

## **INTEGRATED DEVELOPMENT PLAN**

20012/13 – 2016/17

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**A/A:** Administrative Area

**ABET:** Adult Basic Education and Training

**AG:** Auditor General

**ART:** antiretroviral treatment

**ARV:** antiretroviral

**AsgiSA:** Accelerated and Shared Growth Initiative

**BBBEE:** Broad-based Black economic empowerment

**CASP:** Comprehensive Agricultural Support Programme

**CBO:** community-based organization

**CBP:** Community-Based Planning

**CIDB:** Construction Industries Development Board

**CLARA:** Community Land Rights Act

**CLO:** community liaison officer

**CoGTA:** Cooperative Governance and Traditional Affairs

**CTO:** Community Tourism Organisation

**DEAET:** Department of Economic Affairs Environment and Tourism

**DEAT:** Department of Environmental Affairs and Tourism

**DEDEA:** Department of Economic Development and Environmental Affairs

**DLA:** Department of Land Affairs

**DHLGTA:** Department of Housing, Local Government & Traditional Affairs

**DM:** District Municipality

**DoA:** Department of Agriculture

**DoE:** Department of Education

**DORA:** Division of Revenue Act

**DoRT:** Department of Roads and Transport

**DPLG:** Department of Provincial and Local Government

**DME:** Department of Minerals and Energy

**DPW:** Department of Public Works

**DoSD:** Department of Social Development

**DSRAC:** Department of Sports, Recreation, Arts & Culture

DTI: Department of Trade and Industry  
DTO: District Tourism Organisation  
DWAF: Department of Water Affairs and Forestry  
ECDC: Eastern Cape Development Corporation  
ECDoH: Eastern Cape Department of Health  
ECSECC: Eastern Cape Socio Economic Consultative Council  
ECTB: Eastern Cape Tourism Board  
ECPB: Eastern Cape Parks Board  
EIA: Environmental Impact Assessment  
EPWP: Expanded Public Works Programme  
ESTA: Extension of Security of Tenure Act  
EU: European Union  
GGP: Gross Geographic Product  
GRAP: General Regulations on Accounting Practice  
HCW: Health care worker  
HDI: Human Development Index  
HR: Human Resources  
ICASA: Information & Communications  
ICT: Information and Communication Technologies  
IDP: Integrated Development Plan  
IDT: Independent Development Trust  
IGR: Intergovernmental Relations  
IMATU: Trade Union  
ISETT: Information Systems, Electronics and Telecommunications Technologies  
ISRDP: Integrated and Sustainable Rural Development Programme  
IWMP: Integrated Waste Management Plan  
JIPSA: Joint Initiative on Skills Acquisition  
JGDM: Joe Gqabi District Municipality  
KPI: Key Performance Indicator  
LED: Local Economic Development

**LM:** Local Municipality

**LRAD:** Land Redistribution and Agricultural Development

**LUPO:** Land-use planning ordinance

**LTO:** Local Tourism Organisation

**MAFISA:** Agriculture Microcredit Fund

**M&E:** Monitoring & Evaluation

**MFMA:** Municipal Finance & Management Act

**MHS:** Municipal Health Services

**MIG:** Municipal Infrastructure Grant

**MLM:** Maletswai Local Municipality

**MoU:** Memorandum of Understanding

**MTEF:** Medium Term Expenditure Framework

**NAFCOC:** National African Federation of Chambers of Commerce

**NEMA:** National Environmental Management Act

**NSDP:** National Spatial Development Perspective

**OTP:** Office of the Premier

**PDI:** Previously Disadvantaged Individual

**PGDP:** Provincial Growth and Development Plan

**PHC:** Primary Healthcare

**PIMSS:** Planning and Implementation Management Support Service

**PMS:** Performance Management System

**PMTCT:** Prevention of Mother to Child Transmission

**PPP:** Public-Private Partnership

**RDP:** Reconstruction and Development Plan

**RSS:** Rapid Services Survey (conducted by Fort Hare for the Office of the Premier in 2006)

**SACOB:** South African Chamber of Business

**SAHRA:** South African Heritage Resources Agency

**SALGA:** South African Local Government Association

**SAMAF:** South African Microcredit Apex Fund

**SANRA:** South African National Roads Agency

**SAPS:** South African Police Services

**SAWEN:** South African Women's Entrepreneurship Network

**SCM:** Supply Chain Management

**SDBIP:** Service Delivery and Budget Implementation Plan

**SDF:** Spatial Development Framework

**SEDA:** Small Enterprises Development Agency

**SETA:** Sector Education and Training Authority

**SLA:** Service Level Agreement

**SMME:** Small, Medium & Micro Enterprises

**SPU:** Special Programmes Unit

**TEP:** Tourism Education Programme

**TB:** tuberculosis

**THETA:** Tourism & Hospitality Education & Training Authority

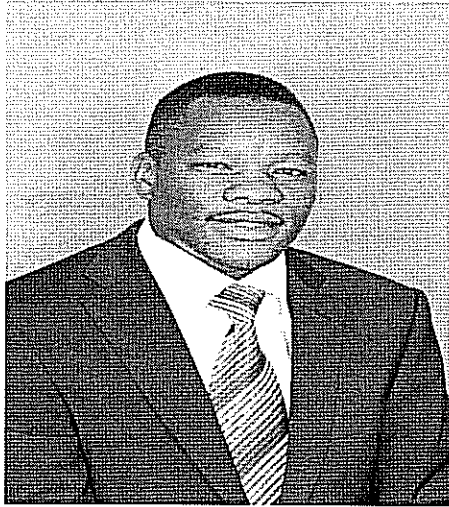
**UFH:** University of Fort Hare

**UPE:** Universal Primary Education

**VCT:** Voluntary Counselling & Testing

**WSDP:** Water Sector Development Plan





**FOREWORD: CLLR ZE PUNGWANI, MAYOR**

*In keeping with the theme of the World Urban Forum held in June 2006, "Turning Ideas into Action", this Integrated Development Plan (IDP) for the period 2012-2017 focuses on translating our Municipality's Vision into action. This thrust is based on the realisation that during our first series of IDPs, the alignment between vision, strategy and actual delivery was not optimal.*

It is my honour to present the Integrated Development Plan for the years 2012 - 2017. Firstly, I want to take this opportunity to firstly thank the residents of Maletswai and all other stakeholders for their unrelenting support and contribution as we keenly work towards our vision **"To be a financially sustainable municipality by 2015 that is able to meet the basic needs of its community"**

Indeed it is once again a privilege as this IDP is presented in the back-drop of 5 years of excellence and commitment in service delivery of [the] Council that I was privilege to lead, and the 11 years of formal Local Government structures. Integrated Development Planning is a process that has become central to local government in driving processes to ensure delivery to residents of our Municipality. It has been developed as a consolidated Municipal-wide planning tool that provides a framework for the planning of future development in a municipality. Moreover, it ensures horizontal and vertical co-ordination and integration across the three spheres of government: National, Provincial and Local. In addition, Integrated Development Planning drives community participation in local planning processes.

Currently, the Municipality has produced a full five-year IDP covering the political term of office, 2012 - 2017. The focus of this five-year IDP is within a context of a unified integrated strategic planning process. The Municipality has developed its strategic objectives which are aligned to the National Key Performance Areas designed by Corporative Governance and Traditional Affairs department. This five-year IDP will also be further moulded by inputs from communities and civil society, as well as direction from the new political leadership.

In measuring national government's service delivery priorities, *i.e.* Creation of decent work and sustainable livelihood; Education; Health; Fight against Crime and Corruption; and Rural development, food security and Land Reform, we have ensured that our IDP aligns with these national priorities, and have prioritised those that are more directly affecting local government. As in our previous IDP's, we are again proud to announce that our IDP remains the strategic driver of both our budget and our performance management system. In this way, our strategy drives real development and civil society can measure us against targets that are based on strategic IDP programmes.

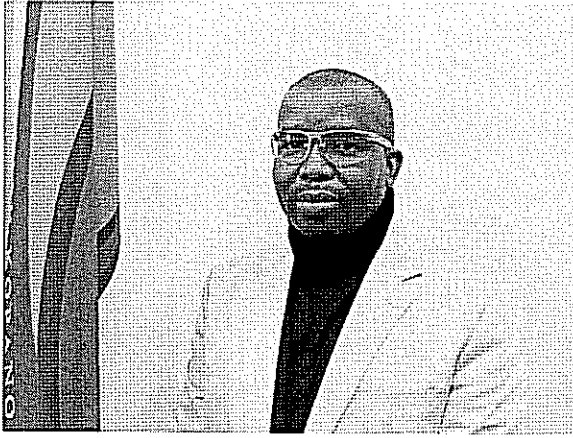
Having laid a solid platform for deepening engagement with all our communities on our IDP, we are hopeful that, our ward based planning process becomes the vehicle for participation in the IDP, in order to maximise co-ordination and synergy between the two processes. Moreover, we wish to continue and extend our sectoral engagement in the next 5 years.

In addition to this process, I once again wish to encourage every resident, every business, every community and non-governmental organisation to take this opportunity to read and engage with and provide feedback to us on our IDP. For it is only with your commitment to work together with us that we can achieve our Municipal vision.

**Indeed together we can do more!!!**

**Councillor Z.E. Pungwani**

**Honourable Mayor**



***FOREWORD: M. P. NONJOLA, MUNICIPAL MANAGER***

It is my pleasure once again on behalf of administration [as an accounting officer], to present the executive summary of the 2012/2013 Integrated Development Plan to the public, communities and stakeholders.

The past five years of Council has been both challenging and a learning period for administration in relation to the processes of the IDP. It is our firm belief that our IDP is improving every year. For the past years, we have been improving our interaction with communities in ensuring that the final IDP becomes the product of the wish and aspirations of our people.

We still affirm in line with the Constitution of the Republic of South Africa 1996, the Municipal System Act 2000 (Act 32 of 2000) and the Municipal Financial Management Act 2003 (Act 56 of 2003), that the IDP remains a strategic planning instrument that guides both the planning and budgeting in our municipality. We appeal to all officials to give due respect and commitment to the processes of the IDP, Budget and PMS in order to conform to the laws of our country. As administration, we will continue to strive for alignment of the IDP, Budget and PMS in line with the relevant legislations and national expectations.

We are currently in the middle of the financial year and we are proceeding with the implementation of the 2011/2012 IDP in line with key priorities of Council as approved on the 06 May 2011. We are calling upon all officials to commit themselves in making sure that the priorities of Council and our people are realized come end of our financial year in June 2012.

It is worth noting that the 2012/2013 IDP would be the first for the incoming five (05) years of Council term of office. We have therefore put more efforts during the Analysis Phase to ensure that more information is gathered about the current status quo within our municipality in order to respond correctly to the challenges we face. It is therefore our considered view that we will be able to deliver a much more improved and credible draft and final 2012/2013 IDP to our community.

**MP NONJOLA**  
**MUNICIPAL MANAGER**

# CHAPTER 1

## EXECUTIVE SUMMARY

### 1.1 ESTABLISHMENT AND TYPE

Maletswai Local Municipality is a third sphere of government established in terms of the following:

- Section 151 of the Constitution of the Republic of South Africa, 1996
- Chapter 2, section 12 of the Municipal Structures Act, 1998
- Eastern Cape Province Government Gazette Extraordinary General Notice 687, 2000.

### 1.2 THE ENTITY'S DOMICILE

Corner Barkly and Somerset Street

Private Bag x10111

Aliwal North

9750

### 1.3 LOCATION AND KEY FEATURES

#### 1.3.1 Location of Maletswai Local Municipality

The Maletswai Local Municipality is situated in the Joe Gqabi District of the Eastern Cape Province in the Republic of South Africa

#### 1.3.2 Origin of the name Maletswai

This area used to form part of what was known as Basotoland (Lesotho) before settlers arrived and King Moshoeshoe and his people were forced to move and settle in the area now called Lesotho. The areas of Queenstown, Aliwal North, Sterkspruit, Rouxville, Smithfield and Zastron were part of Basotoland under the management of Chief Komane (one of King Moshoeshoe's trusted lieutenants) and after whom the area of Komani (Queenstown) was named after. The name Maletswai (original wording being Mmaletswai) is derived from two (2) natural inspirations:

1. Salty waters (metsi a letswai) with medicinal properties found in a no man's land turned to a farm and later bought by the municipality in the late 1950's to develop the Aliwal Spa Holiday Resort in the early 1960's.
2. Red ants common to this area and salty when licked were named bo-Mmaletswai-tswai (salty salty ants) by indigenous settlers.

## **1.4 STRATEGIC INTENT OF THE MALETSWAI LOCAL MUNICIPALITY**

### **1.4.1 Vision**

A vision is a compelling picture of the future. It involves the heart and minds of the employees of the municipality and its people to motivate them towards co-operation to create a perfect picture. The municipality's vision is clear and it stipulates:

**"To be a financially sustainable municipality by 2015 that is able to meet the basic needs of its community"**

This vision is underpinned by the following principles:

- Sustainable growth and development.
- Quality, affordable services and service delivery.
- Financial health and fiscal discipline.
- Transformation and integration.
- Accountable and transparent local government.
- Respectful fundamental rights of members of local community.
- Equity.
- Safe and secure living environment.

### **1.4.2 Mission**

In supplementing the vision, the municipality identified a mission statement which will guide political leadership and administrative functionality. Moreover, a mission describes the purpose of the municipality. It further describes the focus for the local municipality and can be seen as the core purpose of its existence. The mission addresses the objects of local government as stipulated in Section 152 of the Constitution, that is based on: democratic and accountable governance; sustainable services; social and economic development; safe and healthy environment; and which encourages community involvement. It [also] supports the key provisions of the Systems Act that are to: ***"provide for the core principles, mechanisms and processes that are necessary to enable municipality's to move progressively towards the social and economic upliftment of local communities and ensure universal access to essential services that is affordable to all"***. The Maletswai Local Municipality's mission is as follows:

***"The municipality that is committed to improve the quality of life of its citizens by:"***

- *Providing and maintain affordable and quality services;*
- *Promoting socio and economic development;*
- *Ensuring efficient, economical and effective utilization of available resources;*
- *Maximizing stakeholder management and cooperation; and*
- *Enhancing community participation.*

#### **1.4.3 Slogan/Motto**

The slogan of the Maletswai Local Municipality is as follows:

**“We serve with passion”** meaning that the municipality commits itself in serving its local inhabitants in the delivery of basic services passionately.

#### **1.4.4 Core Values**

The values underlie behaviour, furthermore, guide the behaviour of all people within the municipality towards the achievement of a common objective [and that of] the mission and ultimately the vision of the municipality. The municipality derives its core values from its mission and vision which are (**Commitment; Integrity and Accountability**). As the institutions commits itself in 'serving with passion' and [also] deliver services within the framework of Batho Pele principles, as outlined below

- ***Courtesy and 'People First'***

Residents should at all times be treated with courtesy and consideration at all times.

- ***Consultation***

Residents should at all times be consulted about service levels and quality, when possible.

- ***Service excellence***

Residents must be made aware of what to expect in terms of level and quality of service.

- ***Access***

Residents should at all times have equal access to the services to which they are entitled.

- ***Information***

Residents must receive full and accurate information about their services.

- ***Openness and transparency***

Residents should be informed about government departments, operations, budgets and management structures.

- ***Redress***

Residents are entitled to an apology, explanation and remedial action if the promised standard of service is not delivered.

- **Value for money**

Public services should be provided economically and efficiently

### 1.5 STRATEGIC OBJECTIVES

The Department of Cooperative Governance and Traditional Affairs (COGTA) has identified Key Performance Areas (KPA's) whereby the National Strategic Agenda can be implemented and monitored on a provincial level, as well as, on a local governmental level. Of the critical importance for the municipality will be to link its strategic plan to the Strategic Agenda of National Government. The table below provides the detail whereby the strategic objectives of Maletswai Local Municipality can be linked to the five KPA's as stipulated by COGTA.

COGTA KPA	STRATEGIC OBJECTIVES
Municipal Transformation and Organisational Development	<ul style="list-style-type: none"> <li>• Develop human capital and optimize transformation</li> <li>• Provide effective and efficient institutional support to council and other structures</li> <li>• Instill a culture of customer care</li> <li>• Create a conducive environment that promotes personal capacity development and growth</li> </ul>
Basic Service Delivery	<ul style="list-style-type: none"> <li>• Provide effective and efficient, sustainable and quality basic services</li> <li>• Effective management of infrastructure, facilities, plant and equipment</li> <li>• Improve and develop integrated and sustainable human settlement</li> <li>• Ensure a healthy and sustainable environment and encourage an environmentally-sensitive communities</li> <li>• Ensure developmental and sustainable spatial planning.</li> </ul>
Local Economic Development	<ul style="list-style-type: none"> <li>• A vibrant and sustainable economy that attracts investment, reduce unemployment and poverty.</li> <li>• Improved opportunities for local employment.</li> </ul>
Municipal Financial Viability and Management	<ul style="list-style-type: none"> <li>• Achieve and sustain a healthy financial position.</li> <li>• Expand and protect the municipality revenue base.</li> </ul>
Good Governance and Public Participation	<ul style="list-style-type: none"> <li>• Deepening democracy and inspire sound governance.</li> <li>• Promote effective and inspiring governance at ward and community level.</li> </ul>

Table 1: Strategic Objectives and Key Performance Areas.



## **1.6 Progress made 2010/11 and 2011/2012**

- Commencement of Phase 2 of the Aliwal Spa Revitalisation Project
- Completion of Hospital Road
- Completion of Joe Gqabi Bus Route
- Reduction of Electricity losses from 17% in 2009/10 to about 15% in 2010/11
- Improving Audit Outcomes from Disclaimer to a Qualified Audit Opinion
- Construction of the Road to Area 13;
- Construction of Marete Street;
- Construction of High Mast Lights WARD 1;
- Tiling of Joe Gqabi Community Hall;
- Street lighting, Joe Gqabi Bus Route, Moloisane, Baduza, and Sebolaoa Street;
- Street lighting Area 13 and van der Stel Street;
- Upgrading of Sauer Park;
- Upgrading of Juanna Park;
- Resealing of Roads;
- MV/LV Reticulation for Area 13;
- Provision of Free Basic Alternative Energy;
- Vehicles purchased;
- Conversion of the Annual Financial Statements from IMFO standards to GRAAP;
- Put measures to ensure that about 60% of the tenders are awarded to companies owned by Historically Disadvantaged Individuals;
- Aliwal 100 electrification completed.

## **1.7 Challenges and Opportunities**

### **1.7.1 Challenges**

- Lack of participation by government sector departments in Maletswai in IDP programmes of the municipality.
- Performance Management not cascaded to levels below s57 managers.
- Limited involvement of communities in municipal planning programmes.
- Lack of bulk infrastructure which inhibit prospective development.
- Communication and corporate branding.
- Financial Viability.
- Management Information Systems

- Inadequate skilled personnel in certain section of the municipality.
- No Help Desk and customer care.

### **1.7.2 Opportunities**

- There is an opportunity for economic growth in the municipal area in (Tourism, Agriculture, Agro-Tourism, Business Conferencing, Trade and Services)
- Increased Revenue Base
- Infrastructure Investment for business, housing and for services.

## CHAPTER 2

### BACKGROUND AND LEGISLATIVE CONTEXT

#### 2.1 CONSTITUTION OF THE REPUBLIC OF SOUTH AFRICA

Section 151 of the Constitution of the Republic of South Africa provides a legal status of municipalities as thus:

- The local sphere of government consists of municipalities, which must be established for the whole of the Republic.
- The executive and legislative authority of a municipality is vested in the Municipal Council.
- A municipality has the right to govern, on its own initiative, the local government affairs of its community, subject to national and provincial legislation, as provided for in the Constitution.
- The national or a provincial government may not compromise or impede a municipality's ability or right to exercise its powers or perform its functions.

Section 152 also provides the objects of local government as thus:

- The objects of local government are –
  - to provide democratic and accountable government for local communities;
  - to ensure the provisions of services to communities in a sustainable manner;
  - to provide social and economic development;
  - to promote a safe and healthy environment; and
  - to encourage the involvement of communities and community organisations in matters of local government.
- A municipality must strive, within its financial and administrative capacity, to achieve the objects set out in subsection (1) of the Constitution of the Republic of South Africa.

Section 153 provides for developmental duties of municipalities as thus:

- Structure and manage its administrative and budgeting and planning processes to give priority to basic needs of the community, and to promote the social and economic development of the community; and
- Participate in national and provincial development programmes.

Other legislative guidelines for Developmental Local Government include:

- White Paper on Local Government, 1998
- Municipal Demarcation Act, 1998

- Municipal Structures Act, 1998 (Amendment, 2000)
- Municipal Systems Act, 2000 regulates core municipal systems
- National Environment Management Act, 1998
- Water Services Act, 1997
- Municipal Finance Management Act, 2003

## **2.2 Planning Context for the 2012/17 IDP**

### **2.2.1 National Planning Context**

Maletswai Local Municipality take cognisance of the essential challenges facing the country as a whole and the electoral mandate for the next coming years. The ruling party identified the following five priority areas:

- Creation of decent work and sustainable livelihoods;
- Education;
- Health;
- Rural development, food security and Land Reform; and
- The fight against crime and corruption.

These 5 priorities of the ruling party were cascaded into a Medium Term Strategic Framework (MTSF) which is aimed at translating the electoral mandate into a clear and time-bound government delivery programme. The MTSF is a statement of intent identifying the developmental challenges facing the country and outlining the medium-term strategy for improvements. The MTSF identified 10 priorities which are as follows:

- Speed up economic growth and transform the economy to create decent work and sustainable livelihoods
- Massive programmes to build economic and social infrastructure
- A comprehensive rural development strategy linked to land and agrarian reform and food security
- Strengthen the skills and human resource base
- Improve the health profile of society
- Intensify the fight against crime and corruption
- Build cohesive, caring and sustainable communities
- Pursue regional development, African advancement and enhanced international cooperation
- Sustainable resource management and use

- Building a developmental state, including improving of public services and strengthening democratic institutions.

Alignment of national programmes and municipal plans becomes very paramount. Closer interaction and cooperation between the three spheres of government is critical during the planning processes.

### **2.2.2 Provincial Planning Context**

After the April 2009 General elections, Eastern Cape Provincial embarked on a process to align the growth and development directions to conform with the objectives and priorities of the manifesto of the ruling party. The Provincial Strategic Framework (PSF) was endorsed by the Provincial Executive in June 2009. The PSF is a high level medium term strategic framework that responds to the provincial challenges by translating the electoral mandate into a government programmes – furthermore, it allows for the cascading of the current national MTSF into the province. In the context of planning in the province, the PSF is a strategic framework that unpacks the strategic objectives, priorities of an electoral term. The PSF [also] have links to other planning instruments, which include the Provincial Growth and Development Plan (PGDP) and the Programme of Action. The PGDP is a blue-print which focuses on a longer term vision of the province. The PSF priorities are as follows:

Strategic Priority 1	Speeding up growth and transforming the economy to create decent work and sustainable livelihoods
Strategic Priority 2	Massive programme to build social and economic infrastructure
Strategic Priority 3	Rural development, land and agrarian reform and food security
Strategic Priority 4	Strengthen education, skills and human resource base
Strategic Priority 5	Improving the Health profile of the Province
Strategic Priority 6	Intensifying the fight against crime and corruption
Strategic Priority 7	Building a developmental state and improving the public services, and strengthening democratic institutions
Strategic Priority 8	Building cohesive, caring and sustainable communities

**Table 2: PSF Priorities**

Consideration will have to be given to the above provincial strategic framework priorities throughout Maletswai Local Municipality's IDP Processes.

### **2.2.3 Local Planning Context**

At local level, a number of fundamental issues impact on the planning process of the Maletswai Local Municipality. The National priorities, National Planning Commission (NPC), ASGISA, PSF, and District Growth and Development Summit are the key plans to be considered by the municipality in the process of planning. Community Based Planning (CBP) is also going to be very important tool towards enhancing community participation in the 2012/2017 IDP Process.

## 2.3 IDP PLANNING PROCESS

### 2.3.1 Phases of the IDP

<b>PHASE 0: PLANNING</b>
During Phase 0 of the IDP the municipality have to develop an IDP Process Plan that is in line with the District IDP Framework. All organisational arrangements for the development of the IDP should be put in place during this phase.
<b>PHASE 1: ANALYSIS</b>
The Analysis phase is aimed at establishing the current developmental status of the municipal area. This will be done by comparing community needs with statistical information that is available to be able to identify priority areas, jointly with community.
<b>PHASE 2: STRATEGIES</b>
During the Strategies phase the developmental priorities of identified priorities during the analysis are used as the basis for developing a vision and a mission for the municipality. Thereafter strategic objectives and strategies are developed to ensure that the vision is achieved.
<b>PHASE 3: PROJECTS</b>
During the Projects phase projects are identified in line with the strategies developed during phase 2. These projects have to be prioritised.
<b>PHASE 4: INTEGRATION</b>
During the integration phase all sector plans and programmes are developed e.g. Spatial Development Framework, Housing Sector Plan etc. Only summaries of these plans are included in the IDP document.
<b>PHASE 5: APPROVAL</b>
During the approval phase of the IDP, the IDP document has to be advertised for 21days to enable all stakeholders and members of the public to give inputs – thereafter, the IDP has to be adopted by council before the commencement of the new financial year.

Table 3: Phases of the IDP

### 2.3.2 Internal Institutional Arrangements for the IDP Process

	Composition	Responsibilities
Council	All Councillors	<ul style="list-style-type: none"> <li>- Final Decision Making in terms of approval</li> <li>- Approval of the Reviewed IDP/PMS and Budget</li> <li>- Consider and approve Process Plan</li> <li>- Approval of budget calendar</li> <li>- Ensure conclusion of management performance agreements</li> </ul>
Mayor		Ensure that IDP is reviewed annually, and that issues raised by communities find expression in the IDP and re given necessary attention and consideration
Municipal Manager		<ul style="list-style-type: none"> <li>- Preparation of the Process plan</li> <li>- Undertaking the overall management and coordination of the planning process ensuring that (participation and involvement of all different role players; time frames are adhered to; conditions for participation are provided and results of the planning and IDP review process are documented)</li> <li>- Nominating persons in charge of different roles</li> <li>- Adjusting the IDP in according with proposals from the MEC for local Government and Traditional Affairs</li> <li>- Responding to comments on the draft IDP from the public and other spheres of Government to the satisfaction of the municipal Council</li> <li>- Chairing the IDP Steering Committee</li> </ul>

IDP & PMS Coordinator		<ul style="list-style-type: none"> <li>- Day to day management of the IDP and PMS Process</li> <li>- Ensure that the contents of the IDP and PMS satisfy the legal requirements and the requirement of the District Framework</li> <li>- Consolidate inputs from various stakeholders to the IDP</li> </ul>
Managers and Heads of Departments		<ul style="list-style-type: none"> <li>- Managers, with the assistance of officials, will be responsible for coordination and submission of departmental inputs for all phases of the IDP and PMS</li> <li>- Reporting progress with regard to project implementation</li> <li>- Provision of relevant technical and financial information for budget preparation</li> </ul>
IDP/BUDGET/PMS Steering Committee	Municipal Manager (Chair); Corporate Services Manager; Community Services Manager; Chief Financial Officer; Technical Services Manager; Budget and Treasury Manager; Unit Manager Jamestown; LED Coordinator; IDP/PMS Coordinator; Council Support (Secretariat)	<ul style="list-style-type: none"> <li>- Serve as a working committee of the IDP, PMS and Budget</li> <li>- Ensure integration between the IDP, PMS and Budget by adhering to process Plan</li> <li>- Ensure alignment with Provincial Government and District Municipality Plans.</li> </ul>

Table 4: Institutional Arrangements of the IDP

## 2.4 PROCESS OVERVIEW: STEPS AND EVENTS

### 2.4.1 Joe Gqabi District Municipality IDP Framework

IDP Phase	Time Frames
Preparatory Phase	By the 30 June 2011
Analysis Phase	By the 31 August 2011
Strategies Phase	By the 30 September 2011
Project Phase	By the 31 October 2011
Integration Phase	By the 30 January 2012
Approval Phase (Draft IDP/Budget)	By the 31 March 2012
Approval Phase (Final IDP/Budget)	By the 30 May 2012

Table 5: Joe Gqabi District Municipality IDP Framework

### 2.4.2 IDP/Budget/PMS Process Plan for 2012/13 IDP

The municipality adopted a process plan in August 2011 in terms of Council Resolution 5/08/2011/MM. This process plan is in line with the District IDP Framework of Joe Gqabi Local Municipality.

#### PLANNING PHASE

ACTIVITIES	TIMEFRAME	DEADLINE
Planning process for the next three year budget	July 2011	30 August 2011
Reviewal of previous year's budget process and complete Budget Evaluation Checklist (BEC)	October 2011	12 October 2011
Compile and table in council Schedule of Key deadlines for: ➤ Preparing, tabling & approving of the budget	August 2011	30 September 2011

<ul style="list-style-type: none"> <li>➤ Reviewing the IDP</li> <li>➤ Reviewing budget related policies</li> <li>➤ Consultation processes</li> </ul>		
<b>Publish &amp; make known simplified version of Schedule of Key Deadlines.</b>	September 2011	07 October 2011
<b>Identify, review options &amp; contracts for Service Delivery agreements and entities</b>	November 2011	02 November 2011
<b>Identify &amp; establish Committees &amp; consultation forums for budget process</b>	September 2011	31 October 2011
<b>Publish &amp; make known the composition of committees &amp; consultation forums</b>	November 2011	30 November 2012

#### **STRATEGIES**

<b>Review IDP to determine strategic objectives for service delivery and development for the next three years budgets</b>	February 2012	28 February 2012
<b>Review of provincial &amp; national government sector &amp; strategic plans</b>	March 2012	12 May 2012
<b>Review projections &amp; proposed rates, taxes, tariffs &amp; services charges</b>	March 2012	30 March 2012
<b>Review IDP to determine projects to meet objectives and strategies</b>	September 2011	31 October 2011
<b>Review Organogram to meet objectives and strategies</b>	March 2012	31 May 2012
<b>Review delegations in terms of MFMA</b>	May 2011	31 May 2011
Review of: <ul style="list-style-type: none"> <li>➤ National &amp; provincial policies &amp; budget plans</li> <li>➤ Potential price increases of bulk resources (ESCOM &amp; DWAF).</li> <li>➤ Potential salary increases</li> </ul>	March 2012	12 May 2012
<b>Engage provincial &amp; national sector departments on needs/ priorities already received. Consider further inputs.</b>	February 2012	30 March 2012
<b>Engage provincial &amp; national sector departments to expose departments on needs/ priorities of council and community.</b>	September/October 2011	February/March 2012
<b>Consolidate &amp; prepare proposed budget and plans for the three years taking into account previous years performances</b>	February 2012	30 March 2012
<b>Draft initial revenue allocations to functional departments</b>	February 2012	30 March 2012
<b>Draft operational expenditure per function / department:</b> <ul style="list-style-type: none"> <li>➤ Personnel expenditure</li> <li>➤ General expenditure</li> <li>➤ Repairs &amp; maintenance</li> <li>➤ Loan Commitments</li> <li>➤ Contr. To Capital &amp; IDP projects</li> <li>➤ Contribution to funds</li> </ul>	February 2012	30 March 2012
<b>Review budget-related policies</b>	February 2012	30 March 2012
<b>Review &amp; draft initial changes to IDP</b>	February 2012	30 March 2012
<b>Engage provincial &amp; national sector departments on sector specific programmes for alignment with municipalities IDP</b>	February 2012	30 March 2012
<b>Engage community on proposed changes to IDP</b>	February 2012	30 March 2012

#### **PREPARATION PHASE**

<b>Finalize Service Delivery Agreements and entities</b>	February 2012	30 March 2012
<b>Finalise Budget related policies for next financial year</b>	March 2012	31 March 2012
<b>Review proposed national &amp; provincial allocations</b>	March 2012	30 March 2012
<b>Review District municipality allocations</b>	March 2012	30 March 2012
<b>Finalise &amp; submit to Mayor proposed budget &amp; plans taking into account:</b> <ul style="list-style-type: none"> <li>➤ Mid-year review report</li> </ul>	March 2012	30 March 2012
<b>Engage community on:</b> <ul style="list-style-type: none"> <li>➤ Service delivery agreements</li> <li>➤ Entities</li> <li>➤ Budget related policies &amp; tariffs increases; and</li> <li>➤ Reviewed IDP</li> <li>➤ Proposed budget &amp; service delivery plans</li> </ul>	September/October 2011	February/March 2012
<b>Engage provincial &amp; national sector departments on finalisation of their inputs in the municipality's IDP</b>	February 2012	22 February 2012
<b>Finalise Reviewed IDP (draft)</b>	March 2012	30 March 2012



<b>Finalise Budget &amp; Service Delivery Plans</b>	March 2012	30 March 2012
<b>TABLING PHASE</b>		
<b>Mayor tables:</b> <ul style="list-style-type: none"> <li>➤ Draft Budget &amp; Service Delivery Implementation Plan</li> <li>➤ Resolutions</li> <li>➤ Service delivery agreements</li> <li>➤ Budget related policies &amp; tariffs increase and reviewed draft IDP and invites local community comments</li> </ul>	March 2012	31 March 2012
<b>Accounting Officer publishes draft Budget &amp; Service Delivery Implementation Plans, Resolutions, Service delivery Agreements, Budget related policies &amp; tariffs increases and Reviewed draft IDP and invites local community comments</b>	April 2012	30 April 2012
<b>Accounting officer submits to National &amp; Provincial Treasury and others as prescribed for the Budget &amp; Service Delivery plans, Resolutions, Service delivery agreements, budget related policies &amp; tariff increases and reviewed IDP</b>	April 2012	30 April 2012
<b>Consultation with National &amp; Provincial treasury</b>	April 2012	30 April 2012
<b>Revise Budget documentation in accordance with consultative processes &amp; taking into account the results from the third quarter of the current year</b>	April 2012	14 May 2012
<b>APPROVAL PHASE</b>		
<b>Public hearings and council debate</b>	May 2012	22 May 2012
<b>Consider views of local community, national &amp; provincial treasuries and other national &amp; provincial organs of state</b>	May 2012	22 May 2012
<b>Mayor to respond to submissions and table amendments for consideration</b>	May 2012	31 May 2012
<b>Accounting officer assist Mayor preparing final budget document taking into account consultative processes</b>	May 2012	31 May 2012
<b>Consider approval of budget documentation</b>	May 2012	31 May 2012
<b>FINALISATION PHASE</b>		
<b>Council must approves budget by resolution, setting taxes and tariffs, approving changes to IDP and budget related policies, approving measurable performance objectives for revenue by source and expenditure by vote before start of budget year</b>	May 2012	10 June 2012
<b>Accounting officer must submit to the Mayor no later than 14 days after approval of budget a draft of SDBIP and annual performance agreements</b>	June 2012	12 July 2012
<b>Mayor must approve SDBIP within 28 days after approval of the budget and ensure that annual performance contracts are concluded</b>	June 2012	26 July 2012
<b>Mayor to ensure that the annual performance agreements are linked to the measurable performance objectives approved with the budget and SDBIP</b>	June 2012	26 July 2012
<b>Mayor submits the approved SDBIP and performance agreements to council, MEC for Local government and makes public within 14 days after approval</b>	July 2012	31 July 2012
<b>Accounting Officers publishes adopted budget and plans</b>	July 2012	31 July 2012

**Table 6: IDP Process Plan**

## **2.5 PUBLIC PARTICIPATION**

*Maletswai Local Municipality has established appropriate mechanisms, processes and procedures to consult the local communities in terms of Chapter 4 of the Municipal Systems Act 32 of 2000.*

Maletswai Local Municipality comprises a large geographical area with an official population figure of approximately 42 000. This situation requires that public participation be structured. The structure for

public participation is through Public Participation Programmes (formerly – Imbizo's), Joint Ward Committee Meetings, Ward Committee Meetings, IDP Representative Forums, Community Based Planning, Local Economic Development Action team *etc.* In order to ensure that there is representation of the various organised and unorganised groups within our municipal area, the municipality makes use of the following approach:

- Placing adverts in our local newspaper(s), *Aliwal Weekblad*, in English which invites people and community based organisations to be part
- Making use of the Municipal Website to publish our notices
- In order to reach those parts of our community that do not read newspapers, the municipality makes use of the Community Radio Station
- Making use of other methods such as flyers, posters, ward councillors, announcements through church gatherings and community based organizations, *etc.*
- Making an effort to reach unorganised groups and marginalised groups to ensure that their voices are heard. We will do this by approaching non-governmental organisations and community based organisations that represent the need of such groups.

### **2.5.1 IDP Representative Forum**

The IDP Representative Forum meets throughout the IDP process with most meetings being held in the first, second and third phases. Meetings of the IDP Representative Forum are [where possible], complemented with ward based meetings to collect people needs and identify project priority. In order for members of the IDP representative Forum to report to their constituencies, three weeks after each meeting will be allowed to make responses and comments on what is presented at the meeting, that is, should what is discussed at the meeting require a feedback. Inputs to the IDP Representative Forum were in the form of documentation, presentations and other forms.

The IDP Representative Forum is the organisational mechanism for discussion, negotiation and decision-making by stakeholders within our municipal area. It is envisaged that the following organizations and or stakeholders may be involved:

- Councillors
- Ward Committee Members (x2 per Ward)
- Community Development Workers
- Advocates of unorganised groups
- Government Departments
- State Agencies in Maletswai Municipality

- Representative from Joe Gqabi District Municipality
- Representatives from Youth, Elderly and People with Disability
- Representative from Ikhala Further Education and Training
- Stakeholders from organised groups
- Representatives from religious formations
- Non-Governmental Organisations
- MALWEEP
- Empowerment Groups
- Small and Medium Enterprises
- Leaders of Political Parties
- Representatives of Farming Industry

### ***Terms of Reference***

The terms of reference for the IDP Representative Forum will be constituted as follows:

- Represent the interests of their constituents in the IDP process
- Provide an organizational mechanism for discussion, negotiation and decision-making between stakeholders including municipal government
- Ensure communication between all stakeholders including municipal government
- Monitor the performance of the planning and implementation process.

The IDP Representative Forum is chaired by Mayor or duly delegated councillor. Furthermore, the secretariat for the IDP Representative Forum shall be an official from the Corporate Services Department of the Municipality duly appointed by the manager.

### ***Code of Conduct***

The IDP Representative Forum needs to have a code of conduct which will regulate such issues as:

- Meeting schedule (frequency and attendance) based on phases of the IDP
- Agenda, facilitation and documentation of meetings
- Understanding by members of their role as representatives of their constituencies
- Feedback to their constituencies
- Resolution of disputes
- Conditions of attendance of meetings

### ***2.5.2 Public Participation Programmes***

The first round of Public Participation meetings was preceded by Joint Ward Committee was held in November 2011. In March 2012, the second round of Ward Consultation meetings [again] preceded by

IDP Representative Forum and Joint Ward Committee meeting was held. Ward needs were well documented in all these engagements and were used in the prioritisation process. Within the context of the foregoing, it was agreed in the District Mayors Forum to embark on a joint public participation approach, whereby the District would attend selected Maletswai ward committee meetings, together with ward councillors, in support of local initiatives and outreaches. Indeed, this happened in March, where the district took part in Ward Consultation meetings in Ward One and in Ward Six. This collaboration started in 2008/2009, 2009/2010 and it was strengthened in the 2010/2011 and will further be greater than before in 2012/2013 financial year. Lastly, this approach has assisted with the flow of information between the Local and District municipality, and the registration of development needs from Wards to the local municipality (Maletswai) and Joe Gqabi District Municipality (herein referred as JGDM).

### **2.5.3 *Involvement of Ward Committees and CDWs***

Ward committees are essential in this process as propounded [both] in the Local Government: Municipal Structures Act 117 of 1998 and the Local Government: Municipal Systems Act 32 of 2000. Ward committees represent the development aspirations and needs of the wards they represent and also form an information assimilation/dissemination mechanism between a municipal council and the community. The ward committees are paramount in the development, implementation, monitoring and evaluation of municipal performance on service delivery as espoused in the municipal IDPs.

Ward committees as one formal element of public representation in government affairs, in terms of the Structures Act of 1998, should be established in each ward. This will deepen the involvement of local communities in local governance processes such as Integrated Development Planning (IDP), the budget, performance management and service delivery. This applies in respect of implementation, monitoring and evaluation as well as planning. Thus, ward committee members and Ward Councillors should play a key role in mobilising the communities as well as in the identification of the developmental matters concerning the wards they are representing in the municipalities.

2.5.4 Issues Raised

KPA	Priority Submission	Type of Project	Projects	Budget Implication	Comments
<b>WARD 1 (Jamestown)</b>					
Basic Services & Infrastructure	\Sewer-lines Connections	Capital	Construction of Sewer-lines	R38mil	This is a JGDM Project. SSI Consultants has been appointed. EIA is still pending on this project and the contractor is anticipated to be on site by May 2012 depending on the approval by DWA. Design reports are completed and tender document has been submitted to the JGDM on the 2 March 2012. Tender advert and start of tender period will be on the 19 March to 20 April 2012
	Paving of Streets (Mzomhle and Nkqubela)	Capital	Paving		Municipality applied for funding from National Treasury (Municipal Infrastructure Grant) for capital project called Maletswai Paving (paving, resealing of all access and strategic roads) – An amount of R15 336 000.00 (2012-2013) and R17 000 000.00 (2013-2014) has been approved for the indicated financial years
	Speed-up upgrading of Stadium	Capital	Upgrading of Sarah Moorosi		The municipality experienced a cash flow crisis which resulted into this project not being completed. However, an amount of R600 0000 has been provided for in the adjustment budget to realise phase 2 of the project which includes planting of grass, installation of irrigation system and building of ablution facilities
	Fencing: All Cemeteries Recreational Park Dam	Opex			Fencing of Parks, Cemeteries [especially] closed cemeteries and community halls in all the wards that need fencing will be considered as priority projects in the 2012/2013 budget
	Housing Rectification Needed	Sector/DHS	Rectification of houses		Rectification of Houses is underway in Project 244 Masakhane. 47 houses have already been handed over to beneficiaries. The other houses are still at various stages of completion
Social Issues,	Traffic Testing Station Required	Capital	Construction of Traffic		This project is underway – 3000 square metres

Facilities and Services			Testing Station		of land has been reserved –Tender has been advertised in the Aliwal Weekly of 1 March 2012 for paving of the testing station in Jamestown. The tender will close on 12 March 2012. The paving material was procured and is well kept on site in Jamestown.
	Tipper Truck for Waste Management Services Required	Capital			ABSA approved a loan for the Municipality to the tune of R3million for acquiring plant (refuse truck; water truck and a crane truck). A smaller refuse truck for Jamestown will be accommodated in this project and a tender will be advertised as soon as ABSA confirms the loan in writing.
	Naming of Streets				The names have been identified and given to Ward Councillor for allocation to streets, thereafter, they have to be submitted to the Community Services Dept for submission to Surveyor General and they will have to be registered on the GP
Economic Issues	Youth Advisory Centre	SPU			This will be incorporated into the Thusong Centre project planned for Maletswai by the Office of the Premier for the 2013/14 year. Simultaneously, SEDA, NYDA, Ikhalala FET College and other organisations will be approached to assist in this regard.
Spatial-Natural-Environmental Issues	Title Deeds Needed				Title deeds for the 858 housing project are available. 313 title deeds are at the Municipal office, beneficiaries are encouraged to collect them. 134 title deeds are still outstanding – the transfer documents have been submitted to the Conveyancer, Horn & Kumm
<b>WARD 2 (Joe Gqabi, Hilton)</b>					
Basic Services & Infrastructure	Paving of Streets in the Ward	Capital	Paving		Municipality applied for funding from National Treasury (Municipal Infrastructure Grant) for capital project called Maletswai Paving (paving, resealing of all access and strategic roads) – R15 336 000.00 (2012-2013) and R17 000

					000.00 (2013-2014) financial years.
	Recreational Facility needed in the area i.e. Sports Ground and Park	Capital	Upgrading of the Sports Field, and creation of Park		The municipal grader will grade a portion of land as an area for training facility in the interim. Currently there is no money to undertake a project of this magnitude – focus now is on Sauer Park.
	Upgrading of Streets	Opex	Poihole repairs and resealing of roads		This is an on-going programme. A supplier has been appointed to supply the material for resealing and closing potholes. The material is expected to be delivered by 8 March 2012. A tender was placed in the Allwal Weekly for the annual supply of the resealing material and it is closing on the 7 March 2012
	Side Walks need on both sides of the Hospital Road	Capital	Construction of side walks		Side Walks at this stage can only be constructed on one side of the Hospital Road due to financial constraints. An application for a grant funding was submitted to DBSA and no response has been received yet.
	Reconstruction of the road to Dukathole	Capital	Construction of Road		The Municipality's Roads Master plan covers this project, however, there are no funds currently to deal with the project
	Street lights needed lengthways the Hospital Road	Capital			Street lights have been installed on the way to Joe Gqabi up to Lapeng Farm.
	Housing Rectification Programme needs to be fast tracked	Sector/DHS			An assessment was done in Joe Gqabi by the Dept of Human Settlements with a view to submitting a proposal for the rectification of badly constructed houses. 1087 houses were identified for rectification. The rectification programme has been taken over by the National Dept of Human Settlements and the request made by the provincial dept is still with the NHBRC for their own assessment
	Tiling and Fencing of the Joe Gqabi Community Hall	Opex			Tiling of the Community hall is complete. Fencing of the Community hall will be considered in the 2012/2013 budget
	Storm Water Drainage	Capital	Construction of Stormwater Drainage System		This has been attended to. The construction of the stormwater drainage in Joe Gqabi is

	Taxi shelter needed near Community Hall	Capital			complete Once the municipality has completed the Joe Gqabi Bus Route – this can be considered as another phase of planning. Current focus now is on the roads.
Social Issues, Facilities & Services	Skip Bins needed	Opex			Skip Bins will be considered in the 2012/2013 budget. An amount of R40 000 has been budgeted for
Economic Issues	Shopping Complex need to boost Local Employment	LED			An advertisement was placed on the local newspaper by the municipality – whereby comments were invited to those opposed to the idea of having a shopping complex along the N6. Only 1 objection has been received from the Maletswai Business Forum. An item will on this will be presented to the Community Services Standing Committee in the next meeting
	Youth Advisory/Development Centre needed in the areas	LED/SPU			This will be incorporated into the Thusong Centre project planned by the office of the Premier for the 2013/14 financial year. Simultaneously, SEDA, NYDA, Ikhalala FET College and other organisations will be approached to assist in this regard.
Spatial-Natural-Environmental Issues	Surveying of the land next to Joe Gqabi	Opex			Corsteig farm which is earmarked for Joe Gqabi Extension has been bought by the department of Human Settlements; however, it has not been transferred to the Municipality yet
	Municipality must reserve a site for Church in the Joe Gqabi				There are church sites and they have been sold
<b>WARD 3 (Block G, Block H2)</b>					
Basic Services & Infrastructure	Paving of Streets in the Ward	Capital			Municipality applied for funding to National Treasury (Municipal Infrastructure Grant) for capital project called Maletswai Paving (paving, resealing of all access and strategic roads) – R15 336 000.00 (2012-2013) and R17 000 000.00 (2013-2014) financial years.
	Sports Ground needed in the Ward	Capital			No space has been identified yet – however,



							local inhabitants of ward 3 are encouraged to make use of the Maletswai Sports Field.
		Gravelling of Streets in the Ward	Capital				This is an on-going programme which is funded in the operational budget. The plant is currently busy in Ward 1
		Fencing	Opex		Fencing of all Cemeteries and for Community Hall		Fencing of all the Community halls will be considered in the 2012/2013 budget
		Speed humps not appropriately marked	Opex				Road marking paint has been purchased and speed humps will be repainted from 6 March 2012
		Levelling of Kerbs on Nisoetsanyane Road	Capital				A bell mouth will be constructed when the paving of the streets in Ward 3 is being done
Social Facilities and Services		Skip Bins needed in the Area	Capital				Skip Bins will be considered in the 2012/2013 budget. R40 000 has been provided for in the budget
		Control of Stray Animals					Peace Officers are now fully operational as they had received their appointment certificates from 22 December 12. They are dealing with these problems. A municipal pound will also be considered in the 2012/13 budget
Economic Issues		Youth Advisory/Development Centre needed in the areas	LED/SPU				This will be incorporated as part of the Thusong Centre project undertaken by the Office of the Premier. Simultaneously, SEDA, NYDA, Ikhala FET College and other organisations will be approached to assist in this regard.
Spatial-Natural-Environmental Issues		Surveying land behind the Community Hall	Capital				This forms part of the 550 Infill sites project. There are still problems with bulk infrastructure
<b>WARD 4 (Springs, Phola Park, Hongerbult, Soul City)</b>							
Basic Services & Infrastructure		Public Toilets (in No Name) and Temporary Taps needed	Opex				There is no infrastructure / no sewer lines in this area for Public toilets. Furthermore, there are budgetary constraints limiting the municipality – as the public toilets is the function of the DIM
		Temporary Lights (in No Name)	Opex/Capital		Currently there are lights but insufficient and do little to minimise incidents of crime		5 floodlights have been provided in the area.

