



**DRAFT
INTEGRATED DEVELOPMENT PAN
2010/2011**

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ACRONYMS

A/A: Administrative Area
ABET: Adult Basic Education and Training
AG: Auditor General
ART: antiretroviral treatment
ARV: antiretroviral
AsgiSA: Accelerated and Shared Growth Initiative
BBBEE: Broad-based Black economic empowerment
CASP: Comprehensive Agricultural Support Programme
CBO: community-based organization
CIDB: Construction Industries Development Board
CLARA: Community Land Rights Act
CLO: community liaison officer
CTO: Community Tourism Organisation
DEAET: Department of Economic Affairs Environment and Tourism
DEAT: Department of Environmental Affairs and Tourism
DLA: Department of Land Affairs
DHLGTA: Department of Housing, Local Government & Traditional Affairs
DM: District Municipality
DoA: Department of Agriculture
DoE: Department of Education
DORA: Division of Revenue Act
DoRT: Department of Roads and Transport
DPLG: Department of Provincial and Local Government
DME: Department of Minerals and Energy
DPW: Department of Public Works
DoSD: Department of Social Development
DSRAC: Department of Sports, Recreation, Arts & Culture
DTI: Department of Trade and Industry
DTO: District Tourism Organisation
DWAF: Department of Water Affairs and Forestry
ECDC: Eastern Cape Development Corporation
ECDoH: Eastern Cape Department of Health
ECSECC: Eastern Cape Socio Economic Consultative Council
ECTB: Eastern Cape Tourism Board
ECPB: Eastern Cape Parks Board
EIA: Environmental Impact Assessment
EPWP: Expanded Public Works Programme
ESTA: Extension of Security of Tenure Act
EU: European Union
GGP: Gross Geographic Product
GRAP: General Regulations on Accounting Practice
HCW: Health care worker
HDI: Human Development Index

HR: Human Resources
ICASA: Information & Communications
ICT: Information and Communication Technologies
IDP: Integrated Development Plan
IDT: Independent Development Trust
IGR: Intergovernmental Relations
IMATU: Trade Union
ISETT: Information Systems, Electronics and Telecommunications Technologies
ISRDP: Integrated and Sustainable Rural Development Programme
IWMP: Integrated Waste Management Plan
JGDM: Joe Gqabi District Municipality
JIPSA: Joint Initiative on Skills Acquisition
KPI: Key Performance Indicator
LED: Local Economic Development
LM: Local Municipality
LRAD: Land Redistribution and Agricultural Development
LUPO: Land-use planning ordinance
LTO: Local Tourism Organisation
MAFISA: Agriculture Microcredit Fund
M&E: Monitoring & Evaluation
MFMA: Municipal Finance & Management Act
MHS: Municipal Health Services
MIG: Municipal Infrastructure Grant
MoU: Memorandum of Understanding
MTEF: Medium Term Expenditure Framework
NAFCOC: National African Federation of Chambers of Commerce
NEMA: National Environmental Management Act
NSDP: National Spatial Development Perspective
OTP: Office of the Premier
PDI: Previously Disadvantaged Individual
PGDP: Provincial Growth and Development Plan
PHC: Primary Healthcare
PIMSS: Planning and Implementation Management Support Service
PMS: Performance Management System
PMTCT: Prevention of Mother to Child Transmission
PPP: Public-Private Partnership
RDP: Reconstruction and Development Plan
RLCC:
RSS: Rapid Services Survey (conducted by Fort Hare for the Office of the Premier in 2006)
SACOB: South African Chamber of Business
SAHRA: South African Heritage Resources Agency
SALGA: South African Local Government Association
SAMAF: South African Microcredit Apex Fund
SANRA: South African National Roads Agency
SAPS: South African Police Services

SAWEN: South African Women's Entrepreneurship Network
SCM: Supply Chain Management
SDBIP: Service Delivery and Budget Implementation Plan
SDF: Spatial Development Framework
SEDA: Small Enterprises Development Agency
SETA: Sector Education and Training Authority
SLA: Service Level Agreement
SLM: Senqu Local Municipality
SMME: Small, Medium & Micro Enterprises
SPU: Special Programmes Unit
TEP: Tourism Education Programme
TB: tuberculosis
THETA: Tourism & Hospitality Education & Training Authority
UFH: University of Fort Hare
UPE: Universal Primary Education
VCT: Voluntary Counseling & Testing
WSDP: Water Sector Development Plan

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MAYOR'S FOREWORD

For local government to ensure it fulfills its mandate, it needs a mechanism to identify its priorities, issues and problems these determine its vision, objective strategies and by the identification of projects to address the issues. This process is guided by two key national imperatives:



- Need to set out the core principles, mechanisms and processes that give meaning to developmental local government and to empower municipalities to move progressively towards the social and economic upliftment of communities and the provision of basic services to all our people.
- Local government must involve the active engagement of communities in the affairs of the municipality of which they are an integral part, and in particular in planning, service delivery and performance management. Integrated Development Planning is one of the key tools for us as local government to cope with our new developmental role. The Integrated Development Plan (IDP) must be the engine that generates development at local level.

This process, which facilitates planning and delivery should arrive at decisions on such issues as municipal budgets, local management, promotion of local economic development and institutional transformation in a consultative, systematic and strategic manner.

IDP does not only inform municipal management, but is also supposed to guide the activities of any agency from the other spheres of government, corporate service providers, NGO's and the private sector within the municipal area.

Given the legislated parameters and imperatives of the IDP we embarked on a consultative process within very stringent timeframes to elicit the necessary data and input from various communities to inform the compilation of our IDP.

Our experiences from this consultative process can be captured in the following extract of our President's State of the Nation's Address, 8 February 2002:

“The interactions that we have had with various communities especially during IMBIZO activities demonstrate that the people's wisdom in both policy development and implementation can only serve to enrich the quality of the services we render and make people-centered and people-driven development a living reality”.

Notwithstanding the reluctance of certain sectors to involve themselves in the affairs of local government in general, the involvement and participation of people on the ground was encouraging and justifies our belief that our IDP is by the people and for the people.

Given the geographical, economic and social composition of our communities we had to maintain a balance between sustaining and encouraging development in urban areas and using the IDP to address the social and economic needs of our communities more effectively.

It is important to note that our area has been identified as a Presidential node for development and that the co-operative involvement of both national and provincial government departments will provide us with much needed resources to declare war on poverty and make a difference in the lives of the poorest of the poor.

It is a well-learnt lesson that the success of any plan is dependent on the execution of the detail. We believe that we have committed and dedicated staff, communities and role players to ensure the successful implementation of our IDP and the attainment of our broader objective: to improve the quality of life of all our people.

We must acknowledge with appreciation the efforts of our staff, the contribution of all communities and role-players, involvement of national and provincial government in ensuring that we were able to produce a legitimate and credible IDP.

The IDP is of great importance to the welfare of our nation and could be the turning point for rural development and growth, thus supporting governments' vision of a "BETTER LIFE FOR ALL".

PERSPECTIVE BY THE MUNICIPAL MANAGER

The preparation of this strategic document has been one of the requirements by a number of pieces of legislations governing all spheres of government in South Africa. This effort is the



results of collaboration of both political and technical components within our municipality and most importantly, the recognition of the needs and aspirations of members of the communities in all SIXTEEN (16) wards constituting *Senqu Municipality*. Such needs of the communities were taken into account during massive community participation sessions that were held in all wards (*needs assessment*), prioritized to meet the inadequate resources (*strategic planning*) and will be translated into implementable actions (*projects*) to enhance and change the lives of communities around our area of jurisdiction.

It is within the above context that this Integrated Development Plan be seen and interpreted as the “all inclusive” blueprint. Most of all, this document will serve as a guideline and an instrument which will be used daily by the respective technocrats to change the lives of the residents of Senqu Municipal area. During this new financial year, this document will be implemented and monitored by both directorates and heads of various portfolio committees and as

such, reports will be disseminated to members of the communities via the Speaker’s office. This will keep us on our toes and continue to introspect and re engineer where there is a need to do so.

The challenges of our nodal status cannot be left unnoticed. The almost to end phase of the Integrated Development Programme as a five year programme has brought a number of developments and triumphs. To this end, (despite other challenges ahead of us) this Municipality has responded positively to the call and utilized the “nodal status” to explore ways of harnessing resources for development within our communities, namely,

- By working together with other development protagonists through Intergovernmental dialogue
- Debating developmental issues during IDP Representative Forums, IDP Steering Committee and with the Communities during community meetings, to mention but a few.

As the employees of Senqu Municipality, we commit ourselves to continue to strategically support and render advices to our Political Heads, bring new and innovative ideas to strengthen our institution and lastly, to provide education and awareness campaigns to members of our communities to work closely to make Senqu Municipality a better place to stay at.

Section A: Introduction

1. SENQU MUNICIPALITY IDP 2010/2011

An Integrated Development Plan, adopted by the council of a Municipality, is a key strategic planning tool for the municipality. It is described by the Municipal Systems Act (MSA) as:

- 35(1) (a) "...the principal strategic planning instrument which guides and informs all planning and development, and all decisions with regard to planning, management and development in the municipality;
- (b) binds the municipality in the exercise of its executive authority..."

In terms of the MSA section 34 a municipality is required to review its IDP annually. Annual reviews allow the municipality to expand upon or refine plans and strategies, to include additional issues and to ensure that these plans and strategies inform institutional and financial planning.

The review and amendment of the IDP thus, further develops the IDP and ensures that it remains the principal management tool and strategic instrument for the municipality.

1.1. PURPOSE OF THIS DOCUMENT

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 integration 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 life's 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 utilization
 - 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
 - A mechanism for alignment and co-ordination within spheres of Government

1.2. THE IDP REVIEW

This document presents a third review of the 2006/07 – 2011/12 IDP of Senqu Local Municipality for implementation in the 2010/2011 financial year. The review process will consider the assessment of the Municipality's performance against organizational objectives as well as implementation delivery, the recommendations of Provincial IDP Engagement Process and also takes into cognisance any new information or change in circumstances that might have arisen subsequent to the adoption of the 2009/2010 IDP.

It also serves as a roadmap that highlights developmental imperatives and the desired development trajectory that the Council of Senqu Municipality seeks to achieve in its term in an endeavour geared towards improving the quality of life for all the citizens of the area through balanced, sustainable development and service excellence.

In terms of Section 26 of the Systems Act, the core components of an IDP are:

- the municipal council's vision for the long term development of the municipality with emphasis on the municipality's most critical development and internal transformation needs;
- an assessment of the existing level of development in the municipality, which must include an identification of communities which do not have access to basic municipal services;
- the council's development priorities and objectives for its elected term, including its local economic development aims and its internal transformation needs;
- the council's development strategies which must be aligned with any national or provincial sectoral plans and planning requirements binding on the municipality in terms of legislation;
- a spatial development framework which must include the provision of basic guidelines for a land use management system for the municipality;
- the council's operational strategies;
- applicable disaster management plans
- a financial plan, which must include a budget projection for at least the next three years; and
- the key performance indicators and performance targets determined in terms of Section 41 of the Systems Act.

The Development Facilitation Act (DFA), Section 3 (c) outlines the general principles for land development, which policy, administrative practice and laws must seek to achieve. In terms of the DFA, policy, administrative practice and laws should promote efficient and integrated land development in that they:

- promote the integration of the social, economic, institutional and physical aspects of land development;
- promote integrated land development in the rural and urban areas in support of each other;
- promote the availability of residential and employment opportunities in close proximity to or integrated with each other;
- optimize the use of existing resources including such resources relating to agriculture, land, minerals, bulk infrastructure, roads, transportation and social facilities;
- promote a diverse combination of land uses, also at the level of individual erven or subdivision of land;
- discourage the phenomenon of ‘urban sprawl’ in urban areas and contribute to the development of more compact towns and cities;
- contribute to the correction of historically distorted spatial patterns of settlement in the Republic and to the optimum use of existing infrastructure in excess of current needs; and
- encourage environmentally sustainable land development practices and processes.

The government has a mandate to deal with a multitude of developmental challenges such as poverty alleviation, employment creation, infrastructure development, economic development, and so forth. The Spatial Development Framework’s (SDF) principles and the general principles for land development as outlined in the DFA provide fundamental guide and lead into the nature and spatial implication of development at a municipal level.

Section 24 of the Systems Act further stipulates that the planning undertaken by a municipality must be aligned with, and complement, the development plans and strategies of other affected municipalities and other organs of state so as to give effect to the principles of co-operative government as contained in Section 41 of the Constitution of the Republic of South Africa. The IDP must then be sync with the plans of government as a whole.

The manner in which the review is undertaken is outlined in the Process Plan which all municipalities must prepare, as per legislation which must be aligned comply with the District Framework Plan to, inter alia, ensure implementation, planning alignment and co-ordination between Local Municipalities and the District as enshrined in the Systems Act.

As per Section 27 of the Systems Act, in order to ensure alignment between Senqu Local Municipality and the Joe Gqabi District Municipality, a District Framework Plan and our Process Plan were compiled and adopted in July 2009 and in August 2009 respectively.

1.3. THE PLANNING PROCESS

Faced with enormous challenges to achieve an effective and efficient Local Municipal Institution which has sufficient capacity to manage development and local governance in the area of Senqu, the Local Municipality has prepared its third five year Integrated Development Plan (IDP).

Whilst structured in accordance with the regulatory requirements of the Systems Act, this plan is founded on the developmental needs, priorities and strategic direction identified in a collaborative process with a representative forum of District and Local Stakeholders. On this basis, this document constitutes the Integrated Development Plan that will guide the activities in the Senqu Local Municipal area over the next five years.

Because this IDP is the third for the new five years of Service Delivery linked to the term of office of local politicians, Senqu Municipality has revisited and redeveloped its First Generation IDP as a whole, and has substantially aligned its planning frameworks with those of the Joe Gqabi District Municipality. Moreover, much effort has gone into ensuring the IDPs alignment with the Eastern Cape Provincial Growth and Development Plan (ECPGDP) as well as applicable national strategies and political mandates.

The process of reviewing this five year Integrated Development Plan for Senqu Municipality has been of great value for the Political and Administrative arms of the institution, and has better prepared both officials and the Council for the strategic challenges that the municipality must respond to in order to realize the Municipal Vision of “... **Valuing our diversity and quality life for all.**”

1.4. THE PROCESS PLAN

It is required by legislation that a municipal council prepares and adopts a process to guide the planning, drafting and adoption of its IDP.

MSA 28(1) each municipal council ... must adopt a process set out in writing to guide the planning, drafting, adoption and review of its IDP.

This Process Plan outlines the programme to be followed and provides details on issues specified in the Act. A Process Plan is required to include:

- a programme specifying time-frames for different steps;
- outline mechanisms, processes and procedures for consultation of the community, organs of state, traditional authorities and other role players;
- identify all plans and planning requirements binding on the municipality;
- be consistent with other matters prescribed by legislation.

MSA 29(1) the process followed by a municipality to draft its IDP, including its consideration and adoption of the draft plan, must –

- (a) be in accordance with a predetermined programme specifying time-frames for the different steps;*
- (b) through appropriate mechanisms, processes and procedures establish in terms Chapter 4, allow for –*
 - (i) the local community to be consulted on its development needs and priorities;*
 - (ii) the local to participate in the drafting of the IDP; and*
 - (iii) organs of state, including traditional authorities, and other role players to be identified and consulted on the drafting of the IDP;*
- (c) provide for the identification of all plans and planning requirements binding on the municipality in terms of national and provincial legislation; and*
- (d) be consistent with any other matters that may be prescribed by regulation.*

1.5. 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 these 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 Senqu 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 and;
- Whether the strategic objectives set by the Council have been met.

1.6. THE PROCESS FOLLOWED

The IDP and Budget development was undertaken in an integrated and consistent way, according to the approved Process Plan, through the strategic processes detailed below:

- The 1st IDP & Budget Steering Committee was held on the 29th September 2009;
- The 1st District IDP Progress meeting was held in Aliwal North on the 27th and 28th October 2009;
- The IDP Lekgotla was held on the 3rd and 4th November 2009;
- Community-Based Planning was done in all our wards from the 26th to the 29th of January 2010;
- Training of all Ward Committees was done from the 2nd to the 5th of March 2010;
- The 1st Strategic Planning Session was held from the 7th to the 9th of September 2009 at Gariiep Dam;
- The 2nd Strategic Planning Session was held from the 28th to the 30th of September 2009 at Alicedale;
- The 1st District IDP Rep Forum was held at Barkly East on 29 September 2009;
- The 2nd District IDP Rep Forum was held on 27 November 2009;
- The 2nd District IDP Progress meeting was held in Lady Grey on the 9th and 10th February 2010;
- The 3rd District IDP Rep Forum was held on 04 March 2010;
- The IDP Rep Forum was held on the 24th of March 2010;
- The District IDP Progress meeting was held from the 29th to 30th March 2010

1.7. COMMUNITY ISSUES

From the 26th to the 29th January 2010 the Community-Based Programme was rolled out to all our sixteen (16) Wards where communities had an opportunity of developing their ward plans and raising their needs. The objectives of the CBP were, among other things, to:

- To increase community action and reduce dependency;
- To improve the communities control over development;
- To improve the quality of services (Communities are given a chance to provide inputs and comments on the levels of existing services utilizing some tools as provided by community based planning manual);
- To improve the quality of plans (plans become more inclusive).

The expected outputs for the CBP are Ward Plans which:

- Are prepared by local people for their wards
- Are owned by the community and the people who will assist in the implementation
- ensure that people will be actively involved in the implementation
- provide useful information for Integrated Development Planning.

A consolidated list of all issues raised by the communities during CBP in all wards is attached as an **Annexure**.

1.8. IDP INFORMANTS

The drafting of an IDP was undertaken within the framework of National, Provincial and District legislation and policy. Some of the key informants for the drafting of this document include, among others:

- Joe Gqabi District Municipality's Rep Forum
- Senqu's Mayoral Political Outreach Programme
- Report from the National IDP hearing;
- Comments from the Auditor-General;
- ANC's January 8 Statement;
- ANC's Election Manifesto 2009;
- Government's State of the Nation Address;
- Comments from the MEC;
- Senqu Municipality's sector plans and other surveys
- National and Provincial Objectives and Targets;
- Millennium Development Goals;
- An Assessment of IDP Implementation;
- Changing internal and external circumstances;
- National Spatial Development Framework;
- Provincial Growth and Development Plan;
- District Growth and Development Summit

1.9. IDP KEY OBJECTIVES

Through the processes detailed above, the key issues were distilled and objectives were set. They are detailed as follows with their responsive key objectives:

KEY ISSUES	KEY OBJECTIVES
Senqu lacks a clear defined long-term development strategy and this negatively impacts on the ability of the Municipality and its stakeholders to work towards the achievement of the Municipality' vision	Senqu has a clear defined long-term development strategy, enabling Senqu Municipality to achieve its vision.
The sustainability of Senqu Municipality is dependent on expanding its revenue in relation to costs and its financial viability, whilst implementing its mandate.	Effective, efficient, co-ordinated financial management and increased revenue – enabling Senqu Municipality to deliver its mandate.
Inefficiencies exist within the institution, which compromise Senqu to deliver services.	Senqu's institution is capacitated and structured to enable effective, effective and sustainable service delivery.
Low economic growth, high unemployment, low skills level, high levels of poverty and high inequality exist within Senqu Municipality.	Senqu creates an enabling environment for an economy that is growing, diversifying, generating increasing number of sustainable employment opportunities and contributing to increased incomes and equality.
Whilst Senqu delivers basic services (water, sanitation, waste removal & electricity) to about 75% of households, many households still lack adequate transport, social services, economic opportunities and an enriching environment.	Senqu is well structured, efficient and supports sustainable human settlements, thus enabling residents to meet their physical, social, developmental, environmental, cultural and psychological needs (live, work & play).
Lack of sustainable development and inappropriate use of resources has a harmful impact on the health and well-being of present and future generations of Senqu Municipality.	Senqu is a safe, healthy & sustainable environment protected for the benefit of present and future generations through securing ecologically sustainable development and use of natural resources, whilst promoting justifiable social and economic development.

SECTION B: SITUATIONAL ANALYSIS

2.1. SPATIAL LOCATION OF THE AREA

The Senqu Municipal area is located in the centre of the Joe Gqabi District Municipality. Senqu Local Municipality shares boundaries with the following local municipalities: - Maletswai to the West, Emalahleni and Sakhisizwe to the South, Elundini to the East. Lesotho is situated on its northern border. Senqu Local Municipality covers an area of 7329km².



Senqu has five towns namely Barkly East, Lady Grey, Sterkspruit, Rossouw and Rhodes and is characterized by 85 remote rural villages situated in the foothills of the Maluti Mountains and Southern Drakensberg range.

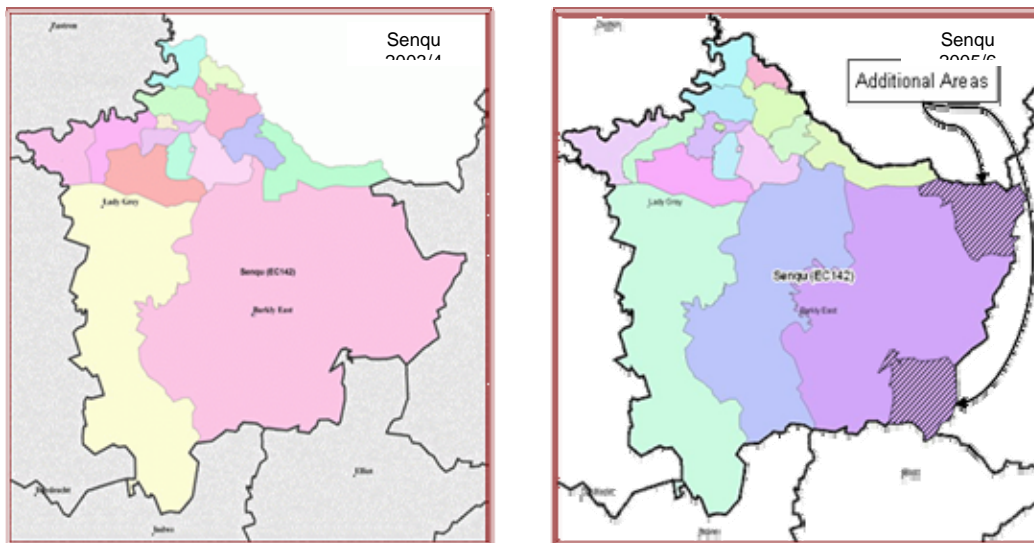
The R58 runs from Elliot through the Senqu municipal area linking Barkly East and Lady Grey with Aliwal North.

The municipal area has been extended, following the 2005 re-demarcation of ward boundaries, from 6770.74 km² to 7329.51km². The number of wards has remained constant, at 16, although nine wards – and wards 15 and 16 in particular – have seen considerable realignment.

The new demarcation means that Senqu now includes the whole of the former Barkly East Magisterial District and incorporates a portion of the former Elliot Magisterial District, while retaining the whole of the former Herschel/Sterkspruit district and portions of the former Lady Grey, Woodhouse and Indwe Magisterial Districts. Moreover, the municipality now falls almost entirely within the primary catchment area of the Orange River – excepting two portions along the southern boundary that fall within the Kei River Catchment area.

The two newly incorporated areas previously formed part of the Elundini (Ukhahlamba) and Sakhisizwe (Chris Hani) municipalities and significantly bring the Tiffendell Ski Resort, the only natural Ski Resort in the country, and additional farmland, respectively, within Senqu’s boundaries.

