trails that will link these sites and use horses as the transporting mode for the tourists to these sites
 - Introduce entrance fees to these sites when they are protected.
2. Development of support facilities like Foot Bridge, accommodation and recreation next to the Water Falls for Tourists.
3. Tourism Facilities and Conference centre at Ixuka Drift Art Centre.
4. Establish and develop Walter Sisulu History Centre

6.1.4 Income & poverty distribution

Understanding income distribution is useful for profiling and determining extent of poverty and lifestyle trends. The Gini Coefficient is an important measure of income inequality. It looks at the gap between high income earners and low income earners. This figure cannot be exact 1 (0 level may represent no income at all while a figure of 1 may mean earning all the income) in an imperfect society like our. It may vary between estimates of 0,25 -0,70. Engcobo has a relatively equitable distribution of household income with a gini coefficient of 0.61.

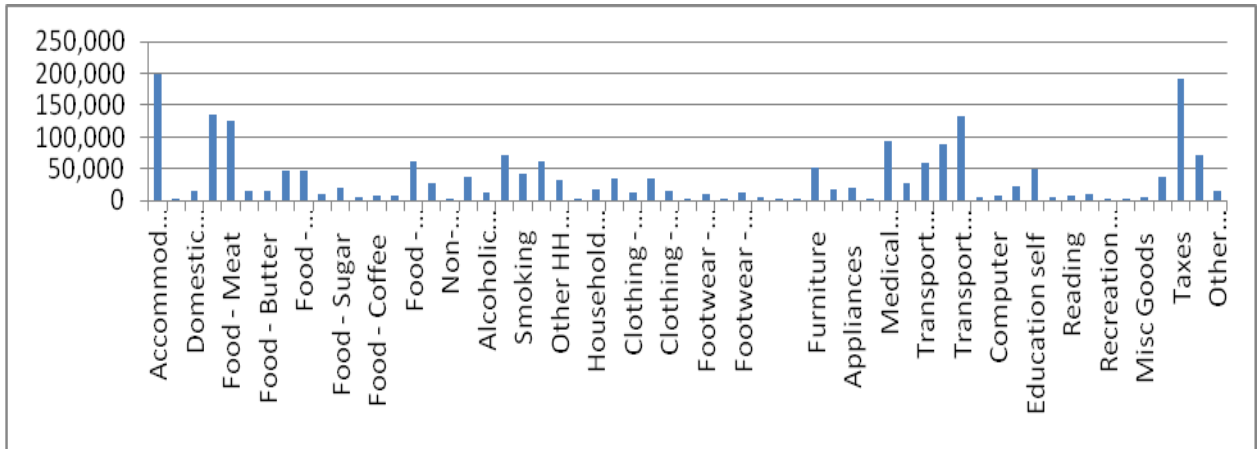
A large amount (32%) of households in Engcobo are indigent with incomes of less than sum of two state pensions (R3000) or a monthly gross income of R1500. The figure below gives a comparative distribution of households by income category (annual figures).



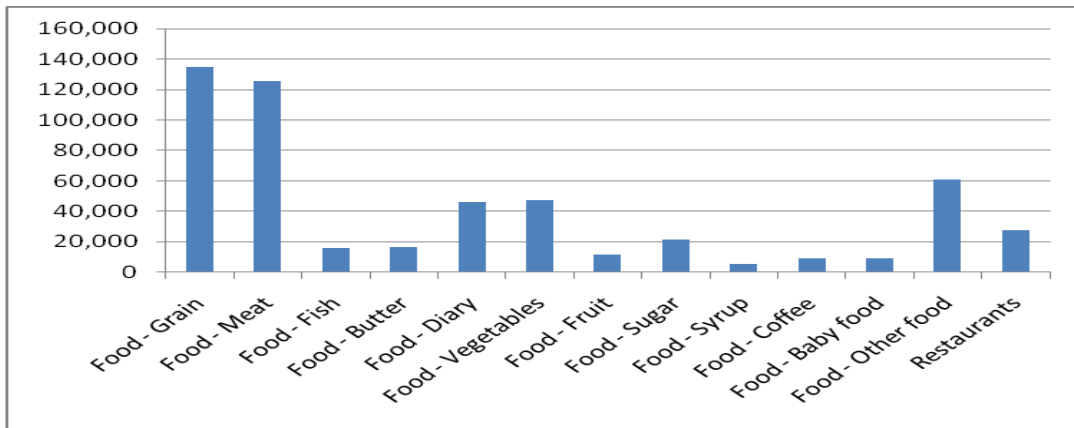
The current estimated Human Development Index³ of 0.37 means that poverty and low levels of lifestyles are prevalent in the Engcobo areas. In addition, an estimated 1.8% of people in the municipality live below an estimated threshold of 1US\$ per day. Therefore, the council must play a crucial role in supporting and coordinating poverty alleviation initiatives.

Engcobo has an estimated buying power of about R1,9 billion. The term buying power is used here to imply the projected ability of local economy to absorb products when placed on the market. Analysis of expenditure patterns reflect the majority of local household's income is spent on food, accommodation, transport, taxes and other. This trend must be noted by our planners in order to inform future spatial planning with a view to ameliorating undue transport costs to especially rural households. The figure below gives a comparative distribution of household income by expenditure items.

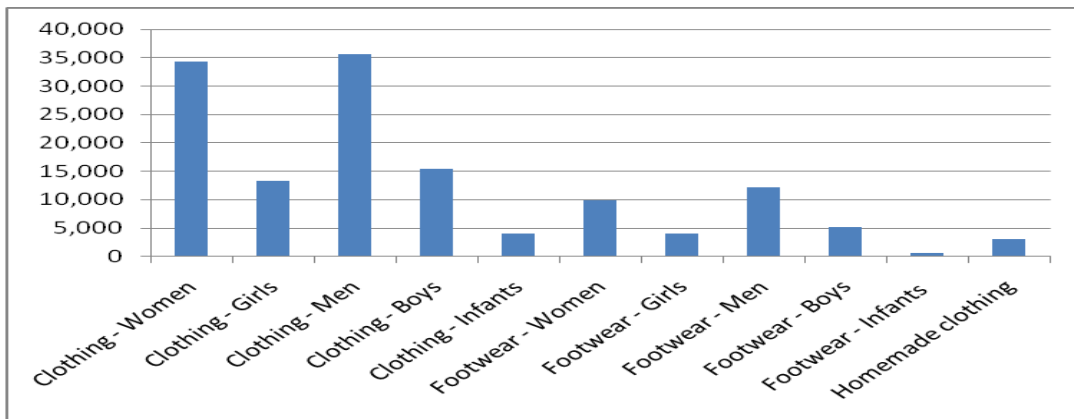
³ The Human Development Index (HDI) is a composite, relative index that attempts to quantify the extent of human development of a community. It is based on measures of life expectancy, literacy and income. It is thus seen as a measure of people's ability to live a long and healthy life, to communicate, to participate in the life of the community and to have sufficient resources to obtain a decent living. The HDI can assume a maximum level of 1, indicating a high level of human development, and a minimum value of 0.



The figure below gives a comparative view of expenditure distribution by food items. The majority of expenditure goes to grain and meat items. This indicates an opportunity for growth in agriculture and farming.

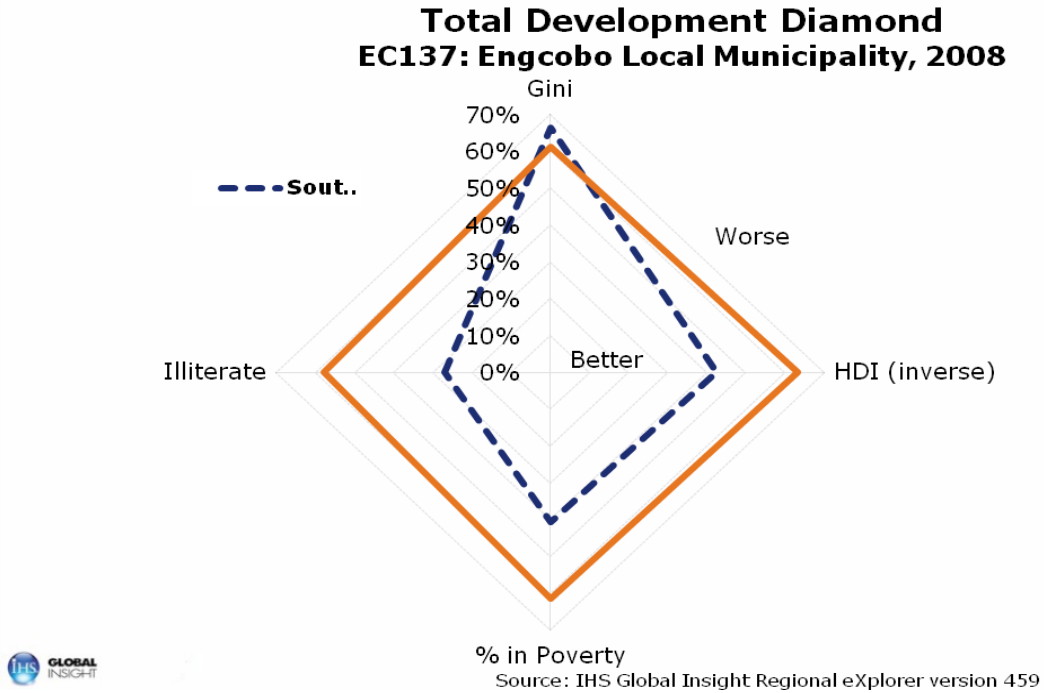


When comparing expenditure trends by luxury goods like clothing, it is found that in the Engcobo area, MEN tend to spend more than WOMEN. This is shown in the figure below.



6.1.5 Summary of indicators

The figure below gives a summative comparison index of Engcobo municipal and the general country trends in economic development.



In the above figure, it shows that our local economy is doing better than the average of the country when it comes to income disparities but worse when comparing our poverty, literacy and human development indices.

7 ENVIRONMENTAL MANAGEMENT

The municipality has no functional capacity for undertaking environmental planning and management. We are currently not performing impact assessments, air quality monitoring and general environmental tasks associated with our principal responsibilities. The intention is to engage the departments of Environmental and forestry, Tourism and DEDEA to supplement our capacity insufficiencies until we have a developed capacity.

7.1.1 General environmental challenges

Poor planning: due to lack of internal capacity and human resource skills provision in our current structure, we are unable to undertake important functions of environmental planning and monitoring. Often, we react to disasters because we do not have appropriate plans to forecast and implement preventative interventions.

Flooding & Soil Erosion: Due to prevalent terrestrial summer rains often accompanied by storms and thunder and coupled with weakened soil cover, flooding and erosion is common. The flooding problem is also compounded by our prevailing mountainous and high gradient sloping topography.

Drought: due to long periods of nil rain and poor protection of rain water gained during summer rains the areas of Engcobo experience periodic droughts which in turn leads to degeneration of environmental assets as activities like overgrazing become unavoidable.

Decaying urban aesthetics: due to poorly organized refuse collection and waste management programmes coupled with lack of enforcement of local by-laws for town planning, our CBD is characterised by litter and remains from burst water mains. The town of Engcobo is in a state of gradual urban decay and need urgent attention.

Roaming animals: due to broken and sometimes non-existent fences along grazing areas and abutting villages to main roads, roaming animals on our roads and even town streets are common phenomena. These animals are often responsible for accidents on our roads.

8 MUNICIPAL INSTITUTIONAL DEVELOPMENT AND TRANSFORMATION

This section deals with analysis of our state of readiness to deliver on our assigned constitutional as well as powers and functions mandate. It analyses the extent to which we have put in relevant systems, processes and tools to ensure smooth operations and development of the municipal organization.

8.1 Powers and Functions

Our mandate stems from the section 152 and 156 of the constitutions (Act 108 of 1996) coupled with the assigned powers and functions drawing from the schedules 4b & 5b. In terms of the schedules part B 4 and 5 of the constitution, local government has the following functions.

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 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 	<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 to the public 25. Local amenities 26. Local sport facilities 27. Markets 28. Municipal abattoirs 29. Municipal parks and recreation

Part B of Schedule 4	Part B of Schedule 5
(limited to potable water supply system, domestic waste water and sewerage disposal system)	<p>30. Municipal access roads</p> <p>31. Noise pollution</p> <p>32. Pounds</p> <p>33. Public places</p> <p>34. Refuse removals, refuse dumps and solid waste disposals</p> <p>35. Street trading</p> <p>36. Street lighting</p> <p>37. Traffic and parking</p>

Engcobo municipality should be undertaking all the bolded items in the above list and where capacity does not exist, should be taking decisive steps to ensure such capacity. However, our main challenges are that we do not have sufficient capacity to undertake all the assigned powers and functions. This IDP review identifies a specific project to review the organogram and to fill the critical vacant and budgeted positions in the approved organogram so as to ensure improved capacity.

