



---

# DRAFT INTEGRATED DEVELOPMENT PLAN

---

## REVIEW 2010/2011

---

ELUNDINI MUNICIPALITY  
1 CELLER STREET  
MACLEAR  
5480

---

## Table of Contents

<b>PREFACE</b> .....	<b>2</b>
FOREWORD BY THE MAYOR	
OVERVIEW BY THE MUNICIPAL MANAGER	
EXECUTIVE SUMMARY	
<b>SECTION A: INTRODUCTION AND BACKGROUND</b> .....	<b>6 - 13</b>
PURPOSE OF IDP	
ROLE OF IDP IN MUNICIPAL ACTIVITIES	
LEGISLATIVE BACKGROUND	
IDP REVIEW PROCESS	
<b>SECTION B: SITUATIONAL ANALYSIS</b> .....	<b>14 - 76</b>
THE STUDY AREA	
<i>GEOGRAPHIC DESCRIPTION</i>	
<i>DEMOGRAPHIC ANALYSIS</i>	
<i>SOCIO ECONOMIC ANALYSIS</i>	
<i>BIOPHYSICAL ENVIRONMENTAL ANALYSIS</i>	
SPATIAL DEVELOPMENT FRAMEWORK	
BASIC SERVICE DELIVERY	
LOCAL ECONOMIC DEVELOPMENT	
FINANCIAL VIABILITY	
GOOD GOVERNANCE, PUBLIC PARTICIPATION AND TRANSPARENCY	
<b>SECTION C: DEVELOPMENT STRATEGIES</b> .....	<b>77 - 104</b>
MUNICIPAL VISION	
MISSION STATEMENT	
ELUNDINI MUNICIPALITY STRATEGIC FRAMEWORK	
<i>INSTITUTIONAL TRANSFORMATION</i>	
<i>BASIC SERVICE DELIVERY</i>	
<i>LOCAL ECONOMIC DEVELOPMENT</i>	
<i>FINANCIAL MANAGEMENT AND VIABILITY</i>	
<i>GOOD GOVERNANCE AND PUBLIC PARTICIPATION</i>	
ALIGNMENT OF KPAs WITH OTHER PROGRAMMES AND PLANNING INITIATIVES	
<i>FIVE YEAR LOCAL GOVERNMENT AND STRATEGIC AGENDA</i>	
<i>PROVINCIAL GROWTH AND DEVELOPMENT STRATEGY</i>	
<i>LOCAL GOVERNMENT TURN AROUND STRATEGY</i>	
<i>DISTRICT GROWTH AND DEVELOPMENT STRATEGY</i>	
<b>SECTION D: PROJECTS AND PROGRAMMES 2010/2011</b> .....	<b>105 - 122</b>
REGISTERED AND BUDGETED PROJECTS	
UNREGISTERED AND UNFUNDED PROJECTS (COMMUNITY IDENTIFIED)	
<b>SECTION E: FINANCIAL PLAN</b> .....	<b>123 - 138</b>
FINANCIAL RISKS AND KEY CHALLENGES	
FINANCIAL MANAGEMENT STRATEGIES	
FREE BASIC SERVICES	
BUDGET 2010/2011	
<i>INCOME ALLOCATIONS AND SOURCES</i>	
<i>EXPENDITURE BY SOURCE</i>	
<b>SECTION F: PERFORMANCE MANAGEMENT SYSTEM</b> .....	<b>139 - 165</b>
PRINCIPLES GOVERNING ELUNDINI PMS	
ROLES AND RESPONSIBILITIES	
ALIGNMENT OF ELM PMS, IDP & BUDGET	
PERFORMANCE MONITORING AND REPORTING	
PERFORMANCE REVIEWS AND ASSESSMENTS	
EMPLOYEE PERFORMANCE APPRAISALS	
INCENTIVES AND REWARDS	
INSTITUTIONAL SCORECARD 2010/2011	

## 1. OVERVIEW BY THE MUNICIPAL MANAGER

The financial year 2010/2011 marks the final year for the second generation IDP of Elundini Municipality. A lot of work and thought has been invested in this review. The focus was mainly to elevate our IDP to greater heights by ensuring its relevance through effective public participation process in its drafting. We have endeavoured to ensure that this document speaks and mirrors ideals and aspirations of our communities and clearly articulates the strategic direction that the municipality will take towards attainment of the vision of the municipality "A Better Quality of life for all citizens".

In order for the Municipality to improve its service delivery agenda, it can be argued that the Municipality needs to refine and narrow down its strategic goals and objectives, review the service delivery vehicle to deliver on the strategic goals and objectives, with the aim of ensuring that the vehicle is geared to deliver the desired results.

However, doing this will have an impact on the human capital configuration of the Municipality, thus issues relating to personnel and the organogram were reviewed. Emanating from the AG's report, a number of issues as raised and have been addressed through the set strategic objectives in the strategic scorecard of the municipality. The emphasis is mainly on the improved financial viability through enhanced revenue management, evaluating current sources of grant funding, improving the supply chain, improved asset management and improved compliance (GRAP).

The focus on the "short term achievable goals" or those projects/ actions that could be undertaken in the short term that would support the Municipality's vision and political mandate. The chapters on strategies and projects reflect on these and can be summarised as :

- \* Addressing the Roads and Stormwater backlogs through MIG funding.
- \* Developing maintenance plan for the municipality's newly constructed roads
- \* Acquisition by the Municipality to get its own plant and machinery to construct and maintain the road
- \* The roll out of energy to certain wards
- \* The creation of jobs as per the mayoral strategic session from 6th to 8th November 2008
- \* Ensuring the SCM policy of the municipality maximises beneficiation to the local industry through process of targeted procurement
- \* Improving communication through Municipal newsletter and Customer Care Service to our clients
- \* Organisational Re-alignment and Re- Branding to ensure adequate human capital for meeting vision 2010-2011 targets

In conclusion, I am quite certain that this plan has captured the municipality's vision towards improvement of better quality of life for all citizens.

.....  
K. Gashi ( Municipal Manger)

## 2. EXECUTIVE SUMMARY

The Executive Summary gives a brief overview of the processes undertaken by the municipality during the IDP Review. It deals with the IDP planning methodology, legal frameworks, situational analysis spread over the six Local Government key performance areas and highlights the municipality's strategic priorities that will be addressed and financed in the operational plan.

The IDP for 2010/11 is divided into the following sections which will be summarised briefly below;

SECTION	ITEM
PREFACE	FOREWORD BY HIS WORSHIP, THE MAYOR OVERVIEW BY MUNICIPAL MANAGER EXECUTIVE SUMMARY
SECTION A	<b>INTRODUCTION AND BACKGROUND</b> <ul style="list-style-type: none"> <li>• PURPOSE OF IDP</li> <li>• ROLE OF IDP IN MUNICIPAL ACTIVITIES</li> <li>• LEGISLATIVE BACKGROUND</li> <li>• IDP REVIEW PROCESS 2010/2011</li> </ul>
SECTION B	<b>SITUATIONAL ANALYSIS:</b> THE STUDY AREA SPATIAL DEVELOPMENT FRAMEWORK BASIC SERVICE DELIVERY LOCAL ECONOMIC DEVELOPMENT FINANCIAL VIABILITY GOOD GOVERNANCE, PUBLIC PARTICIPATION AND TRANSPARENCY.
SECTION C	DEVELOPMENT STRATEGIES
SECTION D	MUNICIPAL PROJECTS AND PROGRAMMES
SECTION E	FINANCIAL PLAN & BUDGET
SECTION F	PERFORMANCE MANAGEMENT
SECTION G	SECTOR PLANS

## SECTION A: INTRODUCTION AND BACKGROUND

---

### 1. Introduction

The review of the IDP for 2010/11 complies with the regulatory requirements of the legal planning frameworks, including the Process Plan/Time Schedule and is informed by the development needs, priorities and strategic direction identified in a collaborative process with Representative Forums of the District and Local Stakeholders. These efforts have strengthened the alignment of Elundini's strategic objectives with those of Joe Gqabi District Municipality and with the Eastern Cape Provincial Growth and Development Plan (ECPGDP)

### 2. Purpose of Integrated Development Planning

The basic purpose of Integrated Development Planning is to achieve faster and more appropriate delivery of services and providing a framework for economic and social development in a municipality. Integrated Development Planning creates a planning environment that allows for the integrating and alignment of government's delivery priorities and objectives and is aimed at eliminating the development legacy of the past.

The Department of Provincial and Local Governance IDP Guidelines summarised the purpose of the Integrated Development Planning Process as follows:

- Eradicating the development legacy of the past
  - A mechanism to restructure our cities, towns and rural areas;
  - A mechanism to promote social equality;
  - A weapon in the fight against poverty
  - A catalyst in the creation of wealth.
- Making the notion of developmental Local Government work
  - A device to improve the quality of people's lives through the formulation of integrated and sustainable projects and programmes
- Laying the foundation for community building
  - A strategic framework that facilitates improved municipal governance
  - An agent of Local Government transformation
  - A channel for attracting investment
  - An instrument to ensure more effective and efficient resource allocation and utilisation

- A vehicle to fast-track delivery
- A barometer for political accountability and a yardstick for municipal performance
- Fostering co-operative governance
  - A mechanism for alignment and co-ordination between spheres of Government.

### 3. Role of Integrated Development Planning in Municipal Activities

For development to be executed and managed effectively, three essential tools are required. These are (i) a development plan; (ii) a budget; and (iii) a performance management system. All three tools are interrelated and no single one of these can operate effectively without the other.

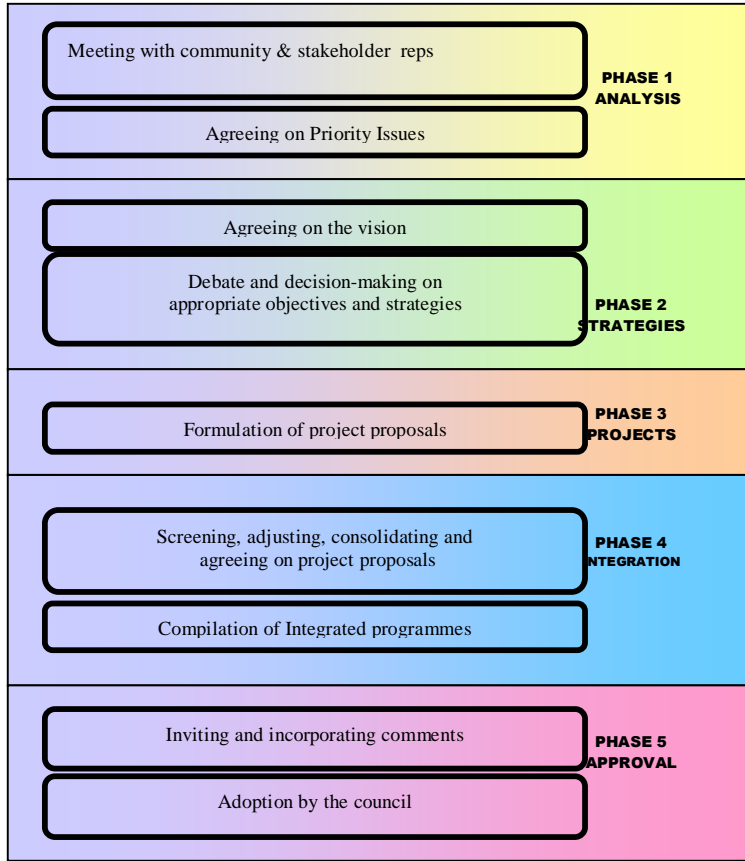
In this regard, the IDP represents the forward planning and strategic decision-making tool that informs the budget, which must give effect to the strategic priorities of Elundini Local Municipality embodied in the IDP. In turn, the Performance Management System (PMS) and the Service Delivery Budget Implementation Plan (SDBIP), are the core development management, implementation and monitoring tools. Synergy between all the management tools will enable the following: -

- Monitoring the execution of the budget;
- Monitoring of the performance of the municipality;
- Whether the strategic objectives set by council have been met.

### 4. IDP Review Process

The generic process for preparing IDPs was developed by the Department of Provincial and Local Government as part of their guide packs to support the IDP process. The process is divided into five phases: analysis, strategies, project formulation, integration and approval.

Figure 1.1: The Generic IDP Process



While the guide packs propose a systematic process of IDP preparation based on typical systems theories, the reality of planning in Elundini area is more similar to incremental planning and constant shaping of a concept, until consensus is reached. As such, even the final approved IDP document is likely to change over the subsequent years as external and internal factors impact and reshape strategic focus. Consequently, in Elundini, the IDP is seen as a living document that can and must respond to changes in the development environment over time.

All municipalities are required by law to prepare a Process Plan for their integrated development planning. The preparation of the planning process has been regulated in the Municipal Systems Act, 2000 (Chapter 4, Section 29). This document identifies the roles and responsibilities for everyone involved in the process; it also sets out mechanisms and procedures for community participation, timeframe and costs estimates. It is this Process Plan which will be a guide to the actual IDP.

In reviewing of its IDP the Elundini Municipality adopted an IDP & Budget Process Plan in August 2010. All municipalities are required by law to prepare a Process Plan for their integrated development planning. The preparation of the planning process has been regulated in the Municipal Systems Act, 2000 (Chapter 4, Section 29). This document identifies the roles

and responsibilities for everyone involved in the process; it also sets out mechanisms and procedures for community participation, timeframe and costs estimates. It is this Process Plan which will be a guide to the actual Integrated Development Planning Process.

The ELM process plan has the following key schedule of deadlines and milestones which informed and guided the review process:

**Table 1: Schedule of Key Deadlines**

	Activity	Purpose	Responsible person	Milestone date
1.	Setting up a Steering Committee and discussion of Framework and Process Plans.	Begins planning process for the next three year budget.	MM	July/ August 2009
2.	Table to council a schedule of key deadlines for preparing, tabling and approving of the budget. Reviewing the IDP and Budget related policies	Table IDP and Budget Process Plan to Exco ( 10 months before the start of the budget year, S21(b) MFMA.	Mayor	August 2009
3.	Publish & make known simplified version of schedule of key deadlines & composition of committees.	For Public Participation	MM	August 2009
4.	Review the previous year IDP and Budget process and complete budget evaluation checklist during the planning process. This will entail a review of the comments received from the DLGTA in respect of the 2009/10 IDP and facilitating comments from the HODs	Review budget Process	MM / Management Committee	August/ September 2009
5.	Review delegations in terms of MFMA	For appropriate delegation & Finalisation	MM	August 2009
6.	Consultative Workshop on the CBP and ISRDP action plan for Elundini Municipality	<ul style="list-style-type: none"> <li>• To unfold the action plan</li> <li>• to identify and identify pillar projects for CBP and ISRDP; as well as alignment of these programmes in Elundini.</li> <li>• Identify and establish consultation forums and working committees for the process</li> </ul>	MM	September 2009
7.	CBP roll out to wards	<ul style="list-style-type: none"> <li>• To initiate the process of developing ward based plans to</li> </ul>	MM	September 2009



		ensure that all municipal /govt plans address and are responsive to the needs of the community.		
8.	Request IDP information from municipal departments	To compile internal or institutional situation analysis as part of the IDP Review.	CFO / MM	September 2009
9.	Identify and establish Budget Steering Committees and Consultation Forums for IDP and budget process.	Budget steering committee and consultation forums in place	CFO and MM	September 2009
10.	1 <sup>st</sup> Rep Forum Meeting	To consider the IDP process plan and Situational Analysis Report for all sectors planning.	Mayor	01 October 2009
11.	Review Ward Data from CBP process and update Situational Analysis Input for IDP	To compile data on the status quo of the ward communities to assist in developing of ward plans and alignment thereof in the review of the IDP priorities and objectives	MM& Office: IDP & Executive Support	October 2009
12.	Political outreach to communities	<ul style="list-style-type: none"> <li>Public participation , inform communities of the IDP , elicit ideas and comments</li> <li>Give indication on the progress of the CBP/ LAP process and receive community feedback.</li> </ul>	Mayor	October 2009
13.	Review sector plans	Assess provincial strategic plans as well as sector specific plans and hold one on one discussions with each sector department and stakeholder	MM / Management Committee	October 2009
14.	2 <sup>nd</sup> Representative Forum	Review strategic objectives for service delivery for the next three year Budget. Collate ideas of priority issues. Project Teams to discuss project in more details	Mayor	30 October 2009
15.	Ensure Organogram meets objectives and strategies	For alignment purposes	MM & Management	October 2009
16.	Hold a Steering Committee meeting	Discuss the IDP and Budget Strategy	MM/CFO	October 2009
17.	Finance sub ó committee determine revenue projections. and proposed rates and service charges for municipal departments		MM, CFO and HODs	October 2009

18.	IDP / Budget Steering committee meeting	The Municipal Manager together with functions and departments officials review the following: National, provincial policies and budget plans Potential price increases of bulk resources (ESKOM and DWAF) Potential salary increase Consolidate and prepare proposed budget and plans for three years taking into account previous years performance	MM	November 2009
19.	3 <sup>rd</sup> IDP and budget representative forum	Discuss projects and budget projections. Consolidate and prepare proposed budget and plans for three years taking into account previous years performance	Mayor	November 2009
20.	Review budget-related policies	IDP & Budget review	CFO	November 2009
21.	Draft IDP in Place	Present Draft IDP to IDP/ Budget Steering Committee	MM	December 2009
22.	Submit revised draft rates and service charges for 2010/11 financial year	Revenue analysis	CFO	January / February 2010
23.	Review proposed national and provincial allocations (must be available by the 20 January 2010)	Allocations review	CFO	January 2010
24.	Revision of 2009/10 annual budget through an adjustment budget	Review budget for last financial year	CFO	January 2010
25.	Tabling of Annual Report for financial year 2009/10	Reporting in terms of MFMA	MM	January 2010
26.	Report on mid-year and performance assessment	Assessment reports	MM	25 January 2010
27.				
28.	Finalise and submit to Mayor proposed budget and plans taking into account: Mid-year review report Annual oversight report	Quarterly and Annual reports	MM	February 2010
29.	Outreach to communities with Sector department	Engage Community on service delivery agreements Entities Budget policies and tariffs Reviewed IDP Proposed budget and service delivery plans	Mayor	10 -23 February 2010
30.	IDP and Budget Steering Committee meeting	Discuss budget alignment and constraints	MM	Feb/March 2010
31.	Submit draft SDBIP to the Mayor	For consideration by Mayor	MM	15 March 2010
32.	Council meeting to adopt Draft Budget and IDP for comment	Tabling of the following at the council meeting 90 days prior to commencement of financial period: <ul style="list-style-type: none"> <li>Draft Service delivery &amp; Budget</li> </ul>	Mayor	31 March 2010

		<p>Implementation Plan</p> <ul style="list-style-type: none"> <li>• Budget related policies and tariffs increase a</li> <li>• reviewed IDP and invite local community comments</li> </ul>		
33.	Publish annual budget and service delivery plans, council resolutions, service delivery agreements, budget related policies and tariffs increases and reviewed IDP and invite local community to comment	Public participation	MM	April 2010
34.	Submit to National and Provincial Treasury and others as prescribed the budget and service delivery plans, council resolutions, service delivery agreements, budget related policies and tariff increases and reviewed IDP	Submission to National and Provincial Governments	CFO and MM	10 April 2010
35.	Revise budget and IDP documentation in accordance with consultative processes and taking into account the results from the third quarter of the current year		CFO and Community Services Manager	April 2009
36.	Steering committee	<p>Consider views / submissions of local community, national and provincial treasuries and other national and provincial organs of state.</p> <p>Respond to submissions and table amendments for consideration</p> <p>Accounting officer to assist Mayor in preparing final budget documents taking into account consultative processes and all necessary amendments</p>	MM	May 2010
37.	Council meeting	<ul style="list-style-type: none"> <li>• Approval of the budget by resolution, setting taxes and tariffs,</li> <li>• Adopting Final IDP and budget related policies and approving measurable performance objectives for revenue by source and expenditure by vote before the start of the budget year.</li> </ul>	Mayor	31 May 2010

38.	Submit to the Mayor a draft of SDBIP and annual performance agreements within 14 days after approval of budget.	Final submission	MM	June 2010
39.	Approve SDBIP within 28 days after approval of the budget and ensure that annual performance contracts are concluded.	SDBIP and PMS	Mayor	June 2010
40.	Submit approved SDBIP and performance agreements to council,	SDBIP and PMS	Mayor	June 2010
41.	Submit approved SDBIP and performance agreements, to MEC for Local Government and make public aware within 14 days after approval		MM	July 2009
42.	Publish adopted budget, Tariffs and IDP.	Public Participation	MM	June 2010

## 5. The legislative and policy framework

There are a number of policy and legislation that Municipalities must comply with and take cognisance in the Integrated Development Planning process of, the most important of which are the following:

- ⇒ The Republic of South Africa Constitution Act (1996); Chapter 3 and 7
- ⇒ The Municipal Systems Act (2000); read together with the Municipal Planning and Performance Regulations (2001)
- ⇒ The Local Government Municipal Finance Management Act, (2003)
- ⇒ Other pertinent legislative frameworks include the Municipal Structures Act, (1998) and the Inter-Governmental Relations Framework, (2005).

## SECTION B: SITUATION ANALYSIS

This section provides an analysis of external and internal dimensions that will support the identification of priorities and high level strategic objectives. The analysis has also been designed to contribute to sound planning and sustainable development decisions in the municipal area as a whole.

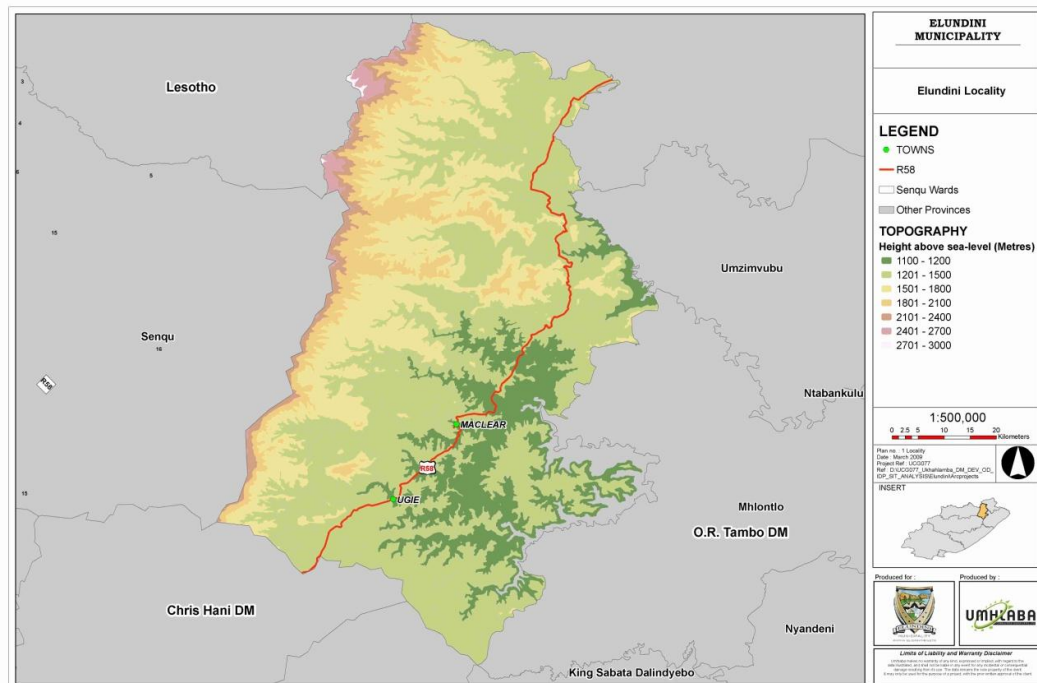
### 2.1 THE STUDY AREA

#### 2.1.1 GEOGRAPHIC DESCRIPTION

The Elundini Municipal area is located in the east of the Joe Gqabi District Municipality and shares boundaries with the following local municipalities: -

- Umzimvubu to the northeast,
- Matatiele to the north,
- Mhlontlo to the southeast,
- Sakhisizwe to the southwest and
- Senqu to west.
- Lesotho is situated on its northern border.

Elundini Local Municipality covers an area of 5,064km<sup>2</sup> and has 16 wards.



Elundini has three towns namely **Mount Fletcher**, **Maclear** and **Ugie** and is characterized by remote rural villages situated in the foothills of the Maluti Mountains and Southern Drakensberg range.

The R56 runs from Elliot through the Elundini municipal area linking the three main towns with KwaZulu Natal.

## 2.1.2 DEMOGRAPHIC ANALYSIS

### 2.1.2.1 POPULATION

According to the revised population estimates based on the Community Survey 2007 (Statistics South Africa, 2007), the Elundini LM has a population of approximately 123,634 (compared to the 2001 Census estimate of 137,580) people residing in 35,553 households (compared to 33,248 households (Census 2001). This population accounts for 40.09% of the total population residing in the Joe Gqabi district area, making it the most populous local municipality in the district. (Refer to table)

1

**Total Population and Households Figures (2007 Community Survey)**

Name	Population	Population as % of District	Population as % of Province	No. of House-holds	House-holds as % of District	House-holds as % of Province
Joe Gqabi District Municipality	308 363	100.00%	4.72%	90 312	100.00%	5.69%
Elundini Municipality	123 634	40.09%	1.89%	35 553	39.37%	2.24%

According to the 2001 Census 77% of households are rural in nature, this includes rural villages and farm households. This dynamic is shifting with the phenomenon of urban in-migration occurring in Elundini Municipality. This is especially evident in the town of Ugie, where the town's population has increased from 8 344 in 2001 to approximately 16 355<sup>2</sup> in 2004. This figure is likely to have increased after the completion of low income housing project in 2006/7.

**Urban and rural household information (2001 Census)**

Name	No. of Rural house-holds	% of total house-holds	Rural hh as % of province	No. of Urban house-holds	% of total house-holds	Urban hh as % of province	Total No. of House-holds
Joe Gqabi District Municipality	58 325	68 %	6.86%	26 373	32%	3.98%	84 698
Elundini	25 792	77.5%	3.03%	7 456	22.4%	1.12%	33 248

1

<sup>2</sup> *Ugie Water Services Master Plan, 2005, Sintec*

Municipality							
--------------	--	--	--	--	--	--	--

### 2.1.2.2 GENDER DISTRIBUTION

The overall male – female ratio is approximately 46.6% male (57 613) to 53.4% female (66 021)

### 2.1.2.3 RACIAL DISTRIBUTION

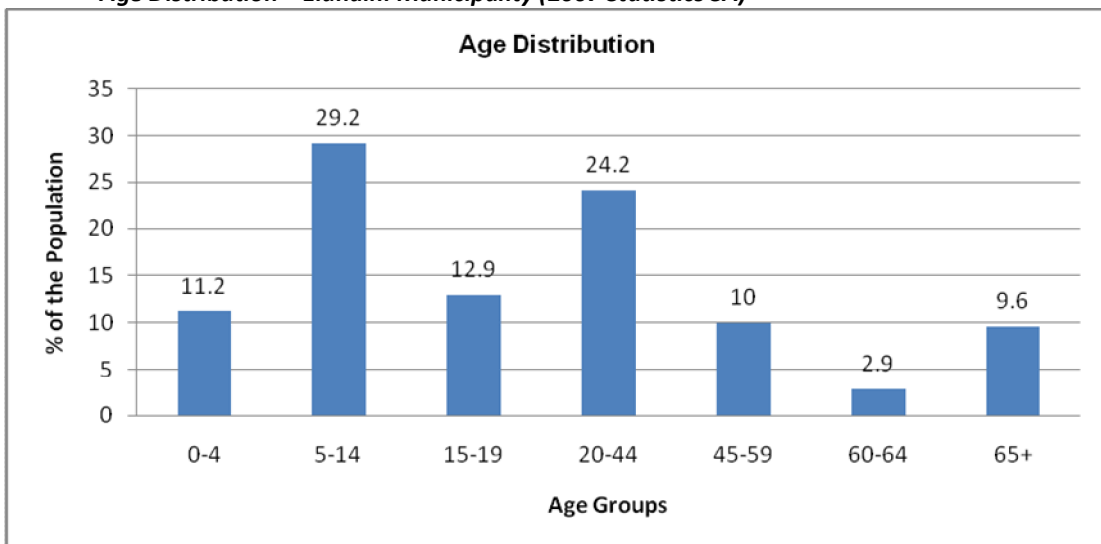
A large part of Elundini’s population is made up of Black Africans which is 98.7% (122 027). The remaining 1.3% (1 607) is made up of Coloureds (0.59%), Asians (0.01%) and Whites (0.7%). (2007 Statistics SA)

### 2.1.2.4 AGE DISTRIBUTION

Approximately 50% of the municipal population falls in the 15-64 age category, which can be seen as the economically active sector of the population, with 40.4% of the population below the age of 15 and 9.6% above the age of 65.

This suggests continuing population growth in the area, with a need for educational facilities and a focus on education and skills training.

**Age Distribution – Elundini Municipality (2007 Statistics SA)**



### 2.1.2.5 PEOPLE WITH DISABILITIES

The data of persons with disabilities has been obtained from 2001 data from the Municipal Demarcation Board’s website and is indicated in the table below:

Sight	Hearing	Comm.	Physical	Intellectual	Emotional	Multiple	None
2,670	1,636	341	1,902	836	910	1,350	127,827

### 2.1.3 SOCIO-ECONOMIC ANALYSIS.

The municipality is characterised by poor socio-economic conditions and low levels of development which follows the trend in the district.

#### 2.1.3.1 UNEMPLOYMENT AND POVERTY LEVELS

The Community Survey 2007 indicates that 61.29% of the Elundini population earn no income and 29.69% earn between R1-R1600 per month.

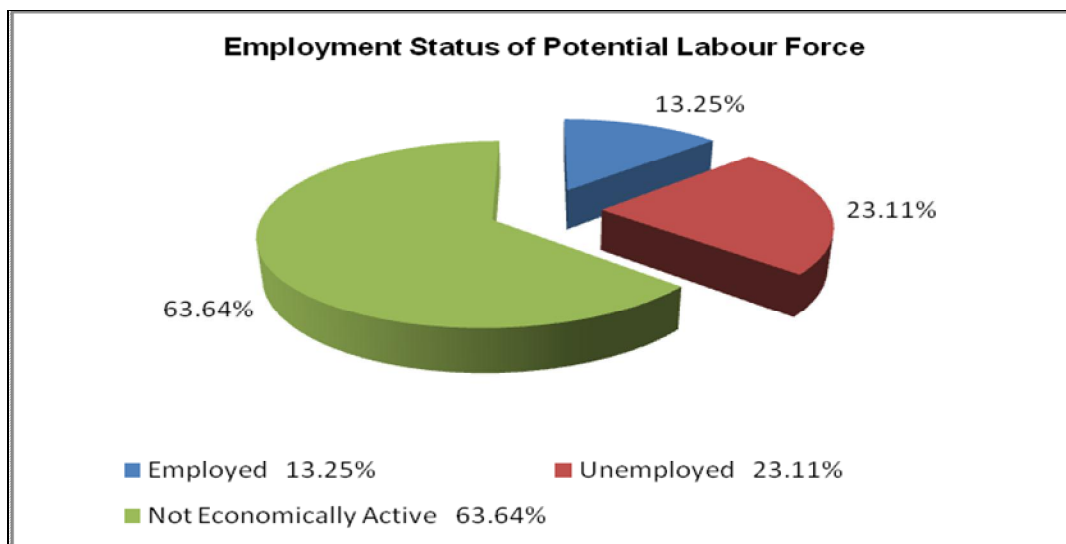
#### 2.1.3.2 EMPLOYMENT LEVELS AND TRENDS

##### A. Employment

The average unemployment rate of Elundini Municipal area is 23% (See Figure below). This only includes people that are actively searching for work. The urban areas and commercial farming district are the highest employers, where people have found employment in the agriculture, commercial and service sectors. There are very low levels of employment in the rural settlements. This can partly be attributed to the fact that these areas do not have a strong economic base and most persons are involved in subsistence-related activities with little surplus being produced for economic profit.

Due to the migrant system operation in the Municipal area, the impacts of down turns in the economy elsewhere (such as in the mining industry, Gauteng, Cape Town etc) have an impact on our area. There is still a heavy reliance on income from migrant sources.

**Elundini Municipality: Employment Status of Potential Labour Force - (2007 Statistics South Africa)**

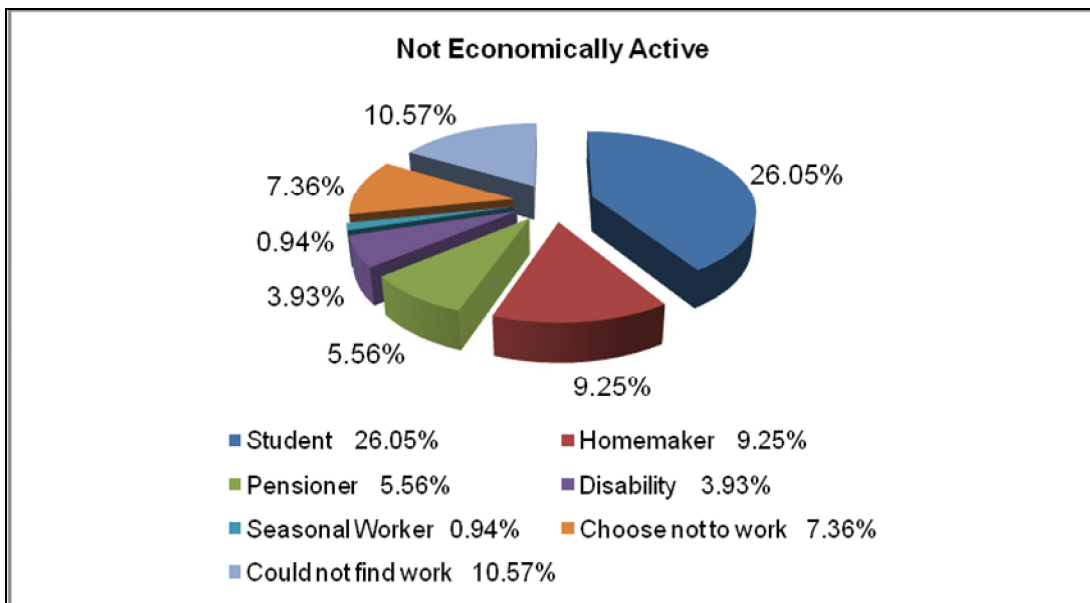




The unemployment rate of 23.11% slightly lower when compared with provincial (25%) and national (24%) unemployment averages. According to the official definition of employment, an individual must have been actively seeking employment within the past four weeks.

63.64% of the population of Elundini are not economically active and comprise of students, home-makers, pensioners, disabled people, seasonal workers, people who choose to work and people who cannot find work. The figure below depicts the percentage of the not economically active population groups.

Elundini Municipality: Not economically active population – reasons for not working



Further investigation revealed that 33% of the potential labour force that is not economically active could not find work. This portion of the population has not been included as officially employed, because they are not actively seeking employment and they would work if they were offered a job.

Therefore, if the employment rate is recalculated to include the 33% of the potential labour force that is not economically active, the unemployment rate would be 56.11%, which is significantly higher than the official unemployment rate.

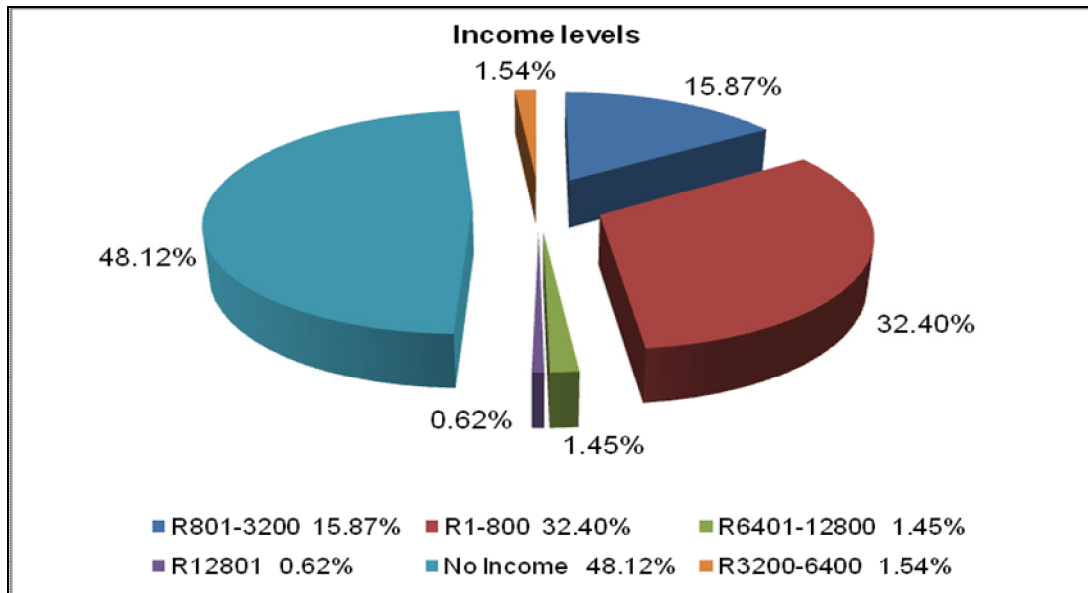
#### B. Income Level

The data from the 2007 Statistics South Africa revealed that 32.40% of the Economically Active Population in Elundini Municipality earn below the poverty line of R800 per month.

15.87% earn between R801 to 3 200 per month, 1.54% earn between R3 210 to R6 400 per month, 1.45% earn between R6401 to R12 800 per month and 0.62% earn more than R12 801 per month. 48.12% have no income.

The Figure below indicates the percentage of the people that earn in the above mentioned categories.

**Income Levels – Elundini Municipality**

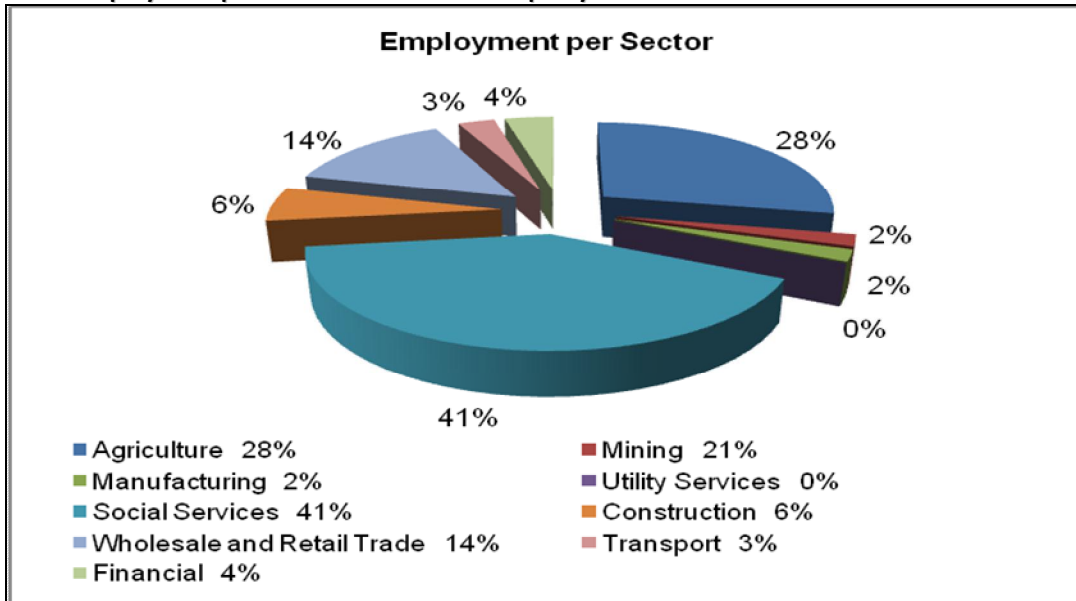


It is clear from the Figure above that approximately 50% of the Elundini population is unemployed. This has implications with regards to affordability of services and sustainability of these services. Many people are dependent on Social Grants.