Senqu Municipal and Ward Demarcation: Past and Present



Source: Municipal Demarcation Board, 2003, 2007

2.2. DEMOGRAPHIC ANALYSIS

2.2.1. POPULATION FIGURES

According to the revised population estimates based on the Community Survey 2007 (Statistics South Africa, 2007), the Senqu LM has a population of approximately 118,174 (compared to the 2001 Census estimate of 135,141) people residing in 35,107 households (compared to 33,728 households (Census 2001)). This population accounts for 38.32% of the total population residing in the Joe Gqabi District, making it the second most populous local municipality in the district after Elundini. (Refer to table overleaf)

Total Population and Households Figures (2007 Community Survey)

Name	Population	Population as % of District	Population as % of Province	No. of Households	Households as % of District	Households as % of Province
Joe Gqabi District Municipality	308 363	100.00%	4.72%	90 312	100.00%	5.69%
Senqu Local Municipality	118 174	38.32%	1.81%	35 107	38.87%	2.21%

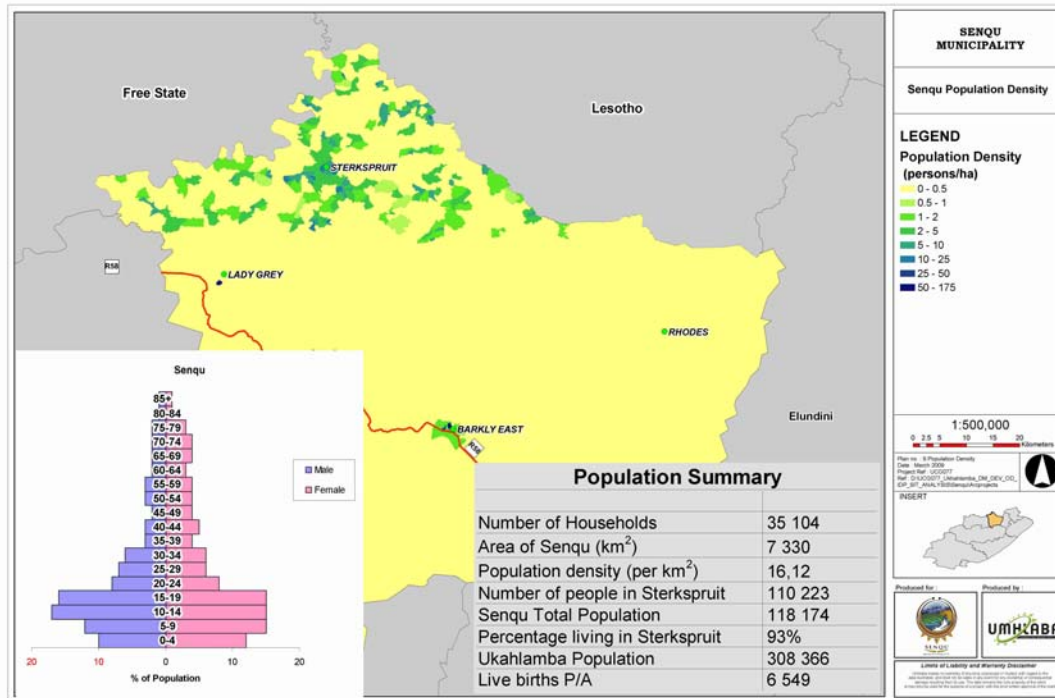
Rural vs. Urban Population

According to the 2001 Census 86% 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 Senqu Local Municipality.

Table indicating urban and rural household information (2001 Census)

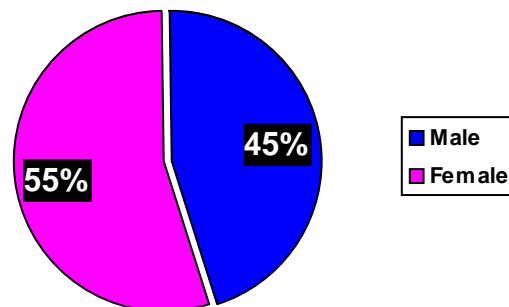
Name	No. of Rural house-holds	% of total house-holds	Rural hh as % of province	No. of Urban house-holds	% of total house-holds	Urban hh as % of province	Total No. of Households
Joe Gqabi District Municipality	58325	68 %	6.86%	26373	32%	3.98%	84698
Senqu Local Municipality	28920	49.58%	3.40%	4811	18.24%	0.73%	33731

The population density for Senqu Municipality is indicated on the plan below and the age and gender distribution is indicated in the accompanying chart.



2.2.2. GENDER DISTRIBUTION

The overall male – female ratio is 45% male to 55% female. (See figure below)



This may be ascribed to migrant and commuter labour which has resulted in many households having a woman as the head of the household and the chief breadwinner living away from the home. This will also impact on the type of development that may occur, especially with regards to manual labour-type employment.

2.2.3. RACIAL DISTRIBUTION

The majority (98.30%) of the population are Black Africans.

Black African	98.30%
Coloured	0.57%
Asian/ Indian	0.15%
White	0.97%

2.2.4. AGE DISTRIBUTION

Approximately 38.30% of the municipal population falls in the 20-65 age categories which can be seen as the economically active sector of the population, with 51.88% of the population below the age of 20. This suggests continuing population growth in the area with a need for educational facilities and a focus on education and skills training.

AGE DISTRIBUTION

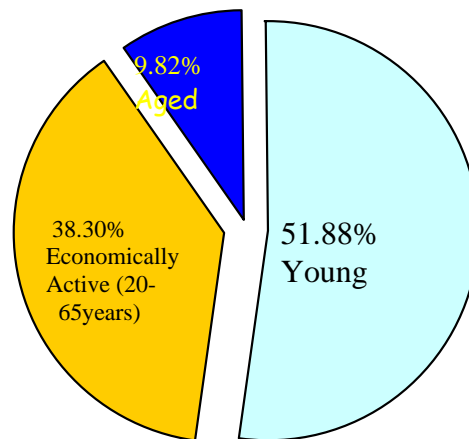
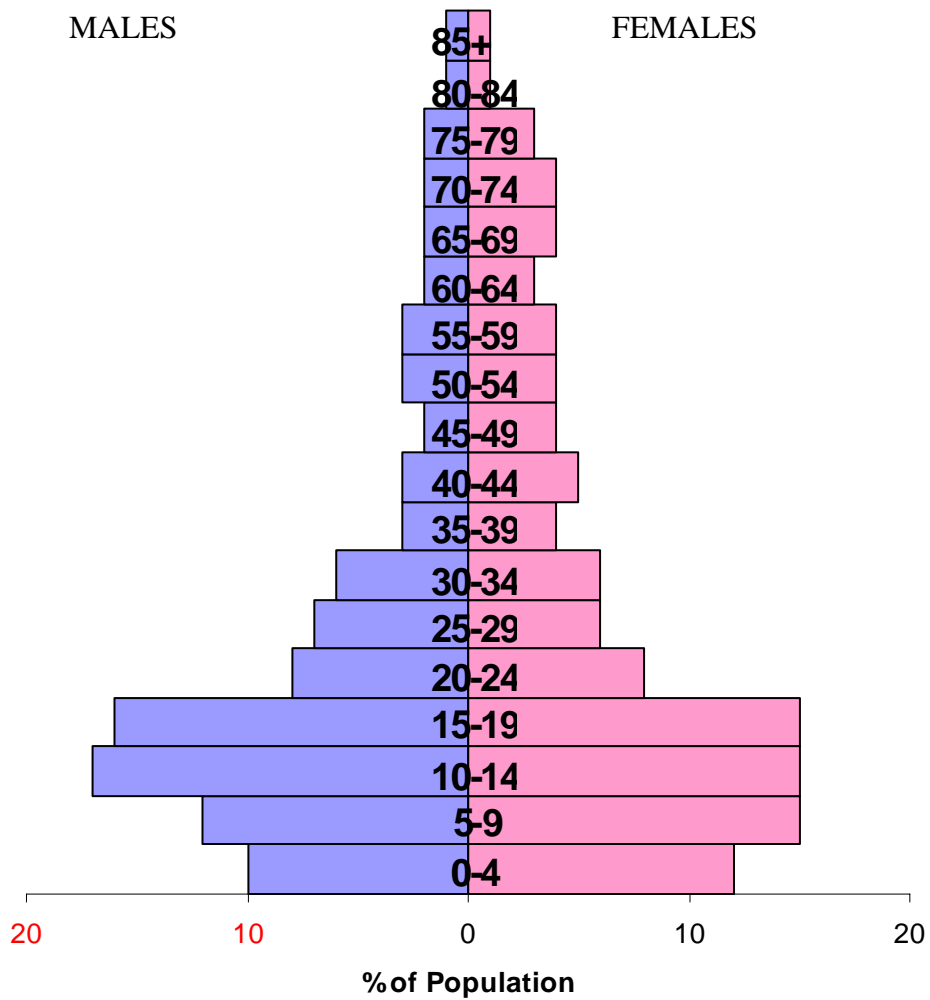


Figure indicating Age and Gender Distribution – Senqu Local Municipality



2.2.5. DISABILITY

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

Description	2001
No disability	125,846
Sight	2,728
Hearing	1,366
Communication	325
Physical	2,145
Intellectual	766
Emotional	1,467
Multiple	1,087

2.2.6. PROJECTED POPULATION GROWTH RATE

According to the DBSA (Provincial Population Projections, 2000) projected population growth rate for Senqu will vary as per the following scenarios:

According to the DBSA (Provincial Population Projections, 2000) projected population growth rate for Senqu will vary depending on a High Population Growth Rate (HPGR) scenario that does not take the impact of HIV/Aids into account as apposed to a Low Population Growth Rate (LPGR) that does take HIV/Aids into account. See table below.

High Population Growth Rates:

These consist of 2, 21% for the period 2001 – 2006, and 2, 02% for the period 2006 – 2011. This scenario does not take into account the impact of HIV/Aids.

Low Population Growth Rates:

These consist of 0, 95% for the period 2001-2006, and 0, 31% for the period 2006-2011. HIV/Aids impact has been taken into account.

Table indicating projected population growth (2000 DBSA)

	Projected population	
HPGR @ 2.21% 2001 to 2006	137,307	141,615
LPGR @ 0.95% 2001 to 2006	137,307	139,113
HPGR @ 2.02% 2006 to 2011	141,615	145,991
LPGR @ 0.31% 2006 to 2011	139,113	139,723

Population Projections

Based on the modeling done by the Dept of Health (District Health Information System) and using the statistical models provided by Stats SA, the projected population of Senqu is as follows:

	Projected population	
	2006	2009
Senqu	132,256	132,382
Joe Gqabi	336,828	334,673

Dept of Health DHIS Dec 2006

While these figures are disputed (even by the Dept of Health who have the best interaction with community based statistics and who have identified a severe undercounting especially of children) these are taken as to represent Senqu and the Joe Gqabi district area.

It is critical to note that based on current modeling it is expected that the population will be decreasing in the area due to the affects of out migration as well as due to the impact of HIV and Aids.

Household Size: The household size in the SLM has increased from 33 904 (Census 2001) to 35 105 (Community Survey 2007) an increase of 3.42%.

Population Group: According to the results of the Community Survey 2007, Senqu population has decreased from 135 734 (Census 2001) to 118 177 (Community Survey 2007) with a decrease of 0.88%.

Home Language: the dominant home language in Senqu is isiXhosa, isiHlubi, seSotho, Afrikaans and English. A larger part of isiHlubi speakers can be found around the Sterkspruit area.

Gender: the dominance of females in the area is evident even though there has been a decrease from 2001 to 2007. The following graph represents the geographic distribution of population by gender per ward.

Table 1: Total Population and Households Figures (2001 Census)

Name	Population	Population as % of District	Population as % of Province	No. of Households	Households as % of District	Households as % of Province
Joe Gqabi District Municipality (Census 01)	341 832	100.00%	5.44%	84 854	100.00%	5.72%
SLM (Census 2001)	135 734	39.71%	2.16%	33 904	39.96%	2.28%
Joe Gqabi District Municipality (CS 2007)	308 365	100%	4.72%	90 309	100%	5.69%
SLM (CS 2007)	118 177	38.32%	1.81%	35 107	38.87%	2.21%

The 2006/2007 Community Survey information is likely to produce more accurate data although the results are only expected to be available by the end of March 2008.

2.2.7. POPULATION PROJECTIONS

Based on the modeling done by the Dept of Health (District Health Information System) and using the statistical models provided by StatsSA, the projected population of Senqu Municipality is as follows:

Table 2: Population Projections

Area	Projected population	
	2006	2009
Senqu	134,924	133,086
Joe Gqabi	336,828	334,673

Dept of Health DHIS Dec 2006

While these figures are disputed (even by the Dept of Health who have the best interaction with community based statistics and who have identified a severe undercounting especially of children) these are taken as to represent Senqu and the Joe Gqabi district area.

It is critical to note that based on current modeling it is expected that the population will be decreasing in the area due to the affects of out migration as well as due to the impact of HIV and Aids.

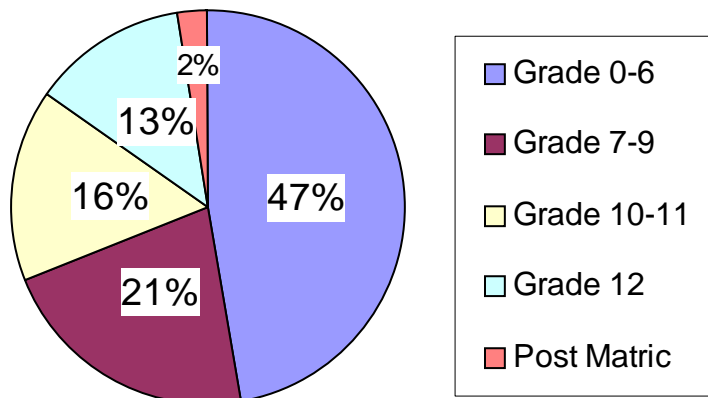
2.3. EDUCATION LEVELS

SLM has the second lowest levels of education behind Elundini Local Municipality in the District, with 58.85% of the population having only received a primary school education. SLM area has 153 schools of which 68 are Primary, 17 are Secondary, 63 are Combined and 5 are ECD. SLM has the lowest levels of education, with 47% of the population having only received a primary school education. There is a lack of educational facilities.

There is only one tertiary education facility (FET Collage) in the Municipality. The lack of education facilities is further exacerbated by the dilapidated condition of existing facilities especially some of the farm schools.

The table below is obtained from the Community Survey 2007 and indicates that 47% of the Senqu population has received education up to Grade 6. 14.61% have received no schooling and a small percentage has some form of tertiary education.

Figure indicating Highest Level of Education Achieved in Senqu LM



Level of education – Senqu Municipality

	Number of People	% of Senqu	%of District	% of Province
Grade 0	1,430	2.51%	1.24%	0.99%
Grade 1/sub A (completed or in process)	1,366	2.40%	2.22%	1.42%
Grade 2/sub B	2,217	3.90%	2.60%	1.98%
Grade 3/standard 1	3,633	6.39%	5.50%	3.08%
Grade 4/standard 2	3,291	5.79%	6.28%	4.09%
Grade 5/standard 3	2,130	3.75%	5.85%	4.34%
Grade 6/standard 4	3,828	6.73%	9.09%	5.75%
Grade 7/standard 5	3,651	6.42%	9.03%	7.15%
Grade 8/standard 6/form 1	4,090	7.19%	9.15%	8.69%
Grade 9/standard 7/form 2	4,266	7.50%	7.01%	7.24%
Grade 10/standard 8/form 3/NTC I	3,791	6.67%	5.97%	8.51%
Grade 11/standard 9/form 4/NTC II	4,088	7.19%	5.28%	7.48%
Attained grade 12; out of class but not completed grade 12	2,447	4.30%	2.45%	4.61%
Grade 12/Std 10/NTC III (without university exemption)	3,138	5.52%	6.74%	9.87%
Grade 12/Std 10 (with university exemption)	412	0.72%	0.59%	1.94%
Certificate with less than grade 12	275	0.48%	1.49%	1.54%
Diploma with less than grade 12	627	1.10%	1.16%	1.39%
Certificate with grade 12	327	0.58%	0.42%	1.11%
Diploma with grade 12	754	1.33%	1.40%	2.24%
Bachelor's degree	526	0.92%	0.77%	1.52%
BTech	174	0.31%	0.21%	0.22%
Post graduate diploma	119	0.21%	0.55%	0.62%
Honour's degree	323	0.57%	0.00%	0.43%
Higher degree (masters/PhD)	221	0.39%	0.01%	0.33%
No schooling	8,307	14.61%	11.82%	10.75%
Unspecified	989	1.74%	2.09%	1.23%
Institutions	448	0.79%	1.09%	1.50%
Total	56,868	100%	100.00%	100.00%

About 39% of Senqu Local Municipality workforce is made up of elementary or unskilled workers, the largest percentage in the District. Senqu Municipality has low levels of senior management and technical staff, 3% and 4% respectively. This corresponds with low levels of educational facilities in that area, and indicates a need for skills development and education programmes.

The following table represents the skills distribution per occupation in the municipality.

Municipality	Senior Management		Professional		Technical		Clerks		Service Related		Skilled		Craft & Trade		Plant Machinery		Elementary		TOTAL
		%		%		%		%		%		%		%		%			
Senqu	280	3	1637	17	390	4	364	4	732	8	84	9	978	10	473	5	3682	39	8620
Joe Gqabi	957	3	4165	14	1135	4	1296	4	2251	8	3471	12	2986	10	1367	5	12373	41	300001

Table indicating Skills (Occupation) Source: Municipal Demarcation Board, 2000

2.4. SOCIO-ECONOMIC ANALYSIS

2.4.1. Unemployment Levels

Data from the 2007 Community Survey indicates that the average unemployment rate of the Senqu Municipal area is 16%. (See Table below) This only includes people that are actively searching for work. The percentage of people who are unemployed but not looking for work is 65%, compared to 54% for the district and 48% for the province.

There are 10 373 people employed in Senqu (16.58% of the population), compared to 25% in the district and 29% in the province.

Employment - Senqu Municipality

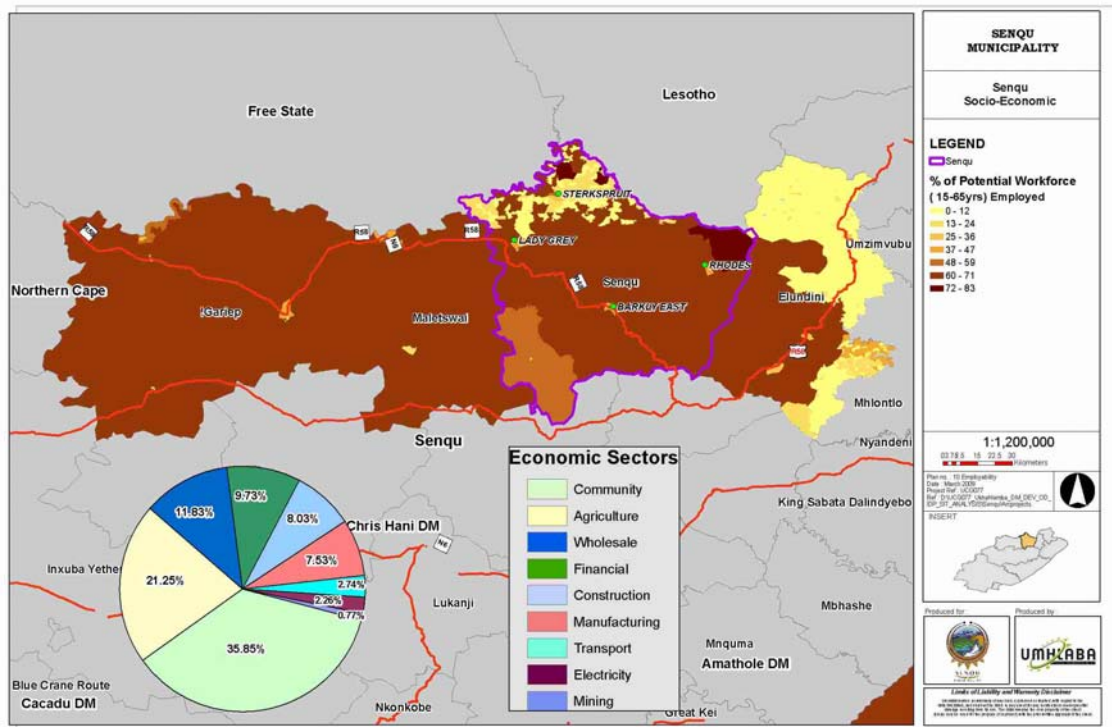
	Number of People	% of Senqu	% of District	% of Province
Employed	10,373	16.58%	25.28%	29.34%
Unemployed	10,291	16.45%	17.14%	19.19%
Not economically active	40,373	64.54%	53.58%	47.75%
Unspecified	1,004	1.60%	2.78%	2.13%
Institutions	518	0.83%	1.21%	1.60%
Total	62559	100%	100%	100.00%

Senqu Municipality relies heavily on external role players for both services and markets. The closest large service node is Aliwal North in Maletswai Municipality. Services and markets are, however, also sought in further areas like Queenstown, Bloemfontein and East London. Sterkspruit Town is growing considerably, in an economic fashion, because of the road to the Lesotho border post (Telle Bridge) that has been surfaced and when land for development has been obtained.

The plan overleaf is based on data from the 2001 Census, and indicates the percentage of the potential workforce (i.e. those aged 15 to 65) who is employed across the district. It

is clear that in 2001 Senqu had the second lowest percentage of employment, but this picture has changed with the updated data from the Community Survey 2007.

The pie chart overlaid indicates the economic sectors for employment in Senqu Municipality, with Community Services accounting for 36% of the employment, followed by agriculture with 21%.



2.4.2. Household Income and Poverty Levels

The data from the Community Survey 2007 indicates that 50.25% of the population of Senqu earns no income and that a further 21.39% earn between R1 and R1600 per month. This is compared to 50.58% of the district population with no income and 59.34% of the provincial population with no income.

Income categories – Senqu Municipality

	Number of People	% of Senqu	% of District	% of Province
No income	31,439	50.25%	50.58%	59.34%
R 1 - R 400	2,669	4.27%	4.69%	4.46%
R 401 - R 800	2,958	4.73%	5.58%	5.14%
R 801 - R 1 600	7,753	12.39%	13.66%	12.52%
R 1 601 - R 3 200	1,153	1.84%	2.98%	3.81%
R 3201 - R 6 400	1,110	1.77%	2.81%	3.58%
R 6 401 - R 12 800	970	1.55%	2.32%	2.77%
R 12 801 - R 25 600	257	0.41%	0.57%	0.97%
R 25 601 - R 51 200	0	0.00%	0.06%	0.32%
R 51 201 - R 102 400	0	0.00%	0.16%	0.11%
R 102 401 - R 204 800	0	0.00%	0.00%	0.10%
R 204 801 or more	0	0.00%	0.01%	0.03%
Response not given	13,732	21.95%	15.38%	5.24%
Institutions	518	0.83%	1.21%	1.60%
Total	62,559	100.00%	100.00%	100.00%

This has implication with regard to affordability of services and the sustainability of these services. Many people are dependent on social grants.

The Community Survey 2007 indicates that 71.64% of the Senqu population earn no income or between R1 and R1600 per month, compared to 74.51% of the population of the district and 81.46% of the province.

Number of people earning less than R1600 per month – Senqu Municipality

	Senqu Population	% of Senqu	Joe Gqabi Population	% of District	Provincial Population	% of Province
No income	31,439	50.25%	84,407	50.58%	2,242,203	59.34%
R 1 - R 400	2,669	4.27%	7,824	4.69%	168,535	4.46%
R 401 - R 800	2,958	4.73%	9,312	5.58%	194,119	5.14%
R 801 - R 1 600	7,753	12.39%	22,797	13.66%	472,921	12.52%
TOTAL		71.64%		74.51%		81.46%

The dependency ratio indicates the ratio between those who are not economically active by virtue of their age (i.e. either younger than 19 or older than 65 and thus economically dependent) to those who are within the economically active age between 20 and 65.

In Senqu the dependency ratio is 161:100, which means that for every 100 economically active people, there are 161 people who are dependent.