8.2 Organizational development

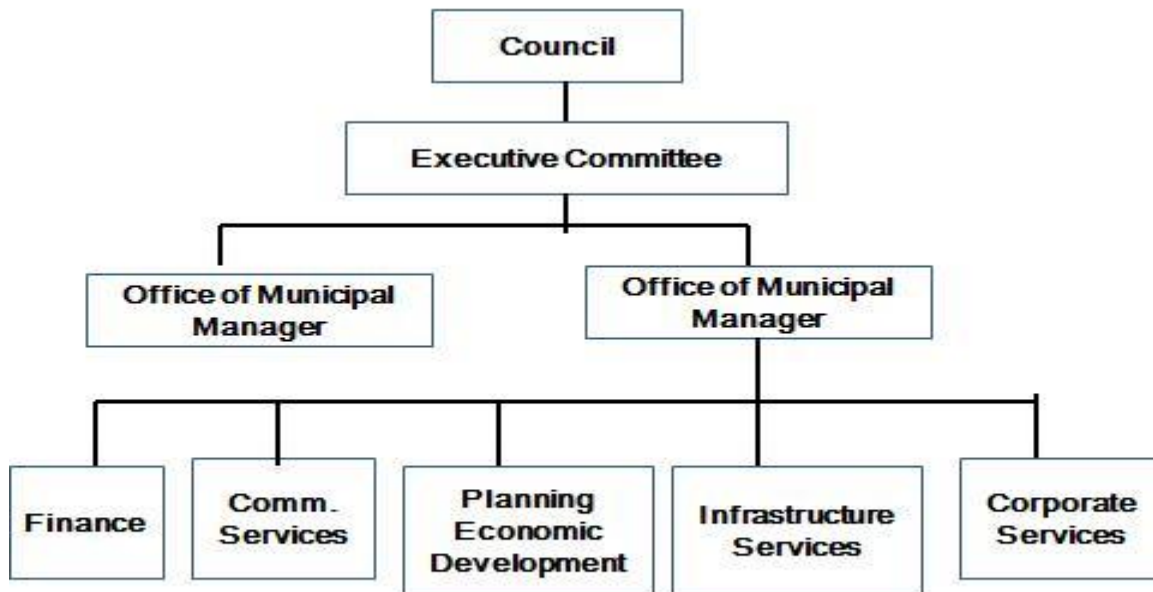
In order to give effect to the implementation and operationalization of the above mandate it is both necessary and imperative to put in place a relevant institutional structure and administration.

8.2.1 Design of the organization

The table and the following below give an overview of the municipal staffing and institutional arrangements.

	TOTAL	%	Senior Management	Middle Management	Admin support	Technician/ interns	General workers
Office of	2	2	0		1		

	TOTAL	%	Senior Management	Middle Management	Admin support	Technician/ interns	General workers
Mayor							
Office of MM	9	9	1	7	1		
LED	3	3		3		0	
Finance	20	20	1	3	10	3	3
Admin & HR	8	9	1	3	3		
Infrastructure	37	36	1	2	1		30
Community Services	72	71	1	6	5	3	39
TOTAL	151		5	24	21	3	72



Currently, the position of municipal manager is held in an acting capacity and that of corporate services manager remains unfilled as a direct result of the corporate services manager acting as municipal manager. The sooner the council resolves on the position of municipal manager, the better it will be for the sustainable administration of the

institution. All other senior positions are currently filled and led by contracted section 57 managers.

8.2.2 Operating management systems and processes

At the moment the municipality has a performance management system but has not been implementing the system effectively in that regular performance reviews as required by the PMS policy are not held and reporting is not fully complied with as per the policy. Through this system, the council intends to track progress in the implementation of its development goals and vision as outlined in the IDP and resourced through the approved budget. Therefore, this is an important pillar of the council's tools to ensure accountability and sustainable service delivery. It is used together with SDBIP and reporting scorecards.

A system of delegation is in place and utilised in guiding how the transfer of authority from the Acting Municipal manager to a delegated official takes place. This allows for consistent oversight and decision making in the daily administration of the municipality.

Financial accountability takes place through regular monthly reporting to Exco and treasury on budget performance, SCM processes and expenditure issues.

8.2.3 Skills Development, Training and capacity building

Training and capacity building has a dedicated budget and is government through the adopted work place skills plan. This plan provides for identification, prioritization of skills development needs and relevant training or capacity building support required by both officials and councillors.

Each manager is expected by the plan (WSP) to audit skills needs in its areas of jurisdiction and formulate a proposal for training and capacity development for submission to the HR manager who in turn is expected to draft an overall programme for training and capacity building then advise council.

8.2.4 Transformation Goals

The municipality has an Employment Equity plan drawn in line with the act. The plan provides for the tracking of council intentions for employment equity and reporting on performance against set targets. Currently, there is only one out of 5 section 57

managers who is female. None is disabled. All are previously disadvantaged incumbents.

The intention of the council is to utilise the human resource recruitment vehicle to ensure transformation of the current employment demographics in line with its targets.

9 FINANCIAL VIABILITY

Financial viability is a key priority for 2010/11. In order to ensure financial viability it is imperative to put in place relevant operating business processes, plans/strategies and monitoring systems.

9.1 Funding streams

As a municipality with low revenue levels, we depend almost entirely on national grants for all our operations. This situation is not sustainable, however we are acknowledging that the solution lies in turning around our local economy's performance and hence our resolve to make LED one of the top-10 priorities of the municipality.

Our current activities are funded through the following mechanisms:

- **Equitable Share:** which we utilise largely to fund our operations
- **MIG:** which is a conditional grant for funding all our infrastructure development programmes
- **MSIG:** which is a grant to fund institutional development and installation of systems and governance plans
- **FMG:** grant aimed at funding the building of capacity in the financial management and system procurement
- **DM Transfers:** moneys received from the district to carry-out planning and implementation of functions that we undertake on their behalf with a service level agreement
- **Other:** moneys that are not received every year but adhocly from various national departments for activities relating to their functions or specific projects that they've asked the municipality to deliver on their behalf.

9.2 Financial plans

The municipality has a 3 year operating budget as a guide on what resources are available or required over the next three years in order to deliver on its mandates. The council adopted a budget for 2009/10 in May of 2009 and also adopted a budget process plan for the review and adjustment of that budget later in the same year. In May 2010, the council will adopt a review IDP and budget for 2010/11 implementation. 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
- review and completion of our finance policies
- an Indigent Policy , credit control & debt collection an Internal audit function

9.3 Indigent policy

Council adopted its indigent policy in 2009 in order to guide how it plans to manage the subsidization of services to households who are poor and defined indigents. This policy forms a foundational element of our comprehensive billing operations. The main challenge for effective implementation of the indigent policy is the costly administration process of continuous updating and verification of the register.

9.4 Tariff policy

Tariffs are revised annually as we review and adopt a new budget and in accordance with necessary changes linked to CPIX (CONSUMER PRICE INDEX) and inflation adjustments. Our current policy has been revised to ensure compliance with the new valuation roll (Property Rates Act -2003) requirements. Changes have had to be made in determining rates to the indigent as well as to the generally billed properties. Additionally, changes were effected on the services and municipal facilities that are often rented or provided for a fee.

9.5 Revenue enhancement and Collection Strategy

There is currently no strategy in place but a specific project has been identified and budgeted for in 2010/11 to ensure development and implementation of such a strategy.

Through this strategy, we intend to guide our efforts of mobilizing new sources of revenue, conducting awareness campaigns for service payment aimed at improving our current payment levels to at least 60 – 75% of billed accounts by June 2011.

We are also intending to utilise the strategy in improving our collection rate especially from government organs and businesses owing to the municipality.

However, the main challenges for revenue enhancement remain our limited base of high income earners and underperforming economy. Due to these factors the pool of customers able to pay for services is not growing at the rate that we would need.

9.6 Auditor General Concerns

Auditor general has raised a number of issues that are concerns in our current approach to accounting and reporting. A large number of these relate to financial controls and asset management or registration as well as supply chain processes.

We have since developed and adopted a management response plan to these issues which will be coordinated and led by the CFO. However, each manager is expected to commit a plan of action towards resolving key concerns in the AG report relating to his/her function or processes then report regularly in the management meeting on how he/she is progressing on resolving those items.

The council remain focused in its intention to achieve a clean audit outcome within 2 years and would continue to build necessary capacity in our internal audit, risk management and financial reporting operations. In order for this to happen, efforts will be emphasized on:

- Need for full compliance with all aspects of the MFMA (GRAP compliant statement) and Property Rates Act (tariff policy linkages to the updated Valuation Roll)
- Improvement of asset management policy and register
- Improvement of revenue and billing turnovers / performance

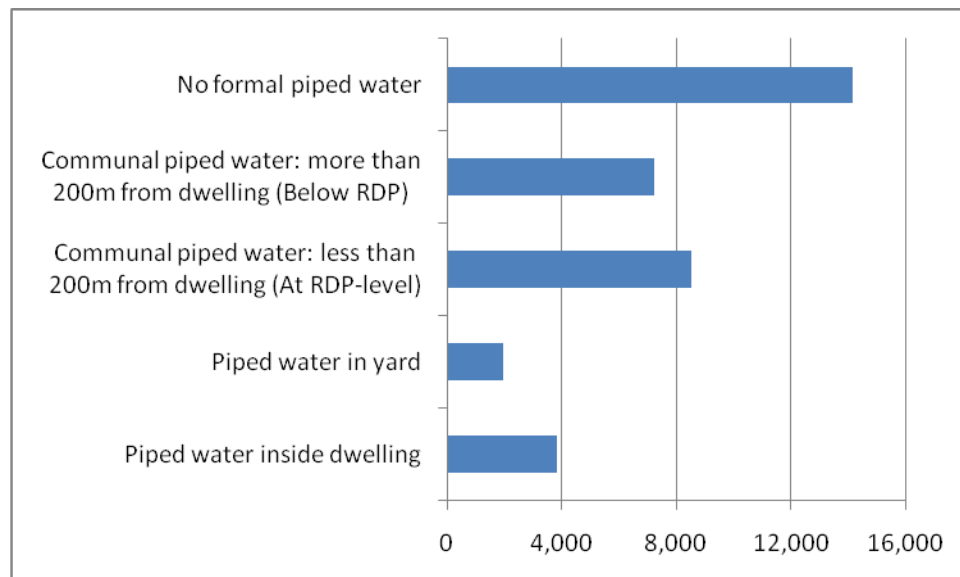
- Improvement of supply chain management policy compliance
- Improvement of in year reporting in terms of section 71 and 72 of the MFMA in order to be able to compile year end report

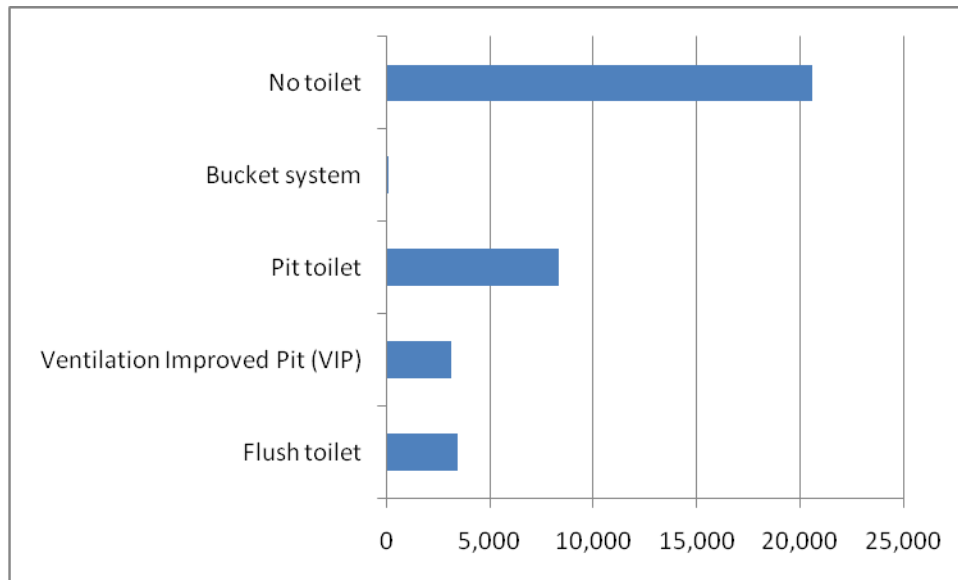
10 SERVICE DELIVERY

Our main mission of existence is to deliver sustainable services to our constituent communities. Service delivery is therefore the highest priority in our work. We provide services directly in all the areas of functions that are assigned to us and indirectly (via coordination and facilitation) in other areas of development for which authority reside elsewhere (either in the DM, Sector departments etc). We also partner with agencies in the non-governmental sector to ensure holistic and integrated delivery of development.

10.1 Water and Sanitation

Provision and governance of water and sanitation services in all our areas is a competence of the district municipality. We only play a facilitating role as Engcobo municipality. The figures below give a comparison of household access to different levels of service for water and sanitation





The backlog for water supply is 40% and 58% for sanitation. The water backlog must be fully reversed by 2014 as per CHDM commitment to millennium development goals and that of sanitation ought to be fully reversed by 2012.

Current expenditure projection by the district reflect an estimated budget amount of R61.6 million and R72 million for 2010/11 and 2011/12 years respectively.

10.2 Roads, Bridges and Stormwater

As mentioned in the previous section, the municipality has a primary competence for access roads and stormwater channels. The road network of access roads falling within the competence of the municipality is estimated to be 285km. The majority of these are gravel roads with a few kilometre stretch of tarred roads accounting for no more than 5% of the total road network. These are largely main roads connecting Engcobo to Elliot, Cofimvaba, Idutywa and Mthatha.

The visual index of roads reflects a dilapidated state of affairs and a dire need for immediate intervention. It shows of years of poor planning and low maintenance. Most roads do not have functional stormwater channels and often flood when it rains.

The continued decay of road infrastructure is largely due to lack of funds needed to maintain and create new infrastructure and lack of capacity in the organization to manage and maintain infrastructure (currently, only one engineer works for the

municipality). In 2010/11 the municipality intends to lobby the department of public works and department of roads and transport in the region (Queenstown) to supplement its capacity in both HR skills and funding levels.

Similarly, the backlog for the construction of bridges in especially rural areas lags behind. In certain villages people and vehicles struggle to cross rivers when it rains and therefore find communities find themselves cut out participating effectively in the economy.

Following analysis of needs from various municipal wards gathered during consultations, the municipality identified 63 villages and 8 clinics in need of access roads. However, funding constraints do not allow us to budget and implement these intentions in 2010/11. We are hoping to lobby the district, departments of PW and DRT for support in meeting these basic needs of our communities.

