



DRAFT INTEGRATED DEVELOPMENT PLAN 2011/12 Review

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1 GLOSSARY OF TERMS

ABET	Adult Based Education and Training
ABSA	Amalgamated Banks of South Africa
AIDS	Acquired Immune Deficiency Syndrome
ASGISA	Accelerated and Shared Growth Initiative for South Africa
CASP	Comprehensive Agriculture Support Programme
CBO	Community Based Organization
CHDM	Chris Hani District Municipality
CHARTO	Chris Hani Regional Tourism Organisation
CPF	Community Policing Forum
CSIR	Council for Scientific and Industrial Research
DBSA	Development Bank of South Africa
DEAT	Department of Environment and Tourism (Also known as DEA)
DFA	Development Facilitation Act No 67 of 1995
DLA	Department of Land Affairs
DLGH	Department of Local Government
DM	District Municipality
DME	Department of Mineral and Energy
DoALR	Department of Agriculture and Land Reform
DoE	Department of Education
DoH	Department of Health
DH	Department of Housing
DoSD	Department of Social Development
DoRT	Department of Roads and Transport
DPLG	Department of Provincial and Local Government (National)
DPW	Department of Public Works
DSAC	Department of Sport, Arts & Culture
DWAF	Department of Water Affairs and Forestry
ECA	Environmental Conservation Act
EIA	Environmental Impact Assessment
ES	Equitable Share (grant)
FBS	Faith Basic Services
ECDC	Eastern Cape Development Corporation
ECPGDS	Eastern Cape Provincial Growth & Development Strategy
EXCO	Executive Committee
GP	Gross Geographic Product
GIS	Geographical Information System
GTZ	German Technical Cooperation
GVA	Gross Value Added
HDI	Human Development Index
HIV	Human Immune Deficiency Virus
HR	Human Resource
IDC	Independent Development Corporation
IDP	Integrated Development Plan
IDT	Independent Development Trust
ICT	Information Communication & Technology
ITP	Integrated Transportation Plan
IWMP	Integrated Waste Management Plan
LDO	Land Development Objectives
LED	Local Economic Development

MEC	Member of the Executive Committee
MIG	Municipal Infrastructure Grant
MFMA	Municipal Finance Management Act
MSIG	Municipal Support & Institutional Grant
MSyA	Municipal Systems Act, 2000
MStA	Municipal Structures Act, 1998
NDC	National Development Corporation
NEMA	National Environmental Management Act
NER	National Electrification Regulator
NGO	Non Governmental Organizations
NSS	National Sanitation Strategy
PATA	Promotion of Administrative Justice Act
PMS	Performance Management System
PPP	Public Private Partnership
RDP	Reconstruction and Development Programme
REDs	Regional Electricity Distributors
RTP	Responsible Tourism Planning
SMME	Small Medium and Micron Enterprises
SOE	State Owned Enterprises
SoR	State of Environment Report
SADC	Southern African Development Community
SALGA	South African Local Government Association
SANDF	South African National Defense Force
SAPS	South African Police Service
SGB	School Governing Body
SMME	Small, Medium and Micro Enterprises
STDs	Sexual Transmitted Diseases
TB	Tuberculosis
VAT	Value Added Tax
VIP	Ventilated Improved Pit (dry sanitation facility)
WSDP	Water Services Development Plan

PREAMBLE

FOREWORD BY THE HONOURABLE MAYOR

It gives me pleasure as the Mayor of Sakhisizwe Municipality to present once again to the Council and the public at large, as well as to our stakeholders, the Integrated Development Plan and Budget for the 2011/2012 financial year.

As part of the broader local government structure, as this Council of Sakhisizwe Municipality we are towards the end of the 4th term of this financial year. During the previous we've been faced with many challenges which compromise our efforts to make people's lives better due to lack of both human and financial resources. I believe that tomorrow belongs to the people who build it today, we have to continue with right strategies so that tomorrow is better than today.

We are from the IDP and Budget Road Shows where our Communities were making submissions as residents of Sakhisizwe and identified for us what the society want, we have a responsibility to make a better life for the people who are residing within

Sakhisizwe. I challenge the Council and the community to take a collective responsibility in defining what the Municipality must deliver so as to respond to the needs of our people.

As the Rural Municipality we are still faced with backlog of infrastructure in both urban areas that we have and water services in our villages, roads and electricity. We are also faced with poverty, unemployment and HIV & AIDS pandemic. Revenue generation still haunts us as a challenge because without Financial Resources we will be unable to meet the National Targets.

If we fail to meet these challenges as already indicated above we indeed reverse the gains of our liberation struggle.

We must embark in a collective approach to continue to strengthen our partnership in ensuring the integrated approach, to work with all government spheres, private sector, NGO'S, CBO' and the community in general.

We must embark on the initiatives aimed at promoting our economy. Our Integrated Planning and Economic and Development Directorate must be able to assist in raising the standards of people by accelerating Economic Development.

We must improve on our Roads, Infrastructure, reliable Electricity and Sanitation services in that more investors will be motivated to invest in our Area.

In presenting this IDP and Budget for adoption we outline our intention as the municipality in order to give effect on municipal programs and positively contribute to the betterment of life for people of Sakhisizwe. This IDP and Budget that is presented today indicates our collective commitments as council in responding to the needs and plight of the people.

**Councilor: W. TIKANA
SPEAKER/MAYOR.**

EXECUTIVE SUMMARY

This section gives an executive summary of the Sakhisizwe Municipal IDP Review 2011/2012 report.

1.1 Objectives of this review

The main objectives of this review are to:

- Comply with legal requirements in terms of LG Municipal Systems Act of 2000
- Update our planning information and integrate ward based planning
- Improve credibility of our IDP document
- Address the concerns and comments made by MEC on our previous document so that we may achieve a credible plan
- Correct and prevent reoccurrence of the issues relating to the alignment of Planning, Governance and Performance Management processes raised as concerns to the Auditor General (AG) in our annual reports

1.2 The development challenge

Sakhisizwe Municipality is a local municipality that can be categorised as a B4 (largely rural with a low economic and revenue base). It is still struggling to emerge from the establishment phase of local government largely due to past internal instability and poor administrative capacity.

The resultant situation from such instability manifest in the existence of high service backlogs, poorly structured and underperforming local economy.

However, the last year or so has seen marked improvements in political stability (public participation and governance processes) and steady growth in administrative capacity (the top structure of the organization has been fully laid and there are noticeable investments in infrastructure development fleet and so on).

The promise to a better future remains an elusive goal for many households and peoples who are trapped into a vicious cycle of poverty and unemployment. It remains a commitment of this council to lay a solid foundation for better life for all and to direct our development trajectory toward improved economic development, better service delivery and marked reduction in poverty and unemployment.

1.2.1 Demographic dynamics

We have a rising population estimated to be around 66 0970 people and 16 7560 households. The majority of population is female and youth. There are about 29,9 people per square kilometre.

1.2.2 Service Delivery

Indeed, our analysis show that we lag behind with provision of basic and other required services and run a strategic risk of not meeting our millennium and EC PDGS goals if this situation is not rescued. Our backlogs are water (39%), sanitation (51%), Electricity (40%), Refuse (28%), Road network (300km of gravel and approximately 62km of tarred surfaces). There are also other challenges such as poor accessibility of facilities and quality outputs

affecting Education, Health, Public Transport, Social Development and Safety & Security. These challenges militate against our strength to better the lives of our people.

1.2.3 Economic Development and Environment

Sakhisizwe has an underperforming local economy unable to deal with strategic challenges such as poverty, unemployment and low revenue base. A draft LED strategy has been developed to institutionalise responses of the municipality to LED.

Our GDP is estimated at about R463 million while unemployment remains as high as 36%. Key sector with potential but currently under performing and needing focused interventions include Manufacturing and Tourism. While we acknowledge that our is a small economy it is appreciated that it currently shows a better tress index of diversification at 79,7 compared to the of the region at 65,5. Our comparative advantage is in community services, agriculture and trade sectors.

1.2.4 Municipal Institutional Development & Transformation

We are still unable to perform all are expected mandate in terms of assigned powers and functions due to administrative and other capacity constraints. Our council is a plenary system and administer manage through 5 key administrative departments including that of the office of the municipal manager. However, we are constantly innovating to ensure greater participation by our communities in all aspects of our decision making. We have resolved to promote community participation and local democracy by implementing ward planning during 2011/12.

In terms of transformation, we are still largely male dominated in our management and administration.

1.2.5 Good Governance

The past few years have seen the worst of our governance system characterised by political instability and poor management operations leading to dire consequences of poor service delivery records, bad audit outcome in terms of opinions expressed on our financial statements.

IGR is almost non-existent with sector departments failing local development by their noticeable absence in IDP processes and implementation. We have however, committed specific tasks to address this predicament.

1.2.6 Financial Viability

As a municipality, we are defined by national treasury as a weak low capacity organization. Our current systems of financial control as found by auditor general reports of the last 2 years are evidently weak. Coupled with this is a structural problem of poor payment & collection levels which impact negatively on our budgeted revenues every year-in and out.

We have resolved to pay specific attention to the following critical areas of our turn around strategy:

- AG queries
- Internal Audit
- Supply Chain Management
- GRAP compliance (reporting, asset register, risk management plan and valuation roll)
- Financial Skills capacity building
- Systems development and financial controls

1.3 Development priorities

1) Service Delivery

- a. Water and Sanitation
- b. Road, Stormwater & Transport Infrastructure
- c. Electricity
- d. Housing
- e. Health & Education
- f. Social Development
- g. Community facilities (libraries, cemeteries, pounds, Halls etc)
- h. Disaster management & fire

2) Local Economic Development

- a. Planning
- b. Manufacturing & SMME support
- c. Tourism development
- d. Agriculture and Farming
- e. Poverty Alleviation

3) Financial Viability

- a. Financial Management and reporting
- b. Budget & Expenditure
- c. AG Queries
- d. Revenue and Billing
- e. Supply Chain Management
- f. Risk and Asset Management
- g. Financial policies

4) Good Governance & Public Participation

- a. IDP and PMS
- b. IGR
- c. Public Participation
- d. Internal Audit
- e. Communications

5) Municipal Institutional Development & Transformation

- a. Organizational development and Administration
- b. HR Development
- c. Capacity Building and Training
- d. Fleet Management
- e. Council Support

Special Programmes (SPU)

1.4 Planning for the future

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

GAP ANALYSIS & PROCESS PLAN

2 Gap Analysis

In line with the requirements of section 26 of the Systems Act of 2000, a thorough gap analysis and review of performance was conducted to establish the extent of review warranted on our current IDP. The analysis found the following gaps which are being addressed in this review document 2011/12.

2.1 Baseline planning data

Our current plans have a lot of information that is based on outdated sources such as the old SDF, 2001 statistics in certain instances and so on. We have collected better information to update our planning baseline from newer statistical sources, sector departments and communities via ward based plans. Such information has been incorporated and used in this document to update our planning baseline data.

2.2 MEC Assessment of our IDP

The MEC for LG assessed our current IDP document and concluded that it was not credible. In order to correct and achieve this objective, this document addresses peculiar issues such as interpretation of our development challenges, representation of that view in the spatial development framework as well as capturing of the key development challenges and intentions in terms of the following government priorities:

- Municipal Institutional Development and Transformation
- Financial Viability
- Local Economic Development
- Good Governance
- Service Delivery
- Spatial Development Framework

2.3 Auditor General’s report relating to IDP & PMS linkages

Auditor General has raised concern over shortfalls in certain aspects of our planning process. In particular, key concerns were raised relating to the alignment of PMS and IDP. This IDP review has been designed to ensure clear alignment between its IDP KPAs, development objectives and Targets used in our performance scorecards and SDBIPs. This will ensure that we fully meet requirements of s26 & 41 of MSA 2000.

3 THE REVIEW PROCESS PLAN

The LG Systems act prescribes for the formulation of a clear process plan which must guide the formulation of the IDP. The following section outlines the process plan for the formulation of this Sakhisizwe IDP review 2011/12. It was adopted by council through a council resolution and used as a guide to our review process.

3.1 Organisational arrangements

Two critical structures were created to facilitate organizational platforms for discussion, engagement and debate during the process. These included the following:

3.1.1 IDP Steering Committee

The IDP steering committee comprising largely of internal senior management was tasked to:

- Provide technical and advisory support to the IDP Manager (Municipal Manager)
- Perform daily planning activities including the preparation and facilitation of events; documentation of outputs and making recommendation to the IDP Manager and the Municipal Council and Mayor
- Commission in depth studies
- Act as the secretariat for the IDP Representative Forum.

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

3.1.2 IDP Representative Forum

The IDP representative forum was the main platform for broad consultations and debates on issues and policy recommendations. It was chaired by the Mayor and composed of representatives across our stakeholder community including but not limited to the following institutions or interest groups:

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

- NGO's and CBOs
- Sector Departments and the District Municipality
- Management Team
- Community development workers

3.1.3 Roles and responsibilities of stakeholders

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

ACTORS	ROLES AND RESPONSIBILITIES
1. Council	<ul style="list-style-type: none"> ▪ Consider and adopt reviewed IDP ▪ Promote public participation via Ward Based plans, Representative Forum & Mayoral Imbizos / Roads Shows ▪ Keep public informed about the contents of the IDP
2. IDP Manager	<ul style="list-style-type: none"> ▪ Ensure that the Process Plan and reviewed IDP are adopted by the Council ▪ Manage the local municipal IDP by ensuring that all daily planning activities are performed within an efficient and effective consideration of available time; financial and human resources; ▪ Encourage an inclusive participatory planning process and compliance with action programme ▪ Facilitate the horizontal and vertical alignment of the district IDP ▪ Ensure that the planning process outcomes are properly documented ▪ Manage service providers to the district or local municipal IDP ▪ Coordinate with various government departments and to ensure that all the projects, strategies and objectives of the local municipality are shared and distributed amongst government departments so that they might incorporate them in their planning process and vice versa
3. Heads of Departments & Senior Management	<ul style="list-style-type: none"> ▪ Provide technical and advisory support to the IDP Manager ▪ Perform daily planning activities including the preparation and facilitation of events; documentation of outputs and making recommendation to the IDP Manager and the Municipal Council ▪ Interact with the relevant cluster regarding the prioritization of their individual departments projects and programmes for the following years ▪ Provide clear terms of reference to service providers
4. District Municipality	<ul style="list-style-type: none"> ▪ Provide support and guidance on IDP Review process ▪ Assist municipalities to achieve the target dates ▪ Interact with service providers to ensure that a quality product is provided ▪ Assist with workshops

ACTORS	ROLES AND RESPONSIBILITIES
	<ul style="list-style-type: none"> ▪ Project Management and Implementation Support Services ▪ Ensure that clusters achieve integrated planning ▪ Ensure that an uniform reporting mechanism is devised
5. Sector Departments	<ul style="list-style-type: none"> • Ensure the participation of Senior personnel in the IDP review process • Horizontal alignment of programmes and strategic plans within the clusters • Provide technical support and information to the planning process • Contribute relevant information to support the review process within the clusters • Incorporate district and local municipal projects into departments planning within the clusters
6. National & provincial governments	<ul style="list-style-type: none"> • Monitor and evaluate the preparation and implementation process • Provide training and capacity building support to the local municipality – dplg guide for credible IDPs • Coordinate support programmes so that overlapping does not occur • Provide technical guidance and monitor compliance with provincial policy and legal framework • Provide financial support to the IDP planning and implementation process
7. Communities	<ul style="list-style-type: none"> • Input and influence plans and decision making

3.1.4 Community Participation strategy

ISSUE	PARTICIPATION MECHANISM & PLANNING EVENTS
Planning participation	<ul style="list-style-type: none"> ▪ Use of workshops & Community Based Plans
Attendance at meetings, workshops etc	<ul style="list-style-type: none"> ▪ Interchanging of venue logistics between Elliot and Cala to ensure convenience ▪ Support with transportation where it was possible ▪ Issuing of invitations via popular media and local institutions like ward committees, public announcements in social events etc
Effective communication	<ul style="list-style-type: none"> ▪ Meetings were largely run in Isixhosa and this allowed participants to inputs meaningfully without restrictions of language
Approval & Comments on the document	<ul style="list-style-type: none"> ▪ Use of ward level Mayoral Imbizos and Road shows further explaining the budget and IDP 2011/12 to communities

WORK BREAKDOWN STRUCTURE	January					February				March			
	3	10	17	24	31	7	14	21	28	7	14	21	28
Comments													
Final report													

3.1.6 Mechanisms and Procedures for Alignment

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

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

3.2 Binding legislation

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

NATIONAL LEGISLATION	SUMMARY/SCOPE OF LEGISLATION
GENERAL MANAGEMENT	
Constitution of the Republic of South Africa 1996	To introduce a new constitution for the Republic of South Africa and to provide for matters incidental thereto
Local Government: Municipal Systems Act, 2000	To give effect to "developmental local government"

NATIONAL LEGISLATION	SUMMARY/SCOPE OF LEGISLATION
	<p>To set principles, mechanisms and processes to promote social and economic upliftment of communities and to ensure access to affordable services for all</p> <p>To set a framework for planning, performance management, resource mobilization and organizational change and community participation</p>
Local Government: Municipal Structures Act, 1998 as amended	<p>To provide for the establishment of municipalities in accordance with the requirements relating to the categories and types of municipality, the division of functions and powers between municipalities and appropriate electoral systems</p> <p>To regulate internal systems, structures and office-bearers</p>
Consumer Affairs (Unfair Business Practices) Act, 1996	To provide for the investigation, prohibition and control of unfair business practices in the interest of consumers
Local Government Cross-boundary Municipalities Act, 2000	To authorize the establishment of cross-boundary municipalities, to provide for the re-determination of the boundaries of such municipalities under certain circumstances and to provide for matters connected therewith
Local Government: Municipal Demarcation Act, 1998	To provide for the demarcation of boundaries of municipalities for the establishment of new municipalities
Municipal Electoral Act, 2000	<p>To regulate municipal elections</p> <p>To amend certain laws and to provide for matters connected therewith</p>
Organized Local Government Act, 1997	To provide for the recognition of national and provincial organizations representing the different categories of municipalities and the designation of representatives to participate in the National Council of Provinces etc,
Promotion of Local Government Affairs Act, 1983	To provide for the co-ordination of functions of general interest to local authorities and of those functions of local authorities which should in the national interest be co-ordinated
Local Government Transition Act, 1993	To provide for matters relating to municipalities in the interim phase, powers and functions of municipalities and actions of officials and councilors
Occupational Health and Safety Act, 1993	To provide for occupational health and safety in the work place and the protection of persons outside the work place against hazards to health and safety arising from activities of persons at the work place

NATIONAL LEGISLATION	SUMMARY/SCOPE OF LEGISLATION
Promotion of Access to Information Act, 2000	To control and regulate the right of all persons to access to information
Promotion of Fair Administrative Justice Act, 2000	To give effect to the right to administrative action that is lawful, reasonable, and procedurally fair in terms of the Constitution of the Republic of South Africa 1996
Promotion of Equality and Prevention of Unfair Discrimination Act, 2000	<p>To give effect to section 9 read with item 23(1) of Schedule 6 to the Constitution of the Republic of South Africa, 1996, to prevent and prohibit unfair discrimination and harassment</p> <p>To promote equality and to eliminate unfair discrimination and to prevent and prohibit hate speech and to provide for matters connected therewith</p>
FINANCE	
Appropriation of Revenue Act, 2000	To provide for a fair division of revenue to be collected nationally between national, provincial and local government spheres for the 2000/2001 financial year and for matters connected therewith
Businesses Act, 1991	<p>To repeal certain laws regarding the licensing of businesses</p> <p>To provide for the licensing and operation of certain businesses, shop hours and related matters</p>
Debt Collectors Act, 1998	To provide for controlled debt collecting
Income Tax Act, 1962	To provide for the payment of taxes on incomes of persons and taxes on donations
Insolvency Act, 1936	To consolidate and amend the law relating to insolvent persons and their estates
Local Authorities Capital Development Fund Ordinance, 1978 READ WITH Local Government Affairs Second Amendment Act, 1993	To provide for the establishment and management of a Capital Development Fund and for matters incidental thereto
Municipal Accountants' Act, 1988	To provide for the establishment of a board for Municipal Accountants and for the registration of Municipal Accountants and the control of their profession
Municipal Consolidated Loans Fund Ordinance, 1952 READ WITH Local Government Affairs Second Amendment Act, 1993	To provide for the establishment and management of a Consolidated Loans Fund as approved by the Premier

