

+



Inkwanca Local Municipality: Revised Integrated Development Plan for 2013- 2014

Contact Details

Contact Person	Mr. G. Sgojo
Position	Municipal Manager
Address	P.O. Box 1, Molteno, 5500
Telephone Number	+27 (0) 45-967 0021
Fax Number	+27 (0) 45-967 0467
Email address	gsgojo@gmail.com

Table of Contents

LIST OF ACRONYMS.....	7
Acknowledgement.....	13
Executive Summary.....	13
Introduction.....	13
Vision, Mission and Objectives.....	14
Vision Statement.....	14
Mission Statement.....	15
Objectives.....	15
Key Performance Priorities.....	15
Objectives, Strategies and Projects.....	15
Inkwanca IDP's Strategic Objectives and Related Programmes.....	17
The Way Forward.....	20
Inkwanca Local Municipality's Integrated Development Plan: 2013-2014.....	20
1. Chapter 1: IDP Overview.....	20
1.2. The Report Structure.....	22
1.3. 2013/2014 Process Plan.....	24
1.3.1. Information.....	24
1.3.2. Institutional Arrangement and Public Participation.....	24
1.3.2.1. Inkwanca LM's Council.....	26
1.3.2.2. IDP Officer.....	26
1.3.2.3. IDP Steering Committee.....	26
1.3.2.4. IDP Representatives Forum.....	27
1.3.2.5. Roles and Responsibility of Stakeholders.....	28
1.3.2.6. Needs Identification and Project Prioritisation.....	28
1.3.2.7. Community Participation.....	28
1.3.2.8. Mechanisms for Public Participation.....	28
1.3.2.9. Appropriate Language Usage.....	29
1.3.2.10. Logistics Arrangements.....	29
2. Chapter 2: Situational Analysis: Major Issues And Priority Development Needs/Challenges.....	30
2.2.1.1. Public Participation Process.....	30
2.2.2. Projects Identified During Ward Meetings for 2013/2014.....	30
2.2.3. Communication Plan.....	30

1)	Communication to internal staff.....	30
2)	Communication with unions.....	30
3)	Communication to the community.....	30
4)	Ward Committees.....	31
5)	The IDP Representatives Forum.....	31
6)	Audit Committee.....	31
1.3.5	Timelines.....	32
3.	Chapter 2: Situational Analysis: Major Issues And Priority Development Needs/Challenges.....	33
2.1.	Background.....	33
2.2.	Seasonality.....	36
2.3.	Livelihood Analysis.....	37
2.5.	Population Demographics.....	38
2.5.1.	Municipal Population.....	38
2.5.2.	Population by Age and Gender.....	39
2.5.3.	Population by Gender.....	39
2.5.3.	Population by Level of Education.....	40
2.2.5.	Literacy vs. Illiteracy.....	41
2.2.6.	Unemployment Rate.....	41
2.2.7.	Economically Active Population.....	42
2.2.8.	Employment by Sector.....	43
2.2.9.	Dwelling Types.....	44
3.2.	Access to Services.....	44
3.2.1.	Household access to toilets.....	44
3.2.2.	Sanitation Services Backlog.....	45
3.2.3.	Household access to water.....	45
3.2.4.	Population by Age & Location.....	46
3.3.	Household Distribution.....	46
3.4.	Access to Services.....	47
3.4.1.	Electricity Service Connections.....	47
3.4.2.	Access to Water.....	47
3.4.3.	Access to Sanitation Services.....	48
3.4.4.	Access to Solid Waste Collection.....	48
3.5.	Poverty Indicators.....	49

3.5.1.	People Living in Poverty.	49
3.5.2.	GINI Coefficient Index.	49
3.6.	Education and Literacy Indicators.	50
3.6.1.	People with No Schooling.	50
3.6.2.	Illiteracy Rate.	51
3.7.	Economic Indicators.	51
3.7.1.	Economically Active Population.	51
3.7.2.	Population Unemployment.	52
3.7.3.	Formal and Informal Employment.	52
3.7.4.	Population Income Distribution.	53
4.	Internal Situational Analysis of Inkwanca Local Municipality.	53
4.1.	Introduction.	53
4.2.	Key Performance Area One: Governance and Stakeholder Participation.	54
4.3.	Key Performance Area Two: Safety and Environment.	57
4.4.	Key Performance Area Three: Social and Community Development.	60
4.5.	Key Performance Area Four: Institutional Transformation.	63
4.6.	Key Performance Area Five: Financial Sustainability.	65
4.7.	Key Performance Area Six: Physical Infrastructure and Energy Efficient.	67
4.8.	Key Performance Area Seven: Services and Customer Care.	69
4.9.	Key Performance Area Eight: Local Economic Development.	72
5.	CHAPTER 3: Five (5) Year Development Plan.	73
5.1.	Vision.	73
5.2.	Mission Statement.	73
5.3.	Objectives.	73
5.4.	Governance Structure.	73
	Office of the Municipal Manager.	74
	Community Services Department.	74
	Integrated Planning and Economic Development (IPED).	75
	Budget and Treasury Office.	75
	Corporate Services Department.	75
	Technical Services Department.	76
5.5.	Spatial Development Framework.	76
5.5.1.	The National Spatial Development Perspective (NSDP).	76
5.5.2.	The EC Provincial Spatial Development Plan.	79
5.5.3.	Inkwanca LM Spatial Development Framework (SDF).	80

5.5.4.	The Fourteen (14) Inkwanca LM Spatial Development Priorities	81
5.5.5.	Strategic Alignment of KPA's and Key Focus Areas (KFA').....	81
4.5.1.	KPA 1: Governance and Stakeholder Participation.	83
4.5.2.	KPA 2: Safety and Environment	90
4.5.3.	KPA 3: Social and Community Development	94
4.5.4.	KPA 4: Institutional Transformation	97
4.5.5.	KPA 5: Financial Sustainability.....	105
4.5.6.	KPA 6: Infrastructure and Energy Efficiency.	113
4.5.7.	KPA 7: Services and Customer Care.....	117
4.5.8.	KPA 8: Local Economic Development.	122
6.	CHAPTER 4: Financial Plan.....	128
6.1.	Introduction	128
6.2.	Financial Framework.....	128
6.2.1.	Revenue Adequacy and Certainty.	129
6.2.2.	Cash/Liquidity Position: Current Ratio.....	129
6.2.3.	Cash/Liquidity Position: Debtor's Turnover.....	130
6.2.4.	Municipal Sustainability.	130
6.2.5.	Effective and Efficient Use of Resources.	130
6.2.6.	Accountability, Transparency and Good Governance.	131
6.2.7.	Equity and Redistribution.....	131
6.2.8.	Development and Investment.	131
6.2.9.	Borrowing.	131
6.3.	Financial Strategies.....	131
6.3.1.	<i>General Financial Philosophy.</i>	131
6.3.2.	<i>Budget Related Policy.</i>	132
6.3.3.	<i>Capital Infrastructure Investment Policies.</i>	132
6.3.4.	<i>Revenue Policies.</i>	133
6.3.5.	<i>Credit Control Policies and Procedures.</i>	133
6.3.6.	<i>Supply Chain Policy and Procedures.</i>	133
6.3.7.	<i>Investment Policies</i>	134
6.3.8.	<i>Asset Management Policies</i>	134
6.3.9.	<i>Accounting Policies</i>	134
6.4.	Operating Revenue.	134
6.4.1.	<i>Operating Revenue by Source</i>	135
6.4.2.	<i>Analysis of Total Operating Income</i>	136
6.5.	Operating Expenditure.....	136
6.5.1.	<i>Operating Expenditure by Type</i>	136

6.5.2. <i>Analysis of Operating Expenditure by Type</i>	138
6.6. Capital Expenditure.	138
6.6.1. <i>Capital Expenditure by Standard Classification</i>	138
6.6.2. <i>Analysis of Capital Expenditure.</i>	141
6.7. Capital Expenditure Funding.....	141
6.8. Conclusion.	143
7. Annexures.	144

LIST OF ACRONYMS

ABET	Adult Based Education and Training
ABSA	Amalgamated Banks of South Africa
AIDS	Acquired Immune Deficiency Syndrome
ASGISA	Accelerated and Shared Growth Initiative for South Africa
CASP	Comprehensive Agriculture Support Programme
CBO	Community Based Organizations
CPF	Community Policing Forum
CSIR	Council for Scientific and Industrial Research
DBSA	Development Bank of South Africa
DEAT	Department of Environment and Tourism (Also known as DEA)
DFA	Development Facilitation Act No 67 of 1995
DLA	Department of Land Affairs
DLG	Department of Local Government
DM	District Municipality
DME	Department of Mineral and Energy
DoE	Department of Education
DoH	Department of Health
DoHS	Department of Human Settlements
DoSD	Department of Social Development
DoRT	Department of Roads and Transport
CoGTA	Department of Cooperative Governance and Traditional Affairs
DPW	Department of Public Works
DSRAC	Department of Sport, Recreation, Arts & Culture
DWA	Department of Water Affairs
ECA	Environmental Conservation Act
EIA	Environmental Impact Assessment
ES	Equitable Share (grant)

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

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

ASGISA	Accelerated and Shared Growth Initiative of South Africa
BDS	Business Development Services
CASP	Comprehensive Agriculture Support Programme
CHARTO	Chris Hani Regional Tourism Organisation
CHDM	Chris Hani District Municipality
RTP	Responsible Tourism Planning
SMME	Small Medium and Micron Enterprises
SOE	State Owned Enterprises
SoR	State of Environment Report

FOREWORD BY THE MAYOR, M.N. QAMNGWANA

The purpose of this foreword, is to present the Draft Reviewed Integrated Development Plan, and as such our plans for the coming financial year of the council. The constitution of the Republic of South Africa is quite categorist in its prescription of the developmental roles of local government. To this effect; sections 152 and 153 of the constitution puts local government in charge of the development process in municipality, and notably in charge of planning for the municipal area. The constitutional mandate is to relate management, budgeting and planning functions to its objectives and gives a clear indication of the intended purposes of municipal integrated development planning

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

M.N. QAMNwana

.....

