



DRAFT IDP

2012 - 2017



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GLOSSARY OF TERMS

ABET	Adult Based Education and Training
ABSA	Amalgamated Banks of South Africa
AIDS	Acquired Immune Deficiency Syndrome
ASGISA	Accelerated and Shared Growth Initiative for South Africa
BDS	Business Development Services
CASP	Comprehensive Agriculture Support Programme
CBO	Community Based Organization
CHARTO	Chris Hani Regional Tourism Organisation
CHDM	Chris Hani District Municipality
CPF	Community Policing Forum
CSIR	Council for Scientific and Industrial Research
DBSA	Development Bank of South Africa
DEAT	Department of Environment and Tourism (Also known as DEA)
DFA	Development Facilitation Act No 67 of 1995
DLA	Department of Land Affairs
DLG&TA	Department of Local Government and Traditional Affairs
DM	District Municipality
DME	Department of Mineral and Energy
DoRDAR	Department of Rural Development and Agrarian Reform
DoE	Department of Education
DoH	Department of Health
DH	Department of Human Settlements
DoSD	Department of Social Development
DoRT	Department of Roads and Transport
COGTA	Department of Corporative Government and Traditional Affairs
DPW	Department of Public Works
DSAC	Department of Sport, Arts & Culture
DWA	Department of Water Affairs
ECA	Environmental Conservation Act

EIA	Environmental Impact Assessment
ES	Equitable Share (grant)
FBS	Faith Basic Services
ECDC	Eastern Cape Development Corporation
ECPGDS	Eastern Cape Provincial Growth & Development Strategy
EXCO	Executive Committee
GP	Gross Geographic Product
GIS	Geographical Information System
GTZ	German Technical Cooperation
GVA	Gross Value Added
HDI	Human Development Index
HIV	Human Immune Deficiency Virus
HR	Human Resource
IDC	Independent Development Corporation
IDP	Integrated Development Plan
IDT	Independent Development Trust
IT	Information Technology
ITP	Integrated Transportation Plan
IWMP	Integrated Waste Management Plan
LDO	Land Development Objectives
LED	Local Economic Development
MEC	Member of the Executive Committee
MIG	Municipal Infrastructure Grant
MFMA	Municipal Finance Management Act
MSIG	Municipal Support & Institutional Grant
MSyA	Municipal Systems Act, 2000
MStA	Municipal Structures Act, 1998
NDC	National Development Corporation
NEMA	National Environmental Management Act
NER	National Electrification Regulator
NGO	Non Governmental Organizations

NSS	National Sanitation Strategy
PATA	Promotion of Administrative Justice Act
PMS	Performance Management System
PPP	Public Private Partnership
RDP	Reconstruction and Development Programme
REDs	Regional Electricity Distributors
RTP	Responsible Tourism Planning
SMME	Small Medium and Micron Enterprises
SOE	State Owned Enterprises
SoR	State of Environment Report
SADC	Southern African Development Community
SALGA	South African Local Government Association
SANDF	South African National Defence Force
SAPS	South African Police Service
SGB	School Governing Body
STDs	Sexual Transmitted Diseases
TB	Tuberculosis
TLC	Transitional Local Council
TRC	Transitional Rural Council
USAID	United States Agency for International Development
UYF	Umsobomvu Youth Fund
VAT	Value Added Tax
VIP	Ventilated Improved Pit (sanitation facility)
WSDP	Water Services Development Plan

MAYOR'S FOREWORD

It's again an honour and a privilege for me as the Mayor of Engcobo Local Municipality to introduce this Integrated Development Plan for 2012/2017 as our public strategic delivery document as a product of our partners and the various stakeholders. It is significant to note that this planning instrument is influenced by ordinary members of the public as they put their views on specific areas and ward developmental aspects.

Developments and service delivery in the previous financial year have been taken into account and used as building blocks towards addressing the backlogs. No doubt much still needs to be done to alleviate poverty, to create an environment that is conducive to economic growth and to bring meaning and dignity to the lives of the diverse communities of Engcobo.

I must say that this process could not be where it is, if it was not for the active and sustainable participation by communities, Ward Committees, Ward Councillors, Community Development Workers, the Office of the Speaker and IDP engagement forums that were held in setting the direction and pace of our development programmes and strategies.

In this regard, our communities must be commended for heeding the call to come forward and take their rightful place and play a momentous role in becoming authors of their own development, in making direct input into the Integrated Development Plan of the municipality.

The IDP 2012/2017 shall set up a significant transformation agenda and forward thinking for Engcobo Local Municipality. In pursuit of an effective and efficient service delivery, the municipality undertakes to embark on a process of organizational re-alignment in order to create a conducive and a fulfilling environment for all involved to contribute and work.

We have a responsibility as far as ensuring extensive participation is concerned and we believe that as the sphere of government that is closest to the people, we carry an obligation to respond directly, positively and immediately to the needs and frustrations of our communities as well as our internal stakeholders.

I thank you!

Councillor L. Jiyose | Mayor

MUNICIPAL MANAGER’S OVERVIEW

FOREWORD FROM THE MUNICIPAL MANAGER

Engcobo Local Municipality is required by Section 34 of Municipal System Act of 2000 (Act 32 of 2000) to undertake a stakeholder driven process to develop its 5 year IDP.

The IDP is developed in order to set-up a service delivery and growth path for the next Five Year period, (2012-2017) as instructed by the Council. In keeping up with Section 34 of the Municipal Systems Act, the IDP will be reviewed annually in order to carry out continuous assessment and to give meaning and substance to our service delivery ambitions.

This document is the 5 year strategic plan IDP 2012/2017. It should be noted that the IDP is the superseding policy document for planning of the municipality, it is essential that the IDP is based on the real needs of the community which Engcobo Local Municipality is serving.

Therefore the fundamental principle and the overarching philosophy is that the IDP has to keep track of the changing priorities of the community and an extensive public participation process which involved all the stakeholders had been embarked on to determine those priority needs which are truly within this document. The priority needs of the community have been used as a basis to inform the Municipal Budget Process for the 2012/2017 financial year.

I trust that this IDP will prove to be one more meaningful step towards paving a way that would enable Engcobo Local Municipality, a place where all of us can live fulfilling lives and achieve our full human potential within our existing capabilities.

Yours Faithfully,

S. Mahlasela | Municipal Manager

EXECUTIVE SUMMARY

This Draft IDP for 2012 to 2017 outlines the plans and programs of the municipality to transform the story of Engcobo Municipality /municipal area from the one of poverty, unemployment and illiteracy to the story about innovative approaches to sustainable development of Engcobo Local Municipality based on principles of good governance, human solidarity and efficiency.

The document is divided into the following sections:

1. **Introduction:** this section introduces the municipality and the IDP Review process so as to give a sense of the extent to which this process has created space for public participation not just as a compliance issue, but as a way of doing things within the municipality.
2. **Situation Analysis:** the situation analysis reflects on the socio-economic environment within which the municipality operates and deals with the state of service delivery and access to services by the people of Engcobo. The section seeks also to define the context, the challenge and the opportunities that are uniquely available to the municipality.
3. **Spatial Development Framework:** this section introduces the Spatial Development Framework of the municipality and also identifies linkages with the plans and programs of the District Municipality, the Eastern Cape Province and the National Plan.
4. **Objectives, Strategies, Indicators and Targets:** this section outlines some of the concrete interventions that the municipality has identified to change the living conditions of the people of Engcobo and change landscape of the area through the pursuit of effective service delivery and facilitation of Local Economic Development.
5. **Budget, Programs and Plans:** the section on detailed budgets, programs and plans outlines the specific actions that will be undertaken over the next five years to realise the vision and mission of the municipality in line with the needs of the people.
6. **Financial Plan:** this section deals with plans on mobilising the resources required to implement the IDP 2012-2017 and also deals with how the municipality intends to manage these resources as a steward on behalf of the people of Engcobo.
7. **Operational Plan:** essentially, the operational plan deals with the capacity required to implement the programs of the municipality.
8. **Performance Management Framework:** this section basically outlines the approach and framework adopted by the municipality to ensure accountability and transparent assessment of progress and impact of its programs and activities.
9. **Sector Plans:** this section outlines the detailed plans of the municipality in each sector and serves as a guide for the community and other relevant stakeholders for collective action.

1 INTRODUCTION

1.1 OVERVIEW

The development of the Integrated Development Plan (IDP) is a legislative requirement in terms of Section 25 of the Municipal Systems Act (MSA); Act (No 32) of 2000 with the Engcobo Local Municipality subject to the provisions of this legislation. Reviewing of the IDP is also a legislative requirement in terms of Section 34 of Municipal Systems Act of 2000 (Act 32 of 2000).

An IDP is one of the key tools for Local Government to cope with its new developmental role. Furthermore it seeks to facilitate strategic decisions on issues of Municipal budgets for the following Key Performance Areas:

- Basic Service Delivery-(infrastructure and Community Services);
- Local Economic Development;
- Municipal Transformation and Organizational Development;
- Municipal Financial Viability and Management.
- Good Governance

The Municipal Systems Act which provides a framework for the preparation of IDP's recommends that once in place, each IDP must be reviewed annually to re-assess and re-evaluate Municipality's development priorities and challenges and to accommodate new developments in local government processes. Therefore, this particular document (2012-2017) fulfils that (this) review mandate for the ensuing financial year and beyond.

This IDP could be described as a single, inclusive and strategic plan for the development of the municipality, which:

- Links, integrates and co-ordinates plans and takes into account proposals for the development of the municipality;
- Aligns the resources and capacity of the municipality with the implementation of the plan;
- Forms the policy framework and general basis on which annual budgets must be based;
- Is compatible with national and provincial development plans and planning requirements binding on the municipality in terms of legislation.

The Reviewed Integrated Development Plan (IDP) consists of the following core components:

- The municipality's vision for long term development;
- An assessment of the existing level of development in the municipality and Socio-Economic Analysis;
- The Council's development priorities and objectives;
- A Spatial Development Framework (SDF) and basic guidelines for a land use management system;
- The Council's development strategies, which must be aligned with national and provincial sectoral plans and planning requirements binding on the municipality in terms of legislation;
- Projects and Programmes per Sector as prioritized;
- A Financial Plan with a budget projection for three years;
- Key performance indicators and performance targets (PMS);
- Service Delivery Plan;
- Public Involvement. (participation as legislated)

1.2 LEGISLATIVE FRAMEWORK

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

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

Promotion of (Fair)Administrative Justice Act, 2000	To give effect to the right to administrative action that is lawful, reasonable, and procedurally fair in terms of the Constitution of the Republic of South Africa 1996
Promotion of Equality and Prevention of Unfair Discrimination Act, 2000	To give effect to section 9 read with item 23(1) of Schedule 6 to the Constitution of the Republic of South Africa, 1996, to prevent and prohibit unfair discrimination and harassment To promote equality and to eliminate unfair discrimination and to prevent and prohibit hate speech and to provide for matters connected therewith.
FINANCE	
Appropriation of Revenue Act, 2000	To provide for a fair division of revenue to be collected nationally between national, provincial and local government spheres for the 2012/2017 financial year and for matters connected therewith
Businesses Act, 1991	To repeal certain laws regarding the licensing of businesses To provide for the licensing and operation of certain businesses, shop hours and related matters
Debt Collectors Act, 1998	To provide for controlled debt collecting
Income Tax Act, 1962	To provide for the payment of taxes on incomes of persons and taxes on donations
Insolvency Act, 1936	To consolidate and amend the law relating to insolvent persons and their estates
Local Authorities Capital Development Fund Ordinance, 1978 READ WITH Local Government Affairs Second Amendment Act, 1993	To provide for the establishment and management of a Capital Development Fund and for matters incidental thereto
Municipal Accountants' Act, 1988	To provide for the establishment of a board for Municipal Accountants and for the registration of Municipal Accountants and the control of their profession
Municipal Consolidated Loans Fund Ordinance, 1952 READ WITH Local Government Affairs Second Amendment Act, 1993	To provide for the establishment and management of a Consolidated Loans Fund as approved by the Premier
Local Government Municipal Finance Management Act, 2003	To regulate financial management in the local sphere of government to require that all revenue, expenditure assets and liabilities of municipalities and municipal entities are managed efficiently and effectively, to determine responsibilities of persons entrusted with local sphere financial management and to determine certain conditions and to provide for matters connected therewith
Pension Benefits for Councillors of Local Authorities Act, 1987	To provide for pension benefits for councillors

Public Finance Management Act, 1999	To regulate financial management in the national and provincial governments and, inter alia, provincial public entities
Prescribed Rate Of Interest Act, 1975	To prescribe and regulate the levying of interest from debtors
Reporting by Public Entities Act, 1992	To provide for the reporting to Parliament by public entities
Value-added Tax Act, 1991	To provide for the taxation in respect of the supply of goods and services
Local Government Transition Act, 1993	To provide for matters relating to municipalities in the interim phase, powers and functions of municipalities and actions of officials and councillors
Local Government: Property Rates Bill 2000	To regulate general property valuation
ADMINISTRATION / CORPORATE AND LEGAL SERVICES	
Electoral Act, 1998	To manage and regulate elections on national, provincial and local government level
Expropriation Act, 1975	To provide for the expropriation of land and other property for public and certain other purposes and matters connected thereto
Housing Arrangements Act, 1993	To provide for the establishment of a National and Regional Housing Board(s) and the abolition of certain existing boards.
Rental Housing Act, 1999	To define the responsibility of Government in respect of rental housing
Residential Landlord and Tenant Act, 1997	To provide for the regulation of landlord-tenant relations in order to promote stability in the residential rental sector in the province.
TOWN PLANNING AND SPATIAL DEVELOPMENT	
Provision of Certain Land for Settlement, 1993	To provide for the designation of certain land and to regulate the subdivision of such land and settlement of persons thereon.
Advertising on Roads & Ribbon Development Act, 1940	To control advertising on national and regional roads
Ordinance 113 and LUPO (land use planning ordinance)	To control the land use rights within the former black areas
Development Facilitation Act, 1995	To provide for Integrated Development Plans, reflecting current planning and to institutionalize development tribunals for evaluating applications
Physical Planning Act, 1991	To provide guidelines for the drafting of urban development Plans
Regulations on Advertisements on or Visible from National Roads, 1998	To control all advertising on national and regional roads
Subdivision of Agricultural Land Act, 1970	To control the subdivision of farm land and agricultural holdings

Land Use Management Bill, 2002	To establish a uniform land use management system.
Planning Professions Act, 2002	To provide for the training and registration of professional Planners
ENVIRONMENT	
Environmental Conservation Act, 1982	To provide for environmental impact assessments and exemptions, noise control areas etc
Environment Conservation Act, 1989	To provide for the effective protection and controlled utilization of the environment and for matters incidental thereto
National Environmental Management Act, 1998	To provide for co-operative environmental governance by establishing principles for decision making on matters affecting the environment and to provide for matters connected therewith
ENGINEERING / TECHNICAL SERVICES	
Advertising on Roads & Ribbon Development Act, 1940	To control advertising on national and regional roads
Regulations on Advertisements on or Visible from National Roads, 1998	To control all advertising on national and regional roads
National Building Regulations and Building Standards Act, 1977	To provide for the promotion of uniformity in the law relating to the erection of buildings in the areas of jurisdiction of local authorities and for the prescribing of building standards
National Water Act, 1998	To provide for fundamental reform of the laws relating to water resources
Water Services Act, 1997	To provide for the rights of access to basic water supply and sanitation, national standards and norms for tariffs and services development plans
SAFETY AND SECURITY	
Criminal Procedure Act, 1977	To consolidate and regulate procedure and evidence in criminal proceedings
Disaster Management Act, 2002	To provide for an integrated, co-ordinated and common approach to disaster management by all spheres of government and related matters
Fire Brigade Services Act, 1987	To provide for the rendering of fire brigade services and certain conditions to the rendering of the service
Gatherings and Demonstration Act, 1993	To control public gatherings and procession of marches
Hazardous Substances Act, 1973	To control matters relating to gas, petrol and liquids
National Land Transport Bill, 1999	
National Land Transport	To make arrangements relevant to transport planning and public road transport services

Interim Arrangements Act, 1998	
Urban Transport Act, 1977, as amended 1992	To promote the planning and provision of adequate urban transport facilities
National Road Traffic Act, 1996	To regulate traffic on public roads, the registration and licensing of motor vehicles and drivers, including fitness requirements and incidental matters
Road Traffic Management Corporation Act, 1999	To provide in the public interest for co-operative and co-ordinated strategic planning, regulation, facilitation and law enforcement in respect of road traffic matters and to provide for matters connected therewith
Prevention of Illegal Eviction from and Unlawful Occupation of Land Act, 1998	To provide for the eviction of unlawful occupants of land and the protection of the rights of such occupants under certain conditions
Regulation of Gatherings Act, 1993	To control public gatherings and procession of marches
South African Police Service Act, 1995	To provide, inter alia, for a municipal (city) police
HEALTH AND WELFARE	
Hazardous Substances Act, 1973	To control matters relating to gas, petrol and liquids
Health Act, 1977	To provide for the promotion of the health of the inhabitants of the Republic, for the rendering of health services, to define the duties, powers and responsibilities of certain authorities which render such services and for the co-ordination of the services
National Policy For Health Act, 1990	To provide for control measures to promote the health of the inhabitants of the republic and for matters connected thereto
HUMAN RESOURCES	
Employment Equity Act, 1998	To promote the constitutional right of equality and the exercise of true democracy To eliminate unfair discrimination in employment To redress the effect of unfair discrimination in the work place to achieve a workforce representative of the population
Basic Conditions of Employment Act, 1997	To give effect to the right to fair labour practice To provide for the regulation of basic conditions of employment
Compensation of Occupational Injuries and Diseases Act, 1993	To regulate the categories of persons entitled to compensation for occupational injuries and diseases, and to determine the degree of disabled employees
Labour Relations Act, 1995	To regulate the organisational rights of trade unions, the right to strike and lock-outs To promote and facilitate collective bargaining and employee participation in decision making To provide simple procedures for labour disputes
Skills Development Act, 1998	To provide for the implementation of strategies to develop and improve the skills of the South African workforce, to provide for Learnerships, the regulation of employment services and the financing of skills development

Skills Development Levies Act, 1999	To provide for the imposition of a skills development levy and for matters connected therewith
South African Qualifications Authority Act, 1995	To provide for the establishment of a National Qualifications Framework and the registration of National Standards Bodies and Standards Generating Bodies and the financing thereof
Unemployment Insurance Act, 1966	To provide for the payment of benefits to certain persons and the dependants of certain deceased persons and to provide for the combating of unemployment
ELECTRICITY	
Electricity Act, 1987	To provide for and regulate the supply of electricity and matters connected thereto

1.3 VISION AND MISSION OF THE MUNICIPALITY

Engcobo Municipality is a local municipality that can be categorised as a B4 (largely rural with a low economic and revenue base). The municipality is responsible for a local economy that currently faces significant development challenges manifesting in high unemployment, poverty and poor infrastructure to support service delivery and economic development. The municipality has however crafted the vision and mission below as a guide and a stepping stone towards fundamentally transforming Engcobo Municipal area over the next five years.

VISION STATEMENT

“A result oriented and driven municipality, providing reliable service delivery and facilitating development of Engcobo and its people within through effective use of the available resources and an environment that encourages stakeholder partnerships and citizen engagement.”

MISSION STATEMENT

“To improve the quality of lives of the Engcobo Community by providing basic and affordable services whilst alleviating poverty through social and economic development of the area thereby creating a safe, healthy and secure environment.”

1.4 VALUES

In addition to the Batho Pele principles, our municipality commits itself to upholding the following set of values:

- Ensuring municipal wide good governance.
- Accountable and responsible local government.
- Maximum public participation.
- Focus on economic growth and human resource development.
- Honesty and integrity.
- Tolerance to the diverse nature of our clientele and communities.
- Acting responsible in our dealings.
- Safety and secure living for all residents.
- Results orientation
- Acceleration of service delivery
- Effectiveness and efficiency in our approach
- Good governance, accountability, and public participation.

The values illustrated above are expected to serve as a guide in decision-making and operations of the municipality, more especially in relation to the following:

- Promote development which is in line with the Engcobo Spatial Development Framework.
- Protect the Engcobo Central Business District (CBD) as the primary node.
- Protect and promote public and private investment in the area.
- Preserve and protect natural resources and sensitive environmental areas.
- Support the socio-economic growth and development of the localities to the benefit of the entire Engcobo Local Municipality
- Promote physical, social and economic integration within the Engcobo Local Municipality.
- Ensure consistency in policies, strategies, land use management and by-laws.
- Promote gender equality and youth development.

The objectives, strategies and interventions forthcoming from the IDP support the vision and fundamentals. The Spatial Development Framework provides a spatial reflection of the vision, giving effect to the principles and fundamentals by guiding spatial development in the area.

1.5 STRATEGIC GOALS

- (a) Ensuring that the municipality is transformed to become an effective instrument for delivery of services and an effective facilitator of development of Engcobo;
- (b) Becoming an effective, trusted and a reliable provider of basic services to the people of Engcobo Municipality in line with our mandates within the legislative framework whilst coordinating and facilitating the provision of services by other spheres of government and other role players;
- (c) Becoming a champion of social and economic development within Engcobo using Agriculture as our main driver whilst also harnessing the potential of other economic opportunities;
- (d) Ensuring that Engcobo Local Municipality becomes a financially viable and sustainable municipality that systematically improves its own revenue generation capacity whilst effectively managing and accounting for the resources at its disposal;
- (e) Becoming a people-centred municipality that embraces good governance that is underpinned by meaningful participation of stakeholders in the governance of the municipality through effective structures, forums and instruments.

1.6 STRATEGIC OBJECTIVES

The aim of the IDP for the Engcobo Local Municipality is to move away from the idea of the IDP being a mere wish list and move towards a strategic and focused development plan. In order to achieve this, a series of Strategic Objectives have been formulated with each objective supported by strategies or interventions, which are to be implemented through projects and actions requiring budgetary allocations in the budgetary process of the Engcobo Municipality which is to follow from the Integrated Development Plan.

The Key Broad Strategic Objectives that will guide programs of the Municipality over the next five years are:

- a) To improve the physical and functional integration of the Engcobo Municipal area, thereby improving access to economic opportunities with a strong focus towards rural areas,
- b) To strengthen the municipality's capacity to provide basic services, facilitate the development of the area and coordinating the activities and programs of other spheres of government and other agencies,
- c) To actively facilitate the development of the Engcobo municipal area through well developed catalytic programs, support of initiatives by communities, entrepreneurs by leveraging on our resources to secure support for initiatives that will ensure that we significantly reduce poverty, unemployment and create sustainable economic opportunities,
- d) To provide basic services that are affordable and reliable to the people of Engcobo within the available resources of the municipality,
- e) To ensure that the municipality becomes a viable and sustainable entity that has a reputation of effectively managing its scarce resources through a responsible, clean and accountable administration,
- f) To ensure that the municipality becomes a people-centred institution that creates space and platforms for its community and critical role-players to play a meaningful role in the planning, monitoring and evaluation of the performance of the organisation.

1.7 THE IDP PROCESS

1.7.1 IDP REVIEW.

The IDP preparation and processes are predominantly guided by various legislations, policies and guides as alluded above. These policy guides have to be carefully considered when the IDP is being developed and reviewed. These policies, guides and legislative frameworks include but not limited to the following;

- The Constitution of the Republic of South Africa.
- Municipal Structures Act No 117 of 1998.
- Municipal Systems Act No. 32 of 2000.
- Municipal Finance Management Act No. 56 of 2003.
- National Spatial Development Perspective.
- Accelerated Shared Growth Initiative for South Africa (ASGISA).
- Provincial Growth Development Strategy.
- Joint Initiative on Priority Skills Acquisition (JIPSA).
- Millennium Development Goals-2015.
- IDP Guides and Spatial Development Framework (SDF).

This document represents an Integrated Development Plan (IDP) for 2012-2017. It is drawn as a legal and planning management requirement in partial fulfilment of the requirements of the Local Government Municipal Systems Act (MSA) No. 32 of 2000; chapter 5 Section 25 of the Systems Act, states that a municipal council must develop and adopt its 5 year IDP and also review it

- Annually and in accordance with the assessment of its performance measurements;

- To the extent that changing circumstances warrant review;

1.7.2 THE RATIONALE FOR IDP PROCESS

In its endeavour to make sure that all Stakeholders take part in the IDP processes

The sector departments, NGO'S, CBO'S , Business Forrums , Special groups eg Youth, Women, and people with disabilities. A special focus is also done to make sure that the traditional leaders are involved. The ward IDP mettings are held at the royal places. They also serve as ex officio members in ward committee meetings and IGR meetings. At our quarterly meetings, All our 13 chiefs and 64 headman and women do attend.

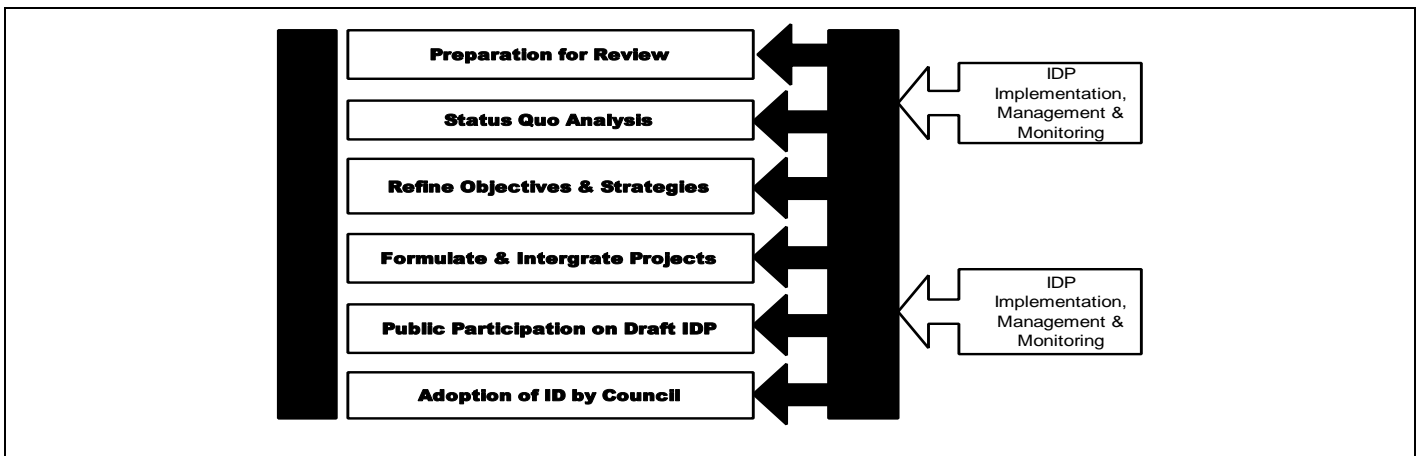
On the one hand, the rationale of the IDP Process is to reflect the approach of the Engcobo Local Municipality to the 2012/2017 IDP.

On the other hand, through the review of the existing IDP, we hope to achieve the following;

- Creating a greater level of focus and thereby improving on the strategic nature of the document;
- Aligning this strategic document with the realities of the resources, both financial and human, at the disposal of the municipality;
- Alignment of the IDP with the activities of the sector departments and other service providers (and vice versa i.e. influencing their planning); and
- Alignment of the IDP with the various sector plans.

The IDP process itself has considered the assessment of the municipal performance against organisational objectives as well as implementation delivery, the recommendations of the stakeholder consultation and public participation with regards to projects, IDP engagement processes and also any new information or change in circumstances that might have arisen subsequent to the adoption of the 2011/12 IDP.

The graphical presentation of the review is depicted in the following graphic;



The Manner in which the drafting of IDP 2012-2017is undertaken, is outlined in the process plan which was prepared and adopted by Municipality on the 26th August 2011 subsequent to the adoption of the District Framework workplan:

KEY DEADLINES FOR IDP BUDGET PREPARATION SCHEDULE			
PHASES	ITEM DESCRIPTION	DUE DATE	RESPONSIBLE PERSON
PRE-PLANING			July and August 2011
	Review the 2012/2017 IDP/ Budget Process	1-31 Jul -11	CFO/MYEKO
	Establish process and timetable for the 2012/2013 to 2014/15 Budget Development.	30-August-11	Mayor, CFO
	COUNCIL MEETING: IDP/Budget Schedule to be tabled to the Council	26-Aug-11	MAYOR
	2010/11 Financial Statements submitted to Auditor-General	31-Aug-11	CFO
ANALYSIS			September- October 2011
	MAYORAL/ BUDGET STEERING COMMITTEE MEETING: Mayoral committee to meet and identify strategies and guidelines for the development of the 2012/13 to 2013/14 Budgets. Committee should adopt the 'Budget Preparation and Financial Guidelines' proposed.	05-Sep-11	CFO
	Present process plan to IGR METTING	07 Sep 11	
	MAYORAL / STEERING COMMITTEE MEETING: - review progress and budget assumptions	08-Sep-11	CFO MAYOR
	IDP/Budget Rep forum meeting	1.8 09	
	IDP/Budget road shows	September 2011	
		12-20 Sept 11	
	MEETING WITH DIRECTORS AND MANAGERS: Directorates to be provided with the current Baseline Operating Medium Term Expenditure Forecasts (MTEF) 2012/13 thru 2013/14 that are to be used as a basis for the development of new Operating Medium Term Expenditure	21-Sep-11	CFO
Check with National, Provincial Governments and District Municipality for any adjustments to projected allocations for the next three years.	30-Sep-11	CFO	
IDP/Budget Rep forum meeting	03 Oct 11	MAYOR	
KEY DEADLINES FOR BUDGET PREPARATION SCHEDULE			Move to the next page

	Item description	Due Date	Responsible Person
	October 2011		
	MAYORAL / STEERING COMMITTEE MEETING: - review progress and baseline operating budget.	05-Oct-11	CFO
	Schedule individual meetings with Directorate to review baseline budget and work progress for completion of changes and supplemental requests	11-Oct-11 19 Oct 11	CFO
	IDP/Budget Steering committee Analysis phase completed	28 Oct 11	MYEKO (u don't want to use titles instead of names?) MAHLASELA
	Review current tariffs, receive requested changes from directorates and prepare options for consideration	31 -Oct-11	CFO, Acc.
	SUBMISSION OF BASELINE BUDGETS AND SUPPLEMENTAL REQUESTS FROM DIRECTORATES: Final date for submission of all Baseline Operating Budgets, Capital Budgets and Operational plans by Directorates to the budget office.	31-Oct-11	Directorates
STRATEGIES	November 2011		
	Draft report on proposed tariff changes for review to Budget Steering Committee delivered to CFO	04-Nov-11	CFO, Acc.
	MAYORAL / STEERING COMMITTEE MEETING: - review progress and proposed tariff report, Budget reviews and strategies.	09-Nov-11 19,20,21	CFO, MM MM and Myeko
	IDP/Budget strategic workshop IDP/Budget Rep Forum	Nov 11 27 Nov 11	MAYOR
	Prepare first draft of operating and capital medium term budget based on baseline operating budgets submitted by directorates	28-Nov-11	CFO
	Receive audited Financial Statements and Audit report from the Auditor-General for the 2008/09 financial year	30-Nov-11	Auditor-General
PROJECTS	December 2011		
	MAYORAL / STEERING COMMITTEE MEETING: - review progress, baseline budget report AND DRAFT TARRIFS and prepare for project phase	05-Dec-11	CFO, Budget Mgr and MM MM and Speaker
	COUNCIL MEETING: Table Adjustment budget for mid-	08 Dec 11	

	year		
	January 2012		
	Sections and directorate meet to discuss strategies and objectives	03-13 Jan 2012	Managers
	MAYORAL / STEERING COMMITTEE MEETING: - review progress and DRAFT BUDGET.	17 Jan 2012	CFO,
	MAYORAL COMMITTEE MEETING: PRESENT MIDYEAR PERFORMANCE REPORT TO MAYORAL COMMITTEE: Final review of 2011/12 operating and capital budget for midyear adjustments to mayoral committee for approval to council.	23-Jan-2012	Municipal Manager
	SUBMISSION OF CAPITAL BUDGET REQUESTS FROM DIRECTORATES: Final date for submission of all Capital Budget plans by Directorates to the budget office.	23-Jan-2012	All Managers
	KEY DEADLINES FOR BUDGET PREPARATION SCHEDULE		
	Item description	Due Date	Responsible Person
ALIGNMENT AND ADOPTION	February 2012		
	MAYORAL / STEERING COMMITTEE MEETING: - review progress and the DRAFT BUDGET.	06-Feb-2012	CFO MM
	IGR Meeting		MAYOR
	IDP/Budget Rep Forum	10-Feb 2012	
		23- Feb 2012	
	March 2012		
	MAYORAL / STEERING COMMITTEE MEETING: - review progress and DRAFT BUDGET.	05-Mar-2012	CFO
	Final Date for Directorates to present SDBIP performance indicators and service delivery targets for 2012/13 for review.	12-Mar-2012	Directorates
	MAYORAL / STEERING COMMITTEE MEETING: final draft	20-Mar-	CFO

	operating and capital budget presented to Mayoral committee for review	2012	
	COUNCIL MEETING: Council (after consideration of the 2010/11 Annual Report) to adopt an Oversight Report.	27-Mar-2012	Oversight Committee
	COUNCIL MEETING: Operating and Capital draft budget and IDP tabled to Council for consultation with the community	27-Mar-2012	Mayor
	Submit to National Treasury, Provincial Treasury and the MEC responsible for Local Government the Annual Financial Statements, the 2010/11 audit report and any corrective action taken in response to the findings of the audit report.	30-Mar-2012	Administrative Director
	Submit draft budgets in required form to NT, Provincial Treasury	12-Apr-2012	CFO
	KEY DEADLINES FOR BUDGET PREPARATION SCHEDULE		
	Item description	Due Date	Responsible Person
	April 2012		
	IGR Meeting	12 April 2012	CFO
	Check with National, Provincial Governments and District Municipality for any adjustments to projected allocations for the next three years.	16-Apr-2012	
	Directorates are to provide a list of Capital Projects to be rolled over for inclusion in the 2012/13 Budget to the budget office and cash balances forward for grant projects.	30-Apr-2012	Directorates
	Public meetings and consultation on IDP/ Budget	16-27 April 2012	Speaker and Mayor
	May 2012		
	MAYORAL IMBIZO	4 May 2012	MAYOR
	Final Budgets prepared taking into consideration submissions made during consultation process	10-May-2012	CFO
	MEETING OF MAYORAL / STEERING COMMITTEE: Approval of FINAL operating and capital budget for presentation to the full council	14-May-2012	CFO
	COUNCIL MEETING: IDP & Budgets for 2012/13 thru 2013/14 adopted by Council along with the Mayor's budget address	26-May-2012	Mayor, Finance MEC
	June 2012		

	The Service Delivery and Budget Implementation Plans (SDBIP) along with the annual performance agreements for the Municipal Manager and all managers directly responsible to the MM (based on the operational plans and IDP) is to be issued to the Mayor by the	11-Jun-2012	Municipal Manager
	IDP & Annual Budget reports to National, Provincial Treasury and the District municipality.	11-Jun-2012	CFO/ MYEKO
	MAYORAL TO APPROVE SDBIP AND PERFORMANCE AGREEMENTS within 14 days after receiving them.	28-Jun-2012	MAYOR

Public interaction road shows on Draft IDP and Budget 2012-2017

Date	Ward	Time	Venue	Deployees
23/04/12	01		Eyethu com Hall	
23/04/12	03	10:00 am	Bekileni	
23/04/12	04		Cobosi	
24/04/12	02		Eyethu com. Hall	
24/04/12	05	10:00am	Ngcacu	
24/04/12	06		Egoso com Hall	
25/04/12	07		Qumanco com Hall	
25/04/12	08	10:00am		
25/04/12	09		Manzana com hall	
26/04/12	10		Nyanga Creche	
26/04/12	11	10:00am	Zadungeni Zweli	
26/04/12	12		Lahlangubo	
30/04/12	13		Eshedin Emdeni	
30/04/12	14	10:00am	Kwasilo	
30/04/12	15		Msintsane	
02/05/12	16			
	17			

02/05/12	18	10:00am	Nkondlo tribal	
02/05/12			Chapile kumkhulu	
04/05/12	19	10:00 am	LR Mnyolo komkhu	
04/05/12	20		Manzimdaka	

2 SITUATION ANALYSIS

2.1 SOCIO-ECONOMIC PROFILE OF ENGCOBO MUNICIPAL AREA

2.1.1 OVERVIEW

Engcobo Municipality is located in the Eastern Cape Province, the second largest province in terms of land coverage, on the south eastern seaboard of South Africa. The Eastern Cape is known for having mounted one of the largest resistances in Africa against colonialism, eventually succumbing to British rule in 1894, and again for its long history of resistance against apartheid rule.

