



DRAFT INTEGRATED DEVELOPMENT PLAN 2012 – 2017

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ACRONYMS

A/A:	Administrative Area
ABET:	Adult Basic Education and Training
AG:	Auditor General
ART:	Antiretroviral treatment
ARV:	Antiretroviral
AsgiSA:	Accelerated and Shared Growth Initiative
BBBEE:	Broad-based Black economic empowerment
CASP:	Comprehensive Agricultural Support Programme
CBO:	Community-based organization
CHDM:	Chris Hani District Municipality
CIDB:	Construction Industries Development Board
CLARA:	Community Land Rights Act
CLO:	Community liaison officer
CTO:	Community Tourism Organisation
DEDEA:	Department of Economic Development & Environment Affairs
DLA:	Department of Land Affairs
DLGTA:	Department of, Local Government & Traditional Affairs
DM:	District Municipality
DoA:	Department of Agriculture
DoE:	Department of Education
DORA:	Division of Revenue Act
DoRT:	Department of Roads and Transport
DME:	Department of Minerals and Energy
DPW:	Department of Public Works
DoSD:	Department of Social Development
DSRAC:	Department of Sports, Recreation, Arts & Culture
DTI:	Department of Trade and Industry
DTO:	District Tourism Organisation
DWAF:	Department of Water Affairs and Forestry
ECDC:	Eastern Cape Development Corporation
ECDoh:	Eastern Cape Department of Health
ECSECC:	Eastern Cape Socio Economic Consultative Council
ECTB:	Eastern Cape Tourism Board
ECPB:	Eastern Cape Parks Board
EIA:	Environmental Impact Assessment
EPWP:	Expanded Public Works Programme
ESTA:	Extension of Security of Tenure Act
EU:	European Union
GGP:	Gross Geographic Product
GDP:	Gross Domestic Product
GRAP:	General Regulations on Accounting Practice
HCW:	Health care worker
HDI:	Human Development Index
HR:	Human Resources
ICASA:	Information & Communications
ICT:	Information and Communication Technologies
IDP:	Integrated Development Plan
IDT:	Independent Development Trust
IGR:	Intergovernmental Relations
IMATU:	Trade Union
ISETT:	Information Systems, Electronics and Telecommunications Technologies
ISRDP:	Integrated and Sustainable Rural Development Programme
IWMP:	Integrated Waste Management Plan
JIPSA:	Joint Initiative on Skills Acquisition
KPI:	Key Performance Indicator
LED:	Local Economic Development
LM:	Local Municipality
LRAD:	Land Redistribution and Agricultural Development

Inkwanca Municipality: Integrated Development Plan 2012-2017

LUPO:	Land-use planning ordinance
LTO:	Local Tourism Organisation
MAFISA:	Agriculture Micro credit Fund
M&E:	Monitoring & Evaluation
MFMA:	Municipal Finance & Management Act
MHS:	Municipal Health Services
MIG:	Municipal Infrastructure Grant
MoU:	Memorandum of Understanding
MTEF:	Medium Term Expenditure Framework
NAFCOC:	National African Federation of Chambers of Commerce
NEMA:	National Environmental Management Act
NHBRC:	National Home Builders Registration Council
NSDP:	National Spatial Development Perspective
OTP:	Office of the Premier
PDI:	Previously Disadvantaged Individual
PGDP:	Provincial Growth and Development Plan
PHC:	Primary Healthcare
PIMSS:	Planning and Implementation Management Support Service
PMS:	Performance Management System
PMTCT:	Prevention of Mother to Child Transmission
PPP:	Public-Private Partnership
RDP:	Reconstruction and Development Plan
RSS:	Rapid Services Survey (conducted by Fort Hare for the Office of the Premier in 2006)
SACOB:	South African Chamber of Business
SAHRA:	South African Heritage Resources Agency
SALGA:	South African Local Government Association
SAMAF:	South African Micro credit Apex Fund
SANRA:	South African National Roads Agency
SAPS:	South African Police Services
SAWEN:	South African Women's Entrepreneurship Network
SCM:	Supply Chain Management
SDBIP:	Service Delivery and Budget Implementation Plan
SDF:	Spatial Development Framework
SEDA:	Small Enterprises Development Agency
SETA:	Sector Education and Training Authority
SITA:	State Information Technology Agency
SLA:	Service Level Agreement
SMME:	Small, Medium & Micro Enterprises
SPU:	Special Programmes Unit
TEP:	Tourism Education Programme
TB:	Tuberculosis
THETA:	Tourism & Hospitality Education & Training Authority
UFH:	University of Fort Hare
UPE:	Universal Primary Education
VCT:	Voluntary Counselling & Testing
WSDP:	Water Sector Development Plan

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FOREWORD BY THE MAYOR, M.N. QAMNGWANA

On 18th May 2011, the five year term of this current council came into effect and that has also ushered my stewardship of this council, for which I am forever grateful to the ruling party- ANC.

The purpose of this however, is to present a new Integrated Development Plan, and as such our plans for the coming five years of the council. The IDP is the principal strategic planning instrument which guides and informs all planning, budgeting, investment, development, management and implementation in the medium-term decision-making. While this is a political document, owing largely to the fact that its development is politically driven, the Senior Management and the Middle Management of the municipality are responsible for its implementation. To achieve this, our corporate performance objectives have to be aligned to and find expression in the performance agreements concluded between Council and the Accounting Officer and between the Accounting Officer and his section 57 Managers.

The constitution of the Republic of South Africa is quite categorist in its prescription of the developmental roles of local government. To this effect; sections 152 and 153 of the constitution puts local government in charge of the development process in municipality, and notably in charge of planning for the municipal area. The constitutional mandate is to relate management, budgeting and planning functions to its objectives and gives a clear indication of the intended purposes of municipal integrated development planning:

- To ensure sustainable provision of services;
- To promote social and economic development;
- To promote a safe and healthy environment;
- To give priority to the basic needed of communities; and
- To encourage involvement of communities

I am quite happy that our planning and consultation processes have, over the last few months evolved to become among the best in terms of actual consultation and the processes of inputs received. We have always held that ours is not merely compliance but a genuine belief in the need for development to be people centred and driven. Our communities deserve credit for their participation and show of a genuine interest in the affairs of their local municipality. The responses we have received during our IDP consultation processes have been very encouraging. We can only hope that this cooperation would continue for the rest of our turner of office.

VISION

A municipality that provides an equal opportunity for economic development and social upliftment for all residents.

Umasipala onika amathuba alinganayo ophuhlisayo, nentlalontle kuluntu lonke

MISSION

To create an environment that will ensure equal opportunity for economic development and social upliftment through integrated stakeholder involvement, multi-skilling of communities, sustainable economic growth, good governance and provision of efficient and quality services

OBJECTIVES

- To provide quality & affordable services to all communities.
- To build & maintain infrastructure to support service delivery, social development & economic growth.
- To ensure that customers are given satisfactory services at all times.
- To maintain enough supply of skills relevant to local government.

EXECUTIVE SUMMARY

Introduction

The inception of a new council means a new 5 year Integrated Development Plan (IDP) has to be developed and adopted in accordance with the Municipal Systems Act, Chapter 5, Section 25 (1) which states that each council must, within a prescribed period after the start of its elected term, adopts a single, inclusive and strategic plan for the development of the municipality.

This document represents the Draft Integrated Development Plan (IDP) as prepared by Inkwanca municipality and noted by Council on the 27th March 2012 as a Draft IDP. It is prepared submitted in fulfilment of Inkwanca's legal obligation in terms of section 32 of the Local Government Municipal Systems Act 32 of 2000.

Purpose of Integrated Development Plan

Integrated Development Plan is a planning process which enables municipalities to prepare, develop and adopt a strategic plan in collaboration with communities and external stakeholders. This strategic plan spans over a period of five years and is annually reviewed to determine whether its operations are in line with the adopted objectives. The IDP as a strategic planning tool is central to the system of developmental local government in South Africa and represents the driving force for making municipalities more strategic, inclusive, responsive, and performance driven in character. The IDP is the principal strategic planning tool which guides and informs all planning, budgeting, investment, development, management and implementation in the medium-term decision making. This document contains the development priorities of Council for its five years term and therefore forms a

commitment between the municipality and its residents about how to initiate promote and sustain development and must be reviewed timely on annual basis to update stakeholders of the municipality's achievements, shortfalls and policy changes. The IDP, apart from it being linked to the performance management system – measures organisational performance against its targets also seeks to incorporate, resolve and take into cognisance the findings of the Auditor General, Internal Audit and the previous findings of the 2010/2011 IDP Assessment as well as the municipal turnaround strategy.

Document Outline:

Chapter 1: The IDP Planning Process

This section outlines the planning process of the IDP and the organizational arrangements.

Chapter 2: Situational Analysis

This section provides detailed situational analysis of Inkwanca Local Municipality

Chapter 3: Development Strategies, Programmes and Projects

This section deals with the development strategies, programmes and projects taking into cognisance the vision and the strategic objective of Inkwanca municipality

Chapter 4: Projects of other Stakeholders

This chapter demonstrates projects by other stakeholders in Inkwanca municipality

Chapter 5: Organisational and Individual Performance Management System

This section provides the legal context of the municipality's performance management system, an overview of the monitoring and evaluation process in Inkwanca LM.

CHAPTER 1

1.0 THE PLANNING PROCESS

1.1 The IDP Process Plan

The Local Government election which has taken place on the 18th May 2011 has ushered in a new council for local government administration. The new council which has a life span of five years is obliged to prepare and adopt a five year Integrated Development Plan in terms of the Municipal Systems Act (MSA), Chapter 5, section 25 (1).

Inkwanca Municipality will therefore develop its IDP and Budget and Performance Management Systems (PMS) in accordance with the Municipal Systems Act 32 of 2000, Municipal Planning and Performance Regulations 2001 and the Municipal Finance Management Act 56 of 2003.

1.1.2 Adopted Process Plan

The MSA demands that each municipal council adopts a Process Plan set out in writing to guide planning, drafting, adoption and review of its IDP (MSA 28 of 1). As indicated in the introduction, and stated in the MSA 29 (1), the Process Plan must:

- (a) be in accordance with a predetermined programme specifying time- frames for the different steps;
- (b) through appropriate mechanism, processes and procedures establish in terms of Chapter 4 allow for:
 - (i) the local community to be consulted on its development needs and priorities;
 - (ii) the local community to participate in the drafting of the IDP; and

- (iii) organs of state, including traditional authorities, and other role players to be identified and consulted on the drafting of the IDP;
- (c) provide for the identification of all plans and planning requirements binding on the municipality in terms of national and provincial legislation; and
- (d) be consistent with any other matters that may be prescribed by regulation.

1.1.3 Binding Plans and Legislation

The Local Government: Municipal Structures Act 117 of 1998, Municipal Systems Act 32 of 2000 and Municipal Finance Management Act 56 of 2003 are specific to municipalities and are the key important legislations for the development of the IDP. National legislation also contains various kinds of requirements for municipalities to undertake planning.

Some important National and Provincial guiding plans and policy documents for the IDP include the Medium-term Strategic Framework, the National Development Perspective (NSDP), the Eastern Cape Provincial Spatial Development Plan (ECPSPD), and the Eastern Cape Provincial Growth and Development Plan (ECPGDP) . Table 1.1 below summarizes the binding plans and legislations.

Table 1.1: Summary of Binding Plans and Legislations

Category of requirement	Sector requirement	National Department	Legislation/policy
Legal requirement for a district/local plan	Water Services Development Plan	Department of Water Affairs and Forestry	Water Services Act
	Integrated Transport Plan	Department of Transport	National Transport Bill
	Waste Management Plan	Department of Environmental Affairs & Tourism	White Paper on waste Management
	Spatial planning requirements	Department of Land Affairs	DFA/Land Use Management Bill (forthcoming)
Requirement for sector planning to be	Housing strategy and targets	Department of Local govt. Housing & Traditional	Housing Act (Chapter 4, Section 9)

incorporated into IDP		Affairs	
	Coastal management issues	Department of Environmental Affairs & Tourism	
	LED	Department of Provincial and Local Government	Municipal Systems Act
	Integrated Infrastructure Planning	Department of Provincial and Local Government	

1.1.4 Organisational Arrangements

The following arrangement has set out to institutionalize community participation and also to enable the municipality to manage the drafting output.

1.1.4.1 The Council

Terms of Reference

- Considers and adopts the process plan
- Is also responsible for adopting the IDP.

1.1.4.2 IDP Manager

The Acting Municipal Manager, Mr. S. Dyantyi, will manage the Inkwanca Municipal IDP.

1.1.4.3 Terms of Reference for the IDP Manager

The IDP Manager shall, in accordance with the provisions of the IDP legislation framework:

- Ensure that the local framework is drafted and approved by Council,
- Manage the IDP by ensuring that all daily planning activities are performed within an efficient and effective consideration of available time; financial and human resources;
- Ensure that the planning process is participatory, strategic and implementation orientated and is aligned with and satisfies sector planning requirements, planning process and compliance with action programme;
- Ensure that the planning process outcomes are clearly documented;

- Chair the IDP Steering Committee
- Will coordinate with various government departments and the district IDP Manager to ensure that all 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.
- Responds on comments on the draft IDP from the public, horizontal alignment and other spheres of government to the satisfaction of the Council.
- Ensure that annual business plans and municipal budget are linked and based on the IDP.
- Adjust the IDP in accordance with the proposals issued by the MEC responsible for the Local Government as per the provision of Section 32(2) (a) of the Municipal Systems Act.

1.1.4.4 IDP Steering Committee

The IDP Steering Committee will consist of:

- ❖ Act. Municipal Manager – Mr. S. Dyantyi
- ❖ Act. Chief Financial Officer – Ms. Labuschangne
- ❖ Technical Services Manager – Mr. A. Koos
- ❖ Corporate Services Manager – Mr. S. Dyantyi
- ❖ Community Services Manager Mr. M. Dingani
- ❖ IDP Coordinator – Mr. A.Y. Adom
- ❖ Assistant Manager – Mr. P. Parker
- ❖ Area Manager Water & Sanitation Services – Mr. M.A. Mmotsa

1.1.4.5 Terms of Reference of the IDP Steering Committee

- Provides terms of reference for the various planning activities,
- Compile departmental operational and capital information
- Commissions research studies;
- Consideration and making comments on inputs from role players and sub-committees;
- Makes content recommendations;
- Prepares, facilitates and document meeting outcomes

- Meet regularly to consider issues to be tabled before the Rep Forum.
- Integrated budgeting
- Monitoring of the implementation of the municipal IDP.

1.1.4.5 IDP Representative Forum

1.1.4.5a The forum will consist of:

- The Mayor (convene and chair meetings);
- IDP Steering Committee,
- Councillors;
- Ward Committees;
- Community - based organizations;
- Advocates for unorganized groups
- Non-Governmental Organizations
- Business People
- Organized labour
- Sector Departments
-

1.1.4.5b Terms of Reference

- Represent the interests of their constituencies,
- Provide organizational mechanism for discussion, negotiation and decision making between the stakeholders;
- Ensure adequate communication amongst all the stakeholders' representatives
- Monitor the performance of the planning and implementing process

1.1.4.6 Procedures for Community and Stakeholders Participation

The IDP and Budget Processes demand the involvement of community and stakeholder organizations in the process. This ensures that the IDP addresses the real issues that are being experienced by the citizens' within the municipality.

1.1.4.6a Participation Procedure

Provisions of MSA Chapter 4 Section 17 provide for mechanisms for participation:

- IDP Representative Forum to verify and add data

- District Municipality's Representative Forum to ensure that local priorities are adequately reflected in the District's IDP
- Use Ward Councillors to call meetings to keep communities informed about the IDP progress (including Ward Committees and CDWs)
- Publish annual reports on municipal progress
- Advertise in local newspapers
- Making the IDP document available to all units and public places for public comments
- Making use of municipal website.

1.1.4.6b Appropriate Language Use

English will be used as a medium of communication. However in community meetings languages that are spoken in that community will also be used.

1.1.4.6c Appropriate Venues and Transport

- Officials will be responsible for arranging venues and transport for all wards;
- Transport will be arranged for Designated Groups and Ward Committees;
- Inkwanca Local Municipality will be responsible for the costs of these meetings

1.1.4.7 Alignment with National and Provincial Programmes

The following National programmes informed the preparation of the IDP:

- State of the Nation Address
- Green Paper on National Planning Commission (revised)
- State of the Local Government in South Africa
- Municipal Demarcation Board Reports (2010/2011)
- COGTA: Local Government Turnaround Strategy
- COGTA: Operation Clean Audit 2014
- Powers and Functions:
 - Municipal Demarcation Board
 - Local Government MEC
- ANC Manifesto (2009)
- ANC January 8th Statement (2011)

Schedule of Meetings

In addition to various meetings, the following meetings were also held in preparing the IDP as illustrated in table 1.2 below

Table 1.2: Schedule of meetings

Ordinary Council Meeting & Adoption of the process plan	31 August 2011	10H00
IDP Steering Committee Meeting	08 Nov. 2011	10H00
IDP Rep Forum (Analysis Phase)	15 Nov. 2011	10H00
IDP Rep Forum meeting	29 Nov. 2011	10H00
IDP Steering Committee meeting	07 Feb. 2012	10H00
IDP Steering Committee meeting	17 Feb. 2012	10H00
IDP Rep forum meeting	20-24 Feb 2011	10H00
IDP Steering committee meeting	08 March 2011	10H00
IDP REP Forum Meeting	23 March 2012	10H00
Special Council Meeting (Adoption of the IDP & First Draft Budget)	27 March 2012	10H00

CHAPTER TWO

2.0 SITUATIONAL ANALYSIS - INKWANCA MUNICIPALITY



This section provides a strategic analysis of external and internal dimensions, which will have a direct impact on development in Inkwanca local municipality.