Other challenges and issues observed during consultative workshops relating to roads and bridges include:

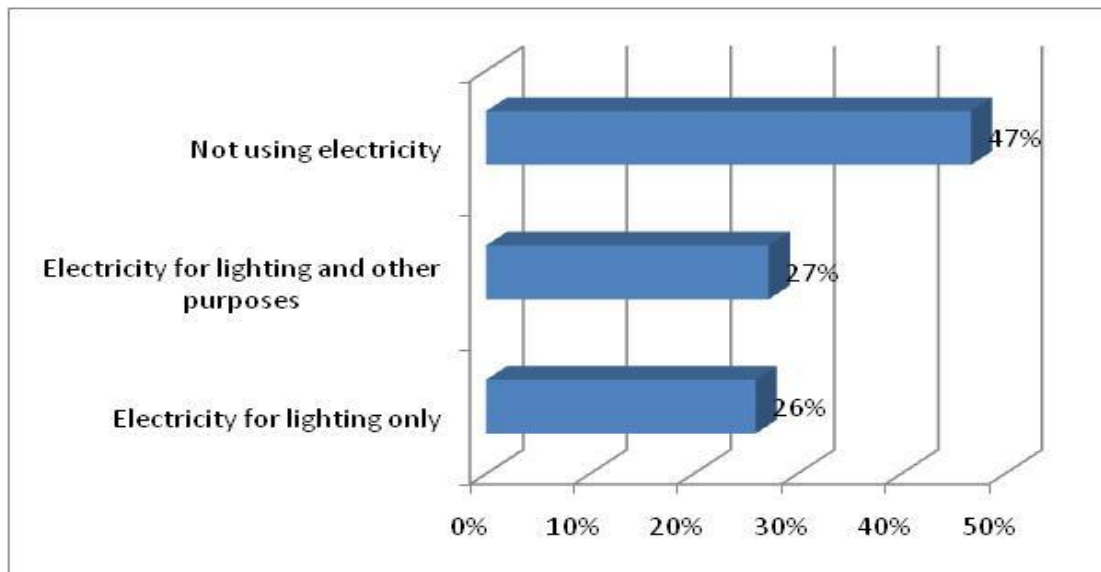
- Inadequate provision for stormwater drainage is one of the causes of most gravel roads being swept away by floods
- Provincial and National roads passing through town are not maintained (eg. R61, DR08034 {Nkondlo –Clarkebury-Idutywa} and DR08266 {Mjanyana Hospital}).
- Streets in the CBD and town areas need surfacing
- Lack of speed humps in high volume pedestrian zones

- Lack of well planned functional public transport interchange (ranks) points
- Poor provision for parking in the CBD

10.3 Electricity

Eskom is the main provider of electricity in our areas. The role of the municipality is to facilitate and support planning for electrification programmes. Current network is characterised by old support infrastructure and frequent unplanned cuts. Eskom has not been able to assist with information on exact number of planned connections over the next 3 years. This lack of information hampers municipal planning. The intention is to leverage Eskom by utilizing our MIG allocation to also fund community high mast lighting.

The backlog for electricity connections is estimated to be 47% or just over 17000 households. Another 26% has access to electricity for lighting only. The figure below provides an overview coverage by household access to connections.



The majority of households who have access to electricity connection for lighting and other uses are mainly on pre-paid system. The municipality has committed to supporting their introduction of a RED in our area as well as to investigate alternative sources of energy to supplement electricity supply and demand. We support the exploration of

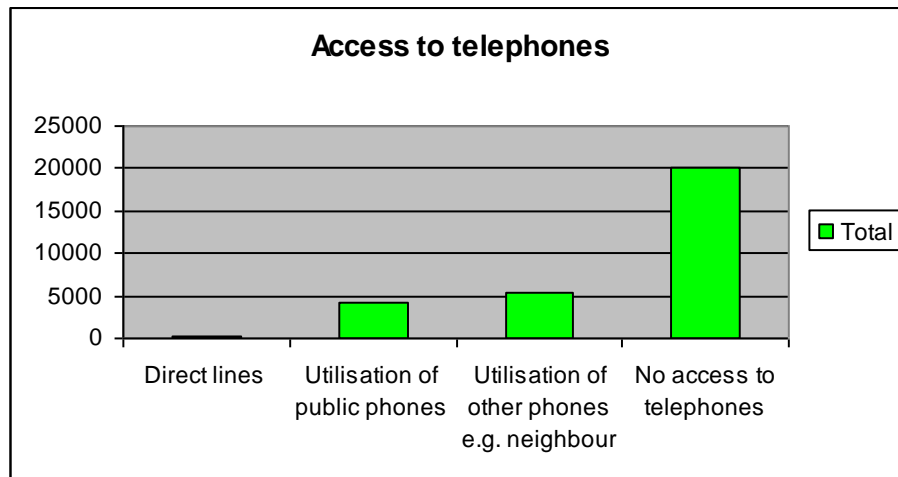
possible use of solar energy forms to fuel household demand for lighting and other light domestic uses.

However, due to internal capacity constraints, we shall depend on other role players to lead such research initiatives in our areas. Poor households that are unable to afford basic energy costs will be subsidized via our indigent policy with such basic fuels like paraffin and wood for cooking and lighting purpose.

10.4 Telecommunication

Telkom is the provider of the landline telephone services in the Engcobo area. Cellular network coverage is patchy due to the mountainous terrain as is television and radio reception. Fax and internet facilities are limited as no Tusong Service Centres exist in the area and don't occur outside the urban areas. Most residents rely on public phones and cell phones for communication purposes.

Household Access to Telephones per households (Census 2001)



10.5 Transport

Transport plays a critical role in economic development. Transport service has two levels. It includes public and physical transportation systems. Our role in transport is

largely focused on planning for movement of goods and people across our landscape. We are not a transport authority and currently do not have a transport plan.

However, it is our intention to develop and adopt such a sector plan in order to guide how we intervene and play our role in facilitating public transport, mobilization of transportation infrastructure support and coordination of movement patterns in support of our economic development objectives.

Our physical transportation systems are poorly linked and overly rely on road based network. The lack of established rail systems linked to our road based networks is a huge obstacle to realizing the existing potential in underperforming yet promising economic sectors like forestry, manufacturing and agriculture production. The lack of established rail transport network coupled with poorly maintained road infrastructure contributes negatively to our competitive advantage. It makes it difficult for our industries to have effective distribution networks necessary to link out local produce to markets.

Public transport is also uncoordinated and poorly planned. For example, there is no functional public transport interchange that offers well designed and planned public facilities. Our ranks do not have functional ablution facilities and lack integration in the way they function as a public space. We plan to invest and lobby other relevant department to assist with development and establishment of our public transport capacity in the form of passenger waiting infrastructure and ranks.

As indicated in the LED section discussed earlier transport is the third biggest item in household expenditure. This puts a severe strain to the already stretched resources of poor households and people in especially the rural villages surrounding Engcobo. As a rural municipality we intend to mitigate this negative impact to our rural households by planning our spatial development in a manner that promotes decentralization of services and densification of settlements in order to better lobby and attract investments and service reticulation infrastructure installations.

10.6 Housing delivery

Housing is a national competence. It is a priority for our communities who have identified it during the broad consultation workshops as a critical need in short supply. Housing is also a basic need. The municipality has identified as part of this IDP's project list, a need

to develop a sector plan for guiding our role in facilitating the implementation of sustainable housing and settlement development.

Currently, our role is limited to facilitating and processing of applications for low cost housing, planning for new settlements and implementing RDP housing delivery programme on behalf of the provincial housing and development board or the department of human settlements.

Our analysis estimates the housing demand to be as follows:

- 3500 low income units (RDP level)
- 500 middle to upper income units

It is our intension as part of joint implementation (together with the district and housing department) the sustainable settlement and housing sector plan to set aside surveyed and serviced land for integrated mix-use housing development.

10.7 Land reform and rural development

Land reform is a central factor to economic development and especially rural development. There are two dominant forms of tenure or means of land ownership in our jurisdictional areas, namely freehold (identified through a registered mortgage and issuance of a formal title deed to the landlord) and communal (often found in rural village settlements and not linked to a single landlord through issuance of a title deed).

Freehold ownership patterns are common in urban and peri-urban areas of Engcobo and Clarkbury while other forms are dominant in rural settlement areas. The common tendency and legacy inherited from past government is for communal land to be under the control and authority of traditional leaders while not always but commonly the local municipal authority tends to have more control and rule over formalised freehold urban tenure systems. The co-existence of these tenure systems often creates confusion and difficulties in implementing uniform planning regulations and by-laws to govern land use management and development. Hence, the choice for 2010/11 to focus on building strong relationships with traditional authorities and putting in place mechanisms for implementing effective joint planning and land use administration.

Rural areas have often lagged behind urban centres when comparing their share of benefits for development in our municipality. This has been caused by historic reasons wherein services were delivered to areas with already developed networks and reticulated service distribution systems (eg. Waterborne sanitation, refuse collection and electricity connections). This has led to urban-rural inequalities. To deal with this challenge the municipality has identified rural development as a new development priority for 2010/11 with emphasis on the following:

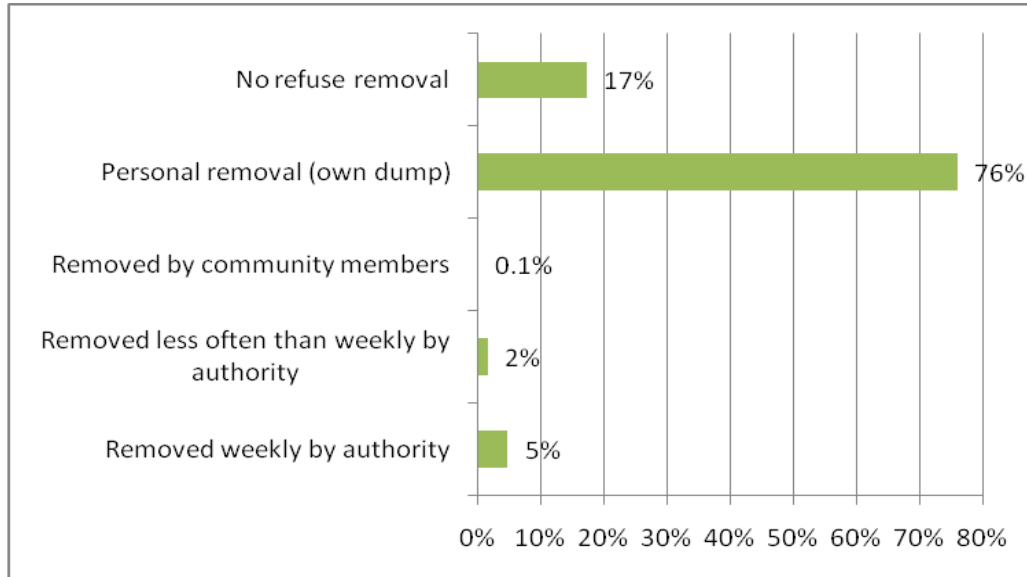
- Planning for improved household access to basic services
- Leveraging of rural service infrastructure installation
- Facilitation and mobilization of resources to achieve integrated delivery of government services via one-stop service centres to rural areas
- Coordination of poverty alleviation interventions and livelihood support
- Integration of settlements to mainstream economic participation and contribution. Main focus here being on agriculture, farming, cultural tourism and agro-processing initiatives

10.8 Refuse collection, cleansing and waste management

Refuse collection is a primary competence of the municipality. Currently the municipality is providing this service to largely few urban based households and businesses. Similarly for cleansing and street cleaning, only the urban centre of Engcobo receives this service. The main challenge for rendering both these services is expansion to rural and outlying areas. In these areas households are either using own mechanism to dispose of their waste and refuse or dump illegally anywhere which poses an environmental threat.

Backlog for provision of refuse removal remains high with 17% not served at all while another 76% of households use own means of disposing refuse and waste without any support from the municipality. This situation can be explained by the fact that only 4% of households reside in urban areas which is where the municipality operates at the moment. The deliberate lack of provision in rural areas creates an unfair urban bias and inequalities when comparing rural to urban households.

The figure below gives an indication of coverage for refuse collection by household access to a level of service.



10.9 Health

Primary Health (hospitals and clinics) is a core competence of provincial sphere of government. Local municipality only plays a facilitative role in the delivery of these services working closely with the district health offices. The service involves the following but not limited to:

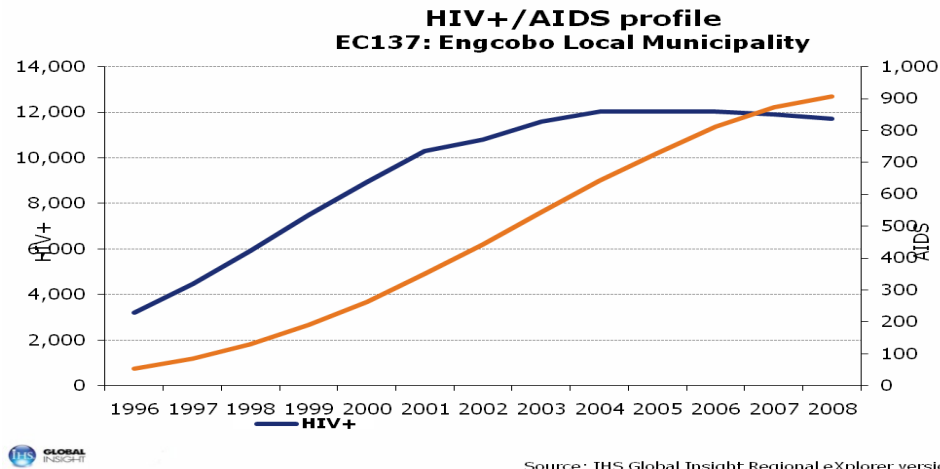
- Provision of primary health care
- Skills development and training (nursing colleges)
- Mother and child month, nutrition
- HIV, Aids & STI
- Rehabilitation service
- Tb, Non – Communicable diseases and mental health
- Environmental health
- Circumcision

- Infrastructure development and maintenance
- School nutrition programme
- Awareness campaigns and health and hygiene promotion

In terms of facilities and outreach there are 2 district hospitals in All Saints and Mjanyane, 21 clinics, 50 mobile units and a set of 4 mobile teams revolving around.