**C. Employment Sectors**

In general, skills levels are low throughout the district, with the majority of residents reliant on government/community services for employment or primary economic activities such as agriculture. These two sectors employ 69% of the formal workforce.

### Employment per Sector – Elundini Municipality



#### D. Occupational Skills Levels

About 37% of Elundini workforce is made up of elementary or unskilled workers, the largest percentage in the District. Elundini has low levels of senior management and technical staff. This corresponds with low levels of education in that area, and indicates a need for skills development and education programmes.

Municipality	Senior Management		Professional		Technical		Clerks		Service Related		Skilled		Craft & Trade		Plant Machinery		Elementary		TOTAL
		%		%		%		%		%		%		%		%			
Elundini	326	4	1477	17	668	4	302	3	634	7	1021	12	918	10	540	6	3253	37	8809
Joe Gqabi	957	3	4165	14	1135	4	1296	4	2251	8	3471	12	2986	10	1367	5	12373	41	300001

#### 2.1.3.3 DEPENDENCY RATIO

The dependency ratio indicates the ratio between those who are not economically active by virtue of their age (i.e. youthful, ages 0-14, and aged, age 65+ section of the population) and thus economically dependent to those of working age, 15 to 64.

In Elundini the dependency ratio is 167:100, which means that for every 100 potentially economically active persons, there are 167 people who are dependent.

#### 2.1.3.4 DEPENDENCY ON SOCIAL GRANTS

Data from SASSA (August 2008) indicates that the total value of state support in the form of grants to the Elundini Municipality is R17,263,810 per month. This is 42.8% of the total value of state support to the district (at R40,301,044 per month)

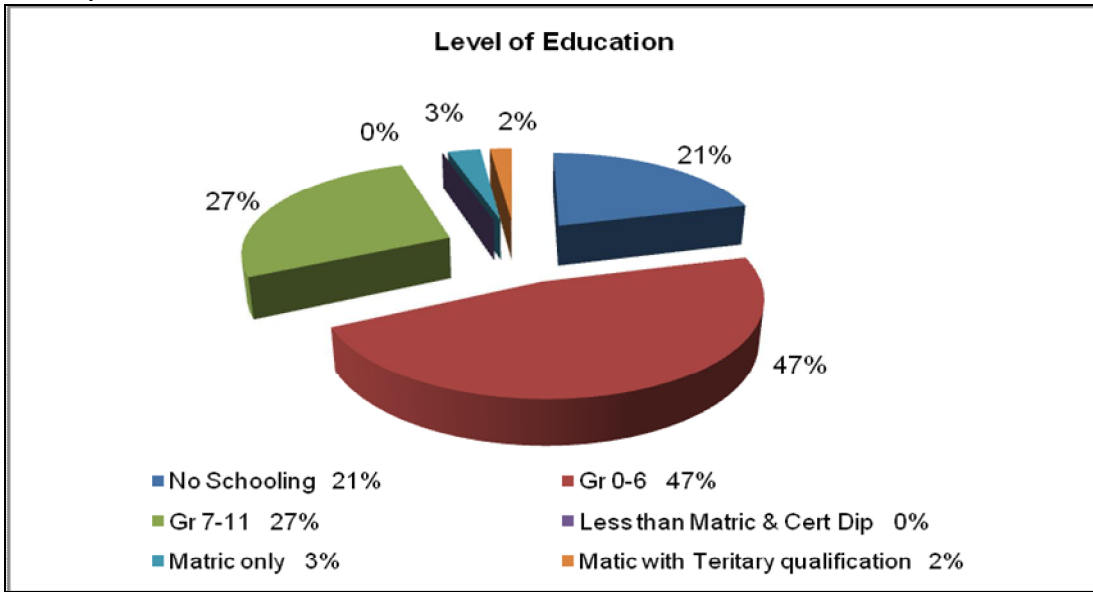
*Social Grants for Elundini (paid monthly)*

<b>Total Value of Child Grants</b>				
	<b>Foster Care</b>	<b>Child Support</b>	<b>Care Dependency</b>	<b>Total</b>
<b>Number of Grants</b>	322	28865	521	29708
<b>Value of each</b>	R650	R210	R940	
<b>Total Value of Grants</b>	R209 300	R6 061 650	R489 740	R6 760 690
<b>Total Value of Adult Grants</b>				
	<b>Grant in Aid</b>	<b>Old Age</b>	<b>Disability</b>	<b>Total</b>
<b>Number of Grants</b>	168	8698	2438	11304
<b>Value of each</b>	R210	R940	R940	
<b>Total Value of Grants</b>	R35 280	R8 176 120	R2 291 720	R10 503 120
<b>Total Value of State Support (Elundini)</b>				<b>R 17,263,810</b>
<i>Taken for the period of August 2008</i>				

#### 2.1.3.5 EDUCATION

Elundini has the lowest levels of education in the District, with 68% of the population having only received a primary school education. There is a lack of educational facilities i.e. in Mount Fletcher there is only 1 FET College, 1 primary and 1 junior secondary school in the town. The high school is a few kilometres away. There are no tertiary facilities in the Municipality. The lack of education facilities is further exacerbated by the dilapidated condition of present facilities, especially some of the farm schools.

Highest Level of Education Achieved in Elundini LM (2001 Census)



### List of Schools in Elundini

<b>PRIMARY SCHOOLS</b>	MALUTI P SCHOOL	THEMBINKOSI FARM SCHOOL	BOTSABELO JS SCHOOL	MOHOABATSANA JS SCHOOL	MBIDLANA JS SCHOOL	SOMERVILLE PJ SCHOOL
MALAMLELA JP SCHOOL	MATSANENG JP SCHOOL	UGIE METHODIST P SCHOOL	ETYENI JS SCHOOL	MOROKA JS SCHOOL	MBONISWENI JS SCHOOL	MAHANYANENG JS SCHOOL
MPINDWENI P SCHOOL	MATSOANA P SCHOOL	VIPAN CARLSBAD P SCHOOL	FRANK MOSHESH JS SCHOOL	MORULANE JS SCHOOL	MCWANGELE JS SCHOOL	MAKUATLANE JS SCHOOL
PAMBILI SP SCHOOL	MBIZENI JP SCHOOL	BIOHATELO SP SCHOOL	HLANGALANE JS SCHOOL	MOSANA JS SCHOOL	MQOKOLWENI JS SCHOOL	MAMONTWEDI JS SCHOOL
AANDRUS P SCHOOL	MCHETYANA P SCHOOL	CAMBALALA SP SCHOOL	KHOHLOPONG JS SCHOOL	NGAQANGANA JS SCHOOL	NCEMBU JS SCHOOL	<b>SENIOR SECONDARY</b>
BRIONE FARM SCHOOL	MDENI SP SCHOOL	CLAUDE-MAKENG SP SCHOOL	MILANE JS SCHOOL	NGOLILOE JS SCHOOL	NGCELE JS SCHOOL	KUYASA SS SCHOOL
CHEBENCA P FARM SCHOOL	MELISIZWE JP SCHOOL	ELUKHANYISWENI SP SCHOOL	NGQAYI JS SCHOOL	NXOTSHANA JS SCHOOL	NGXAZA JS SCHOOL	SOPHONIA SS SCHOOL
ELANDHOOGTE FARM SCHOOL	MOKHALONG JP SCHOOL	ESIXHOTYENI SP SCHOOL	NKUNYANA JS SCHOOL	PHIRINTSU JS SCHOOL	NGXOTO JS SCHOOL	DINIZULU SS SCHOOL
GENGANCWAZI SP SCHOOL	NAMBA SP SCHOOL	GUGWINI JP SCHOOL	NONKQUBELA JS SCHOOL	POPOPO JS SCHOOL	NTABA JS SCHOOL	JAMANGILE SS SCHOOL
GONIWE JP SCHOOL	NATLANE SEKONYELA SP SCHOOL	HENRY VALTYN SP SCHOOL	NTABODULI JS SCHOOL	SEQHOBONG JS SCHOOL	NTYWENKA JS SCHOOL	SAMUEL NOMBWU SS SCHOOL
IDYOKI PUBLIC SCHOOL	NKAMANI'S SP SCHOOL	ILINGELETHU JP SCHOOL	NTIBANE JS SCHOOL	SETAKA JS SCHOOL	NYIBIBA JS SCHOOL	SIBABALE SS SCHOOL
INXWANA FARM SCHOOL	NOMZAMO P SCHOOL	KHALATSU SP SCHOOL	NXAXA GORGE JS SCHOOL	SOLOMZI JS SCHOOL	QURANA JS SCHOOL	TANDISIZWE COMM & TECH.HIGH SCHOOL
JOELSHOEK FARM SCHOOL	NTOKO P SCHOOL	KOLONI P SCHOOL	TAUNG SP SCHOOL	THABA-KHUBELU JS SCHOOL	SITANA JS SCHOOL	THOMAS NTABA SS SCHOOL
KLIPKRAAL P SCHOOL	NTSASA SP SCHOOL	LENGOPENG SP SCHOOL	UPPER NXAXA JS SCHOOL	TINANA JS SCHOOL	LOWER KETE-KETE JS	BETHANIA SS SCHOOL
LOWER NGXAZA JP SCHOOL	PHAPHAMA P SCHOOL	LIPHAKOENG JP SCHOOL	BALUNGISE JS SCHOOL	TSEKONG JS SCHOOL	LOWER NXOTSHANA JS	KHORONG SS SCHOOL
MACLEAR METHODIST P SCHOOL	PHUTHING P SCHOOL	LUZIE POORT P SCHOOL	DALIBANGO JS SCHOOL	TSOLOBENG JS SCHOOL	LOWER PHIRINTSU JS	LEHANA SS SCHOOL
MACLEAR PUBLIC SCHOOL	POLOKOE P SCHOOL	MAFUSINI SP SCHOOL	ELUNYAWENI JS SCHOOL	ULUNDI JS SCHOOL	LOWER THOKOANA JS	LUZIE DRIFT SS SCHOOL
MAGWAXAZA SP SCHOOL	SIGOGA JP SCHOOL	MAHEMENG JP SCHOOL	ENKALWENI PJ SCHOOL	UMFANTA JS SCHOOL	LOWER TSITSANA JS	SIDINANE SS SCHOOL
MACLEAR SCHOOL, CLAIRVIEW						
MEREDITH FARM SCHOOL	SONDABA SP SCHOOL	MAKHULENG SP SCHOOL	ESIQUNGWINI PJ SCHOOL	UPPER TSITSANA JS SCHOOL	IBISINI JS SCHOOL	THAKABANNA SS SCHOOL
MONTGOMERY STATE AIDED	THEMBALETHU JP SCHOOL	<b>JUNIOR SECONDARY</b>	GABULINKUNGU JS SCHOOL	VUVU JS SCHOOL	ZIE DRIFT JS SCHOOL	TINANA SS SCHOOL
MSOBOMVU SP SCHOOL	THEMBENI P SCHOOL	MAGEDLA JS SCHOOL	GQAQHALA JS SCHOOL	ZAMUXOLO JS SCHOOL	HEVY CHASE JS SCHOOL	UGIE HIGH SCHOOL
MTHANDENI MABHELE JP SCHOOL	TLOKOENG JP SCHOOL	KETEKETE JS SCHOOL	INXU JS SCHOOL	ZANYENI JS SCHOOL	ENGWANE JS SCHOOL	UMTHAWELANGA SS SCHOOL
MTHANDENI SP SCHOOL	TSWELOPELE JP SCHOOL	KUEBUNG JS SCHOOL	LOWER ESINXAKU JS SCHOOL	UPPER ESINXAKU PJ SCHOOL	ILINDINI JS SCHOOL	
NCOTA FARM SCHOOL	UPPER MHLONTLO P SCHOOL	LEHANA'S PASS JS SCHOOL	MABANDLA JS SCHOOL	ZANDISE JS SCHOOL	INGONYAMENI JS SCHOOL	
NDENXANA FARM SCHOOL	UPPER NXOTSHANA P SCHOOL	LERATO JS SCHOOL	MACLEAR HIGH SCHOOL	BATLOKOA JS SCHOOL	IRVIEW JS SCHOOL	
POTRIVIER P SCHOOL	UPPER THOKOANA SP SCHOOL	MBAMBANGWE JS SCHOOL	MAYNARD SIGIDI JS SCHOOL	BETHANIA JS SCHOOL	ETCHERVILLE JS SCHOOL	
LOWER KHOHLOPONG SP SCHOOL	RETREAT STATE AIDED SCHOOL	MHLONTLO JS SCHOOL	MANGOLOANENG JS SCHOOL	MAMONTWEDI JS SCHOOL	INGISIZWE JS SCHOOL	

## 2.1.4 BIOPHYSICAL ENVIRONMENTAL ANALYSIS

### 2.1.4.1 TOPOGRAPHY AND HYDROLOGY

Topography dictates/ influences the type of land use activities that occur i.e. the type of agricultural activities. Agriculture is limited to specific land pockets.

Much of Elundini has slopes steeper than 1:8 as it forms part of the southern Drakensberg range. This area, due to its high altitude, is unsuitable for farming. The mountainous terrain also limits accessibility and therefore hampers service and infrastructure delivery in the region.

The Southern Drakensberg creates a scenic environment conducive to adventure and nature tourism activities such as mountain biking, hiking, skiing etc. The mountains form a watershed and separate the eastern and western parts of the Joe Gqabi district.

### 2.1.4.2 CLIMATE AND RAINFALL

The region is well known for its temperature fluctuations with temperatures ranging between 42°C and - 11°C. On average there are 150 days of frost during the year, usually between March and November and winter snow in Maclear and the higher lying areas.

The higher mountain peaks in Elundini have between 800mm – 1200mm rain per annum. The rest of the area received 600-800mm per annum. This municipality forms the catchment for the Umzimvubu River, which bisects the region and supplies large volumes of water down to the Indian Ocean.

### 2.1.4.3 GEOLOGY AND SOILS

The Elundini local municipality is the only area with soils suitable for cultivation in the UKDM. However degradation is high in the communal land areas of Elundini with the primary cause found to be the overstocking of livestock and inappropriate grazing methods.

The provision of infrastructure to enable the practice of controlled grazing, is necessary to prioritise the rehabilitation of severely degraded areas.

#### 2.1.4.4 VEGETATION AND LAND COVER

Vegetation types represent an integration of the climate, soils and biological factors in a region and as such are a useful basis for land use and conservation planning.

The insert illustrates that Unimproved Grassland dominates the Municipality, covering 56.40% of the total surface area. This is followed by Degraded Unimproved Grassland (22.70%) and Semi-Commercial or Subsistence Dryland Cultivation (10.56%).

##### A. Subsistence Farming

Elundini has the highest percentage of arable land (with limitations) in its coverage (42.9%) within the District Municipality. It is important to note that although Elundini has the highest percentage of arable land, its agricultural sector has the lowest (4%) GGP contribution. This is due to the subsistence nature of agriculture in the area and highlights the physical potential for commercial agriculture growth.

The differing land tenure system in the former homeland areas as well as a lack of finances and skills complicates the development of Commercial Farming in these areas.

The influence of apartheid planning on land use is evident with agriculture being encourage in marginal areas while in the former homeland area, which is more suited to agriculture especially crop production, commercial agriculture has not been fully developed.

##### B. Commercial Farming and Forestry

6.30% of the Land Cover is utilised for Forestry and Commercial Farming purposes. Plantations cover an area of 16643ha and there is potential in the Elundini area for a further 30000ha of forestry plantations.

There is limited land available that can sustain intensive agricultural practices. It is therefore important that residential and industrial development does not expend these and other conservation areas. Land identified as prime and unique agricultural land should be preserved for agricultural use in order to enhance food security and therefore economic welfare.



## 2.2. SPATIAL DEVELOPMENT FRAMEWORK

The Spatial Development Framework for Elundini Municipality was reviewed and adopted by Council in May 2008.

### KEY PLANNING INFORMANTS

<b>A) Provision of Basic Infrastructure</b>	
Given the prevailing levels of poverty and social need, much of the developmental focus for the Municipality must be directed to the improvement of services and facilities in the least well-off settlements in the area (where the majority of the population resides).	
<b>B) Sustainability</b>	
There are high levels of unemployment and very low levels of income in the Municipality, which impacts on the levels of affordability and type of development needed. The provision of services and infrastructure should not be undertaken at a level that is likely to undermine the longer-term financial and environmental sustainability in the area. It is crucial; therefore, that an appropriate Level of Service linked to the ability to sustain the maintenance and operations of new networks is pursued.	
<b>C) Land Ownership and Tenure</b>	
The complex tenure arrangement in the former Transkei region hinders development, investment and appropriate planning in the area. The focus in this area therefore, needs to be placed on setting in motion a programme of local planning, which should inform the establishment of appropriate institutional arrangements to oversee and manage land use decisions.	
<b>D) Settlement Patterns</b>	
The current settlement pattern within the Municipality is fragmented both at the broader Municipal scale and at the local urban scale. This fragmentation mirrors differences in levels of infrastructure provision, land tenure arrangements and socio-economic well-being. It is essential, therefore, that strategies to overcome this spatial and socio-economic fragmentation be implemented where physically and fiscally possible.	
<b>E) Identifying Areas of Greatest Opportunity</b>	
The Municipality has limited resources. These resources therefore need to be focused in areas that will provide the greatest return on investments (both economic and social returns).	
<b>F) Urban Development</b>	
<p>With the investment in the timber sector in the Municipality, it is anticipated that there will be an increase in residential and commercial growth in the towns of Ugie and Maclear. The timber sector investment coupled with the improved regional access to Ugie, with the construction of the Ugie- Langeni road has increased Ugie's development potential.</p> <p>The spatial development emphasis in the urban areas should be on ensuring that there is the infrastructure and services in place to support the development of these nodes and that there are adequate linkages between the towns and surrounding settlements.</p>	
<b>G) Natural Resource Management (Environmental Management)</b>	
There has been extensive land degradation through inappropriate management and planning, and this has led to a depletion of natural resources and agricultural land. The natural resources, scenic assets and prime agricultural land that exist in the Elundini LM area need to be carefully managed in order to ensure their appropriate development and sustainable use. The tourism and agriculture sectors have been highlighted as sectors for potential growth. These sectors are	

dependent on Natural Resources and therefore it is essential that these resources are properly managements in order for these sectors to function.

*SPATIAL INTERPRETATION OF THE IDP DEVELOPMENT OBJECTIVES:*

IDP Objectives	Interpretation of Spatial Theme
Meeting basic needs	<ul style="list-style-type: none"> <li>○ Basic Needs Considerations</li> <li>○ Land Use Management</li> <li>○ Urban Management</li> <li>○ Addressing Spatial Fragmentation</li> </ul>
Growing labour intensive and pro-poor development programmes	<ul style="list-style-type: none"> <li>○ Basic Needs Considerations</li> <li>○ Environmental Management</li> <li>○ Addressing Spatial Fragmentation</li> <li>○ Land Use Management</li> </ul>
Growing agrarian development, forestry and related timber industries, and household food security programmes	<ul style="list-style-type: none"> <li>○ Basic Needs Considerations</li> <li>○ Environmental Management</li> <li>○ Land Use Management</li> <li>○ Spatial</li> </ul>
Growing tourism, trade and related business development programmes	<ul style="list-style-type: none"> <li>○ Basic Needs Considerations</li> <li>○ Environmental Management</li> <li>○ Land Use Management</li> <li>○ Spatial</li> </ul>
Capacity Building Programmes for Government and Communities	<ul style="list-style-type: none"> <li>○ (It has a administrative rather than a spatial context)</li> </ul>

*The spatial implications of key issues are outlined below:-*

i. BASIC NEEDS CONSIDERATIONS

The development priorities of the Municipality focus on infrastructure and services delivery. The situation analysis revealed that there is a severe shortage of essential services and infrastructure in certain areas in Elundini, especially those of the former Transkei. There are also discrepancies in service delivery between the rural and urban areas. The spatial implications in providing these basic essential service and infrastructure are:

- To identify the areas in greatest need of basic essential services.
- To ensure equitable distribution of infrastructure and services.
  - For scarce (higher order) resources such as hospitals, it is important that these facilities are situated where there will be optimum usage and accessibly. Unnecessary duplication of these resources must be avoided.
- To provide an affordable and sustainable level of housing, services and infrastructure.
- To ensure that environmental factors and constraints are taken into account in the delivery of services.

## ii. ADDRESSING SPATIAL FRAGMENTATION

Spatially fragmented settlement patterns, often comprising of low density, sprawling settlements areas are costly and difficult to service. Therefore, it is necessary to develop a means to prioritise service delivery and attempt to encourage more efficient settlement patterns.

## iii. URBAN MANAGEMENT

There are two important issues in Urban Management. Those being;

- Achieving Urban Efficiency and;
- Controlling Urbanisation;

The urban nodes of Ugie, Maclear and Mount Fletcher play a vital role in the functioning of the Municipality. It is where the largest concentration of economic activities, resources and services are situated. In order for the effective utilization of these resources and services, it is important that the towns' forms promote efficiency. In order to achieve this the following principles need to be adopted:-

- o Urban sprawl needs to be contained, ensuring compact urban settlements by means of urban intensification (infill projects & promotion of higher densities). This includes the absorption of population growth within the existing urban edge. The benefits achieved from this relate to efficiency, cost, convenience and resource utilisation;
- o The continuity of urban development, as opposed to fragmentation, so as to functionally integrate urban areas;
- o There must be integration of uses and activities, to maximise convenience and vitality;
- o There must be multi-functionality and sharing of public spaces and facilities in order to make the most efficient use of public investment;
- o The integration of built and non-built environments, in order to achieve the economic, environmental and recreational interaction that potentially exists between them and to make maximum productive use of urban resources;
- o Equitable distribution of public facilities and services throughout the Municipality;
- o Incorporated into the principal of urban efficiency is the controlled management of urbanisation. A trend of urbanisation is evident in the Municipality especially in Ugie and Maclear. The pressure of urbanisation is not only in the need for land for housing but also increased pressure on commonage land, cemeteries, social infrastructure e.g. sports field etc

**iv. LAND USE MANAGEMENT**

The Land Tenure System influences the type and extent of development in certain areas and therefore impacts spatially on the Municipality. Historical factors i.e. resettlements and forced removals, result in the issue of land rights being both complex and sensitive. Agriculture has been targeted, as a sector for economic growth and, therefore, areas identified as Prime Agricultural land must be used for this purpose.

**v. Environmental Management**

Natural Environment; Land use and development decisions must promote a harmonious relationship between the built and the natural environment while ensuring that land development is sustainable over the longer term period. Therefore land use planning and development in the Elundini Municipality should protect existing natural, environmental and cultural resources. It is also important that the prime agricultural land should remain in production. Environmental Management principles dictates that development must be sustainable, and not to the detriment of future development. This places great emphasis on the linkage between sound land use management and environmental management and highlights the need to integrate the two functions in an operational manner in the land management functions of the Elundini Municipality.

**Key Spatial Issues, Objectives and Strategies**

Key Issue	Objective	Strategies
Basic Needs	Ensure availability of minimum acceptable level of infrastructure and services throughout Municipal area.	<input type="checkbox"/> Identify and prioritise areas of greatest need <input type="checkbox"/> Systematically link services and services supply networks to optimise efficiency
Spatial Fragmentation	To create an efficient and integrated settlement pattern in Elundini.	<input type="checkbox"/> Systematically link services and services supply networks to optimise efficiency. <input type="checkbox"/> Consolidation and Densification of Settlements. <input type="checkbox"/> Promote the integration of sprawling settlements. <input type="checkbox"/> Prioritise maintenance and upgrade of strategic link routes.
Urban Management	Well-structured, compact and efficient urban centres. Develop appropriate land and services for communities requiring settlement assistance.	<input type="checkbox"/> Consolidate and integrate spatial development by developing land in proximity to public transport and existing services. <input type="checkbox"/> Infill areas between fragmentation <input type="checkbox"/> Ensure equitable distribution and accessibility to resource/infrastructure <input type="checkbox"/> Proactive Identification of Land Requirements
Land Use Management	To Develop and Implement an appropriate Land Use Management System.  Facilitate security of access to land for development	<input type="checkbox"/> Implement a programme to develop appropriate new Zoning Schemes for Urban and Rural areas, in line with the direction of new legislation. <input type="checkbox"/> Supporting land reform and settlement programme by identifying zones of opportunity according to land needs
Environmental Management	To adhere to sound environmental practices and to protect environmentally sensitive areas	<input type="checkbox"/> Implement the principles of Integrated Environment Management.

**STRATEGIC DEVELOPMENT AREAS**

Nodes are generally described as areas of mixed-

use development, usually having a higher intensity of activities involving retail, office, industry and residential land uses. They are located on main transport routes to provide maximum accessibility.

*Development Nodes of Importance*

NODE TYPE		AREA/LOCALITY	DESCRIPTION
<b>URBAN NODES</b>			
LEVEL 3 PRIMARY NODES	Ugie	As a growing service centre and the location of a new timber processing plant, Ugie should be the focus on development initiatives in Elundini LM. Ugie should therefore be the target for the following:- <ul style="list-style-type: none"> <li>• Investment in infrastructure to increase services capacity;</li> <li>• Development of public-funded housing areas;</li> </ul> Environmental Management and Improvement of Town Aesthetics.	
	Maclear	Maclear is a service and retail centre to the surrounding commercial farmers and rural settlements. It also has an administrative role as the Local Municipalities Headquarters. Maclear should be the target for:- <ul style="list-style-type: none"> <li>• Investment in infrastructure to increase services capacity, in particular improving bulk water supply;</li> <li>• Management and limitation of urbanisation;</li> <li>• Land use management that focuses on the improvement of the aesthetic character of the town;</li> <li>• Environmental Management.</li> </ul>	
	Mt. Fletcher	As a service centre to surrounding rural settlement area, Mt. Fletcher should be targeted for: <ul style="list-style-type: none"> <li>• Land Management and Administration;</li> <li>• Investment in infrastructure to increase services capacity;</li> <li>• Investment in social services;</li> <li>• Managed expansion of urban areas;</li> <li>• Improved accessibility and linkages to surrounding communities.</li> </ul>	
<b>RURAL NODES</b>			
Level 2 Settlements: Rural Service Centres	Katkop, Ngcele, Mangolaneng.	Areas where higher order facilities (e.g. secondary schools, police station, clinics, community halls, storage warehouses etc.) should be focused.	
Level 1 Settlements:	Other Settlements in Elundini.	These areas require the development of basic infrastructure such as access roads, water and sanitation. Emphasis should be on the provision of basic infrastructure to “unlock” the latent development potential in these areas by creating linkages and facilitating access to and from these areas	

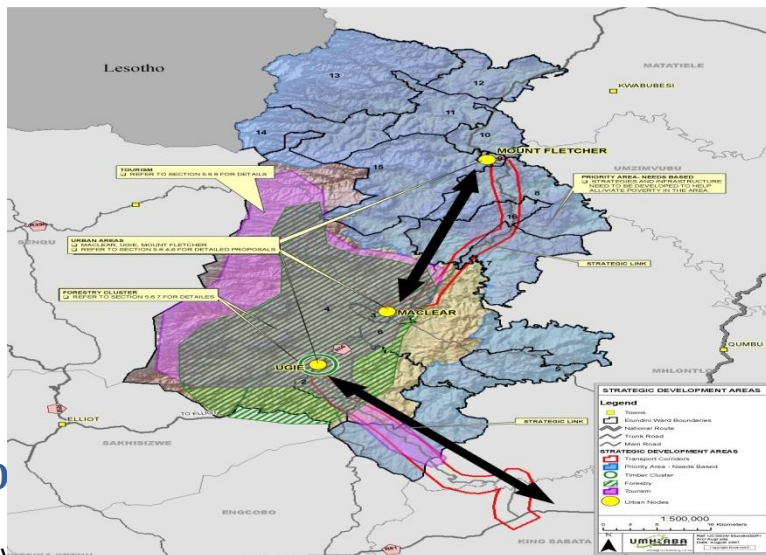
**Development Corridors of Importance**

TYPE	AREA/DESCRIPTION OF LOCALITY	FUNCTION
Mobility Routes	<input type="checkbox"/> R56 (Elliot –Ugie – Maclear – Mt. Fletcher – Matatiele) <input type="checkbox"/> MN396 (Maclear-Tsolo – Mthatha) <input type="checkbox"/> MR00715 (Ugie – Langeni – Mthatha)	These routes carry passing traffic and provide access between local areas in Elundini and centres further a field

	<input type="checkbox"/> N2 –MR00751 – R56 –N1	This is the shortest route from Durban to Cape Town, and therefore will attract the transport trade along this road
Special Routes – Tourism Focus	<input type="checkbox"/> MR0715 -Bastervoet Pad <input type="checkbox"/> R396 -Naude’s Nek Pass <input type="checkbox"/> Pitsing Pass	These are Scenic Passes that form part of the proposed Mandela Route - A tourism route that links the N2 to the interior.
	<input type="checkbox"/> MALOTI ROUTE	The Maloti Route spans the borders between South Africa and Lesotho to cover substantial portions of Lesotho as well as the eastern Free State and Eastern Cape provinces of South Africa.

The Special Development Areas identified in Elundini Municipality are:

- IMPORTANT TRANSPORT CORRIDORS
- AREAS OF PRIORITY BASIC NEEDS
- THE URBAN AREAS OF UGIE, MACLEAR AND MT. FLETCHER
- THE TIMBER CLUSTER
- AREAS OF AGRICULTURAL AND TOURISM POTENTIAL



## 2.2.2 HO

This paragraph provides an analysis of spatial and household data.

### 2.2.2.1 HOUSEHOLD AND SETTLEMENT PATTERNS

Elundini municipality is predominantly rural with a large proportion of people residing in traditional villages and homes. This pattern is changing with the phenomenon of urban in-migration within the municipality. This is especially evident in the town of Ugie, where the town's population has increased from 8 344 in 2001 to approximately 16 355 in 2004. It is anticipated that settlement patterns in the area will change dramatically due to the expected increased employment opportunities as a result of the Ugie manufacturing plant and the Umzimvubu River Basin within ASGISA.

The prevalence of extensive farming historically resulted in the formation of service centres, i.e. Maclear and Ugie along the main transport routes. These urban centres offer services and retail facilities to the surrounding rural hinterland.

The municipal area, surrounding Mount Fletcher, reflect a high concentration of settlements or occupied residential areas (51.7km<sup>2</sup>). This can be attributed to historical settlement and racially – based development policies.

There is a need to plan for the growth of settlements, especially the urban nodes of Maclear, Mount Fletcher and Ugie and to improve the central business districts of these areas so that they can enable sustainable economic development.

There is also a demand for housing (low cost and middle income) in these areas. Over the past ten years mainly housing for lower income communities have been provided resulting in a significant shortage of new middle income housing especially in the primary nodes.

The construction of a timber cluster in Ugie has also resulted in an influx of people to the area increasing the demand for both low and middle income housing.

Housing conditions are generally fair to good in the existing middle to high income housing sectors. The municipality has a number of large scale contractor built project linked settlement projects.

### 2.2.2.2 HOUSING TYPES

The Community Survey 2007 provides data on the types of main dwelling for the Elundini Municipality. There are 25 953 households living in traditional dwellings/ huts/ structures made of traditional materials.

***Type of main dwelling – Elundini Municipality***

	Households	% of Elundini	%of District	% of Province
House or brick structure on a separate stand or yard	5819	16.37%	46.34%	46.78%
Traditional dwelling/hut/structure made of traditional materials	25953	73.00%	41.10%	36.67%
Flat in block of flats	2358	6.63%	4.25%	4.30%
Town/cluster/semi-detached house (simplex: duplex: triplex)	32	0.09%	0.26%	1.17%
House/flat/room in back yard	470	1.32%	1.61%	2.04%
Informal dwelling/shack in back yard	209	0.59%	1.42%	1.63%
Informal dwelling/shack NOT in back yard e.g. in an informal/squatter settlement	137	0.39%	3.89%	6.41%
Room/flatlet not in back yard but on a shared property	119	0.33%	0.25%	0.43%



Caravan or tent	242	0.68%	0.39%	0.10%
Private ship/boat	0	0.00%	0.00%	0.02%
Workers hostel (bed/room)	0	0.00%	0.14%	0.16%
Other	214	0.60%	0.36%	0.29%
<b>Total Households</b>	<b>35553</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>

### 2.2.2.3 HOUSING BACKLOGS AND DEVELOPMENT

According to the Multi-Year Housing Development Plan Data Templates (Draft) prepared by Urban Dynamics for the Department of Housing and Local Government in 2003, there are estimated to be some 11085 households residing in formal dwellings in Elundini and 462 in informal

### 2.2.2.4 HOUSING SECTOR PLAN

Council adopted a Housing Sector Plan for Elundini in September 2008. The Housing vision agreed upon for the municipality is that there should be:-

*“A diverse choice of housing to suit the needs of the community; including integrated sustainable human settlements in rural nodes; middle income housing in accordance with available services and infrastructure.”*

Short to medium term housing objectives and strategies were identified at the time and those that remain relevant have been retained and reflected upon below.

## 2.3 SERVICE DELIVERY & INFRASTRUCTURE

### 2.3.1 WATER AND SANITATION

A Water Services Development Plan for the district was approved in September 2008 and the information on water and sanitation provision is based on that plan.

#### A. WATER PROVISION

The extent of water and sanitation service delivery backlogs can be gauged from the DWAF Reference Framework for the number of people served to RDP standards. According to the District WSDP 2008, 57.9% of the population living within Elundini Municipality have below minimum RDP access to standard potable water service. The portable water service backlog within the Elundini Municipality accounts for 65% of the portable water service backlog within the Joe Gqabi District Municipality.

**WATER SERVICES BACKLOGS IN ELUNDINI**

Local Municipality	Total Population	WATER					
		Population			Percentage		
		No Water	Below RDP	Above RDP	No Water	Below RDP	Above RDP
Joe Gqabi DM	308,363	28,676	81,257	198,431	9.3%	26.4%	64.3%
Elundini	123,634	12,205	59,339	52,090	9.9%	48.0%	42.1%

**Notes:**

1. Source: StatsSA Community Survey 2007
2. Source: UkDM GIS Department

In estimating these water backlogs, the following assumptions have been applied:

- o People sourcing water from springs, rainwater tanks, streams, rivers, dams or water vendors are deemed to be unserved; and
- o People with piped and borehole water within 200m are deemed to be served.

**B. SANITATION PROVISION**

In terms of powers and functions, the provision of water and sanitation to rural areas is the function of JGDM and the ELM is the provider in urban centres of Maclear, Ugie and Mt. Fletcher.

According to the District WSDP 2008, only 36,4% of the population living within this local municipality have been provided with an acceptable sanitation service. The sanitation service backlog within the Elundini Municipality comprises more than 53% of the total sanitation service backlog in the Joe Gqabi District Municipality.

Communities prefer water borne sanitation above any other form of sanitation, which requires the provision/upgrading of existing bulk infrastructure, and therefore more funding and maintenance of sanitation systems after construction is a concern.

**Sanitation Services Backlogs in Elundini**

LM's	Total	SANITATION			
		Population		Percentage	
		Served	Unserved	Served	Unserved
Joe Gqabi DM	308,363	161,717	146,646	52.4%	47.6%
Elundini	123,634	45,001	78,633	36.4%	63.6%

**Notes:**

1. Source: StatsSA Community Survey 2007
2. Source: WSDP 2008 (UKDM)

The following assumptions have been applied in estimating sanitation backlogs:

- People with flush toilets, septic tanks, chemical toilets or VIP latrines are deemed to be served; and
- People using unventilated pit latrines, buckets or no infrastructure are deemed to be unserved.

The VIP latrines system is used as a sanitation intervention in the rural areas. There are still a number of rural wards and villages that have not been served as reflecting in the sanitation backlog table above, these are identified by wards as follows:

WARD	AREAS NOT SERVED
3	Tuin Blocks ( Maclear) Polar Park ( Maclear)
8	Luzi Upper Nxaxa

#### BUCKET ERADICATION (special sanitation intervention)

National target for bucket eradication is end of 2007 from a local point of view this target was met. The bucket system was eradicated from all Elundini Municipality by December 2007.

#### 2.3.2 ROADS AND STORMWATER

For purposes of this report Elundini has divided roads into 4 categories namely, national roads, provincial roads, access roads and streets. These categories are discussed briefly below.

##### A. NATIONAL ROADS (National Competency)

While not in Elundini Municipality, the N6 has an impact on the municipal area as it runs parallel to the R56 and if there are problems along that road, transport makes use of the R56.

##### B. PROVINCIAL ROADS (Provincial Competency)

The R56 was upgraded from gravel to tarred road between Maclear and Mount Fletcher in 2008. Most of provincially maintained gravel roads have deteriorated significantly to the level

where they would desperately need regravelling rather than occasional patchwork. The general mode of distress is potholing and corrugation caused apparently by inadequate drainage systems. In the past there hasn't been enough funds allocated for any rehabilitation of the roads and so all that could be done was just filling of potholes and general patching. This has resulted in most of the top surface of roads being eroded to the road bed. Poor drainage leads to roads being impassable in wet weather.

### C. MUNICIPAL ROADS (Local Municipal competency)

#### □ *Access Roads*

Access Roads are maintained by municipalities in terms of the Municipal Structures Act, however there is a significant challenge around capacity, knowledge, resources and magnitude of the backlogs for them to effectively implement such service.

A lack of maintenance of these roads which are in the commercial farming and rural areas, impacts significantly on the social and economic development of the area.

The maintenance of these roads became a function of local municipalities once wall-to-wall municipalities were established in 2001. Historically they were not involved in the maintenance of such roads and as such have been severely challenged.

From a developmental perspective, the Elundini LM has been focusing on access roads in their rural areas.

#### □ *Streets*

Streets within towns are the responsibility of the relevant local authority streets in the main part of town have not been maintained for a number of years as priorities of municipalities changed to focus on the previously disadvantaged areas, and this has led to some streets deteriorating beyond reasonable repair.