NATIONAL LEGISLATION	SUMMARY/SCOPE OF LEGISLATION
Local Government Municipal Finance Management Act, 2003	To regulate financial management in the local sphere of government to require that all revenue, expenditure assets and liabilities of municipalities and municipal entities are managed efficiently and effectively, to determine responsibilities of persons entrusted with local sphere financial management and to determine certain conditions and to provide for matters connected therewith
Pension Benefits for Councilors of Local Authorities Act, 1987	To provide for pension benefits for councilors
Public Finance Management Act, 1999	To regulate financial management in the national and provincial governments and, inter alia, provincial public entities
Prescribed Rate Of Interest Act, 1975	To prescribe and regulate the levying of interest from debtors
Reporting by Public Entities Act, 1992	To provide for the reporting to Parliament by public entities
Value-added Tax Act, 1991	To provide for the taxation in respect of the supply of goods and services
Local Government Transition Act, 1993	To provide for matters relating to municipalities in the interim phase, powers and functions of municipalities and actions of officials and councillors
Local Government: Property Rates Bill 2000	To regulate general property valuation
ADMINISTRATION / CORPORATE AND LEGAL SERVICES	
Electoral Act, 1998	To manage and regulate elections on national, provincial and local government level
Expropriation Act, 1975	To provide for the expropriation of land and other property for public and certain other purposes and matters connected thereto
Housing Arrangements Act, 1993	To provide for the establishment of a National and Regional Housing Board(s) and the abolition of certain existing boards.
Rental Housing Act, 1999	To define the responsibility of Government in respect of rental housing
Residential Landlord and Tenant Act, 1997	To provide for the regulation of landlord-tenant relations in order to promote stability in the residential rental sector in the province.
TOWN PLANNING AND SPATIAL DEVELOPMENT	
Provision of Certain Land for Settlement, 1993	To provide for the designation of certain land and to regulate the subdivision of such land and settlement of persons thereon.
Advertising on Roads & Ribbon Development Act, 1940	To control advertising on national and regional roads

NATIONAL LEGISLATION	SUMMARY/SCOPE OF LEGISLATION
Ordinance 113 and LUPO (land use planning ordinance)	To control the land use rights within the former black areas
Development Facilitation Act, 1995	To provide for Integrated Development Plans, reflecting current planning and to institutionalize development tribunals for evaluating applications
Physical Planning Act, 1991	To provide guidelines for the drafting of urban development Plans
Regulations on Advertisements on or Visible from National Roads, 1998	To control all advertising on national and regional roads
Subdivision of Agricultural Land Act, 1970	To control the subdivision of farm land and agricultural holdings
Land Use Management Bill, 2002	To establish a uniform land use management system.
Planning Professions Act, 2002	To provide for the training and registration of professional Planners
ENVIRONMENT	
Environmental Conservation Act, 1982	To provide for environmental impact assessments and exemptions, noise control areas etc
Environment Conservation Act, 1989	To provide for the effective protection and controlled utilization of the environment and for matters incidental thereto
National Environmental Management Act, 1998	To provide for co-operative environmental governance by establishing principles for decision making on matters affecting the environment and to provide for matters connected therewith
ENGINEERING / TECHNICAL SERVICES	
Advertising on Roads & Ribbon Development Act, 1940	To control advertising on national and regional roads
Regulations on Advertisements on or Visible from National Roads, 1998	To control all advertising on national and regional roads
National Building Regulations and Building Standards Act, 1977	To provide for the promotion of uniformity in the law relating to the erection of buildings in the areas of jurisdiction of local authorities and for the prescribing of building standards
National Water Act, 1998	To provide for fundamental reform of the laws relating to water resources
Water Services Act, 1997	To provide for the rights of access to basic water supply and sanitation, national standards and norms for tariffs and services development plans
SAFETY AND SECURITY	
Criminal Procedure Act, 1977	To consolidate and regulate procedure and evidence in criminal proceedings
Disaster Management Act, 2002	To provide for an integrated, co-ordinated and

NATIONAL LEGISLATION	SUMMARY/SCOPE OF LEGISLATION
	common approach to disaster management by all spheres of government and related matters
Fire Brigade Services Act, 1987	To provide for the rendering of fire brigade services and certain conditions to the rendering of the service
Gatherings and Demonstration Act, 1993	To control public gatherings and procession of marches
Hazardous Substances Act, 1973	To control matters relating to gas, petrol and liquids
National Land Transport Bill, 1999	
National Land Transport Interim Arrangements Act, 1998	To make arrangements relevant to transport planning and public road transport services
Urban Transport Act, 1977, as amended 1992	To promote the planning and provision of adequate urban transport facilities
National Road Traffic Act, 1996	To regulate traffic on public roads, the registration and licensing of motor vehicles and drivers, including fitness requirements and incidental matters
Road Traffic Management Corporation Act, 1999	To provide in the public interest for co-operative and co-ordinated strategic planning, regulation, facilitation and law enforcement in respect of road traffic matters and to provide for matters connected therewith
Prevention of Illegal Eviction from and Unlawful Occupation of Land Act, 1998	To provide for the eviction of unlawful occupants of land and the protection of the rights of such occupants under certain conditions
Regulation of Gatherings Act, 1993	To control public gatherings and procession of marches
South African Police Service Act, 1995	To provide, inter alia, for a municipal (city) police
HEALTH AND WELFARE	
Hazardous Substances Act, 1973	To control matters relating to gas, petrol and liquids
Health Act, 1977	To provide for the promotion of the health of the inhabitants of the Republic, for the rendering of health services, to define the duties, powers and responsibilities of certain authorities which render such services and for the co-ordination of the services
National Policy For Health Act, 1990	To provide for control measures to promote the health of the inhabitants of the republic and for matters connected thereto
HUMAN RESOURCES	
Employment Equity Act, 1998	To promote the constitutional right of equality and the exercise of true democracy To eliminate unfair discrimination in employment To redress the effect of unfair discrimination in the work place to achieve a workforce representative of the population
Basic Conditions of Employment	To give effect to the right to fair labour practice

NATIONAL LEGISLATION	SUMMARY/SCOPE OF LEGISLATION
Act, 1997	To provide for the regulation of basic conditions of employment
Compensation of Occupational Injuries and Diseases Act, 1993	To regulate the categories of persons entitled to compensation for occupational injuries and diseases, and to determine the degree of disabled employees
Labour Relations Act, 1995	To regulate the organisational rights of trade unions, the right to strike and lock-outs To promote and facilitate collective bargaining and employee participation in decision making To provide simple procedures for labour disputes
Skills Development Act, 1998	To provide for the implementation of strategies to develop and improve the skills of the South African workforce, to provide for Learnerships, the regulation of employment services and the financing of skills development
Skills Development Levies Act, 1999	To provide for the imposition of a skills development levy and for matters connected therewith
South African Qualifications Authority Act, 1995	To provide for the establishment of a National Qualifications Framework and the registration of National Standards Bodies and Standards Generating Bodies and the financing thereof
Unemployment Insurance Act, 1966	To provide for the payment of benefits to certain persons and the dependants of certain deceased persons and to provide for the combating of unemployment
ELECTRICITY	
Electricity Act, 1987	To provide for and regulate the supply of electricity and matters connected thereto

3.3 National & Provincial Policy Planning Framework

- National Planning Framework 2009 -2014
- National Turn Around Strategy for LG - 2009
- Eastern Cape Provincial Growth & Development Plan (PGDP)
- Eastern Cape Spatial Development Plan
- DPLG Credible IDP guide 2010
- District Municipal Strategic Plans (IDP, SDF, LED etc)

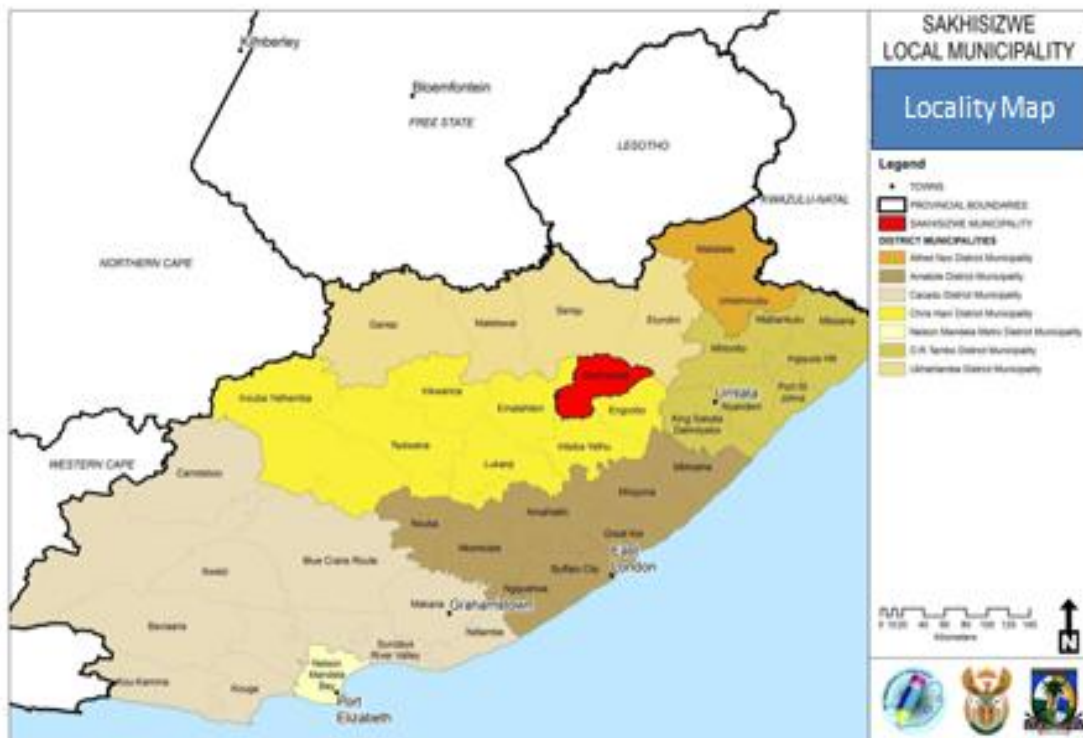
SITUATION ANALYSIS

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

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

4 LOCALITY CONTEXT

Sakhisizwe is a category B municipality (B4 type with largely rural (61%) and low revenue base) situated within the Chris Hani District (see figure below) of the Eastern Cape Province. It is made up of the main town of Cala and Elliot as well as the surrounding rural villages and farms.



The Sakhisizwe Local Municipal Area consists of 7 Wards (these will increase to 9 after LG elections of 2011) , with the main administrative centre located in Cala (Ward 3). A second administrative centre is located in Elliott (Ward 2).

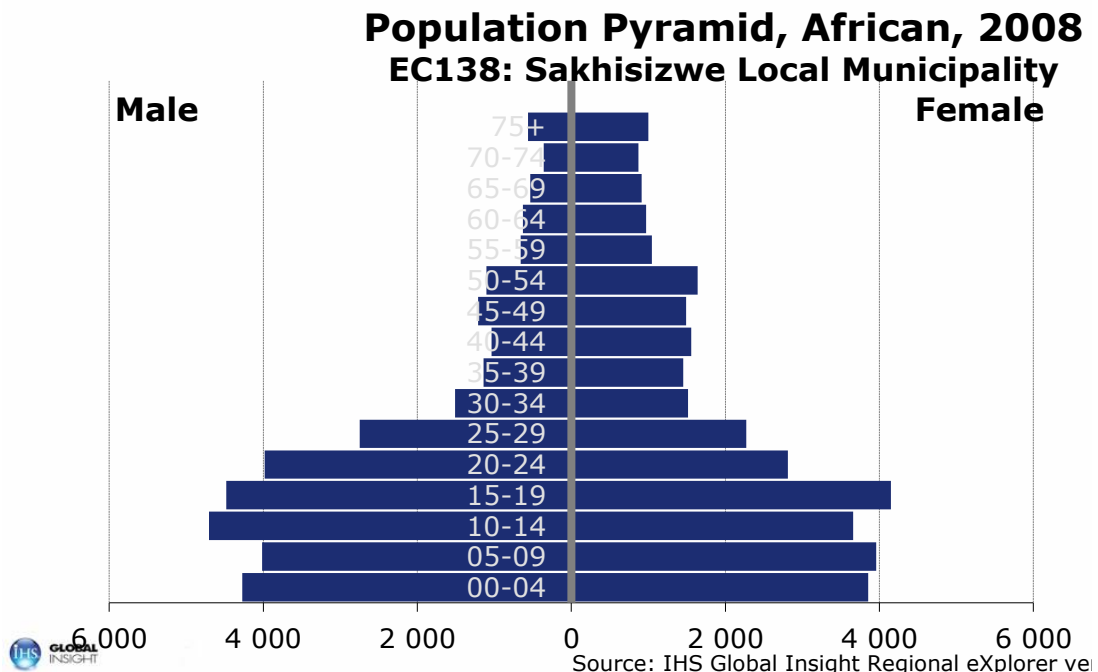
5 DEGRAPHIC PROFILE

5.1 Population size and gender distribution

Sakhisizwe municipality has an estimated population of 66 097 people living in 16 756 households. This represents an estimated household average of 4 persons per household. The population density is estimated to be 29,9 people per square kilometre. However, it should be noted that this average density varies across specific place areas when comparing especially urban and rural areas.

There are more females (51%) than males (49%) in our population. This calls for dedicated programmes of integration and incorporation of women in key planning and decision making roles of our municipality. The figure below gives a comparative view of gender age distribution in our communities.

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



5.2 Household dynamics

Sakhisizwe is a rural municipality with just over 39% of its households residing in the urban centres and peri-urban areas of Cala and Elliot.

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

6 SERVICE DELIVERY

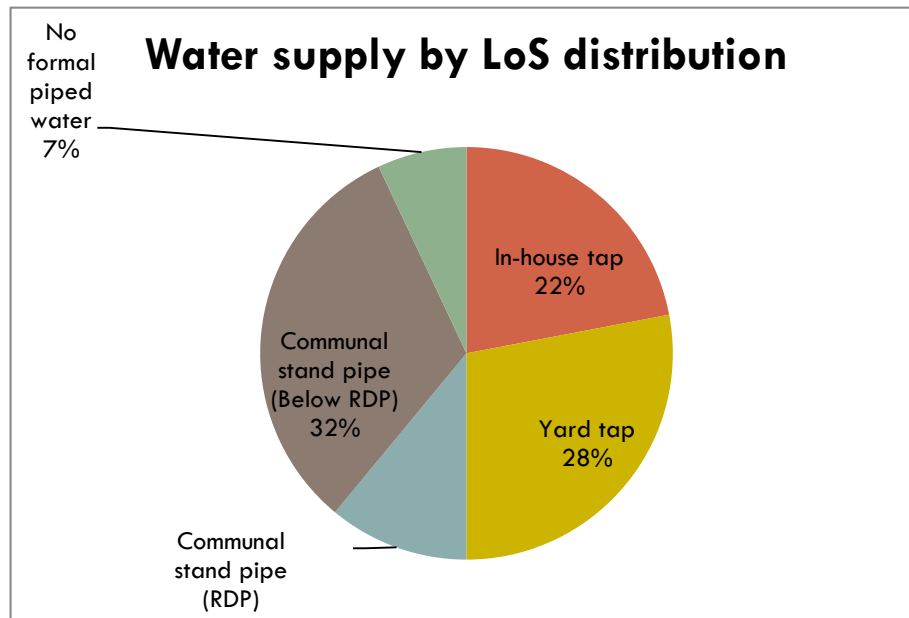
Service delivery occupies the top rank in the municipality's priorities for the next term and subsequent years. The main focus will be on reversing infrastructure and service backlogs through a range of solutions funded both internally and externally.

As a developmental local government, we are expected to ensure sustainable delivery of services through our direct channels and in collaboration with and by facilitation of contributions from various other stakeholders in our jurisdiction.

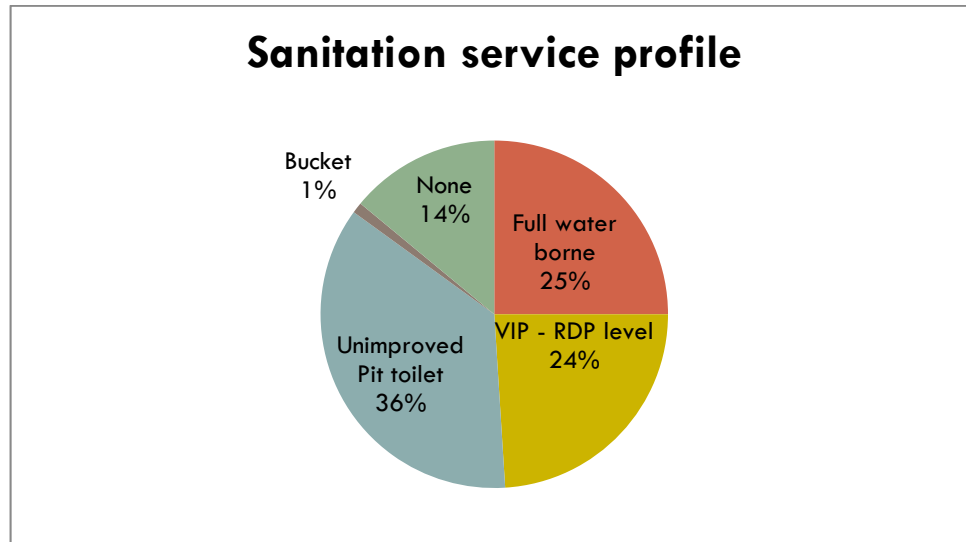
The section below gives an overview of the state of service delivery by looking at household access to basic and non-basic services that people often expect from government.

6.1 Water and Sanitation

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



The backlog for basic water supply is 39% and 51% for basic sanitation. The basic water provision backlog must be fully reversed by 2014 as per CHDM commitment to millennium development goals and that of basic sanitation ought to be fully reversed by end 2012. This is a huge challenge and will need all the resources and cooperation available from all our relevant stakeholders.



The estimated backlog (using Stratdev planning model) at average R6000 per VIP installation and R10,500 per water connection in an established scheme is currently approximated at 47 million & 68 million to reverse the basic water & sanitation backlogs respectively. This amount would ensure that the remaining 8546 and 6535 households who currently lack access to basic sanitation and water respectively, receive clean drinking water and have a minimum dry sanitation service. The Chris Hani District municipality has committed to budgeting and implementing water and sanitation projects for the next 3 MTEF years. To supplement the district resources we have recently procured fleet in the form of water tanker and honey sucker which will be utilised to improve services and maintenance work in our areas.

6.2 Roads, Bridges and Stormwater

Roads, Stormwater and Bridges are the second highest ranking result area in the service delivery priority area. One of the challenges with dispensing our road and related infrastructure responsibility is the lack of clarity regarding road classification. In our jurisdictional areas, we currently operate without a clear classification map indicating as to which roads fall under the district, department of roads and transport and to our council.