The main issues according to communities needing attention in the delivery of primary health services includes:

- **Accessibility:** while facilities exist they are located far from their threshold service areas and people in rural areas need to travel far. The suggested intermediary service through mobile clinics was received by the district health office as a welcome idea for consideration in mitigating accessibility of primary health care services
- **Deteriorating infrastructure:** existing hospitals and clinics are often poorly maintained and planned upgrades take long to be implemented leading to gradual decay of already existing facilities. This was attributed to lack of funds and limited budgets allocated to the district office for infrastructure upgrades.
- **HIV and Aids prevalence:** the fight against the spread of HIV and increase of infections and eventual Aids pandemic has been identified as a key priority outcome of the municipality. Currently an estimated number of 906 people in our population suffer from Aids while another estimated 11 730 people had contracted HIV by end 2008 (Global Insight: 2008). The figure below tracks the trends for HIV and Aids movement in our municipality over the period 1996 to 2008.



- **Lack of doctors and specialist practitioners visiting clinics:** most participants in the community engagement processes mentioned that available consulting doctors were too few to cover the existing demand in all our local clinics and this tend to cause people to want to flock into hospitals only to be sent back to their clinics
- **Attitudes and poor communication:** nursing staff in certain clinics were accused of holding unprofessional attitude when dealing with patients and often fail to communicate properly the department's policy (eg. Transfer to a hospital) to their patients. Thus causing confusion and misunderstandings which could be prevented.

Public or municipal health is a core competence of the district municipality. In this area the DM has employed its own staff and allocated them by local municipal areas to deal with issues of water sample testing, inspections of food selling outlets, monitoring of outbreak of communicable diseases and general public health education campaigns.

The main issues for attention in this area of health are the general problem of animal carcasses lying all over the roads as a result of collision of stray animals with vehicles. This causes a public health risk. Another problem is lack of regular feedback of the state of our exposure to waterborne disease threats which is information that should be available to the DM after collection and analysis of water samples from our rivers. These rivers are a source of drinking water for underserviced rural communities. It would add value to our efforts of preventative campaigns if we had all the necessary facts at hand.

10.10 Education and early childhood development

Education is the core function of the national department of education while the municipality plays a critical role in facilitating adult education (Abet) and early childhood learning (support to crèches). The department of social development also plays a central role in the establishment and overseeing of the operations for crèches in our municipality.

Education is a central service to economic development and without the production of essential skills, there may be limitations in realizing the benefits of our economic opportunities. Our main concerns with this service include the following issues:

- Poor quality of outputs by local schools (declining grades from matric passes)
- Lack of transparency in the learner support programmes like nutrition and transport leading to suspicions and perceptions of existence of corruption
- Poor planning and integration of efforts by the departments of Education, Eskom and District for provision of infrastructure support services like electricity, water and refuse to schools
- Lack of functional produce by our FET colleges to support economic needs for increased skilling and supply of trades to our workforce. We have insufficient supply of critical skills in the areas needed by our economy like engineering and other technical fields.

10.11 Traffic, Safety and Security

Engcobo municipality is responsible for enforcing compliance with traffic regulations and testing of vehicles as well as issuing of licences to its local people. The main concerns about this service that need attention relates to:

- Need to improve capacity and efficiency of systems in licensing and vehicle testing
- Lack of visible policing in the CBD leading to frequent traffic transgressions for parking, overtaking and driving over speed limit.

- Lack of clear signage on streets (poor road markings and invisible lines to guide motorists)
- Poorly designed and almost non-existent pedestrian integration systems. Pedestrian compete with hawkers for space on the pavements resolving to walk inside streets and causing traffic congestion. There are not demarcated areas to facilitate safe pedestrian crossings or speed limiting means like humps in busy points where school kids and pedestrians are concentrated.
- Increasing number of noticeably illegal vehicles on our roads

Crime is a key concern in the municipality because it affects social and economic development. The municipality is therefore focussed on efforts of how to minimise crime within its powers and functions by working in close partnerships with the departments of correctional service, justice and SAPS. Although the community believe police stations are required in Upper Qebe (Ward 15), Phakamani area (Ward 4), Mjanyana Hospital (Ward 04), Quluqu (Ward 1) and Ntibane (Ward 08), SAPS is believes it is better to rather focus on strengthening sector policing and community awareness programmes due to problem of limitd resources as opposed to simply building additional stations.

10.12 Social and recreational facilities

The municipality has prioritised provision and maintenance of community amenities and recreational facilities in all our wards. Currently the department of sports, arts and culture is directly responsible for provision of sports facilities and libraries in our areas.

However, there is a glaring lack of functional sporting and recreational facilities throughout the municipality. Only one library is functional and located inconveniently on the outskirts of town. Engcobo town has only recently completed the building of a sports complex including a swimming pool and there is a Nkondlo sporting ground under construction. The municipality has received a list of needs for construction of more facilities in various wards but currently lack funding to do so.

Social facilities such as old age homes, places of safety and rehabilitation of substance abusers are also non-existent. The implication of this is that people from the municipality must travel at high costs to Mthatha and Queenstown where some of these services are available.

11 GOOD GOVERNANCE

Good governance is a key priority for the municipality. Our emphasis will be on:

- Implementing democracy through investment in public participation and ward capacity building programmes
- Fighting tendencies of corruption in our system
- Increasing trust and support from our communities and also ensuring the maintenance of a good image and profile for the municipality
- Implementing community outreach initiatives such as those activities undertaken in the special programmes unit (focusing on youth, women and disabled)
- Attainment of a clean audit outcome within two prior to installation of the next council
- Putting in place effective systems and processes for improving council oversight and administrative accountability through implementation of functional PMS and SDBIP regular reporting

The main challenges for good governance stem from the reasons that were observed in the consultative processes which necessitated the above focus. Key challenges for 201/1 will be the finalization of the matter relating to our municipal manager position, lack of HR capacity in critical areas of our functions such as LED and Engineering and also dealing with issues raised by auditor general in our previous report (discussed earlier in this document).

12 SPATIAL DEVELOPMENT FRAMEWORK

Engcobo Local Municipality is mainly rural with only 4% of the households living in town (Engcobo). The municipality's spatial development framework gives guidance to land use management and basis for allocation to competing uses.

Most of the land in urban settlements is zoned residential with small pockets mainly along the town centre of Engcobo zoned commercial and industrial. Areas regarded as peri-urban are All Saints and Manzana. Other areas, which are also densely populated, are Nkondlo, Clarke bury, kwa-Dlomo and Mnyolo. Very few business activities (mainly informal) are found in other key roads and they are surrounded by small clusters of houses. There are three formal settlements, namely, Extension 2 & 3 (time housing), Greenland's farm and Greater town. There is only one informal settlement, Masonwabenathi

Rural areas are characterised by a combination of planned and unplanned settlements which are mainly comprised of agric and residential uses. The bulk of the residential land uses in villages is concentrated at the foot of mountains, along the main roads (provincial roads and district roads) and around key social institutions like high schools, hospitals and church missions.

Most of the villages are surrounded by commonage mainly used for grazing and subsistence farming with the majority of arable land lying fallow. The North East part of the municipality is mountainous and is characterised by sparsely populated villages and vast tracts of grazing land.

12.1 Overarching legal framework

The Systems Act is the overarching piece of legislation that guides and informs this SDF. In terms of Section 26(e) of the Local Government Municipal Systems Act (Act No. 32 of 2000), every Municipality is required to formulate a Spatial Development Framework as part of the contents of its Integrated Development Plan (IDP). The Local Government Municipal Planning and Performance Management Regulations (R. 796 of 2001) made in terms of the Municipal Systems Act determine the content of such a Spatial Development Framework. It requires the municipality to:

- a) Identify the key spatial development features (trends and dynamics) currently applicable in the Engcobo Municipality;
- b) Establish clearly the objectives of the Engcobo Municipality in relation to spatial development in its area of jurisdiction, with particular emphasis on clarifying the principles to be followed in the management of such spatial development in the area;
- c) Identify the Municipality's strategies and policies that are adopted to achieve its spatial development objectives. These should focus on establishing a clear hierarchy of settlement and delineating Special Development Areas, which are: -
 - Areas where strategic development intervention is required (areas of particular development potential and/or areas where current development activities represent a development opportunity); and
 - Areas where priority spending is required (areas of special need)
- d) Illustrate the above information on maps and plans; and
- e) Set out basic guidelines for a land use management system in Engcobo Municipality (i.e. how the Municipality anticipates that it will manage land use development and land use change over a five-year period).

Ensuring a uniform planning system

The Land Use Management Bill (2001) and the Green Paper on Development and Planning (1999) are particularly important guiding pieces of legislation for the SDF in that they seek to provide for the establishment of a new unitary planning system in SA. This new set of legislation will enable municipalities to better understand the required content of spatial and land use management plans and thus level the ground for smooth implementation of the LG Systems Act: 2003 (as amended)

Providing a national spatial planning framework

The National Spatial Development Perspective is a new initiative by government which sets a national framework to guide infrastructure investments and development decisions. In order to guide development agencies understand their potential and therefore choose appropriate spatial development strategies for their growth, the NSDP

suggests six categories of (covering about 315 magisterial districts) areas (spatial development potential):

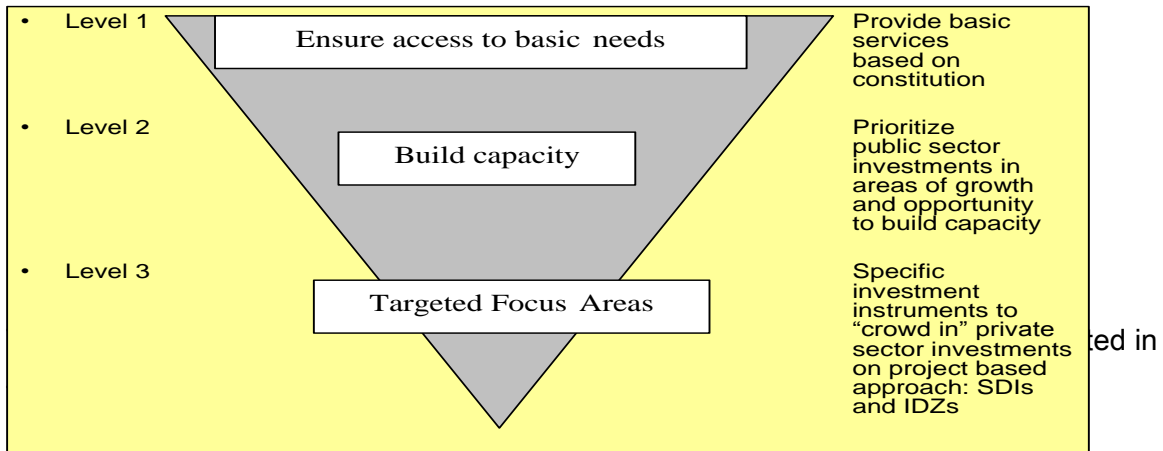
- Innovation and experimentation (27)
- High value differentiated goods (45)
- Labour intensive mass produced goods (62)
- Public service and Administration (73)
- Tourism (60)
- Service and Retail (48)

In terms of the analysis of Engcobo potential index, the area has potential in Agricultural development, Tourism resources such as the Cultural Tourism industry and less potential in the Innovation and experimentation through its limited urban centre with no developed consumer base.

12.2 The provincial framework

The Eastern Cape Spatial Development Plan (2003) and especially the EC Growth and Development Strategy provide a guiding framework for spatial economic development in the province as whole. In terms of the EC SDF there are three levels at which government is planning to intervene in the development of the province's spatial economy. These are summarized in the diagram below:

Strategic policy framework to spatial investment



Level 1: Ensure access to basic need support – means the provision of municipal infrastructure at a basic level that is at least in line with the minimum acceptable level of service provision as dictated by adopted relevant policies of the district.

Level 2: Build Capacity – implies investment at a higher level in middle order services, infrastructure and development needs in accordance with current state of assigned Powers and Functions of the LM (service infrastructure, market places, transport interchange facilities, human resource development & skills training etc.).

Level 3: Targeted Focus Areas – implies investment at a still higher level in higher order services and infrastructure and this includes investments in areas that may not necessarily constitute the assigned powers and functions but within the context of essential development investment that are likely to generate significant socio-economic developmental spin-offs as deemed by the Local municipal council. (i.e. Investments in education, sports & recreation, tourism sector, the forestry sector etc).

The EC PGDS identifies six key focus areas for priority spatial investments in the short term and these include the following:

- a) Agrarian development and food security
- b) Fighting poverty
- c) Public sector transformation
- d) Infrastructure development
- e) Manufacturing diversification and Tourism
- f) Human Resource Development

12.3 The Spatial Development context of Engcobo LM

In terms of natural features, the Municipal area is characterized by fertile soils, favourable climate for the production of a variety of agricultural crops, scenic beauty of the mountainous terrain with a number of rivers.

The following can be highlighted as some of the important natural assets: -

Indigenous Forests and Plantations

Indigenous Forests and Plantation occur mostly in the northern part of Engcobo Municipality.

Beef Production

Beef Production potential exists in the northern area where rainfalls are higher for intensive beef production.