				Construction of High Mast Lighting				No infrastructure for construction of High Mast lights. Floodlights for the Eggli have been ordered. For the sports field in Hilton, the floodlights that will be taken out of Sauer park after upgrading will be used. Measurements have been taken already
								This has been sorted out already. There is a contractor on site appointed by the DM
								Phola Park is an informal settlement which falls under the 550 Infill sites project.
				Paving and Graveling of Streets in Phola Park to make it easily accessible to Police and Ambulance Services				Phola Park is an informal settlement which falls under the 550 Infill sites project.
								Municipality applied for funding from National Treasury (Municipal Infrastructure Grant) for capital project called Maletswai Paving (paving, resealing of all access and strategic roads) – R15 336 000.00 (2012-2013) and R17 000 000.00 (2013-2014) financial years.
				Upgrading of Sports field to make it into a good condition				The sports field is in a playable condition, it is bladed as and when there is a request. No funds currently to construct a formal sportsfield
Social Facilities and Services								Skip Bins will be considered in the 2012/2013 budget. R40 000 has been provided for
								Trees have been cut in Springs. A suitable equipment will be sought for the cutting of the dangerous trees in Block G along the Burgersdorp Road
<b>WARD 5 (Arbor View, Phola Park, Block A, B, C [Hill Mokoena Street], E, F, G)</b>								
Basic Services & Infrastructure				1. Instantaneous patching of potholes 2. Graveling of Roads in Phola Park				Municipality applied for funding National Treasury (Municipal Infrastructure Grant) for capital project called Maletswai Paving (paving, resealing of all access and strategic roads) –

				3. Paving needed in Zwellitsha			R15 336 000.00 (2012-2013) and R17 000 000.00 (2013-2014) financial years. This has been sorted out already. The project has been completed Street lights have been provided in identified areas
	Sewage spillages in the ward has adverse effects on the health of inhabitants Street lights needed	Capital					
	Storm Water Drainage	Capital		Construction of Stormwater Drainage System			This has been attended to. The storm water drainage problem in Block F will be attended to by 6 March 2012
	Recreational Facilities Parks and Sports Ground needed in the Area	Capital		Upgrading of Sports Ground			Savings on the Sauer Park upgrading project will be used to upgrade the Maletswai stadium
	Rectification Programme	Sector/DHS		Rectification of Train Houses Block A, C, D, F			A contractor has been appointed by the DHS for the rectification of 172 old stock houses but has not started with the work yet. The rectification of 140 train houses is planned for the 2012/13 financial year
	Electrification of Phola Park	Capital					Phola Park is an informal settlement which falls under the 550 Infill sites project This has been referred to the DM
	Communal/Public Toilets have no doors and some are not even working	Opex					
Social Issues, Facilities and Services	Public Library needed in the Ward	Sector/DSRAC					We will undertake a study in all the wards to establish the need for more libraries. We will also investigate the possibility of partnering with schools and DSRAC for the realisation of this project
Economic Issues	Youth Advisory/Development Centre needed in the areas	LED/SPU					This will be incorporated as part of the Thusong Centre project.
Spatial-Natural-Environmental Issues	Title deeds still outstanding and needed	Deeds Office					Only 14 title deeds were received from Lexicon Attorneys for EEDBS. For Hillton & Dukathole 83 title deeds are available; for Chris Hani 330, 48 title deeds are available and for Aliwal North 642, which is part of 743, there are 51 title deeds available
<b>WARD 6 (Block D, E, H, Chris Hani Section, Area 13)</b>							
Basic Services &	High Mast Lights	Capital		Construction of High Mast			Flood lights have been provided. A number of

Infrastructure				Lighting from Chris Hani Section to Area 13		lights have been provided to the road to Area 13.
	Storm Water Drainage	Capital		Construction of Storm Water Drainage System in Area 13		There is a drainage system in Area 13 but it cannot manage when there are heavy rains. Colterel Construction who has an excavator will open a trench from the gravesite at the foot of the mountain towards the Orange River
	Community Hall be revamped, paved and Air-conditioner Installed	Capital				The paving of the hall shall be considered in the 2012/13 budget
	Upgrading of Roads	Capital		1. Paving of streets in Dukathole 2. Graveling of internal and access roads		Municipality applied for funding from National Treasury (Municipal Infrastructure Grant) for capital project called Maletswai Paving (paving, resealing of all access and strategic roads) – R15 336 000.00 (2012-2013) and R17 000 000.00 (2013-2014) financial years.
	Fencing	Opex		1. Fencing Graveyard 2. Fencing Pump Station		Fencing of Cemeteries [especially] closed cemeteries will be considered in the 2012/2013 budget.
	Sealing of water tanks	Opex				Lids have been provided for the tanks
	Rectification of Houses in Area 13	Sector/DH S				Beneficiaries were encouraged to come to the Housing Office to report defects in their houses so that they can be submitted to NHBRC as they are still insured. However, the Dept of Human Settlements has conducted an assessment of houses for rectification in Chris Hani 330 and 309 houses were identified for rectification; in Jamestown 359, all the houses are recommended for rectification and Jamestown 858
	Street Lights in Area 13 Needed	Capital				The streetlights have been provided in Area 13
Social Issues, Facilities and Services	Naming of Area 13					Council has not yet resolved on the naming of Area 13. Once a resolution has been taken, proposals will be invited from the community
Economic Issues	Youth Advisory/Development Centre needed in the areas	LED/SPU				This will be incorporated as part of the Thusong Centres.
Spatial-Natural-	Surveying of the area around iGqili	Opex				This forms part of 550 Infill sites project.

Environmental Issues						
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Table 7: Public Participation Programme Issues Raise Round 1

KPA	Priority Submission	Type of Project	Projects	Budget Implication	Comments
<b>WARD 1 (Jamestown) 06/03/2012</b>					
Basic Services & Infrastructure	Sewer-lines Connections	Capital	Construction of Sewer-lines	R38mil	
	Paving of Streets	Capital	Paving of Mzomhle, Lonwabo and Nkqubela Streets		
	Speed-up upgrading of Stadium Fencing	Capital Opex	Upgrading of Sarah Moorosi 1. Fencing of the Dam 2. Fencing of Reservoirs		
	Houses	Sector/DHS	Additional Houses are needed in the Ward		
	Clinic	Capital	Clinic Must be fenced and extended		
	Honey Suckers	Capital	Additional 2 Honey Suckers needed		
	High Mast Lights	Opex	High Mast lights must be switched on		
	Public Toilets	Capital	Public Toilets needed in Town		
	Cutting of Trees and Maintenance of Parks	Opex	Trees needs to be cut and parks well maintained		
	Tipper Truck	Capital	Well-equipped Tipper Truck required for Waste Collection in the Ward		
Social Issues, Facilities and Services	Hospital has no Doctors and no Professional Nurses.	DOH	(Nurses not expedient in [both] the clinic and hospital)		
	ITC Centre needed in the area to capacitate the youth of Ward 1	SPULED??			
Economic Issues	SMME Support for the Youth		Municipality must support the youth of Ward 1 on Recycling of: - bottles, tyres, papers etc.		

	Phahameng Primary School		DBE					A policy document to support SMME must be created by the Municipality. Additional Classrooms needs to be built at the school Additional Teachers are needed – 1 teacher has more than 60 learners in class	
<b>WARD 2 (Joe Gqabi, Hilton) 11/03/2012</b>									
<b>Basic Services &amp; Infrastructure</b>	Road Upgrade		Capital					Gravelling of the road from town to Hilton nearby Bokomo (Municipality must engage the private sector in a partnership for the development of the road)	
	Sewer Spillages		Opex					Sewer Spillages in Hilton nearby the railway line 1. By the Crèche 2. By House 3828	
	Storm Water drainage needed		Opex					Construction of High-Mast Lights in Joe Gqabi	
	High Mast Lights		Capital					Primary School needed in the area – municipality must set aside a site for building of the Primary School	
	Vending Machine be moved to another house							Project be expedited	
	Primary School		DBE/Sector					There is a water furrow that runs through the house when there is heavy rains When it rains the water floods throughout the house	
	Hilton 35		DHS/Sector						
	House #4405								
	House #4154								
		Finishing School for Grade 12 learners must be returned back to the Municipal		DBE/Sector					

	area – Bloemfontein is far and expensive for the local inhabitants.						
WARD 3 (Block G, Block H2) 07/03/2012							
KPA	Priority Submission	Type of Project	Projects	Budget Implication	Comments		
Basic Services & Infrastructure	Housing Development	Capital/DHS					
	Paving	Capital	Paving of all Streets in the ward				
	Public Toilets	Capital	Construction of Public Toilets				
	Access to Houses	Opex	Removal of Kerbs so that local inhabitants can easily access their houses				
	Indoor Sporting Facility	Capital	Construction of a Multi-Purpose Indoor Sporting Facility in Maletswai				
Social Facilities and Services	Storm Water Drainage System	Opex	Construction of Storm Water Drainage				
	Community Hall	Opex	1. Fencing of the Community Hall 2. Installation of Security Gates 3. Chairs for Community Hall				
	Vumile Primary School	Opex	1. Collection of Waste around the School Yard 2. What is the Municipality's plan with shack around the school?				
Economic Issues	Skills Development		Skills Development for youth of Ward 3 as they want to be part in their own development rather than be reliant on government – the youth need to be supported in building				

					and developing their own communities.	
Spatial-Natural-Environmental Issues	Surveying				Surveying of all open sites in the Ward and Municipality for Housing Development	
<b>WARD 4 (Springs, Phola Park, Hongerbult, Soul City) 13/03/2012</b>						
Basic Services & Infrastructure	Water and Sanitation		Capital		1. Soul City needs additional Toilets and temporary Taps 2. Phola Park requires temporary Toilets and temporary Taps	
	Expedite provision of WATER in Springs		Capital			
	Provision of Gel Stoves					
Social Issues, Facilities and Services	Cutting of Trees		Opex		Springs Community wants the Municipality to Cut trees regularly as there are trees which cause a Safety hazard to the community	
Spatial-Natural-Environmental Issues	Surveying of Soul City for Housing Development					
<b>WARD 5 (Arbor View, Phola Park, Block A, B, C [till Mokoena Street], E, F, G) 12/03/2012</b>						
Basic Services & Infrastructure	Block B Houses		DHS/Sector		Rectification of Block B Houses	
	Sewer Spillages		Opex			
	Paving		Capital		Lerata Street Zola Street Pola Park Lebeko Street Makhetha Street	
	Arbor View		Opex		1 Resealing of Potholes 2 Maintenance of Street Lights	
	Renovations and upgrading of the Sporting Facility		Capital			
Social Issues, Facilities and Services	Youth Centre needed in the Municipal Area					



	Cutting of Grass and Maintenance of Phola Park and Block G (Mgqozweni)	Opex			
	Cutting of trees in Phola Park	Opex			
	Speed Humps in Matloporo Street needed	Opex			
Spatial-Natural-Environmental Issues	Municipality must reserve and open space for Community driven Projects				
<b>WARD 6 (Block D, E, H, Chris Hani Section, Area 13) 08/03/2012</b>					
Basic Services & Infrastructure	Paving	Capital	Paving of all streets in the Ward		
	Training Ground	Opex	Training Ground needed in Area 13		
	Housing	Capital/Sector	Rectification of Allwal 330		
	There are still houses in Area 13 without Toilets and Electricity				
Social Facilities and Services	Library Service in Dukathole	Capital	Community needs a community Library as the library in town is far		
	Vandalism of Cemetery Fencing				
	Street names for developed streets in Dukathole				
	Community in Block H under the flood line				
	Police must patrol Block H1	Sector			
Spatial-Natural-Environmental Issues	Surveying	Opex/Capital	Surveying of the Area around Igqili for Housing Development (550 Infill sites)		

**Table 8: Public Participation Programme Issues Raised Second Round 2**

## 2.6 MEC Comments

The table below reflects the comments and intervention by the Provincial MEC for Local Government and Traditional Affairs emanating from the IDP Assessment session held in April 2011 at Mpekweni Beach Resort.

<b>MEC COMMENTS</b>		<b>RECOMMENDATION</b>
<b>KPA 1: SPATIAL RATIONALE</b>		
IDP does not contain applicable tools to address environmental challenges		This must be reflected in the municipality's IDP and Spatial Development framework. DEDEA and DEA to assist the Municipality.
The IDP partially reflects that the Municipality uses its resources in a sustainable manner.		To expand and also reflect more on Environmental Management Tools.
<b>KPA 2: BASIC SERVICE DELIVERY AND INFRASTRUCTURE PLANNING</b>		
Infrastructure Investment Planning – the municipality has not undertaken a medium term IIP (over 3-5years) to determine affordable and sustainable multi-year infrastructure targets and the capital and operating expenditures to meet those targets		The municipality is requested to reflect the 3-5year budget plan for their infrastructure projects.
The municipality does not have a credible land assets register – and there is no indication in the IDP that it plans to develop one.		Municipality to indicate in the availability of the land assets register in the IDP or indication that it plans to develop one. (DLGTA to assist)
No control mechanisms on the IDP that respond to land invasion		Municipality must indicate on the IDP the mechanism to control land invasion.
There is no indication in the IDP on whether there are on-going land claims that may hinder housing development		Municipality to state whether there are land claims.
There is no indication in the IDP that the municipality is able to address the housing demand and challenges highlighted while taking into account of growth trends such as population and the economy		Municipality must indicated its plan to address housing demand that will come as a result of population and economic trends
The municipality's IDP does not indicate a process for identification of suitable land for housing development		The municipality must indicate if there is a process for identification of suitable land
The municipality does not indicate the nature of service levels on its land parcels through CIP		It is recommended that the requirements for acquisition of private/state land should be indicated. Furthermore the municipality must indicate if there parastatal or state land required.
The IDP informal settlement section is not aligned to the Migration Plan of the municipality.		There is no indication of availability of the availability of a migration plan.
There is no indication of current and planned housing projects that are ready for implementation.		Municipality to provide information on the current and planned projects.
There is no budgetary provisions been made available for planned housing projects.		Must indicate current and future projects – municipality must also provide information on the availability of a budget for the projects.
The social viability of the settlements has both been determined/indicated in the IDP.		Credible sector plan required to reflect integration
Existence of the Roads Master Plan		The plan exists but there is no indication of it on the IDP document.
Existence of the Transport Plan		The plan exists but there is no indication of it on the IDP document.

The IDP does not indicate if there is a Budget and a plan for the operation and maintenance of all roads	To indicate if indeed if the budget exists and a plan too.
Are the EPWP principles incorporated into the IDP	Municipality must incorporate the principles of the EPWP into IDP
There is no indication in the IDP that there is a Storm Water Management Plan	Although the plan exist it must find expression in the IDP
There is no indication in the IDP that it is supported by an Integrated Waste Management Plan	To include information in the IDP.
There is no indication in the IDP if the municipality operates a licensed landfill site – and if there is a licheate management plan in place.	To include information in the IDP
There is no indication if the municipality has waste or refuse removal service – level of service not indicated	To include information the document and percentage if possible.
There are no control mechanisms for illegal dumping indicated on the IDP	To include information in the IDP
There is no indication that the municipality has adopted a disaster management plan.	To include information in the IDP
There is no indication that the municipality operate a fulltime fire service	To include information in the IDP
There is no indication in the IDP that the municipality has concluded co-operative agreements with other relevant municipalities for the operation of the fire services	To include information in the IDP
There is no indication in the IDP that the municipality has an Environmental Management Plan.	It is recommended that the municipality develop an Environmental Management Plan (DEDEA to assist)
There is no indication in the IDP that indicates if the municipality has adopted Environmental by-laws.	To include information in the document
There is no indication if the municipality has a budget and a plan for providing a grid and non-grid energy sources	To include information in the document
There is no indication in the IDP if there is a ring fenced budget for operations and maintenance and for new capital projects.	To include information in the document
There is no indication in the IDP which indicates if the plan makes provision for infrastructure reticulation and bulk infrastructure for electricity.	Municipality must develop a master plan to guide them in implementation of projects.
<b>KPA 4: LOCAL ECONOMIC DEVELOPMENT</b>	
There is no indication in the IDP if the municipality has a business retention, expansion and attraction strategies in their plans/strategies.	Municipality must develop a Business retention, expansion and attraction strategy
<b>KPA 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION</b>	
No indication if there MEC comments were taken into account on the IDP	To incorporate MEC comments and take into account of the issues raised by the MEC on the IDP
The municipality does not display commitment to community participation in the IDP; Budget design and Development	To include information in the document
There is no evidence of efforts aimed at inter-municipal planning	To include information in the document
There is no audit committee and other governance structures such as s79 and s80 Committee reflected in the IDP	To include information in the document

There is no indication that clearly indicates if the audit committee have a framework to regularly audit implementation of the IDP	To include information in the document
Partly reflected on the Audit Opinions of the municipality in the last three years	To be more specific on Audit Opinions of the Auditor-General.
There is no gender equity promoted for access to economic opportunity	To include information in the document
There are no tools to assess the social impact of development interventions at community level	To include information in the document
The IDP is not aligned to MTAS and Outcome 9	To include information in the document
<b>KPA 6: Institutional Arrangements</b>	
The IDP does not indicate if the vacancies on the IDP are funded or unfunded positions	The municipality must audit vacancies and determine whether funded or unfunded.
There is no indication of plans with deadlines to fill the vacancies	The municipality must develop plans detailing deadlines for the filling of vacant positions
The municipality does not have evidence that it has a recruitment, training and retention strategy for scarce skills	Though there is recruitment, selection and training there is no evidence of retention. The municipality must ensure development and approval of the retention strategy for scarce skills
There is no evidence of a succession plan especially for key positions.	The municipality must ensure development and approval of a succession plan

**Table 9:** MEC Comments

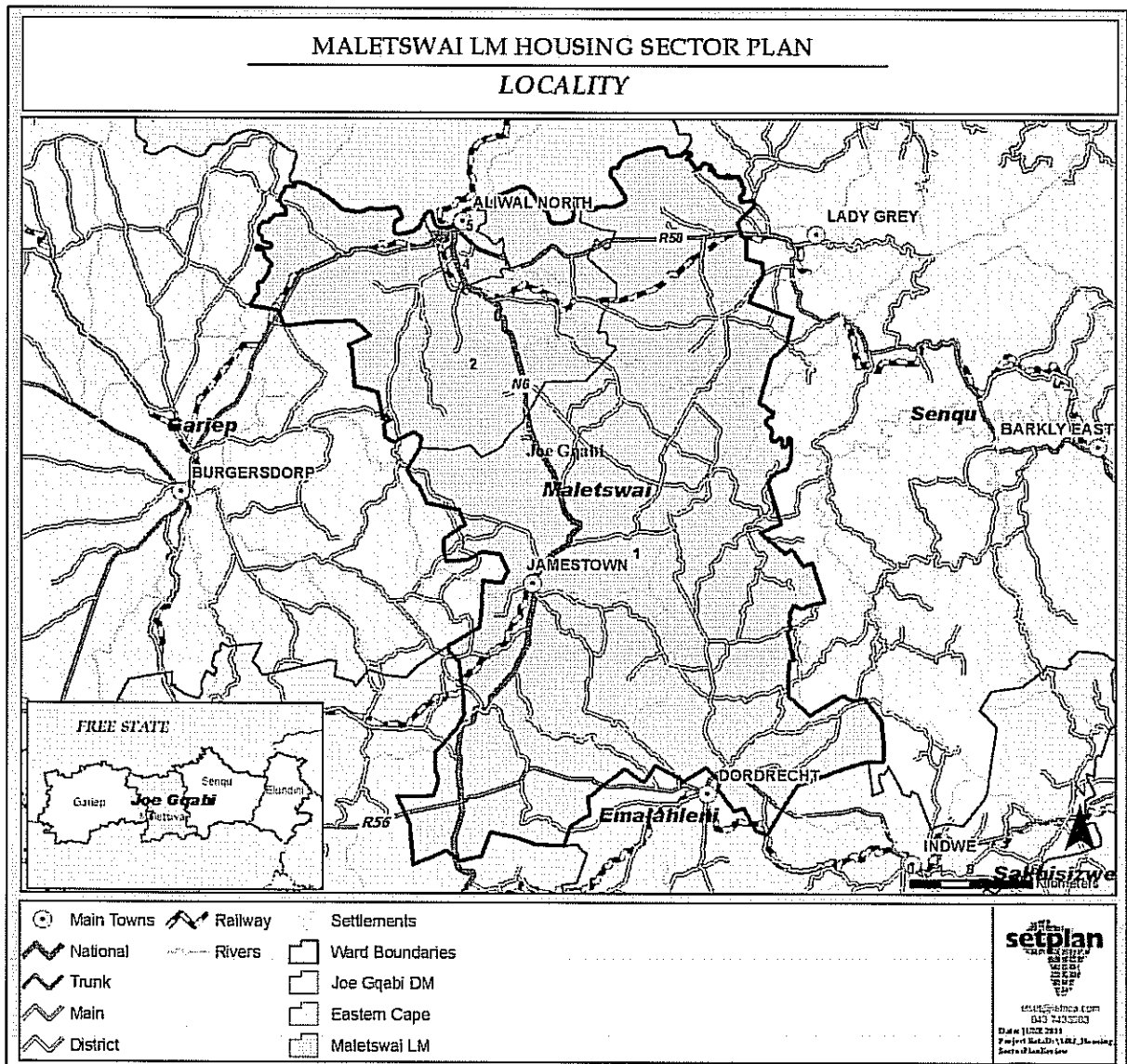
# CHAPTER 3

## SITUATIONAL ANALYSIS

### 3.1 INTRODUCTION

This chapter deals with the existing situational analysis of Maletswai Local Municipality. It considers the brief description of the study area, demographic indicators, socio-economic indicators, infrastructure, land use and related issues, institutional and the physical environment. Census 2001 statistics and Community Survey (2007) by Statistics South Africa are the main source of information that are analysed in this chapter pertaining to population, social, economic and institutional matters. The added value on the information that is provided is the comparative analysis that is provided with respect to information flowing from the 1996 Census Statistics and the information flowing from 2001 Census Statistics.

#### 3.1.1 Geographic Location



Maletswai Local Municipality has two towns namely, Aliwal North and Jamestown – and it is characterised by predominantly commercial farmland. The R58 runs through Venterstad, Burgersdorp and Aliwal North and the N6 runs from East London through Queenstown and Jamestown and Aliwal North to Bloemfontein in the Free State.

### **3.2 MALETSWAI SOCIO-ECONOMIC PROFILE**

#### **3.2.1 SOCIO-ECONOMIC PROFILE**

The socio-economic characteristics of any localised population are fundamental to the overall performance, not only of the economy within which they are active, but also the larger regional economy. Characteristics associated with the socio-economic profile of a community include, but are not limited to, various indicators that have direct bearing on:

- Employability;
- Disposable Income;
- Access to amenities;

It is important to explore these indicators. Therefore, this section provides an overview of the socio-economic perspective of the Maletswai Municipality for the purposes of exploring the underlying fundamentals of the socio-economic and demographic characteristics of the population and integrating the identified issues into economic considerations. This section is discussed under the following sub-sections:

- Population Profile;
- HIV and AIDS;
- Education Profile;
- Occupation Profile;
- Living Standards Measurement Profile;
- Household Wealth Profile;
- Provision of Free Basic Services;
- Synthesis.

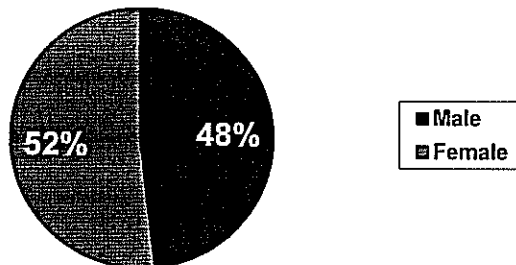
#### **(A) POPULATION PROFILE**

The current population of the MLM is approximately 42,846 persons (Statistics SA's 2007 Community Survey estimate it at 38,614 persons and the Maletswai Local Municipality IDP 2008/9 and 2009/10 provided an estimate of 40,697 persons). This equates to a population density of approximately 2.25 persons per square kilometer, lower than the average of JGDM (14 persons/km<sup>2</sup>) and the Eastern Cape in general (40 persons/km<sup>2</sup>). The area has a relative small population and low population density

with its population making up just 11% of the total population for Joe Gqabi District and 1% of the total Eastern Cape population. The largest proportion of the population in Maletswai Local Municipality is located in Dukathole with approximately 19,095 people estimated to be residing within the area during 2007. The second largest proportion of people are based in Aliwal North with approximately 11, 497 residing in the area.

**Gender Distribution**

The Pie Chart below indicates that gender ratio in Maletswai Municipality is comprised of 47.7% male and 52.3% are females.



**Racial Distribution**

The results from the table (below) clearly indicate that Black Africans form majority of the total population in Maletswai Municipality.

Black African	80.64%
Coloured	11.38%
Asian/ Indian	0.22%
White	7.77%

**Table 10:** Racial Distribution

**POPULATION GROWTH RATE and Key Characteristics**

The annual population growth rate in Maletswai has slowed between 1995 and 2007, *i.e.* the population is growing but at a decreasing rate. The population growth rate for Maletswai was recorded at below 0.5% for 2007.

**POPULATION STRUCTURE and Key Characteristics**

Approximately 32% of the population in Maletswai is younger than 15 years. Over 60% of the population is of working age (15-64 years old). The dependency levels in the community are relatively low with a youth dependency ratio of 0.55, *i.e.* every person of working age supports only 0.55 youth under 15 years. Adding the elderly (65+ year olds), the overall dependency ratio remains low at 0.65. There has been an increase in the young adult population: 20 to 39 year olds. Relatively large elderly population.

### ***IMPLICATION FOR ECONOMIC GROWTH***

Population growth is stagnant, which is indicative of people leaving the area of Maletswai. This could impact negatively on economic activity in the area as this could result in a reduction in labour supply. Currently the area has the benefit of a low dependency ratio and as the working age population does not have to support a large number of dependents. In addition, the area has experienced an increase in the working age proportions of the population this implies that there has been an increase in the current labour supply furthermore the increase in population could be directly linked to increase in employment opportunities causing migration into the area.

### ***(B) HIV and AIDS***

According to available statistics, it is estimated that in 2007, over 4,100 persons in Maletswai were infected with HIV/AIDS, approximately 11% of the overall population. However, it should be noted that this is only an estimate and may be an inaccurate reflection of reality due to the stigma attached to HIV/AIDS and lack of awareness of their status. There has been rapid increase in the growth rate of HIV/AIDS in Maletswai. The Maletswai HIV growth rate is slightly higher than the district and national growth rate of 10%. This is a major issue that needs to be addressed as it could seriously undermine the social structure and economy of the area. The number of deaths due to AIDS has increased significantly since the mid-1990s, and is estimated to have been over 260 in 2007. This is a relatively large number for a small population like Maletswai. The impact of the HIV/AIDS pandemic varies according to different age groups.

Statistics have shown that there will be increased deaths in the 0-4 year old category and the 25-34 year old category and the majority of people will be infected between the ages of 18 and 25. It is clear then that HIV/AIDS impacts most heavily on the youth and the young adult population, which can have negative social and economic repercussions. One key repercussion is the loss of skills and experienced labour. According to an ILO study, more than 60% of firms, in 2000, reported that they would experience problems replacing skilled and highly skilled labour. The point at which the economy runs out of skilled labour has serious implications for the macro-economy. Due to the low number of unemployed skilled workers and rampant demand for certain skills such as engineering, any deaths in these workers from HIV/AIDS will have a large effect. The economy will be constrained by skills shortages and upward skilled wage pressure.



### ***IMPLICATIONS FOR ECONOMIC GROWTH***

It is clear that HIV/AIDS have numerous effects and a massive social and economic impact. One of these is that it will push up the dependency ratio. There are also reductions in efficiency and productivity as people that are HIV positive tend to be less economically active than those who are not. A study (Booyesen and Molelekoa, 2001) in KZN found that on average 27 days production are lost in a 2 year cycle due to sick leave, and visits to clinic and hospitals. There are also increased costs as a study found that the average cost per AIDS death in 2001 was approximately R44, 319.00 for an unskilled labourer, R70, 437.00 for a skilled labourer and R190, 877.00 for a highly skilled employee. There is also the implication of a loss of skills and experienced labour. Due to the shortage of highly skilled individuals in the economy, as well as the rampant demand for certain skills any losses of these individuals including from HIV/AIDS will have a large effect and will see the economy constrained by a skills shortage as well as creating upward pressure on skilled wages.

### ***(C) EDUCATION PROFILE***

A key dimension that directly influences the potential employability of community members is their educational background and level of skills that they possess. The level of education and skills within a region impacts on many factors, including: the productive efficiency of investments (e.g. health, capital), employment potential, the gender gap and productivity and income levels. Education is therefore acknowledged as being inextricably linked to the economic development of an area and to a growing middle class.

### ***HIGHEST LEVEL OF EDUCATION***

- Currently 22% of the population has some primary schooling, 12% has received no schooling.
- The proportion of the population in Maletswai Local Municipality with no schooling is in line with the district and provincial figures at 13.6% and 12.2% respectively.
- 27% of the population has a Grade 12/Matric education or higher education. This is higher than the provincial average (22%) and district average (15%).
- There has been an overall improvement in the level of education in Maletswai from 2001 to 2007 (Source: Urban-Econ EC Calculations based on Quantec 2007 and StatsSA 2007 Community Survey).

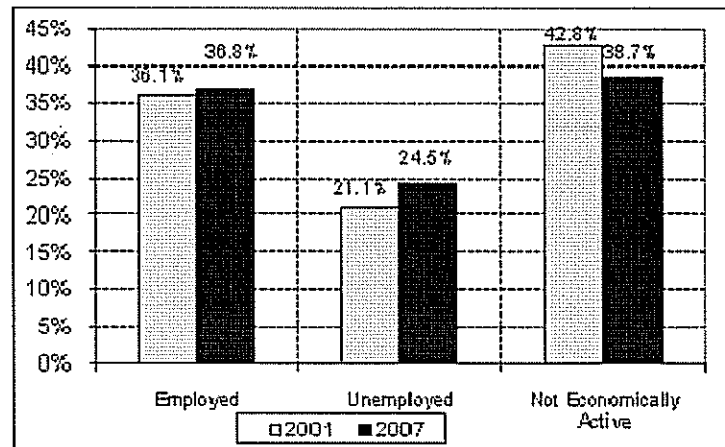
### ***IMPLICATION FOR ECONOMIC GROWTH***

There has been a gradual improvement in the level of education in Maletswai and the population is relatively well educated compared with other municipal areas in the province, however overall

education levels are still quite low. There is a large proportion of the population who are unable to be fully economically active members of the community due to their unemployability. This impacts on income levels of the community and reduces the potential for economic growth. This poor level of education could be due to lack of facilities as well the isolated nature of many people in the rural areas. Another is could be the lack of employment opportunities for more skilled workers, which reduces the incentives for further study. Skilled people are more likely to leave the area to look for work or higher paying work elsewhere, reducing the skills available in the area.

**(D) OCCUPATION PROFILE**

The unemployment and employment levels within the Maletswai Local Municipality are important to investigate, because the income generated from employment is used to purchase goods and services. In addition, high levels of unemployment are generally associated with poor socio-economic conditions and poverty.



Source: Urban-Econ EC Calculations based on Quantec 2007 and StatsSA Community Survey 2007

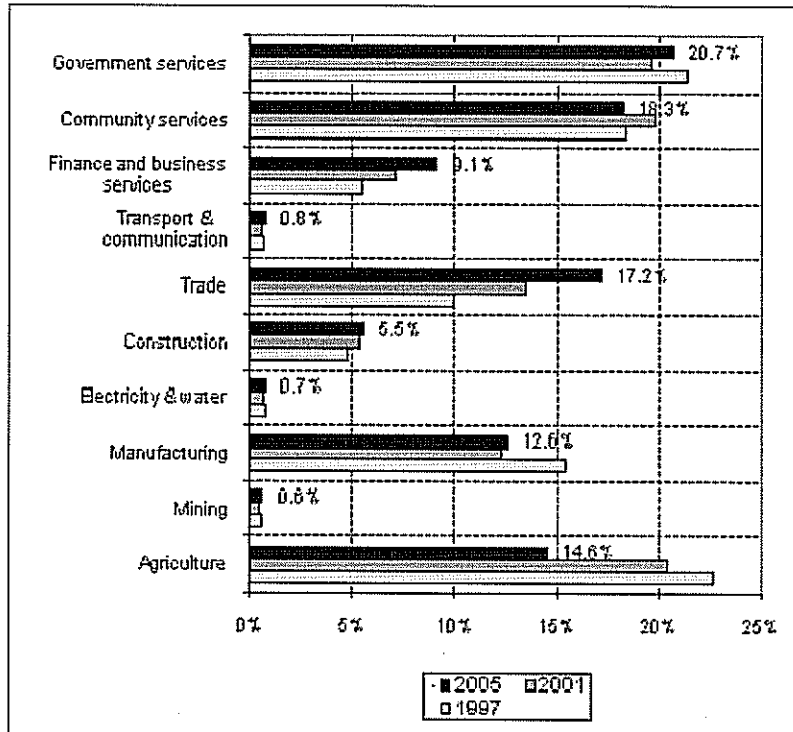
**EMPLOYMENT STATUS**

In 2007 over 36% of Maletswai Local Municipality population was employed, higher than the average for the district municipal area (26%) and the Eastern Cape (21%). Approximately 25% of the working age population is unemployed in Maletswai. Unemployment levels are higher than the provincial average (20%). The percentage of the working age population in Maletswai not economically active is lower than the provincial rate of 50%.

**EMPLOYMENT PER SECTOR**

- There has been a relatively large decline in the contribution of agricultural and manufacturing to employment, with the sectors contributing 14.6% & 12.6% respectively in 2005.

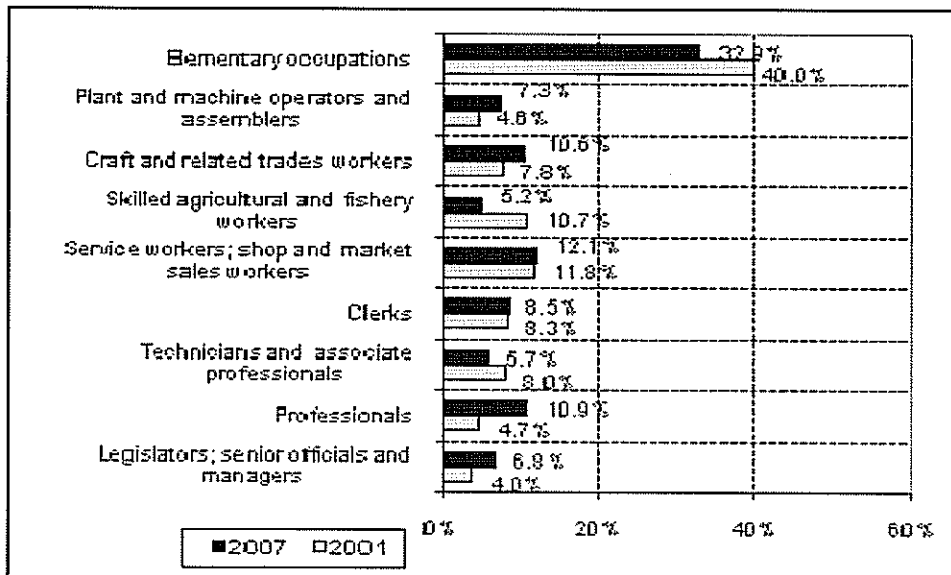
- The contribution of the trade sector to employment has increased to 17.2%.
- Government still contributes the most to employment.



(Source: Urban-Econ EC Calculation based on Quantec 2007)

**(E) OCCUPATION PROFILE**

Having assessed the sectors where people are predominately employed in the Maletswai it is important to look at what sort of occupations they assume in these sectors.



Source: Urban-Econ EC Calculations based on Quantec 2007 and StatsSA Community Survey 2007

### **KEY CHARACTERISTICS**

- The majority of people employed in the Maletswai Local Municipality are in unskilled elementary occupations (33%); however there has been a reduction since 2001.
- Roughly 24% of the population is currently employed in skilled occupations. The number of people employed in skilled positions in Maletswai has increased since 2001

### **IMPLICATIONS FOR ECONOMIC GROWTH**

- A relatively low proportion of the population Maletswai is employed and those that are employed are predominately employed in unskilled to semi-skilled occupations.
- A decrease in the contribution of agriculture to employment and an increase the contribution of the trade and the business services sector to employment is a good signs, firstly this symbolises increased productivity in both the sectors and therefore a move from employment in the unskilled labour occupations to relatively more skilled occupations.
- What is still of concerned though is the fact that government and community services are still amongst the highest contributors to employment. This is not ideal due to the fact that both these sectors are not productive sectors of the economy.

### **(F) HOUSEHOLD WEALTH PROFILE**

Household income is defined as the combined income of all members of a household. The determination of the income includes:

- Labour remuneration
- Income from property
- Transfers from government (including pensions)
- Transfers from incorporated businesses
- Transfers from other sources

These transfers and remunerations compose the buying power of the household. The percentage of households in Maletswai living below the poverty line<sup>2</sup> decreased from 55% in 2001 to 31% in 2007. The % of households in Maletswai earning R800 to R6, 400 per month increased from 36% (2001) to 55% (2007). A very small, but growing proportion of households have high income levels.

**(Source: Urban-Econ EC Calculation based on Quantec 2001)**

## **IMPLICATIONS FOR ECONOMIC GROWTH**

The low level of household income is to be expected given the low employment rate and that the majority of occupations are in unskilled work. In addition with low income levels people tend to spend what they earn right away on necessities. As a result there is little income available for improving their situation through education or investment and in addition not enough is saved for retirement increasing the dependency burden others. Expansion of welfare grants has had a tremendous impact on average household income throughout the region.

### **(G) LIVING STANDARDS MEASURE (LSM)**

The Living Standards Measure is an internationally recognised instrument designed to profile a market in terms of a continuum of progressively more developed and sophisticated market segments. The LSM system is based on a set of marketing differentiators, which group consumers according to their standard of living, using criteria such as degree of urbanisation and ownership of assets (predominantly luxury goods).

Essentially, the LSM system is a wealth measure based on standard of living, rather than income alone. The market segmentation continuum is divided into ten LSM segments, where LSM signifies the lowest standard of living and LSM 10+ signifies the highest standard of living. The LSM categories are defined and weighted in terms of the following 29 variables in the table below:

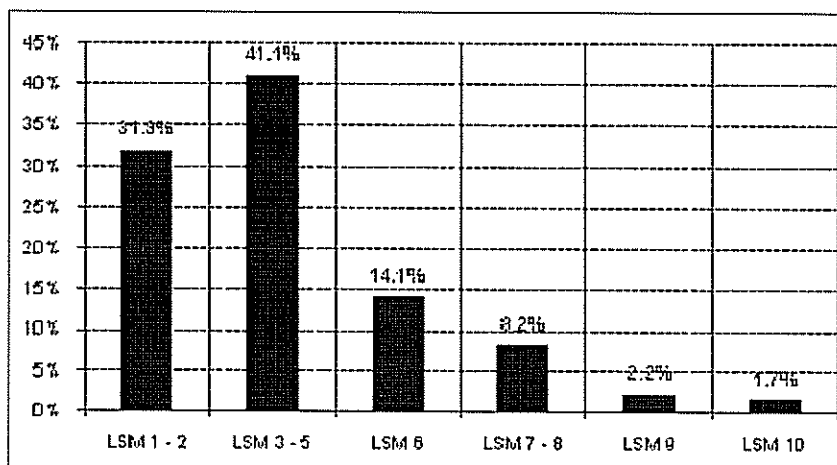
#### **LIVING STANDARD MEASUREMENT (LSM) VARIABLES**

1	Hot running water	16	Less than 2 radio sets in household
2	Fridge/freezer	17	Hi-fi/Music Centre
3	Microwave	18	Rural outside
4	Flush toilet (in/outside house)	19	Built-in kitchen unit
5	Number of domestic in household	20	Home security service
6	VCR	21	Deep freezer
7	Vacuum cleaner/floor polisher	22	Water in home/plot
8	Number of cell phone in household	23	M-net/DSTV subscription
9	Traditional hut	24	Dishwasher
10	Washing machine	25	Electricity
11	PC in home	26	Sewing machine
12	Electric stove	27	DVD player
13	TV set	28	1 cell phone per household
14	Tumble dryer	29	Motor vehicle in household
15	Home telephone		

**Table 11: Living Standard Measurement Variable**

It is important to note that the LSM system is widely applied internationally for marketing and branding purposes, and that it is therefore not an instrument developed locally to label or stereotype certain market segments.

### **LSM LEVELS FOR MALETSWAI**



*Source: Urban-Econ EC Calculation based on Quantec 2007*

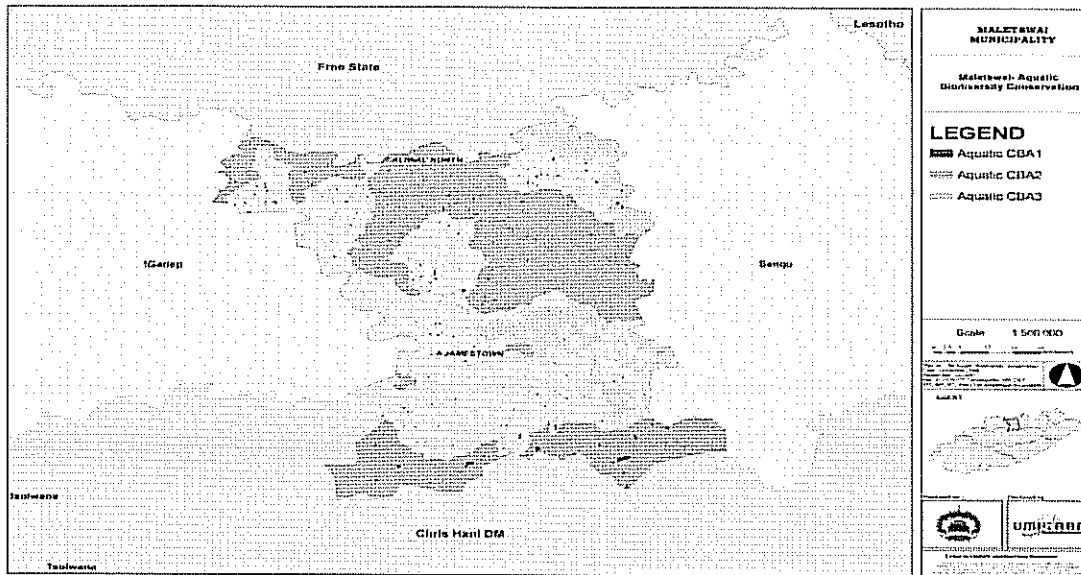
### **KEY CHARACTERISTICS**

- The largest proportion of the Maletswai Local Municipality population falls within the LSM levels 3-5
- 31.9% of the population fall within the LSM level 1-2
- This signifies a population low income earning position which is linked to the findings on the household income, occupation levels.

## **3.3 BIOPHYSICAL ENVIRONMENTAL ANALYSIS**

### **3.3.1 Topography**

From Aliwal North westwards there are large flat plains of land that are interspersed with steep mountains and hills. Although very little land is suitable for cultivation, much land can be used for grazing. The scenery dictates / influences the type of land use activities that occur *i.e.* the type of agricultural activities. Agriculture is limited to specific land pockets. The Orange River is the most important source of water in the District, and the Orange River catchment area covers most of Gariiep, Maletswai and Senqu Municipalities. This catchment area drains towards the Atlantic Ocean. Relatively small dams provide the Municipality with water, both for agricultural purposes and human consumption. Dams have a secondary usage and potential for recreational and other economic purposes. Jamestown uses boreholes for all its water requirements. Many commercial irrigation ventures are fed from groundwater. The plan below indicates the areas of sensitive hydrology within Maletswai Municipality.

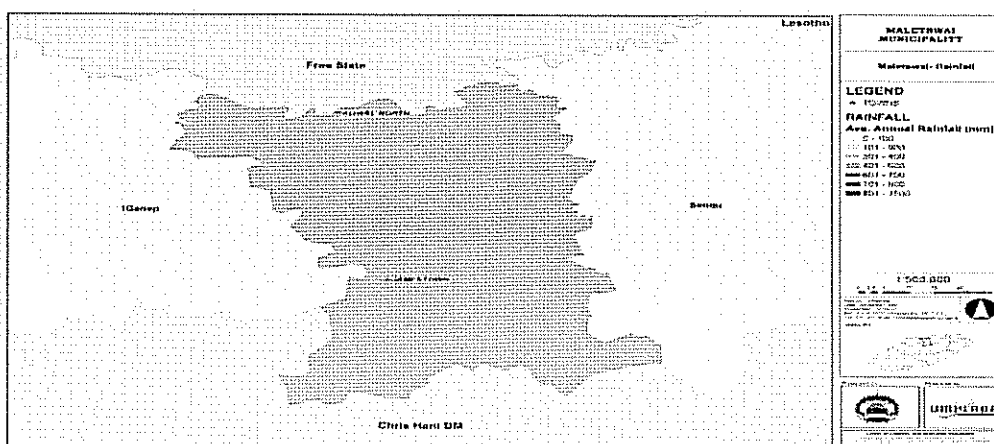


### 3.3.2 Climate

The region is well known for its temperature fluctuations - with temperatures ranging between 36°C and -5°C. On average there are 100 days of frost during the year, usually between March and November and winter snow in the higher lying areas of Maletswai Local Municipality. The Municipality is affected by bristly frost and cold, which have adverse effects on agriculture.

### 3.3.3 Rainfall

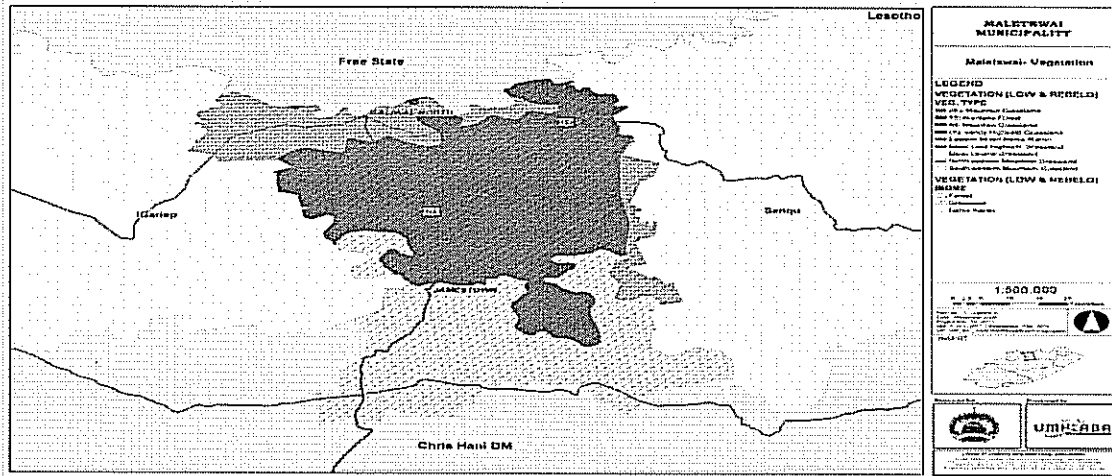
The Maletswai area has between 400mm and 600mm of rain per year. Half a metre of rain a year is regarded as the minimum amount required for sustainable (dry land) crop production. The rainfall for Maletswai is indicated in the diagram below.



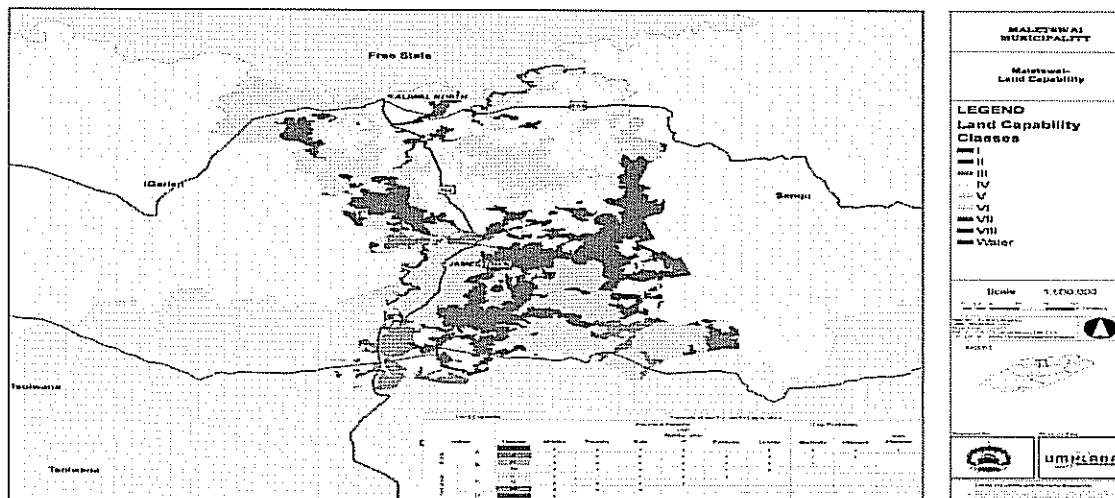
### 3.3.4 Soils

In Maletswai area, soil is generally shallow and weakly developed. Crop and horticultural production in most of Maletswai area is severely limited (even with irrigation) due to the dominant soil types. Vegetation

types represent an integration of the climate, soils and biological factors in a region and as such are a useful basis for land use and conservation planning. There are four vegetation types found in the Maletswai Municipality, including Eastern Mixed Nama Karoo, Dry Sandy Highveld Grassland, South-eastern Mountain Grassland and Moist Cold Highveld Grassland. The Eastern Mixed Nama Karoo vegetation provided an interest for tourism development. The different biomes also have an impact on the type of agriculture practiced in the area. The vegetation types are indicated in the plan below.



Maletswai Local Municipality has the second highest percentage of arable land (with limitations) in its coverage (32.9%) after Elundini Local Municipality at 42.9%. The diagram (below) indicates the land capability in Maletswai Municipality, which foreshadows those areas which are suitable for cultivation and grazing, in accordance with the 8 standards categories of land capability.



Although the area is rich in Agriculture, there is limited land available that can sustain intensive agricultural practices. The municipal Spatial Development Framework also cautions that, residential and industrial development needs not to expand in these areas. Land identified as prime and unique agricultural land



should be presented for agricultural use in the order to enhance food security and therefore economic welfare.

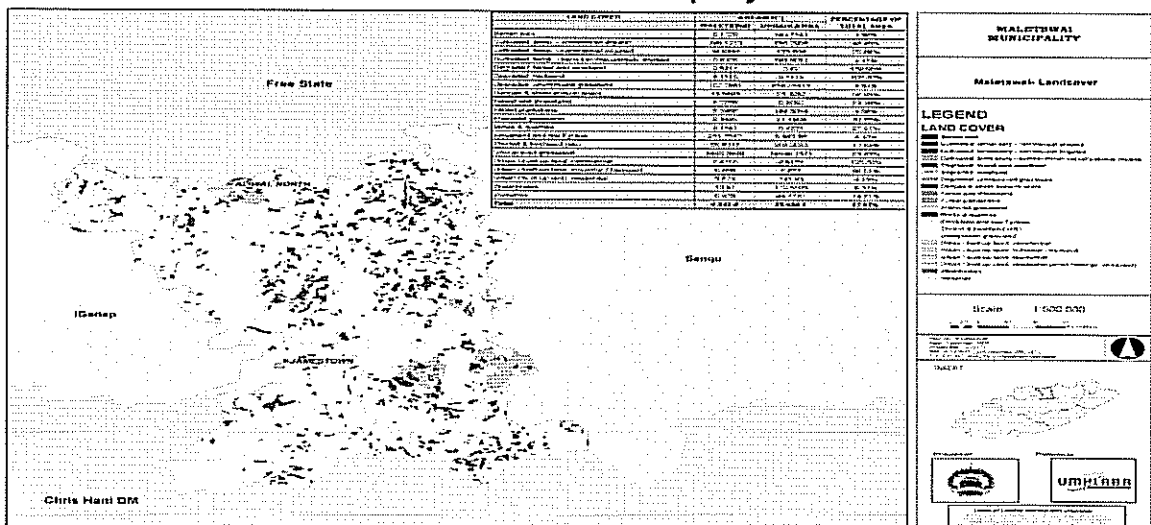
Areas of biodiversity conservation are indicated on the illustration (below), including natural landscape, cultivated lands and plantations. A large portion of Maletswai Municipality has near natural landscape. The municipality has the following environmental opportunities:

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

### 3.3.5 Land Cover

The land cover pattern is largely determined by topographical and climatic factors, however past political engineering, current tenure arrangements and population densities have impacted on the type of land cover. The diagram (below) illustrates the unimproved Grassland dominates the Municipality, followed by cultivated temporary commercial dry land and Shrub land and low Fynbos.