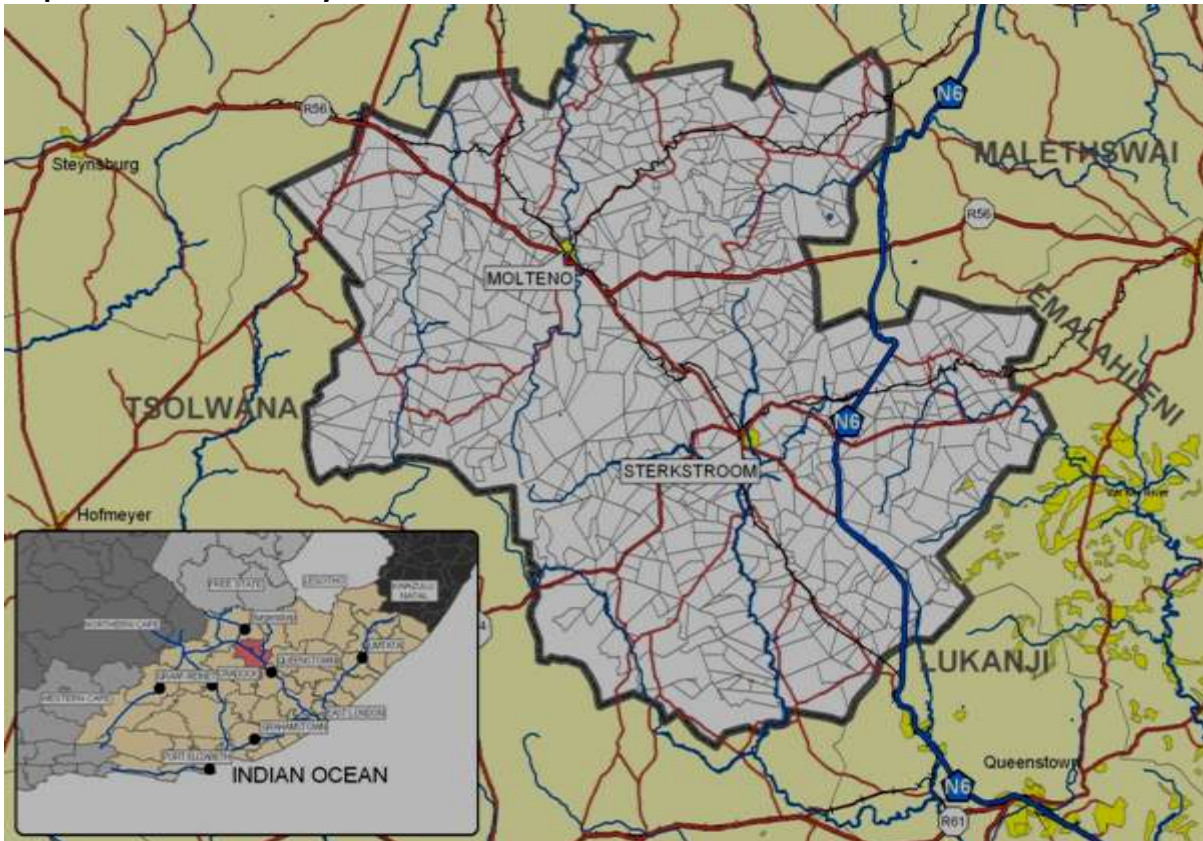
2.1 Study Area

Inkwanca is a local municipality within the Chris Hani District Municipality in the Eastern Cape. It lies approximately 250 km northwest from East London (Buffalo City Metro) and 550 km from Port Elizabeth (Nelson Mandela Metropolitan Municipality). The study area comprises of an area of approximately 330 000 hectares and includes vast rural land with two main towns, i.e. Molteno and Sterkstroom. Areas and settlements include:

- Molteno, including Nomonde, Nkululeko, Dennekruin and the Old township; and
- Sterkstroom, including Masakhe and Mqeshi township.

The N6 access road between Bloemfontein and East London / Port Elizabeth is the key route linking Inkwanca Municipality to its hinterland and beyond. Additionally the R56 linking Molteno and Sterkstroom to Middelburg is an important road link. Queenstown is the most important service support centre for the Municipality.

Map 2.1: Inkwanca Study Area



2.2 GEO-POLITICAL PROFILE

The Inkwanca Municipal Area, comprising approximately 3583²km is situated 60km north-west of Queenstown. The towns of Molteno and Sterkstroom comprise the urban component of the municipal area with Molteno being the administrative district.

The Inkwanca Municipality falls within the Chris Hani District Municipality and is bounded by the Tsoelwana, Gariiep, Maletswai, Emalahleni and Lukhanji Municipalities. The N6 access road between Bloemfontein and East London/Port Elizabeth play an important link through the region. In addition, the R56 route through Sterkstroom and Molteno towards Middelburg is a further important road link. The area has a rich historical background dating

back to the 18th century with a number of monuments and key places of interest. In general, the region is experiencing a low economic growth rate with high levels of unemployment and poverty in the towns. Commercial agriculture is the main economic activity in the region.

The Queenstown urban area plays an important role with respect to the economic hub of the region and a number of services to Inkwanca is obtained from Queenstown and areas further afield like Bloemfontein and East London. Two distinctive areas are identified i.e. urban nodes and the rural hinterland.

2.2.1 Rural Hinterland

The Inkwanca Municipal area is characterized by a large commercialized farm land with large scale cattle, sheep, goat and game farming. The area is suitable for this type of agriculture given its harsh climate conditions, rainfall and vegetation characteristics.

The rural population comprise a small portion of the total population in the study area and most of the residents are urbanized with high proportional urban population figures.

2.2.2 Urban Nodes

The residential component of the municipal area is mainly concentrated in the two urban nodes:

- Molteno, including Nomonde, Nkululeko, Molteno Town and Dennekruijn
- Sterkstroom, including Masakhe, Sonwabile, Sterkstroom Town and Hoffmansville

Settlement dynamic in these areas are characterized by high residential densities in the township areas with the business activity and lower residential densities in the old town areas. This urban form is typical of segregated planning measures and their level of

integration has occurred over the last ten years, with specific reference to subsidized housing projects.

2.3 PHYSICAL PROFILE

2.3.1 Topography And Drainage

The topography of the Municipality consists predominantly of lowlands with slope values of less than 3 at altitudes of 1000 to 1500 metres above sea level. Along the western and south western edge of the Municipality, low mountains with hills, with slope values of 6 to 12, at altitudes of 1500 to 2000, are found and along the Great Fish River valley altitude above sea level varies from 500 to 1000 metres.

The area is mainly drained by the Hex River (Sterkstroom) and Stormbergspruit (Molteno) with the Stormberg Mountains as a definite water shed

2.3.2 Rainfall And Evaporation

Mean annual rainfall of 400 to 500mm is received in the North, North-West and the south, while the central and eastern areas receive rainfall of 500 to 600 mm. Most of the rain (+- 75%) occurs in the summer months (November to April) in the form of thunderstorms. Very little of the Municipality receives in excess of 600 mm per annum.

2.3.3 Climate

Summers are warm to hot and winters very cold. Daily maximum temperatures averaged for January range from 24 to 30°C over the Municipality. Winter temperatures averaged for July range from very cold to extremely cold in the north (Molteno) and north east, with daily mean minimum temperatures of -7 to 0°C experienced. Minimum temperatures in the southern areas, south of Sterkstroom are a little higher in the range -2 to 0°C. Frost periods of greater than 14 dekads (ten day periods) are experienced throughout the area

2.3.4 Soils And Erosion

The Inkwanca municipality consists of somewhat broken terrain with sandstone ridges covered by thin loamy soils on rock and basins covered by claypan soils. There are no rainfed arable soils in the municipality. The soils can be described as moderate to highly erodible and generally have clay content of 15 to 25%.

2.3.5 Geology

According to the available geological map, four geological units occur in the study area, namely alluvium, dolerite, sedimentary rocks of Molteno and Burgesdorp Formations and sedimentary rocks of Molteno Formation. A layer of alluvium blankets the banks of the Stormbergspruit and Hex river. The alluvium can be highly variable both laterally and vertically, as erosive and depositional forces are continually at work. The nature of the unconsolidated alluvium deposited by the rivers, depends on the type of parent material.

Dolerite forms a form the ribbon-like features on the western and central parts of Molteno whilst the large dolerite area to the south is a sill. Dolerite dykes occur in the northern parts of Sterkstroom with dolerite sills occurring in the east, west, and southwest.

2.3.6 Vegetation

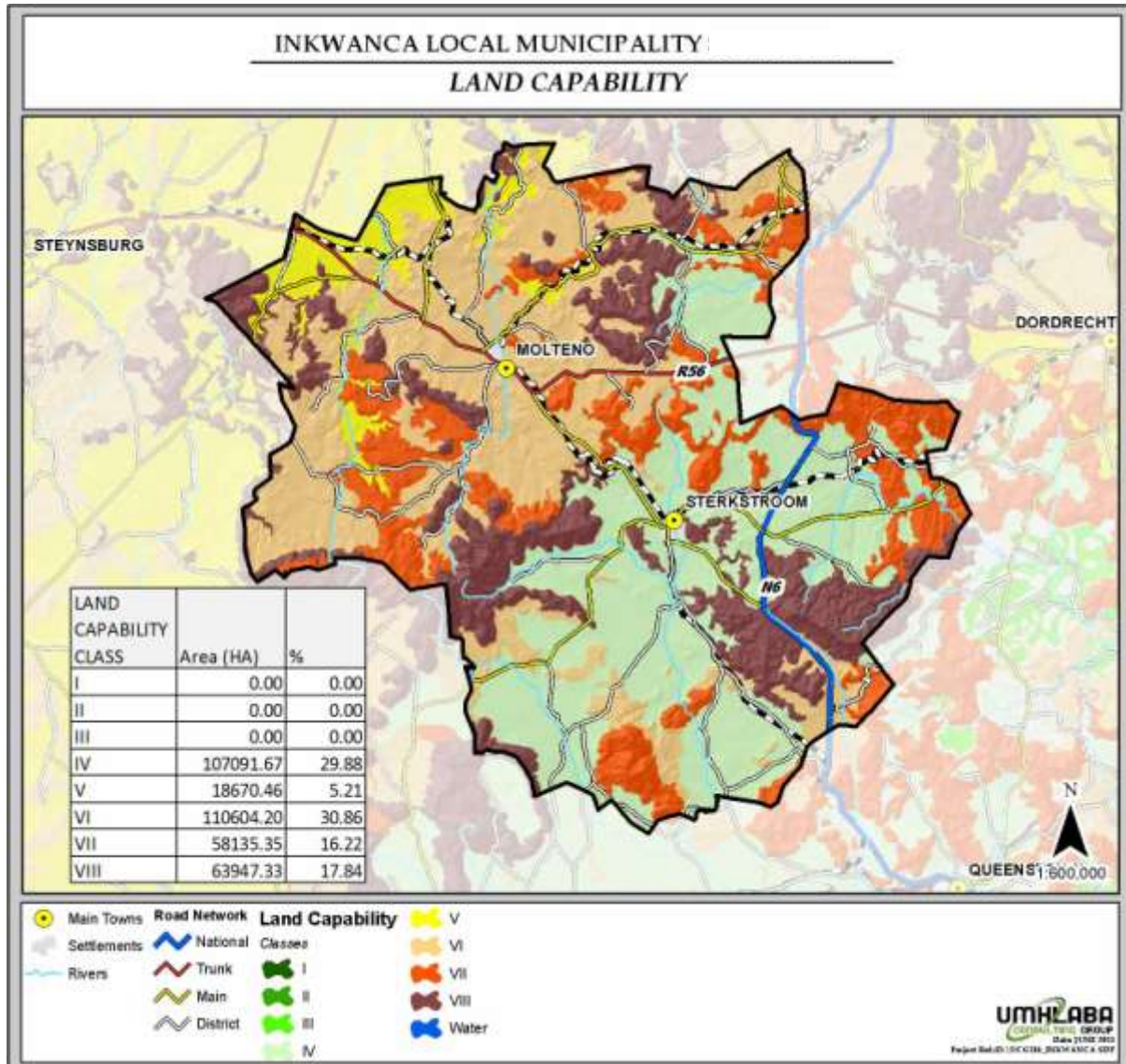
Vegetation types represent an integration of the climate, soil and biological factors in a region, and as such, are a useful basis for land-use and conservation planning. There are nine vegetation types found in the Inkwanca LM. The distribution of these vegetation types is illustrated in the map below. South-eastern Mountain Grassland covers 49% of the Municipality. This sweet grassland is environmentally important to its suitability for winter grazing. However, if sound management principles are not applied the land will convert to zuurveld rendering it useless for winter grazing. This regime is very good for sheep and cattle grazing

2.3.7 Land Capability

The collective effects of soil, terrain and climate features determine Land Capability. It indicates the most intensive long-term and sustainable use of land for rain-fed agriculture and at the same time highlights the permanent limitations associated with the different land use classes. It is therefore a more general term and conservation oriented than land suitability. The table below gives an indication of the suitable land use for various Land Capability Classes (LCC)

There is no area of high potential arable land (LCC I & II) in Inkwanca LM. 29 % of the Municipal Area is classified as arable land with limited crop production potential (LCC IV) This limited arable area is situated around Sterkstroom and to the south and east of the Municipality (see map below).

Map 2.2: Inkwanca Land Capability



2.3.8 Land Cover

The land cover pattern is largely determined by topographical and climatic factors. However past political engineering; current tenure arrangements and population densities have impacted on the type of land cover. The Land Cover map illustrates 80.2% of the Municipal land cover is unimproved grassland. Only about 1.7% is cultivated land

2.4 DEMOGRAPHIC ANALYSIS

2.4.1 Population Distribution

Inkwanca municipality has an estimated population of 22 759 people living in 6 743 households. This represents an estimated household average of 3.4 persons per household.

Population Distribution was calculated using the 2007 DWA house count (calculated utilizing SPOT Imagery). The house count was then overlaid on 2010 aerial photography for verification.

2.4.2 Rural Vs Urban

The majority of the Inkwanca population reside in the urban areas of Molteno and Sterkstroom (78%).

2.4.3 Migration

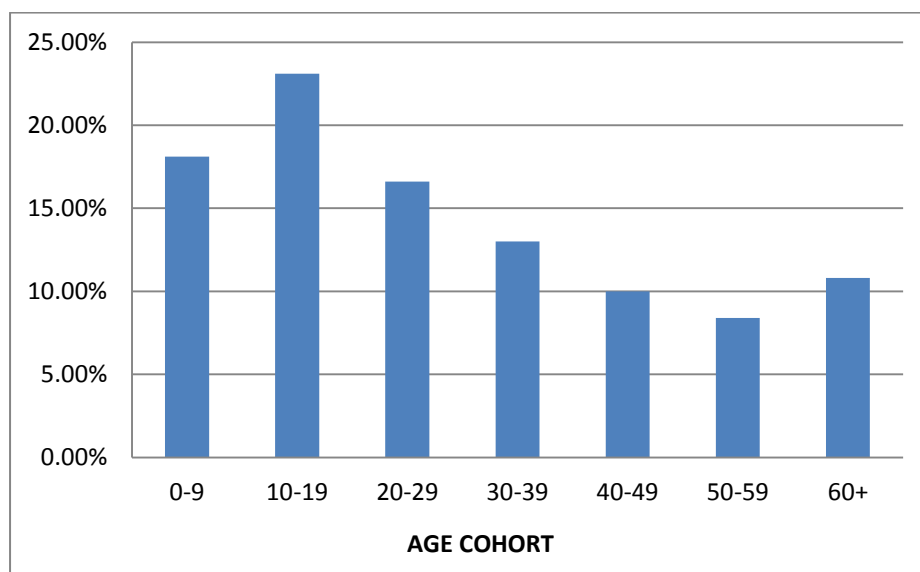
Approximately 77% of the population had stayed in the same dwelling for the five years prior to the 2007 Community Survey.

2.4.4 Gender And Age Break Down

There are equal numbers of females (50%) to males (50%) in Inkwanca's population (Community Survey 07).

The figure below gives a comparative view of age distribution Inkwanca LM. It illustrates that Inkwanca population is very youthful and comprise of a large number of school going age groups. 41% of the population is under the age of 20. 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

Graph 2.1 : Age Distribution - Inkwanca LM



Source: Community Survey 2007

Demographics -Implications:

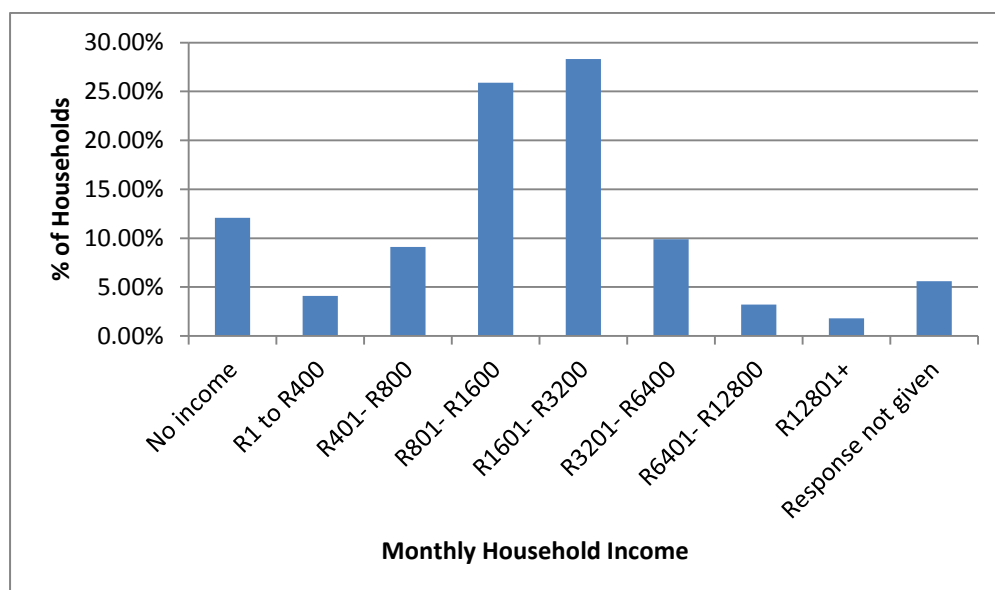
- *Majority of the Inkwanca population reside in the towns*
- *There is a very high percentage of youth in the population make up of the Municipality*

2.5 SOCIO ECONOMIC ANALYSIS

2.5.1 Household Income

Household income distribution provides a useful indicator for levels of economic development and exposure to poverty. A large number (51%) of households in Inkwanca can be deemed as indigent with gross monthly incomes of less than R1600. Figure 5.1 below illustrates the household distribution per income group extracted from the Community Survey. The highest percentage of households (28%) earn between R1600 -R3200 per month.

Graph 2.2 : Households distribution (%) per income group - Inkwanca LM



Source: Community Survey 2007

2.5.2 Employment Status (15-65 yr olds)

Employment and unemployment levels are useful indicators for effective growth in the economy. Of the working age population, just under half (47.7%) are not economically active. About 23.8% of the working age population are employed, and 28.5% are unemployed. Employment is higher for male

Table 2.3 : Employment Status – Inkwanca LM

		MALE		FEMALE		TOTAL	
		COUNT	%	COUNT	%	COUNT	%
Employment status	Employed	1264	29.10%	794	18.50%	2059	23.80%
	Unemployed	1198	27.50%	1260	29.40%	2458	28.50%
	NEA	1890	43.40%	2233	52.10%	4123	47.70%
	Total	4352	100.00%	4288	100.00%	8640	100.00%

Source: Community Survey 2007

Table 2.4: Economic Sector

	Total %
Agriculture, hunting; forestry and fishing	39.2
Manufacturing	4.4
Construction	5.3
Wholesale and retail trade	11.2
Transport, storage and communication	1,4
Financial, insurance, real estate and business services	3.6
Community, social and personal services	17,9
Other	2,0
Private households	15,0
Total	100

2.5.3 Social Grants

A total of 4 408 grants are collected each month in Inkwanca LM. The table below details the social grant breakdown in Inkwanca LM.

Table 2.5 : Social Grants (2009 Figures) – Inkwanca LM

TYPE	No.	Value per Grant/ PM	Total Value
Grant in Aid	19	R 240	R 4,560
Old Age Grants	1490	R 1,010	R 1,504,900
Disability Grants	1664	R 1,010	R 1,680,640
Foster Care	120	R 680	R 81,600
Child Support	1085	R 240	R 260,400
Care Dependency	30	R 940	R 28,200
TOTAL	4408		R 3,560,300

SOURCE: SASSA, 2009

OVERVIEW OF KEY PRIORITY AREAS (KPAs)

2.6.1 KPA 1: SPATIAL DEVELOPMENT FRAMEWORK.

The crafting of Inkwanca SDF was underpinned by the principles of NSDP and ECPSDP.