Agriculture

The southern area where dams have been constructed on the major rivers and where soils are suited for irrigation potential exist for agricultural production, examples of this are:-

- Clarke bury Irrigation
- Xuka Dam Irrigation
- Madzikane Agricultural Scheme
- Mgwali River Irrigation Scheme
- Nkobongo Dam Irrigation Scheme

Tourism

Potential for tourism exist in various areas:-

- Waterfalls in the mountains northern area:-
 - Sixholosini Waterfalls
 - Sigidi Ndlela Waterfalls
- Natural Forests in the mountains northern area:-
- Bushman Paintings
 - Near Zabasa
 - Near Elucwecwe
 - Near Tsazo
- Fishing in the Dams in the southern area:-
 - Goso
 - Nkobongo.

12.4 Settlement dynamics & Land Use Management

Apart from the urban settlement, most other settlements are low density and rural in nature (reflecting larger erven with, lower densities and lower levels of services). Some settlements especially near the urban settlement of Engcobo and at major intersections

or on major routes have developed into rural service nodes where a larger variety of community facilities and amenities can be found:

- All Saints, which is close to Engcobo.
- Manzana, which is on the road from Engcobo to Tsomo and close to Engcobo.
- Kwadlomo on the road to Queenstown.
- Nkondlo, which is at the intersection of the roads to Umtata, Ugie and Idutywa.
- Mnyolo/Sixotyeni on the road to Ugie.

As is evident from the spatial analysis, settlements are evenly distributed across the entire municipal area although a growing trend of rural-urban migration is occurring.

The traditional land allocation and land tenure systems are still in place in most of the rural parts of the district. This is regarded as one of the restricting factors with regards to housing delivery in the rural area.

Spatial Development priorities

Based on the above, the following priority issues for spatial development and land use management are noted:-

The development of development nodes:-

The Primary Development Node of Ngcobo (town) by:-

- Strengthening the business component
- Establishing an industrial park
- Strengthening the office component, especial Government Offices
- Integrating the peri-urban settlements of All Saints and Manzana into the urban fabric of Engcobo
- Rehabilitation and upgrading of the existing infrastructure in town housing development

The Secondary Development Nodes of All Saints, Manzana, Kwadlomo, Nkondlo, and Mnyolo by:-

- Formalizing the settlements:-
 - Planning
 - Surveying

- Town Establishment
- Providing services
- Planning for facilities and amenities
- Providing bulk services

The development of development clusters:-

The Forestry/Wood Cluster in the north by:-

- Providing new community forests especially near existing sawmills
- Providing new sawmills
- Establishing a wood manufacturing industry at Ngcobo
- This project on forests is now handled by Chris Hani because local municipalities cannot afford to manage.

The Agricultural Clusters in the south by:-

- Developing new irrigation schemes
- Maximizing production at existing schemes
- Providing a market and agro-industrial at Ngcobo

The Tourism Cluster

- Conserve and develop bushman paintings and developing a bushman painting trail
- To develop the waterfalls for tourist visits i.e. parking area, ablution facilities etc
- Develop dams for fishing and camping/overnight facilities
- A Tourism Centre at Ngcobo
- Tourism facilities and conference centre at Xuka
- Cultural villiage (horse and hiking trails, water falls and busmen painting)

The Beef & Dairy Cluster

- Dairy production at Xuka
- Develop beef production at Xuka and other areas
- Dipping Tanks
- Stock Dams
- A beef auction and production factory at (Ngcobo)

In terms of the draft Land Use Management Bill, it is anticipated that the Engcobo Local Municipality will be required to formulate an integrated Land Use Management System within the next 5-year planning period.

In the interim, the Municipality will focus on the following actions:-

- Establishing appropriate land use management procedures to deal with all formal land development procedures in the Urban Areas in terms of currently applicable Town Planning Schemes.

Ensure the implementation of procedures in terms of the Environmental Conservation Act.

13 KEY DEVELOPMENT PRIORITIES FOR 2010/11

- Water and Sanitation
- Financial viability
- Good governance
- Transport Infrastructure
- Local Economic Development and food security
- Electrification
- Health
- Housing
- Educational Facilities
- Social and recreational facilities
- Special Programmes
- Safety and security
- Rural Development

STRATEGIES & PROJECTS

This section outlines the desired future for the development of Engcobo through determination of a strategic development vision, mission and values. It also sets clear development objectives, strategies as well as intended projects to be implemented in 2010/11.

14 VISION

“A well-capacitated, clean, safe and friendly municipality characterized by vibrant agriculture and tourism sectors with skilled and empowered communities”.

15 MISSION

“To provide basic and affordable services, alleviate poverty and improve the quality of lives of the Engcobo community through social and economic development of the area and by creating a safe, healthy and secure environment.”

16 VALUS

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 BROAD STRATEGIC DEVELOPMENT OUTCOMES

In order to realise our chosen vision we commit ourselves to achieving the following broad strategic development outcomes.

- Systematic poverty eradication
- Sustainable and equitable delivery of affordable services
- Sustainable and functional governance and financial viability
- Agrarian transformation and household food security
- Improved GDP and sustainable growth in LED with emphasis on job creating sectors like agriculture, tourism, forestry and manufacturing
- A place of high performance and professionalism
- Functional developmental LG – good governance systems and public participation

18 DEVELOPMENT OBJECTIVES, STRATEGIES AND PROJECTS

Sub-result areas	Objective	Supporting Strategies	Project to be implemented	Source of budget	MTEF BUDGET		
					2010-11	2011-12	2012-13
Financial Management	To manage municipal financial resources and provide effective oversight and support to other sections	By building capacity to comply with LG legislation and financial controls	Implement GRAP and update asset register	MSIG	R 120,000	R 150,000	R 200,000
			Train finance staff on new legislation and treasury guidelines	OPEX	R 40,000	R 50,000	R 0
		By providing financial oversight and support to our departments	Implement strict financial control measures	FMG	R 0	R 0	R 0
			Implement and monitor expenditure compliance with budget	OPEX	R 0	R 0	R 0
			Develop and implement functional risk management plan and asset register	FMG	R 120,000	R 140,000	R 0

Sub-result areas	Objective	Supporting Strategies	Project to be implemented	Source of budget	MTEF BUDGET		
					2010-11	2011-12	2012-13
		By regularly and timeously providing financial reports to management and council	Produce regular monthly and Quarterly financial reports (s71 MFMA)	OPEX	R 0	R 0	R 0
			Issue memos for management inputs on s72 report by 31 October 2010	OPEX	R 0	R 0	R 0
			To produce 2008/9 s72 report (Annual) by January 2010	OPEX	R 0	R 0	R 0
		To achieve clean audit outcome by 2011/12	Ensure audited financial statements 09/10 by November 2010	FMG	R 750,000	R 800,000	R 850,000
			Action plan for responding to audit queries 09/10	OPEX	R 0	R 0	R 0
Revenue Management	To improve municipal revenue base	By improving billing and payment levels	Develop and implement effective credit control and	MSIG	R 75,000	R 0	R 0

Sub-result areas	Objective	Supporting Strategies	Project to be implemented	Source of budget	MTEF BUDGET		
					2010-11	2011-12	2012-13
			collection strategy				
			Update our valuation roll to cater for indigent properties - RATES	MSIG	R 150,000	R 0	R 0
		By promoting household payment for services	Develop support material to aid mayor's campaign for payment of services	FMG	R 0	R 0	R 0
Supply Chain Management	To provide policy guidelines for effective procurement of goods and services	By monitoring compliance with the provisions of adopted SCM policy	Capacity building for SCM officials	FMG	R 50,000	R 30,000	R 15,000
			Review of the SCM policy	OPEX	R 75,000	R 0	R 0
			Database registration of suppliers	FMG	R 0	R 0	R 0
		By improving turnaround times for payment of suppliers and servicing of debt	Monitor and report trends via PMS scorecard and SDBIP	OPEX	R 0	R 0	R 0

Sub-result areas	Objective	Supporting Strategies	Project to be implemented	Source of budget	MTEF BUDGET		
					2010-11	2011-12	2012-13
Internal Audit	To establish an internal audit function capacity	By investigating alternative long term options for internal audit function	Appoint internal auditor	OPEX	R 160,000	R 185,000	R 195,000
			Expand scope of internal audit to include PM auditing (Audit Committee)	OPEX	R 0	R 0	R 0
Project Management Unit	To establish a dedicated unit for managing all municipal contracts and strategic programme implementation	By establishing a PMU	Establishment of a PMU	MIG	R 400,000	R 450,000	R 500,000
Organizational development	To review existing organizational structure and align with assigned powers and functions mandate	By revising the organogram	Implement Review organogram	OPEX	R 0	R 0	R 0
			Sign MoU with CHDM for town planning support	OPEX	R 50,000	R 75,000	R 75,000
	To implement fleet	By improving policy	Develop fleet	OPEX	R 80,000	R 0	R 0

Sub-result areas	Objective	Supporting Strategies	Project to be implemented	Source of budget	MTEF BUDGET		
					2010-11	2011-12	2012-13
	management policy	compliance	management plan				
	Ensure provision for undertaking of good labour relations, occupational health compliance and legal services to the council	By building capacity	Implement WSP and training for councilors and officials	OPEX	R 200,000	R 300,000	R 150,000
		Ensure continuous conducting of compliance inspections for occupational health	Customize existing CHDM plan for local application	OPEX	R 0	R 0	R 0
		Ensure continuous access to legal services	procure a retainer contract with a legal firm	OPEX	R 150,000	R 150,000	R 150,000
RECORDS	To establish a functional record and archiving system	By installing a record and archiving management system	Install record management and archive system	DLGH	R 150,000	R 150,000	R 150,000
Special Programmes Unit	To implement special programmes	By designing mainstream programmes to support Youth, Women, Disabled and other vulnerable groups in our	Design and implement Special programmes to support Youth, Women, Disabled and other vulnerable	OPEX	R 75,000	R 75,000	R 50,000

Sub-result areas	Objective	Supporting Strategies	Project to be implemented	Source of budget	MTEF BUDGET		
					2010-11	2011-12	2012-13
		society	groups in our society				
		By facilitating implementation of Youth, Women and Disabled programmes by other government and NGO agencies	Implement youth development initiatives and sport programmes working closely with DSRAC and Department of Social Development	OPEX	R 0	R 0	R 0
Human Resource development & Transformation	To develop and transform our human capital	By implementing a work place skills plan	Accredited training for staff in critical areas	OPEX	R 100,000	R 90,000	R 120,000
			Training of ward committees + councilors	MSIG	R 75,000	R 90,000	R 50,000
			Develop HR recruitment and retention strategy	CHDM	R 60,000	R 0	R 0
		By implementing an employment equity plan	Review EEP and set equity targets and report	OPEX	R 0	R 0	R 0

Sub-result areas	Objective	Supporting Strategies	Project to be implemented	Source of budget	MTEF BUDGET		
					2010-11	2011-12	2012-13
Public participation	To ensure effective public participation in our processes of planning and decision making	By involving communities in planning and service delivery implementation	Invite traditional leaders to partake in the Rep Forum	OPEX	R 0	R 0	R 0
			Review and implement communication strategy	OPEX	R 0	R 0	R 0
		By reinforcing cooperative governance through the support of IGF	Exco Workshop on functioning of IGR	DLG	R 45,000	R 45,000	R 50,000
		By providing functional administrative support to council and its associated structures including CDWs	Provide continuous secretariat to council and its structures	OPEX	R 0	R 0	R 0
Municipal Planning	To ensure municipal planning takes place	By formulating, reviewing and implementing IDP, SDBIP and PMS	Review IDP and incorporate a turnaround strategy	CHDM	R 140,000	R 120,000	R 120,000
			Review PMS and cascade	MSIG	R 120,000	R 150,000	R 75,000

Sub-result areas	Objective	Supporting Strategies	Project to be implemented	Source of budget	MTEF BUDGET		
					2010-11	2011-12	2012-13
			Undertake strategic operational planning	CHDM	R 25,000	R 25,000	R 25,000
Policies and By-laws	To develop and enforce local by-laws and policies	By identifying critical areas needing by-laws and develop them	Develop by-laws and policies and publicize	MSIG	R 75,000	R 0	R 0
Local Economic Development	To facilitate local economic growth and development	By developing and implementing a focused LED strategy to guide interventions	Review and implement LED strategy	CHDM	R 300,000	R 0	R 0
		By entering into partnerships for development of forestry and agriculture production	Lobby partners for funding and implementation of forestry projects and agric development	OPEX	R 0	R 0	R 0
	To half unemployment by 2014	By promoting use of labour intensive methods in the implementation of EPWP and infrastructure projects in	Implement the approved EPWP project by DoPW	DPW	R 0	R 0	R 0
			Lobby SCM to incorporate relevant clauses in project	OPEX	R 0	R 0	R 0

Sub-result areas	Objective	Supporting Strategies	Project to be implemented	Source of budget	MTEF BUDGET		
					2010-11	2011-12	2012-13
		our areas	contracts to promote labour intensive methods				
Environment & Conservation management	To monitor, manage and conserve the environment	By facilitating implementation of programmes by AGRIC, DEAT and DEDEA	Develop capacity for environmental planning and management	DEAT & AGRIC	R 0	R 0	R 0
			Develop environmental management sector plan with support from DEAT	DEAT	R 150,000	R 0	R 0
Agricultural development	To promote and support agricultural development	By developing and implementing an Agric development plan	Develop and implement Agric/Rural development plan with DoA and DM IPED	CHDM / DoA&LA	R 95,000	R 75,000	R 75,000
			Facilitate implementation of projects by sector departments		R 0	R 0	R 0