*The plan below indicates the land cover for Maletswai Municipality.*



### **3.4 SYNTHESIS**

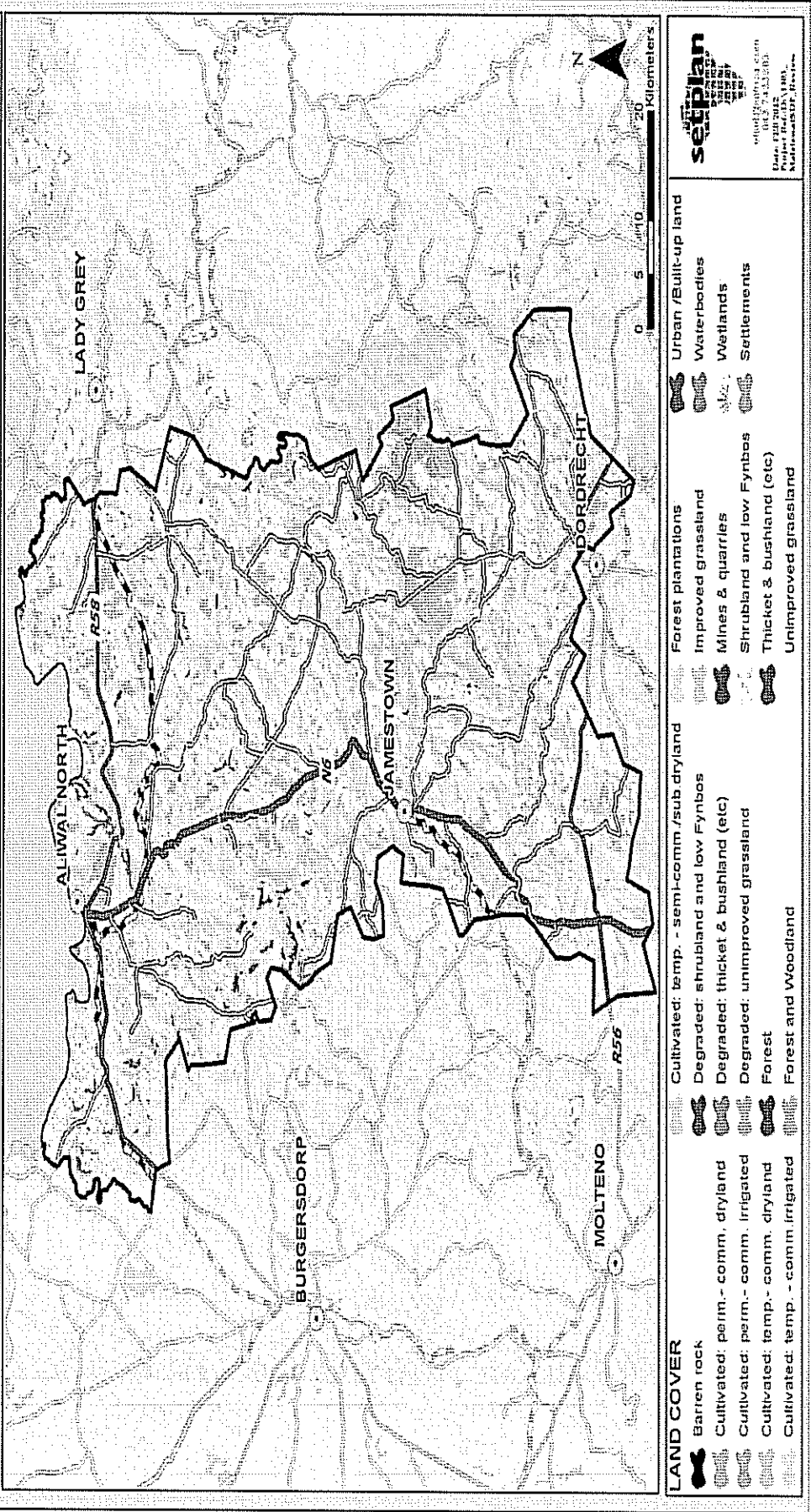
From the socio-economic assessment conducted in this chapter it is evident that the population is relatively better off than other households living in our district, however the local economy is unable to create enough jobs to absorb the working aged people. In addition to this although the population of Maletswai is relatively well educated (compared with other areas in the province) most employment is in unskilled, elementary occupations, which is indicative of low levels of income.

This further undermines the ability of the local economy to grow. Population growth in MLM is stagnant, which illustrates that many people leave the municipality in search of employment in other areas. This is a negative trend, particularly if higher skilled people are leaving the municipality. A positive trend is that most households have access to basic services and infrastructure, which means that the municipality can focus on providing economic infrastructure and promoting economic development rather than budgeting for social infrastructure.

CHAPTER 4

KPA 1: SPATIAL DEVELOPMENT FRAMEWORK

MALETSWAI SPATIAL DEVELOPMENT FRAMEWORK REVIEW  
 SPATIAL FORM - LAND COVER



# MALETSWAI LOCAL MUNICIPALITY

## Spatial Development Framework Review (2)

### PLAN 1: ALJMAL NORTH SDF PROPOSALS

Roads	
—	Urban Edge
---	Artery Street
.....	Major Linkage Road
—●—	Artery Road
---	Local Road
----	Proposed Road
—	Proposed Road Realignment
—	Water

Spatial Proposals	
○	Proposed Low/Medium Income Res.
○	Proposed Medium/High Income Res.
○	Proposed High Income Res.
○	Business Development Zone
○	Proposed Commercial Zone
○	Industrial Development Zone
○	Recreation/Leisure Zone
○	Formalisation of Informal Areas
○	General Extension
○	Landscaped Memorial Corridor

Land Use	
○	Game Park
○	Intensive Agriculture
○	Present Industrial
○	Agricultural Development Corridor
○	Block Flats
○	Creche
○	Club/Community
○	Industrial Zone
○	Bar/Club

Date: Feb 2012  
Project No: 1403  
Ref to: MSB/Maleitswai/1403

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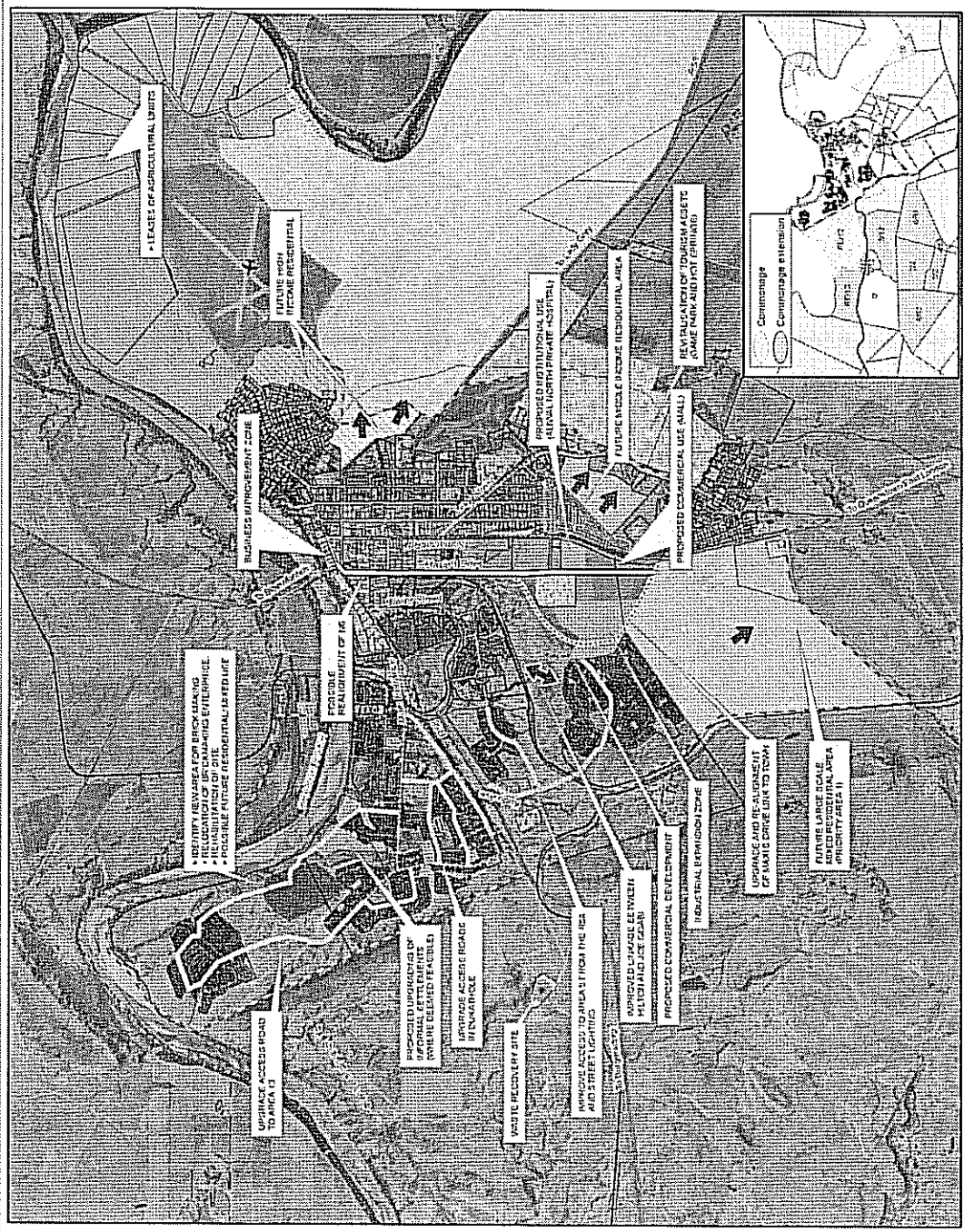
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MALETSWAI LOCAL MUNICIPALITY

APPROVED BY:  
LETTA M.C.  
TITIKANA  
2012

BY: S.H. 2012  
S.E. 2012  
S.E. 2012

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This plan was prepared by Urban and Rural Planning, Townships, Municipalities and Water Services, under the supervision of the Director of Municipalities and Water Services. It may be amended from time to time without notice. The user shall be responsible for any error in this plan.



**MALETSWAI LOCAL MUNICIPALITY**  
**Spatial Development Framework Review (2)**

**PLAN 2:**  
**JAMESTOWN SDF PROPOSALS**

- Urban Edge**  
 Contourlines
- Roads**  
 - - - Activity Street  
 - - - Linkage Road  
 - - - Mobility Route
- Spatial Proposals**  
 - - - Business Upgrade Zone  
 - - - Demolition of Residential Area  
 - - - Picnic Site  
 - - - Residential Expansion  
 - - - Traffic Licenses Testing

Date: Feb 2012  
 Project Ref: 1426  
 Ref: n/1426/Maletswai\_SDF1

1:12,000

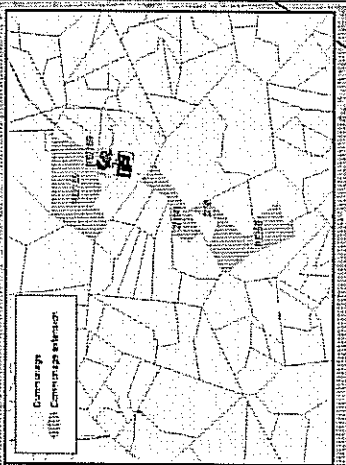
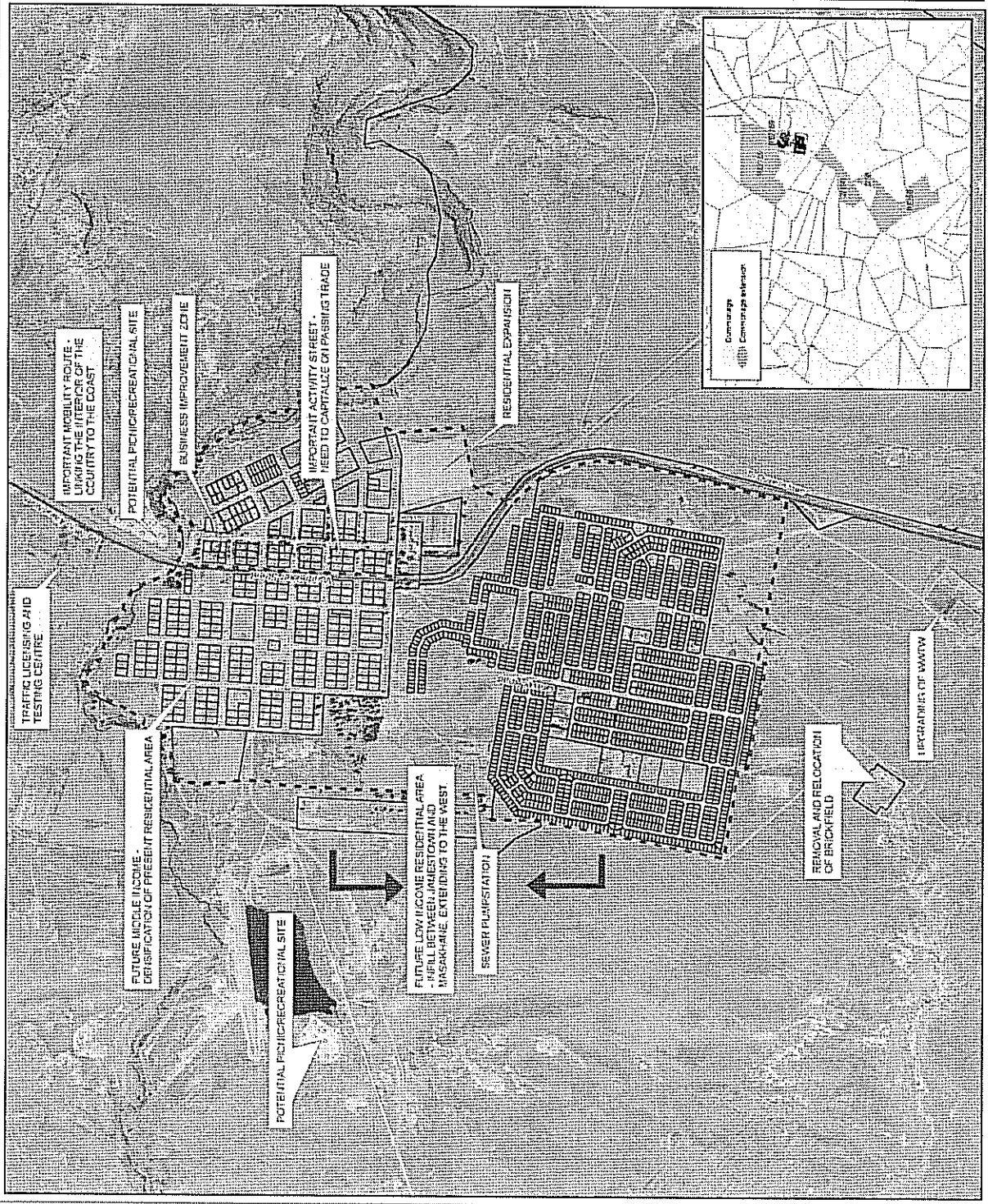
0 105 210 420 Meters

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The formulation of the Spatial Development Framework is a legal requirement, in which, every municipality must adhere to as part of the integrated development planning processes [refer to section 26 Municipal Systems Act]. The Maletswai Local Municipality's Spatial Development Framework (SDF) was developed in 2005 as an overriding statutory spatial plan for the Maletswai Local Municipality. It is the principal instrument for forward planning and decision making on land development in the entire municipal area. This framework was then reviewed and adopted by the Council in 2008, and it identifies certain structuring elements, such as nodal points, corridors to guide future planning in Maletswai. The current SDF is obsolete, and a draft document has been developed by Settlement Planning (Setplan), and a wide range of consultations have been undertaken by Setplan to the entire Council as well as to community based organisations, and business formations *etc.* It is anticipated that this draft SDF will be adopted before the end of this financial year and it will be a document that meets the current developmental challenges.

The Maletswai Spatial Development Framework ***applies to the whole area of jurisdiction of the Maletswai Municipality.*** This area is characterised by a distinctive settlement and land use pattern, encompassing two urban settlements, and rural components mainly comprising of extensive land uses.

The area covered by the Maletswai Municipality is approximately 4,358 km<sup>2</sup> in extent and is made up of:

- The former Aliwal North Transitional Local Council;
- The former Jamestown Transitional Local Council;
- The whole or portions of areas administered by former Transitional Representative Councils (TRCs), including Aliwal North TRC (portion) and Jamestown TRC (whole).
- Political representation in the Maletswai area is based on 6 demarcated Wards.

## **4.2 STATUS OF THE SPATIAL DEVELOPMENT FRAMEWORK**

### **4.2.1 SDF and IDP**

As embedded in Section 26 (e) of the Municipal Systems Act 32 of 2000, the Maletswai Municipality's Spatial Development Framework forms part of the municipality's Integrated Development Plan and is a key element in the integration of development processes across sectors. All development that affects the way land is used, or which has an effect on the built environment, must be guided by a coherent set of policies and guidelines. These policies and guidelines are embodied in the Spatial Development Framework of the municipality.

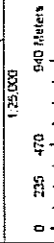
In light of the above, it is significant to note that, whilst the Maletswai Spatial Development Framework has statutory status and represents the approved vision for spatial development in the Maletswai area, it is, nevertheless, a 'normative' principle-led plan, which is symptomatic in intent and not prescriptive. In this, the Spatial Development Framework is in accordance with the concept of integrated development planning, which embraces planning as a municipal activity that encompasses both spatial and non-spatial developmental activities that are focused on facilitating or enabling socially, economically and environmentally sustainable outcomes. The maps below clearly depict how the priorities raised in the Mayoral Outreaches are documented in the Spatial Development framework as well as in the IDP:

MALETSWAI LOCAL MUNICIPALITY  
 Spatial Development Framework Review (2)  
 PLAN 3:  
 ALNWAL NORTH PROJECTS / PRIORITIES

**Legend**

- Avatlip
  - Urban Edge
  - Mobility Route
  - River
  - Cadastrals
  - Vward Boundaries
  - Proposed Hospital
- Land Use**
- Game Park
  - Intensive Agriculture
  - Present Industrial
  - Brick Fields
  - Cemetery
  - Golf Course
  - Hospitals
  - Institutional Zone
  - Taxi Rank

Date: Feb 2017  
 Project Ref: 1405  
 Ref: 071405 Maletswai\_EDF/1

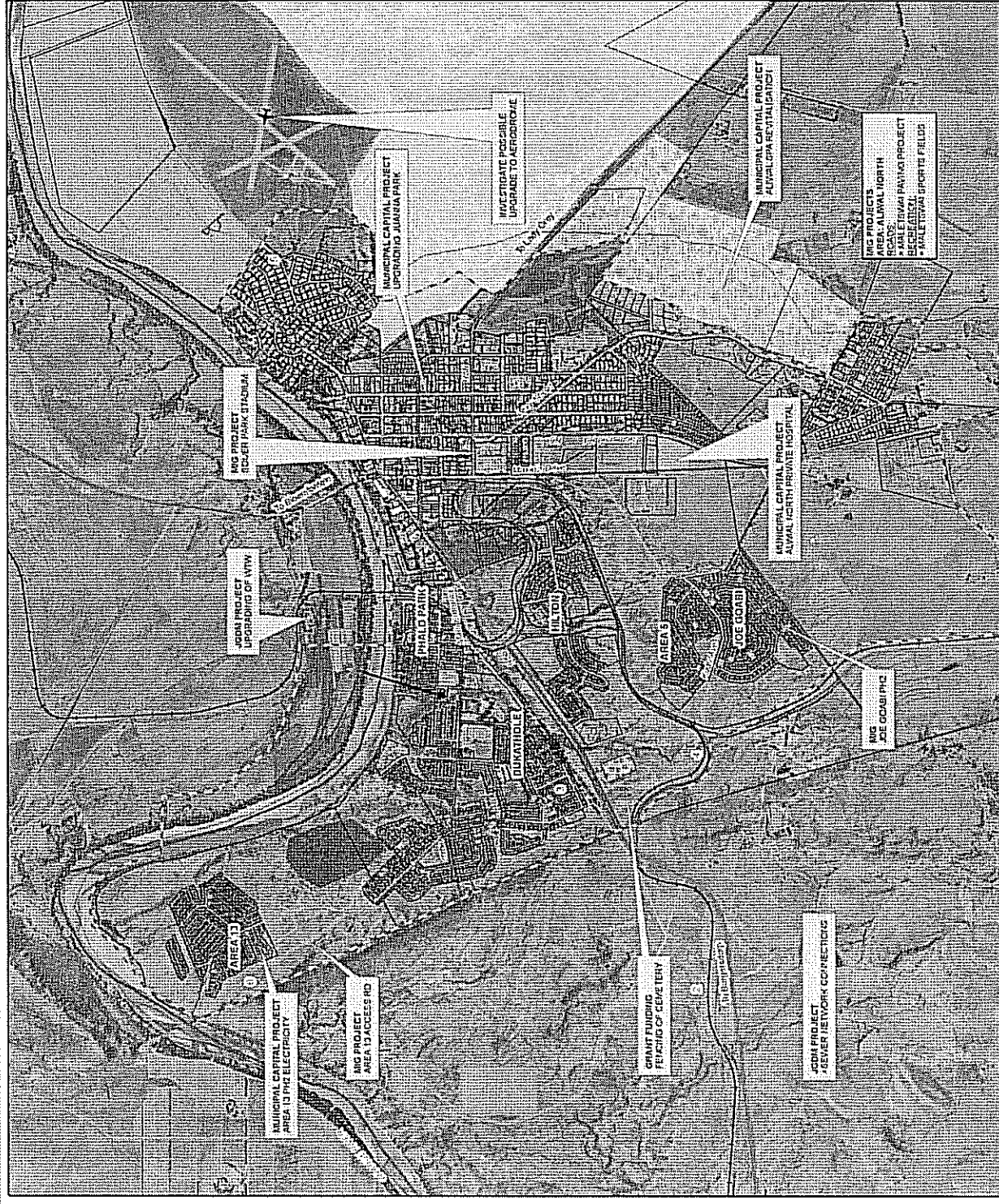


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ING PROJECTS  
 AREA ALNWAL NORTH  
 MALETSWAI PARKING PROJECT  
 BUCKLEBUSH  
 MALETSWAI SPORTS FIELDS

ING PROJECT  
 JETA PARK STADIUM

JODAI PROJECT  
 UPGRADING OF VFW

MUNICIPAL CAPITAL PROJECT  
 UPGRADING TO ANNUAL PARK

MUNICIPAL CAPITAL PROJECT  
 UPGRADING TO ANNUAL PARK

MUNICIPAL CAPITAL PROJECT  
 ALNWAL NORTH PRIVATE HOSPITAL

MUNICIPAL CAPITAL PROJECT  
 ALNWAL NORTH RECREATION

MUNICIPAL CAPITAL PROJECT  
 AREA 12 PH2 ELECTRICITY

ING PROJECT  
 AREA 12 ACCESS RD

GRANT FUNDING  
 REVIVAL OF CEMETERY

MUNICIPAL CAPITAL PROJECT  
 ALNWAL NORTH RECREATION

BIG JOE GOAB/PTC

BIG JOE GOAB/PTC



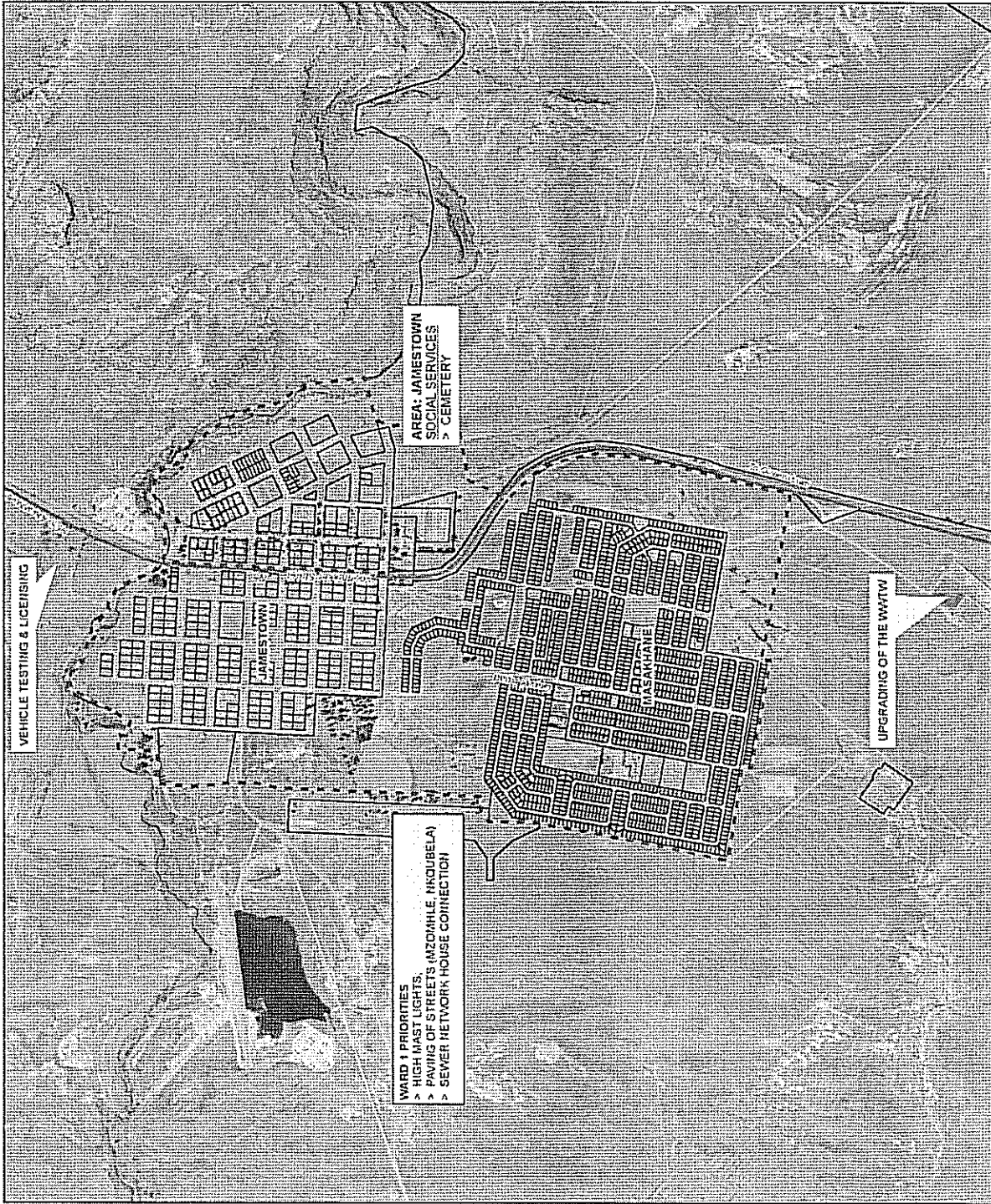
**MALETSWAI LOCAL MUNICIPALITY**  
**Spatial Development Framework Review (2)**  
**PLAN 7: JAMESTOWN SDF PROJECTS / PRIORITIES**

- Legend**
- Urban Edge
  - Cadastral
  - Roads**
    - Active Street
    - Linkage Road
    - Mobility Route
  - Spatial Proposals**
    - Business Uppush Zone
    - Demarcation of Functional Area
    - Pavement Silt
    - Traffic Lights / Pedestrian Crossing

Date: Feb 2012  
 Project No: 1405  
 Ref: 17425/Maletswai\_SDF1  
 1:12,000

PREPARED FOR  
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#### **4.2.2 IDP, Provincial Growth and Development Strategy (PGDS) and National Spatial Development Perspective**

National Spatial Development Perspective (NSDP) is essential in determining the following spatial guidelines:

- Coordination of government action and alignment.
- Maximise overall social and economic impact of government development spending.
- Provide a rigorous base for interpreting strategic direction.

The NSDP further makes a number of assumptions to guide development decisions:

- Location is critical to the poor in order to exploit opportunities for growth.
- Poor communities that are concentrated around economic centres have a greater opportunity to gain from economic growth.
- Areas with demonstrated economic potential provide far greater protection due to greater diversity of income sources.
- Areas with demonstrated economic potential are most favorable for overcoming poverty
- The poor are making rational choices about relocating to areas of opportunity
- Government needs to ensure that the poor are able to benefit fully from growth and employment in these areas.

In view of the above, the NSDP therefore suggests that the different spheres of government should apply the following principles when making decision on infrastructure investment and development spending:

- 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, health and educational facilities) should thus be focused on localities of economic growth and/or potential. The reason being that private sector investment must be attracted and that sustainable economic activities and/or the creation of long – term employment opportunities must be stimulated.
- Efforts to address past and current social inequalities should focus on people not places. In areas where there are both high levels of poverty and development potential, more fixed capital to provide basic services will be needed to develop the potential of these areas. In areas with low development potential, government spending should focus on providing social transfers, human resource development and labour market intelligence. Consequently people will become more mobile and will be able to migrate to areas that are more likely to provide sustainable employment or other economic opportunities.
- In order to overcome the spatial distortions of apartheid, future settlement and economic development opportunities should be channeled into activity corridors and nodes that are adjacent to or link the main

Development in Maletswai is aligned with the National Spatial Development Perspective. The municipality has resolved that major developments will take place in areas of high potential and focus will be areas where infrastructure already exists and also focus on the bulk infrastructural challenges that inhibit growth of the local economy. This decision to focus on areas with high potential and existing infrastructure implies the prioritisation of high potential and primary centres. Areas with low potential with high densities will still be provided with basic service delivery, skills and exposure to labour market opportunities

#### 4.2.3 SDF and Land Use Management Systems

As required in Section 26 of the Municipal Systems Act, the Spatial Development Framework is to include guidelines that will inform the development of an appropriate Land Use Management System (LUMS), based on the different requirements (i.e. need for land use management or development control) of different areas within a Municipality. The inter-relationship between the IDP, the Spatial Development Framework and the Land Use Management System is illustrated in the diagram below:

#### Land Use Management Programme

The Land Use Management Programme addresses the on-going need for the Maletswai to engage in proactive land use management in both urban and rural areas, in order to ensure that land development occurs in orderly and sustainable manner.

The proposed Key land use management projects are as follows:

Project Title	Reason for importance	Estimated Cost	2012/13	2013/2014
Relocation of Aliwal North Brick Making Enterprise (Maize field Area) and Rehabilitation of the site	To engage with brick making enterprises in the Maize field area and negotiate a cessation of brickmaking activities on the site to prevent further environmental degradation on the area and potentially permit the future development of the area for public-funded housing.	120,000	120,000	
Re-proclamation of Dukathole townships in terms of Less Formal Townships Establishment Act (Act No. 113 of 1991)	To bring the township establishment conditions of Dukathole into line with current norms and permit the issuing/upgrading of land rights to freehold.	100,000	100,000	

Table 54: Proposed Key Land Use Management Projects

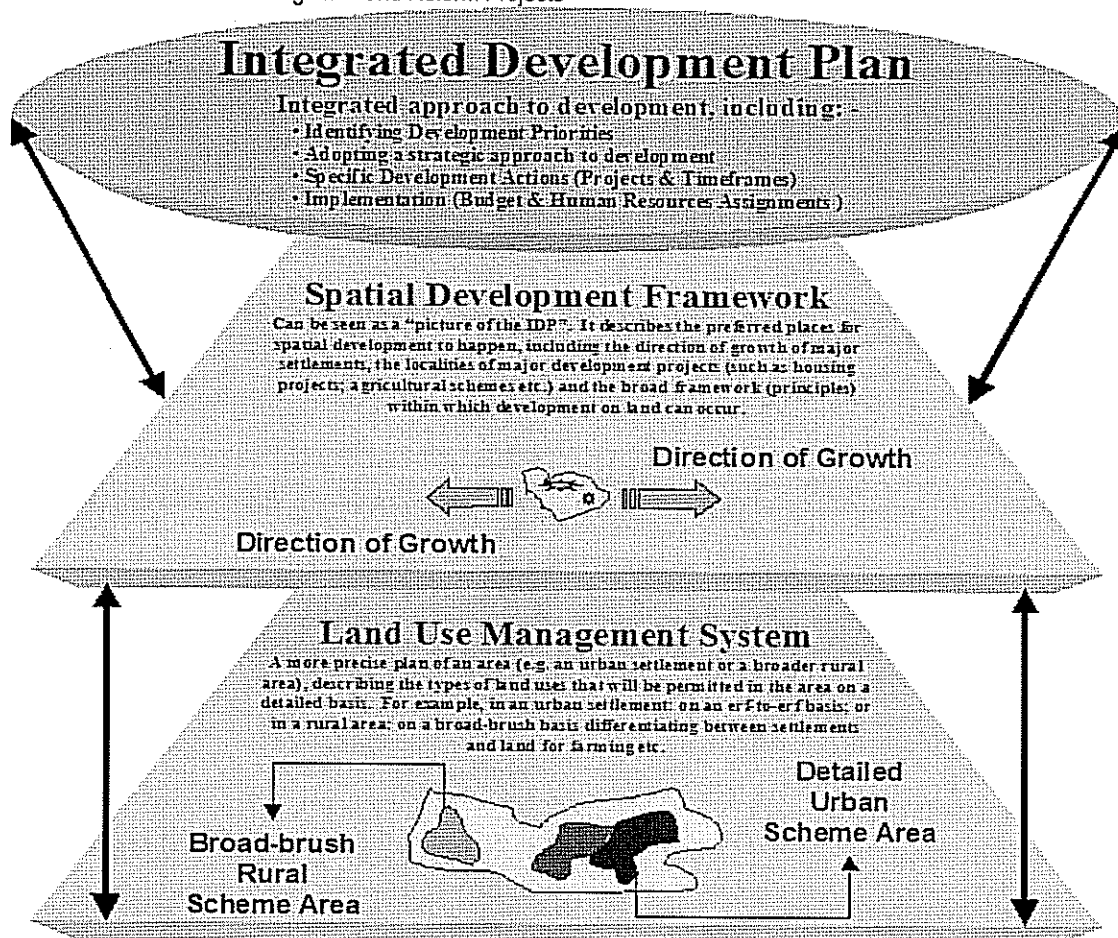
#### The Settlement Planning & Land Reform Programme

The Settlement Planning & Land Reform Programme within the Spatial Development Framework is established to identify key projects relating to planning of new or existing settlements, and related land development needs.

The projects identified in this Programme relate to the identified needs to accommodate influx into the Aliwal North area, and to cater for the livelihood needs of the poorest residents in the area.

Key Settlement Planning & Land Reform Projects Project Title	Reason for Project's Importance	Est. Cost (ZAR)	20012/2013	2013/2014
Extension of Joe Gqabi: Settlement Planning Phase 1 (2,000 sites)	To accommodate lower income residents of Aliwal North currently residing in informal settlements in the area. The project requires a phased approach dealing with issues such as negotiating a Land Availability Agreement, conceptual layout and detailed layout planning, and the Housing Subsidy Application.	800,000	350,000	450,000
Aliwal North Commonage Management Plan	To ensure the appropriate use is made of all commonage land under the jurisdiction of the Maletswai Municipality in the towns of Aliwal North and Jamestown.	150,000	150,000	
Jamestown Commonage Management Plan	To ensure the appropriate use is made of all commonage land under the jurisdiction of the Maletswai Municipality in the towns of Aliwal North and Jamestown.	100,000	100,000	

Table 55: Settlement Planning and Land Reform Projects



#### 4.3 PRIORITY SPATIAL DEVELOPMENT ISSUES

Priority Issues	Spatial Development Implication	Spatial Development Objectives
Ensuring Urban Efficiency	This refers to the need to consider the inter relationship between the various development needs in order for the Urban centres (Aliwal North, Jamestown) to function with optimum efficiency.	Well structured, compact, efficient and sustainable urban centres, creating places where residents are able to realise their full potential.
Land Development Needs (rapid urbanization)	This refers to the current problem of Informal settlement formation especially in Dukathole.	Appropriate land and services developed for communities requiring settlement assistance
Development of Tourism potential	This refers to the need to target tourism projects and initiatives that have potential for growth and to generate economic spin-off	Aliwal North is a recognised and desirable tourism destination.
Environmental Management	This refers to the sustainable use of the natural environment and the protection/conservation of environmentally sensitive areas.	Sound environmental practices are followed and environmentally sensitive areas are protected.

**Table 12:** Priority Spatial Development Issues

#### 4.4 IMPORTANT DEVELOPMENT NODES AND CORRIDORS

The municipality's Spatial Development Framework takes into cognisance of the need to plan for Urban Efficiency, the optimum usage of limited resources and sustainability thereof, hence it considers the need to focus limited public resources in areas of greatest opportunity to create maximum impact. These areas that are identified are referred to as Nodes [which comprise of existing and proposed nodal points where mixed land uses and high intensity activities can or do take place] and Corridors [that can comprise of Activity Corridor, Activity Street and Mobility Route].

The reviewed Maletswai Municipality's SDF (2008) identifies points to guide future planning. The following classes of nodes and corridors, some of which are either in existence or proposed, have been identified for the municipality, as specific areas or geographic localities where the municipality needs to prioritise its spending, resources and investment.

Node Type	Geographic Area or Description of Locality
Central Business Districts (CBDs)	<ul style="list-style-type: none"> <li>• Aliwal North</li> <li>• Jamestown</li> </ul>
Entertainment Node	<ul style="list-style-type: none"> <li>• Hot Springs/ Aliwal and Islands Spa area (Aliwal North)</li> </ul>
Minor Mixed Land Use Nodes	<ul style="list-style-type: none"> <li>• Taxi rank (Aliwal North)</li> <li>• Future Commercial Development along Maxie's Drive near Joe Gqabi township</li> </ul>

**Table 13:** Node Types

Node Type	Description of Locality
Activity Streets (refer to Plans 1–3)	<ul style="list-style-type: none"> <li>• Somerset Street (Aliwal North)</li> <li>• Robinson Road (Aliwal North)</li> <li>• Barkly Street (Aliwal North)</li> <li>• Maxie's Drive (Aliwal North)</li> </ul>

Node Type	Description of Locality
	<ul style="list-style-type: none"> <li>• Bantu Street (Dukathole)</li> <li>• Voortrekker Street (Jamestown)</li> </ul>
Mobility Routes (refer to Plans 1 – 3)	<ul style="list-style-type: none"> <li>• N6 East London-Jamestown- Aliwal North –Bloemfontein</li> <li>• R58 Burgersdorp – Aliwal North – Lady Grey</li> </ul>
Major linkage roads (refer to Plans 1 –3) Aliwal North:	<ul style="list-style-type: none"> <li>• Road from Brickworks to Town</li> <li>• Second access road to Dukathole</li> <li>• Main road in Dukathole</li> <li>• Road joining Maxie's Drive and R 58 Road from Aliwal North to Burgersdorp</li> <li>• Young Street</li> </ul>

**Table 14:** Node Types and Description of Locality

Due to its strategic location, Aliwal North [which is the main town of Maletswai Local Municipality] is enormously position as the gateway and economic centre of the district municipality. This therefore places more attention to the municipality, henceforth; the Spatial Development Framework of Joe Gqabi District municipality positions Maletswai Municipality [Aliwal North in particular] as its primary node because of its economic potential.

#### 4.5 ENVIRONMENTAL PRINCIPLES

In general, when considering applications for land development, the following environmental principles should be considered:

- **Landscape quality:** All development proposals must be evaluated in terms of their effects on the landscape quality of the surrounding area. This must consider the visual absorption capacity of the surrounding land and the visual intrusion, which will result from the development.
- **Urban sprawl:** The development should not contribute to urban sprawl as a result of "leap-frogging" thereby promoting secondary development.
- **Carrying capacity:** New tourism developments outside of the urban edge must evaluate the impacts of the proposed influx of tourists on the immediate natural surrounding areas as well as neighbouring natural and urban areas. A value judgement may be required to determine if the development will exceed the ecological carrying capacity of the surrounding area. This should not promote secondary development (service station; shopping centres etc.) thus creating the need for new a development node.
- **Waste disposal and sanitation:** Any developments outside the urban edge must be self-sufficient and have a detailed plan for solid waste disposal and on-site sanitation. Developments outside of nodes must not be reliant on the municipal sewage systems as these are planned and designed to accommodate treatment volumes from the defined nodal development areas and may not have sufficient capacity to accommodate additional volumes. In all cases the environmental impacts

associated with the waste disposal and sanitation systems will need to be assessed as part of the project Environmental Impact Assessment (EIA).

- **Infrastructure requirements:** The impacts on the natural environment from additional infrastructure requirements must be carefully considered and must be assessed as part of the project EIA.
- **Agriculture:** Developments should preferably not be permitted on land designated as "prime and unique" agriculture land or significantly reduce the area of high value agriculture lands, thereby reducing the potential productivity of these areas
- **Biodiversity corridors:** Development must not impact significantly on biodiversity corridors.
- **Pristine habitats:** Developments must not be situated adjacent to rivers designated as being pristine, near pristine or stressed.

The National Environmental Management Act is one of the pieces of legislations applicable to Maletswai Local Municipality. Also, Joe Gqabi Environmental Management Plan (2003), Joe Gqabi Spatial Development Framework (2006) and Maletswai Spatial Development Framework are also documents considered and applicable to the municipality.

## CHAPTER 5

### KPA 2: SERVICE DELIVERY

#### 5.1 Service Delivery and Infrastructure

##### 5.1.1 Water Provision

In terms of the adjustment of powers and function between district and local municipalities, Joe Gqabi District Municipality (JGDM) is the Water Services Authority (WSA) and this then translates that the provision of water and sanitation solely lies as a district function. As stipulated in section 80 and 81 of the Municipal Systems Act 32 of 2000, Joe Gqabi District Municipality has assigned the provision of water and sanitation to the Maletswai Local Municipality. This arrangement is formalised by a signed Service Level Agreement.

The extent of water and sanitation service delivery backlogs can be gauged from the DWA Reference Framework for the number of people served to RDP standards:

#### **RDP Water Services Backlogs in Joe Gqabi District Municipality.**

Local Municipality	Total Population	WATER					
		Population			Percentage		
		No Water	Below RDP	Above RDP	No Water	Below RDP	Above RDP
Elundini	123,634	12,205	59,339	52,090	9.9%	48.0%	42.1%
Senqu	118,174	15,586	21,330	81,258	13.2%	18.0%	68.8%
Maletswai	42,846	355	277	42,214	0.8%	0.6%	98.5%
Gariep	23,709	529	311	22,869	2.2%	1.3%	96.5%
TOTAL	308,363	28,676	81,257	198,431	9.3%	26.4%	64.3%

Table 16: Water Service Backlogs in Joe Gqabi District

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

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

#### **Water Challenges**

A number of water related challenges exist, like insufficient storage capacity in Dukathole, Block H1, Area 13, Joe Gqabi, Hilton and Springs. Old infrastructure like reticulation pipes needing to be replaced, also limitation and capacity constraints at local level to provide water service. There is [also] a lack of sufficient contingency plans to accommodate new bulk infrastructure with old connecting infrastructure – the replacement costs are extremely high due to lack of sufficient budget on operational and maintenance. Moreover, the new housing developments, and private developments are placing an enormous strain on



old and over utilised infrastructure. In a nutshell, the upgrading of the water reticulation system in Aliwal North is planned. The Rand Water was appointed by Joe Gqabi District Municipality and they have finalised the Water and Sanitation Master Plan for Aliwal North which depicts all problem areas in terms of water and sanitation provision.

### **Water Infrastructure Maintenance**

The 858 housing section in Jamestown is currently getting water from stand pipes since the completion of chemical purification plant and dam construction. House connections with meters will have to be provided during the construction of the water borne sewerage system, of which JGDM secured R38m (for both Water and Sanitation provision). The water purification works are manned by two general assistants. Water purification plant operator's posts will have to be created on the organogram for Jamestown.

### **5.1.2 Sanitation Provision**

LM's	Total	SANITATION			
		Population		Percentage	
		Population	Served	Unserved	Served
Elundini	123,634	45,001	78,633	36.4%	63.6%
Senqu	118,174	65,034	53,140	55.0%	45.0%
Maletswai	42,846	29,908	12,938	69.8%	30.2%
Gariep	23,709	21,775	1,934	91.8%	8.2%
TOTAL	308,363	161,717	146,646	52.4%	47.6%

**Table 17:** Sanitation Provision

The following assumptions have been applied in estimating sanitation backlogs:

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

### **Sanitation Infrastructure Maintenance**

The Sewer Treatment Works in Aliwal North was refurbished in 2002 and 2005. The critical challenges are experienced with regard to bulk sewer and reticulation, especially Dukathole, Springs and some areas in town. This is being observed on regular blockages noticed and experienced throughout the operation and maintenance. The Municipality has temporarily stopped additional sewer household's connection in Springs area and some sections of the Central Business District due to incapacity of pipes to carry the sewer flow even on off peaks. This process has negative impact on the economic growth of the town. The WSA has been notified about the Dukathole sewer challenges and registered a project on MIG as a result. The project is currently awaiting Department of Water Affairs approval on technical report, which

was submitted to Maletswai Municipality for comments and we are confident that should funds be made available sewer crises would be substantially reduced.

The Dukathole sewer reticulation is worse of that in one month the municipality experiences about 40 to 60 sewer blockages. This leaves us with an obvious fact that reticulation should be upgraded and this needs huge capital injection. The new housing development that is underway and other housing projects that are imminent will certainly exert more stress to the reticulation system.

### **5.1.3 Roads and Storm-water**

The Roads Master plan for the Municipality was developed and endorsed by Council in 2009. Storm water Master Plan was only developed for Dukathole area. For the purpose of this document, Maletswai Municipality has divided roads into four (4) distinct categories, namely – National, Provincial, Access roads and Streets. This segment will seek to discuss each category in a concise manner. Furthermore, the municipality has a council approved Roads Master Plan which determines the needs for Roads in the municipality, furthermore, outlines the budget for operation and maintenance of public roads.

#### ***National Roads***

National roads are the responsibility of South African National Roads Agency Limited (SANRAL). The “friendly” N6 is the only national road traversing the municipality and recent surveys carried out, clearly illustrate that its condition is generally good as it has been rehabilitated in recent past. The road between Jamestown and Aliwal North was recently upgraded by SANRAL and is completed.

#### ***Provincial Roads***

The provincial trunk road that links Aliwal North to Burgersdorp is in a fairly good condition; however certain sections of it [still] need improvement. The road linking Aliwal North, Lady Grey, Barkly East and Elliot is rapidly deteriorating from lack of regular maintenance, the only section that was upgraded through Maletswai Municipality initiative is Young Street, this road was done in December 2007 by a contractor appointed by the Municipality, but only ± 1km from N6 was done funded by Department of Roads and Transport. To aggravate the situation, this area has the second highest rainfall figures in the region and has had to have the road scraped in severe snow, and this has led to the deterioration of the road. This road forms an integral part of the east-west linkage across the District and a key element of the Madiba Corridor, linking Port St Johns, Mthatha (N2) through to the N1 at Colesburg. The provincial roads do have the grass cut at the sides of the roads and have had their crash barriers repaired in a number of

places. Patching of potholes has however not been at the pace necessary to prevent accidents and unnecessary wear and tear on vehicles.

### ***Access Roads***

Access Roads are maintained by municipalities in terms of the Municipal Structures Act 117 of 1998; however there is a significant challenge around capacity, knowledge, resources and magnitude of the backlogs for them to effectively implement such service. The Municipality bought a Grader and Tipper truck in 2008 with intentions of internally repairing roads that are mostly in residential areas. On the other hand, farm roads largely remain the responsibility of Joe Gqabi District Municipality. There are road maintenance teams based in different areas of the District repairing farm roads as standalone farm roads programme.

### ***Streets***

Streets within towns are the responsibility of the relevant local authority. To improve streets upgrading service delivery, the Municipality bought 1 TLB in 2007, Grader and Tipper truck in 2008 particularly for streets upgrading and maintenance. In 2007 the Municipality embarked on the programme of resurfacing the Aliwal North Streets funded by DBSA through loan Maletswai Municipality made. The MIG funded some of the projects in Maletswai Municipality e.g. Dukathole taxi/bus route.

### ***Areas for prioritized intervention covered by Roads Master Plan***

- Significantly improve system of road maintenance of gravel roads
- Improved maintenance of key mobility corridors
- Resolution around road classification
- Source funding for improved road maintenance

It is important to note that, road maintenance can in some instances be labour intensive and this provides an opportunity for poverty alleviation. Furthermore, the maintenance of roads does have an economic impact both through the actual maintenance (where local contractors could be involved) through the spin-off of increase income for agriculture and tourism.

### ***5.1.4 Electricity and Energy***

The Municipality developed Electricity Master Plan in 2007, and all the electrical developments done were guided by the plan. The municipality has an electricity distribution licence for Aliwal North. However,

Jamestown is distributed by Eskom. In an endeavour to develop the electrical network and substation, the Municipality have recently completed the construction of the sub-station in Aliwal North to a tune of R 27m. This then resulted in the upgrading of the electricity capacity from 11kv to 22kv. The upgrading of the network reticulation however remains a challenge. The Department of Energy grand funding only focuses on universal access and not network upgrading.

As for Free Basic Energy, the Council approved for 100 households for an alternative energy to be piloted. This was followed by procurement of green gel and stoves – this project was completed at a cost of under R97 000.00. The Municipal electrical distributing equipment is old and dilapidated, like kiosks, mini-sub, and old types of cables which battles to manage with the demand especially during high demand seasons.

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

Energy sources for lighting in Ukhahlamba and the Province for 2001 – 2006										
	Electricity		Gas		Paraffin		Candles		Solar and other	
	Census 2001	RSS 2006	Census 2001	RSS 2006	Census 2001	RSS 2006	Census 2001	RSS 2006	Census 2001	RSS 2006
	%	%	%	%	%	%	%	%	%	%
Eastern Cape	49.7	67.1	0.3	0.4	23.3	14.0	25.9	18.3	0.8	0.2
JGDM	43.1	59.8	0.3	0.2	18.9	15.7	36.7	24.1	1.1	0.1
Maletswai	57.5	70.7	0.3	0.0	22.7	27.4	19.0	1.9	0.4	0.0

Table 18: Energy Source

The households electricity connections in Maletswai between 2001 to 2006 was close to 71% which is above the district average of 60% as of current the access to electricity is 99% i.e. all people who resides in formal houses are connected to electricity except those with houses that are not 100% completed in terms of construction.

### **Electrical Challenges**

The challenges are predominantly on issues related to old infrastructure i.e. overhead lines, underground cables, small sized cables and mini-substation

### **Electrical Opportunities**

There are significant social and economic spin-offs from the improved supply of electricity to communities. All the nodes as identified in the spatial development plan (rural and urban nodes) must be effectively supplied with an efficient service

## **5.2 SERVICE DELIVERY AND COMMUNITY SERVICES**

### **5.2.1 Solid Waste Management**

Currently the municipality is collecting refuse from 12447 formal households, 92 business premises, and 1600 Informal households. Furthermore, the municipality is in possession of 3 refuse trucks for collections and 2 tractors with trailers for collection of garden refuse and illegal dumping. The current set-up is that 2 refuse trucks are not in operation since November 2011 due to mechanical faults, the cost of repairing them is more than R100 000.00 which is more than their value of R25 000.00 each. This means that only 1 truck is operational with the assistance of 1 tractor which has been covered for the collection of domestic refuse. This also leads to the slow collection of illegal dumping and garden refuse. This is affecting the rendering of the refuse removal service negatively.