Major cities and towns in the Eastern Cape are Aliwal North, Bhisho, Gcuwa/Butterworth, Despatch, East London, Grahamstown, Humansdorp, King William's Town, Port Elizabeth, Queenstown, Uitenhage and Mthatha. The Eastern Cape Province has 6 District Municipalities and 38 local municipalities covering towns and surrounding rural areas with Engcobo falling within the Chris Hani District Municipality.

The Chris Hani District lies in the centre of the Eastern Cape Province, incorporating 8 local municipalities. It is the second largest of the districts and is a mostly rural or semi-rural area. isiXhosa is the main language with a small percentage of coloureds and whites living in this district.

Overall, the District has a low urbanisation rate (30.96%), ranging from only 0.56% (Intsika Yethu) to 76.84% (Inkwanca) and the most prominent form of settlement is tribal (61.33%) then urban (26.05%). More than half (57.68%) of all households own their own properties, of which the majority (87.41%) are fully paid-up owners.

The map of local municipalities that fall within the District as follows:



Engcobo consists of 20 wards, extends over 2258.78km² and has 40 councillors and 8 traditional leaders. The new leadership of Engcobo Municipality is acutely aware of the challenges confronting the municipality and has identified the provision of basic services and facilitation of socio-economic development of the area as key priorities supported by capable and modern infrastructure for social, economic and institutional development.

Engcobo faces high levels of poverty, unemployment, illiteracy and infrastructure backlogs, including roads, water, sanitation, electricity and housing. Other challenges are identified as crime, HIV and TB prevalence, poor integration and cooperation across civic, private and public bodies. The local financial sector has been on the decline over the last few years.

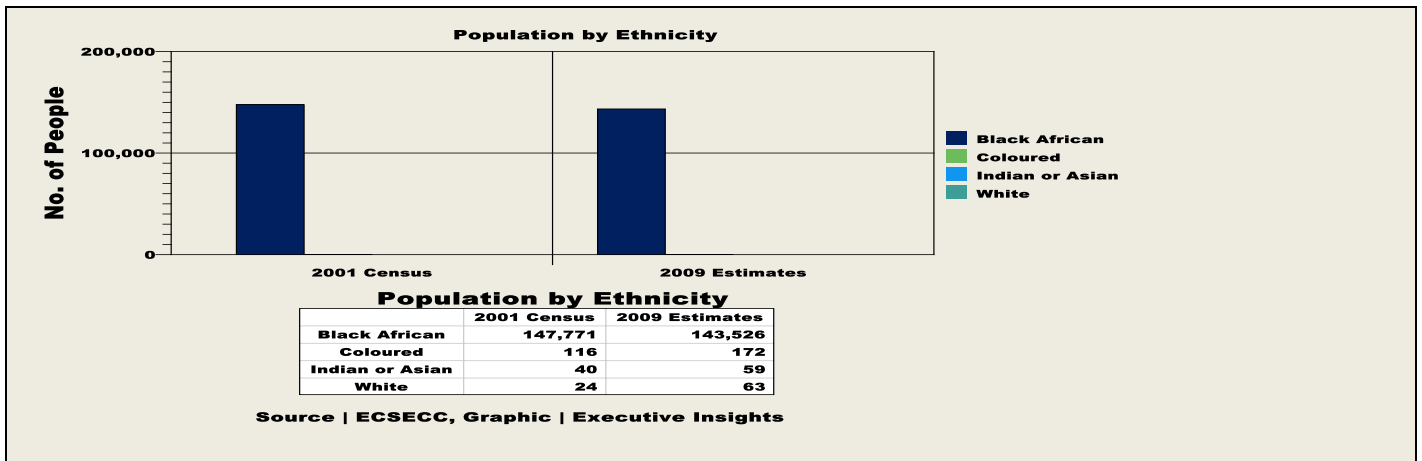
The population is overwhelmingly rural and most land is communally owned and fertile, yet only a small portion is fully utilised. Forestry (especially pine), agriculture and tourism (agri-tourism and cultural tourism, including arts and crafts) are said to be key for the area's economic stimulation.

Other identified strengths and opportunities include: local resources (natural, human and information); potential for new businesses and community private-public partnership; availability of local technical expertise; non-political and resourced NGOs and CBOs that provide aftercare; and a taxi industry and route between Umtata and Queenstown.

2.1.2 POPULATION COMPOSITION

2.1.2.1 POPULATION BY ETHNICITY

According to the 2001 census and subsequent household surveys, the Municipality has an estimated population estimated to be around 149 820 people and an estimated 35 135 households.



The majority of population is female (56%) and youth. There are about 66 people per km². The population is predominantly black followed by an insignificant number of Asians nationals, Coloureds and Whites.

2.1.2.2 POPULATION BY AGE GROUP

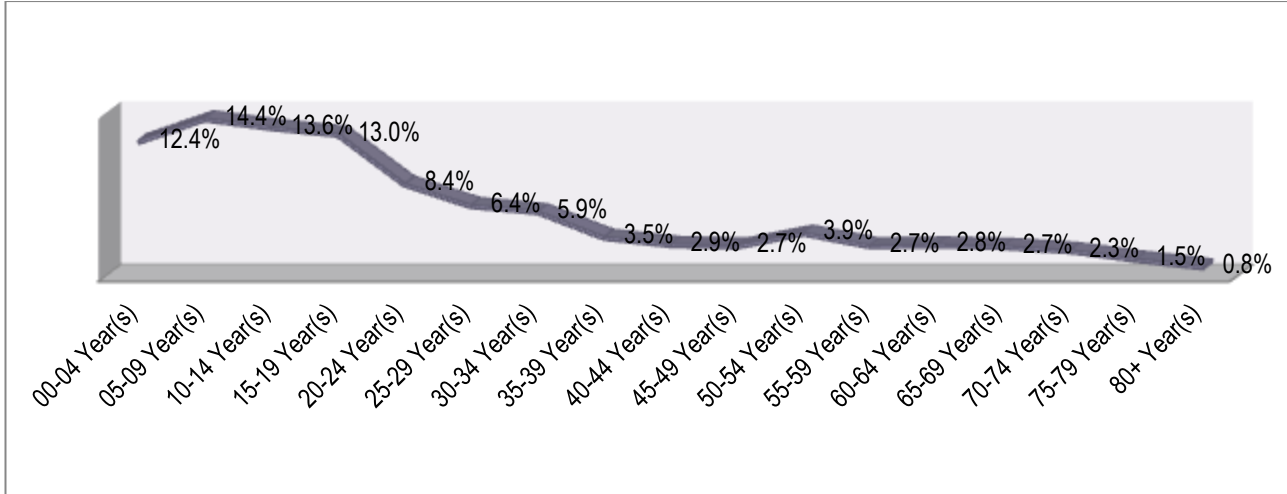
The population structure for the municipality is youthful, with 24% of residents under 14 years, whilst 16% is under the age of 4 years.

The general profile of the population by age can be illustrated as follows:

Age Group	Actual			Forecast	
	2007	2008	2009	2010	2011
00-04 Year(s)	20,004	19,500	18,862	18,033	17,331
05-09 Year(s)	20,257	19,834	19,886	20,139	20,258
10-14 Year(s)	23,259	22,082	21,024	20,121	19,115
15-19 Year(s)	19,480	18,862	18,623	18,458	18,244
20-24 Year(s)	11,230	11,228	11,407	11,629	11,822
25-29 Year(s)	7,886	8,099	8,425	8,731	9,050
30-34 Year(s)	7,243	7,490	7,717	8,008	8,257
35-39 Year(s)	4,515	4,584	4,711	4,824	4,947
40-44 Year(s)	4,123	3,951	3,929	3,997	4,004
45-49 Year(s)	4,436	4,257	4,099	3,960	3,808
50-54 Year(s)	5,112	5,294	5,395	5,415	5,489
55-59 Year(s)	3,730	3,699	3,735	3,801	3,847
60-64 Year(s)	3,918	3,865	3,883	3,928	3,955
65-69 Year(s)	4,133	4,067	3,957	3,859	3,753
70-74 Year(s)	2,925	3,042	3,127	3,158	3,224
75-79 Year(s)	1,771	1,830	1,908	2,017	2,105
80+ Year(s)	940	973	1,019	1,071	1,119
TOTAL	144,962	142,658	141,707	141,149	140,329

Source: ECSSEC

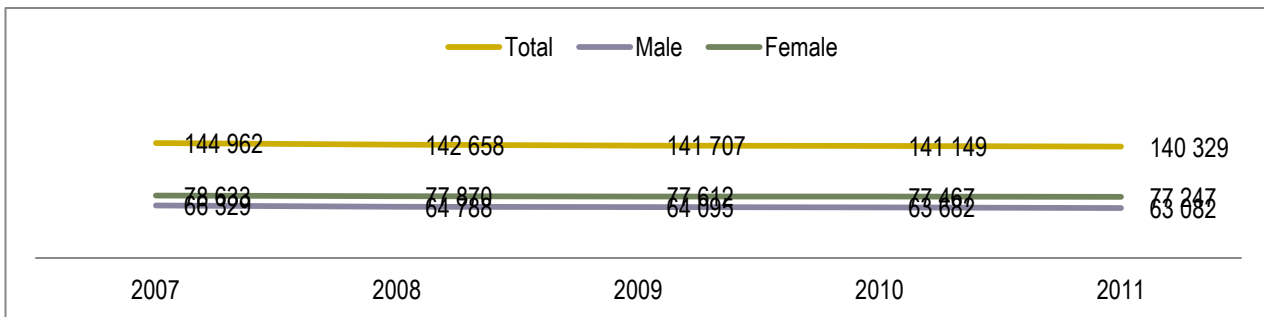
The total population has been on the decline since 2007 (though this decline has been decelerating) with the population older than 70 years growing since 2007. The population between 20 and 34 has also been growing since 2007. The changes in population are a result of a number of complex factors that we have not been interrogated as part of the planning process. The population is generally composed of young people as illustrated below:



Source: ECSSEC

2.1.2.3 GENDER

Population distribution by gender distribution can be illustrated as follows:



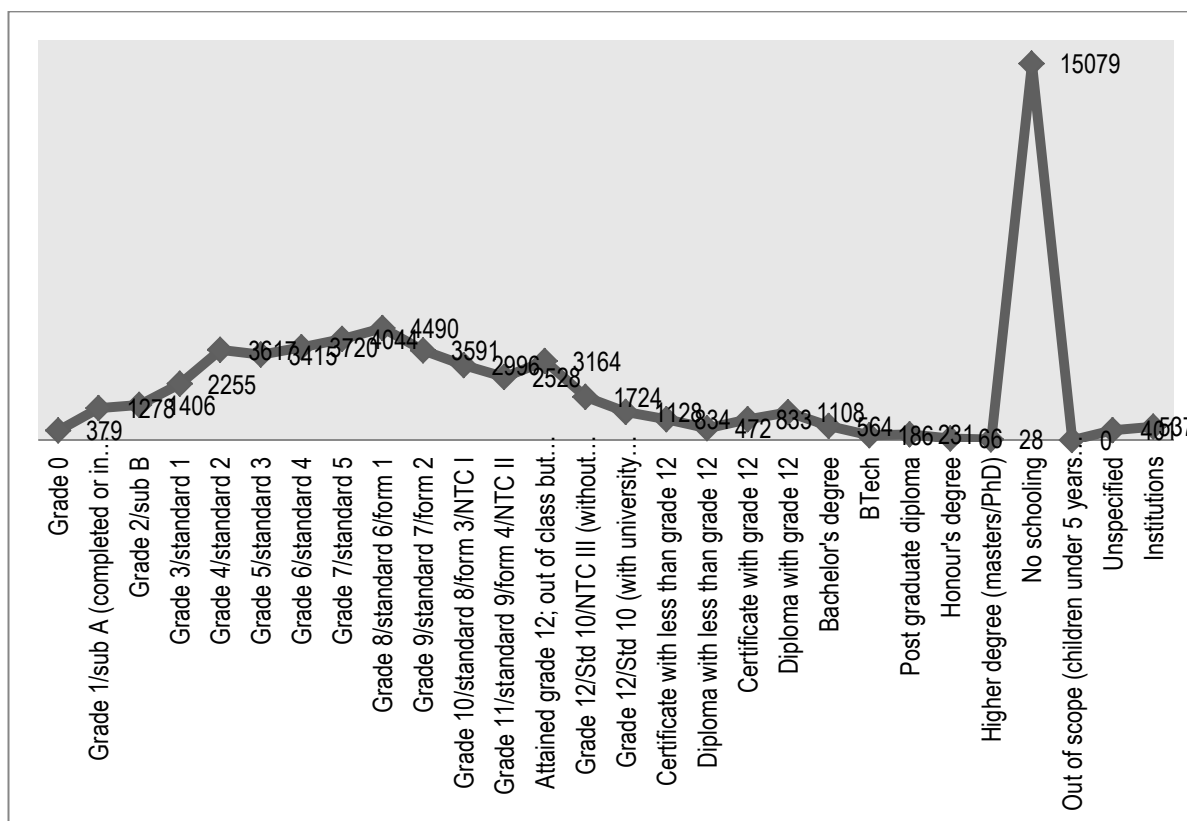
Source: ECSSEC

Females are the largest population groups in the municipality with their proportion increasing over the last five years. Socio-economic development programs targeting women will be key in the development of the municipal area more especially if these are coupled with strong gender mainstreaming initiatives.

2.1.3 EDUCATION LEVELS

The level of education amongst the people of Engcobo Local Municipality is fairly low. The 2008 socio-economic survey of ECSECC and statistics from Statistics SA show high proportions of the population that have attained less than lower primary level of education.

The complete profile of education levels attained by 2007 can be illustrated as follows:



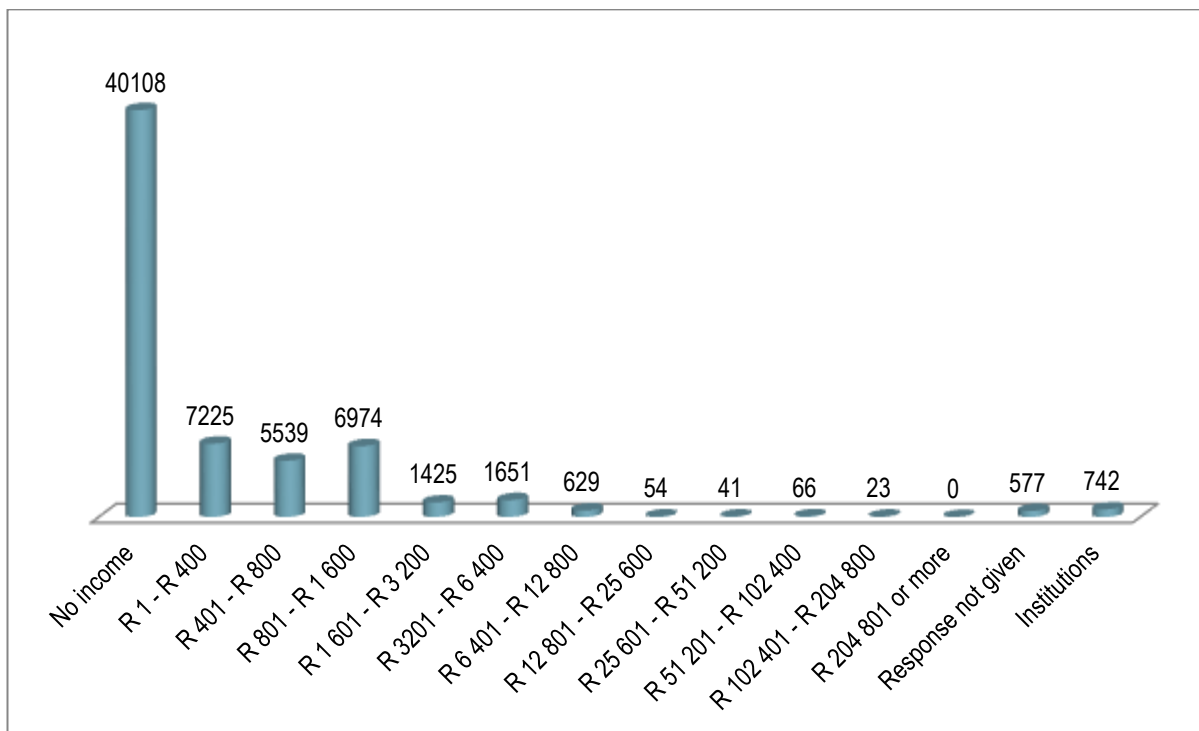
Source: ECSSEC

Over 40% of the household heads had never gone to school and have no formal education; 15% of the other household heads were primary school certificate holders and only 3% have post-secondary education.¹ A reflection of the low level of education is the high rate of illiteracy which is prevalent throughout the municipal area.

2.1.4 POVERTY INDICATORS

About 77% of the total population is living in poverty and are dependent on different forms of social grants and only 13% of the population is in formal and/or informal employment. According to information provided by SASSA, about 450 children receive Care Dependency Grant whilst 25, 749 children between the age of 0 – 18 receive Child Support Grant. About 1, 842 children are under foster care and receive a Foster Care Grant.

Source | ECSECC



Source: ECSSEC

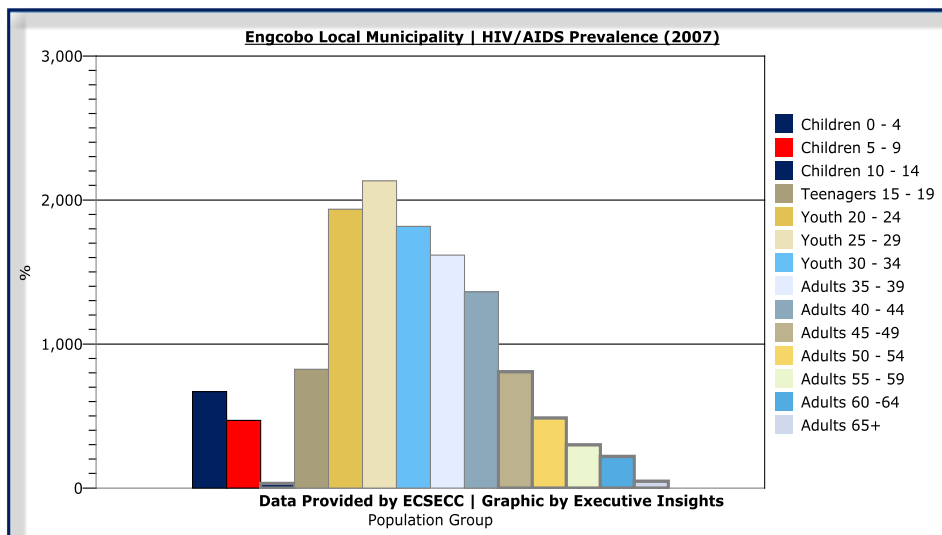
Engcobo claims the most youthful population as well as the highest rates of poverty (88.93%) and unemployment (78.46%) in Chris Hani, coupled with a high dependency ratio (4.58). An indication of the depth of poverty in the area is revealed by the Municipality’s share of the Provincial poverty gap (3.79%), which is substantially higher than its share of the Provincial population (2.65%).

2.1.5 HEALTH

The top five causes of poor health Engcobo is, according to incidence per 100 persons for the year 1997 are:

- HIV & AIDS (14/100),
- Diabetes (13/100),
- Diarrhoea (3/100),
- Eye infection (2/100 persons),
- Sexually-transmitted diseases (STD) (10/100).

The epidemic of HIV/AIDS in Engcobo Local Municipality as a whole is explained in part by the care and dependency grant patterns.



The challenges around integrated human settlements pose risks in the areas of hygiene standards, scabies, cholera, dysentery, tetanus, jiggers and lice. The high proportion of people who have no access to pit latrines or sanitation facilities compounds some of the challenges noted above.

2.1.6 HOUSEHOLD DYNAMICS

In 2001 Engcobo Municipality had about 32531 households (with 32441 of these being African, 43 being Coloured, 21 being Asian and 26 being White). In 2007 the households grew to 36256 as per statistics provided by ECSSEC. Engcobo is a rural municipality with just over 4% of its households residing in the urban centre and peri-urban areas of Engcobo, Clarkebury and All-Saints. The majority of households live in rural areas. The rolling out of services to rural areas coupled with sustained and coherent rural development programs is key for the realisation of the vision and mission of the municipality.

2.1.7 ECONOMIC PROFILE

The local economy is currently under performing with very limited capacity and performance in job creation and expansion. A dedicated LED strategy has been developed in order to guide our interventions in turning this situation around.

The Municipality's low **Productivity** score points to the low GDP per worker (formal and informal), a relative shortage of skills available to the economy, and low growth in value creation relative to labour remuneration and especially employment.

Engcobo's low **Formal Economy Performance** reflects particularly on the concentrated local economy, relatively high financial grant dependence and GDP performance whilst there has been some growth in employment performance, though this is not enough to change the picture of poverty and underdevelopment in the local economy.

Economic Absorption Capacity is fairly low considering the negative income-expenditure balance against a higher than average employment multiplier as well as moderate informal sector capacity, total disposable income and buying power.

The local economy claims a **comparative advantage**, for both GDP and employment, in Community Services (dominated by Education at 26.51% GVA and 33.47% employment).

Further comparative advantages, in terms of GDP contribution, are reflected for Agriculture centred on Forestry and Logging (5.94%); Construction (2.83%) and Trade centred on the Retail sub-sector (12.32%). A further employment advantage emerges as the Households sector (18.46%).

The Municipality claims a range of leading products, including sheep, goats, cattle, sunflowers and maize, where the latter is identified as having very high potential. Dry land potential exists for maize and beans, and the area is identified as suitable for forestry.

Potential exists for further expansion of goat (Boer) production, while the high number of sheep in the area presents opportunities for expansion of the wool industry and the relatively large local market presents meat processing opportunities. Engcobo falls into both the “**Friendly R61**” tourism region, with attractions centred on the natural environment and related outdoor activities.

The municipality does not have necessary skills and institutional capacity to deliver on its environmental management responsibilities more especially with respect to decaying urban aesthetics, prevalent soil erosion and sporadic draughts.

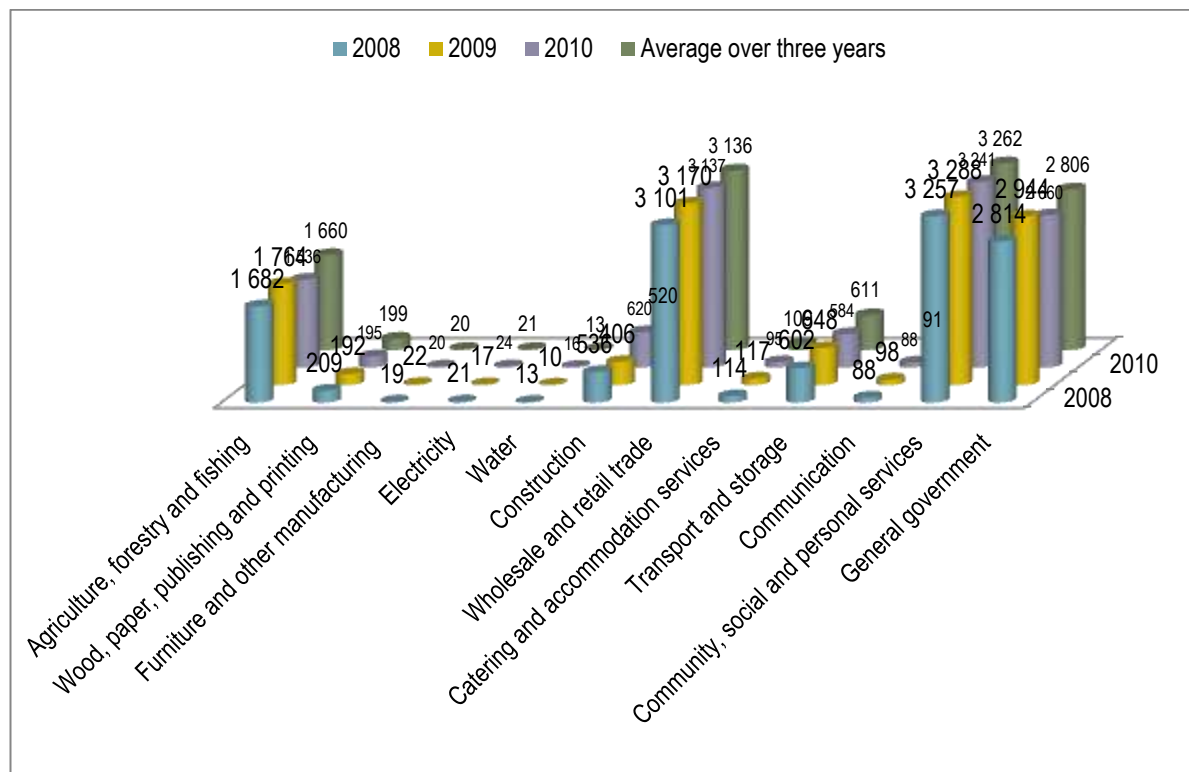
2.1.8 EMPLOYMENT BY SECTOR

The employment profile of the employed section of the population can be illustrated as follows:

	2006	2007	2008	2009	2010
Total	12,544	13,041	13,568	13,805	13,291
Primary sector	1,500	1,608	1,715	1,795	1,565
Agriculture, forestry and fishing	1,468	1,575	1,682	1,764	1,536
Mining and quarrying	33	33	33	31	29
Secondary sector	1,255	1,187	1,055	928	1,111
Food, beverages and tobacco	12	13	15	18	14
Textiles, clothing and leather goods	107	121	123	133	118
Wood, paper, publishing and printing	166	191	209	192	195
Petroleum products, chemicals, rubber and plastic	10	11	13	15	11
Other non-metal mineral products	35	39	42	39	34
Metals, metal products, machinery and equipment	50	58	64	76	60
Electrical machinery and apparatus	-	-	-	-	-
Radio, TV, instruments, watches and clocks	-	-	-	-	-
Transport equipment	-	-	-	-	-
Furniture and other manufacturing	16	19	19	22	20
Electricity	22	21	21	17	24
Water	13	17	13	10	16
Construction	823	696	536	406	620
Tertiary sector	9,789	10,245	10,798	11,082	10,616
Wholesale and retail trade	2,882	3,006	3,101	3,170	3,137
Catering and accommodation services	117	117	114	117	95
Transport and storage	457	507	602	648	584
Communication	74	79	88	98	88
Finance and insurance	167	169	181	183	163
Business services	511	570	640	634	648

Community, social and personal services	3,044	3,143	3,257	3,288	3,241
General government	2,538	2,656	2,814	2,944	2,660

Of particular interest to us is the performance of the following sectors:



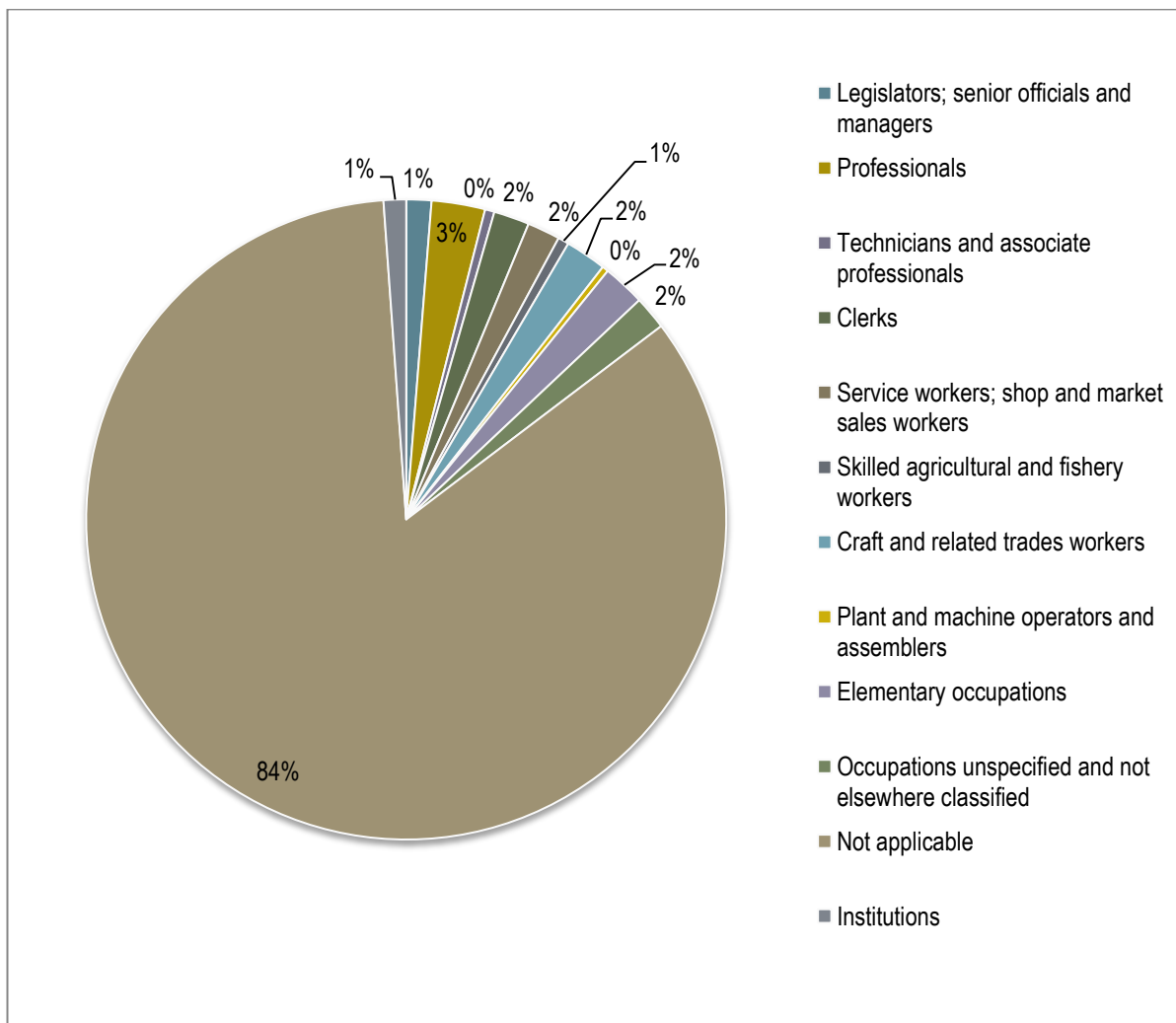
Source: ECSSEC

Six sectors have had their performance in 2010 below their average performance over the last three years and these are:

- Agriculture, forestry and fishing:
- Wood, paper, publishing and printing:
- Catering and Accommodation Services:
- Transport and Storage:
- Communication Services;
- Community, social and personal services:
- General government:

2.1.9 EMPLOYMENT BY SKILLS LEVELS

The skills levels of the labour force have a direct correlation to the household income, quality of work and productivity. There is a notable high number of semi-skilled to unskilled labour across all sectors. The profile of occupation by levels can be illustrated as follows:

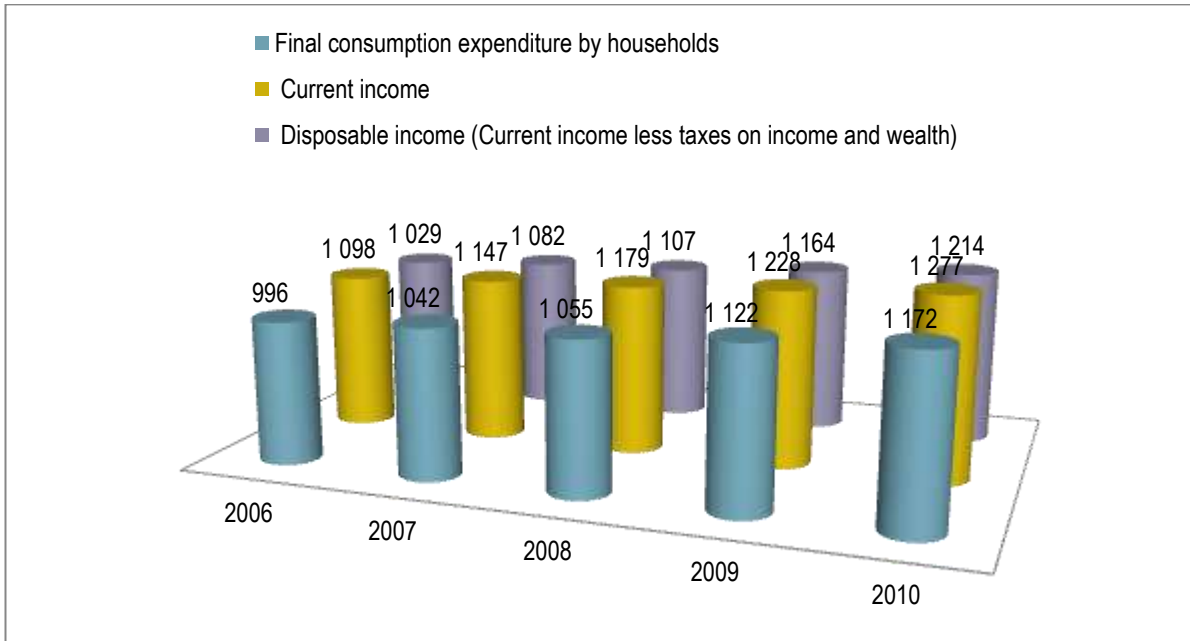


The number of highly skilled and skilled employees is relatively low though this a critical element and pillar of any effective local economic development; the municipality will have to develop programs this challenge in its local economic development planning.