2.4.3. Dependency on Social Grants

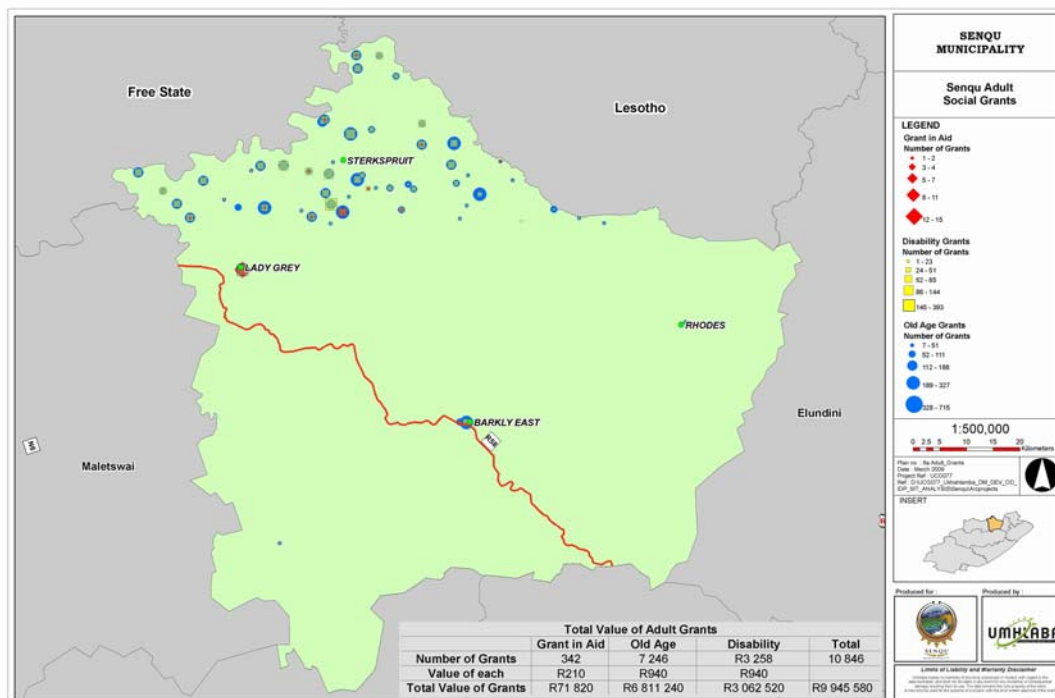
Data from SASSA (August 2008) indicates that the total value of state support in the form of grants to the Senqu Municipality is R16, 898,310 per month. This is 41.9% of the total value of state support to the district (at R40, 301,044 per month)

Social Grants for Senqu (paid monthly)

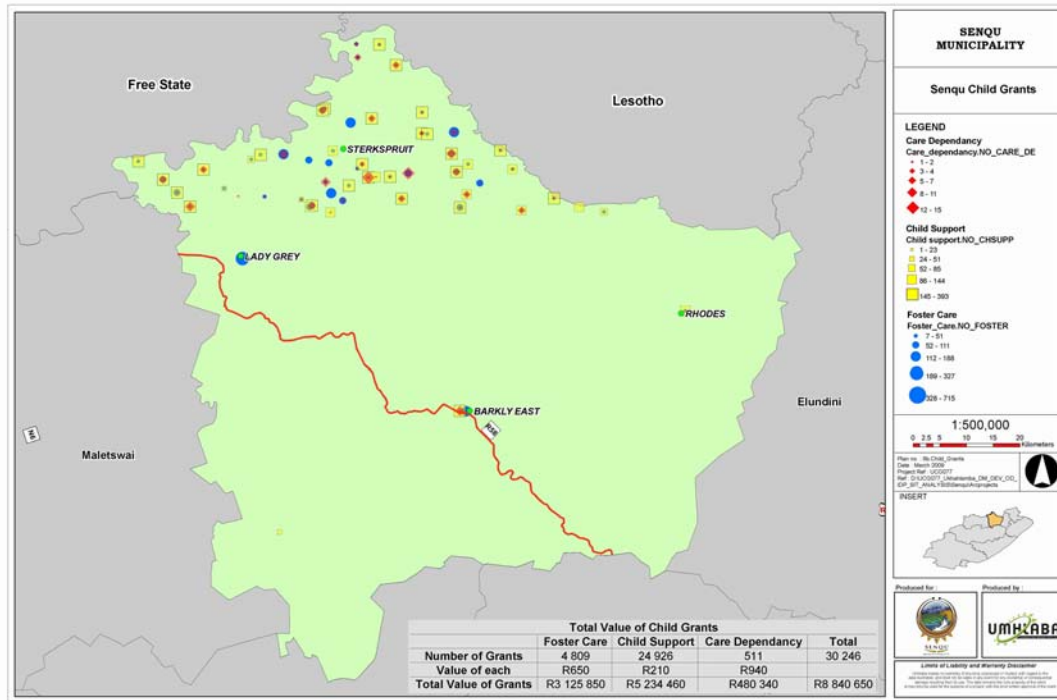
Total Value of Child Grants				
	Foster Care	Child Support	Care Dependency	Total
Number of Grants	3024	22684	305	30 246
Value of each	R650	R210	R940	
Total Value of Grants	R1 965 600	R4 763 640	R286 700	R8 840 650
Total Value of Adult Grants				
	Grant in Aid	Old Age	Disability	Total
Number of Grants	41	7 246	3 258	10 846
Value of each	R210	R940	R940	
Total Value of Grants	R8 610	R6 811 240	R3 062 520	R9 882 370
Total Value of State Support (Senqu)				R 16,898,310

Taken for the period of August 2008

The plan below provides a spatial representation of the adult grants paid out in Senqu Municipality.



The plan below provides a spatial representation of the child grants paid out in Senqu Municipality.



2.4.4. HOUSING AND SETTLEMENT ANALYSIS

Senqu Local Municipality drafted its Housing Sector Plan in February 2007 but the plan is still yet to be adopted by the Council after some issues have been dealt with.

2.4.4.1. Settlement Patterns

Senqu Local Municipality is predominantly rural with a large proportion of people residing in traditional villages and traditional homes.

The prevalence of extensive farming in the district historically resulted in the formation of service centres, i.e. Barkly East and Lady Grey along the main transport routes. These urban centres offer services and retail facilities to the surrounding rural hinterland. Sterkspruit is a rural service centre serving the surrounding rural area and also some residents from Lesotho.

With urban settlement growth there is also a need to improve the central business districts of these areas so that they can enable growth (usually retail and manufacturing).

There is also a demand for housing (low cost and middle income) in these areas. The past five years have only resulted in housing for lower income communities being provided

resulting in a significant shortage of middle income housing especially in the secondary towns.

2.4.4.2. *Tenure*

The status of tenure has been obtained from 2001 data from the Municipal Demarcation Board's website and is indicated in the table below:

Description	2001
Owned, fully paid	19,916
Owned, not paid	3,205
Rented	1,931
Occupied rent free	8,849
No applicable	381

2.4.4.3. *Housing Types*

The Community Survey 2007 provides data on the types of main dwelling for the Senqu Municipality. There are 10784 households, or 30.72% of the population who live in traditional dwellings/ huts/ structures made of traditional materials and 60.90 % who live in a house or brick structure on a separate stand or yard.

Type of main dwelling – Senqu Municipality

	Households	% of Senqu	% of District	% of Province
House or brick structure on a separate stand or yard	21380	60.90%	46.34%	46.78%
Traditional dwelling/hut/structure made of traditional materials	10784	30.72%	41.10%	36.67%
Flat in block of flats	949	2.70%	4.25%	4.30%
Town/cluster/semi-detached house (simplex: duplex: triplex)	129	0.37%	0.26%	1.17%
House/flat/room in back yard	0	0.00%	1.61%	2.04%
Informal dwelling/shack in back yard	410	1.17%	1.42%	1.63%
Informal dwelling/shack NOT in back yard e.g. in an informal/squatter settlement	1231	3.51%	3.89%	6.41%
Room/flat let not in back yard but on a shared property	34	0.10%	0.25%	0.43%
Caravan or tent	41	0.12%	0.39%	0.10%
Private ship/boat	0	0.00%	0.00%	0.02%
Workers hostel (bed/room)	65	0.19%	0.14%	0.16%
Other	84	0.24%	0.36%	0.29%
Total Households	35107	100.00%	100.00%	100.00%

2.4.4.4. *Housing Backlogs*

Housing Challenges

There are several challenges related to housing:

- Housing Authority is vested with the Provincial Department of Housing, which is remote from the District
- There has been a slow pace of housing delivery and approval of projects takes too long.
- The allocation of housing subsidies seems unrelated to an areas housing backlogs
- Demand for middle-income housing has not been addressed.
- There are issues around rural housing (presumably subsidies should be directed to the new rural nodes)
- RDP housing may encourage rural-urban migration. This would make the national target of shack eradication by 2014 more difficult to achieve.
- Quality not meeting building standards.
- Disjointed Coordination and low level monitoring of project management.

Provincial Housing Development Plan

The current Eastern Cape PHDP covers the period between 2002 and 2006. The DHLG&TA has appointed a service provider to revise the PHDP. This section therefore reflects on the statistics contained in the current PHDP.

The PHDP used two methods to quantify the housing need namely:

- Empirical method: a CD prepared by CSIR for the NDOH provided the basic data and templates for the compilation of PHDP's by provinces. This is known as IDEA 2000. It categorized all dwellings / shelters as follows:
 - Adequate or formal housing (includes houses, apartments and town houses)
 - Traditional dwellings
 - Hostels
 - Inadequate housing (includes shacks, caravan and tents)

In terms of the Eastern Cape PHDP all categories other than the first one constitute a housing need

- Expressed needs: Local Municipalities were asked to provide figures on their housing backlog. It is not explained in the PHDP how the expressed needs were determined by municipalities.

Based on the two methods the PHDP records the housing backlog in Joe Gabi district area as follows:

Housing Needs Housing needs in Senqu Local Municipality						
	IDEA 2000	Expr. Need	IDEA 2000	Expr. Need	IDEA 2000	Expr. Need
	Urban		Rural		Total	
Senqu LM	1752	2500	9009	1000	10761	3500
JGDM	4 989	13300	27120	23000	32109	36300
Eastern Cape	159904	267142	547804	569838	707708	836980

The expressed needs for Senqu Municipality are far less than the empirically determined need. In fact, it is only Senqu Municipality that has the total of expressed needs being less than the total of the empirically determined need in the whole of Joe Gqabi District Municipality.

2005 Quantification of Housing Backlog

In late 2005 the DHLG&TA requested all municipalities in the province to provide figures on housing needs per housing programme. The purpose of the exercise was to enable the MEC for Housing, Local Government and Traditional Affairs to consider request for housing projects and allocate the budget. All municipalities were given forms to complete and submit to the DHLG&TA followed by visits by the DHLG&TA officials to verify the figures and collect additional information where necessary. The exercise covers a three-year period from 2006/2007 to 2008/2009. It could not be established during the compilation of this document how the municipalities were expected to determine these figures. The understanding is that Senqu Municipality used the housing waiting list that it compiled in 2002/2003 as the basis for the determination of its housing need figures.

The spreadsheet prepared by the DHLG&TA collating the information gathered from municipalities put the 1994-2004 backlog at 25 000 units. It is not clear where this figure comes from. The current “realistic” backlog by 2005 is estimated at 22 934. Also it is not clear how this figure was determined. The spreadsheet details the housing needs for Senqu Local Municipality to be:

Housing needs in Senqu Municipality

SUB-PROGRAMME	NUMBER OF – SUBSIDIES
1. Individual Housing Subsidies: R3 500	-
2. Housing Finance – Linked Individual Subsidy Programme: R3501 – R7000	-
3. Relocation Assistance	-
4. Discount Benefit Scheme	805
5. State Asset Maintenance Programme	-
6. Rectification of RDP Stock: 1994 – 2002	-
7. Social and Economic Facilities	-
8. Accreditation of Municipalities (Operational Support)	-
9. Accreditation of Municipalities (Programmes to be Approved and Funded)	-
10. Unblocking of Blocked Projects	400
11. Project-linked Subsidies	-
12. New Phased Approach: Phase 1 Planning and Services	-
13. New Phased Approach: Phase 2 Housing Consolidation	-
14. People’s Housing Process	5 034
15. Informal Settlement Upgrading	1 050
16. Consolidation Subsidies	-
17. Emergency Housing Assistance (Current Commitments)	-
18. Emergency Housing Assistance (Planned Projects)	-
19. Institutional Subsidies	-
20. Urban Restructuring Programme (Operational Support Social Housing Programme)	-
21. Urban Restructuring Programme (Higher density individual ownership and Social Housing)	-
22. Public Sector Hostels Redevelopment	-
Total	7 289

The figures are further broken down into three years as follows:

Breakdown of housing needs per financial year

Sub-programme	No. of subsidies for 2006	No. of subsidies for 2007	No. of subsidies for 2008
Discount Benefit Scheme	420	250	135
Unblocking of Blocked Projects	400	-	-
People’s Housing Process	2 550	1 442	1 042
Informal Settlement Upgrading	500	300	250
Total	3 870	1 992	1 427

2.4.5. BIOPHYSICAL ENVIRONMENTAL ANALYSIS

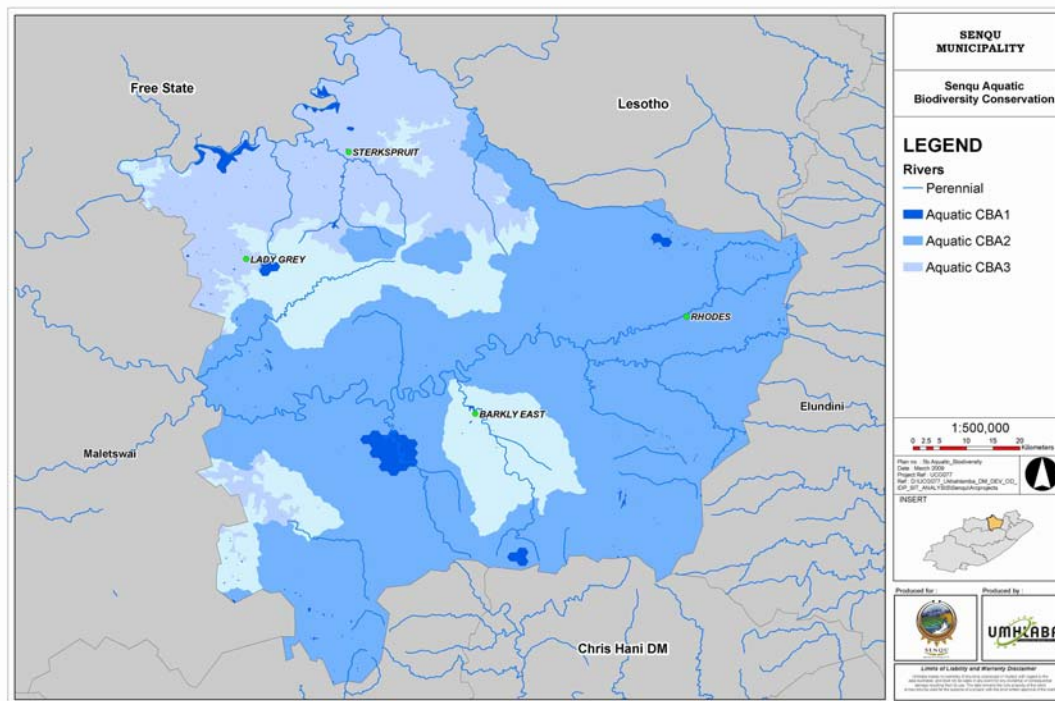
2.4.5.1. Topography

Much of Senqu Municipality 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.

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. The mountainous terrain also limits accessibility and therefore hampers services 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 Southern Drakensberg Mountains form a watershed and separate the eastern and western parts of the Ukhahlamba district. Senqu falls within the Orange River catchment area, draining towards the Atlantic Ocean.

Small dams also provide the Municipality with water, both for agricultural purposes and human consumption. Dams have a secondary usage and potential for recreational and other economic purposes. The plan below indicates the areas of sensitive hydrology within Senqu Municipality.



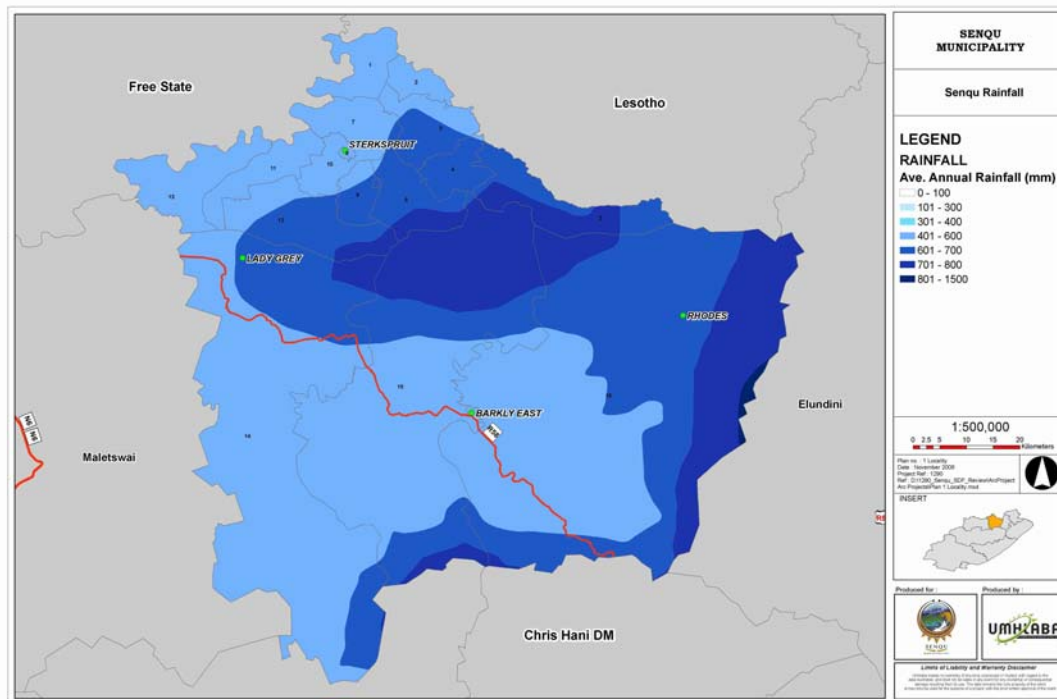
2.4.5.2. Climate

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 there is snow, usually in Barkly East and Lady Grey.

2.4.5.3. Rainfall

Some of the higher mountain peaks have between 0.8 metres (m) and 1.2 m of rainfall a year.

The rainfall for Senqu is indicated on the plan below.



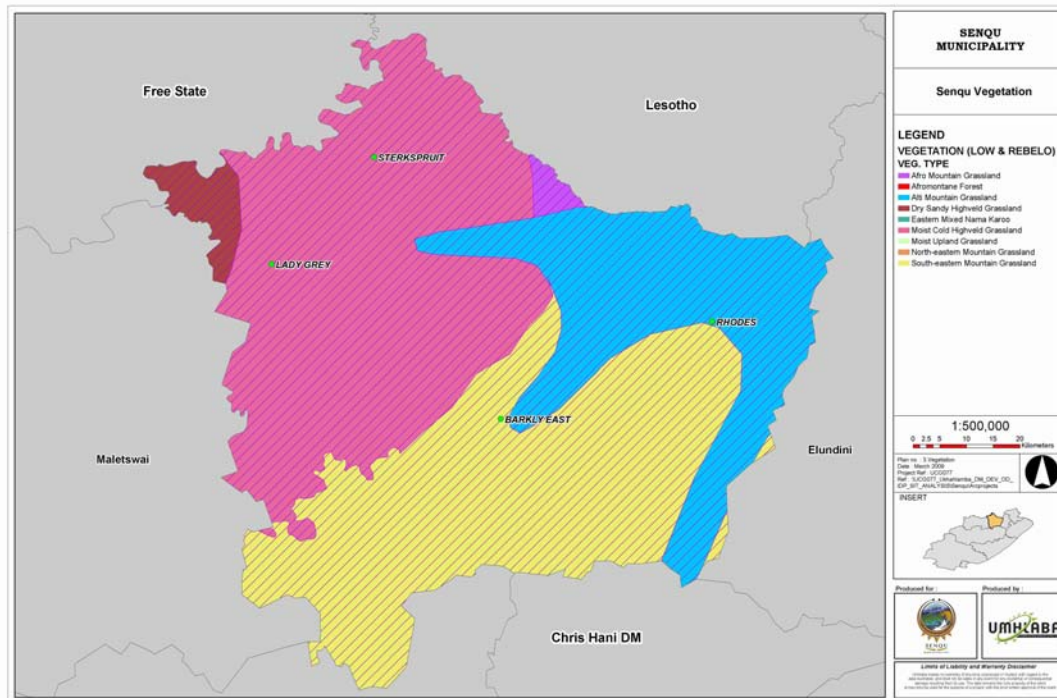
2.4.5.4. Soils

The Senqu area is one of the most degraded areas in the country due to communal grazing lands not being well maintained or protected under the previous dispensation. The primary cause was found to be the overstocking of livestock and inappropriate grazing methods. The Department of Agriculture¹ estimates that between 300 and 400 **tones** per hectare of soil are lost annually in the District. In addition to the provision of infrastructure to enable the practice of controlled grazing, it is necessary to prioritize the rehabilitation of severely degraded areas, in particular in the Senqu area.

¹ Drakensberg District Council IDP and LDO Report, 2000

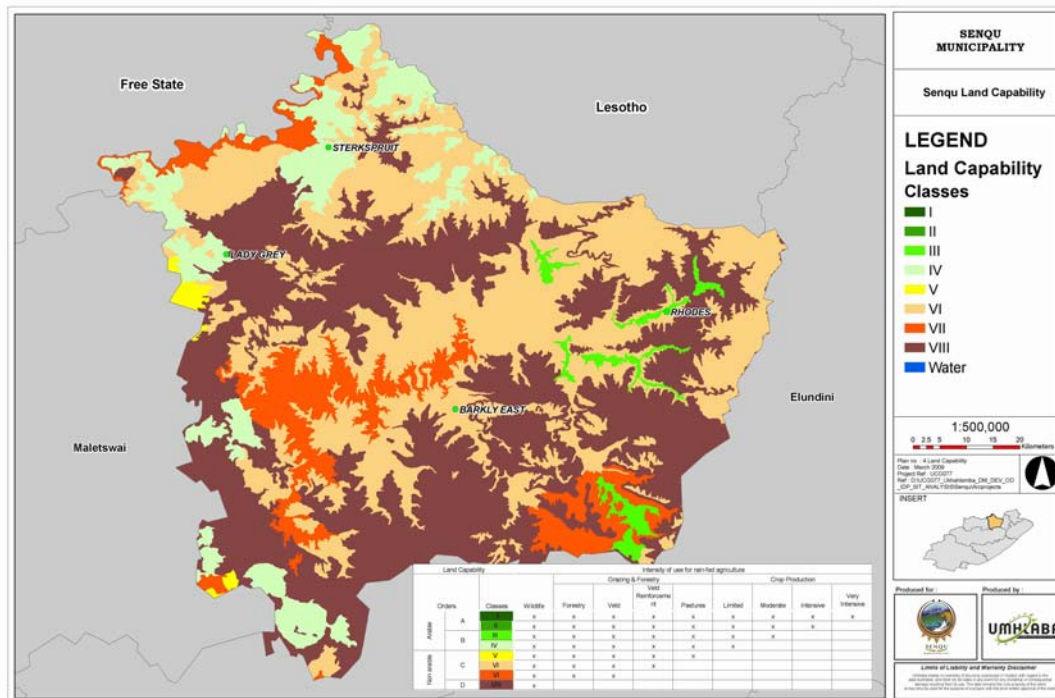
Vegetation types represent an integration of the climate, soils and biological factors in a region and as such are a useful basis for land use and conservation planning. There are five vegetation types found in Senqu, including Dry Sandy Highveld Grassland, Moist Cold Highveld Grassland, Afro Mountain Grassland, Alti Mountain Grassland and South-eastern Mountain Grassland. The Alpine / Maluti mountain type grasslands provide an interest for tourism development.