The state of the streets of an urban settlement has an impact on investment by outsiders into the area:

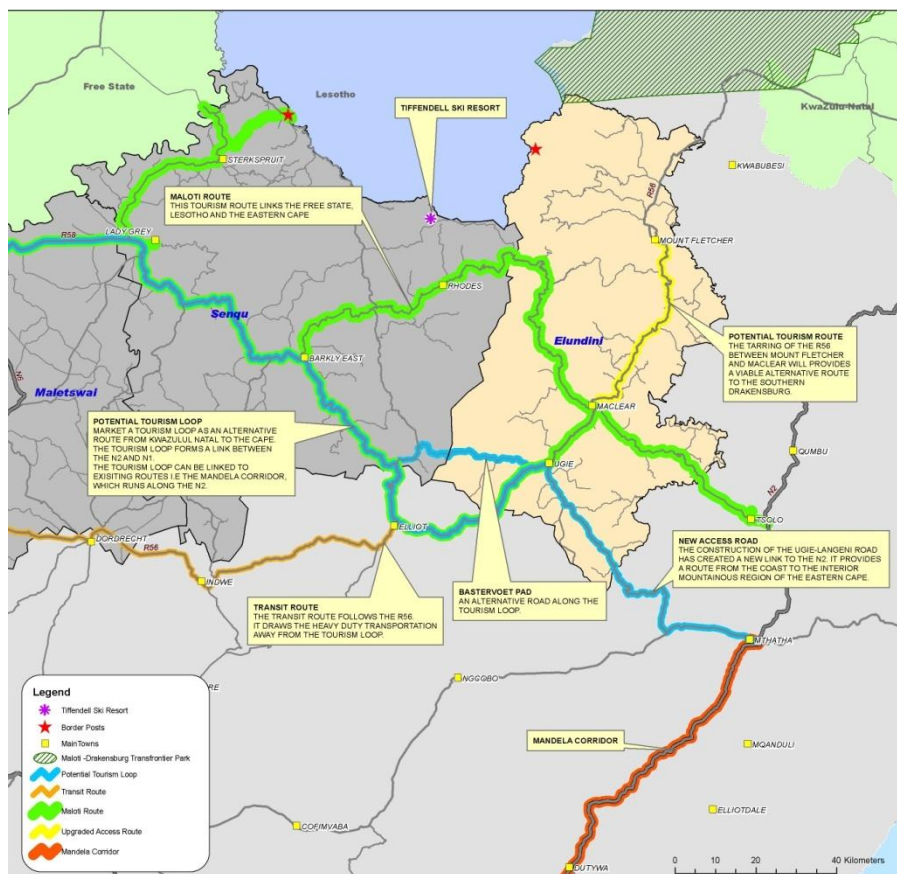
- Streets in Maclear and Ugie require some form of upgrading due to the expected economic growth in the area.

- Streets in Mount Fletcher that were partially built will need attention.

The Upgrading of Ugie streets project has been prioritised by ELM 2009/10 budget and is underway.

#### D. KEY MOBILITY ROUTES

The Elundini Spatial Development Framework has identified key mobility corridors. These key roads should be kept well maintained as they have the most social and economic impact in the Municipality. These include the MR0715 (Ugie/ Langeni roads) and the R56 (between Maclear and Mount Fletcher)



#### Areas for prioritized intervention

- Significantly improved system of road maintenance of gravel roads, especially in Elundini
- Improved maintenance of key mobility corridors
- Resolution around road classification
- Source funding for improved road maintenance

- Road maintenance can in some instances be labour intensive and this provides an opportunity for poverty alleviation
- The maintenance of roads does have an economic impact both through the actual maintenance (where local contractors could be involved) through the spinoff of increase income for agriculture and tourism.

### 2.3.3 ELECTRICITY AND ENERGY

The households within the area of jurisdiction of the Elundini Municipality have the lowest level of access to an acceptable electricity service among the four local municipalities in the Joe Gqabi District Municipality; only just more than 11% of the households within the service area of the Elundini Municipality have been provided with an RDP standard electricity service. The electricity service backlog within the Elundini Municipality comprises 61% of the total electricity service backlog in the Joe Gqabi District Municipality .

In most urban settlements the municipality is responsible for the electrical reticulation and the service however in the rural areas and some of the townships Eskom is the supplier. The Commercial Farming Community as well as the Urban areas enjoy a relatively high level of access to electricity while the rural settlements area on the other hand have only limited access. Currently electricity supply from Eskom is controlled from three separate areas: parts of Elundini are covered by Kwa-Zulu Natal. This poses a significant challenge for coordination from a municipal level.

Currently the Electricity backlog in rural Elundini is estimated at 25 762 homesteads. (see table below).

#### Electricity Backlogs in Rural Areas of Elundini Municipality

WARD	NAME OF VILLAGES	NUMBER OF HOMESTEADS WITHOUT ELECTRCITY	TOTAL NUMBER OF HOMESTEADS WITHOU ELECTRICITY
8	<ul style="list-style-type: none"> <li>• MOROKA</li> <li>• MAKHATLANYENG</li> <li>• NKAMANE</li> <li>• MOKHALONG</li> <li>• NKOBONGO</li> <li>• PITOLI</li> <li>• NTIBANE</li> <li>• LUZIE DRIFT</li> <li>• LAHLANGUBO</li> <li>• MILANE</li> <li>• LUZIE POORT</li> <li>• NTABELANGA</li> <li>• UPPER NXAXA</li> </ul>	<ul style="list-style-type: none"> <li>• 575</li> <li>• 140</li> <li>• 560</li> <li>• 375</li> <li>• 225</li> <li>• 200</li> <li>• 380</li> <li>• 670</li> <li>• 89</li> <li>• 365</li> <li>• 350</li> <li>• 220</li> <li>• 675</li> </ul>	4824

4	<ul style="list-style-type: none"> <li>• SIGOGA</li> <li>• TSIKARO</li> <li>• QOBENI</li> <li>• MATUGULU</li> <li>• NAMBA</li> <li>• MISSION</li> <li>• MONTGOMERY</li> <li>• TOP BLOCKS</li> </ul>	<ul style="list-style-type: none"> <li>• 68</li> <li>• 86</li> <li>• 82</li> <li>• 79</li> <li>• 94</li> <li>• 151</li> <li>• 60</li> <li>• 18</li> </ul>	638
14	<ul style="list-style-type: none"> <li>• VUVU</li> <li>• ULUNDI</li> <li>• NQALWENI</li> <li>• SETABATABA</li> <li>• LEHANA'S PASS</li> <li>• THABAKGUBELU</li> <li>• SATUBE</li> <li>• MAKHOASENG</li> </ul>	<ul style="list-style-type: none"> <li>• 240</li> <li>• 260</li> <li>• 145</li> <li>• 195</li> <li>• 150</li> <li>• 139</li> <li>• 220</li> <li>• 310</li> </ul>	1659
13	<ul style="list-style-type: none"> <li>•</li> <li>• KUEBUNG</li> <li>• SEQHOBONG</li> <li>• NTOKO</li> <li>• MOHOABATSANA</li> <li>• TABASE</li> <li>• GOBHO</li> <li>• NXOTSHANA</li> <li>• PRINTSU</li> </ul>	<ul style="list-style-type: none"> <li>•</li> <li>• 470</li> <li>• 500</li> <li>• 220</li> <li>• 450</li> <li>• 250</li> <li>• 100</li> <li>• 480</li> <li>• 200</li> </ul>	2670

16	<ul style="list-style-type: none"> <li>• MCWANGCELE</li> <li>• NGQWANENI</li> <li>• SEKHUTLONG</li> <li>• MNCAMBALALA</li> <li>• NTATYANENI</li> <li>• NO.5</li> <li>• KOLONI</li> <li>• HAMOLOBE</li> <li>• NJABOYA</li> <li>• CRADOCK</li> <li>• MAGEDLA &amp; NTABAMKHITHA</li> <li>• MDENI &amp; QOLWENII</li> <li>• MASANGENI</li> <li>• CHAVYCHASE &amp;KAFERSLAG</li> <li>• JOJWENI</li> <li>• BATLOKOA</li> <li>• MORENENG</li> <li>• UPPER KETEKETE NO.1</li> <li>• UPPER KETEKETE NO.2</li> <li>• UPPER KETEKETE NO.3</li> </ul>	<ul style="list-style-type: none"> <li>• 60</li> <li>• 110</li> <li>• 40</li> <li>• 200</li> <li>• 120</li> <li>• 70</li> <li>• 90</li> <li>• 35</li> <li>• 30</li> <li>• 40</li> <li>• 160</li> <li>• 400</li> <li>• 35</li> <li>• 130</li> <li>• 140</li> <li>• 30</li> <li>• 50</li> <li>• 35</li> <li>• 45</li> <li>• 50</li> </ul>	1870
12	<ul style="list-style-type: none"> <li>• SETAKA</li> <li>• MOLEKO</li> <li>• THABATLALA</li> <li>• POLOKOE</li> <li>• KINIRA POORT</li> <li>• LEHLAKANENG</li> <li>• POPOPO</li> <li>• FREE STATE</li> <li>• SETHATHI</li> <li>• MASHATA</li> <li>• NGOLILOE</li> <li>• MANGOLOANENG</li> <li>• MABEKONG</li> <li>• MADUMASINI</li> <li>• MAHANYANENG</li> <li>• QOLWENI</li> <li>• GEXE</li> </ul>	<ul style="list-style-type: none"> <li>• 385</li> <li>• 276</li> <li>• 320</li> <li>• 298</li> <li>• 430</li> <li>• 270</li> <li>• 435</li> <li>• 248</li> <li>• 388</li> <li>• 188</li> <li>• 659</li> <li>• 578</li> <li>• 50</li> <li>• 30</li> <li>• 270</li> <li>• 28</li> <li>• 40</li> </ul>	4893
10	<ul style="list-style-type: none"> <li>• MATSURA</li> <li>• WESTHOEK</li> <li>• PART OF TSOLOBENG</li> </ul>	<ul style="list-style-type: none"> <li>• 230</li> <li>• 185</li> <li>• 98</li> </ul>	542



	<ul style="list-style-type: none"> <li>• PART OF XAXAZANA (new village)</li> </ul>	<ul style="list-style-type: none"> <li>• 29</li> </ul>	
15	<ul style="list-style-type: none"> <li>• LITAUNG</li> <li>• LIPHOFU NG</li> <li>• LINOKONG</li> <li>• REFELE</li> <li>• BASIENG</li> <li>• LIPHA KOENG</li> <li>• LOWER TOKOANA</li> <li>• KHALATSU</li> <li>• PITSENG</li> <li>• UPPER TSITSANA</li> </ul>	<ul style="list-style-type: none"> <li>• 700</li> <li>• 90</li> <li>• 200</li> <li>• 250</li> <li>• 150</li> <li>• 250</li> <li>• 600</li> <li>• 400</li> <li>• 250</li> <li>• 950</li> </ul>	3790
11	<ul style="list-style-type: none"> <li>• FLETCHERVILLE</li> <li>• MATSOANA</li> <li>• MAKOATLANA</li> <li>• MJIKELWENI</li> <li>• THAMBEKENI</li> <li>• LUGCADWENI</li> <li>• NTABAYIKHONJWA</li> </ul>	<ul style="list-style-type: none"> <li>• 650</li> <li>• 345</li> <li>• 570</li> <li>• 20</li> <li>• 60</li> <li>• 230</li> <li>• 385</li> </ul>	2260
01	<ul style="list-style-type: none"> <li>• MISSION</li> <li>• NTSILITWA</li> <li>• NYIBIBA</li> <li>• EMAWENI</li> <li>• PHALISA</li> <li>• LUTHUTHU</li> <li>• EMAMFENGWINI</li> <li>• NTENDELESHE</li> <li>• ELUNYAWENI</li> <li>• TRUSTINI</li> <li>• NGXOXHO</li> <li>• EDRAYINI</li> <li>• THALENI</li> <li>• EMDENI</li> <li>• KUNDODA</li> <li>• THALENI</li> <li>• NGXOTHWANE</li> <li>• EMAQHINEBENI</li> </ul>	<ul style="list-style-type: none"> <li>• 175</li> <li>• 165</li> <li>• 228</li> <li>• 36</li> <li>• 168</li> <li>• 185</li> <li>• 128</li> <li>• 134</li> <li>• 411</li> <li>• 127</li> <li>• 180</li> <li>• 130</li> <li>• 146</li> <li>• 121</li> <li>• 151</li> <li>• 86</li> <li>• 76</li> <li>• 54</li> </ul>	2701
05	<ul style="list-style-type: none"> <li>• NGCELE-HOPEDALE</li> <li>• NGXAZA – HOPEDALE</li> <li>• SITHANA</li> <li>• LOWER NGXAZA</li> <li>• MBONISWENI</li> <li>• MTSHEZI LOCATION</li> <li>• ESIDAKENI</li> <li>• NGCELE (NTABELANGA)</li> </ul>	<ul style="list-style-type: none"> <li>• 40</li> <li>• 350</li> <li>• 250</li> <li>• 150</li> <li>• 800</li> <li>• 350</li> <li>• 120</li> <li>• 115</li> </ul>	2175
TOTAL			25,762.00

The Government's target is universal access to energy is 2011. In order to meet the target, alternative energy supplies such as solar systems will have to be considered, specifically in Elundini's rural areas which have the greatest backlogs and grid electrification is unlikely to cover them by the target date. The Department of Minerals and Energy started a process of procuring service providers to install solar home systems in areas that require non-grid electrification as an interim source of energy while grid electricity infrastructure is being extended to reach these areas only after 2011. This process has itself is slow and the implementation or roll out of the project has not yet commenced

**Table indicating the 2001 service levels for the core function-Electricity**

Municipality Name	RDP Electricity 2001 (actual)	RDP Electricity (%)	RDP Electricity backlog (%)	RDP Electricity backlog as % of district	RDP Electricity backlog as % of province
Joe Gqabi District Municipality	36358	42.93%	57.07%	100.00%	6.33%
Elundini Municipality	3740	11.25%	88.75%	61.04%	3.86%

### 2.3.4 SOLID WASTE MANAGEMENT

Elundini Municipality (EC141) provides an RDP standard refuse removal service to only 11% of the households within its service areas. Given the predominantly rural nature of the service areas, the low level refuse removal service is understandable.

**Table indicating the 2001 service levels for the core function-Refuse removal**

Municipality Name	RDP Refuse removal 2001 (actual)	RDP Refuse removal (%)	RDP Refuse removal backlog (%)	RDP Refuse removal backlog as % of district	RDP Refuse removal backlog as % of province
Joe Gqabi District Municipality	19751	23.32%	76.68%	100.00%	6.97%
Elundini Municipality	3665	11.02%	88.98%	45.55%	3.18%

In Elundini waste management services are rendered in the town of Mt Fletcher only to the commercial sector – no residents enjoy WMS. In Ugie areas such as Mandela Park, Soccer field, Dyoki and other former black areas similarly have no service. The same applies to certain residential areas in Maclear e.g. Vincent Park and Peter Mokaba.

Waste Management consists in its primary form of collection, transportation and disposal. Where waste management are indeed rendered, the collection and transportation aspects thereof are done to a reasonable standard although certain problems do occur with the disposal function especially in the Elundini.

None of the solid waste sites in Elundini comply fully with either its applicable permit conditions or national legislation or both.

#### **2.3.4 MUNICIPAL HEALTH SERVICES**

In terms of the powers and functions, Environmental Health Services is a function of the District Municipality. The focus is on issuing business licences, overgrown erven, enforcement of the national legislation regarding smoking in public places and any environmental health projects.

#### **2.3.5 DISASTER MANAGEMENT**

In terms of Powers and Functions, this remains a district function. A proper and well equipped District disaster satellite centre has been established in Barkley East and four satellite centres in Maclear. This has been set up by Joe Gqabi DM as an effort to decentralise services for timeous response to Disaster calls

#### **2.3.6 TELECOMMUNICATIONS**

According to the 2001 census more than 50% of the population has access either to a private telephone or one nearby but there is still a section of the population that has no access to a telephone at all. Urban areas receive the best service. Parts of the commercial farming areas and rural areas are provided with telephone services based on radio linkages to towers, driven by solar panel technology. The reliability of this service is sometimes a problem as spares are not always available, there is market for the solar panels resulting in theft, the service cannot effectively cope with Internet, and it is affected by weather conditions (especially cold).

Cellphone services are used by a large proportion of the population however this service does not cover the whole area. The mountainous nature of the area affects reception. There are also still police stations, clinics and schools without any telephone service and this impacts on their ability to deliver services. The more remote areas of Elundini are the worst affected.

#### **Areas of prioritised intervention**

WARD	VILLAGES
------	----------

4	Sigoga; Tsirom; Matugulu; Khohlomiriti; Qobeni; Mission; Namba; Platana; Diphini
8	Milane; Malamela; Ntibane; Upper Nxaxa; Nkobongo; Pitoli; Lahlangubo; Luzie; Luzie Poort; Makhatlanyeng; Moroka; Mokhalong; Nkamane
16	Mcambalala; Mcwangele; Koloni; Magedla; Chavy Chase; Upper ketekete

### 2.3.7 PUBLIC TRANSPORT

The District Municipality has developed a district wide Integrated Transport Plan An Integrated Transport Plan is viewed as an implementation tool of defined transport policy. The stated strategic objectives of the plan should therefore be linked to clearly defined implementation targets which are:

- Within the next 5-years, all the identified public transport infrastructure projects (taxi ranks etc.) in this ITP must be implemented.
- Within the next 10-years, at least 50% of the communities must be connected with proper access roads to the primary road network.
- Within the next 10-years, at least 50% of the public transport routes within the communities must be upgraded to surfaced roads.
- Within the next 10-years pavement management systems and procedures must be developed to ensure that the road networks under the jurisdiction of the local municipalities and district municipalities are adequately maintained.

#### A. Problem Identification

- Road conditions in rural areas.
- Lack of public transport route coverage.
- Lack of capacity at local authority levels to address public transport planning.
- Lack of sustainable and dedicated funding for public transport services, facilities and maintenance.
- Scholar, disabled and elderly transport.

- The illegal use of “bakkies” as public transport vehicles.
- Ageing of minibus-taxi vehicle fleets.
- Lack of public transport information.
- Law enforcement.
- Public transport safety and security.

### B. Public transport facilities

Land has been sold in Ugie, Elundini for the construction of a truck stop on the new Ugie/Langeni road. The project was completed in 2008 and is operating creating a significant impact on the public transport in the area.

Over the past five years, taxi facilities were constructed in Maclear and Mount Fletcher. Related to provision of public transport is the need for basic essential services such as water, sanitation and shelters at key facilities. There is a need to provide these services at all the nodes (rural and urban) as defined in the Spatial Development Plan. Areas with high dependency on public transport especially the primary and secondary nodes should receive priority. These are mostly remote rural of Elundini Municipality.

### C. Railway services

The weekly railway transport passenger services between Johannesburg and the Western Cape is only accessible at Burgersdorp to the west and has very little impact on the rest of the area, Especially Elundini, which is situated in the east.

## 2.3.8 HEALTH

Two (2) hospitals and seventeen (17) clinics have been established in the Elundini Municipal area, as indicated in the table below.

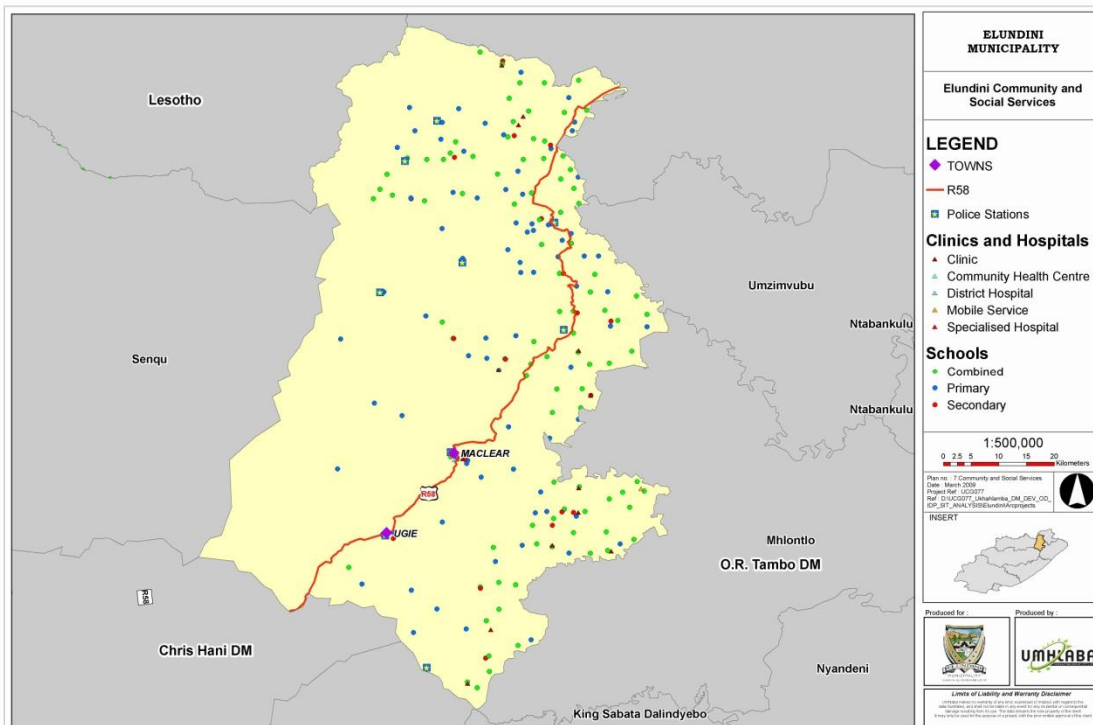
**List of Health Facilities- Elundini**

Name	Ward No.	Type of Facility	Name	Ward No.	Type of Facility
Empilisweni Clinic	02	Clinic	Ntywenka Clinic	6	Clinic
Ngxaza Clinic	05	Clinic	Seqhobong Clinic	13	Clinic
Hlangalane Clinic	07	Clinic	Sonwabile Clinic	3	Clinic
Hlankomo Clinic	16	Clinic	St. Augustine's Clinic	5	Clinic
Katkop Clinic	16	Clinic	Tayler	09	District Hospital

			Bequest PHC Clinic		
Maclear Clinic	3	Clinic	Ugie Clinic	2	Clinic
Maclear Hospital	3	District Hospital	Ugie Mobile	2	Clinic
Mangoloaneng Clinic	12	Clinic	Ulundi Clinic	14	Clinic
Mount Fletcher	9	Clinic	Umnga Flats Clinic	01	Clinic
Mqokolweni Clinic	6	Clinic	Ncembu Clinic	01	Clinic

A large number of people in Elundini remain without access to healthcare as there is no mobile service in the Mount Fletcher and the Ugie mobile service is not in operation. In the areas where the mobile clinic is operational, the poor conditions of the roads make it impossible to access some communities. Maclear has 131 mobile visiting points, but only frequents 120 because of the bad road conditions.

It is too expensive for all of the communities to access the fixed health facilities in town. This means that they can't attend preventive services such as immunization for children and family planning. The plan below indicates the spatial location of community facilities in the form of clinics, hospitals and schools in the Elundini Municipality.



### 2.3.8.1 Priority Health promotion

The priority programmes are HIV and AIDS, TB and mother and child services.

There are community based initiatives aimed at prevention of disease and promotion of healthy lifestyles. The district area is implementing the 5 priority health promotion campaigns of nutrition, substance abuse, tobacco, use of healthy environments and risks.

According to statistics, in 2004, approximately 8.5% of the ELM population were infected with HIV. This figure may not be reliable when compared with the rate of deaths related to HIV /AIDS causes. It is reported that in 2004, AIDS accounted for 33% of all deaths in ELM .

In addressing the HIV/ AIDS the ELM has developed HIV/AIDS strategic Plan. This was adopted by Council in 2009. In as far as implementation of the plan, the Local Aids Council has been established and launched. It is constituted by role players from different sectors of community including, Health, Business, other Govt. Dept., Community workers and HIV/AIDS activists/groups.

The ward based HIV/ AIDS forums have also been establish across 16 wards in ELM. The HIV/ AIDS programme in Elundini is politically championed by Portfolio head Community Services and administratively executed in the Executive Support Unit in the Municipal Manager’s Office.

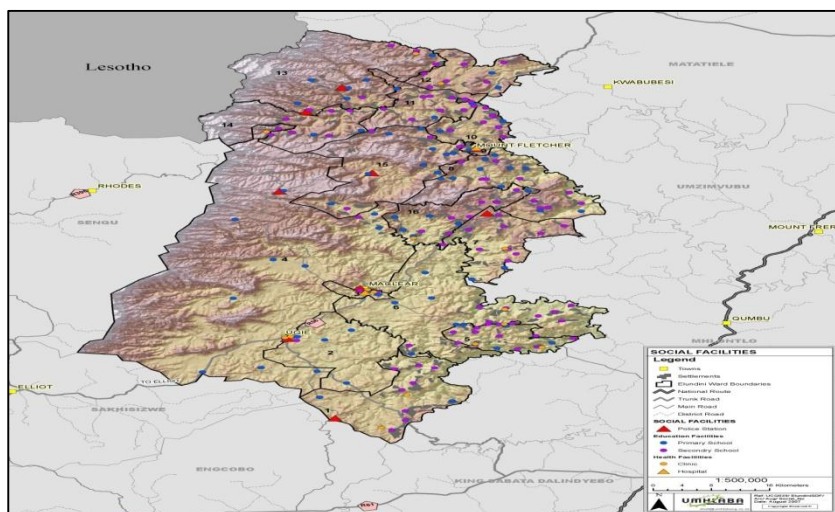
### 2.3.9 COMMUNITY SAFETY & SECURITY

Nine police stations have been established in Elundini as indicated in the table below. Poor road conditions and few rural satellite police stations mean that access of rural villages to security facilities is a concern. Most of the communities have established the Community Policing Forums, but require more support in terms of resources to function properly, (e.g. phone, lanterns/ torch,)

Table: Wards with Police Stations

POLICE STATIONS & WARD NUMBERS					
Ugie	Ward 2	Elands Height	Ward 4	Nikina	
Maclear	Ward 3	Katkop	Ward 7	Tabase	Ward 13
Mt. Fletcher	Ward 9	Mbizeni	Ward 15	Zamuxolo	Ward 14

### Map of Community and Social Services per Ward



### 2.3.10 SPORT AND RECREATION FACILITIES

Mt Fletcher and Ugie have facilities which have been built by D.S.R.A.C. through the project called B.S.R.P. (Building for Sport and Recreation Project). The one built in Ugie has been vandalized. With the high percentage of youth in the population make-up it is essential to provide sports and recreation facilities. The Municipality has adopted a strategic intent to coordinate and support sporting activities through forming strategic partnerships and establishing sporting structure to promote sporting in ELM. The MIG allocations will also be used for provision and upgrading of social and public infrastructure, this includes inter alia the sporting fields and grounds.

### 2.3.11 COMMUNITY HALLS

#### Community Facilities – Multipurpose Halls

Almost all wards in Elundini do have halls, but in terms of numbers they do not meet the community needs. Some of the halls are not accessible to the communities as there is no clear-cut policy of utilization and accessibility. Rural communities are struggling as there are few halls within their areas of residence. From the IDP outreach the communities indicated the importance of these community halls because when weather conditions are harsh the elderly have to be exposed during social grant pay points.

**Table: Backlog in provision of Community Halls per ward**

Ward	Village
1	Gqaqhala ; Ncembu; Nkalweni
3	Vincent
5	Ngcele; Hopedale; Sommerville; Mbonisweni; Mountain
7	Etyeni; Botsabelo; Katkop
8	Moroka; Milane; Sekoting; Luzi; Upper Ngxaxha; Mokgalong; Nkobongo; Lahlangubo ;Ntibane; Purutle; Malamlela
9	Nkululekweni; Tembeni; Ilisolomzi
10	All Villages
11	All villages
13	Seqhobong ; Kuebung; Nxotshana; Pirintsu; Tabase
14	Satube; Vuvu; Ulundi; Lehanas Pass; Nqalweni; Zanyeni



	Thabakhubelu
15	Refele; Lower Thokoana;Makhuleng; Khalatsu; Upper ; Tsistana
16	Mdeni; Chevy Chase; Upper Ketekete

## 2.4 LOCAL ECONOMIC DEVELOPMENT

Local Economic Development (LED) is an outcome based local initiative and driven by local stakeholders. It involves identifying and using primary local resources, ideas and skills to stimulate economic growth and development. LED is an ongoing process, rather than a single project or a series of steps to follow. LED encompasses all stakeholders in a local community, involved in a number of different initiatives aimed at addressing a variety of socio-economic needs of that community.

Local Economic Development initiatives always take place in the context of the regional national and global economies. There are no physical boundaries to LED hence these larger changes impact on local economies in different ways. It is therefore important to design LED initiatives in such a way which assists local area to respond to the context alluded to creatively.

Three major roles are a responsibility of Elundini Municipality. These are:

- Coordination: using the IDP as a tool to draw together these developmental objectives, priorities, strategies and programmes of a municipality.
- Facilitation: improve investment environment in the local area through, for example streamlining the development process or improve planning procedures and zoning regulations.
- Stimulation: Municipality has a role to stimulate business creation or expansion for example municipality may provide premiums at low rental to SMMEs.

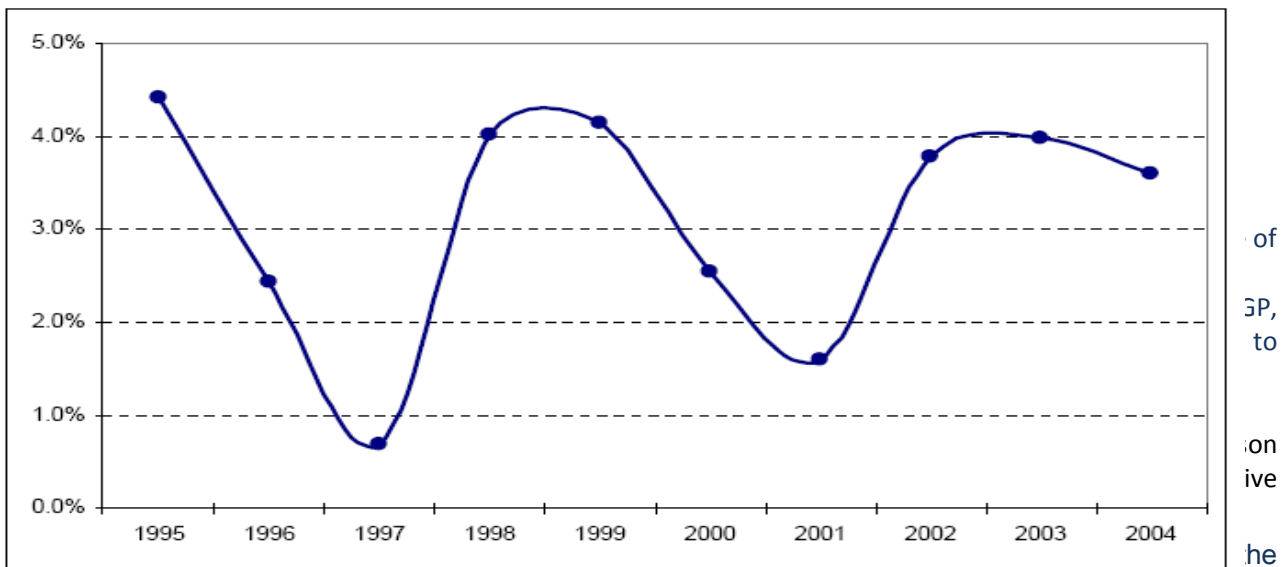
Nearly every effort to develop a local economy will require some input, participation and support from the municipality.

### 2.4.1 Gross Geographic Product

The largest contributor to GGP in Elundini Municipality is the general government services sector. There has been a steady decline in the contribution of this sector over the period 2000 to 2004. This may explain the slowing of economic growth over the period 2002 to 2004.

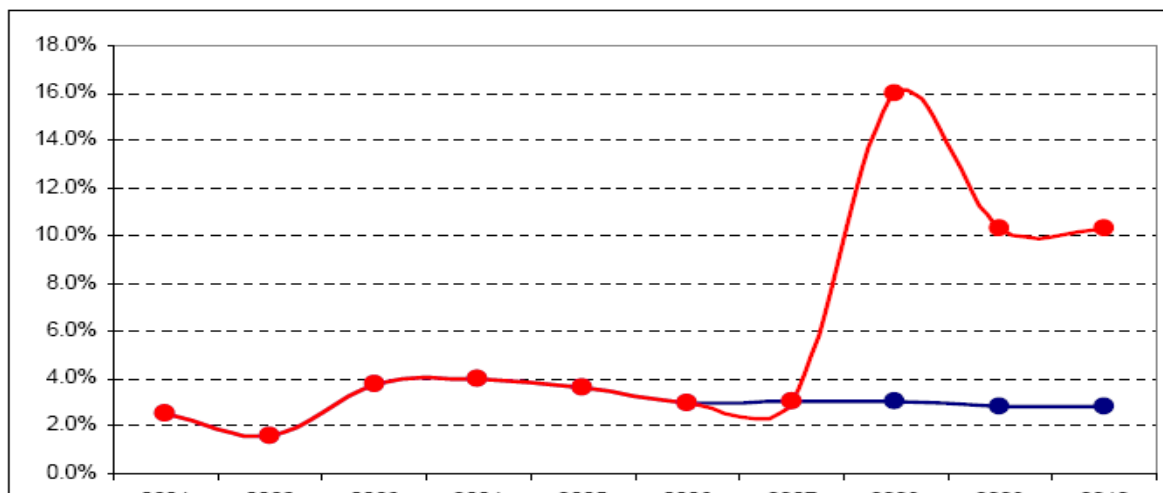
The average annual GGP growth rate for Elundini Municipality over the period 1995 to 2004 is 3.1%. Although this GGP growth rate is greater than that of other larger cities in the Eastern Cape, e.g. Port Elizabeth (3.0%) and East London (2.5%), it should be noted that the growth calculated off the smaller base than that of bigger cities, i.e. the monetary increase in GGP is a significantly smaller than larger areas.

Urban-Econ EC Database (August, 2006)



period 1999 to 2007. The difference is evident in 2008, where there is a very large increase in the GGP growth rate owing to the Steinhoff / PG Bison cluster development, i.e. 12.9% growth rate in 2008. This is five times greater than the potential growth rate without the cluster development.

Elundini Municipality: Comparative potential GGP Growth Rate (2001 – 2010)



### **2.7.5 Main Growth Sector in Elundini**

Within the Government sector there is limited opportunity for growth and no real sustainable wealth creation for people who live in Elundini.

In the community/social and other personal services, again there are limited opportunities for growth and no sustainable wealth creation.

### **2.2.3.1e Main Growth Sector in Elundini**

Within the Government sector there is limited opportunity for growth and no real sustainable wealth creation for people who live in the Elundini.

In the community/social and other personal services, again there are limited opportunities for growth and no sustainable wealth creation. These two sectors rely on people being employed, usually by the state, but they as institutions or sectors themselves do not create significant spin-offs that lead to the area prospering.

On the other hand the Agriculture / forestry sector does have significant growth potential. With the investment by Steinhoff International into the Ugie area of Elundini, there is likely to be huge economic spin-offs and growth in the area, growth in the GGP (through the processing of the timber) and increased confidence in the economy. The district is still one of the largest (if not the largest) wool and potato producer in the country, and the processing of these products could add economic value to the district area. Unfortunately this sector is also highly sensitive to market trends, and productivity as well as characteristics such as the weather and therefore contributes to the fluctuating growth pattern of the regional economy.

The Trade/Catering and Accommodation sector also has good potential for growth. With the improved road linkages and possible changes to the macro level transport routes (as discussed under the spatial analysis) there will be an opportunity for trade and the catering/accommodation sector to grow. There is still a relatively untapped tourism market and areas of unspoilt natural beauty, coupled with a variety of leisure and recreation facilities and historic value.

## **2.4.2 Institutional Arrangements**

The LED section of the municipality is located in the Community Services Department, in the LED and Development Planning Unit. The section is responsible for the following LED related municipal programmes:

1. Tourism Development
2. SMME Development
3. Implementation of the LED strategy

The LED forum is functional and was launched in November 2009. The Elundini Cooperative, Siluqilima has been established comprising stakeholders from all local business associations, the municipality .

### 2.4.3 LED STRATEGY

The Elundini municipality LED strategy was adopted by council in 2008. It is implementable over the period 2002 to 2012

### 2.4.4 SECTORAL OVERVIEW AND ANALYSIS

Sector development refers to the identification and development of key economic sectors within an economy, for the purpose of increasing the economic activity of that sector, i.e. an increase in GGP contribution and increasing investment into the sector and thereby growing the economy. Sector development seeks:

- To grow the numbers and improve the competitiveness and productivity of small, medium and micro enterprises
- To increase the numbers and productive capacity of SMME's and large enterprises in the specific sectors of the economy
- To improve the quantity and quality of jobs created by SMME's and large enterprises
- To increase the contribution of the targeted sectors in terms of employment and GGP contribution

The sectors in Elundini Municipality that have been identified for sector development are:

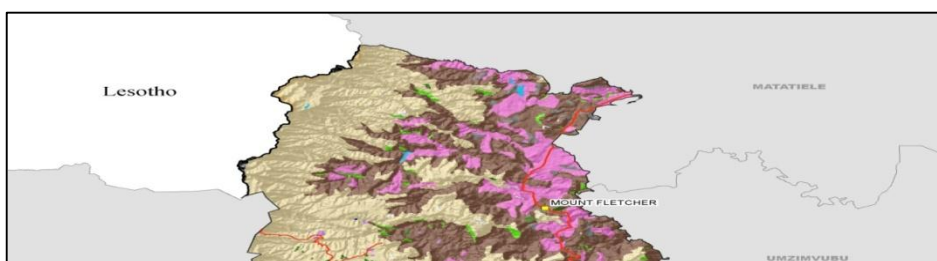
- Agriculture
- Forestry
- Tourism
- Small-scale manufacturing

#### 2.4.4.1 AGRICULTURE

Livestock farming including sheep, cattle and goats forms the most predominant land use, whilst crop production of maize, wheat, fodder and potatoes for both human and animal consumption (subsistence and commercial) occurs in localised areas.

The support and further development of agriculture is viewed as an important strategy for the sustained economic and social upliftment in the rural areas as well as increased agricultural income and food security.

**Agricultural Potential (extracted from the Joe Gqabi SDF, 2006)**



- **Agricultural Characteristics: Commercial Farm Areas**

Elundini is the wettest in the region hence more cultivation is carried out, mainly maize and potatoes mixed with livestock farming.

Crop farming has high input costs (fertilizer, irrigation, harvesting) and tends to be quite labour intensive due to the low level of mechanization (such as potato harvesting). There is also an investigated potential for soya beans, sugar beet in this Municipality.

Farmers having obtained land through land reform are struggling. They lack farm infrastructure, often carry large debts, cannot afford input costs, are fearful of risks involved in agriculture, do not carry sufficient stock to make the enterprise viable and often lack skills and experience. The Department of Agriculture's CASP programme has not complimented the land reform processes sufficiently due to their own funding constraints.