MAYOR/SPEAKER

OVERVIEW BY THE MUNICIPAL MANAGER: MR. G. SGOJO

I join His Worship, the Mayor in submitting the Draft Reviewed Integrated Development Plan for 2013- 2014. This document, as the mayor said, will form the basis of our planning within the municipality for the next financial year. It will inform all operational plans to be developed within the municipality and will have to be integrated into our Performance Management System (PMS) so that all actions by the municipal administration are geared towards the same goals and objectives.

The Local Government: Municipal Systems Act, 2000 (Act No 32 of 2000) defines integrated development planning as one of the core functions of a municipality in the context of its developmental orientation and mandate. It should be framed in such a way that it integrates all available resources; human, financial, political and other resources. Its other function is that of coordinating other plans.

To the extent possible, the inclusive, consultative approach that attended the development of the IDP means that it accommodates every diverse viewpoint that came forward to present during the IDP community participation processes. The future budgets will therefore be based on a document that enjoys the support of many of our stakeholders

His Worship; the Mayor, this document does not merely exist to fulfil a legal requirement, it represents the aspirations of the community, on whose behest, we occupy the positions that we occupy. With resources permitting, we will not rest until all the objectives herein spelt out are fulfilled.

G. SGOJO

.....

MUNICIPAL MANAGER

Acknowledgement.

The compilation of an IDP was a team effort. The following persons need to be thanked for their contribution to this process and this specific document:

- The Mayor of Inkwanca Local Municipality.
- The members of the Mayoral Committee for their continued support.
- All Ward Councillors for their inputs.
- The Municipal Manager for his inputs.
- All HOD's for their inputs in the process.
- Inkwanca LM's IDP Office

The Inkwanca Local Municipality IDP process forms the basis of all decision-making processes as well as the budgeting process of the Municipality. It acts as a strategic management tool integrating the activities of Departments at horizontal and vertical level.

Herewith the 2013/2013 IDP document.

Executive Summary.

Introduction.

The development of Integrated Development Plan (IDP) is a legislative requirement as entailed in terms of Section 25 of the Municipal Systems Act (MSA) Act (No 32) of 2000 and Inkwanca Local Municipality is obliging to this piece of legislation. Reviewing of the IDP is also a legislative requirement in terms of Section 34 of Municipal System Act of 2000 (Act 32 of 2000).

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

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

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

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

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

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

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

The Executive Summary provides a brief synopsis of 2013/2014 IDP and for more detail the complete document should be referred to.

Vision, Mission and Objectives.

The following vision was adopted for the Inkwanca Local Municipality:

Vision Statement

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

Umasipala onika amathuba alinganayo ophuhliso, nentlalontle kuluntu lonke.

Mission Statement

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

Objectives

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

Key Performance Priorities.

The following is a summary of the Key Development Priorities identified for the Inkwanca area from the Situational Analysis process:

- Enhance local economic development by adopting a coordinated & sustainable approach to agriculture, tourism and small business development.
- Enhance skills development in line with the Skills Development Act No. 97 of 1998.
- Improve basic working conditions for employees, such as provision of adequate office and workspace as well as furniture.
- Enhance information management & operational efficiency through provision of IT support (hard-ware & software and internet connectivity).
- Improve labour relations by democratizing the workplace in line with the LRA.
- Upgrading and maintenance of roads & storm water, sewer networks.
- Small town development and urban renewal.
- Improve revenue collection & broaden revenue base.
- Enhance indigent provision.
- Introduce better financial management practices for a better & improved audit outcome.

Objectives, Strategies and Projects.

Objectives are the specific goals that have to be achieved, in order to bring the current situation including identified community needs closer to the Vision. The Strategies are the actions and interventions required to implement the Objectives and eventually culminate in a list of Projects.

There are nine Strategic Objectives to be achieved in the Inkwanca Local Municipality, and as part of the Strategy to achieve these, several Programmes have been formulated per each of the Strategic Objectives.

The table below provides a summary of the various Strategic Objectives and Programmes as discussed in **Chapter 4 of the IDP**. The projects are prioritized and included in a Financial Plan for the municipality. Refer to the IDP document and specifically the **Financial Plan (Chapter 5)** for more information. The IDP then concludes with a broad overview of the Performance Management System (**Chapter 6**) for the Inkwanca Local Municipality which aims to measure progress with regards to the implementation of projects and programmes identified.

Inkwanca IDP's Strategic Objectives and Related Programmes

IDP Strategic Objectives			
#	Strategic Objective	#	Programmes
1	Spatial Development and Integration	1.1.	Promotion of Spatial Integration
		1.2.	Formalize and Upgrade Informal Settlements
		1.3.	Provision of Housing
		1.4.	Provision of New Social Facilities
		1.5.	Enable Access to Land and Security of Tenure
		1.6.	Uniform Land Use Management
2	Poverty Alleviation and Gender Equity	2.1.	Improve access to social facilities and infrastructure for rural communities and disadvantaged groups, particularly women, children and the elderly by way of Multi-Purpose Community Centres (Thusong Centres)

		2.2.	Provide Basic Engineering Services to existing Social Facilities; upgrade and maintain Existing Social Facilities
		2.3.	Raise Development Levels of Disadvantaged and Vulnerable Groups in Society
3	Economic Development	3.1.	Enhance the Tourism Potential of the Inkwanca Area
		3.2.	Promote Local Economic Development Initiatives
		3.3.	Create an Entry Level into the Market System for Emerging Business, the Informal Sector and SMMEs
		3.4.	Promote a Diversity of Economic Activities throughout Inkwanca
		3.5.	Maintenance and Improvement of Development Standards
		3.6.	Employment creation and income generation (Early Warning Report)
4	Environmental Management	4.1.	Implement Proactive Measures to Protect the Environment
		4.2.	Ensure that Mitigation Measures are considered in Development Proposals
5	Institutional Development	5.1.	Augment the Institutional Capacity of the Inkwanca Municipality
		5.2.	Ensure that Mitigation Measures are considered in Development Proposals
		5.3.	Implement Performance Management System
6	Financial Viability	6.1.	Improvement of Revenue Base (Income stream)

		6.2.	Feasible tariff policy
		6.3.	Planned expenditure of Grants
		6.4.	Clear defined ratios between capital and operational budgets
		6.5.	Asset Management
		6.6.	Reduction and management of outstanding debts
		6.7.	Management of budget linked to PMS
		6.8.	Submission of financial statements
7	Community Development	7.1.	Improved Aids planning and implementation of Inkwanca HIV/Aids Policy
		7.2.	Provision of Education facilities
		7.3.	Provision of Sports and Recreation facilities
		7.4.	Provision of Social and Community facilities
8	Safety and Security	8.1.	Ensure integration of safety and security agencies
		8.2.	Ensure proper implementation of Disaster Management Plan
		8.3.	Provision of safety to all residents
9	Engineering Services and Service Delivery	9.1.	Ensure integration of safety and security agencies
		9.2.	Provision and Upgrading of Basic Infrastructure to address Backlogs
		9.3.	Maintenance of assets and infrastructure to maintain and enhance service levels
		9.4.	Provision of New Engineering Infrastructure

The Way Forward

Government has a key challenge with the facilitation of transformation and improving service delivery, culminating into accountability and responsiveness. In an attempt to meet this challenge, National Government introduced performance management at local government through legislation in terms of Chapter 6 of the Municipal Systems Act, 2000 (Act 32 of 2000) in August 2001.

The PMS system allows for the management of accountability within the Local Authority in order to improve performance. The system will assist in efficient and informed decision-making regarding the allocation of resources and improve the realisation of the objectives of the IDP.

The Inkwanca Local Municipality will carry the IDP forward through the finalisation of a 2013/2014 Budget and the implementation of strategies and interventions forthcoming from the IDP.

Due to the limited internal financial capacity of the Municipality, it is reliant on funding from external sources, particularly the Chris Hani District Municipality, National Government and Provincial Government to ensure the implementation of capital projects.

The Representative Forum which was established as part of the IDP process must continue to be involved in the implementation and monitoring of the IDP. Meetings of the Representative Forum should therefore take place on a regular basis. Efforts will also be made to augment the Representative Forum to include a broader stakeholder base, particularly Provincial Departments and other service providers.

Inkwanca Local Municipality's Integrated Development Plan: 2013-2014

1. Chapter 1: IDP Overview.

Since the first democratic elections in South Africa in 1994, the nature and functions of municipalities changed drastically, with more emphasis being placed on the developmental role of local authorities. Developmental local government means a commitment to working with citizens to find sustainable ways to meet their social, economic and material needs to improve the quality of their lives. A duty is also placed on local authorities to ensure that development policies and legislation are implemented.

Preference must therefore be given to this duty when managing the administrative and budgetary processes of the municipality.