The different biomes also have an impact on the type of agriculture practiced in the area. The vegetation types are indicated in the plan below.



Senqu has a Total Cultivated Area of Arable Land of 47 319, 21 Ha. Of this total Dry Land under Commercial Production has 18 178, 39 Ha; Commercial Irrigated Land has 3 866, 57 Ha and Semi Commercial (Commonages) has 25 274, 25 Ha (Information supplied by the Department of Agriculture).

The plan below indicates the land capability in Senqu Municipality, which indicates those areas which are suitable for cultivation and grazing, in accordance with the 8 standards categories of land capability.

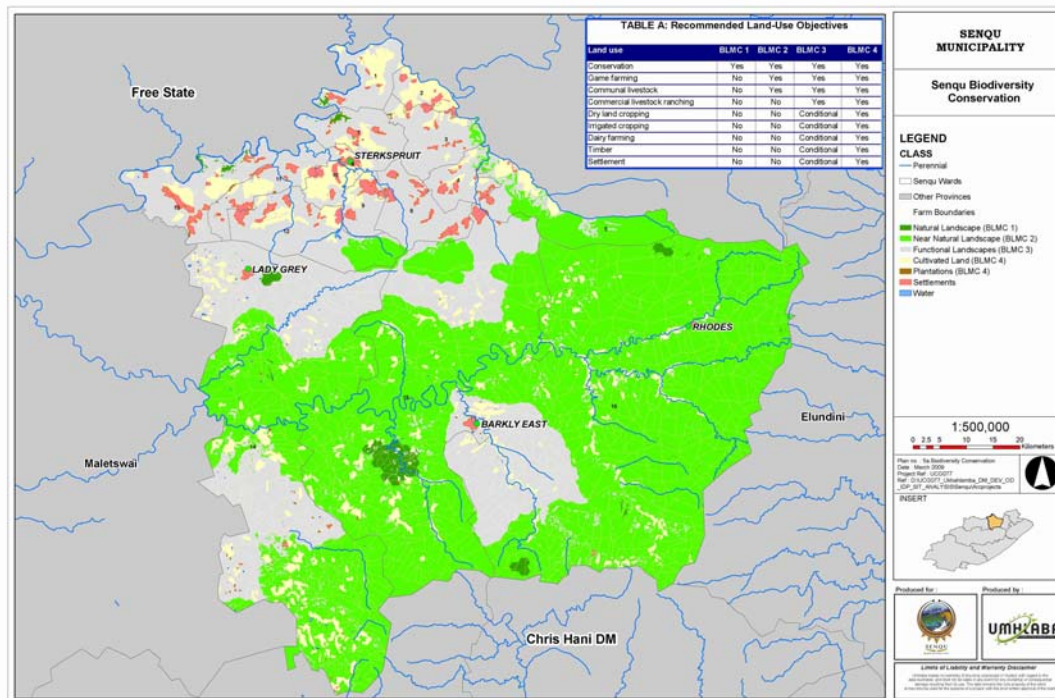


It must be noted that though Senqu has the lowest percentage of arable land in the district, its agricultural sector has the highest percentage contribution in the GGP.

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.

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

Areas of biodiversity conservation are indicated on the plan overleaf, including natural landscape, cultivated lands and plantations.



Natural Environment challenges

- Continued degradation of the land cover and increase in erosion.
- Poor water catchment area management practices
- Pollution of the ground water reserves especially through sewerage spills and poor waste management
- Unsustainable agricultural practices such as increasing irrigation in area of poor soils and or cash crop cultivation in marginal areas
- Very little money is being invested into land care in proportion to the amount of degraded land
- Due to global warming the impact of more severe weather, increase in the violence of storms, increase in snow, increase in drought needs to be taken into account
- The municipalities with the higher rainfall and steeper topography also have a higher population (living in rural areas). This has an impact on road maintenance and should be considered when developing such programmes
- Ongoing urbanisation and the growth of informal settlements around urban centres is increasing pressure on the environment and stretching infrastructure beyond capacity limits
- No dedicated person looking at environmental issues
- Fire, especially in the grassland areas
- Very little investment by government in environmental protection

Environmental opportunities

- Scenic beauty of the area

Environmental legislation / documents applicable to the district area

- National Environmental Management Act
- Joe Gqabi Environmental Management Plan (2003)
- Joe Gqabi Spatial Development Plan 2006
- Disaster Management (fire)
- Soil conservation act
- Water Act
- Air Quality Act

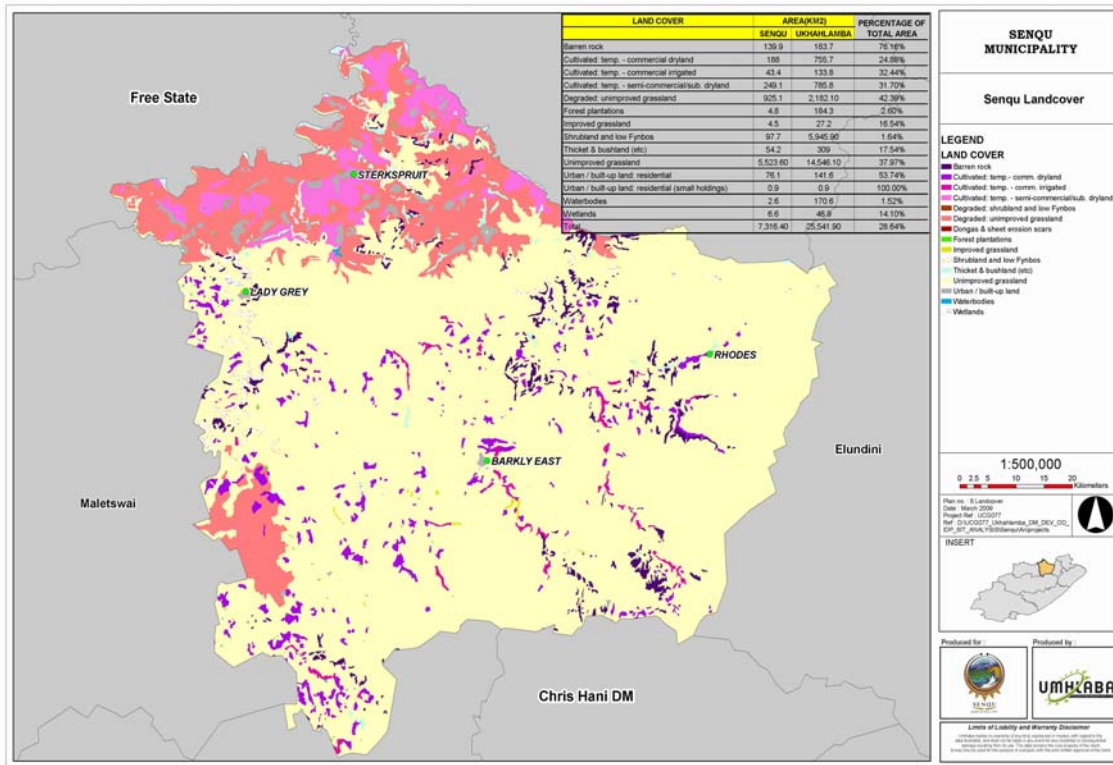
Areas for prioritized intervention

- Increased land care
- Increased awareness around better land management practices (especially in agriculture and urban management)
- Reduction in the number of sewerage spills
- Reduction in the number of uncontrolled waste management sites
- Improved disaster management systems
- Increased investment in environmental protection and conservation
- Infrastructure maintenance especially roads should correlate to the climatic and topographic conditions of the area

Land Cover

The land cover pattern is largely determined by topographical and climatic factors however pass political engineering, current tenure arrangements and population densities have impacted on the type of land cover. The insert illustrates that Unimproved Grassland dominates the Municipality, followed by Degraded Unimproved Grassland and Semi-Commercial or Subsistence Dryland Cultivation.

The plan overleaf indicates the land cover for Senqu Local Municipality.



2.5. HEALTH SERVICES

2.5.1. Health Facilities

Senqu Municipality has 3 hospitals, 14 clinics, and a few health care centres around its area of jurisdiction.

A large number of people in Senqu remain without access to healthcare, as there are few mobile services in the areas of Sterkspruit due to the dilapidated state of our roads infrastructure. In the areas where a mobile clinic is operational, the poor conditions of the roads make it impossible to access some communities and this makes 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.

2.5.2. 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.

There was an intention to provincialize all health services (not municipal health) by July 2007. This will result in municipal clinics being taken over by the province.

2.5.3. *Health Challenges*

- Poor infrastructure – roads, water, sanitation, electricity, communication, health care buildings, health care equipment
- No corporate service centre in the district for Dept of Health and this impact on staff and HR issues within the sector
- Inadequate budget
- Inability to attract and retain health professional staff
- Mobile services not equitable – mobile fleet ageing
- Poor communication infrastructure
- No 24 hour PHC facilities
- Procurement processes delay the accessing of key supplies and equipment
- ART roll out has been very slow
- High number of staff vacancies – managerial and professional and scarce skills and this impacts on the quality and type of services that can be offered
- Clinic committees and hospital boards not receiving stipends and are not fully functional across the district
- There are long queues at fixed clinics
- Poor quality of health services – drugs and essential clinic supplies not available
- Poor emergency services

2.5.4. *Health Opportunities*

- Professional staff are committed
- Good community participation structures do exist
- Good policies and procedures around health care
- There has been an improvement in key health statistics over the passed 5 years
- Introduction of VCT, PMTCT and ART services is occurring across the district

2.5.5. *Health Development Priority Areas of Intervention*

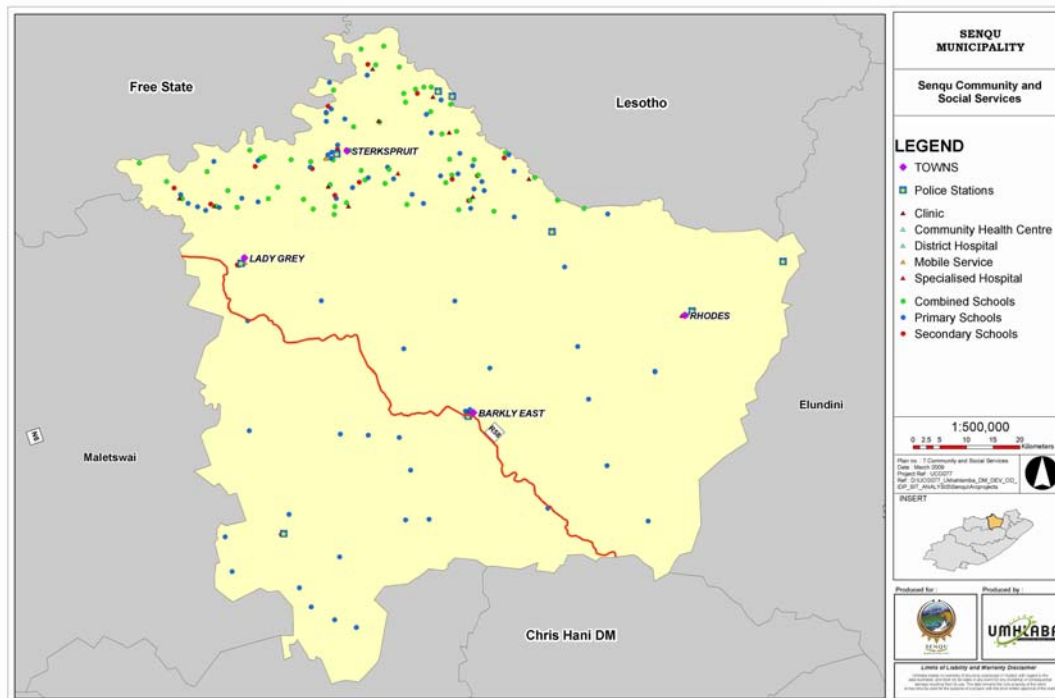
- Improved access roads
- Water, electricity and sanitation to rural clinics
- Land lines, cell phone networks for fixed clinics, radios for mobile clinics
- Plans to recruit scarce skills and train locals, incentives to attract staff
- Stipends for community participation structures
- Mobile services – replace fleet and increase to provide equitable services
- Build new clinics and renovate existing clinics
- 24 hour PHC services
- Emergency services
- Availability of drugs and clinic supplies
- Roll out of ART programme

2.6. COMMUNITY CENTRES AND COMMUNICATION SERVICES

2.6.1. TELECOMMUNICATIONS

It must be noted that although most communities have access to telecommunication either in the form of land lines or cell phones, there are still those communities that still cannot access these facilities because of their location that cannot receive the signals due to the fact that they are behind the mountains.

2.6.2. COMMUNITY FACILITIES



2.6.2.1. SPORT AND RECREATION FACILITIES

The Municipality has no proper sport and recreation facilities except those located in the main towns especially at the former white schools. Even those in towns need upgrading. Lady Grey, Sterkspruit and Barkly East have facilities that have been built but the ones in Sterkspruit and Barkly East need to be completed as they are beginning to be vandalized. With the high percentage of youth in the population make-up it is essential to provide sports and recreation facilities.

2.6.2.2. COMMUNITY HALLS

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 the community

Senqu Local Municipality has the functional first generation Thusong Centre, formerly known as MPCC, located in Sterkspruit that houses various government departments providing various essential services to our communities. Although most wards have at least a community hall each, accessing the halls still remains a challenge because of the state of our roads.

The following table shows the distribution of community halls in our municipality:

COMMUNITY HALLS AT SENQU MUNICIPALITY		
WARD	VILLAGE	NUMBER
1	Ndofela Community Hall	1
2	Storomo Community Hall	1
3	Mmusong Community Hall	1
4	Hillside Community Hall	1
5	Makhumsha Community Hall	1
7	Taba Lesoba Community Hall	1
8	Mokhesi Community Hall	1
9	Sunduza Community Hall Voyizana Community Hall	2
10	Bhunga Hall	1
11	Blue Gums Community Hall Herschel Community Hall	2
13	Zava Community Hall	1
14	Khwezi Naledi Community Hall Lady Grey Community Hall Transwilger Community Hall	3
15	Nkululeko Community Hall Sjora Community Hall Ntabamhlophe Community Hall	3
16	Barkly East Community Hall	1
Total Number Of Halls		19

2.6.2.3. LIBRARIES

There are libraries in Lady Grey, Barkly East and Sterkspruit and a satellite libraries in Rhodes and Rossouw.

2.6.3. WASTE MANAGEMENT

Although Waste Management Services (WMS) are rendered on a weekly basis to our residents in urban areas, there are still substantial backlogs. The biggest backlog is encountered in Sterkspruit where only 268 houses have a regular WMS and the residents of some 2 300 other houses in and around the town are left to their own devices.

Waste management consists of collection, transportation and disposal. In all three major towns, viz, Sterkspruit, Barkly East and Lady Grey, waste removal is rendered everyday

except for the towns of Rhodes where it is done twice per week and in Rossouw and for the villages of Sterkspruit where there is no refuse collection.

Although not all solid waste sites comply with the necessary required legislations, measures are being put in place to ensure that compliance with legislation is adhered to.

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

Compliance with legislation

Although not all our solid waste sites comply with the necessary required legislations, measures are being put in place to ensure that compliance with legislation is adhered to. At Lady Grey, health care waste is found on the site in direct contravention of the permit conditions.

In addition to this most of the sites are in contravention of the Occupational Health and Safety Act, which poses the possibility that the relevant Municipal Managers could be held liable in case of an accident. This risk applies not only to the staff working on this sites but extends to the general public especially scavengers who frequent most of the sites.

Waste Challenges

- Waste services (collection) only offered to a few residents of the area
- Disposal of waste a significant challenge and this is leading to lack of compliance with legislation, water, air and aesthetic pollution which is not good for both economic and social development
- Cost effectiveness of current services is poor mainly due to a history of lack of investment in the service in terms of equipment, staff, and planning
- There is little compliance with legislation
- Health waste is not being effectively managed and can lead to other health related injuries and problems

Waste Opportunities

The management, collection, control and disposal of waste can be an economic activity with spin offs for poverty alleviation and improved environmental management

2.6.3.1. Social Acceptability of waste management

The management of the solid waste sites at Lady Grey and Barkly East is in good control and follows the prescriptions of the legislations to the latter. It should be noted though, with the one in Sterkspruit this cannot be said as it has not been registered as yet but plans are underway to get it registered. Feasibility study has been done for the

establishment of the solid waste site in Rossouw. It should be noted that both the Department of Water Affairs and Forestry and Department of Economic Affairs Environment and Tourism have undertaken physical inspections of the waste sites and have been satisfied with their state.

2.7. SERVICE DELIVERY AND INFRASTRUCTURE

2.7.1. WATER AND SANITATION

2.7.1.1. 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:

RDP WATER SERVICES BACKLOGS IN SENQU

Local Municipality	Total Population	WATER					
		Population			Percentage		
		No Water	Below RDP	Above RDP	No Water	Below RDP	Above RDP
Senqu	118,174	15,586	21,330	81,258	13.2%	18.0%	68.8%

Notes:

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

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

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

Water challenges

- Old infrastructure like reticulation pipes are old and need to be replaced;
- Lack of sufficient contingency plans to accommodate new bulk infrastructure with old connecting infrastructure.
- Limitation and capacity constraints at local level to provider water services.
- Identification of a reliable alternative source of water supply at Lady Grey;
- How to include the indigent in the Free Basic Services scheme, currently farm workers are excluded;
- New housing development is placing a damaging demand on old and over utilized infrastructure.
- All rely solely on one source of water.

2.7.1.2. Sanitation Provision

RDP SANITATION SERVICES BACKLOGS IN SENQU

LM's	Total	SANITATION			
		Population		Percentage	
	Population	Served	Unserved	Served	Unserved
Senqu	118,174	65,034	53,140	55.0%	45.0%

Notes:

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

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.

Bucket eradication (special sanitation intervention)

National target for bucket eradication was end of 2007. The number of buckets and VIPs that still need to be eradicated is 589 in Lady Grey.

Bucket Eradication Challenges

- National target for bucket eradication was end of 2007 and funding for bucket eradication in Barkly East was secured and the target was met.
- 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.
- Maintenance of sanitation systems after construction is a concern

Bucket Eradication Prioritized Area of Intervention

- Secure funding from MIG for Lady Grey bucket eradication.

2.7.2. ROADS AND STORMWATER

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

NATIONAL ROADS

While not in Senqu Municipality, the N6 has an impact on the municipal area as it runs parallel to the R58 and if there are problems along that road; transport makes use of the R58.

PROVINCIAL ROADS

Tarred roads

The provincial trunk road, R58, linking Barkly East, Lady Grey, Aliwal North and Burgersdorp is fairly good though certain sections of the road need urgent improvement as potholes are starting to develop. This is due to the fact that this area has the second highest rainfall figures in the region and at times the road has to be scraped in severe snow and this leads to the deterioration of the road.

The provincial roads do have the grass cut at the sides of the roads and have had their crash barriers repaired in a number of places. Patching of potholes has however not been at the pace necessary to prevent accidents and unnecessary wear and tear on vehicles.

Gravel Roads

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.

There are a number of schools, clinics and key economic activities that have been significantly affected by the poor state of roads. Medical samples cannot be transported on some roads, police cannot access some areas for crime prevention, agricultural transport cannot collect livestock, wool, wood and maize which have a significant economic impact on both commercial farmers as well as farmers in the previous Transkei who are improving to a level where they do have surplus to sell.

The Department of Roads and Transport is implementing a system called Area Wide Maintenance in Senqu.

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 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, Senqu has been focusing on access roads in the rural areas and the municipality has been spending at least R5 million per annum to upgrade the access roads.

Streets

Streets within towns are the responsibility of the relevant local authority. During 2005/6 a pavement management system was developed for the district area to set in place and system for effective maintenance of streets within urban areas.

Streets within townships in all the urban settlements are of very poor condition leading to localized flooding in bad weather, impassable roads and poor access. Streets in the main part of town have not been maintained for a number of years and priorities of municipalities changed to focus on the previously disadvantaged areas, and this has lead 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.

KEY MOBILITY ROUTES

The Senqu 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.

Areas for prioritized intervention

- Significantly improved system of road maintenance of gravel roads, especially in Senqu
- 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 spin off of increase income for agriculture and tourism.

2.7.3. ELECTRICITY AND ENERGY

Some 16% of households in Ukhahlamba have been linked to the electricity grid between 2001-2006 with 70% and more households in Senqu, Maletswai and !Gariiep now accessing electricity.

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 areas on the other hand have only limited access.

There are significant challenges where the municipality is the service provider mainly over the systems of maintenance. A poor electrical service has a significant impact on the economic development of the area.

With the proposed restructuring of electricity supply in South Africa, it is likely that this will impact on the way in which electricity is supplied in the district.

Alternative energy supplies such as solar systems will have to be considered, specifically in the 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 is in the 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.

Although most of the Senqu communities have access to electricity, there are some communities that still need to be electrified either in the form of electricity installation or in upgrading of their existing lines as most of the lines particularly in Sterkspruit and surrounding villages are very weak.

The following table represents the energy source for lighting at Senqu Municipality:

Energy sources for lighting in Joe Gqabi and the Province for 2001 – 2006										
	Electricity		Gas		Paraffin		Candles		Solar and other	
	Census 2001	RSS 2006	Census 2001	RSS 2006	Census 2001	RSS 2006	Census 2001	RSS 2006	Census 2001	RSS 2006
	%	%	%	%	%	%	%	%	%	%
Eastern Cape	49.7	67.1	0.3	0.4	23.3	14.0	25.9	18.3	0.8	0.2
Joe Gqabi District	43.1	59.8	0.3	0.2	18.9	15.7	36.7	24.1	1.1	0.1
Senqu LM	62.1	78.7	0.3	0.3	14.9	16.3	22.1	4.7	0.6	0.0

Electrical challenges

- Maintenance in areas managed by municipalities
- Supply in the rural areas is not at a capacity to support large scale economic growth
- The implementation of free basic services for electrical supply is still a challenge
- Some areas will need to be supplied with non- grid electricity
- There are a number of schools, clinics and other social facilities that do not have a regular supply of electricity (if any supply at all) and this has an impact on the service they can offer.

Electrical opportunities

- The supply of electricity can especially in the area of non-grid supply and household installation provide economic opportunities for communities
- There are significant social and economic spin offs from the improved supply of electricity to communities.

Electrical Prioritized Areas of Intervention

- All the nodes as identified in the Spatial Development Framework (rural and urban nodes) must be effectively supplied with an efficient service.
- Secure funding to eradicate electricity backlogs by 2011.
- Upgrading networks and metering.

2.7.4. PUBLIC TRANSPORT

Economic growth and public transport

With the improvement of roads in the Senqu area, this is likely to have a wider impact on passenger transport across the district. If the R58 becomes an alternative (even if not the official alternative) to the N2 due to the route being shorter (as identified in the Spatial Development Framework) this will increase the amount of commuter traffic. Services for public transport will need to be provided in Barkly East and Lady Grey.

Public transport facilities

There is still a need to improve public transport facilities in Senqu especially at Sterkspruit. 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.

Railway services

The weekly railway transport passenger services between Johannesburg and the Western Cape is only accessible at Burgersdorp to the west. The Burgersdorp–Aliwal North–Barkley East (211 km) branch line still enjoys very limited freight workings.

The line between Aliwal North and Barkly East is of unique value and could be a significant tourist attraction if effectively maintained, managed and marketed.

Dept of Roads and Transport

The Department of Roads and Transport together with the Department of Education have implemented the Shova Lula Programme of providing bicycles to children (mainly focusing on high school children). There is an opportunity to expand this programme further.