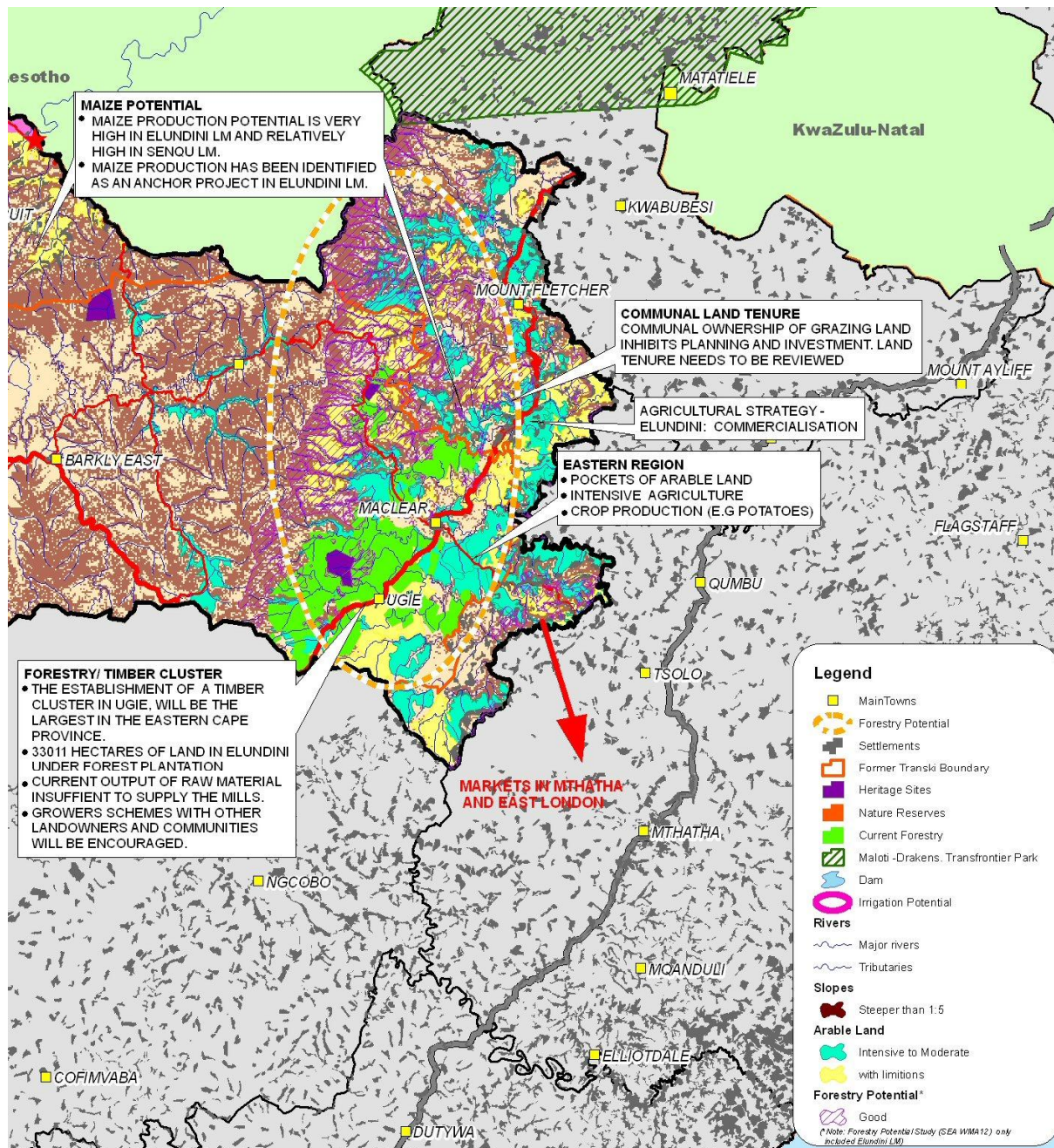
- **Agricultural Characteristics: communal land areas**

On the communal land, there are different types of farming taking place. There is subsistence farming, which tends to be hand to mouth involving small amounts of cultivation, low input costs (high in kind human costs), and little profitability. There is then the small scale commercial farming, whereby farmers may not have agriculture as their main source of income but use what they produce to bring income into the household, they may sell goods when in excess and plan to have excess to sell. There are very few fully commercial agricultural activities taking place in the communal land areas. This is due to the lack of ownership of land and therefore lack of control of its management. There is also a lack of access to farm infrastructure such as fencing, water points, tractors etc.

The massive food production programme is being implemented in Elundini and is focusing on maize production. Where it is successful there is a need for storage facilities. As this programme does have a link to small loans, farmers are concerned around the increased debt and burden being placed on small farmers.

Livestock improvement programmes especially in wool / mutton sector has began at a considerably extent in Elundini and is supported by National Wool Growers Association and Gold Fields Foundation in the improvement of livestock.

There is still a deficit of agricultural facilities such as dipping tanks, loading ramps, sheds, water points, and fences. Unfortunately coupled with this there has been a lack of communities taking responsibility for infrastructure provided and a perpetuation of dependency on the state to provide.



- **Agricultural Skills**

Agricultural skills within the established commercial farming sector are quite extensive however; there are few skilled middle level workers and a large proportion of unskilled labour. There are no public agricultural training facilities within the district area therefore people need to leave the area in order to get skills. A low skill level impact on productivity and efficiency and therefore on profitability.

Even within the Department of Agriculture there is a deficit of skills such as veterinarians, engineers and technicians. Due to the remote nature of Joe Gqabi it is also hard to attract and retain skilled professions to the area.

- Agricultural Challenges
  - A significant challenge for all agricultural goods produced in the area is the distance to markets. This impacts on profitability and is exacerbated by the quality of roads in the district area. The deterioration of the road infrastructure is having a negative impact on the agricultural community. It is difficult to get produce to the markets, storage and processing plants. Large livestock vehicles struggle on some roads, which mean they are no longer able to provide services to some areas. Poor roads impact on taxi fares to the rural areas, which have impacts on agricultural workers. The general wear and tear on vehicles is high which is placing extra burdens on the agricultural sector.
  - Small farmers are often unable to absorb market fluctuations. This also negatively impacts on new farmers who still have large loans or lack resources. It has become noticeable that agricultural practices need to be done on a larger scale in order for them to be profitable.
  - Farmers are employing less labour on the farms and often have to seek alternative incomes. Many farms now have a secondary enterprise as method to generate sufficient income.
  - The condition of equipment on farms is deteriorating mainly due to the age of the equipment and the very high cost of new equipment that is mainly imported into the country. This may have a long-term negative impact on the agricultural community.
- Agricultural Opportunities
  - Partnerships between established commercial agriculture and smaller farmers.
  - Exploitation of potentials especially in the Elundini area where there are greater variety of potentials for a greater variety of agricultural produce.
  - Niche markets could provide some additional income.
- Agricultural Prioritized Areas of Intervention
  - Reduction of overgrazing and retrogression in the communal land areas and commonage areas.
  - Support to new farmers through infrastructure, advice and mentoring.
  - Expansion of livestock improvement initiatives in the communal land areas.
  - Improvement of marketing initiatives.
  - Improvement of roads.



- Unimproved grassland dominates the Municipality, covering 56.40% of the total surface area. This is followed by degraded unimproved grassland (22.70%) and semi-commercial/subsistence dry land cultivation (10.56%).
- The presence of grasslands indicates the potential for livestock and game farming in the agricultural economy of the area.
- A concern however, is the fact that some 23% of the total land area is classified as degraded/eroded, the majority of this area falls within the rural settlement areas of the former Transkei. This is indicative of:
  - An imbalance between the resident population and the available land resource; and/or
  - Inefficient land management practices in regard to agricultural activities. In this instance, it is likely that overstocking and overgrazing is largely responsible for the state of the land.

#### **2.4.4.2 FORESTRY DEVELOPMENT PROGRAMME**

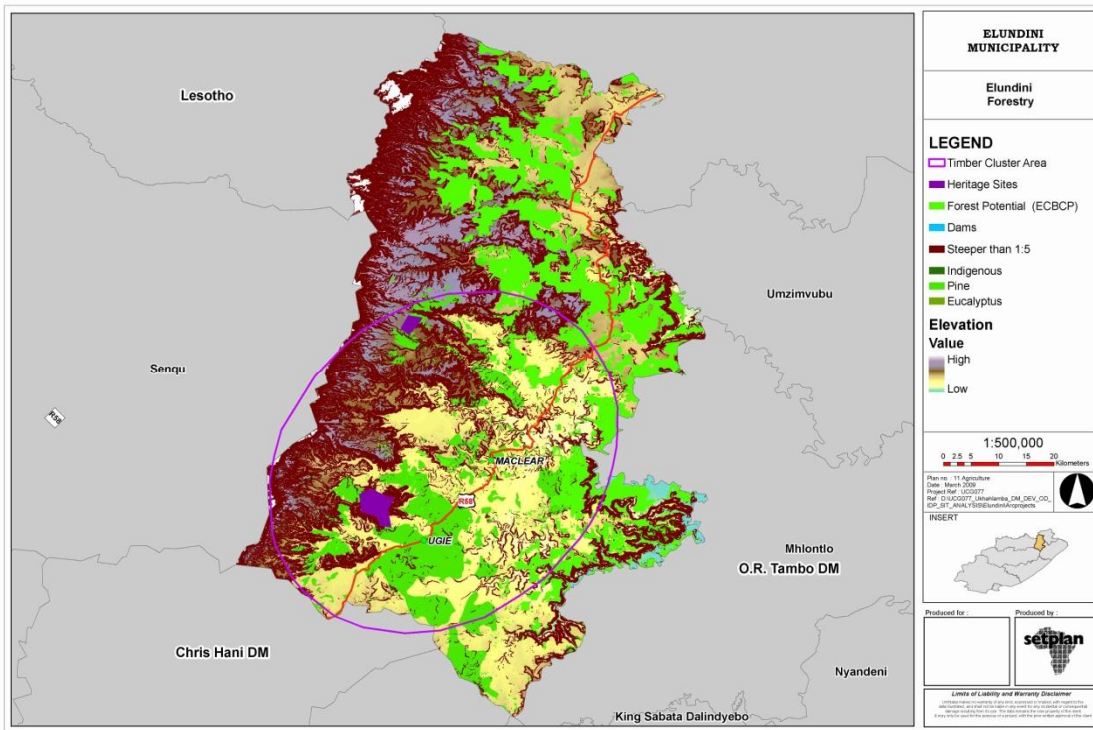
Linked to the Umzimvubu Basin Scheme is the Forestry Development Programme that will be connected to ASGI-SA and link to the PGDPs Timber Industries Development Initiative.

Steinhoff is investing an amount of R1.2 billion for Forestry Development in the Joe Gqabi District Municipality. This includes timber, a sawmill, a chipboard factory and a tree nursery. This investment is envisaged to create approximately 3 000 jobs especially in Ugie.

The District Municipality in partnership with Elundini Local Municipality, the Provincial Government through ECDC and all the Local Economic Development stakeholders have formed a forum to engage on the smooth implementation of these big projects in Elundini Local Municipality. The LED Forum Members who are in partnership with Elundini Municipality made a commitment to drive the implementation of the LED Strategy in a Memo of Agreement. These stakeholders of the LED Forum are Business Community/Chamber ; SMME's; Large Enterprises; ELM & govt departments.

### 2.4.4.3 Forestry

The plan below indicates the forestry situation in Elundini Municipality.



### 2.4.4.4 TOURISM

According to the White Paper on Development and Promotion of Tourism in South Africa (1996), Local Municipality has the responsibility of planning, development and maintenance of Tourism product in their areas of Jurisdiction. In line with these principles, the Tourism plan for ELM was developed and adopted by Council in 2008. The Local Tourism Organisation has also been established with the Municipality as a stakeholder and the convenor is the LED portfolio Chairperson.

The vision for tourism development in the Elundini area is:

*“To develop Elundini as a tourist destination with unique natural and heritage assets for both foreign and domestic tourists, by efficiently employing all available resources in a sustainable manner through investment in infrastructure, skills development and creating strategic partnerships” (ELM Tourism Sector Plan, 2007:88).*

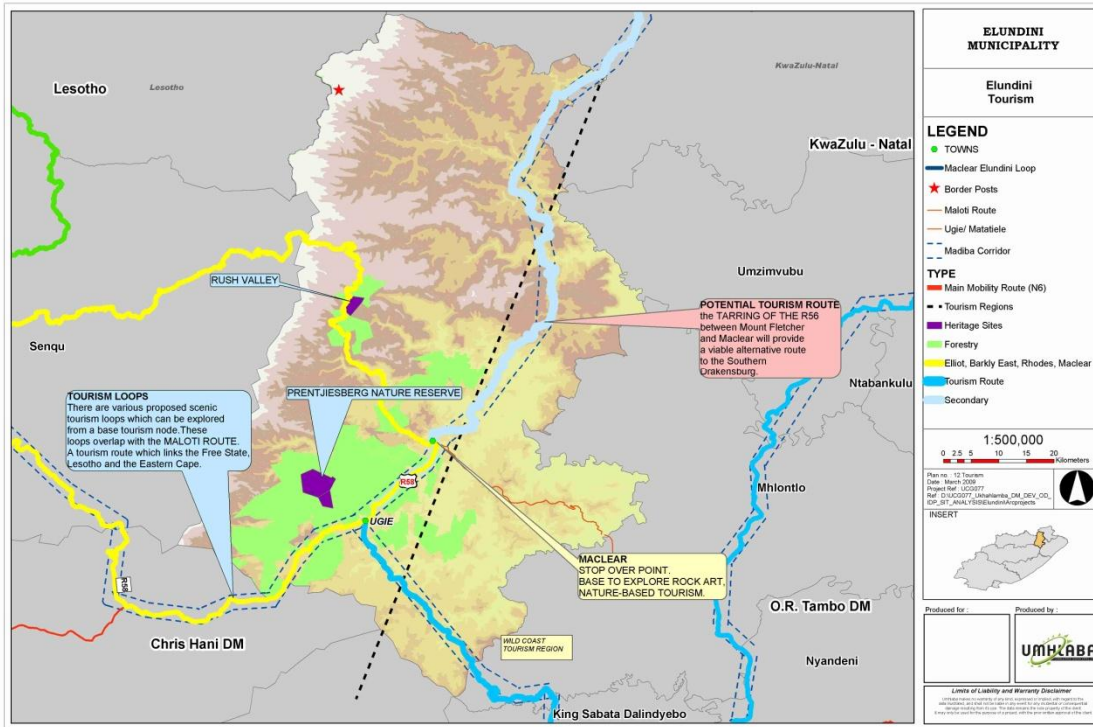
The focus of the strategy is on marketing, product development, infrastructure development, human resource development and an appropriate institutional framework that will support tourism development in the area. The tourism sector is comparatively underdeveloped in relation to other districts within the Eastern Cape. Elundini has beautiful scenery and is rich in culture. Tourism potential has not been fully realized. Elundini has a wide variety of tourism products, including:

- A rich history;
- Scenic Routes ( Naude's Nek Pass, Bastervoetpad & Pitsing pass)
- Waterfalls ( Tsitsa, Inxu, Tsikeletsi)
- Cultural and heritage products;
- Rock art;
- Nature products such as rivers and dams, springs, wetlands, birds, natural heritage sites, flowers, fly-fishing, hiking trails, etc;
- Adventure Tourism Products;
- Agricultural Products.

However, the products are underdeveloped and needs to be developed into accessible and meaningful tourism products.

Elundini has a variety of accommodation. However, most have limited room capacity and the standard is lacking. A large new accommodation establishment of a 4-star quality is required. The standard of all existing establishments need to be upgraded. The most active tourism node is that of mountain tourism. Tiffendell Ski Resort forms a key attraction within this sector. There are linkages to the Rhodes, Barkly East, Maclear, Ugie and Lady Grey areas. This node tends to be seasonally active. There is a strong winter adventure tourism as well as Christmas and Easter activities.

The plan overleaf shows tourism opportunities for Elundini Municipality.



## A. Tourism Threats and Challenges

### • Accessibility and Linkage Challenges

- The biggest challenge facing the development of tourism in the District as whole and Elundini in particular is the quality of roads and the areas accessibility. Most of the routes earmarked for developed Tourism are District and Provincial Roads. Of much importance is R396 (Naude's NekRoad) between Maclear and Rhodes, DR 02884 (Bastervoetpad road) and DR 08018 (Pitsing Pass) which all gravel roads and often compromise accessibility. Poorly maintained roads limits access to facilities, events and attractions which then limits the type of tourist that comes to the area and the amount of time they spend in the area. Air (Accessibility) tourism could be a way to attract more of the Gauteng market (affluent market) and not have the impediment of long distances to travel.
  - Eastern Drakensberg region is far from the main tourist destinations as well as the main markets

- As the district area is defined by an administrative boundary rather than an economic boundary, this requires partnering and interaction with neighbouring areas

- **Structural Challenges**

- Few community based tourism enterprises have succeeded and been sustainable, mainly due to a lack of skills, a lack of market, high establishment costs and community challenges. Very little has been done around the marketing of the products or creating outlets for the produce of community projects ( arts and craft projects being one of the biggest problem areas)
- There is limited coordinated marketing of the area. This also impacts on the linkages and integration between various tourism products and programmes. There are large distances between places that offer tourism information, these are not well maintained, linked or coordinated resulting in the tourist not getting access to the information they need. Generic marketing material is limited.
- The ECTB has decreased its involvement in the district area and it is not known what the role of EDCD is in tourism development. (It is believed that they have a role to play in this issue).
- There is very little being invested into tourism development. Where there has been investment by government in tourism development it has not necessary been sustainable, well planned and or executed.
- Tourism structures are fractured and are not meeting the desired output of a stimulated tourism industry
- The role of local and provincial government in tourism is still unclear and this is increasing the lack of direction in the sector.
- There is limited knowledge of the tourism value chain. Most people are focusing on accommodation and not looking at the wider issues of products, programmes, destinations and activities.
- As tourism is a new and underdeveloped sector there is not much money available with the industry in the district, nor within the public sector in the district to currently ensure that it is viable and sustainable. Investment tends to be in “projects” and not in the development of the industry as a whole. Without there being a large tourism market, the viability of especially community projects is compromised.

- Elundini could provide more accommodation. There are some areas such as Mount Fletcher that do not have any suitable accommodation for tourists. There is also the need for more higher income tourism establishments
- Safety and security for tourists while not currently a significant issue is one that needs to be addressed. This requires a coordinated programme as well as good links to the awareness programmes and capacity programmes.
- There is a lack of activity based tourism products that encourage tourists to stay longer as there is more to do.
- There is a lack of complimentary services catering for tourists and travellers such as garages (Elundini), restaurants, public toilet facilities, health practitioners, and banking services
- There is a general lack of awareness on tourism related issues within communities
  - The area does not make significant use of electronic media as marketing tools.
- Tourism evaluation is not taking place whereby it can be determined as to what are the needs of the market and the expectations of the tourist visiting the area
  
- Institutional Challenges
  - As tourism organisations are usually run by volunteers and the tourism industry is not yet a large money generator, it is difficult to keep people involved and driven, especially for issues that may not directly benefit their own tourism establishment. Lack of long term commitment to tourism is a significant serious challenge
  - There is a significant lack of skilled people - due to illiteracy level and this has an impact on the quality and type of tourism products. Related to this there is a vast need for capacitation. Linked to this should be a mentoring system so that skills are continually built and that there is a support system in place to assist those (ENTERING THE MARKET FOR THE FIRST TIME) new into the market
  - The public sector has still a limited involvement of in the industry and they do not have a track record of developing the institutional side of tourism
  - There is poor communication between structures and their constituencies leading to a lack of knowledge and coordination
  - There are few leaders within the tourism industry in the municipality at present and a number of followers. The followers often lack inspiration and drive to develop

- Networking between product owners could be improved, but this also links to the need for improved commitment, integration and collaboration of plans
  - Municipalities have not contributed much to the development of tourism in their areas despite local tourism being their powers and functions. Tourism seems to have to compete with funding for other
  - “more important” budget items get is a basis for the development of the economy
  - This lack of investment in tourism by municipalities and government is resulting in the deterioration of infrastructure and buildings which are National Monuments, heritage sites and or general tourist attractions;
  - Government investment is often piecemeal and tourism needs continuity of investments such as in events and programmes as it take time to market and create a market for such events and programmes
  - Marketing of the area by government seems to have deteriorated. ECTB seems to be focusing on the coastal areas, and **district marketing** has not effectively occurred
  - Poor quality basic services such as water, sanitation, electricity and waste removal impact on the overall impression tourists have of the area as well as the quality of service that can be provided
- Macro level challenges
    - The introduction of low-cost flights between Johannesburg and East London could result in fewer people driving through the area
    - The district is aware of alternative ski tourism related facilities being developed in Lesotho and this is expected to have a negative impact on the ski industry in the district area unless there are concerted efforts to improve access, length of stay and quality of services.
- Tourism Priorities 2010/2011:-  
The following priorities have been raised in terms of tourism
    - . Route Marking for Tourist Destinations
    - Marketing of Tourism Products through media tool and other Community Based Tourism Organisations

## **B. Areas of prioritised intervention**

As far as Local Economic Development is concerned, the Elundini Municipality intends to:

- Identify suitable land for afforestation
- Rehabilitate DWAF owned plantations
- Rehabilitate jungle wattle
- Feasibility study for value-adding enterprises (furniture and/or coffin making)
- Identify unique points eg heritage trail, dinosaur footprints
- Establish and strengthen local IGR structure
- Facilitate development of viable dry land cropping areas
- Facilitate development of viable commercial livestock potential
- Identify and register existing and new co-operatives
- Facilitate establishment and/or strengthening of Local Chamber of Business

## **2.5 GOOD GOVERNANCE AND PUBLIC PARTICIPATION**

### **2.5.1 POLITICAL GOVERNANCE**

The Elundini Municipal Council consists of 32 members in total, half of which were elected in terms of the system of proportional representation and the remaining councilors represent sixteen (16) wards. The Elundini Municipality has a collective executive system with a ward participatory system. The Executive committee is chaired by the Mayor and also consists of five (5) other members appointed by the Council on a proportional basis. The Mayor is also mandated with the responsibility of the IDP formulation and reviewal processes and tabling of this to Council.

The Executive Committee is the principal committee of the Council. It is the Committee which receives reports from the standing or portfolio committees of Council and it must forward these reports together with its recommendations to the Council when it cannot dispose of matters in terms of its delegated authority.

The chairperson of the municipal council is the honourable speaker. The council has defined the following role for the honourable speaker (over and above the role assigned by the Municipal Structures Act): -

- Leader of council in respect of the oversight function
- Custodian of the interests of the members of the municipal council
- Politically in charge of the community development workers' programme



- Responsible for the training and development of ward committees
- In terms of section 72 – 78 of the Municipal Structures Act, Council has established 16 ward committees which are chaired by their respective ward councilors. Each committee has 10 elected representatives although it is acknowledged that not all the elected members are still active.
- The ward committees are consultative community structures without any formal powers accorded to them. Where a ward committee is fully functional and effective, it is able to influence the decision taken in Council.

The Elundini Municipality has established five section 80 committees which are aligned to the administrative departments and are chaired by members of the Executive Committee.

## 2.5.2 INTEGRATED DEVELOPMENT PLANNING

Section 28 of the Municipal Systems Act 32 of 2000 municipalities must adopt a process set out in writing to guide the planning, drafting, adoption and review its IDP. In compliance with this provision the Elundini Municipality adopted its IDP/Budget process plan in August 2009. This plan defines the roles and responsibilities for all stakeholders in the IDP/Budget process; mechanisms and procedures for public participation; Action programme with schedule of deadlines or time frames.(see section A: Introduction and Background)

During the review period consultative stakeholder meetings were held guided by the municipality's process plan. The dates had to change as new developments unfolded but means to publicise and invite all stakeholders were used as the *appended* attendance registers will show:

Table: Consultative Meetings: Review 2010/11

No	TYPE OF MEETING	DATE
2	1 <sup>st</sup> Rep. Forum (draft process plan)	30 July 2009
3	Budget Steering Committee	
4	Community Based Planning- (Ward Based)	14 – 18 September 2009
5	2 <sup>nd</sup> Rep Forum	10 November 2009
6	Budget Steering Committee	
	3 <sup>rd</sup> IDP Rep Forum	25 February 2010
7	IDP/ Budget Community Outreach	08 -15 March 2010
8	IDP/Budget Steering Committee	17-19 March 2010

### 2.5.3 MECHANISMS AND PROCEDURES FOR PUBLIC PARTICIPATION IN THE PLANNING PROCESS

One of the main features about integrated development planning and budget process is the involvement of community and stakeholder organizations in the process. This ensures that the IDP addresses the real issues that are experienced by the citizens. The constitution stipulates that one of the objectives of municipalities is “to encourage the involvement of communities and community organizations in the matters of local government”. The White Paper on Local Government also put emphasis on public participation. Through the municipal Systems Act participation in the decision making processes of the municipality is determined to be a right of communities, residents and ratepayers. Integrated development planning is emphasized as a special field of public participation.

- *Participation Mechanisms*
  - Use of IDP Representative Forum to verify data & add additional data.
  - Use of Councilors to call meetings to keep communities informed on the IDP process (including CDW's and Ward Committees).
  - Published annual reports on municipal progress.
  - Newspaper advertisement to inform communities of the progress.
  - Pamphlets and booklets on IDPs.
  - Making the IDP document available for public comments.
  - Making the IDP document available to all members of the public.
  - Outreaches by Elundini Municipality to communities and Stakeholders.
  - Use of loud hailers to invite communities to meetings.
  
- *Participation Mechanisms for Different Phases*

#### A. *Appropriate Language Use*

English will be used as the medium language. However, in community meetings where most people speak Xhosa and Sesotho, their language will be used.

#### B. *Appropriate Venues, Transport and Refreshments*

Steering Committee meetings will be held in Maclear. Representative forums will be held at appropriate venues. The Elundini Municipality will be responsible for the transportation of ward committees,

Traditional Leaders and any designated groups. Refreshments will be provided at the discretion of the Municipal Manager.

The Public Participation Process founded for the IDP Process, included a series of meetings, workshops and community road show to ensure that wide consultation and stakeholder involvement is completed.

#### *C. IDP Representative Forum*

This forum meets at least 4 times a year to discuss progress achieved on implementation as well as to give direction around the needs and requirements for the future. The provincial departments and some national departments participate in this forum. The biggest challenge is the obvious misalignment of the

#### *D. Community Based Planning*

Community Based Planning is a tool that is used to enhance participation of communities in local developmental processes. It is introduced to encourage ownership by communities in any development initiative. The output of this process is a ward plan. CBP is an Integrated Development Plan at local level modelled on the Municipal IDP based on participatory planning processes, at ward level. The phasing of CBP development is such that the micro outputs of the CBP process are inputs to the IDP process. The CBP processes are brought into the IDP process through the participation of the Local and the District Municipality. The implementation of the CBP; once developed, helps to improve local development and hence changes the nature of future IDP's.

As reflected in the Systems Act of 2000; section 16 emphasises the importance of community participation in their own development. Thus, community involvement in identifying their development needs and priorities is a critical process towards ensuring credible Integrate Development Plan (IDP). For Public Participation to be effective, the focus should be on local issues, as informed by communities, as this allows them to participate actively and even support them in developing localised solutions. This process allows people in enhancing their awareness of issues affecting their lives and to take action and

in the process strengthens their potential and for both development agents and communities develop partnership in decision-making.

Elundini embarked on the Community Based Planning exercise on the 14 -17 September 2009. In carrying out the Community Based Planning in Elundini Local Municipality, all ward Councillors and managers were trained in CBP framework and Participatory Rural Appraisal tools. Teams from the wards were identified and consisted of a Community Development Worker, Ward Committees and the team leader was the Ward Councillor.

All localities were mobilized to participate in the identification of issues and priorities. In ensuring that there is effective participation of all communities, there was clustering of the localities and was done per close proximity. Thus, clusters for this ward were identified, namely. All issues raised in these clusters are reflected as well as per their respective plans. Various PRA tools were used to collect information from local people and to ensure participation of local people.

All issues from localities and social groups are consolidated at a ward level workshop so as to identify ward priority needs. Representatives from the various localities attended a ward level workshop together with ward committee and all trained team members.

#### *E. IDP/Budget Ward Based Outreach Programme*

Community and Stakeholder involvement is a prominent feature of governance in Elundini Municipality. In reviewing the IDP/Budget for 2010/2011 financial year, the ELM embarked on a ward based community outreach programme on the 08 to 15 March 2010

#### *F. Website Development*

The Municipality has a well developed and fully maintained municipal website.

### **2.5.4 INTER-GOVERNMENTAL RELATIONS**

Elundini looks at the political governance and administration within the institution as follows:

#### 2.5.4.1 DISTRICT MAYORS FORUM: DIMAFU

The District Mayors Forum of Joe Gqabi sits quarterly to align key programmes and issues between municipalities. DIMAFU is a Section 79 Committee. This is a special committee of council made up of councillors (in this case the Mayors of the local municipalities and the Executive Mayor) that deals with issues within the Municipal Managers office (communications, IGR, Special Programmes dealing with Women, Youth, Disabled, People living with Aids, Elderly and Children) as well as internal audit functions. Key elements that form part of the performance of the municipal manager also form part such as statutory compliance issues.

#### 2.5.4.2 SALGA WORKING GROUPS

SALGA Working Groups have also been established in the District municipality that form a topic based link between local municipalities and the district municipality. These working groups aim toward linking to the provincial and national government cluster structures and form a good base for cooperative debate and discussion. The Municipal Services Working Group and the group dealing with administration, human resources are functioning the best.

The working groups coordinated programmes between the district and local municipalities, formulated positions for reporting into the provincial Salga Working Groups, and generally focused on building better relations and integrated programmes between the District and Local Municipalities.

#### 2.5.4.3 TRADITIONAL LEADERSHIP - PARTNERSHIPS

The Municipal Communication Strategy addresses the mechanisms that the institution will communicate and ensure involvement of Traditional Leaders in the municipal planning and implementation of programmes and policies that affect them and their communities.

Furthermore the municipality has embarked on a programme of the Mayor's Conversations with Stakeholders. This programme identifies target groups and sectors and is a platform for relationship building, information sharing and possible partnership formations towards implementation of priority programmes of the municipality as reflected on the strategic framework of the municipality.

#### 2.5.5 MAINSTREAMING OF SPECIAL GROUPS

The Special Needs Unit (SPU) in Elundini is responsible for initiating programme that target specific focus groups. These groups include women, youth, elderly and the disabled.

### *2.5.5. 1 Youth*

The Elundini Youth Council was launched on the 10th of May 2007. Economic issues are high on the agenda of the youth, with a strong focus on skills development and empowerment. The youth development Plan has been developed and adopted by Council. This plan outlines youth programmes that the municipality intends to embark on to use sport among other things as the main strategy for Youth development as well as a detailed programme for youth activities in Mt. Fletcher Youth Centre.

### *2.5.5.2 Women and Gender Mainstreaming*

Various women formations have been established in Elundini, these being:

- Women's caucus
- Women Economic Empowerment,
- Women in Construction
- Women in Agriculture
- Women in Church
- Women in NAFCOG
- Women Traditional Leaders
- Young Women network

The Gender Mainstreaming plan for the municipality was adopted by council in 2009. The mainstreaming plan has been submitted to all municipality's department for alignment and compliance purposes. The LED unit has successfully established Elundini Women's Cooperative. Equity targets have been set on the institutional scorecard and the institution has met and exceeded the 50/50 national equity target the managerial staff level.

### *2.5.5.3 HIV/AIDS*

Prevalence of HIV/AIDS is the highest in the DM possibly because the Elundini Municipal area counts for 40% of the population in the district. The HIV /AIDS programme is politically championed by LED portfolio council, whilst administratively placed under the office of the municipal manager. The Local AIDS Council and Task team have been launched in 2009. HIV/AIDS strategic plan has been developed and adopted by council. The establishment of ward based HIV/AIDS forums has begun and the induction of these structures is underway.

## 2.5.6 COUNCIL OVERSIGHT ROLE

### 2.5.6.1 AUDIT COMMITTEE

The Audit Committee of the Elundini Municipality has been established in terms of section 166 of the Municipal Finance Management Act, No 56 of 2003, and performs its functions in terms of the Elundini Municipality Audit Committee charter.

### 2.5.6.2 OVERSIGHT COMMITTEE

The decision to establish a permanent oversight committee was taken in the council meeting held on 27 March 2009. Prior to this meeting, the oversight committee had been appointed on an ad hoc basis only to develop an oversight report on the annual report, after which it would be disbanded.

## 2.6 INSTITUTIONAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT

Municipal Administration Environment is usually made up of two key legs i.e. financial and corporate administrations.

### 2.6.1 Stability of administration

The municipality has managed to fill Assistant Managers' post and has appointed six assistant managers as per revised organisational structure 2008/2009. The Assistant managers are designated as follows:

Assistant Manager: IDP & PMS

Assistant Manager Executives Support

Supply Chain Manager

Assistant Manager: Budget & Treasury

Assistant Manager: Human Resources

Assistant manager: Administration

### 2.6.2 Financial administration

The municipality has managed to put in place systems that support good financial management practices. Among the important milestones, is the ongoing training of staff on the utilisation of the financial management systems as well as the timeous distribution of customer bills.

Critical challenges remain being the collection of revenue as well as the cleansing of the central database.

### 2.6.3 Corporate Administration

Corporate administration of municipalities can be divided into management systems and structure, human resource management (including organisational structures, union relationships, management structures, discipline), skills development, legal services, communication, council support services, information technology and auxiliary services (including building management, pool car management).

There is a functional local labour forum in place and the municipality has recently launched its website.

The Registry management system is being developed and the post of switchboard operator is currently filled.

### 2.6.4 POWERS AND FUNCTIONS

The Constitution indicates that the objects of local government are:

- To promote democratic and accountable government for local communities
- To ensure the provision of services to communities in a sustainable manner
- To promote social and economic development
- To promote a safe and healthy environment and
- To encourage the involvement of communities and community organisations in the matters of local government

Within this constitutional role, powers and functions have been defined in terms of the Local Government Municipal Structures Act as amended.

#### *A. Functions of municipalities*

The municipalities had interaction during the latter part of the 2006 year to discuss the Section 84 functions as included in the Municipal Demarcation annual questionnaire.

**Powers and Functions of District and Local Municipalities**

Function	Joe Gqabi	Local Municipality
Air pollution	Yes	Yes
Building regulations		Yes
Child Care facilities		Yes
Electricity reticulation	(unknown until REDZ finalized)	
Fire Fighting	Yes as per regulations	Yes
Local Tourism	Yes as per white paper	Yes
Municipal airports		Yes
Municipal Planning	Yes	Yes
Municipal Health Services	Yes	Yes
Municipal Public Transport	Regulation	Yes
Pontoons and Ferries		n/a
Storm water		Yes
Trading regulations		Yes
Water (potable)	Yes	
Sanitation	Yes	

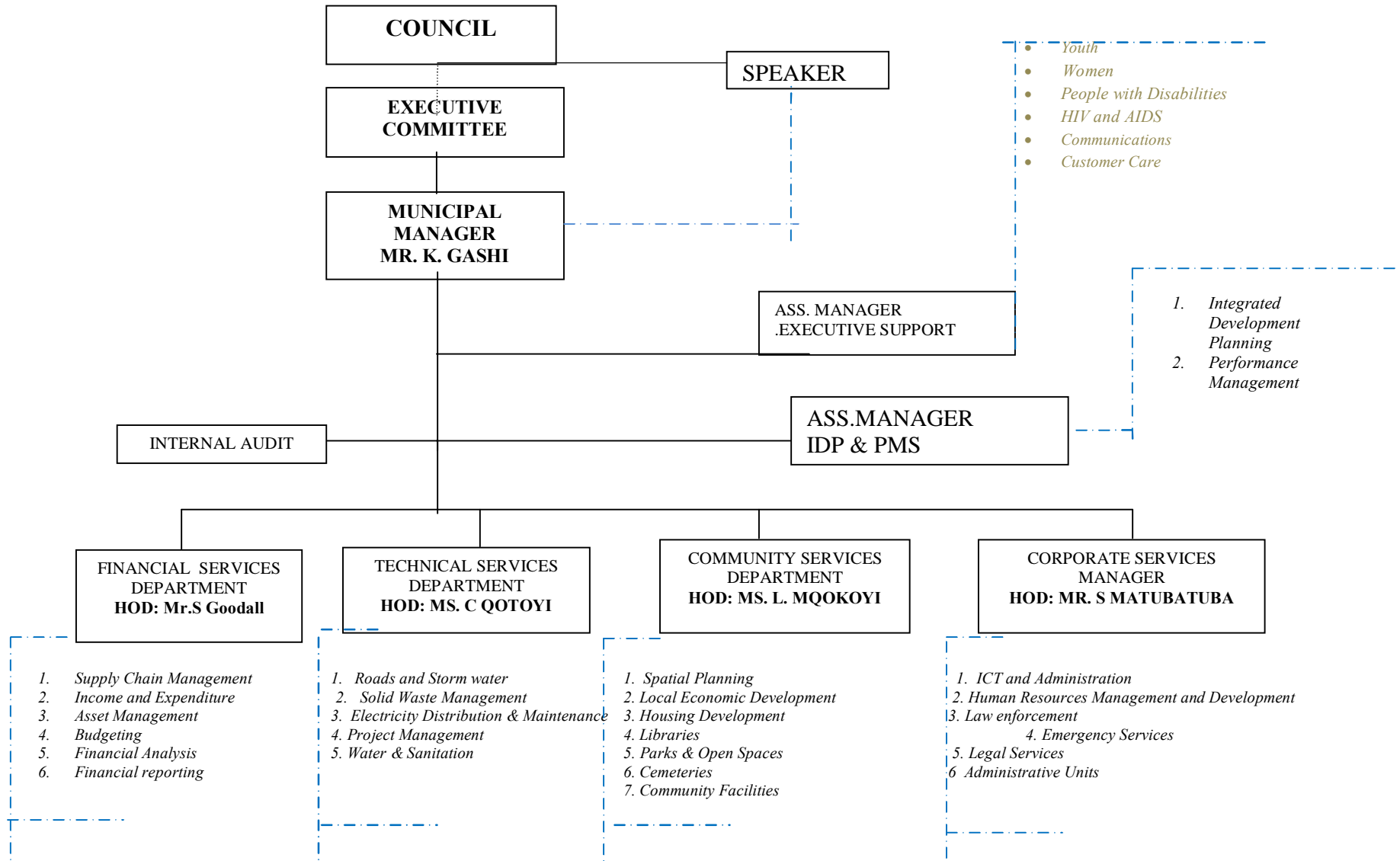


Function	Joe Gqabi	Local Municipality
Schedule 5 part b		
Beaches and amusement facilities		No
Billboards and the display of adverts in public places		Yes
Cemeteries, Crematoria and funeral parlours		Yes
Cleansing		Yes
Control of public nuisances		Yes
Control of undertakings that sell liquor to the public		Yes
Facilities for the accommodation, care and burial of animals		Yes
Fencing and fences		Yes
Licensing of dogs		Yes
Licensing and control of undertakings that sell food to the public		Yes
Local amenities		Yes
Local sport facilities		Yes
Markets		Yes
Municipal abattoirs		Yes
Municipal parks and recreation		Yes
Municipal roads	Yes	Yes
Noise pollution		Yes
Pounds		Yes
Public places		Yes
Refuse removal, refuse dumps and solid waste disposal		Yes
Street trading		Yes
Street lighting		Yes
Traffic and parking	Yes	
<b>Additional agency functions performed</b>		
Licensing of vehicles		Yes
Primary Health Care	Yes	Yes
Road maintenance	Yes	

## 2. ELUNDINI ORGANISATIONAL STRUCTURE OVERVIEW

The Municipality has recently reviewed and approved its new institutional organogram in 2008. A key principle for aligning the organogram and the budget to this IDP is as follows: There should be some alignment between the District and local municipality organograms to facilitate improved IGR and support to local municipalities. For the review 2010/2011, the institutional organogram has been revised to ensure alignment with the IDP set objectives per department. The complete organizational structure is attached as an appendice to this document. Below is the macro level organizational structure of Elundini Municipality at the time of the drafting this revised IDP.

### 3.5 MACRO LEVEL ORGANISATIONAL STRUCTURE



The 2005 assessment reflects that the staff per capita ratio in the Elundini Municipality (EC143) is the highest of all of the municipalities within the district area. The staff per capita ratio is 997 persons per municipal official.