Consequently, we treat our entire network as access roads and this has a limiting factor to our budget and quantification of backlogs. Our major strategic roads linking the municipality to neighbouring towns and places of economic exchange include the recently tarred R393 linking Cala to Lady Frere and Queenstown, R58 linking Elliot to Barkly East and Aliwal North as well as the R56 linking Elliot to Indwe. All of these are generally tarred roads with lots of potholes and are in dire need of maintenance (exception of R393). Almost 62km of tarred roads require immediate patch and seal pothole management.

The rest of the municipality's road network is gravel. It is often characterised by poor stormwater drainage designs which often put a lot of pressure on the visual road index and surface durability especially during rainy seasons. There is over 300km of this type of road network which needs regular maintenance and upgrading. The majority of our MIG in the last three years has gone to doing this task without much success. Inputs from consultative representative forum discussions during 2011 identified a number of strategic organizations which the municipality must establish links and partnerships for raising necessary capacity

(funds, equipment and skill) to address our major challenges in the delivery of sustainable roads, stormwater and bridge infrastructure.

The focus for 2011/12 beyond will be on strengthening the chosen primary and secondary nodal development as well as enforce spatial linkages identified in terms of our spatial development framework (SDF). We hope that through this strategy we shall be able to integrate our space economy better. Thus able to achieve a functional road network capable of:

- Facilitating effective movement of people and goods
- Linking of places of living to social amenities, commerce and production areas
- Facilitating aesthetic improvement in our public space and CBDs
- Disposing of excess rain water to prevent unnecessary damage to existing infrastructure and properties

Public Transport

Transport plays a critical role in economic development. Transport service has two levels. It includes public and physical transportation systems. Our role in transport is largely focused on planning for movement of goods and people across our landscape. We are not a transport authority and currently do not have a transport plan.

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

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

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

6.3 Electricity

Eskom is the main provider of electricity in our areas. The role of the municipality is to facilitate and support planning for electrification programmes. Current network is characterised by old support infrastructure and frequent unplanned cuts. An estimated 40% of households do not have access to electricity connection and are not linked to any supply grid. At a workshop held on 23 February 2011, Eskom conceded that at their current pace of investment it is unlikely that the municipality will meet its millennium development goal of wiping electricity backlog by 2012. Most of the budget available to assist in the Sakhisizwe area is earmarked for 2012/13 and beyond. Given this situation, the municipality will have to look at its MIG for supplementary electrification projects aimed at meeting basic needs. Such a predicament also puts the municipality's local economic development objectives at jeopardy.

Eskom's Master Plan, for the next 20 years, has the following projects earmarked to fall within the Sakhisizwe LM

- Improving the reliability of supply by means of additional high voltage lines into Ugie and Elliot substations
- The upgrade of the Elliot 66kV Substation to a 132kV substation in 2013 to ensure reliability of supply.
- Planned Sappi/Elliot 132kV Overhead line estimated to be 70km, and
- The Elliot/Ugie 132kV Overhead line estimated to be 40km
- Develop a new updated Master plan for Sakhisizwe including Cala areas by 2014
- Raise funds and implement the following projects in line with agreed ward plans and IDP priorities of the municipality

Planned but no budgeted electrification

Estimated Financial Year	Project name	Est. no. of Connections	Est. no. of connections in 2010/2011	Est. no. of connections to Gazette 2011/12	Est. balance of connections by end March 2012	Required funding to complete the balance of connections.
2010/2011	Sakhisizwe Extensions Ph 1	900+120	1020	0	0	R0
2011/2012	Sakhisizwe Extensions Ph 2	1163	0	283	880	R12,320,000
2012/2013	Cala Town Extension	2500	0	0	2500	R35,000,000

Estimated Financial Year	Project name	Est. no. of Connections	Est. no. of connections in 2010/2011	Est. no. of connections to Gazette 2011/12	Est. balance of connections by end March 2012	Required funding to complete the balance of connections.
	Cala Rural Extensions	Not quantified	0	0	0	-
	Elliot Rural Extensions	Not quantified	0	0	0	-
	Estimated backlog	4,563	1,020	283	3,300	R47,320,000

Budgeted Phase 01 Priority projects

- Manzana - 47
- Mnxe - 22
- Manzimdaka - 40
- New city - 130
- Cala Town *Ext (13,14,15)* - 791

Budgeted Phase 02 Priority projects

- Ekuphumleni - 100
- Eluqolweni (Seplan) - 49
- Lower Langanci - 66
- Mhlwazi - 47
- Esikobeni - 85
- Pindela -16
- Cala Reserve - 50
- Tsengiwe - 78
- Vergenoeg - 171
- Polar Park - 359

6.4 Telecommunication

Telkom is the main provider of the landline telephone services in the Sakhisizwe area. Cellular network coverage is patchy due to the mountainous terrain as is television and radio reception. Business telecommunication services and facilities are unreliable due to inadequate infrastructure for broadband.

General communication is largely through the mobile and fixed telecoms. The last few years have seen a rise in privately operated mobile public phone services. The municipality has identified operational projects aimed at improving plans for network signal and broadband infrastructure improvement through partnership collaborations with established operators in the ICT sector.

6.5 Housing delivery

Our municipality is not a housing authority and therefore our role is often limited to administrative support like processing of beneficiary applications for subsidized housing linked to rural development and land reform initiatives. In terms of our SDF, housing delivery will initially focus on densification programmes in Phola Park, Old Location in Elliot, Bathandwa Ndondo, Phakamisa, Manzindaka, and Cala Reserve. The intention is to first facilitate completion of the abandoned incomplete projects.

While we acknowledge that this is a national competence, based on the increasing demand by our communities via their ward plans, we feel it will be imperative to develop a comprehensive sector plan to guide our housing development programmes over the next 5 years lined to ruling IDP and SDF. Current analysis and estimates for housing backlog in Sakhisizwe reflects the following:

- 2500 low income units (RDP level across SLM)
- 400 middle to upper income units (primary nodes only)
- 300 rental stock in nodal areas (Cala, Elliot towns and Lower Lafuta secondary node)

6.6 Land reform and rural development

Apart from small pockets of privately owned land in Cala Town, the largest part of the former Transkei area consists of lesser forms of tenure on communal - state owned land. These forms of tenure include PTO's and Quitrent (often in overlapping allocations). The northern (former RSA) component of the Municipality consists of privately owned farms and erven.

Settlement typologies

Scattered low-density rural residential settlements: these settlements are loosely scattered throughout the southern municipal area and are surrounded by communal grazing land, and in some instances - arable lands. The structure of most of these settlements clearly reflects a distinction between residential and arable 1 grazing uses. In a number of settlements where land use rights were in the past issued in terms of the quitrent system, these ownership and use-rights are still acknowledged and respected. The levels of service are

generally low, with the majority of residential structures being self-built. Apart from a few trading stores and agricultural activities, there is little sign of any other economic activity in this area.

Communal agricultural land: these areas make up the balance of the former Transkei part of the Municipality (outside the Cala Commonage boundary and rural settlement areas).

Commercial farms make up the rural component of the former RSA part of the Municipality (outside the Elliott Commonage boundary)

Urban settlements are comprised of the towns of Elliott and Cala. In comparison to their surrounding hinterland, these towns have a higher level of social and infrastructure services and hence fulfill the role of the main service centers to the surrounding hinterland.

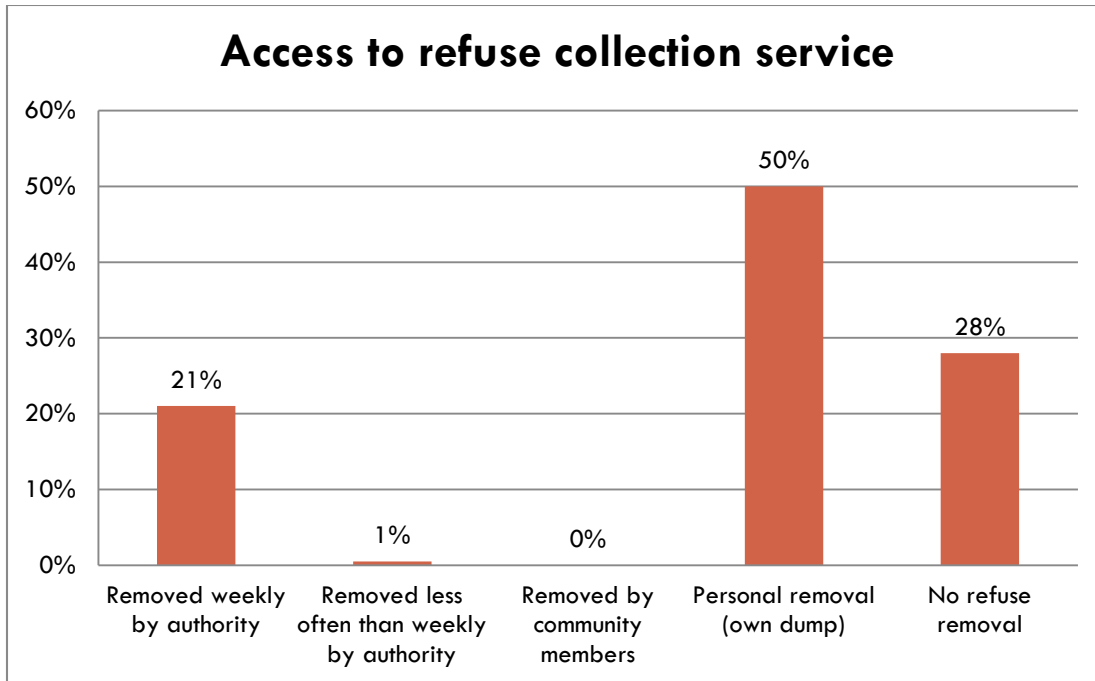
KEY ISSUES

- Dispersed Settlement Pattern: Pockets of developed urban centers surrounded by scattered undeveloped rural villages, which implies great costs to fulfill in the basic human right of access to basic infrastructure and services.
- Settlement of the resident population in can be classified in terms of 3 distinct categories each with unique requirements, Urban, Rural and Agricultural.
- Need to systematically address the fragmented nature of development to promote the integration of urban and rural areas over time (phased development approach which optimizes on existing capacity and resources to generate the most spin-off effects from investment).
- Need for development and implementation of a detailed spatial planning and a land use management system to control development in urban centers and strategic areas that are under pressure to develop.
- A strategic approach is required, which enables geographic areas to be prioritized for different levels of investment to ensure ongoing sustainable development which will have the highest spin-off effects for continued economic growth in the Sakhisizwe Area.
- Limited economic activity outside of urban centers.
- Need to identify and build on the agricultural, tourism and forestry potential of the area and target investment to other LED related initiatives and programmes taking place outside of the urban centers that have potential for growth and to generate economic spin-off.

6.7 Refuse collection, cleansing and waste management

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

Backlog for provision of refuse removal remains high with 28% not served at all while another 50% of households use own means of disposing refuse and waste without any support from the municipality. The deliberate lack of provision in rural areas creates an unfair urban bias and inequalities when comparing rural to urban households. The figure below gives an indication of coverage for refuse collection by household access to a level of service.



6.8 Traffic, Safety and security

	Population	%
0-5 Minutes	25252	37%
5 – 10 minutes	8083	12%
10 - 30 Minutes	28284	42%
30 - 60 Minutes	4593	7%
1 Hour +	1217	2%
Grand Total	67433	100.0

The analysis shows that more than 90% of the population is within a 30 minute drive from a police station. The most inaccessible areas coincide with the most sparsely populated areas.

6.9 Health

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

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

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

In terms of facilities and outreach there are 2 district hospitals in Elliott and Cala and clinics supplemented by mobile units to service certain farms and rural areas.

Sakhisizwe has a ratio of one clinic per 6 752 people. According to national norms of one clinic per 10 000 people 2, Sakhisizwe has more clinics than recommended. However, the rural distribution of the population and the spread of health facilities throughout the area to meet the needs of these communities could justify this situation.

It should, however, be noted that whilst the above health facilities might well exist throughout the Sakhisizwe Municipality, it needs to be borne in mind that the infrastructure serving the facilities (water, sanitation, electricity etc.) is very often well below optimum. According to the findings published in the Eastern Cape Department of Health's Strategic Position Statement³ 27.5% of clinics in the Eastern Cape do not have water-borne toilets, 39% do not have access to safe water and 18% do not have electricity

The high levels of poverty in the Municipality place pressure on the current health facilities. There is a strong correlation between poverty and disease such as TB, malnutrition, pneumonia, diarrhea, gastrointestinal etc. It is also important to note that HIV/Aids will put more pressure and demand on health and social services. The National Antenatal HIV Survey 4 reported that; in 1999, 450 000 people in the Eastern Cape Province were infected with HIV. It when on to state that it projects that 160 000 people would have died of AIDS in the province by the year 2009. This will place even further pressure on the present medical facilities.

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

- **Accessibility:** while facilities exist they are located far from their threshold service areas and people in rural areas need to travel far. The suggested intermediary service through mobile clinics was received by the district health office as a welcome idea for consideration in mitigating accessibility of primary health care services. An assessment of accessibility of health facilities reveal that 68% of the population is within 60 minutes from health facilities. The table below gives a distribution of population by amount of time it takes to reach or access a health facility.

	Population	%
5 km (30 Minutes)	23769	35%
10 km (1 Hour)	22271	33%
15 km (1 Hr 30 Min)	8082	12%
More than 90 min	13311	20%
	67433	100

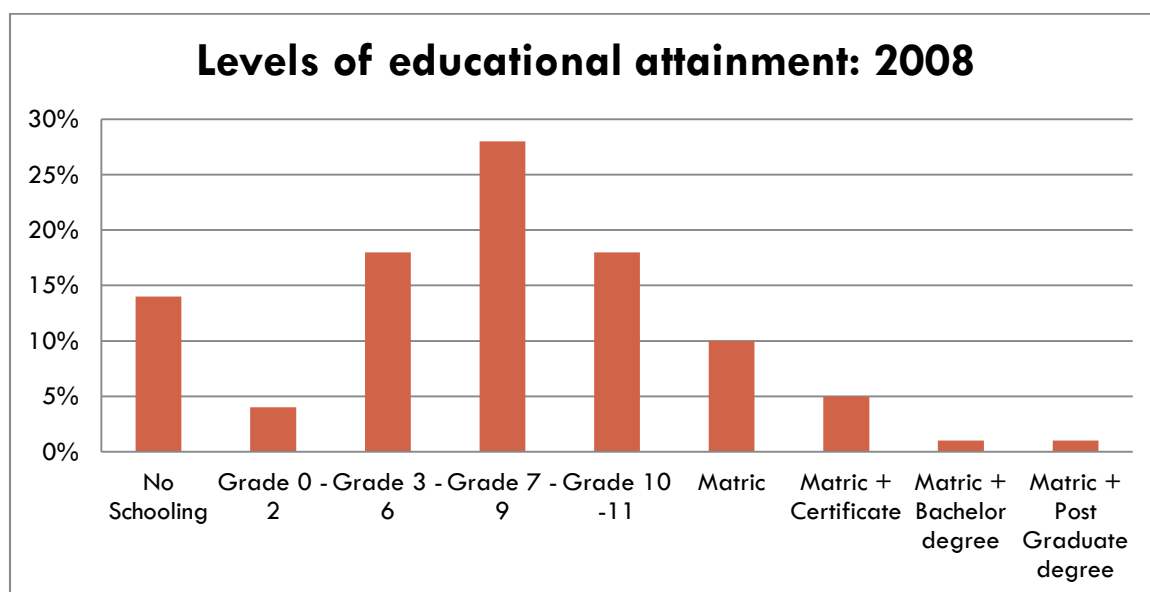
- **Deteriorating infrastructure:** existing hospitals and clinics are often poorly maintained and planned upgrades take long to be implemented leading to gradual decay of already existing facilities. This was attributed to lack of funds and limited budgets allocated to the district office for infrastructure upgrades.
- **HIV and Aids prevalence:** the fight against the spread of HIV and increase of infections and eventual Aids pandemic has been identified as a key priority outcome of the municipality.
- **Lack of doctors and specialist practitioners visiting clinics:** most participants in the community engagement processes mentioned that available consulting doctors were too few to cover the existing demand in all our local clinics and this tend to cause people to want to flock into hospitals only to be sent back to their clinics
- **Attitudes and poor communication:** nursing staff in certain clinics were accused of holding unprofessional attitude when dealing with patients and often fail to communicate properly the department’s policy (eg. Transfer to a hospital) to their patients. Thus causing confusion and misunderstandings which could be prevented.

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

6.10 Education and early childhood development

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

Education is a central service to economic development and without the production of essential skills, there may be limitations in realizing the benefits of our economic opportunities.



It is concerning that a huge number 56% of local adult population are functionally illiterate. Discussions at the consultative processes suggested that the department of education and public works be approached to convert the old college premises in Cala into a skills centre or FET.

Challenges

- Lack of vocational skills training institutions
- Inadequate equipment (laboratories) in local schools to enable effective learning for science and research
- Declining quality and standards of outputs in terms of grades and achievement matric passes by outgoing matriculants
- Poor planning and integration of efforts by the departments of Education, Eskom and District for provision of infrastructure support services like electricity, water and refuse to schools

6.11 Social and recreational facilities

Communities in the Sakhisizwe municipality raised social and recreational facilities as one of their priority needs. Given that the majority of the population are young people who are school going and largely unengaged after school, the role of sports becomes imperative for social cohesion and development. Existing facilities are not properly managed or maintained leading to their premature dilapidation.

Sport fields

There are very few publicly accessible facilities for people to enjoy and they are often overused and less maintained. Recently upgraded soccer field in Cala is a case in point. This is often due to the fact that there are no formal sporting management structures that work with the municipality to operate and share costs of maintenance for facilities.

Sporting Code	Formal League / Teams	Management Body in Place	Facilities	Issues
Soccer	Yes. Only armature levels	Yes. Launched in Feb 2011	Cala & Ellion towns	Lack of tournaments & training facilities
Rugby	No.	No.	None	No formal

Sporting Code	Formal League / Teams	Management Body in Place	Facilities	Issues
				structure
Cricket / Swimming / Netball / Tennis	Some schools have active pupils in these codes	No	None	No organized structure
Swimming	No.	No.	Private swimming pools in Elliot	No organized structure
Gym	No	No	Informal operators in Cala and Elliott	Need for a formal gym in an accessible area
Athletics (Running, Music, Dance, Acting etc)	Done by schools only	None outside of those working with DoE	Informal grounds mostly linked to schools	Need to integrate schools sports and community leagues

Libraries & Halls

There are only two libraries servicing our municipality. These also lack capacity in terms of ICT and number of qualified librarian staff.

Community Halls

At least 5 community halls have been either build or upgraded in the past five years using resources from MIG and other contributors. There are few other halls earmarked for small upgrades in the next MTEF period. The intention is to establish multi-purpose centres which shall allow mix-usages for meetings and other purposes (functions & pay-point for grants etc).

7 LOCAL ECONOMIC DEVELOPMENT

The council has a draft LED strategy which will be finalized and implemented within 2011/12. In the strategy the municipality sees its role in economic development as primarily to create conducive environment for investment attraction and leveraging of efforts for sustained growth and poverty alleviation. We do not see ourselves as primarily responsible for job creation even though we identify as our inherent role the need to plan and coordinate economic development. As required by the Regulation on the systems Act, we shall comply with the national KPA requiring us to monitor measure and report on how many jobs (opportunities) we created as part of rolling-out our capital expenditure programmes.