The Constitution of the Republic of South Africa (1996) commits government to take reasonable measures, within its available resources, to ensure that all South Africans have access to adequate housing, health care, education, food, water and social security. The current goal of municipalities is to establish a planning process which is aimed at the disposal of the imbalances created by the apartheid era. Developmental local government can only be realized through integrated development planning and specifically the compilation of an Integrated Development Plan (IDP).

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

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

The compilation of Integrated Development Plans by municipalities is regulated in terms of the Municipal Systems Act (Act 32 of 2000).

Section 25 of the Municipal Systems Act (Act 32 of 2000) stipulates that:

“Each municipal council must, within a prescribed period after the start of its elected term, adopt a single, inclusive and strategic plan for the development of the municipality which:

- a) links, integrates and co-ordinates plans and takes into account proposals for the development of the municipality;*
- b) aligns the resources and capacity of the municipality with the implementation of the plan;*
- c) forms the policy framework and general basis on which annual budgets must be based;*
- d) complies with the provisions of this Chapter; and*
- e) Is compatible with national and provincial development plans and planning requirements binding on the municipality in terms of legislation”.*

As far as the status of an integrated development plan is concerned, Section 35 states that an integrated development plan adopted by the council of a municipality:

- a) *“is the principal strategic planning instrument which guides and informs all planning and development, and all decisions with regard to planning, management and development, in the municipality;*
- b) *binds the municipality in the exercise of its executive authority, except to the extent of any inconsistency between a municipality’s integrated development plan and national or provincial legislation, in which case such legislation prevails; and*
- c) *Binds all other persons to the extent that those parts of the integrated development plan that impose duties or affect the rights of those persons have been passed as a by-law”.*

Section 36 furthermore stipulates that:

“A municipality must give effect to its integrated development plan and conduct its affairs in a manner which is consistent with its integrated development plan”.

However, in terms of section 34 of the Municipal Systems Act, a municipal council “must review its integrated development plan annually”, and based on the outcome of the review process it “may amend its integrated development plan in accordance with a prescribed process”.

The MSA thus places a legislative duty on municipalities to adopt a single, inclusive and strategic plan (Integrated Development) for the development of the municipality which links; integrates an co-ordinates plans and takes into account proposals for the development of the municipality; aligns the resources and capacity of the municipality with the implementation of the plan; and forms the policy framework and general basis on which annual budgets must be based.

1.2. The Report Structure.

CHAPTER 1 of the Inkwanca Local Municipality IDP provides some background information pertaining to the concept of Integrated Development Planning, the legal context thereof, and the institutional structures and methodology followed in the Inkwanca Local Municipality Integrated Planning Process during the review process.

CHAPTER 2 describes the Inkwanca Local Municipality in national, provincial and local context and represents a multi-sectoral situational analysis highlighting some of the most salient features and key challenges of the municipality and progress made in addressing the key challenges.

It also provides a brief summary of the priority issues reported by communities in the various parts of the municipality.

CHAPTER 3 reflects on the Strategic Agenda of the Inkwanca Local Municipality. It comprises a brief summary of national and provincial development policy guidelines which direct the Municipal Strategic Agenda, as well as the Inkwanca Local Municipality Vision and Mission, and then the Key Priorities which were adopted by Council. It also includes the Municipal Spatial Development Framework.

CHAPTER 4 reflects a synopsis of the various Sectoral Objectives, Strategies and Projects aimed at addressing the priority issues identified in the municipal area.

CHAPTER 5 of the document summarizes the Financial Plan and **CHAPTER 6** contains an executive summary of the Performance Management System (PMS) of the Municipality.

1.3. 2013/2014 Process Plan.

1.3.1. Information.

It is necessary to briefly summarize the process followed for the 2013/2014 IDP process as prescribed in the IDP Process Plan. The components of the Process Plan are as follows:

- a) Institutional Arrangements and Public Participation;
- b) Progress Reporting;
- c) Year Planner;
- d) Needs Collection;
- e) Updating of Projects;
- f) Final Document Compilation;

1.3.2. Institutional Arrangement and Public Participation.

The roles and responsibilities of the various parties involved in the IDP Revision are listed below:

Role-player	Responsibility
IDP Co-ordinators and municipal official	Lead the facilitation of the ward planning process and writing up of the plan.
Section 56 Managers	Support and act as technical resource for input in Ward Based Planning and be contact points in the different departments of the municipality.
Traditional Leaders(where applicable)	Participate and support the ward committees in mobilising people and make sure that the plan is implemented
CBO	Participate in Ward Based Planning

Sector Departments	Respond in sector specific issues during WBP
CDW	Support ward based planning process.
Ward councillor	Co-ordinate and manage ward planning and monitor implementation; Chair key public planning meetings (ward planning, prioritisation and feedback meetings). Participate in the planning as much as possible. Represent the ward on WBP issues in the municipality's IDP structures and processes; Chair ward committee meetings where implementation is monitored.
Ward committees	With the Ward Cllr, co-ordinate ward planning and monitor implementation. Chair key public planning meetings (ward planning, prioritisation and feedback meetings) and implementation monitoring. Represent the ward on WBP issues in the municipality's IDP structures and processes;
Community	Participate in the ward planning and monitor the implementation of the plan

1.3.2.1. Inkwanca LM's Council.

The Municipal Council is chaired by the Mayor and has the following role in the IDP review process;

- Oversee the development and adoption of the IDP review;
- Adopt final Integrated Development Plan and Budget;

1.3.2.2. IDP Officer.

The IDP Officer role resides with the Municipal Manager who has in turn delegated it to the IDP Coordinator. In terms of the process the IDP Officer is tasked to:

- Ensure that the Process Plan is drafted and adopted by the Municipal Council;
- Manage the local municipal IDP by ensuring that all daily planning activities are performed within an efficient and effective consideration of available time, financial and human resources;
- Encourage an inclusive participatory planning process and compliance with action programme;
- Facilitate the horizontal and vertical alignment of the various internal and external departmental programmes;
- Ensure that the planning process outcomes are properly documented;
- Manage service providers engaged in the municipal IDP process;
- Chair the IDP Steering Committee;
- Nominate persons in charge of different roles.
- Responds to comments on the draft reviewed IDP from the public.
- Adjusts the IDP in accordance with the comments of the MEC for local Government.
- The Municipal IDP Officer will coordinate with various government departments and other HODs to ensure that all the projects, strategies and objectives of the local municipality are shared and distributed amongst government departments so that they might incorporate them in their planning process and vice versa.

1.3.2.3. IDP Steering Committee.

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

- Provide technical and advisory support to the IDP Officer;

- Perform daily planning activities including the preparation and facilitation of events; documentation of outputs and making recommendation to the IDP Officer and the Municipal Council;
- Commission feasibility studies and business plans for projects;
- Commission in depth studies;
- Interact with the Local steering committee local members regarding local projects;
- Prepare, facilitate and document meetings;
- Act as the secretariat for the IDP Representative Forum;
- Meetings shall be held as per the action programme or when considered necessary by the chairperson.

1.3.2.4. IDP Representatives Forum.

The IDP representative forum will be chaired by the Mayor and will be composed of representatives from the following institutions or interest groups:

- Secretariat of IDP steering committee.
- Ward Committees.
- Youth groups.
- Rate payers.
- Civic bodies & Entities.
- NGO's and CBOs.
- Sector Departments and the District Municipality.
- IDP Steering Committee.
- Community development workers.

The task of the representative forum shall be to:

- Represent the interest of various constituencies in the IDP planning process.
- Provide an organizational platform and mechanism for discussion, negotiation and decision making between stakeholders.
- Provide a communication mechanism for the exchange of ideas and opinions among the various stakeholder interest groups.
- Participate in the setting up of key performance indicators including the monitoring thereof in line with the performance Management Manual of the Local Municipality.
- Monitor the performance of the planning and implementation process.

1.3.2.5. Roles and Responsibility of Stakeholders.

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

1.3.2.6. Needs Identification and Project Prioritisation.

After all the needs were collected, the projects/programmes were updated and finalized by the end of February 2012. The prioritization of projects will be included in the Budget process.

1.3.2.7. Community Participation.

All stakeholder and public participation engagements were undertaken through the guidance provided by the Public Participation Policy which was adopted by Council. Communication and public relations exercises emanated from the Communication Strategy which has been adopted by Council.

PHASE	PARTICIPATION MECHANISM & PLANNING EVENTS
Analysis	<ul style="list-style-type: none">▪ Use of workshops to verify data on community priorities▪ Use of ward Committees to verify data
Projects	<ul style="list-style-type: none">▪ Use of workshops to verify data on community priorities▪ Use of ward Committees to verify data
Approval	<ul style="list-style-type: none">▪ Use of workshops to verify data on community priorities▪ Use of ward Committees to verify data

1.3.2.8. Mechanisms for Public Participation.

While the planning process was initiated and coordinated by the municipality and the Department of Local Government and Traditional Affairs, the **plan is owned by the Ward (represented by the Ward Committee)**. The Department of Local Government & Traditional Affairs **empowered the Ward Councillors and Committees** to co-ordinate the planning process that will enable each Committee to generate a mandate for its term of office.