The Department of Roads and Transport implements a driver of the year competition annually which focuses on heavy duty transportation. This forms part of their programme to improve quality and safety in this sector.

Road worthy and licensing

Senqu provides a road worthy and licensing service at the Traffic Testing Station in Barkly East. The one in Sterkspruit has been nonfunctional pending the outcomes of the negotiations between the municipality and the Department of Roads and Transport.

SECTION C: STRATEGIC OBJECTIVES (VISION AND MISSION)

3.1. SENQU'S VISION

Senqu Municipality will be for the next five (5) years be driven by this vision as agreed to:

“...Valuing our diversity and quality life for all.”

3.2. SENQU'S MISSION

The following mission will for the next five (5) years guide Senqu Municipality:

“...Committed to provide community services that enhance our valued quality of life through equitable delivery of services; effective stewardship of our unique physical environment; cooperative planning and resources development and fiscal responsibility.”

3.2.1. SENQU MUNICIPALITY'S CORE VALUES AND GOALS

CORE VALUES

- Quality of Service and Performance Excellence
- Commitment and Teamwork
- Integrity, Honesty and Respect
- Accountability and Transparency
- Participation and Empowerment
- Learning and Development

GOALS

- Promoting Sustainable, Economic and Social Development
- Quality and Affordable Basic Services
- Improve Service Delivery Capacity of the municipality

3.2.2. SENQU'S KEY PERFORMANCE AREAS

For the municipality to effectively deal with underdevelopment and poverty, the following Key Performance Areas were identified for measurable performance within a defined framework.

1. Good Governance and Effective Administration
2. Sustainable Infrastructure Development
3. Sustainable Basic Services
4. Economic Development
5. Environmental Management
6. Social Development
7. Financial Viability
8. Empowerment of Youth, Women and the Disabled
9. Safety and Security

3.2.3. MUNICIPAL STRATEGIC DEVELOPMENT OBJECTIVES

Promoting sustainable, economic and social development	Quality and affordable basic services	Improve service delivery capacity of the municipality	Objectives	Purpose	Delivery Strategy
○		○	1. Good Governance and Effective Administration.	To build an institution capable of effective delivery with sound administration and good governance practices.	<ul style="list-style-type: none"> - Create the necessary management environment through policies, by-laws and procedures. - Putting in place structures that enhance interactions and opens lines of interactions. - To develop a framework for effective interaction for the enhancement of service delivery. - To fast track and execute all institutional arrangement processes and outcomes. - Improvement of necessary equipment to match current times and needs
○	○	○	2. Sustainable Infrastructure Development	To provide adequate sustainable infrastructure	<ul style="list-style-type: none"> - To improve the existing and provide for the necessary infrastructure. - To reconstruct access roads for economic beneficiation. - To rebuild gravel and tarred roads to better quality conditions.
○	○	○	3. Sustainable	To provide	- To eradicate and

			Basic Services	adequate sustainable basic services for improved quality of life for our communities.	adequately address backlogs. - To investigate and provide for alternative source of raw water and improve water catchments. - To facilitate for the provision of electricity house connections and free basic services.
o	o	o	4. Economic Development	To create a conducive environment for local economic development and growth and unleash the potential for job creation.	- To initiate job creation programmes. - Opening up economic opportunities. - Maximise natural resources. - Increase Public Private Partnership. Establishment of sustainable tourism and agriculture. - Implement Expanded Public Works Programme. - Implement Black Economic Empowerment Policy - Accelerate the establishment of SMMEs.
o			5. Environmental Management	To create a healthy and sustainable environment.	- To improve management of the environment. - To improve the combating of illegal dumping.
o			6. Social Development	To build community resilience for sustainable livelihood	- To improve cemeteries records and administration. - To improve the visibility and conditions of cemeteries.
o		o	7. Financial Viability	To create an environment of effective, accountable and viable financial management with reliable information technology and accurate database.	- Implement MFMA - Revise the current tariff structure. - Increase service delivery. - Identify and diversify sources of revenue - Comprehensive Date Base. - Comprehensive Valuation Roll. - Pre-paid electricity.
o			8. Empowerment of Youth, Women and Disabled	To create a framework for mainstreaming youth, women and the disabled into the economic mainstream.	- To establish networks and partnerships with strategic institutions. - To facilitate for the establishment of skills programmes in line with ASGISA and JIPSA.

					<ul style="list-style-type: none"> - To establish forums that will culminate at municipal level. - To ensure the implementation of moral regeneration programmes.
○	○	○	9. Safety and Security	To create a safe and secure environment	<ul style="list-style-type: none"> - To liaise with Eskom to ensure that our communities have appropriate lighting. - To partner with SAPS to ensure community safety. - To ensure that CPFs are established and are functional - To ensure that Ward Committees are established and functional

3.3. SENQU'S STRATEGIC GOALS AND OBJECTIVES

To enable the formulation of its organisational and developmental strategic goals and objectives, Senqu Local Municipality resolved to align its strategic goals and objectives with the following two key issues:

- The 6 Strategic Goals as set out by the DM as the foundation for its IDP Development strategy, which is, in turn, closely aligned to the Eastern Cape Provincial Growth and Development Plan (ECPGDP) as well as to the District economic development potential identified; and
- The 5 Key Performance Areas (KPA's) for municipalities as set in terms of the 5-Year Local Government Strategic Agenda.

In relation to the above issues, Senqu Municipality has further resolved to craft its *Strategic Objectives and Strategic Targets* in line with the 5KPA's, which encompass all key activities that would effectively support the effort to work in a collaborative manner with the Joe Gqabi District Municipality in achieving the 6 *Strategic Goals*.

3.3.1. The 6 Strategic Goals Aligned with the Joe Gqabi DM IDP and the ECPGDP

The adopted strategy for development in the Joe Gqabi district is based on six overarching Goals. Three are strongly connected to the economy, and three are connected as a support for the growth of the economy. Therefore it can be seen that development of the economy forms the basis for the development strategy of the Joe Gqabi area.



The overall goal is to change the economic direction of the Joe Gqabi district, and to bring in more investment to the area. This will have an alleviating impact on poverty through retention of existing job opportunities as well as the creation of an environment in which new investments can occur; so more jobs can be created. The JGDM intervention looks at the District economy as a whole rather than focusing on individual or local-level projects.

For this to work there needs to be cooperative effort focused on key areas of potential. The economy is not based on only one sector, department or sphere; it is a collective effort by all.

The ***Three Economic Strategic Goals*** are:

1. Growing agrarian development, forestry and related timber industries, and household food security programmes;
2. Growing tourism, trade and related business development programmes; and
3. Growing labour intensive and pro-poor development programmes.

The **Three Strategic Goals relating to improving support for economic development** are:

1. Improving service delivery quality (effectiveness, economy, efficiency, and ethics);
2. Meeting basic needs; and
3. Improving the capacity of local government and communities.

In order to stimulate Senqu’s 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, whilst working collaboratively with the Joe Gqabi DM, other Local Municipalities and other spheres of government.

For this to happen, Senqu 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.

3.3.1.1. Strategic Guidelines

This section briefly reviews various strategic guidelines that should inform this IDP. In addition to the SDF (outlined in the previous section) these include:

1. Millennium Development Goals
2. AsgiSA/JIPSA
3. State of the Nation Addresses (2005-07)
4. ISRDP
5. PGDP
6. DPLG Plan for Local Government
7. ANC Election Manifestoes

3.3.1.1.1. Millennium Development Goals

South African Millennium Goals & targets	Indicators
Goal 1: Eradicate extreme poverty and hunger	
<i>Target 1:</i> Halve, between 1990 and 2015, the proportion of people whose income is less than US\$1 a day	<ul style="list-style-type: none"> o Proportion of the population below US\$ 1 a day o Poverty gap ratio (incidence, times, depth of poverty) o Share of poorest quintile in national consumption
<i>Target 2:</i> Halve, between 1990 and 2015, the proportion of people who suffer from hunger	<ul style="list-style-type: none"> o Prevalence of underweight children (under five years) o Proportion of the population below minimum level of dietary consumption
Goal 2: Achieve universal primary education	
<i>Target 3:</i> Ensure that, by 2015, children everywhere, boys and girls alike, will be able to complete a full course of primary schooling	<ul style="list-style-type: none"> o Net enrolment rate in primary education o Proportion of pupils starting Grade 1

	<ul style="list-style-type: none"> o who reach Grade 7 o Literacy rate of 15- to 24-year-olds
Goal 3: Promote gender equality and empower women	
<i>Target 4:</i> Eliminate gender disparity in primary and secondary education preferably by 2005 and in all levels of education no later than 2015	<ul style="list-style-type: none"> o Ratio of boys to girls in primary, secondary and tertiary education o Ratio of literate females to males among 15- to 24-year olds o Share of women in wage employment in the non- agricultural sector o Proportion of seats held by women in the national parliament
Goal 4: Reduce child mortality	
<i>Target 5:</i> Reduce by two-thirds, between 1990 and 2015, the under-five mortality rate	<ul style="list-style-type: none"> o Under-five mortality rate o Infant mortality rate o Proportion of one-year-old children immunised against measles
Goal 5: Improve maternal health	
<i>Target 6:</i> Reduce by three-quarters, between 1990 and 2015, the maternal mortality rate	<ul style="list-style-type: none"> o Maternal mortality ratio o Proportion of births attended by skilled health personnel
Goal 6: Combat HIV and AIDS, malaria and other diseases	
<i>Target 7:</i> Have halted by 2015, and begin to reverse the spread of HIV and AIDS	<ul style="list-style-type: none"> o HIV prevalence among 15- to 24-year-old pregnant women o Contraceptive prevalence rate women o Number of children orphaned by HIV and Aids
<i>Target 8:</i> Have halted by 2015, and begin to reverse the incidence of malaria and other major diseases	<ul style="list-style-type: none"> o Prevalence and death rates associated with malaria o Proportion of the population in malaria-risk areas using effective malaria prevention and treatment measures o Prevalence and death rates associated with tuberculosis o Proportion of tuberculosis cases detected and cured under directly observed treatment, short-course (DOTS)
Goal 7: Ensure environmental sustainability	
<i>Target 9:</i> Integrate the principles of sustainable development into country policies and programmes and reverse the loss of environmental resources	<ul style="list-style-type: none"> o Change in land area covered by forest o Land area protected to maintain biological diversity o GDP per unit of energy use o Carbon dioxide emissions (per capita)
<i>Target 10:</i> Halve, by 2015, the proportion of people without sustainable access to safe drinking water	<ul style="list-style-type: none"> o Proportion of the population with sustainable access to an improved water source
<i>Target 11:</i> Have achieved, by 2020, a significant improvement in the lives of at least 100 million slum dwellers	<ul style="list-style-type: none"> o Proportion of the population with access to improved sanitation o Proportion of the population with access to secure tenure

3.3.1.1.2. AsgiSA/JIPSA

The Accelerated and Shared Growth Initiative (AsgiSA) is a high-level initiative led by the Deputy President to accelerate growth of the national economy, and in particular to grow and mainstream the Second economy.

The Joint Initiative on Skills Acquisition (JIPSA) supports AsgiSA by identifying solutions to skills shortages in critical areas over the next three years. JIPSA is a joint initiative between government, labour and business.

For more information see www.gov.za (and click on AsgiSA)

3.3.1.1.3. State of the Nation Address

2005 President's State of the Nation Address

The President made the following points relevant to our District:

- Expansion of EPWP (with a women and youth focus): extensions to Early Childhood Development workers and Community Healthcare workers: more extensive use of labour-intensive methods of construction, targeting housing, schools, clinics, sports facilities, community centres and services infrastructure (water, sanitation, roads etc)
- Operationalization of new second economy finance schemes: MAFISA and SAMAF
- Eradicate backlogs for universal provision of basic services: water (2008), sanitation (2010) and electricity (2012)
- The 2004 commitment that all schools would have potable water and sanitation by end 2005 would not be met. This issue requires special attention
- Free basic services to be introduced without delay
- By 2010 all municipalities must have a one-stop-government hub (multi-purpose community centres)
- Resources to local government to continue to increase
- Issues around MIG under spending to be addressed.

2006 President's State of the Nation Address

The President made the following points:

- There is popular dissatisfaction with local government performance
- EPWP must be strengthened
- All municipalities must have a realistic IDP, a credible LED programme, and the material and human resources, as well as the management and operational systems, to implement these IDPs and LEDs

- Eradicate bucket toilets by end 2007
- Expand National Youth Services Programme
- Special attention is required to strengthen local government, so that this sphere can discharge its responsibility to the people
- Integration of planning and implementation across the government spheres is a prime area of focus for the next term of local government

2007 President's State of the Nation Address

The President made the following points that are pertinent to our District:

- EPWP must be ratcheted up
- Expand National Youth Service
- Support for small and micro enterprises must be improved (through SEDA, SAMAF and MAFISA etc)
- Start implementing CLARA
- Speed up land redistribution
- % Matric students who pass Mathematics at the higher grade must be increased.
- Improve ABET
- End bucket system in 2007
- Universal access to water by 2008
- Universal access to sanitation by 2010
- Universal access to electricity by 2012
- Strengthen M&E capacity across all spheres of government this year

For more information see www.gov.za , and click on speeches.

3.3.1.1.4. Integrated Sustainable Rural Development Programme

The President announced the ISRDP in 2001 as a programme that is aimed at fighting poverty and underdevelopment and emphasizing the integration of planning for services and the developmental role for local government. The programme is directed to selected areas based on identified local development problems and opportunities. Its intention is to respond to the indicators of poverty and economic opportunities at local level.

Joe Gqabi is one of the thirteen rural nodes identified to be part of this ten-year programme.

Over time the interpretation of the programme has gone through a number of changes, dependent on the leadership and understanding of the programme. To start with it was a much localized ward-based programme focusing on a “landing strip” where emphasis was made on physical infrastructure delivery. Later was the phase of the “anchor projects” whereby it was agreed the whole district was a node and that about eight large-scale, large-impact clustered programmes were to be developed and implemented with strong emphasis on economic development. The most recent and prevailing interpretation

and emphasis in the programme is on capacity development, communication, integration and coordination.

Some of these focus changes have been due to the self-assessment of the programme and changes as lessons were learnt. This latest interpretation and emphasis in the programme closely relates to the Integrated Development Planning process and the improving of service delivery within the existing constraints

3.3.1.1.5. Eastern Cape Provincial Growth and Development Programme

PGDP was launched in 2004 and is strongly aligned to the Millennium Development Goals (listed above) and National Government's Development Strategy.

PGDP aims over a ten-year period for:

- Systematic poverty eradication
- Agrarian Transformation and Food Security
- Expansion of manufacturing and tourism sectors
- Human Resource Development
- Infrastructure Development
- Public Sector transformation

PGDP contains 24 Programmes, and is being driven by the Office of the Premier (PCMU).

For more information see www.ecpgdp.co.za

3.3.1.1.6. DPLG's Plan Strategic Plan for Local Government

DPLG's five-year strategic agenda for local government is aimed at improving the performance of South Africa's municipalities. Below is a summary by IDASA.

The DPLG's five-year plan outlines three key priorities:

- 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 Local Government; and
- Refining and strengthening the policy, regulatory and fiscal environment for Local Government and giving greater attention to enforcement measures.

3.3.1.1.6.1. Priority 1

Part of this mainstreaming incorporates a vision of what must be achieved with Local Government and through Local Government by 2011: that South Africa should have a viable system of Local Government focused on service delivery and development. Local

government sphere must enable government to meet its obligations by 2011 and be on course towards meeting the 2014 targets. These targets include halving poverty and unemployment. Also that the facilitation of Local Government engagements with planning processes (Integrated Development Plans (IDPs) and Local Economic Development (LED), must be undertaken within the context of Government's obligations.

The most immediate actions that will be undertaken include specific high-level priority actions that have been identified to give effect to mainstreaming hands-on support to local government:

- First of all, key service delivery *national and provincial departments* must reflect concrete support actions to municipalities in their Strategic and Business Plans and streamline their support operations to local government.
- Secondly, *provincial governments* need to prioritize their local government support by including the key tasks in their Provincial Growth and Development Strategies (PGDSs) and through the Office of the Premier, utilize the Premiers Coordinating Forum for coordinating and monitoring support to local government.
- Thirdly, the DPLG must continue to *nationally coordinate, facilitate, direct and monitor* the priority hands-on support actions of national government to local government.
- Finally, building the technical capacity and capability of municipalities through the mobilization and deployment of appropriate technical *expertise* will be short to medium-term priority.

There is therefore a need to focus on very specific priority actions in each of the Five Key Performance Areas of local government transformation:

- a. Municipal Transformation and Institutional (Capacity) Development;
 - Supporting municipalities in preparing their IDPs;
 - Developing performance management regulations so that performance of municipal managers and other officials can be evaluated;
 - Assisting municipalities to fill vacant positions
- b. Improving Basic Service Delivery and Infrastructure Investment;
 - Ensuring all communities have access to clean water and sanitation by 2010;
 - Ensuring all houses have access to electricity by 2012;
 - Ensuring universal access to free basic services;
 - Eradicating the bucket system by 2007;
 - Developing a national Municipal Infrastructure Investment Policy and Strategy by September 2006.

c. Improve Local Economic Development;

- Strengthening coordination between spheres of government on economic development;
- Give municipalities hands-on support to ensure that LED plans are aligned with IDPs;
- Focus on development in small towns and rural areas with declining economies;
- Help municipal regions identify and take advantage of their own comparative advantages (unique factors that would make them economically competitive and bring economic development.);
- Deployment of economists and development experts in specific municipalities to help implement community investment programmes;
- Finalise an urban development framework by October 2006. One of the aspects of this, is making urban land markets work for the poor;

d. Improvement of Financial Viability and Financial Management;

- Provide financial management hands-on support to low capacity municipalities and those municipalities that are consistently receiving negative audit opinions from the Auditor-General
- Improve capacity to account for public resources
- Support for all programmes that are designed to improve governance and fight corruption.
- Implementation of the Local Government: Municipal Finance Management Act (MFMA), 2003
- Finalization and stabilization of the local government fiscal system will be a priority in the next five years. This must include a particular focus on ensuring that the Local Government Equitable Share (LGES) and other municipal grants continue to be focused on benefiting our poorer municipalities and those with a low fiscal capacity and that we improve efficiencies based on the revenue raising capacity and potential of municipalities

e. Strengthening Good Governance, Community Participation and Ward Committee Systems.

- Communication
- Public participation
- Intergovernmental relations

3.3.1.1.6.2. Priority 2

The second strategic Priority relates to addressing the structure and governance arrangements of the State, which will be achieved by stabilizing and strengthening the inter-governmental system, so as to benefit local government, principally through

implementing the Inter-governmental Relations (IGR) Framework legislation. In parallel, a review will be undertaken on the structure and role of provincial governments with regard to supporting and monitoring municipalities.

3.3.1.1.6.3. Priority 3

The third and final strategic priority highlights the need to refine and strengthen the Policy, Regulatory and Fiscal Environment for Local Government and giving greater attention to the Enforcement Measures. There are two legs to this strategic priority. First, there is a need to give greater attention to enforcing existing provisions of local government legislation. The second leg is to prioritize the refinement of the local government policy, regulatory and fiscal regime based on five years of practice.

Four areas have been identified for such refinement namely:

- Planning for Growth and Development;
- Distribution of Powers and Functions Across the State and Asymmetrical Assignment to Local Government;
- Two-Tier System of Local Government; and
- Ward Committees and Community Participation

3.3.1.1.7. ANC's Manifestos

2004 National Election Manifesto

“A People’s Contract to Create Work and Fight Poverty”

Social:

- Speed up delivery of housing, water, sanitation, electricity, social grants and telephone services
- Speed up roll-out of free basic services
- Improve health services
- Ensure all children have access to quality education, and extend the school feeding programme

Economic:

- Grow the economy by investing more than R100 billion in roads etc
- Spend R15 billion on BBBEE
- More support for small business and emerging farmers and speed up land reform
- Train more people and create one million job opportunities through EPWP

2006 Local Government Election’s Manifesto

“Let’s make Local Government Work Better”

- Speed up service delivery (water, sanitation, electricity, free basic services)
- Improve the provision of housing
- Build infrastructure, stimulate LED and fight poverty through EPWP
- Create job opportunities by implementing large projects

2009 National Election Manifesto

“Working together we can do more”

- Creation of decent work and sustainable livelihoods
- Education
- Health
- Rural development, food security and land reform
- The fight against crime and corruption

For more information see www.anc.org.za/elections

3.3.2. Setting Objectives in Terms of the 5 KPAs for the 5-Year Local Government Strategic Agenda

The following are the 5 Key Performance Areas (KPAs) set in terms of the 5-Year Local Government Strategic Agenda: -

KPA 1	Municipal Transformation & Institutional Development This KPA refers to the following objectives : - <ul style="list-style-type: none">• Ensuring an appropriate organizational design (Organogram) that fits in with the roles, powers and functions assigned to the Municipality• Working towards employment equity in the Municipality• Focusing on HR skills development• Improving Integrated Development Planning processes and outcomes• Developing and implementing an appropriate Performance Management System
KPA 2	Improve Service Delivery & Infrastructure Investment This KPA refers to the following objectives : -

	<ul style="list-style-type: none"> • Working to improve levels of service delivery for water and sanitation services • Working to improve levels of service delivery for electricity (energy) • Ensuring an appropriate system is in place for Solid Waste Management • Integrating Environmental Management processes into development activities • Working to improve levels of service for the road network under the jurisdiction of the Municipality • Working to address housing backlogs • Integrating spatial planning into development activities and ensuring a process aimed at urban efficiency • Working to improve levels of provision of Community Facilities
KPA 3	<p>Local Economic Development</p> <p>This KPA refers to the following objectives: -</p> <ul style="list-style-type: none"> • Focusing efforts on enabling economic growth based on identified sectoral development potentials • Addressing poverty through poverty alleviation initiatives in collaboration with other spheres of government • Ensuring that LED strategies and individual projects are designed so as to realize maximum job creation, preferably on a sustainable basis
KPA 4	<p>Improve Financial Viability and Financial Management</p> <p>This KPA refers to the following objectives: -</p> <ul style="list-style-type: none"> • Working to improve the financial viability of the Municipality by setting appropriate financial controls and systems in place • Ensuring effective Grant expenditure and financial management • GRAP compliance • Compliance with the Municipal Finance Management Act (MFMA) • Setting in place appropriate credit control measures and debt collection provisions
KPA 5	<p>Strengthen Good Governance, Community Participation & Ward Committee Systems</p> <p>This KPA refers to the following objectives: -</p> <ul style="list-style-type: none"> • Complying with Municipal legislation • Developing appropriate by-laws • Setting in place Internal Audit and Risk Management systems • Strengthen public participation and provide effective support to the

	<p>Ward Committee system</p> <ul style="list-style-type: none">• Improving communication (with communities and other organs of state)• Management of Municipal institutions to be based on the Batho Pele principles
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The KPAs of SLM are in sync with the six (6) strategic goals of the District and are closely aligned with to the Eastern Cape Provincial Growth and Development Plan (ECPGDP).

SECTION D: THE FINANCIAL PLAN

This section of the document deals with various issues of alignment but will only focus on the following issues:

1. Municipal Total Budget (Income and Expenditure)
2. Budget alignment to the IDP
3. Alignment to sector plans
4. Alignment to existing Organogram
5. Socio-political alignment to the IDP

4.1. MUNICIPAL TOTAL BUDGET

Senqu Local Municipality's total budget for the 2010/11 financial year is R 175 795 865 and the projected budget for the next outer two financial years is R 155 795 878 (2011/2012) and R 175 194 442 (2012/2013).