7.1 General Indicators for economic development

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

7.1.1 Gross Development Product

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

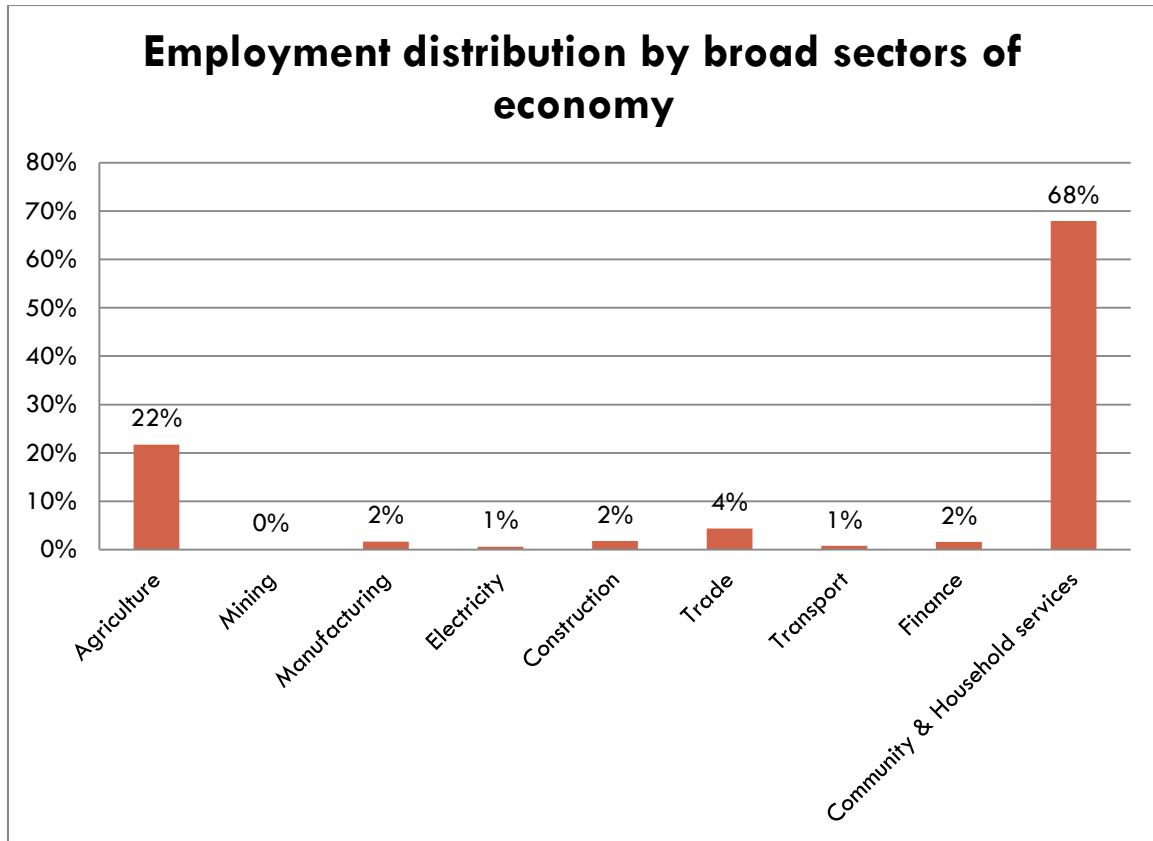
The gross develop product is estimated by 2008 (Global Insight) to be approximately R463 million.

7.1.2 Employment

Unemployment is an important indicator of economic development. Our unemployment rate is estimated to be 36% (¹official definition). This situation is compounded by lack of efficiencies in our employment industries and sectors of the economy.

Off the 9 broad sectors of the economy that Global Insight researched in 2008, only less than four actively contribute to our GDP and Employment. The figure below gives a comparative distribution of employment by sectors.

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

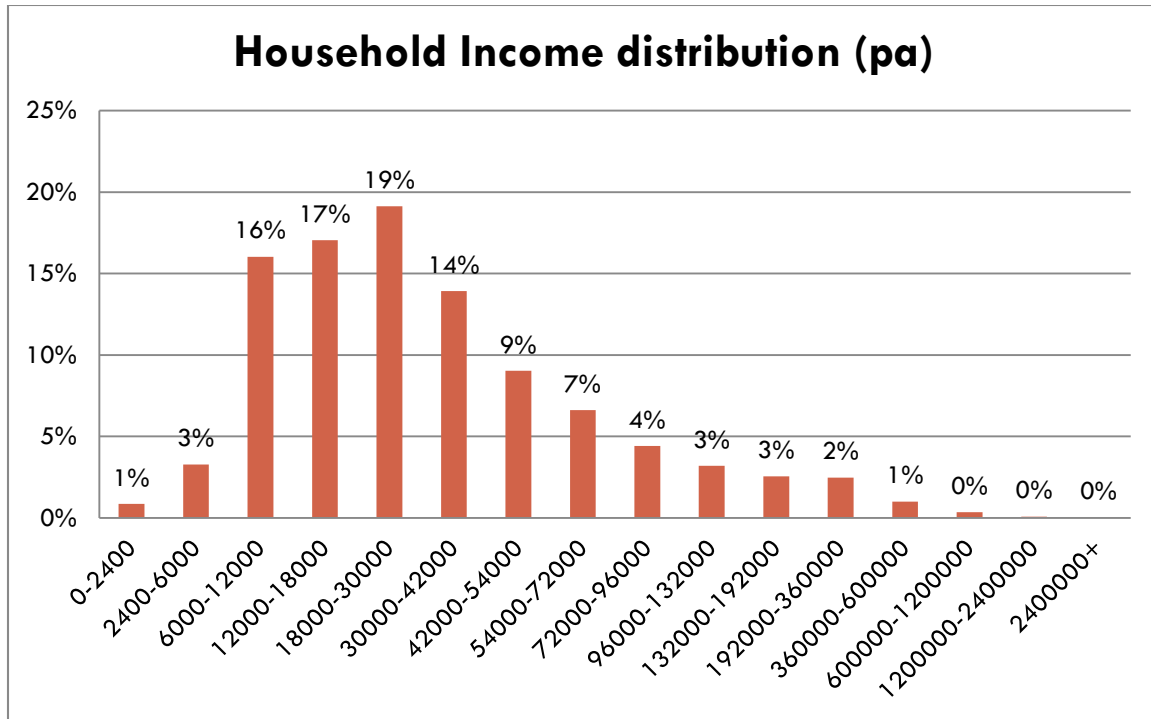


The major contributing sector to employment is community and domestic services followed by agriculture and trade. In our economic development strategy, we are prioritizing agricultural development along with Tourism to achieve high impact on job creation and poverty alleviation.

It is also our intention to improve diversification in our active sectors so that we can minimize exposure caused by over-reliance on 2 key sectors. One of the targeted sectors for improvement are Tourism development and Manufacturing with special focus on SMMEs. Currently Sakhisizwe enjoys a tress index of 79,7 which is slightly better than that of the region at 65,12.

7.1.3 Income & poverty distribution

Understanding income distribution is useful for profiling and determining extent of poverty and lifestyle trends. An estimated 56% of households earn just up to R2500 per month or R30, 000 per annum. The figure below gives a comparative distribution of households by income category (annual figures).



The remaining 44% shown in the figure above to be earning a gross monthly income of R3500 and above can be regarded as middle class. This is the category of earners who should be targeted for middle income housing and higher levels of service for which the municipality may expect to earn revenues from. Unfortunately, this category of earners is still very low to be expected to cross subsidize the indigent class. Given that there is already a high dependency ratio among local population (65%) coupled with endemic poverty in which an estimated 1872 people are said to be living below a dollar (or R7.) a day, the local middle class earners are already pressured.

Human Development Index² is also a useful indicator of lifestyle poverty. It measures people's exposure to poverty by looking at their lifestyles. Sakhisizwe has an HDI of 0.41 which is lower than that of the region and the country. In order to improve this situation the municipality may have to implement effective development strategies aimed at facilitating better education, improved direct investments and employment opportunities.

8 ENVIRONMENTAL MANAGEMENT

The municipality has no functional capacity for undertaking environmental planning and management. We are currently not performing impact assessments, air quality monitoring and general environmental tasks associated with our principal responsibilities. The intention is to

² The Human Development Index (HDI) is a composite, relative index that attempts to quantify the extent of human development of a community. It is based on measures of life expectancy, literacy and income. It is thus seen as a measure of people's ability to live a long and healthy life, to communicate, to participate in the life of the community and to have sufficient resources to obtain a decent living. The HDI can assume a maximum level of 1, indicating a high level of human development, and a minimum value of 0.

engage the departments of Environmental Affairs and Tourism to supplement our capacity insufficiencies until we have a developed capacity.

8.1.1 Overview of conditions

Topography

The Sakhisizwe municipal area comprises gently undulating “table land” forming the Drakensberg foothills. Elevations in the area range between 750m to 2600m above sea level. The soil types vary according to topography. The low-lying area is characterised by soils with high clay content (highly erodible) and the surrounding hills consist of strong litho-soils. Size of municipality is 2556 km².

Climate

The study area experiences warm moist summers; cold dry winters and snow during the winter months. Some parts of the area also experience thunder for about 60 days a year.

Vegetation

The vegetation of the area is composed of sweet and sour Grassveld. Trees and shrubs occur on sheltered sites, rocky hills and ridges. Dohne Sourveld is the most common transitional forest and shrub type and the sweet grass is dominated by Redgrass Themeda triandra. Unimproved Grassland make up (76%), with Cultivated Dryland (9%), Degraded Unimproved Grassland (6%), Forests Plantations (2.5%), Thicket Bush land (2.2%) and Built Up Areas (1 %) making up the balance.

Environmental Development Constraints

Overgrazing - poor farming practices, lack of stock rotation / control. This in-turn leads to degradation of vegetation, soil erosion and increase in invader plants.

Invader plant species - especially wattle along drainage features.

Infrastructure services (lack or poor positioning thereof) - including cemeteries, insufficient sanitation systems, waste disposal and the potential impact on ground and surface water sources

8.1.2 General environmental challenges

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

Lack of provision for green spaces: our towns are characterised by dire lack of public and recreational parks. The former land allocated to these activities has unfortunately been taken over by speculative development in Cala town and poor maintenance in Elliott town centre. Local inhabitants do not have descent areas where they can take their families for a picnic or kids to play.

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

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

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

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

9 FINANCIAL VIABILITY

9.1 Overview

According to the analysis and inputs received from consultative processes, it was agreed that our municipality has had a very weak financial management record. We have not been able to put in place adequate internal financial management control systems and processes of reporting as required by legislation and accounting standards. As a result we have not managed to receive good audit opinion outcomes for the past few years.

The analysis also found that we are over reliant on grants and are currently unable to effectively raise own revenue from potential sources like sale of services and prudent investments decisions. We are therefore not financially viable at the moment.

Hence, in 2011/12 we are prioritizing financial viability and want to invest time and resources in setting up all relevant systems, policies and reporting or accountability measures. The aim is to improve on audit outcomes received for 09/10 and 10/11 and also move toward achieving a clean audit outcome in the next 2 years. To achieve this, the municipality is focusing its energies on the following:

9.2 Auditor General Concerns

The municipality has had a very bad audit outcome (adverse) for the past five years running. This is according to auditor general, due to a number of issues that need to be attended as a matter of urgency including:

- Staffing of the finance department with relevantly skilled and qualified personnel and train them in critical skills needed to improve financial viability
- Putting into place functional accounting and financial record keeping systems
- Ensuring effective internal audit and regular risk management operations are in place
- Complying with LG legislations governing financial control, revenue management, budgeting and reporting such as DORA, MFMA of 2003 and MPRA of 2004 and others
 - Be (MFMA) GRAP compliant - asset register & proper accounting records
 - Be MPRA compliant - updated valuation roll and tariff policy

- Be DORA compliant - spend in accordance with grant conditions
- Develop and implement effective financial controls and policies
 - Indigent policy
 - Supply Chain Management Policy
 - Revenue enhancement and Collection strategy
 - Anti-corruption policy

9.3 Funding streams

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

Our current activities are funded through the following mechanisms:

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

10 MUNICIPAL INSTITUTIONAL DEVELOPMENT AND TRANSFORMATION

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

10.1 Powers and Functions

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

Part B of Schedule 4	Part B of Schedule 5
<ol style="list-style-type: none"> 1. Air pollution 2. Building regulations 3. Child care facilities 4. Electricity and gas reticulation 5. Fire-fighting services 6. Local tourism 7. Municipal airport 8. Municipal planning 9. Municipal health services 10. Municipal public transport 11. Pontoons, fairies, settees, piers and harbours excluding the regulations of international and national shipping 12. Municipal public works only in respect of the needs of the municipalities 13. Storm water management system 14. Trading regulations 15. Water and sanitation services (limited to potable water supply system, domestic waste water and sewerage disposal system) 	<ol style="list-style-type: none"> 16. Beaches and amusement facilities 17. Billboards and display advertisement in public places 18. Cemeteries, funeral parlors and crematoria 19. Cleansing 20. Control of public nuisance 21. Control of undertakings that sell liquor to the public 22. Facilities for the accommodation care and burial of animals 23. Fencing and fences 24. Licensing and controlling of undertakings that sell food to the public 25. Local amenities 26. Local sport facilities 27. Markets 28. Municipal abattoirs 29. Municipal parks and recreation 30. Municipal access roads 31. Noise pollution 32. Pounds 33. Public places 34. Refuse removals, refuse dumps and solid waste disposals 35. Street trading 36. Street lighting 37. Traffic and parking

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

10.2 Organizational development

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

Sakhisizwe has 5 departments namely IPED, Municipal Managers', Technical and Community, Corporate Services and Finance. IPED is responsible for Housing, LED and IDP. The Housing Unit has 2 clerks and 1 seconded Housing Consumer Practitioner (Intern). The LED position is vacant. This Section 57 post is vacant and is in the process of being renewed. The LED Officer post is vacant. Also we have got a young professional deployed by DBSA as Town Planner

The Technical Services has been appointed Section 57 although. This is a DBSA person as is the other person who assists with town planning also act as technical expert. This Department is responsible for road infrastructure, building inspection and plans, land use management, water and sanitation monitoring and building of houses. This department also incorporates Community services that do libraries, traffic control, parks, electricity and essential services such as refuse collection. It consists of 15 refuse collectors, 2 traffic officers and 1 traffic Superintendent.

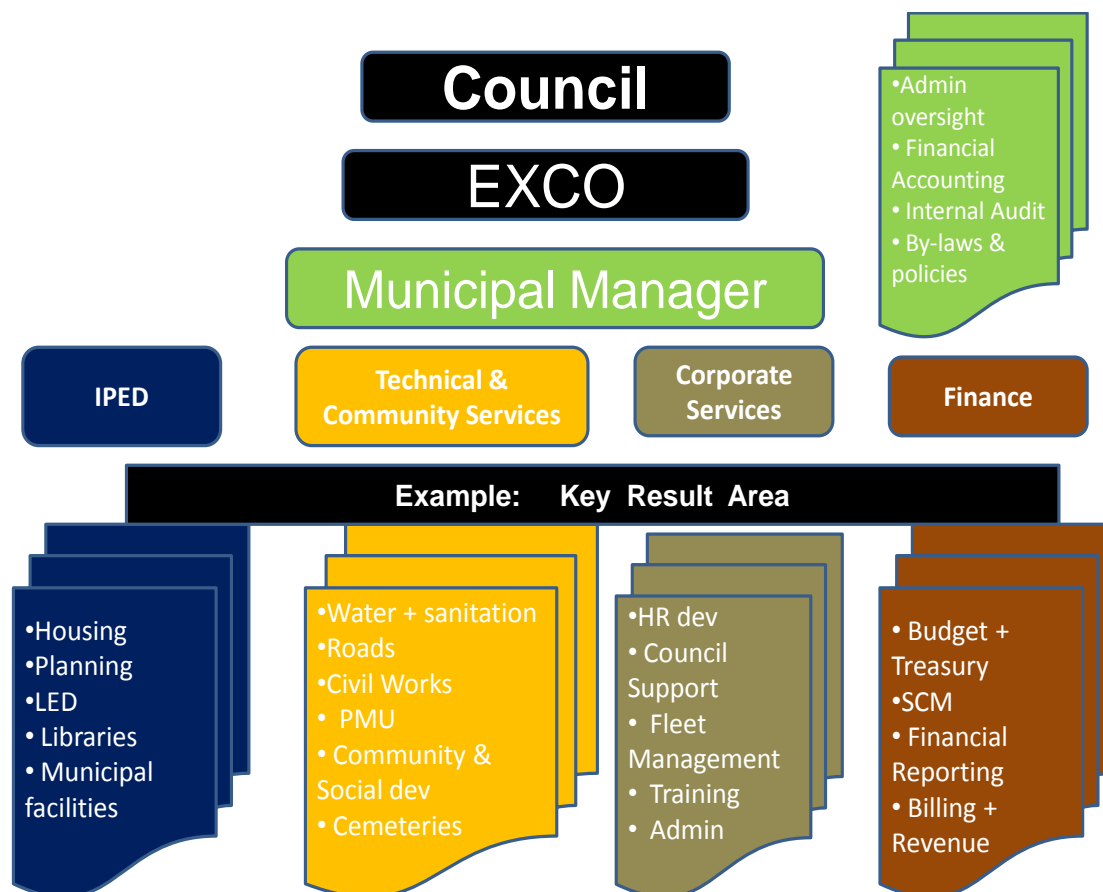
Corporate Services consists of 1 section 57 post and being filled, 1 committee clerk and 1 administrative clerk and HR Officer is vacant. It oversees all of council's activities such as meetings and standing committees. PMS, HR and Skills development is undertaken in this department as well. The posts of HR Officer and Skills development Officer are vacant.

The Finance Department is headed by a DBSA person and now the CFO as section 57 has been employed. It consists of 2 creditor clerks, 2 revenue officers, 1 debtor clerk and 2 young professionals from DBSA, Internal Auditor who is an intern and Intern from treasure department.

As the municipality in this current financial year we have got full component of section 57 managers except for the proposed community services.

Limited skills exist amongst staff due to the location of the municipality which fails to attract young professionals. Many posts in the organ gram (which attached hereunder) are not filled due to financial constraints resulting in overburdened staff members.

The CHDM has engaged a number of water professionals which are based in the LM as from 2009 to assist in the provision of water. Lack of office space and poor ICT network decreases staff productivity. One of the largest concerns is the lack of a customer care service. The figure below gives a picture of the current organizational arrangements at Sakhisizwe.



11 GOOD GOVERNANCE & PUBLIC PARTICIPATION

11.1 Governance systems

The municipality is led by a plenary system type of council headed by mayor who doubles up as a speaker. Decisions are made by council supported by its executive committee which includes the mayor, heads of committees and senior management.

At least council seats every quarter unless a need arise for a special council meeting which is often called at the request of the speaker who is also mayor. Council takes decisions on all aspects of municipal governance and ensure that management implements their decisions.

An IDP is adopted together with a 3 year budget (+SDF, SDBIP & PMS) at the beginning of the council term to guide municipal decision for implementing development, regulating local affairs and guiding administration.

In order to manage day-to day routine tasks of governance, Sakhisizwe has put in place committees headed by portfolio councillors and linked to administrative line functions. These committees work with managers to implement IDP and monitor compliance with council policies and decisions. In the course of implementation, operations interface with external stakeholders through management representations in various forums.

11.2 Inter- Governmental Relations

In compliance with intergovernmental relations act, the municipality is expected to facilitate establishment of an intergovernmental relations forum (IGF) which serves as a platform for facilitating bottlenecks and critical decisions aimed at fast tracking joint development objectives by government and its stakeholders. Sakhisizwe municipality does not have a functional IGF at this stage even though attempts have been made to set up one. This IDP has tasked the office of the municipal manager to establish and ensure that an IGF is functioning and able to meet and deal with critical developmental agenda as per its schedule.

Lack of functional IGR has already shown negative impact on our development wherein sector departments fail to honour commitments made in the IDP by their representatives to the Rep Forum. Linked to this mandate to the office of the municipal manager is the requirement to ensure good working relationship with community development workers (CDW) in all our wards during 2011/12.