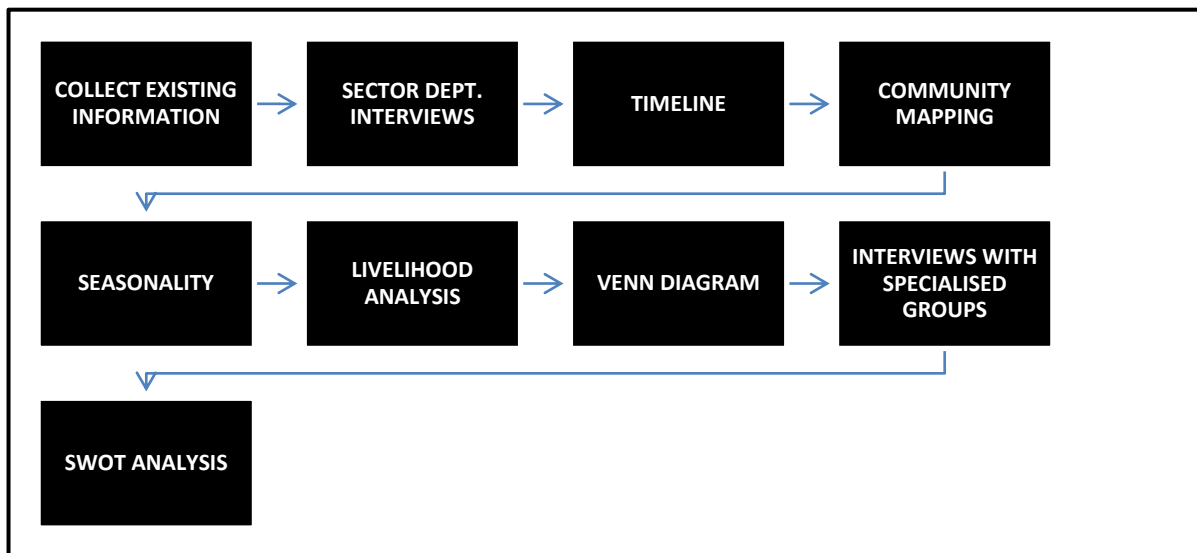
Various tools were utilized to gather information from the respective communities. The primary objective of the information gathering tools was to encourage communities to broadly relate to planning issues within their respective community with particular emphasis on:

- Analysing all sectors within their community, i.e. economic, social, natural resource based (agriculture, etc.), health, and infrastructure.

- ❑ Analysing cross cutting issues which influence peoples capacity to develop, e.g. HIV & AIDS, gender, etc.
- ❑ Analysing “soft issues” in terms of how people are organized and the sustainability of land management within community based organizations.
- ❑ Avoiding the solution as being an item of infrastructure – e.g. often underlying problems may not be solved just by building a clinic, but by a community health worker, improved hygiene, etc.

The information gathering exercises included:

- ❑ Collect existing data (desktop study)
- ❑ One-on-one sessions with sector departments (Queenstown Regional Offices)
- ❑ The timeline exercise.
- ❑ The community mapping exercise;
- ❑ The seasonality exercise
- ❑ The livelihoods analysis exercise.
- ❑ The Venn diagram exercise, *see below*;



1.3.2.9. Appropriate Language Usage.

Formal documentation and communication will be done in English but in meetings, participants would be encouraged to use their own language where this would enhance communication and participation. In some instances, interpreters may be used to facilitate smooth communication. Facilitators of meetings would be encouraged to make use of simple language in explaining concepts so that people can understand the process and become empowered to participate in the IDP process.

1.3.2.10. Logistics Arrangements.

Meetings will be held in Inkwanca and transport will be provided for those councilors coming from outlying villages in line with council policy for rebates and stipends. The municipality will be responsible for organizing workshop logistics and venue equipment.

2. Chapter 2: Situational Analysis: Major Issues And Priority Development Needs/Challenges.

2.2.1.1. Public Participation Process.

Public Participation forms an integral part of the Inkwanca Local Municipality IDP process. The IDP process is a continuous process and therefore the process of public participation. During the 2013/2014 Inkwanca Local Municipality IDP process, public meetings were conducted with each ward, chaired by the Mayor and facilitated by Ward Councillors. The People's Assembly, comprising of, *inter alia*, 4 Ward Committees, Government Structures, parastatals and service providers, were held during 2013, where the projects and programmes, SDF and Ward IDP's were presented and inputs were received.

2.2.2. Projects Identified During Ward Meetings for 2013/2014.

In addition to the existing ongoing projects and projects identified during the 2011/2012 IDP process, a large number of additional projects were identified during the respective ward meetings and were included in the 2013/2014 IDP.

2.2.3. Communication Plan.

Inkwanca Local Municipality utilizes several communication channels to convey information to the internal staff and to the community in general.

1) Communication to internal staff.

The staff is being informed of any important information by way of notices to individual desks [offices] or through the Council's notice boards. The notice boards serve both the internal staff and the public.

Memorandums are distributed to the Heads of Departments to inform their departmental staff regarding certain information.

2) Communication with unions.

There is continuously contact between the Local Authority and the local unions [SAMWU] in order to disseminate information to their members. This dissemination may take different forms ranging from meetings with union shop stewards to circulars to members. The Local Labour Forum is also functional.

3) Communication to the community.

The general public or the community is usually given information through their monthly bills. Notice boards are used to notify the public regarding vacancies available.

The local newspaper is another media tool used to advertise vacancies, Council resolutions or any other important notice.

The Council Website is operational, which is a major information source to the members of the public.

4) Ward Committees.

Ward Committees are operational and Ward Committee meetings are being held every month.

5) The IDP Representatives Forum.

This forum is a combination of all major stakeholders in the Municipal area and includes the general public through representatives from Ward Committees, Service providers and other interested parties.

6) Audit Committee.

This committee is chaired by local residents with public involvement. This committee has as its function by the monitoring of the PMS and tender management.

1.3.5 Timelines

The rationale for such an exercise is to ascertain, from a local community's perspective, an understanding of the community's history thereby illustrating trends that may have occurred within a particular area thereby possibly contributing to better informed plans. Events within the community, as recalled by community members, are reflected in the table below;

TIME	EVENT	IMPACT	IMPLICATION FOR PLANNING
1963	Forced Removal of communities from Molteno to Ilinge Township.	Families were separated, no proper housing was provided, kids were not accepted to other schools resulting in them dropping out of school, skilled people left the area	Land claims, housing backlog
1973	Pest infestation	Crops were destroyed resulting in increase in unemployment and high poverty rates	High unemployment and dependency on grants
1974	Floods	Houses destroyed, crops destroyed, roads destroyed	Housing backlog, bad conditions of roads
1976	School uprising at Nomonde	Increase in school drop-outs, school children were beaten, school was burnt	New school was built in 1985
1984/5	Youth uprising	People were arrested, some killed, some fled, skilled people left and never came back	Unskilled community and high unemployment rate
2004	Floods	Farmers lost sheep, roads were damaged	Condition of roads bad, high poverty rate
2008	Pest infestation	Crops were destroyed by locust resulting in increase in unemployment and high poverty rates	High unemployment and dependency on grants

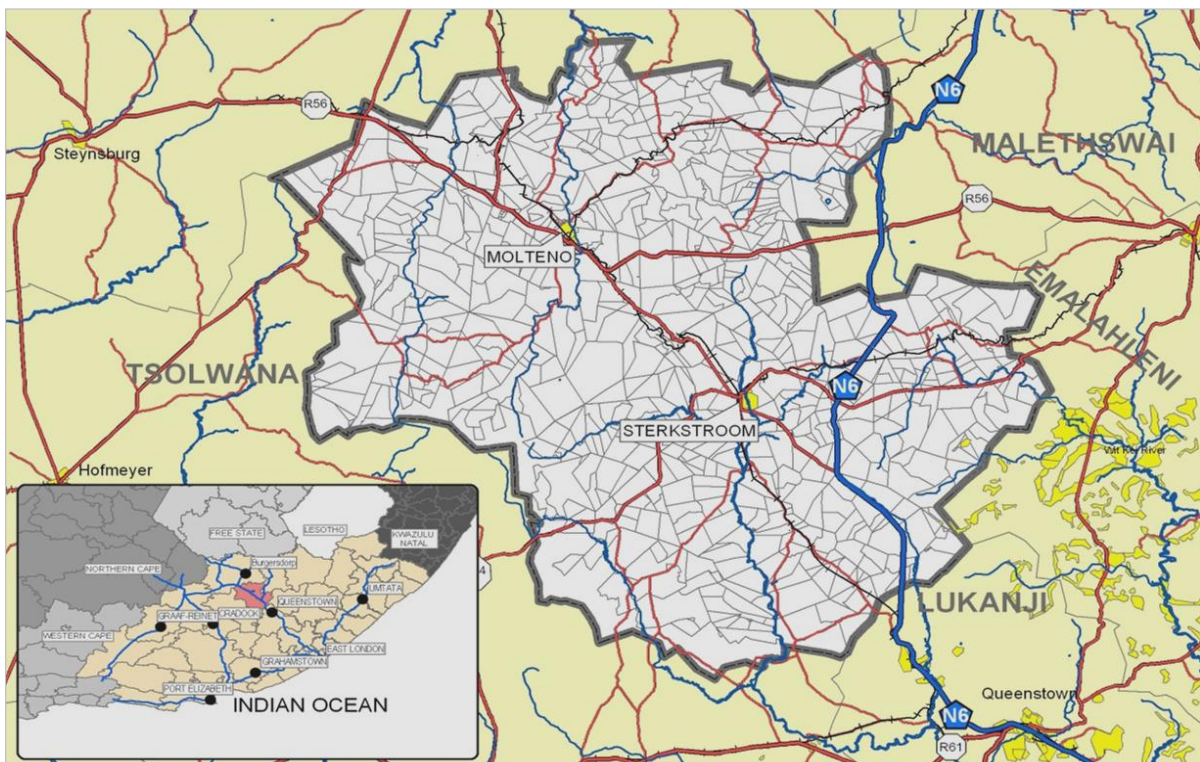
3. Chapter 2: Situational Analysis: Major Issues And Priority Development Needs/Challenges.