2.6.2 The National Spatial Development Perspective (NSDP)

The NSDP contains the following principles:

- **Principle I:** Rapid Economic growth that is sustainable and inclusive in pursuit of poverty alleviation.
- **Principle II:** Government expenditure on fixed investment should be directed towards local economic growth/ or economic potential in order to gear up private sector investment, stimulate sustainable economic activities and create long- term employment opportunities.
- **Principle III:** Where low economic potential exists, investment should be directed at projects and programmes to address poverty and provision of basic services in order to address past and current social inequalities.
- **Principle IV:** In order to overcome the spatial distortions of Apartheid, future settlement and economic development opportunities should be channeled into activity corridors and nodes that are adjacent to or link the main growth centres in order for them to become regional gateways to the global economy.

2.6.3 The Eastern Cape Provincial Spatial Development Plan (ECPSDP)

. The original provided strategic principles rather than a prescriptive framework for development for local and district municipalities. However, the ECPSDP was reviewed in 2010. The review on the other hand considers issues such as clustering of opportunities in nodes and development corridors to achieve areas of shared impact. It also takes into account the environmental potential, characteristics, economic attributes, migration trends, and the impact of climate change on development. The impact of these factors will influence development in Inkwanca municipality and therefore it was important for these factors to be considered in the review of Inkwanca 2011/2012 SDF.

2.6.4 Inkwanca Spatial Development Framework (ISDF)

The SDF is the principal instrument for forward planning and decision making on land development in the entire municipal area. The Inkwanca SDF was adopted by Council during 2007 and has been reviewed in the 2011/12 financial year to accommodate new developments and information.

The Spatial Development Framework gives effect to Council's vision for development and Council's objectives and strategies with respect to Land Development and Land Use Management.

All development that affects the way land is used, or which has an effect on the built environment, must be guided by a coherent set of policies and guidelines. These policies are embodied in the Spatial Development Framework.

2.6.5 Areas of prioritised intervention

- SDF Review during 2010/2011 to accommodate new information and development.
- Development of Land Use Management Plan (LUMP), a budget needs to be made in the 2011/2012 financial year

2.6.6 Planning process

The Spatial Development Framework has been prepared in accordance with the Integrated Development Planning Process or IDP methodology, which identify through a multi sectoral approach the relevant concerns, problems, issues and opportunities through public participation and analysis. The Spatial Development Framework is a spatial component of this multi sectoral process.

In the light of this, this planning initiative for Inkwanca should be viewed as the commencement of an ongoing planning process, which will guide the management of the spatial implications of growth and change into the future.

2.6.7 Development Key issues, Strategies, Implications & Spatial Development Objectives

The following priority issues, spatial development implications and development objectives are identified in the SDF as crucial in unlocking the land development potential of the Inkwanca municipality:

Table 2.6: Development Key issues, Strategies, Implications & Spatial Development Objectives

No	Key Issues	Spatial Development Objectives	Strategies
1.	Basic Needs	<ul style="list-style-type: none"> • Ensure availability of minimum acceptable level of infrastructure and services throughout the Municipal Area • Improved capacity in service delivery 	<ul style="list-style-type: none"> • Identify and prioritise areas of greatest need • Systematically link services and services supply networks to optimize efficiency • Involvement of all relevant stakeholders
2.	Land Availability and land use management system	<ul style="list-style-type: none"> • To facilitate land availability for various agricultural and non-agricultural uses. • To put in place a strategy for commonage expansion and stimulating small scale farming projects and for future sustainable land use projects. • To develop and implement appropriate 	<ul style="list-style-type: none"> • To prepare commonage management and expansion plans for the commonages of Molteno and Sterkstroom. • Promote community gardens and food security projects • Revise and refine SDF annually

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No	Key Issues	Spatial Development Objectives	Strategies
		land use management system.	
3.	Sustainable Socio economic development	<ul style="list-style-type: none"> • To focus on labour intensive sustainable development projects. • To focus resources and land availability initiatives on the development of small scale farming and tourism initiatives 	<ul style="list-style-type: none"> • Integration and linkage with Local Economic Development strategy • Integration with district and provincial LED programmes and initiatives.
4	Sustainable infrastructure development	<ul style="list-style-type: none"> • To improve existing infrastructure • To provide basic services to all residents in the Inkwanca area • 	<ul style="list-style-type: none"> • Upgrade bulk infrastructure
5	Environmental Management	<ul style="list-style-type: none"> • To adhere to sound environmental practices and to protect environmentally sensitive areas 	<ul style="list-style-type: none"> •

2.6.7 FOCUS AREAS FOR LAND USE MANAGEMENT

➤ Institutional

1. Establish a sound system to ensure that spatial planning and land use management is undertaken in a qualitatively sound manner in the municipality.
2. Given the applicable human resource constraints in this regard (both in the municipality and the District Municipality), it is possible that a “Shared Service” approach to this issue may be the most fruitful as a way forward.
3. Ensure that environmental issues are considered in the decision making process, as it relates to spatial planning and consideration of projects and developments
4. Provide aesthetic and architectural guidelines for urban development in order to inform building control function.

➤ Infrastructure

- I. Link development approvals to provision of appropriate level of water services (water supply and sanitation/sewerage system) and waste management services.
- II. New development should not be permitted where services availability are limited.
- III. There is an urgent need for upgrading of existing infrastructure

➤ Tourism

- I. Promote eco (nature reserves and game farms) and cultural tourism opportunities.
- II. Promote tourism destinations as a foundation for tourism development and ensure that aesthetic guidelines are incorporated into land use management procedures in these areas.

➤ Agriculture

- A. Where feasible, explore opportunities and identify land suitable for expansion of community-based agriculture in the area.
- B. Agricultural activities should be focused on areas of high agricultural potential.
- C. Agricultural projects should preferably not be located in natural areas or other environmentally sensitive areas.

- D. Due to the prevailing soil and rain type, the municipality is not suitable for the large scale production of crops.
- E. The land capacity and soil composition also makes the area very susceptible to degradation particularly if overgrazing also occurs.

➤ **Areas for prioritised intervention**

- Implementation of the Area Based Plan
- Development of Land Use Management Plan (LUMP)

➤ **Environmental analysis**

In general term, development proposals must comply with the following Spatial Guidelines:

- Encourage environmental sustainability.
- Meet basic needs in an economically and environmentally efficient and sustainable manner.
- The disturbance of eco-systems and loss of bio-diversity must be avoided or at least minimised and remedied.
- Pollution and degradation of the environment is to be avoided, or where they cannot be altogether avoided, minimised and remedied.
- Protect the landscapes and sites that constitute the area's cultural heritage.

A Readiness Report 2010 (Phase 2 of the DEDEA Waste Facility Backlog Project) was developed and is an important planning tool to guide and manage solid waste services in the Inkwanca LM.

The biodiversity land management class that dominates the landscape is *near natural landscapes* and the recommended land use objective is to maintain the biodiversity in as natural state with minimal loss of ecosystem integrity. Recommended land uses are limited to conservation, game farming and communal livestock.

The second largest track of land is functional landscapes and the recommended land use objective is to manage this area for sustainable development, keeping natural habitat intact in wetland and riparian zones. Environmental authorisation should therefore support ecosystem integrity. Recommended land uses are conservation, game farming, communal livestock and commercial livestock ranching. Conditional uses such as, dry land cropping,

irrigated cropping, dairy farming, timber production or for settlement purposes, will be subject to environmental authorisation, Environmental Impact Assessment (EIA)

The intrinsic bio-diversity value of eco-systems and natural habitats on commercial farmlands provide the basis for eco-tourism diversification, thus activities need to be carefully planned in order to integrate with the environmental attributes and minimize any negative impacts. In terms of land use management, the specific ecosystems and vegetation communities that require specific environmental management are wetlands, grasslands and other indigenous forests which provide the habitats of important species.

In general term, development proposals should seek to meet the following Spatial Guidelines:

- Encourage environmental sustainability.
- Meet basic needs in an economically and environmentally efficient and sustainable manner.
- The disturbance of eco-systems and loss of bio-diversity must be avoided or at least minimised and remedied.
- Pollution and degradation of the environment is to be avoided, or where they cannot be altogether avoided, minimised and remedied.
- Protect the landscapes and sites that constitute the area's cultural heritage.

The municipality does not have the financial resources to employ a full-time environmental officer but is committed to partner with Department of Environmental Affairs to develop an Environmental Management System. In preparation for an EMP the Departments of DEA will be approached to assist with an environmental audit for Inkwanca LM.

2.7.1 KPA 2: SERVICE DELIVERY AND INFRASTRUCTURE

The majority of the population reside in the urban centres and live in formal houses with adequate access to basic services. However it is not known what the full extent of the need is in the surrounding farming areas. Service delivery is divided into two groups; namely infrastructure services, and community services and facilities. Service delivery falls within the functional area of a number of different institutions, but all impact on the lives of the community and are therefore mentioned within this Key Performance Area. The Christ Hani District Municipality (CHDM) is the Water Service Authority. Inkwanca Municipality however

renders electrical reticulation in the Towns or suburb area which is under the licensed area of the municipality and ESKOM services the township areas.

Inkwanca LM will continue to canvas for more funding through the MIG programme, the district municipality and donor organisations to address the areas like roads infrastructure and solid waste services that have been prioritised.

When infrastructure investment is made, labour intensive employment methods will be used to maximise job creation and skills development as stipulated in the EPWP guidelines. The Expanded Public Works Programme intends to address service delivery backlogs, support the tourism sector and create job opportunities in the municipality.

2.7.2 Infrastructure /capital investment

Inkwanca Municipality has a Comprehensive Infrastructure Plan (CIP) and it is used as a reference for capital investment including sector departments. The Plan was finalised in December 2008 and the Technical Service Department updates the information as and when projects are completed and as new development occurs. The CIP is integrated and covers sector and municipal function and quantifies the funding requirements.

Inkwanca Municipality is small with limited resources therefore is heavily reliant on MIG funding for expensive infrastructure investment. This allows the municipality to ring fence own funding for operational and maintenance. To increase capital investment strong partnerships have been formed with JGDM and Sector Department's like Public Works and Transport.

2.7.3 HOUSING AND SETTLEMENT ANALYSIS

In Inkwanca municipality, Housing function is vested with the Provincial Department of Human Settlement (PDHS). However, Inkwanca Housing Sector Plan (IHSP) was adopted by Council in 2008 and identified objectives, strategies and areas of intervention.

There are Housing Clerks in both Sterkstroom and Molteno municipal offices respectively.

The shortfall and demand for housing is estimated at 6100 units in Inkwanca Municipality as per the municipal SDF. To overcome this challenge human settlement has been prioritized by the municipality. There is a project that has been identified by the municipality in Molteno- the Molteno Airstrip Housing project. 1127 units will be built in this project.

❖ Challenges

The old Masakhe in Sterkstroom is in need of major upgrading. Some parts are located in a river flood plain and many units are collapsing due to poor quality building materials.

The Housing Sector Plan of the municipality was adopted by Council in 2008. A list of housing projects proposed also appears in the Housing Sector Plan.

The development of low cost housing in the area has been characterised by weak project management which has resulted in poor workmanship, inferior structural quality, incomplete and unoccupied houses. In addition there are large numbers of old dilapidated houses that needs to be replaced.

❖ Current Housing Projects

Table 2.7: current housing projects in Inkwanca Municipality.

Project Type	Project Name	No. of Sites
Project Linked	Molteno Airstrip 1127 Housing Project (Note 1)	1127
Project Linked	Nomonde 136 Housing Project (Note 2)	70
	STERKSTROOM MASAKHE (Inkwanca)	164

Source: Housing Sector Plan Review, 2011

❖ Planned Housing Projects

The questionnaire administered to the Community Services Department indicates that there are no housing projects planned for the near future. However from the 2008/2011 Housing Sector Plans there are three (3) projects that were still at pre-planning stage and are presumed to be part of the projects that the Municipality would be interested in completing.

Table 2.8: Planned Housing Projects

PROJECT	NO. UNITS	VALUE
Masakhe	435	R13 920 000
Molteno (mid-income, rental)	50	R2 800 000
Sterkstroom (mid-income, rental)	50	R2 800 000

Source: Housing Sector Plan Review, 2011

❖ **A consideration of the spatial patterns of the two towns leads to the following conclusions: -**

- In the case of Molteno and Sterkstroom, the recent trends in lower income housing development have led to a growing disjuncture between where the bulk of residents in these towns now reside and where the central business areas are located.
- In short, both the towns exhibit skewed development patterns where the old so-called “white” part of town is characterised by low density (large residential erven), low levels of occupation and the location of the “business centre” of the towns. This is in contrast to the higher density of occupation found in the lower income but more peripherally located townships, where notwithstanding the fact that most residents live there; there is an on-going absence of formal business.

❖ **Settlement patterns**

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

Urban settlement growth has resulted in the provision of low cost housing thereby creating a significant shortage of available middle income houses, especially in the towns. Likewise, there is also a need to improve the central business hobs of these areas to stimulate economic growth in the retail and manufacturing sectors.

There are vast portions of vacant land that is suitable for residential development. In any case, ownership is vested in the municipality which will expedite land release for housing development.

2.7.4 LAND REFORM

Currently there are three parallel land reform policies being implemented by the South African National Government.

These are:

- Land restitution
- Land redistribution
- Land tenure reform

Land restitution is a legal process whereby people who can prove that they were dispossessed of their land after 1913 can regain their land or receive appropriate financial compensation for it, the process goes as follows;

- Land redistribution aims to address the racial imbalances in the ownership of commercial agricultural land through the transfer of land between individuals.
- Land tenure reform aims to address insecure tenure in the former homeland areas.

Inkwanca Municipal Area is defined by its two towns, Sterkstroom and Molteno, which are surrounded by low-density rural farmlands. Private land ownership for rural land accounts for 90.96 % of land ownership in the municipal area, totalling 3.49 million hectares

A breakdown of the ownership of the surveyed farm parcels in Inkwanca LM is given in the table 1 below:

Table 2.9: Summary of Ownership Details of Farm Parcels - Inkwanca LM

OWNERSHIP	NO.	AREA (HA)	%
UNDEFINED	64	27,991.72	7.27
MUNICIPAL DISTRICT	2	40.27	0.01
MUNICIPAL LOCAL	9	1,858.04	0.48
PARASTATAL	69	1,042.42	0.27
PRIVATE	789	349,265.80	90.69
STATE NATIONAL	15	4,902.04	1.27

2.7.4a Land Restitution and Redistribution

There are 9 redistribution projects in Inkwanca LM. To date the Department of Land Affairs has transferred land for 5 LRAD projects, totaling 12,928 hectares. Details of the relevant projects are given in Table 2:

Table 2.10: Summary of Redistribution Projects (Inkwanca LM)

Type	Total No. of Projects	Ave. No. of Indiv.	Total Area (HA)	Ave. Size (HA)	Ave. Purchase Cost
LRAD	4	9	12928	485	R 377,188
PLAS	1	N/A		10988.6	R 30,400,000
COM	1	20		741.0	R 260,000
SLAG	3	77		1499.3	R 650,000

There are 9 Restitution Claims in the Inkwanca LM. Table 8.4 below gives the breakdown of these claims.

Table 2.11: Restitution Claims - Inkwanca LM

Area	No. of Claims	No. Rural	No. Urban	No. People Benefited
Molteno	6		6	20
Sterkstroom	3	2	1	312
Inkwanca LM	9	2	7	332

Table 2.12: LRAD Projects in Inkwanca LM

Project No	Project Name	Number Beneficiaries	Land Size (ha)
60	Kleinbooi FA	7	321
189	George Jaxa CC	4	223
191	Groenkop CC	10	448
192	Kaalhoek Trust	15	948
193	Carnavon Estate	-	10 988

2.7.5 ELECTRICITY AND ENERGY

98 % of household in Inkwanca municipality have been provided with electricity. There are only 9 houses in Zola Township in Sterkstroom that do not have access to electricity. These houses have not been connected. They are situated in Eskom's area of supply. The municipality has engaged with Eskom to connect these 9 households.

The project on Street lighting in both towns has been identified. Funds have been secured from MIG. The project will be undertaken in this financial year.

2.7.5a Renewable Energy opportunities within the Inkwanca Municipality

Renewable energy has become a subject of investment opportunity within the Eastern Cape and the rest of South Africa. This has largely been attributed to electricity generation shortages, rising fuel costs, dwindling fossil fuel stocks and international environmental pressure towards cleaner energy production and associated climate change mitigation.

A study on Renewable Energy opportunities for the Eastern Cape Province undertaken by the East London IDZ (ELIDZ, 2009) concluded that as a province it is strongly positioned with regards to renewable energy resources:

- The Eastern Cape has lower levels of annual solar radiation than most other provinces. However it should be noted that solar radiation in the province is nevertheless high by international standards and compares well with, for example, Spain, Turkey and California in the USA
- The Eastern Cape, together with Western Cape, has the highest wind energy profile in the South Africa
- Biological productivity (as a proxy for biomass potential) ranges from 0.5 Tons/Ha/yr in the west to 10 tonnes/Ha/yr in the East. On average the province has lower biological productivity than the KZN, Gauteng or Mpumalanga provinces, but higher productivity than the Western Cape, Northern Cape or North West provinces
- The Eastern Cape has the highest development potential for small hydro schemes, and is second to KZN for large hydro scheme potential

More viable options for the Eastern Cape are therefore:

- Solar energy generation

- Wind energy generation
- Hydro energy generation
- Energy generation from Biomass

2.7.5b Opportunities within Inkwanca Municipality

Taking into consideration the opportunities mentioned above, the renewable energy resources within the Inkwanca Municipality have been assessed (Table 5):

Table 2.13: Renewable Energy Generation Opportunities for the Inkwanca Municipality.

Resource	Measure	Opportunity for Inkwanca
Wind	Mean wind speeds in the vicinity of 6 – 7.5 metres per second at the 60m above ground level (See Figure 3).	Good
Solar Radiation	Between 7100 to 7900 MJ per sq. metre of solar radiation levels (See Figure 4)	Good
Biomass	A bio-productivity of 1.76 – 3.75 tons per hectare per year (See Figure 5)	Marginal
Hydro	A predicted hydro energy generation potential of 0- 1000 KW per month (See Figure 6)	Low

From Table 2.13, it is apparent that Inkwanca Municipality has “Good” opportunities for Wind and Solar Energy Generation. It can therefore be expected that the Municipality will be subject to new applications for such facilities.

2.7.6 WATER PROVISION

The Chris Hani District Municipality is the Water Services Authority (WSA), responsible for water and sanitation services and Water Services Plan has been adopted. A Water Services Plan was developed in 2008 and includes a comprehensive strategy to deal with water and sanitation backlogs including bulk infrastructure development in the district as a whole.

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Inkwanca local municipality has been appointed as the Water Services Provider and a Services Level Agreement has consequently signed for 2009/2011.