11.3 Public Participation & Promotion of Local Democracy

In a bid to promoting effective involvement of communities and thereby implement the requirements of the systems act chapter 4, Sakhisizwe local council resolved to review all its future IDPs through a ward based planning approach. Ward plans have been developed for all wards that existed prior to local government elections 2011 and are incorporated into this document.

A newsletter and regular mayoral report back Imbizos are also planned for the year ahead to enable constant flow of information between the council, its administration and local communities on the affairs of the municipality.

11.4 Customer care relations

In order to promote a good culture of cooperation between the municipality and its paying customers including all those who receive a service from Sakhisizwe, a customer relations framework will be developed. Suggestions at the consultative processes recommended the consideration of current offices in places like Elliott to be utilised as customer interface centres after the consolidation of administration in the new premises at Cala. It was also proposed through the IDP/SDF consultation processes that to give rise to the planned secondary nodal points in Lower Lafuta, a one stop centre be planned and developed in the near future so as to minimise the costs of accessing services to our rural households.

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

- Implementing democracy through investment in public participation and ward capacity building programmes including ward based planning
- Fighting tendencies of corruption in our system
- Increasing trust and support from our communities and also ensuring the maintenance of a good image and profile for the municipality
- Implementing community outreach initiatives such as those activities undertaken in the special programmes unit (focusing on youth, women and disabled)

- Attainment of a clean audit outcome within two prior to installation of the next council
- Putting in place effective systems and processes for improving council oversight and administrative accountability through implementation of functional PMS and SDBIP regular reporting

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

12 SPATIAL DEVELOPMENT FRAMEWORK

Sakhisizwe Local Municipality has adopted its review SDF in March 2011. The document is aimed at providing a spatial policy perspective to this IDP as well as guide future planning decisions about space development. This SDF is based on the following set of objectives and principles.

- restructure spatially inefficient settlements;
- promote the sustainable use of the land resources in the country;
- channel resources to areas of greatest need and development potential, thereby redressing the inequitable historical treatment of marginalized areas;
- take into account the fiscal, institutional and administrative capacities of role players, the needs of communities and the environment;
- stimulate economic development opportunities in rural and urban areas; and
- support an equitable protection of rights to and in land.”

The various principles and directives can be translated into a set of collective development objectives in accordance with the national agenda that form the overarching objectives of the Spatial Development Framework, namely -.

- To promote sustainable development;
- To promote efficient development;
- To promote equitable development;
- To ensure integrated development, and
- To improve the quality and image of the physical environment.

12.1 Legal framework

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

Act determine the content of such a Spatial Development Framework. It requires the municipality to:

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

Ensuring a uniform planning system

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

Providing a national spatial planning framework

The National Spatial Development Perspective is a new initiative by government which sets a national framework to guide infrastructure investments and development decisions. In order to guide development agencies understand their potential and therefore choose appropriate spatial development strategies for their growth, the NSDP suggests six categories of (covering about 315 magisterial districts) areas (spatial development potential):

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

In terms of the analysis of Sakhisizwe potential index, the area has potential in Agricultural development, Tourism resources such as the Cultural Tourism industry and less potential in the

Innovation and experimentation through its limited urban centre with no developed consumer base.

12.2 The provincial framework

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

Strategic policy framework to spatial investment

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

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

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

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

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

Human Resource Development

12.3 Overview of the SDF concept

The diagram below gives a special concept of the Sakhisizwe area.

In terms of the concept, Sakhisizwe has key movement patterns as shown by the major routes depicted on the sketch, Open space system depicted in green and key development nodes in a hierarchical structure with two levels, viz primary and secondary nodes.

12.4 SDF proposals for Sakhisizwe LM

Agricultural Potential areas

It is proposed that the following activities be permitted in the high potential agricultural area:

Activities permitted in the high potential agricultural area Activity	Definition	
Agriculture	The cultivation of land for crops and plants or the breeding of animals or the operation of a game farm on an extensive basis on natural veld or land.	
Agri-Industry and Agri-Processing	An enterprise for the processing of agricultural products on a farming unit or within a rural area owing to the nature, perishableness and fragility of such agricultural products (e.g. wineries, farm pack stores, etc.).	
Agri-Village	A private settlement situated within an agricultural area and where residence is restricted to bona fide farm workers and their dependents of the farms involved in the development.	
Agri-Tourism	A type of tourism in which travellers travel to rural areas to experience the activities and lifestyles of people living and working in the agricultural sector	

Urban Edge

It is proposed that based on the urban edge as demarcated in Paragraph 4.2 (page168) for Cala and Paragraph 4.3 (Page 170) for Elliot, the municipality should not entertain ad hoc, short term proposals for the amendment of the urban edge, unless a strategic change has taken place in the municipal and provincial context.

It is proposed that in order to support the successful implementation of the urban edge, the municipality must also focus on employing the following strategies:

- ***Management Zones along the urban edge.*** Well-functioning urban environments are structured around zones of diminishing intensity as it moves away from areas of highest opportunity. Typically the fringe of urban areas are characterised by what is termed the urban-rural transition zone, comprising low density urban development, low intensity, extensive land uses and semi-rural activities such as nurseries. The urban edge should therefore not denote a clear divide between urban and rural, but rather include management zones along the edge that makes provision for a gradual transition from an urban to a rural environment. The area directly inside the urban edge should look at lower urban intensities, while the areas directly outside the urban edge should make provision for semi-rural and rural residential activities.
- ***Promoting Infill development*** refers to the identification of vacant land parcels within the demarcated urban areas, amongst existing developments, and developing these parcels of land according to their optimal development potential levels.
- ***Promoting Densification in and around strategic locations*** is an important antidote to urban sprawl as it looks at providing high numbers of housing units in strategic, highly accessible locations with high levels of access to economic and social opportunities. If the housing demand, or part thereof, can be satisfied through centrally located high quality higher density residential development then there will be less demand for low density residential developments on the periphery. The secret to success for stimulating the demand for higher density residential living is the quality of the urban environment in which these developments are located. These areas should therefore be focus areas for public investment in infrastructure, social

services, streetscape and urban design, open spaces and general high quality, positive performing urban environments.

- **Managed expansion** refers to the gradual and incremental outward growth of a settlement (i.e. the so-called ripple effect), but within demarcated urban development boundaries (or urban edge), as opposed to leap frog developments that are not physically and functionally integrated with the main urban area.

Nodal Development

It is proposed that the following principles apply to the development and management of nodes:

- In order to support the effective development of nodes in the municipality, the development of urban non-residential land uses, such as business, retail, community facilities, and social services should be restricted to nodal areas.
- Nodes should typically be located at the main access points as urban areas, typically at the intersection of a major mobility route and the major collector route.
- These nodes should show a large degree of public investment in infrastructure, public domain and social services.
- Nodes must be characterised by mixed-use, high intensity activity and higher density residential development (maximum FAR's, coverage and height should not be restricted).
- The manner in which parking in the nodal areas are treated is of importance. Large parking lots adjacent to streets should not be promoted. Buildings should be placed as close to street boundaries as possible

Corridor development

It is proposed that the activity spines should be characterised by the following –

- High intensity, mixed land uses.
- High density residential development, either directly adjacent to the street or within a distance of 200m from the activity spines.
- The activity spines can be developed as continuous linear development areas or in the “beads-on-a-string” form. The nature of public transport and the length of the route should determine the development pattern. The longer the street the more the development pattern should focus on the beads-on-a-string form. Shorter distances are more conducive to continuous linear development.
- Activity spines should show a large degree of public investment in infrastructure and the public domain.
- Large parking lots adjacent to streets should not be promoted. Buildings should be placed as close to street boundaries as possible to facilitate pedestrian movement and to define and shape the public space.
- Site layouts and building designs of individual developments must take cognisance of and support public transport and pedestrian movement.
- Activity spines must achieve a balance between promoting access, creating pedestrian friendly environments, and accommodating mobility.

Industrial development zones

It is proposed that the existing industrial areas should be intensified before new expansion is permitted. Once these areas are fully and optimally developed, the industrial areas can expand if land is available.

The following guidelines apply to developments in the industrial areas:

- *The focus should be on industrial land uses, warehouses and commercial uses such as transport depots.*
- *Small scale storage facilities that are typically found in the more rural areas should be developed in the industrial areas.*
- *Supporting facilities, such as convenience shops, restaurants / canteens, support businesses (such as printers, stationers, day-care and banks), can be provided within the industrial area, provided that the scale of such a development is restricted to that of an ancillary use that does not and will not attract the general public.*
- *Offices shall be restricted to administrative offices belonging to or directly linked to the activities established in the area.*

Densification

It is proposed that the following should apply to densification are the following:

- *Higher density development should be focused around and within walking distance from major activity areas and transport services.*
- *Densities should decrease as the distance away from major activity areas increases. Higher densities in the wrong locations or which are removed from major activity areas and transport routes can be harmful to urban efficiency and sustainability.*
- *Densification should capitalise on existing available infrastructure.*

The following strategic densification priority zones are proposed-

- *Around the Cala and Elliot CBDs.*
- *Along Titsa Road Activity Spine.*
- *Along Maclear Way Activity Spine.*

Development of new settlement ethos

It is proposed that all future settlement developments that take place in the municipal area shall adhere to the principles of the policy document Breaking New Ground: A Comprehensive Plan for the Development of Sustainable Human Settlement. These include principles such as:

- *Residents should live in a safe and secure environment, and have adequate access to economic opportunities, a mix of safe and secure housing and tenure types, reliable and affordable basic services, educational, entertainment and cultural activities, health, welfare and police services.*
- *Ensure the development of compact, mixed land use, diverse, life-enhancing environments with maximum possibilities for pedestrian movement and transit via safe and efficient public transport in cases where motorised means of movement is imperative.*
- *Ensure that low-income housing is provided in close proximity to areas of opportunity.*
- *Integrate previously excluded groups into urban areas and the benefits it offers, and to ensure the development of more integrated, functional and environmentally sustainable human settlements, towns and cities. The latter includes densification.*
- *Encourage Social (Medium-Density) Housing.*
- *Multi-purpose cluster concept will be applied to incorporate the provision of primary municipal facilities, such as parks, playgrounds, sports fields, crèches, community halls, taxi ranks, satellite police stations, municipal clinics and informal trading facilities.*
- *Enhancing settlement design by including design professionals at planning and project design stages, and developing design guidelines.*

- *Social housing must be understood to accommodate a range of housing product designs to meet spatial and affordability requirements.*

Land use regulation outside urban edge

It is proposed that the following principles apply when evaluating applications for developments outside the urban edge:

- Uses should be rural in nature, or should require a rural setting in order to be functional or viable.
- The development should not require extensive service infrastructure.
- The development should not have any negative environmental impact.
- The development should not create possibilities for other developments to establish in the area.
- Uses that primarily service the local market.
- Uses which are resource based.
- Uses which are located at a defined and approved service delivery centre.

It is proposed that land uses that can be permitted in the rural environment include:

- *Nature conservation/sensitive natural areas.*
- *Agricultural activities.¹³*
- *Tourism and related activities.*
- *Conference and training facilities.*
- *Recreational facilities which are essentially rural in nature.*
- *Farm stalls and home industries.*
- *Resource based industries.*
- *Any other uses that in the municipality's discretion fit in with the character of the area outside the urban edge, provided that such development adheres to the criteria set out above.*

Tourism development

Proposed tourism facilities and services, which may be permitted in the tourism focus areas, include-

- *Guest Houses and lodges.*
- *Cultural Villages.*
- *Environmental education centres.*
- *Restaurants, tea gardens.*
- *Wellness centre/spa.*
- *Infrastructure that serves the tourism facilities*

It is proposed that the following principles apply to developments with a possible impact on cultural heritage:

- All new developments should therefore consider heritage resources as part of the environmental impact assessment process.
- All developments that affect existing structures older than 60 years or those that have been afforded protected status must adhere to the provisions of the relevant legislation.
- All gateways should be maintained as significant features. Signage along routes in the vicinity of gateways must be avoided.
- Major landmarks should be conserved.
- Historical sites such as forts, battlefields, cemeteries etc. should be well maintained.

Public spaces and CBD

It is proposed that the following aspects receive projects are considered that will affect the town image and public spaces:

- *Entrances into Sakhisizwe’s urban areas, Cala and Elliot, should be celebrated through signage, monuments or other prominent features.*
- *Strategic sites, which provide settings for landmarks, should be identified and utilised. Buildings located at these positions should have landmark qualities*
- *Important views and vistas should not be obstructed by development.*
- *Public urban spaces should be well designed in terms of their function and the role they play within the urban structure and community life.*
- *Any development should make a positive contribution to the public environment, whether it is an urban or rural setting.*
- *The placement of outdoor advertisements should be managed and coordinated.*
- *Main roads should be developed as important public space elements and treated as such with the planting of trees, maintenance of sidewalks and the provision of well designed, coordinated street furniture such as dustbins, bollards, benches, taxi/bus shelters etc.*

12.5 The overall framework for Sakhisizwe LM

12.6 Land Use Management framework (Cala & Elliot)

Elliot

13 WARD PLANNING

13.1 Ward Based planning approach

In 2011/12, the municipality embarked on a comprehensive approach of IDP review through ward based planning. Each ward was taken through a training workshop at which a common concept and approach was discussed and agreed upon.

Following this, wards went back to hold community meeting at which the plans were formulated with the support of the municipal technical support teams. Below is a summary of the ward based planning approach followed in support of this IDP review.

13.2 Definition

Community-based planning (CBP) is a form of **participatory planning** which has been designed to promote community action and to enhance quality of participation in the Integrated Development Plan (IDP)

13.3 Legal and policy framework that informed our ward planning approach

13.3.1 Constitution 1996

In addition to the BILL of rights and section 152, the constitution obliges LG to undertake certain developmental duties as outlined in schedules 4b and 5b

13.3.2 White Paper 1997

The LG White Paper encourages local government to ensure

- the provision of household infrastructure and services
- the creation of liveable, integrated cities, towns and rural areas
- the promotion of local economic development (LED).
- community empowerment and redistribution.

13.3.3 Structures Act: 1998

Section 19 requires municipalities to:

- develop mechanisms to consult the community and community organisations
- in performance of its functions and exercising powers annually review the needs of the community and municipal priorities and strategies for meeting those needs and involve the community in municipal processes.

13.3.4 Systems Act 2000

In addition to its main focus on municipal internal systems and administration, the ACT dedicates a whole chapter on community involvement in municipal decision making and governance. It also says, a municipality MUST develop an integrated development plan to guide its activities

13.3.5 Municipal Finance Management Act 2003

- The MFMA aims to regulate the municipal budgeting process and financial accounting, auditing, reporting and borrowing. The Act also describes the responsibilities of municipal mayors and officials with regard to financial management and the municipal budget process. It also requires that municipalities must take the needs of the municipality's poor and indigent residents into account in their planning
- MFMA also provides for development of SDBIP

13.3.6 Municipal Property Rates Act 2004

- The Municipal Property Rates Act guide municipalities on how they may charge rates (property taxes) within their areas. The Act aims to make the methods for valuing properties for the purposes of charging rates fair and equitable.
- The Act also allows for municipalities to grant exemptions, rebates and rates reductions to certain categories of property owners, e.g. to owners of properties who are classified by the municipality as being indigent.

13.4 Rational for Community Based Planning

Tsolwana Municipality has chosen to promote CBP for the following reasons among others:

- To promote **community involvement** in the determination of their destiny
- To improve the **quality of plans**;
- To improve the **quality of services**;
- To improve the community's **control over development**;
- To implement **constitution and legislation** (Section 152: MSA sec 16 & 29)

13.5 Conditions for the success of this form of planning

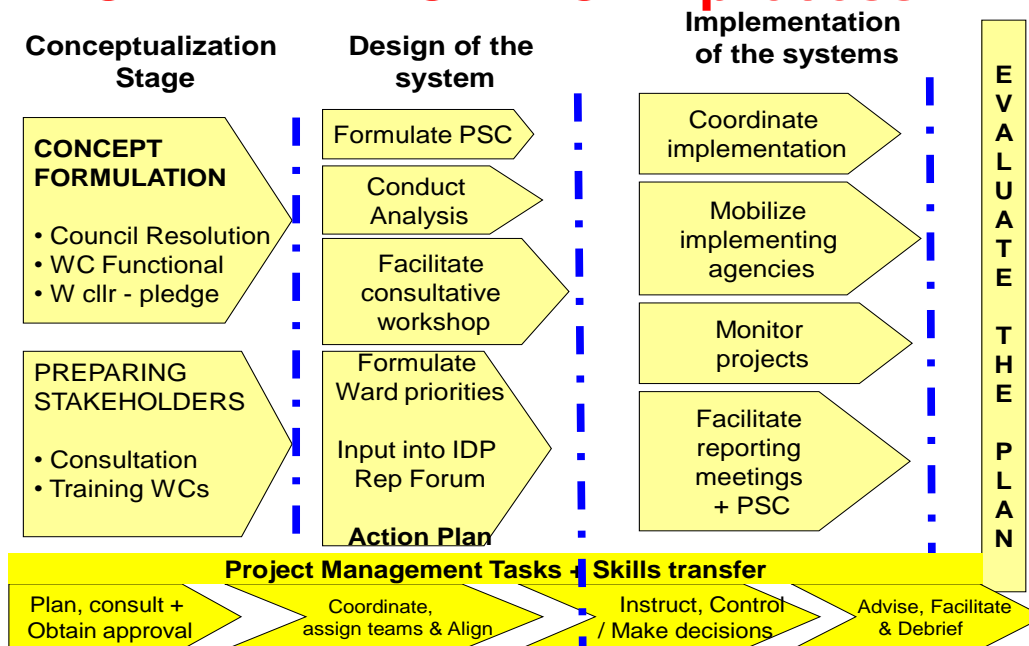
- Council Resolution:** to show high level commitment for a CBP approach to planning
- Ward councilor commitment:** to lead and drive CBP process in the ward
- Functional ward committee:** able to organize and mobilize community around same issue
- Municipal Commitment:** allocation of time, funds and technical resources to genuinely support CBP
- Support by community members:** buy-in in the philosophy of self-reliance and control of local development destiny

13.6 Principles informing our Ward Plans

- Inclusivity:** must ensure open and transparent process
- Pragmatic:** CBP must be based on realistic and practical solutions for local problems
- Legitimacy:** be driven through legitimate structures like ward committees and reflect high commitment from councilors
- Optimistic:** focus on outcomes (strengths and opportunities as opposed to dwelling on weaknesses)
- Mutual accountability:** promote joint accountability of outcomes between communities and officials. However, CBP must be owned and lead by the ward leadership

13.7 Process followed to conclude ward plans

OVERVIEW OF A CBP process



13.8 Unfiltered minutes from ward proceedings

Ward 1

Priorities:

1. Housing
2. Toilet, Pola Park 3, 4,R, Ppz, Emasimini, Ekuthuleni, Egutsini
3. High mater Pola Park 3, Emasimini, Ekuthuleni
4. Roads, Pola Park 1, 2, 3, 4, Emasimini, Ekuthuleni
5. Water, Pola Park 3, 4,R, Ppz, Emasimini, Ekuthuleni
6. Community Hall Pola Park

Ward 2

WARD TWO SERVICE DELIVERY REPORT FROM 2006-2011

WARD VILLAGES

1. Ekuphumleni/Dike
2. Takalani
3. Hillview
4. Elliot Town
5. Arlington
6. Old Location
7. Jonini
8. Ryno
9. Maxongo

10. Cengcu
11. Umhlwazi
12. Gubenxa

WARD PRIORITY FROM 2006-11

1. Housing
2. Electricity
3. Roads
4. Sanitation
5. Water
6. Employment
7. Clinics
8. Schools
9. Pre-paid Electricity
10. Community Halls
11. In-door Sport centre

FINISHED PROJECTS**Roads**

Project Name	KM	Budget	Employment	Year
1. Umhlwazi Acces	22 KM	R2 million	15 people	2006-07
2. Ekuphumleni Access	19 KM	R6 million	19 people	2008-09
3. Gubenxa Access	19 KM	R5.5 million	12 people	2009-10
4. Maxongo Access	3 KM	R3 million	20 people	2009-10
5. Arbatour Access	1 KM	R2 million	10 people	2009-10
TOTAL	64 KM	R18.5 million	76 people	2006-2010

Water

Project Name	Budget	Employment	Year
Ekuphumleni Water Supply	R4 million	17 people	2006-07
Umhlwazi Water Supply	R5.3 million	10 people	2007-08
TOTAL	R9.3 million	27 people	2006-2008

Water Interventions to Village Has No Water

- Jonini Loction- 3 taps
- Maxongo- 1 tap
- Gubenxa- 2 taps
- Arlington & Ryno- we are distributing water with our water trucks in the two villages

Major Renovation in Our Building

- Major renovation of the Elliot Town Hall that cost us R2 million. We employed 20 people. Traffic offices renovations cost us R2 million. We employed 15-35 people.