*Table indicating the Annual Staffing Levels 2002 – 2005 (Actual Results)*

MDB Code	Municipality Name	Employees 2007	Employees 2008	Employees 2009	Employees 2010
DC14	Joe Gqabi District Municipality	364	424	318	394
EC141	Elundini Municipality	148	164	146	138
EC142	Senqu Municipality	131	152	171	164
EC143	Maletswai Municipality	254	248	256	280
EC144	IGariep Municipality	223	199	181	161

*Table indicating the staffing level percentage change and per capita results*

MDB Code	Municipality Name	Staffing % change 2002 to 2003	Staffing % change 2003 to 2004	Staffing % change 2004 to 2005	Staff per capita ratio 2002	Staff per capita ratio 2003	Staff per capita ratio 2004	Staff per capita ratio 2005
DC14	Joe Gqabi District Municipality	16.48%	-25.00%	23.90%	938	805	1073	866
EC141	Elundini Municipality	10.81%	-10.98%	-5.48%	930	839	942	997

## PROPOSED STAFFING LEVELS

DEPARTMENT	PROPOSED STAFF COMPLIMENT	CURRENT STAFF COMPLIMENT
MM'S OFFICE		
CORPORATE SERVICES		
TECHNICAL SERVICES		
COMMUNITY SERVICES		
FINANCIAL SERVICES		

### 2.7.3 INSTITUTIONAL (HR) POLICY DEVELOPMENT

The Elundini Municipality is in the process of formulating, review and updating the following HR policies:

- Recruitment and Retention Strategy
- scarce Skills Policy
- Performance Management Policy

## 2.7.4 EMPLOYMENT EQUITY

Figure 14 below provides an overview of employment equity in terms of race, gender, disabilities and management (Section 57 Managers)

Figure 14: Employment Equity

Racial Classification	Males	Females	Total	Percentage-racial grouping (%)
Africans	135	62	197	93,8
Coloureds	6	0	6	2,9
Indians	0	0	0	0
Whites	4	3	7	3,3
	145	65	210	100
Percentage – Gender Distribution	69,0	31,0	100	

Source 2008/09 Annual Report

## 2.7.5 SKILLS DEVELOPMENT AND TRAINING

The skills Development Plan was adopted by Council . The Elundini Work Place Skills Development plan was submitted to the department of labour on the 15 January 2010.

The focus within the municipality, in terms of skills development, should be on overcoming the following challenges:

- Identification of scarce and critical skills within the institution;
- Career education and development; and
- Basic literacy education, e.g. ABET

# SECTION C: DEVELOPMENT STRATEGIES

---

This section deals with the following:

- Strategic Framework of Elundini Municipality
- Municipal Vision;
- Municipal Mission;
- Alignment of KPA's with Programmes.

## 3.1 Municipal Vision

The Elundini Local Municipality has set a vision and mission to provide strategic direction for all planning and service delivery in the Municipality. The Elundini Municipality's vision sets out a simple statement of intent that directs context for the development and elaboration of its core functions and the formulation of appropriate strategic goals and objectives. In the review of strategies, Elundini Municipality has revised its Vision and Mission.

The vision of the Elundini Municipality is to achieve, over time: -

"A better quality of life for all citizens"

## 3.2 Elundini Mission

In order to work to achieve the above vision – a better quality of life for all – the

Elundini Municipality has defined its mission as follows:

"To deliver basic services to communities in order to improve their lives through an efficiently managed institution that is committed to change the socio-economic landscape by investing in infrastructure, human resources development and promoting enterprise development"

### 3.3 Strategic Framework: Elundini Local Municipality:

The strategic approach adopted by the Elundini Municipality (refer to the Strategic Framework mind map diagram below) involves placing emphasis on developing and transforming the institution in order to attain the vision of “Rural Development for Human Development”.

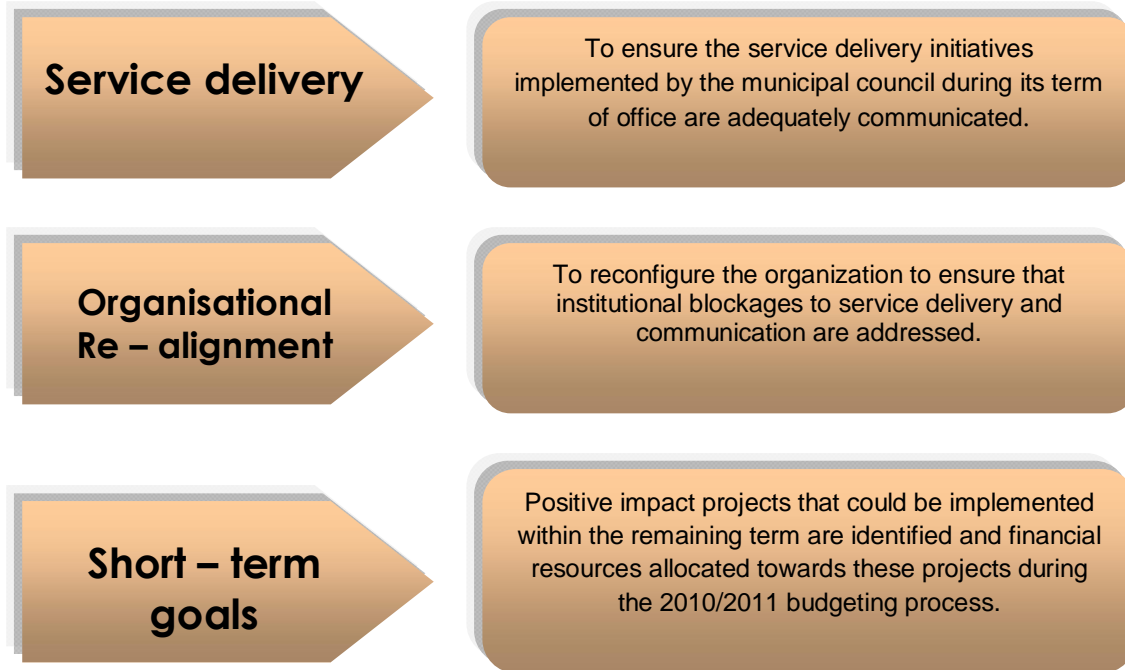
The second strategic approach will involve addressing Basic Service Delivery in areas of greatest need and in support of local economic development opportunities.

The municipal area contains many opportunities for Local Economic Development and the strategic intervention seeks to focus on four key interventions.

For Elundini Municipality to achieve the above mentioned strategies, it will be crucial for it to achieve improved Financial Management and Viability.

Whilst not abandoning the strategic objectives as articulated in the Strategic Plan of 2008, the municipality has reviewed its strategic intent for financial year 2010/2011 . The Strategic direction and goals included in this plan are Elundini Municipality’s response to understanding that an effort is needed to accelerate service delivery and communication of these efforts and service delivery achievements that the council has achieved during the rest of its term.

The revised strategic direction for Elundini Municipality is informed by the following broad strategic objectives.



### 3.4 Factors Informing the review of the Municipality's Strategy for 2010/2011

The underpinning objectives for the review of the strategic focus can be summarised as follows:

- A. To review the Municipality's current strategic plan framework in order to interrogate the following issues:
  - What have we done well,
  - Where have we lacked focus,
  - What is the overall effectiveness of our organisation (the Municipality) to fulfil its mandate, judging from our performance in the past,
  - What have been the organisational inhibitors of strategic connection within the municipality,
- B. To identify priorities and strategic objectives for the municipality for the period under review and to assess its capacity to deliver on these,
- C. To review organisational structure of the Municipality and ask the following strategic questions:
  - What kind of an organisational architecture does the municipality require to fulfil the attainment of the priorities and strategic objectives for the period under review?
  - How is the current structure similar and different to the envisaged organisational architecture?
  - What can be done to align the current structure to the new architecture?
  - What are the challenges for achieving the alignment?
- D. To develop and frame a strategic plan (as well as an implementation and concomitant monitoring and evaluation component) for Municipality for the next 18 to 24 months which is .the remaining term of council

The Following are the Strategic Frameworks completed per KPA of the municipal managers and informing the revised institutional scorecard for the financial year 2010/2011.

#### 1. Elundini Institutional Transformation Strategic Framework

This intervention would strive to achieve the goal of a highly capacitated and productive workforce, with upgraded capacity and productivity necessary to meet their challenges.

Institutional development hinges greatly on having improved ICT Systems and investing in necessary infrastructure, offices, furniture and equipment, enabling the institution to function more efficiently. A special focus will be paid to offices in all administrative units, especially the satellite offices

KPA 1: INSTITUTIONAL DEVELOPMENT AND ORGANIZATIONAL TRANSFORMATION

STRATEGIC OBJECTIVE	PERFFORMANCE INDICATOR	REPORTING CYCLE
1. Achieve a highly motivated, capacitated and productive workforce by 30 JUNE 2011 :		QUARTERLY
2. Improved ICT Systems:		QUARTERLY
3. Increase focus on special groups:		QUARTERLY
4. Enhance the capacity of administrative units to service communities		QUARTERLY



## KPA 2: BASIC SERVICE DELIVERY

STRATEGIC OBJECTIVE	PERFORMANCE INDICATOR	REPORTING CYCLE
<p>1. Well maintained infrastructure, equipment and machinery;</p>	<ul style="list-style-type: none"> <li>• Preparation of maintenance plan and schedule for service delivery infrastructure</li> <li>• Improved Roads and Storm Water Maintenance:</li> <li>• Formulate a plant utilisation policy;</li> <li>• Upgrade the existing maintenance team;</li> <li>• Prepare a storm water maintenance plan</li> </ul>	<p>QUARTERLY</p>
<p>2. Provision of continuous and clean water supply in the towns of Elundini Municipality</p>	<p>Align to general kpi a,c,d)</p>	<p>QUARTERLY</p>

<p>3. Integrated Development through MIG Funding:</p>	<ul style="list-style-type: none"> <li>i. Achieve 100% expenditure on the Municipal Infrastructure Grant by June 2011</li> <li>ii. Identify and Implement Social and Public Infrastructure projects by</li> <li>iii. Develop a framework for identification, evaluation and prioritization of Capital Projects.</li> <li>iv. establishment of Budget Steering Committee/ Terms of Reference.</li> </ul>	<p>QUARTERLY</p>
<p>4. Provide sustainable electricity and alternative energy by 2014:</p>	<ul style="list-style-type: none"> <li>a. implementation of the home solar panels in the affected rural areas</li> <li>b. continuous functioning of street lights in urban areas.</li> <li>c. align to kpi a, c &amp; d)</li> </ul>	<p>QUARTERLY</p>
<p>5. Protection of Electricity resources:</p>		<p>QUARTERLY</p>
<p>6. Facilitate Housing delivery</p>		<p>QUARTERLY</p>
<p>7. Integrated Solid Waste Management</p>	<ul style="list-style-type: none"> <li>o A clean and healthy environment</li> <li>o compliance to conditions of the permits for the</li> </ul>	<p>QUARTERLY</p>

Solid Waste Sites

- Alignment of the Section 78 process with the recycle and solid waste management plants in Ugie and Mt. Fletcher initiative by DEDEA.
- 

**KPA 3: LOCAL ECONOMIC DEVELOPMENT**

STRATEGIC OBJECTIVE	PERFORMANCE INDICATOR	REPORTING CYCLE
1. Implement the LED Strategy:	<ul style="list-style-type: none"> <li>• sustainability of LED projects</li> <li>• Creating timber value adding initiatives</li> <li>• Sustainable Rural Development in collaboration with agencies like ECATU, ASGISA</li> </ul>	
2. Set Elundini as the preferred Tourist Destination	<ul style="list-style-type: none"> <li>• Identify and promote a unique selling product that would establish Elundini as a preferred destination by September 2010</li> <li>• Package and market Elundini Tourism attractions to target groups by June 2011.</li> </ul>	
3. Business and Enterprise development:	<ul style="list-style-type: none"> <li>• Improved co-operatives and SMME support and participation</li> <li>• Strengthened relations with the Business Chamber.</li> <li>• Alignment of the SCM preferential goals/points to promote SMME development.</li> <li>•</li> </ul>	

- **Elundini Financial Management and Viability Strategic Framework**

Key strategic interventions are in the areas of enhanced financial planning and management, accuracy and completeness of billing to maximise revenue potential and, effective debt management and collection systems.

The strategic framework also requires that the municipality will ensure alignment of economic and municipal development needs through appropriate implementation of policies.

The municipality will introduce measures to ensure an unqualified audit and legislative compliance, compliance with the Municipal Finance Management Act (MFMA) and implementation of GRAP.

Finally, the financial strategy will involve the development of a procurement target setting framework, aligned with national and provincial empowerment goals.

KPA 4: FINANCIAL MANAGEMENT AND VIABILITY		
STRATEGIC OBJECTIVE	PERFORMANCE INDICATOR	REPORTING CYCLE
1. Enhanced Financial Planning and Management by 30 June 2011	<ul style="list-style-type: none"> <li>• implementation of the budget reform programme</li> <li>• Develop and Implement a long term financial plan</li> </ul>	QUARTERLY
2. Implement Revenue Enhancement Strategy by 30 June	<ul style="list-style-type: none"> <li>• Accuracy and completeness of billing to maximize revenue potential</li> <li>• effective debt management and collection systems</li> </ul>	QUARTERLY
3. Ensure that economic and municipal developmental needs are aligned through policies:	<ul style="list-style-type: none"> <li>• Review and update all finance related policies for relevance and compliance with pertinent legislation</li> </ul>	QUARTERLY

Q

<p>4. Achieve an unqualified audit report :</p>	<p>a. Address matter identified within the audit report</p> <p>b. Implement appropriate internal control systems</p> <p>c. Aligned Roles and Responsibilities within the institution</p>	<p>QUARTERLY</p>
<p>5. Ensure Legislative compliance:</p>	<ul style="list-style-type: none"> <li>• Ensure compliance with the MFMA and DORA.</li> </ul>	<p>QUARTERLY</p>
<p>6.</p>	<ul style="list-style-type: none"> <li>•</li> </ul>	
<p>7. Develop a procurement target setting a framework aligned to National, Provincial and <i>Local</i> empowerment goals:</p>	<ul style="list-style-type: none"> <li>• Revised Supply Chain Management Policy Frameworks</li> </ul>	<p>QUARTERLY</p>

### Good Governance and Public Participation Strategic Framework

Underpinning the above, main strategic focus is on implementing Gender Mainstreaming, implementation of the Youth Development Plan, focussing on addressing HIV and Aids.

Good Governance and effective Public Participation are key strategic focus areas to be enhanced by four main interventions. Firstly, it is considered essential to strengthen the oversight of Council.

The opportunities presented by the availability of Community Development Workers (CDW'S) will be utilised more effectively through integrating CDW activities into the mainstream of the Elundini Municipal operations. In order to attain effective participation of the communities it is proposed to entrench public participation as a development mandate of the municipality and, encourage proper inter-governmental relations improvement efforts for the Elundini Municipality. Revised strategies 2010/2011 for KPA 4 are summarised below:

**KPA 5: GOOD GOVERNANCE, TRANSPARENCY AND PUBLIC PARTICIPATION**

STRATEGIC OBJECTIVE	PERFORMANCE INDICATOR	REPORTING CYCLE
<p><b>1. Strengthen the oversight role of Council</b></p>	<ul style="list-style-type: none"> <li>• Develop and implement a Mandate Framework for the municipality’s representatives to the Joe Gqabi District Municipality</li> <li>• Ensure that the Audit Committee submits reports to the municipal council</li> <li>• Ensure that the municipality’s oversight committee meets as determined in its terms of reference</li> <li>• Implementation of Risk Management Committee</li> </ul>	<p>QUARTERLY</p>
<p><b>2. Entrench public participation as a developmental mandate of the Elundini Municipality</b></p>	<ul style="list-style-type: none"> <li>• Ensure Social Facilitation for all municipal projects and programmes</li> <li>• Ensure that ward committees are able to meaningfully influence the decision making processes in council.</li> </ul>	<p>QUARTERLY</p>
<p><b>3. Improve Strategic Communications</b></p>	<ul style="list-style-type: none"> <li>• Publish Local Newsletter at least 4 times per year</li> <li>• Rebranding of municipality to entrench the Batho Pele principles</li> </ul>	<p>QUARTERLY</p>

### 3.1 Alignment with Policies and other Planning Initiatives:-

To enable organization and developmental strategic goals and objectives, the Elundini Municipality aligns development and planning with three key policy imperatives and government development-framework for municipalities, these are:

- Five year Local Government agenda with its five key performance areas.
- Provincial Government and Development Plan (PGDP) aligned strategic goals for Joe Gqabi District and Elundini Municipality.
- District Growth and Development Summit Resolutions.
- Local Government Turn Around Strategy
- Rural and Agrarian Development Strategy

#### 3.1.1 Five Year Local Government Strategic Agenda:-

This is a response to the presidential directive of three strategic priorities to be implemented in support of local government. These are:

- Mainstreaming hands on support to Local Government to improve municipal governance, performance and accountability.
- Addressing the structure and governance arrangements of the state in order to better strengthen, support and monitor.
- Refining and strengthening the policy and fiscal environment for Local Government and giving greater attention.

Mechanism to achieve these strategic priorities is through five Key Performance Areas that have been set for uniform applicability and assessment. It is thus important to note them, as a constant reminder for our consistency in development implementation.

#### **Key Performance Areas (KPA's)**

***KPA 1: Municipal Transformation and Institutional Development***

***KPA 2: Service Delivery and Infrastructure***

***KPA 3: Local Economic Development***

***KPA 4: Municipal Financial Viability***

***KPA 5: Good governance, Public Participation, accountability & transparency.***

- **Components of Five Key Performance Areas (KPA's)**

The following are the Objectives of the 5 Key Performance Areas (KPA's) set in terms of the 5 year local government strategic agenda that responds to the Presidential call for streamlining support to the Municipalities to enhance service delivery and better life for all.

<p><b>KPA 1</b></p>	<p><b>Municipal Transformation &amp; Institutional Development</b></p> <p>This KPA refers to the following <b>objectives</b>: -</p> <ul style="list-style-type: none"> <li>• Ensuring an appropriate organisational design (organogram) that fits in with the roles, powers and functions assigned to the Municipality</li> <li>• Working towards employment equity in the Municipality</li> <li>• Focusing on HR skills development</li> <li>• Improving Integrated Development Planning processes and outcomes</li> <li>• Developing and implementing an appropriate Performance Management System</li> </ul>
<p><b>KPA 2</b></p>	<p><b>Improve Service Delivery &amp; Infrastructure Investment</b></p> <p>This KPA refers to the following <b>objectives</b>: -</p> <ul style="list-style-type: none"> <li>• Working to improve levels of service delivery for water and sanitation services</li> <li>• Working to improve levels of service delivery for electricity (energy)</li> <li>• Ensuring an appropriate system is in place for Solid Waste Management</li> <li>• Integrating Environmental Management processes into development activities</li> <li>• Working to improve levels of service for the road network under the jurisdiction of the Municipality</li> <li>• Working to address housing backlogs</li> <li>• Integrating spatial planning into development activities and ensuring a process aimed at urban efficiency</li> <li>• Working to improve levels of provision of Community Facilities</li> </ul>
<p><b>KPA 3</b></p>	<p><b>Local Economic Development</b></p> <p>This KPA refers to the following <b>objectives</b>: -</p> <ul style="list-style-type: none"> <li>• Focusing efforts on enabling economic growth based on identified sectoral development potentials</li> <li>• Addressing poverty through poverty alleviation initiatives in collaboration with other spheres of government</li> <li>• Ensuring that LED strategies and individual projects are designed so as to realise maximum job creation, preferably on a sustainable basis</li> </ul>

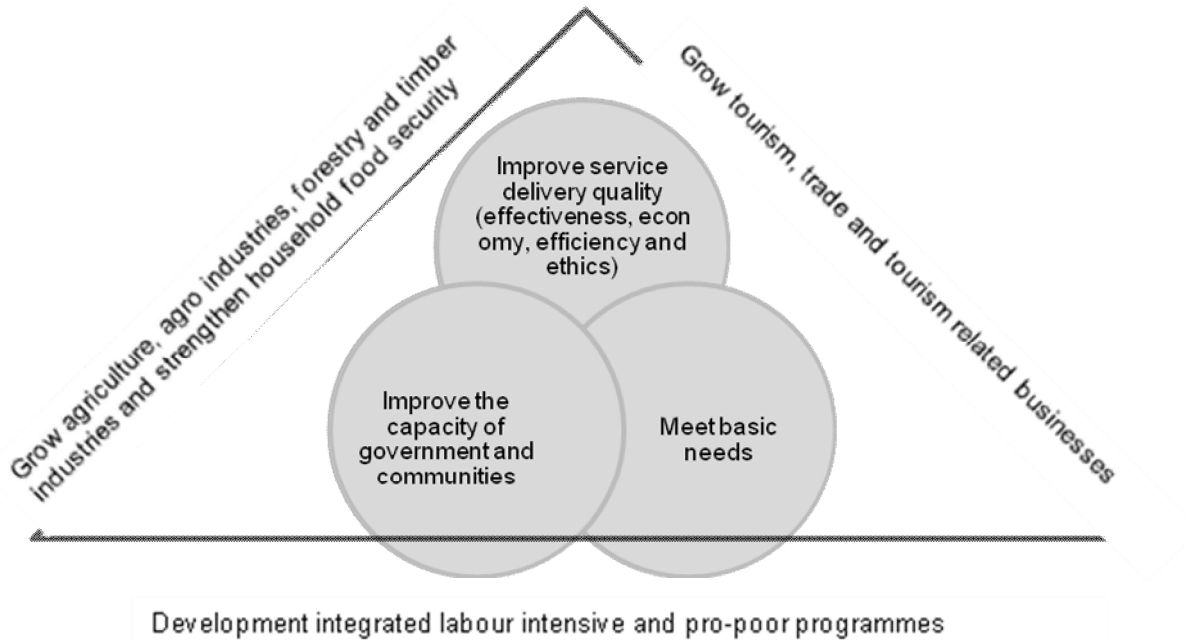


<p><b>KPA 4</b></p>	<p><b>Improve Financial Viability and Financial Management</b></p> <p>This KPA refers to the following <b>objectives</b>: -</p> <ul style="list-style-type: none"> <li>• Working to improve the financial viability of the Municipality by setting appropriate financial controls and systems in place</li> <li>• Ensuring effective Grant expenditure and financial management</li> <li>• GRAP compliance</li> <li>• Compliance with the Municipal Finance Management Act (MFMA)</li> <li>• Setting in place appropriate credit control measures and debt collection provisions</li> </ul>
<p><b>KPA 5</b></p>	<p><b>Strengthen Good Governance, Community Participation &amp; Ward Committee Systems</b></p> <p>This KPA refers to the following <b>objectives</b>: -</p> <ul style="list-style-type: none"> <li>• Complying with Municipal legislation</li> <li>• Developing appropriate by-laws</li> <li>• Setting in place Internal Audit and Risk Management systems</li> <li>• Strengthen public participation and provide effective support to the Ward Committee system</li> <li>• Improving communication (with communities and other organs of state)</li> <li>• Management of Municipal institutions to be based on the Batho Pele principles.</li> </ul>

In order for Elundini to achieve its developmental mandate as set out in the Constitution; meaningful participation and contributions of the community, all spheres of government, traditional authorities and non state sectors are key. This allows for development of realistic and achievable objectives and priorities for the five year term of this Integrated Development Plan. With stronger intergovernmental relations, good leadership both politically and administratively will certainly improve our institutional operations for sustainable development. Our programme plan and projects will be tracked and monitored – thus ensuring accountability of the institution to the communities.

### 3.1.2 Provincial Growth and Development Plan (PGDP) Aligned Strategic Goals for Joe Gqabi and Elundini

The adopted development strategy for Joe Gqabi district is based on six overarching goals. Three are strongly connected to economic development and three are connected to service delivery and poverty eradication. Elundini municipality is *committed to these strategic development goals*.



The overall goal for Elundini is to change the lives of all its communities for the better,

and to bring in more investment to the area. This will have an alleviating on poverty through retention of existing job opportunities as well as creation of a conducive environment to attract new investments that will create new job opportunities.

The three economic growth strategic goals are:

*Growing agrarian development, forestry and related timber industries, and household food security programmes;*

*Growing tourism, trade and related business development programmes; and*

*Developing integrated labour intensive and pro-poor development programmes.*

The three strategic goals relating to service delivery and poverty eradication are:

*Improving service delivery quality (effectiveness, economy, efficiency, and ethics);*

*Meeting basic needs; and*

### *Improving the capacity of local government and communities.*

In order to stimulate the Elundini economy to fight poverty and increase economic benefits, there needs to be a supportive environment. This will be achieved through the Municipality supporting existing business and helping the establishment of new community-based enterprises, enhancing social development programmes whilst working collaboratively with the Joe Gqabi DM and other spheres of government.

For this to happen, the Municipality will have to focus on increasing its economic development support capacity, co-ordinating economic effort, participating in District marketing initiatives, and facilitating access to funding.

It is emphasized that poverty eradication will only be achieved through a co-ordinated effort focused on the outstanding development opportunities in the agriculture and tourism sectors. Land reform and productive land projects, and skills and mentorship initiatives are fundamental to achieving this strategy.

- District Growth and Development Priorities

Based on the identification of development priorities in its district Analysis, and the formulation of responsive development goals and objectives, the Joe Gqabi District Municipality has proposed eight “Priority Programmes” to drive growth and development in the District over the next five to ten years. These priority programmes were endorsed by all the social partners at the Joe Gqabi District Growth and Development Summit, held in February 2007, and is all relevant to Elundini Municipality. These are:

- The Timber Programme
- The Tourism Programme
- The Agriculture Programme
- The Water and Sanitation Programme
- The Municipal Services Upgrading Programme
- The Access and Linkages Programme
- The Social Safety Net Programme
- The Governance Programme

The Growth and Development Summit priorities are to be localized in terms of key priority areas as explained earlier. These will be part of Elundini Municipalities Three– Year Implementation, the Service Delivery Budget Implementation Plans.

### 3.5 Alignment of KPA’s with programmes:

In order for there to be consistency and a common vision in the planning process it is important for there to be alignment between the various guiding strategic frameworks and the resulting objectives and programmes. In other words there must be alignment between:

- The 5 Key Performance Areas (KPA's) set in terms of the 5 year local government;
- The 6 Primary Objectives based on the 6 Strategic Goals set by the Joe Gqabi District as the foundation for its IDP development strategy; and
- The District Growth and Development Summit's 8 Priority Programmes.

The alignment describe above is illustrated in table below:-

#### Alignment of Objectives and Programmes

LOCAL GOVERNMENT AGENDA	GDS	PGDP
<b>5 KPAs</b>	<b>8 PROGRAMMES</b>	<b>6 PRIMARY OBJECTIVES</b>
KPA 2: Improving Service Delivery and Infrastructure Investment	Water & Sanitation Programme (Elundini being service provider)	Objective 6-. Meeting basic needs
	Municipal Services Upgrading Programme	
	Access and Linkages Programme	
	Social safety Net	Objective 3- Growing labour intensive and pro-poor development programmes
KPA 3: Improving Local Economic Development	Timber Programme	Objective 1- Growing agrarian development, forestry and related timber industries, and household food security programmes
	Agriculture Programme	
	Tourism Programme	Objective 2- Growing tourism, trade and related business development programmes
KPA 1: Municipal Transformation and Institutional Development	Governance Programme	Objective 4- Improving service delivery quality (effectiveness, economy, efficiency, and ethics).
KPA 4: Improving Municipal Financial Viability and Management		
KPA 5: Strengthen Municipal Governance, Community Participation and Ward Committees		Objective 5- Capacity Building Programmes for Government and Communities

To facilitate clarity on it's planning for implementation, the Elundini Municipality has further based its Strategic Objectives on the broad 6 Strategic Goals set by the Joe Gqabi District and the Elundini Municipality Strategic Plan

as the foundation for its IDP development strategy, within which the District Growth and Development Summit's eight Programmes are to be arranged. The identification of projects within the relevant Programmes and implementation performance (delivery) is detailed in Section C dealing with Projects and Programmes.

It should be noted that detailed actions to be taken in each programme area are included in the Growth and Development Summit Agreement. The District Municipality will be the co-ordinator of all these programmes and detailed business plans for each of the eight anchor programmes are to be prepared.

Primary Objective 1: Grow Agriculture, agro-processing, forestry & timber products.

#### A. The Timber Programme

*Strategy: Investigate the potential for further forestry programmes.*

Elundini has potential for new afforestation and PG Bison has constructed a major particle-board plant at Ugie (approximate value is R1.5 billion). The aims of this programme are therefore:

- To expand afforestation (where economically and environmentally optimal); and
- To ensure that the jobs potential of the PG Bison investment are optimised

A Strategic Environmental Assessment for the Umzimvubu Basin indicates that a further 30,000 hectares could be planted to forestry in Elundini. This would nearly double the area under forestry. Key to these new plantations are issues around the benefits of forestry versus agricultural land-use (eg potatoes); and the acquisition of communal land for afforestation. Clearly, new afforestation requires careful planning, involving the DM, DWAF, Assgisa etc

PG Bison are committed to creating 3000 locally sourced direct and there would be a potential of 7000 indirect jobs created over the next five years. For this to be accomplished, a wide range of infrastructure, skilling and business development services must be delivered timeously and co-ordinated. These are specified in the GDS Agreement

#### B. The Agriculture Programme

*Strategy: To harness the Agricultural Potential with the assistance from the Municipal LED Unit and the Dept of Agriculture*

CBO Programme: Facilitate partnerships between Commercial Farmers and Local Farmers to improve productivity. The District Development Agency would assist in terms of implementing the Elundini Local Municipality LED Strategy.

The agricultural sector has a significant potential to grow and hence create jobs and improve livelihoods to achieve its full potential some co-ordinated is required to grow the sector.

The LED unit can assist businesses in the various sectors i.e. Agriculture, Tourism, etc. These are all business initiatives which need to be sustainable. The municipality, by creating infrastructure will also assist big businesses get established.

Components of the programme include: improving access to land, skills, finance, infrastructure and environmental protection. Specific priority actions are identified in the GDS Agreement.

The *Elundini Food Basket Programme* has identified Key Projects which can be initiated within Institutions which can fund them.

An important starting point must be for the DOA, DM and other stakeholders to prepare a District Agriculture Development Plan (which should include agro-processing). This plan must quantify realistic job targets for the sector and be localised for Elundini.

Other important components of the programme include: DLA (with support of municipalities, Agri-EC and DoA) to complete an Area-Based Plan for land reform in the District, LRAD to be scaled-up, Environmental protection programmes to be scaled up (DEAT/EPWP).

Primary Objective 2: Grow Tourism, Trade and Related Manufacturing Development

#### The Tourism Programme

Elundini has a small but growing tourism sector. The key aim of the programme is to increase jobs and livelihoods related to this sector. A co-ordinated effort is required to grow the sector so that economic potential is achieved. Specific priority actions are identified in the GDS Agreement (Annexure 5).

The Tourism Sector Plan for Elundini has been completed and the Priority Projects have been included and aligned with the GDS agreement.

Primary Objective 3: Labour Intensive and pro-poor programme development.

#### The Social Safety Net Programme Strategy:

The aim of this programme is to strengthen support for the most marginalized members of the Municipal population and to create a social programme that is able to provide a safe and secure net for the community. Key components of this Programme are:

- Full implementation of EPWP in the District. This will require DM and DoPW to develop a District EPWP Plan as soon as possible.
- Full implementation of the provincial draft HIV-AIDS Plan in the District.

- Full implementation of the PGDP Nutrition Programme in the District (school meals, gardens etc) involving DoA, DoSD, DoE, DoH
- Improved safety and security and victim empowerment in the area.
- Implementation of social development programmes that support the stability of communities.
- The Electrification programme is not going according to plan and the completion of 2012 is not going to be achievable and alternative energy solutions need to be looked at.

## The Governance Programme

This Programme aims to improve the performance of Local Government as a whole and Elundini Municipality in particular. The following are the key service delivery performance targets:

- Improved communication with all stakeholders and communities
- Improved intergovernmental relations
- Strict adherence to Batho Pele principles
- Thorough implementation of performance management

The Municipality focuses on:

- Its core powers and functions
- All senior posts and critical delivery positions to be filled as soon possible
- Organograms and budgets to be aligned to the IDP
- Development of a comprehensive Human Resources Plan

Primary Objective 4: Improving Service Delivery Quality

## The Governance Programme

As regards the Elundini Municipality, the following are key targets:

- Improved financial viability and financial management (and specifically, clean reports from the Auditor General by 2011)
- A data base of skills in the local municipality needs to be developed;

Primary Objective 6: Meet Basic Needs.

#### The Water and Sanitation Programme

As Joe Gqabi District Municipality is a designated Water Services Authority for the area, this Programme relates directly to their Strategic Goal 6. Elundini plays a pivotal role as water and sanitation services provider in the urban centres, it remains a challenge however to meet water and sanitation needs of communities in the rural areas where the district is the provider for the service.

#### The Municipal Services Upgrading Programme

This Programme relates to the identified need to create better quality and sustainable human settlements, with respect to housing and other social services, and to upgrade municipal services in the three towns of Maclear, Mount Fletcher and Ugie, as well as in higher order rural settlement nodes. The District and Elundini are in the process of identifying priority secondary nodes. At this stage the following are potential nodes for consideration. viz:

- Ngcele
- Katkop

#### The Access and Linkages Programme

This Programme is aligned to the District and the Elundini Spatial Development Frameworks, and aims to improve roads, and access to electricity and ICT in the identified priority mobility corridors and nodes, as a basis for socio-economic development.

An important starting point for this Programme is for the Elundini Municipality and the Department of Roads & Transport to prepare a Roads Plan as soon as possible. Other priority actions are listed in the GDS Agreement annexed.

#### The Social Safety Net Programme

The aim of this programme is to strengthen support for the most marginalized members of the Municipal population and to create a social programme that is able to provide a safe and secure net for the community. Key components of this Programme with regards to Basic Needs include the:

- Localise implementation of EPWP in the Municipality in terms of the EPWP plan for the District.
- Localise implementation of the provincial draft HIV-AIDS Plan in Elundini.
- Localise implementation of the PGDP Nutrition Programme (school meals, gardens etc) involving DoA, DoSD, DoE, and DoH.



### 3.1.2 The Local Government Turn Around Strategy

The Local Government Turn Around strategy emanates from a nationwide programme carried out by the Department of Co-operative Governance and Traditional Affairs where all the provinces were assessed for capacity constraints and challenges. From this exercise a 'State of the Local Government Report' was compiled. Subsequent to this exercise and drawing from the results of the assessment a LGTAS was developed. The main thrust of this strategy is to fulfil the ideal for local government as envisaged in the country's constitution and white paper for local government which cites that, "Developmental local government is local government committees to working with citizens and groups within community to find sustainable ways to meet their social, economic and material needs and improve the quality of their lives".

An ideal municipality in our system will strive to contribute to building the developmental state in South Africa and draw from the constitutional and legal framework established. An ideal municipality would:

- i) Provide a democratic and accountable government for local municipalities
- ii) Be responsive to the needs of the local community
- iii) Ensure the provision of services to communities in a sustainable manner
- iv) Promote social and economic development
- v) Promote Safety and healthy environment
- vi) Encourage the involvement of communities and community organisations in the matters of local government.
- vii) Facilitate a culture of public service and accountability amongst staff
- viii) Assign clear responsibilities for the management and coordination of these administrative units and mechanisms

The outcome of meeting these objectives include:

- The provision of household infrastructure and services
- The creation of liveable, integrated and inclusive cities, towns and rural areas
- Local Economic Development
- Community Empowerment and Distribution

The implementation of the LGTAS will be supported by national government concomitantly addressing a range of long term and more systematic issues that have contributed to the failure of distress within local government.

These include:

- Intergovernmental coordination and support
- Supervision, monitoring and Intervention
- Incentives and Disincentives

In the case of municipalities that dysfunctional, a special set of measures based on a stronger state intervention must apply to ensure that these municipalities achieve a basic level of functionality. In the case of municipalities whose performance is persistently and materially on the border line of becoming dysfunctional, stronger support measures must incentivise a return to basic functionality.

In the areas, National government and provinces will step up their capacity to involve citizens in service delivery and development to compensate for municipal failure – through increased use of community partnerships and EPWP.

The LGTAS calls for municipalities to develop their own turnaround strategies informed and guided by the ideals and vision of the National Local Government Turnaround Strategy.

Through their turnaround strategies, municipalities will indicate what their needs are and they will have the option of buying into the support measures to ensure that there is proper commitment to utilise support measures to good effect. In cases where municipalities feel that they can accomplish the rationalised functions by themselves than they will be held to account accordingly.