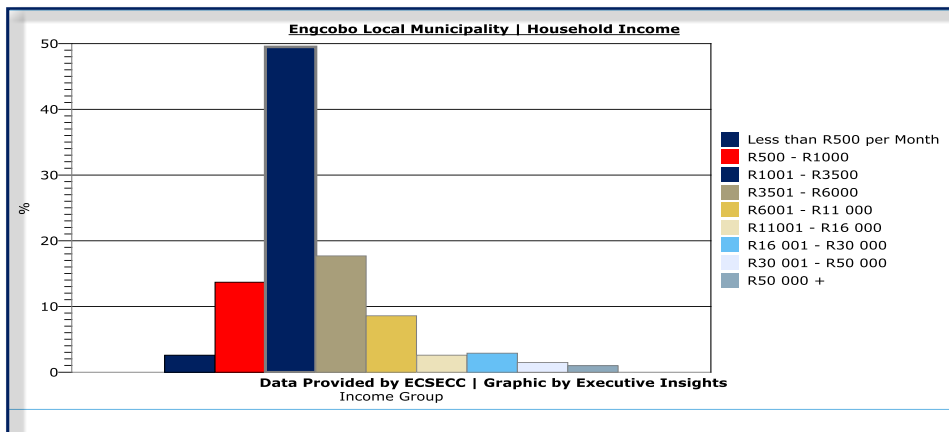
2.1.10 HOUSEHOLD INCOME

Engcobo is a low wage earning economy with about 50% of the total population earning less than R115.00 a month. The bigger part of this sample is represented by social grant earners who are dependent on government for their livelihood.

These lowest income earners predominantly inhabit the rural hinterlands and informal settlements. According to data provided by ECSSEC, the amount of disposable income in the local economy can be illustrated as follows:



Earnings by households can be illustrated as follows:



The second biggest earning group only earns between R1001 – R6000 is classified as a working poor. This has a minimum contribution to the Engcobo Economy and have an insignificant contribution to its fiscal composition.

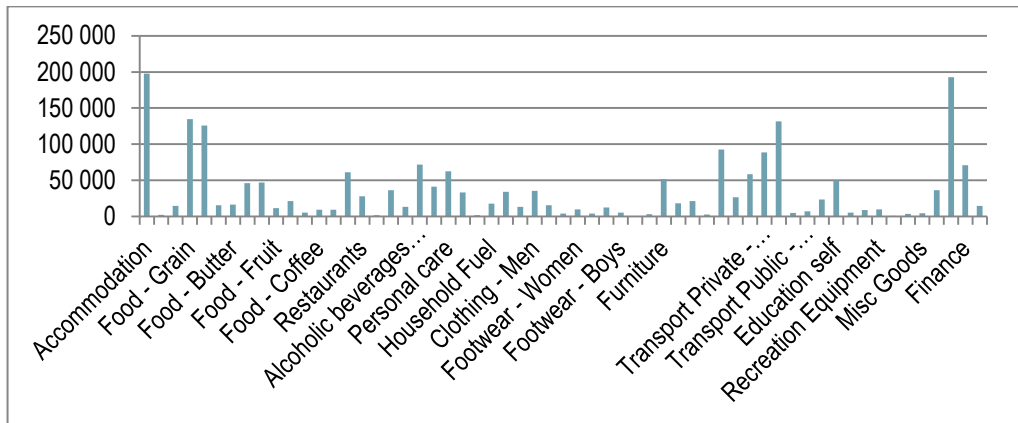
The current estimated Human Development Index² of 0.37 means that poverty and low levels of lifestyles are prevalent in the Engcobo areas. In addition, an estimated 1.8% of people in the municipality live below an estimated threshold of 1US\$ per day. Therefore, the council must play a crucial role in supporting and coordinating poverty alleviation initiatives.

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

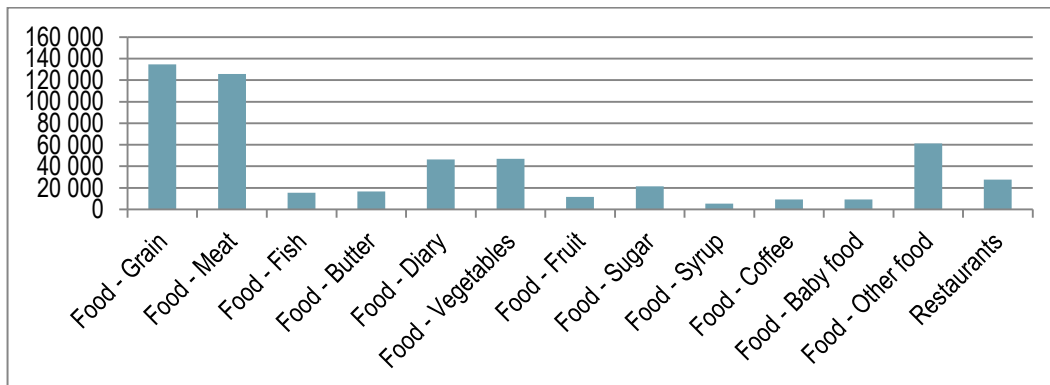
Engcobo has an estimated buying power of about R1,9 billion. The term buying power is used here to imply the projected ability of local economy to absorb products when placed on the market. Analysis of expenditure patterns reflect the majority of local household’s income is spent on food, accommodation,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

2.1.11 HOUSEHOLD EXPENDITURE

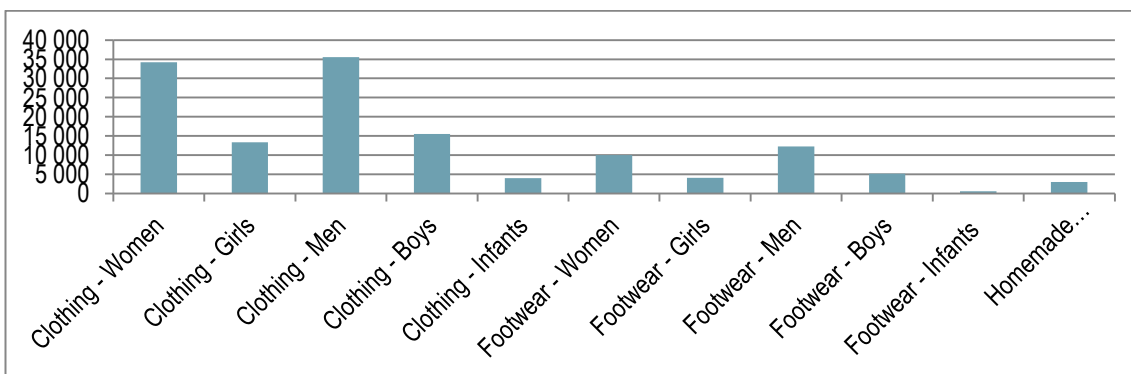
The figure below gives a comparative distribution of household income by expenditure items.



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

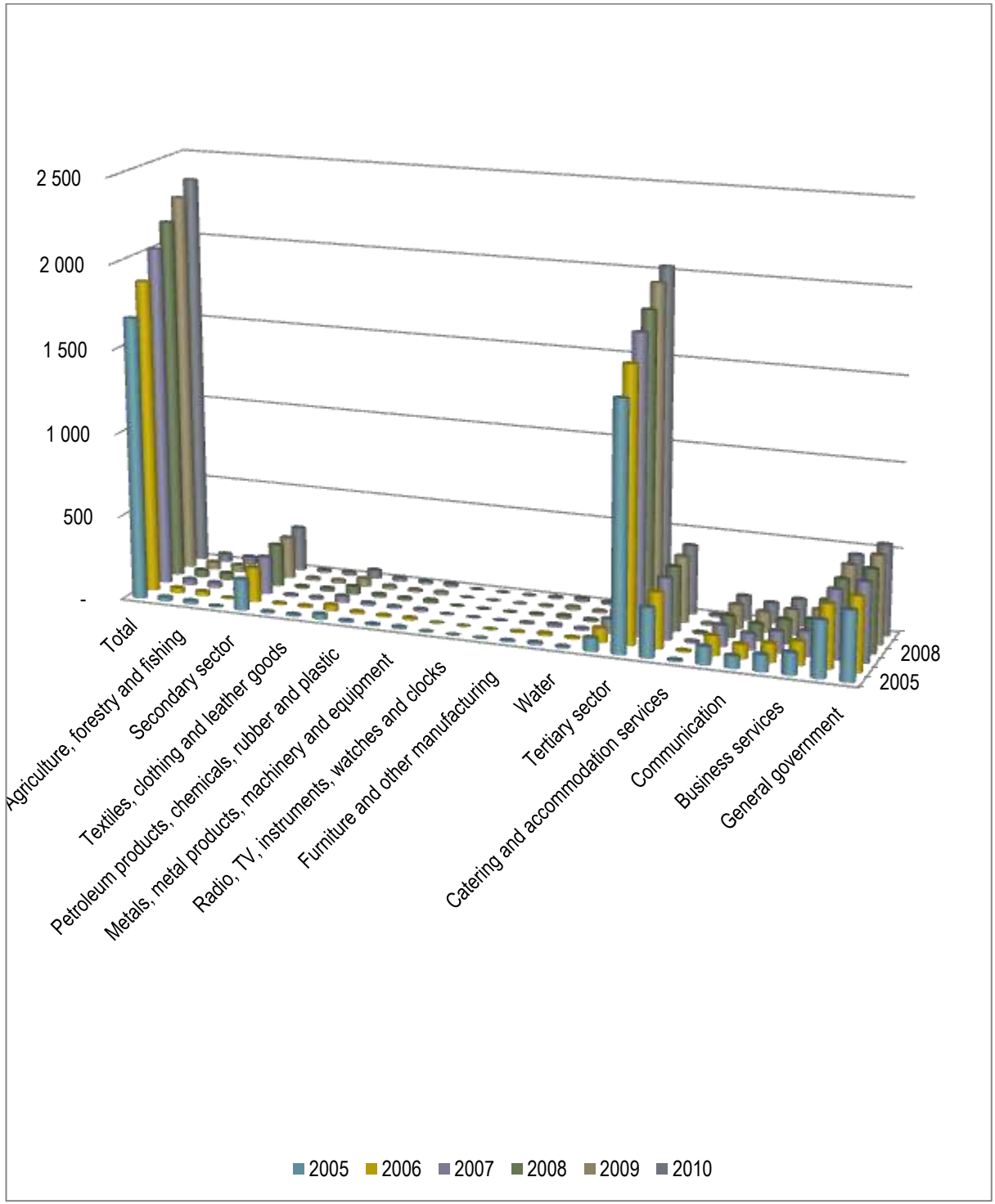


When comparing expenditure trends by luxury goods like clothing, it is found that in the Engcobo area, MEN tend to spend more than WOMEN. This is shown in the figure below.



2.1.12 OUTPUT BY SECTOR

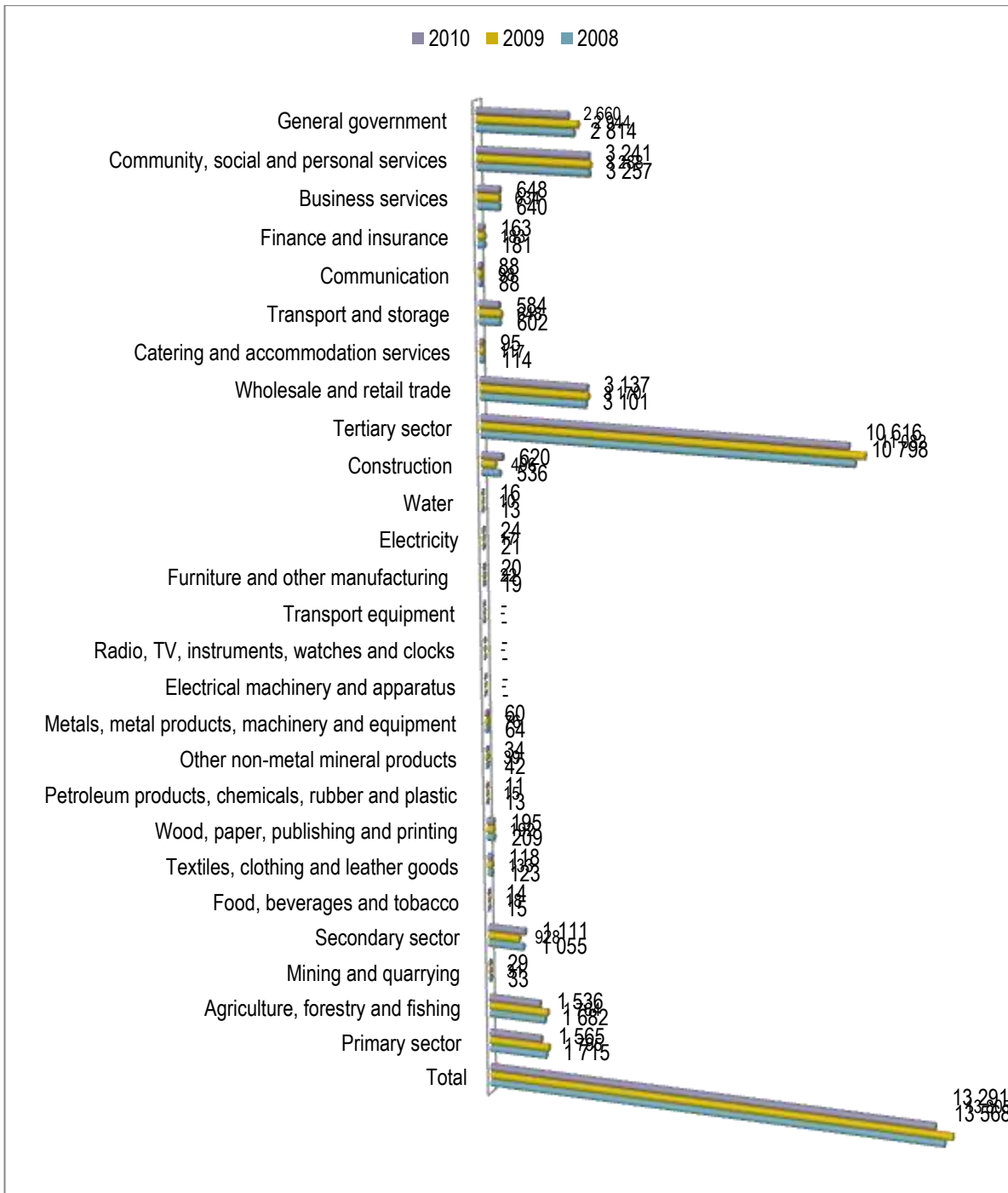
According to data provided by ECSSEC, The output of the local economy by Sector can be summarized as follows:



Output by sectors indicates growth though this growth is both uneven and output is low in areas that should present significant competitive advantage for the municipality.

2.1.13 EMPLOYMENT

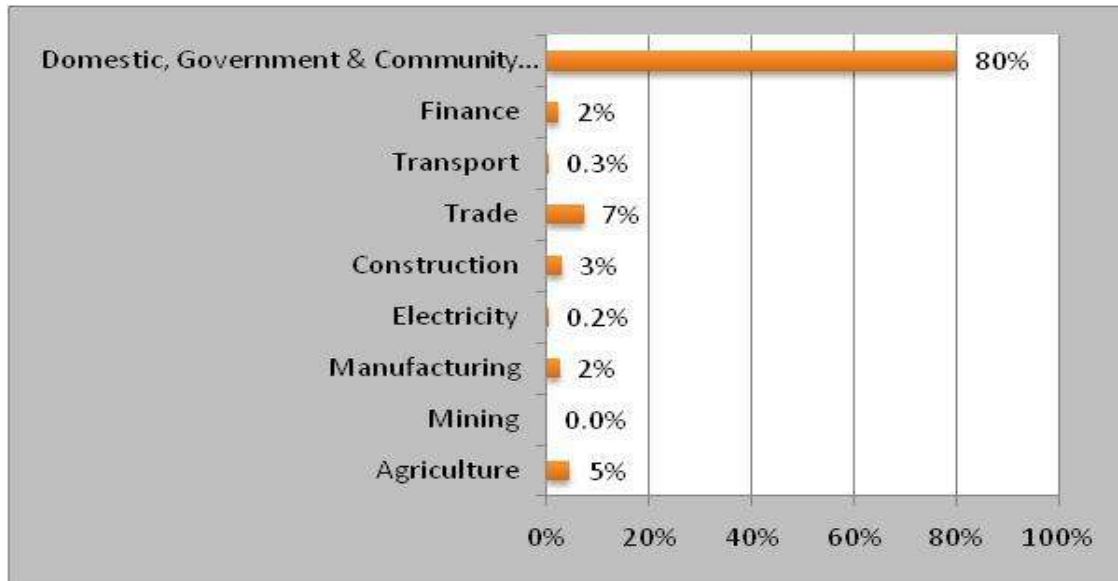
Unemployment is an important indicator of economic development. Our unemployment rate is estimated to be 77, 2% (³official definition). This situation is compounded by lack of efficiencies in our employment industries and sectors of the economy.



Source: ECSSEC

³ Official definition of unemployment includes persons who are economically active and unemployed but not actively seeking employment.

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



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

2.2 KEY STRATEGIC SECTORS

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

2.2.1 THE FORESTRY SECTOR

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

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

Forest Type	Location		Size
	Area	Ward	
Commercial Plantations	Engcobo	11	3 733 ha
	Mbeni, Mboleni, Qulunqu	9	
	Manina	15	
	Mntuntloni	14	
	Nkobongo	4	
Indigenous Forests	Mxikixwa	14	1722 ha

	Gulandoda	15	
	Ngqongqotha	6	
	Mjanyane, Nkobongo, Mqabu		
	Mkhonkotha, Mhlahlane, Khovoti		
	Mngcozo, Waca, Dumba, Eliphakathi, Ntsunguzi		
	Ngquru, Nkcoyi		
	Haba		
	Khalinyanga		
	Qebe, Vakele, Ku "Ta", Mthala		
	Lubisi		
	Ngxangxasi, Nkotshe		
	Dyubashe, Gqonci, Didwayo, Nqancule, Mgudu		
Sawmills	Transkei Timber		Various sizes.
	Maqwathini		
	Dyampi		
	Javi		
	Lottering		
Source Department of Agriculture, Forestry & Fisheries.			

2.2.2 AGRICULTURE

Agriculture, like forestry has the potential of being the primary active sector in the local economy. However this potential is not adequately utilised. Most households focus on subsistence farming with the most commonly kept livestock being cattle, sheep, goats, horses and donkeys.

There are a number of existing irrigation schemes that lie under utilized in Ngcacu; Clarkebury; Gqutyini (currently installed) and Mhlophekazi. In addition, another four formal agricultural schemes have been identified in the areas of Mgwali, Ntibaneni, Madzikane and Xuka.

2.2.3 LOCAL TOURISM DEVELOPMENT

Local Tourism development is a competence of local municipal sphere but currently there is no comprehensive strategy to drive our interventions in this sector of the economy. It is a sector with proven potential but remains under-utilised. All tourism related activities are driven through a Tourism Sector Plan which was developed and adopted by the Council in 2008 and remain in application until 2013, when it will be reviewed.

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

Potential in this sector exist in the following key areas:

#	Tourism Product	Definition	Location
1	Heritage Sites	Walter Sisulu History Centre	Quthubeni Village & Proposed Hero's Park
		Dr. AB Xuma History Centre	Manzana & Proposed Hero's Park.
		Clarkebury Institution	Clarkebury.
		Elucwecwe Rock Art	Elucwecwe
		Khalinyanga Rock Art	Nyanga.
		Nombihli Rock Art	Gubenxa A/A
2	Rock Art & Caves	Sinqumeni Rock Art	Upper Gqaga A/A
		Dyobashe Rock Art	Upper Gqaga A/A
		Forests & Green Vegetation	All wards
		Birds	All wards
		Seasonal waterfalls	All wards
		Proposed Qoba Nature Reserve	Qoba Village
		Cultural Background	where
3	Natural Tourism	Amakhosa Traditional Activities	All wards
		Qutubeni Cultural Village	Quthubeni Village

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

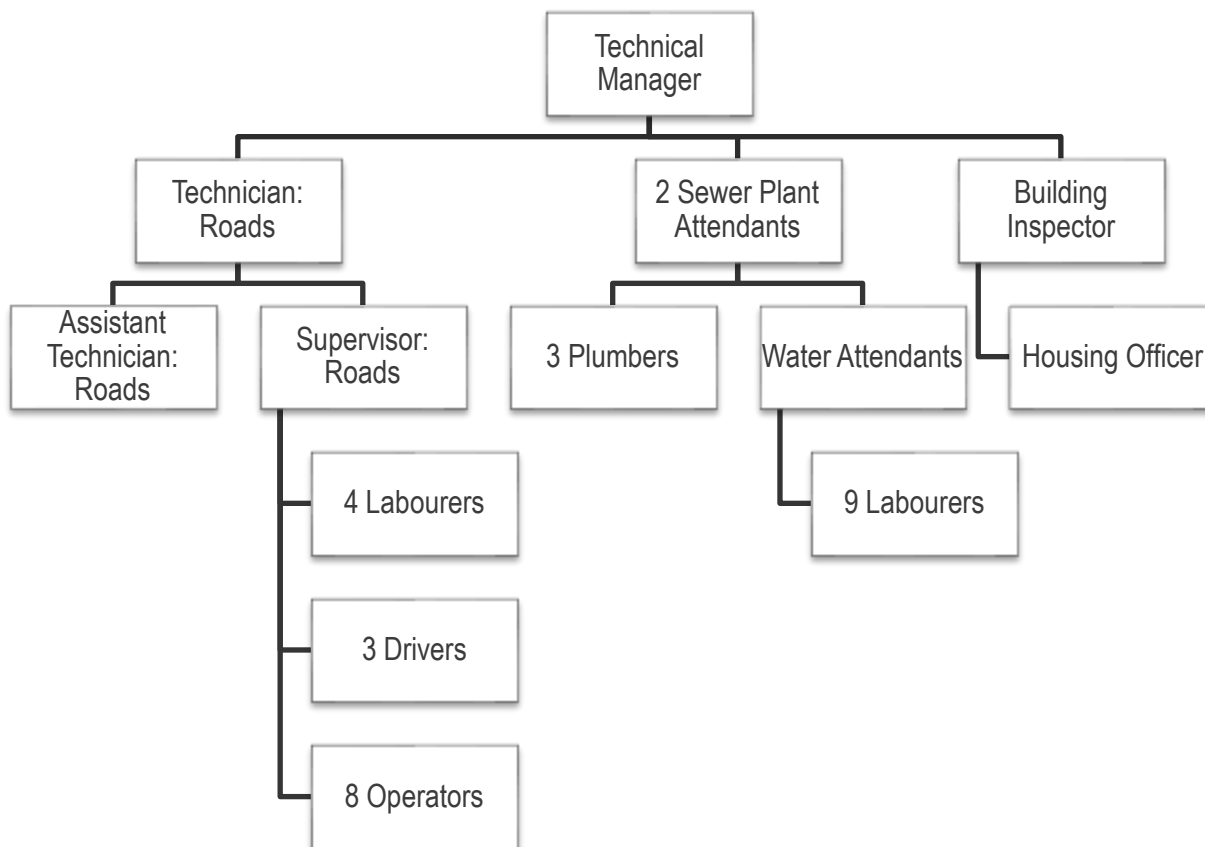
- 1) Conserve and develop Rock Art and develop trails
 - Conserve these Rock Arts by protecting the sites by fence so that people do not destroy them.
 - Development of trails that will link these sites and use horses as the transporting mode for the tourists to these sites
 - Introduce entrance fees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

2.3 ACCESS TO SERVICES

2.3.1 WATER AND SANITATION

(a) Introduction

The provision of water, sanitation, and road and electricity infrastructure is the competency of the Technical Services Division. At political level, the unit reports to the Portfolio Committee on Technical Services, which operationally it reports to the Office of the Municipal Manager. The operational and administrative structure of the division is depicted in the following graphic:



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

(b) Service Delivery Areas in Water and Sanitation

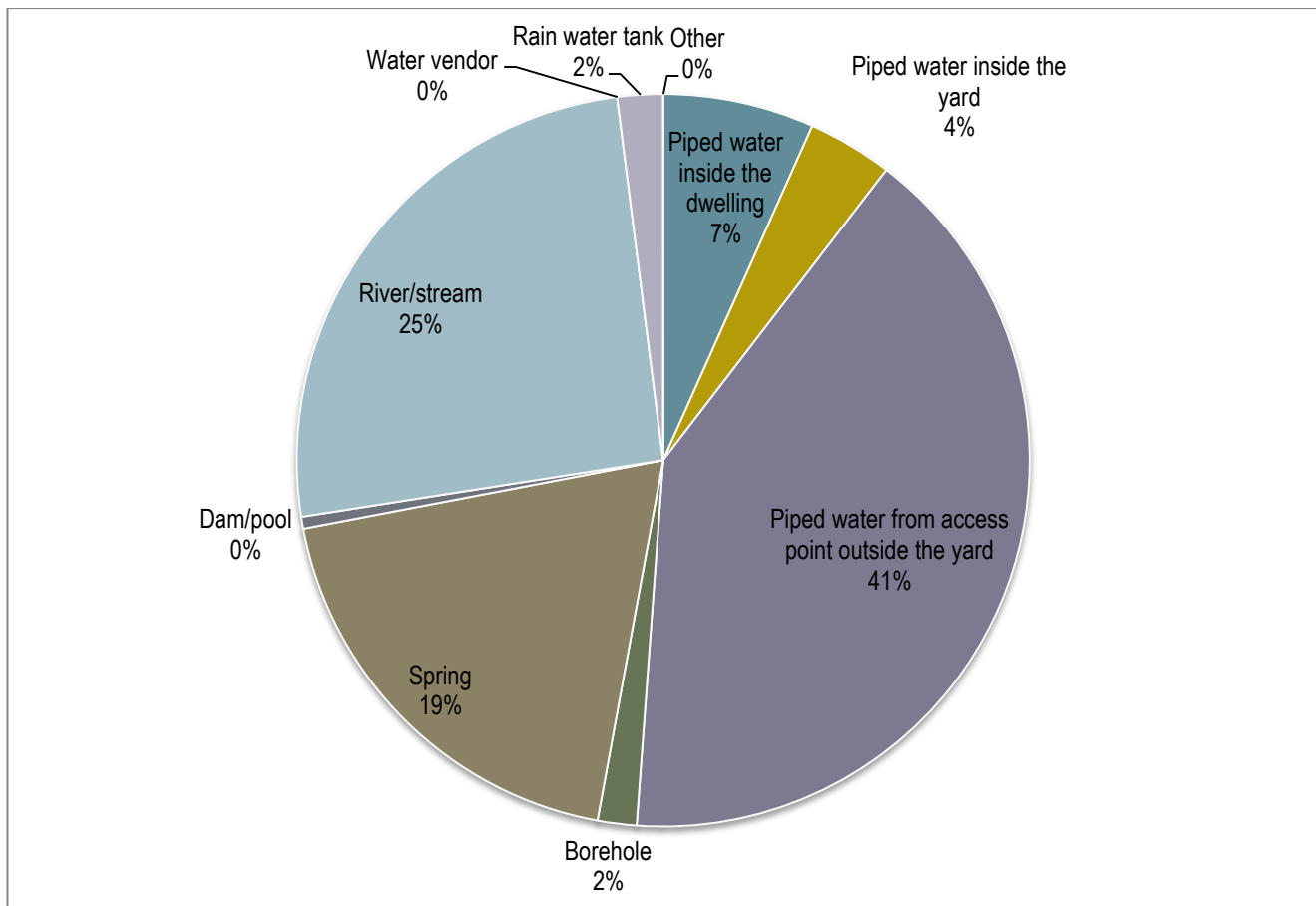
Provision and governance of water and sanitation services in all our areas is a competence of the district municipality. The Chris Hani District Municipality is a Water Services Authority, (“WSA”), whilst Engcobo Local Municipality is a Water Service Provider, (“WSP”).

The relation is governed through a medium of a service level agreement (“SLA”) between the two parties. Our role, on an agency basis is that of a service provider.

In order to achieve one of the Millennium Development Goals, (“MDG”), the water network and distribution has been extended to cover more than 20, 000 households in the area of Engcobo Local Municipality.

The figures below give a comparison of household access to different levels of service for water and sanitation:

Access to Water by household can be illustrated as follows:

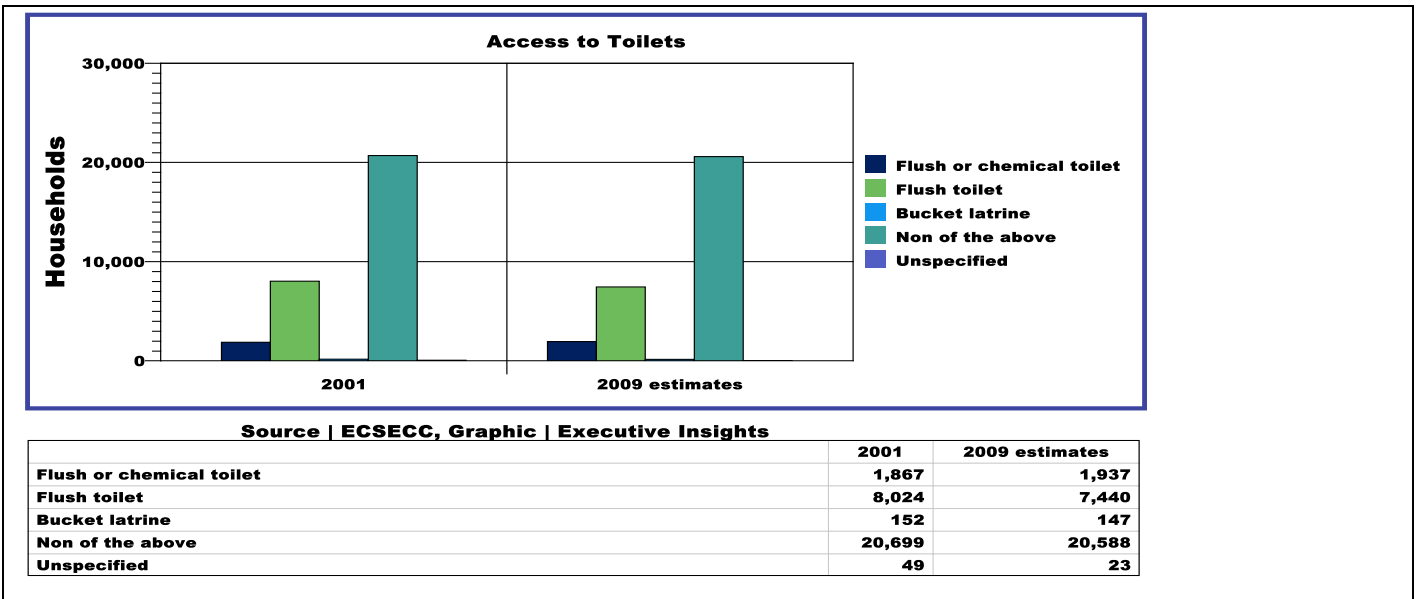


Source: ECSSEC

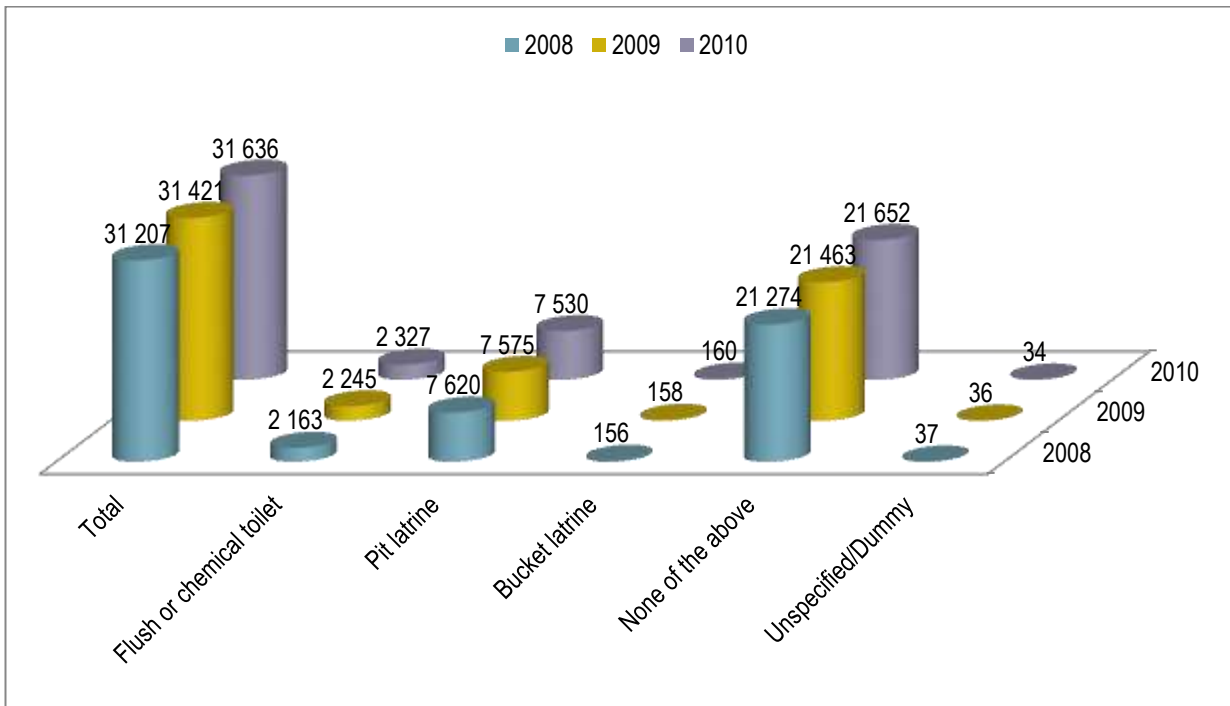
The figure above illustrates the extent of backlogs on the provision of water to households and also highlights the need for effective management of the current sources to ensure healthy households more especially in relation to the 25% of the population that relies on river streams and the 19% of the population that relies on spring water.

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

In terms of access to sanitation, the picture can be illustrated as follows:



The provision of sanitation services can also be illustrated as follows:



The high proportion of households who have no access to flush/chemical toilet, pit latrine nor bucket latrine is a cause for concern more especially give the health risks posed by this situation coupled with issues around human dignity. The penetration of the flush/chemical toilet system has not seen significant growth over the three years between 2009 and 2011.

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

A project is currently being undertaken to clean the municipal database for rates and service payers. This is done in order to determine the exact number of billable households in preparation for proper revenue collection. The Council already provides free water indigent households throughout our indigent communities.

(c) Service Delivery Challenges in Water and Sanitation

The following challenges affect the division's internal capabilities to render water and sanitation services:

- a) The Water Sector Plan is in place in a draft form.
- b) A Service Level Agreement is in place for water and sanitation.
- c) Insufficient human resource capacity at the technical services department.
- d) Lack of project management and project design capabilities.
- e) Lack of appropriate machinery and software such as AUTOCAD.
- f) Operations and maintenance manuals and budget are available.