All in all, waste management consists of collection, transportation and disposal of solid waste. In [both] Aliwal North and Jamestown, waste management services are rendered on a weekly basis to most residents in the urban areas. The municipality has three trucks, three tractors and three trailers used for refuse removal. Moreover, skip bins are located in strategic areas where illegal dumping is rife, as well as, in informal residential areas [for communal waste collection].

#### ***Social Acceptability of waste management***

The municipality manages two fully functional solid waste disposal sites – one is in Jamestown and the other is in Aliwal North.

#### ***Compliance with legislation***

The Aliwal North solid waste site does not fully comply with either its applicable permit conditions or national legislation or both, e.g. the cells are filled with raw waste (not incinerated). The municipality applied for the Jamestown landfill site permit in 2005 but has not received it as yet. The municipality is in a process of reviewing the integrated waste management by-law to be compliant with the current National Environment Management Act (NEMA) of 2008.

#### ***Waste Challenges***

Here are the waste related challenges experienced:

- Partial adherence to the permit conditions applicable to the waste disposal sites.
- Lack of capacity in terms of waste minimisation
- The design of the site does not stand up to the capacity of waste disposed on daily basis, and thus has negative implication on the life span of the site

- There is no weigh bridge to measure the weight of the waste that disposed as it is required by the National Waste Management Act 59 of 2008 ([www.wastepolicy.co.za](http://www.wastepolicy.co.za))
- The waste disposed is not incinerated as it is required by the permit.
- Non availability of the Jamestown landfill site permit.

### ***Waste Opportunities***

The management, collection, control and disposal of waste can be an economic activity with spin-offs for poverty alleviation and improved environmental management. This could be successfully done if there is separation at source *i.e.* reduce, reuse and recycle. In 2010 the DEDEA granted the municipality an amount of R4.760million for Solid Waste Recycling Project. This project is successfully operational as a cooperative in Maletswai [known as Maletswai Waste and Recycling Cooperative], managed by previously disadvantaged women in partnership with the municipality.

### ***5.2.2 Municipal Health***

Municipal Health Services is a power and function of the district municipality in terms of the National Health Act, 61 of 2003. The municipality focuses on issuing business licences, cutting overgrown erven, enforcement of bylaws and related national legislation.

### ***5.2.3 Disaster Management***

Disaster Management is the function of the Joe Gqabi District Municipality. There is a Disaster Management Policy and Framework for the whole Joe Gqabi District Municipality including Maletswai Local Municipality. There is a Disaster Management Satellite Operational centre which services Aliwal North, Jamestown and farm areas – and this centre caters for disaster management, fire fighting. There is a gentleman's agreement between the municipality and the Disaster Management unit of the District Municipality, and there is a constant interaction [in the form of communication radio that was provided by the Municipality's Technical Service Department] – they even fixed the municipality's 15 000litres water truck and it assists when there are fire emergencies in the municipality and district.

### ***5.2.4 Security Facilities***

There are four fully staffed and capacitated police stations in Jamestown and Aliwal North. The crime rate is relatively low especially in contrast to other places of the province. The provincial Department of Safety and Liaison plays an active role in assessing the effectiveness of Policing in the Maletswai municipal area.

### 5.2.5 Sport and Recreation Facilities

There is one athletic track, four tennis courts and one netball court in Jamestown [all in a dilapidating situation]. Sauer Park is located in Aliwal North – currently being upgraded - MIG funding 2011/12 financial year. Sarah Moorosi stadium is located in Jamestown – the first phase of upgrading is completed and the second phase will be done during the 2011/12 financial year; Maletswai Sports field is located in Dukathole – it is currently in a good condition but minor upgrades will be made during the 2012/13 financial year

### 5.2.6 Community Halls

Community halls contribute in encouraging community participation and play an important role in the development of sustainable human settlements.

*The community halls in Maletswai Municipal area are indicated hereunder:-*

Ward No.	Area based Current status	Need identified
Ward 2	Hilton	Has been renovated
Ward 2	Joe Gqabi	Newly built
Ward 5	Greenslade	Has been renovated
Ward 6	Mzingisi Bhilisho (Chris Hani section)	Newly built
Ward 1	Masakhane	Has been renovated
Ward 3	Joe Slovo	Newly built

Table 19: Community Halls

Some halls need furniture. Fencing and paving of community halls will be considered in the 2012/13 budget as well as budget for the ensuing years.

### 5.2.7 Libraries

This service largely remains a competency of province and the municipality performs agency function. In Maletswai Municipality, there are two (2) libraries in both towns – however, there is a consistent outcry from community members to have more libraries in the townships. The municipality will explore the issue of mobile library services, and also attaching library service to all community halls.

### 5.2.8 Human Settlements

#### 5.2.8.1 Human Settlement Types

Statistics from South Africa's Community Survey 2007 provides data on the types of main dwellings in Maletswai Local Municipality. It is indicated that there are 7834 households or 68% of the population in Maletswai Municipality live in a house or brick structure on a separate stand or yard.

#### *Type of main dwelling – Maletswai Municipality*

	Households	Maletswai	District	Province
House or brick structure on a separate stand or yard	7834	68.46%	46.34%	46.78%
Traditional dwelling/hut/structure made of traditional materials	343	3.00%	41.10%	36.67%
Flat in block of flats	433	3.78%	4.25%	4.30%

Town/cluster/semi-detached house (simplex: duplex: triplex)	75	0.66%	0.26%	1.17%
House/flat/room in back yard	52	0.45%	1.61%	2.04%
Informal dwelling/shack in back yard	562	4.91%	1.42%	1.63%
Informal dwelling/shack NOT in back yard	1935	16.91%	3.89%	6.41%
Room/flat let not in back yard but on a shared property	69	0.60%	0.25%	0.43%
Caravan or tent	66	0.58%	0.39%	0.10%
Private ship/boat	0	0.00%	0.00%	0.02%
Workers' hostel(room/bed)	57	0.50%	0.14%	0.16%
Other	18	0.16%	0.36%	0.29%
<b>Total Households</b>	<b>11444</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>

Table 20: Types of main dwelling

### **5.2.8.2 Human Settlement Backlog**

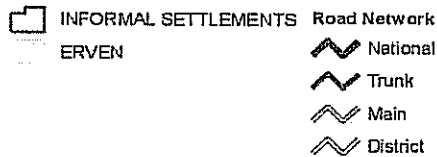
The demand for housing is increasing in Maletswai Municipal area, due to increased migration patterns from the farms, neighboring towns and other parts of the province and the decentralisation of provincial and National government departments it is estimated that the municipality would need to provide 12 000 housing units in keeping up with the current demand.

#### **Informal settlements**

The plan below indicates that there are approximately 1 500 informal settlement structures in Aliwal North and no informal structures in Jamestown. There are moves in place to address the whole housing backlogs in the municipality, and also, ensure that everyone is housed in a conducive place.



**MALETSWAI LM HOUSING SECTOR PLAN**  
**INFORMAL SETTLEMENTS - ALIWAL NORTH**



**The following table presents a summary of all the spatial proposals:**

Housing Type	Town	Location	Type of Project	Estimated No. of sites
Low Cost/ Subsidy Housing/ In Situ Upgrading / Formalisation	Aliwal North	Block H, Hilton, Phola Park and Chris Hani		550 infill sites
	Aliwal North	420 sites-( part of Area 13), 101 sites IDT	Subsidised housing	521 units
	Rectification of Consolidation(90+87)		Subsidised housing	146 units
	Area 13(26 non commissioned)	Area 13	Subsidised housing	26
	Jamestown	250	Subsidised,	250
	Aliwal North and Jamestown	172Dukathole,140 Block B Hilton 94 and 244 Old Masakhane	Rectification	650
BNG	Aliwal North	Joe Gqabi Extension	BNG (Incl. middle to high)	4000

Middle to High Income residential	Aliwal North	Bird's Eye View	Private Developer	284 units
	Aliwal North	Abor View	Private Developer	24 units
Emergency Houses	N/A	N/A	N/A	N/A

Table 21: Spatial Proposals/Housing Backlog

While some of the above projects are still at a conceptualisation phase while others having been in the early phases of planning – they have been identified by the IDP and Spatial Development Framework (SDF) of the municipality. The Multi-Year Housing Development Plan Data prepared by Urban Dynamics for Department of Human Settlements in 2003, indicates that Maletswai Local Municipality has the highest number of households still residing in informal dwellings.

ITEM	NUMBER OF HOUSEHOLDS
Households in formal dwellings Aliwal North	12219
Households informal dwellings Aliwal North	1500
Households in formal dwellings Jamestown	2,308
Households informal dwellings Jamestown	0

Table 22: Urban Dynamics

The following table represents the level of informal housing in Maletswai Local Municipality. This table only reflects informal housing in urban areas and does not take into account traditional houses in the townships and informal dwellings thereof.

Level of Informal housing in Maletswai		
	Census 2001	RSS 2006
	% households	% households
Eastern Cape	10.9	5.7
Ukhahlamba	6.9	5.0
Maletswai Local Municipality	30.5	19.6

Table 23: Level of Informal Housing in Maletswai

There are 9 housing projects, consisting of 3,450 units, have been approved to the value of R85, 684, 074.00 in the Maletswai area, only 7 have been completed.

**The table below reflects the subsidies that were received by Maletswai municipality:**

Project/Town	No. houses	Total amount	Balance at 31 Dec 2007	Comments
Aliwal North Area - 5 R/L 1 project no 425	1,220 units	R29,197,400	R27,799	Completed
Aliwal North: Hilton – R/L 2	89 units	R2,675,375	82,011	2 outstanding
Aliwal North: Dukathole project no. 040	330 units	5,958,072	366,070	Completed
Aliwal North: Dukathole Cons. Project no. 757	100 units	3,898,400	3,898,400	Completed
Aliwal North: Area 13.	300 units	10,546,437	135,000	Completed
Jamestown	359 units	6,141,780	365,048	Completed
Masakhane R/L 2 Project no. 509 -	858 units	25,109,6109	113,500	Completed

Dukathole	743 units		Under Construction
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Table 24: Housing Projects in Maletswai

In conclusion, the municipality is planning to compile a land asset register with the assistance of the Department of Local Government and Traditional Affairs. The municipality is in full control of land invasion and no new informal settlements are allowed. When a shack dweller acquires a formal house it is expected that the dweller dismantles the shacks and leaves the land vacant.

## CHAPTER 6

### KPA 3: LOCAL ECONOMIC DEVELOPMENT

#### **PREAMBLE:**

In the face of historic levels of unemployment and widespread poverty, Local Economic Development (LED) has become a critical policy priority in South Africa generally and in the Eastern Cape. LED is a unique policy tool for government to build a more inclusive society and economy, to increase the numbers of people who are in sustainable economic activity, as well as to actively reduce levels of dependence, poverty and exclusion. It is designed to help build capacity of local institutions and communities – public and private – to work in common purpose with national and regional bodies to build strong, adaptable, confident, outward looking, cohesive and inclusive economies. Whereas other policies tend to work within their respective sectors – LED is cross-sectoral and integrative.

It is dedicated to making the connections where these are not in place – often enabling national and provincial sectoral programmes to be better targeted and relevant to local circumstances. It is thus able to deal with complex problems that cannot be reached by standard sectoral approaches because of its ability to draw on local intelligence, networks, and commitment – and its capacity to bring a range of perspectives to bear on the issues being addressed.

LED is also the framework which brings together all the relevant stake-holding interests into a cooperative arrangement as partners focussed on the development of *the local area*. Local development partnerships will typically include:-

- those with the democratic mandate: local government – elected and officials, supported by officials at other levels of the governance chain – district and provincial levels,
- those responsible for wealth generation: business and labour organisations,
- state and parastatal entities and agencies delivering on a range of state and provincial policies/programmes in the area, and,
- local community interests as key stakeholders in the socio-economic development of the area.

#### **6.1 Long-term economic vision for Maletswai:**

***“Maletswai will have a vibrant and sustainable economy by effectively using available resources and promoting investment opportunities and skills development, thereby reducing unemployment and poverty levels within its communities.”***

## **6.2 MALETSWAI ECONOMIC PROFILE**

### **6.2.1 INTRODUCTION**

This analysis of the economic profile and trends in Maletswai forms the basis of identifying comparative and competitive advantages and potential economic growth opportunities that may be exploited by the Maletswai community (all economic players) to the benefit of local residents. This section presents an overview of the current trends in the local economy. The outcomes of this analysis will be to identify economic potential as well as the foundation for the identification of local economic development programmes and projects.

This sub-chapter is discussed under the following sub-sections:

- Overall Economic Performance
- Sector contribution to Gross Geographic Product
- Sector profile
- Synthesis

### **6.2.2 OVERALL ECONOMIC PERFORMANCE**

Gross Geographic Product (GGP) is an important indicator of economic activity and comprises the value of all final goods and services, produced during one year, within the boundaries of a specific region and is commonly used to measure the level of economic activity in a specific area e.g. local municipality.

#### **MALETSWAI GROSS GEOGRAPHIC PRODUCT (GGP)**

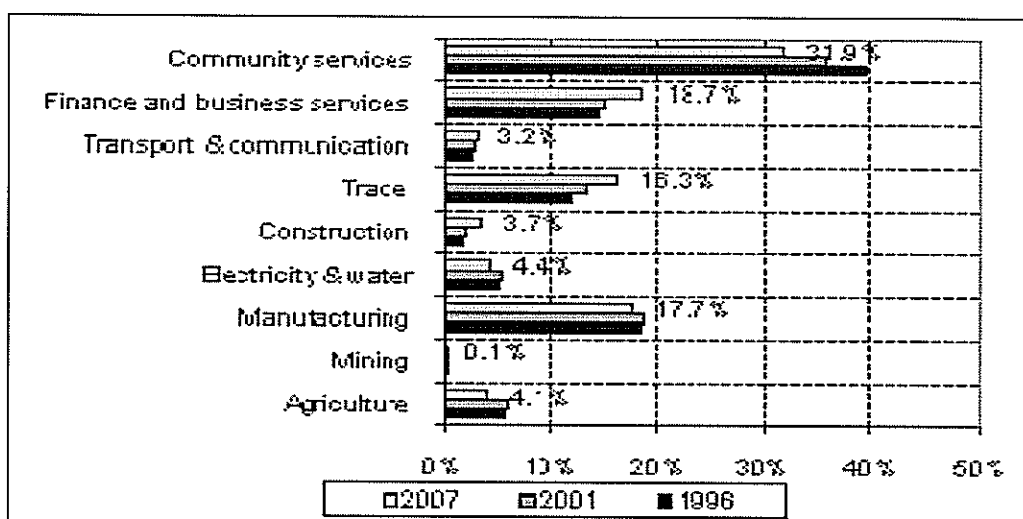
YEAR	GGP (R '000)	% CONTRIBUTION TO THE DISTRICT GGP	% CONTRIBUTION TO THE EC GGP
1995	R 409, 541	28.5	0.67
1996	R 426, 842	28.7	0.68
1997	R 436, 302	28.8	0.68
1998	R 432, 799	28.7	0.68
1999	R 488, 218	28.8	0.68
2000	R 471, 211	29.1	0.69
2001	R 489, 842	29,4	0.70
2002	R 494, 161	29.3	0.69
2003	R 509, 021	29.5	0.69
2004	R 534, 930	29.8	0.70
2005	R 564, 486	30.0	0.70
2006	R 597, 705	30.5	0.71
2007	R 628, 666	30.4	0.71

Table 25: Maletswai GGP (Source: Urban-Econ EC Calculations Based on Quantec 2007)

Maletswai Local Municipality had a total GGP of R629 million in 2007, up from R410 million in 1995. The municipality is an important contributor to district GGP, contributing 1/3 to the economy in 2007, but contributes minimally to the provincial economy. Higher growth in recent years indicates the overall economy is improving but it may have overheated due to structural constraints. Growth in Maletswai for period between 2008 and 2010 due to the global economic slowdown however will pick up in 2011 going forward.

### 6.2.3 SECTOR CONTRIBUTION TO GGP

The table below illustrates the relative sector contribution of each economic sector (as classified by the Standard Industrial Classification) to the overall GGP of Maletswai for 1996, 2001 and 2007.



Source: Urban-Econ EC Calculations Based on Quantec 2007

### 6.2.4 SECTOR PROFILE

This section provides an overview of all 'productive' sectors in Maletswai, i.e. all sectors excluding the government and utilities sector.

#### AGRICULTURE

The agricultural sector includes all activities related to growing crops, gardening and horticulture, farming with animals, agricultural husbandry services, hunting, trapping and game propagation, forestry and logging, fishing and operation of fish hatcheries and ocean and coastal fishing. The most predominant type of farming in Maletswai is stock farming namely, sheep, goat and cattle farming. Average commercial farm sizes range between 4,000 and 5,000ha, depending on the location and topography of the land.

There is limited crop farming in the area, with only an estimated 1% of farmers from Maletswai practising crop farming. This is a result of unsuitable climate conditions that currently prevails in the area. The area is characteristic of extremely high temperatures in summer and large drops in temperatures in winter, these climate conditions therefore do not support crop farming in the area. The soil is of a light composition *i.e.* sandy loam or sandy clay with an average rainfall of 300mm per annum. The farmers from the area predominantly target both the local market and the national market, depending on the specific product. Wool is sold through agents to the wool exchange in Port Elizabeth, while meat is sold to various markets in the country. An estimated 50% of the agricultural produce from farmers in the area is sold through agents, with pricing based on the following variables: current market prices, quality of the produce and the weight of the produce.

There are currently about 70 (seventy) emerging farmers in Maletswai who predominantly farm in stock farming. Only 2 out of the total number of farmers engage on a small scale in a combination of crop and stock farming. The average size of a farm owned by an emerging farmer is estimated to be less than 800 ha in size, considerably smaller than commercial farms. Challenges facing farmers in the area include:

- Water storages
- Poor infrastructure more specifically roads which are in poor conditions. Most roads leading up to the farms are not maintained and are in bad conditions, this compromises connectivity and access to markets.
- Produce is on a large scale sold in its raw form as there is limited value adding that takes place locally.
- Stock theft
- Conflict within farmer's organisations & high cost of labour
- High costs of fuel and medicine for livestock
- Lack of capital to invest into start-ups

Tunnel farming has been identified as an opportunity for growth in the agricultural sector and an alternative to expanding crop farming given the climate conditions of Maletswai. Tunnel farming has been piloted in Maletswai and is being practised however on a small scale. Game farming has been identified as another potential opportunity in the agricultural sector of Maletswai which could positively impact on the growth of the agricultural and tourism sectors.

The agricultural sector is a labour intensive sector and therefore a decrease in the contribution of this sector towards employment can negatively impact on employment as a whole. The agricultural sector contributed approximately R40.4 million towards GGP in 2007. Since 2001 there has been an overall decline in the contribution of agricultural sector towards GGP, from 6% to just more than 4%. Over 1,100 people were employed in the agricultural sector in 2007. Over the past 10 years, more than 20% of formal jobs in the Agricultural Sector have been lost. The sector currently contributes 15% to overall employment

## **MANUFACTURING**

The manufacturing sector includes activities related to the manufacture of food products, beverages, textiles, clothing and leather goods, footwear, wood, refined petroleum and metals and machinery.

The following are key characteristics of the manufacturing sector in Maletswai:

- Production is mostly agro-processing, including maize meal, cheese, milk and juices, with key manufacturing/processing companies in Maletswai being in being Sasko Milling, Dairybelle and Brakfontein Dairies.
- Products for key manufacturers located in Maletswai come from all surrounding areas i.e. north Eastern Cape areas, southern Free State, eastern Northern Cape, with final products destined for all national markets. The geographical distances from suppliers and to final markets make local manufacturing operations sensitive to fuel price changes given the percentage of goods using road freight.
- The poor maintenance of the local rail infrastructure has resulted in large percentage of produce being transported via road freight into Maletswai, negatively affecting the condition of the local roads, which increase indirect cost of manufacturing in the area.
- Key constraints to the industry include:
  - High labour costs
  - Scarce raw material
  - High fuel prices
  - Increasing electricity costs
  - General poor condition of infrastructure, in particular the poor condition of roads, which put additional costs to production and result in higher prices to producers
  - Poor level of service delivery from the municipality



The local stakeholders in manufacturing sector in Maletswai include local and national customers and suppliers, employees and the local community, provincial and local government. The manufacturing sector contributed R 173.3 million (or 18%) towards MLM GGP in 2007. The contribution of the manufacturing sector towards GGP over the past 10 years has been fairly stable between 17-19%. There has been an overall decline in the number of people employed in the manufacturing sector from 1995 to 2007. The manufacturing sector employed 924 people in 2007 and it currently contributes 13% to overall employment.

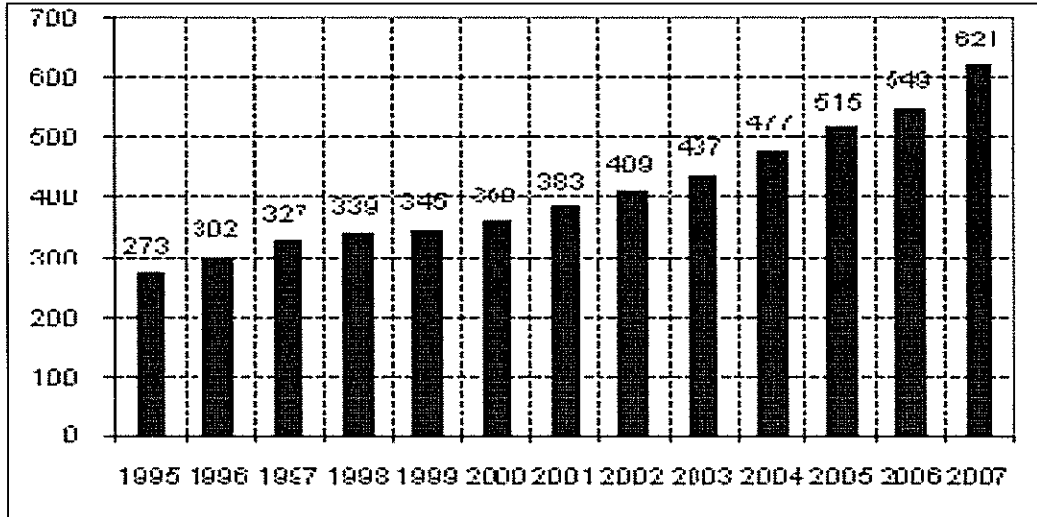
## **CONSTRUCTION**

The construction sector includes activities related to site preparation, construction of buildings, building installations, building completion and the renting of construction equipment. The construction sector in Maletswai is currently being driven by demand for housing and office or business space. The largest government projects in the construction include the construction of RDP housing and infrastructure projects such as road upgrades and maintenance. There are 24 emerging contractors in Maletswai and 6 well established contractors which are participants in the construction sector of the area. Challenges facing the construction sector are predominantly related to the level of skills. Scarce skills in the construction sector include but are not limited to:

- Management skills, more specifically project management skills are required to effectively operate and manage the business as a contractor.
- Linked to management skills but crucial to the survival of any business is financial management skills
- Technical skills predominantly refer to skills related to building.

Most opportunities in the construction emerge as a result of many construction projects being released to tender by municipality so that companies in the private sector may be able to participate. In addition property development is also a new trend in the construction industry where most contractors purchase property and develop it for resale. Some of challenges facing contractors, more especially those participants in government projects, are the late receipt of payments for work completed on government projects. This challenge poses financial and liquidity constraints for emerging contractors and threatens the sustainability of the businesses in the construction sector. There has been an increase in the contribution of the construction sector towards GGP over the past 10 years. The construction sector contributed R35.8 million (3.7%) towards GGP in 2007.

## CONSTRUCTION SECTOR'S EMPLOYMENT



Source: Urban-Econ EC Calculations Based on Quantec 2007

## TRADE

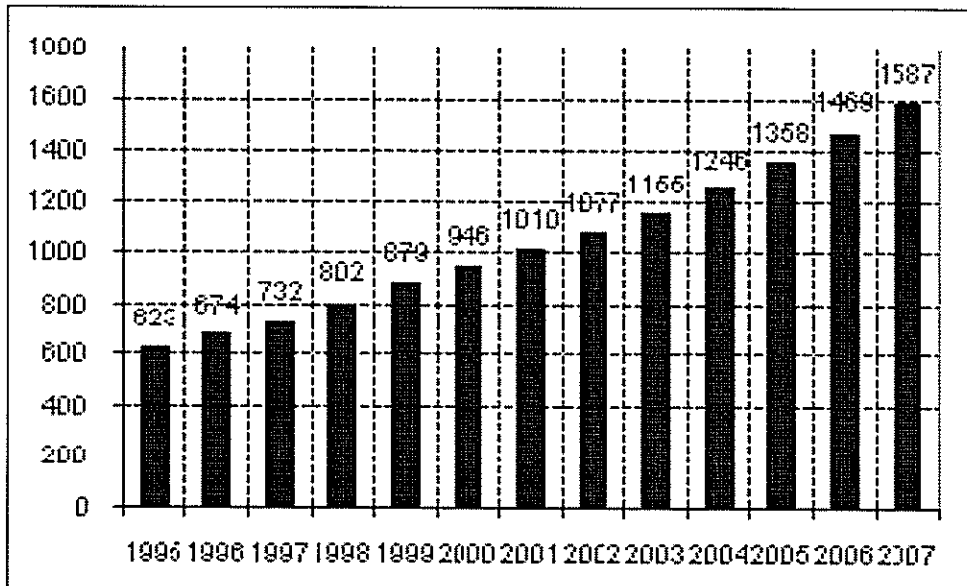
The trade sector includes activities related to wholesale and commission trade, retail trade and sale, maintenance and repair of motor vehicles and hotels and restaurants. The trade sector in Maletswai area is predominantly driven by the retail business activity, where most businesses in the trade sector are formal business (there are about 230 formal 78 'informal' locally owned businesses). The sector experiences some level of seasonality in that business activity tends to peak during holiday times. It predominantly focuses on local residents, tourists and trucks travelling on the N6.

Some larger retail businesses in the area are national chains and/or franchises, including Pick 'n Pay, Shoprite, Jet, Markham, Lewis, OK furnishers, and PEP to name but a few. Constraints identified for development of the trade sector include the small local market providing limited scope to expand the range of products offered and most local residents earn salaries resulting in monthly spikes in trading towards month end. Other constraints are the poor infrastructure and service delivery levels. Some of the businesses face specific challenges such as not being able to acquire liquor licenses for operation. Despite these challenges businesses are relatively confident about conducting business in the area. The poor level of skills is another major challenge to the trade sector in the area.

Development and upgrade of the Aliwal Spa Holiday Resort in Aliwal North has been identified as an opportunity not only to be tourism sector but however sectors such as the trade sectors are anticipated to benefit from this development. Additionally, the location of Maletswai along the N6 route has been

identified as a great opportunity for trade sector. The trade sector contributed R159.5 million or 16% towards GGP in 2007. There has been an increase in the overall contribution of the trade sector towards GGP since 1995, from 11% to over 16%. Growth has averaged between 5% and 10% p.a. since 2002.

### TRADE SECTOR'S EMPLOYMENT



Source: Urban-Econ EC Calculations Based on Quantec 2007

### TRANSPORTATION & COMMUNICATION

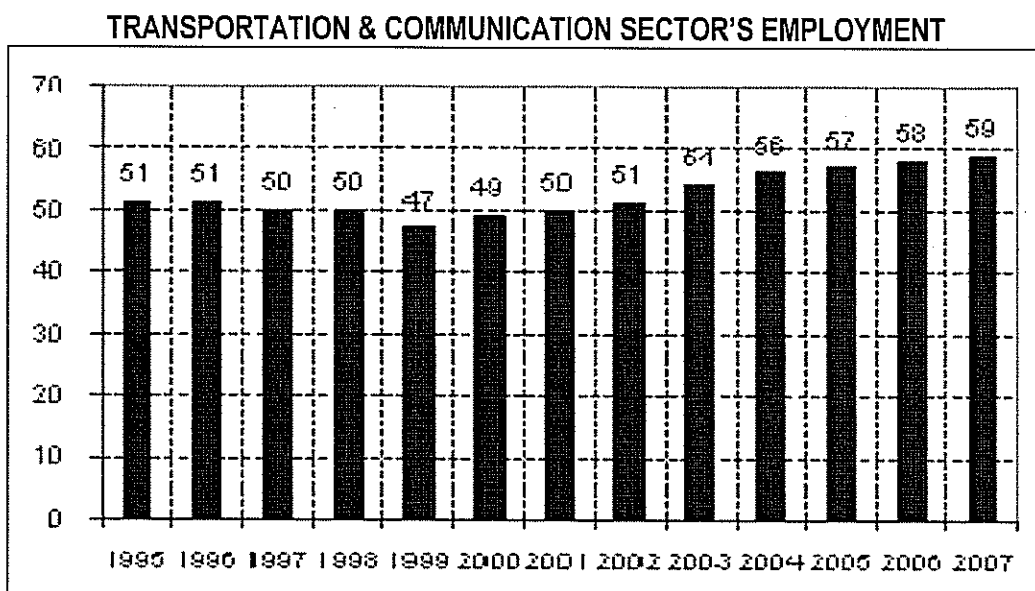
The transportation and communication sector includes activities related to land, water and air transport, as well as post and telecommunications. The most predominant mode of transport in Maletswai population is the use of taxis. It is estimated that the taxi industry in the area, particularly between Dukathole, Aliwal North and Jamestown. A small proportion of long distance trips to various destinations outside of Maletswai are also part of the sector. There are 32 legal (registered) taxi operators. There are nine (9) petrol stations in Maletswai, seven (7) of which are situated in Aliwal North and two (2) in Jamestown, servicing the local and transient market.

Challenges facing the transport industry include:

- The level of infrastructure, in particular the roads which are still in generally bad condition despite the various upgrades taking place in the area, which impacts negatively on taxi operators

- Increased level government regulation of the industry, creating numerous inefficiencies for taxi operators, in particular the administrative processes often prevent taxi operators from operating and thus affecting their livelihoods.
- No enforcing the law to prevent illegal operators entering the industry, thus affecting the viability of legal operators and could easily lead to conflict, especially the poor allocation of routes and demarcated spots in which to operate.
- Fuel price increases over the past few years
- No linkages between the local transport sector and tourism establishments

The transport and communication sector contributed R30.9 million or 3.2% towards MLM GGP in 2007. Furthermore, there was an increase in the contribution of the transport sector to GGP from 1995 to 2007 from 2.5% to 3.2%. Lastly, growth in the transport sector averaged over 5% p.a. since 2002.



*Source: Urban-Econ EC Calculations Based on Quantec 2007*

The transportation sub-sector is anticipated to rapidly grow, as the landing strip for Maletswai has been planned for development and upgrading.

## **FINANCE & BUSINESS SERVICES**

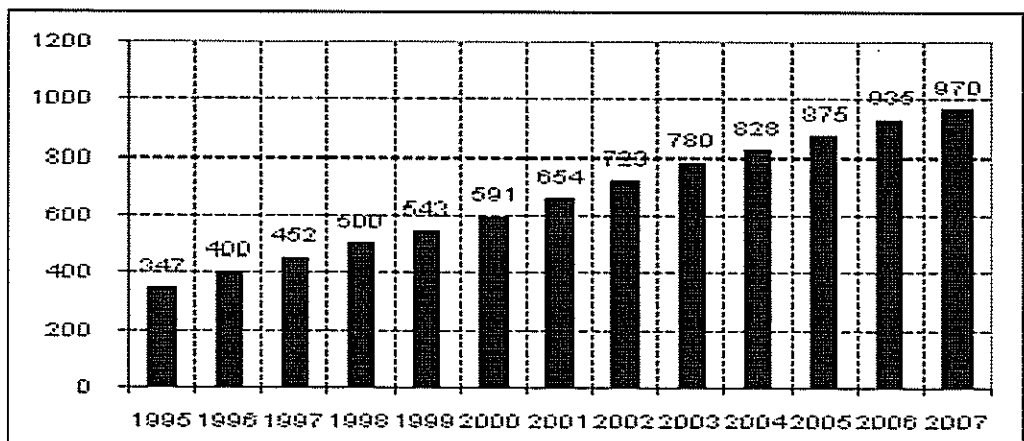
The finance and business services sector includes activities related to obtaining and redistributing funds, including for the purpose of insurance, real estate or commercial/business services. The following are characteristics of the finance and business services sector in Maletswai:

- The current situation is gloomy due to the little economic growth currently experienced in the area, households battling to make end meet and limited new job opportunities for the unemployed.
- There are 6 main banks in Maletswai namely, ABSA, First National Bank, Standard Bank, NEDBANK, CAPITEC and African Bank. In addition, there are four formally registered micro-lenders. Most of these are actively involved in financial literacy amongst the youth, as well as using innovative approaches, including mobile banking, to bring financial services to rural and underserved areas.
- The key market segments that the financial and business services in the area target are farmers and agricultural workers, low income earners, elderly, local businesses and the youth/student market.

Key challenges and constraints to the development of the finance and business services sector that were identified by local stakeholders include:

- Lack of parking in the CBD area of Aliwal North
- Poor national economic situation and relatively high interest rates places pressure on banks and their clients
- The business services sector contributed R183.1 million or 18.7% towards GGP in 2007.
- The contribution of this sector towards GGP since 2000 has increased from 14% to nearly 19% in 2007.
- The growth in this sector averaged over 5% since 2001

### **FINANCE & BUSINESS SERVICES SECTOR'S EMPLOYMENT**



Source: Urban-Econ EC Calculations Based on Quantec 2007

## ***TOURISM***

It should be noted that the tourism sector is not classified as a sector according to the Standard Industrial Classification (SIC). However, it is recognised that tourism sector is a significant sector in Maletswai in terms of GGP contribution and employment creation and it is important to understand salient features of tourism in Maletswai, so as to capitalise on opportunities within the municipal area. Therefore, the following section briefly summarises the major trends within the tourism sector. The following analysis of the tourism sector in Maletswai is presented based on the Maletswai Tourism Sector Plan (2007).

The product identification process for the Tourism Sector Plan identified 3 main tourism products that should be prioritised for the development in the area. These tourism products include:

- The redevelopment and revitalisation of the Aliwal Spa Holiday Resort, which is currently undergoing a R31-million redevelopment with grant funding from the National Department of Tourism and EC Department of Economic Development, Environmental Affairs and Tourism (DEDEAT)
- Historical Tours
- The Aliwal Bridge Tourism Toll Project

According to the Maletswai Tourism Sector Plan, a large number of the tourism products are based in Aliwal North and there are minimal tourism products in the remainder of Maletswai.

It is evident that there are many cultural/historical sites in the area. Other tourism products in the area include these listed below:

- Adventure activities, including:
  - Fishing
  - Bird watching
  - River Rafting
  - Hiking
- Events
- Education
- Business; and
- Sport

Out of identified tourism supply in the area the following tourism products are currently being sold in the area:

- Business stops
- Transit stops
- Visit to the Aliwal North Spa
- General interest tour stops

The following tourism products have been identified as having potential for the development in the study area:

- Historical experiences
- General nature experiences
- Adventure experiences
- Conferences

#### ACCOMMODATION ESTABLISHMENTS IN MALETSWAI

Category	No. of Establishments	No. of rooms	No. of units	No. of sites	Total no. of beds
Self-Catering	4	0	80	560	302
Guest Farm	5	20	12	0	143
Guest Houses	18	83	19	0	166
Hotels	2	65	0	0	108
<b>Total:</b>					<b>719</b>

Table 26: Accommodation Establishments (Source: Maletswai Local Municipality and Maletswai Tourism, 2012)

#### TOURISM PRODUCTS CURRENTLY BEING SOLD IN THE AREA

Category	Business Stops	Transit Stops	General Interest Tours	Visits to Aliwal Spa
Origin	Eastern Cape Gauteng	Gauteng Eastern Cape Netherlands Germany	Netherlands Germany	Eastern Cape Free State Gauteng Western Cape
Family Structure	Single Travellers	Couples with or without children	Couples	Couples with or without children, small groups
Income level	Medium to High	All	High	Low to medium
Length of stay	1-2 nights	1 night	1-2 nights	Day outing/week
Age	>30	>25	>25	>30

Table 27: Tourism Products (Source: Maletswai Responsible Tourism Sector Plan (Grant Thornton), 2007)

#### 6.2.5 SYNTHESIS

The Maletswai economy has been growing between 3-5% over the past years and is a relatively important contributor to the Joe Gqabi District economy. Aliwal North is the largest town in the district

and the municipality therefore has relatively well developed tertiary sectors, although there is still a dependence on government for both employment and economic growth. The most productive sectors in Maletswai include finance and business service sector, the manufacturing sector and the trade sector. The Maletswai economy is relatively well established and shows potential for growth, particularly in the agriculture and agro-processing sectors and the tourism sector.

### 6.3 MALETSWAI ECONOMIC POTENTIAL ANALYSIS

#### 6.3.1 INTRODUCTION

The purpose of this section is to identify potential local economic development opportunities in Maletswai Local Municipality, based on the current situation within the municipality, as detailed in the preceding situation analysis. An economic potential analysis will help create an understanding with regard to the development potential within the Maletswai area and is based on an understanding of the competitive and comparative advantages in the area.

#### 6.3.2 ECONOMIC POTENTIAL ANALYSIS

The table below presents the economic potential analysis conducted for Maletswai municipal area.

OPPORTUNITIES	CONSTRAINTS
<ul style="list-style-type: none"> <li>• Strategically located along N6 – can capture transient market</li> <li>• Available land for development</li> <li>• Relatively well established economy</li> <li>• Stable manufacturing sector</li> <li>• Good health care facilities</li> <li>• Relatively good economic growth rate</li> <li>• Relatively good infrastructure/ access to services</li> <li>• Focused on LED</li> <li>• Government departments are relocating to Aliwal North</li> <li>• Vibrant trade (retail) sector</li> <li>• Agricultural processing - dairy</li> <li>• Aliwal North already a service centre</li> <li>• Game farming</li> <li>• Expansion of agriculture through support from Department of Agriculture</li> <li>• Value- adding of agricultural products</li> <li>• Tourism (Revitalisation of the Aliwal Spa)</li> <li>• Tunnel Farming</li> <li>• Truck stops</li> <li>• Skills development for builders/ Provide on-the-job training</li> <li>• Open space that could be used for potential development (i.e. next to Orange River)</li> <li>• Aesthetic value of the Orange River</li> <li>• Presence of FET institution in Aliwal North, i.e. Ikhala College</li> <li>• Develop incentives for investors</li> <li>• "Gateway" to Eastern Cape</li> </ul>	<ul style="list-style-type: none"> <li>• Limited participation of the private sector in LED</li> <li>• Local businesses are not well organized, limited coordinated activities take place</li> <li>• Lack of available credit and capital for small businesses</li> <li>• Low level of skills</li> <li>• Decline in agricultural sector</li> <li>• Climatic conditions not conducive to crop production</li> <li>• Investment opportunities not well marketed</li> <li>• Events not well marketed (e.g. sports events)</li> <li>• No substantial value adding happening locally.</li> <li>• HIV/AIDS</li> <li>• Poor sewerage infrastructure</li> <li>• Poverty and unemployment</li> <li>• Leakage of income</li> <li>• Stagnant population growth</li> </ul>

Table 28: Economic Potential Analysis

During engagements with local stakeholders it became apparent that there are a number of drivers and potential drivers of the Maletswai economy, including: the location of Aliwal North and Jamestown along



the N6 freeway, Aliwal North's existing position as a regional service centre for the surrounding areas, the revitalisation of the Aliwal Spa Holiday Resort and the re-location of government departments to Aliwal North. These viewed as the main opportunities for economic growth and development in Maletswai.

In terms of constraints most stakeholders believe that inadequate sewerage infrastructure is the main barriers to economic growth and development. The economic potential analysis presented in this section will be used to identify strategic programmes and projects that can drive economic growth and development in future in the strategic framework for the LED strategy.

#### **6.4 Local Economic Development in MALETSWAI**

A.H.J (Bert) Hemsing of the Institute of Social Studies (2001) defines local economic development (LED) as a *"process in which partnerships between local governments, community-based groups and the private sector are established to manage existing resources to create jobs and stimulate the economy of a well-defined territory"*. It emphasises local control, using the potentials of human, institutional and physical resources. Local economic development initiatives mobilise actors, organisations and resources, develop new institutions and local systems through dialogue and strategic actions.

An inclusive and consultative process to develop a Local Economic Development Strategy in Maletswai was initiated in February 2008 and completed in October 2009. This blueprint was adopted by Council in May 2010; hence it is a sector plan of the IDP and a strategic document to coordinate local economic development in Maletswai.

##### **6.4.1 MALETSWAI 5 YEAR LOCAL ECONOMIC DEVELOPMENT GOALS**

The setting of goals is based on the question: "What indicators need to be set to determine the extent to which the above economic vision has been achieved?" Our goals are linked to district, provincial and national goals (where appropriate) to ensure that our LED Strategy is aligned with other policies and strategies.

***Stakeholders have identified the following goals for the Maletswai LED Strategy:***

- Reduce the level of unemployment by 10% per annum from 2009-2013
- Achieve and maintain a 4-8% economic growth rate from 2009-2013
- Attract and secure at least 1 new investment project annually for the next 5 years

- Maletswai is recognized as a regional service centre of excellence by 2012

***The goals of the Maletswai LED Strategy are based on the following rationale:***

- The current unemployment level in Maletswai is 35% if the broad definition of unemployment is used. A reduction of 10% translates into the creation of approximately 3,300 jobs by 2013, i.e. the creation of roughly 660 jobs per annum.
- The above implies that the workforce must expand by 50% of its current size within 5 year's time. This is slightly lower than goals set out in the PGDP, but are considered more realistic.
- The annual GGP (Gross Geographic Product) growth rate has varied from between 3 - 5.5% from 2004-2007 and was over 5% per annum in 2006 and 2007. The Provincial Growth and Development Plan (PGDP) prescribes provincial growth targets of between 5% and 8% per annum, over the period 2004 – 2014 and ASGISA prescribes growth targets of 4.5% per annum to 2009 and a growth rate of 6% per annum from 2010 onwards. Therefore, the economic growth targets for Maletswai Municipality are aligned with both provincial and national targets and are at the same time realistic given historical growth trends.
- MLM hopes to attract new investment (either through the expansion of existing businesses or attracting new businesses) to the region to contribute to economic growth and job creation. MLM will aim to achieve this by creating an enabling environment for investment; this includes things such as provision of infrastructure and basic services, ensuring safety and security, enforcing by-laws, etc. Ideally the new investment would be significant in size, e.g. at least R1 million and create sustainable employment opportunities.
- Maletswai is already an important service node in the district and is strategically positioned between Queenstown and Bloemfontein. Many people from surrounding towns' access goods and services in Maletswai, and specifically Aliwal North, however more could be done to promote Maletswai as a centre of excellence to reduce the flow of money out of the district and local economy.

#### **6.4.2 STRATEGIC PROGRAMMES AND PROJECTS**

Given the economic potential of Maletswai, in addition to the economic vision and goals described above, 5 key programmes have been identified, which if implemented in an integrated fashion, should stimulate economic growth development in the region, namely:

- Skills Development and Training
- Investment Promotion

- Tourism Development
- Agriculture and Agro-processing
- Economic Infrastructure

These programmes were identified based on the opportunities identified in the economic potential analysis (as indicated in the Maletswai LED Strategy), through stakeholder engagements and the three (3) ward level LED plans so as to position the municipality to most effectively concentrate its resources to be able to exploit local economic development opportunities and mitigate threats.

Each of the five strategic programmes are subsequently discussed in more detail with a specific emphasis on the rationale for the identification of each as a strategic programme (in the LED Strategy document), following which the proposed projects within each programme are listed.

These strategic programs are in line with the Joe Gqabi District Growth and Development Summit (GDS) objectives, which are all based on the principle of people-centered development, job creation, growth and development strategies, skills development initiatives and service delivery; the programmes are also in line with the objectives of the JGDM Tourism Marketing Sector Plan and LED Strategy.

#### **6.4.3 MUNICIPAL LED INSTITUTIONAL ARRANGEMENTS**

A structured mechanism to implement the LED strategy effectively has been created, a Local Economic Development Unit is situated in the Office of the Municipal Manager (OTMM) and politically the unit reports its activities to Council via the Standing Committee on Community Services. It has been noted and understood that LED activities cut-across all municipal line departments; hence the unit is housed in the OTMM.

The LED Unit is made functional by three (3) officials (LED Coordinator, LED Officer and Tourism and Marketing Officer) as indicated in the organogram (see annexure B), however in the current financial year there are two (2) positions filled. In terms of the draft 2012/2013 budget, R600 000.00 has been budgeted to facilitate local economic development actions and the LED Unit is currently implementing projects valued at R30-million.

The Joe Gqabi District Municipality's (JGDM) Socio-Economic Unit in the Community Services and Planning Department provides technical support to our LED Unit. The Maletswai LED Unit is a founder

and core member of the Joe Gqabi District Support Team (DST) for LED, member of the Joe Gqabi District Agricultural Forum and a convener of the Joe Gqabi District Tourism Working Group.

#### **6.4.4 STAKEHOLDER INVOLVEMENT IN LED ACTIVITIES**

In line with the new trends in the province to revitalise local economic development, Maletswai LED Unit has in partnership with the following partners: Joe Gqabi District Municipality, Department of Economic Development, Environmental Affairs and Tourism (DEDEAT), Department of Rural Development and Agrarian Reform (DRDAR), Department of Local Government and Traditional Affairs (DLGTA), Small Enterprise Development Agency (SEDA) and the Eastern Cape Development Corporation (ECDC), has re-establish a platform where all public sector stakeholders will engage and oversee economic development initiatives and opportunities. A Local Action Team for Local Economic Development (LATLED), a technical team that advises and provides support local economic initiatives, has been re-established and comprises of the above mentioned institutions and meets on quarterly basis. LATLED is coordinated by the local municipality.

In February 2012, LATLED resolved to develop Terms of Reference (ToR) for the Maletswai Local Economic Development Roundtable. The LED Roundtable will be a representative community stakeholder forum for all relevant stakeholders with a role to play in facilitating economic development initiatives and opportunities in Maletswai.

In the interim, stakeholder consultations on economic development related matters takes place on one-on-one basis, e.g. hawkers (hawker's development plan), liquor traders (by-laws), small scale farmers (access to commonages, district agriculture sector plan), local tourism organisation (branding, visitor information centre, marketing and events), local business (business retention & expansion strategy, project generation, etc.), Councillors (standing committee meetings), ward committee's (on development of ward based economic development plans) and general public (ward general meetings, imbizo's, IDP forums).

The LED Unit is currently engaged in an exercise of developing Ward Based Economic Development Plan for the six (6) wards in Maletswai and in that process, consultation with various stakeholders (youth, women, people with physical challenges, business (commercial and informal), agriculture (commercial and small scale) and tourism sector) will take place and implementation is planned for July 2012.

### 6.5 Business Retention and Expansion (BR&E)

A Business Retention and Expansion programme to develop a Maletswai BR&E Strategy was initiated in July 2011 with support from the Joe Gqabi District Municipality and Industrial Development Corporation (IDC). The overall goal of the Maletswai BR&E programme is to stimulate local economic development and create employment opportunities by retaining and expanding existing business. The following are key issues raised by the BR&E survey conducted in February/March 2012:

- Fast track the revitalisation of the Aliwal Spa Holiday Resort and local tourism development (marketing),
- Facilitating a single local business chamber,
- Developing a communication plan and platform for the local business and government engagements,
- Develop local skills,
- Transparent supply chain management (procurement) processes,
- Infrastructure development (land and services), and
- Development of an industrial park.

Task teams have been established to develop a programme action plan per issue raised.

### 6.6 Job Creation Mechanisms (EPWP and CWP)

In its endeavours to fight poverty and unemployment, Maletswai Local Municipality has developed a mechanism to create labour intensive job opportunities in the infrastructure (roads, construction, etc.) and environment (refuse removal), and all these are EPWP accredited and incentive is received. EPWP is coordinated by the LED Unit and project monitoring and reporting is undertaken by a host municipal department, e.g. Technical or Community Service Department.

#### **Maletswai Driven EPWP Projects:**

EPWP Sector	Jobs Opportunities Created	Additional Targeted Job Creation
Environment	70	0
Infrastructure	50	100

Table 29: Maletswai EPWP Projects

#### **Provincial or National Government Driven EPWP Projects:**

EPWP Sector	Jobs Opportunities Created	Additional Jobs to be created	Responsible Department
Environment (household)	360	0	Department Roads & Public Works

contractors)			
Tourism	157	0	National Department of Tourism
Infrastructure	60	60	Department Roads & Public Works

**Table 30: Provincial and National Government EPWP Projects**

### **Community Works Programme (CWP):**

Maletswai Local Municipality is not yet accredited and/or approved to implement a Community Works Programme.

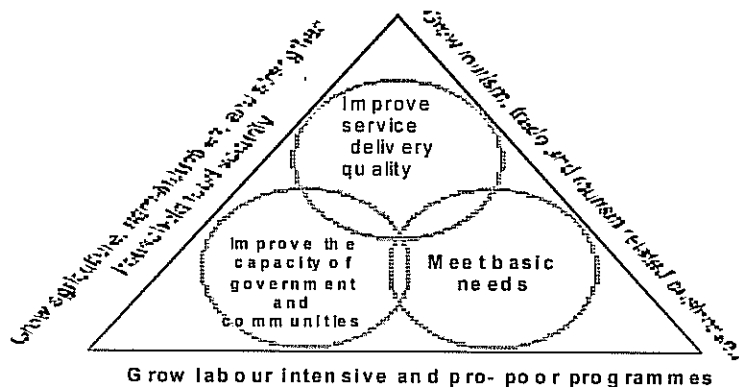
### **6.7 Enterprise Development Support**

In partnership with the Eastern Cape Development Corporation (ECDC), Small Enterprise Development Agency (SEDA), Maletswai LM regards Enterprise Development, Broad Based Black Economic Empowerment and Cooperative Support, as mechanisms that will assist our people to fight poverty, promote entrepreneurial spirit, create sustainable job opportunities and grow our economy. The municipality, in partnership with the ECDC and SEDA, has set the following targets for 2012/2013 financial year for enterprise development support:

Category	Target	Description of Service
Small Enterprises	30	Skills development Information Session/Workshop Business planning Financial management Tendering (Compiling a winning tender document) Municipal and government procurement Procure their services
Cooperative Support	20	Skills development Being a cooperative Information Session/Workshop Business planning Financial management
Broad Based Black Economic Empowerment (BBBEE)	5	Information Workshop/Session BBBEE compliancy (assistance with accreditation) Supply Chain Management & Procurement

## CHAPTER 7

### KPA 4: GOOD GOVERNANCE AND PUBLIC PARTICIPATION



#### 7.1 POLITICAL STRUCTURE

The Maletswai Local Municipal Council consists of 12 Councillors, including the Mayor, of the 12 councillors, 9 are from African National Congress (ANC), whilst two are representing Democratic Alliance (DA) and 1 from the United Residents Front (URF). The municipal Council has 6 ward councillors whilst the other 6 [councillors] are on proportional representation. Both the political and the administrative seats are situated in Aliwal North. The municipality consists of six ward committees which are constituted by 10 ward committee members per ward – making it into 60 ward committee members, which significantly contribute to the participatory interface between the community and council. The Councillors, as part of their political mandate, ensure that the needs of the community are reflected in the IDP - and that these are prioritised and translated into strategic objectives and strategies, which inform the development projects for implementation in the Service Delivery and Budget Implementation Plan.