Sub-result areas	Objective	Supporting Strategies	Project to be implemented	Source of budget	MTEF BUDGET		
					2010-11	2011-12	2012-13
		By facilitating the revitalization of existing agricultural schemes	Lobby DM and DoA for funding of revitalization of local schemes	CHDM	R 0	R 0	R 0
		By constructing dipping tanks in our wards	lobby DoA to erect dipping tanks in priority areas	DoA	R 0	R 0	R 0
		By constructing shearing sheds in our wards	lobby DoA to erect shearing sheds in priority areas	DoA	R 0	R 0	R 0
		By fencing lands and commonages	lobby DoA to fence lands and commonages in priority areas	DoA	R 0	R 0	R 0
		By promoting PPPs	Establish PPPs with strategic organizations	OPEX	R 0	R 0	R 0
Poverty Alleviation	To contribute to the reduction of poverty	Facilitate implementation of	Implement food security programmes	DoSD	R 0	R 0	R 0

Sub-result areas	Objective	Supporting Strategies	Project to be implemented	Source of budget	MTEF BUDGET		
					2010-11	2011-12	2012-13
	and creation of food security and livelihood initiatives	commitments by department of social development and others	Implement commitments by sector departments	DoSD	R 0	R 0	R 0
Local Tourism	To promote local tourism development	By implementing the local tourism sector plan	lobby resources for implementing priority projects	OPEX	R 350,000	R 65,000	R 75,000
		By supporting the promotion of local arts and cultural craft development and marketing	lobby DSAC to support local producers with linkages to markets	CHDM	R 60,000	R 75,000	R 50,000
Water and Sanitation	To ensure that 80% of households have access to clean basic water supply by 2011/12 and 90% sanitation	By liaising with the DM for the implementation of funded projects	Facilitate implementation of water supply projects by the DM	CHDM	R 61,700,355	R 72,089,305	R 33,500,000
	To support poor households with a subsidy for water & sanitation	By facilitating the DM to provide free basic water and sanitation services to poor households	Facilitate implementation of water supply projects by the DM	CHDM	R 0	R 0	R 0

Sub-result areas	Objective	Supporting Strategies	Project to be implemented	Source of budget	MTEF BUDGET		
					2010-11	2011-12	2012-13
Housing	To implement our existing housing sector plan	By collaborating with the DLPG& TA to unblock and accelerate housing delivery	Implement approved projects in line with our sector plan	Prov Housing	R 0	R 0	R 0
	To facilitate the delivery of a mix of housing options	By facilitating beneficiary application for housing subsidies from DPLG	Develop and implement low cost housing programme	Prov Housing	R 0	R 0	R 0
Settlement Planning & Surveying	To formalize settlements	By surveying and proclaiming settlements	Sign MoU with traditional leaders	OPEX	R 0	R 0	R 0
			Set aside land for new settlement development	OPEX	R 0	R 0	R 0
Roads and Stormwater & Bridges	To provide and maintain basic access road network and stormwater infrastructure	By utilizing MIG and also lobby DoR&T to construct and maintain access roads and stormwater infrastructure	Construct and maintain approved access roads in our MIG	DoR&T	R 0	R 0	R 0
			Facilitate delivery of approved projects by PW and DRT	DoR&T	R 0	R 0	R 0

Sub-result areas	Objective	Supporting Strategies	Project to be implemented	Source of budget	MTEF BUDGET		
					2010-11	2011-12	2012-13
		By leveraging maintenance budget for roads and stormwater from our internal funds	Maintain stormwater channels and gables	OPEX	R 750,000	R 400,000	R 400,000
Bridges	To mobilize funds for construction of bridges	By mobilizing funds from relevant sector departments and leveraging with our MIG funds	Constrict bridges in priority areas	DoR&T	R 2,100,000	R 0	R 0
			Lobby funding for construction from other departments	DoR&T	R 0	R 0	R 0
Electricity	To ensure improved household and business access to electricity supply	By providing free basic electricity through discount subsidy and installation of community lights in strategic points	Provide free basic electricity to approved indigents	ES	R 900,000	R 1,100,000	R 1,100,000
			Facilitate delivery of commitment by Eskom	Eskom	R 0	R 0	R 0
			Erect community street lights	MIG	R 2,500,000	R 3,000,000	R 1,500,000

Sub-result areas	Objective	Supporting Strategies	Project to be implemented	Source of budget	MTEF BUDGET		
					2010-11	2011-12	2012-13
		By lobbying Eskom for expanding coverage through implementing household and business connections and GRID improvements	Communicate to Eskom priority areas for expansion of coverage	OPEX	R 0	R 0	R 0
Public transport	To support and promote the development an effective public transport system	By aligning municipal strategic plan with the district municipality	Adapt municipal strategy to the CHDM	OPEX	R 0	R 0	R 0
	To construct supporting infrastructure for public transport	By mobilizing resources for the construction of taxi ranks at priority areas	Identify list of priority areas for public transport infrastructure and liase with Transport Forum	OPEX	R 0	R 0	R 0
Land Use and Environmental Management	To determine land uses, manage environment and ensure compliance	By developing a land use management plan as part of reviewing the SDF	Review SDF	CHDM	R 150,000	R 0	R 0
			Development of LUM and zoning plan	DLGH	R 0	R 0	R 0

Sub-result areas	Objective	Supporting Strategies	Project to be implemented	Source of budget	MTEF BUDGET		
					2010-11	2011-12	2012-13
	with legislation						
Telecommunications	To facilitate access to functional telecommunications network	By lobbying mobile and fixed line operators to improve signal coverage	identify areas with signal coverage problems and communicate with relevant operators	OPEX	R 0	R 0	R 0
		By lobbying network operators to expand infrastructure and services	identify areas needing intervention and communicate with relevant service providers	OPEX	R 0	R 0	R 0
Waste Collection and	To provide affordable and reliable refuse and waste collection service	By developing a waste management sector plan adapting the DM Plan	Localise existing DM waste management plan	OPEX	R 0	R 0	R 0
Cleansing	To clean our public places and streets	By mobilizing resources for cleaning initiatives	Implement the joint clean-up campaign with DM	CHDM / DEAT	R 0	R 0	R 0
Services	To provide effective	By identifying and	Conclude the	MIG	R 20,000	R 0	R 0

Sub-result areas	Objective	Supporting Strategies	Project to be implemented	Source of budget	MTEF BUDGET		
					2010-11	2011-12	2012-13
	cemetery service	setting aside land for future cemeteries	feasibility study & implement				
			Fencing of cemeteries in rural areas	MIG	R 0	R 0	R 0
Community facilities	To facilitate provision and management of community facilities	By constructing and managing community halls	Manage and maintain existing halls	OPEX	R 0	R 0	R 0
		By constructing and managing multi-purpose community centres	lobby funding for construction of MPCCs	OPEX	R 0	R 0	R 0
		By maintaining sports facilities and ensuring equitable distribution across our jurisdiction	Manage and maintain existing facilities	OPEX	R 300,000	R 400,000	R 400,000
		By managing and maintain existing municipal buildings	Manage and maintain existing municipal buildings	OPEX	R -	R -	R -
		By facilitating establishment of mobile libraries in especially	lobby DSAC to introduce mobile libraries in our rural	OPEX	R -	R -	R -

Sub-result areas	Objective	Supporting Strategies	Project to be implemented	Source of budget	MTEF BUDGET		
					2010-11	2011-12	2012-13
		rural areas	areas				
		By planning and setting aside land for parks	Incorporate into land use management plan	OPEX	R -	R -	R -
		By facilitating provision and maintenance of swimming baths in our areas	lobby funds for construction and maintenance of swimming facilities	OPEX	R -	R -	R -
Municipal public works	To construct and maintain municipal infrastructure using internal resources	By mobilizing resources and supporting other departments with infrastructure creation and maintenance	Implement all municipal infrastructure creation projects using internal plant	OPEX	R -	R -	R -
EPWP	To promote labour intensive infrastructure delivery methods	By facilitating the implementation of EPWP	Facilitate delivery of EPWP	OPEX	R -	R -	R -

Sub-result areas	Objective	Supporting Strategies	Project to be implemented	Source of budget	MTEF BUDGET		
					2010-11	2011-12	2012-13
Disaster management	To ensure effective response to disasters	By building capacity for firefighting resident within our municipality	To lobby for establishment and equipping of a localized fire fighting centre in Engcobo	OPEX	R -	R -	R -
		By improving turnaround time for responding to disasters	Enter into a service level agreement with Chris Hani DM	OPEX	R -	R -	R -
Health	To ensure improved household access to health services	By facilitating and lobbying DoH to upgrade existing facilities (hospitals & clinics) and improve service	lobby DoH to maintain and improve services	OPEX	R -	R -	R -
Education and Early childhood development	To support early childhood development	By facilitating and supporting establishment and operation of crèches	Conduct inventory of existing crèches	OPEX	R -	R -	R -
		By facilitate implementation ABET programmes	cooperate with DoE and Corporate services on delivery	OPEX	R -	R -	R -

Sub-result areas	Objective	Supporting Strategies	Project to be implemented	Source of budget	MTEF BUDGET		
					2010-11	2011-12	2012-13
			of ABET programme				
		By supporting DoSD to implement their early childhood development programmes	Facilitate delivery of committed projects	DoSD	R -	R -	R -
		By lobbying DoE to upgrade and maintain existing educational facilities	lobby DoE to improve existing infrastructure	OPEX	R -	R -	R -
Traffic, Safety and security	To contribute to crime prevention and public safety	By participating in local policing forums	Participate in the local policing forums	OPEX	R -	R -	R -
		By lobbying relevant departments for introduction of mobile police stations in critical areas	Lobby SAPS to introduce mobile police stations in priority crime spots	OPEX	R 0	R 0	R 0
	To provide for effective regulation of traffic and licensing	By setting up a localized testing centre within the municipality	lobby resources for construction of a local licensing and testing	OPEX / MIG	R 500,000	R 1,500,000	R 1,500,000

Sub- result areas	Objective	Supporting Strategies	Project to be implemented	Source of budget	MTEF BUDGET		
					2010-11	2011-12	2012-13
	of vehicles		station in Engcobo				

19 CONTRIBUTIONS BY GOVERNMENT DEPARTMENTS

In addition to the above list of projects sector departments have committed to implementing the following projects in our municipality.

DEDEA: Projects funded 2009/10 Financial Year					
Name of project	Budget allocated	Location of project	Progress to date	Implementing Agent	Project output
MGWALI MAIZE,FRUIT AND VEGETABLE PROJECT	Approved budget= R2 340 000 First Tranche= R1 170 000	Engcobo LM (Ward 6)	Project start –up phase. Funds transferred by end October PSC establishment done Appointment of a Project Manager underway	Engcobo LM, DEDEA & DoA	Project Manager appointed Purchased Tractor and Implements Purchased machinery and equipment Well constructed Office Purchased Office furniture Secured Markets

DLGTA: Projects funded 2009/10 Financial Year

Name of Project	Budget allocated	Location of the project	Progress to-date	Implementing Agent	Project output
Integrated Development Plan	1 281 000	Chris Hani District Municipality	Funds have been transferred to the District	Chris Hani District Municipality	<p>All IDP processes/phases conducted in the district and 8 local municipalities</p> <p>Adoption of a reviewed IDP</p> <p>Submission of electronic and hard copy IDPs</p>
Performance Management System	627 582	Chris Hani District Municipality	Funds have been transferred to the District	Chris Hani District Municipality	To have functional PMS in place

LED Capacity Building	R 671 000	Chris Hani District Municipality	<p>Funds have been transferred to the Chris Hani District Municipality for the LED Capacity Building (LED experts: Corridor expert and Forestry expert).</p> <p>A concept document for the development of the corridor has been developed and certain LM municipalities within the district engaged on the concept. Furthermore a Stakeholder profiling for the Tree Nursery Project was done and the following stakeholders were identified and engaged to support forestry development initiatives within the DM i.e. DEAET, ASGISA-EC, DBSA, DAFF, DEDEA etc.</p>	Chris Hani District Municipality	Deployed human capacity to assist in leveraging forestry and corridor presented opportunities.
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DLGTA: Projects planned for 2010/2011 Financial Year

Chief Directorate	Name of Project	Budget allocated	Location of the project	Implementing Agent	Duration
Municipal Development & Planning	Integrated Development Plan	1 342 000	Chris Hani District	All IDP processes/phases conducted in the district and 8 local municipalities Adoption of a reviewed IDP Submission of electronic and hard copy IDPs	
Municipal Infrastructure, Disaster Management and Free Basic services	Promotion of effective disaster	1 184 000	Chris Hani District	Effective fire & emergency services	2010/2011
Municipal Infrastructure, Disaster Management and Free Basic services	Fire and Emergency Services	1 500 000	Chris Hani District	Effective fire & emergency services	2010/2011
Municipal Governance	Development of HR Plan/Recruitment and Retention	0	Chris Hani District area	HR Plan/Recruitment and Retention Strategy in place	2009/10/11

Local Economic Development Facilitation	LED Corridor Experts	705 000	Chris Hani District	LED Corridor Expert	2010/2011
	LED Strategy/Profiling/economic plan	405 000	Chris Hani District	Economic Plan	2010/2011
Municipal Support & Monitoring Services	Performance Management System	765 000	Chris Hani District Municipality	Chris Hani District Municipality	2010/11

Department of Health: Projects funded for 2009/2010 Financial Year

Infrastructure projects (None for Engcobo)

Name of project	Budget allocated	Location of the project	Progress to-date	Implementing Agent	Project Output

Department of Housing: Projects planned for 2010/2011 Financial Year

PRIORITY 6: PLANNING AND SERVICING OF SITES

PROJECT/S	LOCATION	SCOPE	BUDGET 10/11	TARGET 10/11	COMMENT/S
ENGCOB O EXT 11	ENGCOB O – TOWN	1854 (Water, sewer, roads & storm-water)	R 7,0m	Design (W / S / R & Storm-water), tender & start construction >15%	WWTW, Bridge, Access – challenge, Water - ?, Amenities – not confirmed