Elundini Municipality is classified as category B4 in terms LGTAS classifications. This category refers to local municipalities which are mainly rural with communal tenure. ELM has assessed its situation and the table below depicts the LGTAS areas that ELM has identified and adopted a strategic approach towards addressing:

No.	Priority Turn Around Focal Area	What is the status of financial management with regard to the following areas as of January 2010?	Annual Target for 2010/11		Capacity challenges identified during the assessment	Municipal Action (Which specific activities will the municipality undertake to deliver on its yearly target?)	Indicators	Unblocking Actions Needed from other Spheres and Agencies (Name the sphere/agent from whom a specific support is needed and clearly specify the actions)
			Dec. 2010	Jun. 2011				
<b>4.</b>	<b>Financial Management and Viability:</b>				<b>Capacity level index:</b>			
4.1	Revenue enhancement strategy	28.14%- Collection rate equates to R 6 966 665.28	31% of R 33 Million	40% of R 33 Million	No dedicated unit within LM focused on maximizing revenue inflows  Completeness and validity of the Billing System is questionable	Situational assessment in process of being conducted- A Revenue enhancement strategy to be developed and implemented aimed at maximizing revenue potential per registered erwen  Data cleansing exercise to be launched 1 July 2010	% of revenue collected against projection	DLGTA to assist with the upgrade of the system R 500k  Assistance with funding this initiative is required from NT, COGTA and DHLGTA R 2 Million
4.2	Debt management	1. Arrears at 31 January 2010 R 57 484 439 2. Debtor Accounts in arrears 7 592 Debtor accounts 10 427	Government 75 % Business 50 % Households 30 % Indigent 100 %	Government 100 % Business 75 % Households 40% Indigent 100 %	1. Staff shortages in the debt collection and customer care section  2. Non availability of an Electronic Debt Management programme  3. Credit Control Policy	1. Risk based collection process to be implemented as of 1 July 2010 for a defined period of 24 months  2. Will be specified as a key deliverable with outsourced functionality	% of municipal debt reduced	The Department of Local Government and Traditional Affairs to assist with the collection of the debts owed by the Government Departments.  The matter of Government Debt to be raised at IGR.  Organised

No.	Priority Turn Around Focal Area	What is the status of financial management with regard to the following areas as of January 2010?	Annual Target for 2010/11		Capacity challenges identified during the assessment	Municipal Action (Which specific activities will the municipality undertake to deliver on its yearly target?)	Indicators	Unblocking Actions Needed from other Spheres and Agencies (Name the sphere/agent from whom a specific support is needed and clearly specify the actions)
			Dec. 2010	Jun. 2011				
					not fully implemented  4. Staff not fully capacitated in Debt Collection	3. Workshop with staff and Councillors to ensure adherence to the policy.  4. Skills transfer associated with limited outsourced functionality will be a key deliverable		business to be lobbied to ensure that their members pay their accounts.
4.3	Cash flow management	116 %  1. Income raised R 49 911 431  2. Expenditure Incurred R 58 375 972	89 %  1. Income R 65 556 500 2. Expenditure R 58472000	89%  1. Income R 131 113 000 2. Expenditure R 116 944 000	There is no early warnings built into the system to detect under collection of revenue	Revenue Collection will be closely monitored	% of expenditure against income	The Department of Local Government and Traditional Affairs to assist with the collection of the debts owed by the Government Departments
4.5	Capital expenditure	33% project spend of R 52,63 Million	60 %  R 19 616 000	100 %  R 32 694 000	Contractors not conforming/performing due to non-compliance/ cash flow constraints on their side	Cash flow checks to be done before contracts are awarded and successful contractors to be work shopped in house on project management	% of capital expenditure	

No.	Priority Turn Around Focal Area	What is the status of financial management with regard to the following areas as of January 2010?	Annual Target for 2010/11		Capacity challenges identified during the assessment	Municipal Action (Which specific activities will the municipality undertake to deliver on its yearly target?)	Indicators	Unblocking Actions Needed from other Spheres and Agencies (Name the sphere/agent from whom a specific support is needed and clearly specify the actions)
			Dec. 2010	Jun. 2011				
					The turn around time of SCM procedures is too long	Demand Management plan to be developed and implemented SCM staff work shopped in house on SCM procedures		
4.6	Audit Action plan developed	2 Qualification raised within audit report	60 % of issues raised will be cleared	100 % of issues raised	All issues raised by AG is channeled to the Budget & Treasury Office who has too few staff to attend to strategic matters  Vacancies in the Budget & Treasury Office	Issues raised to be channeled to the correct municipal department through the Audit Steering Committee  Finance Manager to be appointed before August 2010 at R450 000.	% of issues raised by the AG attended to	Provision of Mentors within key specializations of Local Government Finance.
4.7	Submission of Annual Financial Statements	The 2008/09 AFS was submitted by 31 August 2009	The 2009/10 AFS will be submitted by 31 August 2010		Staff not capacitated on GRAP compliant statements because GRAP standards change annually	Training of 4 staff members on GRAP before 30 June 2010 and has been budgeted for in the 2009 / 2010 budget	Timely submission of AFS	
4.8	MIG expenditure by end of	62 % of R 16 763 000 allocated to	60 % of 2010/11 allocation	100 % spent of 2010/2011	SCM Processes delay award process	SCM staff work shopped in house on SCM	% of MIG expenditure	COGTA to reallocate unspent

No.	Priority Turn Around Focal Area	What is the status of financial management with regard to the following areas as of January 2010?	Annual Target for 2010/11		Capacity challenges identified during the assessment	Municipal Action (Which specific activities will the municipality undertake to deliver on its yearly target?)	Indicators	Unblocking Actions Needed from other Spheres and Agencies (Name the sphere/agent from whom a specific support is needed and clearly specify the actions)
			Dec. 2010	Jun. 2011				
	financial year	date spent		allocation		procedures. Prospective bidders to be workshopped on SCM regulations and mandatory requirements		portions of MIG to performing institutions as an incentivized scheme to eradicate backlogs
4.9	Asset register developed.	Asset register on Sebata IMFO based; in process of converting to GRAP compliant register-register will be based on Excel until 30 June 2010	100 % GRAP compliant asset register on Sebata FMS		Shortage of Senior Management staff within asset management	LM has assigned key functionality to SCM Manager; post of Asset Manager has been created within new Organisational Structure	GRAP compliant Asset register	Financial assistance from NT, DHLTGA with procurement of an asset management module and bar coded scanners; financial assistance with revaluation of all assets
4.10	Supply Chain Management policy.	100 % SCM policy is fully compliant with Treasury's model SCM policy framework	100 % compliance	100 % compliance	SCM Unit not fully capacitated due to dual role on Asset Management	LM to appoint staff within other functional areas to allow for 100% dedication of SCM practitioners to SCM processes	Number of irregular tender processes reported AG or whistle blowers	
4.11	Audit Committee	Audit Committee is in existence	100 % functional	100 % functional	Term expires on 30 June 2010	Council to appoint new committee on 31 March 2010	Existence and functionality	
4.12	Internal Audit Unit	Internal audit function is outsourced	100 % functional	100 % functional	None	None	Existence and functionality	

No.	Priority Turn Around Focal Area	Indicate the number of households with access to the basic services below as of January 2010 as against the total number of households	Annual Target for 2010/11		Capacity challenges identified during the assessment	Municipal Action (Which specific activities will the municipality undertake to deliver on its yearly target?)	Indicators	Unblocking Actions Needed from other Spheres and Agencies (Name the sphere/agent from whom a specific support is needed and clearly specify the actions)
			Dec. 2010	Jun. 2011				
<b>1.</b>	<b>Basic Service Delivery</b>	<b>Capacity level index:</b>						
1.1	Access to water							
1.2	Access to sanitation							
1.3	Access to electricity	About 30 000 households out of 33 745 households do not have access and they are under Eskom. Eskom demarcation is a challenge. Eskom does not plan with the municipality. Verify the number of households with access to electricity There are no installations planned by the municipality except improvement of quality supply. Municipal distribution area - -verify backlog in Maclear				% of household with access to electricity	Eskom representative in the rep forum. Technical manager to get the information on the electrification programme within two weeks from Eskom.	
1.4	Refuse removal and solid waste disposal	8844 have access to the service. The service is inconsistent due to breakdowns, shortage of resources. There is a S78 study in place to look at best possible mechanisms of rendering the service.				% of communities with access to refuse removal services		
1.5	Access to municipal roads					% of planned new road infrastructure actually constructed		
1.6	Formalisation of informal settlements					% of households living in in formal settlements		
1.7	Access to Housing					% of households in formal housing that conforms to the minimum building standards for residential houses		
1.8	Access to Free Basic Services					% of Indigent households with access to Free Basic services (water; electricity and sanitation)		

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

No.	Priority Turn Around Focal Area	What is the status of LED with regard to the following areas as of January 2010?	Annual Target for 2010/11		Capacity challenges identified during the assessment	Municipal Action (Which specific activities will the municipality undertake to deliver on its yearly target?)	Indicators	Unblocking Actions Needed from other Spheres and Agencies (Name the sphere/agent from whom a specific support is needed and clearly specify the actions)
			Dec. 2010	Jun. 2011				
<b>5.</b>	<b>Local Economic Development</b>							
5.1	Municipal contribution to LED	LED is a component of Community Services	Providing an enabling environment Mobilize resources and capacity development , Strengthening of partnerships, Investment promotion, Promote job creation		In adequate coordination of LED activities in the area. Inability to attract & retain experienced LED staff due remuneration packages Limited MIG allocation  Inability	Strengthening coordination through IDP processes  Municipality to improve in revenue generation  Refocus in social infrastructure (plant ) incl. up skilling	% of LED budget against the total budget	COGTA to increase MIG allocation in order to cater for LED
5.2	LED Plan aligned to the District LED Strategy; adopted by Council.	Municipality has got an LED strategy that has been adopted by the council	Continuous implementation		Budget Limitation Inadequate human resources'	Improve revenue collection by the municipality	Existence of LED strategies/plan	Aggressive revenue generation strategy SOES and other state organs to support
5.3	Regeneration of declining local economies	Building of Hawkers Stalls Skills Development Craft Center	Building of Hawkers Stalls Skills Development Craft Center		Budget Limitation	Roll out plan to regenerate Mt Fletcher is about to be released by DLGTA  Vuvu partnerships	Number of towns regenerated	Roll out plan to regenerate Mt Fletcher is about to be released by DLGTA



No.	Priority Turn Around Focal Area	What is the situation of each area of the HRM/D listed below by January 2010?	Annual Target for 2010/11		Capacity challenges identified during the assessment	Municipal Action (Which specific activities will the municipality undertake to deliver on its yearly target?)	Indicators	Unblocking Actions Needed from other Spheres and Agencies (Name the sphere/agent from whom a specific support is needed and clearly specify the actions)
			Dec. 2010	Jun. 2011				
<b>3.2</b>	<b>Municipal Administration and Human resource Development</b>				<b>Capacity level index:</b>			
3.2.1	a) Recruitment and selection policies and procedures developed b) Policy on suspension of employees developed	Policy and manual in place  No suspension policy, using Disciplinary Collective Agreement	In the process of review		Lack of staff  N/A	To be adopted by the council  N/A	Number of reviewed HRM policies adopted	DLGTA
3.2.2	Vacancies in S57 positions	All S.57 managers posts are filled			N/A	N/A	Vacancy rate in Section 57 Managers positions	N/A
3.2.3	Vacancies technical positions (Planners, Engineer)	All technical positions filled			N/A	N/A	Vacancy rate in technical positions	
3.2.4	All S57 with signed performance Agreements and submitted to the Department	All performance agreement signed and submitted to the department	To review Performance		Alignment between 2001 Regulations Powers and Functions of Elundini Municipality	N/A	% of performance agreements signed and forwarded to the Department	DLGTA, CoGTA
3.2.5	Development of a Performance Management System Framework	PM Framework in place			Buy-in from Unions	Consultative process with Unions	Level of implementation of the Performance Management System	N/A
3.2.6	Skills development plan for employees (2009/10)	Submitted to LGSETA			N/A	N/A	Number of employees trained through WSP	N/A
<b>3.3</b>	<b>Labour Relations</b>							
3.3.1	a) LLF meetings convened as planned  b) Organisational rights procedure developed	Not effective  Controlled by Main Collective Agreement			Quorum not met due to unavailability of Employer  N/A	LLF meeting to be prioritized  N/A	Number of meetings held in accordance with its constitution  N/A	N/A  N/A
						Parity		

### 3.1.3 RURAL DEVELOPMENT AND AGRARIAN TRANSFORMATION STRATEGY

The strategy visualises a 'Sustainable growth and development for improved quality of life' and has six pillars which will inform implementation, namely:

- Land Reform
- Agrarian Transformation and food security
- Non- Farm rural economy
- Infrastructure
- Social and human development
- Enabling Environment

Critical to the implementation of Ilima labantu is the area of Integrated planning. All government planning should be developed such that they reflect the the essence and substance of Ilima labantu.

#### 3.1.3 a) IMPLEMENTATION OF THE RURAL DEVELOPMENT STRATEGY

The Rural Development Pilot of Ukhahlamba District Municipality has been identified at Elundini Local Municipality in Ward 6. Three villages have been identified namely:

- Mqokolweni,
- Siqungqwini
- and Lower Sinxako.

The programme will incorporate Agrarian transformation and food security, infrastructure, social and human development, non- farm rural economy and land reform. The focus will be on agriculture, agro processing, construction and linkages to forestry and tourism sectors.

## SECTION D: ELUNDINI MUNICIPALITY PROJECTS AND PROGRAMMES 2010/2011

Project Description	Project Cost	Ward	Budget 2010/11	Budget 2011/2012	Funding source	Unit of measurement	Annual Target
---------------------	--------------	------	----------------	------------------	----------------	---------------------	---------------

### GOOD GOVERNANCE AND PUBLIC PARTICIPATION

Development of Communication Plan					ELM		
Develop Master Systems Plan	250,000.00				ELM		
Develop fixed Asset Register	150,000.00				ELM		
Data Cleaning	100,000.00				ELM		
Skills Audit	150,000.00				ELM		
Maintenance Plan for IT infrastructure	100,000.00				ELM		
Align Organisational Structure with Powers and Functions			200,000.00		ELM		
Review and Update Policies			200,000.00		ELM		
Review Current Municipal Grading			200,000.00		ELM		
Enhance Productivity of Staff			500,000.00		ELM		
ICT Strategy Framework			200,000.00		ELM		
Fast track building suitable office accommodation			500,000.00		ELM		
Develop Long Term Financial Plan			200,000.00		ELM		
<b>Data Cleansing &amp; Revenue Enhancement Strategy</b>			500,000.00		ELM		
Develop a Debt Management Strategy			200,000.00		ELM		
<b>Review &amp; Update all Policies &amp; By-laws</b>			200,000.00		ELM		
<b>Fixed Asset Register</b>			200,000.00		ELM		
<b>LOCAL ECONOMIC DEVELOPMENT</b>							
Identify Suitable Land for Afforestation			100,000.00				
Strategy for Rehabilitation of DWAF Plantations			100,000.00				
Strategy for Rehabilitation of Jungle Wattle			50,000.00				
Feasibility Study for Value Adding Enterprises			250,000.00				
Feasibility Study for Readiness for 2010 Viewing Site			100,000.00				
Unique Selling Products Plan			300,000.00				
Viable Dry Land Cropping Areas Development Plan			100,000.00				
Viable Irrigation Areas Development Plan			100,000.00				
Viable Livestock Potential Development Plan			100,000.00				

SMME Support Development Plan			500,000.00				
SMME Linkage to Business Opportunities Plan			50,000.00				
GoldFields Livestock Improvement Programme					GF		
The Tsitsa River Basin Project (Cross-Boundary Irrigation Scheme)					ASGISA		
Maclear Emerging Farmers – Fencing	700,000.00	3					
Umnga –Fencing	1,100,000.00						
Pitseng (Mt Fletcher) - Fencing/ Stockwater	400,000.00						
Siluqilima Secondary Co-Operative		All					
Elundini Women's Hospitality Co-operative Development		All					
Ward 14 Environmental Management Project		14	2,000,000.00		DWA		
Mt. Fletcher Tourism		9					
Elundini Water Bottling Project	1,500,000.00	All					
Vuvu Community Agriculture & Tourism Project	5,300,000.00	14					
Tsitsana Agricultural Cooperative - Agriculture	250,000.00	4					
upper tsitsana Tourism and Agriculture project	9,000,000.00	7	5,500,000.00		EU		
Eastward Ho Farm (Maclear) - Silo Massive	200,000.00						
<b>MASSIVE FOOD PRODUCTION:</b>	4.3m for all projects						
Eastward Ho							
Weinright							
Fees Sondernaam							
Eden farm							
<b>Ugie Farms</b>							
Cavens No.	7,014,330.00						
<b>SIYAZONDLA PROGRAM</b>							
Maclear	95,000.00						
Tsitsa Basin	3,135,200.00						
Nxotshana 25 -Fencing Massive	75,000.00						
Phirintsu (Mt Fletcher) - Fencing Massive	90,000.00						
Tractors	400,000.00						
Siyazondla Homestead Food Security and Homestead Gardens	1,000,000.00						
Elundini Tourism Information	4,591,320.00				DEAT		
Merchandising	30,000.00				DEAT		
<b>SOCIAL NEEDS</b>							
Aids Sufferers Farm							
Resource Centre	360,000.00				Thina Sinako		
Improve indigenous skills					ELM/DoE		
Establish a formal relationship with Thina Sinako					ELM		

Entrepreneurial Skills Development	500,000.00				ELM. SETAs		
School of Weaving							
Development of Career Guidance					DoE		
Mt Fletcher Tada			84,000.00		DOSD		
Maclear TADA			84,000.00		DOSD		
Siboneleleni Ward 10			112,000.00		DOSD		
Kopanang			112,000.00		DOSD		
Luvuyo Disable Children Centre			61,210.00		DOSD		
Silwasonke Crime Prevention			83,000.00		DOSD		
Bakhusele Diversion Project			65,000.00		DOSD		
Mt Fletcher Skills Development			150,000.00		DOSD		
Mt Fletcher Ex-Offender Re-Integration			160,000.00		DOSD		
Ntataise Women Co operative					DOSD		
Mt Fletcher Single Parent Association			110,000.00		DOSD		
Bambisanani Cluster Foster Home			240,000.00		DOSD		
Mpilontle HSBC			556,097.00		DOSD		
Ukhozi Lwempilo			556,097.00		DOSD		
Zamulwazi			556,097.00		DOSD		
Someleze			556,097.00		DOSD		
Imihlali Women Co operative			500,000.00		DOSD		
Sisonke Women Co operative			500,000.00		DOSD		
Zimele Youth Project			500,000.00		DOSD		
Vukani Ramatee Food Security Project					DOSD		
Reaiphepha Mabenyeng Food Security Programme					DOSD		
<b>Social Facilities</b>							
Renovation of Town Hall – Maclear Ward 3					ELM		
<b>Upgrade of Parks in towns</b>			700,000.00				
Informal Traders Policy			150,000.00		UKDM		
Open Market Phase 2			1,200,000.00		DEDEA		
<b>SPATIAL</b>							
Commanage Master Plan			600,000.00		DBSA/ELM		
Housing							
Mt Fletcher Town							
Ugie (1500 Sites)					DOH		
Katkop – Rural Housing					DOH		
Ngcele – Rural Housing					DOH		
Greenfields Housing Ward 3					DOH		
Rural Housing Programme Ward 4							
<b>SERVICE DELIVERY AND INFRASTRUCTURE</b>							
Develop & implement a Basic Maintenance Plan			200,000.00				

Project Management Unit			934,000.00		MIG (OPEX)		
Construction of Ntabalanga - Nkamane Road Link	7,128,028.00	8			MIG		
Construction of Peter Makhaba River Crossing	1,322,369.39	3			MIG		
Development of Mount Fletcher Internal Streets	5,994,010.00	9			MIG		
Construction of Sethathi of Mashata Access Road	3,076,552.20	12			MIG		
Rehabilitation of Kuebung Access Road	1,630,364.96	13			MIG		
Upgrading of Nxotshane Access Road and bridge	2,957,112.33	13			MIG		
Upgrading of Ilisolomzi Access Road	1,646,662.35	9			MIG		
Construction of Gobho to Esixhotyeni Access Road	1,110,000.00	13			MIG		
Construction of Zwelitsha, Sondaba & Tsolobeng Access Road	1,085,215.75	10			MIG		
Upgrading of Access Roads	1,971,215.26	1,5,6			MIG		
Construction and rehabilitation of Ugie Streets	3,993,420.00	2			MIG		
Construction of Mahayaneng Access Road & Bridge	3,700,000.00	12			MIG		
Access Road & Bridge to Lenana High School	4,741,297.62	9			MIG		
Alterations and Renovations to MT Fletcher Town Hall	1,170,968.00	9	1,170,968.00		MIG		
Construction of Tinana Access Road	1,770,000.00	11	1,770,000.00		MIG		
Alterations and Renovations to Maclear Town Hall	997,039.00	3	997,039.00		MIG		
Upgrading of Mount Fletcher Access Road	1,827,250.12	9	1,827,250.12		MIG		
Construction of Mangoloaneng East Access Road	1,609,020.41	12	1,609,020.41		MIG		
Mpharane Access Road	684,000.00	10	684,000.00		MIG		
Construction of T83 to Matugulo via Tsikarong	7,148,384.74	4	3,574,192.37		MIG		
Construction of Maroqa to Sophania Access Road	11,995,374.20	7	5,997,687.10		MIG		
Construction of Lehana to Upper Tokoana Access Road	13,718,961	15	6,859,480.50		MIG		
Construction of access road from R56 to Dengwane Access Road	3,901,895.57	11					
Construction of Nondzaba- Chevy Chase Access Road	1,500,000	16					
Construction of access road from T78 to Zanyeni	4,895,398.57	14					
Upgrading of Popopo Access Road	1,566,849.91	12					
Upgrading of Ntabelanga Access Road	R 792,000.00	13					
Construction of Mount Fletcher Open Market	2,599,610.00	9					
Construction of access road from T83 to Platana	4,485,000	4					
Construction of Mhlontlo JSS to Koloni SPS Access Road	3,491,930.68	16					
Construction T18 to Pitseng Access Road	4,739,731.33	1					

Construction of Tsitsa River to Sophania Access Road	15,335,986	7				
Construction of Vuvu- Nkumandeni Access Road		14				
Construction of Ugje Open Market	2,389,950.00	2				
Upgrading of Zamuxolo Access Road	1,200,395.80	10				
Upgrading of Kinirapoort Access Road	1,937,573.42	12				
Affordability Study for Acquisition of Construction Plant			300,000.00			
Formulate a Plant Utilisation Policy			100,000.00			
Storm Water Maintenance Plan			100,000.00			
Report on extension of Electricity into Rural Areas			300,000.00			
Maintenance of Electrical Infrastructure			300,000.00			
Minimise Electricity Losses & Revenue Protection			500,000.00			
Street Lighting, Mount Fletcher			10,000.00			
<b>Water</b>						
Purification Plant	1,083,000.00				ELM	
Mt Fletcher - Rural water supply	148,000,000		16,872,308		MIG	
Elundini ward 7 Preschool (Masiphathisane village)	407,132					
Elundini Ward 7 Rural Water Services	5,016,434				MIG	
Elundini: Xaxazana water Phase 2	1,523,383				MIG	
Elundini: Zanyeni Water Phase 2	1,718,239				MIG	
Elundini: Providing upgrading water infrastructure Ugje	18,235,578		7,500,000		MIG/Counter Funding	
Elundini -Wards 1,5,6 Rural Water Supply Phase 2	6,000,000		3,000,000		MIG	
Bulk Water Supply Connection – Vincent Park					UKDM	
Maclear Raw Water Strage Facility Ward 3 EIA & Implementation Purification Plant	800,000.00		10,000,000.00			
Develop & Implement a Basic Maintenance Plan			200,000.00		ELM	
Affordability Study for Acquisition of Construction Plant			300,000.00		ELM	
Formulate a Plant Utilisation Policy			100,000.00		ELM	
Storm Water Maintenance Plan			100,000.00		ELM	
Report on extension of Electricity into Rural Areas			300,000.00		ELM	
Maintenance of Electrical Infrastructure			300,000.00		ELM	
Minimise Electricity Losses & Revenue Protection			500,000.00		ELM	
Street Lighting, Mount Fletcher			10,000.00		ELM	
<b>Sanitation</b>						
Maclear- outfall sewer & Treatment Works	4,861,544				MIG/Counter Funding	
Elundini ward 12 Sanitation	2,273,507				MIG	
Elundini Maclear Waste Water Treatment Works	9,025,768				MIG/Counter Funding	

Elundini Ward 11 Sanitation Phase 2	2,950,642				MIG		
Elundini Ward 10 Sanitation Phase 2	2,102,978				MIG		
Elundini Ward 8 Sanitation Phase 2	1,881,701				MIG		
Elundini Ward 12 Sanitation Phase 2	1,512,061				MIG		
Elundini: Providing and Upgrading Sanitation in Ugie Ward 2	70,149,611		7,500,000		MIG/Counter Funding		
<b>Energy &amp; Electricity</b>							
Establish formal Relationship with Eskom					ELM		
Electrical Infrastructure	4,233,400				ESKOM		
Energy Extension Plan - Grid Extension							
Operation & Maintenance Plan			100,000.00				
Alternative Sources (e.g. Solar Power) Plan			200,000.00				
High Mast Lighting Business plan to be prepared			80,000.00				
<b>Roads</b>							
Roads and Streets Maintenance	23,000,000.00				DPA		
Business Plan for Roads	250,000.00				ELM		
Completion of Maclear Streets Upgrade Ward 3	2,421,740				MIG- 09/10		
Wards 14, 15: Upgrading of Access Roads	15,269,080				MIG- 09/10		
Wards 9 – 13: Upgrading of Access Roads	16,606,650				MIG- 09/10		
Paving of Sonwabile Access Road Ward 3	6,000,000				MIG- 09/10		
Development of Mt Fletcher streets Phase 2	8,000,000				MIG- 09/10		
Wards 1, 5, 6 Upgrading of Access Roads Phase 2	12,164,000				MIG- 09/10		
Wards 1, 5, 6 Upgrading of Access Roads Phase 3	10,000,000				MIG- 09/10		
Peter Mokaba township river crossing - ward 3	5 000,000				Disaster Fund		
Mnga - Ntushu-Ntushu Villages Bridge - ward 6	4,000.00				Disaster Fund		
Mcwangele Access roads No. AC30402 & AC30401 -ward 6	1,700,000.00				Disaster Fund		
Ntabalanga - Nkamane road link- ward 8	1,850,000.00				Disaster Fund		
Luzi Poort - Claude Makeng road link- ward 8	500,000.00				Disaster Fund		
Hospital Street Mt Fletcher Town -ward 9	400,000.00				Disaster Fund		
Dengwane Village Bridge - ward 11	500,000.00				Disaster Fund		
Sithathi Bridge approaches- ward 12	1,000,000.00				Disaster Fund		
Mbizeni Village Bridge - ward 15	300,000.00				Disaster Fund		
Ward 1, 5, 6: Upgrade of Access Roads Phase 1	Completion				MIG		
Upgrading of streets in Ugie			6,648,850		MIG		
Upgrading & Rehabilitation of Streets in Maclear			3,144,140		MIG		
Pitsing Pass DR 08018	250,000.00						
A Grade Testing Station	2,000,000.00						





DEPARTMENT OF AGRICULTURE							
Project Description	Project Cost	Ward	Budget 2010/11	Budget 2011/2012	Project Duration	Project output	Implementing Agent
Elundini Fencing			R2 150 000.00	R2 257 500.00			DOA
Elundini Irrigation			R360 000.00	R378 000.00			DOA
Elundini Multi Purpose Sheds			R673 250.00	R 706 912.00			DOA
Ugie							
Elundini Dipping Facilities			R954 000.00	R 1 001700.00			DOA
Elundini AsGisa Fencing			R5 000 000.00	R 5 250 000.00			DOA
Elundini Siyazondla			R867 000.00	R 910350.00			DOA
Elundini Siyakhula Maize and Potatoes Production			R4 500 000.00	R 4 725.00			DOA
DEPARTMENT OF EDUCATION							
Project Description	Village	Ward	Budget 2010/11	Budget 2011/2012	Project Duration	Project output	Implementing Agent
DEPARTMENT OF HOUSING							
Project Description	Village	Ward	Budget 2010/11	Budget 2011/2012	Project Duration	Project output	Implementing Agent
DEPARTMENT OF HEALTH							
Project Description	Village	Ward	Budget 2010/11	Budget 2011/2012	Project Duration	Project output	Implementing Agent
Keti-keci clinic		16	R4.2			Clinic Construction	
Mdeni clinic construction		16	R4.2			Clinic Construction	
Ngxoshana clinic construction		13	R4.2			Clinic Construction	
Taylor Bequest hospital upgrade			R4.893M				
DEPARTMENT OF SOCIAL DEVELOPMENT							
Project Description	Village	Ward	Budget 2010/11	Budget 2011/2012	Project Duration	Project output	Implementing Agent
Sivuyile community development project		11	R500 000.00		1yr	Poultry farming	DoSD
Itsokolele food security project		12	R750 000.00		1yr	Food Security-Crop Farming	
Khuthalani poultry project	Luthuthu Village	01	R500 000.00		1yr	Poultry Farming	
Ikamvalethu food security project		16	R750 000.00			Crop Production	
Qinamama poultry project	St. Augustines	05	R500 000.00			Poultry Farming	
Ukhanyo poultry project	Katlehong	09	R500 000.00			Youth development	

						-Poultry farming	
Gugwini women's empowerment project	Ngcele Locality	05	R250 000.0			Crop Production	
Sisonke brick making project	Ncembu	01	R358 000.00			Brick Making	

## 4.2 UNFUNDED AND UNREGISTERED PROJECTS

### UNREGISTERED PROJECTS

**IT IS PROPOSED THAT ALL THE PROJECTS BELOW BE INCLUDED IN FINANCIAL YEAR 2011/2012**

### **ELUNDINI MUNICIPALITY: THREE YEAR CAPITAL IMPLEMENTATION PLAN 2010**

No	Project Name	Ward No	Discription	Status
1	Mission to Luthuthu	1	Roads	Require Business plan
2	Lalini	1	Roads	Require Business plan
3	Nkalweni to Gqaqhala	1	Roads	Require Business plan
4	From R412 to Maplotini	1	Roads	Require Business plan
5	From Luthuthu to Phalisa	1	Roads	Require Business plan
6	From Dr8209 to Trustini	1	Roads	Require Business plan
7	From DR8205 to Cicirha	1	Roads	Require Business plan
8	From Maqwanguleni to Madwadeni	1	Roads	Require Business plan
9	From Nayjele to Sihlehleni	1	Roads	Require Business plan
10	From Dr8209 to Nyibiba	1	Roads	Require Business plan
11	Elunyaweni	1	Roads	Require Business plan
12	Ebhalasi	1	Roads	Require Business plan
13	Gqaqhala	1	Community halls	Require Business plan
14	Ncembu	1	Community halls	Require Business plan
15	Nkalweni	1	Community halls	Require Business plan
16	Gqaqhala	1	Cemetry	Require Business plan
17	Eluxeni	1	Dipping tanks	Require Business plan
18	Ndoda	1	Dipping tanks	Require Business plan
19	Mdeni	1	Dipping tanks	Require Business plan
20	Cicirha	1	Water	Require Business plan
21	Maqwanguleni	1	Water	Require Business plan
22	Nayjele	1	Water	Require Business plan
23	Esihleleni	1	Water	Require Business plan
24	Lalini	1	Water	Require Business plan
25	Nkalweni	1	Water	Require Business plan
26	Maplotini	1	Water	Require Business plan
27	Gqaqhala	1	Water	Require Business plan
28	Trustini	1	Water	Require Business plan
29	Phalisa	1	Water	Require Business plan
30	The whole of ward 1	1	Sanitation	Require Business plan
31	The whole of ward 1	1	Electricity	Require Business plan

32	Gqaqhala	1	Sport field	Require Business plan
33	Ncembu	1	Sport field	Require Business plan
34	Nkalweni	1	Sport field	Require Business plan
35	Nkalweni	1	Fencing of agricultural projects	Require Business plan
36	Trustini	1	Fencing of agricultural projects	Require Business plan
37	Elunyaweni	1	Fencing of agricultural projects	Require Business plan
38	Cicirha	1	Fencing of agricultural projects	Require Business plan
39	Luthuthu	1	Fencing of agricultural projects	Require Business plan
40	Gqaqhala	1	fencing of graveyards	Require Business plan
41	Nkalweni	1	fencing of graveyards	Require Business plan
42	Nyibiba	1	fencing of graveyards	Require Business plan
43	Ncembu	1	fencing of graveyards	Require Business plan
44	Elunyaweni	1	fencing of graveyards	Require Business plan
45	Nkalweni	1	Shearing sheds	Require Business plan
46	Luthuthu	1	Shearing sheds	Require Business plan
47	Street Lights	2	Streets light	Require Business plan
48	Maintenace of existing Street Lights	2	Streets light	Require Business plan
49	Development of Electricity Sector Plan	2	Streets light	Require Business plan
50	Renovation of Ugie town hall	2	Community halls	Require Business plan
51	Renovation of Kruger town hall	2	Community halls	Require Business plan
52	Old Location Bokwe	2	Roads	Require Business plan
53	Ntokozweni	2	Roads	Require Business plan
54	Mandela Park	2	Roads	Require Business plan
55	Land Camp	2	Roads	Require Business plan
56	Ugie Park (All Ugie Streets)	2	Roads	Require Business plan
57	All Ugie Cemeteries	2	Roads	Require Business plan
58	New Cemetry	2	Roads	Require Business plan
59	Maclear town	3	Rehabilitation of black topsurfaced streets	Require Business plan
60	From Old Spar to Sonwabile to Old location and Vincent	3	Blacktop surfacing	Require Business plan
61	Clearview - 7km	3	Roads	Require Business plan
62	Peter Mokaba - 14km	3	Roads	Require Business plan
63	Old Location - 38km	3	Roads	Require Business plan
64	Sonwabile - 1km	3	Roads	Require Business plan
65	TV Park - 1km	3	Roads	Require Business plan
66	Sithole - 15km	3	Roads	Require Business plan
67	Vincent - 12km	3	Roads	Require Business plan
68	Green field - 7km	3	Roads	Require Business plan
69	Maxhegweni - 1km	3	Roads	Require Business plan
70	Back street in town - 1km	3	Roads	Require Business plan
71	Polar Park	3	water	Require Business plan
72	Tuin blocks	3	water	Require Business plan
73	Maxhegweni	3	water	Require Business plan
74	Sithole	3	water	Require Business plan
75	Polar Park	3	Sanitation	Require Business plan

76	Tuin blocks	3	Sanitation	Require Business plan
77	Sithole	3	Sanitation	Require Business plan
78	TV Park	3	Sport field	Require Business plan
79	Sonwabile	3	Sport field	Require Business plan
80	Clearview	3	Sport field	Require Business plan
81	Multi purpose development centre	3	Old location	Require Business plan
82	Vincent	3	Sport field	Require Business plan
83	Vincent Park 58 (ELM)	3	these are properties without electricity. They need reticulation.	Require Business plan
84	Phola Park 128 (ELM)	3		Require Business plan
85	Old Location & Peter Makaba 250 (Eskom)	3		Require Business plan
86	Phola Park 128 (ELM)	3		Require Business plan
87	Tuin Blocks 200 (ELM)	3		Require Business plan
88	Green fields	3	high masts	Require Business plan
89	Polar Park	3	high masts	Require Business plan
90	Tuin blocks	3	high masts	Require Business plan
91	Vincent	3	Community halls	Require Business plan
92	Polar Park and Peter Mokaba link	3	low level crossing	Require Business plan
93	maclear township	3	Roads and S/water	Require Business plan
94	Maclear CBD and surrounding areas (Ward 3 &4)	3	Roads and S/water	Require Business plan
95	Popcorn Valley	4	Stormwater Drainage	Require Business plan
96	Tsitsana	4	Roads	Require Business plan
97	Matugulu	4	Bridge	Require Business plan
98	Sigobeni	4	Old Bridge	Require Business plan
99	Hopedale	5	Roads	Require Business plan
100	St Agustine to forest	5	Roads	Require Business plan
101	Lower Sithana	5	Roads	Require Business plan
102	Mpukone	5	Roads	Require Business plan
103	lower Ntywenka	5	Roads	Require Business plan
104	Sidakeni	5	Roads	Require Business plan
105	Ngcele JSS	5	Roads	Require Business plan
106	Nobuntu to Zwelitsha (Hopedale)	5	Roads	Require Business plan
107	Mthandeni to Mabhenle JPS	5	Roads	Require Business plan
108	Somerville Access Road	5	Roads	Require Business plan
109	Mnt Location Access Road	5	Roads	Require Business plan
110	Mpunkone Access Road	5	Roads	Require Business plan
111	Lower Ngxaza	5	Roads	Require Business plan
112	Mbondisweni	5	Roads	Require Business plan
113	Ntywenka	5	Roads	Require Business plan
114	Zwelidumile JPS	5	Roads	Require Business plan
115	Magwaxaza SPS	5	Roads	Require Business plan
117	Jamangile SSS	5	Roads	Require Business plan
118	Mtshemla Flats	5	Roads	Require Business plan
119	Ntaba JSS	5	Roads	Require Business plan
120	Ntabalanga Location	5	Roads	Require Business plan
121	Mpunkone Bridge	5	Bridge	Require Business plan
122	Lower Ngxaza	5	Bridge	Require Business plan
123	Hopedale Crossing	5	Bridge	Require Business plan
124	Ngcele	5	Halls	Require Business plan
125	Hopedale	5	Halls	Require Business plan
126	Summerville	5	Halls	Require Business plan

127	Mbonisweni	5	Halls	Require Business plan
128	Mountain	5	Halls	Require Business plan
129	Ngcele	5	sports field	Require Business plan
130	Hopedale	5	sports field	Require Business plan
131	St Augustine	5	sports field	Require Business plan
132	Mbonisweni	5	sports field	Require Business plan
133	Ntywenka	5	sports field	Require Business plan
134	Mountain	5	Fencing	Require Business plan
135	Hopedale	5	shearing sheds	Require Business plan
136	Mpunkone	5	shearing sheds	Require Business plan
137	Mbonisweni	5	forest cutting	Require Business plan
138	Lower Ngxaza	5	forest cutting	Require Business plan
139	Ntywenka	5	forest cutting	Require Business plan
140	Somerville	5	forest cutting	Require Business plan
141	St Augustine	5	forest cutting	Require Business plan
142	Ntolosana	6	Roads	Require Business plan
143	Mbidlana	6	Roads	Require Business plan
144	Ngxoto	6	Roads	Require Business plan
145	Mqokolweni	6	Roads	Require Business plan
146	Upper Sinratio	6	Roads	Require Business plan
147	Lower Sinrato	6	Roads	Require Business plan
148	Siqhungqwini	6	Roads	Require Business plan
149	Qurana	6	Roads	Require Business plan
150	Ntywenta	6	Roads	Require Business plan
151	Ngcele	6	Roads	Require Business plan
152	Ntushuntshu	6	Roads	Require Business plan
153	Mcwangele	6	Roads	Require Business plan
154	Access road to school AC 30402	6	Roads	Require Business plan
155	AC 30401	6	Roads	Require Business plan
156	Short cut from maclear to tsitsa river basin	6	Roads	Require Business plan
157	Ngxoto	6	Bridge	Require Business plan
158	Mqokolweni	6	Bridge	Require Business plan
159	Qurana	6	Bridge	Require Business plan
160	Ntywenka	6	Bridge	Require Business plan
161	Ntushuntshu	6	Fencing	Require Business plan
162	mqokolweni	6	Fencing	Require Business plan
163	Ngxoto	6	Fencing	Require Business plan
164	Upper Sinxako	6	Fencing	Require Business plan
165	Ngcele	6	Fencing	Require Business plan
166	Ntushuntshu	6	Fencing	Require Business plan
167	Mbidlana	6	Fencing	Require Business plan
168	Tshikitsha to Zwelitsha with bridge	7	Roads	Require Business plan
169	Road to Ngxaxha gorge with bridge	7	Roads	Require Business plan
170	Zinkumbini with bridge	7	Roads	Require Business plan
171	Katkop	7	Roads	Require Business plan
172	the whole of ward 7	7	water	Require Business plan
173	the whole of ward 7	7	Sanitation	Require Business plan
174	the whole of ward 7	7	Electricity	Require Business plan
175	Etyeni	7	Sport field	Require Business plan
176	Botsabelo	7	Sport field	Require Business plan
177	Ngxaxha gorge	7	Sport field	Require Business plan

178	Etyeni	7	Community halls	Require Business plan
179	Botsabelo	7	Community halls	Require Business plan
180	Multi Purpose Centre Katkop	7	Community halls	Require Business plan
181	Taung	7	Fencing of agricultural projects	Require Business plan
182	T18 to Kalankomo	8	Roads	Require Business plan
183	From Umfanta JSS to Moreneng	8	Roads	Require Business plan
184	R56 to Mathizeni	8	Roads	Require Business plan
185	Magabade via Luzi JSS to T18	8	roads	Require Business plan
186	Nkamane	8	Roads	Require Business plan
187	R56 to Nkobongo & Pitoli	8	Roads	Require Business plan
188	Upper Ngxaxha to Mahlatini	8	Roads	Require Business plan
189	Makhatlanyaneng	8	Roads	Require Business plan
190	From Natlane SPS to Lithuteng	8	Roads	Require Business plan
191	T89 Upper Nxaxa to Lower Nxaxa and bridge	8	Roads	Require Business plan
192	R66 to Thembeni SPS (Makhatlanyeng)	8	Roads	Require Business plan
193	Moroka JSS to Mosikitsaneng	8	Roads	Require Business plan
194	Qutsuma	8	Bridge	Require Business plan
195	Mohlakeng	8	Bridge	Require Business plan
196	Purutle	8	Bridge	Require Business plan
197	Moroka	8	low level crossing	Require Business plan
198	At Lahlangubo river (to Nkobongo) - 2 areas	8	Bridge	Require Business plan
199	Dipini	8	Bridge	Require Business plan
200	Moroka	8	Community halls	Require Business plan
201	Milane	8	Community halls	Require Business plan
202	Sekoting	8	Community halls	Require Business plan
203	Luzi	8	Community halls	Require Business plan
204	Upper Ngxaxha	8	Community halls	Require Business plan
205	Mokgalong	8	Community halls	Require Business plan
206	Nkobongo	8	Community halls	Require Business plan
207	Lahlangubo	8	Community halls	Require Business plan
208	Ntibane	8	Community halls	Require Business plan
209	Purutle	8	Community halls	Require Business plan
210	Malamlela	8	Community halls	Require Business plan
211	Moroka	8	Dipping tanks	Require Business plan
212	Luzi	8	Dipping tanks	Require Business plan
213	Nkamane	8	Dipping tanks	Require Business plan
214	Makhatlanyaneng	8	Dipping tanks	Require Business plan
215	Upper Ngxaxha	8	Dipping tanks	Require Business plan
216	Malamlela	8	Dipping tanks	Require Business plan
217	Milane	8	Dipping tanks	Require Business plan
218	Lithuteng	8	water	Require Business plan
219	Sekoting	8	water	Require Business plan
220	Nkamane	8	water	Require Business plan
221	Lahlangubo	8	water	Require Business plan
222	Nkobongo	8	water	Require Business plan
223	Pitoli	8	water	Require Business plan
224	Lahlangubo	8	Sanitation	Require Business plan
225	Luzie	8	Sanitation	Require Business plan