2.1. Background.

The Inkwanca Local Municipal is a category B municipality established in terms of Section 12 of the Municipal Structures Act 117 of 1998. The municipality is approximately 3583 KM², situated 60km north-west of Queenstown. It comprises of the towns of Molteno and Sterkstroom and the surrounding farming (rural) areas, with Molteno being the administrative seat of the municipality. The residential component of the municipality is mainly concentrated in the two urban nodes:

- a) **Molteno, including Nomonde, Molteno Town, Nkululeko and Dennekruin.**
- b) **Sterkstroom, including Masakhe, Sterkstroom Town, Sonwabile & Hoffmansville.**

The rural surroundings (farm areas) comprise a small portion of the total population in the municipality.



The municipality falls within the Chris Hani District Municipality and is bounded by the Tsolwana, Gariiep, Maletswai, Emalahleni and Lukhanji Municipalities. The N6 national road between Bloemfontein and East London play an important link through the municipality. In addition, the R56 route from Pietermaritzburg runs through

Molteno towards Middelburg is a further important road-link. The area has a rich historical background dating back to the 18th century with a number of monuments and key places of interest. Commercial agriculture is the main economic activity in the municipality.

Inkwanca consists of 4 wards, extends over 3583 KM² and has 4 councillors. The leadership of Inkwanca Municipality is acutely aware of the challenges confronting the municipality and has identified the provision of basic services and facilitation of socio-economic development of the area as key priorities supported by capable and modern infrastructure for social, economic and institutional development.

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

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

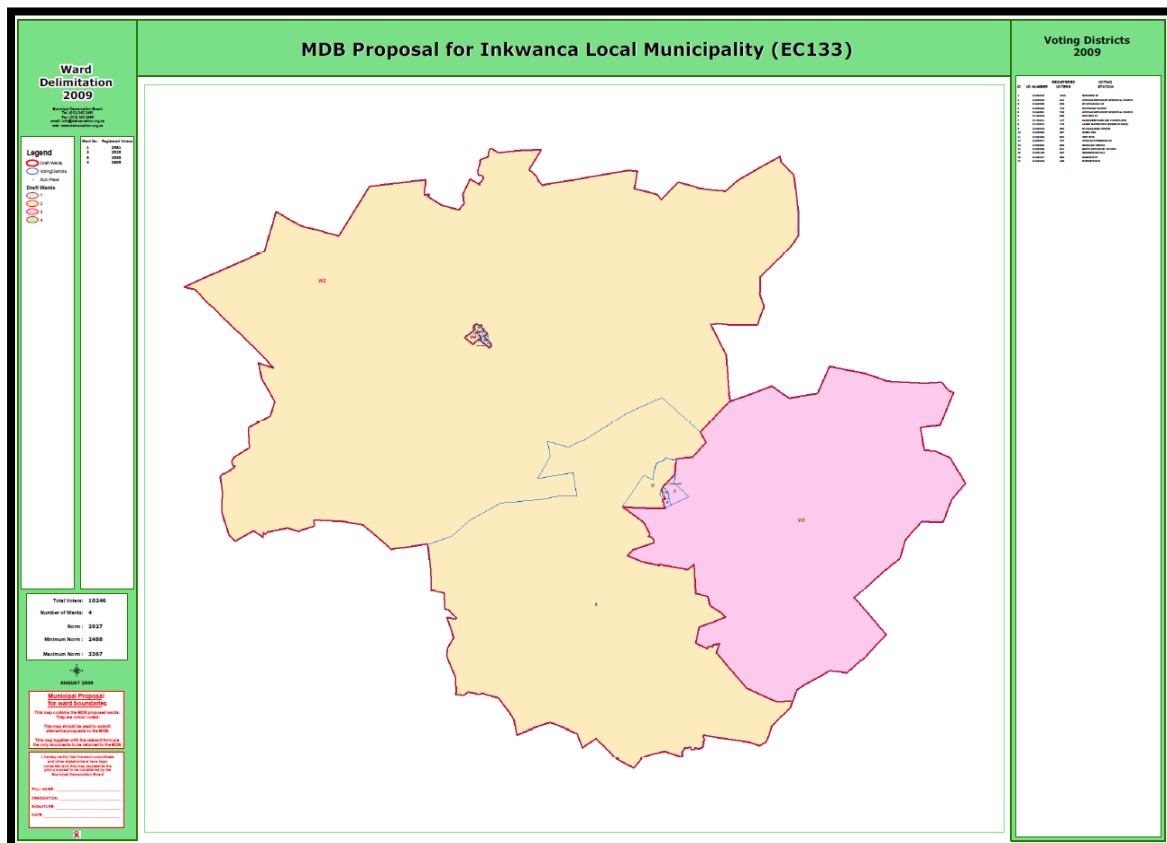
Other identified strengths and opportunities include:

- Local resources (natural, human and information);
- Potential for new businesses and community private-public partnership;
- Availability of local technical expertise;

Non-political and resourced NGOs and CBOs that provide aftercare;

For the first time in 2011, Inkwanca LM was delimited into four wards as depicted in Map 1.0 below:

1) Ward 1 – Ward 4.



2.2. Seasonality

The seasonality exercise sought to analyze elements within the community that are largely seasonal such as labour use and agricultural cycles. The table below reflects such seasonality as identified by the community.

MONTH	CLIMATE	SICKNESSES	EMPLOYMENT	CRIME	INFRASTRUCTURE
January & February	Very Hot	Chronic diseases	Low – crops die because of heat	High	Electricity blackouts because of thunder, condition of roads bad
March	Cool	Less sicknesses	Slight improvement – dependent on construction work	High	-
April May June July August September October	Very Cold	Chronic diseases	Low – farmers can't plough because of very little rainfalls and very cold weather	Very high – rape, theft	-
November December	Very hot, rainy	Chronic sicknesses	Slight improvement – farmers depend on rain for planting crops	Very high – stock theft	Conditions of roads bad

2.3. Livelihood Analysis

The livelihoods analysis exercise was undertaken in order to ascertain the livelihoods of different social groups within the community. The table below reflects the perceived livelihoods of different social groups within the community as reflected from the community's perspective.

ASSETS	CHALLENGES	POSSIBLE INTERVENTIONS
Women	<ul style="list-style-type: none"> ▪ Job opportunities very limited ▪ Limited knowledge of doors to knock to they can get assistance 	<ul style="list-style-type: none"> ▪ Skills development and assistance on projects
Youth	<ul style="list-style-type: none"> ▪ No projects for youth to keep them busy ▪ Skills development very limited ▪ Education 	<ul style="list-style-type: none"> ▪ Skills development ▪ Workshop on available opportunities
Farmers	<ul style="list-style-type: none"> ▪ Unskilled farmers 	<ul style="list-style-type: none"> ▪ Skills development ▪ Training of farmers on managing their farms
Men	<ul style="list-style-type: none"> ▪ Job opportunities ▪ Abuse 	<ul style="list-style-type: none"> ▪ Skills development

2.4. Venn Diagram

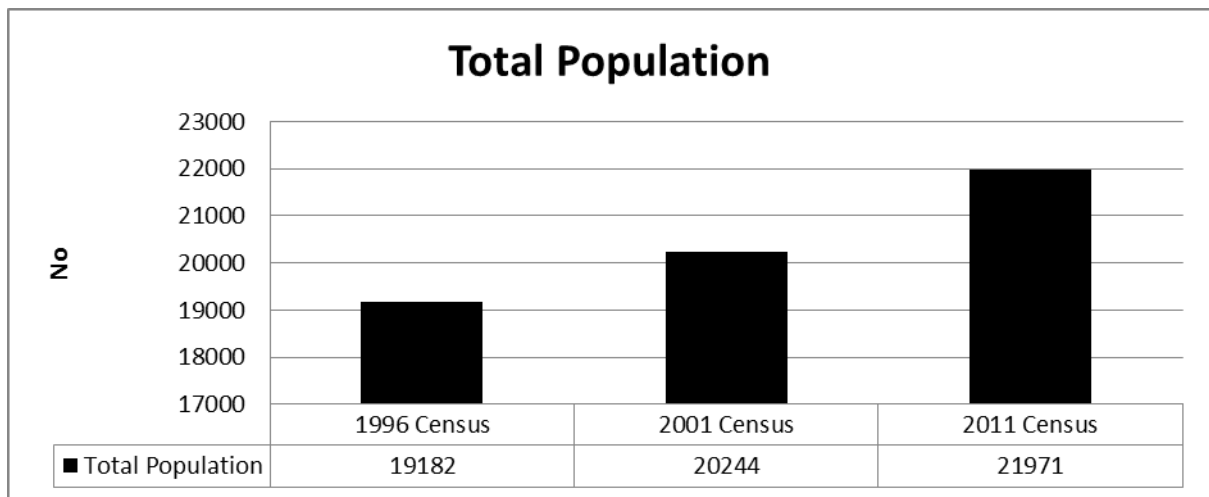
Broader mixed community group identified different organizations active in the community and how important and accessible their services are. The community first brainstormed & listed the **importance** of the service providers to the community, rating them from 1 to 5, **1 being never needed and 5 being very dependent on the service**. They later determined **accessibility** of those services, rating them from 1 to 5, **1 being weak and 5 being excellent**.