Department of Education: Projects planned for 2010/2011 Financial Year
Infrastructure projects

Name of project	Indicative Budget	Location of the project	Implementing Agent	Project Output	Project Duration & Total Budget Projections
Lapetuka J.P.S.	4,780,558.17	Engcobo	Under Construction	CDC	4 clsrms, Admin & recclsrn, 11 tlts, sec & stk fnc, Concrete walkways, 2 set of wtr tnks, Flagpoles, Electrical installation, Demolition of existing structures, Site works with concrete pavings.
Mtawelanga SPS	7,713,107.03	Engcobo	Under Construction	CDC	New 9 clsrms, Admin rec clsrm, 12 tlts, sec & stk fnc, Concrete walkways, 4 wtr tnks, Plague & Screenwalls, Electrical Installation, Demolition of existing structures, Site works includes concrete pavings
Madotyeni	8,507,294.41	Engcobo	Under Construction	CDC	New 6 clsrms, Admin rec clsrm, 20 tlts, sec & stk fnc, Concrete walkways, 5 wtr tnks, Flagpoles, Electrical Installation, Demolition of existing structures, Site works includes concrete pavings
Mdanjelwa SPS	3,000,000.00	Engcobo	Under Construction	CDC	3 clsrms; Office and store; Reception Classroom; 4pit 1disables/staff & urinal tlts; fencing; Siteworks; Electrical Tubing
Beyele PJSS	761,811.66	Engcobo	Under Construction	CDC	ECD Centre , 3 pit tlts, 2 wtr tnks, fnc, site wkks
Cefane PJSS	576,719.16	Engcobo	Under Construction	CDC	ECD Centre , 3 pit tlts, 2 wtr tnks, fnc, site wkks
Kanye SPS	840,160.22	Engcobo	Under Construction	CDC	ECD Centre , 3 pit tlts, 2 wtr tnks, fnc, site wkks

Cefane PJSS	576,719.1 6	Engcobo	Under Construction	CDC	ECD Centre , 3 pit tlts, 2 wtr tnks, fnc, site wkks
Kanye SPS	840,160.2 2	Engcobo	Under Construction	CDC	ECD Centre , 3 pit tlts, 2 wtr tnks, fnc, site wkks
Masikule nathi SPS	860,445.7 8	Engcobo	Under Construction	CDC	ECD Centre , 3 pit tlts, 2 wtr tnks, fnc, site wkks
Qebe JSS	723,808.6 4	Engcobo	Under Construction	CDC	ECD Centre , 3 pit tlts, 2 wtr tnks, fnc, site wkks

Department of Housing: Projects planned for 2010/2011 Financial Year PRIORITY 7: INTEGRATED RESIDENTIAL DEVELOPMENT PROGRAMME (DEFECTIVE HOUSES TO BE RECTIFIED)					
ENGCBO O - EXT. 5 (PHP)	139	29 190	Assessment for Rectification in 2010/11	ENGCBO - EXT. 5 (PHP)	
ENGCBO O - EXT. 6 (PHP)	408	85 680	Assessment for Rectification in 2010/11	ENGCBO - EXT. 6 (PHP)	
ENGCBO O - EXT. 9 (PHP)	405	85 050	Assessment for Rectification in 2010/11	ENGCBO - EXT. 9 (PHP)	

Department of Safety & Liaison: Projects funded for 2009/2010 Financial Year

Name of Project	Budget allocation	Location of the project	Progress-to- date	Implementing Agent	Project output
Establish and support District Community Safety Forum	R10 000	CHDM	The project is still in the initial stages	CHDM with Safety & Liaison and other criminal justice departments and agencies	District Community Safety Forum with direct influence on local community safety forums
Capacity Building for the Community Police Forum	R40 000	All police clusters within the CHDM and those whose accounting police station are within the district municipality	For this current financial year only 11 stations have been trained and we had to monitor the elections of executive committees in various stations	Safety & Liaison with SAPS	<ul style="list-style-type: none"> • Enhanced community policing • mass mobilization against crime

SASSA: Projects funded for 2009/2010 Financial Year

Name Of project	Budget Allocated	Location of the Project	Progress to date	Implementing Agent	Project output
CSG Extension	R43 050 240	All Local municipalities in Chris Hani	Exceeded Target	SASSA Local office	Reinstatement of 14948 Children aged 14-15
Age Equalization	R26 894 280	All Local municipalities in Chris Hani	Exceeded Target	SASSA Local office	Uptake of 2219Man aged 63-61

SASSA: Projects planned for 2010/2011 Financial Year

Name Of project	Budget Allocated	Location of the Project	Implementing Agent	Project output	Project Duration & total Projections	
					Duration	Budget
CSG Extension	R44 844 000	All Local municipalities in Chris Hani	SASSA Local office	Reinstatement of 14948 Children aged 15-16	12 Months	R44 844 00
Age Equalization	R34 272 000	All Local municipalities in Chris Hani	SASSA Local office	Uptake of 2800 Managed 60	12 Months	R34 272 000

Department of Roads and Transport: Projects funded for 2009/2010 Financial Year

Name of project	Budget allocated	Location of the project	Progress to-date	Implementing Agent	Project Output

INTEGRATION & ALIGNMENT

This section outlines how the municipality will ensure alignment and integration of sector plans, PMS, SDBIP, BUDGET and IDP implementation plan.

It highlights existing plans and gaps for attention by relevant line functions.

19.1 Sector Plans

This IDP recognises all existing sector plans and ensures that their implementation budgets, timelines and projects are in support of the reviewed development objectives.

19.1.1 Integration and alignment with other spheres of government

SPHERE	PROGRAMMES & GUIDELINES	ENGCOBO RESPONSES
National	Legislation & Policies	Process Plan recognises 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
	National framework for municipal turn around strategies 2009	Our approach in this IDP is informed by the suggested key points in the National Municipal Turn-around strategy. We shall develop our own in Engcobo
	National KPAs	Incorporated and mainstreamed into adopted KPAs + form part of PMS
Province	Provincial Growth & Development Strategy	Have identified key strategic localised projects in response to the EC Provincial 24 PRIORITIES
		Have also taken into account the new priorities like Rural development which came after the April 2009 elections
	Provincial Spatial Development Framework	Have adopted the hierarchy principle in determination of nodal areas

SPHERE	PROGRAMMES & GUIDELINES	ENGCOBO RESPONSES
Sector Departments	5 Year plans	Have acknowledged all key projects that are budgeted and conformed for implementation in 2010/11 within Engcobo 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 localised fire fighting responses - work closely at operational level
	Occupational Health and Safety plan	Decided to use the DM plan to modify and customize for our application
	Waste Management Plan	Informs our localised refuse collection strategies - work closely at operational level
	LED Strategy	Key district commitments relating to the DM Economic summit to be reinforced by our revised LED strategy

19.1.2 Integration & Alignment of internal sector plans / policies 2010/11

Department	Sector Plan / Policy	Status of sector plan / policy		
		Exist. IMPLEMENT & MONITOR	Exist. NEED REVIEW	Does not exist. FORMULATE
Finance	Credit control & revenue collection strategy			X
	Indigent policy		X	
	Budget 2010/11	X		
	Risk Management plan			X
Corporate services	HR Manual & Policies	X		
	Organizational design plan		X	
	Employment equity plan			X
	Workplace skills plan	X		

Department	Sector Plan / Policy	Status of sector plan / policy		
		Exist. IMPLEMENT & MONITOR	Exist. NEED REVIEW	Does not exist. FORMUL ATE
Office of Municipal Manager	Performance Management Policy		X	
	Turnaround strategy			X
	Service Delivery Budget Implementation Plans	X		
Planning & Economic Development	Integrated development plan	X		
	Spatial Dev Framework			X
	LED Strategy		X	
	Environmental sector plan			X
	Tourism sector plan			X
Community services	HIV/ Aids workplace strategy		X	
	Waste management sector plan (adapt DMs plan)			X
	Youth Development Plan			X
	Disaster management plan (adapt DMs plan)			X
Technical services	Capital Investment plan			X

20 PERFORMANCE MANAGEMENT

In line with the requirements of the Local Government Municipal Systems Act – 2000 (hereinafter referred to as the Systems Act) read in conjunction with its Local Government Municipal Planning and Performance Management Regulations passed in August 2001 (hereinafter referred to as the Regulations), Engcobo Local Municipality embarked on a process of establishing its comprehensive PMS.

In order to ensure smooth implementation of a municipal PMS, it is necessary to first develop and agree on a policy (framework).

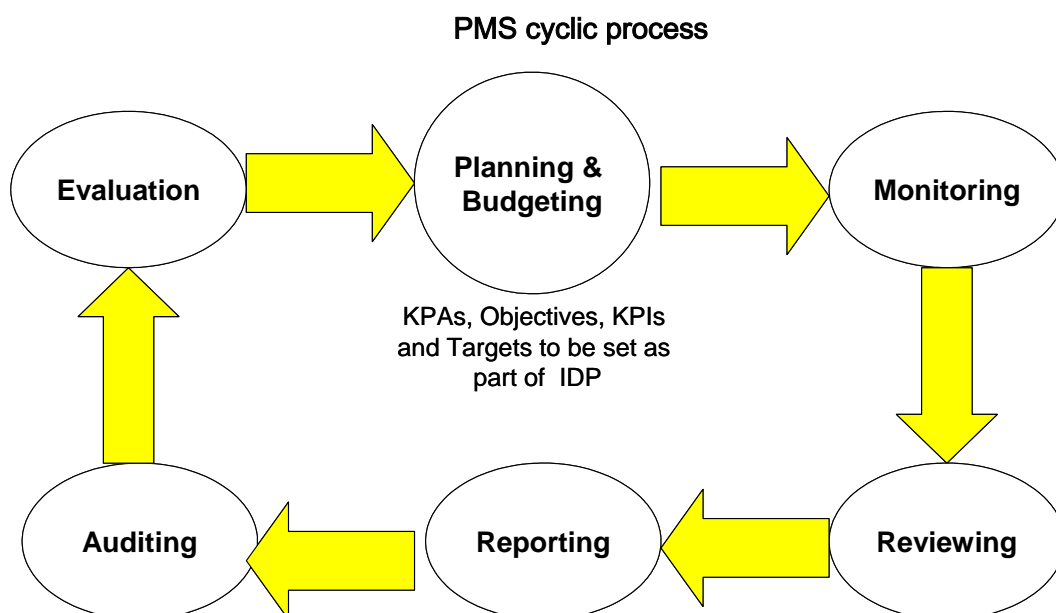
The main goal of this document is to provide the Engcobo Local Municipality with a written policy that will serve as a guide in terms of the key processes, procedures and mechanisms to be followed when implementing performance planning, measurement, review, reporting and auditing. This framework document will also outline timeframes as to when (in the cycle of municipal planning) should the processes of *performance planning, measurement, monitoring, review, reporting and auditing as well as review of the PMS itself* unfold. Further, the framework outlines the PMS model to be followed in implementing performance management at Engcobo LM.

20.1 Status of the framework document

This document represents a draft discussion policy which will be commented upon and finalised before being submitted to Exco and council for adoption. Once adopted by council it will serve as a binding policy that guides how performance management should be implemented at Engcobo. It will also serve as a document reference that is aimed at enhancing the awareness and understanding (among all role players) of how the performance management system should operate.

21 WORKING DEFINITION

Performance management is viewed as 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. It is envisaged as a process that will roll-out incrementally following the steps illustrated in the figure below:



Engcobo municipality subscribes to the view that PMS is a strategic management tool which equips (with a set of tools and techniques) leaders, managers, workers and stakeholders at different levels of an organization to regularly plan, continuously monitor, periodically measure, review and report performance of the organization in terms of a set of chosen indicators and targets for achieving development efficiency, effectiveness and impact.

In practical terms, performance management refers to the use of indicators to show how the organisation is performing on its development objectives as set out in the ruling integrated development plan. In Engcobo, this will involve among other things:

- ◇ developing performance scorecards (two levels - Strategic and Departmental)
- ◇ 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

22 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, Engcobo 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 LEGAL CONTEXT FOR MUNICIPAL 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 Engcobo performance management systems in local municipalities.

24 OTHER BENEFITS FOR ESTABLISHING PMS

For Engcobo 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.

24.1 Increased accountability

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

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

24.2 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.

24.3 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.

24.4 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.

25 PRINCIPLES GUIDING PMS IMPLEMENTATION

This policy provides for implementation of a comprehensive Engcobo 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

26 INSTITUTIONAL ARRANGEMENTS

26.1 PMS Co-ordination

For purposes of coordinating PMS activities inside the municipality the policy 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)

26.2 PMS Audit function

For purposes of meeting legal requirements for the appointment of an independent audit committee to audit PM reports, the policy 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.