Electricity

- Elliot Bulk Electricity Supply Project of R3 million from 2007-2008. We employed 10 people.

Clinics

Project Name	Budget	Employment	Year
Beesterkraal Clinic	R5.6 million	30 people	2008-09
Umdlwazi Clinic	R6 million	25 people	2008-09
TOTAL	R11.6 million	55 people	2008-2009

Local Economic Development Projects

Project Name	Budget	No. of Beneficiaries	Year
1. Masisebenze Food Security	R 300000.00	15 Members	2008
2. Khulanathi Food Security	R 200000.00	20 Members	2009
3. Vukuzenzele Food Security	R 375000.00	18 Members	2010
4. Sondlisizwe Food Security	R 300000.00	12 Members	2007
TOTAL	R11.75 million	65 Members	2007-2010

Employment

1. Roads Projects-76 people
2. EPWP-110 people
3. Three permanent post in the municipality
4. We employed 189 people from 2006-2010 in out ward

Other Departments Employment

3 Contract workers in the post office

5 permanent posts in the Department of Health

1 permanent post in the Department of Education

2 permanent post in the department of Police Liaison

Other Departments employed 11 people, so we are having a total of 200 people from 2006-2010

Unfinished Projects

- Housing projects – Takalani
- Temporal structures – Old Township
- Electricity – Takalani & Hillview

Challenges of the Ward

1. Housing
2. Sannitation
3. Roads
4. Electricity
5. Water
6. Community Halls

7. Indoor Sport Centre

“AMANDLA” FROM WARD COUNCILLOR – MBULELO MXHONYWA CONTACT NUMMBER- 0834478474

Ward 3

Discussion & List for Ekuphumleni & Esikhobeni Locations

Already Done

1. Clinic
2. Water
3. Road

Challenges

- Electricity
- Community Hall
- Sanitation
- School Computers
- Fencing of Field Ploughing
- Playgrounds
- Extensions of Public Works Programme

Discussions & suggestions

- Money to do these challenges
- Project from Esikhobeni & Ekuphumleni
- Crech of Ekuphumleni
- High School of Ekuphumleni
- Network Poul

Already Done at Macangceni

1. Clinics
2. Electricity
3. Water
4. Community Hall
5. Sanitation

Challenges

- Roads
- Fencing of field ploughing
- A poul of network
- We got problem at Boarder gate with moddrake
- Playgrounds
- Crech of macangceni
- Extension of Public Works Programme

Discussions & Suggestions

- Need money to do these challenges
- Support our projects

Already Done at Qhiba

1. Clinics
2. Electricity
3. Water
4. Community Hall
5. Sanitation

Challenges

- Roads
- Fencing of field ploughing
- A poul of network
- We got problem at Boarder gate with moddrake
- Playgrounds
- Crech of Qhiba

Discussions & Suggestions

- Need money to do these challenges
- Support our projects

Already Done at Xonya

1. Clinics
2. Electricity
3. Water
4. Community Hall
5. Sanitation

Challenges

- Roads
- Fencing of field ploughing
- A poul of network
- We got problem at Boarder gate with moddrake
- Playgrounds
- Crech of Xonya

Discussions & Suggestions

- Need money to do these challenges
- Support our projects

Already Done at Luxeni

1. Clinics
2. Electricity
3. Water
4. Community Hall
5. Sanitation

Challenges

- Roads
- Fencing of field ploughing
- A pool of network
- We got problem at Boarder gate with moddrake
- Playgrounds
- Crech of Luxeni

Discussions & Suggestions

Need money to do these challenges

Support our projects

Already Done at Taleni Village

1. Clinics
2. Electricity
3. Water
4. Community Hall
5. Sanitation

Challenges

- Road from Taleni to Qhiba
- Bhobho
- Beestekraal
- Fencing of field ploughing
- School Computers
- Playgrounds

Discussions & Suggestions

- Need money to do these challenges
- Project from Taleni to Mola

Already Done at Cala

1. Clinics
2. Electricity
3. Water
4. Community Hall
5. Sanitation

Challenges

- Ulwandiso lomsebenzi wendlala. Palalie works
- Fencing of field ploughing
- Playgrounds
- A poul of network
- Ubiyo Lwamadlelo
- Iproject ne gresh

Discussions & Suggestions

Iproject asinayo

Already Done at Umgwalana

1. Road
2. Electricity
3. Water
4. Sanitation

Challenges

- Projects
- Fencing of field ploughing
- School Computers
- Playgrounds
- Network pawl

Discussions & Suggestions

- Need money to do these challenges
- Deep for cattles and sheeps

WARD 4**A:**

- This ward is situated across Tsomo River on the western side of Xalanga.
- The mountains of Xalanga surrounding the ward villages.
- Communities have access to Tarres road to Lady Free above Batandwa Ndondo Secondary school.
- Indwe road is situated below some of the villages of the ward.
- There is forest slong the tarres road to Lady Free next to the mountain called Getyese

B:

Social grant

C:

Land and skills development

D:**Challenges**

- Access roads and bridges..... LM and Dept of roads
- Sanitation..... District Municipality
- Land Care..... Agriculture
- Electricity in extensions.....eskom
- Fencing... Agriculture
- Storm water drainages
- Damns

E:

- Proper consultation with relevant departments
- Rastrack the process

F:

- Roads
- Sanitation

WARD 5

Pre-school.....Manzimdaka

Playgrounds..... All wards

Water extentions.... M

Already Done:

Clinics.....Cala Town

School P.....Cala and Manzimdaka

Police Station...Cala Town

Challenges:

Community Hall

Preschools.....Manzimdaka

Playgrounds.....Manzimdaka

Sanitation.....Manzimdaka

Water extension.....Manzimdaka

Electricity extension...Manzimdaka for more than 25 houses

Free basic Electricity....All wards

Swerige pound..... Cala

Challenges of Water in Town

WARD 6**Priorities:**

Toilets in all villages

Water

- Lower Tsengiwe extensions
- (Upper Mnxe) riverside extension
- Cala Reserve storm water drainage

Electricity:

Extensions – Cala reserve

- New City
- Polar Park
- Tsengiwe
- Misson
- Manzama

Roads:

- Acces Roads
- Mnxe Clinic
- Fencing of Cemeteries

1: Access Roads

- Mbenge
- Upper Lututha
- Hota Mbewla
- Nxanga

2: Removal of Wattle:

- Nyalasa
- Lower Lututha
- Lower Langanci
- Upper Lututha

3: Fencing of grazing Land:

All villages

4: Establishment of Satellite Offices:

- Social service
- Police station

- Veterinary services
- Postal services
- Library services

14 KEY DEVELOPMENT PRIORITIES FOR 2010/11

6) Service Delivery

- a. Water and Sanitation
- b. Road, Stormwater & Transport Infrastructure
- c. Electricity
- d. Housing
- e. Health & Education
- f. Social Development
- g. Community facilities (libraries, cemeteries, pounds, Halls etc)
- h. Disaster management & fire

7) Local Economic Development

- a. Planning
- b. Manufacturing & SMME support
- c. Tourism development
- d. Agriculture and Farming
- e. Poverty Alleviation

8) Financial Viability

- a. Financial Management and reporting
- b. Budget & Expenditure
- c. AG Queries
- d. Revenue and Billing
- e. Supply Chain Management
- f. Risk and Asset Management
- g. Financial policies

9) Good Governance & Public Participation

- a. IDP and PMS
- b. IGR
- c. Public Participation
- d. Internal Audit
- e. Communications

10) Municipal Institutional Development & Transformation

- a. Organizational development and Administration

- b. HR Development
- c. Capacity Building and Training
- d. Fleet Management
- e. Council Support
- f. Special Programmes (SPU)

STRATEGIES & PROJECTS

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

15 VISION

“Together with the communities and partners striving for sustainable livelihoods and economic growth for all”

16 MISSION

“Together with all communities, we will provide sustainable quality service delivery, skills development and alleviate poverty through integrated development plan”

17 BROAD STRATEGIC DEVELOPMENT OUTCOMES

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

- Sustainable economic growth
- Incremental capacity building and political maturity
- Poverty eradication and job creation
- Clean corruption-free governance, characterised by high performance culture
- Functional developmental LG – good governance systems and public participation

18 DEVELOPMENT OBJECTIVES, STRATEGIES AND PROJECTS

Key Priority Area	Sub-result areas	Objective	Development Target in terms of MSA -S26 & 41	Supporting Strategies	Project to be implemented	Source of budget	MTEF BUDGET		
							2011-12	2012-13	2013-14
Service Delivery	Water & Sanitation	To facilitate adequate provision of services and maintenance of operational infrastructure	90% of households with access to basic water by 2014	Top mobilize resources from various stakeholders for construction and upgrade and use own MIG for maintenance	Cluster 4 water backlog at wards 4,6&7	CHDM	R 3 000 000.00	R 1 000 000.00	R 500 000.00
					Bulk services upgrade	CHDM	R 1 500 000.00	R 1 000 000.00	R 5 000 000.00
			Xhalanga ward 4 water supply		CHDM	R 500 000.00	R 0.00	R 0.00	
			Elliot waste water treatment works		CHDM	R 6 000 000.00	R 3 800 000.00	R 0.00	
			80% of households with access to basic sanitation by						

Key Priority Area	Sub-result areas	Objective	Development Target in terms of MSA -S26 & 41	Supporting Strategies	Project to be implemented	Source of budget	MTEF BUDGET		
							2011-12	2012-13	2013-14
			2012		Cluster 5 sanitation at wards 2,3,4&7 + Taleni	CHDM	R 4 000 000.00	R 2 000 000.00	R 0.00
					Cala water treatment works	CHDM	R 3 000 000.00	R 4 000 000.00	R 0.00
	Electricity	To facilitate provision of reliable electricity to household	100% of households with access to electricity by 2015	Use own MIG to lever more resources from strategic	Takalani electrification + Hillview at ward 2	Eskom	R 2 500 000.00	R 1 000 000.00	R 2 000 000.00

Key Priority Area	Sub-result areas	Objective	Development Target in terms of MSA -S26 & 41	Supporting Strategies	Project to be implemented	Source of budget	MTEF BUDGET		
							2011-12	2012-13	2013-14
		s and businesses		partners	Sakhisizwe ph-2 (Ekuphumleni - 100 Eluqolweni (Seplan) - 49 Lower Langanci - 66 Mhlwazi - 47 Esikobeni - 85 Pindela -16 Cala Reserve - 50 Tsengiwe - 78 Vergenoeg - 171 Polar Park - 359)	Eskom	R 12 300 000.00	R 500 000.00	R 0.00
					Cala town extension	Eskom	R 35 000 000.00	R 0.00	R 0.00

Key Priority Area	Sub-result areas	Objective	Development Target in terms of MSA -S26 & 41	Supporting Strategies	Project to be implemented	Source of budget	MTEF BUDGET		
							2011-12	2012-13	2013-14
					Completion of ph-01 (Manzana - 47) Mnxe - 22 Manzimdaka - 40 New city - 130 Cala Town Ext (13,14,15) - 791	Eskom	R 0.00	R 0.00	R 0.00
	Roads, Storm water, Bridges and Transport infrastructure	To plan and facilitate delivery and maintenance of road, stormwater, bridges	62km of gravel road and 300km of tarred surfaces sealed and patched by 2014	Top mobilize resources from various stakeholders for construction and	Develop new access roads in villages focusing on SDF identified nodes	MIG	R 3 000 000.00	R 3 500 000.00	R 5 000 000.00

Key Priority Area	Sub-result areas	Objective	Development Target in terms of MSA -S26 & 41	Supporting Strategies	Project to be implemented	Source of budget	MTEF BUDGET		
							2011-12	2012-13	2013-14
		and transport infrastructure		upgrade and use own MIG for maintenance	Maintain roads in critical areas - focusing on fixing of potholes and patches on tarred roads	MIG + DoRT	R 850 000.00	R 1 900 000.00	R 7 000 000.00
					Implement approved & registered MIG projects in priority wards	MIG	R 0.00	R 0.00	R 0.00
	Waste Management & Refuse collection	To improve service coverage to those at risk	100% of households with access to healthy means of refuse and waste	By utilising own funds and supplementing with contributi	Facilitate identification & preparation of suitable landfill in Cala	MIG	R 500 000.00	R 1 500 000.00	R 0.00

Key Priority Area	Sub-result areas	Objective	Development Target in terms of MSA -S26 & 41	Supporting Strategies	Project to be implemented	Source of budget	MTEF BUDGET		
							2011-12	2012-13	2013-14
			removal by 2014	ons sourced elsewhere	Provide skippers for households in areas that do not receive weekly collection such informal settlements in Cala and Elliot	MIG	R 800 000.00	R 250 000.00	R 300 000.00
					Clean streets in Cala and Elliot towns	OPEX	R 0.00	R 0.00	R 0.00
					Develop a sector plan for waste amangement	CHDM	R 0.00	R 0.00	R 0.00

Key Priority Area	Sub-result areas	Objective	Development Target in terms of MSA -S26 & 41	Supporting Strategies	Project to be implemented	Source of budget	MTEF BUDGET		
							2011-12	2012-13	2013-14
			Facilitate delivery and administration of 2000 housing applications by June 2012		Develop housing sector plan	DoHS	R 0.00	R 0.00	R 0.00
	Housing	To plan and facilitate delivery of mix income level housing programme	Deliver 250 planned and service ervens for sale to middle income housing applicants by June 2013	By working in close partnership with departments of human settlements and land affairs	Survey and service strategic land (250 ervens) for sale to middle income housing initiatives	DoLG	R 0.00	R 0.00	R 0.00
Administer and process low cost housing applications for beneficiaries in all wards					OPEX	R 0.00	R 0.00	R 0.00	

Key Priority Area	Sub-result areas	Objective	Development Target in terms of MSA -S26 & 41	Supporting Strategies	Project to be implemented	Source of budget	MTEF BUDGET		
							2011-12	2012-13	2013-14
	Community Facilities	To ensure adequate provision and accessibility of community facilities and related services	Ensure all wards have access to a cemetery by 2012	By planning and setting aside suitable land for cemeteries and providing service to communities	Land identification & PROCUREMENT for future cemeteries	DoLA & OPEX	R 0.00	R 1 500 000.00	R 400 000.00
Provision of cemetery services and maintenance					OPEX	R 300 000.00	R 450 000.00	R 500 000.00	
Ensure effective provision of pound management services in accessible points			By improving management of existing facilities	Hiring of rangers and stock shepherds for existing pounds	OPEX	R 50 000.00	R 50 000.00	R 50 000.00	

Key Priority Area	Sub-result areas	Objective	Development Target in terms of MSA -S26 & 41	Supporting Strategies	Project to be implemented	Source of budget	MTEF BUDGET		
							2011-12	2012-13	2013-14
					Develop BP to secure funding for the procurement of pounding truck to operate Cala and Elliot areas	OPEX	R 0.00	R 500 000.00	R 150 000.00
			Construct and maintain community at least 3 halls by June 2013	By utilising own funds and supplementing with contributions sourced elsewhere	Construct and upgrade multi-purpose centres	MIG	R 400 000.00	R 200 000.00	R 850 000.00

Key Priority Area	Sub-result areas	Objective	Development Target in terms of MSA -S26 & 41	Supporting Strategies	Project to be implemented	Source of budget	MTEF BUDGET		
							2011-12	2012-13	2013-14
			Improved turnaround time for disaster and emergency response to within 1.5hours for ambulance and fire	Sign MoU with relevant government organs	MoUs with CHDM, Health and Community Services signed	OPEX	R 0.00	R 0.00	R 0.00
		To improve accessibility of library and information services to all our people	Ensure development of at least 2 intermediary libraries by 2013	Sign MoU with department of sport for operational support to all existing libraries	Facilitate MoU with DoSports & Recreation	OPEX	R 0.00	R 0.00	R 0.00

Key Priority Area	Sub-result areas	Objective	Development Target in terms of MSA -S26 & 41	Supporting Strategies	Project to be implemented	Source of budget	MTEF BUDGET		
							2011-12	2012-13	2013-14
		To ensure improved service and infrastructure upgrade for health & Education facilities	Departments fully participating on IGF quarterly meetings	Invite senior department representatives to IGF	Secure participation of senior decision makers of departments in the IGF	OPEX	R 0.00	R 0.00	R 0.00
					Facilitate maintenance of health facilities	DoH	R 0.00	R 0.00	R 0.00
					Facilitate carrying out of joint awareness campaigns for HIV and other health matters in all wards	DoH & OPEX	R 200 000.00	R 250 000.00	R 250 000.00

Key Priority Area	Sub-result areas	Objective	Development Target in terms of MSA -S26 & 41	Supporting Strategies	Project to be implemented	Source of budget	MTEF BUDGET		
							2011-12	2012-13	2013-14
					Facilitate support to crèches and early childhood development initiatives in all wards	OPEX	R 150 000.00	R 150 000.00	R 150 000.00
					Facilitate maintenance of education facilities + establishment of a vocational training institution in Cala	DoE, Donours	R 0.00	R 0.00	R 10 000 000.00
					Facilitate carrying out of joint awareness campaigns for education and ABET	DoE	R 0.00	R 0.00	R 0.00

Key Priority Area	Sub-result areas	Objective	Development Target in terms of MSA -S26 & 41	Supporting Strategies	Project to be implemented	Source of budget	MTEF BUDGET		
							2011-12	2012-13	2013-14
Local Economic Development	Planning & Economic Development	To ensure sustainable economic development and job creation	Raise at least 5 million to implement LED Strategy by June 2013	Collaborate with strategic partners and develop BPs to potential funders for specific projects	MoUs with at least 3 partners & developed an investment framework plan by June 2012	OPEX	R 250 000.00	R 0.00	R 0.00
	Tourism Development, Manufacturing & SMME support				Tourism sector plan developed	OPEX	R 150 000.00	R 0.00	R 0.00
					Trained at least 300 participants in manufacturing and vocational trades from all wards	OPEX	R 90 000.00	R 140 000.00	R 50 000.00
					Procured in excess of R3,5 million per annum	OPEX	R 0.00	R 0.00	R 0.00

Key Priority Area	Sub-result areas	Objective	Development Target in terms of MSA -S26 & 41	Supporting Strategies	Project to be implemented	Source of budget	MTEF BUDGET		
							2011-12	2012-13	2013-14
					from local SMMEs using own SCM provisions				
	Agriculture, Farming & Poverty Alleviation	Improve performance of the sector in job creation	Facilitate at creation of at least 500 job opportunities by June 2012	Collaborate with strategic partners and develop BPs to potential funders for specific projects	Develop partnerships and support cooperatives in all areas	Dti & Sakhisizwe	R 0.00	R 0.00	R 0.00
Facilitate implementation of fencing and community gardens by departments of Agriculture, Social Development and Land affairs					DoSD, DoLA, DoA	R 0.00	R 0.00	R 0.00	