DEPARTMENTS/SERVICE PROVIDER	WARD 1 and WARD 4		WARD 2 & 3	
	IMPORTANCE	ACCESSIBILITY	IMPORTANCE	ACCESSIBILITY
Health	5	3	5	3
SAPS	5	1	5	2
Human Settlement	5	4	5	3
SASSA	5	3	5	2
Social Development	5	4	5	2
Public works	5	3	5	2
Education	5	3	5	3
Agriculture	5	4	5	2
DEDEAT	5	2	5	1
Home Affairs	5	3	5	4
Municipality	5	3	5	4

Dpt. Justice	5	1	5	1
Correctional Services	5	3	5	1
Land Reform	5	2	5	1
DSRAC	5	1	5	1

2.5. Population Demographics.

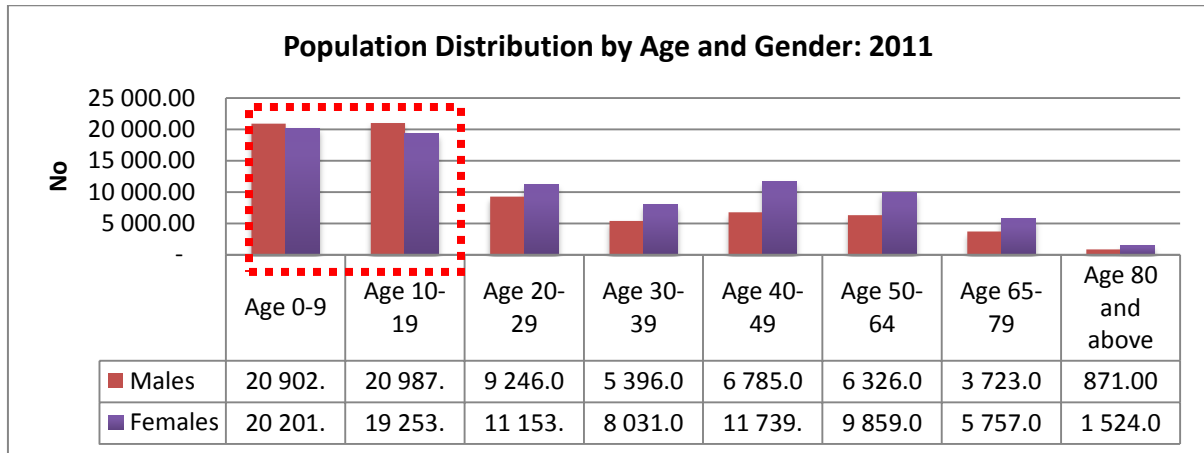
2.5.1. Municipal Population.



According to information supplied by Statistics SA from 2011 Population Census, Inkwanca LM had a population of about 21,971 in 2011. Whilst the population has increased by an average of 2% from 1996 to 2011, it is currently the smallest population in CHDM following Tsolwana LM.

The slow pace of population growth can be attributed to either a high death rate or low birth rate due effective family planning and other related variable for both variables. The other reason could be economic emigration to more affluent and developing economies in the province and country.

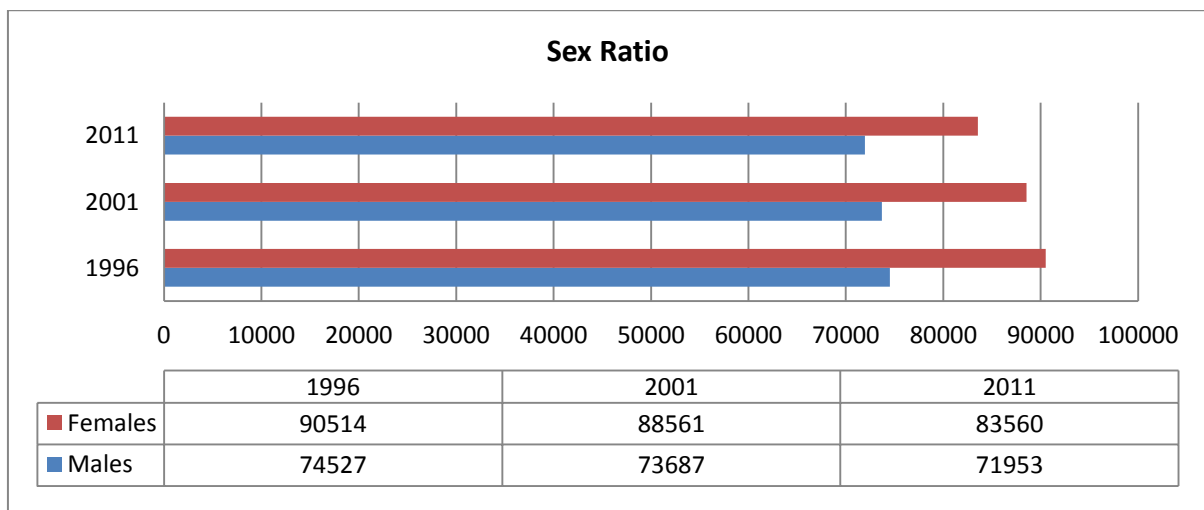
2.5.2. Population by Age and Gender.



The CHDM’s population is predominantly children and teenagers from the age of 10 to 19 years old. The distribution between males and females is almost even with a marginal difference of less than 1% between both genders.

2.5.3. Population by Gender.

The population is predominantly female dominated at 56% with males constituting 46% of the population. There is a universal consensus that women have a longer life expectancy than males, therefore given the current male to female ratio, various programmes and campaigns need to be put in place by Inkwanca LM in order to empower women in the short to medium term. The other fact is in society at large.



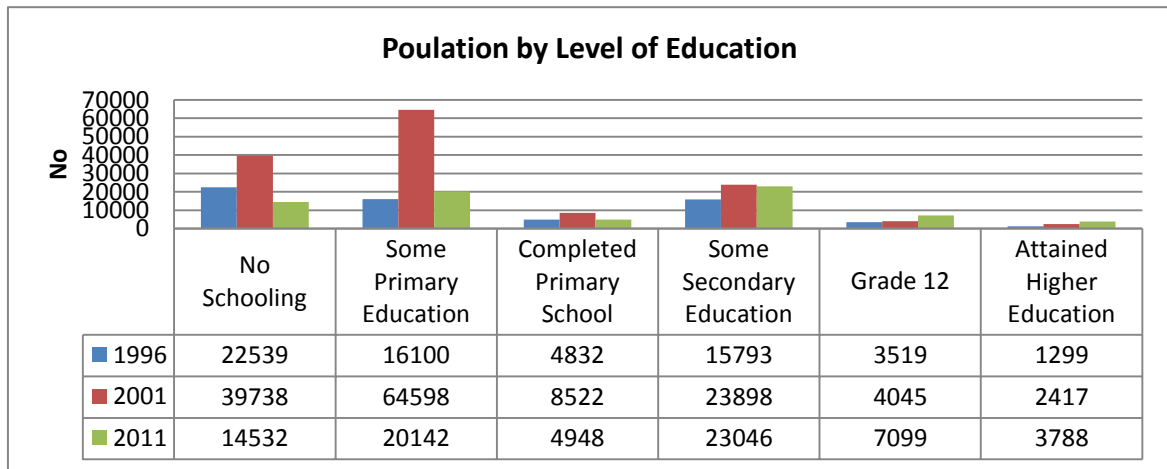
The situation as it stands suggests that there are more women-headed-households than the contrary owing to various human circumstances, thus the argument of women

empowerment need to be started and intensified. Such empowerment, when properly conceived and implemented will further curb population growth, which is perceived as an outcome of women’s lack of economic opportunities.

If women’s health, education and economic well-being are improved along with their role and status in the community, the empowerment of women will inevitably lead to smaller families and lower or manageable population growth.

2.5.3. Population by Level of Education.

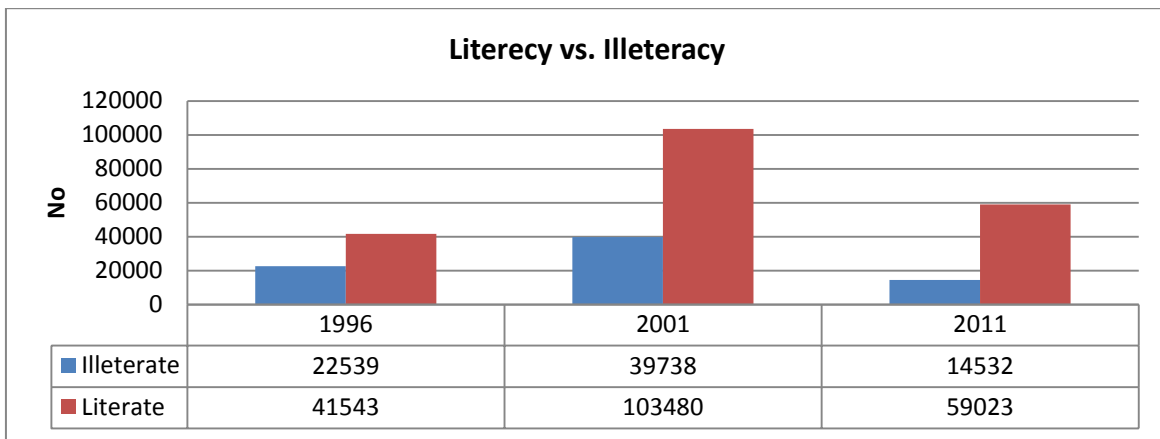
The number of people with less than Grade 12 has decreased by considerable margin from 1996 to 2011.