All households at Inkwanca municipality have access to potable water and water borne system. In Molteno raw water source is abstracted from Molteno Dam, the Jubilee Dam and a borehole in near Denekruin Township. The potable water is purified at the Molteno Treatment Works before being stored in the supply reservoirs. The water is then reticulated throughout Molteno Town, Nomonde Township and Dennekrui Township residential areas.

Table 2.14: Molteno Water Supply

Source	Abstraction Flows	Restriction	Area supplied	Supplied Flows (kl)	Storage Capacity (Mega litres)
Borehole (12 hours only)	6.41 l/s	Pump Size	Town and Part of old Township	14.26 l/s	1900
Package Plant 1	12 l/s	Filters	Township	28.41 l/s	
Package Plant 2&3	26.38 l/s	Plant Size	and part of New Town		

Table 2.15: Molteno Water Supply Concerns

Concerning Parameter	Volume Molteno	Remarks
Monthly Raw Water Treated (kl)	107963	The water works require upgrading
Monthly Supplied(kl)	102500	More Storage reservoirs are required
Monthly Billed(kl)		
Stored Water	5463	<ul style="list-style-type: none"> ➤ The treated water that recharges the borehole when the borehole pump is out of operations is not measured. ➤ The water that supplied to the cottages at the dam is

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		<p>not measured.</p> <ul style="list-style-type: none"> ➤ Backwash water is not measured. ➤ Sedimentation tanks desludge water is not measured. ➤ Leak volume is unknown.
Population (Nkwanca LM)	20247	
House hold (Nkwanca LM)	6493	
Capacity Available for Development	0	

The drinking water in Sterkstroom is supplied naturally from the surface water and the ground water sources.

Water for Sterkstroom primarily comes from two fountains and a surface dam on the Carnarvon Estates, 17km east of the Sterkstroom town.

Table 2.16: Sterkstroom Water Supply

Source	Abstraction Flows	Restriction	Area supplied	Supplied Flows (kl)	Storage Capacity (Mega litres)
Lismore Borehole	7.47 l/s	Pump Size	Town and Part of old Township	6.7 l/s	1.0
Carnarvon Estate Supply	16.2 l/s	Pipeline	Township and part of New Town	18.88 l/s	1.34

Table 2.17: Sterkstroom Water Supply Concerns

Concerning Parameter	Volume	Remarks
Monthly Raw Water Treated (kl)	62002	Water Treatment works is required in the area.
Monthly Supplied(kl)	61980	Existing leaks should be repaired
Monthly Billed(kl)		

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Unaccounted for water	22	More storage reservoirs are required.
Population (Nkwanca LM)	34697	
House hold(Nkwanca LM)	6493	
Capacity Available for Development	0	

Table 2.18: Water backlogs

LM	Total Population	Population			Percentage		
		No Water	Below RDP	Above RDP	No water %	Below RDP %	Above RDP %
Inkwanca	23,709	52.9	31.1	22,214	2.2	1.3	96.5
District	308,363	28,676	81,257	22, 869	9.3	26.4	64.3

Source; WSDP 2008

The Community Survey 2007 data indicates that 96.5% of the population of Inkwanca has water provision above RDP standards, with 2.2% having no water and 1.3% having below RDP standard provision. These figures on based on the following assumptions:

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

2.7.6.1 Cost and Funding

The cost of eradicating this water backlog is estimated at R 45,000,000-00 The funding for the water services is channelled via the district municipality based on DORA allocations.

Projects are identified through the Community Based Planning and submitted to the technical committee for verification, selection and inclusion in the integrated development plan of both the local municipality and the district municipality

2.7.6.2 Water Services Challenges

- Old infrastructure like reticulation pipes are old and need to be replaced;
- Insufficient budget for repairs and maintenance, especially emergency repairs.
- Lack of sufficient contingency plans to accommodate new bulk infrastructure with old connecting infrastructure.
- New housing development is placing a damaging demand on old and over utilized infrastructure.
- Limited Water restrictions in the form of water meters
- Legal compliance with borehole installation.

2.7.8 SANITATION PROVISION

The Chris Hani district municipality is the Water Services Authority, responsible for water and sanitation services. A Water Services Plan was developed in 2008 and includes a comprehensive strategy to deal with water and sanitation backlogs including bulk infrastructure development in the district as a whole.

Inkwanca local municipality has been appointed as the Water Services Provider. A Services Level Agreement for 2009/2011 has been signed.

2.7.8a Sewage Collection

The municipality consists of two methods of collecting sewage in the area: water borne and septic tank systems.

The central part of Molteno is served with waterborne sewers. Wastewater and sewage is pumped to the wastewater treatment works.

2.7.8b Solid waste management

Formal waste collection service is limited to the urban areas of Molteno and Sterkstroom. Households in the rural areas improvise by either creating their own dumps in their own yards or by means of illegal dumping sites.

The status of landfill sites for the Inkwanca Local Municipality is summarized for the main towns as follows:

Table 2. 19: Inkwanca Landfill Sites

Landfill	permitted	Volume data	Est. Volume Tonnes/day	Formal Recycling	Comments	Recommendation
Molteno	Yes	No	2.5	No	Two sites, one in residential area other is old borrow pit- Mainly domestic and garden refuse. - Includes medical waste - Unacceptable positions close to residential areas. - Waste burned	Recommend - Identify new site as soon as possible - Prohibit disposal at site in residential area - Prohibit dumping of medical waste - Rehabilitate existing site
Sterkstroom	Yes	No	1.8	No	Old borrow pit- Mainly domestic waste - Includes medical waste - Burning of waste - No stormwater control - Wind-blown litter - No access control - No fencing - Illegal dumping sites e.g. on river bank	Good site for properly operated landfill - 15-20 years airspace remaining. Recommend - Construct storm water diversion channels - Clean wind-blown litter - Prohibit dumping of medical waste - Clean up illegal dumping areas

Source: CHDM Waste Management Situation Analysis

2.7.8c Cemeteries

There are 6 cemeteries in Inkwanca LM located in the urban areas. The location of these cemeteries appears suitable –the proximity to boreholes or watercourses may need to be checked.

2.7.9 DISASTER MANAGEMENT

The District Municipality has a Disaster Management Policy Framework that encapsulates the status and priority areas of all the Local Municipality in its area as their form of support.

The Municipal area has been relatively stable over the years, although occasional disasters do occur that requires speedy and organised management. Common disasters in this area include floods, gale force winds and veld fires. The Municipality does not have adequate resources (human or otherwise) to effectively deal with these natural disasters when they occur and therefore the district – CHDM becomes the solace when disasters strike in Inkwanca municipality.

2.7.10 AIR QUALITY

The Air Quality Act makes it incumbent on local municipalities to monitor ambient air quality within its area of jurisdiction. It is accepted that a permanent air quality officer is required to regularly monitor air pollution and analysis the data in Inkwanca. However in Inkwanca municipality, there is no need for an expert in that regard since there is almost no industrial economy and the air quality is not polluted.

2.7.11 TRANSPORTATION NETWORK

❖ Roads

Inkwanca municipality has 1100km of either gravel or unscrapped dirt roads. Most of the roads linking the rural settlements are generally in poor conditions. The backlog in terms of roads in Inkwanca municipal area stands at 95%. Roads is still the main challenge of the municipality, as a result roads and storm water has been prioritises once more.

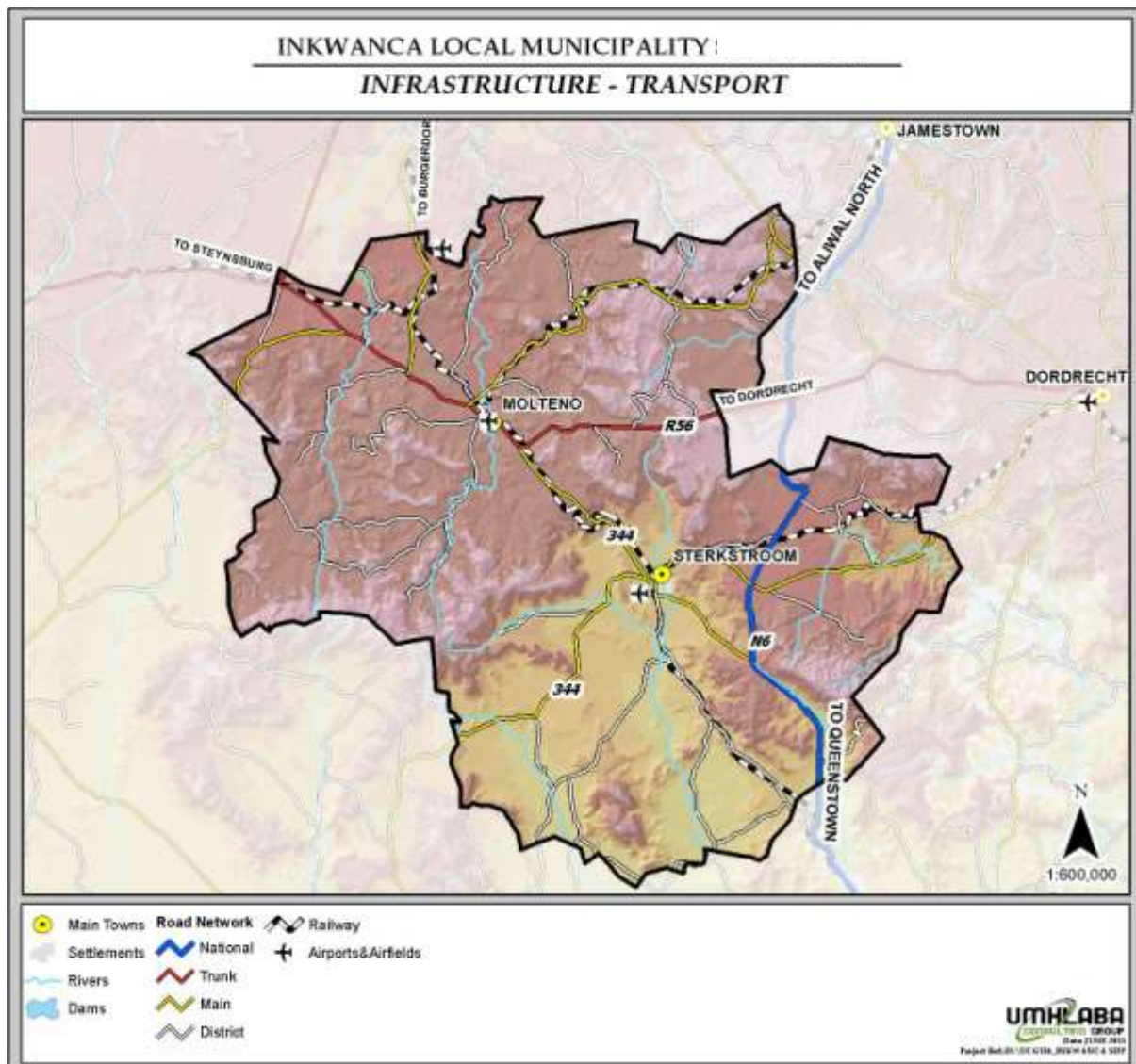
❖ Railway Network

The light density railway line between Sterkstroom - Dordrecht - Indwe - Maclear is currently being utilised at 8% of capacity for transportation of general freight commodities and timber. There are problems with carrying capacity.

❖ Airports/Airstrips

There are 3 airstrips in Inkwanca LM.

Map 2.3 Air Strips



Inkwanca Municipality has divided roads into the following 4 categories and likewise will link these as core functions to the various responsible institutions:-

- national roads;
- provincial roads including tarred and gravel surfaces;

- Municipal Roads/ Streets;
- access roads; and
- Corridors.

These categories are discussed briefly below.

2.7.11a National Roads

While not in Inkwanca Municipality, the N6 has an impact on the municipal area. Even though the N6 does not transverse Inkwanca area it remains an important transport route.

2.7.11b Provincial Roads

A partnership has been formed with the Provincial Department of Roads and Transport to maintain the provincial road that cuts through Inkwanca municipality. The Department provides the machinery and the material (crusher dust and tar) for patching.

In terms of the municipality's SDF corridors fulfil an important function as access routes and spines for possible economic activity. Corridors in the study area play an important role as access routes and linking the urban centres of Molteno and Sterkstroom to the rest of the province and the country. These access routes are important infrastructure elements for goods and people movement.

2.7.11c Municipal roads

The Roads Unit consists of 9 General Workers, one driver and a supervisor. There is a dedicated work force dealing with storm water management and their activities are time line.

Inkwanca Municipality was involved with the development of the ITP and it is used to guide the municipality when dealing with its road programme. The municipality has progressed well with the development of a Local Roads Maintenance Plan which will be fully implemented in 2012/13.

There is minimal demand for non-motorized transport in Inkwanca municipality and the present demand does not warrant designated cycle lanes. Pedestrian walkways are provided and roll-up kerb-ways have been constructed.

One hundred and fifty five job opportunities were created through the EPWP. Inkwanca Municipality is responsible for the construction and maintenance of internal municipal tar roads, gravel and access roads within the urban edge of the three towns. Streets within townships in all the urban settlements are in a very poor condition, which leads to flooding in bad weather, impassable roads and poor access. Streets in the main part of towns have not been maintained for a number of years as the municipality has tried to address the disparity prevalent in previously disadvantaged areas. This has led to some streets deteriorating beyond reasonable repair and this issue is being addressed by Inkwanca municipality through the CIP.

2.7.11d Access roads

Access roads are referred to as those transport mobility routes between towns and the outlying township areas. These mainly include main access roads through the Central Business Districts of Molteno and Sterkstroum as well as access roads to Nomonde and Masizakhe residential areas. One of the reasons that roads are considered a priority is the need to create social cohesion and enable equitable access to services centres and the services it offers. The Roads Plan (RP) accordingly makes provision for ring-roads to provide access by creating mobility corridors.

Inkwanca municipality has 1100km of either gravel or unscrapped dirt roads. Of these, only 17,4km of roads is tarred.

This means that a lot of work still needs to be done. Huge percentage of our budget is allocated under Infrastructure and Basic services. We make use of funds allocated to the municipality through the Municipal Infrastructure Grant (MIG) for infrastructure construction.

2.7.11e Corridors

Corridor Policy Guideline

A number of prominent corridors and access routes have been identified on regional and local level. These include:

- **South-North Corridor** : N6 from East London through Queenstown to Aliwal North and Bloemfontein
- **East-West Corridor** : The R56 and R397 from Queenstown through Sterkstroom, Molteno, Steynsburg to Middleburg
- **Other Access Corridors include** : The R391 to Burgersdorp and Hofmeyr and alternative rural roads.

2.7.12 ROADS BACKLOGS

Most of the roads linking the rural settlements are generally in poor conditions. The backlog in terms of roads in Inkwanca municipal area stands at 95%.

To address this backlog, the municipality has prioritized roads and storm water. Projects have been identified as well to address this shortfall.

Phase 1 of Regravelling of internal roads in Molteno has been completed. Phase 2 of the project in Molteno and Phase 1 and 2 in Sterkstroom are still to be done.

The roads maintenance plan has been developed.

2.7.13 STORM WATER MANAGEMENT

Inkwanca Municipality is responsible for construction and maintenance of storm water drainage in the past and considerable amount of financial resources has been deployed in storm water management in all towns. However a lot of work still has to be done.

2.7.14 SOCIAL FACILITIES

2.7.14a Health

There are 2 District Hospitals and 5 clinics in the Inkwanca municipality. We also have two Home Based Care Centres in both towns. Health services in the municipal area are competence of the District and Province.

2.7.14b Priority Health Promotion

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

2.7.14c Health Challenges

- ❖ Poor infrastructure - roads, water, sanitation, electricity, communication, health care buildings, health care equipment
- ❖ Inadequate budget
- ❖ Inability to attract and retain health professional staff
- ❖ Mobile services not equitable - mobile fleet ageing
- ❖ Poor communication infrastructure
- ❖ No 24 hour PHC facilities
- ❖ High number of staff vacancies - managerial and professional and scarce skills and this impacts on the quality and type of services that can be offered
- ❖ There are long queues at fixed clinics
- ❖ Poor quality of health services - drugs and essential clinic supplies not available
- ❖ Poor emergency services

2.7.14d Health Development Priority Areas of Intervention

- Improved access roads to all health facilities in Inkwanca
- Water, electricity and sanitation to rural clinics
- Emergency services
- Availability of drugs and clinic supplies

2.7.15 SAFETY AND SECURITY

Inkwanca has one of the safest regions in South Africa with very low crime figures. However, It is important that planning take cognisance of the importance of safety and security in building sustainable communities.

2.7.15a Challenges

There are two police stations located in the municipal areas however these stations are bedeviled with the following challenges

- there is no coordination in the operations of these stations because while the station in Sterkstroom is attached to Queenstown SAPS, Molteno station is attached to Aliwal North district.
- The station in Sterkstroom lacks accommodation and Holding Cells

2.7.16 COMMUNITY HALLS

Inkwanca municipality has four community halls – two of the halls are in Molteno and two in Sterkstroom. These halls are under the auspices of the community services department. These halls are however in deplorable states and therefore need extensive facelift.

2.7.17 SPORTS AND RECREATION FACILITIES

The Municipality has no proper sport and recreation facilities except those located in the main towns – former “White Town.” Even the stadium in Sterkstroom town is in a deplorable state and urgently needs upgrade. A new stadium is however been built in

Molteno With the high percentage of youth in the population make-up it is essential to provide sports and recreation facilities.

2.7.18 LIBRARIES

There are libraries in Inkwanca municipality – one in Molteno and another in Sterkstroom. The municipality runs this service as an agency function for the Department of Sports, Arts and Recreation. However, there is the need for the Department of Sports, Arts and Recreation to assist in upgrading of books and study materials to ensure that the libraries are of standard and also facilitate the building of Library in the former disadvantaged communities.

2.8.1 KPA3 FINANCIAL VIABILITY

Sections 153 of the Constitution oblige a municipality to structures and manage its administration, budgeting and planning processes to give priority to the need of the community. To give effect to the above, Inkwanca Municipality has developed and approved a Finance policy that:

- Ensure financial viability and long – term financial sustainability
- Sets out a framework for allocating resource for short – term to medium – term;
- Provide linkages and synergy between planning and budgeting; and
- Outlines revenue and expenditure forecasts

The municipality has a full – fledged budget & Treasury Office whose objective can sum up as follows:

- Ensure full compliance with all legal , statutory and accounting requirement and standards;
- Provision of accurate and reliable financial information to all users;

- Provision, maintenance and implantation of sound financial management, system and controls.
- Provision of effective system of revenue collection and expenditure control;
- Develop and implement an effective system to manage municipal

Devise strategies to expand the municipal revenue base asset

Inkwanca municipality is a small municipality. Its revenue base is small. The sources of income are mainly rates and taxes. However the majority of the municipality is indigent. This means that we do not get much from the rates. As our revenue base is very small, this impacts badly on our ability as the municipality to achieve our objectives.

2.8.2 BUDGET 2012/2013

2.8.2a Cost savings and revenue enhancement measures

It is recommended that cost savings and revenue enhancement measures should be introduced immediately to reduce the deficit as council cannot continue on this trend.