Within the context of the above, the Mayor holds office as a full time public office bearer; this enables him to provide political leadership and direction to the municipal bureaucrats. Whereas, the political and executive authority is vested in the council, where developmental decisions are made to meet the needs and improve the quality of life of the citizens living in Maletswai.

The Council meetings [with the exception of in-committee] are open to the members of the public. Ordinary Council meetings take place at least four times per annum, whereas, Special Council meetings are convened; when important issues arise that require urgent attention of the council. On the other hand,

the standing committees of council are established and being reviewed from time to time, to strengthen the oversight role of the council on the performance of the administration.

The Committees of council are constituted as follows:

**Technical Services Committee**

Cllr ZA Betana  
Cllr Williams  
Cllr GD Fourie  
Cllr NS Mathetha  
Cllr M Mdumisi

**Corporate Services Committee**

Cllr M. Mokhoabane  
Cllr MM Tsolanku  
Cllr P Williams  
Cllr K Lange  
Cllr GD Fourie

**Financial Services Committee**

Cllr E. Mbana  
Cllr H Du Preez  
Cllr M Jan  
Cllr K Lange  
Cllr NS Mathetha

**Community Services Committee**

Cllr NS Mathetha  
Cllr Mdumisa  
Cllr MM Tsolanku  
Cllr ZA Betana  
Cllr ES Mbana

**7.2 SETTING OBJECTIVES AND STRATEGIES IN TERMS OF THE KEY PERFORMANCE AREAS OF THE 5-YEAR LOCAL GOVERNMENT STRATEGIC AGENDA**

For the Maletswai Local Municipality to effectively address its priorities, it was decided that the strategic objectives and strategies would be structured and linked to programmes and projects in the format of the 5-year Local Government Strategic Agenda, also taking into considerations of the Outcome 9 outputs, and Local Government 10 point plan. The Key Performance Areas are listed as follows.

1. KPA 1: Spatial Development Framework;
2. KPA 2: Basic Service Delivery;
3. KPA 3: Local Economic Development;
4. KPA 4: Good Governance and Public Participation;
5. KPA 5: Financial Viability
6. KPA 6: Institutional Analysis and Organisational Transformation.

The Local Government 10 point plan, in which the municipality takes into consideration focuses on the following:



1. Improve the **quantity and quality of municipal basic services** to the people in the areas of access to water, sanitation, electricity, waste management, roads and disaster management.
2. Enhance the municipal contribution to job creation and sustainable livelihoods through **Local Economic Development (LED)**.
3. Ensure the development & adoption of **reliable and credible Integrated Development Plans (IDPs)**.
4. Deepen democracy through a **refined Ward Committee model**.
5. Build and **strengthen the administrative, institutional and financial capabilities** of municipalities.
6. Create a **single window of coordination** for the support, monitoring and intervention in municipalities.
7. **Uproot fraud, corruption nepotism** and all forms of maladministration affecting local government.
8. Develop a coherent and **cohesive system of governance** and a **more equitable intergovernmental fiscal system**.
9. Develop and strengthen a **politically and administratively stable system** of municipalities.
10. Restore the **institutional integrity** of municipalities.

In view of the foregoing, Outcome 9 [on the other hand] promotes a **responsive, accountable, effective** and **efficient** local government system. Moreover, outcome 9 arose from principles of the best performing municipality as envisaged in the Local Government Turn-Around Strategy (LGTAS).

Amongst the key outputs of Outcome 9 are the following:

- Output 1: Implement a differentiated approach to municipal financing, planning and support
- Output 2: Improving access to basic services.
- Output 3: Implementation of the Community Work Programme
- Output 4: Actions supportive of the human settlement outcome
- Output 5: Deepen democracy through a refined Ward Committee model
- Output 6: Administrative and financial capability
- Output 7: Single window of coordination

In view of the above strategies, Maletswai Municipality, commits itself of serving with passion, and thus improving access to essential and basic service – furthermore, with limited resources but yet committed in removing infrastructure backlogs. Furthermore, the municipality is committed in partnering with [all] stakeholders, government departments, community and others in society in ensuring that an integrated

services is provided for the inhabitants of Maletswai thus minimising the cost of providing the service and investing in areas that have the economic potential.

### **7.3 Mainstreaming of Special Groups**

The identification, design and implementation of IDP programmes in Maletswai Local Municipality streamline the factors and priorities for the allocation of benefits and involved in the participation of youth, women and people-living-with disabilities (PLWD). In this regard, resources must be identified by the municipality and allocated to give effect to the full constitutional rights of youth, women and people living with disabilities in Maletswai. Area of intervention, which mostly impact, is enabling framework through the Maletswai procurement policy and EPWP compliant principles in the Tender process. A more ward based budget for these interest groups has been made since 2009/10 financial year.

#### **7.3.1 HIV and AIDS**

HIV and AIDS is a cross cutting issue with no boundaries, which has an impact on youth, women, elderly and local economic development. It has a serious global, national and regional social, economic and health impact, and it contributes to the deepening of poverty. Recently, Department Cooperative Governance and Traditional Affairs (CoGTA) has appointed a service provider (Contra-Lit) to pilot a project for rolling out of Programming and Mainstreaming of Integrated Local Response to HIV and Aids in Joe Gqabi District. This follows the Presidential call in his Address during the 2009 World Aids Day where he said:

***“Our message is simple, we have to stop the spread of HIV, we must reduce the rate of new infections, and prevention is our most powerful weapon”***

This can only be done if all people understand that you are either affected or infected by this pandemic. As long as government departments and municipalities are working in silos in dealing with issues of HIV and Aids the calling to reduce the spread of the virus can only be a wish from a concerned citizen. In 2009/2010 the Council took a firm decision to increase the budget of the HIV and AIDS unit from R20 000 to R100 000. The Eastern Cape Aids Council and Joe Gqabi District Municipality have also given an enormous support to the council with regards to HIV and AIDS issues in Maletswai, and they still continue to do so. The Eastern Cape Department of Health (ECDOH) programme for HIV/Aids in the district includes the following priorities:

- Increasing the HIV testing rate to 83%;
- Improving VCT services by training counsellors and fill vacant posts in clinics;

- Targeting 70% of antenatal clients to reduce mother to child transmissions;
- Increase the rate of male condoms distribution from 11 to 15%; and
- The mainstreaming of HIV and Aids continues to be an area of prioritized intervention.

#### **7.4 INTER-GOVERNMENTAL RELATIONS**

Although the Inter-Governmental Relations (IGR) framework was not developed, the working relations between the government departments and the municipality were always cordial. Whilst some Departments attended the IDP Representative forum, others did not. Some of those who attended were represented by staff members who lacked the requisite authority to take decisions on behalf of their Departments. This is an area that requires much attention. All in all, the Local Communications Forums (LCF's) consisting of the municipality's communicators, sector departments communicators serves as an inter-governmental relations structure, this is also supplemented by the IDP Representative forum.

#### **7.5 PRESIDENTIAL HOTLINE**

The Presidential Hotline was launched by the President of the Republic of South Africa in 2009. It is instrumental in defining a government that understands the needs of its people and responds faster to those needs. The initiative does not ask if government will or is able to provide the services. It focuses on how government should improve the service by working faster and smarter. Members of the public are allowed to raise issues pertaining to delivery of services, fraud and corruption. This will obviously assist in unblocking services delivery matters. From June 2011 to date, the municipality has resolved 94.5% of the cases received.

#### **7.6 SOCIAL COHESION**

Social cohesion is about improving a way the community interacts – ensuring that all its members can participate in social activities and access services without suffering a sense of exclusion (united in their diversity) based on their ethnic background, faith, disability or age. It is a way that promotes interaction and understanding between different groups of people in society, and through this generates a sense of trust and community spirit. In Maletswai Local Municipality, there is a Mayoral Cup competition aimed at sports development for the youth, Gospel Competition that harnesses young people from all races, and a Christmas Party for the Elderly.

#### **7.7 ANTI CORRUPTION STRATEGY**

The council, at its meeting of December 2008 adopted anti-fraud and corruption strategy and policy as but one way of strengthening its fight against these twin social ills. The roll out plan was entailed in the

strategy itself. As a build up to its adoption and a way of raising employees' awareness about the existence of such policies, a workshop was held comprising municipal officials and employees. The strategy and policy are being implemented. The strategy was reviewed during the last financial year

### **7.8 COMMUNICATION STRATEGY**

A decision was taken by the Joe Gqabi District Municipality communicator's forum, that a district communication strategy will be developed for all local municipalities in the District. The local municipalities were then expected to model theirs against that of the district to ensure synergy and consistency between the local and district municipality. As a consequence of this, a communication strategy for Maletswai Local Municipality was developed and it is a coherent plan of action for the municipality. This strategy is reviewed annually, moreover, the municipality produces Umthombo (Internal newsletter) and Ulwazi (External newsletter) both these newsletter are distributed.

### **7.9 SECTOR PLANS**

This IDP document is aligned with the following sector plans of the municipality as well as those of the Joe Gqabi District Municipality

- District LED strategy. This strategy was prepared in 2003, and reviewed in January 2012.
  - District Water Services Development Plan This strategy was prepared in 2005, and is currently under reviewed
  - District Women Development Plan. This strategy was prepared in 2006
  - District Aids Plan reviewed in 2011.
  - District Skills Development Plan
  - District Waste Management Plan was completed in 2007
  - District Environmental Management Plan was completed in 2005
  - Maletswai Spatial Development Framework
  - Maletswai Housing Sector plan
  - Maletswai Integrated Waste Management Plan was completed in 2009
  - Maletswai Local Economic Development Plan
  - Roads Master Plan
  - Electricity Master Plan
  - Workplace Skills Plan
  - Manual on Recruitment and Selection

## CHAPTER 8

### KPA 5: FINANCIAL VIABILITY

#### 8.1 SYNOPSIS

The Municipal Systems Act 32 of 2000 requires a municipality to include a financial plan, including a 3 year budget, in the annual Integrated Development Plan. In essence this financial plan is a medium term strategic framework on how the municipality plans to deliver services, within financial means. The Council's strategic objective of service delivery includes the persistence of the acceptable levels of service as well as the improvement in those areas where it lacks acceptable levels. The balancing act is to achieve these objectives with available financial resources, and to always consider the effect of tariff adjustments on the community at large, and specifically the poor. In addition, the municipality did not escape the effect of the global economic downturn, as well as the recently announced tariff increases by ESKOM, and this makes the achievement of the service delivery objectives so much more difficult.

*The forecasted expenditure can be summarised as follows: (R 000)*

TYPE	2012/2013	2013/2014	2014/2015
Operating	155 604	165 771	178 958
Capital	19 157	18 018	18 795
<b>TOTAL</b>	<b>174 761</b>	<b>183 789</b>	<b>197 753</b>

Table 31: Forecasted expenditure

The municipality does recognise the funding role of the National and Provincial Governments, with contributions from these spheres of governments through grants and subsidies being 37% of total expenditure or 36% of total revenue. An indication of the municipality's commitment is that, [it] grant rebates on service charges. In addition to these rebates and discounts, which provides for free basic services to the poor, a further 6.2% of billing is being budgeted for as a contribution to debt impairment. This, together with the funding as mentioned above, are also symptomatic of the level of unemployment and poverty in the region, and Maletswai Municipality assists in National – and Provincial programs aimed to improve the situation within the means of the Constitutional mandate.

All government spheres priorities for service delivery needs to be aligned and this is to a large degree achieved through the Integrated Development Planning process, whereby, communities give input into service needs and which is being incorporated into the IDP. The different spheres of government then allocate resources to these requirements – this however, prevails when pecuniary resources permits.

The municipality's infrastructure development objectives are obviously to have services at acceptable levels to all, and for this purpose the budget for 2012/13 provides for roads – and storm water projects totalling R13.2 million which will also contribute to the national priority of safety. While the municipality recognise the need for the extension of services through infrastructure development, it has to also recognise the need for the maintenance of these infrastructures and to this end provide in the capital program for replacement of some of the ageing vehicles and equipment. However, to provide for the capital is probably not that problematic, but to find the funds to maintain infrastructure and other assets properly in the operating budget, without overburdening consumers and ratepayers, is the big concern. It is common knowledge that the first place where funds are cut when other expenditure items increase to such an extent that a reduction in expenditure is necessary, is on maintenance votes. In this budget, maintenance expenditure equates to 4.00% of operating expenditure, which is in line with national averages, but the pressure on this type of expenditure is increasing every year.

In view of the above, the effect of the Eskom bulk tariff increases and the limitations set by NERSA on the electricity increases to be applied by the municipality - the Eskom bulk tariff increases for the current year is set at 13.50%, while the increase allowed for the municipality is 11.03%.

## 8.2 2 – 3 YEAR FORECAST

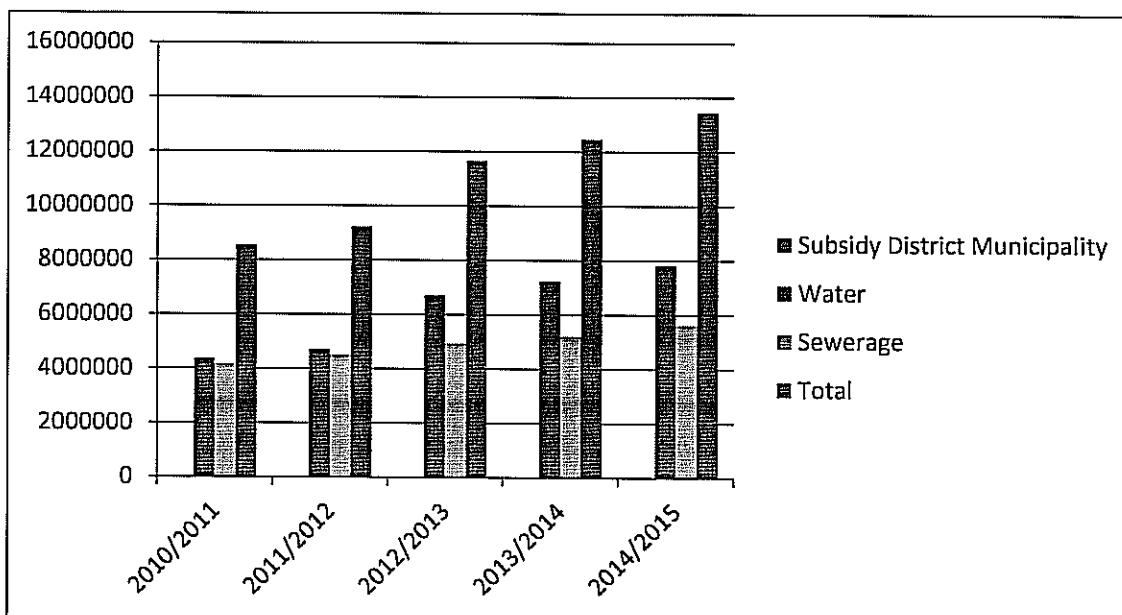
The budget is prepared in the format prescribed in the Budget Regulations and complies with the requirements of Generally Recognised Accounting Practises (GRAP). Full budgetary compliance in all aspects of the regulations and GRAP will take time, as systems, and especially obtaining statistical information, needs to be adapted, but already this year much more information is available and incorporated in to this budget.

### ***Effect of the annual budget***

The budgets as presented here reflect comparative information.

	2010/2011	2011/2012	2012/2013	2013/2014	2014/2015
Subsidy District Municipality	Actual	Adjustment Budget	Budget	Budget	Budget
Water	-R 4 367 165	-R 4 716 539	-R 6 711 735	-R 7 248 674	-R 7 828 568
Sewerage	-R 4 183 127	-R 4 517 776	-R 4 948 683	-R 5 219 298	-R 5 636 841

Table 32: Effect of the Annual Budget



The projected forecasts for the MTREF are as follows: (R 000)

**OPERATING BUDGET (R 000)**

Type	2012/2013	2013/14	2014/15
Revenue	174 791	183 719	198 102
Expenditure	155 604	165 771	178 958
Surplus/(Deficit)	19 187	17 948	19 144
Less: Capital Grants	19 157	18 018	18 795
Surplus/Deficit excluding Capital Grants	30	-70	349

Table 33: Operating Budget

**CAPITAL BUDGET (R 000)**

Type	Dec-11	2012/13	2013/14
Governance and Admin	685	685	685
Community and Safety Services	163	163	163
Economic Services	17 884	14 891	15 668
Trading Services	425	2 279	2 279
Total	19 157	18 018	18 795

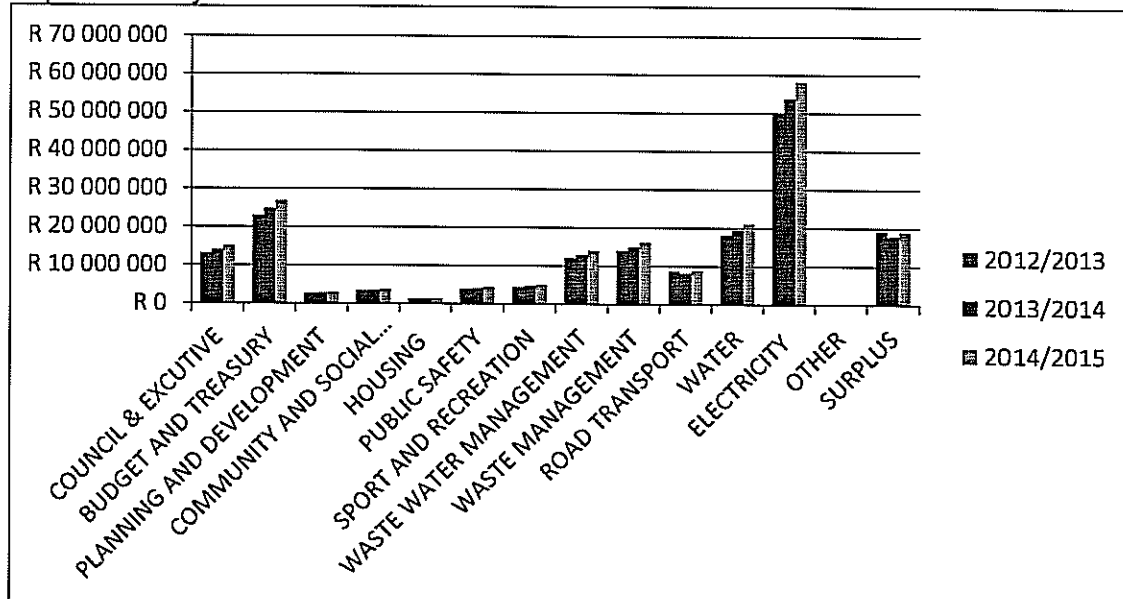
Table 34: Capital Budget

The projected funding of the capital budget is as follows: (R 000)

Type	Dec-11	2012/13	2013/14
National Government	17 031	15 792	16 569
Own Funds	2 126	2 226	2 226
Total	19 157	18 018	18 795

Table 35: Projected Funding of Capital Budget

## Expenditure by Vote



The summarised results of the MTREF are as follows:

Standard Classification Description	2010/11	2012 Original Budget	2012 Adjusted Budget	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
<b>Financial Performance</b>						
Property rates	7 789	9 396	9 000	9 900	10 692	11 547
Service charges	44 403	76 957	79 333	87 485	94 484	102 042
Investment revenue	353	380	210	270	292	315
Transfers recognised - operational	21 977	26 384	25 984	29 497	29 802	32 361
Other own revenue	16 790	32 245	24 396	28 868	31 065	33 562
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>91 312</b>	<b>145 362</b>	<b>138 923</b>	<b>156 020</b>	<b>166 335</b>	<b>179 827</b>
Employee costs	38 553	47 159	41 243	50 932	53 534	57 817
Remuneration of councillors	2 603	2 718	2 701	2 795	3 018	3 260
Depreciation & asset impairment	-	-	-	-	-	-
Finance charges	1 214	721	688	646	652	610
Materials and bulk purchases	27 395	34 662	34 500	39 012	42 133	45 503
Transfers and grants						
Other expenditure	29 355	55 662	56 961	62 219	66 434	71 768
<b>Total Expenditure</b>	<b>99 120</b>	<b>140 922</b>	<b>136 093</b>	<b>155 604</b>	<b>165 771</b>	<b>178 958</b>
<b>Surplus/(Deficit)</b>	<b>(7 808)</b>	<b>4 440</b>	<b>2 830</b>	<b>416</b>	<b>564</b>	<b>869</b>
Transfers recognised - capital	22 403	22 135	22 135	17 032	15 792	16 568
Contributions recognised - capital & contributed assets	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>14 595</b>	<b>27 866</b>	<b>26 765</b>	<b>19 187</b>	<b>17 948</b>	<b>19 144</b>
Share of surplus/ (deficit) of						



associate	-	-	-	-	-	-
<b>Surplus/(Deficit) for the year</b>	14 595	27 866	26 765	19 187	17 948	19 144
<b>Capital expenditure &amp; funds sources</b>						
<b>Capital expenditure</b>	21 346	35 522	32 712	19 157	18 018	17 063
Transfers recognised - capital	22 403	22 135	22 135	17 032	15 792	16 568
Public contributions & donations	-	-	-	-	-	-
Borrowing	1 573	7 080	7 080	-	-	-
Internally generated funds	(2 603)	6 306	4 497	2 125	2 226	2 226
<b>Total sources of capital funds</b>	21 346	35 522	33 712	19 157	18 018	17 063

Table 36: Summarised results of the MTREF

### **Cash Flows**

Budgeted cash flows are monitored by the municipality to ensure they are maintained at an acceptable level and ensure sufficient funds for future projects.

### **TARIFFS**

The major tariff adjustments are as follows:

Rates	10%
Water	15%
Sewerage	15%
Sanitation	15%
Refuse	10%
Electricity (Subject to NERSA Approval)	11.03%

Payment levels is decreasing over the past few years, probably to a large degree as a result of the economic meltdown, and strict credit control, together with an understanding of the economic situation, is still paramount.

The Municipality's budget must be seen within the context of the policies and financial priorities of the National, Provincial government (s) and that of the District municipality. In essence, the spheres of Government are partners in meeting the service delivery challenges faced in Maletswai. Maletswai Municipality alone, however, cannot meet these challenges. It requires support from the other spheres of Government through the direct allocation of resources as well as the achievement of their own policies.

### **The National Context**

South Africa has achieved considerable success in achieving macro-economic stability; however, the economy is still plagued with high levels of unemployment and poverty. The following table shows the allocations to Maletswai Municipality as set out in the National Budget Division of Revenue Bill in the MTEF period; and the Provincial allocations:

Description	2012/13 Medium Term Revenue & Expenditure Framework		
	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
<b>R thousand</b>			
<b>National Government:</b>			
MSIG	840	870	950
Finance Management Grant	900	900	1150
EPWP	536	-	-
<b>Provincial Government:</b>			
Spatial Development			
<b>District Municipality:</b>			
IDP Fund	75	81	87
<b>Other grant providers:</b>			
LED	60	65	70
Library Fund	1310	1415	1528
DEAD	825		
<b>Total Operating Transfers and Grants</b>	<b>4546</b>	<b>3331</b>	<b>3785</b>
<b>Capital Transfers and Grants</b>			
<b>National Government:</b>			
Municipal Infrastructure (MIG)	12739	13438	14215
Finance Management	600	600	600
National Electrification Grant		1754	1754
<b>Other grant providers:</b>			
LED	3696		
Aliwal Spa			
<b>Total Capital Transfers and Grants</b>	<b>17035</b>	<b>15 792</b>	<b>16569</b>
<b>TOTAL RECEIPTS OF TRANSFERS &amp; GRANTS</b>	<b>21581</b>	<b>19123</b>	<b>20354</b>

Table 37: The National Context (2012/13 MTREF)

### **Assumptions used in the budget**

Each year, National Treasury issues a circular to municipalities advising them of the budget parameters within which municipalities should work when preparing their budgets. The headline CPIX forecast for 2012/13, 2013/14 and 2014/15 are 5.9%, 5.3% and 4.9% respectively. However these figures can change very fast due to external factors as recently experienced. The current estimate for 2011/12 in the MFMA Circular is 5.7%.

These growth parameters apply to tariff increases for property rates, user and other charges raised by municipalities and municipal entities, to ensure that all spheres of government support the national macro-economic policies, unless it can be shown that external factors impact otherwise. Unfortunately, as explained earlier on, the effect of the ESCOM tariff adjustments *inter alia* forces the municipality to increase tariffs by much more than the CPIX forecasts.

There are no proposed material amendments to the budget related policies. The budget fully complies with the requirements of the municipality's Funding and Reserves Policy. The major data and assumptions used in the preparation of the budget are as follows:

Increase in Employee related costs	8.0%
Increase in inflation parameters	5.7%
Average payment rate	85%

Basic services are provided to a large degree to all the towns in the municipal boundaries, and there is an on-going effort in extending services. The total cost of providing free services, as well as rebates and discounts to the community, is R15 million. In a nutshell, budget is cash – funded while, at the same time, extending within financial means, service delivery and free basic services.

### 7.3 3 YEAR BUDGET TABLES

The 3 year projection, which is a requirement of the Municipal Systems Act 32 of 2000, is set out below. The Budget tables are:

Budget Summary

Budgeted Financial Performance (revenue and expenditure by municipal vote)

Budgeted Financial Performance (revenue and expenditure)

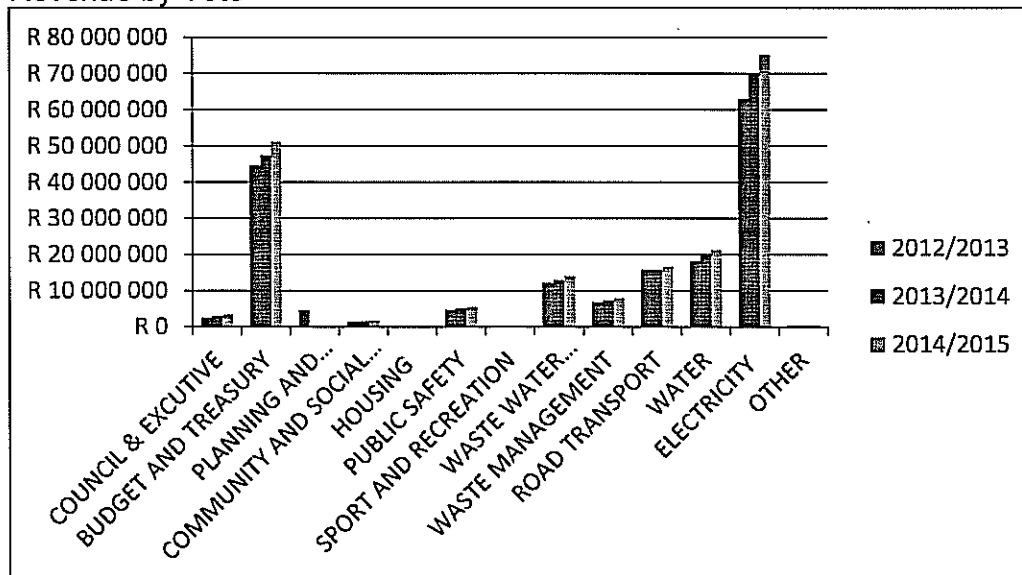
Budgeted Capital Expenditure by vote, standard classification and funding

REVENUE BY VOTE	2012/2013	2013/2014	2014/2015
COUNCIL & EXECUTIVE	-R 2 524 000	-R 3 015 200	-R 3 439 576
BUDGET AND TREASURY	-R 44 587 920	-R 47 418 000	-R 51 170 516
PLANNING AND DEVELOPMENT	-R 4 595 700	-R 145 800	-R 157 464
COMMUNITY AND SOCIAL SERVICES	-R 1 469 700	-R 1 587 276	-R 1 714 258
HOUSING	R 0	R 0	R 0
PUBLIC SAFETY	-R 4 720 500	-R 5 098 140	-R 5 505 991
SPORT AND RECREATION	-R 329 200	-R 355 536	-R 383 979

WASTE WATER MANAGEMENT	-R 12 153 983	-R 13 001 022	-R 14 041 103
WASTE MANAGEMENT	-R 6 834 280	-R 7 381 022	-R 7 971 504
ROAD TRANSPORT	-R 15 926 599	-R 15 781 486	-R 16 727 557
WATER	-R 18 246 735	-R 19 706 474	-R 21 282 992
ELECTRICITY	-R 63 081 400	-R 69 882 298	-R 75 332 531
OTHER	-R 321 000	-R 346 680	-R 374 414
<b>Total</b>	<b>-R 174 791 017</b>	<b>-R 183 718 935</b>	<b>-R 198 101 886</b>

Table 38: 3 Year Budget Tables

### Revenue by Vote

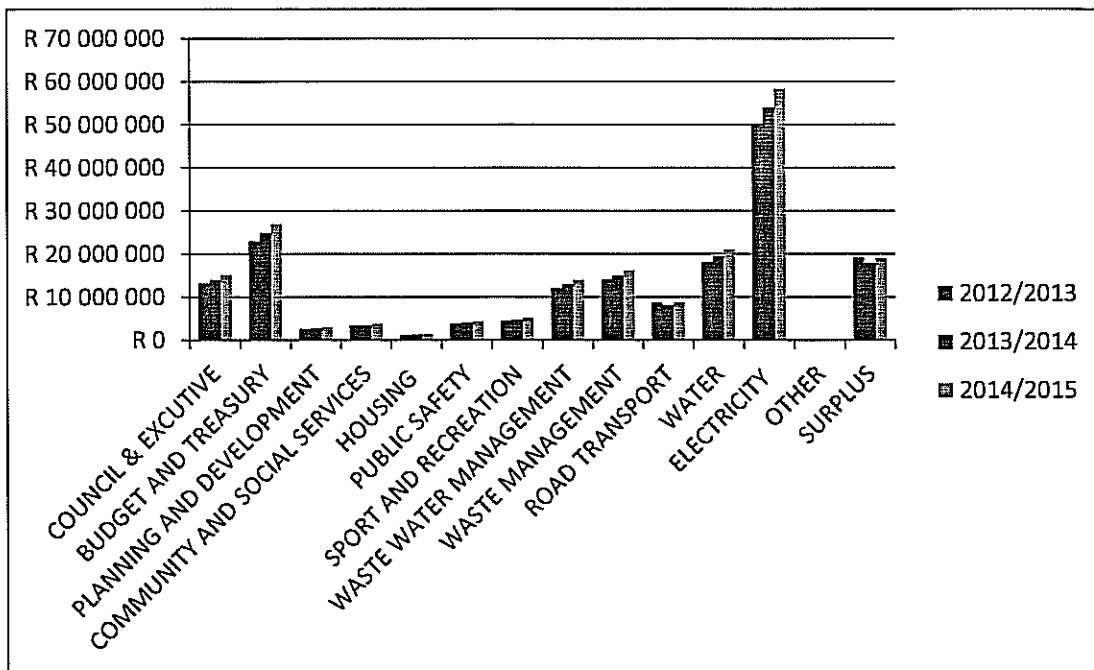


### Expenditure by Vote

EXPENDITURE BY VOTE	2012/2013	2013/2014	2014/2015
COUNCIL & EXECUTIVE	R 13 216 467	R 14 051 232	R 15 162 398
BUDGET AND TREASURY	R 23 025 429	R 24 934 689	R 26 941 264
PLANNING AND DEVELOPMENT	R 2 720 004	R 2 849 117	R 3 077 046
COMMUNITY AND SOCIAL SERVICES	R 3 435 855	R 3 575 584	R 3 861 630
HOUSING	R 1 278 246	R 1 354 294	R 1 462 638
PUBLIC SAFETY	R 3 876 363	R 4 122 137	R 4 451 908
SPORT AND RECREATION	R 4 502 036	R 4 801 719	R 5 185 857
WASTE WATER MANAGEMENT	R 12 087 713	R 13 001 022	R 14 041 103
WASTE MANAGEMENT	R 14 177 183	R 15 081 478	R 16 256 836
ROAD TRANSPORT	R 8 792 035	R 8 250 710	R 8 870 767
WATER	R 18 171 535	R 19 542 314	R 21 105 699
ELECTRICITY	R 50 068 195	R 53 977 745	R 58 293 544
OTHER	R 253 200	R 229 176	R 247 510
SURPLUS	R 19 186 755	R 17 947 719	R 19 143 685
<b>Total</b>	<b>R 174 791 017</b>	<b>R 183 718 935</b>	<b>R 198 101 886</b>

Table 39: Expenditure by Vote

### Expenditure by Vote



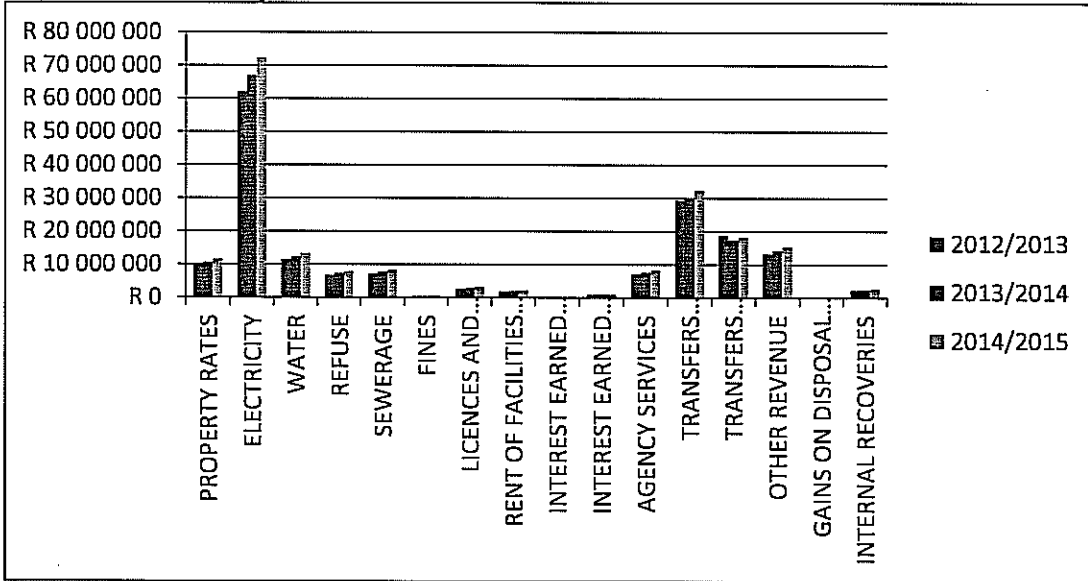
**SUMMARY OF OPERATING REVENUE AND EXPENDITURE 2012/2013**

REVENUE	2012/2013	2013/2014	2014/2015
PROPERTY RATES	R 9 900 000	R 10 692 000	R 11 547 360
ELECTRICITY	R 61 985 400	R 66 944 232	R 72 299 771
WATER	R 11 500 000	R 12 420 000	R 13 413 600
REFUSE	R 6 819 280	R 7 364 822	R 7 954 008
SEWERAGE	R 7 180 300	R 7 754 724	R 8 375 102
FINES	R 450 000	R 486 000	R 524 880
LICENCES AND PERMITS	R 2 720 000	R 2 937 600	R 3 172 608
RENT OF FACILITIES AND EQUIPMENT	R 1 894 400	R 2 045 952	R 2 209 628
INTEREST EARNED EXTERNAL INVESTMENT	R 270 000	R 291 600	R 314 928
INTEREST EARNED OUTSTANDING DEBTORS	R 950 000	R 1 026 000	R 1 108 080
AGENCY SERVICES	R 7 124 000	R 7 697 120	R 8 322 890
TRANSFERS RECOGNISED – OPERATIONAL	R 29 496 720	R 29 801 530	R 32 361 074
TRANSFERS RECOGNISED – CAPITAL	R 18 771 499	R 17 384 062	R 18 274 803
OTHER REVENUE	R 13 317 418	R 14 268 332	R 15 409 798
GAINS ON DISPOSAL OF PPE	R 60 000	R 64 800	R 69 984
INTERNAL RECOVERIES	R 2 352 000	R 2 540 160	R 2 743 373
<b>Total</b>	<b>R 174 791 017</b>	<b>R 183 718 935</b>	<b>R 198 101 886</b>

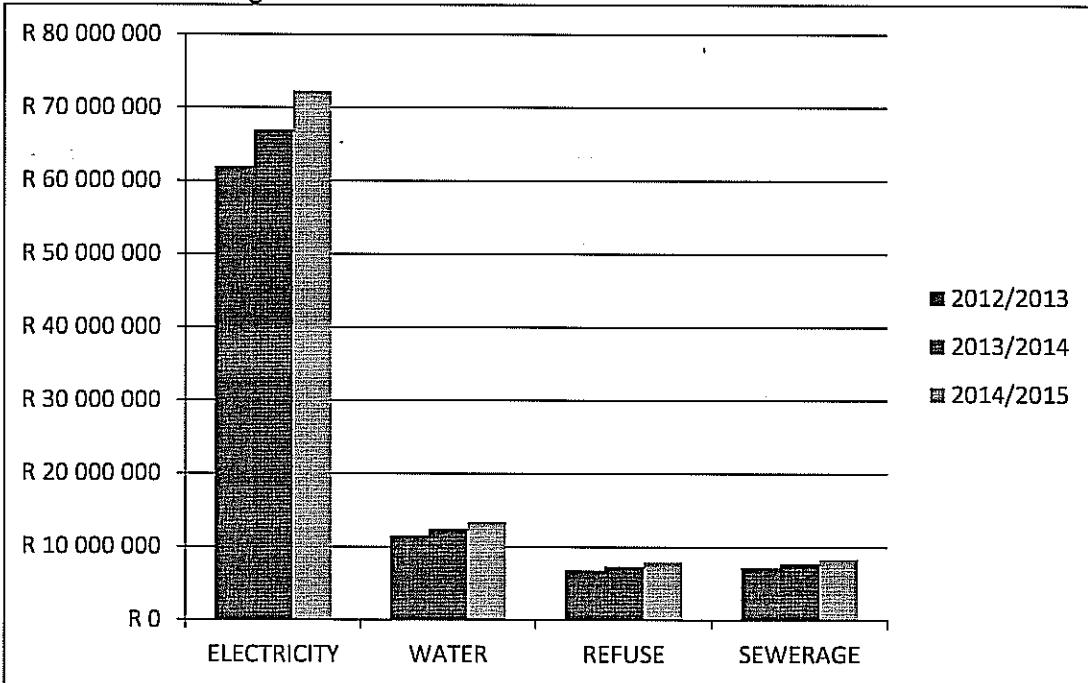
**Table 40: Summary of Operating Revenue and Expenditure 2012/2013**

EXPENDITURE	2012/2013	2013/2014	2014/2015
EMPLOYEE RELATED COST SALARIES & WAGES	R 42 781 748	R 44 731 527	R 48 310 049
EMPLOYEE RELATED COST SOCIAL CONTRIBUTIONS	R 8 150 427	R 8 802 461	R 9 506 658
REMUNERATION OF COUNCILORS	R 2 794 562	R 3 018 127	R 3 259 577
BULK PURCHASES	R 39 011 645	R 42 132 577	R 45 503 183
DEBT IMPAIRMENT	R 3 000 000	R 3 240 000	R 3 499 200
INTEREST EXPENSES EXTERNAL BORROWING	R 646 300	R 652 480	R 609 566
OTHER EXPENDITURE	R 22 115 430	R 24 244 384	R 26 204 335
REPAIRS AND MAINTENANCE	R 6 998 300	R 6 459 804	R 6 976 588
INTERNAL CHARGES	R 12 829 650	R 13 831 560	R 14 938 085
GRANTS AND SUBSIDY	R 17 276 200	R 18 658 296	R 20 150 960
SURPLUS	R 19 186 755	R 17 947 719	R 19 143 685
<b>Total</b>	<b>R 174 791 017</b>	<b>R 183 718 935</b>	<b>R 198 101 886</b>

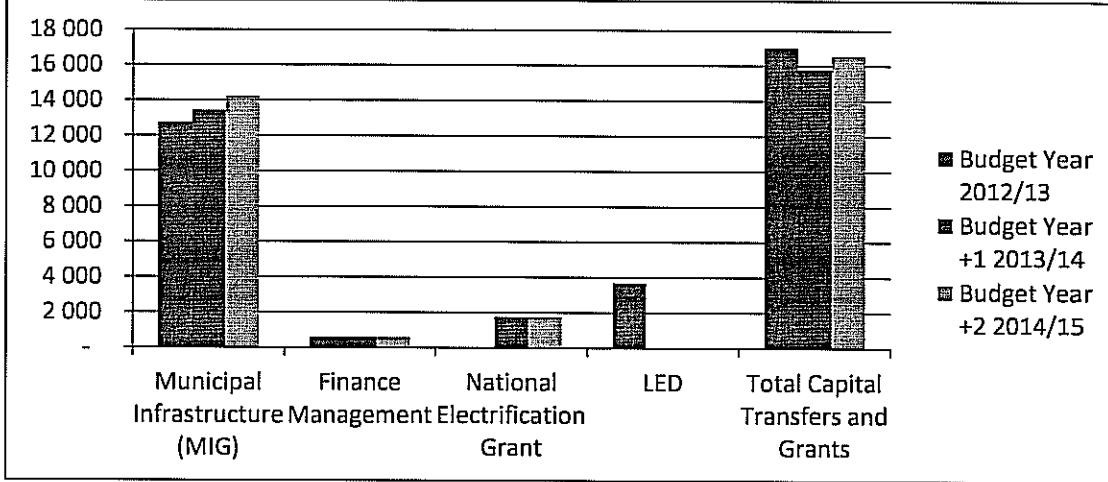
Total Revenue analysis



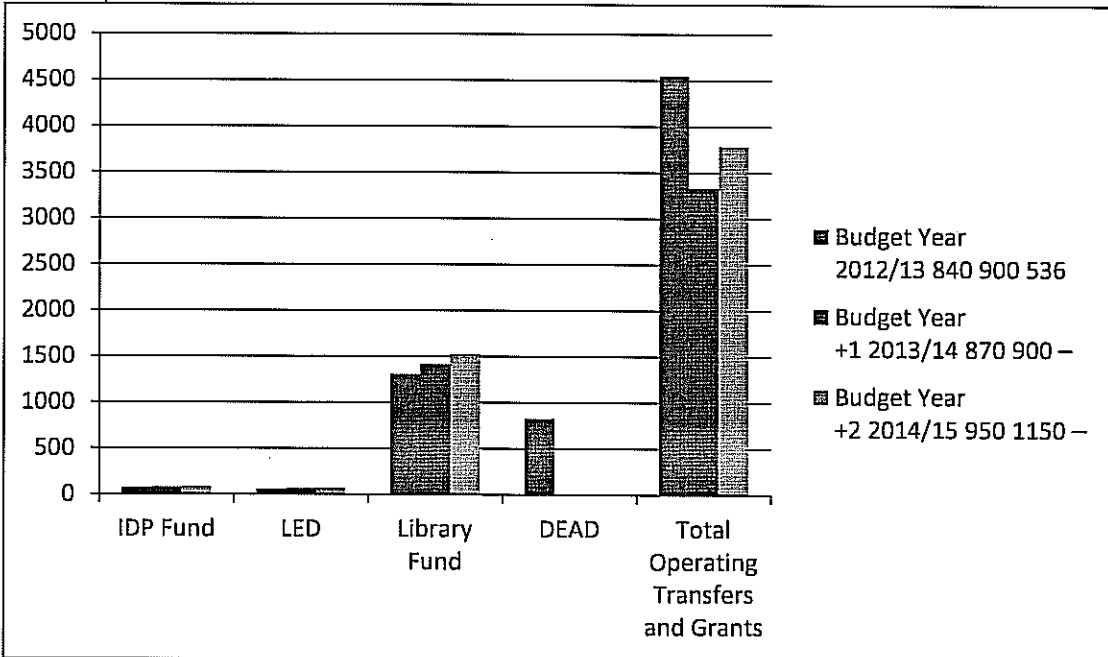
Service Charges



Capital Transfers and Grants

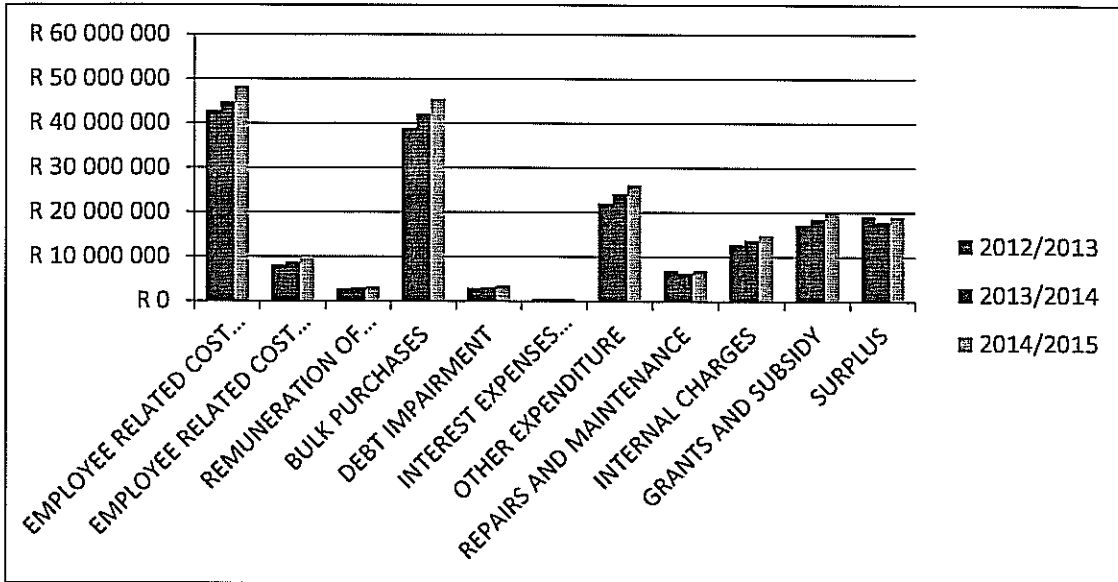


Operational Transfers

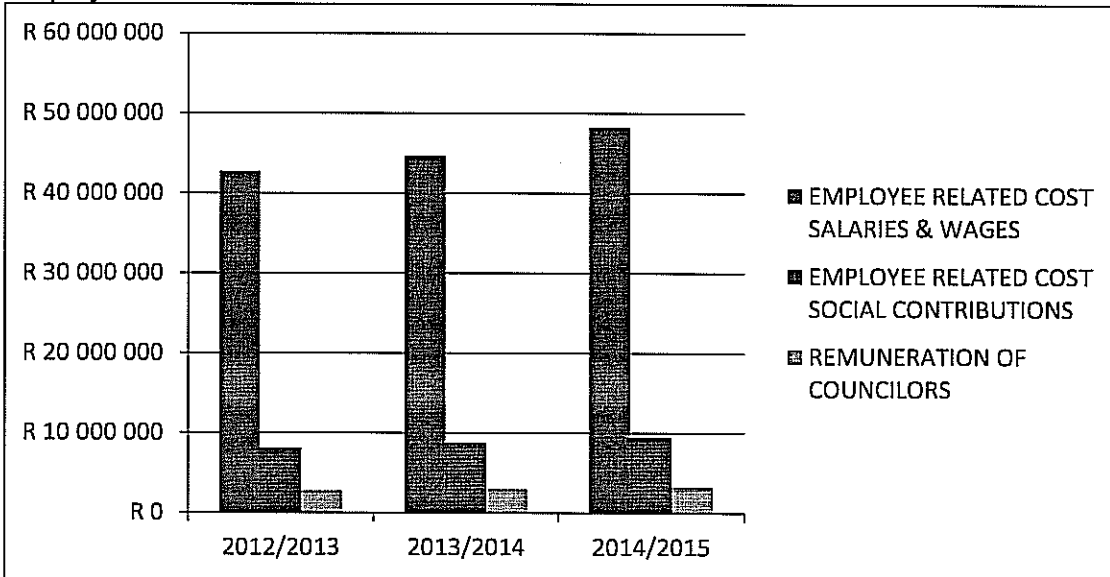


Expenditure Allocations

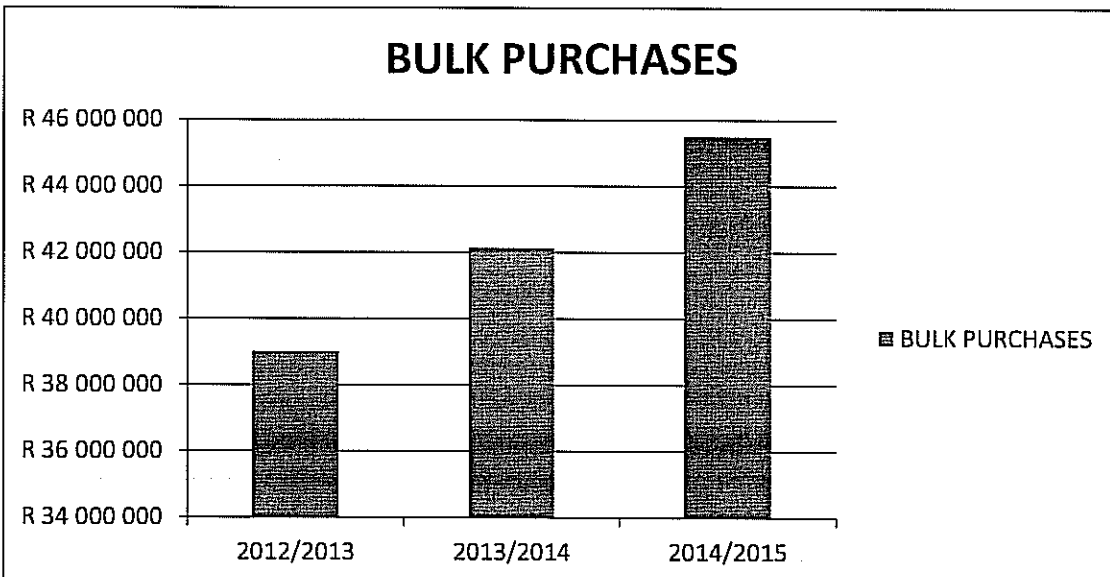


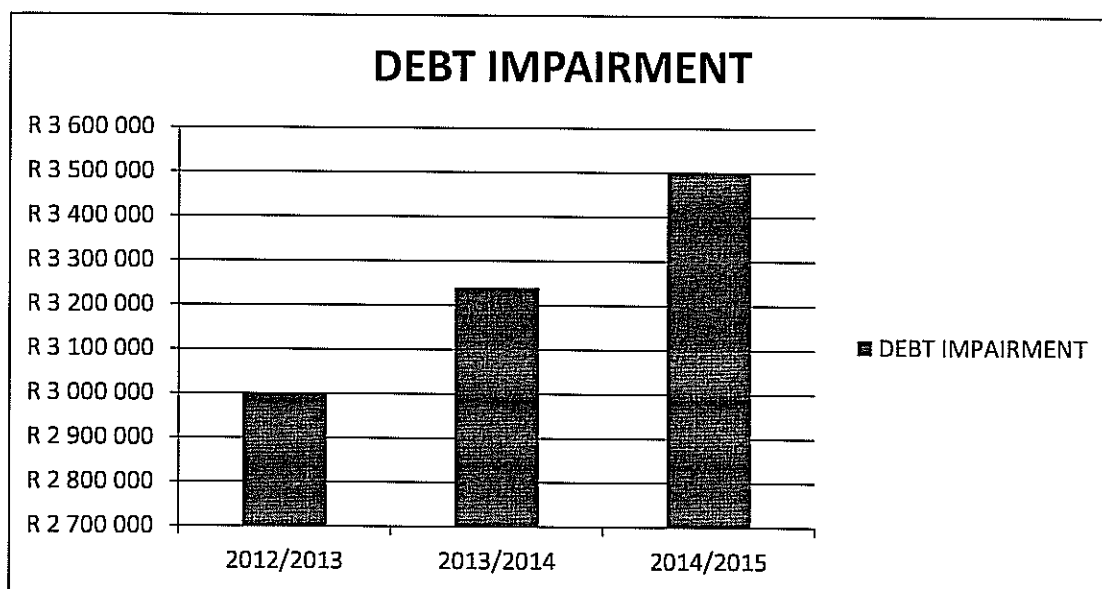


**Employee Related Costs**



**BULK PURCHASES**

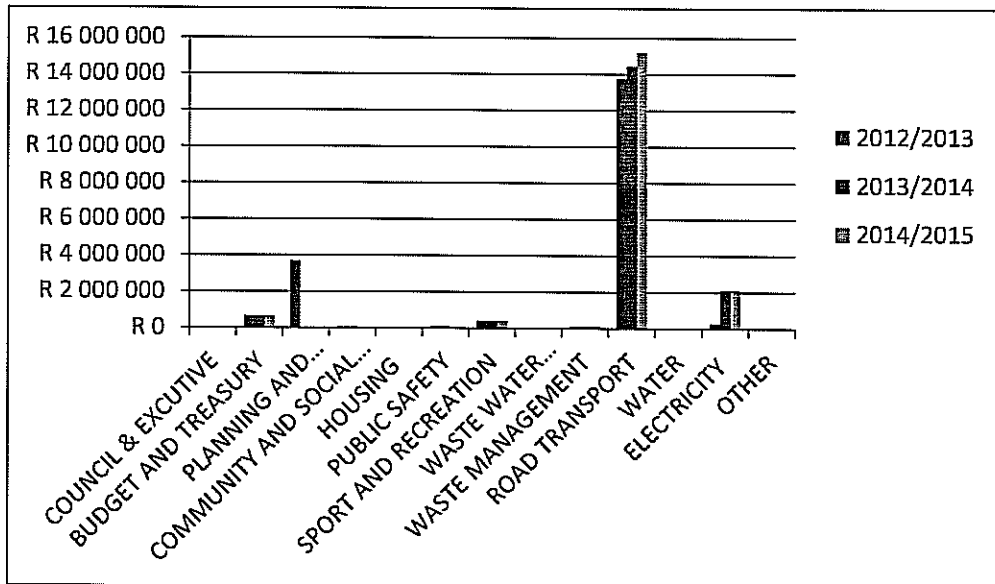




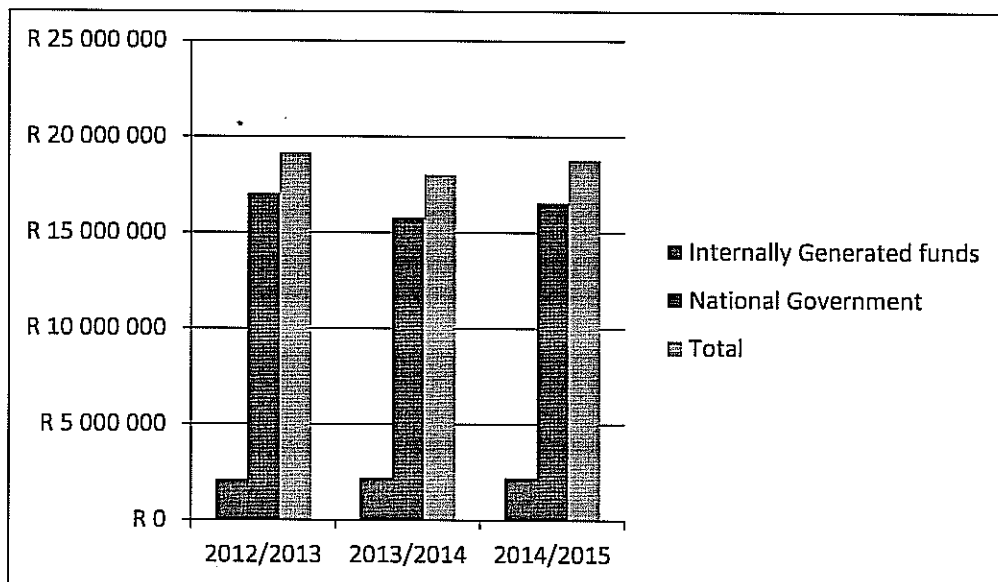
#### SUMMARY OF CAPITAL FUNDING AND EXPENDITURE 2012/2013