The Total Municipal Capital and Operating Budget is constituted as follows:

SOURCES OF INCOME

• Property rates	R 5,209,485.00
• Electricity	R 13,212,200.00
• Other services	R 12,009,600.00
• WSA (Joe Gqabi)	R 7,748,120.00
• Primary Health Care	R 547,844.00
• Interests	R 4,620,000.00
• Others: Rents	R 180,000.00
• MIG	R 19,209,000.00
• Equitable Share	R 64,715,000.00
• MFMA Implementation Grant	R 1,200,000.00
• Neighbourhood Dev. Grant	R 15,000,000.00
• Contr. To Cllr Allowances	R 1,778,000.00
• Municipal Systems Improvement	R 750,000.00
• Hillside Housing	R 6,000,000.00
• Others: Natis	R 1,233,400.00
• Unspent Conditional Grant	R 6,578,610.00

EXPENDITURE

- R 84, 405, 170.00 General Expenditure (Operation)
- R 39, 324,230.00 Capital Expenditure
- 51,9% constitute staff expenditure if capital is excluded and 25% is capital expenditures are included which is within the norm

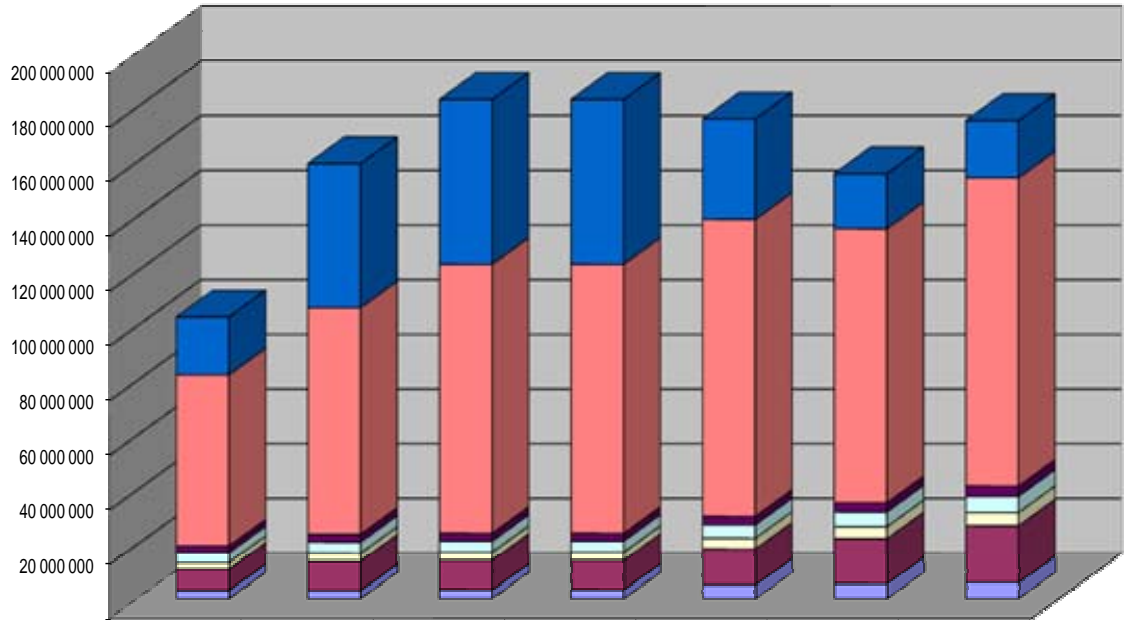
▪ Extension of Offices	R 9,345,680.00
▪ Tools & Equipment	R 685,000.00
▪ Infrastructure: Electricity	R 3,000,000.00
▪ Vehicle: Plant & Equipment	R 250,000.00
▪ Furniture and Office Equipment	R 1,095,000.00
▪ Khwezi-Naledi Storm Water	R 6,700,000.00
▪ Construction of Roads Wards 1, 2 & 3	R 4,219,125.00
▪ Sterkspruit Solid Waste Site	R 736,000.00
▪ Increased Height and width of Transwilger Bridge	R 1,037,610.00
▪ Upgrading of Sport field lighting	R 2,000,000.00
▪ Construction of Solid Waste: Rossouw, Rhodes & Hershel	R 3,000,000.00
▪ Construction of roads Wards 7, 8, 9 & 12	R 5,255,815.00
▪ Hershel Housing	R 6,578,610.00
▪ Mass Job Creation	R 4,000,000.00
▪ Call Centre	R 500,000.00
▪ Complete Road surfacing in Sterkspruit	R 4,083,025.00
▪ Land Acquisition	R 1,000,000.00
▪ Maintenance of Senqu Roads (Dept. Of Transport) Wards 10, 4, 5 & 6	R 9,900,000.00
▪ Musong Road Surfacing	R13,000,000.00
▪ Mlamli Hospital Road Surfacing	R 5,000,000.00
▪ Sterkspruit Water Treatment Plant	
▪ Land Grey Bulk Water Supply	
▪ Rural Sanitation	
▪ Settlement Planning & Land Tenure Sterkspruit	R 15,943,120.00
▪ Upgrading of Quitrent Title deeds	R 979,200.00
▪ Electrification Plan By Eskom:	
✓ Wards 6,9 &10 (330 connections)	R 4,363,920.00
✓ In fills (55 connections)	R 206,910.00

The following paragraphs will provide an overview of the Municipalities income and expenditure trends.

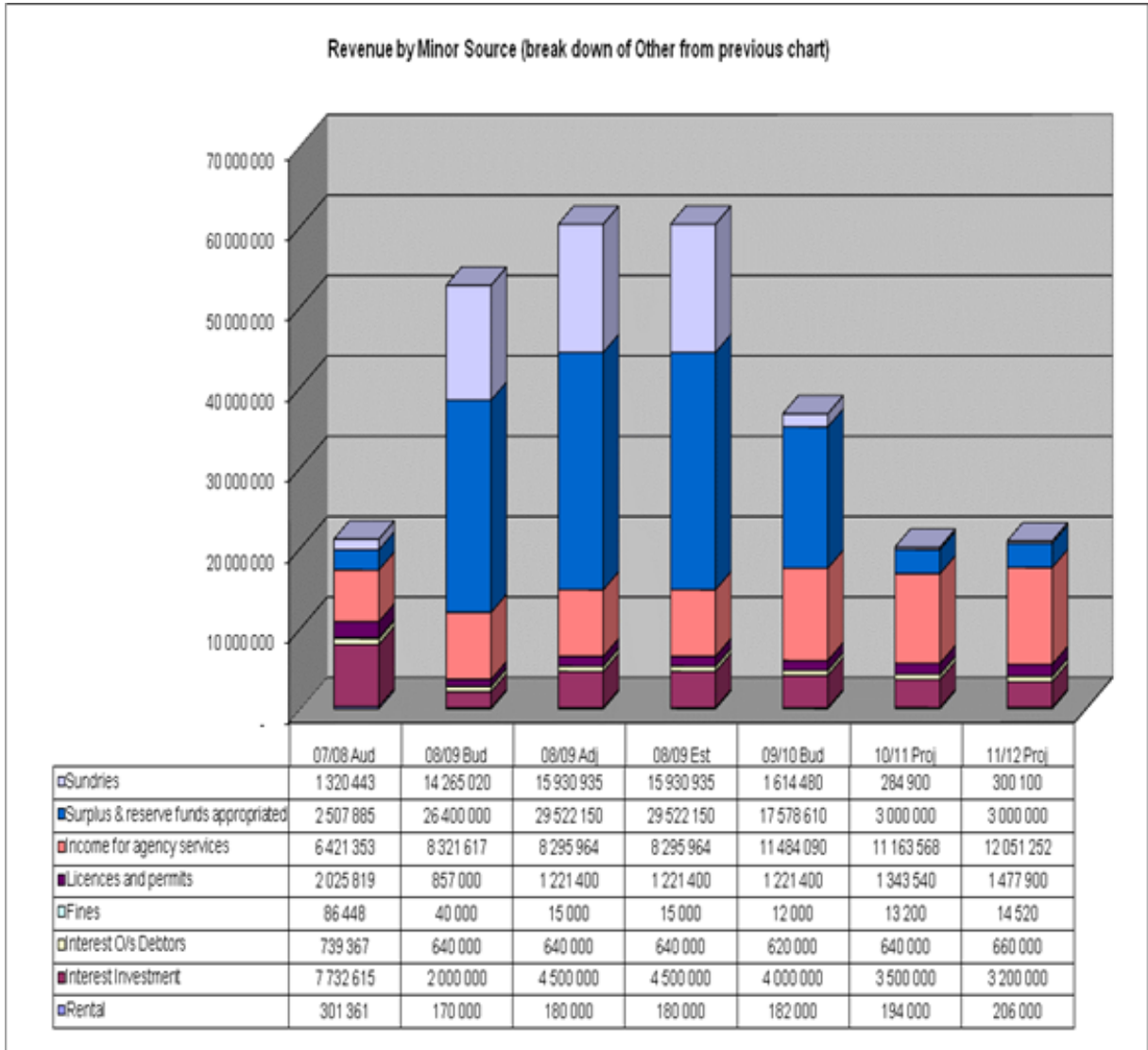
4.1.1. INCOME ALLOCATIONS AND SOURCES

Because of the rural nature of our municipality, the large part of our revenue is from both the National and Provincial Governments in the form of grants and the Municipality supplements it by the income it generates. The Municipality's expected revenue by major source for 2010/11 financial year is depicted by the table below.

Revenue by Major Source (see next chart for break down of Other)

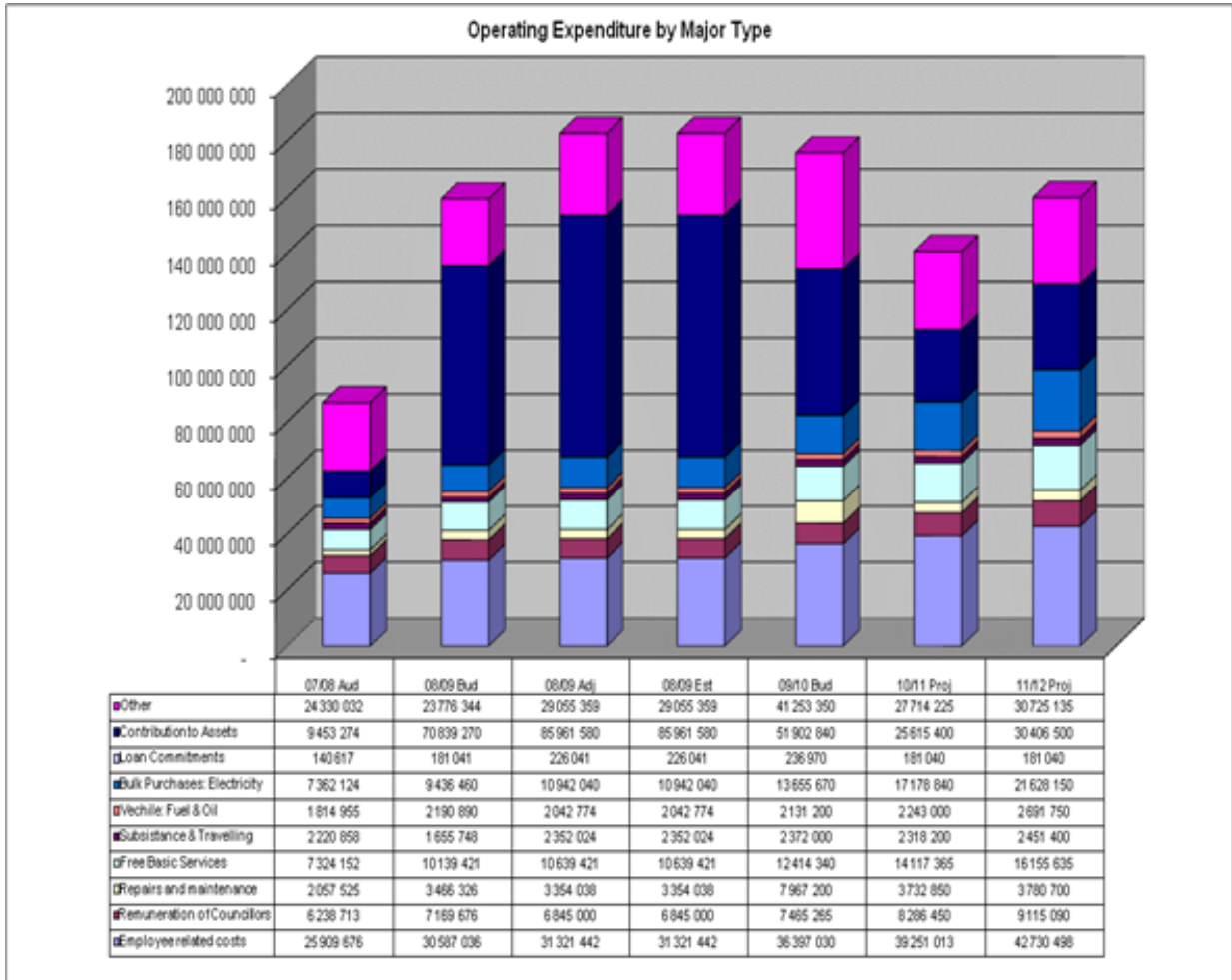


	07/08 Aud	08/09 Bud	08/09 Adj	08/09 Est	09/10 Bud	10/11 Proj	11/12 Proj
■ Other	21 135 292	52 693 637	60 305 449	60 305 449	36 712 580	20 139 208	20 909 772
■ Grants & Subsidies	62 704 268	82 930 372	98 443 110	98 443 110	108 652 000	100 234 000	112 768 000
■ Sanitation	2 495 518	2 899 680	2 882 784	2 882 784	3 063 600	3 369 960	3 706 960
□ Refuse Removal	3 543 976	4 125 010	4 125 010	4 125 010	4 976 640	5 424 540	5 966 990
□ Water	2 529 770	2 900 320	2 939 585	2 939 585	3 969 360	4 366 290	4 802 930
■ Electricity	7 829 960	10 854 465	10 904 465	10 904 465	13 212 200	16 635 640	20 963 450
■ Property Rates	3 148 474	3 092 320	3 379 180	3 379 180	5 209 485	5 626 240	6 076 340



4.1.2. EXPENDITURE BY THE MUNICIPALITY

It should be noted that, because of the rural nature of our municipality and the backlogs inherited, like maintaining and upgrading of roads, the bulk of the municipality's expenditure goes towards addressing those backlogs and towards the provision of basic services. The tables below depict the expenditure patterns by the municipality



4.2. MUNICIPAL BUDGET ALIGNMENT TO IDP

One of the key issues identified for the sustainability of Senqu Local Municipality is ‘expanding its revenue in relation to its costs and its financial viability, whilst implementing its mandate’. The responsive key objective is ‘effective, efficient, coordinated financial management and increased revenue – enabling Senqu Local Municipality to deliver its mandate’. The plans and strategies detailed in this Section contribute to the achievement of this objective.

4.2.1. BUDGET ASSUMPTIONS

The selected key assumptions relating to this budget are as follows:

- Government grants for the years 2008 – 2011 are as per the Division of Revenue Act.
- Equitable share from the Provincial and National Government has been estimated to increase by 14% p.a.
- The inflation rate has been estimated between 6 and 9% per annum.
- Growth in the salary and wage bill has been provided for in the budget at 12% p.a., growth in the remaining expense items in general range from 0 – 10% p.a.
- Purchase increase of electricity has been estimated at 12% p.a.
- Purchase increase of water has been estimated to be between 40 and 80%.
- Provision has been made for tariff increases relating to rates and services at an average rate of 12% p.a.
- The budget is based on current service levels and does not make provision for major expansion of services into the rural areas.

4.2.2. OPERATING BUDGET ESTIMATES

The three-year financial plan deals with an Operating Budget Estimates for the next three years ending 30 June 2012

Table overleaf details the Operating Budget Estimates for the three years starting July 2010 and ending 30 June 2012. The detailed municipal budget is attached as an Annexure.

MTREF BUDGET

REVENUE	2009/2010	2010/2011	2011/2012
Property Rates	5 209 485	5 626 240	6 076 340
Service charges - electricity revenue from tariff billing	13 212 200	16 635 640	20 963 450
Service charges - water revenue from tariff billing	3 969 360	4 366 290	4 802 930
Service charges - sanitation revenue from tariff billing	3 063 600	3 369 960	3 706 960
Service charges - refuse removal revenue from tariff billing	4 976 640	5 424 540	5 966 990
Rental of facilities and equipment	182 000	194 000	206 000
Interest earned - external investments	4 000 000	3 500 000	3 200 000
Interest earned - outstanding debtors	620 000	640 000	660 000
Fines	12 000	13 200	14 520
Licenses and permits	1 221 400	1 343 540	1 477 900
Income for agency services	11 484 090	11 163 568	12 051 252
Government grants and subsidies	108 652 000	100 234 000	112 768 000
Unspent conditional grants & reserve funds appropriated	17 578 610	3 000 000	3 000 000
Other income	1 614 480	284 900	300 100
Public contributions & donated or contributed PPE	-	-	-
Gain on disposal of property, plant & equipment	-	-	-
TOTAL INCOME	175 795 865	155 795 878	175 194 442
EXPENDITURE	2009/2010	2010/2011	2011/2012
Employee related costs (salaries)	36 397 030	39 251 013	42 730 498
Remuneration of Councillors	7 465 265	8 286 450	9 115 090
Repairs and maintenance	7 967 200	3 732 850	3 780 700
Free Basic Services	12 414 340	14 117 365	16 155 635
Subsistence & Travelling	2 372 000	2 318 200	2 451 400
Vehicle: Fuel & Oil	2 131 200	2 243 000	2 691 750
Bulk Purchases: Electricity	13 655 670	17 178 840	21 628 150
Loan Commitments	236 970	181 040	181 040
Contribution to Assets	51 902 840	25 615 400	30 406 500
Other	41 253 350	27 714 225	30 725 135
TOTAL EXPENDITURE	175 795 865	140 638 383	159 865 898
REVENUE	175 795 865	155 795 878	175 194 442
EXPENDITURE	175 795 865	140 638 383	159 865 898
(SURPLUS)/DEFICIT	0	15 157 495	15 328 544

As reflected in MTREF above, the Municipality is able to increase its revenue which is a positive sign for its viability and sustainability for the future.

MTREF Budget

SALGA: Salary & Wage Collective Agreements: 2008/2009

- 2008/2009 – CPIX for 12 months period (Feb 2007 – Jan 2008) + 1.50%
- For 2009/2010 there will be new negotiations.

National Treasury CPIX forecast

- 2009/2010 is estimated that the budget will grow by 6.7%
- 2010/2011 is forecasted at 5.7%
- 2011/2012 is forecasted at 6.2%
- 2012/2013 is forecasted at 5.9%

4.3. FINANCILA STRATEGY

It must be noted that not all municipalities are the same and this should be kept in mind when assessing the financial health of, and the setting of benchmarks for, a municipality. A municipality can be categorized into either:

- | |
|--|
| <ul style="list-style-type: none">• Developed – maintenance• Developing – growing |
|--|

Senqu Local Municipality can therefore be categorized as a developing – growing municipality.

Such municipalities require significant additional resources and funding to conduct the growth that is expected of them. In contrast, already developed – maintenance municipalities are mainly concerned with the need to maintain existing infrastructure.

With the demands for growth, come risks that need to be managed. Wherever possible, Senqu Local Municipality will have to set benchmarks appropriate for a developing – growing municipality and strive to achieve these benchmarks within the medium-term.

As mentioned at the beginning of this chapter, the priority from the financial perspective is the viability and sustainability of the Municipality. The financial plan and related strategies will need to address a number of key areas in order to achieve this goal. The areas, which have been identified, are detailed below:

4.3.1. THE FINANCIAL FRAMEWORK

4.3.1.1. REVENUE ADEQUACY AND CERTAINTY

It is necessary that the Municipality has access to adequate sources of revenue, from both its own operations and intergovernmental transfers, to enable it to carry out its functions. It is furthermore necessary that there is a reasonable degree of certainty with regard to

sources, amount and timing of revenue. The Division of Revenue Act (DORA) has laid out the level of funding from the National Government that will be received for the financial years 2007/08 to 2009/10.

It is important to track the respective sources of revenue received by the Council as they can be quite different and can vary substantially depending upon the phase that the municipality is in. Knowledge of the sources of funds will illustrate the Municipality's position more accurately, its ability to secure loans relative to its income streams and its borrowing capacity.

i. Cash/Liquidity Position

Cash and cash management is vital for the short- and long-term survival and good management of any organization. The appropriate benchmarks which can assist in assessing the financial health of the Municipality are:

- **Current ratio:** it expresses the current assets as a proportion to current liabilities. "Current" refers to those assets which could be converted into cash within 12 months. A current ratio in excess of 2:1 is considered to be healthy. Senqu Municipality stands at a ratio of 3:1 and is seen as desirable in the medium term. It is anticipated that this will strengthen to 5:1 in the outer financial years.
- **Debtors' collection measurements:** they have a great impact on the liquidity of the Municipality. Currently the Municipality takes on average 35 days to recover its debts, while the annual debts collection rate is 92.3%. The Municipality will attempt to recover the day's debts outstanding to less than 25 days in the medium term and will strive to increase the annual debts collection rate by 3% per annum, until it exceeds the desired level of 98%.

ii. Sustainability

The Municipality needs to ensure that its budget is balanced (income covers expenditure). As there are limits on revenue, it is necessary to ensure that services are provided at levels that are affordable, and that the full costs of service delivery are recovered. However, to ensure that households, which are poor to pay for even a proportion of service costs, at least have access to basic services, there is a need for subsidization of these households.

iii. Effective and Efficient Use of Resources

In an environment of limited resources, it is essential that the Municipality makes maximum use of the resources at its disposal by using them in an effective and efficient manner. Efficiency in operations and investment will increase poor people's access to basic services.

iv. Equity and Redistribution

Senqu Municipality must treat its citizens fairly and justly when it comes to the provision of services. In the same way the Municipality should be treated equitably by nation and provincial government when it comes to inter-governmental transfers. The 'equitable share' from national government will be used primarily for targeted subsidies to poorer households. In addition, the Municipality will continue to cross-subsidise between high- and low-income consumers within a specific service (e.g. electricity) or between services.

v. Development and Investment

In order to deal effectively with backlogs in services, there is a need for the Municipality to maximize its investment in municipal infrastructure. In restructuring the financial systems of the Municipality, the underlying policies should encourage the maximum degree of private sector investment.

vi. Accountability, Transparency and Good Governance

The Municipality is accountable to the people who provide the resources, for what they do with the resources. The budgeting process and other financial decisions should be open to public scrutiny and participation. In addition, the accounting and financial reporting procedures must minimize opportunities for corruption. It is also essential that accurate financial information is produced within acceptable time-frames.

4.3.2. STRATEGIES AND PROGRAMMES

With the above framework as a background, strategies and programmes have been identified and form part of the financial plan to achieve the desired objective – the financial viability and sustainability of the Municipality. Time frames have been set for each of the projects that have been identified.

4.3.2.1. Revenue Raising Strategies and Programmes

Following are some of the more significant programmes that have been identified:

- **The review and implementation of an indigent policy**

This policy defines the qualification criteria for an indigent, the level of free basic services enjoyed by indigent households, penalties for abuse etc.

- **The review and implementation of a credit control policy**

Together with all relevant procedures, they detail all areas of credit control, collection of amounts billed to customers, procedures for non-payment etc.

- **The development and implementation of a uniform tariff policy**

It will ensure that fair tariffs are charged in a uniform manner throughout Senqu Municipal area.

- **The development and implementation of a property rates & valuation policy**

It will ensure that a fair rates policy and an updated valuation roll are applied to the entire municipal area and will aim to ensure that all properties are included in the Municipality's records. Furthermore the policy will ensure that valuations are systematically carried out on a regular basis for all properties.

4.3.2.2. Asset Management Strategies and Programmes

Following are some of the more significant programmes that have been identified:

- **The implementation of a fixed asset register and asset control system as well as the maintenance thereof**

This programme involves the formulation of policies regarding fixed assets, the capture of all assets onto this system and the maintenance of this system in terms of GRAP requirements.