In addition the municipality will apply the following cost reduction measures:

Table 2. 20: Cost Reduction Strategies

SECTION	STRATEGIES
Salaries and Allowance	Monitor and regulate overtime Manage cell phone and travelling allowance in accordance with S&T Policy
General Expenditure	Reduce telephone cost through of telephone management system. Place moratorium on catering for all local meetings. Travelling together to the same destination with the exception of the Mayor and the Municipal Manager. Reduction on stationery and printing through intensification of electronic communication system usage. 100% reduction on interest paid to creditors (insist on payment of invoices within the prescribed period (30 days) Proper control of stock on hand Introduction of early warning system (for all votes)
Entertainment	Limited only to the Municipal Manager and the Mayor, and can only entertain the VIP guest
Repairs and Maintenance	Service municipal fleet on time Any new fleet should include maintenance plan Regular refurbishment of all municipal buildings
Furniture	Standardization of office furniture & equipment in accordance with categories of personnel

2.8.2b Cost Reduction Strategies

As part of its revenue strategy, the council will implement the following measure

Table 2. 21: Cost Reduction Strategies

SECTION	STRATEGIES
Grants	Donors (lobby & influence equitable share formulae)
Services	Disconnection of electricity due to non-payment should be done on an acceptable rate Updating and review of indigent register Intensify credit control & debt improve customer care Filling of critical posts in BTO Finalize & implement new FMS (training & development) Upgrading of water and sanitation infrastructure (Water Meters) Identify buildings for leasing option Auditing of all prepaid electricity meters should be performed as to identify tampering Roll-out of a campaign aiming at consumer awareness
Other	The right to claim license for electricity distribution through all municipal areas Put more focus on the powers and function of municipality, i.e energies will be applied to electricity, refuse removal and rates and taxes. Review & implementation of By-laws (i.e. advert, reveal of existing ease agreements increase visibility of law enforcement management & utilization plan of resorts)

Table 2. 22The selected key assumptions relating to this budget are as follows::

<ul style="list-style-type: none"> ❖ 6% Increase on rates and taxes ❖ Government grants for the years 2012 – 2013 are as per the Division of Revenue Act. ❖ Equitable share from the National Government has been estimated to increase by 13% ❖ The headline CPI inflation forecast for the 2012/2013 is 5.9% ❖ Growth in the salary and wage bill has been provided for in the budget at 6% ❖ 6% increase on refuse and sundry tariffs ❖ 13.5% increase on bulk electricity and 11.03% on electricity tariffs
--

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

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

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

❖ **The review and implementation of financial and budget related policies**

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

2.8.2c Managing Global Financial Crisis

MFMA circular 59 the Budget review notes that the South African economy has demonstrated a resilience despite unsettled international economic condition, the global developments are likely to hold back higher growths over a short term, resulting in Gross Domestic Product (GDP) growth being expected to be slow from 3.1% in 2011 to 2.7% in 2012. However, the domestic outlook remains positive over the medium term as the World Economy strengthens, GDP growth would accelerate to 3.6% in 2013 and 4.2% in 2014 led by robust household consumption and public-private sector investment.

Given the current economic crisis, municipalities will need to take some very tough decisions in the course of preparing their 2012/13 budget and MTREF. We have given priority to the following critical issues;

Table 2. 23: 2012/13 budget and MTREF

Focus Area	Detail
Managing all revenue streams, especially debtors;	Review and implement a revenue enhancement strategy and a Recovery plan.
Supporting meaningful local economic development (LED) initiatives that foster micro and small business opportunities and job creation;	Review LED strategy which seeks to address job creation through support to SMME's
Expediting spending on capital projects that are funded by conditional grants.	Developed a strategy through which all conditional grants are re-in fenced, and reported monthly to council.

2.8.2c EXTERNAL ALLOCATIONS

Table 2. 24: Allocations as per Division of Revenue

Description	Amount (R)
Equitable Share	17,833,00
INEP Grant	-
MIG	9,991,000
FMG	1,500,000
Incentive EPWP	1000,000
MSIG	800,000
INEP (in kind)	-
TOTAL ALLOCATION 2012/13	31,124,000

2.8.3 INCOME AND INCOME SOURCES

Table 2. 25: Income and income sources are indicated in the table below:

No.	Revenue	Source
1.	Conditional and Unconditional Grants	National and Provincial Dept
2.	Municipal Services: <ul style="list-style-type: none"> ➤ Electricity ➤ Refuse 	Municipal consumers
3.	Rates and Taxes	Municipal consumers
4.	Parks and Recreation	Municipality
5.	Traffic Services: <ul style="list-style-type: none"> ➤ Fines ➤ Registration ➤ Roadworthy certificates ➤ Learners & Drivers Licenses ➤ Motor registration etc 	Municipality
6.	Municipal Leases	Municipality
7.	Sundry	Municipality

Table 2. 26: EXPENDITURE

PERSONNEL EXPENDITURE	MTEF		
	Budget 2012 / 2013	Budget 2013 / 2014	Budget 2014 / 2015
Salaries	15,709,523	16,652,095	17,651,221
Contr: Medical Aid	550,151	583,160	618,149
Contr: Pension	2,363,464	2,511,393	2,668,688
Contr: U I F	202,776	215,125	228,230
Contr: Industrial Council	6,890	7,303	7,742
Annual Bonus	1,178,360	1,249,061	1,324,005
Telephone Allowance	127,488	136,840	146,889
Overtime	347,703	368,566	390,679
Transport Allowance	522,475	554,418	588,324
TOTAL PERSONNEL EXPENDITURE	21,008,830	22,277,960	23,623,927

Table 2.27 EXPENDITURE BY VOTE

Expenditure by Vote	Budget 2012 / 2013	Budget 2013 / 2014	Budget 2014 / 2015
MAYOR & COUNCIL	2,067,237	2,199,872	2,341,153
ACCOUNTING OFFICER	3,169,173	3,359,323	3,560,882
BUDGET AND TREASURY OFFICE	4,756,587	5,041,982	5,344,501
CORPORATE SERVICE	4,240,872	4,495,324	4,765,044
COMMUNITY SERVICES	8,057,387	8,540,831	9,053,280
TECHNICAL SERVICES	27,895,862	29,509,552	31,247,497
TOTAL	50,187,117	53,146,884	56,312,357

Table 2.27: CAPITAL BUDGET

Refurishment of Schemes	1,020,000	1,081,200	1,146,072
Vehicles	196,500	208,290	220,787
Tools & Equipment	45,000	47,700	50,562
Furniture & Office Equipm.	200,000	212,000	224,720
MIG Projects	9,991,000	10,539,000	11,148,000
TOTAL CAPITAL EXPENDITURE	11,452,500	12,088,190	12,790,141

Table 2. 28: Analysis of MIG Capital Expenditure

Projects Name	2012/13	2013/14	2014/15
Completion Masakhe Community Hall	R 2,348,000.00	R 0.00	R 0.00
PMU 5 % Top Slice	R 499,550.00	R 526,950.00	R 557,400.00
Surfacing of taxi routes in Molteno & Sterkstroom phase 2,3,4	R 4,700,000.00	R 6,000,000.00	R 6,000,000.00
Regravelling of access roads at Nomonde and Masakhe phase 2,3,4	R 2,443,450.00	R 4,012,050.00	R 4,590,600.00
Totals	R 9,991,000.00	R 10,539,000.00	R 11,148,000.00

Table 2.29: Summary of Revenue

VOTE	2012/2013	2013/2014	2014/2015
Council	0	0	0
Municipal Manager's Office	0	0	0
Budget & Treasury	21,424,300	24,829,758	26,319,543
Technical Services	15,350,000	16,220,000	17,169,000
Community Services	2,592,000	2,747,000	2,912,000
WSSP	8,831,000	9,361,000	9,922,000
Total	50,197,000	53,157,000	56,324,000

2.8.4 BILLING SYSTEM

Inkwanca Municipality has currently approximately 6000 registered even on the billing database. Meter readers take readings on a monthly basis. Installation of water meters has been identified as a project for even which don't have water meters.

2.8.5 Provision of Free Basic Services.

The municipality provides Free Basic Water to all the households at Inkwanca municipality. With electricity, only those that have been registered as indigent and have applied are provided with Free Basic Electricity. At the moment only 2267 households are provided with this service.

An indigent register is in the process of being review as it was found not to be credible. The finance section at the moment is in the process of updating our indigent register. So far, only 2267 households have been registered as indigent.

2.8.6 Asset Management

Inkwanca Municipality has Asset Management Policy but it is outdated it needs to be reviewed. Our corporate services division is handling the process of ensuring that this policy is reviewed.

The municipality has got immovable properties and is in the process of registering all its assets. The cost benefit analysis of all municipal assets needs to be undertaken to ascertain

whether how feasible will be for the municipality to retaining some of their properties. The municipality has just developed its bar code system. The process of converting the municipal assets to be GRAP compliant has just started.

2.8.7 AUDIT

Inkwanca has a functioning external audit committee. Inkwanca municipality has appointed the service provider to undertake the internal audit function.

2.8.7a Audit Committee

Each municipality must have an independent advisory body which must advise the municipality on matters relating to a range of financial issues, performance management and performance evaluation. The Audit Committee must consist of at least 3 persons with appropriate experience, of whom the majority may not be in the employ of the municipality. An audit committee may be established for a district municipality and the local municipalities within that district municipality.

2.8.7b Internal Audit Unit

Each municipality has an internal audit unit, which must advise the accounting officer and report to the audit committee on matters relating to a range of financial issues and performance management. The internal audit function may be outsourced if the municipality requires assistance to develop its internal capacity and the council has determined that this is feasible or cost effective. Inkwanca municipality has established a functional internal audit unit.

2.8.7c Internal Audit Challenges

- Communities want more assurance around stewardship and accountability in their respective municipalities. To effectively do this is still a challenge.
- Section 165 and 166 of the Municipal Finance Management Act, 2003, put an obligation on all municipalities to establish audit committees and internal audit units
- The costs of establishing internal audit units and audit committees can be high especially if well qualified staff are needed

- The risk of not establishing internal audit functions is that there is diminished accountability around funds being received and spent.
- There is increased risk of problems (with high financial and human resource costs) occurring that could have been prevented.
- High tendency not to comply with MFMA and DORA reporting compliance which might result in that funds be withheld.

2.8.7d Internal Audit legislation

- Municipal Finance Management Act, 2003 (Act 56 of 2003).
- King Reports on good governance

2.8.8 ACTION PLAN TO THE REPORT OF THE AUDITOR GENERAL (AG) 2010/2011 (see annexure 1)

2.8.9 SUPPLY CHAIN MANAGEMENT

The municipality does not have SCM unit as envisaged by the MFMA. It is currently administered by an intern.

The SCM policy of the municipality applies when the municipality procures goods and services disposes goods that are no longer needed. Committees that deal with SCM processes have been set as stated in policy and they are functional. The municipality has developed a database of suppliers which is updated from time to time.

2.8.10 FINANCIAL POLICY ENVIRONMENT

The following policies were reviewed and approved by Council for 2010/2011 financial year

- Accounting policy
- Fixed Asset management policy
- Cash receipts and banking
- Cash management
- Supply Chain Management
- Risk Management strategy
- Credit control
- Arrangements
- Inkwanca Amended final write – off

- Rates Policy
- Delegation of powers

2.8.11 PMS CHALLENGE(S)

Achieving a clean audit report for Inkwanca Local Municipality

2.8.12 PMS LEGISLATION

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

2.8.13 PMS PRIORITIES

- Finalization of the shared internal audit function with the District Municipality
- Legal compliance with legislation around performance management including the:
- Appraisal of Section 57 Managers in 2012 for the period 2011/12;
- Preparation and submission of the IDP for 2012-2017

2.9.1 KPA 4 LOCAL ECONOMIC DEVELOPMENT (LED)

In compliance with the National, Provincial and District LED Frameworks, Inkwanca municipality seeks to:

- a. Provide direction to the LED unit
- b. Set LED targets that are aligned with the national, provincial and district priorities
- c. Coordinate the efforts of private and public sectors in the municipal LED
- d. Informs the municipality's IDP

Inkwanca municipality developed and adopted a Local Economic Development Plan (LEDP) in 2008. The LEDP of the municipality aligns with the district, provincial and national LED strategies as well as the municipal's IDP.

2.9.2 INKWANCA LOCAL ECONOMIC OVERVIEW

The current trend in the local economic activities in the municipality uses econometric techniques to analyse trends within the various economic sectors within Inkwanca local municipality.

The outcomes of this assessment will be used to conduct an economic potential assessment which will provide the foundation for the identification of local economic development programmes and projects.

The economic profile provides a detailed analysis of Inkwanca Municipality's economy in its current state. As part of this profile a detailed assessment of each of the economic sectors is conducted 2007 Community Survey and the municipality's SDF as the primary source of data.

The sector contribution of each individual producer, industry or sector to the economy is measured through Gross Value Added (GVA). The total GVA for Inkwanca is R286420 (based on 2004 figures). This is a 5% contribution to the District Economy and 0.3% to the Provincial Economy. The areas low contribution to the overall District and National economic highlights the fact that this area is not an economic growth poin.

2.9.2a Consequences for LED:

The economic growth rate and the GVA contribution to the District economy, provide baseline information from which to assess the success of economic initiatives in Inkwanca Past economic data is also a key information requirement for businesses wishing to invest in an area.

For socio-economic advancement of the municipality, investment becomes inevitable and Inkwanca municipality intends to create an enabling environment that will attract investors from all walks of life. However, it must be acknowledged that the municipality cannot overcome poverty or attract new investment on its own and it will take concerted efforts of all spheres and business to exploit areas with economic growth potential. The overarching

strategy has been structured to map the development path that will enable other important role-players greater *access* to invest and support development in Inkwanca municipal as a whole.

Internal capacity should be strengthened to enable the municipality to support and coordinate investment initiatives and lobby for funding.

2.8.3 LED FORUMS

The Inkwanca Local Municipality has recognised the fact that one of the main components which are critical into making the local economic development work, is a well organized, vibrant and functioning local structures, such as the Business Forum, Cooperatives Forum and so on. In addition, the Inkwanca LED UNIT has initiated the establishment of the Local Business Forum (LBF) and other LED Structures in consultation with local businesses and the progress has been quite satisfactory.

2.8.4 SECTOR PROFILE:TOURISM

The rich history of the area preserved in the form of Khoi art still untapped and the atmosphere said to be perfect for asthma sufferers represents a major national attraction to the area. The potential of adventure and eco-tourism has not been fully exploited.

Table 2.30: Potential Tourism Attractions in Inkwanca LM

Heritage/ History Tourism	
Molteno Museum	Vegkoppies
Sterkstroom Museum	Clock Tower – Molteno
Molteno Watermill	Johannes Meintjies Art Gallery
Archaeological Sites	Stormberg Certified Organic Farms
Nature-Based Tourism	
Koos Ras Nature Reserve	Carnavon Estate – Hunting
Black Eagle Nature Reserve	Rooipoort –Hunting
Nature Heritage Site on the farm Carnavon	Branston Lodge – Hunting
Brosterlea Farm –Hunting	John Broster Farm – Hunting
Laetitia Mountain Lodge Safaris - Hunting	

Source: Chris Hani DM Tourism Plan, 2009

A tourism sector plan has been developed by the municipality and implementation is to begin with the training of Councillors, officials and members of the public. Further a new game farming and hunting lodge namely the Masizakhe Game Farming & Hunting Lodge has been developed and this and other initiatives will go a long way in improving our tourism.

2.9.4 SECTOR PROFILE: AGRICULTURE

The Agricultural sector is the greatest contributor to Inkwanca's GVA (31.8%). The major economic driver making a meaningful contribution to the Municipality's economy are predominantly stock farming and fodder production plus crop farming to a lesser degree. Inkwanca has approximately 1.67% of the Chris Hani District's cattle, 0.08% of its goats and 3.69% of its sheep. The two commodities identified as having potential in Inkwanca are

- Beef Cattle
- Dohne-Merino

The production of livestock is mainly because of the good grazing potential in the area, with over 60% of the Municipality having a carrying capacity of 9 hectares or less per livestock.

Agro development constitutes the largest portion of economic activity with the largest number of employed persons working on farms. INKWANCA has vast land available, but the area is dry and very rocky discounting the feasibility of crop production in high volumes.

The dry conditions of the area are suitable for fruit production. While this type of agricultural production is profitable in the long run, it requires a heavy capital injection for a minimum of three years before returns on investment can be realised. Game farming is also envisaged to form an integral part of our agricultural activities.

The greatest challenge to livestock production remains low skills level, access to land, poor veld and livestock management, limited access to market, limited access to financial and credit access by emerging farmers due in part to insecure land tenure, limited mentoring and information from ECDA and dilapidated and insufficient infrastructure such as roads, fencing, stock dams and dipping tanks.

2.9.4 SECTOR PROFILE: MINING

❖ Mining Potential

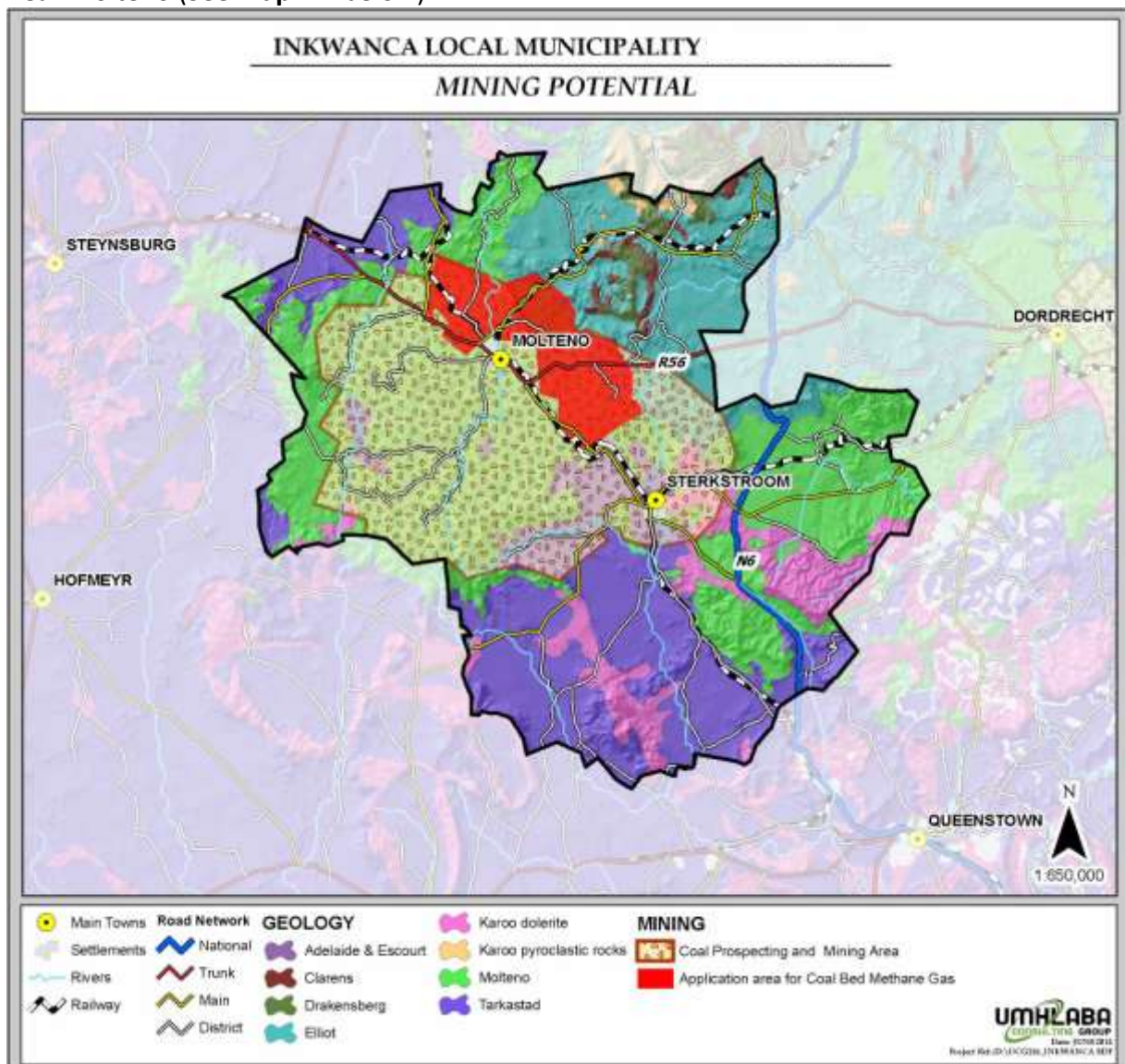
For the past decade the municipality has been struggling to extract value out of the coal deposits discovered in its jurisdictional area. Coal mining remains an untapped potential in the area and can contribute immensely to employment creation if it can be properly mined and benefited. These coal deposits are located in the central area of the Municipality.