CAPITAL EXPENDITURE BY VOTE	2012/2013	2013/2014	2014/2015
COUNCIL & EXECUTIVE	R 20 000	R 20 000	R 20 000
BUDGET AND TREASURY	R 665 000	R 665 000	R 665 000
PLANNING AND DEVELOPMENT	R 3 703 000	R 10 000	R 10 000
COMMUNITY AND SOCIAL SERVICES	R 63 000	R 63 000	R 63 000
HOUSING	R 15 000	R 15 000	R 15 000
PUBLIC SAFETY	R 100 000	R 100 000	R 100 000
SPORT AND RECREATION	R 407 800	R 407 800	R 407 800
WASTE WATER MANAGEMENT	R 0	R 0	R 0
WASTE MANAGEMENT	R 140 000	R 140 000	R 140 000
ROAD TRANSPORT	R 13 758 579	R 14 457 956	R 15 234 763
WATER	R 0	R 0	R 0
ELECTRICITY	R 285 000	R 2 139 386	R 2 139 386
OTHER	R 0	R 0	R 0
<b>Total</b>	<b>R 19 157 379</b>	<b>R 18 018 142</b>	<b>R 18 794 949</b>

Table 41: Summary of Capital Funding and Expenditure 2012/2013



Capital Funding by Source



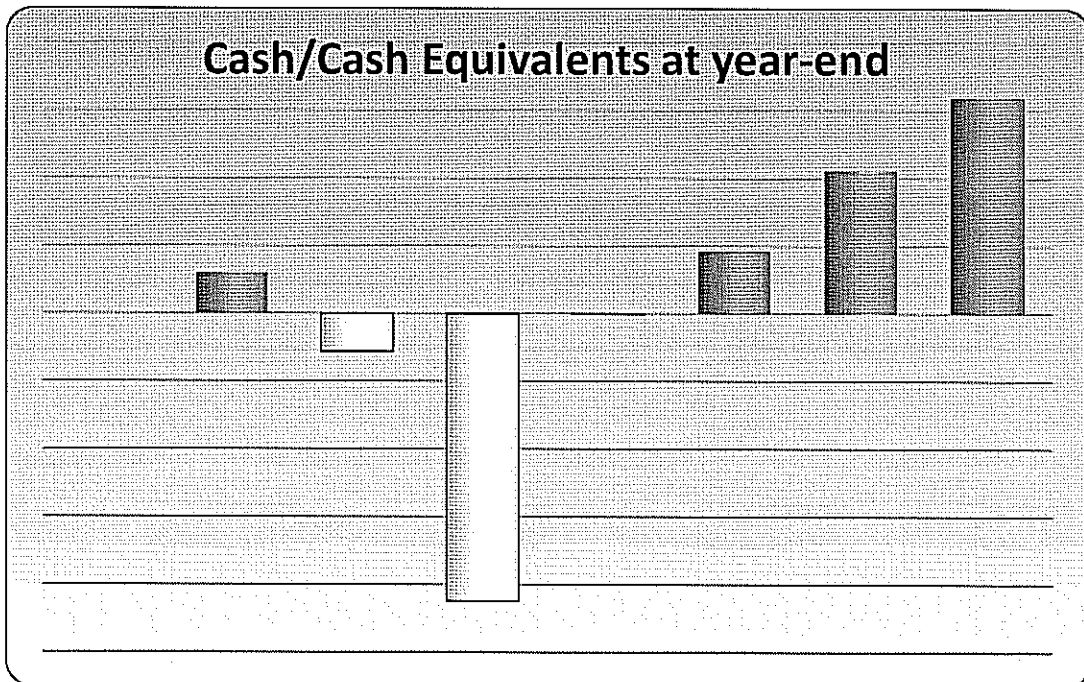
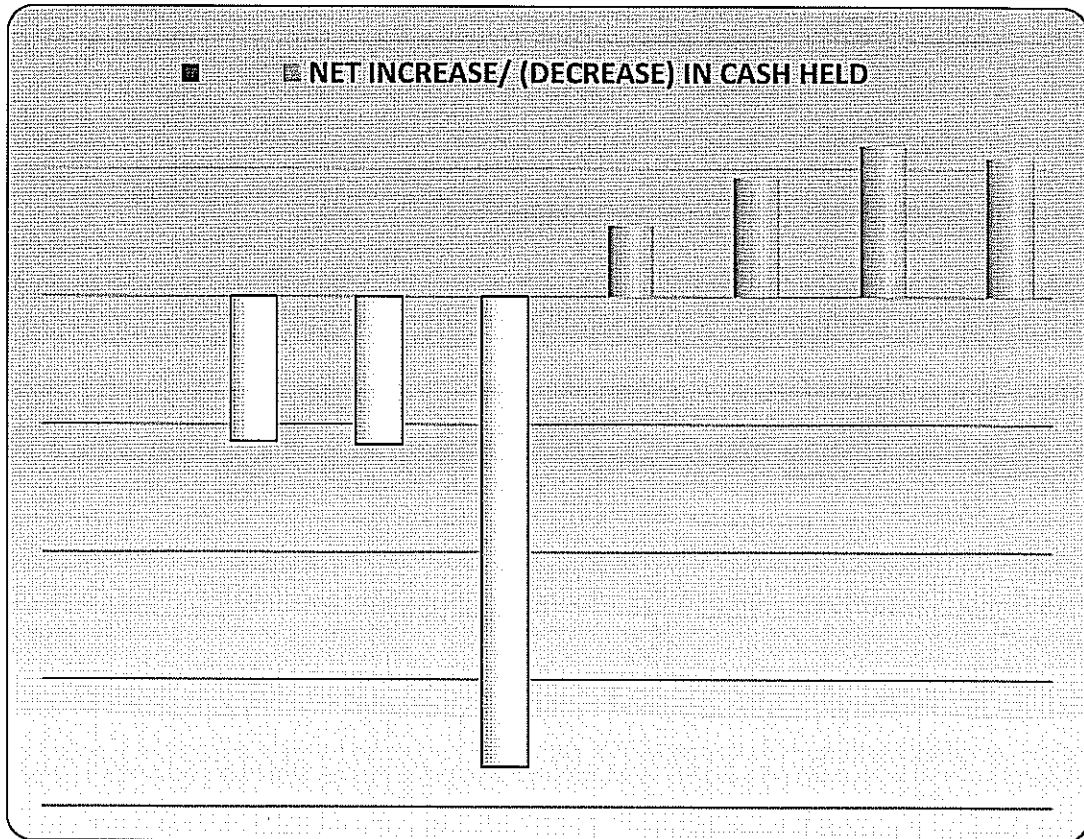
### 7.3.1 CASH FLOWS

Budgeted cash flows are monitored by the municipality to ensure they are maintained at an acceptable level and ensure sufficient funds for future projects.

EC143 Maletswai - Table A7 Budgeted Cash Flows

Description R thousand	2011/12 Medium Term Revenue & Expenditure Framework		
	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Receipts			
Ratepayers and other	125 242	135 150	145 973
Government - operating	29 497	29 802	32 361
Government - capital	18 772	17 384	18 275
Interest	1 220	1 318	1 423
Payments			
Suppliers and employees	(154 958)	(165 119)	(178 348)
Finance charges	(646)	(652)	(610)
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>	<b>19 127</b>	<b>17 883</b>	<b>19 074</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Receipts			
Proceeds on disposal of PPE	60	65	70
Payments			
Capital assets	(19 157)	(18 018)	(18 795)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>	<b>(19 097)</b>	<b>(17 953)</b>	<b>(18 725)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Receipts			
Increase (decrease) in consumer deposits	200	300	300
Borrowing long term/refinancing		-	-
Payments			
Repayment of borrowing	(891)	(1001)	(1 111)
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>	<b>(691)</b>	<b>(701)</b>	<b>(811)</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>	<b>(661)</b>	<b>(771)</b>	<b>(462)</b>
Cash/cash equivalents at the year begin:	2 435	1 774	1 003
Cash/cash equivalents at the year end:	1 774	1 003	541

Table 42: Budgeted Cash Flows



**8.2 Financial Performance**

**Alignment of the annual budget with the Integrated Development Plan, Performance Objectives and Financial Indicators.**

The IDP process aims to on a continuing basis, address service delivery needs by identifying needs or areas of improvement. It is, however, also known fact that the needs identified by far exceeds the

resources and in particular financial resources available. The alignment of the budget with the objectives set in the IDP is as follows:

Strategic Objective	Goal	2011/12 Medium Term Revenue & Expenditure Framework		
		Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
<b>R thousand</b>	<b>OPERATING REVENUE</b>			
Good Governance	Promoting cooperate and sound governance	2 524	3 015	3 440
Sustainable Infrastructure Development	Provide Sustainable Infrastructure Development by improving and reconstructing access roads, other streets and storm water.	15 927	15 781	16 728
Provide effective and efficient, sustainable and quality basic services	To provide adequate sustainable basic services for improved quality of life for our communities by eradicating service delivery backlogs and providing sustainable electricity.	63 081	69 882	75333
	To provide adequate sustainable basic services for improved quality of life for our communities by eradicating service delivery backlogs and providing sustainable quality water.	18247	19706	21283
	To provide adequate sustainable basic services for improved quality of life for our communities by eradicating service delivery backlogs and providing high quality sewerage and sanitation services.	12154	13001	14041
	To provide adequate sustainable basic services for improved quality of life for our communities by eradicating service delivery backlogs and providing high quality waste management services.	6834	7381	7972
	To provide airport, commonage and nature conservation services	321	347	374
Social Development	To create a healthy and sustainable environment by improving social services and the maintenance of public facilities and buildings.	1 470	1 587	1 714
	To create and maintain public areas, sports fields and resorts for the benefit of the community.	329	356	384
Financial Viability	To create an environment of effective, accountable and viable financial management with reliable information technology and accurate database by fully implementing all MFMA regulations and reforms	44 588	47 418	51 171
	To create an environment of effective, accountable and viable financial management with reliable information technology and accurate database by fully implementing all MFMA regulations and reforms	4 596	146	157
Safety & Security	To create a safe and secure environment by providing traffic and related services.	4721	5098	5506
		<b>174 791</b>	<b>183 719</b>	<b>198 102</b>

Table 43: Financial Performance/Alignment IDP and Budget

Strategic Objective	Goal	2011/12 Medium Term Revenue & Expenditure Framework		
		Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
R thousand	<b>CAPITAL EXPENDITURE</b>			
Promoting cooperate and sound governance.	To build an institution capable of effective delivery with sound administration and good governance practices	20	20	20
Sustainable Infrastructure Development	Provide Sustainable Infrastructure Development by improving and reconstructing access roads, other streets and storm water.	13 759	14 458	15 235
Sustainable Basic Services	To provide adequate sustainable basic services for improved quality of life for our communities by eradicating service delivery backlogs and providing sustainable electricity.	285	2 139	2 139
	To provide adequate sustainable basic services for improved quality of life for our communities by eradicating service delivery backlogs and providing high quality waste management services.	140	140	140
	Improve and develop integrated and sustainable human settlement	15	15	15
Social Development	To create a healthy and sustainable environment by improving social services and the maintenance of public facilities and buildings.	63	63	63
	To create and maintain public areas, sports fields and resorts for the benefit of the community.	408	408	408
Achieve and sustain a healthy financial position	Expand and protect municipal revenue base, improve collection rates to bolster income and redirect revenue to basic service delivery initiatives.	665	665	665
	Provide effective and efficient ICT services and audit internal controls	3 703	10	10
A vibrant and sustainable economy that attracts investment, reduce unemployment and poverty	Improved opportunities for local employment	100	100	100
		<b>19 157</b>	<b>18 018</b>	<b>18 795</b>

Table 43: Financial Performance/Alignment IDP and Budget

### 8.3 Overview of budget related policies

The detailed policies are not included in this budget documentation. However they are available at the Council offices in the town hall Somerset Streets, for viewing as well as on the Internet at [www.maletswai.gov.za](http://www.maletswai.gov.za)

Name of Policy	Type	Date of Council adoption (if already done)	Purpose / Basic areas covered by Policy	Summary of changes	Responsible Manager
<b>REVENUE RELATED</b>					
Tariff	Unchanged	May 2010 (with previous budget)	Setting criteria for establishing service tariffs	N/A	CFO
Rates	Unchanged	May 2010 (with previous budget)	Setting criteria for establishing rates tariffs	N/A	CFO
Credit control	Unchanged	August 2011	Principles and guidelines to be followed with respect to arrears consumer debt control	N/A	CFO
<b>BUDGET AND EXPENDITURE</b>					
Investment	Unchanged	May 2010 (with previous budget)	Guideline of procedures to be followed when investing or lending money	N/A	CFO
Borrowing and Raising of Debt	Unchanged	May 2010 (with previous budget)	To ensure that the Municipality's borrowing practices at all times comply with the relevant laws and best practices.	N/A	CFO
Cash Management and Payment of Creditors	Unchanged	May 2010 (with previous budget)	To ensure that the Municipality has a sound cash management and payment system	N/A	CFO
Supply chain management	Amended	March 2012 (with budget)	Dictates procedures for the procurement of goods and services	BBBEE Points and cut off of 80/20 increased from R500000 to R1mill	CFO
Funding and Reserves Policy	New	May 2010 (with previous budget)	Sets guidelines for budgeting	New	CFO
Virement Policy	New	March 2012 (with budget)	Authorize transfers between votes	New	CFO
Unauthorised, fruitless and wasteful expenditure	New	March 2012 (with budget)	Reporting of Unauthorised, fruitless and wasteful expenditure and action to be taken	New	CFO

Table 44: Overview of Budget Related Policies

### 8.4 Overview of budget assumptions

#### Budget Assumptions

Budgets are prepared in an environment of uncertainty. To prepare meaningful budgets, assumptions need to be made about internal and external factors that could influence the budget. This section provides a comprehensive summary of the assumptions used in preparing the budget.



### **External Factors**

There is no real growth in the municipal area, with the number of people, as well as the number of households, remaining fairly consistent. Job opportunities are limited, and the National budget identified employment creation as a priority and suggests that municipal capital and maintenance projects should seek to assist in this manner, by implementing labour intensive projects within financial means.

### **General inflation outlook and its impact on the municipal activities**

General inflation (CPIX) is estimated at 5.7% for the 2012/13 financial year. This of course lends to expectations that municipal tariffs should increase by more or less the same percentage, which is impossible due to a wage increase settlement at national level of inflation plus 2% as well as the increase in bulk electricity charges from ESCOM, and of course the full implementation of GRAP requirements such as depreciation charges and Non – current Employee Benefits and other provisions. This budget and the proposed tariff increases therefore exceed the inflation outlook for these reasons.

	2012/13	2013/14	2014/15
General inflation	5.9%	5.3%	4.9%

### **Interest rates for borrowing and investment of funds**

*The following assumptions are built into the MTREF*

	2012/13	2013/14	2014/15
Average Interest Rate – New Borrowing	10.00%	9.5%	10.00%
Average Interest Rate - Investments	5.25%	5.00%	5.25%

Table 45: Interest Rates – New Borrowing and Investments

### **Rates, tariffs, charges and timing of revenue collection**

The rates, tariffs and charges for the 2011/12 budget are included in annexure 2.

*The following table shows the assumed average percentage increases built into the MTREF for rates, tariffs and charges;*

	2012/13	2013/14	2014/15
Rates	10.00%	10.00%	10.00%
Water	10%	10%	10%
Sewerage	10%	8%	8%
Sanitation	10%	8%	8%
Refuse	20%	20%	20%
Electricity – monthly consumption tariff	11.03%	11.03%	11.03%

Table 46: Rates, Tariffs charges and timing of Revenue Collection

The monthly cash flow statement in annexure 1 shows when rates and tariffs are expected to be collected over the financial year. In general terms, the timing of rates, tariffs and charges is based on the following;

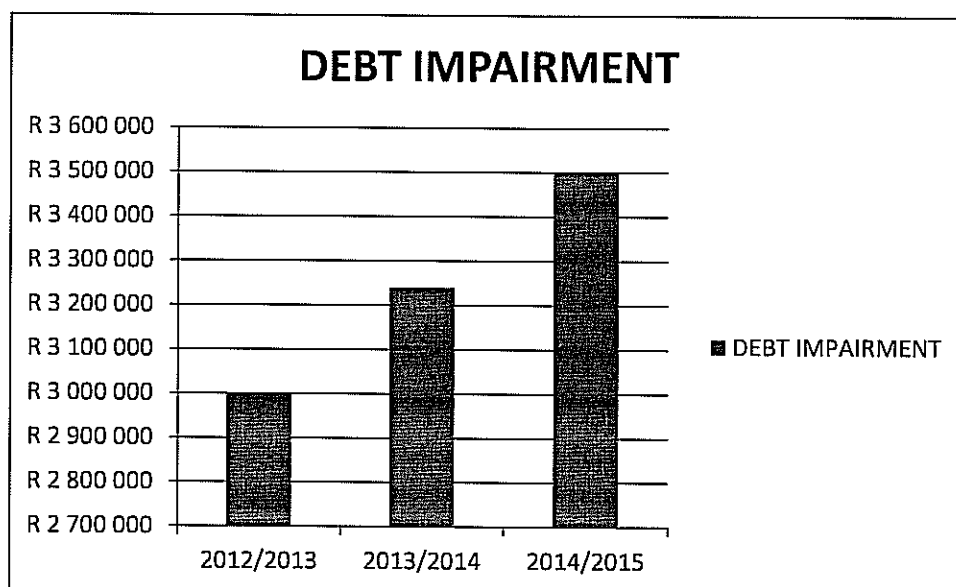
Rates and annual charges	Annual and monthly billing in July. Interim billing throughout the year as required. Revenue foregone recognised in July.
Consumption Tariffs	Monthly billing. On-going prepayment meters. Seasonal fluctuations.
Charges	Generally steady state throughout the financial year with seasonal fluctuations.

**Collection rates for each revenue source and customer type**

Furthermore, its policy on indigent support and social rebates means that many households who would normally struggle to pay their accounts receive free or subsidised basic services thereby keeping them free of the burden of municipal debt. Nevertheless, there will always be an element of the total amount billed that will remain uncollected. The Municipality is the same as any other business in this regard. Adequate provision has to be made in the budget for any bad debts based on assumptions on collection rates. The bad debt contribution also increases substantially against prior budgets due to the re-incorporation of the water and sanitation functions. This additional shortfall in cash collected is, however, being refunded by the Joe Gqabi District Municipality through the payment of the service delivery budgets.

*The following bad debt provisions and collection rates are assumed in the MTREF for rates and tariffs.*

R '000	2012/13	2013/14	2014/15
Provision for bad and doubtful debts	R 3 000 000	R 3 240 000	R 3 499 200
Assumed collection rate (service charges)	85%	85%	85%
Assumed collection rate (assessment rates)	85%	85%	85%



**Price movements on specific items**

**The bulk purchases from ESKOM 2011/12 – R26, 957m):**

R'000	2012/13	2013/14	2014/15
<b>Eskom</b>	R 39 011 645	R 42 132 577	R 45 503 183

Table 47: Bulk Purchase from Eskom

**Average salary increases**

The MTREF includes the following average percentage increases in salaries and wages and for Councillors' allowances:

	2011/12	2012/13	2013/14
<b>Councillors</b>	7.00%	9%	8%
<b>Senior Managers</b>	8.00%	9%	9%
<b>Administrative, professional, technical, clerical &amp; manual</b>	8.00%	9%	8%
<b>Medical aid contributions</b>	9%	9%	8%

Table 48: Average Salary Increases

**Industrial relations climate, reorganisation and capacity building**

The ability of the Municipality to deliver quality services is dependent on its staff and the ability to provide services to the Maletswai population at a viable level. Failure by the Municipality to invest in its staff to ensure that the capacity and skills exist to meet the challenges being faced by Maletswai will ultimately mean a failure to deliver services.

**The Municipality has made the following amounts available for training over the MTREF period:**

R'000	2012/13	2013/14	2014/15
<b>Training Budget</b>	350 000	378 000	408 240

### ***Trends in population and households (growth, decline, stable)***

Population growth trends predict a population of over 42,000 at the end of the 3 year budget period.

### ***Changing demand characteristics (demand for services)***

Maletswai has to respond to changing demand for services that can occur through a number of reasons such as population migration, changing demographic profile, technological changes, and major infrastructure development. The introduction of wireless technology in Maletswai has made the internet available to many more people making on-line interaction with the Municipality possible, including the payment of municipal accounts. The selling of prepaid electricity by all outside vendors assisted consumers to purchase prepaid electricity after hours and over weekends by means of the Syntel system. The growth of formal housing in prior years has impacted on the demand for services and challenges the Municipality in how services are delivered.

### ***Trends in demand for free or subsidised basic services***

Maletswai Municipality's criteria for supporting free or subsidised basic services are set out in the indigent support policy. The Government allocates revenue via the Division of Revenue Act (DORA) in the form of the Equitable Share Grant with the primary aim of assisting municipalities with the costs of providing free or subsidised basic services.

### ***Impact of national, provincial and local policies***

Maletswai sees itself as working in partnership with national, provincial and district municipality spheres of Government in meeting the priority service needs of its people.

### ***Ability of the municipality to spend and deliver on the programmes***

***The following table shows the trend of spending against budget for the capital programme since 2007/08:***

<b>R'000</b>	<b>2007/08</b>	<b>2008/09</b>	<b>2009/10</b>	<b>2010/11</b>
Capital Budget (adjusted)	22,289	24,098	21,918	28,900
Actual Spending	9,913	21,536	21,796	19,960
%	44%	89%	99%	68%

Spending is monitored closely throughout the year and managers must ensure that capital schemes are supported by robust planning. The Municipality is continually reviewing its capital planning processes. The SDBIP includes monthly cash flows of expenditure and is used as the basis for budget monitoring.

### ***Implications of restructuring and other major events into the future***

The budget does not include any provision for the establishment of a Regional Electricity Distributor for Maletswai as there is still considerable uncertainty as to how and when this would operate.

### ***Funding compliance***

The budget is cash – funded which is first indicator of a “credible” budget. Funding levels are unacceptable at 2 months cash – resources, which is an indication of these economic times, and is insufficient to cover all requirements of the funding and reserves policy. There is a huge increase in tariffs above the CPIX forecast, mainly as a result of the effect of the electricity increases. Other increases, set at about 10%, is in order not to reduce maintenance programs, but even these programs are affected negatively due to the increase in bulk charges and the cap on an increase in electricity tariffs set by NERSA. Revenue from grants exceeds 100% of current grant receipts due to unspent grants still being implemented and carried forward.

## **8.5 Overview of budget funding**

### ***Funding the Budget***

Section 18(1) of the MFMA states that an annual budget may only be funded from:

- Realistically anticipated revenues to be collected;
- Cash backed accumulated funds from previous years' surpluses not committed for other purposes; and
- Borrowed funds, but only for the capital budget referred to in section 17.

Achievement of this requirement in totality effectively means that a Council has 'balanced' its budget by ensuring that budgeted outflows will be offset by a combination of planned inflows.

### ***A Credible Budget***

Amongst other things, a credible budget is a budget that:

- Funds only activities consistent with the revised IDP and vice versa ensuring the IDP is realistically achievable given the financial constraints of the municipality;
- Is achievable in terms of agreed service delivery and performance targets;
- Contains revenue and expenditure projections that are consistent with current and on past performance and supported by documented evidence of future assumptions;

- Does not jeopardise the financial viability of the municipality (ensures that the financial position is maintained within generally accepted prudential limits and that obligations can be met in the short, medium and long term); and
- Provides managers with appropriate levels of delegation sufficient to meet their financial management responsibilities.

A budget sets out certain service delivery levels and associated financial implications. Therefore the community should realistically expect to receive these promised service delivery levels and understand the associated financial implications. Major under spending due to under collection of revenue or poor planning is a clear example of a budget that is not credible and unrealistic. Furthermore, budgets tabled for consultation at least 90 days prior to the start of the budget year should already be credible and fairly close to the final approved budget.

#### **8.6 *Fiscal Overview of Maletswai Municipality***

Over the past financial years via sound and strong financial management, Maletswai Municipality has moved internally to a position of relative financial stability. There is also a high level of compliance with the Municipal Finance Management Act and other legislation directly affecting financial management.

The full implementation of GRAP, particularly the unbundling of directive 4 has had huge ramifications not least amongst the professional staffing at the local government level. Maletswai municipality cannot afford the salaries that are a prerequisite to GRAP. There is already a dearth of qualified accountants in South Africa and the complexities that are GRAP in local government are such that outside of the metropolitan areas it is highly unlikely that qualified accountants are going to be available to work at the salaries on offer internally and Maletswai has therefore taken steps to manage the situation externally.

#### ***Long term financial planning***

The municipality's financial position is sound and this budget further ensures that it stays sound. Long-term borrowing is limited and the cash position is strong. The municipality plans to continue exercising strict financial management and ensuring a cash flow which meets the requirements. Due to the fact that the majority of capital expenditure from own sources be funded by way of own cash, the municipality must ensure that the principle of "the user pays for the use of the assets" be applied in its long –term financial strategy. It is for this reason that the municipality provided for cash – backed reserves, which consist of Employee Benefits provisions, the cost of replacing the existing valuation roll

and contributions to the Capital Replacement Reserve with the idea being a contribution at least equal to the depreciation charges on those assets being used.

### **Sources of funding**

Interest earned from investments is applied to the income and expenditure account to help fund the operating budget. The following tables summarises the budgeted interest over the MTREF;

<b>R '000</b>	<b>2012/13</b>	<b>2013/14</b>	<b>2014/15</b>
<b>Investment Interest received</b>	-R 270 000	-R 291 600	-R 314 928
<b>Loan interest paid</b>	R 618 600	R 631 500	R 596 000

### **Contributions and donations**

The Municipality can receive contributions from developers to provide infrastructure and other works as part of the conditions of agreeing planning permission.

### **Sale of assets**

The Municipality is in the process of reviewing its land and asset holdings as part of its longer term financial strategy. Major asset sales are therefore, excluded from the MTREF at this stage.

### **Borrowing**

The MFMA prescribes the conditions within which municipalities may borrow through either short or long term debt. The Act stipulates that short term debt can be used to meet immediate cash flow needs but that it must be fully repaid within the financial year in which it was incurred. Long term debt can only be incurred for capital expenditure or to re-finance existing long term debt. Proposals to incur long term debt must go through a public consultation process. The cash flow projections will determine the likely need to borrow short term. It is not projected that any short term borrowing will be required over the MTREF period. The ratios as set out in the Cash and Management Investment policy are used to establish prudential levels of borrowing in terms of affordability and the overall indebtedness of the Municipality. Based on these measures of affordability, the Municipality make provisions for new borrowing for capital expenditure over the MTREF.

## **8.7 Expenditure on allocations and grant programmes**

### **Grant allocations**

National and Provincial Governments provide funding to assist the municipality to achieve its developmental and service delivery goals. In addition, the Constitution of the Republic of South Africa 1996 requires all spheres of government to assist each other to achieve goals set at National or Provincial level. Local economic development and employment opportunities are high on the agenda of the national government, and the municipality, again within financial means, as well as revenue from government grants, aims to assist as far as possible in achieving these goals.

Details of each grant are shown in the schedule that follows:



**National and Provincial Grant Allocations 2011/12 to 2013/14**

Name of Grant	Operating / Capital	Allocating Authority / Department	Amount 2012/13 R'000	Indicative 2013/14 R'000	Indicative 2014/15 R'000	Purpose of the Grant
Library Services	Operating	Province/ Cultural Affairs and Sport	1 310	1 415	1 528	To enable public libraries to render an improved service by addressing staffing shortages.
Local Government Financial Management Grant (FMG)	Operating	National / National Treasury (National Vote 7)	900	900	1 150	To promote and support reforms in financial management by building the capacity in municipalities to implement the Municipal Finance Management Act.
Local Government Financial Management Grant (FMG)	Capital	National / National Treasury (National Vote 7)	600	600	600	To promote and support reforms in financial management by building the capacity in municipalities to implement the Municipal Finance Management Act.
Municipal Systems Improvement Programme Grant (MSIG)	Operating	National / Provincial and Local Government (National Vote 29)	840	870	950	To assist municipalities in building in-house capacity to perform their functions and stabilise institutional and governance systems.
Integrated National Electrification Programme	Capital	Provincial		2 000	2 000	To assist the municipality with the electrification of impoverished areas within the region.

**Table 49: National and Provincial Grant Allocation**

## **8.8 Audit**

### **Audit Committee**

The council has an independent audit committee which consist of skilled individuals who serve on the Audit Committee. This independent audit committee fulfils a vital role in corporate governance and operates with an Audit Charter. Furthermore, this committee was established in terms of Section 165 of the Municipal Finance Management Act 56 of 2003 – and it also fulfils a vital mandate of being a Performance Management Audit Committee. It [also] has a vital role to, amongst other things, ensure the integrity of reporting and internal financial controls and identify and manage financial risks. This committee is constituted by the following skilled individuals:

- (a) Mrs. S van Pletzen (contract expiring 30 November 2014) – **Chairperson**
- (b) Mr. A. F. Bothma (contract expiring 30 November 2014);
- (c) Mr. V. Tshangana (contract expiring 30 November 2014); and
- (d) Ms. F. Sephton (contract expiring 30 November 2014).

### **External Audit by the Auditor General**

In year 2008/2009 and 2009/2010 the Council received a disclaimer of audit opinion from the Auditor-General, on both years, and in 2010/2011 it received a qualified audit opinion. In comparison to other municipalities in the District – Senqu Municipality has consistently received an unqualified audit opinion for the last 3 financial years, whereas, the District Municipality (Joe Gqabi) and Elundini Local Municipality have improved from qualified audit opinion in 2008/2009 and 2009/2010 to an unqualified audit opinion in 2010/2011. Gariiep Local Municipality has consistently received qualified audit opinion 2009/2010 and 2010/2011. It can therefore be said that the municipality is indeed performing satisfactory in comparison with other local municipalities in the district. The main financial issues were:

- Write down of assets' opening balances
- Uncorrected errors on prior year corresponding figures
- Inadequate audit evidence on revenue
- Unauthorised expenditure from conditional grant
- Irregular expenditure on CIDB compliance
- Material losses on electricity and water.

Latest Auditor-General report indicates that the municipality did not comply with the following regulatory requirements for the year ended 30 June 2011:

- The reported objectives, indicators and targets were no consistent with the approved Integrated Development Plan.
- The reported performance against predetermined objectives were not consistent with the approved Integrated Development Plan (50% of the planned objectives in the approved IDP were not included in the reported performance)

An Audit Action plan is attached as Annexure A, clearly demonstrating that the municipality is taking the necessary strategic steps in addressing pertinent issues that were raised by the Auditor-General.

***The following laws and regulations were not complied with:***

1. The annual financial statements were not prepared in all material respects in accordance with the requirements of section 122 of the Municipal Finance Management Act (MFMA), however the material misstatements identified by the auditors were corrected resulting in a qualified audit opinion.
2. Accounting officer did not make public the council the council oversight report on the 2009/10 annual report, within 7 days of its adoption as required by the by S129(3) of the MFMA
3. An internal audit unit was not in place for two months for the year under review as required by s165(1) of the MFMA.
4. Non-compliance with the SCM regulation 21(b) – preference point system to be used in the adjudication bid was not stated
5. All bid evaluation committees did not consist of at least on SCM practitioner as required by SCM regulation 28(2)
6. Not all suppliers to whom awards were made submitted a declaration on the employment by the state or their relationship to a person employed by the state as per the requirements of the SCM regulation 13(6)
7. Insufficient evidence that the CIDB contractors were registered and qualified for the contract in accordance with regulation 17, 28 and s28(A) of the CIDB Act.

In view of the above, an action plan (see Annexure A) was developed by the municipality to address some of the key anomalies identified by the Auditor-General.

## CHAPTER 9

### KPA 6: INSTITUTIONAL ANALYSIS

#### 9.1 POWERS AND FUNCTIONS

The Constitution of the Republic of South Africa 1996 designates the following objects of local government:

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

Within this Constitutional mandate, powers and functions have been defined in terms of the Local Government Municipal Structures Act 117 of 1998 as amended.

The administration of Maletswai Local Municipality is headed by a Municipal Manager, and his appointment as an Accounting Officer is enshrined in section 82 Municipal Structures Act 117 of 1998, and this [appointment] is formalised by a signed Employment Contract. A draft Annual Performance Agreement in respect of the Municipal Manager will be aligned to the reviewed 2011/12 IDP and submitted to the Mayor together with the draft annual SDBIP and subsequently to the Municipal Council for ratification.

#### 9.2 CORPORATE ADMINISTRATION

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

#### *Management Structures and Systems*

Maletswai Municipal Council consists of 12 councillors. The Council has the following standing committees:

- Financial Services Standing Committee;

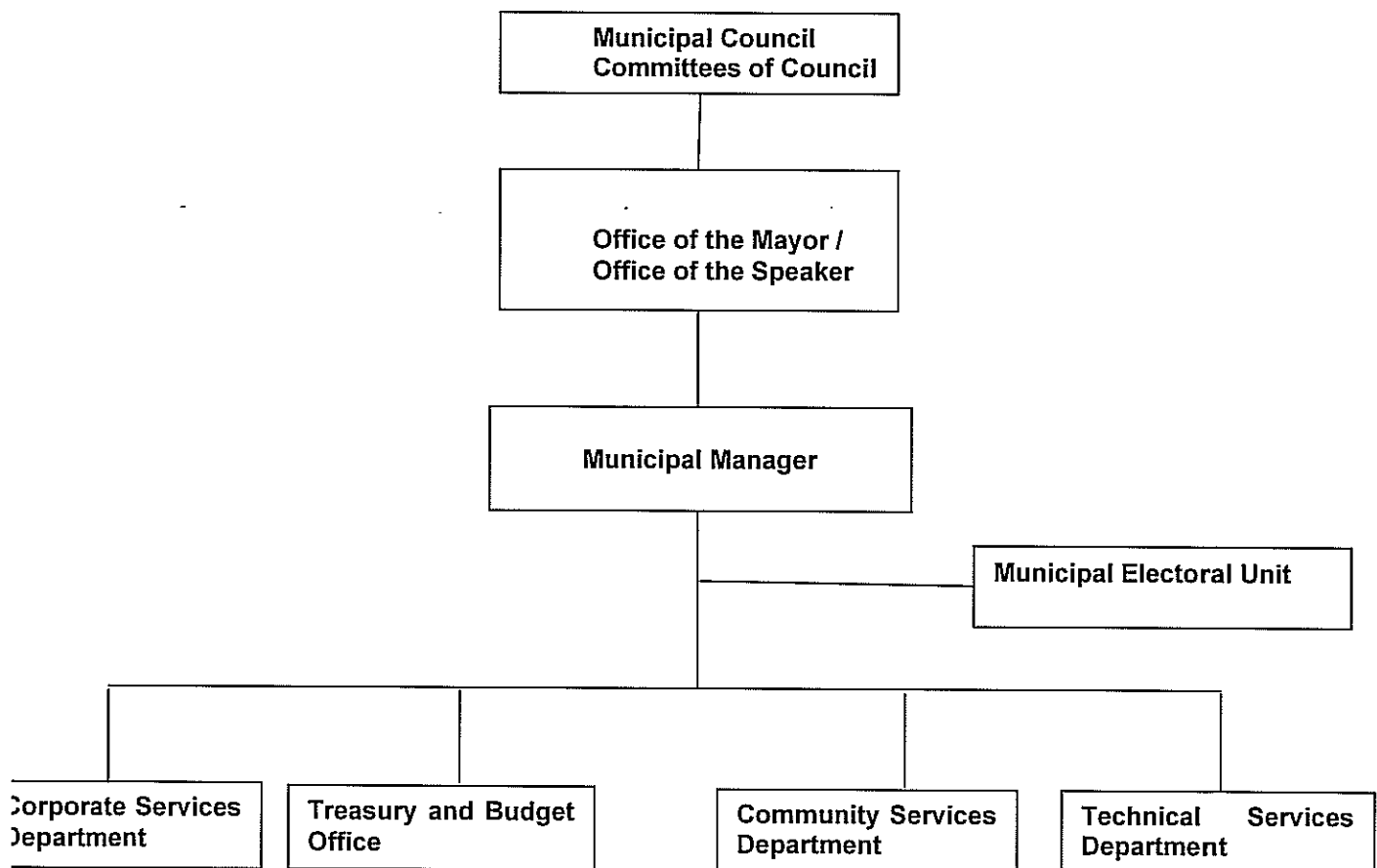
- Community Services Standing Committee;
- Corporate Services Standing Committee; and
- Technical Services Standing Committee.

### 9.3 INSTITUTIONAL ANALYSIS

The Local Government: Municipal Planning and Performance Management Regulation (R796 of 2001) sets out the following minimum requirements for an IDP:

***“That an institutional framework is required for implementation of the IDP and to address the municipality’s internal transformation”***

In view of the above, Maletswai Local Municipality’s Organogram is reviewed annually to respond to the material demands of the institution.



The organogram makes provision for four (4) Section 56 posts, which are heads of departments. These Heads of Department report directly to the Municipal Manager. Four Section 56 Managers are appointed, (3 male and 1 female) in terms of the Systems Act and have signed five year Employment

Contracts. Annually, the municipal manager and the section 56 managers sign performance agreements against which are aligned with the objectives of the IDP.

Designation – Section 56 Managers	Gender	No. Vacant/filled
Municipal Manager	Male	1 filled
Corporate Services Manager	Male	1 filled
Community Services	Female	1 filled
Finance	Male	1 filled
Technical Services	Male	1 filled
Total vacant posts		0
Total filled posts including the above.	210 Male 88 Female	306 total filled

Table 51: Institutional Analysis

#### **Staff Breakdown**

Casuals	22
Temporal Staff	5 (males)
Full time African Males	190
Full time African Females	79
Full time Whites Male	7
Full time White Females	2
Coloured Male	11
Coloured Females	9

Table 52: Staff Breakdown

#### **Internal Strengths, Weaknesses, Opportunities and Threats**

The following **weaknesses** are facing the institution of the Maletswai Municipality:

- Need to address the capacity of existing human resources;
- Attracting and retaining scarce skills;
- Inadequate space for office accommodation;
- Lack of funding to expand and centralise staff in one centre;
- High dependence of the municipality, on external funding sources;
- Internal Controls need to be strengthened to ensure appropriate asset Management;
- Insufficient financial resources to address enormous infrastructural challenges.

#### **Key strengths and opportunities include-**

- a relatively stable political environment;
- a conservative (in terms of numbers) staff complement (albeit requiring meaningful capacitation);

- The availability of land for future developments;
- Maletswai as a regional economy of the district and presents enormous opportunities for the Municipality to improve its financial positioning and impact on the socio-economic environment of the area.
- Decentralization of provincial and national governments into regions has a potential of increasing the revenue base.

#### **9.4 HUMAN RESOURCE MANAGEMENT**

##### ***Human Resource Strategy***

The municipality has developed a Human Resource Strategy. The HR Development strategy has been developed to support a holistic approach to human resource training and development in Maletswai Local Municipality. The HRD strategy aims at regulating the development of competencies of staff through education, training and development. All in all, the strategy seeks to address the institutional requirements and challenges in the short, medium and long term.

##### ***Human Resource Policies***

The human resource policies provide the municipality with a mechanism to manage risk by staying up to date with current trends in employment standards and legislation. The policies are framed in a manner that the municipality's vision and the human resource helping the municipality to achieve it or work towards it are at all levels benefited and at the same time not deviated from their main objective.

HR policies allow an organisation to be clear with employees on:

- The nature of the organisation
- What they should expect from the organisation
- What the organisation expects of them
- How policies and procedures work
- What is acceptable and unacceptable behaviour
- The consequences of unacceptable behaviour

The establishment of policies helps the municipality to demonstrate, both internally and externally, that it meets requirements for diversity, ethics and training as well as its commitments in relation to regulation and corporate governance. Human resource policies can also be very effective at supporting and building the desired institutional culture. For example recruitment and retention policies might

outline the way in which the municipality values a flexible workforce. The Municipality has a Recruitment and Selection Manual which guides around the issues around staffing and a number of policies (*i.e.* standby allowance policy, absenteeism policy, code of conduct, employee assistance programme, motor vehicle allowance policy *etc.*)

#### ***Recruitment and Selection Policy and Procedure***

Maletswai Local Municipality has a Council approved recruitment and Selection policy. The aim of this policy is to guide appointment process, also to attract, obtain and retain people with required competencies at minimum cost in order to satisfy the Human Resource needs of the Council. Lastly, the policy is aimed at giving effect to the Affirmative Action Policy Principles and adheres to the Employment Equity Act and the Labour Relations Act 66 of 1995. The policy covers fair and equitable recruitment, recruitment processes, recruitment procedure, selection and appointment processes, as well as screening.

#### ***Employee Assistance Programme***

Maletswai Local Municipality recognises that staff's well-being plays an important role in meeting its objectives and that personal problems interfere with job performance. Regardless of how disruptive such problems may be in the life of an employee, external motivation is almost always needed before an employee can make necessary changes or seek professional assistance. The municipality as an employer is committed to look after the physical emotional, psychological and social well-being of its employees. To this end, an Employee Assistance Programme was established in the Human Resource Section to provide support to employees. Although this function is mainly outsourced due to unavailability of skilled personnel to pursue this function, the key objective of the programme is to promote the well-being, morale and productivity of all employees; coordinate counseling services and refer employees for professional and specialised services.

#### ***Succession Planning and Career Pathing***

In Maletswai, succession planning simply means making the necessary arrangements to ensure that suitably qualified people are available to fill posts which will arise within any specific department over forthcoming years. The purpose of this policy is to ensure continuity of suitably trained staff in key posts for the future, to (also) ensure that someone is always available fulfill any particular job in the municipal service, even in the event of illness, resignation or death. Moreover, to comply with the legal requirement of the Employment Equity Act which requires the appointment and promotion of suitably qualified person from previously disadvantaged groups, to ensure proportional representation in all



occupational categories and levels? Lastly, to ensure that training programs are undertaken in an orderly way and that staff does not simply attend training courses without a purpose – in this way training initiatives can be properly focused.

### ***Employment Equity***

The plan has been developed and adopted for the period 2008-2012. This plan serves as a guideline in filling of vacancies in the municipality. However, it is paramount to note that this plan will expire at the end of June 2012; moves are afoot in developing another plan which will have a life-span of 5 years. Wide range of consultation will be done with various stakeholders and Council.

### ***Skills Development***

The draft Work Skills Plan was submitted on the Employment and Skills Development Committee in 6 April 2010 and it was approved for submission to Local Government SETA. This plan is operational in the municipality.

## CHAPTER 10

### ORGANISATIONAL PERFORMANCE MANAGEMENT SYSTEMS

#### *Synopsis*

In the local government context, a comprehensive and elaborate system of monitoring performance of municipalities has been legislated. This system is intended to continuously monitor the performance of municipalities in fulfilling their developmental mandate. Central to this is the development of key performance indicators as instruments to assess performance. These indicators help to translate complex socio-economic development challenges into quantifiable and measurable output. They are crucial to improving the quality of life for all.

The Municipal Planning and Performance Management Regulations (2001) define a Municipality's Performance Management System as "a framework that describes and represents how the municipality's cycle and processes of performance planning, monitoring, measurement, review, reporting and improvement will be conducted, organised and managed, including determining the role of the different role players" (Chapter3, Section 7, Municipal Planning and Performance Management Regulations, 2001).

Maletswai Local Municipality believes that the principles of performance management should:

- Drive change and improve the performance of the organisation;
- Focus the municipality's work on priorities;
- Measure the municipalities overall performance against set objectives;
- Align strategic objectives and priorities with individual work plans;
- Identify success as well as failure; and
- Identify good practice and learning from others successes.

#### **10.1 PERFORMANCE MANAGEMENT SYSTEMS**

The Performance Management System (PMS) is one of the key mechanisms through which the municipality aims to improve organisational performance [and that of its individuals] to enhance service delivery. The municipality has a Performance Management Systems Policy Framework adopted by Council in 2008 aimed at:

- improving performance against municipality's goals by establishing performance culture;
- improving individual officials awareness, understanding of their work objectives & performance standards expected of them;

- ensuring individuals know how their performance against these standards is perceived;
- improving communication between supervisors and their staff;
- evaluating performance fairly and objectively;
- providing opportunities to identify individual development needs and to devise, in conjunction with supervisors, plans to address those needs;
- facilitating the effective management of unsatisfactory performance; and
- providing a basis for decisions on possible rewards.

Currently, in Maletswai Local Municipality, PMS has not yet been cascaded to levels lower than s56 managers; there is on-going dialogue in the Local Labour Forum undertaken by management negotiating with Unions on cascading performance management. There has been a cordial concord by managers to at least [in the interim] cascade to sectional heads – but that still needs further engagements.

#### **10.1.1 Scorecards**

The municipality intends on implementing three (3) levels of the scorecard. This is the Institutional Scorecard, Departmental Scorecard, and Sectional Scorecards. Each of these levels are briefly described below:

##### ***Institutional Scorecard***

The Institutional Scorecard will be used to measure performance of the municipality in terms of implementation of the Maletswai Service Delivery and Budget Implementation Plan. The institutional scorecard will provide overall picture of performance of Council as a whole, reflecting performance on its strategic priorities thereby giving effect to the implementation and monitoring of objectives, key performance indicators and targets as delineated on the budget and IDP. Lastly, the Municipal Manager will utilise Institutional Scorecard as a basis for reporting to the Mayor, Council and most importantly to the Public through quarterly reports, Mid-Year assessments, Annual Report and performance assessment.