(d) Service Delivery Imperatives in Water and Sanitation

- a) To provide safe drinking water to every resident and services in areas where supply already exist.
- b) To provide bulk water supply to the municipal area through surface water and other means.
- c) To ensure and monitor equitable distribution of bulk water supply for municipal area.
- d) To ensure that the bulk water supply is upgraded as new developments take place rather than extending the existing infrastructure to its limits and ultimate collapse.
- e) To provide proper maintenance of the water system in the municipal area.
- f) To create a partnership between the Municipality and the Communities on service delivery.
- g) To ensure that a service level agreement is monitored between Engcobo LM and Chris Hani DM;
- h) Continuous maintenance and rehabilitation of old infrastructure.

2.3.2 SERVICE DELIVERY AREAS: ROADS, BRIDGES & STORM WATER

(a) Introduction

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

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

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

municipality). In 2012/17 the municipality intends to lobby the department of public works and department of roads and transport in the region (Queenstown) to supplement its capacity in both HR skills and funding levels.

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

Following analysis of needs from various municipal wards gathered during consultations, the municipality identified 63 villages and 8 clinics in need of access roads. However, funding constraints do not allow us to budget and implement these intensions in 2012/17. We are hoping to lobby the district, departments of PW and DRT for support in meeting these basic needs of our communities.

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

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

(b) Service Delivery Challenges in Roads, Bridges & Stormwater

- Inadequate capital equipment;
- Engcobo Municipality has a huge backlog on roads
- Topography (mountainous areas) and rainfall patterns (heavy rainfalls). In all the 20 wards, the need for access roads has been identified as a key priority.
- Due to financial constraints, the Municipality is lagging behind in terms of meeting the needs of the community in this area.
- Purchase of equipment to increase the in-house programs by municipality is one of the strategies adopted to fast track delivery on this important area, more especially integrating investment to economic activities and delivery of services by other spheres of government in our area.

(c) Service Delivery Imperatives in Roads, Bridges & Storm water

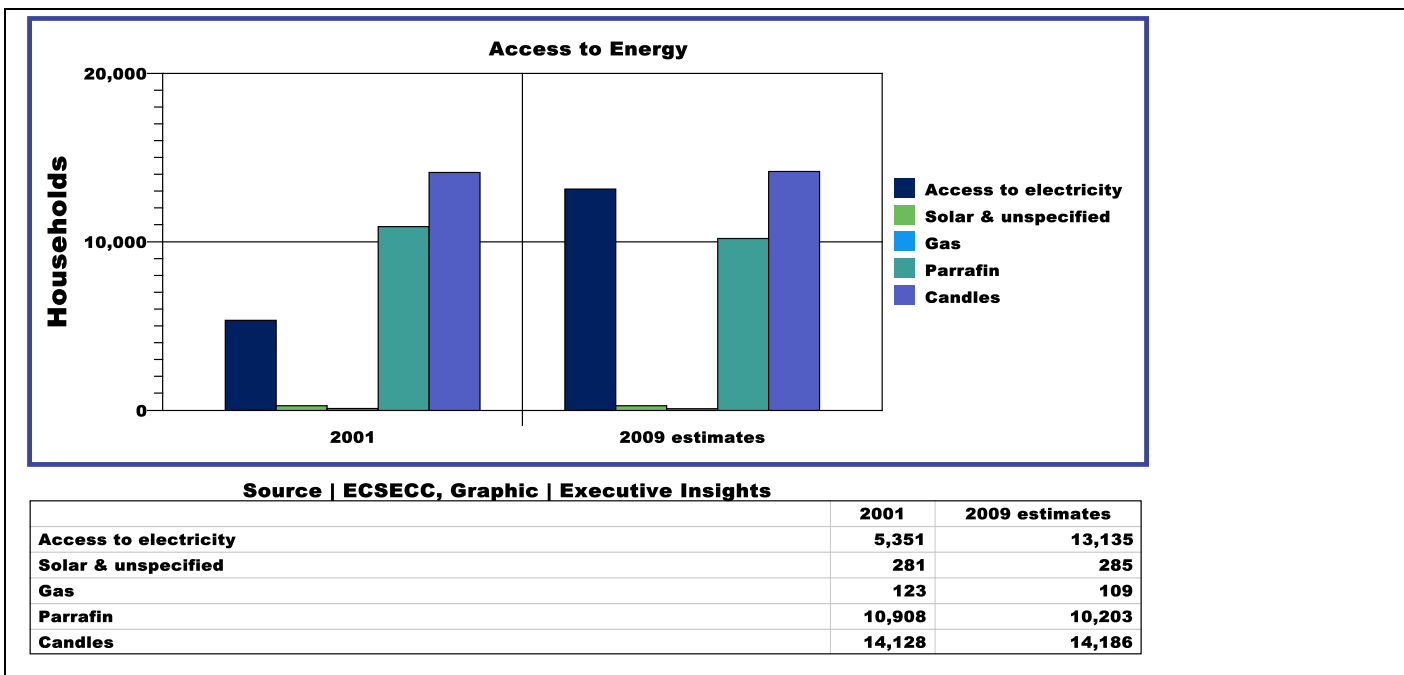
- To provide accessible, reliable and safe gravel and surfaced roads with adequate storm-water drainage.
- Provision of routine roads maintenance on all the access and internal urban streets;
- Provision of safe roads and bridges for the road-users and the Communities.

2.3.3 SERVICE DELIVERY AREAS: ELECTRICITY

Eskom is the main provider of electricity in our area. The role of the municipality is to facilitate and support planning for electrification programmes. Current network is characterised by old support infrastructure and frequent unplanned cuts.

Eskom has not been able to assist with information on exact number of planned connections over the next 3 years. This lack of information hampers municipal planning. The intention is to leverage Eskom by utilizing our MIG allocation to also fund community high mast lighting.

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

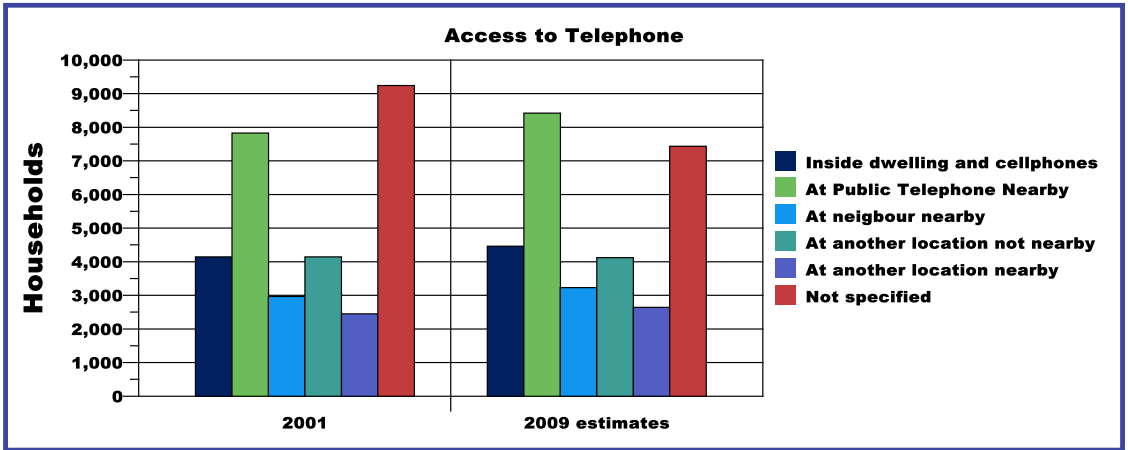


The majority of households who have access to electricity connection for lighting and other uses are mainly on pre-paid system. The municipality has committed to supporting their introduction of a RED 3 in our area as well as to investigate alternative sources of energy to supplement electricity supply and demand. We support the exploration of possible use of solar energy forms to fuel household demand for lighting and other light domestic uses.

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

2.3.4 SERVICE DELIVERY AREA: TELECOMMUNICATION

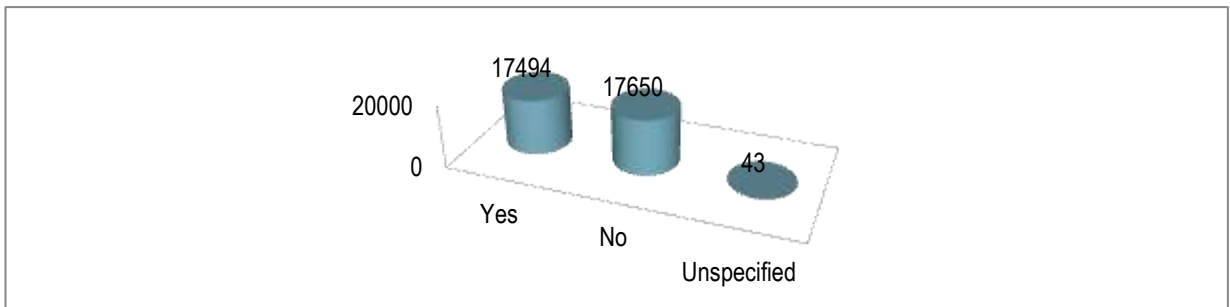
Telkom is the provider of the landline telephone services in the Engcobo area. Cellular network coverage is patchy due to the mountainous terrain as is television and radio reception. Fax and internet facilities are limited as we only have one Thusong Service Centre (SILINDINI) in a rural area with no centres located in our urban area. Most residents rely on public phones and cell phones for communication purposes.



Source | ECSECC, Graphic | Executive Insights

	2001	2009 estimates
Inside dwelling and cellphones	4,149	4,465
At Public Telephone Nearby	7,829	8,423
At neighbour nearby	2,968	3,230
At another location not nearby	4,147	4,121
At another location nearby	2,453	2,647
Not specified	9,245	7,437

Access to mobile phones on the other hand can be illustrated as follows:



A significant proportion of households has access to mobile communication services though the penetration of household telephones and access to public phones remains inadequate.

2.3.5 SERVICE DELIVERY AREA: TRANSPORT

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

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

Our physical transportation systems are poorly linked and overly rely on road based network. The lack of established rail systems linked to our road based networks is a huge obstacle to realizing the existing potential in underperforming yet promising economic sectors like forestry, manufacturing and agriculture production.

The lack of established rail transport network coupled with poorly maintained road infrastructure contributes negatively to our competitive advantage. It makes it difficult for our industries to have effective distribution networks necessary to link out local produce to markets.

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

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

2.3.6 SERVICE DELIVERY AREA: HUMAN SETTLEMENTS

Housing is a national competence. It is a priority for our communities who have identified it during the broad consultation workshops as a critical need in short supply. Housing is also a basic need. The municipality has identified as part of this IDP's project list, a need to develop a sector plan for guiding our role in facilitating the implementation of sustainable housing and settlement development.

The municipality is not a developer, but a facilitator with current role encompassing facilitating and processing of applications for low cost housing, planning for new settlements and implementing RDP housing delivery programme on behalf of the provincial housing and development board or the department of human settlements.

Our analysis estimates the housing demand to be as follows:

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

An asset register is in place. The Housing Sector Plan of the municipality is also in place. It is our intension as part of joint implementation (together with the district and housing department) the sustainable settlement and housing sector plan to set aside surveyed and serviced land for integrated mix-use housing development.

The housing delivery is governed and managed through a Housing Sector Plan, which has been adopted by Council.

2.3.7 LAND REFORM AND RURAL DEVELOPMENT

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

Freehold ownership patterns are common in urban and peri-urban areas of Engcobo and Clarkebury while other forms are dominant in rural settlement areas. The common tendency and legacy inherited from past government is for communal land to be under the control and authority of traditional leaders while not always but commonly the local municipal authority tends to have more control and rule over formalised freehold urban tenure systems. The co-existence of these tenure systems often creates confusion and difficulties in implementing uniform planning regulations and by-laws to govern land use management and development. Hence, the choice for 2012/17 to focus on building strong relationships with traditional authorities and putting in place mechanisms for implementing effective joint planning and land use administration.

Rural areas have often lagged behind urban centres when comparing their share of benefits for development in our municipality. This has been caused by historic reasons wherein services were delivered to areas with already developed networks and reticulated service distribution systems (eg. Waterborne sanitation, refuse collection and electricity connections). This has led to urban-rural inequalities. To deal with this challenge the municipality has identified rural development as a new development priority for 2012/17 with emphasis on the following:

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

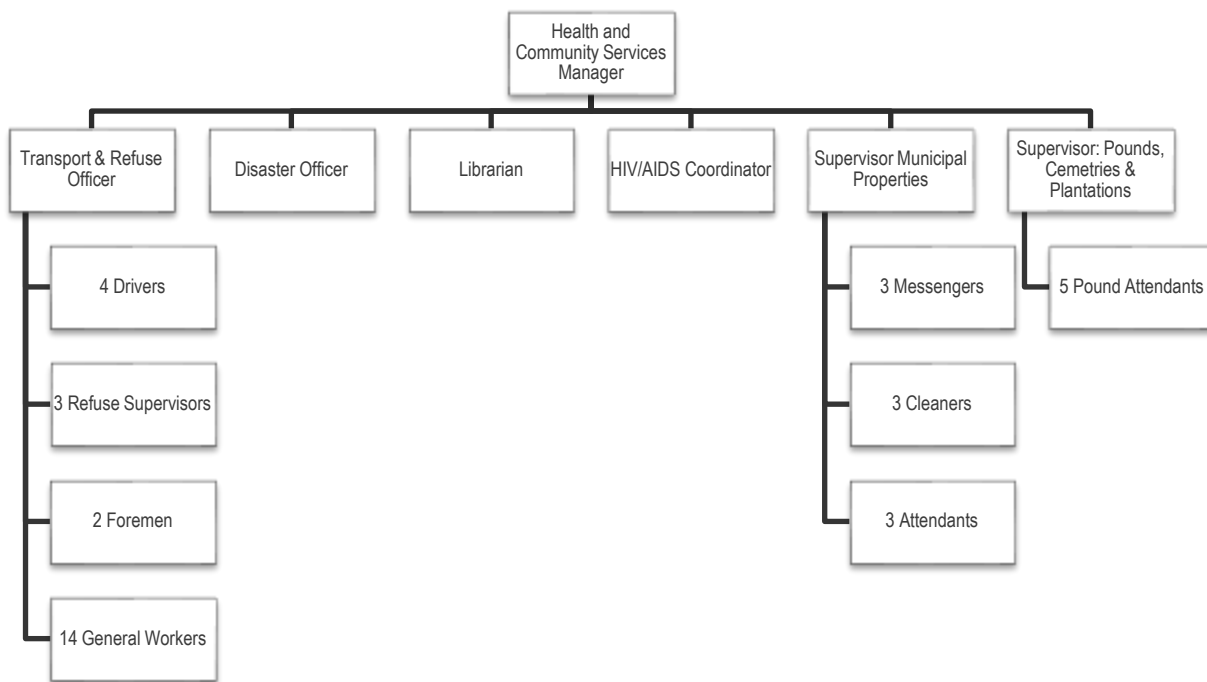
2.3.8 SERVICE DELIVERY AREA: COMMUNITY SERVICES/NEEDS

(a) Introduction

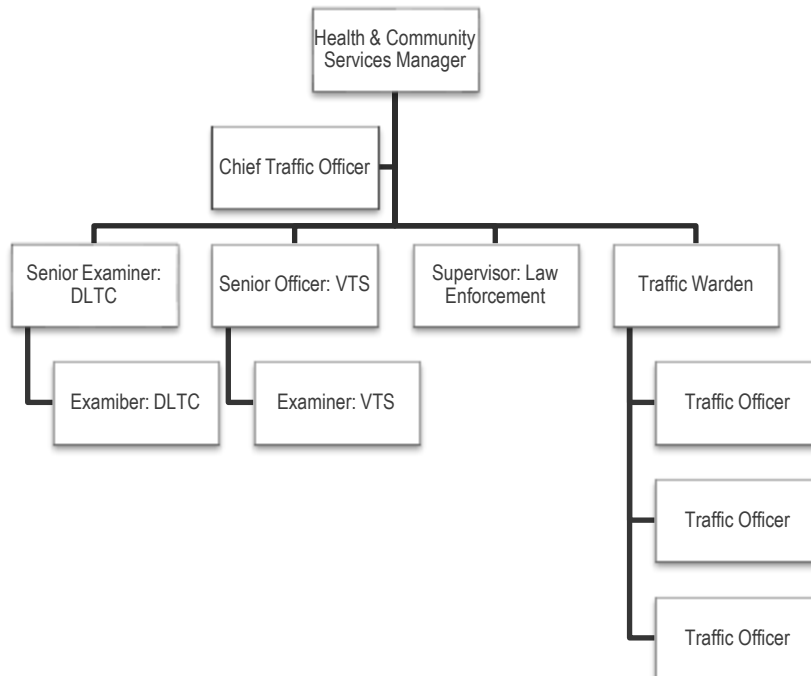
The Directorate for Community Services, under the Portfolio Committee on Community Needs is responsible for rendering community services. The directorate renders the following services:

- Refuse removal;
- Traffic management;
- Pound management;
- Cemetery management;
- Disaster management;
- Libraries;
- HIV/AIDS;
- Swimming pools.

The directorate is managed through the following micro organogram:



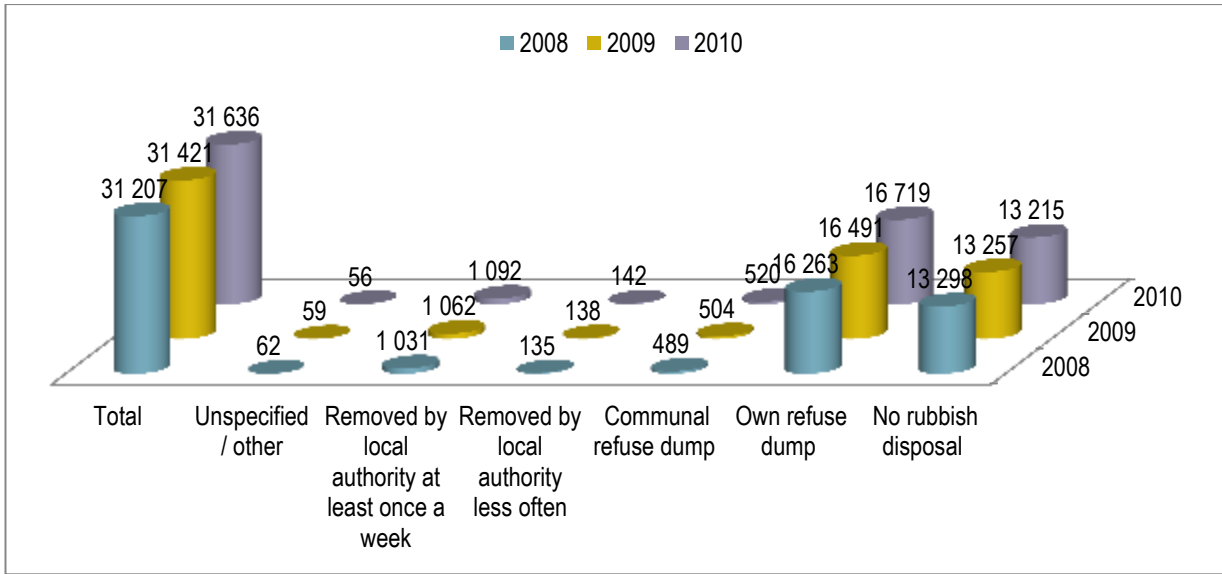
The traffic management unit, which falls under the Community Services Directorate, is represented by the following organogram:



2.3.9 SERVICE DELIVERY AREA: REFUSE REMOVAL

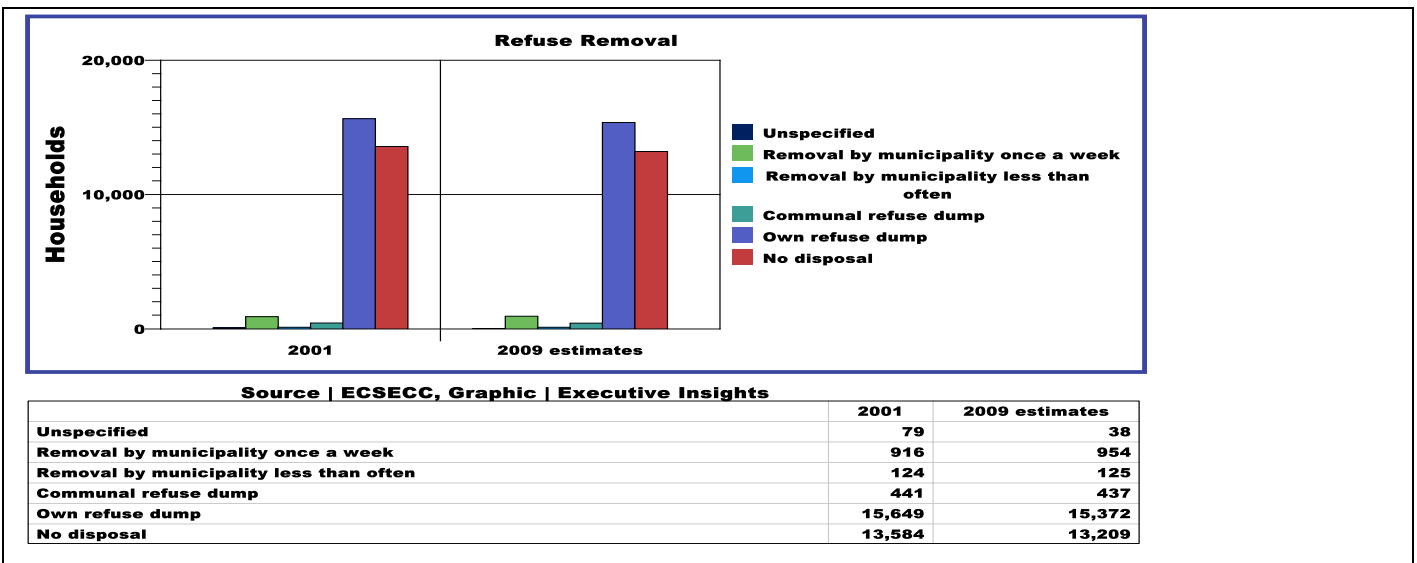
Refuse collection is a primary competence of the municipality. Currently the municipality is providing this service to largely few urban based households and businesses. Similarly for cleansing and street cleaning, only the urban centre of Engcobo receives this service. The main challenge for rendering both these services is expansion to rural and outlying areas. In these areas

households are either using own mechanism to dispose of their waste and refuse or dump illegally anywhere which poses an environmental threat.



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

The expansion of the coverage of this service by the municipality has been growing at a very slow rate and requires attention over the next five years. The expansion of the service to rural areas will be a key challenge if the penetration of the service is as challenged in urban areas, this coupled with limited capacity of the landfill site.



2.3.10 SERVICE DELIVERY AREA: PRIMARY HEALTH

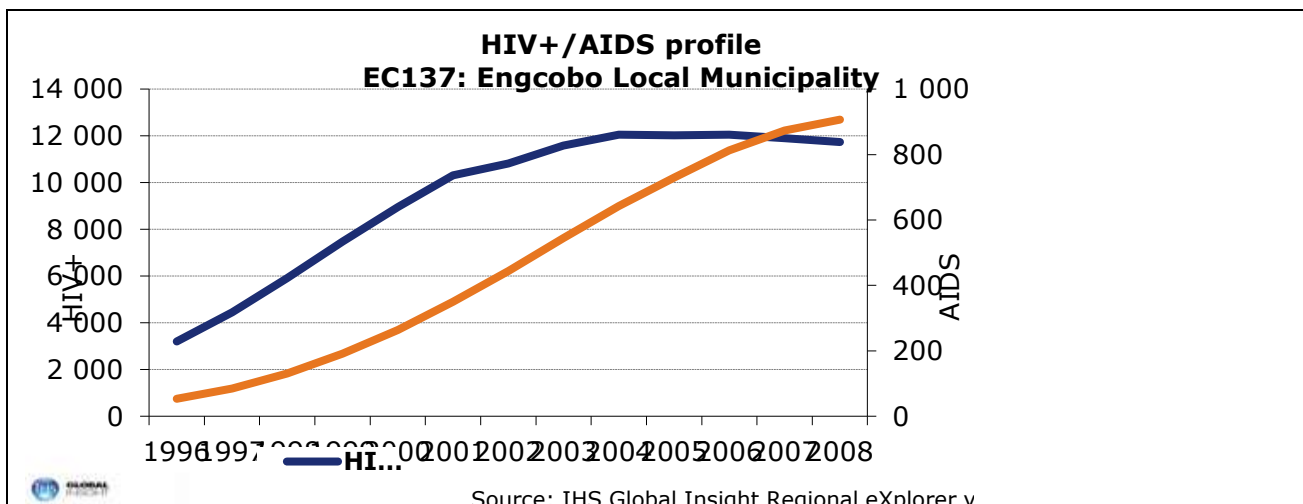
Primary Health (hospitals and clinics) is a core competence of provincial sphere of government. Local municipality only plays a facilitative role in the delivery of these services working closely with the district health offices. The service involves the following but not limited to:

- Provision of primary health care.
- Skills development and training (nursing colleges).
- Mother and child month, nutrition.
- HIV, Aids & STI.
- Rehabilitation service.
- TB, Non-communicable diseases and mental health.
- Environmental health.
- Circumcision.
- Infrastructure development and maintenance.
- Awareness campaigns and health and hygiene promotion

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

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

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



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

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

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

2.3.11 SERVICE DELIVERY AREA: EDUCATION AND ECD

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

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

- Poor quality of outputs by local schools (declining grades from matric passes)
- Lack of transparency in the learner support programmes like nutrition and transport leading to suspicions and perceptions of existence of corruption

- Poor planning and integration of efforts by the departments of Education, Eskom and District for provision of infrastructure support services like electricity, water and refuse to schools
- Lack of functional produce by our FET colleges to support economic needs for increased skilling and supply of trades to our workforce. We have insufficient supply of critical skills in the areas needed by our economy like engineering and other technical fields.

2.3.12 SERVICE DELIVERY AREA: TRAFFIC MANAGEMENT

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

- Need to improve capacity and efficiency of systems in licensing and vehicle testing.
- Lack of visible policing in the CBD leading to frequent traffic transgressions for parking, overtaking and driving over speed limit.
- Lack of clear signage on streets (poor road markings and invisible lines to guide motorists).
- Poorly designed and almost non-existent pedestrian integration systems. Pedestrian compete with hawkers for space on the pavements resolving to walk inside streets and causing traffic congestion. There are not demarcated areas to facilitate safe pedestrian crossings or speed limiting means like humps in busy points where school kids and pedestrians are concentrated.
- Increasing number of noticeably illegal vehicles on our roads.

2.3.13 SERVICE DELIVERY AREA: CRIME PREVENTION

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

2.3.14 SERVICE DELIVERY AREA: HIV & AIDS

HIV and AIDS is one of the biggest challenges we face as a country. It must be noted that the fact that HIV and AIDS is the responsibility of every institution and community in the Republic of South Africa. The Municipality as a government and a responsible institution taking care of the views and needs of its community cannot fold its arm seeing its constituency being scorched by this pandemic disease.

The rate of infection is rapidly increasing and more people are getting infected and ill. More and more children who are often deprived of parental and societal care are also deprived of financial support. Although HIV and AIDS has become a very common disease, it is still surrounded by silence. People are ashamed to speak about being infected and many see the disease as being of promiscuous behaviour/curse.

Due to the fact that people do not speak about the disease, and no correct records are available, there are no accurate figures available. Presently HIV and AIDS are not institutionalized in the Municipality. Whilst that is case, the municipality does have its own HIV & AIDS Unit and is liaison with the Provincial and District Health Offices.

There is currently 12 CBO's and 1 NGO, 1 FBO reporting to the HIV/AIDS Officer who reports to the local aids council. There is currently a Workplace HIV/AIDS Policy adopted by Council.

2.3.15 SERVICE DELIVERY AREA: LIBRARY SERVICES

The municipality views libraries as agencies for development and change as they are a platform that enables people to learn and equip them with relevant information. The use of the libraries for the development of South Africa, In 17 years of democracy the right to information has not been realized, therefore fiscal and allocation of funds should be looked at in order to create an enabling environment.

2.3.16 SERVICE DELIVERY AREA: DISASTER MANAGEMENT.

A regional Disaster Management Plan is being implemented by the Chris Hani District Municipality that will address the issues around disaster listed below. The term disaster has been described as follow:

“Any event {happening with or without warning} causing or threatening death, or injury or disease, damage to property, infrastructure or the environment, or disruption to the community, which exceeds the ability of the effected society to cope using only its own resources”.

Disasters are not always caused by physical fasters, Several other factors may act together to produce human, environment, environmental and material losses in order to understand this process it is useful to ways with which to deal with disaster, and put it into place practical plans to manage these disaster if the should occur. At the local level Municipalities should be responsible for the implementation and Maintenance of an all hazard, full spectrum comprehensive disaster Management program ensuring:

- Prevention.
- Mitigation.
- Preparedness.
- Response.
- Rehabilitation and reconstruction.
- Development.
- Implement.

If a disaster occurs at the local level; the prime responsibility for handling the disaster is vested with the local authority. The local authority will activate disaster management emergency plan to combat the effects of the disaster. The basic objectives of the response at local level are to save lives; prevent an escalation of the emergency; relieve suffering by fulfilling the basic needs for shelter; food; water and medical care; protect property and facilitate subsequent recovery from the emergency.

It is thus the prime responsibility of the local authority to have a contingency plan to deal with any incident such as an emergency or disaster. If the severity of the events is of such nature that the local authority can not manage using its own resources; it must then inform the province concerned and request assistance with the relevant provinces ordinance.

Local disaster Management should also be Multi disciplinary; transparent and inclusive and aimed at reducing vulnerability. Whilst being inclusive, disaster Managements has to be taken seriously by government departments and it is important for each department or sector involved in disaster Management to assume ownership of its delegated responsibilities.

2.3.17 SERVICE DELIVERY AREA: CEMETERY MANAGEMENT

Provision of land for a cemetery by traditional leader on tribal land which has not been surveyed and with no geotechnical reports is not a problem.

Land for cemeteries within the LM area has been allocated by the Municipality. The Council does not have a Cemetery Policy yet but will develop it within the next financial year. Despite not having a policy, the municipality has a proper mechanism of managing cemeteries in place.

2.3.18 SERVICE DELIVERY AREA: POUND MANAGEMENT

The biggest challenge we face in pound management is our inability to enforce the pound by-laws as they have not been approved and gazetted by provincial government.

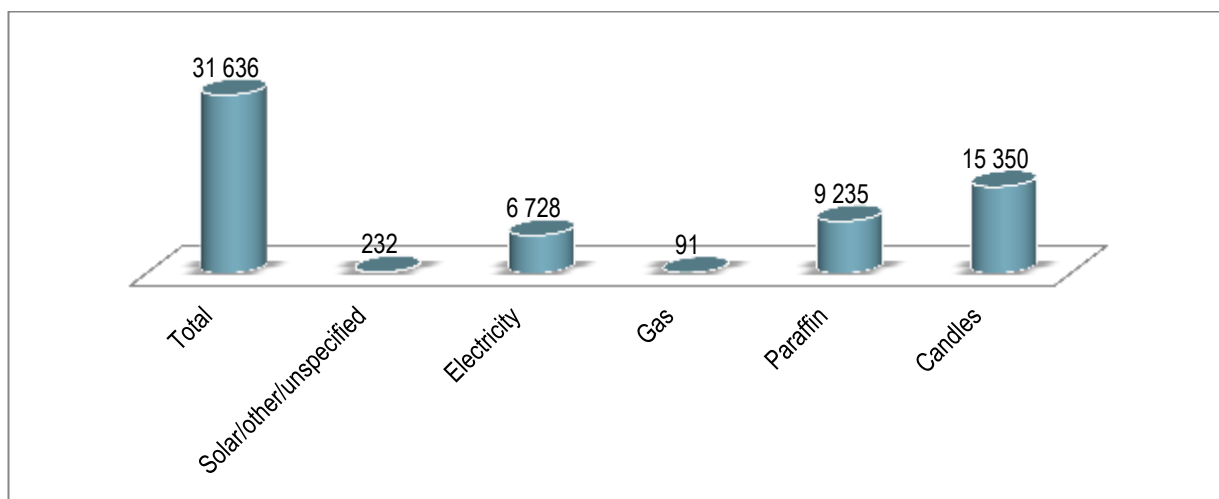
2.3.19 SERVICE DELIVERY CHALLENGES: COMMUNITY SERVICES.

The following challenges have a profound effect in our service delivery and need to be addressed within the short term;

- Lack of municipal policy on Disaster Management.
- Lack of policy on waste management.
- Inadequate skills level;
- Lack of essential equipment (Compactor trucks, Fire arms for Traffic Police, Excavator, TLB or Grader).

2.3.20 ACCESS TO ENERGY

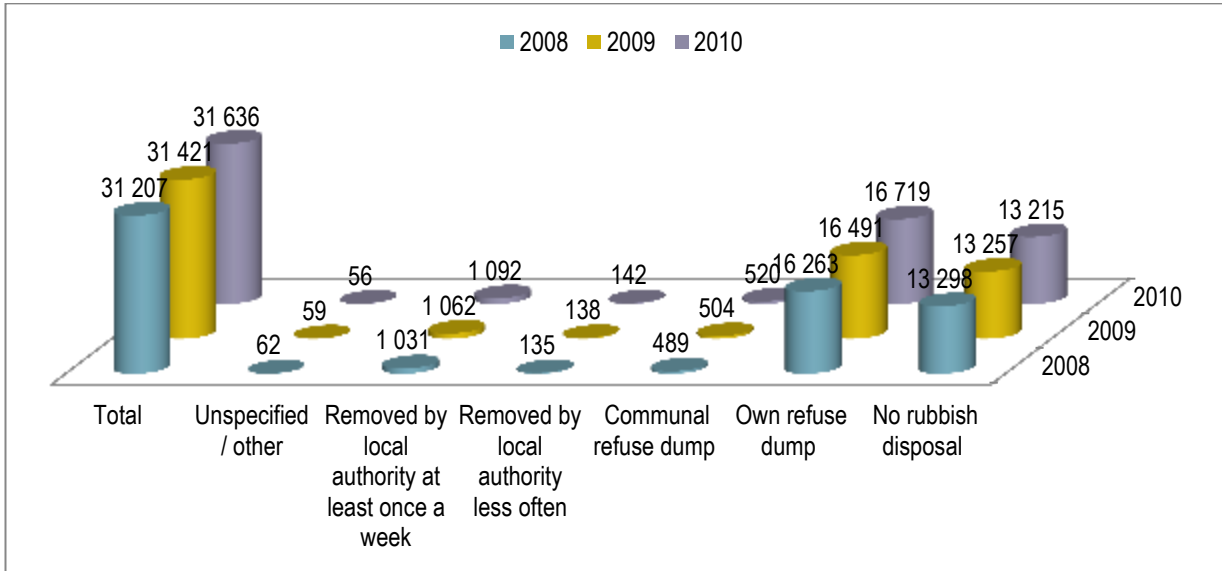
Access to energy:



Just under 50% of the population rely on candles for lighting with almost a third of the population relying on paraffin for lighting and cooking. Access to electricity stands at just over 20% of the population.