Key Priority Area	Sub-result areas	Objective	Development Target in terms of MSA -S26 & 41	Supporting Strategies	Project to be implemented	Source of budget	MTEF BUDGET		
							2011-12	2012-13	2013-14
					Facilitate ploughing of at least 30 hectares by June 2012 in partnership with Asgisa EC and DoA	Asgissa EC, DoA, Sakhisizwe	R 0.00	R 0.00	R 0.00
Financial Viability	Financial Viability	To ensure financial viability and a clean audit outcome	Clean audit outcome by Jan 2013	work in collaboration with CHDM and DBSA to build systems and capacity	Develop audit action plan and monitor compliance on a monthly basis	OPEX	R 0.00	R 0.00	R 0.00
					Establish functional internal audit unit and system	FMG	R 350 000.00	R 400 000.00	R 400 000.00
					Develop and implement revenue enhancement and collection strategy	MSIG	R 250 000.00	R 150 000.00	R 0.00

Key Priority Area	Sub-result areas	Objective	Development Target in terms of MSA -S26 & 41	Supporting Strategies	Project to be implemented	Source of budget	MTEF BUDGET		
							2011-12	2012-13	2013-14
					linked to Indigent policy				
					Do monthly reconciliations and record keeping in line with GRAP requirements	OPEX	R 0.00	R 0.00	R 0.00
					Compile annual budget and monitor strict compliance with expenditure	MSIG	R 0.00	R 0.00	R 0.00
					Review SCM policy and train internal officers	MSIG	R 120 000.00	R 0.00	R 0.00

Key Priority Area	Sub-result areas	Objective	Development Target in terms of MSA -S26 & 41	Supporting Strategies	Project to be implemented	Source of budget	MTEF BUDGET		
							2011-12	2012-13	2013-14
					Update vendor registration database quarterly	OPEX	R 0.00	R 0.00	R 0.00
					Update valuation roll and implement complaint tariff and Rates policy by June 2012	MSIG	R 300 000.00	R 150 000.00	R 0.00
					Prepare and submit regular s71 reports on time	OPEX	R 0.00	R 0.00	R 0.00
					Develop and implement Risk Assessment Plan and Asset Register (GRAP	FMG	R 85 000.00	R 200 000.00	R 0.00

Key Priority Area	Sub-result areas	Objective	Development Target in terms of MSA -S26 & 41	Supporting Strategies	Project to be implemented	Source of budget	MTEF BUDGET		
							2011-12	2012-13	2013-14
					compliant)				
					Establish functional customer care unit linked to billing & Meter reading	MSIG	R 45 000.00	R 0.00	R 0.00
					Prepare annual financial statement and ensure timeous auditing	FMG	R 850 000.00	R 1 000 000.00	R 1 200 000.00

Key Priority Area	Sub-result areas	Objective	Development Target in terms of MSA -S26 & 41	Supporting Strategies	Project to be implemented	Source of budget	MTEF BUDGET		
							2011-12	2012-13	2013-14
Good Governance & Public Participation	Good Governance & Public Participation	To ensure good accountable governance and public participation	Achieve improved community rating through an annually conducted public participation survey	Works in collaboration with ward committees, IGF and CDWs	Develop and ensure adoption and BP development for implementation of ward plans by all wards	MSIG	R 85 000.00	R 150 000.00	R 300 000.00
					Review IDP and PMS and ensure all S56 & 57 managers sign performance contracts by July 2011	MSIG	R 150 000.00	R 150 000.00	R 120 000.00
					Implement SDF priorities	OPEX	R 200 000.00	R 300 000.00	R 0.00

Key Priority Area	Sub-result areas	Objective	Development Target in terms of MSA -S26 & 41	Supporting Strategies	Project to be implemented	Source of budget	MTEF BUDGET		
							2011-12	2012-13	2013-14
					Develop communication strategy and launch a municipal quarterly newsletter	OPEX	R 350 000.00	R 300 000.00	R 450 000.00
					Establish functional IGF	OPEX	R 0.00	R 0.00	R 0.00
					Develop and gazette for implementation by-laws and policies for Street trading, Noise control, Sand Mining, Town Planning Scheme, Animal Pounding & Liquor Outlet regulation	MSIG	R 500 000.00	R 350 000.00	R 200 000.00

Key Priority Area	Sub-result areas	Objective	Development Target in terms of MSA -S26 & 41	Supporting Strategies	Project to be implemented	Source of budget	MTEF BUDGET		
							2011-12	2012-13	2013-14
Municipal Institutional Development & Transformation	Organizational Development & Administration	To ensure efficient operations and professionally run organization	Fill all budgeted and approved vacancies by June 2012	By ensuring revision and approval of new organogram	Review organogram and fill all budgeted approved positions by June 2012	OPEX	R 0.00	R 0.00	R 0.00
	HR Development	To build capacity of the municipal workforce and leadership core	100% of ward committees trained and at least 40% of staff sent to training in skills areas identified in the WSP	Through collaboration with relevant institutions	Train councillors and officials in line with approved WSP	DoL; SETAs and OPEX	R 500 000.00	R 500 000.00	R 500 000.00
	Council support	To support council and related structure to function efficiently	Effective support provided to council all the time	Use of corporate services officials	Provide secretariat to council, committees and ward councillors	OPEX	R 0.00	R 0.00	R 0.00

Key Priority Area	Sub-result areas	Objective	Development Target in terms of MSA -S26 & 41	Supporting Strategies	Project to be implemented	Source of budget	MTEF BUDGET		
							2011-12	2012-13	2013-14
	Special Programmes Unit	To facilitate mainstreaming of special groups in our society and fighting of HIV spread	Youth Development Plan adopted by Dec 2011	Through collaboration with relevant institutions	Youth Development Strategy	OPEX	R 45 000.00	R 0.00	R 0.00
SPU programme of action adopted by June 2012			SPU implementation Programme action plan		OPEX	R 0.00	R 0.00	R 0.00	
6 Joint campaigns undertaken with strategic partners			Special Issue campaigns and joint collaborations		OPEX	R 200 000.00	R 250 000.00	R 400 000.00	

INTEGRATION & ALIGNMENT

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

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

18.1 Sector Plans

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

18.1.1 Integration and alignment with other spheres of government

SPHERE	PROGRAMMES & GUIDELINES	SAKHISIZWE RESPONSES
National	Legislation & Policies	Process Plan recognises the list that informs our IDP approach
	National Spatial Development Perspective	Resolved to revise its SDF to incorporate objectives of NSDP
	Millennium Development Goals	Have set target for water & sanitation backlogs - which must be facilitated with Chris Hani DM
	National LED Framework	Will utilise the framework as guide in its current process of formulating LED Strategy
	National framework for municipal turn around strategies 2009	Our approach in this IDP is informed by the suggested key points in the National Municipal Turn-around strategy. We shall develop our own in Sakhisizwe
	National KPAs	Incorporated and mainstreamed into adopted KPAs + form part of PMS
Province	Provincial Growth & Development Strategy	Have identified key strategic localised projects in response to the EC Provincial 24 PRIORITIES
		Have also taken into account the new priorities like Rural development which came after the April 2009 elections
Sector Departments	5 Year plans	Have adopted the hierarchy principle in determination of nodal areas
		Have acknowledged all key projects that are budgeted and conformed for implementation in 2010/11 within Sakhisizwe areas. Formal letters of confirmation of commitments to be issued by Mayor as part of lobbying departments to act on their commitments - 2011/12
District	IDP Framework	Informs our Process Plan activity schedule
	Water services Development Plan	Informed by our target priorities for meeting millennium goals - lobby DM to implement
	Disaster Management Plan	Informs our localised fire fighting responses - work closely at operational level
	Occupational Health and Safety plan	Decided to use the DM plan to modify and customize for our application
	Waste Management Plan	Informs our localised refuse collection strategies - work closely at operational level
	LED Strategy	Key district commitments relating to the DM Economic summit to be reinforced by our revised LED strategy

18.1.2 Integration & Alignment of internal sector plans / policies 2011/12

Department	Sector Plan / Policy
Finance	Credit control & revenue collection strategy not in place.
	Indigent policy needs to be updated and implemented
	Budget 2011/12 adopted with this IDP
	Risk& Asset Management plan being developed with assistance from DBSA secondments
Corporate services	HR Manual & Policies in place
	Organogram to be revised and adopted before June 2011
	Employment equity plan not in place.
	Workplace skills plan to be amended with new inputs and implemented
Office of Municipal Manager	Performance Management Policy to be reviewed together with signed PM contracts for s56& 57 managers
	Service Delivery Budget Implementation Plans in place
Integrated Planning & Economic Development	Integrated development plan revised for 2011/12
	Spatial Dev Framework adopted in March 2011
	LED Strategy to be finalized early in 2011/12
	Environmental sector plan not in place, funding sorted from DEA
	Tourism sector plan to be finalized and implemented by Aug2011
Community services	HIV/ Aids workplace strategy not in place. Need help with this document
	Waste management sector plan (adapt DMs plan)
	Youth Development Plan planned and budgeted to be developed
	Disaster management plan (adapt DMs plan)
Technical services	Capital Infrastructure Investment plan to be developed with participation of wards and then adopted before Sep 2011

19 PERFORMANCE MANAGEMENT

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

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

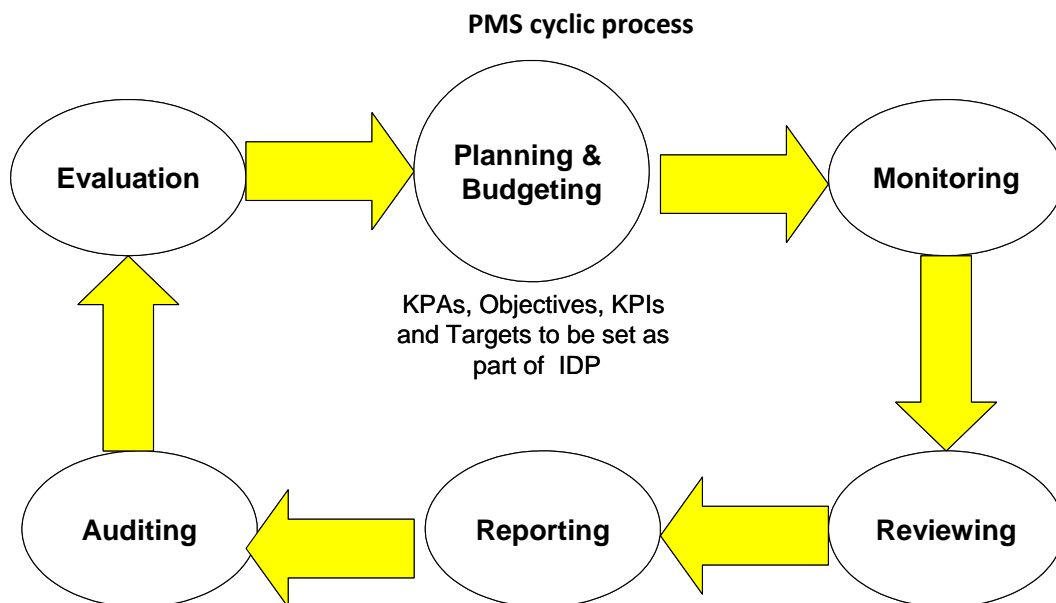
The main goal of this document is to provide the Sakhisizwe Local Municipality with a written policy that will serve as a guide in terms of the key processes, procedures and mechanisms to be followed when implementing performance planning, measurement, review, reporting and auditing. This framework document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

19.1 Status of the framework document

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

20 WORKING DEFINITION

Performance management is viewed as a continuous and cyclic process of evaluating our actions and operations to determine whether we are delivering the desired level of development committed in our IDP. It is envisaged as a process that will roll-out incrementally following the steps illustrated in the figure below:



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

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

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

- ◇ setting of clear objectives, indicators and targets for performance (Based on IDP)
- ◇ determining baseline levels for indicators before finalizing targets
- ◇ gathering of measurement information to determine progress against set indicators and targets
- ◇ regular reviewing of performance (monthly, quarterly & annually)
- ◇ periodic reporting on performance (monthly, quarterly & annually)
- ◇ regular auditing of performance reports
- ◇ periodic assessing, evaluating and reviewing of the effectiveness of PMS itself

21 POLICY CONTEXT FOR MUNICIPAL PMS

In 1997 the white paper on local government introduced the concept of performance management systems as a mechanism to improve accountability and enhance public trust on local government. The white paper further suggests that by involving communities in setting key performance indicators and reporting back to communities on performance, accountability is increased, and public trust in the local government system is also enhanced.

In 1998, the White Paper on Transforming Public Service Delivery (Batho Pele) was adopted as a policy to enhance and enforce quality service among civil servants. All employees of public entities (government institutions including local government municipalities) are obliged to adhere to the provisions of the Batho Pele policy. These provisions are captured in the form of the following eight key principles:

- a) **Consultation:** - Citizens should be consulted about the level and quality of public service they receive, and, where possible, should be given a choice about the services which are provided.
- b) **Service standards:-** Citizens should know what standard of service to expect and should be consulted if promised service standards are to change including development targets set in terms of the IDP.
- c) **Access:** - All citizens should have equal access to the services to which they are entitled. State of exposure to income or poverty should not be reason enough to lack access to a basic level of service.
- d) **Courtesy:-** Citizens should be treated with courtesy and consideration.
- e) **Information:-** Citizens should be given full and accurate information regarding public services they are entitled to receive.
- f) **Openness and transparency:-** Citizens should know how departments are run, how resources are spent, and who is in charge of particular services.
- g) **Redress:-** If the promised standard of service is not delivered, citizens should be offered an apology, a full explanation and a speedy and effective remedy; and when complaints are made citizens should receive a sympathetic, positive response.
- h) **Value-for-money:-** Public services should be provided economically and efficiently in order to give citizens the best possible value-for-money.

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

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

22 LEGAL CONTEXT FOR MUNICIPAL PMS

The municipal systems act 32 of 2000 calls for all municipalities to establish and implement performance management systems. In its chapter six, the act prescribes for all municipalities to:

- develop a performance management system
- set targets, monitor and review performance based on indicators linked to their integrated development plan (IDP)
- publish an annual report on performance for the councillors, staff, the public and other spheres of government
- incorporate and report on a set of general indicators prescribed nationally by the minister responsible for local government
- conduct an internal audit on performance before tabling the report.
- have their annual performance report audited by the Auditor-General
- involve the community in setting indicators and targets and reviewing municipal performance

In August 2001 regulations on municipal planning and performance management were published by Department of Provincial and Local Government (**dplg**) to further explain the requirements of the act.

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

- complies with all the requirements set out in the Municipal Systems Act;
- demonstrates how it is to operate and be managed from the planning stage up to the stages of performance and reporting;
- clarifies the roles and responsibilities of each role-player, including the local community, in the functioning of the system;
- clarifies the processes of implementing the system within the framework of the integrated development planning process;
- determines the frequency of reporting and the lines of accountability for performance;
- relates to the municipality's employee performance management processes;
- provides for the procedure by which the system is linked to the municipality's integrated development planning processes;

The regulations also prescribe that municipalities must monitor their performance and report on these national indicators (in addition to their local level indicators):

- a) the percentage of households with access to basic level of water, sanitation, electricity and solid waste removal;
- b) the percentage of households earning less than R1100 per month with access to free basic services;
- c) the percentage of a municipality's capital budget actually spent on capital projects identified for a particular financial year in terms of the municipality's integrated development plan;
- d) the number of jobs created through municipality's local economic development initiatives including capital projects
- e) the number of people from employment equity target groups employed in the three highest levels of management in compliance with a municipality's approved employment equity plan;
- f) the percentage of a municipality's budget actually spent on implementing its workplace skills plan; and
- g) financial viability as expressed by the following ratios:

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

Where - "A" represents debt coverage
 "B" represents total operating revenue received
 "C" represents operating grants
 "D" represents debt service payments (i.e. interest plus redemption) due within the financial year;

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

Where - "A" represents outstanding service debtors to revenue
 "B" represents total outstanding service debtors
 "C" represents annual revenue actually received for services;

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

Where - "A" represents cost coverage
 "B" represents all available cash at a particular time
 "C" represents investments
 "D" represents monthly fixed operating expenditure.

In terms of section 53 of the Municipal Finance Management Act (MFMA) 2003, the mayor of a municipality must take reasonable steps to ensure that the annual performance agreements of the municipal manager and all senior managers are linked to the measurable performance objectives approved with the budget and to the service delivery and budget implementation plan; and are concluded in accordance with section 57(2j) of the Municipal Systems Act.

Coupled with the MSA: 2000, the MFMA: 2003 provide for the development of a mid-term budget and performance assessment of the municipality. The development of the mid-year budget and performance assessment report should give an indication on the progress made by the municipality for the past six months. The MFMA requires that the accounting officer of the municipality take into account the performance of the municipality against the performance expectations set by senior managers and their departments.

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

23 OTHER BENEFITS FOR ESTABLISHING PMS

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

23.1 Increased accountability

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

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

23.2 Learning and improvement

While ensuring that accountability is maximised, the performance management system must also provide a mechanism for learning and improvement. It should allow for the municipality to know which approaches are having the desired impact, and enable the municipality to improve delivery. It should form the basis for monitoring, evaluating and improving the Integrated Development Plan.

23.3 Early warning signals

The performance management system should provide Managers, the Municipal Manager, Standing Committees and the Executive Committee with early warning of non-performance of the full implementation of the Integrated Development Plan. It is important that the system ensures decision-makers are timeously informed of possible non-performance, so that they can facilitate pro-active intervention, if necessary.

23.4 Effective decision-making

The performance management system should provide appropriate management information that will allow efficient, effective and informed decision-making, particularly on the allocation of resources.