❖ Coal Mining

The Elitheni Coal Company has mining prospecting rights to a large area of Inkwanca (See map below). The company estimates that there is over 1 billion tonnes of coal available in its mining and prospecting areas. Unlocking of the Mining Industry will create spinoffs in subsidiary industries

❖ Methane Gas

Badimo Gas (Pty) Ltd has made an application for an exploration right for coal bed methane near Molteno (See map 2.4 below).



2.9.5 SECTOR PROFILE: SMMEs

Inkwanca businesses environment is one of the far less developed environment in the Chris Hani District. There is no dedicated support programmes and accredited small business support institutions. The municipality does not have the capacity or the resources at present to play an effective role in terms of policy planning and facilitation. Poor infrastructure and lack of it in some areas e.g. telecommunications, lack of policy planning, poor relationship with the local authority all signal the need to change the current situation.

The Municipality has assisted small business in the form of projects and tax holidays.

Inkwanca municipality is yet to develop the following policies:

- SMME DEVELOPMENT PLAN
- COMMONAGE MANAGEMENT PLAN
- AGRICULTURE DEVELOPMENT PLAN

2.8.6 SECTOR PROFILE: MANUFACTURING

The manufacturing sector is dominated by Nola (being and “Ouma rusk” manufacturing concern), and the Stormberg Organic Farms manufacturing. Inkwanca municipality however, has a huge developmental potential that need to be tapped. Exploitation of this potential is grossly hampered by lack of resources on the part of the Local Authority.

2.9.7 MUNICIPAL SPATIAL RATIONAL

The framework for the SDF is that of the principal settlement strategy, which supports the view that potential development in the rural and urban areas should be managed on the basis of nodes and areas of development, namely:

- A focus on *developing nodes* and areas where economic opportunities and resources exist, or where such opportunities can be stimulated
- *Investment* should target areas where the economic opportunities and returns are greatest

- Inter-departmental *investment linkages should be identified* in order to maximize benefits and achieve a coordinated effort
- *Social expenditure on basic infrastructure* for basic needs should be specified as spin-offs from economic development investments, wherever possible.

2.9.8 Inkwaca SDF establishes four key issues namely:

- Land Availability
- Sustainable Socio-Economic Development
- Sustainable Infrastructure Development
- To co-ordinate an Integrated Planning System and Capacity Building

2.9.9.DEVELOPMENT POTENTIAL

▪ Infrastructure

The roads in Inkwanca leading to N6 can be upgraded and maintained by community initiatives and IPWP initiatives. Small town revitalisation in Sterkstroom and Molteno is also imperative to give a facelift to these communities and also harness their economic potentials.

2.9.10 EXISTING & POTENTIAL TOURIMS PRODUCTS

- Hunting
- Adventure
- Rock Art
- Water Sports
- Hiking Trails
- Historical & Cultural product elements
- Eco-tourism (nature reserves, mountains etc

2.9.11 DEVELOPMENT POTENTIAL: AGRICULTURE

Agricultural should concentrate on stock, pig, chicken and game farming. Stock farming's expansion however is limited by the carrying capacity of land. Game farming activities can be expanded throughout Inkwanca municipality.

2.9.12 DEVELOPMENT POTENTIAL: SMMEs

There is potential to develop a SMME resource centre in Inwanca to provide resources to SMMEs and other emerging business

- Alternatively an extension service from the Queenstown SEDA Office could be established. As part of this SMME support, business sites could be established in Molteno and Sterkstroom;
- Training and skills development through the establishment of a FET College in Inkwanca municipality
- Make existing government projects sustainable
- Expand existing garden projects in Sterkstroom and Molteno

2.9.13 DEVELOPMENT POTENTIAL: MINING

For the past decade the municipality has been struggling to extract value out of the coal deposits discovered in its jurisdictional area. Coal mining remains an untapped potential in the area and can contribute immensely to employment creation if it can be properly mined and beneficiated. These coal deposits are located in the central area of the Municipality.

2.9.14 DEVELOPMENT POTENTIAL STRATEGIC OBJECTIVES

The Chris Hani REDS strategy identified the following sectors as having the greatest comparative advantage in the Municipality

- Mining
- Livestock Production and Processing

Table 2. 31: Perceived economic opportunities (Chris Hani REDS strategy - Corridors)

Town	Agricultural, agro-processing and forestry	Manufacturing, construction and mining	Tourism and hospitality	Service, retail and logistics
Molteno	Forestry plantations, partridge hunting,	clay brick making, manufacture of good quality clay bricks, coal mining high quality clay for arts and crafts and crockery	Tourist attraction battle fields, develop Molteno dam (picnic sites), spa-paradise (tourism)	
Sterkstroom	tannery for hides, wind farming, , sheep , cattle, poultry and pigs,	recycling waste red ochre mining	Hunting tourism catering rock art tourism	filling station

Inkwanca Municipality: Integrated Development Plan 2012-2017

Town	Agricultural, agro-processing and forestry	Manufacturing, construction and mining	Tourism and hospitality	Service, retail and logistics
	organic agricultural product meat, , wool processing plant, fresh market			

In order to successfully implement the projects presented in this section, implementation guidelines and plans must be provided. The focus of the next Section of the strategy presents. The projects that have been prioritised by the various wards in Inkwanca Municipality

Table 2. 32: Ward 1 Projects

WARD ONE	PROPOSE PROJECTS
	Skills Development Centre
	Information Desk on Govt & LM programmes
	Recreational Facilities (Parks etc)
	Poverty Alleviation Project (specifically for the Ward)

Table 2. 33: Ward 2 Projects

WARD TWO	PROPOSE PROJECTS
	Recreational Facility (Gymnasium etc)
	Banking institution, or (stand alone ATM for meantime)
	Information Desk on Govt & LM programmes

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	Business Stalls
	Rehabilitation & inclusion of Library at HIGH MISSION SCHOOL
	THUSONG or ONE STOP centre
	Coal Mine (entire exploration)

Table 2. 34: Ward 3 Projects

WARD THREE	PROPOSE PROJECTS
	Ward profile
	Resuscitation of HEX RIVER FARM
	Full use of LISMORE FARM by locals
	Revitalization of KOOS RAS GAME FARM
	Awareness Campaigns on Govt & LM projects & programmes
	Exploration of the WIND as the LM advantage

Table 2. 35: Ward 4 Projects

WARD FOUR	PROPOSE PROJECTS
	Establishment of Bone Meal (project)
	Establishment of Skin & Hides (project)
	Building of a school for disabled

	Recycling Project be established
	Skills Development Centre

- In light of the above wards projects, the LED UNIT has decided to cluster or group the projects in terms of the follow areas:

Table 2. 36: Cluster of LED Projects

Focus Area	Budget Estimate	Sources of Funding
Agricultural Development	R2,500,000	MiG, Agric, CHDM, Uvimba Finance, DBSA
Small, Medium & Micro Enterprises (SMME's) Development	R1,500,000	SEDA, ECDC, DEDEA, CHDM
Tourism Development	R2,700,000	DSRAC, CHDM, Ectourism

2.10 KPA 5 GOOD GOVERNANCE AND PUBLIC PARTICIPATION

Section 152(1) provides for public involvement in the sphere of local government, by compelling it to 'provide democratic and accountable government for local communities; and encourage the involvement of communities and community organisations in the matters of local government.' Public involvement ranges from providing information and building awareness to partnering in decision making.

Inkwanca Municipality is a small municipality with only four wards. In order to enhance public participation, the municipality makes use of the ward committee members. Each ward elected 10 people they would like to represent them in all activities of the municipality. This structure is not statutory.

The ward committee members assist in communicating the programmes of the municipality to their constituencies. They serve as a link between the council and the community.

Participation by the public on a continuous basis provides vitality to the functioning of representative democracy. It encourages the communities to be actively involved in the local affairs and in the development of their area. It encourages the communities to identify

themselves with the local municipality and to become familiar with the laws as they are made. It enables the communities' voices to be heard and taken into account when decisions are made. It strengthens the legitimacy of legislation in the eyes of the public.

2.10.1 POLITICAL GOVERNANCE

The mayor is a full time public office bearer.

2.10.1a The Office of the MAYOR:

- Provision of political guidance over the fiscal and financial affairs of the municipality;
- Ensures that the municipality performs its constitutional and statutory functions.
- Welfare of Councillors
- Co-ordinates Special Programmes

The Municipality has a Plenary Executive System combined with a ward participatory system.

2.10.1 INTEGRATED DEVELOPMENT PLANNING (2012-2017)

Each municipality must, within a prescribed period, develop and adopt a process set out in writing to guide the planning, drafting, adoption and review of its Integrated Development Plan.

This is consistent with provisions of section 29 of the Local Government: Municipal Systems Act, 2000 (Act No 32 of 2000). The Process Plan is herewith presented below. The Mayor must table a schedule of key deadlines for various planning and budget activities as spelled out in section 21 of the Local Government: Municipal Finance Management Act, 2003 (Act No 56 of

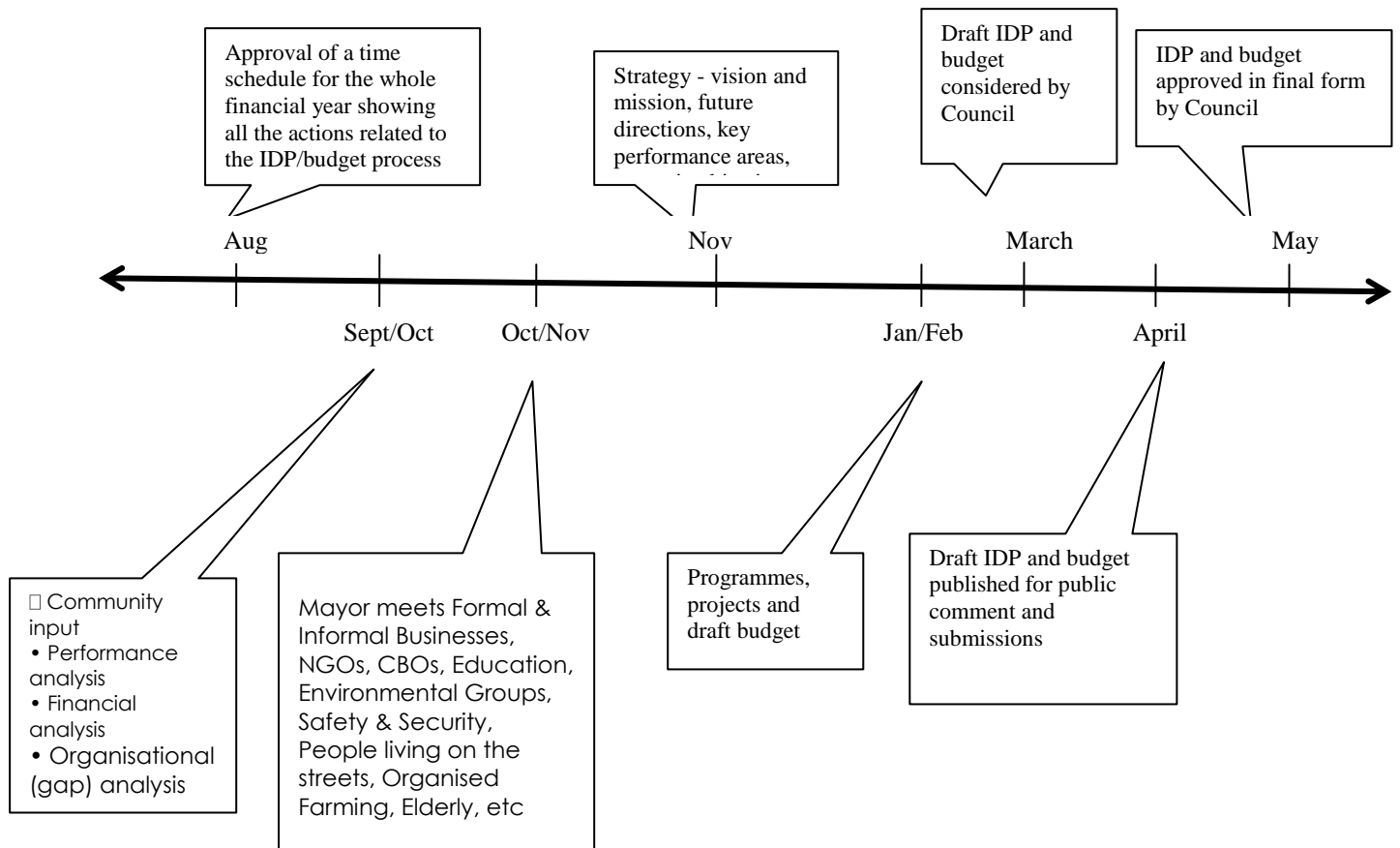
2003). The Process Plan outlines the following key issues, amongst other:-

- The structure that will manage the IDP and Budget planning process
- How the public can participate and which structures are created to ensure this participation
- Who is responsible for what

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- How the process will be monitored
- Media and recording management
- Time schedule for key planning processes are scheduled as follows:

Figure 2.1 IDP Planning Process



2.10.1a Mechanisms used by the municipality for communication, decision making and public participation

Municipal Systems Act, providing for community involvement in local development planning and budget processes, monitoring and performance review initiatives (sections 2 and 5). This legislation also imposes a duty on municipalities to create a conducive and accessible environment for implementing a continuous systematic process of involving citizens in taking decisions relating to their affairs. Section 4 in particular imposes a duty on municipalities to contribute towards building the capacity of local communities, to enable them to participate in the affairs in the municipality. According to this section, councillors and staff have the active duty to foster community participation through developing a culture of municipal governance that complements formal representative government with a system of participatory governance. Such constitutional and legislative provisions leave no doubt as to the existence of extraordinary political commitment to notions of participatory governance.

Joint decision-making ensures community buy-in in policy-making, creates a sense of ownership of the finished product and builds accountability and relationships of trust. Further than this, the quality of public engagement influences the quality of the product itself, with public participation resulting in more effective policy-making, which is directly linked to addressing people's needs. This creates opportunities for more creative problem-solving, which then leads to better, more sustainable implementation. As a positive spin-off, engaging citizens in policy-making contributes towards the empowerment of communities, with people learning more about governance and policy processes by getting involved in these. It was noted that public participation is expensive and time-consuming, but that so are the consequences of failing to engage communities.

The municipality undertake numerous initiatives to engage with members of the public. These take the form of media work, through local newspapers and making use of newsletters. Municipalities also make use of local leadership structures like the Ministers' Fraternal as one example, to disseminate information on processes among communities.

2.10.1b Challenge

The People who do not belong to organized structures, those residing in rural areas of the municipality do not have access to information and are therefore not part of decisions taken that affect their lives as well. As the local newspapers are also used to communicate programmes of the municipality, some people are illiterate and some don't even afford to buy them.

Ward committee members are individuals elected to represent their area's interests, and not members of local structures such as church structures, NGOs or community-based organisations (CBOs). This impact on their ability to disseminate information widely and to provide feedback to community members on municipality developments

In many instances, committee members are committed to community development, but lack capacity and real empowerment to fulfill this role. In municipality planning processes, ward committees could facilitate dialogue between community members and their municipalities. For IDP and budget processes, for instance, ward committee members could facilitate community deliberation within their areas on community needs and priorities, and then feed this information through to municipality planning and budgeting processes. The same process could be undertaken for IDP reviews, with community reflection and feedback on municipality implementation and performance being gathered at area level, and fed into municipality review processes. Ward committees could provide feedback to communities on the outcome of their recommendations, and on final planning decisions.

In order to facilitate such processes, ward committee members need training on municipality processes and clarity on their role within these, and need to have access to information on planning and budget options. This information needs to be available in plain and local languages, and resources made available to enable committee members to disseminate this and facilitate local deliberative processes.

Budgetary issues are key, with the lack of resources for ward committees a significant hindrance to community participation. This municipality has now been demarcated into wards in terms of the Municipal Structures Act of 1998. We have been awarded 4 wards in

the municipality. The notice for the delimitation of municipality into wards was gazette in the provincial gazette of 18 March 2010- notice no 98 of 2010: gazette number 2305.

2.10.1c Opportunities

The challenges experienced with the previous ward committees have been addressed with the ward system. The ward system has assisted in enhancing public participation and community involvement in the municipal affairs.

2.10.2 PERFORMANCE MANAGEMENT

Performance management of the municipality is assessed by means of the IDP. Senior managers are required to draw up their departmental SDBIPs and set out targets and strategies as to how they intend to achieve the set target. Assessment of their performance is done on a quarterly through submitting reports in the Council meetings as well as monthly in management meetings. This enables both the Council and the communities an ability to monitor progress and evaluate.

The municipality lacks capacity to conduct performance audits. A post has been created for the monitoring and evaluation coordinator by the municipality. This will assist in this regard. The internal audit unit has been established. However, it is only constituted by one internal auditor and an intern.

2.10.3 INTERGOVERNMENTAL RELATIONS

The formation the intergovernmental forums assist in this regard. The first type of forum was a broad intergovernmental structure that brought together the Premier of each province, the provincial cabinet, organised local government, mayors and municipal managers of all municipalities within the province to discuss matters of mutual interest.

Other forums include the Municipal Managers' Forum and the Mayors' Forums to mention a few.

2.10.3a Challenges

At times representatives sent by government departments in the municipal IDP forum meeting do not include representatives of implementing authorities- authorities who can take the decisions of the forums further and ensure their implementation. They are not able to go beyond mere information exchange and work around key development initiatives and programmes that involve the coordination of developmental activities.

2.10.4 SPECIAL PROGRAMMES

The municipality has realised a need of establishing a unit that will deal with special programmes within the municipality. The unit is focusing on programmes implemented by youth, disabled, women, the aged and children. It has been identified that young people are a majority of the population of the municipality and constitute a high percentage in the unemployment rate in the municipality.