2.3.21 REFUSE COLLECTION

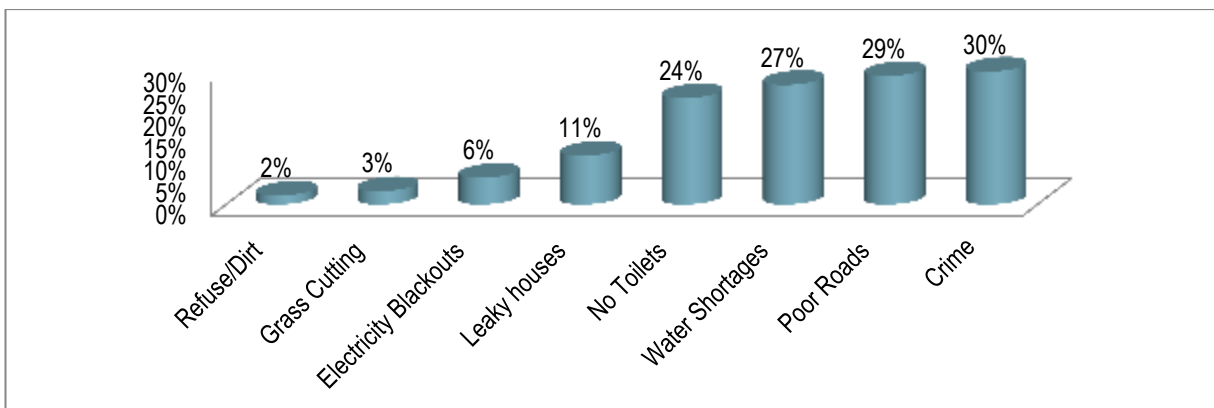
The profile of refuse collection within the municipality can be summarized as follows:



The expansion of the coverage of this service by the municipality has been growing at a very slow rate and requires attention over the next five years. The expansion of the service to rural areas will be a key challenge if the penetration of the service is as challenged in urban areas, this coupled with limited capacity of the landfill site.

2.3.22 THE NEEDS OF THE COMMUNITY

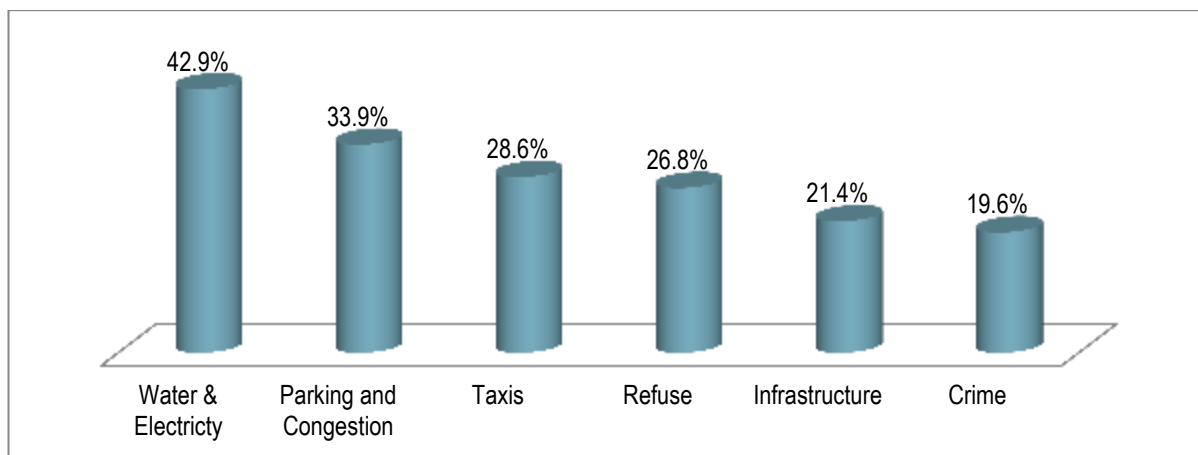
The Socio-economic profile of the Municipality recently conducted by the municipality has highlighted the following key issues that have caused residents to perceive conditions to have worsened within the municipality:



The top five areas of concern for the community are illustrated above with safety and security being a major concern for the community.

2.3.23 THE NEEDS OF THE BUSINESS COMMUNITY

The business community of Engcobo highlighted the following concerns as factors that hamper the operations of their businesses:



There seems to be a fair level of convergence in the issues of concern between the community and business community of Engcobo. Access to water and electricity has been highlighted as a primary concern this coupled with challenges in parking, congestion and taxis which are a product of the current design of the town, etc.

2.4 PROFILE OF ENGCOBO MUNICIPALITY

2.4.1 POWERS AND FUNCTIONS

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

Part B of Schedule 4	Part B of Schedule 5
<ol style="list-style-type: none"> 1. Air pollution 2. Building regulations 3. Child care facilities 4. Electricity and gas reticulation 5. Fire-fighting services 6. Local tourism 7. Municipal airport 8. Municipal planning 9. Municipal health services 10. Municipal public transport 11. Pontoons, fairies, settees, piers and harbours excluding the regulations of international and national shipping 12. Municipal public works only in respect of the needs of 	<ol style="list-style-type: none"> 16. Beaches and amusement facilities 17. Billboards and display advertisement in public places 18. Cemeteries, funeral parlors and crematoria 19. Cleansing 20. Control of public nuisance 21. Control of undertakings that sell liquor to the public 22. Facilities for the accommodation care and burial of animals 23. Fencing and fences 24. Licensing and controlling of undertakings that sell food to the public 25. Local amenities 26. Local sport facilities 27. Markets

<p>the municipalities</p> <p>13. Storm water management system</p> <p>14. Trading regulations</p> <p>15. Water and sanitation services (limited to potable water supply system, domestic waste water and sewerage disposal system)</p>	<p>28. Municipal abattoirs</p> <p>29. Municipal parks and recreation</p> <p>30. Municipal access roads</p> <p>31. Noise pollution</p> <p>32. Pounds</p> <p>33. Public places</p> <p>34. Refuse removals, refuse dumps and solid waste disposals</p> <p>35. Street trading</p> <p>36. Street lighting</p> <p>37. Traffic and parking</p>
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Engcobo municipality should be undertaking all the bolded items in the above list and where capacity does not exist, should be taking decisive steps to ensure availability of capacity. The municipality however does not have adequate capacity to undertake all the assigned powers and functions with this IDP expected to chart a wayforward in terms of how this can be addressed through the review of the organisational design and allocation of resources to ensure improved capacity.

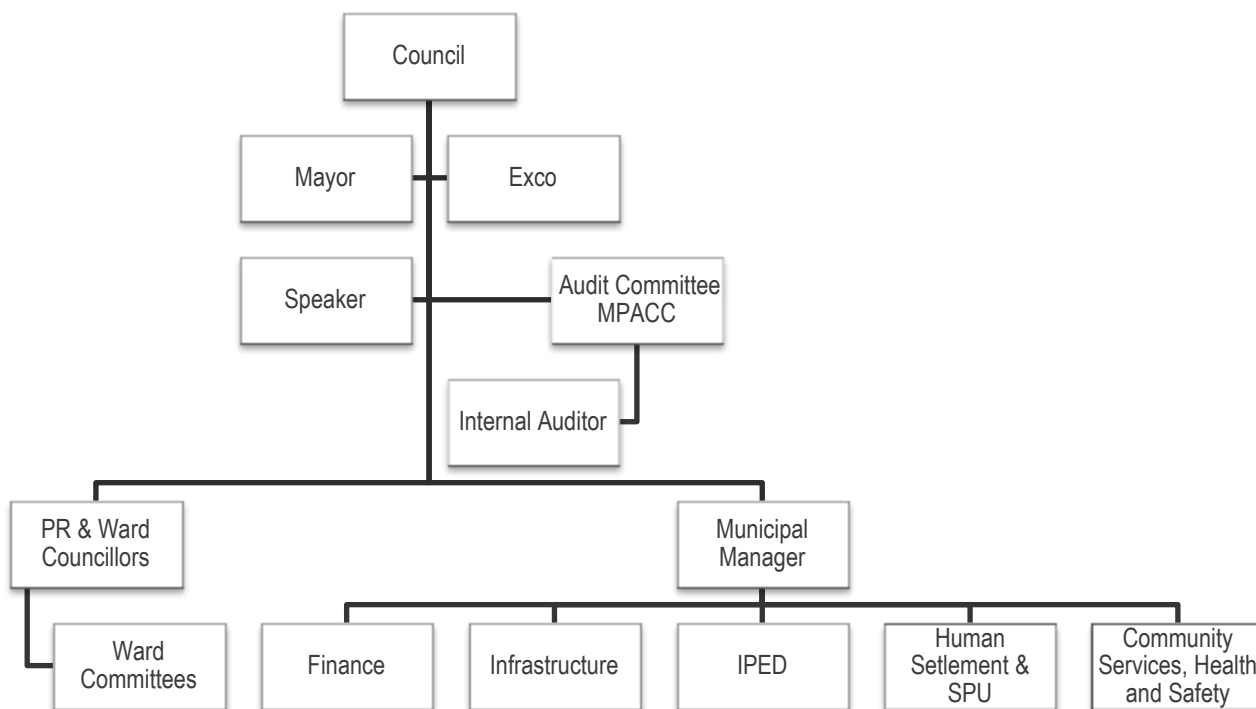
2.4.2 INSTITUTIONAL ORGANISATIONAL STRUCTURE

The municipality has not yet moved out of the establishment stage and still lags behind in terms of its operational systems and working equipment. As outlined above, the municipality does not have adequate capacity to undertake all our assigned powers and functions.

The municipality has five (5) line function departments: viz; the Office of the Municipal Manager, Technical Services, Social Services, Corporate Services and Budget & Treasury.

The Information Technology (IT) Unit and Internal Audit are located under Budget & Treasury whilst Local Economic Development, Integrated Development Planning (IDP) are located within the Office of the Municipal Manager and directly accountable to the Municipal Manager.

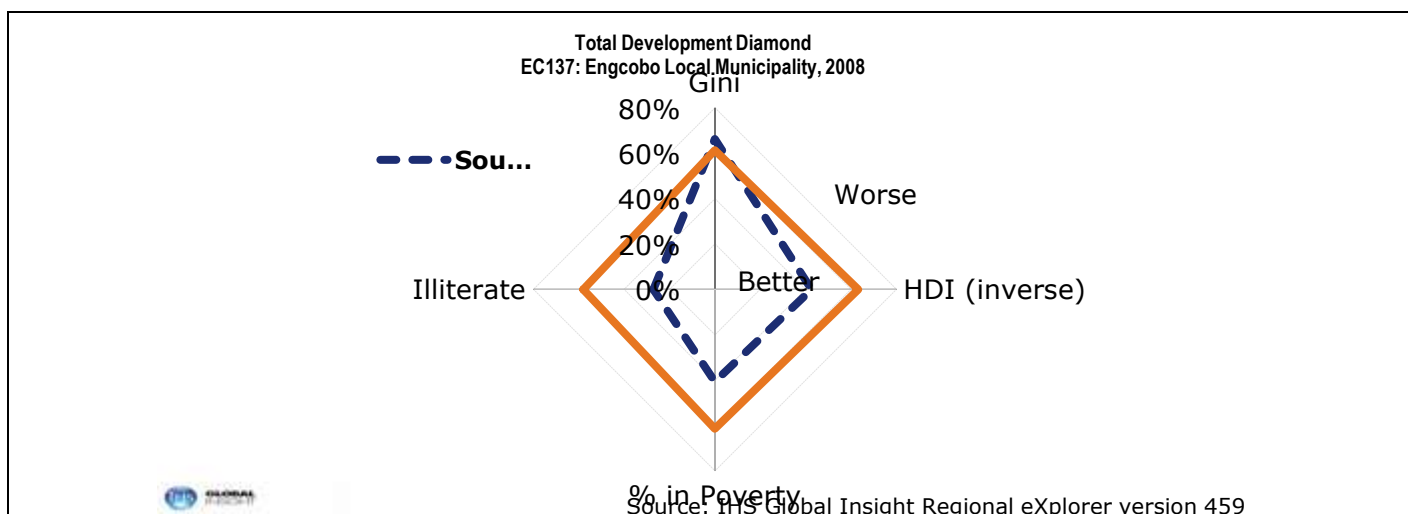
The top-level organogram of the municipality is depicted in the following graphic:



2.5 SUMMARY OF KEY ISSUES

2.5.1 SUMMARY OF INDICATORS

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



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

2.5.2 SUMMARY OF KEY ISSUES

In summary, the situation analysis shows the a municipality that is confronted by the following challenges:

- Dealing with challenges of poverty, unemployment and illiteracy need to be attended as a matter of urgency
- High levels of backlogs in water, sanitation, electricity and roads,
- Improvement of the penetration of services by adding more households that are connected to services,
- Ensuring quality of service to those who are already receiving serving services coupled with effective revenue collection

2.5.3 KEY INSTITUTIONAL CHALLENGES

- Inadequate capacity to deliver on the functions of the municipality
- Cohesive organisational structure that focuses on the primary issues.

2.5.4 LOCAL ECONOMIC DEVELOPMENT STRATEGY

- The municipality has developed and adopted a Local Economic Development Strategy.

2.5.5 HOUSING SECTOR PLAN

- The municipality has developed and developed a Housing Sector Plan.
- Following By-laws have been gazetted by provincial no 2698 of 10 Feb 2012
- 1. Liquor Trading Hours By-Laws
- 2. Waste Management By –Laws
- 3. By- Law Relating to Keeping Of Animals
- 4. By-Laws Relating to the control of buildings
- 5.By-Laws relating to commonage
- 6. By- Laws relating to the control of buildings
- 7. By-Laws relating to unsightly and neglected buildings
- 8. By-Laws relating to the control of of public recreational facilities
- 9. By-Laws relating to caravans and mobile homes
- 10. By-Laws relating to cemeteries
- 11.By-Laws relating to parking attendents
- 12. By-Laws relating to accommodation establishment
- 13. By-Laws relating to swimming pools
- 14. By-Laws relating to lease of municipal halls
- 15. By-Laws relating to ward committess
- 16. By-Laws relating to standing rules and orders of council
- 17. By-Laws relating to street trading
- 18.By-Laws relating to advertising signs

3 SPATIAL DEVELOPMENT FRAMEWORK

3.1 LEGAL FRAMEWORK, NATIONAL & PROVINCIAL POLICY IMPERATIVES

3.1.1 THE SYSTEMS ACT (ACT NO. 32 OF 2000)

In terms of Chapter 5 of the Municipal Systems Act each local authority in South Africa is required to compile an Integrated Development Plan for its area of jurisdiction. In Section 26 of the Municipal Systems Act it is furthermore stated that the core components of an Integrated Development Plan are the following:

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

One of the elements of an Integrated Development Plan listed above [paragraph (e)] is thus the Spatial Development Framework. This document deals with that component of the IDP.

3.1.2 THE GOVERNMENT GAZETTE (GAZETTE No.22605 OF 2001)

In terms of **Government Gazette No. 22605** dated 24 August 2001, a Spatial Development Framework of an Integrated Development Plan should at least achieve the following objectives:

- a) To **give effect to the principles of land development** as contained in Chapter 1 of the Development Facilitation Act [Act 67 of 1995];
- b) to **set out objectives** that reflect the desired spatial form of the municipality;
- c) to **contain strategies and policies** regarding the manner in which to achieve the objectives referred to above, which strategies and policies must:
 - a. indicate **desired patterns of land use** within the municipality;
 - b. address the **spatial reconstruction of the municipality**; and
 - c. **provide strategic guidance** in respect of the location and nature of development within the municipality.

- d) to set out **basic guidelines for a land use management system** in the municipality;
- e) to set out a **capital investment framework** for the municipality's development programmes;
- f) to contain a **strategic assessment of the environmental impact** of the spatial development framework;
- g) to **identify programmes and projects** for the development of land within the municipality;
- h) to be **aligned with the Spatial Development Frameworks** reflected in the Integrated Development Plans of **neighbouring municipalities**; and
- i) to provide a **visual representation of the desired spatial form** of the municipality, which representation will indicate where **public and private land development** and **infrastructure investment** should take place.

3.2 NATIONAL GOVERNMENT'S VISION 2014

As part of South Africa's celebration of 10 years of democracy, National Government formulated Vision 2014 to guide itself for the next ten years.

The vision is to build a society that is truly united, non-racial, non-sexist and democratic. Central to this is a single and integrated economy that benefits all.

The combination of some of the most important targets and objectives making up Vision 2014 are as follows:

- Reduce unemployment by half through new jobs, skills development, assistance to small businesses, opportunities for self-employment and sustainable community livelihoods.
- Reduce poverty by half through economic development, comprehensive social security, land reform and improved household and community assets.
- Provide the skills required by the economy, build capacity and provide resources across society to encourage self-employment with an education system that is geared for productive work, good citizenship and a caring society.
- Ensure that all South Africans, including especially the poor and those at risk – children, youth, women, the aged and people with disabilities – are fully able to exercise their constitutional rights and enjoy the full dignity of freedom.
- Compassionate government service to the people: national, provincial and local public representatives who are accessible; and citizens who know their rights and insist on fair treatment and efficient service.
- Massively reduce health risks such as tuberculosis, diabetes, malnutrition and maternal deaths and turn the tide against HIV and AIDS, and, working with the rest of Southern Africa, strive to eliminate malaria, and improve services to achieve a better national health profile and reduction of preventable causes of death, including violent crime and road accidents.
- Significantly reduce the number of serious and priority crimes as well as cases awaiting trial, with a society that actively challenges crime and corruption, and with programmes that also address the social roots of criminality.
- Position South Africa strategically as an effective force in global relations, with vibrant and balanced trade and other relations with countries of the South and the North, and in an Africa that is growing, prospering and benefiting all Africans, especially the poor.

Vision 2014 translates into practical steps, with the following specific implications for the Engcobo Municipality:

- A growing economy.
- Sustainable livelihoods – inter alia creating job opportunities through the Expanded Public Works Programme (EPWP).
- Access to services:
 - Speed up programmes to provide water, sanitation and electricity.
 - Build more subsidised housing.
 - Improve services in health facilities.
 - Ensure that all children have decent educational facilities and services.
 - Realise Batho Pele principles and improve services in government offices.
- Comprehensive Social Security.
- Prevention of crime and corruption through enhanced, visible policing.
- Constitutional rights and governance through improved interaction between government and the people.

3.2.1 NATIONAL DEVELOPMENT SPATIAL PERSPECTIVE

The National Spatial Development Perspective was initiated in 1999 with the aim of not only providing a strategic assessment of the spatial distribution and socio-economic characteristics of the South African population, but also gaining an understanding of the distribution of economic activity and potential across the South African landscape.

Based on the research conducted, and with key trends and issues identified, the NSDP currently delineates a number of guidelines for infrastructure investment in South Africa.

The rationale behind the guidelines is rooted in the argument of **rather than investing in physical infrastructure to improve the quality of life of people living in low productivity areas, government should rather invest in people**. The logic of the latter argument is that investing in people is a more efficient use of government resources. Investing in people potentially results in increased opportunity and choice to relocate to high growth areas. Investing in places can leave people trapped in low growth areas without any guarantee that this will attract new investment into the area.

Hence, in essence, the NSDP argues that government's social objectives will be best achieved through infrastructure investment in economically sustainable areas with proven development potential. Therefore, **areas displaying little or no potential for growth should only be provided with the constitutionally mandated minimum levels of services**, and the focus of government spending should rather be on the people, i.e. social development spending. Social development spending may involve developing labour market intelligence, human resource development, and health and social transfers.

Crucially, this kind of “development spending” is specifically aimed at enabling the South African youth located in areas in which they have no hope of finding employment, to gradually gravitate to areas with high economic potential.

Consistent with this philosophy, and given the need to reach and sustain an annual economic growth rate of 6% each year, the NSDP argues that resources and collaborative government action should be concentrated on maintaining and growing the economy in the 26 locations currently contributing 83% of the national GVA (see the NSDP document). This strategy is supported by the belief that through investing in these areas, the bulk of those living in poverty in South Africa will also be reached.

Furthermore, in line with the NSDP, government spending should primarily be focused on “social development spending,” and only providing the constitutionally mandated minimum levels of services to the numerous other settlements spread throughout the DM.

In this spirit the NDSDP proposes four sets of actions that the various spheres of government should partake in to reach its key economic and social inclusion targets. These are:

- A set of generic actions such as more robust economic analysis, “proper” spatial development planning and improved monitoring and review;
- Actions aimed at diversifying, strengthening and sustaining the economy and improving the integration between spaces of need and economic activity in the areas of significant economic activity, high concentrations of people and high levels of poverty;
- Focused economic development actions in the areas with low levels of economic activity, high concentrations of people, and high levels of poverty; and
- Supportive actions to be undertaken by each of the spheres of government to give effect to the objectives of the State.

Following from the broad philosophy and actions put forward by the NSDP, various principles to guide development decisions have also been formulated. A brief summary of these principles is given below.

Economic growth is a prerequisite for the achievement of other policy objectives, key among which would be poverty alleviation.

Government spending on fixed investment, beyond the constitutional obligation to provide basic services to all citizens (such as water, electricity as well as health and educational facilities), would therefore be focused on localities of economic growth and/or economic potential in order to attract private-sector investment, stimulate sustainable economic activities and/or create long-term employment opportunities.

Efforts to address past and current social inequalities should focus on people, not places. In localities where there are both high levels of poverty and development potential, this could include fixed capital investment beyond basic services to exploit the potential of those localities.

In localities with low development potential, government spending, beyond basic services, should focus on providing social transfers, human resource development and labour market intelligence. This will enable people to become more mobile and migrate, if they choose to, to localities that are more likely to provide sustainable employment or other economic opportunities.

In order to overcome the spatial distortions of apartheid, future settlement and economic development opportunities should be channelled into activity corridors and nodes that are adjacent to or link the main growth centres. Infrastructure investment and development spending should primarily support localities that will become major growth nodes in South Africa and the Southern African Development Community region to create regional gateways to the global economy.

3.3 ENGCOBO LOCAL MUNICIPALITY’S SPATIAL DEVELOPMENT FRAMEWORK

3.3.1 THE LEGAL FRAMEWORK

The Municipality has adopted its Spatial Development Framework as required in terms of Section 26(e) of the Local Government Municipal Systems Act (Act No. 32 of 2000). As is contemplated in Section 26 (e) of the Municipal Systems Act, the Engcobo Spatial Development Framework forms part of the Municipality's Integrated Development Plan (IDP).

It is considered to be an indicative, high level planning process that is inherently integrative and strategic. The strategic objective is to arrange development activities and the built forms in such a manner that the ideas and desires of people to work, stay and develop resources are accommodated without compromising the natural environment and the way services are delivered.

The Systems Act is the overarching piece of legislation that guides and informs this SDF. The Local Government Municipal Planning and Performance Management Regulations (R. 796 of 2001) made in terms of the Municipal Systems Act determine the content of such a Spatial Development Framework. It requires the municipality to:

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

In terms of Section 35 (2) of the Municipal Systems Act, the Spatial Development Framework for Engcobo has statutory status and overrides any other plan for the area or portions of the Engcobo Municipality that may have been compiled previously and which is described in the Physical Planning Act (Act No. 125 of 1991). Such plans would include regional development plans, regional structure plans and more localised plans such as Urban Structure Plans.

If not done properly, the resulting urban system and infrastructure networks will be very costly, inefficient and can even collapse. It is a fine balance that must be attained at all times. Too much emphasis on one element can harm the total system. If development happens haphazardly e.g., infrastructure provision cannot keep up and the system will fail.

It must be noted that our IDP involves making choices not within a vacuum, but within a spatial framework by connecting actions, resources, expenditure across the municipal area. The Spatial Development Framework therefore as a result it shows the investment intensity and developmental management approach through the IDP.

3.4 SPATIAL ALIGNMENT: NATIONAL SPATIAL DEVELOPMENT PERSPECTIVE

In principle and in practice, Engcobo Local Municipality would like to align all its spatial development imperatives to those of the National Spatial Development Perspective.

The NSDP recognises that historical spatial planning (based on Apartheid policies) resulted in a fragmented pattern of spatial development, with the majority of people being removed from areas where economic development potential has been “unlocked”. The NSDP proposes that spatial and development planning should acknowledge the realities of the economic development potential of an area that is considered in such planning process.

The NSDP acknowledges that economic development potential is not uniformly distributed. In addition to this, it is also likely that development potential will be associated with conditions such as current economic activities and scales of such activities, natural endowments (such as climate, soils and water), and tourism related assets (such as scenic natural environment and cultural assets) that are considered to be enhancing such potential.

For this reason the NSDP emphasises the importance for development planning to be guided by a proper understanding of available resources and economic development potential of the given area that is being planned. The NSDP also recognises the ongoing imperative to roll out a basic level of service to all residents.

The approach recommended by the NSDP suggests that investment and planning strategies should target areas where economic development potential is identified, in order to realise a sustainable return on investments and generate a surplus (in the form of service charges, rates and taxes levied, and/or tax payments to the national fiscus). This surplus generated by successful development of an area with potential could then form part of a “redistribution strategy” that would see funding being channelled to address basic needs and social facilities in areas where potential for economic development is limited.

From the perspective of the Engcobo Municipality, this means that the prioritisation of funding needs to be informed by the SDF in as much as this will assist in identifying those areas of relatively higher development potential as well as those areas where basic needs remain important (i.e. backlogs in basic levels of services).

3.5 SPATIAL ALIGNMENT: EASTERN CAPE’S SPATIAL DEVELOPMENT PLAN

In principle and in practice, Engcobo Local Municipality would like to align all its spatial development imperatives to those of the Eastern Cape Spatial Development Plan. The municipality aligns its spatial objectives to those of the province and at high levels, adopts the following spatial principles;

- The optimal organisation of space, such that services and resources are balanced against the level of service and resource needs of the settlement and surrounding areas.
- The meeting of basic human needs and constitutional rights of individuals.
- The building of capacity.
- The attraction of investment.

These suggest that at a Provincial level, the approach to development is one of ensuring that development occurs in those areas in which it will service the most people and allow for the most efficient maintenance of such resources. The challenge for the Engcobo Municipality is, therefore, in creating the ability to use these principles in the development of the region. As such, development that focuses on the following ought to be prioritised within the Municipal area:

- Development that promotes the creation of compact spatially unified urban entities.
- Development that ensures that all people living within the Municipality’s area of jurisdiction have access to resources.
- Development that ensures the optimal use of resources.
- Development that is based on principles of environmental sustainability, where sustainability is defined as: the management of resources in such a way as to ensure sufficient reserves for future generations.

3.6 SPATIAL ALIGNMENT: CHRIS HANI SPATIAL DEVELOPMENT FRAMEWORK

The following points from the Chris Hani SDF need to be noted:

- The Chris Hani Spatial Development Framework adopted the Corridor Development Approach;
- Identifies the Land Reform & Settlement Zones proposed in Engcobo LM;
- Highlights the key spatial elements identified/proposed in Engcobo LM.

3.7 SPATIAL APPROACHES: THE CORRIDOR APPROACH

The Chris Hani Spatial Development Framework adopted the Corridor Development Approach as advocated in the Chris Hani Districts Municipality’s Integrated Development Plan and Regional Economic Development Strategy (REDS).

CHDM has already committed to a corridor development approach for the District.

Integral to this approach is a focus on geographic and spatial initiatives and interventions, which link the node towns and small towns surrounding these nodes in an integrated economic development process. Small town regeneration initiatives are central to this approach.

The town of Engcobo falls along the Eastern Corridor. Forestry and agriculture were identified as the two areas with the most potential to create jobs and promote general growth and development along this Corridor. The perceived economic opportunities for Engcobo are listed below;

Town	Agricultural, agro-processing & Forestry	Manufacturing, construction & mining	Tourism & hospital	Services, retail & logistics.
	Irrigation, forestry, sawmills, massive maize production, bio-fuels		Liberation heritage sites	Business services, retail centre power generation

Overall the REDS development strategy identified **Forestry and Agriculture** as the key sectors for development potential in the Engcobo Municipal area.

3.7.1 SPATIAL DEVELOPMENT PRIORITIES

Engcobo therefore aligns itself and adopts the following spatial priorities;

#	Priority	Priority Description
1	Priority 1	Which highlights the need to realize the potential for maize production and the need to priorities sustainable homestead production.
2	Priority 3	Which highlights the need to priorities the provision of a basic level of infrastructure BUT, importantly, also rural infrastructure (e.g. fencing, agricultural support infrastructure and facilities);
3	Priority 4	Which highlights the need to prioritise land reform (specifically tenure and agrarian reform) in communal land areas to better secure the asset value of land;
4	Priority 11	Which is aimed at enhancing support and technical assistance to small-scale farmers as well as strengthening linkages to rural development and land reform initiatives.
5	Priority 12	Which is crucial to provide a strategic framework for the development of the rural settlement areas, where much development potential remains thwarted due to capacity constraints, lack of clarity on institutional responsibilities, land tenure and land administration complexities and significant infrastructure backlogs.

3.7.2 THE DEVELOPMENT OF DEVELOPMENT NODES

NODE	NAME	ROLE	SPATIAL DEVELOPMENT PRIORITIES
Primary development node (sub-district service centre).	Ngcobo	Ngcobo is a Retail and Service Centre to the surrounding rural settlements. It also has an administrative role as the Local Municipalities Headquarters. It also functions as an Industrial Node. Caters for permanent and temporary residents.	<ul style="list-style-type: none"> ▪ Managed urban expansion and Public-funded ▪ Housing development ▪ Infrastructure development to cater for expansion. ▪ Business Centre Management and focus on Urban Aesthetics. ▪ Improved pedestrian and vehicular linkages between suburbs in town. ▪ Social facilities (incl. cemeteries). ▪ Environmental management.
Secondary development nodes	Mnyolo, Coglain, Nkondlo, Clarkebury, Mjanyane, Manzana	Commercial and Social Facilities serving surrounding rural areas	<ul style="list-style-type: none"> ▪ Basic level of service extension ▪ Local planning to maximise use of resources ▪ Local land use schemes to be negotiated

3.7.3 PREFERRED SPATIAL DEVELOPMENT OUTCOMES FOR ENGCOBO

Role and Description	Ngcobo is a Retail and Service Centre to the surrounding rural settlements. It also has an administrative role as the Local Municipality's Headquarters. The town caters for permanent and temporary residents.
Business zone	The Business Improvement and Expansion District comprises on the CBD and surrounding properties (as illustrated on plan). Rezoning to Business is to be permitted in this area and mixed land used promoted (including high density residential) CBD Upgrading There needs to be upgrading of the CBD with improved Taxi Ranks and Hawking facilities. The CDB is a retail centre with characteristics of emerging urbanization. The centre is a connectivity hub where public transport (including taxis) converge to ferry commuters. An LED capital project to augment the infrastructure in the CBD is critical to facilitating local economic development. The project should include the provision of ablution facilities, hawking facilities, space for the crafts industry to be practiced and space for the fresh produce market from the surrounding farming activities.
residential	<p>It is important that town remains integrated with the use of Infill and densification of the current residential areas to ensure the more efficient provision of services and facilities.</p> <p>There are a number of housing projects that are catering for the current demand for low income housing in the town. This include:</p> <ul style="list-style-type: none"> ✓ Ext 11: 1900 sites for income group earning less than R3500. ✓ Ext 5,6 and 9- This project is incomplete due to lack of funds ✓ It is also important that there are suitable forms of housing to attract residents; this includes the provision of a middle class suburb to attract skills. ✓ Ext 7 and Ext 10 are planned to cater for Middle Income residential demand however, ext 7 needs to be re-planned with the aim being to permit the further development of the Ngcobo business centre southward. <p>Other Possible Housing Projects included:</p> <ul style="list-style-type: none"> ✓ 4 social housing schemes are being considered to be integrated in future to meet the demand for rental accommodation; ✓ 5 special needs housing projects are being considered ✓ 2 emergency projects are being considered
Further residential	<p>Future residential expansion to the south of the town (ext 12).</p> <p>Long-term expansion to the south and south east of the proposed ext 12 area.</p>
Infrastructure.	<p>Upgrade the Main Road (R61).</p> <p>Solid Waste site needs to be permitted and properly managed.</p> <p>A new site for a cemetery needs to be identified.</p> <p>Current Waste Water Treatment Works needs to be closed and relocated to an alternative site. A proposed site has been identified (co-ords).</p>
Industry	Allowance must be made for a Light Industrial Area.
Mining	There is potential for Dolerite Mining to the west of Ext. 11
LED	Revitalise the Plantation located on the commonage.
Environmental aspects	<p>No development on areas with a gradient greater than 1:5.</p> <p>No development within 50m of a river course.</p> <p>A 1:100-Year flood-line study needs to be undertaken.</p>

	The river course must be kept clear of invasive trees and plants. Development must not occur within wetlands and drainage lines
Spatial	Rates Policy to address "land bankers" – free up vacant land.
Programmes, priorities, legislation	Formulation of a detailed Local Spatial Development Framework for Ngcobo: <ul style="list-style-type: none"> • <i>Business Area regeneration</i> • <i>Address traffic congestion</i> • <i>Prioritise infrastructure upgrades (water services)</i> • Implement appropriate Zoning Scheme Regulations

3.7.4 THE DEVELOPMENT OF CORRIDOR CLUSTERS

3.7.4.1 THE FORESTRY/WOOD CLUSTER IN THE NORTH BY:-

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

3.7.4.2 THE AGRICULTURAL CLUSTERS IN THE SOUTH BY:-

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

3.7.4.3 THE TOURISM CLUSTER

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

3.7.4.4 THE BEEF & DAIRY CLUSTER.

- Dairy production at Xuka
- Develop beef production at Xuka and other areas
- Dipping Tanks
- Stock Dams

- A beef auction and production facility at (Ngcobo)

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

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

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

3.8 THE SPATIAL DEVELOPMENT CONTEXT OF ENGCOBO LM

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

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

Indigenous Forests and Plantations.