##### ***Departmental Scorecard***

The Departmental Scorecard will measure and monitor performance of the line Departments. This constitutes the scorecard of the departmental manager by providing a comprehensive picture on the implementation and evaluation of the department's actions and projects, which are directly linked to the

objectives, indicators and targets derived from the institutional scorecard. Performance reporting in the form of quarterly reports will be presented to the Municipal Manager, Standing Committees of Council and Council.

### ***Sectional Scorecards***

The Sectional Scorecard will measure and monitor performance of Departmental Sections. This will constitute the scorecard of the sectional heads. Sectional heads are reporting to the Departmental Manager. Compilation and report on the sectional scorecards will be considered at monthly and quarterly sectional meetings as well as departmental meetings constituted by the Manager and respective Sectional Heads.

## **10.2 LEGISLATIVE FRAMEWORK FOR PERFORMANCE MANAGEMENT**

Legislation that governs performance management in local government includes the Municipal Systems Act, 32 of 2000 (MSA), the Municipal Planning and Performance Management Regulations, 2001 (MPPMR), the Municipal Finance Management Act, 53 of 2003 (MFMA) and the Municipal Performance Regulations for Municipal Managers and Managers Directly Accountable to Municipal Managers, 2006.

### ***Municipal Systems Act, 32 of 2000***

The MSA requires all municipalities to promote a culture of performance through the establishment of a PMS, which must set key performance indicators and targets, as well as monitor, review and report on municipal performance, based on indicators linked to the Integrated Development Plan (IDP), including the national indicators prescribed by the Minister responsible for Local Government.

### ***Municipal Planning and Performance Management Regulations, 2001***

In 2001, the Minister of Provincial and Local Government published the MPPMR, which require a municipality to ensure that its PMS complies with the requirements of the MSA, demonstrate the operation and management of the PMS, clarify roles and responsibilities, as well as ensure alignment with employee performance management and the IDP processes.

### ***Municipal Finance Management Act, 56 of 2003 (MFMA)***

The MFMA requires the Mayor to ensure that the performance agreements of Section 57 employees comply with the requirements of the MSA to promote sound financial management and are linked to

measurable performance objectives, approved with the budget and included in the Service Delivery and Budget Implementation Plan (SDBIP).

### **10.3 MONITORING AND REVIEW**

#### ***Why Performance Management and IDP***

The main purpose of the Integrated Development Plan is to ensure that the resources available to the Municipality are directed at the delivery of projects and programmes that meet agreed development priorities and objectives. When the municipality commenced on implementing the IDP it had to check that:

- The delivery is implemented in the planned manner.
- The Municipality is using its resources most efficiently.
- It is producing the quality of delivery envisaged.
- The delivery is having the planned effect on the lives of the people in the Municipality.

To achieve this it is necessary to monitor and evaluate measure and review the performance of Municipalities against indicators and targets set in their IDPs. Performance management will assist Municipalities:

- To make immediate, appropriate changes in delivery and management of resources
- Identify and overcome major or systematic blockages
- Guide future planning on developmental objectives and resource use

In achieving this, requires a pro-active development of a **performance management system** and undertaking **an annual review of the IDP**. However, clarity needs to be outlined on what is meant by Monitoring and Evaluation, Performance Management, the Annual IDP Review and a number of related concepts.

#### ***What Is Performance Management, Monitoring and Evaluation and the Annual IDP?***

Sometimes the different names given to various approaches to monitoring and evaluation in organisations can cause much heated debate and often great confusion. It is not intended to heighten the confusion or engage in the debate but rather to define the way in which these concepts are dealt with within the IDP methodology and more broadly within the Municipal environment in South Africa.

**Performance Management, Monitoring and Evaluation and the Annual IDP**

<p><b>Monitoring and Evaluation</b></p>	<p>The system for monitoring the implementation programme with the specific intention of evaluating the delivery is to ensure that the planned delivery happens and that the Municipality can make relevant adjustments to its planning and resource use in implementation. Monitoring and evaluation are also used as two (2) separate but interrelated concepts in performance management and it is useful to understand their meaning in such usage:  <b>Monitoring</b> (<i>collecting the relevant information</i>)                      The gathering of the information used to track the progress of delivery against the key objectives, indicators and targets of the implementation plan.  <b>Evaluation</b> (<i>Making sense of what is happening</i>)                      Analysing and evaluating the meaning of the information and applying the understanding to improve delivery and its impact on the people in the Municipality.</p>
<p><b>Performance Management</b></p>	<p>The Performance Management is a process whereby Municipalities continuously seek to improve their functioning and accountability. It is also a management approach that provides strategic direction for managers and politicians to manage performance within organisations.</p>
<p><b>Employee Performance Management</b></p>	<p>Refers to the management of the performance of individuals in the organisation in terms of their individual performance contracts/key result documents and the contribution they are expected to make towards the <b>collective achievement of organisational objectives</b>. The employee performance management system is an important element of the performance management system.</p>
<p><b>Annual IDP Review</b></p>	<p>A specific process legally required of Municipalities is to review the achievements of the implementation of the IDP and to make any necessary changes to the IDP Plan and feed into the budget for the following financial year.</p>
<p><b>Implementation/Project Management</b></p>	<p>This is the management approach of the Municipality's internal resources and external linkages to ensure that the appropriate delivery happens in the most efficient way. In managing the daily implementation it provides crucial management information for organisational performance management. In turn it is given improved form from the feedback from the <b>organisational</b> management process of the Municipality.</p>
<p><b>Information Management Systems</b></p>	<p>The organisation information from various sources that is used in immediate management and in longer term assessment planning and changes to the management of implementation.</p>

Table 53: IDP, PM, M&E

To understand the relationship between IDP and performance management, consider the following quotation from the *Performance Management Guide for Municipalities, DPLG, 2001* (draft2, page 16):  
 "The Integrated Development Planning Process and the Performance Management Process should appear to be seamlessly integrated. Integrated development planning fulfils the planning stage of

performance management. Performance management fulfils the implementation management, monitoring and evaluation of the IDP process”.

#### **10.4 THE LEGAL CONTEXT FOR PERFORMANCE MANAGEMENT AND IDP ANNUAL REVIEW**

The purpose of this sub-section is to provide [detailed] insight into key legislation concerning the Performance Management System and the Annual Review of the IDP. Additionally, to the requirement for every Municipality to compile an Integrated Development Plan (IDP) the **Municipal Systems Act, 32 of 2000** (MSA) also requires that the IDP is implemented, and that the Municipality monitors and evaluates its performance.

Section 34 of the Municipal Systems Act deals with the review and amendment of the IDP:

*“Annual review of the Integrated Development Plan A Municipal council:*

- (a) must review its integrated development plan*
  - (i) annually in accordance with an assessment of its performance measurements in terms of section 41; and*
  - (ii) to the extent that changing circumstances so demand;*
- (b) May amend its integrated development plan in accordance with a prescribed process”.*

Every Municipality is also required to develop and implement a **performance management system** in terms of Chapter 6 of the Municipal Systems Act. This performance management system must contain certain core components (section 41 of the Municipal Systems Act):

- Key performance indicators are “a yardstick for measuring performance, including outcomes and impact, with regard to the Municipality’s development priorities and objectives set out in its Integrated Development Plan”.
- Measurable performance targets for each of the development priorities and objectives.

The **Local Government: Municipal Planning and Performance Management Regulations, 2001** describes the role for the performance management system in monitoring, evaluation and review:

*“7. (1) A Municipality’s performance management system entails a framework that describes and represents how the Municipality’s cycle and processes of performance planning, monitoring, measurement, review, reporting and improvement will be conducted, organised and managed ...”*

The review and amendment process must also adhere to the requirements for public participation as set out in Chapter 4 of the Municipal Systems Act. This will involve establishing processes and structures for public participation, as was required for the process of drafting the IDP.

The Municipal Systems Act (section 37 (d) and (e) permits the Minister to make regulations and guidelines on certain matters regarding the review and amendment of the IDP. As is the case when formulating the IDP, sector requirements have to be considered in monitoring, evaluation and review to ensure sector alignment. These requirements may be in the form of process time frames, reporting procedures and formats, as well as review of existing plans/programmes and adoption of new plans/programmes.

As a general rule, when the IDP is reviewed, it means that all the integrated plans and programmes forming part of the IDP are reviewed as well. For certain sectors, monitoring, evaluation and review may have to occur at prescribed intervals that are more or less frequent than the annual IDP review.

In the review process, sector requirements regarding adherence to principles (e.g. **National Environmental Management Act**, 107 of 1998, and the **Development Facilitation Act**, of 1995) have to be taken into consideration. Performance/Implementation should be evaluated in terms of such principles and inform the review process.

There are some of the key aspects of relevant legislation and regulations. It is important to note any additional legislation, or regulations and other requirements that spheres of government might institute in the future that require incorporation in the monitoring and evaluation and review process of our Municipality's IDP.

In nutshell, the Maletswai Municipality has formulated its performance management policy framework and adopted it in line with the IDP scorecard cluster system which is used as appropriate institutional model and balanced approach in measuring IDP implementation and institutional performance.

#### **PMS CHALLENGES**

- There is still a challenge around the understanding of the purpose of PMS in the municipalities
- There is no dedicated staff or support for the efficient and effective implementation of PMS, and the function moves around the municipalities without a clear home.
- Incentives related to PMS especially for section heads and the rest of the municipality have not been resolved



- As there is no performance audit committee yet in place, this negatively impacts on the continuity of assessments, the fairness of assessments and the legal compliance.

***PMS PRIORITISED AREAS FOR INTERVENTION:***

- Establishment of Performance Audit Committees.
- Effective reporting on the state of performance in our municipalities.
- Legal compliance with legislation around performance management.

The Key Performance Indicators (KPIs) and Targets of the Municipal Manager and Section 57 Managers are based on and linked to the Integrated Development Plan (IDP) and reflect the objectives of the municipality derived from community inputs and arrived at through community consultation. Moreover, these KPIs include the performance indicators, i.e. baseline, input, output and outcomes, that are legally prescribed and are measurable in terms of time, cost and quality/quantity as provided for in the indicators and targets set for each KPI. These KPIs and Targets are also an integral part of the performance agreements of the Municipal Manager and Section 57 Managers and as such form the basis of their annual performance appraisals. Based thereon the Municipality was in the past able to measure and appraise the performance of Section 56 appointees with success and will be able to do so for the future.

The Municipality recognized the legal prescriptions in as far as community consultation is concerned. In essence, the three processes necessitating synergised community consultation were identified as the IDP process, the Budgeting process and the Performance Management implementation process. The PMS policy firstly aims to ensure a link between these processes and, as a second step, works towards synergising these processes to ensure adequate, affordable and transparent community consultation. The Municipality, through this policy formally adopted the IDP-Budget-PMS Integration Model on the understanding that the model will in future require modification as the processes become more synergistic.

It must be noted though that we, as the municipality, we have not as yet established a formal performance audit committee, something that needs to be considered as a matter of urgency. We have also implemented the Performance Management System, have performance based contracts for Section 57 Managers and have performance agreements with all Section Heads and will be doing quarterly, half year and yearly performance assessments.

### **10.5 MONITORING, EVALUATION AND REVIEW OF IDPS**

The IDP is not stagnant and represents an ever-changing policy and strategy that must grow and evolve with the municipality, its stakeholders and its community. The IDP stipulates definite objectives, projects indicators and programmes that must be achieved within the planning period. Monitoring, evaluation and review make up a system to assess the performance of the municipal area.

#### ***Monitoring and evaluation is critical to:***

- Ensure the implementation of plans
- Measure their development impact
- Ensure the efficient use of resources
- Measure Council's success

Monitoring, evaluation and review mechanisms are to be implemented as an on-going or cyclical activity and are built into the annual planning and budgeting cycle. The Contract based: Performance Management System of the Municipality fulfils only part of this role, and there is a need to still develop a full Municipal area based institutional performance management system that can safely and effectively monitor the implementation of this integrated plan.

#### **MONITORING**

Monitoring is a continuous activity to measure indicators with regard to the short term outputs or outputs of the planning process. Amongst other things, it provides project information to management, in order to keep the project on track with the right results being achieved on time and within budget. Monitoring includes systematically collecting and using information about each project to enable management to proceeding as it should and that the beneficiaries are satisfied.

Monitoring will be done on a quarterly basis. All stakeholders will be required to provide written reports showing progress towards the achievement of the key performance indicators. Political leaders will also undertake outreaches into the district area to monitor the implementation of programmes identified in the IDP.

Reports prepared through the monitoring of the implementation of IDP programmes will be reported on to the Executive Mayor of the District Municipality on a quarterly basis via quarterly performance reports

and to the Premier and Presidency on a half yearly basis (October and April) via the Lekgotla Reports. On a yearly basis performance reports are submitted to the MEC for Housing Local Government and Traditional Affairs as well as the Minister of Provincial and Local Government and National Treasury.

### ***EVALUATION***

Evaluation is a less frequent activity, which is designed to measure whether, and to what degree the development objectives are being achieved through the implementation of the Integrated Development Plan. It measures the medium term impact and outcomes of the planning process. This provides the information required to reappraise the development objectives and indicators and whether the strategies and policies still hold good and whether they need to be amended or adjusted, and why. Evaluation will take place on a yearly basis linked to the need to review the IDP. This will take place in the form of discussion based on the monitoring. Every two years a more in-depth evaluation of the IDP implementation will take place.

### ***REVIEW***

Review is making adjustments and revision based on monitoring or evaluation information. The results of monitoring provide adjustments and corrective actions that are fed back into the planning process, to re-inform project planning, design and implementation. These results re-inform the development priorities, goals and strategies. Review will take place between June and December of any given year during the implementation of this programme. Review will be undertaken by the Representative Forum meetings.

## CHAPTER 11

### BUDGET AND PROJECTS

#### 11.1 Municipal Capital Projects LED 11/12

PROJECT	STATUS	Cost	2011/12	2012/13	2013/2014	Source of funding
Aliwal Spa Revitalisation	Implementation	R20,000,000,00	R32,000,000,00			Department of Tourism DEDEA
Maletswai Waste Management for LED	Implementation	R 4,600,000,00	R 767,000,00 R 3,693,000,00	R 829,116,00		DEDEA
Aliwal North Private Hospital	Planning	R60,000,000,00				
Area 13 access road	Implementation	R 7,500,000,00				MIG
Maletswai Sports fields	Implementation	R 4,982,343,41				MIG
<b>Municipal Capital Projects 2012/13</b>						
PROJECT	STATUS	Cost	2012/13	2013/2014	2014/2015	Source of funding
Sewer Network and House Connections	Planning	R38,000,000,00	R38,000,000,00			JGDM
Resealing/Rehabilitation of Roads	Planning	R 1,000,000,00	R 1,000,000,00			Own Funding
Skip Pits	Planning	R 40,000,00	R 40,000,00			Own Funding
Construction testing Station Ward 1	Implementation	R 228,000,00	R 228,000,00			
Fencing of Community Halls	Planning					
Paving of Community Halls	Planning					
Fencing of Closed Cemeteries	Planning					
Renovations of Municipal Flats	Planning					
Upgrading of Sarah Moorosi Sports Field	Planning	R 4,000,000,00	R 300,000,00	R0	R0	Own Funding
Provisions of Street Lights	Planning	R				
Maletswai Paving	Planning	R15,336,000,00	R12,738,579,00			MIG
Building of Youth Advisory Centre	Planning	R0	R0	R0	R0	
Building of Indoor Multi-Purpose Sport Centre	Planning	R 3,000,000.00	R0	R0	R0	
Shelters for the Hawkers	Planning	R0	R0	R0	R0	
Municipal Pound	Inexistence – Needs Upgrading	R 300,000,00	R0	R 300,000,00	R0	Own Funding

## Sector Departments:

DEPARTMENT OF SPORTS, RECREATION, ARTS AND CULTURE					
Sport Development					
Performance Area: Coordinate the implementation of OPS Plan and activities of sport development					
Indicator: No of programmes supported / implemented					
Activities	Timeframe Start	End	Budget	Area/ward	Number of beneficiaries
No of programmes supported					
Mini Olympics-	01 June 2012	30 June 2013	R192 000	Aliwal North	
No of partnership programmes implemented					
Programme: FRASA	01 June 2012	30 August 2012			
Programme: Education & Training	1 June 2012	30 June 2012	R54 000	Aliwal North	
No of Supported of Clubs/ Federations					
Project: Softball Registration-	3 October 2011	31 October 2011	R10 000	Aliwal North	
Softball Tournament	1 November 2011	30 November 2011	R 65 000	Aliwal North	
No of programmes supported					
District Sports Awards	1 February 2011	29 February 2011	R40 000	Aliwal North	
Recreation Development					
Performance area: Co-ordinate the implementation of operational plans and activities of recreation development.					
Performance Indicator: No of programmes implemented / supported					
Recreation Indaba	01/04/2012	30/06/2012	R40 000	Aliwal North	
Mini Olympics	01/04/2012	30/10/2012	R60 500	Aliwal North	
District Awards	1/02/2013	29/02 2013	R34 000	Aliwal North	
Museums and Heritage					
Results Area/ Objective : To implement the establishment, development of living heritage, oral tradition and geographical place naming					
Performance Measure indicator : No of programmes implemented					
Heritage Liberation Route	April 2012	September 2012	R11 500	Maletswai	
Project: District Geographical Name Change	April 2012	September 2012		Joe Gqabi District	
Arts and Culture					
Performance area: Performance programmes offered to develop acclaimed and upcoming artists.					
Performance Measure Indicator: No of Programmes offered to develop acclaimed and upcoming artists					
Choral music festival	01/04/2012	31/09/2012	R77 300	Aliwal North	
Film documentary screening	01/08/2012	31/08/2012	R18 000	Aliwal North	
Visual art and craft fares	01/10/2012	31/12/2012	R21 000	Aliwal North	
District Cultural Festival			R200 000	Aliwal North	

Performance area: Significant days supported and or commemorated / celebrated			
Gospel talent Search / Show	01/04/2011	30/03/2013	R34 000 Aliwal North
<b>SPECIAL PROGRAMMES UNIT OPERATIONAL</b>			
Results Area/ Objective : Number of awareness campaigns			
Performance Measure indicator : No of programmes implemented			
Take a girl child to work	April 2012	May 2012	R5 000 Aliwal North

**LIBRARY AND INFORMATION SERVICES – Maletswai Local Municipality**

Results Area / Objective : To promote use of libraries and culture of reading			
Performance Measure indicator: no, of programmes implemented.			
	Time Frame	End	Budget
World book day Campaign	April 2012	June 2012	R5 000
National Book Week	August 2012	August 2012	R20.000
Library Material X 2 Libraries = R55 000 per library	April 2012	March 2012	R110 000
		Area/ward	Number of beneficiaries
		Maletswai	
		Jamesstown	
		Maletswai Libraries	

**Department of Agriculture 2012/2013**

Project Name	Source of Funding	Area/Farm	Budget
Maletswai Fencing	Casp	Rugtefontein	R250 000.00
Animal Handling Facilities	Casp	Goedehoop Vaalbank	R250 000.00 R250 000.00
Maletswai Stock water Systems	Casp	Rugtefontein	R150 000.00
Multipurpose Shed	Casp	Tubela Farm Goedehoop Vaalbank	R400 000.00 R250 000.00 R250 000.00
Maletswai Siyazondia	Voted	Households, Schools, Community Gardens	R300 000.00
<b>TOTAL</b>			<b>R2 100 000.00</b>

**Department of Social Development 2012/2013**

Programme	Sub-Programme	Project	Beneficiaries	Funding
<b>Substance Abuse (TADA GROUPS)</b>				
Teenagers Against Drug Abuse	Substance Abuse	Aliwal North & Jamesstown (All Wards)	R110 000	R110 000
<b>2.3 Care and support services to Older Persons</b>				
Masakhane Service Centre	Nonresidential Facility	Jamesstown (Ward 1)	R89 327	R264 000
Ikhwezi Mphatlalatsane Service Centre	Nonresidential Facility	Aliwal North (Ward 5)	R49 365	R187 200

Sonwabile Service Centre	Nonresidential Facility	Aliwal North (Ward 3)	R70 521	R187 200
Huis Van Der Horst Old Age Home	Residential Facility	Aliwal North (Ward 4)	R1,445 000	R1,445 000
Reception, Assessment and Referral Centre	RAR Centre	Aliwal North (Ward 4)	R300 000	R300 000
<b>2.5 Care and Support Services to People with Disability</b>				
Vukuzenzele Special Day Care centre	Day Care centre	Aliwal North (Ward 5)	R49 368	R74 200
<b>2.6 Child Care Protection Services</b>				
Masibulele Pre-school	Day Care centre	Jamestown Ward 1	R138 600	R381 150
Fezeka Pre-school	Day Care centre	Jamestown Ward 1	R138 600	R405 820
Khulani Pre-school	Day Care centre	Jamestown Ward 1	R69 300	R207 900
St Francis Pre-school	Day Care centre	Aliwal North Ward 5	R138 600	R345 620
Luthando Pre-school	Day Care centre	Aliwal North Ward 3	R138 600	R291 500
Sacred heart Pre-School	Day Care centre	Aliwal North Ward 3	R138 600	R381 150
Joan Oberholzer Pre-School	Day Care centre	Aliwal North Ward 2	R138 600	R207 200
St Paul Pre-School	Day Care centre	Aliwal North Ward 2	R69 300	R193 500
Immanuel Pre-school	Day Care centre	Aliwal North Ward 2	R69 300	R207 900
St Martin De Porres	Day Care centre	Aliwal North Ward 2	New	R245 558
Goodwill Safety Shelter		Aliwal North Ward 4	R547 200	
		Aliwal North Ward 2	R239 000	R111 496
CMR	Private Welfare Organization	Aliwal North Ward 4	R119 500	R446 402
Child Welfare	Private Welfare Organization	Aliwal North Ward 4	R175 275	R286 175
<b>2.7 Victim Empowerment Programme</b>				
	To provide community based programmes that facilitate the reduction of gender disparities and reduce incidence of domestic violence			
Maletswai One Stop Centre	Shelter services to abused women	Aliwal North Ward 5	R300 000	R300 000
Aliwal North Victim Support Centre	Provision of victim support services	Aliwal North Ward 5	R85 000	R85 000
	Private Welfare Organization	Aliwal North Ward 2	R239 000	R111 496

2.8 HIV/AIDS				To reduce the socio – economic impact of HIV and Aids through preventative and integrated Community based care programmes			
Noncedo CBO	Home and Community Based Care programme	Jamestown Ward 1	R469 300	R469 300	R469 300		
Living Waters HCBC	Home and Community Based Care programme	Aliwal North Ward 5	R469 300	R469 300	R469 300		
Total Amount			R 5 557 656	R 5 557 656	R 7 937 973		
Noncedo CBO	Home and Community Based Care programme	Jamestown Ward 1	R469 300	R469 300	R469 300		
Living Waters HCBC	Home and Community Based Care programme	Aliwal North Ward 5	R469 300	R469 300	R469 300		
Total Amount			R 5 557 656	R 5 557 656	R 7 937 973		

Department of Safety and Liaison 2012/2013: R90 000.00 has been budgeted for In Maletswai							
Activity/Programme	Performance Indicator	Venue	Objectives				
Accountability meetings	1 Accountability meeting	Aliwal North	To promote police accountability				
Evaluation and monitoring of police stations	2 Police stations evaluated	Aliwal North and Maletswai	To monitor service delivery within SAPS				
Assessment of the functionality of Community Police Forums	2 CPFs evaluated	Aliwal North and Maletswai	To promote community police relations				
Unannounced visit	1 Station visited	Aliwal North	To monitor the smooth running of the CSC				
Safer school programme at identified school	3 Crime prevention sessions conducted	Malcomess SSS	To promote safety at school				
Support of Local Community Safety Forums	Integrated Crime Prevention Strategy implemented	Jamestown; Maletswai; Aliwal North	To promote community safety within the local municipality				
Capacitation of CPFs	CPF's trained	Aliwal North; Floukraai; Jamestown	To enhance effectiveness of CPF's				
		Maletswai					



## DEPARTMENT OF ROADS AND PUBLIC WORKS

Project Name	Description	Number of beneficiaries	Area/Ward	Budget	Starting Period	Completion Period
Service level agreement within Joe Gqabi DM	2018km Routine road maintenance on provincial gravel roads network		<b>Maletswai</b> and Gariep	R32m	February 2012	March 2013(on-going project)
Maletswai household contractors	Maintenance of road, hospital and schools	100	Jamesstown =30 Aliwal North=70	R624 000	01 July 2012	30 March 2013(renewable contract)
National Youth Services	Youth development programme focusing on unemployed youth from grade 10	74	Senqu =18 Elundini=31 <b>Maletswai=12</b> Gariep=13	R1,865m	01 June 2012	18 months contract
APT COD	Youth with N2 on trade provided experiential training under mentors till they qualify to be artisan	34	Senqu=8 Elundini=8 <b>Maletswai=9</b> Gariep=9	R2,448m	01 July 2012	3yr contract
Service level agreement within Joe Gqabi DM	2018km Routine road maintenance on provincial gravel roads network		<b>Maletswai</b> and Gariep	R32m	February 2012	March 2013(on-going project)

## CHAPTER 12

### STRATEGIC PROGRAMMES

#### *Municipal Transformation and Organisational Development: Development Priorities, Objectives and Strategies Score Card*

KPA	OBJECTIVE NO.	OBJECTIVE	STRATEGY	STRATEGY CODE
1. Human Resource Development	MTOD10/001	To build and enhance the human resource capacity of the municipality	Training and Development of Staff and Councillors	MTOD10/01STR1
2. Human Resource Development	MTOD10/002	To review the organogram	Filling of vacant posts in each department and renewal of the organisational structure	MTOD10/02STR2
3. Administration and Committee Services	MTOD10/004	To provide effective to Council support	By employing: Effective data capturing and storage mechanisms Effective information management	MTOD10/04STR4
Democracy and governance	MTOD10/005	Ensuring smooth functioning of Council meetings, standing committees, Ward Committees, and Local Labour Forums	Preparations and distribution of agendas	MTOD10/04STR5
4. Municipal Vehicle Management	MTOD10/006	Ensure effective and efficient usage of municipal vehicles	By regularly inspecting municipal vehicles	MTOD10/005STR6
Monitoring of Municipal Drivers' Performance	MTOD10/007	Ensure drivers ability to handle municipal vehicle properly	By training municipal drivers on Fleet management procedure manual	MTOD10/006STR7
5. Performance Management Systems	MTOD10/008	Develop a strategic approach to provide a set of tools and techniques to plan regularly, monitor, measure and review performance of the municipality as well as individual employees in the municipality	Develop a Performance Management System and cascade the system down to individual employees within the municipality	MTOD10/05STR8
6. Communication Management	MTOD10/009	To have an effective communication system To inform the community about the services rendered by the municipality	Development and distribution of both electronic and print media information	MTOD10/06STR9
7. Marketing Management	MTOD10/010	To project Maleswai as a preferred area to invest, live and work	Development and production of information brochures, articles and website development	MTOD10/07STR10

KPA	OBJECTIVE NO.	OBJECTIVE	STRATEGY	STRATEGY CODE
8. Public Participation	MTOD10/011	To ensure good governance	Organise effective public participation and stakeholder meetings	MTOD10/08STR11
9. Legal and Contract Management	MTOD10/012	Management of Legal Services	Strengthening of ward committees and CDWs Sourcing of Legal Services	MTOD10/09STR11 MTOD10/09STR12
10. Prevention & Awareness of HIV/AIDS	CC10/001	Education and spreading awareness of HIV/AIDS related issues	Conducting awareness campaigns and workshops	CC10/001

**Municipal Transformation and Organisational Development: Development Priorities, Objectives And Strategies Score Card**

KPA	OBJECTIVE	INDICATOR	MEASUREMENT SOURCE AND FREQUENCY	BASELINE	TARGETS: 2012/2017				
					2012/13	2013/14	2014/15	2015/16	2016/17
Human Resource Development	To build and enhance the human resource capacity of the municipality.	Training of 30 staff members across all departments in the field of their competencies	Submission of training attendance registers and monthly reports to the Manager Corporate Services and Standing Committee Report	Skills Development Plan WSP Implementation Plan reviewed Organogram	Training Submission (1)	Training Submission (1)	Training Submission (1)	Training Submission (1)	Training Submission (1)
Human Resource Management	Organisational Development to populate the organisational structure Ensure proper management of employee records and effective implementation personnel policies taking into	Review of the organizational structure 3 workshops on HR Policies to be conducted for all employees	Monthly reports	Municipal policies	1	1	1	1	1

KPA	OBJECTIVE	INDICATOR	MEASUREMENT SOURCE AND FREQUENCY	BASELINE	TARGETS 2012/2017					
					2012/13	2013/14	2014/15	2015/16	2016/17	
Administration and Committee Services	cognisance the code of conduct of the municipality									
	To provide effective Council support		Reports	To achieve the performance measures contained in the balanced score card	4	4	4	4	4	4
	Democracy and governance	Ensuring smooth functioning of the following meetings: Council meetings Council committee meetings Local Labor Forum meetings Ward Committee meetings	Preparation and distribution of Council, Council Committee and Local Labour Forum meetings agendas	Well organized and successful meetings	100%	100%	100%	100%	100%	100%
Municipal Vehicle Management	To ensure effective and efficient usage of municipal vehicles	Inspection reports	Monthly reports	Fleet Management Procedure manual	4	4	4	4	4	4
Monitoring of Municipal Drivers' Performance	To ensure drivers ability to handle municipal vehicle properly	Individual drivers assessment report	Monthly reports	Fleet Management Procedure manual	100%	100%	100%	100%	100%	100%
Performance Management System	Development of a strategic approach to provide a set of tools and techniques to plan regularly, monitor, measure and review	Performance Management System developed and implemented	quarterly reports	Performance Management Plan	4	4	4	4	4	4

KPA	OBJECTIVE	INDICATOR	MEASUREMENT SOURCE AND FREQUENCY	BASELINE	TARGETS 2012/2017					
					2012/13	2013/14	2014/15	2015/16	2016/17	
	performance of municipality as well as individual employees in the municipality									
Communication Management	Ensure effective communication	Publication of newsletter, outreach programmes, community radio, newspaper articles, suggestion boxes, updated website and notice boards	Monthly reviews of these forms of communication with the community and number of publications printed	Communication Strategy and Plan	1	1	1	1	1	1
Marketing Management	To inform the community about the services rendered by the municipality	Production of brochures, pamphlets, electronic and print media coverage, website development and management	Monthly reports, inputs from the community, outreach programmes	Marketing Plan, LED Strategy and Tourism Sector Plan	1	1	1	1	1	1
Legal and Contract Management	Management of legal services	Centralization of all Contract Management	Management of Legal Services e.g. Sourcing of legal opinions	Utilization of private legal firms and District Municipality	100%	100%	100%	100%	100%	100%
Prevention and awareness on HIV & AIDS	Educating & spreading awareness of HIV & AIDS related issues	Workshops and awareness campaigns	Quarterly reports	HIV & AIDS Policy	4	4	4	4	4	4

**TECHNICAL SERVICES DEPARTMENT**

**SDBIP AND TURN AROUND STRATEGY (TAS)**

**Municipal Transformation and Organisational Development: Development Priorities, Objectives And Strategies Score Card**



KPA	OBJECTIVE	INDICATOR	MEASUREMENT SOURCE AND FREQUENCY	BASELINE	TARGETS 2012/2017				
					2012/13	2013/14	2014/15	2015/16	2016/17
Building Control	Manage and implement building control regulations	Records of submitted building plans	Number of approved building plans	National building regulations & By-laws	100%	100%	100%	100%	100%
	Maintenance of buildings to be in proper conditions	Number of buildings completed	Number of completion certificates per month	Maintenance programme & regular inspection	100%	100%	100%	100%	100%
	To ensure effective coordination of local transport forum & facilitate information flow from local transport forum to District forum	Number of meetings	Minutes of meetings held quarterly	Transport regulations	4	4	4	4	4
Roads and Transport	Upgrade and maintain roads	Number of Km upgraded and maintained	Monthly Reports	Road Master Plan	12	12	12	12	12
	To facilitate that all hh's have access to adequate basic sanitation by 2012	Number of households with access to sanitation	Quarterly Reports	Number of applications	4	4	4	4	4
Sanitation	To facilitate provision of free basic sanitation services to the poor	Registered number of indigent with access to free basic sanitation	Annual indigent register	Indigent register	1	1	1	1	1
	Maintain existing infrastructure	Number of sewer spillages blockages attended	Monthly reports	Complaint register	1	1	1	1	1
Water	To facilitate that all hh's have access to adequate basic level of water by 2012	Number of households with access to water	Quarterly Reports	Number of applications	1	1	1	1	1
	To facilitate provision of free basic water services to the poor	Registered number of indigent with access to free basic water service	Annual indigent register	Indigent register	1	1	1	1	1

KPA	OBJECTIVE	INDICATOR	MEASUREMENT SOURCE AND FREQUENCY	BASELINE	TARGETS 2012/2017				
					2012/13	2013/14	2014/15	2015/16	2016/17
	Maintain existing infrastructure	Number of water leaks and burst pipes attended	Monthly reports	Complaint register	1	1	1	1	1
Electricity	To increase the households access to electricity connections by 100% in 2011	Number of households connected /new connections	Monthly report	Number of electricity applications	100%	100%	100%	100%	100%
	Managing the continuous supply of electricity	Maintenance of the existing infrastructure	Monthly report	Monthly maintenance plan	100%	100%	100%	100%	100%

**Basic Service Delivery: Development Priorities, Objectives and Strategies Score Card**

KPA	OBJECTIVE NO.	OBJECTIVE	STRATEGY	STRATEGY CODE
Waste Management	BSD/CS/10/001	To ensure a safe, eco-friendly and clean environment	Implementation of the Integrated Waste Management plan	BSD/CS/10/001/STR1
Aliwal Spa Resort	BSD/CS/10/002	To transform the Aliwal Spa Resort to a competitive tourist attraction in the Eastern Cape	Rehabilitation of facilities	BSD/CS/10/002/STR2
Library	BSD/CS/10/003	To attract tourists who come and visit Aliwal Spa	Marketing, promotion & publicity of the Aliwal Spa	BSD/CS/10/003/STR3
	BSD/CS/10/004	To promote, provide, avail information	Awareness Campaigns by ensuring accessibility to library resources and creating a friendly and welcoming environment for all	BSD/CS/10/004/STR4
	BSD/CS/10/005	To comply with the Dept. of Sports Recreation Arts and Culture service level agreement	Implementation of the service level agreement	BSD/CS/10/005/STR5
Parks	BSC/CS/10/007	To ensure the proper management of parks and open spaces	Upgrading and designing the parks and open spaces	BSD/CS/10/007/STR7
Cemeteries	BSC/CS/10/008	To ensure proper maintenance of cemeteries	Development and implement a cemetery maintenance plan	BSC/10/008/STR8
Land administration	BSC/CS/10/009	To ensure proper commonage management	Implementation of the commonage management plan	BDC/CS/10/009/STR9
	BSC/CS/10/0010	To ensure proper management of municipal leased properties	Proper management of the municipal lease properties	BSC/CS/10/0010/STR10
	BSC/CS/10/0011	Effectively manage land and land	Ensure that the spatial development framework	BSC/CS/10/0011/STR11



KPA	OBJECTIVE NO	OBJECTIVE	STRATEGY	STRATEGY CODE
		disposal and acquisition issues in a fair and equitable manner	identifies land for future developments	
Traffic	BSC/CS/10/0012	To ensure compliance with the service level agreement	Monitor and improve the quality of service through the acquisition of desired tools.	BSC/10/CS/0012/STR12
	BSC/CS/10/0013	To render effective traffic control	Performance of high level traffic patrols through enhanced manpower	BSC/10/0013/STR13
	BSC/CS/10/14	To ensure general road safety conditions	Painting of road markings and erection of road signs	BSC/10/0014/STR14
	BSC/CS/10/0015	To comply with the aerodrome licence conditions	Maintenance of the runways	BSC/CS/10/0013/STR15
Housing	BSC/CS/10/0016	To ensure safe and sustainable housing environment	Unblock bottle necks in the provision of houses	BSC/CS/10/00STR16
	BSC/CS/10/0017	To upgrade the pre 1994 municipal train houses at White City and Block B	Implementation of the rectification project in line with the housing sector plan	BSC/CS/10/0018/STR18
	BSC/CS/10/0018	To strengthen the housing unit of council	Access 5% project administration fee	BSC/CS/10/0018/STR19
	BSC/CS/10/0019	To ensure private ownership of the municipal discount benefit scheme housing stork	Transfer of the discount benefit scheme to beneficiaries	BSC/CS/10/0018/STR20

**Basic Service Delivery: Development Priorities, Objectives and Strategies Score Card**

KPA	OBJECTIVE	INDICATOR	MEASUREMENT SOURCE AND FREQUENCY	BASELINE	TARGETS 2012/2017				
					2012/13	2013/14	2014/15	2015/16	2016/17
Waste Management	To ensure a safe, eco-friendly and clean environment	Compliance of the waste management plan	Monthly report and quarterly audit report	Trained officers, integrated waste management plan and bylaws	12	12	12	12	12
Alliwal Spa Resort	To transform the Alliwal Spa Resort to a competitive tourist attraction in the Eastern Cape	The revitalised Alliwal Spa	Monthly Reports	Funding from Dept. of Tourism	12	12	12	12	12
	To attract tourists	Increase in revenue collected per month	Monthly financial report	Low revenue	12	12	12	12	12
Library	To promote, provide, access and avail information	Increase in membership and in library usage.	Monthly Reports		12	12	12	12	12
Traffic	To ensure compliance with	Inspection reports by	Annual inspection	2010/2011 annual	1	1	1	1	1

KPA	OBJECTIVE	INDICATOR	MEASUREMENT SOURCE AND FREQUENCY	BASELINE	TARGETS 2012/2017					
					2012/13	2013/14	2014/15	2015/16	2016/17	
	the service level agreement of Department of Transport	Department of Transport Inspectorate	report	inspection report						
	To render effective traffic control	Reduced traffic congestion and accidents	Monthly statistical reports	National Road Traffic Act , Act 93 of 1996	12	12	12	12	12	12
	To improve general road safety conditions	Renewed road markings every six (6) months	Quarterly reports	Existing road markings	4	4	4	4	4	4
	To comply with the aerodrome licence conditions	Annual inspection reports by the civil aviation authority	Issued annual aerodrome licence	Annual aerodrome licence	1	1	1	1	1	1
	To avail provide, promote select and disseminate of information	Increase in membership and library usage	Monthly reports	Awareness activities : library week, readathon day , world book and information day	12	12	12	12	12	12
Land and Administration	To ensure proper commonage management	Implemented management plan	Monthly reports	Commonage management plan	12	12	12	12	12	12
	To ensure proper management of municipal leased properties	Lease register and signed agreement for every property leased	Monthly reports	Lease register	12	12	12	12	12	12
	Effectively manage land and land disposal and acquisition issues in a fair and equitable manner	Title deeds and asset register	Monthly reports	Asset register and deed of sale	12	12	12	12	12	12
Parks	To ensure the proper management of parks and open spaces	Implemented weekly plan /programme	Monthly reports commensurate with the weekly plans	Parks maintenance plan	12	12	12	12	12	12
Cemeteries	To ensure proper management and maintenance of cemeteries	Maintenance plan for all cemeteries	Monthly reports and weekly plans	Minimal cemetery maintenance and absence of human resources and	12	12	12	12	12	12

KPA	OBJECTIVE	INDICATOR	MEASUREMENT SOURCE AND FREQUENCY	BASELINE	TARGETS 2012/2017					
					2012/13	2013/14	2014/15	2015/16	2016/17	
				financial constraints						
		Copy of the computerised cemetery records	Semester reports Production of cemetery records	manual cemetery records	2	2	2	2	2	
1. Primary Health Care Services	To comply with the Dept of Health service level agreement	Inspection report from Department of Health	Monthly expenditure reports	Compliance with the Service Level Agreement	12	12	12	12	12	
2. Housing	To ensure safe and sustainable housing environment	Issuing of "Happy letters "	Monthly reports	Incomplete housing project	12	12	12	12	12	
	To upgrade the pre 1994 municipal owned housing stock	Issuing of "Happy letters "	Monthly reports	Dilapidated train houses	12	12	12	12	12	
	To strengthen the housing unit of council	Full staff compliments, equipment and training	Quarterly reports	Housing Unit	4	4	4	4	4	
	To ensure private ownership of the municipal owned properties	Deed of Sale/ Sale Agreement lodged	Number of Deed of Sale/ Sale Agreement	Asset register and deeds of sale	100%	100%	100%	100%	100%	

KPA	OBJECTIVE NO.	OBJECTIVE	STRATEGY	STRATEGY CODE
Agricultural Development	LED/12/001	Lobby and provide support for maximise participation of previously disadvantaged individuals in the sector.	In partnership with the JGDM and DoARD identify mentors, promote youth-in-agriculture and fast-track land acquisition and support for small scale.	LED/001/STR01
	LED/12/002	Lobby for capacity building programmes for small scale farmers to improve their ability to plan and manage their activities.	Engage the JGDM, DoARD, relevant SETA and other entities in providing capacity building support to small scale farmers.	LED/002/STR02
	LED/12/003	Lobby or advocate for initiation of programme or project aimed at supporting small scale farmers to increase their production and improve their livestock's.	Work with JGDM and DoARD in implementing the livestock improvement programme or upscale its implementation.	LED/003/STR03
Investment promotion	LED/12/004	To seek funding to develop an investment promotion plan.	Seek grant funding for development of the plan.	LED/004/STR04
	LEG/12/005	To develop an investment promotion plan.	Develop an investment promotion plan for Maletswai.	LED005/STR05

KPA	OBJECTIVE NO.	OBJECTIVE	STRATEGY	STRATEGY CODE
	LED/12/006	To encourage partnerships for economic development.	Facilitate community and/or public private partnership projects.	LED006/STR06
Tourism Development	LED/12/007	To encourage participation of the previously disadvantaged individuals in the sector.	Conduct tourism awareness and create opportunities for mentorship, training and capacity building programmes.	LED007/STR07
	LED/12/008	To market Maletswai as a preferred tourism and conferencing destination.	Develop tourism products and material to market Maletswai.	LED008/STR08
	LED/12/009	To facilitate a tourism partnership with other relevant stakeholders.	Develop a Maletswai Partnership for Tourism Development Project in order to maximise Maletswai tourism potential.	LED009/STR09
Economic infrastructure	LED/12/010	To identify and seek grant funding to develop infrastructure supportive of economic development.	Identify projects, partners, and funders, develop business plan and source funding.	LED010/STR10
	LED/12/011	To develop a small towns regeneration plan for Jamestown.	Develop a plan that will guide the municipality and other partners on how to regenerate socio-economic conditions of Jamestown.	LED011/STR11
	LED/12/012	To develop a modern waste material recovery and recycling facility.	Source additional grant funding and manage the project.	LED012/STR12
Skills Development and Training	LED/12/013	To lobby/advocate for the expansion of FET learning areas at Ikhalala FET College.	Engage Ikhalala FET College and partner them in looking for mechanisms to offer additional learning areas accredited and funded by SETA's on learnership relevant to local economic sectors.	LED013/STR13
	LED/12/014	To advocate for learnership and short skills programme for young people.	In partnership with the skills development facilitation unit, undertake a skills analysis and develop a up-skilling programme with the LGSETA and other SETA's.	LED014/STR14
Economic Empowerment	LED/12/015	To advocate for economic development and support of local small enterprise.	Targeted procurement by government and SOE's from compliant local small enterprises to realise economic development.	LED015/STR15
	LED/12/016	To support ward based economic cooperatives.	Mainstream economic development and coordinated ward based economic plans.	LED016/STR16
Strategic Support and Coordination	LED/12/017	To provide strategic support to other municipal departments or units.	Support other municipal departments or units in planning or implementing their activities in order to achieve the municipal Vision and Mission.	LED017/STR17
	LED/12/018	To coordinate mechanisms for create job opportunities.	Coordinate and institutionalise EPWP and other job creation mechanisms.	LED018/STR18
Institutionalise Economic Development	LED/12/019	To improve LED understanding, institutionalise LED and promote community participation in economic	Organise LED awareness activities, institutionalise LED and partner with other stakeholders for broader	LED019/STR19

KPA	OBJECTIVE NO.	OBJECTIVE	OBJECTIVE	OBJECTIVE	OBJECTIVE	STRATEGY	STRATEGY CODE
		development.				economic development.	

**KPA 3 - LOCAL ECONOMIC DEVELOPMENT: Development Priorities, Objectives and Strategies (2012/2013)**

KPA	OBJECTIVE	KPI	MEASUREMENT SOURCE AND FREQUENCY	BASELINE	TARGETS 2012/2013				Custodian
					30 Sept	31 Dec	31 March	30 June	
Agricultural Development	Lobby and provide support for maximise participation of previously disadvantaged individuals in the sector.	Number of support activities.	Half yearly reports.	Joe Gqabi Agricultural Sector Plan	1			1	OTMM
	Lobby for capacity building programmes for small scale farmer's to improve their ability to plan and manage their activities.	Number of small scale farmers capacitated.	Half yearly reports.	JGDM Agricultural Sector Plan	1			1	OTMM
	Lobby or advocate for initiation of programme or project aimed at supporting small scale farmers to increase their production and improve their livestock's.	Programme or project plan	Half yearly reports.	JGDM Agricultural Sector Plan	1			1	OTMM
Investment Promotion	To seek funding to develop an investment promotion plan.	Communication with prospective funder.	Once-off	LED Strategy				1	OTMM
	To develop an investment promotion plan.	A plan.	Once-off	LED Strategy				1	OTMM
	To encourage partnerships for economic development.	Partnership agreement(s)	Once-off	LED Strategy				1	OTMM
Tourism Development	To encourage participation of the previously disadvantaged individuals in the sector.	Number of participants.	Quarterly reports	Tourism Sector Plan	1			1	OTMM
	To market Maletswai as a preferred tourism and	Products, marketing material and events	Quarterly reports.	Tourism Sector Plan	1			1	OTMM

KPA	OBJECTIVE	KPI	MEASUREMENT SOURCE AND FREQUENCY	BASELINE	TARGETS 2012/2013				Custodian
					30 Sept	31 Dec	31 March	30 June	
	conferencing destination.								
	To facilitate a tourism partnership with other relevant stakeholders.	Plan and activities	Half yearly	Tourism Plan	1			1	OTMM
Economic Infrastructure	To identify and seek grant funding for developing infrastructure supportive of economic development.	Business plan, funding application and agreements.	Half yearly reports	Tourism Sector LED Strategy,	1			1	OTMM
	To develop a small towns regeneration plan for Jamestown.	Plan	Once-off	LED Strategy				1	OTMM
	To develop a modern waste material recovery and recycling facility.	Project progress report	Quarterly	Business and operational plan.	1		1	1	OTMM
Skills Development & Training	To lobby/advocate for the expansion of FET learning areas at Ikhala FET College.	Memorandum of Agreement, Partnership Agreements and Reports	Half yearly reports	LED Strategy	1			1	OTMM
	To advocate for learnerships and short skills programme for young people.	Plan.	Half yearly reports	n/a	1			1	OTMM
Economic Empowerment	To advocate for economic development and support of local small enterprise.	Number of small enterprises.	Quarterly reports	LED Strategy	1		1	1	OTMM
	To support ward based economic cooperatives.	Plan and support given.	Half yearly	LED Strategy	1			1	OTMM
Strategic Support and Coordination	To provide strategic support to other municipal departments or units.	Strategic support given.	Quarterly reports	SWOT Analysis, Reports and Request for assistance.	1		1	1	OTMM

KPA	OBJECTIVE	KPI	MEASUREMENT SOURCE AND FREQUENCY	BASELINE	TARGETS 2012/2013				
					30 Sept	31 March	30 June	Custodian	
Institutional Economic Development	To coordinate mechanisms for create job opportunities.	Number of jobs created.	Quarterly reports.	EPWP	1	1	1		OTMM
	To improve LED understanding, institutionalise LED and promote community and stakeholder participation in economic development.	Reports	Quarterly	LED Strategy	1	1	1		OTMM

KPA 3 - Local Economic Development: Identified Projects 2012/2013

OBJECTIVE NO.	PROJECT NAME	PROJECT DESCRIPTION	SOURCE OF FUNDING		AMOUNT 2012/2013	AMOUNT 2013/2014
			Internal	MIG		
LED/12/001	Small Scale Farmers Development	Encourage historically disadvantaged persons to participate in the sector for economic emancipation.	x		R10 000.00	R20 000
LED/12/002	Small Scale Farmers Development	Capacitate small scale farmer's to plan and manage their affairs	x		R10 000.00	R20 000
	Small Scale Farmers Development	Support programmes to improve small scale farmer's livestock & crop production.	x		R10 000.00	R20 000
LED/12/004	Investment Attraction	Source funding to develop an investment plan.	x		R5 000.00	
LED/12/005	Investment Attraction	Develop an investment attraction plan.	x		R45 000.00	
	Investment Attraction	Facilitate partnership for investment attraction for economic development.	x		R10 000.00	
LED/12/006	Investment Attraction	Encourage participation by PD/Is in the tourism sector.	x		R10 000.00	R20 000
LED/12/007	Tourism Development	Market Maletswai as a preferred tourism and conferencing destination.	x		R50 000.00	R70 000
LED/12/008	Tourism Development	Facilitate tourism partnership with relevant stakeholders locally and provincially.	x		R10 000.00	R30 000
LED/12/009	Tourism Development					

OBJECTIVE NO.	PROJECT NAME	PROJECT DESCRIPTION	SOURCE OF FUNDING		MIG	Other source	AMOUNT	AMOUNT
			Internal	x			2012/2013	2013/2014
LED/12/010	Economic Infrastructure Development	Seek grant funding for development of economic infrastructure.	x		x	DEAET DBSA NT IDC NDT NDA	R10 000 000.00	R15-mln
LED/12/011	Economic Infrastructure Development	Develop a plan that will propel generation of our small town's economies and projects.	x			DEAET DBSA NT NDA	R300 000.00	R300 000
LED/12/012	Economic Infrastructure Development	Develop a recyclable materials recovery facility to collect recyclable materials in protecting our environment.	x			DEDEAT DSDSP DBSA	R5 000 000.00	R1-mln
LED/12/013	Skills Development and Training	Engage with Ikhala FET College to design skills development programmes in line with the needs of the regional economy.	x			JGDM DBSA DoHE	R10 000.00	R10 000
LED/12/014	Skills Development and Training	Advocate for use of SETA's learnerships and short learning programmes.	x			JGDM SETA's	R20 000.00	R30 000
LED/12/015	Local Economic Empowerment	Encourage development and support of local small enterprises by procuring their services.	x			SEDA ECDC	R10 000.00	R50 000
LED/12/016	Local Economic Empowerment	Facilitate ward based economic development plans and establish cooperatives to drive local economic empowerment	x			DEDEAT JGDM SEDA ECDC	R60 000.00	R60 000
LED/12/017	Strategic Support	Provide strategic support to other municipal units or department in order to focus our efforts and resources in one direction.	x				R10 000.00	R20 000
LED/12/018	EPWP	Develop an EPWP Policy, institutionalise EPWP and coordinate job creation mechanisms.	x			DRPW JGDM	R50 000.00	R50 000

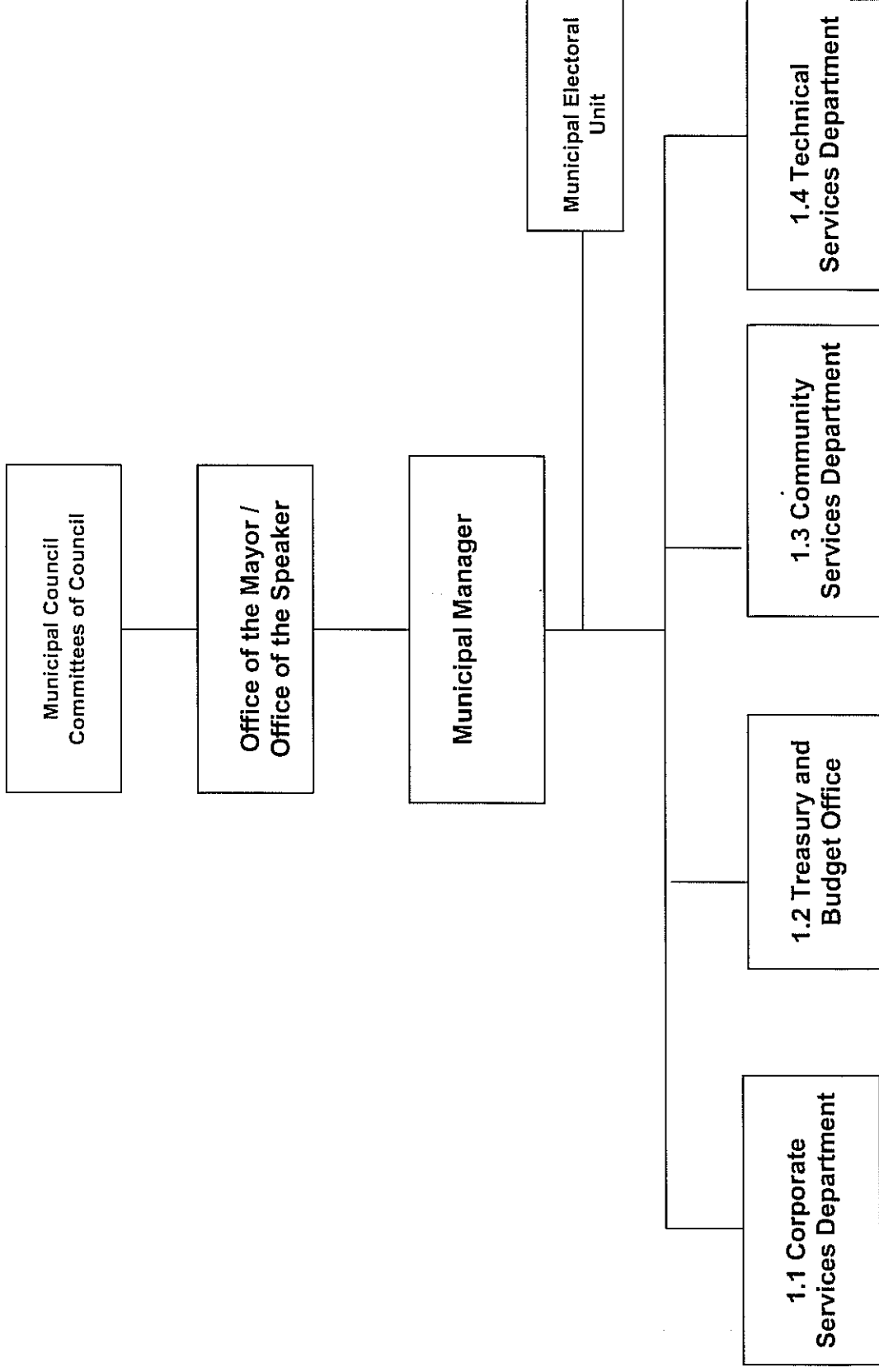


OBJECTIVE NO.	PROJECT NAME	PROJECT DESCRIPTION	SOURCE OF FUNDING	AMOUNT 2012/2013	AMOUNT 2013/2014
LED/12/019	Institutionalise LED	Enhance LED awareness, improve internal LED institutionalisation and promote community and stakeholder participation in economic development matters.	Internal x	R50 000.00	R100 000

# ANNEXURES

# Maletswai Local Municipality

## Micro Configuration



**MUNICIPAL COUNCIL / COMMITTEES OF COUNCIL**

**OFFICE OF THE MAYOR / SPEAKER**

**PURPOSE**

To provide political leadership to the local municipality

**FUNCTIONS**

Fulfill reporting requirements in line with the legislative framework and political requirements.  
Regular reporting to the relevant political structures and oversight committees on financial and related matters.  
Ensure that the municipal priorities are aligned to political priorities.  
Set priorities and political directives.  
Create a harmonious environment within the local municipality.  
Management of Community Special Programmes Services.  
Manage Communication and Marketing Services.