226	Purutle	8	Sanitation	Require Business plan
227	Upper Ngxaxha with Mahlathini	8	Sanitation	Require Business plan
228	Umfanta	8	Electricity	Require Business plan
229	Nkamane	8	Electricity	Require Business plan
230	Mokgalong	8	Electricity	Require Business plan
231	Makhatlanyaneng	8	Electricity	Require Business plan
232	Moroka	8	Electricity	Require Business plan
233	Purutle	8	Electricity	Require Business plan
234	Luzie	8	Electricity	Require Business plan
235	Lahlangubo	8	Electricity	Require Business plan
236	Nkobongo	8	Electricity	Require Business plan
237	Pitoli	8	Electricity	Require Business plan
238	Upper Ngxaxha	8	Electricity	Require Business plan
239	Milane	8	Electricity	Require Business plan
240	Lower Ngxaxha (Malamlela)	8	Electricity	Require Business plan
241	Luzi SSS	8	Sport field	Require Business plan
242	Milane	8	Sport field	Require Business plan
243	Kuyasa	8	Sport field	Require Business plan
244	Umfanta	8	fencing of graveyards	Require Business plan
245	Makhatlanyaneng	8	fencing of graveyards	Require Business plan
246	Sekoting	8	fencing of graveyards	Require Business plan
247	Nkamane	8	fencing of graveyards	Require Business plan
248	Mokgalong	8	fencing of graveyards	Require Business plan
249	Moroka	8	5 x fencing of graveyards	Require Business plan
250	Purutle	8	fencing of graveyards	Require Business plan
251	Kalankomo	8	fencing of graveyards	Require Business plan
252	Luzie	8	fencing of graveyards	Require Business plan
253	Lahlangubo	8	fencing of graveyards	Require Business plan
254	Nkobongo	8	fencing of graveyards	Require Business plan
255	Upper Ngxaxha	8	10 x fencing of graveyards	Require Business plan
256	lower ngxaxha	8	10 x fencing of graveyards	Require Business plan
257	Tembeni	9	Roads	Require Business plan
258	Katlehong	9	Roads	Require Business plan
259	Kutloanong	9	Roads	Require Business plan
260	Nkululekweni	9	Roads	Require Business plan
261	Nkululekweni	9	Community halls	Require Business plan
262	Tembeni	9	Community halls	Require Business plan
263	Ilisolomzi	9	Community halls	Require Business plan
264	Tembeni	9	Water	Require Business plan
265	Kutloanong	9	Water	Require Business plan
266	Nkululekweni	9	Water	Require Business plan
267	Tembeni	9	Sanitation	Require Business plan
268	Katlehong	9	Sanitation	Require Business plan
269	Kutloanong	9	Sanitation	Require Business plan
270	Nkululekweni	9	Sanitation	Require Business plan
271	Tembeni	9	fencing of graveyards	Require Business plan
272	Kutloanong	9	fencing of graveyards	Require Business plan
273	Nkululekweni	9	fencing of graveyards	Require Business plan
274	Ilisolomzi	9	fencing of graveyards	Require Business plan
275	Tembeni	9	high masts	Require Business plan
276	Katlehong	9	high masts	Require Business plan



277	Kutloanong	9	high masts	Require Business plan
278	Nkululekweni	9	high masts	Require Business plan
279	Ilisolomzi	9	high masts	Require Business plan
280	Kutloanong	9	Testing grounds	Require Business plan
281	All villages	10	Community halls	Require Business plan
282	zingonyameni	10	Roads	Require Business plan
283	Xaxazana to Nkalweni(incomplete)	10	Roads	Require Business plan
284	Mbambangwe- Zwelitsha	10	Roads	Require Business plan
285	Farview	10	dipping tanks	Require Business plan
286	Xaxazana	10	dipping tanks	Require Business plan
287	Shearing Sheds	10	dipping tanks	Require Business plan
288	Zingonwameni	10	dipping tanks	Require Business plan
289	Mathafeni	10	dipping tanks	Require Business plan
290	Tsolobeng	10	dipping tanks	Require Business plan
291	Dengwane (access bridge )	11	Roads	Require Business plan
292	Tinana	11	Roads	Require Business plan
293	Thambekeni ( access bridge)	11	Roads	Require Business plan
294	Bridge from Thinana to Ntabayikhonjwa	11	Roads	Require Business plan
295	Thiana River	11	Roads	Require Business plan
296	Bridge at Mjikelweni and the road	11	Roads	Require Business plan
297	R78 - Potsef	11	Roads	Require Business plan
298	R78 - Likonyeleng	11	Roads	Require Business plan
299	T74 to ntabayikhonjwa	11	Roads	Require Business plan
300	T78 - Matsoana	11	Roads	Require Business plan
301	T75 - Ngaqangana	11	Roads	Require Business plan
302	Fletcherville	11	Community halls	Require Business plan
303	Makoatlane	11	Community halls	Require Business plan
304	Dengwane	11	Community halls	Require Business plan
305	Tinana	11	Community halls	Require Business plan
306	Khalazembe	11	Community halls	Require Business plan
307	Lubisini	11	Community halls	Require Business plan
308	Ngaqangana	11	Community halls	Require Business plan
309	Tinana	11	Dipping tanks	Require Business plan
310	Fletcherville	11	Water	Require Business plan
311	Makoatlane	11	Water	Require Business plan
312	Khalazembe	11	Water	Require Business plan
313	Ngaqangana	11	Water	Require Business plan
314	Tambekeni	11	Water	Require Business plan
315	Lubisini	11	Water	Require Business plan
316	Matsoane	11	Water	Require Business plan
317	Makatlane	11	Sanitation	Require Business plan
318	Fletcherville	11	Sanitation	Require Business plan
319	Matsoane	11	Sanitation	Require Business plan
320	Ngaqangana	11	Sanitation	Require Business plan
321	Tambekeni	11	Sanitation	Require Business plan
322	Ntabayikhonjwa	11	Sanitation	Require Business plan
323	Mjikelweni	11	Sanitation	Require Business plan
324	Dengwane	11	sports field	Require Business plan
325	Lubisini	11	sports field	Require Business plan
326	Tinana	11	sports field	Require Business plan
327	Ngaqangana	11	sports field	Require Business plan

328	Fletcherville	11	sports field	Require Business plan
329	Makoatlane	11	sports field	Require Business plan
330	Matsoane	11	Fencing of agricultural projects	Require Business plan
331	Ngaqangana	11	Fencing of agricultural projects	Require Business plan
332	Ntabayikhonjwa	11	Fencing of agricultural projects	Require Business plan
333	Lubisini	11	Fencing of agricultural projects	Require Business plan
334	Khalazembe	11	Fencing of agricultural projects	Require Business plan
335	Fletcherville	11	Fencing of agricultural projects	Require Business plan
336	Makoatlane	11	Fencing of agricultural projects	Require Business plan
337	Polokoe	12	Roads	Require Business plan
338	Mahanyaneng	12	Roads	Require Business plan
339	Mangoloaneng	12	Roads	Require Business plan
340	Popopo to Mosana JSS and bridge	12	Roads	Require Business plan
341	R56 to Phaphama JPS and bridge	12	Roads	Require Business plan
342	R56 to Lehlakaneng	12	Roads	Require Business plan
343	T74 to Mabekong and bridge	12	Roads	Require Business plan
344	T74 via Ngoliloe JSS to Qolweni	12	Roads	Require Business plan
345	R56 to Morulane JSS	12	Roads	Require Business plan
346	Mangoloaneng East	12	Bridge improve design capacity	Require Business plan
347	Kinira Poort	12	Community halls	Require Business plan
348	Mangoloaneng	12	Community halls	Require Business plan
349	Sethathi	12	Community halls	Require Business plan
350	Mahanyaneng	12	Community halls	Require Business plan
351	Popopo	12	Community halls	Require Business plan
352	Ngoliloe	12	Community halls	Require Business plan
353	Koebong from School to Bolata	13	Roads	Require Business plan
354	Tabase (bridge between Sigingqini& Tsoelike	13	Roads	Require Business plan
355	T 74 via Mohoabatsane to Khohlong	13	Roads	Require Business plan
356	Lower Nxotshana and bridge	13	Roads	Require Business plan
357	Kuebung to Bolata and bridge	13	Roads	Require Business plan
358	T80 to Matabaneng	13	Roads	Require Business plan
359	T80 Via Traditional Council to Dikomaneng	13	Roads	Require Business plan
360	Tabase police station to Sekoting	13	Roads	Require Business plan
361	T78 to Pirintsu JSS	13	Roads	Require Business plan
362	T74 via the shop back to to T74	13	Roads	Require Business plan
363	Seqhobong	13	Community halls	Require Business plan
364	Kuebung	13	Community halls	Require Business plan
365	Nxotshana	13	Community halls	Require Business plan
366	Pirintsu	13	Community halls	Require Business plan
367	Tabase	13	Community halls	Require Business plan
368	Ntuku	13	Playgrounds	Require Business plan
369	Tabase village	13	Water	Require Business plan
370	Kuebung	13	Sanitation	Require Business plan
371	Seqhobong	13	Sanitation	Require Business plan
372	Mohoabatsane	13	Sanitation	Require Business plan
373	Ntuku	13	Sanitation	Require Business plan
374	Nxotshana	13	Sanitation	Require Business plan
375	Pirintsu	13	Sanitation	Require Business plan
376	the whole of ward 13	13	Electricity	Require Business plan
377	Ntoko	13	Sports field	Require Business plan

378	Nxotshana	13	Sports field	Require Business plan
379	Lehanas pass	14	Roads	Require Business plan
380	Moroarana	14	Roads	Require Business plan
381	Nokhohloko	14	Roads	Require Business plan
382	Tafeni	14	Roads	Require Business plan
383	Zindawo	14	Roads	Require Business plan
384	T78 - Puthing	14	Roads	Require Business plan
385	Makhoaseng to Zanyeni and Setabataba access	14	Roads	Require Business plan
386	Pirintsu- Mt Fletcher T78 (bridge) for construction	14	Roads	Require Business plan
387	Mogoroane to Betula .	14	Roads	Require Business plan
388	Bethula to Mnbonwana	14	Roads	Require Business plan
389	T642 to to Zindwana	14	Roads	Require Business plan
390	T647 to Phuthaing	14	Roads	Require Business plan
391	Satube	14	Community halls	Require Business plan
392	Vuvu	14	Community halls	Require Business plan
393	Ulundi	14	Community halls	Require Business plan
394	Lehanas Pass	14	Community halls	Require Business plan
395	Nqalweni	14	Community halls	Require Business plan
396	Zanyeni	14	Community halls	Require Business plan
397	Thabakhubelu	14	Community halls	Require Business plan
398	Vuvu	14	8 x fencing of graveyards	Require Business plan
399	Thabaklubelu	14	3 x fencing of graveyards	Require Business plan
400	Lehanas pass	14	2 x fencing of graveyards	Require Business plan
401	Elundini	14	5 x fencing of graveyards	Require Business plan
402	Makgoaseng	14	3 x fencing of graveyards	Require Business plan
403	Nqalweni	14	6 x fencing of graveyards	Require Business plan
404	Zanyeni	14	4 x fencing of graveyards	Require Business plan
405	Vuvu vimba project	14	Fencing of agricultural projects	Require Business plan
406	Elundini community garden	14	Fencing of agricultural projects	Require Business plan
407	Makgoaseng	14	Fencing of agricultural projects	Require Business plan
408	Satube	14	Fencing of agricultural projects	Require Business plan
409	Zanyeni	14	Fencing of agricultural projects	Require Business plan
410	Satube	14	Dipping tanks	Require Business plan
411	Thabaklubelu	14	Dipping tanks	Require Business plan
412	Lehanas pass	14	Dipping tanks	Require Business plan
413	Nqalweni	14	Dipping tanks	Require Business plan
414	Makgoaseng	14	Water	Require Business plan
415	Satube	14	Water	Require Business plan
416	Thabaklubelu	14	Water	Require Business plan
417	Lehanas pass	14	Water	Require Business plan
418	Ulundi	14	Water	Require Business plan
419	Vuvu	14	Water	Require Business plan
420	Nqalweni	14	Water	Require Business plan
421	Zanyeni	14	Water	Require Business plan
422	Makgoaseng	14	Sanitation	Require Business plan
423	Satube	14	Sanitation	Require Business plan
424	Thabaklubelu	14	Sanitation	Require Business plan
425	Lehanas pass	14	Sanitation	Require Business plan
426	Ulundi	14	Sanitation	Require Business plan
427	Vuvu	14	Sanitation	Require Business plan

428	Nqalweni	14	Sanitation	Require Business plan
429	Puthing	14	Sanitation	Require Business plan
430	Zanyeni	14	Sanitation	Require Business plan
431	the whole of ward 14	14	Electricity	Require Business plan
432	Satube	14	Sport field	Require Business plan
433	Lehanas pass	14	Sport field	Require Business plan
434	Vuvu	14	Sport field	Require Business plan
435	Zanyeni	14	Sport field	Require Business plan
346	Lehanas pass/Lenge	14	Bridge	Require Business plan
437	Lenge/Rhina	14	bridge	Require Business plan
438	Betula/Nokhohloko	14	bridge	Require Business plan
439	Vuvu	14	bridge	Require Business plan
440	Zindawo	14	bridge	Require Business plan
441	Thabaklubelu	14	shearing sheds	Require Business plan
442	Elundini	14	shearing sheds	Require Business plan
443	Vuvu	14	shearing sheds	Require Business plan
444	Puthing	14	shearing sheds	Require Business plan
445	Zanyeni	14	shearing sheds	Require Business plan
446	Lower Tokoana	15	Roads	Require Business plan
447	Mbizeni Village Bridge - ward 15	15	Roads	Require Business plan
448	Lehana SS to Upper Tokoana	15	Roads	Require Business plan
449	T76 to Liphofung SPS	15	Roads	Require Business plan
450	T76 to Liphakoeng Village	15	Roads	Require Business plan
451	T18 to Pitseng SPS	15	Roads	Require Business plan
452	T83 to Upper Tsista	15	Roads	Require Business plan
453	Across Luzie River (A/A Castle Rocks) Mbizeni Village	15	Bridge	Require Business plan
454	Foot Bridge Pitseng	15	Bridge	Require Business plan
455	Fencing of graveyard	15	fencing	Require Business plan
456	Refele	15	Community halls	Require Business plan
457	Lower Thokoana	15	Community halls	Require Business plan
458	Makhuleng	15	Community halls	Require Business plan
459	Khalatsu	15	Community halls	Require Business plan
460	Upper Tsistana	15	Community halls	Require Business plan
461	Mdeni	16	Community halls	Require Business plan
462	Chevy Chase	16	Community halls	Require Business plan
463	Upper Ketekete	16	Community halls	Require Business plan
464	R56 via Tembelihle SPS to Enjaboya	16	roads	Require Business plan
465	Melisizwe Road From Ketekete JSS to Melesizwe SPS;	16	roads	Require Business plan
466	Ngqwaneni	16	pedestrian river crossing	Require Business plan
467	Swasuba	16	pedestrian river crossing	Require Business plan
468	Hlankomo - upper	16	pedestrian river crossing	Require Business plan
469	Hlankomo - lower	16	pedestrian river crossing	Require Business plan
470	Maskephe	16	pedestrian river crossing	Require Business plan
471	Gqwirhana	16	pedestrian river crossing	Require Business plan
472	Cambalala Road From T83 Road;	16	roads	Require Business plan
473	From Upper Mhontlo SPS via Mcwangele into T83;	16	roads	Require Business plan
474	T83 needs attention;	16	roads	Require Business plan
475	Magedla Roads needs upgrading.	16	roads	Require Business plan
476	Emdeni	16	Roads	Require Business plan
477	Ketekete	16	Roads	Require Business plan
478	R56 to Emabambeni via Basiyeng	16	Roads	Require Business plan

## SECTION E : FINANCIAL MANAGEMENT AND PLANNING

---

### 5.1 KPA 5: FINANCIAL VIABILITY

In accordance with the latest assessment conducted of the financial position, the Elundini Local Municipality is deemed financially sustainable and is able to meet its financial commitments.

Significant reforms within the adoption of new accounting standards, being Generally Recognised Accounting Practice (GRAP), coupled with significant reforms within Municipal Budgeting and Reporting Regulations is set to significantly enhance the credibility, sustainability, transparency, accuracy and reliability of financial planning, management and reporting within the Elundini Local Municipality

In meeting the demands associated with modernised practices towards sustaining and enhancing financial viability; and addressing the specific needs of Elundini LM within the context of limited resources and mounting service delivery expectations, necessitates that a comprehensive integrated approach towards financial sustainability be developed.

In terms of the approach adopted, the following core components will be deliberated on which collectively aim to positioning Elundini LM on a sustainable approach to service delivery.

The focus of report will centre on Financial Risks and Key Challenges, Financial Strategy Employed, Overview of the Budget 2010/2011 MTREF

i) Financial risks and key challenges

In order to maintain and improve on the financial position of Elundini LM, certain risks need to be managed, while financial management practices need to be continuously improved.

The key financial risks confronting the Municipality can be summarised as follows:

- (a) The continued growth in outstanding debtors, including that of Government;
- (b) The deteriorating collection rate;
- (c) Containment of personnel costs within set benchmarks as established within the budget process; future implications of results emanating from the Task Job Evaluation System;
- (d) Limited maintenance and renewal of infrastructure assets due to resource constraints;
- (e) Administration of Agency functions with limited budget allocations;
- (f) The impact of REDS;
- (g) The escalation of electricity costs due to tariff increases imposed by Eskom;
- (h) Adherence to regulations impacting on municipal budgets and reporting;
- (i) (h)Sufficient resourcing of Capital Replacement Reserves;
- (j) Unresolved objections associated with the introduction of the MPRA

## Key Challenges

- (a) Achieving an unqualified audit report.
- (b) The need to improve customer care.
- (c) The need to ensure legal compliance through all procedures and programmes.
- (d) Timeous payment of service providers.
- (e) The need to improve on the promotion of broad-based economic empowerment.

### a. Financial Strategies

The Financial Strategy has been formulated to ensure that the Elundini Local Municipality maximises all available opportunities that would enhance Council's financial strength especially considering the cost-shift environment that has been created with the implementation of assigned powers and functions.

Council's overall Financial Strategy is structured into the following core components to allow for a clearer understanding of the overall task:

- 1) Revenue enhancement and maximisation Strategies
- 2) Asset Management strategies
- 3) Financial Management Strategies
- 4) Capital Financing Strategies
- 5) Operational Financing Strategies
- 6) Strategies to Enhance Cost-effectiveness
- 7) Free Basic Services and indigent Support

These segments are intended to provide operational guidance to staff to assist them in achieving identified objectives and goals. The strategy is premised on ensuring compliance with adopted financial policies, modelled on modernised reform practices applicable to Local Government.

The multiyear budget process reforms currently being implemented has fundamentally changed Council's financial focus, through improving the Municipality's ability to deliver basic services to all, highlighting and effectively addressing capital expansion implications on sustainability of operations, and that of the organisation as a whole, and informing policy choices on investment decisions.

#### ii) Revenue enhancement and maximisation strategy

The purpose of this strategy is to ensure that all possible avenues are explored to maximise the receipt of any monies available to Council by way of intergovernmental transfers and Grants or Donations, including expanding the billing database and maximising income opportunities on every registered serviced site within the LM's jurisdiction. The second component of this strategy focuses on strengthening and building capacity within credit control and debt management practices and processes of Council, ensuring the attainment and exceeding of collection rates in line with key budgetary requirements.

The third component of the strategy focuses on maximising the registration of households eligible for participation within the Free Basic Services programme of Council, this component is aimed at arresting spiralling debts associated with this user group, and limiting consumption of services in line with the FBS allocation threshold.

#### a. Subsidies and Grants

In order for Elundini LM to obtain maximum benefit from external monies available, a policy laying out the relevant procedures has been put in place within the Institution to ensure that all grants, donations and subsidies are investigated, applied for and received at the appropriate times. The policy will ensure that Council receives maximum benefit from external funding available.

#### b. Administration Fee Policy

The Administration Fee Policy has been updated to address the needs of Council with regards to administration of contracts on behalf of third parties.

#### c. Credit control and debt collection policy

The Policy sets out to control and manage the recovery of outstanding debt due to Council. This policy is in place and is subject to regular updates.

The policy lays down the basis for distribution of accounts, collection procedures, interest and penalties to be charged in the event of non-payment, with strong focus on management reporting requirements pursuant of key legislative requirements and performance management.

#### d. Tariff policy

This policy sets key guidelines on what should be considered when pricing services and guiding principles for the compilation of water, sanitation, solid waste and electricity tariffs.

This policy is subject to constant review, given significant reforms within the electrification and water sectors, which impact on the price cost of services rendered, and ultimately on the sustainability of trading services.

#### e. Asset management strategies

The purpose of the strategy is to optimise the use of all assets under the control of Elundini Local Municipality, given the financial exposure and the revenue streams earned by the Municipality in the rendering of services to the community.

##### i) Asset management policy

This policy is deemed necessary in order to facilitate the effective management, control and maintenance of the assets. The policy is in place and is subject to regular review.

The prime objectives of the policy are to ensure that the assets of Elundini are properly managed and accounted for by:

- Ensuring the accurate recording of asset information

- The accurate recording of asset movements

- Exercising strict control over all assets

- Providing correct and meaningful management information

- Compliance with Council's Insurance Policy and Payment Procedure

Effecting adequate insurance of all assets

Maintenance of Council's Assets

ii) Asset movement system

At the time of commissioning a GRAP compliant Asset Register, an asset tracking system using bar-coded discs and scanners was put in place. With the completion of the Asset Register, the asset tracking system will be fully operational.

The system will allow for regular audits of all assets to be completed in a shorter time frame and therefore allowing for more regular updates of the register.

#### a. Budget and finance reform

A considerable amount of time and effort has been expended on ensuring that Elundini Local Municipality has the capacity to deliver on the finance and budget reporting requirements as prescribed by National Treasury.

The process is being overseen by a Finance Standing committee and significant progress has been made in some areas. Specific tasks being performed are:

Employment of interns and short term contract workers

Reconciliation of assets

Training

Financial Systems Reporting

#### b. Policy for accessing donor funds

Due to the large number of projects that are being requested from the community, a policy has been developed and implemented which creates a framework for accessing funds both locally and internationally.

The policy outlines the type of donors available and the conditions related to the donations. All procedures and special conditions attributable the different donors will be catalogued in the policy to ensure the smoothest approach to these donors when the occasion arises.

This policy implementation lies with the Municipal Manager's Office as an extension of the Subsidies and Grants Policy.

#### c. Operational financing strategies

The purpose of this strategy is to assess the viability ( IA) of any association or alliance or partnership that may arise from time to time.

Elundini Local Municipality has been assigned various functions and authorities by the MEC for Local Government, Housing and Traditional Affairs or Structures Act. Council are at present exploring PPP's - support from service providers, in the related areas of staffing, resource allocation, finance and assets and liabilities, to assess all the implications of the other opportunities available to Elundini LM.



#### d. Strategies to enhance cost-effectiveness

The purpose of this strategy is to ensure that Elundini Local Municipality employs the most cost effective operating practices.

Importantly, this strategy is driven on the principles enshrined within the Costing policy, which amongst other things advocates that the sustainability of Elundini LM is not primarily driven on resource generation capacity, rather a combination of effective resource utilisation, premised on cost conscious decision making practices and processes.

#### e. Benchmarking and performance indicators

A set of performance indicators will be developed and implemented to test the effectiveness and efficiency of the Municipality. Benchmarking these against similar organisations will allow for regular internal assessment and upgrading.

These bench mark indicators will supplement the battery of indicators that have been developed as part of the new budget reporting formats and regulations, aimed at gauging the efficacy of financial performance and management.

#### f. Training and development of staff

Training sessions and courses are continually being planned to ensure that all, financial as well as non-financial, senior staff and councillors will be in a better position to evaluate the financial position of the Municipality. The Council also has an approved skills development plan, which is being implemented and is used to guide training of both Councillors and Officials.

#### g. Cost-effectiveness

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

#### h. Post retirement benefits

There is reason to be concerned about the possibility of an undisclosed liability that Council may be facing with regard to post retirement benefits due to staff.

An actuary will be appointed, to evaluate the full extent of Councils liability in this regard. Funding for such an exercise would be made available from the Finance and Budget Reform Grant.

#### i. FREE BASIC SERVICES

a)The indigence support policy:

The basic principles of this policy are captured by indicating that the policy is to ensure that poor households are not denied their constitutional right of access to services, the Elundini LM is required to implement an indigent support policy that makes adequate financial provision to ensure the provision of efficient and sustainable services to all residents within the area of jurisdiction.

The indigent support policy is an integral part of the Elundini's tariff policy that is developed and implemented in a transparent manner to ensure the sustainability of local public services to all of its citizens at an affordable cost. The indigent policy is intended to provide poor households ongoing access to a specified level of service. The subsidies contained in the policy should not compromise the quality or efficiency of service delivery.

## 5.2 Financial Plan

This plan is prepared in terms of Section 26 (h) of the *Local Government : Municipal Systems Act*, as amended, which stipulates that a financial plan must be prepared as part of the Integrated Development Plan.

The five-year financial plan includes an Operating Budget and Capital Budget informed by the IDP priorities. It takes into account the key performance areas of the IDP. All programmes contained in the budget are reflected in the IDP. The review of the Municipality's IDP has a ripple effect on the budget.

In addition to being informed by the IDP, the municipal fiscal environment is influenced by a variety of macro-economic control measures. National Treasury determines the ceiling of year-on-year increases in the total Operating Budget, whilst the National Electricity Regulator (NER) regulates electricity tariff increases. Various government departments also affect municipal service delivery through the level of grants and subsidies.

### 5.3 BUDGET 2010/2011

EC141 Elundini - Table A2 Budgeted Financial Performance (revenue and expenditure by standard classification)

Standard Classification Description	Ref	2006/7	2007/8	2008/9	Current Year 2009/10			2010/11 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2010/11	Budget Year +1 2011/12	Budget Year +2 2012/13
<b>R thousand</b>	<b>1</b>									
<b>Revenue - Standard</b>										
<b>Governance and administration</b>		-	-	-	75 527	72 547	72 547	79 707	79 006	87 094
Executive and council		-	-	-	4 450	4 450	4 450	7 250	2 266	2 281
Budget and treasury office		-	-	-	70 927	68 097	68 097	72 370	76 648	84 715
Corporate services		-	-	-	150	-	-	87	93	98
<b>Community and public safety</b>		-	-	-	1 721	971	971	710	743	779
Community and social services		-	-	-	1 721	971	971	709	741	777
Sport and recreation		-	-	-	-	-	-	2	2	2
Public safety		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
<b>Economic and environmental services</b>		-	-	-	7 809	20 630	20 630	13 964	14 828	15 707
Planning and development		-	-	-	3 974	4 795	4 795	1 667	1 770	1 878
Road transport		-	-	-	3 835	15 835	15 835	12 076	12 823	13 580
Environmental protection		-	-	-	-	-	-	221	235	249
<b>Trading services</b>		-	-	-	21 255	17 896	17 896	33 252	36 531	40 167
Electricity		-	-	-	10 000	7 220	7 220	10 927	12 821	15 059
Water		-	-	-	5 560	5 571	5 571	11 969	12 711	13 461
Waste water management		-	-	-	5 013	4 476	4 476	4 777	5 073	5 372
Waste management		-	-	-	682	629	629	5 580	5 926	6 276
<b>Other</b>	<b>4</b>	-	-	-	-	-	-	120	127	135
<b>Total Revenue - Standard</b>	<b>2</b>	-	-	-	106 312	112 044	112 044	127 754	131 236	143 882

<b>Expenditure - Standard</b>	-									
<b>Governance and administration</b>		-	-	-	<b>45 388</b>	<b>43 904</b>	<b>43 904</b>	<b>53 650</b>	<b>57 048</b>	<b>60 288</b>
Executive and council		-	-	-	15 007	13 587	13 587	15 800	16 780	17 770
Budget and treasury office		-	-	-	16 432	16 802	16 802	22 343	23 920	25 206
Corporate services		-	-	-	13 949	13 515	13 515	15 507	16 348	17 312
<b>Community and public safety</b>		-	-	-	<b>7 148</b>	<b>5 678</b>	<b>5 678</b>	<b>5 907</b>	<b>6 272</b>	<b>6 642</b>
Community and social services		-	-	-	1 763	2 498	2 498	1 953	2 073	2 196
Sport and recreation		-	-	-	4 886	2 540	2 540	3 423	3 635	3 849
Public safety		-	-	-	-	-	-	-	-	-
Housing		-	-	-	499	640	640	531	564	597
Health		-	-	-	-	-	-	-	-	-
<b>Economic and environmental services</b>		-	-	-	<b>13 931</b>	<b>8 251</b>	<b>8 251</b>	<b>19 749</b>	<b>20 973</b>	<b>22 204</b>
Planning and development		-	-	-	2 269	3 230	3 230	2 560	2 719	2 879
Road transport		-	-	-	11 086	4 549	4 549	16 512	17 535	18 564
Environmental protection		-	-	-	576	472	472	677	719	761
<b>Trading services</b>		-	-	-	<b>24 074</b>	<b>23 333</b>	<b>23 333</b>	<b>37 225</b>	<b>41 307</b>	<b>46 026</b>
Electricity		-	-	-	11 901	10 943	10 943	13 474	16 082	19 312
Water		-	-	-	5 560	6 772	6 772	11 961	12 703	13 453
Waste water management		-	-	-	3 075	2 539	2 539	3 203	3 402	3 603
Waste management		-	-	-	3 538	3 079	3 079	8 588	9 121	9 659
<b>Other</b>	4	-	-	-	-	-	-	-	-	-
<b>Total Expenditure - Standard</b>	3	-	-	-	<b>90 541</b>	<b>81 166</b>	<b>81 166</b>	<b>116 531</b>	<b>125 600</b>	<b>135 160</b>
<b>Surplus/(Deficit) for the year</b>		-	-	-	<b>15 770</b>	<b>30 878</b>	<b>30 878</b>	<b>11 224</b>	<b>5 636</b>	<b>8 722</b>



EC141 Elundini - Table A5 Budgeted Capital Expenditure by vote, standard classification and funding

Vote Description R thousand	Ref	2006/7	2007/8	2008/9	Current Year 2009/10				2010/11 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2010/11	Budget Year +1 2011/12	Budget Year +2 2012/13
<b>Capital expenditure - Vote</b>											
<b>Multi-year expenditure to be appropriated</b>	2										
EXECUTIVE & COUNCIL		-	-	-	500	4 100	4 100	-	7 100	2 106	2 112
BUDGET & TREASURY OFFICE		-	-	-	7 231	3 331	3 331	-	80	85	90
CORPORATE SERVICES DEPARTMENT		-	-	-	450	-	-	-	1 050	1 115	1 181
COMMUNITY SERVICES DEPARTMENT		-	-	-	220	3 370	3 370	-	1 778	1 888	2 000
TECHNICAL SERVICES DEPARTMENT		-	-	-	29 132	41 832	41 832	-	19 746	23 467	28 201
<b>Capital multi-year expenditure sub-total</b>	7	-	-	-	<b>37 533</b>	<b>52 633</b>	<b>52 633</b>	-	<b>29 754</b>	<b>28 661</b>	<b>33 584</b>
<b>Single-year expenditure to be appropriated</b>	2										
EXECUTIVE & COUNCIL		-	-	-	-	-	-	-	-	-	-
BUDGET & TREASURY OFFICE		-	-	-	-	-	-	-	-	-	-
CORPORATE SERVICES DEPARTMENT		-	-	-	-	-	-	-	-	-	-
COMMUNITY SERVICES DEPARTMENT		-	-	-	-	-	-	-	-	-	-
TECHNICAL SERVICES DEPARTMENT		-	-	-	-	-	-	-	-	-	-
<b>Capital single-year expenditure sub-total</b>		-	-	-	-	-	-	-	-	-	-
<b>Total Capital Expenditure - Vote</b>		-	-	-	<b>37 533</b>	<b>52 633</b>	<b>52 633</b>	-	<b>29 754</b>	<b>28 661</b>	<b>33 584</b>
<b>Capital Expenditure - Standard</b>											
<b>Governance and administration</b>		-	-	-	<b>8 181</b>	<b>7 431</b>	<b>7 431</b>	-	<b>8 230</b>	<b>3 306</b>	<b>3 383</b>
Executive and council					500	4 100	4 100		7 100	2 106	2 112
Budget and treasury office					7 231	3 331	3 331		80	85	90
Corporate services					450	-	-		1 050	1 115	1 181
<b>Community and public safety</b>		-	-	-	<b>220</b>	<b>3 370</b>	<b>3 370</b>	-	<b>1 778</b>	<b>1 888</b>	<b>2 000</b>
Community and social services					220	3 370	3 370		957	1 017	1 077
Sport and recreation					-	-	-		21	22	24

Public safety					-	-	-		800	850	900
Housing											
Health											
<b>Economic and environmental services</b>		-	-	-	24 132	40 042	40 042	-	18 046	21 661	26 289
Planning and development						-	-		-	-	-
Road transport					24 132	40 042	40 042		18 046	21 661	26 289
Environmental protection											
<b>Trading services</b>		-	-	-	5 000	-	-	-	-	-	-
Electricity					5 000	-	-		-	-	-
Water						-			-	-	-
Waste water management									-	-	-
Waste management						-			-	-	-
<b>Other</b>					-	1 790	1 790		1 700	1 805	1 912
<b>Total Capital Expenditure - Standard</b>	3	-	-	-	37 533	52 633	52 633	-	29 754	28 661	33 584
<b>Funded by:</b>											
National Government					21 763	21 763	21 763		17 746	21 343	25 951
Provincial Government											
District Municipality											
Other transfers and grants									-	-	-
<b>Transfers recognised - capital</b>	4	-	-	-	21 763	21 763	21 763	-	17 746	21 343	25 951
<b>Public contributions &amp; donations</b>	5										
<b>Borrowing</b>	6										
<b>Internally generated funds</b>					15 770	30 870	30 870		12 008	7 318	7 633
<b>Total Capital Funding</b>	7	-	-	-	37 533	52 633	52 633	-	29 754	28 661	33 584

## 5.4 INCOME ALLOCATIONS AND SOURCES

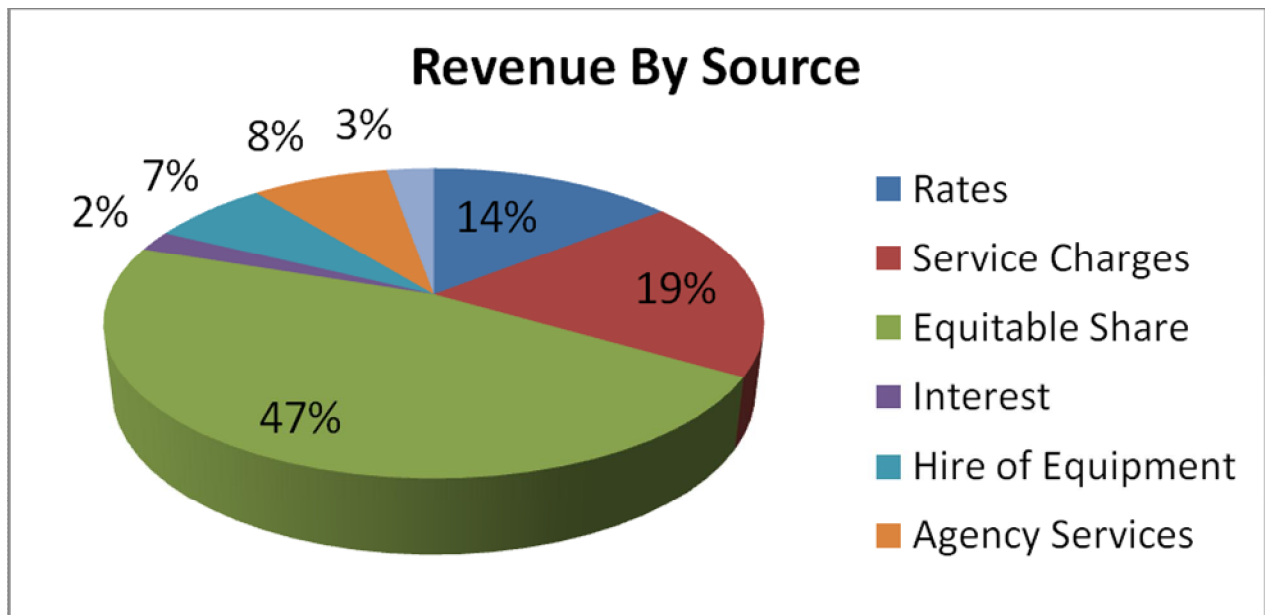
The Elundini Local Municipality primary sources of funding can be summarised as follows:

- ⇒ External Sources
  - Government Grants and subsidies
  - Capital Grants
- ⇒ Discretionary Sources
  - Property rates
  - Service charges on electricity and refuse removal
  - Rental of Facilities and Equipment
  - Interest on Investments
  - Agency Services
  - Fines
  - Licenses and permits

### 5.4.1 Operating Revenue By Source

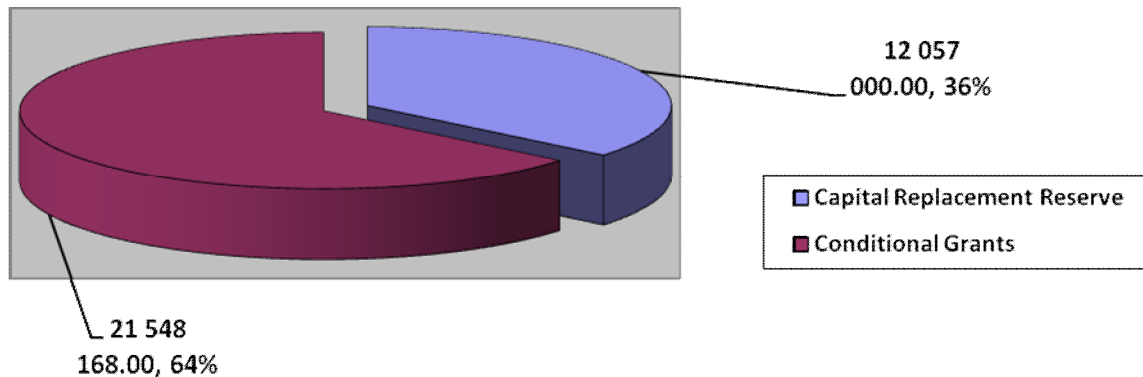
Analysis of operating revenue by source for the 2010/2011 MTREF reveals that the Elundini Local Municipality is highly dependent on Equitable Share to fund operating activities, with the anticipated reliance over the MTREF expected to increase due to growth within service coverage associated with Backlog eradication under the accelerated Free Basic Services campaign.