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

Beef Production

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

Agriculture

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

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

Tourism

Potential for tourism exist in various areas:-

- Natural Forests in the mountains northern area:-
 - Bushman Paintings:
 - Near Zabasa

- Near Elucwecwe
- Near Tsazo

3.9 SETTLEMENT DYNAMICS & LAND USE MANAGEMENT

Apart from the urban settlement, most other settlements are low density and rural in nature (reflecting larger erven with, lower densities and lower levels of services). Some settlements especially near the urban settlement of Engcobo and at major intersections or on major routes have developed into rural service nodes where a larger variety of community facilities and amenities can be found:

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

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

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

4 OBJECTIVES, STRATEGIES, INDICATORS & TARGETS

4.1 KEY PERFORMANCE AREA 1: BASIC SERVICE DELIVERY

Broad Strategic Objective			To provide affordable, quality, basic services to all of our communities, creating a healthy environment whilst preserving our natural environment				
Priority	Measurable Objective	Strategies	5 Year Targets				
			Year 1	Year 2	Year 3	Year 4	Year 5
Waste removal and Grass cutting	To ensure cleanliness of the Municipality.	- Establishment of Ward Waste committees.	- Make town clean and establishing Ward waste removal committees in all wards	- Introducing dumping bins in all wards with an assistance of Ward waste committees.	- Continuous refuse collection	- Continuous refuse collection	- Continuous refuse collection
Veld and forest management	To preserve nature	- Ensuring proper management of forests and velds & develop veld fire belts.	- Plantation of indigenous trees.	- Continuous	- Cutting of unwanted trees.	- Continuous.	- Plantation of other trees and cutting of unwanted trees.
HIV/AIDS	Ensure the implementation of community driven HCT/VCT programmes	- Conducting door to door in all Ward AIDS Council. - Reviving and capacitating of	- Mobilisation of community members to volunteer as Ward AIDS Councils.	- Develop and implement education awareness programmes.	- Education and awareness campaigns.	- Education and awareness campaigns.	- Education and awareness campaigns.

	targeting all age groups with specific focus on young people	<p>community based structures.</p> <ul style="list-style-type: none"> - Conducting sector based programmes(schools and workplace) - Conducting sector based campaigns and revival of sectors such as MIPPA and WIPPA. 	Capacity building of lay counsellors.				
Traffic management	Enforcing compliance with traffic regulations	<ul style="list-style-type: none"> - Through continuous testing and law enforcement. 	<ul style="list-style-type: none"> - Continuous testing & law enforcement 	<ul style="list-style-type: none"> - Continuous testing and law enforcement 	<ul style="list-style-type: none"> - Continuous testing and law enforcement 	<ul style="list-style-type: none"> - Continuous testing and law enforcement 	<ul style="list-style-type: none"> - Continuous testing and law enforcement
Cemetery	To provide adequate space for safe burial and disposal of human remains.	<ul style="list-style-type: none"> - Through Computerised data system. - Through proper maintenance of grave sites. 	<ul style="list-style-type: none"> - To introduce computerised system. - Continuous 	<ul style="list-style-type: none"> - Education and awareness - Continuous 	<ul style="list-style-type: none"> - Continuous 	<ul style="list-style-type: none"> - Continuous 	<ul style="list-style-type: none"> - Continuous
					<ul style="list-style-type: none"> - Continuous 	<ul style="list-style-type: none"> - Continuous 	<ul style="list-style-type: none"> - Continuous

Pound	To reduce loitering of stray animals by 20%.	- Conducting education and awareness campaigns.	- 2 (two) Education and awareness campaigns.	- Continuous	- Continuous	- Continuous	- Continuous
Libraries	To ensure library accessibility.	- Provision of library services	- Development of one library service	- Development of one library service	- Development of one library service	- Development of one library service	- Development of one library service
Disaster and fire service management	To ensure proper management and implementation of disaster management plan.	- Implementation of disaster risk reduction, disaster prevention and mitigation and preparedness strategies and programs.	- Education and awareness campaigns	- Continuous education and awareness campaigns	- Continuous education and awareness campaigns	- Continuous education and awareness campaigns	- Continuous education and awareness campaigns
Climate change management	Provision of Municipal health & environmental services	- Through development of climate change strategy	- Development of climate change strategy & through launching climate change forum	- Implementation of climate change strategy	- Implementation of climate change strategy	- Implementation of climate change strategy	- Implementation of climate change strategy
Recreational facilities and activities management	To ensure that all wards are fully participating in sporting activities.	- Develop sporting activities in our communities and sport governing bodies	- Clustering of 20 wards into 4 clusters according to sport codes.	- Continuous tournaments	- Continuous tournaments	- Continuous tournaments	- Continuous tournaments
Security	To provide and	- To establish	- Establishment of	- Establishment of	- Establishment of	- Establishment of	- Reviewof the

management	promote a safe and secure physical environment for all communities.	collaboration with SAPS and establishment of Community policing forums in all wards	four Community policing forums a year	four Community policing forums a year	four Community policing forums a year	four Community policing forums a year	strategy
Roads	Ensure that good quality roads are constructed and	- Have a fixed three year capital plan	- Implementation of the three year capital plan	- Implementation of the three year capital plan	- Implementation of the three year capital plan	- Implementation of the three year capital plan	- Implementation of the three year capital plan
	Enhance the maintenance of existing infrastructure	- Have a maintenance plan and source additional machinery	- Implementation of maintenance plan	- Implementation of maintenance plan	- Implementation of maintenance plan	- Implementation of maintenance plan	- Implementation of maintenance plan
Electricity	Ensure that good grid electricity is provided to the community	- Have a fixed three year capital plan	- Implementation of the three year capital plan	- Implementation of the three year capital plan	- Implementation of the three year capital plan	- Implementation of the three year capital plan	- Implementation of the three year capital plan
	Ensure that free basic electricity is provided to qualifying persons.	- Implement the free basic services policy	- Register, appraisal and verification of indigent register	- Register, appraisal and verification of indigent register	- Register, appraisal and verification of indigent register	- Register, appraisal and verification of indigent register	- Register, appraisal and verification of indigent register
Water	Ensure that good	- Have operation &	Implementation of	Implementation of	Implementation of	Implementation of	Implementation of

	quality RDP standard water is maintained.	maintenance plans	maintenance plans	maintenance plans	maintenance plans	maintenance plans	maintenance plans
	Ensure that good quality water is provided is required by legislation SANS 241	- Work towards achievement of Blue and Green drop status.	Blue and green drop achievement	Blue and green drop achievement	Blue and green drop achievement	Blue and green drop achievement	Blue and green drop achievement
Sanitation	Ensure that sanitation facilities like waste water works are maintained	- Have operation and maintenance plans	- Implementation of maintenance plans	- Implementation of maintenance plans	- Implementation of maintenance plans	- Implementation of maintenance plans	- Implementation of maintenance plans
	Ensure that good quality effluent is discharged into the river.	- Work towards achievement of Blue and Green drop status.	- Blue and green drop achievement	- Blue and green drop achievement	- Blue and green drop achievement	- Blue and green drop achievement	- Blue and green drop achievement
Housing	Ensure that good quality low cost, rental flats and affordable middle income Housing	- Ensure that bulk services, land and infrastructure is available for the provision of	- Provide bulk services and surveying of land.	- Construct low cost houses and sell of land for middle income housing	- Construct low cost housing and construction of middle income houses	- Construct low cost housing and construction of middle income houses	- Construct low cost housing and construction of middle income

	is provided to the community.	housing					houses
	Approval of building plans and monitoring of construction works	- Ensure that building plans are approved before construction.	- Approval of building plans and construction monitoring	- Approval of building plans and construction monitoring	- Approval of building plans and construction monitoring	- Approval of building plans and construction monitoring	- Approval of building plans and construction monitoring
Community Hall	- Ensure that good quality, safe community halls are constructed for the community	- Ensure that the three year capital plan is in place	- Implementation of three year capital plan	- Implementation of three year capital plan	- Implementation of three year capital plan	- Implementation of three year capital plan	- Implementation of three year capital plan
	- Ensure effective maintenance of all community halls	- Develop and implement a maintenance and operational plan for community halls	- Implementation of three year maintenance and operational plan	- Implementation of three year maintenance and operational plan	- Implementation of three year maintenance and operational plan	- Implementation of three year maintenance and operational plan	- Implementation of three year maintenance and operational plan

Sports Facilities	Ensure that good quality, safe sports facilities are constructed for the community	- Ensure that the three year capital plan is in place	- Implementation of three year capital plan	- Implementation of three year capital plan	- Implementation of three year capital plan	- Implementation of three year capital plan	- Implementation of three year capital plan
Bridges	Ensure that good quality, safe bridges are constructed for the community	- Ensure that the three year capital plan is in place	- Implementation of three year capital plan	- Implementation of three year capital plan	- Implementation of three year capital plan	- Implementation of three year capital plan	- Implementation of three year capital plan
	Ensure that funding from other funding opportunities are explored.	- Ensure that funding is lobbied for external sources.	- Lobbying fund and other avenues for bridge construction	- Lobbying fund and other avenues for bridge construction	- Lobbying fund and other avenues for bridge construction	- Lobbying fund and other avenues for bridge construction	- Lobbying fund and other avenues for bridge construction
Settlement development	Ensure that quality settlements are established.	- Engage relevant stakeholders	- Surveying	- Township establishment and approval from stakeholders	- Sell of erven	- Sell of erven	- Sell of erven
	Ensure that good quality basic services are provide for the	- Ensure that funding for the service is sourced from the sale of	- Engagement of professional team	- Sale of land and design of services	- Construction of services	- Construction of services	- Rate and taxes implementation

	community	land as serviced land.					
Landfill Site	Ensure and environmental friendly process of closure of the existing site	- Work in partnership with relevant authorities	- Development of a plan for the closure of the existing landfill site	- Gradually phase-out the existing site	- Closure of the existing landfill site - Rehabilitation of the site	-	-
	Ensure that quality Landfill site is provided. (on existing site)	- Engage relevant stakeholders	- Identification of a new site - Application for permit for the new site	- Construction of a new site	- Construction and training	- Operation	- Operation

4.2 KEY PERFORMANCE AREA 2: LOCAL ECONOMIC DEVELOPMENT

4.2.1 OVERVIEW

The Chris Hani District Municipality developed a Local and Regional Economic Development Strategy in 2009 which is being reviewed together with the Draft 2012/17 IDP. The strategy is predicated on the belief that the overall responsibility for the facilitation of economic development lies with the District Municipality and has identified the following as key issues that the strategy should deal with:

- **Building on sector specific comparative advantages:** this element seeks to focus the municipality and its partners on interventions that have a potential of high impact based on the unique comparative advantages of the district. The District seeks to leverage on its comparative advantages and build a robust and sustainable local economy.
- **Creation of an enabling environment:** The White Paper on Local Government states that Local government is not directly responsible for job creation. The democratic government has inherited huge disparities that are defined racially and geographically that also affect the viability and potential impact of local government. It stands to reason that Local Government should therefore take active steps to facilitate the development of local economies by amongst others creating an enabling environment for activities directed at job creation and growing local economies to have a high probability of success and impact.
- **Corridor development and Value Chain Addition:** This seeks to ensure that corridor plans are based on ward profiles that identify communities with common synergies, relation and connection or similarities of economic activities in terms of sector programmes which cut across from ward to ward, wards to local municipalities, Local Municipalities to District Municipalities and District Municipalities to the Province. The LED Corridor Multi-Sector approach is expected to be supported by Value Chain Addition Programmes aimed at creating marketing edge with sound Corridor Projects”.
- Regular, mandatory and opportune economic development functions.

4.2.2 APPROACH

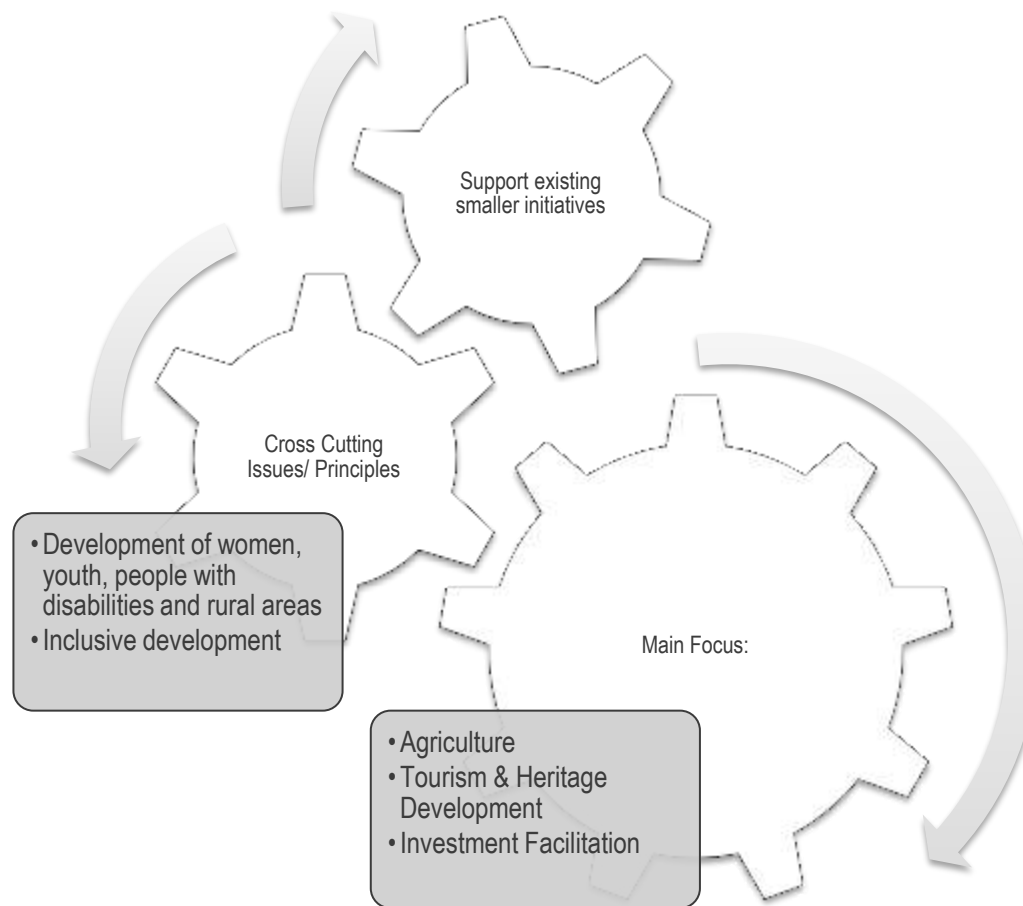
In recognition of the above, Engcobo Local Municipality has identified the following as key considerations in actively facilitating and coordinating the development of the local economy:

- Corridor development and value chain addition,
- Focus on key priority sectors that have a potential of changing the lives of the people of Engcobo,
- Focusing on catalytic projects that can jumpstart the economy with activities that target both the urban and the rural areas of the municipality,

- Leverage on our relationships, capabilities, natural resources and our assets to ensure effective local economic development of the area.

4.2.3 FOCUS OVER THE NEXT FIVE YEARS

Over the next five years, the municipality has defined its focus on Local Economic Development as follows:



4.2.4 KEY PRIORITIES

The following have been identified as key priorities by the municipalities:

- Agriculture and agro-processing:
- Tourism and Heritage Development:
- SMME and Cooperatives Development:
- Trade and Investment Facilitation
- Town Planning
- Small Town Revitalisation
- Special Programs
- Expanded Public Works Programs

4.2.5 OBJECTIVES, STRATEGIES AND TARGETS

Broad Strategic Objective			Facilitation and support for creation of economic opportunities that create jobs and alleviate poverty within the Engcobo Municipal Area				
Priority	Measurable Objective	Strategy	5 Year Targets				
			Year 1	Year 2	Year 3	Year 4	Year 5
Agriculture	Crop Infrastructural development	<ul style="list-style-type: none"> - Identification of two strategic nodes. - Mobilise resources for infrastructural development - Establishment of Municipal Agency 	<ul style="list-style-type: none"> - Study - Planning- feasibility studies and business plans - Resource mobilisation. 	<ul style="list-style-type: none"> - Infrastructure development and project implementation. - Nursery development and financing. 	<ul style="list-style-type: none"> - Monitoring of job creation - Storage infrastructure. - Agro Processing. - Marketing 	<ul style="list-style-type: none"> - Target setting at 10% growth - Monitoring and evaluation. - Review lessons learnt. 	<ul style="list-style-type: none"> - Target review - 15% growth

			<ul style="list-style-type: none"> - Supporting of current projects - Year 1 	<ul style="list-style-type: none"> - Incubation - Capacity Building 			
	Livestock improvement	<ul style="list-style-type: none"> - Study of a profile of livestock.(beef and mutton) - Innovation. - Mind-set change from stock keeping to stock trading. - Development of an appropriate breed - - Establishment of feed lot. 	<ul style="list-style-type: none"> - Profile of livestock from the study 	<ul style="list-style-type: none"> - Establishment of feed lot in partnership with the department of Rural Development and Agrarian Reform. 	<ul style="list-style-type: none"> - Development of camps. 	<ul style="list-style-type: none"> - Camp to include shearing shed and dipping pond. 	<ul style="list-style-type: none"> - Acquire appropriate bulls and heifers, and rams and ewes.
Tourism and Heritage Development	Position Engcobo as one of the major tourism destinations within the Chris Hani District	<ul style="list-style-type: none"> - Development of Tourism Products 	<ul style="list-style-type: none"> - Declaration of heritage sites - Heritage sites development - Conservation of nature reserves, rock paintings and waterfalls. 	<ul style="list-style-type: none"> - Developing heroes memorials (Busts and Statues) 	<ul style="list-style-type: none"> - Marketing of tourism products 	<ul style="list-style-type: none"> - Conservation of natural resources 	<ul style="list-style-type: none"> - Education on natural resources
SMMEs and Cooperatives Development	Creating an enabling environment for the establishment	<ul style="list-style-type: none"> - Facilitate an establishment of a business development and 	<ul style="list-style-type: none"> - Invite development finance institutions to 	<ul style="list-style-type: none"> - Establishment of business incubator 	<ul style="list-style-type: none"> - Align policies and bylaws to support the viability of SMME and Co- 	<ul style="list-style-type: none"> - Creating partnerships with outside contractors and 	<ul style="list-style-type: none"> - At least 10% of that procurement to be spent to local contractors

	of sustainable small businesses	<p>advice centre in partnership with SEDA and ECDC</p> <ul style="list-style-type: none"> - Provide market information - Access to funding - Assist Credit profile and collateral - Influence procurement policy to favour local businesses 	<p>provide advice on meeting requirements to access finance.</p>		<p>operatives.</p> <p>Evaluation of economic outlook.</p>	<p>service providers appointed by the municipality</p> <ul style="list-style-type: none"> - Monitoring 	<p>Performance evaluation of the entire program.</p>
Trade and Investment	<p>Identification and facilitation of catalyst projects.</p> <p>Strategic projects:</p> <p>Quarry mining</p> <p>Charcoal manufacturing</p>	<ul style="list-style-type: none"> - Fulfil a role of facilitation: - Invite expression of interests from investors - If the above fails, municipality to sponsor the development of feasibility study. - Establish a community trust 	<ul style="list-style-type: none"> - Study - Planning - Resource mobilisation - Capacity building of the community trustees 	<ul style="list-style-type: none"> - Budget for investment facilitation: - Legal template for typical agreements - Advertisement for invites of expressions of interests. 	<ul style="list-style-type: none"> - Budget for investment facilitation: - Legal template for typical agreements - Advertisement for invites of expressions of interests. 	<ul style="list-style-type: none"> - Budget for investment facilitation: - Legal template for typical agreements - Advertisement for invites of expressions of interests. 	<ul style="list-style-type: none"> - Budget for investment facilitation: - Legal template for typical agreements - Advertisement for invites of expressions of interests.
Town Planning	To ensure integrated	<ul style="list-style-type: none"> - Investment in capacity for the 	<ul style="list-style-type: none"> - Appointment of the town planner 	<ul style="list-style-type: none"> - Managing approvals of 	<ul style="list-style-type: none"> - Managing approvals of 	<ul style="list-style-type: none"> - Managing approvals of 	<ul style="list-style-type: none"> - Managing approvals of

	planning of the municipality for effective service delivery and development	office of the Town Planner - Managing permissions and approvals of development in line with our SDF		developments in line with the SDF	developments in line with the SDF	developments in line with the SDF	developments in line with the SDF
Small Town revitalisation	To ensure beautification of the town as an attractive place to live and work	- Greening & beautification of the town - Facilitate de-congestion of the town f	- Development of a heroes park	- Development of a new retail hub with a taxi rank - Widening of the main street	- Greening of the main street	- Beautification of strategic areas of the town	- Ensuring the town becomes a clean and attractive town
Expanded Public Works Program	Coordination and Support for the EPWP program to	- Enter into strategic partnerships with other spheres of government for the implementation of EPWP	- Coordinate and support programs	- Coordinate and support programs	- Coordinate and support programs	- Coordinate and support programs	- Coordinate and support programs
Development of Women, youth and people with disabilities	Ensure that the vulnerable groups of our community become key participants and beneficiaries of programs of the	- Organising women, youth, people with disabilities and the elderly - Ensure that all programs of the municipality are	- Ongoing meetings of the relevant forums - Ensure that policies of the municipalities create space for	- Ongoing meetings of the relevant forums - Ensure that policies of the municipalities create space for	- Ongoing meetings of the relevant forums - Ensure that policies of the municipalities create space for	- Ongoing meetings of the relevant forums - Ensure that policies of the municipalities create space for	- Ongoing meetings of the relevant forums - Ensure that policies of the municipalities create space for

	municipality	biased towards designated groups	participation of designated groups - Organise designated groups to benefit from programs of the municipality	participation of designated groups - Organise designated groups to benefit from programs of the municipality	participation of designated groups - Organise designated groups to benefit from programs of the municipality	participation of designated groups - Organise designated groups to benefit from programs of the municipality	participation of designated groups - Organise designated groups to benefit from programs of the municipality
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4.3 MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT

Broad Strategic Objective			To strengthen the municipality's capacity to provide basic services, facilitate the development of the area and coordinating the activities and programs of other spheres of government and other agencies				
Priority	Measurable Objective	Strategy	5 Year Targets				
			Year 1	Year 2	Year 3	Year 4	Year 5
Implementation of Human resource strategy	Effective & efficient placement of personnel.	- To ensure that personnel is placed accordingly and clear job descriptions are outlined -	- Review organogram & skills audit	- Population of organogram and re-training	- Engagement of institutions on various expertise	- Monitoring & evaluation of system	- Monitoring & evaluation of systems

	To ensure proper implementation of equity plan	<ul style="list-style-type: none"> - To ensure that future employment are inline the human demographics and plan. - 	<ul style="list-style-type: none"> - Identification of areas that hinder implementation of equity. - Identification of critical posts where equity must apply. - Implementation should be at least at 10% in senior management - 	<ul style="list-style-type: none"> - Implementation and should be at least at 20% in senior management - 	<ul style="list-style-type: none"> - Implementation and should be at least at 20% in senior management - 	<ul style="list-style-type: none"> - Implementation and should be at least at 20% in senior management - 	<ul style="list-style-type: none"> - Implementation and should be at least at 20% in senior management -
	To ensure that occupational health and safety of all employees is taken care of.	<ul style="list-style-type: none"> - Develop health and safety policy 	<ul style="list-style-type: none"> - Develop policy and adoption 	<ul style="list-style-type: none"> - Implementation 	<ul style="list-style-type: none"> - Implementation 	<ul style="list-style-type: none"> - Implementation 	<ul style="list-style-type: none"> - Implementation
	To ensure that an effective and efficient institutional performance	<ul style="list-style-type: none"> - Recruitment of employee awareness officer. - Evaluate individual personnel & 	<ul style="list-style-type: none"> - Introduction of PMS to employees below section 56 managers 	<ul style="list-style-type: none"> - Implementation 	<ul style="list-style-type: none"> - Implementation 	<ul style="list-style-type: none"> - Implementation 	<ul style="list-style-type: none"> - Implementation

		institution yearly					
Special programs	To ensure coordination of special programs function	- Development of special programs	- Development & implementation	- Development & Review	- Development & review	- Development & review	- Development & review
Anti- poverty	To ensure red of poverty levels in Engcobo	- Development of anti-poverty strategy	- Develop and implementation	- Implementation	- Implementation	- Implementation	- Implementation
Twinning / interrelations	Enhancing relation with national and international partners	- Development of plan	- Development & Implementation	- Implementation	- Implementation	- Implementation	- Implementation
Policies & by laws	To ensure development of policies/by laws as per priority need identified	- Coordination and development of policies and by laws	- Coordination, review and development	- Coordination, review and development	- Coordination, review and development	- Coordination, review and development	- Coordination, review and development

Legal Capacity	To ensure compliance with municipal legislations and attend to litigations	Compliance with legislation and attending to litigation	- Compliance with legislation and attending to litigation	- Compliance with legislation and attending to litigation	- Compliance with legislation and attending to litigation	- Compliance with legislation and attending to litigation	- Compliance with legislation and attending to litigation
Labour relations	To ensure that sound labour relations are maintained.	To promote sound labour relations and compliance with labour relations	- Seating of LLF meetings	- Seating of LLF meetings	- Seating of LLF meetings	- Seating of LLF meetings	- Seating of LLF meetings

4.4 MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT

Broad Strategic Objective			5 Year Targets				
Priority	Measurable Objective	Strategy	5 Year Targets				
			Year 1	Year 2	Year 3	Year 4	Year 5
Revenue Enhancement	Improve the percentage of own revenue in relation to total income	<ul style="list-style-type: none"> - Invest in capacity in the areas that have potential to generate increased revenue - Broaden the revenue base of the municipality by connecting new households to our services - Improved revenue collection to reduce outstanding debtors 	<ul style="list-style-type: none"> - Acquire a vehicle for meter-reading and banking staff - Expansion of capacity of VTS and DLTC to reach more people - Improve collection of outstanding income (more especially payments by businesses) 	<ul style="list-style-type: none"> - Contribute in the implementation of programs geared at increasing our revenue base - Reduce outstanding income from all of our debtors 	<ul style="list-style-type: none"> - Contribute in the implementation of programs geared at increasing our revenue base - Reduce outstanding income from all of our debtors 	<ul style="list-style-type: none"> - Contribute in the implementation of programs geared at increasing our revenue base - Reduce outstanding income from all of our debtors 	<ul style="list-style-type: none"> - Contribute in the implementation of programs geared at increasing our revenue base - Reduce outstanding income from all of our debtors
Improved Financial Management	Improve management of our finite resources so as to extract	<ul style="list-style-type: none"> - Systematically reduce wastage of resources - Reduce expenditure on 	<ul style="list-style-type: none"> - Effectively prevent wastage of resources - Reduce expenditure on 	<ul style="list-style-type: none"> - Effectively prevent wastage of resources - Reduce expenditure on 	<ul style="list-style-type: none"> - Effectively prevent wastage of resources - Reduce expenditure on 	<ul style="list-style-type: none"> - Effectively prevent wastage of resources - Reduce expenditure on 	<ul style="list-style-type: none"> - Effectively prevent wastage of resources - Reduce expenditure on

	more value from every rand we have	certain items (more especially expenditure under general expenses)	<ul style="list-style-type: none"> - Ensure strict adherence to policies - Ensure efficient management of the invoicing and payment of suppliers process 	<ul style="list-style-type: none"> - Ensure strict adherence to policies - Ensure efficient management of the invoicing and payment of suppliers process 	<ul style="list-style-type: none"> - Ensure strict adherence to policies - Ensure efficient management of the invoicing and payment of suppliers process 	<ul style="list-style-type: none"> - Ensure strict adherence to policies - Ensure efficient management of the invoicing and payment of suppliers process 	<ul style="list-style-type: none"> - Ensure strict adherence to policies - Ensure efficient management of the invoicing and payment of suppliers process 	<ul style="list-style-type: none"> - Ensure strict adherence to policies - Ensure efficient management of the invoicing and payment of suppliers process
Systematic Reduction of under-spending	Improve our efficiency in spending resources allocated to us	<ul style="list-style-type: none"> - Develop and manage annual procurement plans 	<ul style="list-style-type: none"> - Develop and implement annual procurement plans 	<ul style="list-style-type: none"> - Develop and implement annual procurement plans 	<ul style="list-style-type: none"> - Develop and implement annual procurement plans 	<ul style="list-style-type: none"> - Develop and implement annual procurement plans 	<ul style="list-style-type: none"> - Develop and implement annual procurement plans 	<ul style="list-style-type: none"> - Develop and implement annual procurement plans
Improved Supply Chain Management	Improve our capacity to manage supply chain of the municipality so as to ensure value for money spending	<ul style="list-style-type: none"> - Appoint more senior staff in the unit - Ensure compliance with policies and procedures 	<ul style="list-style-type: none"> - Appoint an officer to support the current staff complement - Ensure compliance with policies and procedures 	<ul style="list-style-type: none"> - Appoint an accountant to head the unit - Ensure compliance with policies and procedures 	<ul style="list-style-type: none"> - Ensure compliance with policies and procedures 	<ul style="list-style-type: none"> - Ensure compliance with policies and procedures 	<ul style="list-style-type: none"> - Ensure compliance with policies and procedures 	<ul style="list-style-type: none"> - Ensure compliance with policies and procedures
Asset	Ensure	<ul style="list-style-type: none"> - Development and 	<ul style="list-style-type: none"> - Appointment of an 	<ul style="list-style-type: none"> - Maintenance and 	<ul style="list-style-type: none"> - Maintenance and 	<ul style="list-style-type: none"> - Maintenance and 	<ul style="list-style-type: none"> - Maintenance and 	<ul style="list-style-type: none"> - Maintenance and

Management	effective management and accounting for our fixed assets	maintenance of our Fixed Asset Register - Appointment of experienced staff to manage the unit	experienced accountant to manage our fixed assets - Maintenance and management of our asset register	management of our asset register	management of our asset register	management of our asset register	management of our asset register
Internal Auditing	Ensure the functioning of an effective internal auditing capacity that supports the risk management intentions of the municipality	- Functioning of the internal audit committee - Acquisition of internal auditing capacity of the municipality	- Regular meetings of the internal audit committee - Reports of the committee - Appointment of an Internal Auditor	- Regular meetings of the internal audit committee - Reports of the committee	- Regular meetings of the internal audit committee - Reports of the committee	- Regular meetings of the internal audit committee - Reports of the committee	- Regular meetings of the internal audit committee - Reports of the committee
Operation Clean Audit	Achievement of a Clean Audit by 2014	- Implementation of the audit turnaround plan - Setting up of structures and forums within the	- Implementation of the Audit turnaround plan - Setting of a Committee that will oversee the	- Implementation of the Audit turnaround plan - Ensure that the Committee meets regularly and	- Implementation of the Audit turnaround plan - Ensure that the Committee meets regularly and	- Implementation of the Audit turnaround plan - Ensure that the Committee meets regularly and	- Implementation of the Audit turnaround plan - Ensure that the Committee meets regularly and

		<p>municipality to oversee the process</p> <ul style="list-style-type: none"> - Ensure adherence to policies and procedures - Improve information and records management 	<p>external auditing process</p> <ul style="list-style-type: none"> - Strong monitoring of adherence to policies 	<p>oversees the external auditing process</p> <ul style="list-style-type: none"> - Strong monitoring of adherence to policies 	<p>oversees the external auditing process</p> <ul style="list-style-type: none"> - Strong monitoring of adherence to policies 	<p>oversees the external auditing process</p> <ul style="list-style-type: none"> - Strong monitoring of adherence to policies 	<p>oversees the external auditing process</p> <ul style="list-style-type: none"> - Strong monitoring of adherence to policies
<p>Financial Planning and Budgeting</p>	<p>Improve financial planning, budgeting and budget management within the municipality</p>	<ul style="list-style-type: none"> - Improve the quality of planning and budgeting processes - Decentralisation of budget management to Section 57 Managers 	<ul style="list-style-type: none"> - Provide strategic information that harnesses the financial planning and budgeting process - Decentralise budget management to departments 	<ul style="list-style-type: none"> - Provide strategic information that harnesses the financial planning and budgeting process - Decentralise budget management to departments 	<ul style="list-style-type: none"> - Provide strategic information that harnesses the financial planning and budgeting process - Decentralise budget management to departments 	<ul style="list-style-type: none"> - Provide strategic information that harnesses the financial planning and budgeting process - Decentralise budget management to departments 	<ul style="list-style-type: none"> - Provide strategic information that harnesses the financial planning and budgeting process - Decentralise budget management to departments

4.5 GOOD GOVERNANCE AND PUBLIC PARTICIPATION

Broad Strategic Objective			To ensure that the municipality becomes a people-centred institution that creates space and platforms for its community and critical role-players to play a meaningful role in the planning, monitoring and evaluation of the performance of the organisation				
Priority	Measurable Objective	Strategy	5 Year Targets				
			Year 1	Year 2	Year 3	Year 4	Year 5
Capacity Building for ward committees	To ensure well capacitated ward committees	Workshops & trainings in accredited institutions	- One training per annum - Workshops in various areas	- One training per annum. - Workshops in various areas	- One training per annum. - Workshop in various areas	- One training per annum. - Workshop in various areas	- One training per annum. - Workshop in various areas
Public participation	To ensure strengthening of public participation	By hosting Mayoral Imbizo's, IDP road shows & forums, ward based budget meetings	- Implementation of strategic policy - (establishment of Public participations unit)	- Implementation of strategic policy - (Recruitment of public participations officers)	- Implementation of strategic policy	- Implementation of strategic policy	- Implementation of strategic policy
	Intergovernmental relations (IGR) Ward based – IGR	Twelve monthly meetings per annum Four quarterly meetings per annum (Championed by ward councillor)	- 12 per year - Four meetings per ward	- 12 per year - Four meetings per ward	- 12 per year - Four meetings per ward	- 12 per year - Four meetings per ward	- 12 per year - Four meeting per ward

	Nyanga- ntathu (Quarterly meeting)	- Four quarterly meeting per annum	- Four meetings per ward	- Four meetings per ward	- Four meetings per ward	- Four meetings per ward	- Four meetings per ward
	Crime fighting	- Run awareness campaigns & meetings with stakeholders (key SAPS & and communities) -	- Two ward based gatherings -	- Two ward based gatherings -	- Two ward based gatherings -	- Two ward based gatherings -	- Two ward based gatherings -
	Development & review of credible five year IDP	- Review of five year credible IDP	- Review and adoption	- Review and adoption	- Review and adoption	- Review and adoption	- Review and adoption
Strengthen of good governance	To ensure strengthening of good governance	- Capacity Building on oversight committee (MPAC)	- Workshops & trainings twice a year.	- Workshops & trainings twice a year.	- Workshops & trainings twice a year.	- Workshops & trainings twice a year.	- Workshops & trainings twice a year.
		- Monitoring of reporting system.	- Submission of quarterly report & recommendations to Council -				

	Strengthening the function of Internal Audit and external audit.	<ul style="list-style-type: none"> - Capacity Building of internal audit unit. - External audit committee must be established internally. - Do away with the shared audit committee. 	<ul style="list-style-type: none"> - Training & workshops - Establishment of internal audit committee. 	<ul style="list-style-type: none"> - Senior manager is required - Functioning & implementation 	<ul style="list-style-type: none"> - Functioning and implementation 	<ul style="list-style-type: none"> - Functioning and implementation 	<ul style="list-style-type: none"> - Functioning & implementation
	Strengthening functioning of section 79	<ul style="list-style-type: none"> - Workshop for portfolio heads of department - Workshops and training for each committees - 	<ul style="list-style-type: none"> - Workshop for portfolio heads - 	<ul style="list-style-type: none"> - Workshop for committee members - 	<ul style="list-style-type: none"> - Implementation & evaluation of committees - 	<ul style="list-style-type: none"> - Implementation & evaluation of committees - 	<ul style="list-style-type: none"> - Implementation & evaluation of committees -
	Strengthen of Municipal Council support	<ul style="list-style-type: none"> - Strengthening of centre for coordination at the office of the Speakers - Capacity Building of Council 	<ul style="list-style-type: none"> - Early submission of quality council documentation. - Trainings & workshop, beef up committee personnel. 	<ul style="list-style-type: none"> - Early submission of quality council documentation - 	<ul style="list-style-type: none"> - Early submission of quality council documentation - 	<ul style="list-style-type: none"> - Early submission of quality council documentation - 	<ul style="list-style-type: none"> - Early submission of quality council documentation -

		committee personnel					
	To ensure that customers receive good services	- Conducting of customer satisfaction surveys on services.	- Suggestion boxes will be made available at the Municipality offices. - Development of survey forms that will be distributed in each ward. - Surveys will be conducted once a year. -	- Production of quality minutes - On going	- Ongoing	- Ongoing	- Ongoing
	To ensure a risk and fraud free institution	Ensuring proper development of risk & fraud management policy. -	- Development of risk & fraud prevention policy - Setting up of a Mayoral Line for fraud reporting, complaints and compliments	- Implementation & Review of policy	- Implementation & Review of policy	- Implementation & Review of policy	- Implementation & Review of policy

5 BUDGET, PROGRAMS AND PROJECTS

5.1 THE CONTEXT

The level of provision of key services within the municipality can be summarised as follows:

Health

Engcobo has got two Hospitals, 21 clinics of which 15 are of mud structures and 46 mobile clinics. Approximately 2600 people access health care service which is rendered by about 80 health care practitioners and on 7 doctors serving only hospitals. The backlog of healthcare practitioners is almost the same the existing number. At least about 10 doctors are needed for the clinics since there is none currently

Sanitation

Out of 20 wards, about 11 wards have no toilets, 7 wards are currently being attended to and only 2 wards that have proper and adequate sanitation.