- **The development of a comprehensive asset and risk insurance policy**

This policy ensures that a comprehensive insurance strategy is developed and implemented. This project is contingent on the restructuring of all insurance activities performed within Senqu Municipality and the transfer and centralization of these activities to and within the Budget and Treasury Department.

4.4. FINANCIAL MANAGEMENT POLICIES

4.4.1. GENERAL FINANCIAL PHILOSOPHY

The financial policy of Senqu Local Municipality is to provide a sound financial base and resources necessary to sustain a satisfactory level of municipal services for its citizens.

It is the goal of the Municipality to achieve a strong financial position with the ability to:

- withstand local and regional economic impacts;
- adjust efficiently to the community's changing service requirements;
- effectively maintain, improve and expand the Municipality's infrastructure;
- manage the Municipality's budget and cash flow to the maximum benefit of the community;

- provide a high level of fire and other protective services to assure public health and safety; and
- prudently plan, coordinate and implement responsible and sustainable community development and growth.

Senqu Local Municipality's financial policies shall address the following fiscal goals:

- keep the Municipality in a fiscal sound position in both the long and short term;
- maintain sufficient financial liquidity through regular reviews and adjustments to meet normal operating and contingent obligations;
- apply credit control policies that maximize collection while providing relief for the indigent;
- direct the Municipality's financial resources towards meeting the goals of the Municipality's IDP;
- maintain existing infrastructure and capital assets;
- operate utilities in a responsive and fiscally sound manner;
- credit control policies that recognize the basic policy of customer care and convenience;
- provide a framework for the prudent use of debt financing.

4.4.1.1. Credit Control and Debt Collection Policy

Senqu Local Municipal Council approved a Credit Control and Debt Collection Policy and Procedures in 2005.

The principles supported by the policy are, amongst others:

- The administrative integrity of the municipality must be maintained at all costs. The democratically elected councillors are responsible for policy-making, while it is the responsibility of the Municipal Manager to ensure the execution of these policies.
- All customers must complete an application form, formally requesting the municipality to connect them to service supply lines. Existing customers may be required to complete new application forms from time to time, as determined by the Municipal Manager.
- A copy of the application form, conditions of services and extracts of relevant council's credit control and debt collection policy and by-laws must be handed to every customer on request at such fees as may be prescribed by the Council.
- Enforcement of payment must be prompt, consistent and effective.
- Billing is to be accurate, timeous and understandable.
- The customer is entitled to reasonable access to pay points and to a variety of reliable payment methods.

- The customer is entitled to an efficient, effective and reasonable response to appeals, and should suffer no disadvantage during the processing of a reasonable appeal.
- Unauthorized consumption, connection and reconnection, the tampering with or theft of meters, service supply equipment and the reticulation network and any fraudulent activity in connection with the provision of municipal services will lead to disconnections, penalties, loss of rights and criminal prosecution.
- The collection process must be cost-effective.
- Results must be regularly and efficiently reported by the Municipal Manager and the Mayor.

The Policy document covers:

- Duties and Functions of the Council, the Mayor, Municipal Manager, Ward Councillors, and of Communities, ratepayers and residents.
- Area of Application
- Application of Services
- Customer Service Agreements
- Deposits and Guarantees
- Accounts and Billing
- Metering of Consumable Services
- Valuation of Properties
- Customer Assistance Programmes
- Communication
- Payment Facilities and Methods
- Enquiries and Appeals
- Municipal Service Account Certificate: Tenders for Business
- Restraint on Transfer of Property
- Debt Collection
- Handing Over
- Cheques Marked As “Refer To Drawer”
- Persons Placed Under Administration/Liquidated
- Training
- Disconnections and Restriction Procedure
- Estate Accounts
- Meter Readings
- Theft and Fraud
- Reporting and Performance Management
- Income Collection Target
- Application of The Policy

4.4.1.2. Indigent Policy

The Indigent Support Policy was approved by the Council in 2005. The Policy identifies the conditions that must be satisfied to be regarded as an indigent and the processes to follow to apply for indigent status.

The form of subsidy is identified, as is the process of auditing indigent applications. In addition, procedures, which will be followed in the event of a death of an indigent and a false indigent application is covered.

Finally treatment of debt of a customer on becoming an indigent and interest on arrear charges are addressed.

SECTION E: SPATIAL OVERVIEW OF THE AREA

5.1. INTRODUCTION

Every municipality has to compile an SDF for the area of the municipality. The Senqu Local Municipality SDF has four (4) components:

- Policy for Land Use and Development;
- Guidelines for Land Use Management;
- A Capital expenditure framework showing where the municipality intends spending its capital budget; and
- A strategic environmental assessment.

The SDF guides and informs all decisions of the municipality relating to the use, development and planning of land. Each component of the SDF must guide and inform the following:

- Directions of growth;
- Major movement routes;
- Special development areas for targeted management to redress past imbalances;
- Conservation of both the built and natural environment;
- Areas in which particular types of land use should be encouraged and others discouraged; and
- Areas in which the intensity of land development could either be increased or reduced

The three components will also each have to expressly reflect the way in which they reflect and operationalise the principles and norms for land use and land development (at present, the DFA Chapter 1 principles)

The primary purpose of the SDF is to represent the spatial development goals of local authority that result from an integrated consideration and sifting of the spatial implications of different sectoral issues. The SDF should not attempt to be comprehensive. It should take the form of a broad framework that identifies the minimum public actions necessary to achieve the direction of the plan. It must have sufficient clarity to guide decision-makers in respect of development applications. It should describe the existing and desired future spatial patterns that provide for integrated, efficient and sustainable settlements.

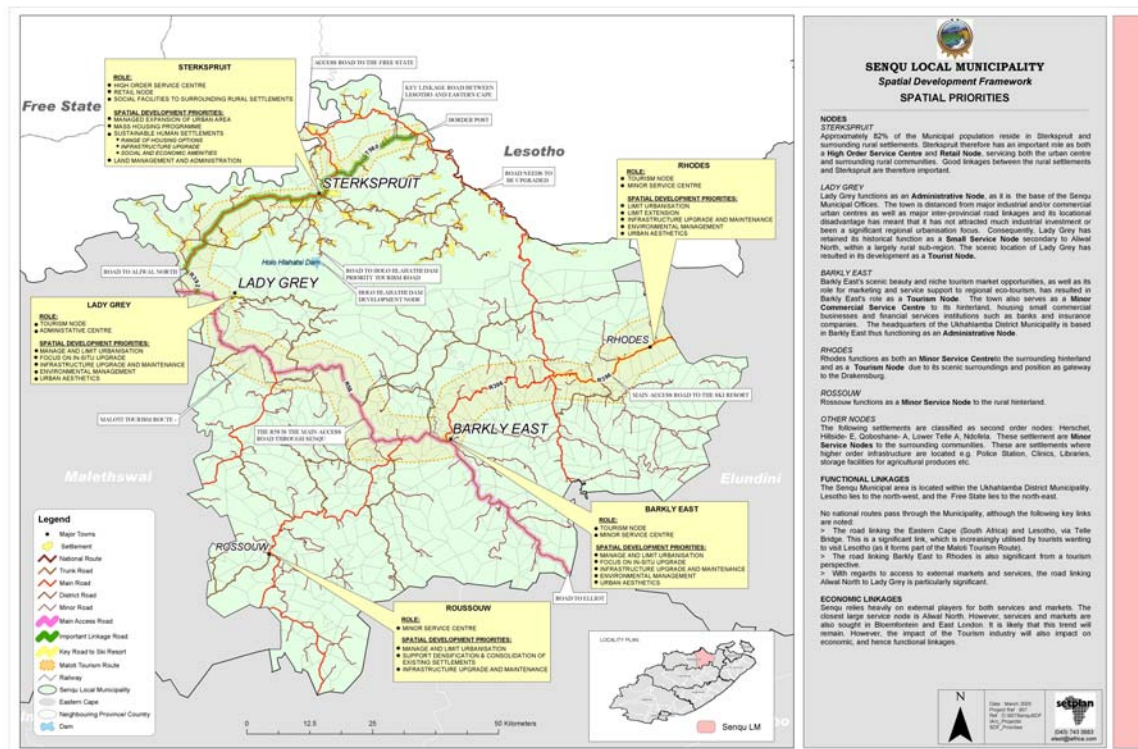
In this regard, the SDF should:

- Only be a strategic, indicative and flexible forward planning tool to guide planning and decisions on land development;
- Develop an argument or approach to the development of the area of jurisdiction which is clear enough to allow decision-makers to deal with the unexpected (e.g. applications from the private sector);
- Develop a spatial logic which guides private sector investment. This logic primarily relates to establishing a clear hierarchy a accessibility to municipal services;
- Ensure the social, economic and environmental sustainability of the area;
- Establish priorities in terms of public sector development and investment; and
- Identify spatial priorities and places where public-private partnerships are a possibility.

In the rural context, it will be necessary also to deal specifically with natural resources management issues, land rights and tenure arrangements, land capability, subdivision and consolidation of farms and the protection of prime agricultural land.

5.2. THE SPATIAL DEVELOPMENT FRAMEWORK (SDF)

It should be noted that the Senqu Local Municipality is presently engaged in reviewing its SDF, adopted by the Council in 2006.



Primary Urban Node

Within Joe Gqabi District Municipality, there's only one town falling under this category and is Aliwal North in Maletswai Local Municipality. Aliwal North and its surrounding townships have approximately 28,388 people, making it the most populated town in the District. It is envisaged that future development and economic investment should be focused on Aliwal North.

Secondary Urban Node

Sterkspruit has been identified as major services centre in Senqu Municipality. About 83% of the municipality's population lives in the area and its surrounding villages. Sterkspruit, therefore, plays a vital role in providing higher order services and retail facilities, not only to the resident population but also to the surrounding rural communities.

From a spatial perspective focus should be on:

- Improved accessibility
- Land Use management and administration
- Managed expansion of urban areas
- Sustainable human settlement (with a range of housing options, infrastructure upgrade, social and economic amenities)
- Environmental Management

Minor Urban Centres

Other larger towns within the municipality fall under the category of Minor Urban Centres including Barkly East, Lady Grey.

From a spatial perspective focus should be on:

- Managing and limiting urbanization
- Focus on in-situ upgrades
- Infrastructure upgrade and maintenance
- Environmental Management
- Urban Aesthetics

Tertiary Node

In our municipality there's only one town that falls within this category, i.e. Rhodes.

From a spatial perspective focus should be on:

- Limiting urbanization
- Infrastructure upgrade and maintenance

- Urban Aesthetics

Rural Settlement Nodes

In order to have effective and efficient service delivery, it is important to define a hierarchy of rural settlements. Higher order rural settlements are settlements with higher population densities and accessible to other settlements. It is in these settlements that higher order services such as clinics, police stations, secondary schools, storage warehouses etc should be focused.

Higher Order Rural Settlement Node

Level 2 Nodes are nodes that will attract priority public sector investment in order to build capacity and develop these areas into service nodes

The following nodes have been identified as nodes in the Senqu area:

- Ndofela
- Qhoboshane/Telle – B
- Hillside – E
- Herschel

Lower Order Rural Settlement Node

Emphasis should be on the provision of basic infrastructure to unlock the latent development potential of these areas by creating linkages and facilitating access to and from these areas.

SECTION F: OPERATIONAL FRAMEWORK AND STRATEGIES

6.1. Introduction

Senqu Municipality was established in terms of the Provincial Gazette Extraordinary 28 February, Notice 22 of 2000 (with a number of subsequent amendments). The establishment brought together the Transitional Local Authorities of Barkly East, Lady Grey, Sterkspruit, Rhodes and Rossouw. Senqu Municipality also covers Farms and Villages of the magisterial district of Barkly East, Lady Grey, Herschel, Sterkspruit, Rossouw, and Rhodes.

Since then, substantial work has been undertaken to structure and re-orientate the municipality on an operational level so as to ensure its effectiveness for delivery on its developmental mandate as outlined in the Constitution and Senqu Municipality's IDP.

This work is not a static, once-off process, but a continuous process of evaluation and re-orientation to ensure that the organization remains relevant to the changing situation and the developmental objectives outlined in the IDP.

6.2. Senqu Municipality: Political Structure

The Senqu Municipality is a democratically elected Category B Municipality, whose Council is comprised of elected Ward Councillors and Proportional Representation Councillors. The Municipality was established as provided for by Section 12 of the *Municipal Structures Act (Act No. 117 of 1998, as amended)*. Senqu Municipality was established to be a Collective Executive Type.

The Mayor has a five-member Executive Committee, a Speaker and twenty five elected councillors. Sixteen Councillors were elected in terms of the proportional representation and sixteen Ward Councillors.

6.2.1. Executive Committee Meetings

- It is constituted by the Mayor of the municipality as the Chairperson, Political Heads of the Standing Committees of various departments in the municipality and the Top Management of the municipality.
- The Mayor of the as the Chairperson convenes the meetings of the Executive Committee every month where administrative issues are discussed.
- It is at these meetings where administrative decisions are taken as relate to service delivery. This is contained in Sections 49 & 50 of the Local Government: Municipal Structures Act 117 of 1998.
- These committees meet at least once every month.

6.2.2. Council Meetings

- The Municipal Manager as instructed by the Speaker of the Municipal Council in terms of (Section 19(a) of the Municipal Systems Act 32 of 2000 must give notice of meeting of municipal council.
- Members of the public and interested parties are also invited to attend these meetings in terms of Section 20(1) of the Municipal Systems Act 32 of 2000.
- It is at these meetings where political decisions are taken as relate to service delivery.
- Council meetings sit at least once in three months.

6.2.3. Special Council Meetings

- The Municipal Manager as instructed by the Speaker of the Municipal Council in terms of (Section 19(b) of the Municipal Systems Act 32 of 2000 must give notice of special meeting of municipal council.
- They are only convened whenever there is an urgent issue that needs to be discussed and an urgent decision needed to be taken.

6.2.4. Standing Committees

In terms of Sections 79 & 80 of the Municipal Structures Act (32 of 2000) and Section 160 of The Constitution of the Republic of South Africa, 1996, Standing Committees have been established at the Ordinary Council Meeting held on the 25 January 2001 to assist the Mayor in pursuit of his political duties.

The purpose of the Standing Committees is to deal with issues of a cross-cutting nature that are seen as having particular strategic importance for the municipality.

The following are the Standing Committees that are operational and functional in our municipality:

- Corporate Services and Support Standing Committee
- Strategic Planning and Development Standing Committee
- Technical and Engineering Services Standing Committee
- Finance Standing Committee
- Community and Social Services Standing Committee

These Standing Committees are chaired by the Executive Committee members and have members form all political parties and they meet at least once a month to discuss departmental issues and to make recommendations to the Executive Committee for considerations.

6.2.5. IDP Rep Forum

- This forum meets at least four times a year to discuss progress achieved on implementation as well as to give direction around the needs and requirements of the future as contained in the municipal IDP.
- They are chaired by the municipal Mayor and are constituted by various government departments, interested parties, organised groups, CBOs and NGO's.

6.2.6. Ward Committees

Local Government elections were held on 01 March 2006, which established new ward boundaries and new ward councillors. It was now necessary for ward committees to be established, in terms of Sections 72 – 78 of the Municipal Structures Act, for the 16 wards.

Ward Committees are chaired by the Ward Councillors and consist of ten elected members. Ward Committees are consultative community structures, whose purposes are to broaden participation in the democratic process of Council and to assist the Ward Councillor with organizing consultation, disseminating information and encouraging participation from residents in the ward.

An amount of R 204 000 was received from Joe Gqabi District Municipality for Ward Functioning and was used for training Ward Committees in their roles and responsibilities; their functioning in the municipal governance as they have been elected during October and November 2009.

6.3. Senqu Municipality: Administrative Structure

Senqu Municipality implements its Integrated Development Plan through its administration structures headed by the Municipal Manager with the following Departments:

- Top Structure
- Municipal Manager's Office
- Department: Budget and Treasury
- Department: Corporate and Support Services
- Department: Community and Social Services
- Department: Technical and Engineering Services

The current Organogram for all departments is attached as an Annexure. It must also be noted that the municipality, as part of the IDP & Budget processes in trying to align the Organogram with the objectives as contained in the IDP, will always review its organisational structure in order to meet its Constitutional obligations and the demands of service delivery placed by communities. The Organogram will, when necessary, be amended to meet the operational and strategic requirements of the municipality. The reviewed Organogram will be attached once it has been approved by the Council as a final document.

The administration of SLM is headed by the Municipal Manager, and his appointment is formalized by a signed 5-year Performance Based Employment Contract. An Annual Performance Agreement will be aligned to the 2010/11 IDP and prepared for submission to the Mayor with draft SDBIP.

The top management consists of four Section 57 Managers, two males and two females, who report directly to the Municipal Manager. All Section 57 Managers have been appointed and have signed their Performance Based Employment Contract and Performance Agreements aligned to the IDP 09/10. These will be updated when the final IDP is adopted in May/June 2010.

The Municipality developed and approved an Organogram as per the prescriptions contained in The Local Government: Municipal Planning and Performance Management Regulations (R796 of 2001) set out the following minimum requirements for an IDP:

An institutional framework is required for implementation of the IDP and to address the municipality's internal transformation.

The current Organogram for Senqu Municipality has 311 posts. However, there are currently 184 filled posts.

Institutional strategic objectives for the review of the Organogram are:

- Develop internal policy to attract scarce skills;
- Introduce an integrated financial management system;
- Design a delegation framework;
- Annual Performance Agreement for Sectional heads and ultimately to all staff members.

6.3.1. TOP STRUCTURE

The Organogram indicates 15 posts and 10 posts have been filled and 3 is planned to be filled in the next financial year.

6.3.2. PLANNING, MONITORING & EVALUATION

The Organogram indicates 13 posts in the Municipal Manager's office, however, there are currently 7 posts filled and 4 will be filled in the next financial year.

6.3.3. CORPORATE AND SUPPORT SERVICES

The Organogram indicates 17 posts in the Corporate Services Department; however, there are currently 10 posts filled, 3 will be filled in the next financial year.

6.3.4. TECHNICAL AND ENGINEERING SERVICES

The Organogram indicates 138 posts in the Technical Services Department, however, there are 67 posts filled.

6.3.5. COMMUNITY AND SOCIAL SERVICES

The Organogram indicates 102 posts in the Community Services Department, however, there are currently 68 filled posts, 3 will be filled next month and 1 in the new financial year.

6.3.6. BUDGET AND TREASURY OFFICE

The Organogram indicates 26 posts in the Financial Services Department, however, there are currently 14 posts filled, 1 will be filled in the next financial year,

6.4. Integration and Coordination: Political & Administrative

The political and administrative structures work closely together to achieve the objectives of the Municipality as set out in the IDP. Strategies used to ensure alignment between the political and administrative arms of the Municipality include: the structuring of the Standing Committees linked to the Departments headed by the Executive Committee Members and through the workings of both the IDP & Budget Executive & Technical Committees and the IDP & Budget Representative Forums.

To implement the IDP, it is critical that all Departments' activities are co-ordinated and work together. This co-ordination is an ongoing process that should take place through formal and informal means.

It is also worth noting that Senqu Local Municipality has enjoyed a politically stable environment as evident by having its Mayor and Municipal Manager serving their two full terms that has not only led to the municipality to have a stable political environment but also enjoying a relatively stable financial environment.

The relationship between the head of administration and the political leadership needs to be close. Political instability and/or administrative instability have an impact on the other. The Municipality's ability of both the Political and the Administrative Arms to work together has yielded positive results where the Municipality received an Unqualified Audit Reports from the Auditor – General for the Financial Years 2004/2005 and 2008/2009 an achievement worth noting that even “bigger and urban municipalities” is still a “dream” to them.

Administration in local government is usually made up of two key legs. That is, financial administration and corporate administration.

In Senqu the Municipal Manager and all Section 57 Managers' posts are filled have been most stable and have served their full five years. The stability of the head of administration has an impact on the administration of the municipality as a whole. It has resulted in us having more stable administration and being able to provide service delivery within our budget to our communities.

SECTION G: THE PERFORMANCE MANAGEMENT SYSTEM

7.1. INTRODUCTION

The White Paper on Local Government identified performance management as one of Local Government's tools for the implementation of its development mandate in terms of the Constitution. Chapter 6 of the Local Government: Municipal Systems Act 32 of 2000 (the Act) provides the legal framework for performance management and places it squarely within integrated development planning (IDP). The Chapter came into operation on 01 July 2001. On that same day, the Municipal Performance Management Regulations (Notice 1430 of 2001), issued by the Minister for Provincial and Local Government, took effect.

A number of principles that should guide a municipality in developing and implementing a Performance Management System (PMS) can be identified in the Act and in the Regulations. They are:

- The PMS should be embedded in the circumstances of the municipality; it must be commensurate with its resources, it must be suited to its circumstances and, most importantly, objectives, indicators and targets contained in the IDP (s 38(a));
- The municipality must promote a culture of performance management among its politicians and within its administration (s 38(b));
- The municipality must administer its affairs in an economical, effective, efficient and accountable manner (s 38 (c));
- The PMS must be advised in such a way that it can serve as an early warning system for underperformance (s 41(2) and Reg. 8(2) (e));
- The PMS must link the performance of the municipality to the performance of the employees (Reg.2 (f)).

7.1.1. Strategic Objectives of a Performance Management System

South Africa, more specifically Senqu Local Municipality, continues to endure the legacy of underdevelopment, poverty, infrastructure backlogs and inequitable access to basic services. In response to these, government is putting in place various mechanisms and measures to turn the situation around.

In the local government context, a comprehensive and elaborate system of monitoring performance of municipalities has been legislated. The system is intended to continuously monitor the performance of municipalities in fulfilling their developmental mandate. Central to the system is the development of Key Performance Indicators as instruments to

assess performance. The indicators help to translate complex socio-economic development challenges into quantifiable and measurable outputs. They are therefore crucial if a proper assessment is to be done of the impact of government in improving the quality of life for all.

The Municipal Planning and Performance Management Regulations (2001) stipulate that a “Municipality’s Performance Management System entails a framework that describes and represents how the municipality’s cycle and processes of performance planning, monitoring, measurement, review and reporting and improvement will be conducted, organised and managed, including determining the roles of the different role players” (Chapter 3, Section 7, Municipal Planning and Performance Management Regulations, 2001)

7.1.2. Policies and Legislative Framework for Performance Management

The framework for the Performance Management is informed by the following Policy Legislations on Performance Management:

- The Constitution of the Republic of South Africa, 1996;
- The Batho Pele White Paper, 1998;
- The White Paper on Local Government, 1998;
- Local Government: Municipal Systems Act 32 of 2000;
- Municipal Planning and Performance Management Regulations, 2001

The Local Government: Municipal Systems Act 32 of 2000, states that a Municipality must:

- Develop a Performance Management System.
- Set targets, monitor and review performance based on indicators linked to their Integrated Development Plan (IDP).
- Publish an Annual Report on performance for the Councillors, staff, the public and other spheres of Government.
- Conduct an internal audit of performance before tabling the report.
- Have their annual performance report audited by the Auditor-General.
- Involve the community in setting indicators and targets and reviewing municipal performance.

The Local Government: Municipal Planning and Performance Management Regulations, 2001, Section 7(2), requires that the Municipality, in developing its Performance Management System, must ensure that the system:

- Complies with all the requirements as set out in the Municipal Systems Act;
- Demonstrates how it is to operate and be managed from the planning stage up to the stages of performance review and reporting;
- Clarifies the roles and responsibilities of each role player, including the local community, in the functioning of the system;

- Clarifies the processes of implementing the system within the framework of the Integrated Development Planning process;
- Determines the frequency of reporting and the lines of accountability for performance;
- Relates to the Municipality's Employee Performance Management processes.