The following pie chart depicts the income sources for the 2010/11 financial year





#### 5.4.2 Capital Financing by Source



#### Area of prioritised intervention

- Capital Replacement reserve requirements (Ring fenced/Cash backed) to be assessed in line with recapitalisation requirements informed through GRAP requirements and asset funding model adopted.
- Financial Strategy to address the expansion of the municipality's own resource base.

#### 5.5 GENERAL VALUATION ROLL

Property rates constitute only 14 % of the Municipality's income. The Municipality adopted a new General Valuation Roll in July 2009 under the Municipal Property Rates Act.

Areas of prioritised intervention

- Compilation of an updated Valuation and Supplementary Valuation Roll
- Finalisation of appeals processes

#### BILLING AND PAYMENT RATES

Service charges on electricity and refuse removal constitute 19 % of the Municipality's own income for the 2010/11 financial year. A total of 7 000 households are billed each month.

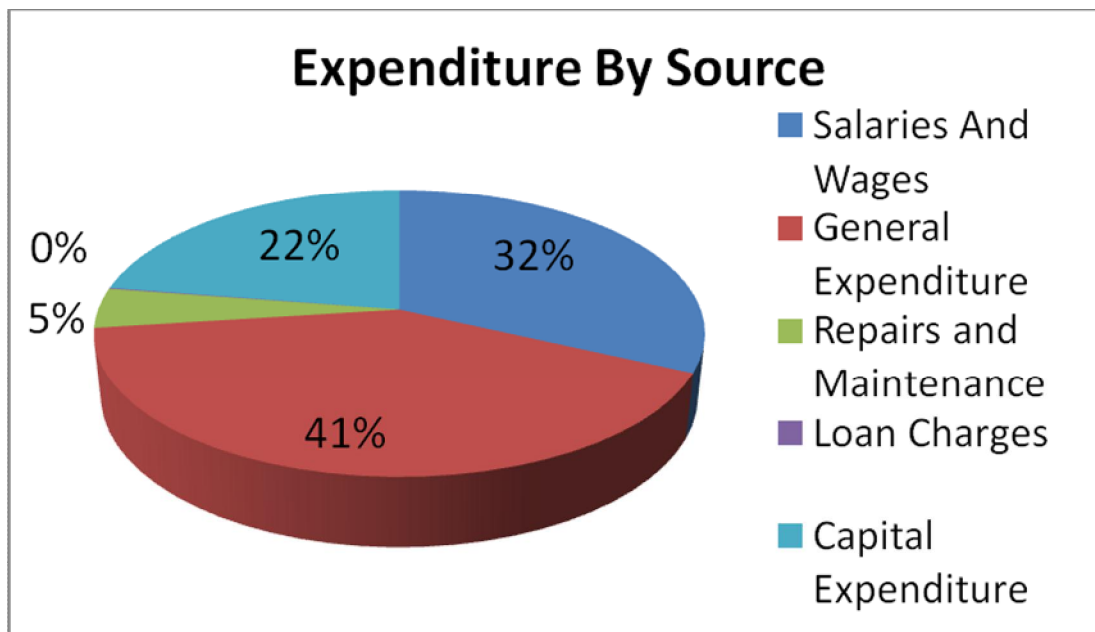
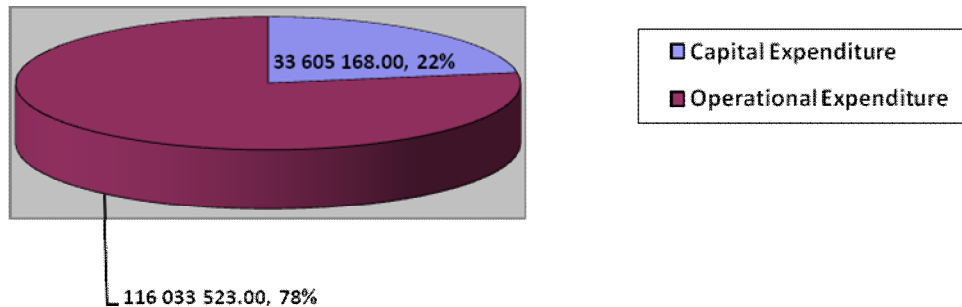
Payment rates are poor and it is estimated that less than 22 % of households are paying their monthly accounts. This is compounded by the high poverty levels and low affordability levels of the community.

### Areas of prioritized intervention

- Amendment to Indigent Support Policy ( Free Basic Services Framework)- Expansion of basket of service offering- adequate budgetary provisioning R 6 272 255
- Create awareness and culture of payment by consumers for services rendered- Launching of a Revenue Maximisation project

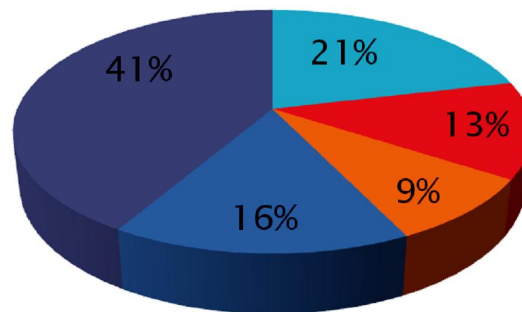
### EXPENDITURE ALLOCATION AND TRENDS

The capital and operational budgets constitute 22.45 % (R33 605 168) and 77.54 % (R 116 033 523) of the 2010/2011 budget respectively.



## Budget allocation per Vote

- Budget and Treasury ■ Municipal Manager
- Community Services ■ Corporate Services
- Technical Services



National Treasury no longer prescribes a norm for salary expenditure and instead requires Municipalities to develop a personnel expenditure ratio that is based on the nature of its functions, organizational structure, labour intensity of intensity of its operations, extent to which labour intensive components of its operations are outsourced and the composition of non personnel components of its operational expenditure. The 2010/11 budget reflects that 32% of the operational budget was allocated to salary expenditure. This is in line with Industry Norms.

The Municipality is constantly striving to provide services to its community which requires substantial capital investment, especially in terms of infrastructural assets. In order to maintain service delivery it is imperative that these assets be maintained in proper working order which requires equitable investment in terms of maintenance and repair costs. According to best practice 2.5% of replacement cost of Assets should be set aside annually for Repairs and Maintenance, Elundini LM is current in process of quantifying replacement costs of all Infrastructural Assets to inform the community's approach to capital financing reserve requirements and as such has made a provisional 5% allocation of total budget to fund Repairs and Maintenance.

In line with Generally Recognised Accounting Practice, and Budget Reforms implemented aligned to International Standards, a contribution to the impairment on assets in the sum of R 12 945 294 has been provided for.

Areas of prioritized intervention

- Increase allocations for repairs and maintenance of infrastructure

PROVISION OF FREE BASIC SERVICES

In accordance with key budgetary policy decisions taken, provision for Free Basic Services in the sum of R 6 325 500 has been provided, this primary poverty alleviation subsidy is aimed at those qualifying households registered in accordance with the Indigent Support Policy of Elundini LM.

Appropriation of funds for expansion to the Free Basic Services programme will be financed through virement from the Impairment on Asset ( Bad Debts), should additional allocations be required.

Households receiving free basic services during the 2009/2010 financial year are reflected below:

Free Basic Electricity	Free Basic Water	Free Basic Refuse	Free Basic Sanitation
50 kw per month	6 kl per month	100% Subsidy of Tariff	100% Subsidy of Tariff
9 038 Households	7342 Households	7121 Households	1013 Households

Areas of prioritized intervention

- Investigate possibility of extending FBS to rural areas – Alternative Energy Solutions

## SECTION F: PERFORMANCE MANAGEMENT SYSTEM

---

### 1. Background

In terms of the Municipal Planning and Performance Management Regulations (2001), the Performance Management system:

*“entails a framework that describes and represent how the municipality’s cycle and processes of performance planning , management, measurement, review, reporting and Improvement will be conducted, organised and managed including determining of roles of different role players”*

Accepting this definition as contained in the Act, the Elundini municipality has reviewed its PMS policy to drive towards the following objectives:

- To give effect to the legislative obligations of the Elundini Municipality in an open, transparent and focused manner;
- To incorporate the already implemented performance management processes applicable to Section 57 Managers and how these relate to and link with the system in a holistic, institution wide, policy;
- To provide a firm foundation from which to steer the process of performance management through all phases of implementation and devolvement; and
- To link and eventually to lock the IDP, the Budget and a Performance Management System in a cycle of prioritised, affordable and accountable municipal planning and effective service delivery involving all staff and the local community.
- The establishment of a system which translates the IDP into measurable objectives and targets;
- The institutionalisation of sound management principles ensuring effective and efficient governance of service delivery;
- Adequate provision for community consultation and the opportunity to have a clearer insight in the performance of the municipality; and
- The promotion of an accountable municipality.

- Principles governing elundini pms

The following principles guided and informed the process of developing the Performance Management System for Elundini Municipality:

- Simplicity
- Politically acceptable
- Transparency and accountability
- Efficiency and Sustainability
- Consultation and Community Involvement
- Incremental Implementation

### Roleplayers in ELM Performance Management System

The roles and responsibilities regarding the implementation of PMS as contained in ELM policy for PMS is discussed in the table below :

Role of council

PLANNING	MONITORING		
	REVIEW	REPORTING	PERFORMANCE ASSESSMENT
<ul style="list-style-type: none"> <li>• Adopts priorities and objectives of the Integrated Development Plan</li> <li>• Adopts the municipal scorecard P.</li> <li>• Establishes the oversight committee for the purpose of the annual report.</li> <li>• Assigns the responsibility of</li> </ul>	<ul style="list-style-type: none"> <li>• Approves the annual review programme of the IDP.</li> <li>• Approves the top level SDBIP.</li> <li>• Approves changes to the SDBIP and adjustment Budget</li> <li>• Approves any changes to the priorities, objectives, key performance indicators and performance targets of the municipality</li> </ul>	<ul style="list-style-type: none"> <li>• Receives externally audited performance reports from the Executive Committee twice a year.</li> <li>• Report the performance of the municipality to the Community at least twice a year. (through a public Report).</li> <li>• Approves the recommendations for the improvement of the PMS.</li> <li>• Annually receives report on the Municipal Manager and the s57 managers' performance.</li> <li>• Submits the annual report to the MEC and Auditor General.</li> </ul>	<ul style="list-style-type: none"> <li>• Approves the annual Audit Plan and any substantial standards to it.</li> </ul>

Role of the MM

PLANNING	IMPLEMENTATION	MONITORING		
		REVIEW	REPORTING	PERFORMANCE ASSESSMENT
<ul style="list-style-type: none"> <li>• Submits priorities and objectives of Integrated Development Plan to Council for Approval.</li> <li>• Approves Service Delivery and Budget Implementation Plan.</li> <li>• Enters into Performance Agreement with Municipal Manager on behalf of the Council.</li> <li>• Assigns the responsibility for the management of the PMS to the Municipal Manager.</li> <li>• Tables the budget and the Top level SDBIP to Council for Approval.</li> </ul>	<ul style="list-style-type: none"> <li>• Manages the overall implementation of the IDP.</li> <li>• Ensures that all role players implement the provisions of the role players</li> <li>• Ensures that the Departmental scorecards serve the strategic scorecard of the municipality.</li> </ul>	<ul style="list-style-type: none"> <li>• Formulation of the annual review programme of the IDP, including the review of KPI's and targets for consideration by Council and Executive Mayor.</li> <li>• Formulation of the annual performance improvement measures .</li> <li>• Quarterly and annually reviews the performance of Departmental Managers.</li> </ul>	<ul style="list-style-type: none"> <li>• Receives performance reports quarterly from the internal audit unit</li> <li>• Receives performance reports twice a year from Performance Audit Committee.</li> <li>• Submits annual report of the municipality to Council</li> </ul>	<ul style="list-style-type: none"> <li>• Formulates response to the performance audit report the Auditor General and makes recommendations to the executive mayor.</li> </ul>

## Role of S57 Managers

PLANNING	IMPLEMENTATION	MONITORING		
		REVIEW	REPORTING	PERFORMANCE ASSESSMENT
<ul style="list-style-type: none"> <li>• Participate in the identification of IDP priorities and the whole IDP Process.</li> <li>• Participate in the Formulation and Revision of the municipal strategic scorecard.</li> <li>• Participate in the formulation of the Top level SDBIP.</li> <li>• Manages Surbodinates' performance measurement system.</li> <li>• Enters into a performance agreement with the Municipal Manager</li> <li>• Reports quarterly to Municipal Manager.</li> </ul>	<ul style="list-style-type: none"> <li>• Manages the implementation of the SDBIP.</li> <li>• Ensures that the annual programmes are implemented according to the targets and timeframes agreed to.</li> <li>• Implements performance improvement measures approved by the Executive Committee.</li> <li>• Ensures that performance objectives in the performance agreements are achieved.</li> </ul>	<ul style="list-style-type: none"> <li>• Participates in the Formulation of the annual review of the KPI and targets.</li> <li>• Annually reviews the performance of the department to improve the economy, efficiency and effectiveness of the departments. .</li> <li>• Quarterly and annually evaluates the performance of the department</li> <li>• Participates in Mid – Term Review.</li> </ul>	<ul style="list-style-type: none"> <li>• Submit quarterly departmental performance reports.</li> </ul>	<ul style="list-style-type: none"> <li>• Participates in the formulation of the response to the performance audit report of the Auditor General and makes recommendations to the municipal manager.</li> <li>• Participates in the formulation of the response to the recommendations of the internal auditor and PAC.</li> </ul>



## Role of the Audit Committee

Planning	Monitoring	
	Review	Reporting
<ul style="list-style-type: none"> <li>➤ Participates in the formulation of the annual audit plan.</li> </ul>	<ul style="list-style-type: none"> <li>➤ Review quarterly reports from the internal audit committee</li> </ul>	<ul style="list-style-type: none"> <li>➤ Reports twice a year to the Municipal Council.</li> </ul>

The KPIs and Targets of the S.57 managers was an essential first step in the implementation of performance management and laid the foundation for the devolvement of the KPIs and Targets process of the system down to the next level of management and thereafter to the entire workforce.

### i. Performance Agreements with Sectional Heads

- Legislation places no obligation on a municipality to enter into performance agreements with sectional heads. However, the Council recognises such agreements as a logical further step to cement the PMS in the administrative executive component of the Municipality provided these agreements are in accordance with applicable legislation.
- Should the Council adopt a Rewards and Incentives Policy, such policy will necessitate the existence of performance agreements with employees who may benefit from such a policy.

### ii. Culture and Work Situation

- *The ELM Municipality is committed to establish and maintain a culture and work situation conducive for the implementation and maintenance of a performance management system including regular performance appraisals and establishing a factual foundation for the system. The activities to be embarked on will, of necessity, be running concurrently with actual monitoring and measuring of performance and will include the following:*
- To introduce the performance management system via an internal brief prepared by the Management Team, having consulted the Local Labour Forum (in its PMS Sub-committee should this be established) and approved by the Council.
- The brief will be circulated to all departments and employees via formal communication channels.
- The brief will inter alia explain the legislative obligations underlying the system, the process to be followed and the principles that will be adhered to by the Council.

- The system will be regularly reviewed and, in doing so, employee evaluations and constructive suggestions will, where possible, be incorporated to ensure the system is organisation-specific while adhering to the legislative framework.
- Amendments to the system will be communicated to departments and employees in the same manner as outlined above.
- To establish and maintain a factual basis for the performance appraisals, the job analysis of each position in the Municipality will be regularly updated with respect to line functional activities and linked to the relevant department's objectives and targets as derived from the IDP.
- Based thereon the appraisors and appraisees will determine mutually agreed to performance criteria, based on a format designed and approved by the Corporate Services Department for standardisation and equality purposes.

The annual process of managing performance at organizational level in Elundini Municipality involves the steps as set out in the diagram below:



## Planning for performance

The process of compiling an IDP and the annual review thereof constitutes the process of planning for performance.

### i. Setting Key Performance Indicators

Many of the key performance indicators are prescribed in Section 10 of the Regulations in terms of section 43 of the Municipal systems Act. These are listed as

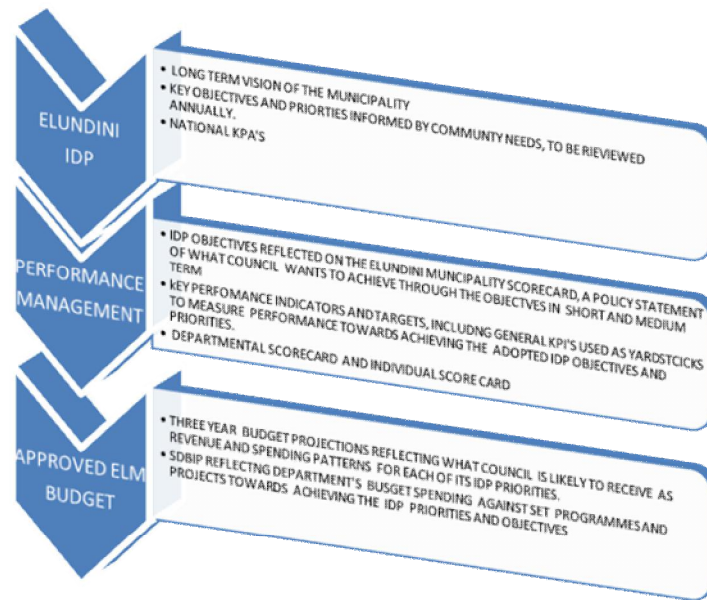
- The percentage of households with access to basic level of water, sanitation, electricity and solid waste removal
- The percentage of households earning less than R1100 per month with access to basic free services
- The percentage of a municipality's capital budget actually spent on capital projects identified for a particular financial year in terms of the municipality's IDP.
- The number of jobs created through municipality's LED initiatives including Capital projects
- The number of people from employment equity target groups employed in three highest levels of management in compliance with an approved employment equity plan.
- The percentage of a municipality's budget actually spent on implementing its workplace skills plan
- Financial viability as expressed by the following ratios:

## ALIGNMENT OF THE PMS TO THE IDP AND BUDGET

The IDP fulfills the planning stage of PM which in turn fulfills the implementation, management, monitoring and evaluation of IDP's. The last component of the cycle of OPMS is review, and the outcome of the performance review process must inform the next cycle of the IDP compilation / review. There are several components to the integration of the PMS determines the visions of the municipality as well as its IDP priorities, objectives, performance management and budget. Council d priorities and objectives. They are based on community needs, the constitutional mandate of Local Government, national legislation and the general KPI's within the framework of powers and functions of Elundini municipality. The Regulations for Municipal Managers and Managers directly accountable to the Municipal Managers (2006) 26(6) outlines five Key Performance Areas for Municipal Manager and the S57 Managers and these are as follows:

- *Basic Service Delivery*
- *Municipal Transformation and Institutional Development*
- *Local Economic Development*
- *Municipal Financial Viability and Management; and*
- *Good Governance and Public Participation*

The KPA's of the Elundini Municipality IDP 2009/2010 have been reviewed and aligned accordingly.



**Figure 1: Linkage between IDP Budget & PMS**

### Tracking and Reporting Progress

- The s57 Managers submit quarterly reports to the Municipal Manager who in turn can submit a consolidated quarterly report to the Internal Auditors to assist them with their assessment process. Once the PMS has devolved down to the rest of the municipality, each Manager and Sectional Head must establish the departmental reporting structures, some as already indicated, that would inform his/her quarterly report.
- The Internal Auditors provide quarterly audit reports to the Municipal Manager and the Performance Audit Committee.
- The Audit Committee convenes at least twice per annum and at least twice during the financial year it must submit an audit report to the Council. These reports must include enough details so that early warning signals of underperformance can be detected. The reports must also indicate corrective measures where such under-performance has been identified.
- The Municipal Manager oversees the compilation of an annual performance report to the Council, which report is then also submitted to the Auditor General.
- Within one month of receiving the AG's audit report on the Performance Information and the audited financial statements of the previous financial year, the Municipal Manager must submit to the Council a consolidated annual report for adoption. The media, community, AG and MEC must be informed of the meetings at which this report will be tabled. The minutes of the meeting/s should be provided to the Auditor General and the MEC. The adopted annual report must be made available to the media, public and interested parties and submitted to the MEC.

The Consolidated Annual Report includes:

- The Performance Report reflecting the:
  - Performance of the Municipality and any service provider based on the KPIs and specifying the extent to which targets were achieved;
  - Measurements taken or to be taken to improve performance;
  - Development and service delivery priorities and targets set for the following year and reasons for significant differences in these targets from the one to the other year;

- A statement by the external auditor concerning the reasonableness of the report.
- Audited financial statements for the year
- Annual audit of the Auditor General on the PMS report
- Any other legislated matters for reporting.

#### Publication of Performance Reports

- The ELM publishes at least once a year a public report on its performance in terms of the MSA, 2000.
- Existing Public Participation Structures and mechanism for ELM will be used including:
  - IDP Rep Forum
  - Youth & Women Groups
  - Disability Groups
  - Local Newspaper
  - Audio Media / Loud Hailers
  - Public Notices

#### Public Feedback Mechanisms

- The public Feedback on reported performance can be obtained if the public are aware of dedicated mechanisms for submitting feedback such as:
  - Telephone numbers ( toll free)
  - Fax lines
  - Emails
  - Feedback boxes at Municipal Services offices
- The Elundini will develop a comprehensive Communications strategy to among other things propose public feedback mechanism and structures for ELM. Upon its adoption this section will be read together with that policy and or strategy.

## PERFORMANCE REVIEW and ASSESSMENTS

Performance review is a process whereby the municipality, after measuring its own performance, assesses whether it is doing the right things and doing them right. The municipality is required to identify strengths, weaknesses, opportunities and threats of the municipality in meeting the key performance indicators and performance targets set by it.

(1 ) The review framework for Elundini Municipality will be conducted based on the following:

- *Baseline Indicators* – this entails assessing whether the current level of performance is better than the previous year by using baseline indicators.
- *Community Feedback* – survey to obtain feedback from the community about their views of the performance of the municipality in one PMS cycle.

(2) Performance Review in ELM will take place annually at least a month after all Performance Information (PI) has been audited and Auditor Report issued on PI.

(3) In the review process, a careful analysis of the municipality performance will be done in order to understand why it has performed well or underperformed in that particular financial year.

(4) The results of the review will be used to develop measures to improve performance and inform the planning stage of the following years' institutional scorecards and annual programmes.

(5) The lines of accountability with regard to Performance Review can be summarized as follows:

- a) *Assistant Managers / Sectional Heads* will review performance of their respective functions or sections on a regular basis and should cover all the organisational priorities relevant to the function or section
- b) *Executive Management.*
  - Review performance quarterly to minimise risks and poor performance.
  - Review performance before reporting to the Executive Committee. This will enable them to prepare and control the quality of performance reports and include adequate response strategies in cases of poor performance.
- c) *Executive Committee.* As the delegated authority for the management of development of the performance management system in terms of the Act, the Executive Committee plays a most significant role in reviewing the performance of the administration. Review at this level should be strategic and not restrained by operational discussions. The content of the review should be confined to agreed or confirmed priority areas and objectives.

- d) *Standing or Portfolio Committees* need to review the performance of functions or sections according to their assigned portfolios on a regular basis.i.e. quarterly.
- e) *Council* should review the performance of the municipal council, its committees and the administration at least twice per year.
- f) *The public*. It is required by the Act and the Regulations published in accordance therewith, that the municipality secure community participation in the review process. This could ideally be done when the annual report is compiled at the end of the financial year.

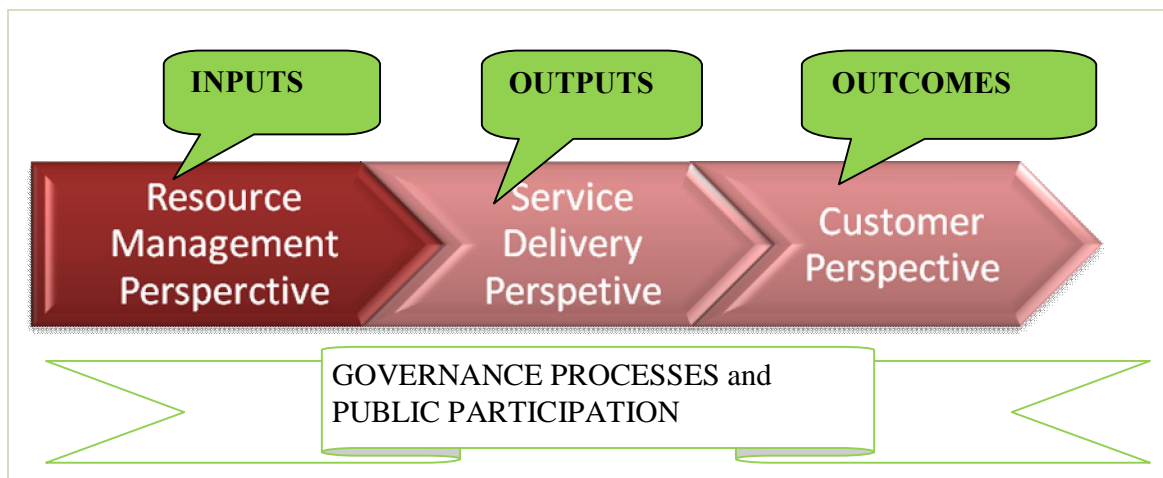
### MONITORING AND MEASUREMENT FRAMEWORK

Monitoring is a continuous process of measuring, assessing and analyzing and evaluating the performance with regard to the SDBIP, KPI's and targets.

Performance measurement is essentially the process of analyzing the data provided by the monitoring system on order to assess performance. The preferred and adopted model for Performance Management in Elundini Municipality is the Municipal Scorecard Model.

According to this model, in measuring performance municipalities need to look at:

- Inputs: ( *Resources, Financial Perspective*)
- Outputs: ( *Results, Service Delivery Persperctive*)
- Outcomes: ( *Impact, Customer satisfaction, growth, Quality of Life*)





## Performance Audit

The Municipal Planning and Performance Management Regulations ,2001, require municipalities to develop and implement mechanisms, systems and processes for auditing results of performance measurements as part of its auditing processes.

- Internal Auditors audit on a continuous basis which will result in quarterly reports being submitted to the Municipal Manager.
- Audit Committee receives quarterly reports from the Internal Auditors which it reviews together with PMS's economy, efficiency, effectiveness and impact based on the KPI's and Targets.
- The Audit Committee must submit at least two audit reports to the Council in a financial year

## Evaluation

- The Municipal Manager must evaluate the quarterly performance reports from the S.57 Managers and use these to inform the steps to be taken to improve performance to meet annual targets and to intervene in case of red flag situations.
- The Municipal Manager must submit a consolidated quarterly report to the Internal Auditors. The Auditors must evaluate these reports together with other information obtained through their auditing obligations and in turn must provide the Municipal Manager with quarterly Audit Reports.
- The Municipal Manager then submits such reports as prescribed to the Council including a consolidated annual report for adoption by the Council.
- The Council must assess the performance of the Municipal Manager and S.57 Managers during June/July of each year with the assistance of an independent facilitator as further detailed in their performance agreements.
- The S.57 Managers must evaluate the quarterly performance reports from the Sectional Heads and use these to inform their own quarterly reports to the Municipal Manager.

## EMPLOYEE PERFORMANCE APPRAISAL

- The performance appraisal of the Assistant Managers/ Sectional Heads will be the responsibility of the S.57 Managers with the assistance of an independent facilitator.
- These appraisals will be done on an annual basis as further detailed in the performance agreements of Assistant Managers and Sectional Heads prior to the Council's appraisal of the S.57 Managers.
- The S.57 Managers, Assistant Managers and Sectional Heads must ensure performance appraisal interviews are done on a regular basis by the appraisers within their respective

departments as further set out below, co-ordinate the results thereof and through their own quarterly reports report on the progress with implementation of the system, successes and failures thereof and problems experienced.

- Assistant Managers / Sectional Heads will be responsible for the performance interviews with their respective middle management employees.
- The first round of assessments executed for middle management staff could be done with the assistance of an independent facilitator should the staff so prefer.
- Thereafter the option of requesting a co-appraiser to be present at their interviews will be available to these employees.
- Pre-designed and anonymous peer review questionnaires must be completed for employees on post levels 4 to 8 and submitted to the appraiser to be integrated with the other data to be obtained for the performance interview. The results of these questionnaires will be dealt with on a confidential basis.
- The appraisals of lower level employees must be carried out by their immediate supervisor or line manager who has the best knowledge of the content of the job concerned and in a position to observe the employee's performance on a daily basis.
- If no suitable supervisor or line manager is available to do the performance appraisal, the head of the section must take responsibility for the performance appraisal.
- If an employee is of the opinion that exceptional circumstances exist which requires a co-appraiser to be present at the appraisal interview, the matter must be taken up with the relevant S.57 Manager. In such circumstances the S.57 Manager or the S.57 Manager of the CSD could also fulfil the role of a co-appraiser.
- The first formal performance appraisals of a staff level will take place three months after introduction of the system to such a staff level and thereafter on an annual basis.
- The steps to be taken to rectify substandard performance or enable continued support, coaching and counselling based on the results of the performance appraisals will be implemented on a continuous basis determined by the circumstances of each individual case. These performance meetings must be of a more informal nature but still recorded in writing.
- The time and place of annual interviews must be mutually agreed between the appraiser and appraisee. An employee must not be given less than two weeks to prepare for the appraisal interview. The time allowed for the actual interview will vary according to the complexity of the job and each individual's circumstances.

- The place where a performance interview is conducted must be comfortable for both the appraiser and the appraisee and care must be taken that the place is quiet, no interruptions will occur during the duration of the interview and confidentiality is protected.
- Written feedback on the annual performance appraisal must be given to an employee within a reasonable period after the performance interview. A reasonable period would not exceed four weeks.

## PERFORMANCE IMPROVEMENT

Although the municipality should strive to continuously improve performance to meet the needs of communities, it is poor performance that needs to be addressed as a matter of priority.

- I. The Council must advise the Municipal Manager on steps to be taken to improve performance based on the Auditor General's assessment. The IDP review process will provide a barometer of how well the Municipality performed in terms of service delivery and, if as prescribed, the community is provided with the Consolidated KPIs and Targets document, the latter could serve to inform the community's input in the review process.
- II. The training needs of staff, originating from their performance appraisals shall be fed into the Workplace Skills Plan and addressed by the sourcing of relevant providers and training courses to largely address the internal capacity shortcomings of the Municipality.

## PERFORMANCE INCENTIVES AND REWARDS

- i. The performance reward system of the Municipal Manager and the S.57 Managers is built into their contracts of employment and performance agreements as prescribed by the Municipal Performance Regulations for Municipal Managers and Managers directly accountable to Municipal Managers, 2006.
- ii. Based on the Internal Auditors and the Audit Committee's evaluation of the progress made with the PMS and the commitment of management and staff thereto, the Council undertakes to investigate the financial, legal and institutional feasibility of performance rewards and to adopt a Rewards and Incentives Policy in this regard.
- iii. The responsibility of developing a draft Rewards and Incentives Policy is vested with the Manager: Corporate Services.
- iv. The process will include a consultative process with the ELM Local Labour Forum.

- v. The criteria to be used is the following:
  - i. There should be measurable assessment criteria based on the IDP;
  - ii. There should be a formal assessment against these criteria through the appraisal system as detailed in this policy;
  - iii. The results of these assessments should be clear enough and of such a standard that a pre-determined scale of rewards could be based thereon;
  - iv. In the case of financial rewards, the annual budget must be able to provide for it;
  - v. An incentive and reward system should not be in conflict with any local government legislation or binding ruling given by the Department of Provincial and Local Government (dplg), the South African Local Government Association (SALGA) and/or the South African Local Government Bargaining Council (SALGBC).

**KPA 1 : INSTITUTIONAL TRANSFORMATION & ORGANISATIONAL DEVELOPMENT**

Key Performance Area	IDP Objective	Baseline	Outputs	Inputs	Outcome	Risks	Perf. Indicator/Target	Target Date	
Improve Communications and adhere to Batho Pele Principles	Improve Communications and adhere to Batho Pele Principles	Poor and Unmonitored Customer Service	Institutional and Departmental Service Standard Charter Developed;	Customer Service Strategy	Customers are aware of the service;	Resistance to change, Financial constraints to hire CS Consultants.	Institutional service standard charter Developed and Communicated;	October 2010	
			Customer Service training conducted for the whole institution;				Customer Satisfaction;	Departmental Service Standard Charter Developed for all departments;	Quarterly
			Customer Service consultants are hired;				Professional conduct in handling customers.	Three Customer Care Trainings are organised for different echelons (Council, management, office staff) of the institution ;	
Procure e-service system		At least 2 customer care consultants are hired to help in providing help and							

							information to customers.		
<b>KPA 2: BASIC SERVICE DELIVERY</b>									
Key Performance Area	IDP Objective	Baseline	Outputs		Inputs	Outcome	Risks	Perf. Indicator/Target	Target Date
WATER	Provision of continuous and clean water supply in the towns of Elundini Municipality	no continuous access to clean water in Mount Fletcher town. Insufficient water source.	Access to continuous supply of water	Water quality (Blue or Green Drop Certification)	JGDM and ELM	24 hour access to clean water supply in the town of Mount Fletcher	poor M & E. And Insufficient JGDM support	continuous access to clean water in the towns of Elundini Municipality	30 June 2011
ELECTRICITY	Provide alternative and sustainable energy by 2014	1300 number of households have already been installed to solar system	Installation of 4000 household solar panels in rural areas. Connect and maintain street/high lights in Mount Fletcher		Eskom. DME funding	Increase energy access to rural communities	DME not meeting their obligations.	250 households connected to solar system per month	Dec-10
ROADS & STORMWATER	Well maintained Roads and Storm water infrastructure	The municipality has purchased its own plant	Construct generally acceptable roads networks		Three year capital plan;	Improved and accessible road network	Inclement Weather;	100 km of Road network constructed and /or maintained	June 2011

		and machinery;  There is R18,68m MIG allocation for 2010/2011		Plant & machinery				
--	--	---	--	-------------------	--	--	--	--

**KPA 3: LOCAL ECONOMIC DEVELOPMENT**

Key Performance Area	IDP Objective	Baseline	Outputs	Inputs	Outcome	Risks	Perf. Indicator/Target	Target Date
LOCAL ECONOMIC DEVELOPMENT	Promote Local Economic Development	A register of LED projects and jobs created through these exists	Regular update of database of jobs created	LED Strategy; IDP; SCM policy	Increased number of local entrepreneurs benefitting within the Municipality	Non co-operation from role players;	A minimum of 100 jobs created through LED projects	Sept 10
					Increased number of LED projects launched by the municipality	Limited sources of funding for projects	3 projects launched	June 2011

**KPA 4 : MUNICIPAL FINANCIAL VIABILITY**

Key Performance Area	IDP Objective	Baseline	Outputs	Inputs	Outcome	Risks	Perf. Indicator/Target	Target Date
Municipal Financial Viability	To enhance the financial sustainability of Council	IDP has no credible Financial Plan	Approved Financial Plan	Budget; Strategies; IDP; Policies ;Risks and Challenges	A Credible IDP	Lack of Financial Information	Council Resolution approving financial plan	Mar-11
	Formulation and implementation of a Revenue Enhancement Strategy	Current Ratio: 1.99:1	Positive Working Capital	FMS	Ability of the Organisation to Meet Operational Requirements	NONE	Current Ratio 2:1	June 2011
		Debt Coverage Ratio: 138 times	Financial Viability	FMS	Ability to service loan obligations	NONE	Debt Coverage Ratio : 150 times	June 2011
		Outstanding Service Debtors to revenue: 3.82:1	Financial Viability	FMS	Improve the extent to which components of working capital is converted to cash	NONE	Outstanding Service Debtors to Revenue 3:1	June 2011
		Cost Coverage: 5.81:1	Financial Viability	FMS	Extent to which cash and investments cover fixed operating expenditure	NONE	Cost Coverage 6:1	June 2011



**KPA 5 : GOOD GOVERNANCE, TRANSPARENCY,**

Key Performance Area	IDP Objective	Baseline	Outputs	Inputs	Outcome	Risks	Perf. Indicator/Target	Target Date
	Improved accountability of municipal representatives serving in the council of JGDM	Mandate framework for the municipality's representatives to the JGDM exists	Mandate Framework	Council, management	improvement in the coordination of service delivery initiatives by the JGDM and ELM	The mandate framework may not be embraced by the role players	Implementation of the mandate framework by the Municipal Council	Sep-10
	Entrench public participation as a development mandate of the Elundini Municipality	Public Participation Strategy and Policy in place.	functional ward committees	Public Participation Strategy	Enhanced community participation in the affairs of the municipality	Inadequate participation of communities	Well functioning ward committees	March 2011
	Achieve a clean Audit Report by 2014	Qualified Audit Opinion for 2008/2009	An Unqualified Audit Opinion	Heads of Departments	Increase confidence within Municipal Administration and Finance	FMS Not compliant with GRAP Standards;	Resolve all matters identified within the Audit Report	March 2011
Submission of GRAP compliant financial statements							August 2011	
No Audit Qualification items							November 2011	

	Implementation of enterprise Risk management model								
		Risk Register developed; Risk Management policy and strategy in place, Risk committee established	Revised Risk Register	All Heads of Departments; Risk Management Model	Risks mitigated to an acceptable level in terms of council policy and Risk Management model	Failure to hold Risk Management Review sessions	Risk Management Reviews	Quarterly	
							identified Risks successfully mitigated	25% - first quarter	September 2010
								50% second quarter	December 2010
								75 % third quarter	March 2011
						100% Fourth quarter		June 2011	



## TABLE OF ACRONYMS AND ABBREVIATIONS

ARV	Anti Retroviral Treatment
ASGISA	Accelerated and Shared Growth Initiative – SA
ELM	Elundini Municipality
DWAF	Department of Water Affairs and Forestry
DTI	Department of Trade & Industry
ECDLGTA	Eastern Cape Department of Local Government and Traditional Affairs
EPWP	Expanded Public Works programme
GEAR	Growth, Employment and Redistribution Strategy
HIV/AIDS	Acquired Immune Deficiency Syndrome
IA	Internal audit
IDP	Integrated Development Plan
IEMP	Integrated Environmental Management Plan
ISRDP	Integrated Sustainable Rural Development Programme
IWMP	Integrated waste Management Plan
JPS	Junior Primary School
JSS	Junior Secondary School
LED	Local Economic Development
MDRTB	Multi Drug Resistant Tuberculosis
MEC	Member of Executive Committee
MFMA	Municipal Finance Management Act, 56 of 2003
<i>MFMG</i>	<i>Municipal Finance Management Grant</i>
MIG	Municipal Infrastructure Grant
JGDM	Joe Gqabi District Municipality
NEMA	National Environmental Management Act 107 of 1998
NGO	Non-Governmental Organizations
MSIG	Municipal System Improvement Grant
PGDP	Provincial Growth and Development Plan
OBE	Outcomes based education
PHC	Primary Health care

PSDP	Provincial Spatial Development Plan
RDP	Reconstruction and Development Plan
SAPS	South African Police services
SDBIP	Service delivery Budget Implementation Plan
SDF	Spatial Development Framework
SMME's	Small Medium Micro Enterprises
SPS	Senior primary School
SSS	Senior secondary School
TB	Tuberculosis
ELM	Elundini Local Municipality
WSDP	Water Services Development Plan