26.3 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:

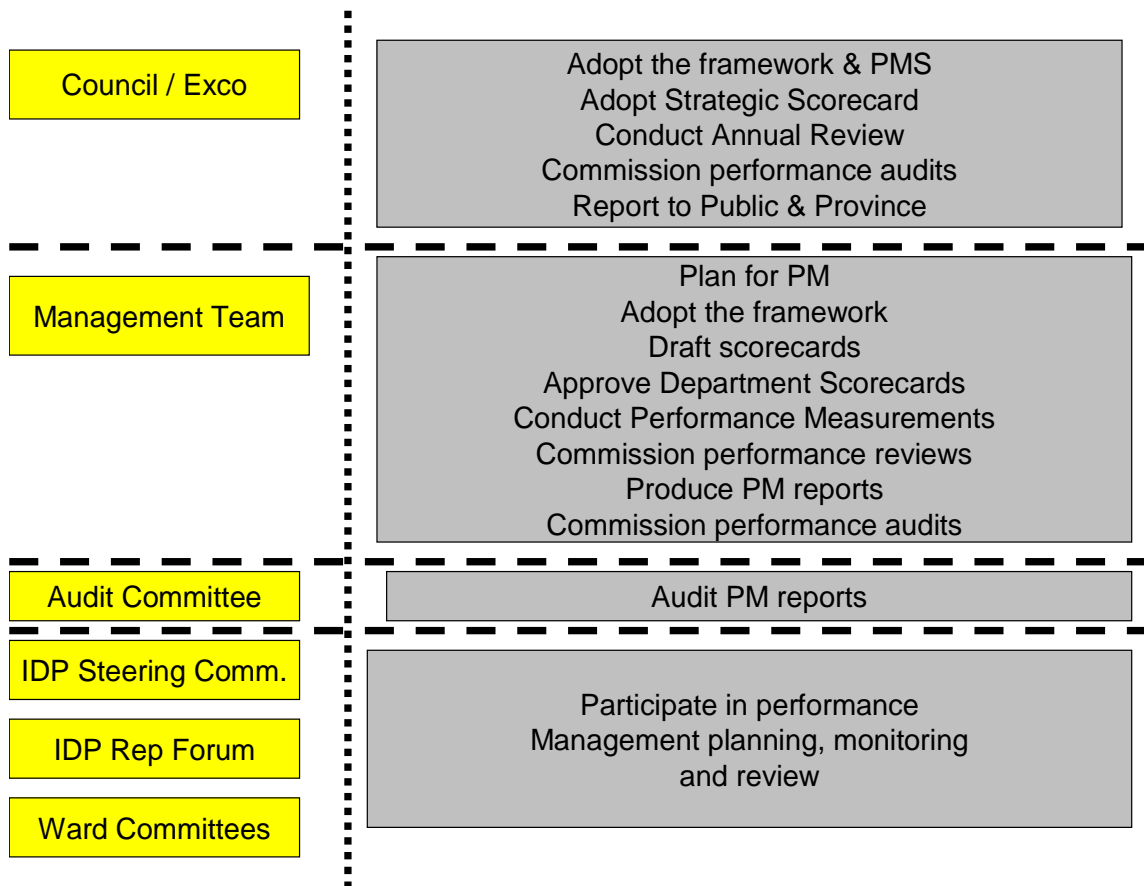
- ◇ Key development priorities agreed for each year
- ◇ Development objectives
- ◇ Key development targets agreed

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

26.3.1 Stakeholder Roles and Responsibilities

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

Stakeholder Roles and Responsibilities



27 PMS MODEL FOR ENGCOBO LM

27.1 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.

27.2 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.

27.3 The Municipal Scorecard model

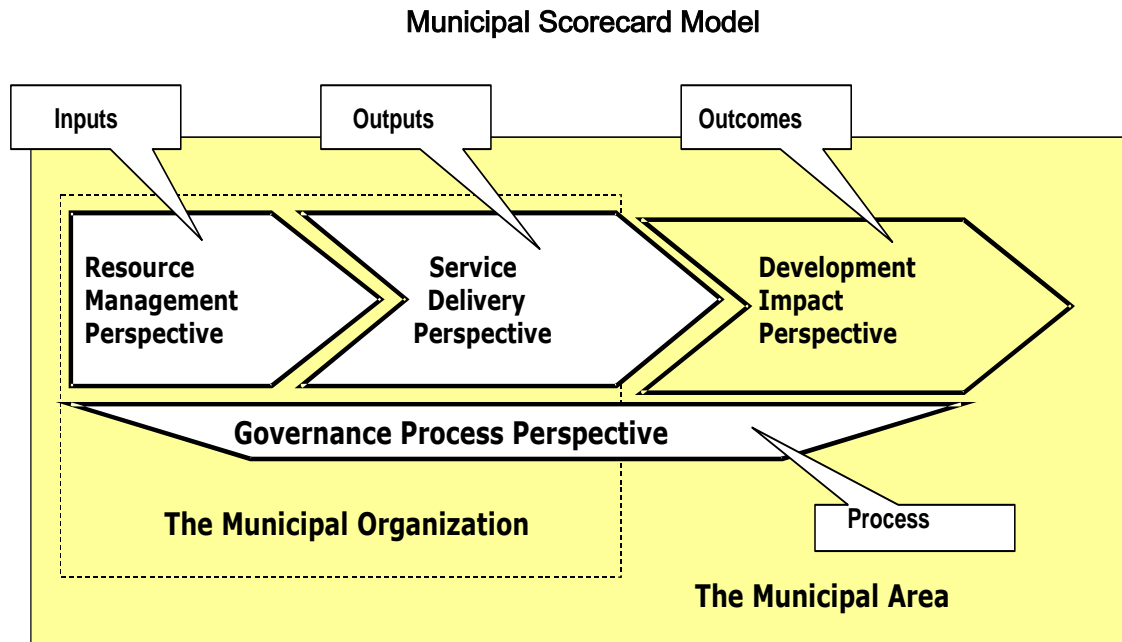
In terms of this policy the municipal scorecard model is to be used as a preferred model for the municipality. This model provides a modified version of the balanced scorecard model which has been adapted to SA local government legislation environment. It is also based on four key perspectives outlined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

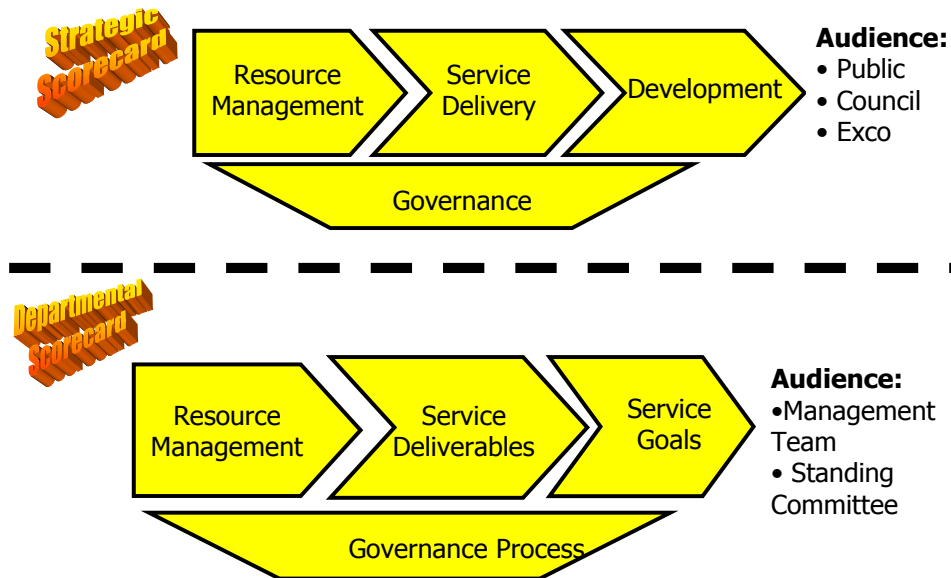
Choose indicators that will incentives behaviour that is desired and not unintended results.

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.

27.4 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.

Levels of scorecard example



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 Executive Committee, Council and the public. In terms of this policy this scorecard is to be reported to Executive 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).

28 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.

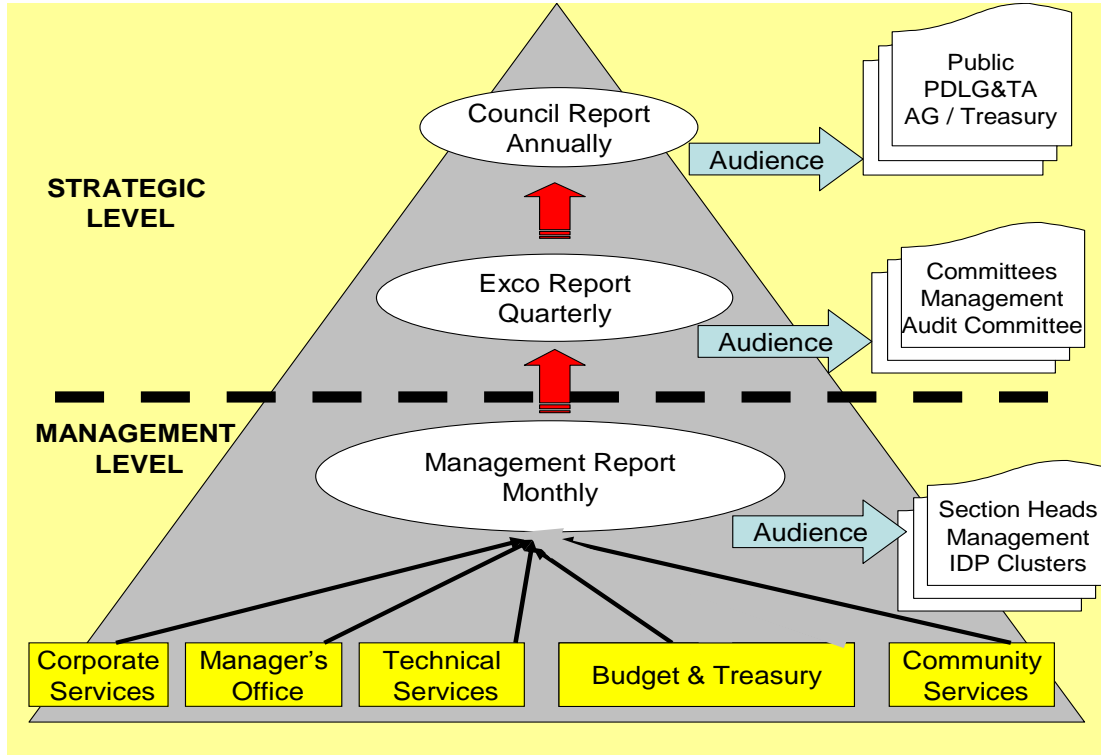
Analysis requires that line managers compare current performance with targets, past performance and possibly the performance of other municipalities, where data is available, to determine whether or not performance is poor. They should also analyse the reasons for performance levels and suggest corrective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

29 PERFORMANCE REPORTING AND AUDITING

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

Reporting process flow



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 Exco by management. This report will move be consolidated with comments of Exco 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 PDLGH&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 Exco / council.

Performance Investigations: This policy provides for the Executive 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.

30 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, Executive Committee and Council, performance reporting will need to be tracked and co-ordinated. The Performance Management coordinator is responsible for this process.

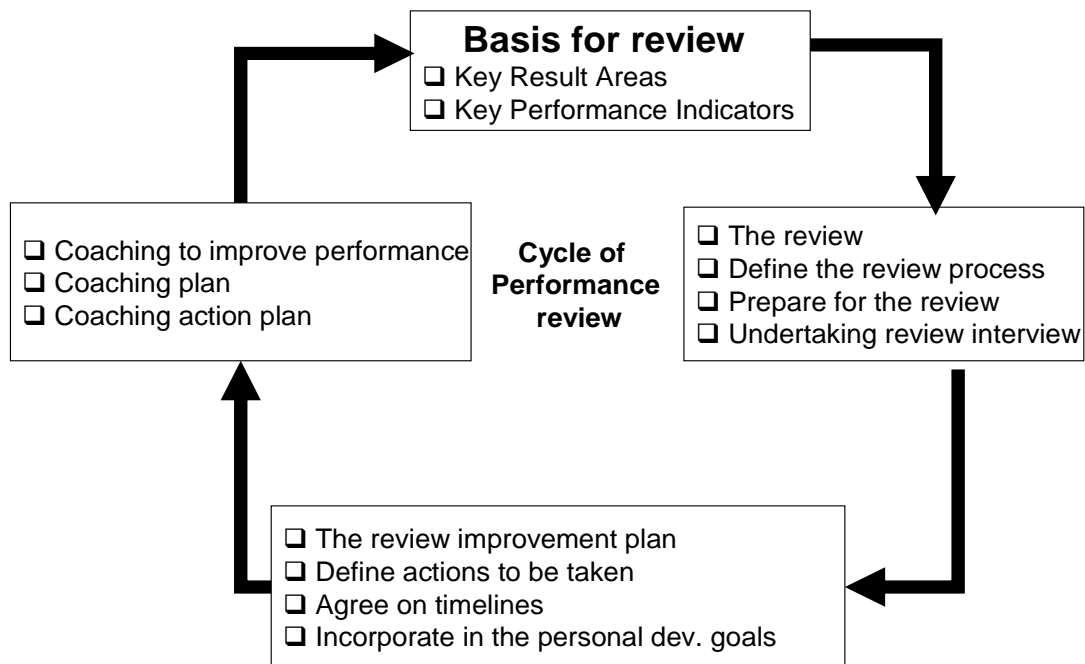
It will also be useful to provide an overall analysis of municipal performance with respect to the strategic scorecards and department scorecards, at least for quarterly and annual reviews. Such an analysis could pick up trends in performance over time and over all departments. It is proposed that the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

30.1 How should reviews be conducted?

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

Figure 2: the review process guideline

PROPOSED 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.

30.2 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.

Executive Committee Reviews: On a quarterly basis, the Executive 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 Executive 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 pay 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 Executive 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.

31 EVALUATION AND IMPROVEMENT OF THE MUNICIPAL PMS

The Municipal Systems Act requires the Engcobo 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 Engcobo 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.

APPROVAL

Following the draft DIP 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 Engcobo 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

DECLARATION OF ADOPTION

COUNCIL RESOLUTION NUMBER FOR IDP ADOPTION:

SIGNATURES

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Mr. M. Giqo
ACTING MUNICIPAL MANANGER

.....

DATE

.....

Councilor: L. Jiyose
MAYOR

.....

DATE