There is a need to develop a youth development plan that will be looking at and addressing the issues pertaining to the designated group. The challenge that is faced is by the municipality is the financial constraints. This unit is situated in the Mayor's Office and currently no one is permanently employed to perform the function. The municipality has provided a learnership to ensure that some of the activities are done.

Another challenge is that there is no strategy to mainstream the designated group into the whole economic development of the municipality.

In an attempt to combat crime during the festive season, the municipality introduced the Mayor's Cup. All football clubs in the municipal area participate in the event. The event is held annually.

2.10.4a HIV/AIDS

HIV and AIDS is a cross cutting issue with no boundaries, which has an impact on youth, women, elderly and local economic development.

The mandate for municipalities to play a pro-active a role in HIV& AIDS mitigation is contained within the developmental agenda for local government.

Inkwanca Local Municipality acknowledges the impact of the pandemic in deepening poverty in the area. As a result the municipality has employed two HIV/AIDS coordinators on a contract basis to look at the issues around HIV in both towns.

The multi-dimensional nature of HIV calls for an integrated and partnership response, hence the establishment of Inkwanca Local Aids Council. This structure obtains support from the Chris Hani District Aids Council in terms of capacity building and financially. There are two Home Based Care Centres, one in each town mainly supported by the Department of Social Development.

The Department of Social Development has committed R500 000.00 to support Inkwanca Home Based Care Centre in Molteno. The Centre focuses on a number of issues including supporting people living with HIV/AIDS, support for the orphans and vulnerable, providing meals to identified families etc.

Molteno Hospital has been accredited as an ART site and is rendering a comprehensive service to people infected and affected by HIV. The site is servicing the whole of Inkwanca area. Currently the number of people on ARV treatment in both towns is 476, 77 people are on readiness programme for ARVs.

2.10.5 COMPLAINTS MANAGEMENT SYSTEM

Inkwanca municipality has appointed a communication officer who handles all complaints from stakeholders.

2.10.5a Ethics and professionalism

In order to combat corruption and fraud in the municipality, the municipality has developed a fraud prevention plan. This will assist the community to report any fraudulent actions by the officials. This plan also protects whistle blowers. A workshop still needs to be organized for the staff members on this plan and then the stakeholders.

2.11 KPA 6 INSTITUTIONAL ANALYSIS

The municipality was established in terms of section 12 of Local Government Municipal Structures Act 117 of 1998 and the notice of establishment was issued thereof. The council consists of 7 councillors including the speaker who became fulltime since August 2006 (in terms of section 36 (1) (5) of the Local Government Municipal structures Act, the speaker who is also called Mayor, the functions normal performed by the mayor are delegated to the speaker who is also called the Mayor).

Inkwanca is a category B municipality with a plenary executive system.

This means the council operates as one unit; there are no sub-committees or portfolio committees. Because of the number councillors and it has been fairly easy to meet, reach decisions and to take council Resolutions.

Due to financial and fiscal constraints, this municipality has not been able to ensure that all post in the organogram are filled. The approved organisational structure has 164 positions, of which 126 have been filled. In order to ensure that service delivery is not adversely hampered the municipality has resorted in the use of casual workers – which in itself unhealthy and immoral.

According to the municipality's employee profile as at January 2012, Inkwanca had 77 positions filled by casual workers excluding the 155 casual workers employed through the EPWP Initiative. Strides have been made in filling section 57 management positions except for the position of manager of Integrated Planning and Strategic Services due to financial constraints. Other critical positions not yet filled are those that relate to scarce skills such, as heavy machine operators. The council is optimistic that matters will improve in the years to come.

The biggest challenge is staff turnover – it is at it's all times highest. It is clear that a lot of work still needs to be done in ensuring that our municipality is adequately staffed and that a strategy to be developed to address staff retention.

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The municipality is in the process of having its organisational structure and all human resources policies reviewed. Once reviewed, the organisational structure will be in line with our powers and functions and organogram will also be attached in the IDP once adopted by the Council.

Table2.38: Employee Profile

OCCUPATIONAL CATEGORIES		BLACK		WHITE	COLOURED	Total
		Female	Male			
Senior Management		4				4
Professional & Technicians	1	2	1			4
Clerical staff	9	9	1	1	1	21
Semi-skilled		10				10
Elementary occupations	3	69		1		73
SUBTOTAL	1 3	94	2	1	1	112
Non-Permanent	5	72				77
TOTAL	1 9	165	2	1	1	189

Black males constitute 84% of the entire municipal staff and they also occupy all 4 senior managerial positions (the situation has since changed with appointment of a black female as the chief finance officer). The fact that there are only 16 (4%) women in the permanent employ of the municipality is a major cause of concern.

Table2.39: Workers Qualifications

CATEGORY	None	NQF1	NQF2	NQF3	NQF4	NQF5	NQF6	NQF7	NQF8
Leadership (Councillors)				3		1	2		
Management						1	1	2	
Professionals						1	1	2	
Clerical staff					9	10	1		
Semi-skilled		7	1		2				
Elementary	28	31	9	3	2				

The above statistics show that almost 25% of the municipality's total workforce had neither literacy and nor numerical skills. The other 28% had very limited formal education to grade 3-this is a result of our ABET intervention programme.

2.11.1 INKWANCA ORGANISATIONAL STRUCTURE

Due to financial constraints the municipality has not been able to ensure all posts are filled. We are reviewing our organisational structure. Casual workers are used to ensure service delivery. We have a total of 162 positions and 138 for those positions are filled. Inkwanca Municipality has started with the process of reviewing organogram and policies as well

2.11.1a Challenges

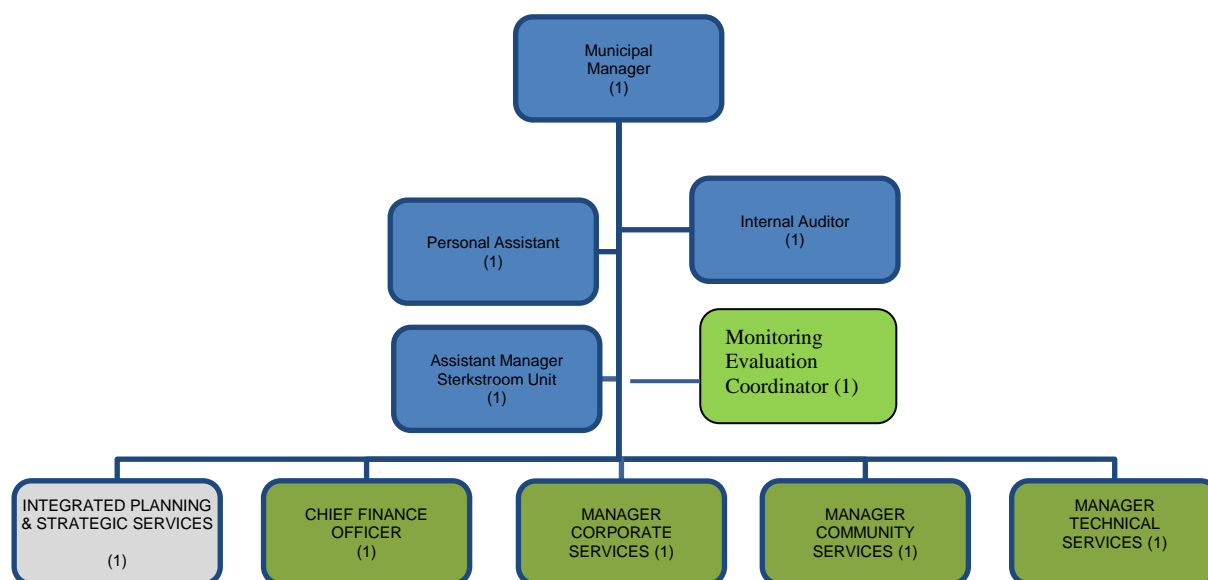
- Unable to attract skilled personnel due to financial constraints
- Not having enough fund for capacity building
- Other critical skills not yet filled are those that relate to heavy machine operators

High staff turnover even though there is strategy in place and still lot of work need to be done to ensure our municipality is able to attract and retained skilled persons.

2.11.2 MUNICIPAL MANAGER'S OFFICE

The Office of the Municipal Manager has 10 posts, of which 8 are filled.

Figure 2.2 Office of the Municipal Manager



2.11.3 CORPORATE SERVICES

The Corporate Services Department has 16 posts of which 14 are filled.

The manager for Corporate Services is responsible for:

- Human Resources,
- General administration,
- Committee management

2.11.4 TECHNICAL SERVICES

The Technical Services Department has 15 posts, of which 12 are filled.

The manager for Technical Services is responsible for:

- Electricity, Water, Sanitation
- Public works,
- Housing Administration
- Project Management

2.11.5 COMMUNITY SERVICES

The Community Services Department has 28 posts, of which 26 are filled.

The manager for Community Services is responsible for:

- Traffic Management,
- Libraries,
- Parks
- Gardens
- Resorts
- Refuse and Cleansing,

2.11.5 FINANCIAL SERVICES

The Budget and Treasury Offices has 16 posts, of which 15 are filled.

The BTO is responsible for:

- Budget Office,
- Revenue and Income Management,
- Expenditure Division,

2.11.6 INTEGRATED PLANNING & STRATEGIC SERVICES

The Integrated Planning and Strategic Services section has 11 post of which 10 are filled.

This section is responsible for:

- LED planning and development
- IDP
- Strategic planning and development of the organisation

2.11.7 HUMAN RESOURCE DEVELOPMENT

Inkwanca municipality has a comprehensive Human Resources Policy which deals with the following matters:

- ❖ Staff establishment and structure
- ❖ Recruitment, selection, appointment and probation
- ❖ Promotion, demotion, transfer and relocation
- ❖ Retrenchment, resignation and retirement
- ❖ Labour relations
- ❖ Remuneration
- ❖ Allowances and benefits
- ❖ Subsistence and travelling

- ❖ Legal matters
- ❖ Working hours and attendance
- ❖ Leave
- ❖ Occupational Health and Workplace safety
- ❖ The use of municipal vehicles, machinery and equipment
- ❖ Private work
- ❖ · Human Resource Development Strategy

2.11.8 SKILLS DEVELOPMENT

A Workplace Skills Plan was approved on 04 June 2010 and was designed to address the skills challenges in the Budget and Treasury Office, Corporate and emerging contractors. The Workplace Skills Plan for 2012/13 has being developed, implemented and in operation.

All skills development activities are governed by the annual Workplace Skills Plan, as required by the Local Government SETA (LGSETA). A skills audit has been conducted among all staff members, responding to requests for training received from staff, and aimed at addressing the needs of employees. The response formed the basis for the training plan for the 2012/13 financial year.

2.11.9 PERFORMANCE MANAGEMENT

Performance management is placed in the Office of the Municipal Manager. Inkwanca municipality has attempted to manage the performance of the organisation parallel to that of its staff, as the success of the institution will ultimately be measured against the output by employees. The Performance Management Framework was approved by Council in 2008 and is being implemented.

2.11.10.THE PERFORMANCE MANAGEMENT PRINCIPLES TO BE FOLLOWED IN 2012/13 :-

- ❖ Set performance indicators to measure performance outcomes and impact, against the priorities and objectives identified in the IDP;
- ❖ Set quarterly targets;
- ❖ Draft SDBIP and draft annual performance agreements for the municipal manager and all S57 managers for submission to the mayor 14 days after the approval of the annual budget;
- ❖ Ensure cohesion between projects identified in 2012/13 (IDP annual operational plan) and the annual SDBIP for 2012/13;
- ❖ Enable half yearly municipal performance assessment by June 2011;
- ❖ Quarterly measurements and review of performance and;
- ❖ Annually measure, review and report on performance (Annual Performance Report)

Table2.40: IDENTIFICATION OF PRIORITY ISSUES

1. LED
2. Access Roads a
3. Social and Community Facilities
4. Water and Sanitation
5. Electricity and Energy
6. Waste Management
7. Efficient Billing
8. Health Service

CHAPTER THREE



DEVELOPMENT STRATEGIES, PROGRAMMES & PROJECTS

Table 3.1: Integration of National, Provincial Inkwanca KPAs

National Priorities	Provincial Priorities	Inkwanca. KPA	Outcomes
<p>Improve health profile of the nation.</p> <p>Comprehensive rural development strategy linked to land and agrarian reform & food security.</p> <p>Massive programme to build economic & social infrastructure;</p> <p>Sustainable resource management and use.</p> <p>Speeding up economic</p>	<p>Improve the health profile of the province.</p> <p>Rural development, land and agrarian transformation, and food security.</p> <p>Massive programme to build social and economic and infrastructure.</p> <p>Building a developmental state.</p> <p>Speeding up growth &</p>	<p>Basic Service Delivery and Infrastructure Development.</p>	<p>An efficient, competitive and responsive economic infrastructure network.</p> <p>A long and healthy life for all South Africans.</p> <p>Sustainable human settlements and improve quality of household life.</p> <p>Protect and enhance our environmental assets and natural resources.</p> <p>Decent employment</p>

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<p>growth & transforming economy to create decent work and sustainable livelihoods;</p> <p>Comprehensive rural development strategy linked to land and agrarian reform & food security.</p>	<p>transforming the economy to create decent work & sustainable livelihoods;</p> <p>Rural development, land & agrarian reform and food security;</p> <p>Massive programme to build social & economic infrastructure.</p> <p>Building cohesive & sustainable communities.</p> <p>Building a developmental state.</p>	<p>Local Economic Development</p>	<p>through inclusive economic growth.</p> <p>An efficient competitive and responsive economic infrastructure network.</p> <p>Vibrant, equitable, sustainable rural communities contributing towards food security for all.</p> <p>Sustainable human settlements and improve quality of household life.</p> <p>Protect and enhance our environmental assets and natural resources.</p>
<p>Intensifying the fight against crime and corruption.</p> <p>Build cohesive, caring and sustainable communities.</p> <p>Pursuing African advancement and enhanced international cooperation.</p> <p>Building a developmental state including improvement of public services and strengthening democratic institutions</p>	<p>Intensify the fight against crime and corruption.</p> <p>Building cohesive and sustainable communities.</p> <p>Building a developmental state including improvement of public services and strengthening democratic institutions</p>	<p>Good Governance and Public Participation</p>	<p>Vibrant, equitable, sustainable rural communities contributing towards food security for all.</p> <p>Responsive, accountable, effective and efficient LG System.</p> <p>An efficient, effective and development oriented public service and an empowered, fair and inclusive citizenship.</p> <p>Create a better South Africa, better Africa and a better world.</p>

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<p>Strengthen skills and human resource base.</p> <p>Pursuing African advancement and enhanced international cooperation.</p> <p>Building a developmental state including improvement of public services and strengthening democratic institutions.</p>	<p>Massive programme to build social and economic infrastructure.</p> <p>Strengthen education skills and human resources base.</p> <p>Building a developmental state and improving the public service and democratic institutions</p> <p>Building cohesive, caring and sustainable communities</p>	<p>Municipal Transformation and Institutional Development</p>	<p>Quality basic education.</p> <p>Skilled and capable workforce to support an inclusive growth path.</p> <p>All people in SA are and feel safe.</p> <p>Responsive, accountable, effective and efficient LG System.</p> <p>An efficient, effective and development oriented public service and an empowered fair and inclusive citizenship.</p>
<p>Intensify the fight against crime and corruption;</p>	<p>Intensifying the fight against crime & corruption;</p>	<p>Municipal Financial Viability and Management</p>	<p>Responsive, accountable, effective and efficient Local Government System</p>

3.1 KPA 1 SPATIAL DEVELOPMENT

3.1a Objective: To ensure that planning and development decisions have a legal basis & are spatially considered.

Table 3.2: Spatial Planning

Spatial Planning				
Issue	Strategy	Target	Timeframe	Indicator (s)
Planning	To identify and ringfence appropriate land for development Review and implementation of the SDF	100%	By January 2013	Accurate Land Register Revised SDF
Land Use Management	To establish a Land Use Management System comprising zoning maps and scheme clauses.	100%	June 2012	Updated register
	To promote better Land Use Management	50%	December 2012	Title deeds register and copies available
Environmental Management	To adhere to sound environmental practices and to protect environmentally sensitive areas.	100%	August 2012	Adhere to demarcation of areas that have been identified for biodiversity conservation in the SDF

3.2 KPA 2: BASIC SERVICES & INFRASTRUCTURE

3.2a Objective: to ensure that cost effective, appropriate and efficient services are delivered

Table 3.3 : Water and Sanitation

Water and Sanitation				
Project&Location	Strategy	Target	Timeframe	Indicator (s)
Refurbish all sewage pump stations (Molteno&Sterkstroom)	To ensure that old water and sanitation infrastructure is rehabilitated and maintained	100%	June 2013	Adequate water and sanitation in the municipality
Removal of septic tanks in residential areas (Molteno&Sterkstroom)	Allocation of funds for the removal of the septic tank	100%	June 2013	Removal of the septic tank
Revenue enhancement (Molteno&Sterkstroom)	Correct all deformities in the metering system	100%	June 2013	Uninterrupted revenue collection system
Upgrade roads to water works(Molteno&Sterkstroom)	Lobby for funds to upgrades water works roads	85%	August 2012	Good access roads to water works
Air valves installation (Molteno&Sterkstroom)	Install air valves in all water treatment stations	100%	April 2013	Regular and uninterrupted water supply
Upgrade water reticulation (Sterkstroom&Nomonde Township)	Given a facelift to water reticulation	75%	November 2013	Flow of portable water in all households
Roads and streets				
Project&Location	Strategy	Target	Timeframe	Indicator(s)
Completion of Masakhe Community Hall	To ensure improved roads and storm water drainage	Lobby additional funding to upgrade		

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		and maintain roads		
Meet basic needs.	To improve the management of municipal and access roads.		Submit business plan to DoR&T for support or pilot project.	
Electricity and Energy Provision				
Project&Location	Strategy	Target	Timeframe	Indicator(s)
Upgrade street lighting.	Allocate sufficient funds for street lightening	100%	2012/13	Adequate street lightening

Table 3.4: Solid Waste Management

Solid Waster Management				
Project&Location	Strategy	Target	Timeframe	Indicator(s)
Rehabilitation of Landfill Sites	To effectively manage waste management and to operate legally	100%	March 2013	Compliant waste disposal sites. To undertake waste collection and disposal efficiently
Proper management of complaint register	Households receive a minimum of once a week refuse collection	100%	December 2012	Clean Households
Housing				
Project&Location	Strategy	Target	Timeframe	Indicator(s)
Efficient delivery of houses	Employ housing staff as per the new organogram.	100%	2012-2015	Efficient housing delivery is supervised and managed by skilled personnel

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Table 3.5: KPA 3 LOCAL ECONOMIC DEVELOPMENT

Project&Location	Strategy	Target	Timeframe	Indicator(s)
Development of SMMEs (Molteno&Sterkstroom)	Develop SMME value chain analysis model	100%	2012-2013	Existence of vibrant SMMEs in the municipality
Tourism development	Establish LTO and expand tourism products	75%	January 2013	Rise in tourist visits
Construction of abattoir (Molteno)	To add value to dressed meat	100%	2012-2014	A functioning abattoir