The decrease in people with no schooling can be attributed to various factors, such as urbanization, free basic education as well as adult basic education programmes that have been introduced by government whilst the increase in school leavers with tertiary education can be attributed to poor grades and lack of means to finance tertiary education.

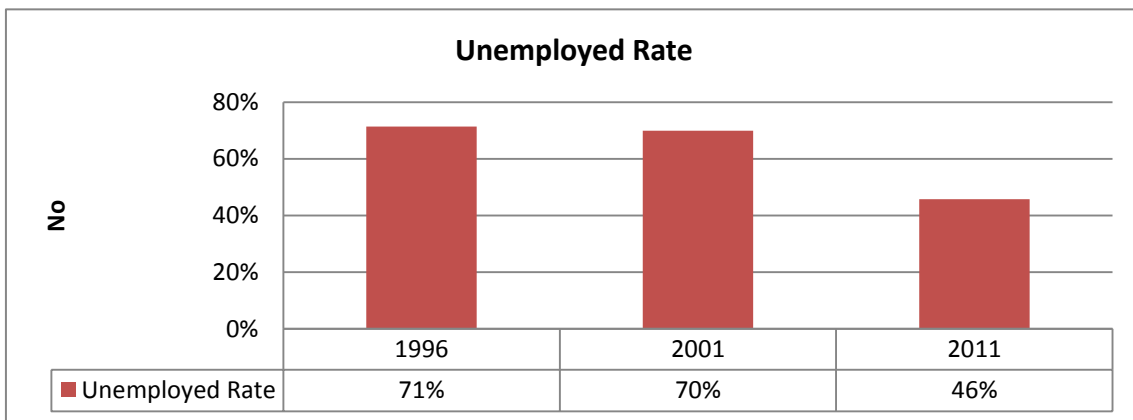
Grade 12 pass rates have seen a gradual increase Year-on-Year from 1996 to 2011 by a very small margin and this is far from the acceptable levels.

2.2.5. Literacy vs. Illiteracy.



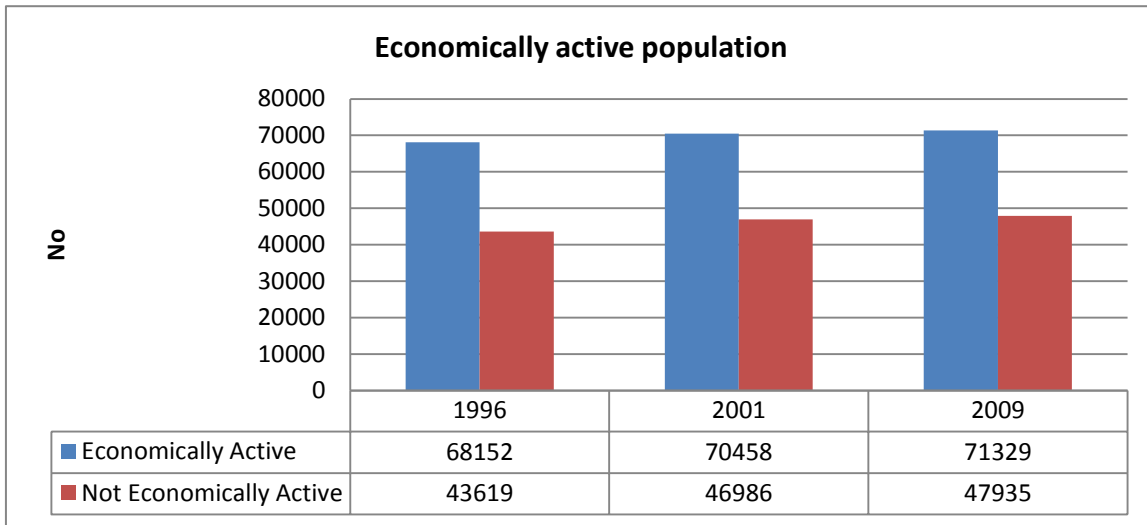
Literacy rate is fairly high amongst citizens whilst it has experienced decline between 2001 and 2011. The decrease in literacy rate will lead to lack of or poor comprehension of socio-economic variables.

2.2.6. Unemployment Rate



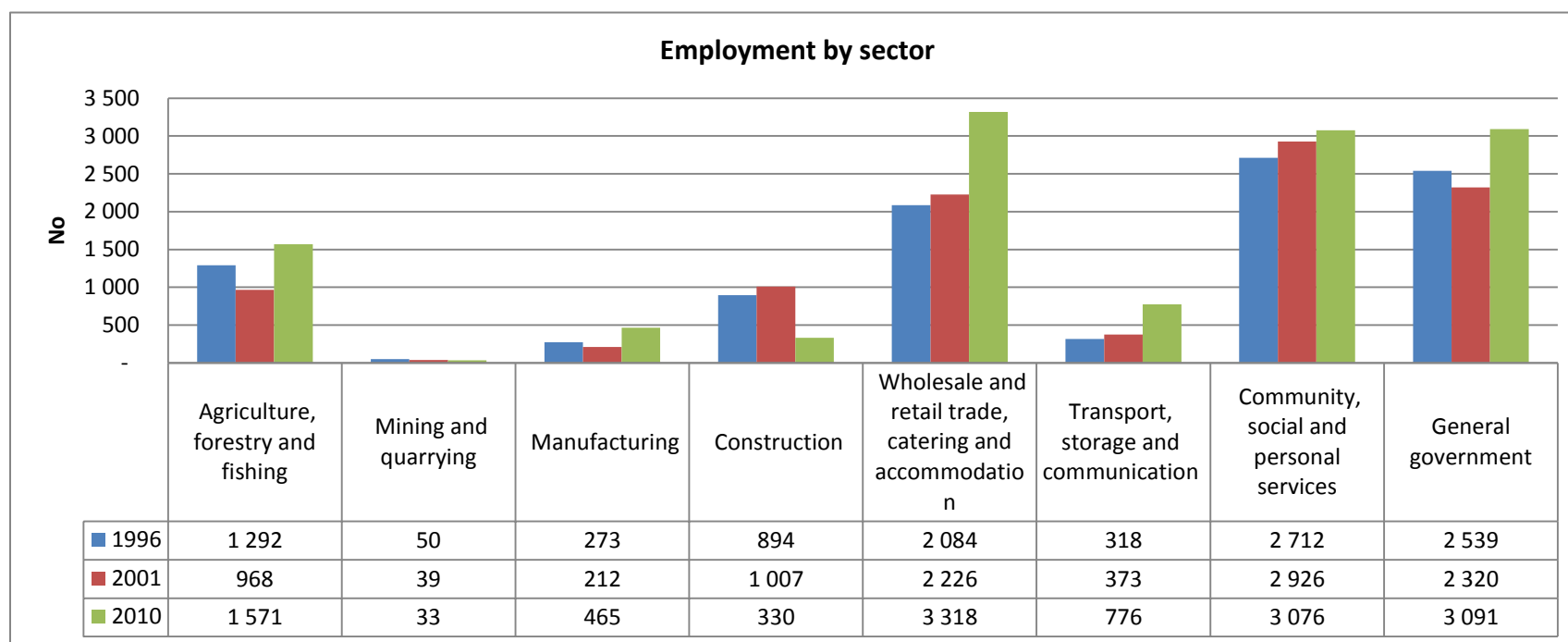
The ILM's economy felt the full impact of a negative economic growth on general employment, which is evident from the above graph. About 70% of the Inkwanca population was unemployed in 2001 and that has decreased by 24% to 46% in 2011.

2.2.7. Economically Active Population.



40% of the ILM population is not economically active and therefore depends on the 60% of the economically active population. Thus every working person at Inkwanca supports a minimum of 4 people per household.

2.2.8. Employment by Sector

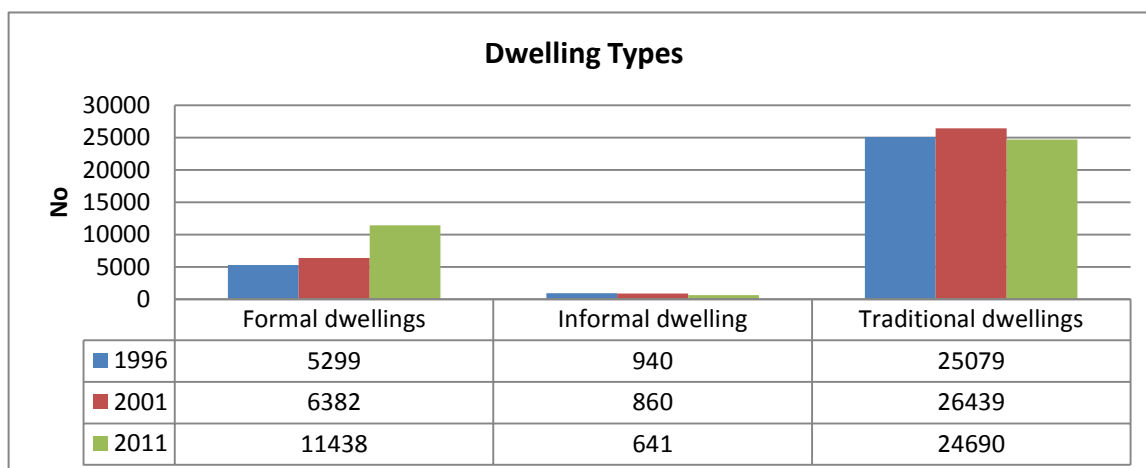


Despite it being generally a low wage sector, the trade sector shows a high labour absorption compared to the transport, business services and finance sector. This sector was followed by community, social and personal services as well as the general government sectors which accounted for more than 60% of the available jobs.