Furthermore, Section 43 of the Regulations prescribes the following seven general Key Performance Indicators:

- The percentage of households with access to basic level of water, sanitation, electricity and solid waste removal.
- The percentage of households earning less than R1 100, 00 per month with access to free basic services.
- The percentage of the Municipality's capital budget actually spent on capital projects in terms of the IDP.
- The number of local jobs created through the Municipality's local economic development initiatives, including capital projects.
- The number of people from employment equity target groups employed in the three highest levels of management in compliance with a Municipality's approved Employment Equity Plan.
- The percentage of a Municipality's budget actually spent on implementing its Workplace Skills Plan.
- Financial viability with respect to debt coverage; outstanding debtors in relation to revenue and cost coverage.

The objective of institutionalizing a Performance Management System (PMS), beyond the fulfilling of legislative requirements, is to serve as a primary mechanism to monitor, review and improve the implementation of the Municipality's IDP. In so doing, it should fulfill the following functions:

- Promoting accountability
- Decision-making and resource allocation
- Guiding development of municipal capacity-building programmes
- Creating a culture of best practice, share learning among Municipalities
- Develop meaningful intervention mechanisms and early warning system
- Creating pressure for change at various levels
- Contribute to the overall development of a Local Government system

Lastly, it should also be noted that, SLM has a PMS for the Municipal Manager and Managers reporting directly to him (Section 56) and is in the process of developing a PMS for Middle Managers, i.e. managers reporting to Section 56 Managers and has appointed a consultant to that effect.

7.1.3. PMS Challenges

- There is still a challenge around the understanding of the purpose of PMS in the municipalities
- Incentives related to PMS especially for people reporting directly to Section 57 Managers and the rest of the municipality have not been resolved
- As there is no performance audit committee yet in place, this negatively impacts on the continuity of assessments, the fairness of assessments and the legal compliance

7.1.4. PMS Legislation

- Constitution of South Africa, Act No. 108 of 1996
- Local Government: Municipal Systems Act, Act No. 32 of 2000
- Regulation No. R. 796 published in Government Gazette No. 22605
- Local Government: Municipal Finance Management Act, Act No. 56 of 2003
- Skills Development Act, Act 97 of 1998
- Regulation No. R. 805 published in Government Gazette No. 29089

7.2. INSTITUTIONAL ANALYSIS

Senqu Local Municipality was established in terms of the Provincial Gazette Extraordinary 28 February, Notice 22 of 2000 (with a number of subsequent amendments). The establishment brought together the Transitional Local Authorities of Barkly East, Lady Grey, Sterkspruit, Rhodes and Rossouw. Senqu Municipality also covers Farms and Villages of the magisterial district of Barkley East, Lady Grey, Herschel, Sterkspruit, Rossouw, and Rhodes.

Since then, substantial work has been undertaken to structure and re-orientate the municipality on an operational level so as to ensure its effectiveness for delivery on its developmental mandate as outlined in the Constitution and Senqu Local Municipality's IDP.

This work is not a static, once-off process, but a continuous process of evaluation and re-orientation to ensure that the organization remains relevant to the changing situation and the developmental objectives outlined in the IDP.

The administration of Senqu local municipality is headed by the Municipal Manager, and his appointment is formalized by a signed 5-year Performance Based Employment Contract. An Annual Performance Agreement will be aligned to the 2009/10 IDP and prepared for submission to the Mayor with draft SDBIP.

The top management consists of four Section 56 Managers who report directly to the Municipal Manager. All Section 56 Managers have been appointed (2 males and 2

female) and have signed their Performance Based Employment Contract and Performance Agreements aligned to the IDP 09/10. These will be updated when the final IDP is adopted in May/June 2010.

As the institution, Senqu Municipality has highlighted its strengths and weaknesses. Some of the weaknesses are as follows:

- Insufficient financial resources to address enormous infrastructural challenges
- Need to address the capacity of existing human resources
- Dependence of the municipality on external funding sources

Some of the strengths and opportunities are:

- A relative stable political environment;
- A relatively stable financial position.

7.3. POWERS AND FUNCTIONS

The powers and functions performed by local authorities in South Africa are defined primarily in Section 156 and 229 of the Constitution of the Republic of South Africa (Act 108 of 1996).

The Local Government: Municipal Structures Act (117 of 1998), read with the Local Government: Municipal Structures Amended Act (33 of 2000), divides the powers and functions, as set out in the Constitution, between District and Local Municipalities (Section 84). The Act together with the Amendment Act, Section 85(1), allows the MEC for Local Government to further adjust the division of certain of the functions between District and Local Municipalities, whilst Section 84(3) (a) allows only the Minister for Local Government to authorize a Category B Municipality to perform the following functions:

- portable water supply systems
- electricity
- domestic waste-water and sewage disposal systems
- municipal health services

It should also be noted that the Powers and Functions for Water and Sanitation were removed from Senqu Municipality and given to the Joe Gqabi District Municipality, who in turn, appointed Senqu Municipality as the Water Services Provider (encompassing Water and Sanitation) in the urban areas which is reviewed and extended annually until the Section 78 process is completed (Municipal Systems Act).

FUNCTION	AUTHORISATIONS	DEFINITION
Air pollution	Yes, including DM function	Any changes in the quality of air that adversely affects human health or well-being or the ecosystems useful to mankind, now or in the future.
Building regulations	Yes	The regulation, through by-laws, of any temporary or permanent structure attached to,

		or to be attached to, the soil within the area of jurisdiction of a municipality, which must at least provide for: Approval of a building plans; Building inspections and Control of operations and enforcement of contraventions of building regulations if not already provided for in National and Provincial legislation.
Child care facilities	Yes	Facilities for early childhood care and development which fall outside the competence of national and provincial government.
Electricity reticulation	Yes	Bulk supply of electricity, which includes for the purposes of such supply, the transmission, distribution and, where applicable, and also the regulation, control and maintenance of the electricity reticulation network, tariff policies, monitoring of the operation of the facilities for adherence to standards and registration requirements, and any other matter pertaining to the provision of electricity in the municipal areas, with the exception of areas serviced currently by Eskom.
Local tourism	Yes	The promotion, marketing and, if applicable, the development of any tourist attraction within the municipal area with a view to attract tourists; to ensure access, and municipal services to such attractions, and to regulate, structure and control the tourism industry in the municipal area subject to any provincial and national legislation, and without affecting the competencies of national and provincial government pertaining to “nature conservation”, “museum”, “libraries” and “provincial cultural matters”.
Fire fighting	Yes, including DM function	In relation to District Municipality ‘Fire fighting’ means: Planning, co-ordination and regulation of fire services; specialised fire fighting services such as mountain, veld and chemical fire services; co-ordination of the standardization of infrastructure.
Trading regulations	Yes	The regulation of any area, facility and/or activity related to the trading of goods and services within the municipal area not already being regulated by national and provincial legislation.
Water (potable)	Yes, including DM function	The establishment, operation, management and regulation of a potable water supply system, including the services and infrastructure required for the regulation of water conservation, purification, reticulation and distribution; bulk supply to local supply.
Sanitation	Yes, including DM function	The establishment, provision, operation,

		management, maintenance and regulation of a system, including infrastructure, for the collection, removal, disposal and/or purification of human excreta and domestic waste-water to ensure minimum standard of service.
Storm water	Yes	The management of systems to deal with storm water on built-up areas
Municipal planning	Yes	The compilation and implementation of an Integrated Development Plan in terms of Municipal Systems Act.
Local amenities	Yes	The provision, manage, preserve and maintenance of any municipal place, land and building reserved for the protection of places or objects of scenic, natural, historical and cultural value or interest.
Traffic	Yes	Law enforcement for the safety of motorists and pedestrians and ensure smooth traffic flow for an efficient transport system.
Street lighting	Yes	Erection and maintenance of street lighting systems in the urban areas for the safety of the community in the evening.
Refuse	Yes	The continuous removal of solid waste to an approved
Pounds	Yes	The removal of stray animals from roads and public places for the safety of motorist and unnecessary health risks and nuisances to the community.
Abattoirs	Yes, including DM function	The control of meat products to maintain standards in order to reduce health risks.
Sports Grounds	Yes	To entertain the community, with emphasis being put on the youth to be involved in sports as a social activity.
Cleansing	Yes	To keep a healthy environment and Aesthetic values in the area.
Cemeteries	Yes	The control and records of burials and ensure maintenance of official burial sites.
Municipal Public Works	Yes	The construction and maintenance of access and municipal roads, storm water, pavements and buildings and all other associated works and assets.
Licensing and control of undertakings that sell food to public	Yes	Ensuring the quality and the maintenance of environmental health standards through regulation, a licensing mechanism and monitoring of any places that renders in the course of any commercial transaction, the supply of refreshments or meals for consumption.
Markets	Yes	The establishment, operation, management, conduct, regulation and/or control of markets other than fresh produce markets including market permits, location, times, conduct etc.
Licensing of dogs	Yes	The control over the number and health status of dogs through a licensing mechanism

SECTION H: KEY ISSUES AND OBJECTIVES: IDP 2007/2012

8.1. INTRODUCTION

The key issues and objectives for the IDP 2007/2012 emanate from the review of new data, sector strategies and plans and the ward profiles which were distilled during the deliberations of the:

- IDP & Budget Outreach Programme
- IDP & Budget Rep Forums
- IDP & Budget Steering/Executive Committee
- IDP & Budget Technical Committee
- Community Based Planning Programme

The key issues and objectives of the IDP 2007/2012 are developed within the framework of National, Provincial and District plans and policies. Whilst it is not practical to detail all these plans and policies in this document, the normative principles from the National Spatial Development Perspective (NSDP) and the targets set in the Provincial Growth and Development Plan (PGDP) are highlighted:

Table C1: NSDP – Normative Principles

<ul style="list-style-type: none">• Economic growth is a prerequisite for the achievement of other policy objectives, key among which would be poverty alleviation.• Government spending on fixed investment, beyond the constitutional obligation to provide basic services to all citizens, should therefore be focused on localities of economic growth and/or economic potential in order to attract private-sector investment, stimulate sustainable economic activities and/or create long-term employment opportunities.• Efforts to address past and current social inequalities should focus on people not places. In localities where there are both high levels of poverty and development potential, this could include fixed capital investment beyond basic services to exploit the potential of those localities. In localities with low development potential, government spending, beyond basic services, should be focused on providing social transfers, human resource development and labour market intelligence. This will enable people to become more mobile and migrate, if they choose, to localities that are more likely to provide sustainable employment or other economic opportunities.• In order to overcome the spatial distortions of apartheid, future settlement and economic development opportunities should be channeled into activity corridors and nodes that are adjacent to or link the main growth centres. Infrastructure investment and development spending should primarily support localities that will become major growth nodes in South Africa and the Southern African Development Community (SADC) region to create regional gateways to the global economy.
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Table C2: PGDP – Targets for Growth & Development in the Eastern Cape: 2004-2014

- To maintain an economic growth rate of between 5%-8% per annum.
- To halve the unemployment rate by 2014.
- To reduce by between 60%-80% the number of households living below the unemployment rate by 2014.
- To reduce by between 60%-80% the proportion of people suffering from hunger by 2014.
- To establish food self-sufficiency in the province by 2014.
- To ensure universal primary education by 2014, with all children proceeding to the first exit point in a secondary education.
- To improve the literacy rate in the province by 50% by 2014.
- To eliminate gender disparity in education and employment by 2014.
- To reduce by two thirds the under-five mortality rate by 2014.
- To reduce by three-quarters the maternal mortality rate 2014.
- To halt and begin to reverse the spread of HIV/AIDS by 2014.
- To halt and begin to reverse the spread of tuberculosis by 2014.
- To provide clean water to all in the province by 2014.
- To eliminate sanitation problems by 2014.

8.2 IDP 2007/2012 KEY ISSUES

8.2.1. Long-term Development Strategy

Senqu Local Municipality does not have a clear 20-30 year long-term development strategy which addresses poverty, economic growth, and sustainable development. The lack of such a strategy means that the Municipality and its stakeholders are not united, guided and motivated in their actions towards addressing the key issues and achieving the Municipality's vision.

Consequently the Municipality and its stakeholders may be failing to respond to opportunities, to work in synergy or worse, may be responding in discordant ways, and thus wasting resources, duplicating efforts and ultimately not using their full energy and resources to address critical development issues.

Once the Municipality has developed its long-term development strategy, the strategy should and must not be separate to the Municipality's ongoing strategic planning through its Integrated Development Planning, but should add value to the strategic planning process giving content to the Municipality's long-term vision, filling the gap and providing the long-term direction to the medium-term plans.

8.2.2 Financial Viability

In order for the Municipality to achieve and continue to achieve its mandate, it needs to maintain financial viability and expand its revenue in relation to costs.

Whilst most of Municipality's financial fundamentals have shown improvement, as well as a level of financial stability and predicament within the operating budget, there remain serious issues to be addressed.

Maintenance of the Municipality's assets remains a key issue for the municipality. Senqu continues to face a critical situation with much of its infrastructure past its functional life and operating beyond its design capacity. This result in frequent power outages, poor quality of electricity supply, increasing risk of environment pollution because of sewer overflows and deteriorating sewage conveyance systems, increasing water losses because of bursts, illegal connections, leaks and increasing threats of water shortages because of conveyance bottlenecks.

The Municipality's 3 year financial overview is attached as an **Annexure**.

8.2.3 Institutional Capacity

Senqu Local Municipality was established in 2000 and its establishment brought together the TLCs of Lady Grey, Barkly East, Rhodes and Sterkspruit which is the former Transkei and the largest with more than 84 Villages and the TRCs of Rossouw and Herschel. Since then, substantial work has been undertaken to structure and re-orientate the municipality on an operational level. However, there remain inefficiencies within institution, which compromise the Municipality's ability to deliver services and fully achieve the objectives set out in the IDP

8.2.4 Poverty, Unemployment and Low Economic Growth

The high levels of unemployment were apparent in the statistics from Census 2001 where approximately 13, 4% of households indicated they have an income of less than R1 500 per month which is below the household subsistence level, with 38, 9% of households indicating they have no income. Of even greater concern is that these R0 income households have more than double since Census 1996.

This growing poverty is confirmed by an increase in the unemployment rate from Census 1996 to Census 2001 estimated at 19%. Growing unemployment is a symptom of Senqu's slow economic growth and in order to meet the President's target of cutting unemployment by half by 2014, new jobs need to be created per annum in Senqu.

One of the greatest threats to the future development of Senqu Municipality is the lack of appropriate education and skills level. A tenth of Senqu Municipality's potential labour force has not attendant school or completed their primary phase. Further, according to Census 2001, only 82% of the Municipality's 20 and over population, had standard 10 and 2, 6% had post-school education and only 15-31 year olds were enrolled in post-school study.

The Eastern Cape Province also has an estimated HIV/AIDS prevalence rate of 16, 27% (2006). The HIV/AIDS pandemic will further exacerbate poverty within Senqu

Municipality due to a loss of income to households as economically active members become sick, increased costs of caring for the sick and many households will become child-headed households without any income. Another impact of the pandemic will be reduced life expectancy and loss of skilled workers.

The vast majority of the households in Senqu Municipality earn below the household subsistence level. There is also a growing unemployment, slow economic growth, low education and skills levels and rampant HIV/AIDS. This situation has obvious consequences for the quality of life of Senqu’s residents, its future development, its long-term sustainability and financial viability.

8.2.5 Sustainable Human Settlements

Senqu Local Municipality has successfully re-oriented its administration in order to deliver basic needs and housing. However, there still remains a huge challenge to meet the remaining backlogs within the targeted time-frames.

The table below details the findings of Census 2001 in terms of the extent to which basic services are enjoyed by the residents of Senqu Local Municipality.

Table C3: Households Access to Basic Services (Census 2001)

	Water (access to piped water in dwelling/yard or within 200M)	Sanitation (flush toilet, septic tank, chemical toilets, VIP)	Electricity (for lighting)	Refuse Removal (once a week)
No of Households	13926	7605	21125	3714
% of Households	10, 3%	5, 6%	15, 6%	2, 8%

In terms of housing, Census 2001 estimated that 24, 3% (32 793; sparse, tribal settlement, farm holding, Urban settlement) of households had formal shelter. There is also still a housing backlog for all Senqu Local Municipality’s residents in general, and for low-income households in particular. The challenge of housing as well as the provision of basic services to all residents of Senqu Local Municipality is confirmed in both the Ward Profiles and October/November’08 Mayoral Political Outreach and through the Community Based Planning rolled out to all our wards.

The challenge is not only about providing basic services and housing, but is also about “building sustainable human settlements” where residents have access to social and community facilities, economic opportunities, a healthy and sustainable environment and where opportunities can be accessed through convenient public transport and a safe road network.

This challenge is further confirmed by the Political Outreach where top issues were “roads and transport”, highlighting the need for mobility in order to access services and opportunities. Further, after housing, unemployment and basic services, the remaining responses from the outreach focused on accessing social and community facilities and services.

In order to achieve the objectives of “sustainable human settlement” and given the levels of poverty, the limited resources of the municipality and the imperative of sustainability, the municipality will need to:

- plan and implement in an integrated way;
- build on its strengths through utilizing existing infrastructure;
- review ‘levels of service’ and provide an affordable level of service (for both the municipality and the customer);
- place more emphasis on social/community facilities and services, local economic development and the natural environment;
- emphasize access and mobility; and
- focus on consolidating both the urban and rural fabric by overcoming the fragmented patterns of development and avoiding development in both rural and urban periphery.

Vital to building ‘sustainable human settlements’ is, integrated planning and implementation. The Municipality will then have to develop an **‘Integrated Sustainable Human Settlement Plan’** which will be the guide towards future investments.

8.2.6 Sustainable Development

Senqu Local Municipality comprises an area of more than 7329 km² and is the largest municipality in the Joe Gqabi District Municipality. Senqu Local Municipality has a unique feature of being on the border between Eastern Cape Province and Lesotho with beautiful mountains and numerous rivers offering game fishing opportunities thus increasing the potential tourism in the area

The nature of human activities, socio-economic conditions and levels of development vary considerably, with Sterkspruit and its surrounding areas having the high levels of unemployment and poverty.

SECTION I: MUNICIPAL PROJECTS

IDP No	IDP PRIORITIES 2009 TO 2011	WARD	09/10	10/11	11/12	12/13
1000	Upgrading of access roads in all rural wards. Target is 260 @ 5km/ward	All rural wards				
1001	Upgrading of electricity networks and metering	Lady Grey, Sterkspruit & Barkly East	5,000,000	R 3m		
1002	Storm water drainage (2 wards per year to be constructed)	6, 8, 9, 10,11, 12, 14, 15 & 16				
1003	Maintenance of existing roads and storm water					
1004	Construction of 4 Clinics					
1005	Provision of 16 Mobile Clinics					
1006	Construction of 4 Community Halls				2,000,000	
1007	Construction of 8 Community Centers					
1008	Construction of 5 river crossings					
1009	Installation of TV transmitters (3 per year)					
1010	Installation of TV Cellphone reception by 2011					
1011	Installation of street lighting by 2010	8 & 10,14				
1012	Free Basic Electricity to all by 2010	All wards				
1013	Non grid electricity by 2010	5				
1014	Implementation of housing projects (Housing Sector Plan to target deadline of 2014)	All wards				
1015	Renovation of houses damaged by disaster by 2010 (District Function)	All wards				
1016	Renovation of RDP houses by 2009	14 & 16				
1017	Construction of bus shelter by 2010	14 & 16				
1018	Upgrading of quitrent title deeds	All wards		979,200		
1019	LED Programmes (ongoing programme)	All wards				

1020	Fencing of cemeteries by 2009	2, 3, 4, 10, 11, 12, 13 14 & 16				
1021	Upgrading of sports fields by 2011 (10/year)	All wards				
1022	Identification of residential sites by 2010	10, 14, 15 & 16				
1023	Obtaining additional commonages (Land Acquisition)	10, 15 & 16		R 1m		
1024	Erection of road signage and street names by 08/09	All area				
1025	Senqu Cemeteries	All area	40,185			
1026	Construction of access roads	7, 8, 9 & 12	5,318,039	5,255,815	725,000	
1027	Construction of access roads	1, 2 & 3	5,318,039	4,219,125	600,000	
1028	Stormwater Channel in Kwezi Naledi - Lady Grey (Budget Adjustment)	14	63,750			
1029	Solid Waste Site - Sterkspruit	10	2,239,385	736,000		
1030	Establishment of ponds - Senqu	10, 14 & 15	23,610			
1031	Paving in Barkly East (Phase 1)	15 & 16	3,062,995	142,260		
1032	Paving in Lady Grey (Phase 2)	14	100,000			
1033	Upgrading of Sport Facilities in Sterkspruit	10				
1034	Sportfield Lighting (BE & LG)	14 & 16		R 2m	641,980	
1035	Construction of Solid Site Waste (Rhodes; Herschel & Rossouw)	11; 14 & 16	300,000	3,000,000	2,333,760	
1036	Completion of 12 Community Centers		146,590			
1037	Project Management Unit		828,750	960,450	1,155,100	
1038	Construction of access roads	4, 5 & 6			5,981,280	
1039	Construction of access roads	10, 11 & 13				
1040	Sterkspruit Taxi Rank (Phased)	10			3,889,880	
1041	Construction of MPCC at Coville	13				
1042	Increasing of height & width of Transwilger Bridge	14		1,037,610		
1043	Construction of 15 shearing sheds- Phase 2- Herschel rural					
1044	Construction of 6 community centres (Ph 2)					
1045	Construction of 10 community centres (Ph3)					
1046	Construction of 16 Community Halls					

1047	Extension of Office Building	Whole Area	9,049,020	9,345,680		
1048	DLTC (Sterkspruit)	10	9,000,000			
1049	Khwezi-Naledi Storm Water	14	2,800,000	6,700,000		
1050	Surfacing of roads (Phase 1)	10;14;15, 16	19,450,000			
1051	Replacement of roads vehicles	Whole area	550,000			
1052	LED Marketing	All Wards	400,000			
1053	Marketing and Branding	All Wards	700,000			
1054	Events Management	All Wards	700,000			
1055	SMME Development	All Wards	200,000			
1056	Golf Club Revitalization	All Wards	700,000			
1057	Tenahead Craft Centre (Phase 2)		5,000,000			
1058	Herschel Historical Centre	11	1,500,000			
1059	Kwezi Lokusa Textile	14	2,000,000			
1060	Ikaneng Pottery	7	2,000,000			
1061	Masande Youth Organisation	14	Unfunded			
1062	Building of storage facility for assets	All Wards		300 000		
1063	Vehicle tracking system	All Wards		R 500 000		
1064	Repairs and maintenance of all community halls	All Wards		R 400 000		
1065	Neighbourhood Development Partnership Grant	All Wards		15,943,120		
1066	Job creation project	All Wards		R 4,m		
1067	Sterkspruit formalization of 70 quitrent erven	10		R 368 676		
1068	Settlement upgrade of 8000 erven	8, 10, 11 & 12		18, 175, 156. 80		
1069	Sterkspruit Treatment Works	10		R 9m		
1070	Call centre	All		R 500 000		
1071	Herschel Housing	11		6,578,610		
1072	Complete road surfacing in Sterkspruit	10		4,083,025		
1073	Maintenance of Senqu Roads	4; 5; 6 & 10		9,900,000		
1074	Surfacing of Musong Road	3		13,000,000		
1075	Surfacing of Mlamli Hospital Road	6; 9 & 10		5,000,000		

1076	Electrification of 330 houses	6; 9 & 10		4,363,920		
1077	Electrification of houses in Rossouw	14			2,450,000	
1078	Electrification of 2217 houses	1, 6, 7, 8, 9 & 10			21,013,187. 58	
1079	Electrification of 337 houses	4 & 5				3,581,500

SECTION J: LIST OF ANNEXURE

The following documents are attached as annexure: Organogram; Housing Sector Plan; Integrated Waste Management Plan. The LED Strategy; Municipal Budget; Municipal SDF; the Water Services Development Plan and the Integrated Transport Plan are available electronically on request.