Table 3.6: KPA 4 INSTITUTIONAL DEVELOPMENT

SKILLS DEVELOPMENT				
Focus Area	Strategy	Target	Timeframe	Indicator(s)
Policies and By Laws	To insure that policies and by-laws are in compliance with legislation, and implemented	→Review existing policies and by-laws before the end of the financial year and →Develop new by –laws and policies	2012	Policies and By-laws in place
Performance Management	Review PMS Annually	100%	2012-2017	Continuous reviewer of PMS
Administration	Provide administrative support to Council and all its committees	100%	January 2012	Administrative support rendered at all times
	Provide and maintain sound records management system	100%	May 2012	Existing electronic filing

Table 3.7: KPA 5 FINANCIAL VIABILITY

Focus Area	Strategy	Target	Timeframe	Indicator(s)
Improve Revenue collection and ensure what is due to the council is collected	<ul style="list-style-type: none"> • implementation of the revenue enhancement strategy • Review and implement the debt collection strategy • Proper identification/expansion of revenue sources for the municipality • Proper classification of debtors and their consumption patterns • Develop and implement strong financial (internal) control systems in line with the MFMA requirements and other prevailing legislation. • Prudent expenditure and analyse expenditure trends. • Adherence and implementation of the SCM POLICY • Adherence to the MFMA requirements and reporting monthly, quarterly, mid yearly and annually . 	100%	2012/13	Adequate revenue collection
Improvement of the overall control and Corporate Governance Environment	Institute proper controls, systems and procedures.	100%	2012-2014	Good Corporate Governance Environment
Ensure that the municipal assets are properly accounted for	<ul style="list-style-type: none"> • appoint personnel to focus on asset and inventory management • Maintenance of a GRAP Compliant Asset Register 	100%	2012/2013	Municipal assets register in place
Ensure the municipality gets a clean audit report	<ul style="list-style-type: none"> • Adherence to the MFMA requirements and reporting monthly, quarterly, mid yearly and annually . 	100%	2011/2012	A clean audit report

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Table 3.8: KPA 6 GOOD GOVERNANCE

Focus Area	Strategy	Targets	Timeframe	Indicator(s)
Improve capacity of government and communities	To ensure that communities are involved in the IDP and prioritization process.	100%	All times	All stakeholders are involved in decision making
	Improve functionality of the Ward Committees.	100%	All times	Alignment of Ward Committees with the demarcated wards Render administrative support to the CDWs.
Meet basic needs and Service Delivery Quality.	To improve coordination of planning initiatives by various Depts. Involved in Development in the area	100%	As per the SDBIP	Households receive good services

2.3 Ward Priorities and Projects (2012-2017)

Table 3.9: Ward 1

Priorities	Location	Project	Timeframe
Local economic development	Molteno	Agriculture, SMMEs and Tourism	2012-2017
Library		Updating library with modern facilities by the Dept of Sports, Arts and Culture	2012/2014
Correct billing		Rectification of the billing system	2012/13
Water& Sanitation		Upgrade water works	2012/13
Electricity		Construction of a new sub-station at nceduluntu township	2012-2014
Access roads		Surfacing of taxi routes	2012/13
Rehabilitation of hall		Upgrade of Community Halls	2012/13

Table 3.10: Ward 2

Priorities	Location	Project	Timeframe
Local economic development	Part of Molteno& and part of Sterkstroom	Agriculture, SMMEs and Tourism	2012-2017
Water		Upgrade water works	2012-2014
Rectification of RDP houses		Rectification of default RDP house (DHS)	2012/13
Storm water management		Regravelling of access roads	2012/13
Upgrading of library		Updating library with modern facilities by the Dept of Sports, Arts and Culture	2012/12

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Revitalisation of railway lines (Ugie – Maclear).		Inkwanca Infrastructure development	2012-2017
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Table 3.11: Ward 3

Priorities	Location	Project	Timeframe
Local economic development	Sterkstroom	Agriculture, SMMEs and Tourism	2012-2017
A library		Construction of a library	-
Water & Sanitation		Upgrade water works	2012/13
Landfill site		Construction of Landfills	2012/13
Access roads		Regravelling of access roads	2012/13
Community hall		Completion Masakhe Community Hall	2012/13
Electricity		Upgrading of the transformers	2012/13

Table 3.12: Wards 4

Priorities	Location	Project	Timeframe
Local economic development	Molteno	Agriculture, SMMEs and Tourism	2012-2017
Water & Sanitation		Removal of septic tanks in residential areas	2012-2014
Recreational facilities		Construction of a park	2012/13
Access roads		Regravelling of Taxi routes	2012/13
Street lights		Erection of street lights	2012/13
Houses		Construction of new RDP Homes	2012/13
Landfill site		Construction of Landfill	-

Table 2.3: INKWANCA MIG PROJECTS

Ward	Number	Project name	Source of funding	MTREF Estimates		
				2012/13	2013/14	2014/15
3		Completion Masakhe Community Hall	Inkwaca LM	R2348000.00	-	-
		PMU	Inkwanca LM	R 499 550.00	R 527 950.00	R 557 400.00
2,3&4		Surfacing of taxi routes In Molteno & Sterkstroom phase 2,3,4	Inkwanca LM	R 4 200 450.00	R 5 472 050.00	R 5 442 600.00
3&4		Regarvelling of access roads to Nomonde & Masakhe townships 2,3,4	Inkwanca LM	R 2 943 000.00	R 4 559 000.00	R 5 148 000.00
1,2,3&4		Upgrading of parks	Inkwanca LM	R50 000.00		
1,2,3,4		Shelter for Grave diggers	Inkwanca LM	R50 000. 00		
1,2,3,4		Environmental awareness	Inkwanca LM	R35 000.00	R35 000.00	R35 000.00

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		campaign				
-		Vehicle for supervisors	Inkwanca LM	R60 000.00	R60 000.00	R60 000.00
-		Traffic vehicle	Inkwanca LM	R60 000.00	R60 000.00	R60 000.00
		Buildings	Inkwanca LM	R100 000.00	R100 000.00	R100 000.00
1,2,3&4		Refurbish all sewage pump station	(O&M Budget)	R 3 250 000.00 + R 1 400 000.00		
1&4		Upgrade water works	(O&M Budget)	R700 000.00		
1,2,3&4		Upgrade of roads to water works	(O&M Budget)	R 70 000.00 + R50 000.00+ R60 000.00		
2,3&4		Upgrade water reticulation	(O&M Budget)	R 1 600 000.00+ R 500 000.00		
		Service ERF 357	(O&M Budget)	R 60 000.00		
		Revenue enhancement	(O&M)	R 1 000 000.00		
		Air valve installation	(O&M)	R 1 000		

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				000.00		
		Removal of septic tank	(O&M)	R50000.00		
		Installation of fire hydrant	(O&M)	R 300 000.00		
1,2,3,4		Construction of an Abattoir, revitalisation of Paradise Dam, Tourism development	MIG	R 800 000	-	-

CHAPTER FOUR



PROJECTS OF OTHER STAKEHOLDERS

4.1 Inkwanca Municipality Unfunded Projects for 2012-2014

Table 4.1 Unfunded Projects

Ward	Project name	Source of funding	Indicators	MTREF Estimates		
				2012/13	2013/14	2014/15
Water and Sanitation						
2&3	Upgrade of	CHDM		R 1 600	-	-

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	sewage ponds			000.00		
2&3	Build new water works	DWA & CHDM		R15 000 000.00	-	-
2&3	Upgrade sterkstroom main pump station	CHDM & DWA		R200 000.00	-	--
3&4	Landfill sites	-		-	-	-
1,2,3&4	Water meter installation	CHDM		R 2 300 000.00	-	

Ward	Project name	Source of funding	Indicators	MTREF Estimates		
				2012/13	2013/14	2014/15
Housing						
Ward 4	1127 Housing Project	Dept. Of Human Settlement	Constructed Houses			

Ward	Project name	Source of funding	Indicators	MTREF Estimates		
				2012/13	2013/14	2014/15

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Electricity						
4	Construction of a new sub-station at nceduluntu township	DME/MIG)		R 2 M	-	-
2	Upgrading of sub-stations	DME		R 2M	-	-

Ward	Project name	Source of funding	Indicators	MTREF Estimates		
				2012/13	2013/14	2014/15
Environment Management						
WARD 4	Creation of a Park	DEA	Park	2,8M		

Ward	Project name	Source of funding	Indicators	MTREF Estimates		
				2012/13	2013/14	2014/15
Local Economic Development						
1,2,3,4	Agriculture, Development	Agric, CHDM, Uvimba Finance, DBSA	Improvement of agriculture output inInkwanca	R2,500,000	-	-
1,2,3,4	SMME Development	SEDA, ECDC, DEDEA, CHDM	Vibrant SMMEs	R1,500,000	-	-

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1,2,3,4	Tourism Development	DSRAC, CHDM, ECTourism	A vibrant LTO	R2,700,000	-	-
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Ward	Project name	Source of funding	Indicators	MTREF Estimates		
				2012/13	2013/14	2014/15
Roads & Transport						
3&4	Surfacing of taxi routes In Molteno & Sterkstroom phase 2,3,4			R 4 200 450.00	R 5 472 050.00	R 5 442 600.00
3&4	Regarvelling of access roads to Nomonde & Masakhe townships 2,3,4			R 2 943 000.00	R 4 559 000.00	R 5 148 000.00

Ward	Project name	Source of funding	Indicators	MTREF Estimates		
				2012/13	2013/14	2014/15
Sports & Recreation						
Ward	Upgrading	Inkwanca	Up graded	R100 000	R100 000	R100 000

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1,2,3 & 4	of Sport facilities		sport facilities	00	00	00
Ward 2	Construction of a Sport Complex	CHDM	Completed Sport Complex	R19 M	-	-

Ward	Project name	Source of funding	Indicators	MTREF Estimates		
				2012/13	2013/14	2014/15
Social safety Net						
Ward 3	Community Hall			R2348000.00	-	-
	Wheel Bins					
1,2,3,&4	Grave numbering software	-	Data for all graves	-	-	-
4	Nkululeko Park			R2. 8 M		

Ward	Project name	Source of funding	Indicators	MTREF Estimates		
				2012/13	2013/14	2014/15

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Social Development Projects						
2	Home Based Care Centre	Dept. Of Social Development	Provision of services to clients	R269.298	R 269.298	269.298
1	Ekuphumuleni service Centre	Dept. Of Social Development	Provision of services to the vulnerable in the community	R 11500.00	R 11 500.00	R 11 500.00
3	Sterkstroom Service Centre	Dept. Of Social Development	Attending to the vulnerable in the community	-	-	-
2	Eluthuthu Victim Support Centre	Dept. Of Social Development	Supporting victims in society			
1	Masithobelane Sizama	Dept. Of Social Development	Lucerne	R 500 00	-	-
	Molteno Community	Dept. Of	Vegetables	R 750 000	-	-

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	Garden	Social Development				
4	Siyokhana Project	Dept. Of Social Development	Hen & Poultry	R 750 000	-	-
2	Ucoceko Dry clean & laundry project	Dept. Of Social Development	Dry clean & Laundry	R 500 000	-	-
2	Masakhe Herbs Project	Dept. Of Social Development	Herbs	R 500 000	-	-
2	Siphesihle bakery Project	Dept. Of Social Development	Bakery	R 500 000	-	-

CHAPTER FIVE



ORGANISATIONAL AND INDIVIDUAL PMS

6.1 Introduction

The Municipal Systems Act No 32 of 2000 requires all municipalities to:

- ❖ Develop a performance management system;
- ❖ Set targets monitor and review performance based on indicators linked to their 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; and
- ❖ Involve the community in setting indicators and targets and reviewing performance.

In order to develop and implement a performance management system, a framework is required which “describes and represents how the municipality’s cycle and processes of performance planning, monitoring, measurement, review and reporting will happen and be organised and managed, while determining the roles of different role players (DPLG: Performance Management Guide for Municipalities, 2001).

Inkwanca Municipality reviewed its PMS in July 2008 to ensure good governance and create a culture of performance and accountability.

6.2 The need for the Policy:

- ✓ Provide direction for the municipality in developing, applying and reviewing its PMS and to inform the community of the municipality’s intentions in this regard.
- ✓ Ensure that the financial implications of the PMS and decisions about performance management are taken into account
- ✓ Ensure that the development of a PMS is facilitated and purposeful
- ✓ Ensure that PMS is enforceable
- ✓ Ensure that the measurement and evaluation of performance are consistent across the municipality
- ✓ Ensure that feedback is provided regarding performance (Setsoto LM PMS Policy)
- ✓ Ensure that the municipality and its components and those of the employees activities, outcomes and outputs are congruent with the municipality’s strategies

6.3 Policy Objectives

The objectives of the Performance Management System may be defined as follows:

1. Employees are capacitated to manage their own performance;
2. Objectives and goals are clear to all employees and attainment is easily measured and verified;

3. Employees are developed and capacitated in order to ensure that performance targets are met;
4. Performance is rewarded and recognized in instances where performance exceeds the output criteria;
5. Assistance is provided to employees in instances where performance falls short of the required standards;
6. A culture of performance optimisation and accountability will be institutionalised throughout
7. Community members are provided with a tool to assess the municipality's performance on an annual basis.

6.4 Applicability

This policy will be applicable to the following employees:

1. All s57 Managers, duly defined as per s57 (2)(a) of the Municipal Systems Act No 32 of 2000.
2. All other Managers and staff who have negotiated fixed-term contracts;
3. All other employees within Inkwanca Municipality for whom this policy is currently applicable in terms of the approved roll-out plan.

6.5 Guiding Principles

The Performance Management System and Framework will be guided by the following broad principles:

1. Open communication in order to ensure that all parties understand the expectations and challenges facing them, whilst being able to discuss performance difficulties and issues freely;
2. The alignment of departmental and individual performance objectives with the strategic objectives of Inkwanca Municipality (as relating to the Integrated Development Plan);
3. Commitment to the application of Performance Management within the prescripts of the framework and policy;
4. Recognition of performance which meets or exceeds the required standards;
6. Coaching and development in areas where performance does not meet the required standards and

7. Developmental feedback in order to ensure that performance optimisation is fostered.

6.6 PMS Model and KPA's

The performance management model adopted by Inkwanca Municipality is based on the balanced scorecard model developed by Norton and Kaplan. The balanced scorecard approach is to take a holistic view of the organisation and co-ordinate efforts so that efficiencies are experienced by all departments and the organisation as a whole. This is to prevent a situation where a decision is taken by one department which is detrimental to another department and ultimately affects the performance of the municipality.

The amended Balanced Scorecard for public services focuses on how the organisation will best render services to the public rather than on how to increase profits.

The Balanced Scorecard is made up of four components; mission, perspectives, objectives and measures.

The **mission** is the highest guiding level of the scorecard. It answers the questions:

What is our overall reason for being?

Why do we exist as an organisation?

Perspectives represent the various areas that influence performance and overall achievement of the mission.

Perspectives answer the question – what are our key areas of focus in trying to achieve our mission? The perspectives are aligned to the 6 KPA's of the 5 year Local government strategic agenda.

The basic perspectives or KPA's are:

- **Municipal financial viability and management perspective** – this perspective focuses on how a municipality is performing with respect to its financial management.
- **Service delivery and Infrastructure perspective**- this perspective outlines what services and products the municipality will deliver based on its legislative mandate.
- **Good governance and public participation perspective** – focuses on how a municipality is performing with respect to its engagement and relationship with its stakeholders.

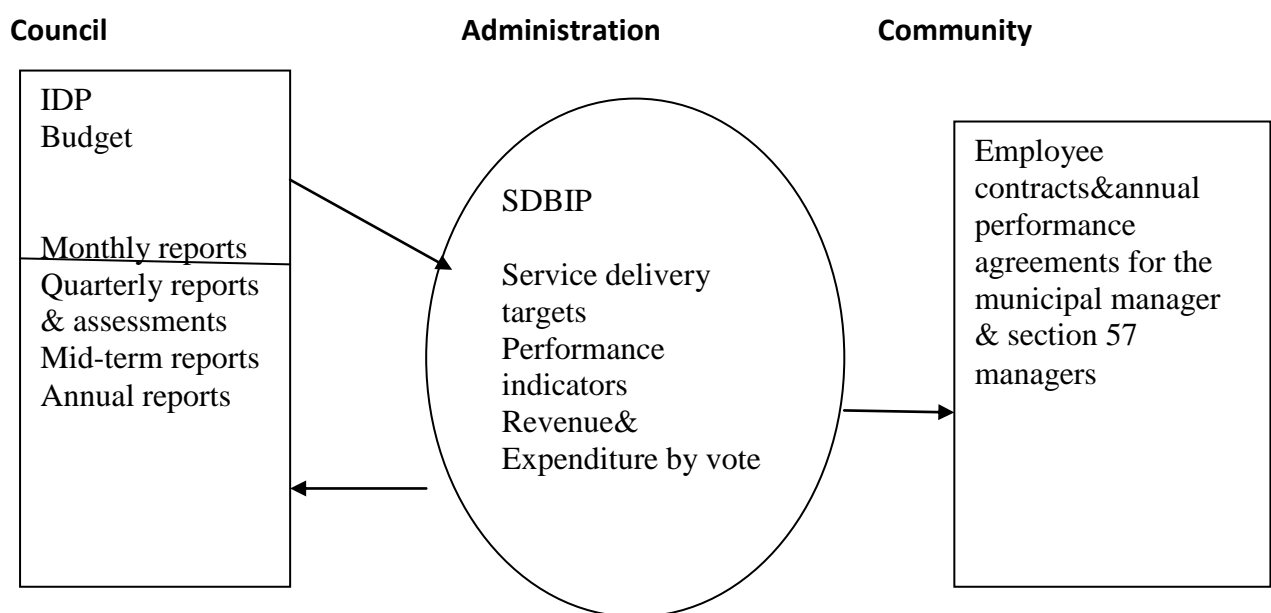
- **Municipal transformation and organisational development perspective** – this perspective focuses on how an organisation is improving its ability to innovate, improve and learn in order to support service delivery programmes and products
- **Local economic development perspective** - focuses on how the services and infrastructure provided by the organisation will lead to increased economic activity and development
- **Spatial analysis & rationale perspective** – focuses on how the organisation provides services and allows development to occur in a manner that allows for an efficient and sustainable usage of environmental resources.

6.7 Objectives. Within each perspective, objectives identify what needs to be done in order to achieve the overall mission. They answer the questions:

- What must we do (from each perspective) to achieve the overall mission?
- What is most important (from each perspective) to achieving the overall mission?

There are multiple objectives for each perspective.

The Performance Management System of Inkwanca Local Municipality operates as illustrated in the **diagram 6.1** below:



REFERENCES

The constitution of the Republic of South Africa
The Municipal Systems Act (2000)
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CHDM Water Services Development Plan 2010
CHDM Environmental Plan 2006
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Inkwanca Integrated Development Plan 2010/11
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Inkwanca Spatial development Framework 2012
Inkwanca Human Resources Strategy
Inkwanca WSDP
Inkwanca Employment Equity Plan
Inkwanca HIV and Aids Mainstreaming Strategy
Inkwanca PMS Framework 2011
Inkwanca LED Strategy 2008
Inkwanca Housing sector Plan 2008
DEAT website
ECSECC website

ANNEXURES