Water

There is still a huge backlog in water reticulation

Electricity

A large space of land has been covered however but still many villages have not yet been electrified and some are waiting for a link line so that their electricity can be switched on.

Roads

More than two hundred km's have been constructed and more than 100 km's have been maintained. More than 300 km's of access roads still needed to be constructed and both the provincial and national roads need reconstruction and maintenance.

Local Economic Development

Live stock' farming, and crop production are the main sources or pillars for wealth creation in the rural Engcobo. Merchandising is the secondary source of revenue with efforts to start manufacturing industry underway in certain wards.

The projects listed in the next tables represent the priority initiatives to be implemented in the Engcobo Municipality during the next five years.

5.2 ROADS

Priority Project	Strategic Pillar	Ward	IDP Ref No	Funder	Funding secured	Financial Planning				Priority
Legends					Y	Total	12/13	13/14	14/15	L
Project Types New Access Roads Capital Projects										
Chibini – Lunda Access Road	Infrastructure	1	R P1	MIG		3 369 858. 49		3 369 858. 49		
R408 – Sigubudwini Access Road	Infrastructure	2	R P2	MIG	√	3 119 058. 49	1 500 00 0.00			
Mdeni Access Road	Infrastructure	3	R P3	MIG		2 993 866. 45				
Star – Madladleni Access Road	Infrastructure	4	R P4	MIG	√	2 058 888. 39	1 600 00 0.00			
Tywina Access Road	Infrastructure	5	R P5	MIG	√	2 855 718. 49	1 600 00 0.00			
Hayeni JSS – Hukwini Access Road	Infrastructure	6	R P6	MIG	√	2 861 988. 49	700 000. 00			
Ngceni – Tshatshatsha Access	Infrastructure	7	R P7	MIG	√	3 521 028. 19	1 700 00 0.00			

Road													
Maduka – Hagrips Access Road	Infrastru cture	8	R P8	MIG	√		2 993 658. 49	1 700 00 0.00					
Cottage Access Road	Infrastru cture	9	R P9	MIG	√		6 289 818. 20	530 000. 00	5 759 818. 49				
Masonwabenathi Access Road	Infrastru cture	10	R P1 0	MIG	√		13 141 89 2.83	1 300 00 0.00					
Upgrading of Streets	Infrastru cture	11	R P1 1	MIG	√		43 072 98 8.34	4 000 00 0.00	5 000 000. 00	5 000 000. 00			
Gqotyini – Mgwalana Access Road	Infrastru cture	12	R P1 2	MIG			7 125 588. 49			7 125 588. 49			
Silindini Access Road	Infrastru cture	13	R P1 3	MIG	√		8 467 899. 55	2 000 00 0.00	2 000 000. 00				
Caca JSS – Mhlontlo Access Road	Infrastru cture	14	R P1 4	MIG			3 119 058. 49			3 119 058. 49			
Notyentu – Msinstana Access Road	Infrastru cture	15	R P1	MIG	√		3 244 458. 49	1 700 00 0.00					

			5										
Clarkbury Access Road	Infrastru cture	16	R P1 6	MIG			2 961 955. 46			2 961 955. 46			
Ntibane – Mbashe JSS – Mamfeneni Access Road	Infrastru cture	17	R P1 7	MIG	√		2 604 918. 98	500 000. 00					
Gcobonco JSS via Emthini – Majija Access Road	Infrastru cture	18	R P1 8	MIG			2 604 918. 92		2 604 918. 92				
Lower Gqaga – Mhlahlana Access Road	Infrastru cture	19	R P1 9	MIG	√		2 964 904. 46	1 800 00 0.00					
Ngayi – Gubenxe Access Road	Infrastru cture	20	R P2 0	MIG	√		2 868 258. 49	2 000 00 0.00					

5.3 HIGH MAST LIGHTS

Priority Project	Strategic Pillar	Ward	IDP Ref No	Funder	Funding secured	Financial Planning				Priority			
Legends					Y		Total	12/13	13/14	14/15			L
Project Types High Mast light Capital Projects													
High Mast Light	Infrastructure	10	H ML 1	MIG	√	8 626 778.79	400 000.00	800 000.00	1 200 000.00				

5.4 COMMUNITY HALLS

Priority Project	Strategic Pillar	Ward	IDP Ref No	Funder	Funding secured	Financial Planning				Priority			
Legends					Y		Total	12/13	13/14	14/15			L
Project Types Community Hall Capital Projects													
Community Halls	Infrastructure	2	C H2	MIG		2 500 000.00		2 500 000.00					
Community Halls	Infrastructure	4	C H4	MIG		2 500 000.00			2 500 000.00				
Community Halls	Infrastructure	7	C H7	MIG		2 500 000.00			2 500 000.00				

Community Halls	Infrastructure	13	C H1 3	MIG			2 500 000.00		2 500 000.00			
Community Halls	Infrastructure	19	C H1 9	MIG			2 500 000.00			2 500 000.00		

5.5 RURAL ELECTRIFICATION

Priority Project	Strategic Pillar	Ward	IDP Ref No	Funder	Funding secured	Financial Planning				Priority	
Legends					Y		Total	12/13	13/14	14/15	L
Project Types Rural Electrification Capital Projects											
Rural Electrification	Infrastructure	4	RE 1	DOE	√	6 750 000.00	6 750 000.00				
Rural Electrification	Infrastructure	5	RE 2	DOE	√	5 295 000.00	5 295 000.00				
Rural Electrification	Infrastructure	6	RE	DOE	√	3 000 000.00	3 000 000.00				

	ure		3				00						
Rural Electrification	Infrastruct ure	13	RE 4	DOE	√		3 420 000. 00	3 420 000.00					
Rural Electrification	Infrastruct ure	14	RE 5	DOE	√		2 100 000. 00	2 100 000.00					
Rural Electrification	Infrastruct ure	19	RE 6	DOE	√		1 500 000. 00	1 500 000.00					
Rural Electrification	Infrastruct ure	20	RE 7	DOE	√		7 935 000. 00	7 935 000.00					

5.6 SPORTS FACILITIES

Priority Project	Strategic Pillar	Ward	IDP Ref No	Funder	Funding secured	Financial Planning			Priority				
						Total	12/13	13/14		14/15			
Legends						Y	L						
Project Types Sports Facilities Capital Projects													
Sports Facility	Infrastruct ure	3		MIG	√	2 600 340. 00		2 600 34 0.00					
Sports Facility	Infrastruct ure	5		MIG	√	2 600 340. 00				2 600 340.00			

Sports Facility	Infrastructure	8		MIG	√		2 600 340.00		2 600 340.00			
Sports Facility	Infrastructure	20		MIG	√		2 600 340.00			2 600 340.00		

5.7 TOURISM PROJECTS

Priority Projects	Strategic Pillar	Ward	IDP Ref #	Funder	Funding Secured	Financial Planning				Priority		
						Yes/No	Total.	10/11	11/12	12/13	H	M
Legends												
Project Type Tourism Projects.												
Qoba Nature Reserve	Tourism Projects		3.1.	DEAT/EPWP		25,000,000		25,000,000		✓		
Hero's Park Memorial	Tourism Projects		3.1.	DEAT/Arts & Culture/ELM/Liberation Heritage Route Project		30,000,000		30,000,000		✓		
N.B. (Funding secured, Yes/No for Identified Projects refers to projects budgeted for 2011/2012)												

5.8 PPP/LED PROJECTS

Priority Projects	Strategic Pillar	Ward	IDP Ref #	Funder	Funding Secured	Financial Planning				Priority		
						Yes/No	Total.	10/11	11/12	12/13	H	M
Legends												
Project Type PPP Projects.												
Shopping Complex	PPP	Erf 136	3.1.	BTO	No	TBD	TBD	TBD	TBD	✓		
Taxi Rank	PPP	Erf 136	3.1.	BTO	No	TBD	TBD	TBD	TBD	✓		
Conference Centre	PPP	Erf 136	3.1	BTO	No	TBD	TBD	TBD	TBD			
Police Station	PPP	Erf136	3.1	BTO	No	TBD	TBD	TBD	TBD			
One Stop Centre	PPP	Erf 136	3.1	BTO	No	TBD	TBD	TBD	TBD			
Fuel Station	PPP	Erf 136	3.1	BTO	No	TBD	TBD	TBD	TBD			
N.B. (Funding secured, Yes/No for Identified Projects refers to projects budgeted for 2011/2012)												
N.B. (Funding secured, Yes/No for Identified Projects refers to projects budgeted for 2011/2012)												

5.9 LED PROJECTS

Priority Projects	Strategic Pillar	Ward	IDP Ref #	Funder	Funding Secured	Financial Planning				Priority		
						Total.	10/11	11/12	12/13	H	M	L
Legends					Yes/No							
Project Type LED Projects.												
LED Marketing Strategy	LED	All	3.1.	Engcobo LM	Yes	300,000.00		300,000.00		✓		
Development of SMME's	LED	All	3.1.	Engcobo LM	Yes	450,000.00		200,000.00	250,000.00	✓		
Rural Development Programme	LED	3,18,13,19,20	3.1	Engcobo LM	Yes	500,000.00		300,000.00	200,000.00			
Poultry Projects	LED	1,12,16,5,6	3.1	Engcobo LM	Yes	50,000.00		50,000.00				
N.B. (Funding secured, Yes/No for Identified Projects refers to projects budgeted for 2011/2012)												

6 FINANCIAL PLAN

6.1. OPERATING MANAGEMENT SYSTEMS AND PROCESSES

At the moment the municipality does not have an adopted Performance Management System and is currently operation on a Performance Management Framework. The municipality has not been implementing the system effectively in that regular performance reviews as required by the PMS policy are not held and reporting is not fully complied with as per the legal requirement. The council intends to track progress in the implementation of its development goals and vision as outlined in the IDP and resourced through the approved Budget.

A system of Delegation, with a Delegation Matrix, is in place and utilised in guiding how the transfer of authority from the Municipal Manager to a delegated official takes place. This allows for consistent oversight and decision making in the daily administration of the municipality.

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

6.2. SKILLS DEVELOPMENT, TRAINING AND CAPACITY BUILDING

Training and capacity building has a dedicated budget and is government through the adopted Workplace Skills Plan (“WSP”). This plan provides for identification, prioritization of skills development needs and relevant training or capacity building support required by both officials and councillors.

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

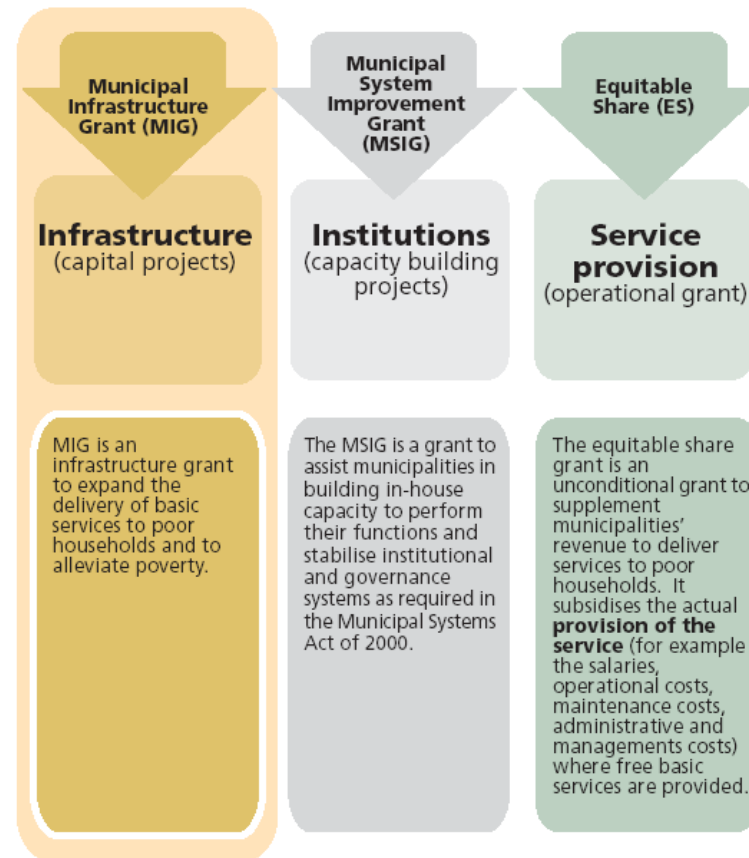
6.2.1. TRANSFORMATION GOALS

The municipality has an Employment Equity plan drawn in line with the act. The plan provides for the tracking of council intensions for employment equity and reporting on performance against set targets. Currently, there is one out of 3 section 56 managers who is female. None is disabled. All are previously disadvantaged incumbents.

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

6.3. GRANTS ALLOCATED FOR SERVICE DELIVERY.

The figure below indicate the different types of grants which are available to Municipalities, however such grants are subject to business plans being submitted to National DPLG and the approved from the NDPLG (MIG).



The Financial Plan forms the cornerstone of any planning and financial strategy of Council. The principle within such a financial plan is depending on the resources available to the Council.

6.4. REVENUE BASE

The municipality's revenue base relies on the following;

- Assessment rates and taxes;
- Refuse removal;
- Motor vehicle licensing and traffic fines,
- Water sales;
- System reticulation.

6.5. FUNDING STREAMS

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

Our current activities are funded through the following mechanisms:

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

6.6 APPLICATION OF FUNDS

The municipality has a 3 year operating budget as a guide on what resources are available or required over the next three years in order to deliver on its mandates. The council adopted a budget for 2011/12 in May of 2011 and also adopted a budget process plan for the review and adjustment of that budget later in the same year. In May 2012, the council will adopt a review IDP and budget for 2012/17 implementation. The municipality has budgeted for capital replacement reserve which will assist in replacing, maintaining and acquiring infrastructure assets. We have so far managed to put in place key institutional systems and processes including:

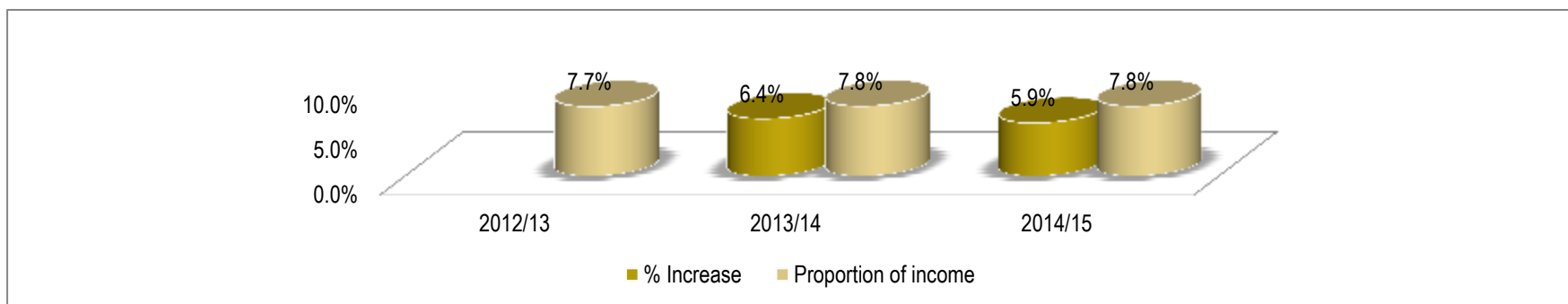
- a 3 year capital budget and operational budget
- an SDBIP
- review and completion of our finance policies
- an Indigent Policy , credit control & debt collection an Internal audit function

6.7 INTERNAL SOURCES OF FUNDING

Internal sources of income are expected to contribute as follows to overall income of the municipality:

	2011/2012	2012/2013	2013/2014
Budgeted Income from internal sources of funding	13,735,387.94	14,611,127.03	15,474,328.38

The growth rate and proportion of income from internal sources as a percentage of total income is illustrated below:



6.8 EXTERNAL SOURCES OF FUNDING

	2011/2012	2012/2013	2013/2014	2014/2015
NATIONAL GRANTS				
MIG	21,621,000.00	26,227,000.00	27,617,031.00	28,970,265.52
FMG	1,450,000.00	1,500,000.00	1,500,000.00	1,750,000.00
MSIG	790,000.00	13,213,917.30	3,491,824.00	14,573,131.59
Equitable Share	66,596,000.00	76,102,000.00	81,794,000.00	88,980,000.00
Electrification Grant	44,000,000.00	30,000,000.00	31,590,000.00	33,137,910.00
EPWP Grant	609,000.00	1,000,000.00	1,053,000.00	1,104,597.00
DISTRICT MUNICIPALITY GRANTS				
Chris Hani district Municipality Grant	27,141,030.00	30,034,760.00	31,626,602.28	33,176,305.79
TOTAL	162,207,030.00	178,077,677.30	178,672,457.28	201,692,209.90

6.9 EXPENDITURE BY VOTE

Expenditure by Vote for the MTERF Period can be tabulated as follows:

	DRAFT BUDGET 2012/2013	DRAFT BUDGET 2013/2014	DRAFT BUDGET 2014/2015
Council & General	13,753,107.00	14,686,382.85	15,701,067.83
Office of the Municipal Manager	3,470,070.02	3,501,671.53	3,735,745.08
Budget and Treasury Office	28,038,341.89	29,692,604.06	31,444,467.70
Infrastructure	39,234,964.35	41,549,827.25	44,001,267.05
Community Services	14,040,127.71	14,945,670.17	15,942,257.47

Corporate Services	6,831,566.98	7,301,479.20	7,794,102.42
IPED	4,739,421.68	5,035,346.57	5,338,019.45
TOTAL Expenditure by Vote	110,107,599.63	116,712,981.63	123,956,927.01
		6.0%	6.2%

In order to support the financial plan various policies were developed. Whilst these policies are under review, they remain effective for implementation until the review is complete and adopted by Council. These policies are listed below:

6.10 REVENUE ENHANCEMENT AND COLLECTION POLICY

The Local Government Municipal Systems Act no. 32 of 2000, Section 96, rules as follows:

- a) must collect all money that is due and payable to it, subject to this Act and any other applicable legislation; and
- b) for this purpose, must adopt, maintain and implement a credit control and debt collection policy which is consistent with its rates and tariff policies and complies with the provisions of this Act.”

Engcobo Local Municipality has adopted a Credit Control and Indigent Policy that ensure full compliance to relevant legislation. The principles and objectives of the above are as follows:

- a) Provide for indigents as determined in SALGA guidelines. Council's policy is very sensitive towards these households.
- b) Ensure that all monies due are collected.
- c) Provide for credit control procedures and mechanisms for debt collection.
- d) Ensure that By-Laws as developed are enforced by officials and public.

The current projections in our budget are realistic and are based on projected revenue for the current financial year based on the collection levels to-date and actual revenue collected in previous financial years.

6.11 BANKING & INVESTMENT POLICY

The Council has adopted a policy to ensure that monies received by Council are accounted for as required by Section 64 (b) – (e) of MFMA no. 56 of 2003.

- a) that revenue due to the municipality is calculated on a monthly basis;
- b) that accounts for municipal tax and charges for municipal services are prepared on a monthly basis, or less often as may be prescribed where monthly accounts are uneconomical;
- c) that all money received is promptly deposited in accordance with this Act into the municipality's primary and other bank accounts;
- d) that the municipality has and maintains a management, accounting and information system which-
 - i. recognises revenue when it is earned;
 - ii. accounts for debtors; and
 - iii. accounts for receipts of revenue;"

Where surplus funds realise or grants are received, Council invests these funds as determined in the investment policy to ensure that minimum risk is realised on these funds.

6.12 SUPPLY CHAIN MANAGEMENT POLICY

Council has developed a policy as required by chapter 11 of MFMA no. 56 of 2003. The municipality has established the following Supply Chain Management Committees:

- Specifications Committee
- Evaluation Committee
- Adjudication Committee

6.13 ASSET MANAGEMENT POLICY

The Generally Accepted Municipal Accounting Principles [GAMAP] requirement indicates that it will no longer be good enough merely to have an entry in the financial statement reflecting the value of assets. The requirement is for an asset register substantiating the financial entry. The municipality has a GRAP compliant Asset Register.

Section 35[g] of the Local Government: Municipal Finance Management Bill, 2000 defines one of the responsibilities of the Municipal Manager as being responsible for the management of:

- The assets of the municipality, including the safeguarding and the maintenance of those assets; and
- The liabilities of the municipality.

Council has already adopted a Fixed Asset management Policy. Such a policy mainly incorporates and defines the following concepts:

- Definition of a fixed asset.
- Role of the Municipal Manager and the Chief Financial Officer.
- Format and classification of the fixed asset register.
- Recognition of heritage and donated assets.
- Identification and safekeeping of fixed assets.
- Procedure for loss, theft, destruction, or impairment of fixed assets.
- Capital criteria: Material value, Intangible items: Reinstatement and maintenance expenses.
- Maintenance Plans, Deferred maintenance, General maintenance.
- Depreciation: Rate, Method, Alternative methods.
- Amendment of asset lives.
- Creation of Non-Distributable Reserves.
- Carrying values and Revaluation of fixed assets.
- Verification, Alienation and Write offs of fixed assets.
- Insurance of fixed assets and Replacement norms.

6.14 INDIGENT POLICY

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

6.15 TARIFF POLICY

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

9.3. AUDITOR GENERAL CONCERNS.

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

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

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

- Need for full compliance with all aspects of the MFMA (GRAP compliant statement) and Property Rates Act (tariff policy linkages to the updated Valuation Roll)
- Improvement of asset management policy and register
- Improvement of revenue and billing turnovers / performance
- Improvement of supply chain management policy compliance
- Improvement of in year reporting in terms of section 71 and 72 of the MFMA in order to be able to compile year-end report.

7 OPERATIONAL PLAN

7.1 ORGANISATIONAL RE-ALIGNMENT

In order to align Engcobo Local Municipality with the requirements of the Integrated Development Plan, a decision has to be taken to redesign the manner in which ELM delivers on its mandate. To this end a new macro (municipal wide) and micro (division specific) organisational structures will be re-designed.

To further complement the effective implementation of the Integrated Development Plan, Engcobo Local Municipality will introduce a new management competency framework. This framework will be used to guide the recruitment and deployment of staff within the municipality. The competency framework will be used to ensure the right skills are in the right jobs at the right time to deliver on ELM's mandate of delivering its core services.

Once the new macro and micro organisational structures have been re-designed, where possible, existing ELM employees will be placed into the new structure. Where additional vacancies exist, after the placement of current ELM staff, an external recruitment campaign will be used to fill these gaps.

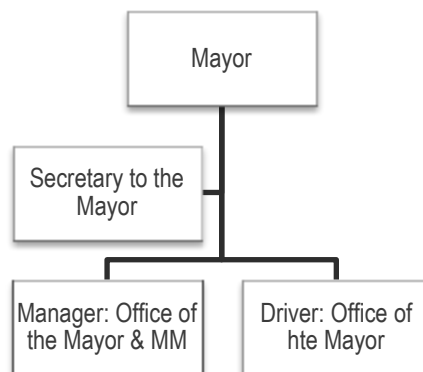
A competency assessment tool will be used to guide recruitment and placement decisions in some instances. However, the use of such a tool must still be agreed to at the Management and EXCO level, which will form part of seeking Council approval for an Organisational Alignment Implementation Process.

A comprehensive change management programme will have to be run parallel to the above processes. This change programme will be designed and implemented to minimise employee uncertainty associated with change of this nature.

The re-alignment of the municipality will result in a change for the both the macro organisation structure as well as the micro organisational structures. Such changes are summarised in the following paragraphs.

7.1.1 MICRO ORGANISATIONAL STRUCTURE: OFFICE OF THE MAYOR

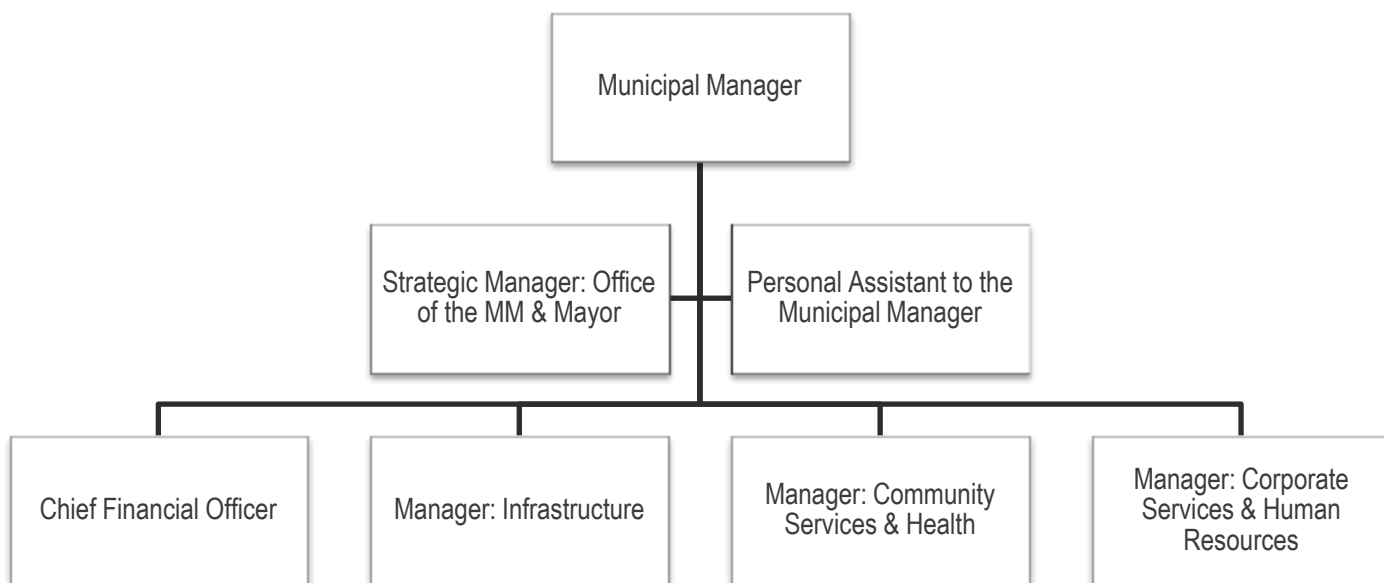
Day-to-day political oversight is offered and/or rendered by the Office of the Mayor, and its activities are driven by the following human capital structure:



It is proposed that in order to strategically position the Office of the Mayor and Municipal Manager, it is proposed that a position of Strategic Manager be introduced to coordinate and integrate the activities and programmes of these two offices. Such position, when created shall be pitched at Section 57 Level with clearly roles and responsibilities.

7.2 MICRO ORGANISATIONAL STRUCTURE: OFFICE OF THE MUNICIPAL MANAGER

Currently, the Municipal Manager has been employed

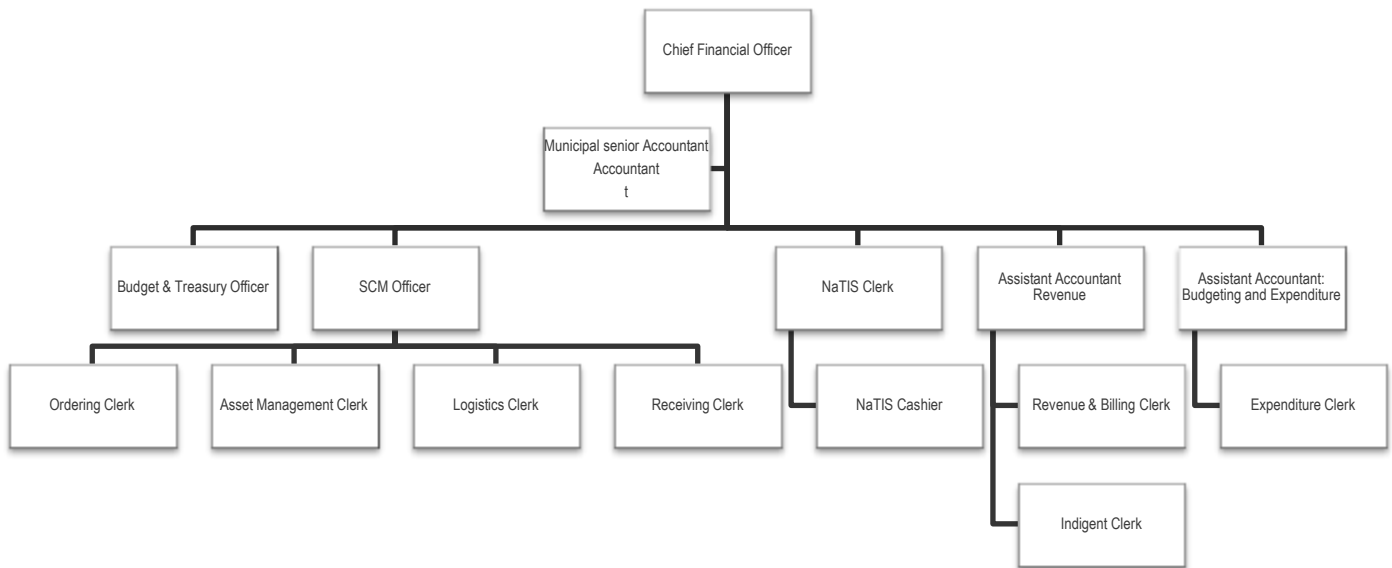


At administration level, this office also requires a full-time competent Administrator or Personal Assistant as this position is also vacant.

As has already been alluded with the Office of the Mayor, it is proposed that in order to strategically position the Office of the Mayor and Municipal Manager, a position of Strategic Manager be introduced to coordinate and integrate the activities and programmes of these two offices. Such position, when created shall be pitched at Section 57 Level with clearly roles and responsibilities.

7.3 MICRO ORGANISATIONAL STRUCTURE: BUDGET & TREASURY OFFICE

The Budget and Treasury Office is managed by the senior accountant as the post of the Chief Financial Officer is vacant. The interviews for the CFO have been done, appointment will be done soon. The division functions on the following organisational structure:

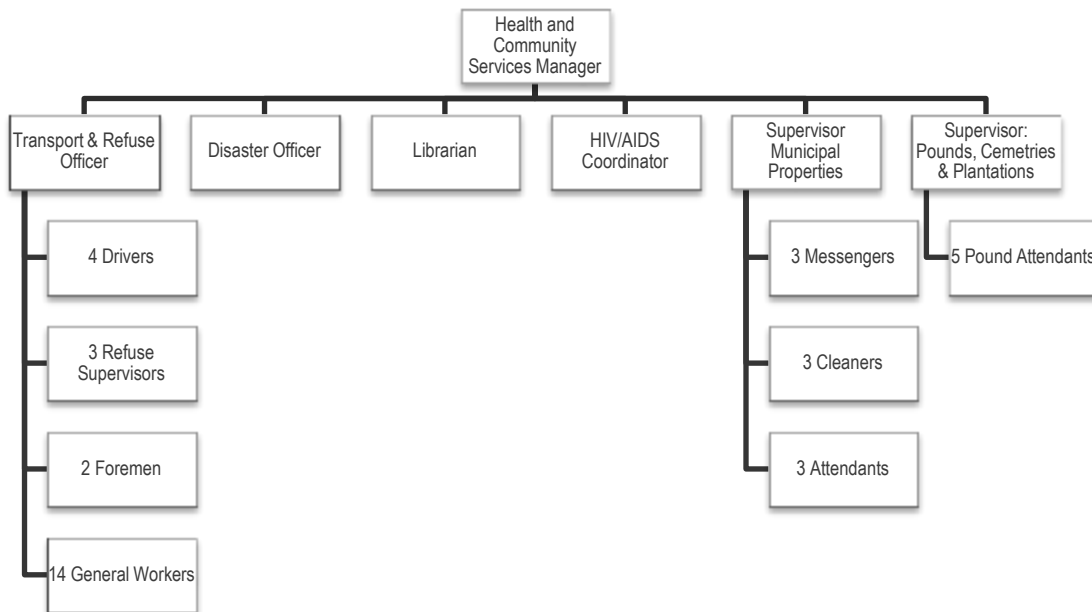


The micro organisational structure requires re-alignment in order to create additional positions whilst internal human resource processes need to be followed to fill vacant positions, after observation of due organisational processes. The followed two positions are proposed for creation:

#	Proposed Position	Responsibilities.
1	Receiving clerk	<ul style="list-style-type: none"> - Receiving goods; - Inspect goods for compliance to specification. - Register/record goods received. - Match Delivery Notes with Purchase Orders. - Issue Goods Received Voucher. - Complete the 3-Way Match. - Allocate goods to divisions.
2	Logistics Clerk	<ul style="list-style-type: none"> - Demand forecasting. - Inventory management. - Order processing. - Parts and service support. - Reverse logistics. - Traffic and transportation. - Warehousing and storage.

7.4 MICRO ORGANISATIONAL STRUCTURE: HEALTH & COMMUNITY SERVICES

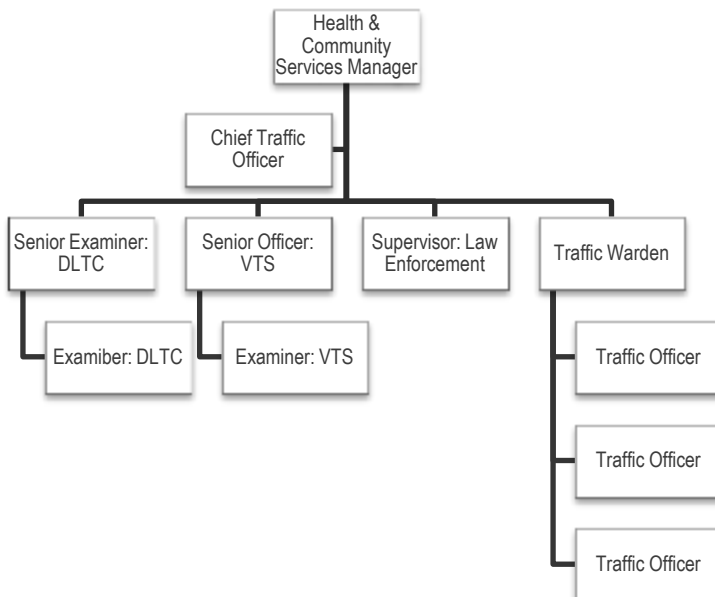
The Health & Community Services is managed by a Manager at the level of Section 57, with full financial and operational responsibilities. The division functions on the following organisational structure:



The division currently functions with a full staff compliment and has a negligible vacancy rate.