**Mayor / Speaker**

- 1 Personal Assistant
- 1 Bodyguard / Driver

**MUNICIPAL MANAGER**

**PURPOSE**

To head the local municipality in terms of the applicable legislation and to be the Accounting Officer of the municipality in terms of the Municipal Finance Management Act (MFMA).

**FUNCTIONS**

Head of administration of the local municipality.  
Accountability for the local municipality.  
Integrated Development / Strategic Management, Budget Integration and Performance.  
Provide link between the political and administrative arms of the municipality.  
Implement and monitor council policy and resolutions.  
Provide any information required by the MFMA remote and enforce transparency and effective management in respect of revenue expenditure assets and liabilities of the institution.  
Effective management of the municipality's internal audit function.  
Manage of the local municipality's Performance Management System.

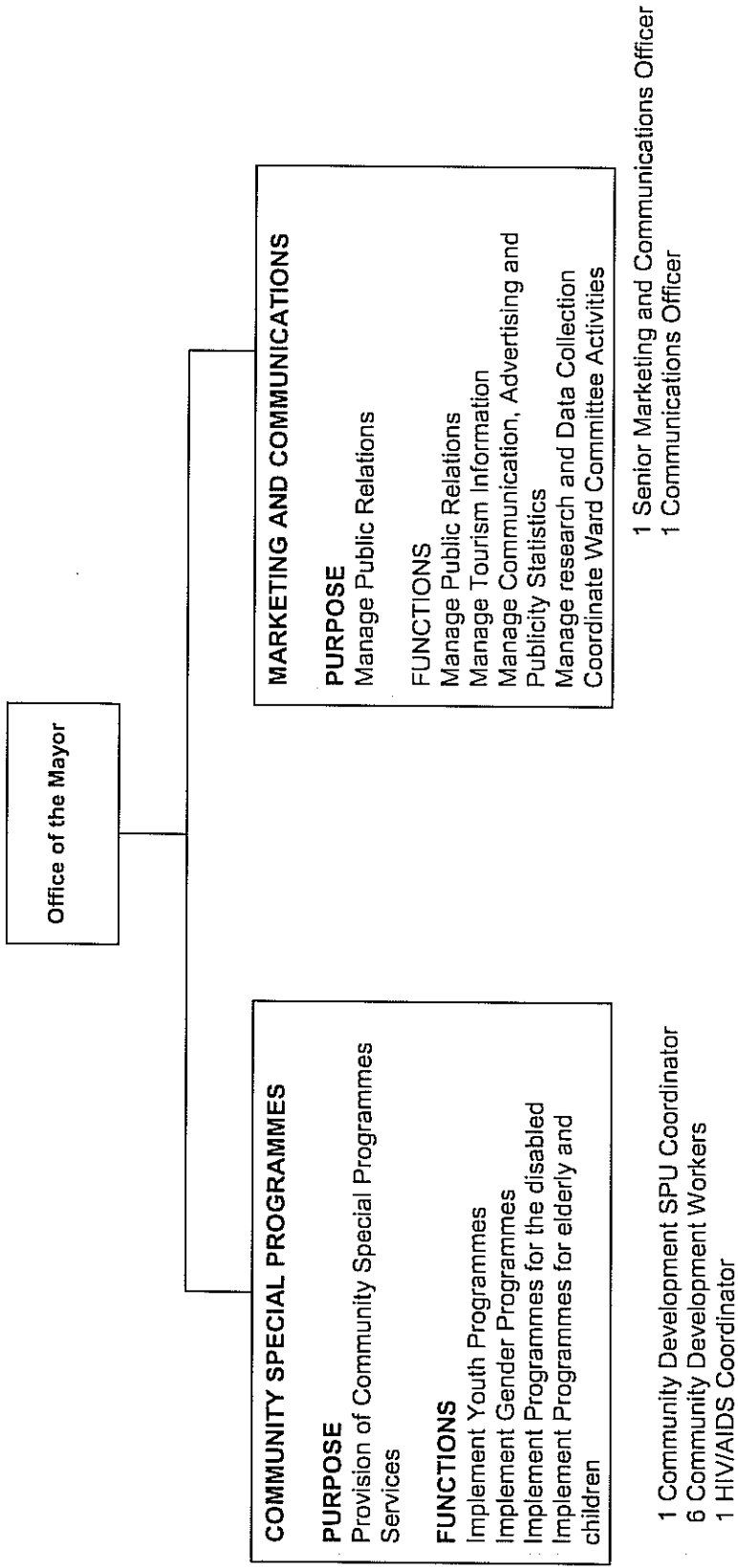
- 1 Municipal Manager
- 1 Personal Assistant

Municipal Manager:  
MP Nonjola

Approved for 2011/12 Financial year

Mayor: ZE Pungwani

# OFFICE OF THE MAYOR

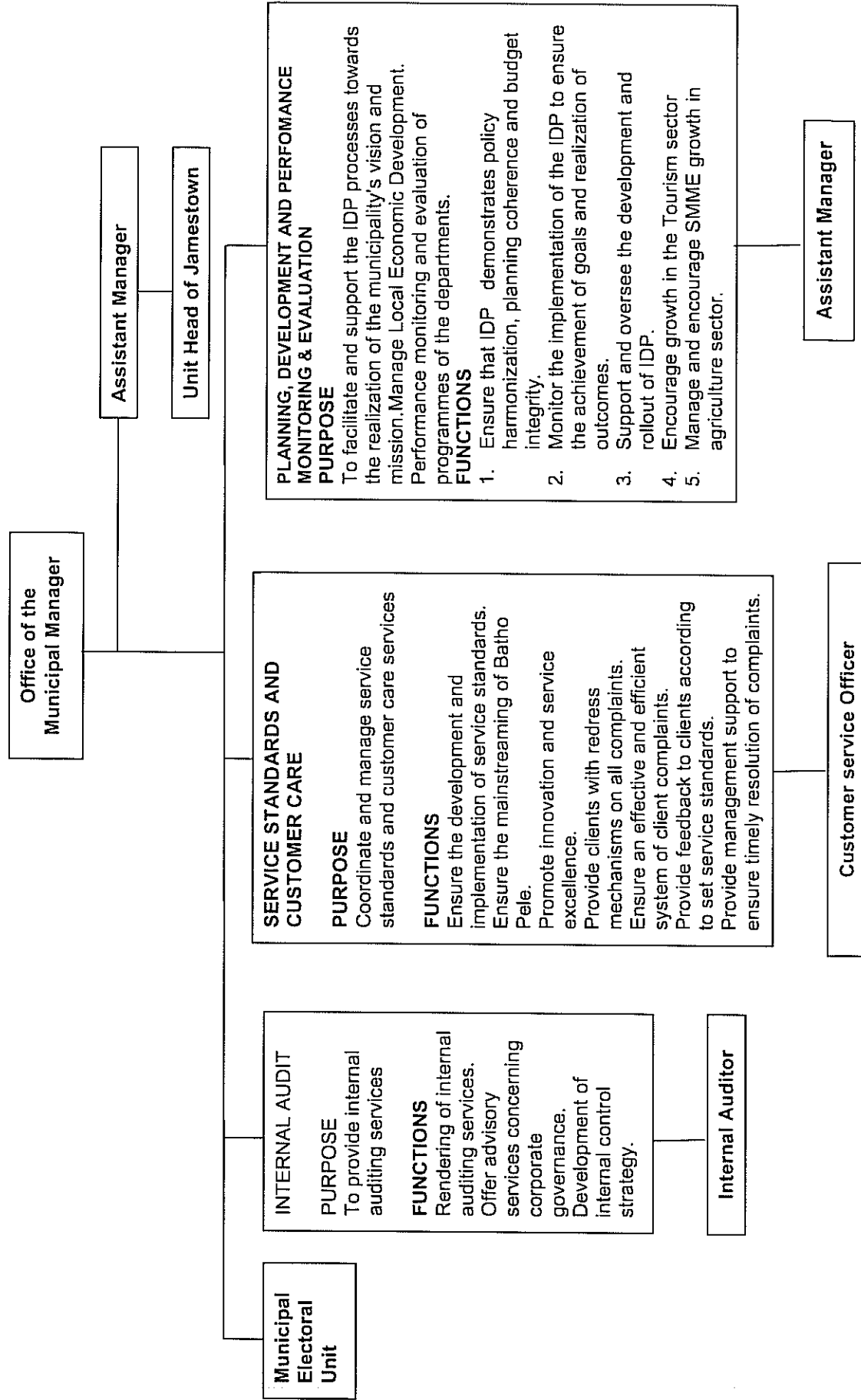


Municipal Manager:  
MP Nonjola

Approved for 2011/12 Financial year

Mayor: ZE Pungwani

# OFFICE OF THE MUNICIPAL MANAGER



**Municipal Electoral Unit**

**INTERNAL AUDIT**  
**PURPOSE**  
 To provide internal auditing services  
**FUNCTIONS**  
 Rendering of internal auditing services.  
 Offer advisory services concerning corporate governance.  
 Development of internal control strategy.

**Internal Auditor**

**SERVICE STANDARDS AND CUSTOMER CARE**  
**PURPOSE**  
 Coordinate and manage service standards and customer care services  
**FUNCTIONS**  
 Ensure the development and implementation of service standards.  
 Ensure the mainstreaming of Batho Pele.  
 Promote innovation and service excellence.  
 Provide clients with redress mechanisms on all complaints.  
 Ensure an effective and efficient system of client complaints.  
 Provide feedback to clients according to set service standards.  
 Provide management support to ensure timely resolution of complaints.

**Customer service Officer**

**PLANNING, DEVELOPMENT AND PERFORMANCE MONITORING & EVALUATION**  
**PURPOSE**  
 To facilitate and support the IDP processes towards the realization of the municipality's vision and mission. Manage Local Economic Development. Performance monitoring and evaluation of programmes of the departments.  
**FUNCTIONS**  
 1. Ensure that IDP demonstrates policy harmonization, planning coherence and budget integrity.  
 2. Monitor the implementation of the IDP to ensure the achievement of goals and realization of outcomes.  
 3. Support and oversee the development and rollout of IDP.  
 4. Encourage growth in the Tourism sector  
 5. Manage and encourage SIMME growth in agriculture sector.

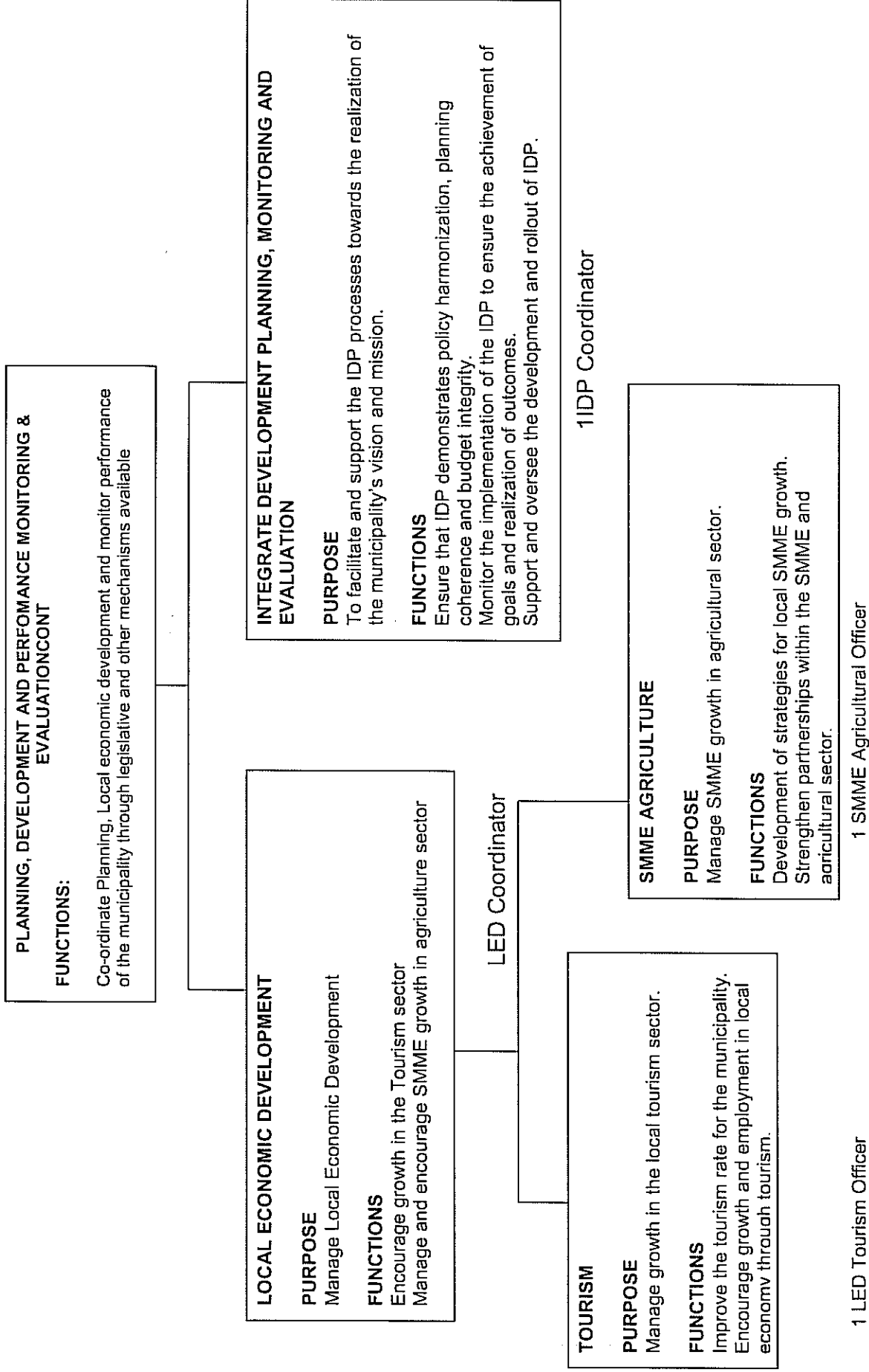
**Assistant Manager**

Municipal Manager:  
 MP Nonjola

Approved for 2011/12 Financial year

Mayor: ZE Pungwani

# Office of the Municipal Manager Cont.

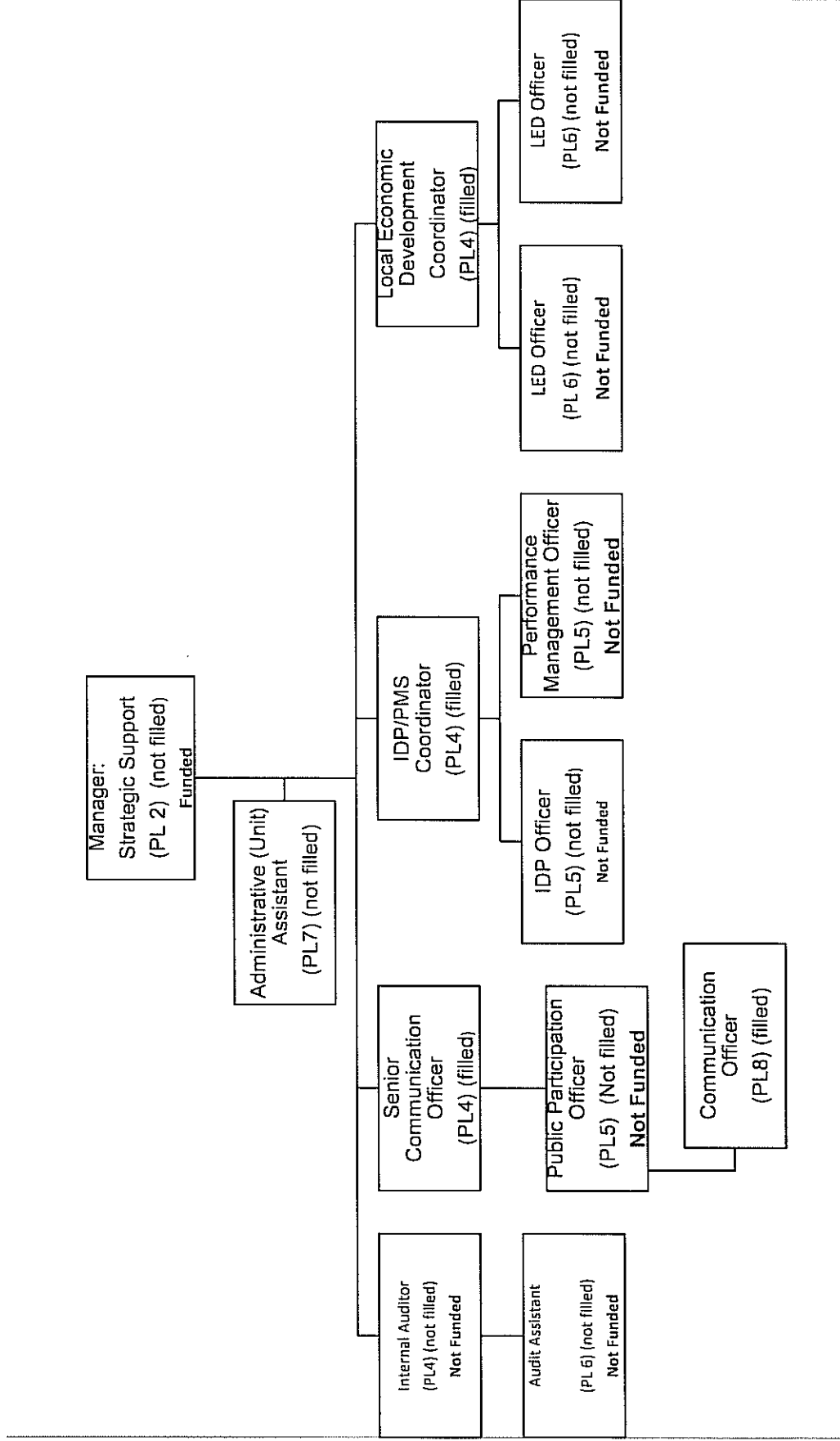


Municipal Manager:  
MP Nonjola

Approved for 2011/12 Financial year

Mayor: ZE Pungwani

# Office of the Municipal Manager Cont.



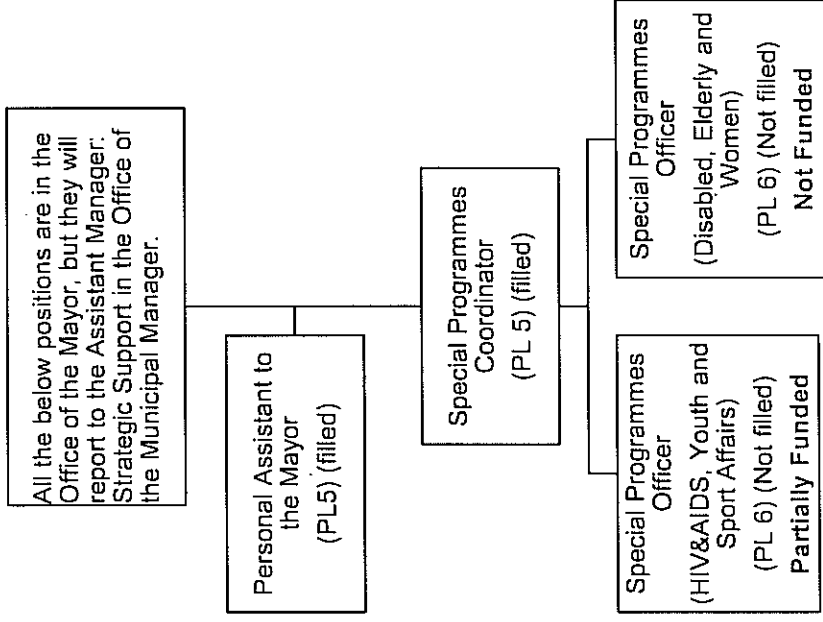
Municipal Manager:  
MP Nonjola

Approved for 2011/12 Financial year

Mayor: ZE Pungwani



# Office of the Municipal Manager Cont.



# CORPORATE SERVICES

## 1.1 CORPORATE SERVICES DEPARTMENT

### PURPOSE

To provide strategic support to all of the business functions within the local municipality.

### FUNCTIONS

Provide effective rendering of Human Resource Management Services.  
 Provide effective Administrative Support Services.  
 Provide effective Marketing and Communication Services.  
 Provide effective Legal Support Services.

- 1 Manager Corporate services
- 1 Secretary (Not Funded)
- 1 Assistant Manager (Not Funded)

### ADMINISTRATIVE SUPPORT

**PURPOSE**  
 Provide Administrative Support Services

**FUNCTIONS**  
 Support committee work by scheduling meetings, arranging venues, taking and distributing minutes and circulating agendas.

1 Senior Admin Officer  
 Officer

### HUMAN RESOURCE MANAGEMENT

**PURPOSE**  
 To render Human Resource Services

**FUNCTIONS**  
 Coordinate Human Resource Management Services.  
 Management of Skills Development.  
 Management of Labour Relations Services.  
 Management of Performance Management System.  
 Development of related Human Resource Policies and Procedure Manuals  
 Provision of Employee Wellness and Occupational Health and Safety.

1 Senior HR Officer

### LEGAL SUPPORT SERVICES

**PURPOSE**  
 Provide Legal Support Services

**FUNCTIONS**  
 Formulation and development of contracts and agreements.  
 Provide Legal Advisory Services.  
 Handling of transfers, acquisition and alienation of

(Not Filled Not Funded) 1 Senior Legal Admin

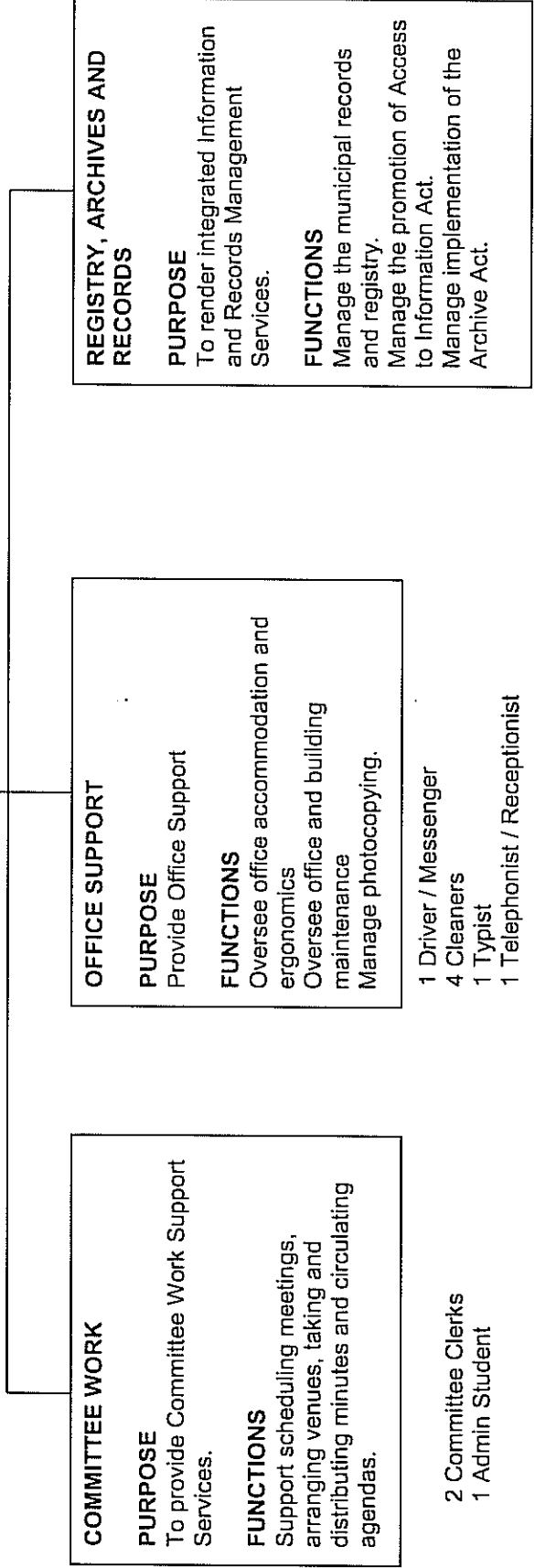
Municipal Manager:  
 MP Nonjola

Approved for 2011/12 Financial year

Mayor: ZE Pungwani

# CORPORATE SERVICES CONT.

**ADMINISTRATIVE SUPPORT**  
(Corporate Services cont.)



**COMMITTEE WORK**  
**PURPOSE**  
To provide Committee Work Support Services.  
**FUNCTIONS**  
Support scheduling meetings, arranging venues, taking and distributing minutes and circulating agendas.

- 2 Committee Clerks
- 1 Admin Student

**OFFICE SUPPORT**  
**PURPOSE**  
Provide Office Support  
**FUNCTIONS**  
Oversee office accommodation and ergonomics  
Oversee office and building maintenance  
Manage photocopying.

- 1 Driver / Messenger
- 4 Cleaners
- 1 Typist
- 1 Telephonist / Receptionist

**REGISTRY, ARCHIVES AND RECORDS**  
**PURPOSE**  
To render integrated Information and Records Management Services.  
**FUNCTIONS**  
Manage the municipal records and registry.  
Manage the promotion of Access to Information Act.  
Manage implementation of the Archive Act.

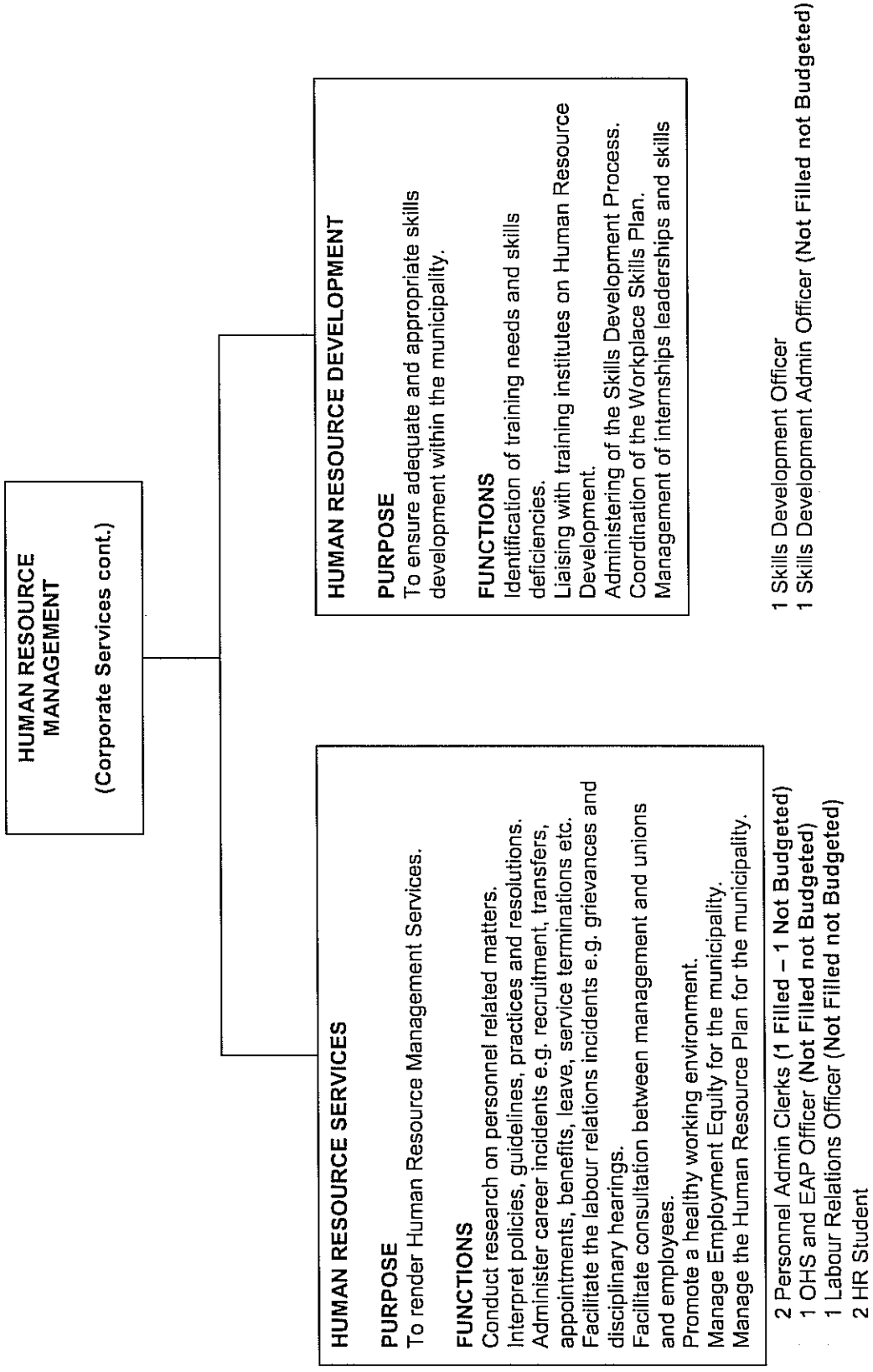
- 1 Records and Archives Officer1 (Not Filled/Not Budgeted)
- Registry Clerk (Not Filled/Not Budgeted)

Municipal Manager:  
MP Nonjola

Approved for 2011/12 Financial year

Mayor: ZE Pungwani

# CORPORATE SERVICE CONT.

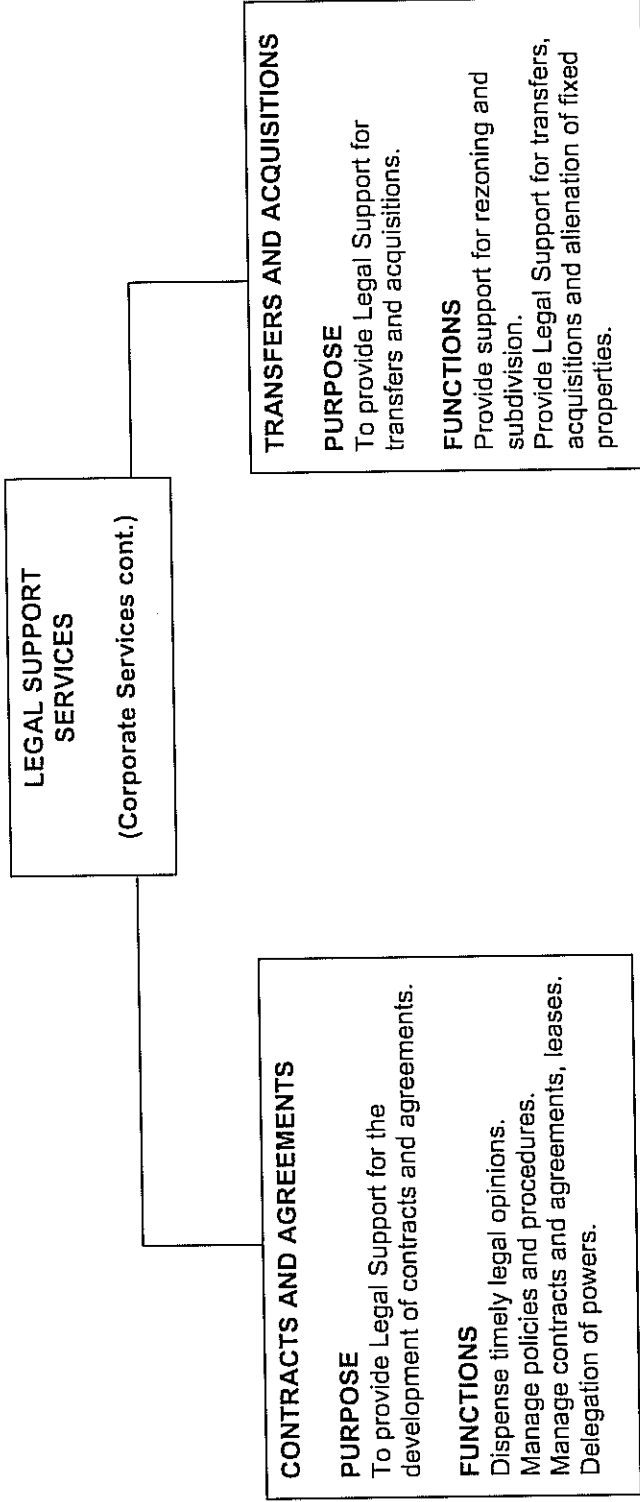


Municipal Manager:  
MP Nonjola

Approved for 2011/12 Financial year

Mayor: ZE Pungwani

# CORPORATE SERVICES CONT.



1 Legal Admin Officer  
(1 Legal Student)

1 Legal Admin Officer

# BUDGET AND TREASURY OFFICE

## 1.2 FINANCIAL MANAGEMENT

### PURPOSE

To render secure, sound and sustainable management to the fiscal and financial affairs of the municipality efficiently, effectively and economically.

### FUNCTIONS

To assist the Municipal Manager to carry out his/her financial management responsibilities.  
 Provide monthly management information to the Accounting Officer and Mayor.  
 To render Budget and Cash Flow Management Services.  
 To render Revenue, Expenditure, Asset and Liability Management Services.  
 To ensure transparent, accountable and appropriate lines of responsibility in the fiscal and financial affairs of the municipality.

- 1 Chief Financial Officer
- 1 Budget & Treasury Officer
- 1 Assistant Manager
- 1 Systems Administrator
- 1 Secretary (Not Filled/Not Budgeted)

### FINANCIAL MANAGEMENT

#### PURPOSE

Budgetary and Financial Planning Processes and the coordination of those processes with the processes of organs of state in other spheres of government.

#### FUNCTIONS

To render Budget Planning and Budgetary Control Services.  
 To render Cash Flow Management Services.  
 To maintain inter-governmental relations with regard to budget and joint projects with other spheres of government.  
 To render financial services  
 Produce financial reports

- 1 Accountant Financial Services (Not Filled/Funded)
- 1 Senior Clerk
- 1 Clerk
- 2 Interns

### EXPENDITURE MANAGEMENT

#### PURPOSE

To render prudent expenditure management, and the handling of their financial dealings.

#### FUNCTIONS

Payment of creditors  
 Payment of salaries, allowances and benefits.  
 Produce financial reports.  
 Balance and reconcile expenditure accounts.

- 1 Accountant
- 1 Senior Salaries clerk
- 1 Senior Creditors Clerk
- 1 Salaries Clerk
- 1 Clerk
- 1 Creditors Clerk

### REVENUE MANAGEMENT

#### PURPOSE

To manage revenue collection of the municipality.

#### FUNCTIONS

Payment of creditors.  
 Payment of salaries, allowances and benefits.  
 Produce financial reports.  
 Balance and reconcile expenditure accounts.

- 1 Accountant
- 1 Revenue Protection Officer
- 1 Revenue Protection Clerk
- 1 Senior Revenue Clerk
- 1 Debtors Clerk Jamestown
- 6 Debtors Clerk Allwal North (4 Filled)
- 6 Meter Readers
- 1 Clerk Equitable Share Subsidy
- 1 Senior Clerk Cash Management
- 4 Cashiers Allwal North
- 1 Cashier Jamestown
- 1 Clerk Filing
- 12 Field Workers

### PROCUREMENT/PROJECTS/ASSETS/RISK MANAGEMENT

#### PURPOSE

To ensure sound procurement, asset, project and risk management within the municipality.

#### FUNCTIONS

Render Risk Management Services.  
 Render pre-audit services for payments.  
 Establish and maintain good ethics.  
 Render Insurance Services.  
 Produce financial reports.  
 Ensure efficient, effective and transparent acquisition of goods

- 1 Procurement Officer
- 2 Supply Chain Management Clerks

# BUDGET AND TREASURY OFFICE CONT.

## INFORMATION TECHNOLOGY SERVICES

**INFORMATION TECHNOLOGY SERVICES**

**PURPOSE**  
To provide internal technology support services

**FUNCTIONS**  
Provide effective IT support  
Assist users with IT related queries.

1 Systems Administrator (filled)

Municipal Manager:  
MP Nonjola

Approved for 2011/12 Financial year

Mayor: ZE Pungwani

# COMMUNITY SERVICES DEPARTMENT

## 1.3 COMMUNITY SERVICES DEPARTMENT

### PURPOSE

To provide sustainable, accessible and affordable community facilities and services to residents and visitors of the Maletswai Local Municipality.

### FUNCTIONS

Management of Community Service Projects.  
 Management of Public Safety.  
 Management of Amenities, Housing, Public Safety  
 Management of Local Economic Development Projects.  
 Management of Community Health Services Projects.

- 1 Manager Community Services
- 1 Assistant Manager
- 1 Admin Clerk
- 1 Telephonist / Receptionist (Not Filled/Not Budgeted)
- Secretary (Not Filled/Not Budgeted)
- 1 Cleaner

### AMENITIES

#### PURPOSE

To provide high quality amenities services in the local municipality

#### FUNCTIONS

Manage the provision of effective Public Library Services.  
 Management of Museum and Heritage.  
 Management of Parks and Cemeteries.  
 Manage of Spa and Conferencing.  
 Provision of effective Cleaning and Refuse Services.

- 1 Senior Amenities Officer
- 1 Librarian
- 2 Assistant Librarians
- 1 Cleaner
- 1 Museum Supervisor (Not Filled/Not Budgeted)
- 1 Integrated Waste Management Officer
- 1 Team Leader: Cleansing (Not Filled/Not Budgeted)
- 2 Drivers (1 Filled another not Budgeted)
- 28 General Assistants: Cleansing
- 1 Team Leader: Refuse
- 2 Drivers

### HOUSING

#### PURPOSE

The provision of Housing Services.

#### FUNCTIONS

Facilitate and manage Housing programs.  
 Facilitate and manage the development and ongoing enhancement of strategy and processes pertaining to Housing.

- 1 Property & Land Admin Officer
- 1 Project Coordinator (Not Filled/Not Budget)
- 1 Senior Admin Officer: Housing
- 2 Admin Officers Housing
- 2 Housing Reg. Officers: (1 filled 1 not filled)
- 1 Land Admin Clerk

### PUBLIC SAFETY

#### PURPOSE

To provide Traffic Safety Management Services to the local community.

#### FUNCTIONS

Effective management of traffic and traffic safety services.

- 1 Chief Traffic Officer
- 2 Management Rep
- 2 Examiner VTS
- 1 Superintendent
- Law enforcement and Traffic Control System
- 4 Traffic Officers
- 1 Examiner Grade (Learners Licence)
- 1 Natis Supervisor or
- 2 Natis Clerks



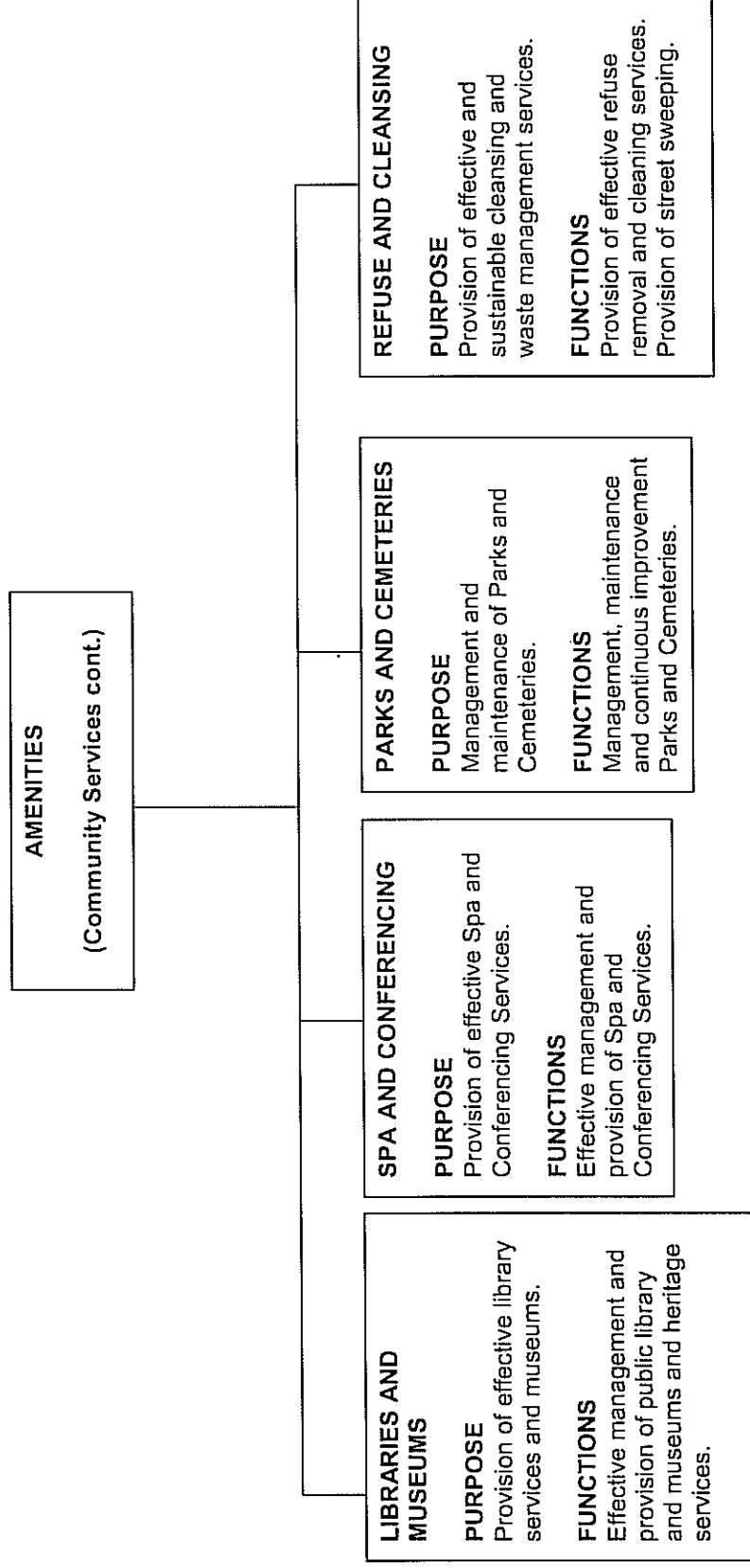
28 General Assistants: Refuse  
1 Supervisor: Parks and Cemeteries  
1 Team Leader: Parks  
23 General Assistants: Parks  
2 Game Gate Guards  
1 Team Leader Cemeteries  
1 Tractor Driver: Parks and Cemeteries  
19 General Assistants  
1 Supervisor: Spa and Conference CENTRE  
2 Drivers  
2 Cashier/Clerk  
10 Cleaners / Tea makers  
4 Spa Gate Guards  
5 General Assistants

Municipal Manager:  
MP Nonjola

Approved for 2011/12 Financial year

Mayor: ZE Pungwani

# COMMUNITY SERVICES DEPARTMENT CONT.



## 1.4 TECHNICAL SERVICES DEPARTMENT

### PURPOSE

To provide sustainable, reliable and affordable technical services to the municipality and its stakeholder communities.

### FUNCTIONS

Management and control of water and waste water operation services.  
 Maintenance and upgrade of road furniture.  
 Maintenance of building and infrastructure.  
 Provision and maintenance of electrical services.

- 1 Manager Technical services
- 1 Administrative Clerk
- 2 Assistant Managers (Civil, Electrical)

### WATER AND SEWERAGE

#### PURPOSE

Provide effective and efficient water and sewerage services.

#### FUNCTIONS

Management and control of water and sewerage operations and services

- 1 Superintendent: Water & Sewerage
- 1 Foreman: Sewer
- 1 Driver / Team Leader (Not Filled/Not Budgeted)
- 28 General Assistants
- 3 Shift Workers (Not Filled/Not Budgeted)

- 5 Pumps
- 1 Mechanical Foreman (Not Filled/Not Budgeted)

- 1 Foreman: Water (Not Filled/Not Budgeted)
- 1 Driver / Team Leader
- 1 Artisan (Not Filled/Not Budgeted)
- 1 Builder (Not Filled/Not Funded)
- 1 Plumber
- 5 Shift Workers
- 1 Foreman: Jamestown
- 5 Pumper 1
- 3 Drivers (Not Filled/Not Budgeted)
- 2 Purification Plant Operators

### PUBLIC WORKS

#### PURPOSE

To maintain an upgrade roads and infrastructure to an acceptable level of service.

#### FUNCTIONS

Maintenance and upgrading of roads and sidewalks/storm water  
 Maintenance and upgrades of road infrastructure.  
 Management and administration of all public works related projects.

- 1 Technical Assistant: Public Works (Not Filled/Not Budgeted)

- 1 Driver

- 1 Student Technician (Not Filled/Not Budgeted)
- 1 Foreman: Public Works
- 1 Team Leader (Not Filled/Budgeted)
- 6 Drivers/Operators
- 4 General Assistants
- 1 Senior Artisan (Not Filled/Not Budgeted)
- 1 Stores Assistant
- 4 General Assistants
- 4 Trench Digging Team Members
- 1 Team Leader: Workers (Not Filled/Not Budgeted)
- 2 Bricklayers (Not Filled/Not Budgeted)

### ELECTRICAL SERVICES

#### PURPOSE

To provide electricity supplies, street lighting and associated services to the local municipality.

#### FUNCTIONS

Maintenance and upgrading of electricity and street lightning supplies.

- 1 Senior Electrician
- 2 Electricians
- 1 Street Light Repairer

- 4 Toolmen
- 1 Linesman
- 4 Shift Workers
- 5 General Assistants (1 not budgeted)
- 2 Semi Skilled Electricians
- 1 Meter Reader (needs verification)

### BUILDING

#### PURPOSE

Provision of building services to the local municipality.

#### FUNCTIONS

Management, maintenance and upgrading of all building related projects.  
 Control Building Activities

- 1 Building Inspector
- 1 Assistant Building Inspector
- 1 Senior Artisan (Not Filled/Not Budgeted)

- 4 Assistant Artisans (Not Filled/Not Budgeted)

4 General Assistants  
10 General Assistants (Road markings etc) (2 vacant and not budgeted)

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Municipal Manager:  
MP Nonjola

Approved for 2011/12 Financial year

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Mayor: Z.E. Pungwani