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

24 PRINCIPLES GUIDING PMS IMPLEMENTATION

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

- ◇ UNIFORMITY - System must apply uniformly to all affected
- ◇ DEVELOPMENTAL - Must be developmental in nature, not punitive. Therefore, must focus on outcomes or development impact achievements rather than short term individual benefits like earning bonuses
- ◇ EQUITY OF RIGHT -Must balance organisational needs and employee rights
- ◇ PERFORMANCE CONTRACTS -Must provide for signing of performance contracts by section 57 managers
- ◇ PMS MODEL -Must identify suitable model commensurate with existing organisational capacity, constraints & LG legal context.
- ◇ EARLY WARNING -Must promote use as an early warning system
- ◇ TRANSPARENCY – Must provide for effective participation of affected parties in arriving at final targeted performance commitments (setting of targets to be discussed and agreed with those the people / units whose performance will be managed)
- ◇ DEMOCRATIC - Must provide for involvement of key stakeholders in the processes of PM planning, monitoring, review, reporting and auditing

25 INSTITUTIONAL ARRANGEMENTS

25.1 PMS Co-ordination

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

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

25.2 PMS Audit function

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

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

25.3 Public participation

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

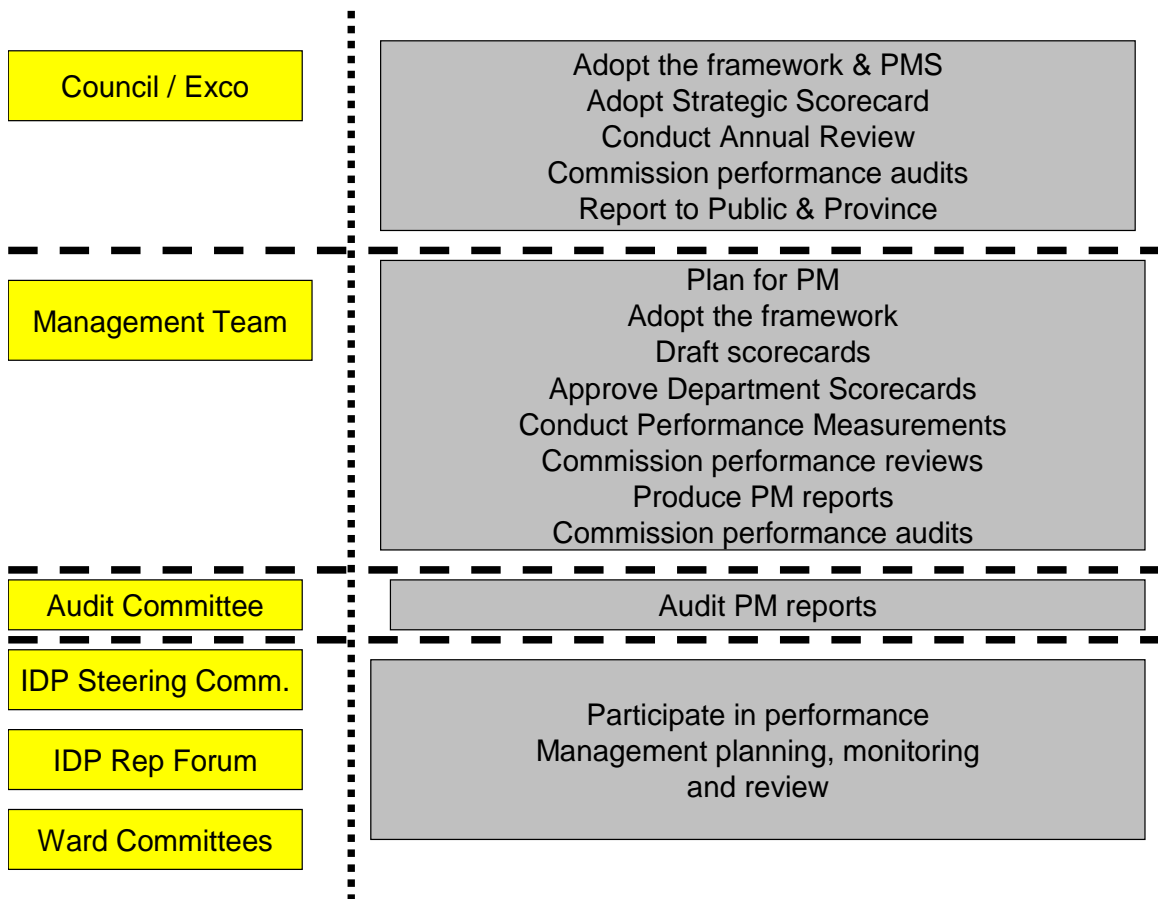
- ◇ Key development priorities agreed for each year
- ◇ Development objectives
- ◇ Key development targets agreed

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

25.3.1 Stakeholder Roles and Responsibilities

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

Stakeholder Roles and Responsibilities



26 PMS MODEL FOR SAKHISIZWE LM

26.1 What is a model?

A model for performance management provides simplified mechanisms for understanding how better to organise and roll-out the various aspects of performance that should be measured, reported on and managed. It also provides a useful tool to predict and project future scenarios so that current decision-making could influence the desired future.

26.2 Why is a model important for PM?

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

Balance: A good model will ensure balance in how the organisation measures and manages its performance. It should not bias performance measurement by relying on one facet of performance, but represent a multi-perspective holistic assessment of municipal performance.

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

Mapping of Inter-relationships: A good model will map out the inter-relationships between different areas of performance. These inter-relationships relate to the extent to which poor performance in one category would lead to poor performance in other related areas and the converse. These inter-relationships help in both the planning stage and the review stage, particularly in the diagnosis of causes of poor performance.

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

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

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

26.3 The Municipal Scorecard model

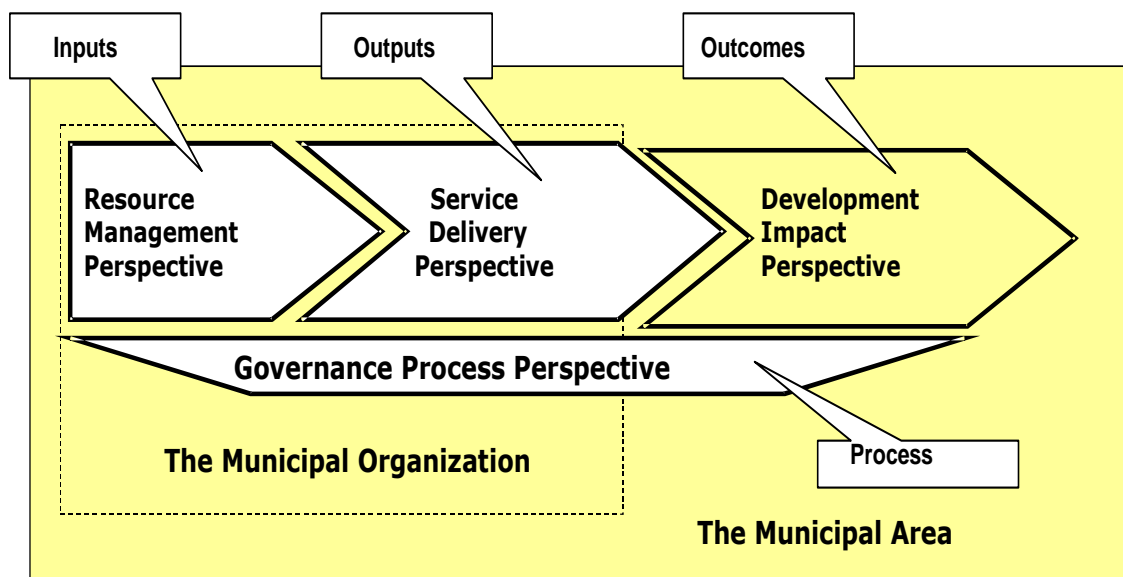
In terms of this policy the municipal scorecard model is to be used as a preferred model for the municipality. This model provides a modified version of the balanced scorecard model which has been adapted to SA local government legislation environment. It is also based on four key perspectives outlined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

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

- Tightly aligned to the strategic planning (IDP) and Budget processes
- Directly relevant to the notions of developmental local government and co-operative governance
- Fits neatly with the envisaged legal process of managing performance in a municipal organisation in SA
- A balanced view of performance based on inputs, outputs, outcomes and processes
- A simple portrayal of municipal performance, where inter-relationships can be mapped
- Has been adopted as the recommended model for municipalities by the South African Local Government Association (SALGA) because of its simplicity and relevance to local government environment.

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

Municipal Scorecard Model



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

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

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

- Budget & other financial Resources
- Human Resources
- Systems & Information
- Organisational Infrastructure (enabling equipment)

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

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

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

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

DEFINITION OF CONCEPTS USED IN THE SCORECARDS

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

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

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

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

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

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

CRITERIA ADOPTED TO GUIDE SELECTION OF SUITABLE INDICATORS

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

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

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

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

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

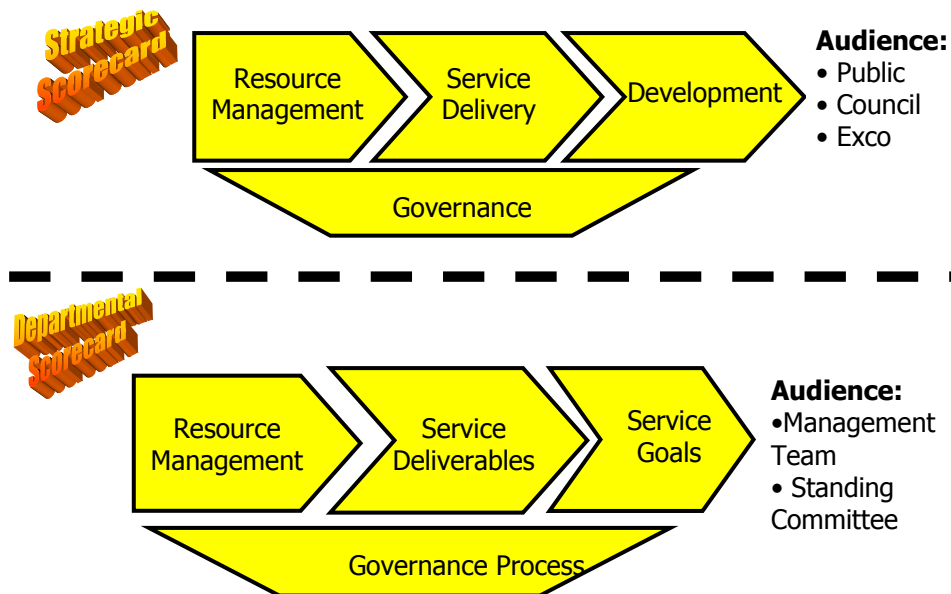
Minimise perverse consequences: Poorly chosen indicators, while they may have noble intentions, can have perverse consequences in the behaviours it incentives. Choose indicators that will incentives behaviour that is desired and not unintended results.

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

26.4 Levels of scorecards in a municipal scorecard model

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

Levels of scorecard example



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

Service Scorecards: The service scorecards will capture the performance of each defined service (can be a directorate or department line-function). Unlike the strategic scorecard, which reflects on the strategic priorities of the municipality, a service scorecard will provide a comprehensive picture of the performance of that service. It will consist of objectives, indicators and targets derived from the service plan and service strategies. It will be crucial that service scorecards should not duplicate current reporting, but be integrated to form a core component and simplify all regular reporting from departments to the Municipal Manager and Standing Committees.

Service Scorecards will be comprised of the following components:

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

Performance in the form of a service scorecard will be reported to the Municipal Manager and relevant Standing Committee for review. The policy provides for the reporting in terms of this

level of scorecard to be undertaken at least monthly. The policy assumes that the reporting on this level scorecard will be preceded by internal departmental reporting (reports from unit managers and supervisors to be consolidated by the head of departments) which is expected to happen more regularly than monthly intervals and would ideally inform the monthly management reports.

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

27 MONITORING AND MEASUREMENT OF INDICATORS

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

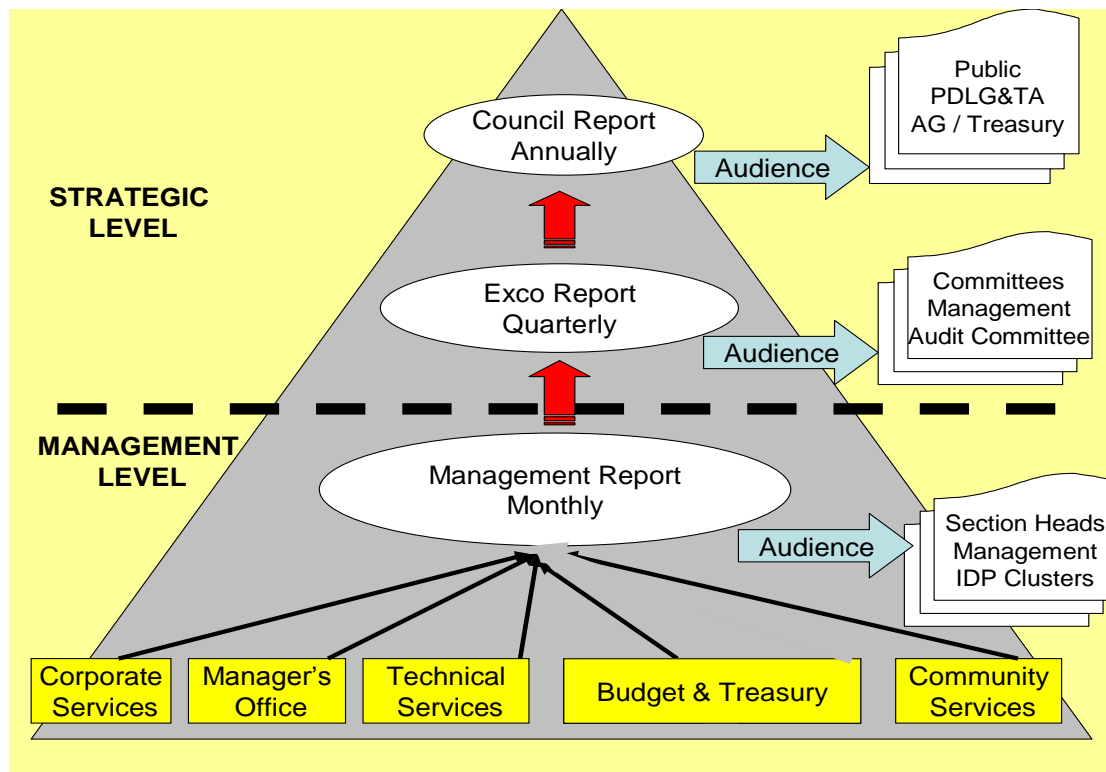
Analysis requires that line managers compare current performance with targets, past performance and possibly the performance of other municipalities, where data is available, to determine whether or not performance is poor. They should also analyse the reasons for performance levels and suggest corrective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

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

28 PERFORMANCE REPORTING AND AUDITING

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

Reporting process flow



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

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

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

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

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

- The reliability of reported information
- The extent of performance gaps from targets

- The reasons for performance gaps
- Corrective action and improvement strategies
- Validity of evidence material submitted in support of claims

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

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

29 PERFORMANCE REVIEWS

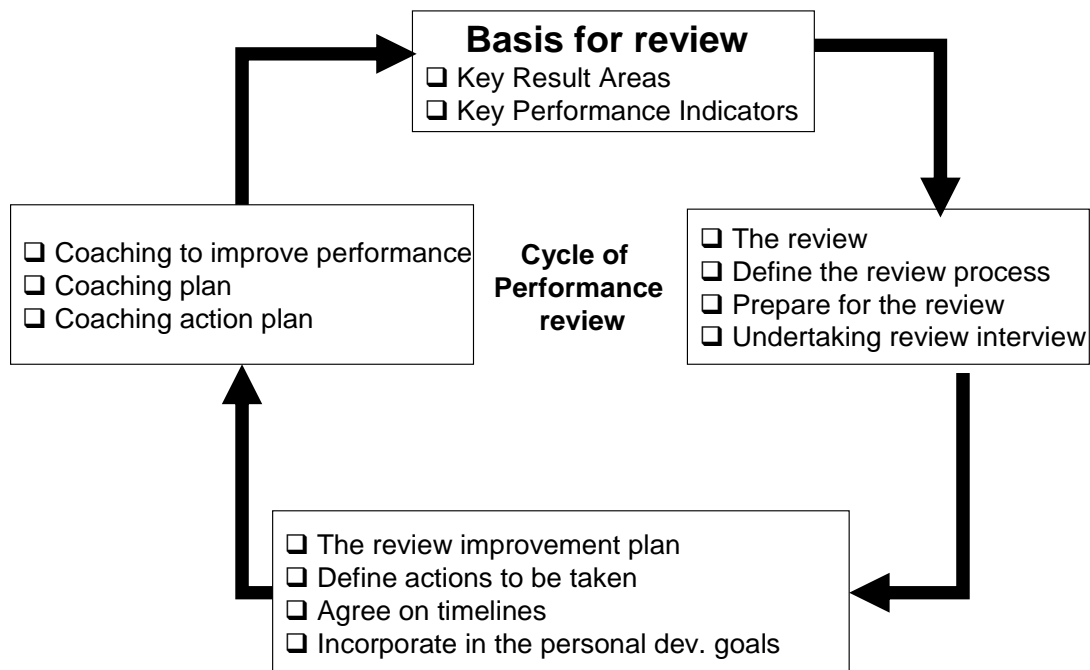
Performance reviews must be conducted at various intervals and levels of authority in order to determine as to the progress made against committed performance targets. Every review session must be documented and evidence material filed in case it is called by senior level reviews or the audit committee.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

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

29.1 How should reviews be conducted?

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

PROPOSED REVIEW PROCESS



The review process should involve the following guideline steps:

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

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

- ◇ Confirm what is expected of employee / department being reviewed
- ◇ Encourage those reviewed to feel comfortable and create conducive atmosphere for discussing issues frankly and fairly
- ◇ Fairly and equitably measure performance of individual / department.
- ◇ Agree on the final determination of performance achieved
- ◇ Identify strengths and areas of improvement
- ◇ Give feedback in terms of the reward/ recognition of good performance / excellence or the steps to be taken to address poor performance

- ◇ Align individual performance behaviour with organizational performance goals (IDP vision)
- ◇ Incorporate lessons of the previous year’s performance into the following year’s performance (Learning curve) by jointly developing a Performance Improvement Plan with the manager concerned
- ◇ Agree on a performance improvement plan

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

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

Combining points & rating on a scale with 5 levels

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

EXPLANATION OF LEVELS

- Level 5:** Outstanding performance: Performance far exceeds the standard expected of a member at this level. The incumbent has achieved exceptional results against all performance criteria agreed and has maintained this all year round.
- Level 4:** Performance significantly above expectations. Significantly higher than expected. Incumbent has achieved exceptional results against more than half of the performance criteria and indicators and fully achieved all others throughout the year.
- Level 3:** Fully effective. Performance fully meets the standard expected in all areas of the job. Incumbent has achieved results against all significant performance criteria and indicators and incumbent has achieved results significantly above expectation in one or two less significant areas.
- Level 2:** Performance is below standard required for the job in key areas (judge per weight etc). Incumbent has achieved adequate results against many key but not all others during the course of the year.
- Level 1:** Performance does not meet the standard expected for the job. The incumbent has not met one or more fundamental requirements and / or is achieved results that are below expectation in most result areas.

29.2 Suggested levels of reviews

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

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

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

The Management Team will need to reflect on whether targets are being achieved, what are the reasons for targets not being achieved where applicable and corrective action that may be necessary. Where targets need to be changed, the Management Team can endorse these, for approval by the relevant standing Committee. The Management Team can delegate tasks to the performance management coordinator in developing an analysis of performance prior to Management Team reviews.

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

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

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

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

The review should also focus on reviewing the systematic compliance to the performance management system, by departments, Standing Committees and the Municipal Manager.

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

Council Reviews: At least annually, the Executive Committee is required to report to Council on municipal performance. This reporting takes place using the strategic scorecard in an annual report. The Municipal Systems Act requires that the annual report should at least constitute a performance report (the strategic scorecard), financial statements and an audit report.

Public Reviews: The Municipal Systems Act requires the public to be given the opportunity to review municipal performance. Therefore in addition to the annual report mentioned above, user-friendly citizens' report is intended to be produced as part of our PMS for public

consumption. The citizens' report has not yet been produced at our municipality but it is envisaged to be a simple, easily readable and attractive document that translates the strategic scorecard for public consumption.

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

- ◇ Ward committees would be reported to (once systems are developed fully) and submit their review of the municipality to council. The performance management team should be used to summarise this input.
- ◇ Various forms of media including radio, newspapers and billboards would be used to convey the citizens' report. The public should be invited to submit comment via telephone, fax, email and public hearings to be held in a variety of locations.

The public reviews are planned to be concluded by a review by the Integrated Development Plan Representative Forum or Mayoral Imbizos.

30 EVALUATION AND IMPROVEMENT OF THE MUNICIPAL PMS

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

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

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

APPROVAL

The IDP draft was prepared in line with adopted process plan and contains an outcome of a consultative process of planning involving all our municipal stakeholders through the representative forum and steering committee.

This document is hereby tabled for adoption by Sakhisizwe Municipal Council to serve as its IDP review 2011/12 and thereafter be used to facilitate comments from interested and affected parties including but not limited to communities, sector departments, MEC for local Government, the District Municipality and others not specifically mentioned by name.

It is therefore declared by Sakhisizwe Council that this is a true reflection of our planning efforts and will as such be supported and implemented by all our stakeholders during 2011/12.

THUS ADOPTED AND ACCEPTED AS DRAFT IDP THROUGH A COUNCIL RESOLUTION LISTED BELOW

COUNCIL RESOLUTION NUMBER FOR IDP ADOPTION:

SIGNATURES

.....
Mr. T. Samuel
ACTING MUNICIPAL MANAGER

.....
DATE

.....
Councilor: W. Tikana
MAYOR

.....
DATE