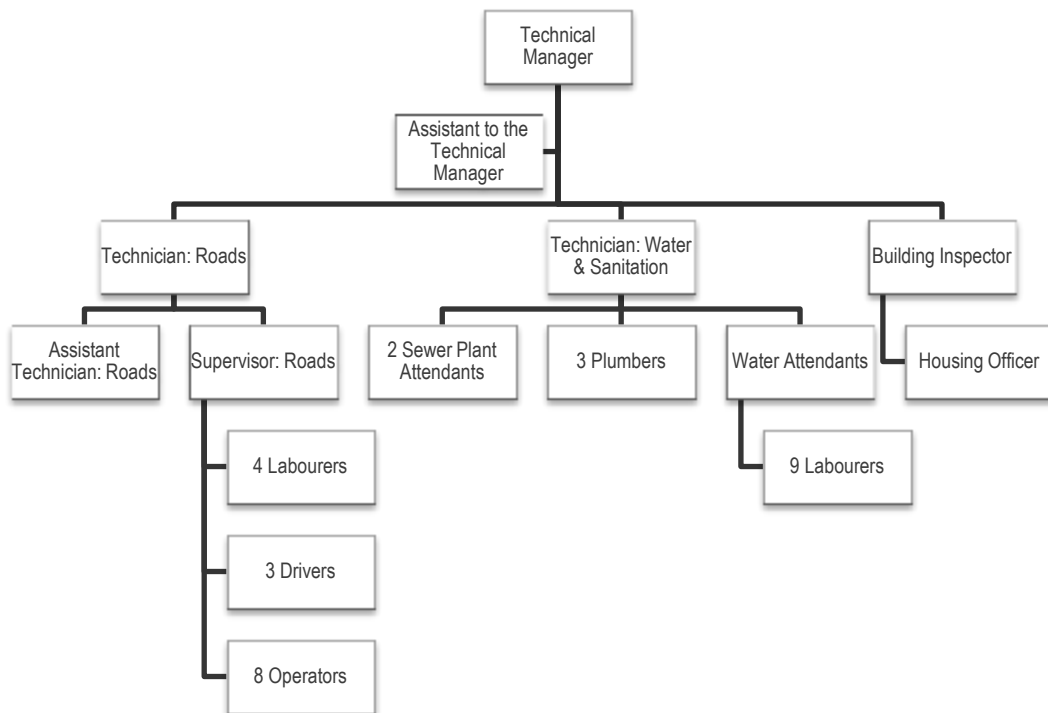
7.5 MICRO ORGANISATIONAL STRUCTURE: TRAFFIC DEPARTMENT

The Traffic Department reports, financially and operationally to the Manager | Health & Community Services as a sub-division. The sub-division operates with the following organisational structure:



7.6 MICRO ORGANISATIONAL STRUCTURE: TECHNICAL SERVICES

The Technical Services Division is managed by a Manager at the level of Section 57, with full financial and operational responsibilities. The division functions on the following organisational structure:

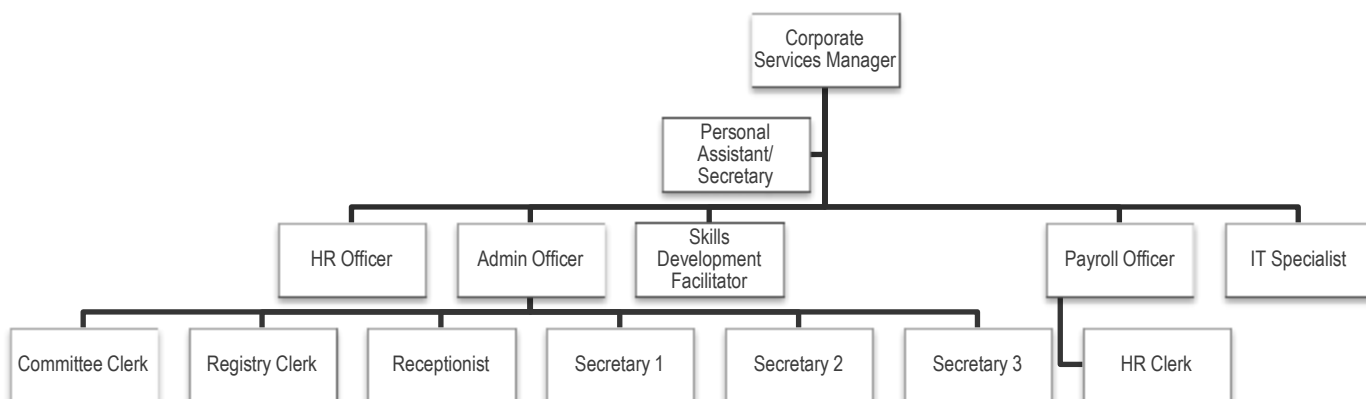


The position of a Water & Sanitation Technician and Housing Officer are currently vacant.

7.7 MICRO ORGANISATIONAL STRUCTURE: CORPORATE SERVICES

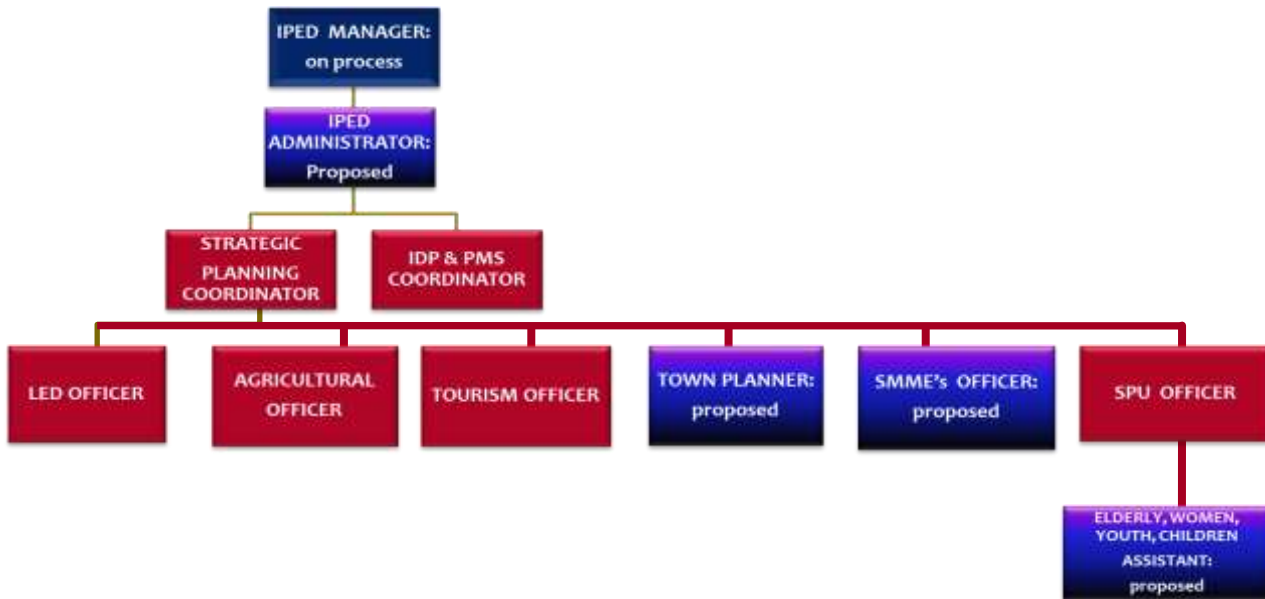
The Corporate Services Manager 's position is vacant; interviews have been conducted. Appointment will be

done



7.8 MICRO ORGANISATIONAL STRUCTURE: LED

The LED Unit is managed by a Strategic Coordinator with full financial and operational responsibilities. The following organisational structure is proposed:



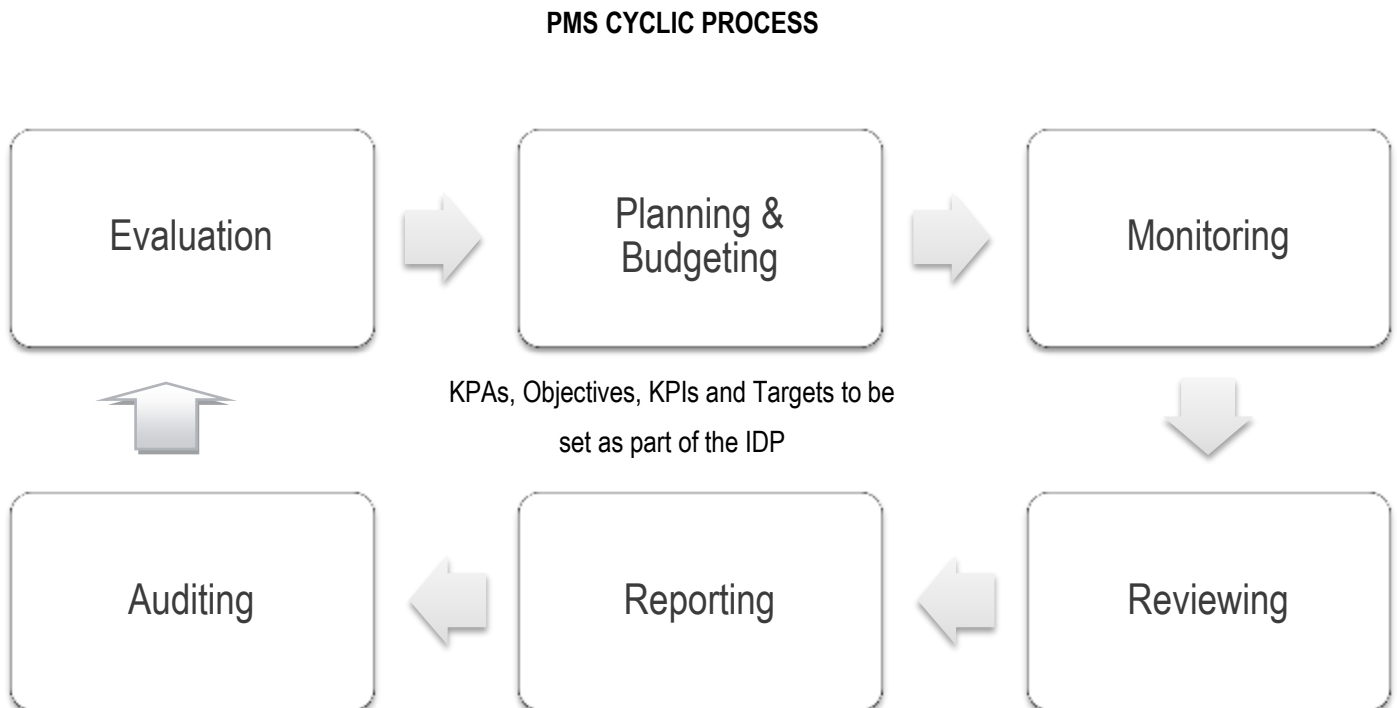
It is proposed that the unit shall be re-aligned in order to position it strategically so as to enable it to deliver on its legislated managed of propelling economic growth and job creation. The proposed re-alignment shall result in the following organisational outlook:

- That the division be managed at by a Section 57 Manager which will integrate LED and IDP into a consolidated IPED Division with an IPED Manager;
- An IPED Administrator be created and filled coordinate all administrative responsibilities.
- A Town Planner position be created to fulfil all town planning and spatial development responsibilities.

8 PERFORMANCE MANAGEMENT FRAMEWORK

8.1 WORKING DEFINITION

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



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

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

- developing performance scorecards (two levels - Strategic and Departmental)
- setting of clear objectives, indicators and targets for performance (Based on IDP)
- determining baseline levels for indicators before finalizing targets
- gathering of measurement information to determine progress against set indicators and targets
- regular reviewing of performance (monthly, quarterly & annually)
- periodic reporting on performance (monthly, quarterly & annually)

- regular auditing of performance reports
- periodic assessing, evaluating and reviewing of the effectiveness of PMS itself

8.2 POLICY CONTEXT FOR MUNICIPAL PMS

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

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

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

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

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

8.3 LEGAL CONTEXT FOR MUNICIPAL PMS

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

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

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

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

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

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

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

- f) the percentage of a municipality's budget actually spent on implementing its workplace skills plan; and
 g) financial viability as expressed by the following ratios:

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

Where - "A" represents debt coverage

"B" represents total operating revenue received

"C" represents operating grants

"D" represents debt service payments (i.e. interest plus redemption) due within the financial year;

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

Where - "A" represents outstanding service debtors to revenue

"B" represents total outstanding service debtors

"C" represents annual revenue actually received for services;

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

Where - "A" represents cost coverage

"B" represents all available cash at a particular time

"C" represents investments

"D" represents monthly fixed operating expenditure.

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

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

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

8.4 OTHER BENEFITS FOR ESTABLISHING PMS

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

8.4.1 INCREASED ACCOUNTABILITY

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

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

8.4.2 LEARNING AND IMPROVEMENT

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

8.4.3 EARLY WARNING SIGNALS

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

8.4.4 EFFECTIVE DECISION-MAKING

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

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

8.5 PRINCIPLES GUIDING PMS IMPLEMENTATION

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

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

8.6 INSTITUTIONAL ARRANGEMENTS

8.6.1 PMS CO-ORDINATION.

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

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

8.6.2 PMS AUDIT FUNCTION.

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

- Maintaining current status quo whereby the district PM Audit committee also audits reports of the local municipality via an agreement with the district
- Creation of internal audit function to look at municipal PM reports prior to them being forwarded to the audit committee
- The extension of the terms of reference of the current audit structure which currently audits financial statements only to also incorporate the task of auditing performance reports of the municipality

- Preparation and submission of PM reports to be audited at least twice a year. This will happen during the months of January and June of each year. In this instance the policy suggests that the second report be an annual report to prevent duplication.

8.6.3 PUBLIC PARTICIPATION

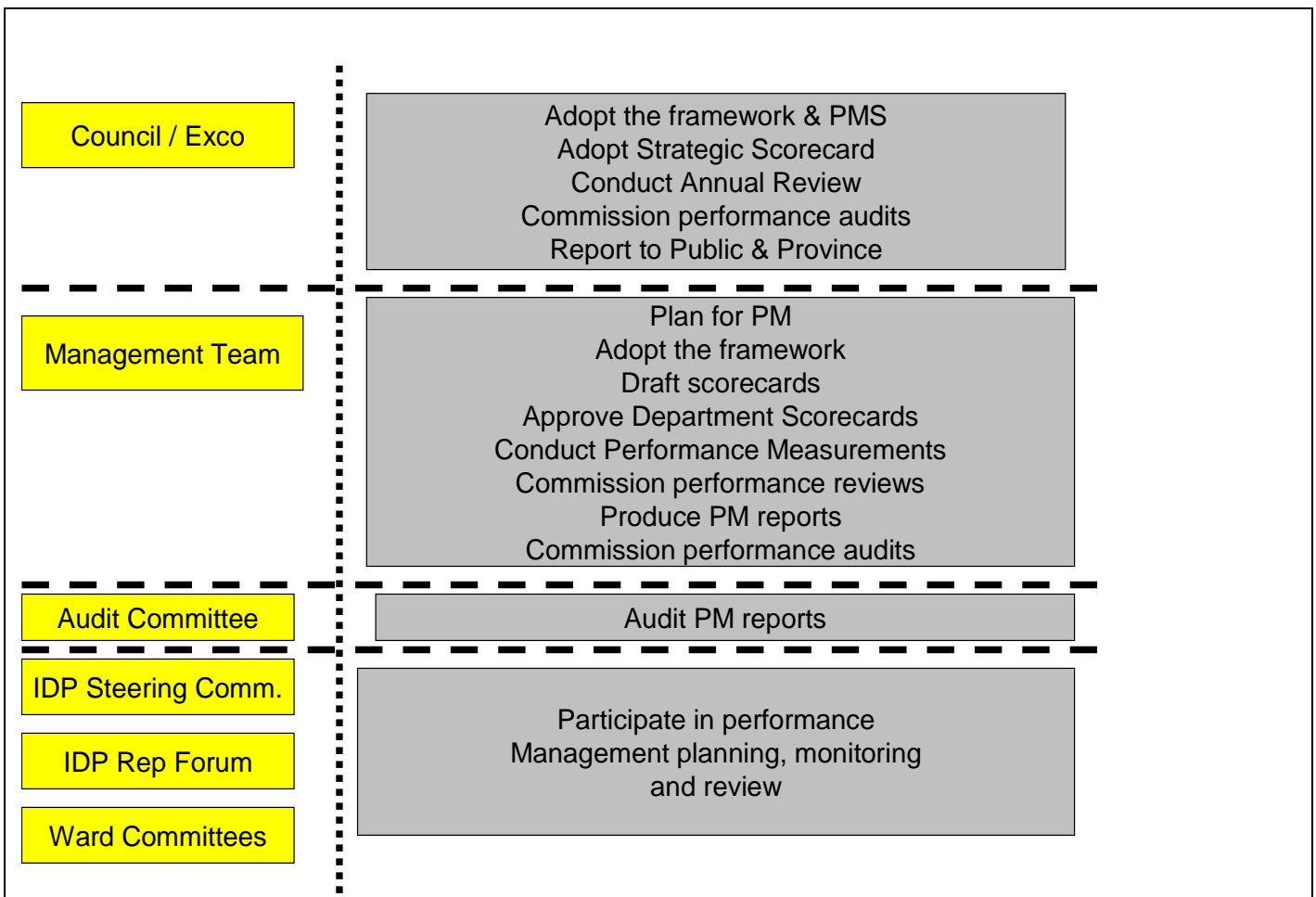
For purposes of ensuring effective participation by all relevant stakeholders in the PM processes, the policy provides for the recognition and use of the same structures set for the IDP. In terms of this policy, public participation for the planning of PMS takes place during IDP formulation which must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

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

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

8.6.4 STAKEHOLDER ROLES AND RESPONSIBILITIES

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



8.7 PMS MODEL FOR ENGCOBO LOCAL MUNICIPALITY

8.7.1 WHAT IS A MODEL?

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

Why is a model important for PM?

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

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

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

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

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

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

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

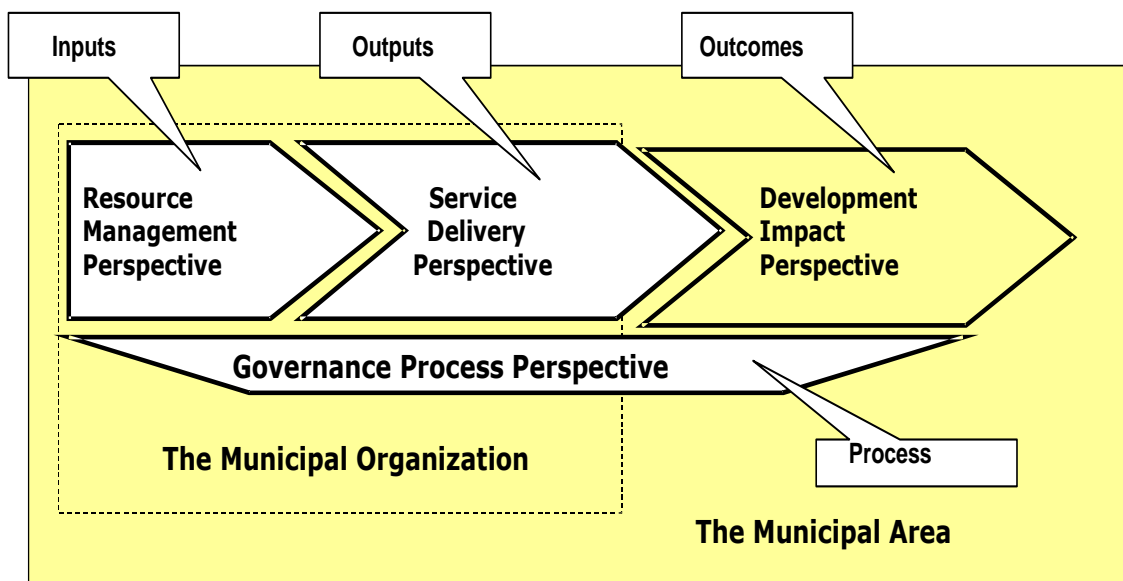
8.8 THE MUNICIPAL SCORECARD MODEL

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

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

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

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



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

developmental outcomes in the municipal area will be useful in telling us whether our policies and strategies are having the desired development impact.

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

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

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

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

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

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

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

Definition of concepts used in the scorecards

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

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

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

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

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

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

Criteria adopted to guide selection of suitable indicators

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

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

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

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

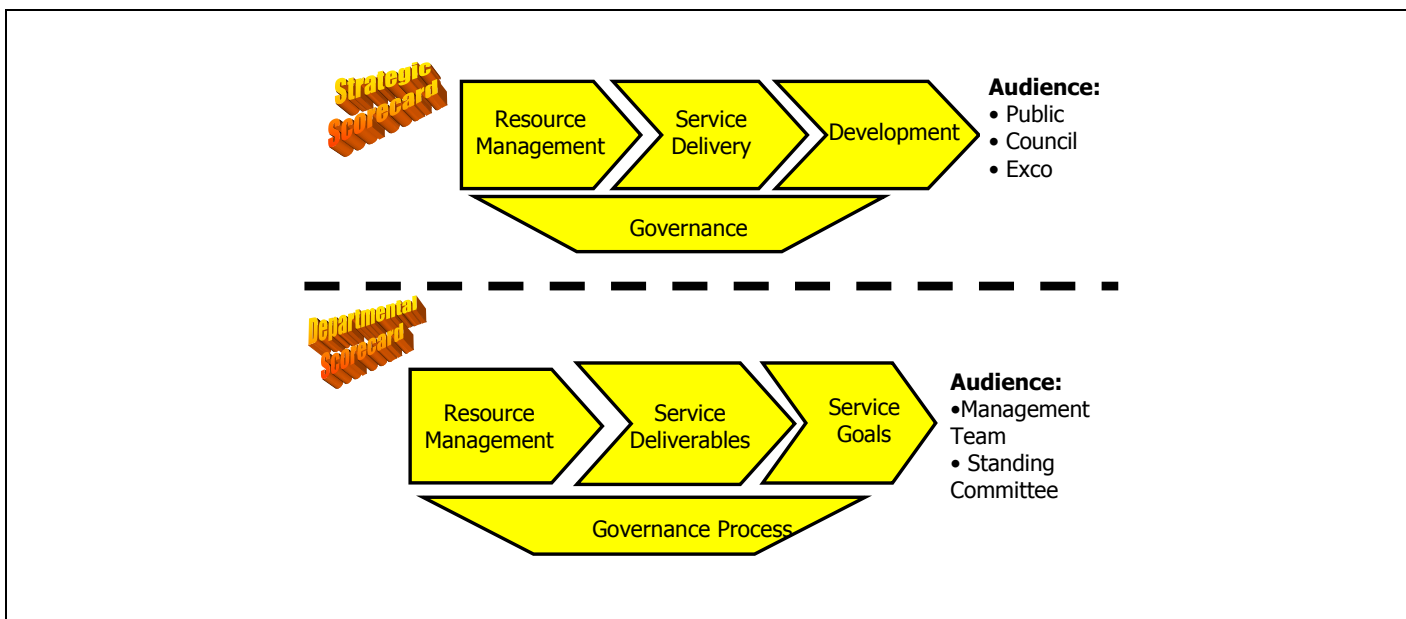
Simple: Good indicators will be simple, easy to communicate. A composite indicator would try to measure a series of performance dimensions at the same time, this may confuse. Where possible avoid using complex or composite indicators.

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

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

8.9 LEVELS OF SCORECARDS IN A MUNICIPAL SCORECARD MODEL

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



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

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

Service Scorecards will be comprised of the following components:

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

Performance in the form of a service scorecard will be reported to the Municipal Manager and relevant Standing Committee for review. The policy provides for the reporting in terms of this level of scorecard to be undertaken at least monthly. The policy assumes that the reporting on this level scorecard will be preceded by internal departmental reporting (reports from unit managers and supervisors to be consolidated by the head of departments) which is expected to happen more regularly than monthly intervals and would ideally inform the monthly management reports.

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

8.10 MONITORING AND MEASUREMENT OF INDICATORS

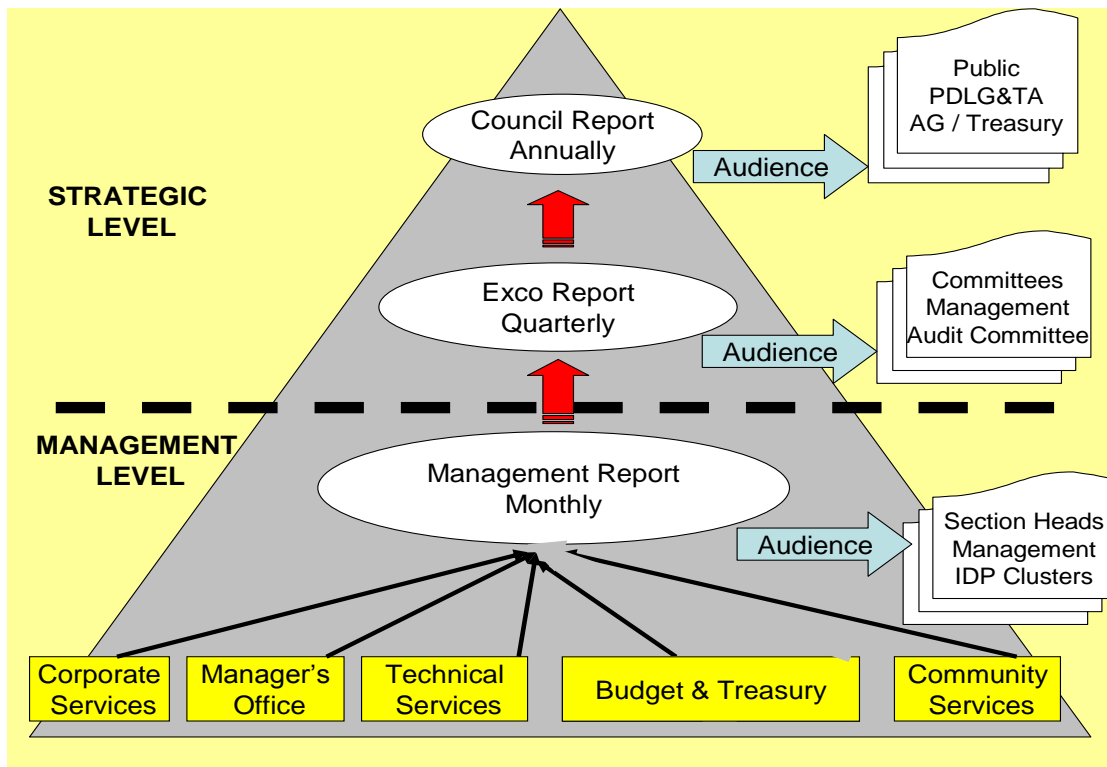
For each indicator the scorecard require a responsible official, usually the respective line manager, to be designated by name. While this official is not necessarily fully accountable for performance on this indicator, he/she has the responsibility for conducting measurements of that indicator, analysing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

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

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

8.11 PERFORMANCE REPORTING AND AUDITING

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



Performance reporting: As indicated in the above diagram reporting will commence from the internal department (weekly and chaired by HoD) then cascade to management (receive monthly management reports and chaired by municipal manager),

thereafter, a bi-monthly report will be tabled to Exco by management. This report will move be consolidated with comments of Exco into a quarterly report to be tabled to council. At least two six-monthly reports will be forwarded for auditing by the audit committee during January and June of each year.

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

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

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

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

- The reliability of reported information
- The extent of performance gaps from targets
- The reasons for performance gaps
- Corrective action and improvement strategies
- Validity of evidence material submitted in support of claims

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

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

8.12 PERFORMANCE REVIEWS

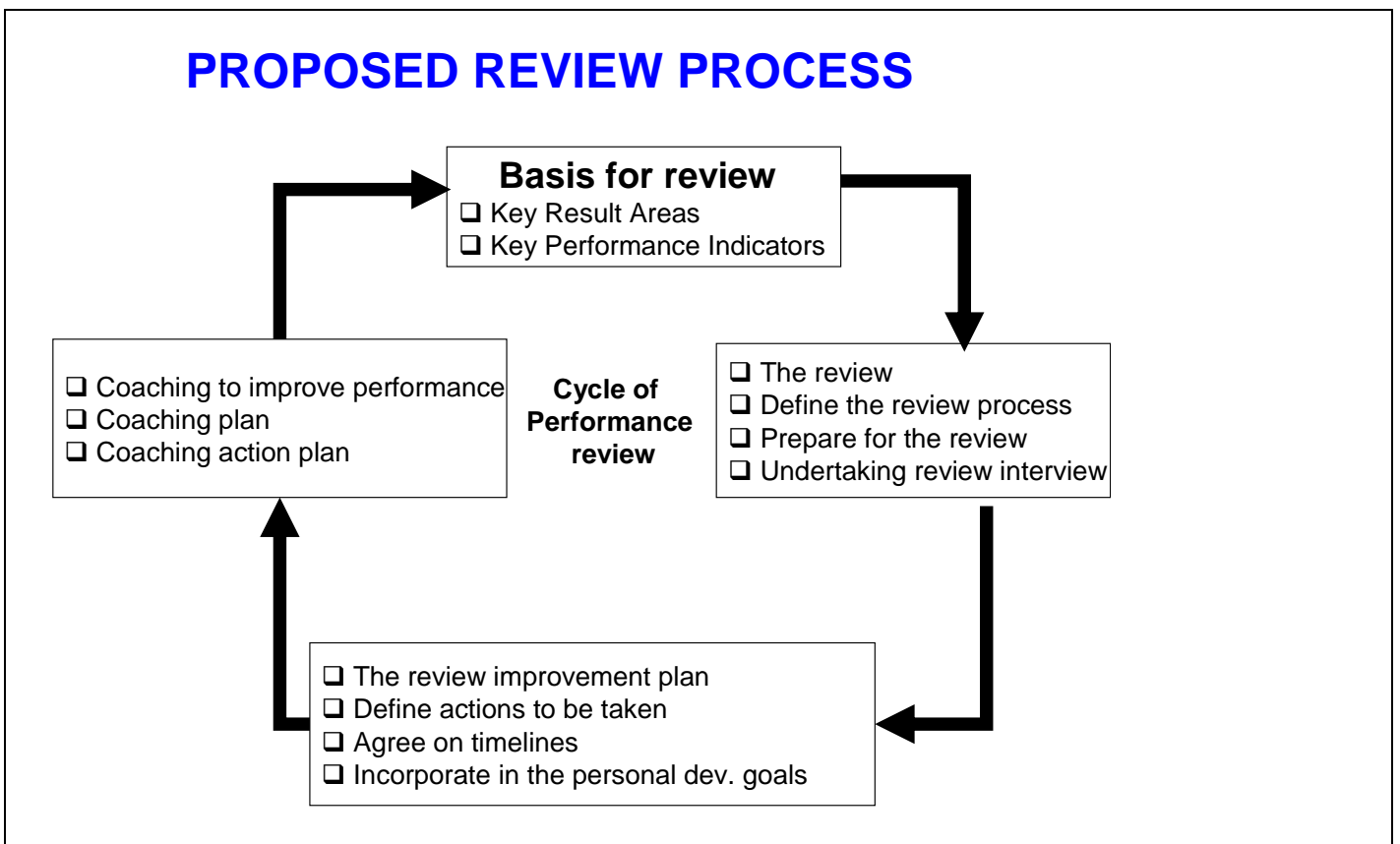
Performance reviews must be conducted at various intervals and levels of authority in order to determine as to the progress made against committed performance targets. Every review session must be documented and evidence material filed in case it is called by senior level reviews or the audit committee.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

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

8.13 HOW SHOULD REVIEWS BE CONDUCTED?

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

FIGURE 1: THE REVIEW PROCESS GUIDELINE



The review process should involve the following guideline steps:

1. Prepare for the review

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

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

- Confirm what is expected of employee / department being reviewed
- Encourage those reviewed to feel comfortable and create conducive atmosphere for discussing issues frankly and fairly
- Fairly and equitably measure performance of individual / department.
- Agree on the final determination of performance achieved
- Identify strengths and areas of improvement
- Give feedback in terms of the reward/ recognition of good performance / excellence or the steps to be taken to address poor performance
- Align individual performance behaviour with organizational performance goals (IDP vision)
- Incorporate lessons of the previous year's performance into the following year's performance (Learning curve) by jointly developing a Performance Improvement Plan with the manager concerned
- Agree on a performance improvement plan

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

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

Combining points & rating on a scale with 5 levels

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

EXPLANATION OF LEVELS

Level 5: Outstanding performance: Performance far exceeds the standard expected of a member at this level. The incumbent has achieved exceptional results against all performance criteria agreed and has maintained this all year round.

Level 4: Performance significantly above expectations. Significantly higher than expected. Incumbent has achieved exceptional results against more than half of the performance criteria and indicators and fully achieved all others throughout the year.

Level 3: Fully effective. Performance fully meets the standard expected in all areas of the job. Incumbent has achieved results against all significant performance criteria and indicators and incumbent has achieved results significantly above expectation in one or two less significant areas.

Level 2: Performance is below standard required for the job in key areas (judge per weight etc). Incumbent has achieved adequate results against many key but not all others during the course of the year.

Level 1: Performance does not meet the standard expected for the job. The incumbent has not met one or more fundamental requirements and / or is achieved results that are below expectation in most result areas.

8.14 SUGGESTED LEVELS OF REVIEWS

Section 57 Management Reviews: It is intended that a review committee comprising of the municipal manager, a standing committee councilor of that department and an independent auditor who must be a member of the audit committee review their performance of a section 57 manager at least every second month, using his/her personal contract scorecard. Managers will be

reviewed on their overall annual performance during the period 01 July and 30 July of every year to conclude the year ended 30 June and to determine salary progression moves and bonuses.

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

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

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

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

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

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

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

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

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

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

Public Reviews: The Municipal Systems Act requires the public to be given the opportunity to review municipal performance. Therefore in addition to the annual report mentioned above, user-friendly citizens' report is intended to be produced as part of our PMS for public consumption. The citizens' report has not yet been produced at our municipality but it is envisaged to be a simple, easily readable and attractive document that translates the strategic scorecard for public consumption.

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

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

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

8.15 EVALUATION AND IMPROVEMENT OF THE MUNICIPAL PMS

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

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

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

9 SECTOR PLANS

10 ATTACHMENTS