The agricultural sector has created just over 1000 jobs in 2010 followed by manufacturing, with just over 500 jobs. The mining and quarrying has performed poorly over the years and has an insignificant contribution to ILM's economy. The situation suggests that Inkwanca produces very little or no commodities to support its retail sector and imports its goods from outside. The economic structure is not sustainable and depends on government to create jobs.

2.2.9. Dwelling Types.

As the municipality is rural in nature, it stands to reason that almost 80% of dwellings are traditional dwellings which are found in the most rural parts of the municipality.

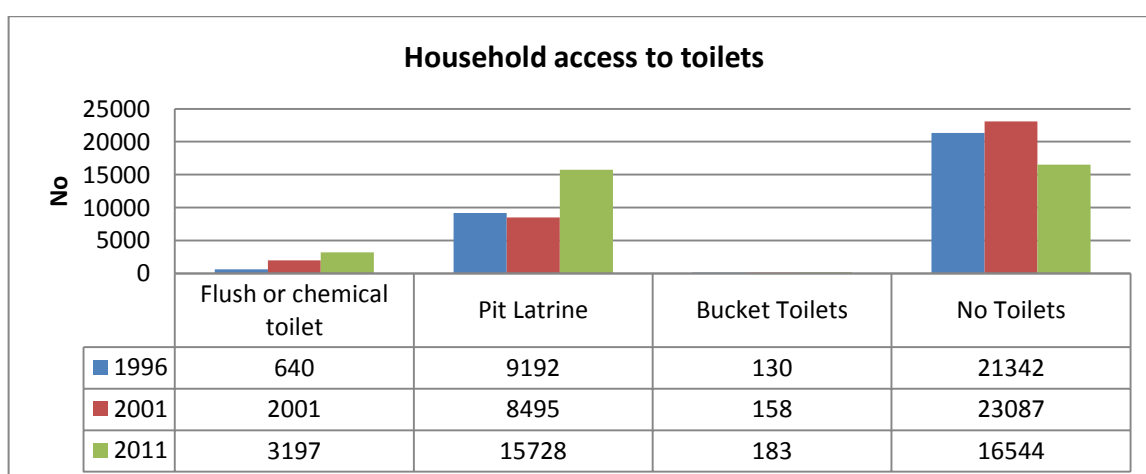


These traditional dwellings are characterized by the predominance of single-detached dwelling units.

3.2. Access to Services.

3.2.1. Household access to toilets.

The municipality provides a supply of waterborne sanitation services through sewers provided that there are sufficient water resources and infrastructure to sustain such a service.

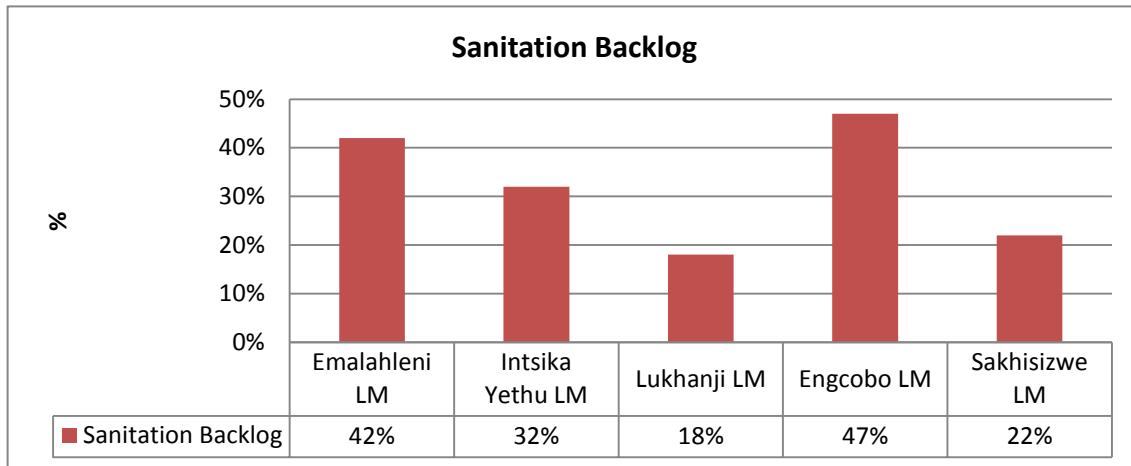


About 45% of the ILM population does not have access to either sanitation infrastructure or services. The consequence of lack of proper sanitation infrastructure and services will result in raw sewerage running on the streets,

mixing with litter and garbage and contributing to environmental damage and spread of diseases.

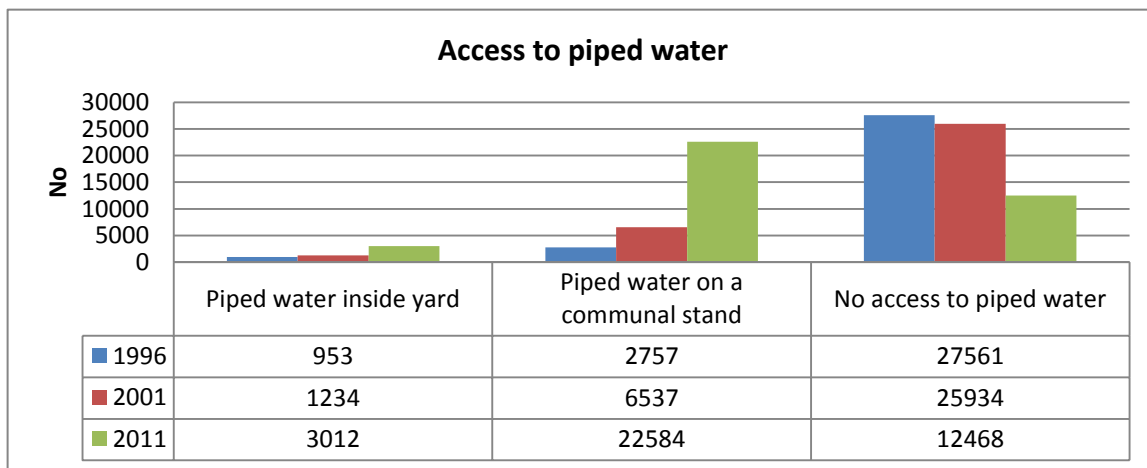
3.2.2. Sanitation Services Backlog.

According to the CHDM WSDP 2012 (*Sanitation Services Backlog, Page 9 of 143*), the current sanitation services backlog per municipality has been measured as follows;



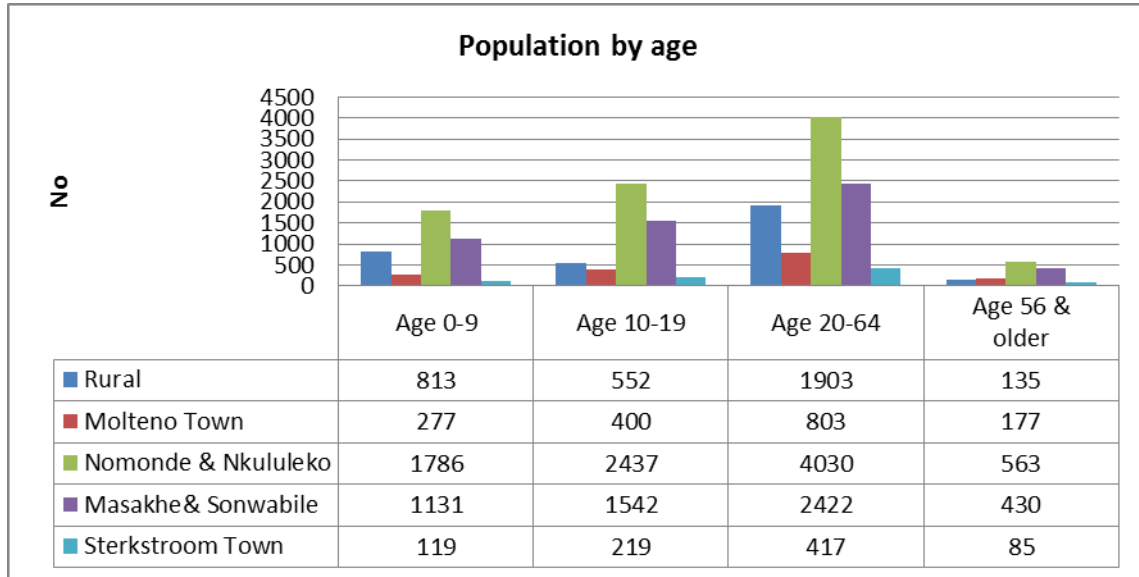
Inkwanca Local Municipality remains lowest in terms of sanitation backlog but remains challenged in many areas.

3.2.3. Household access to water.



There is a considerable decrease in the number of people who do not have access to water. However about 5% of the ILM population still fetches water from dams and streams.

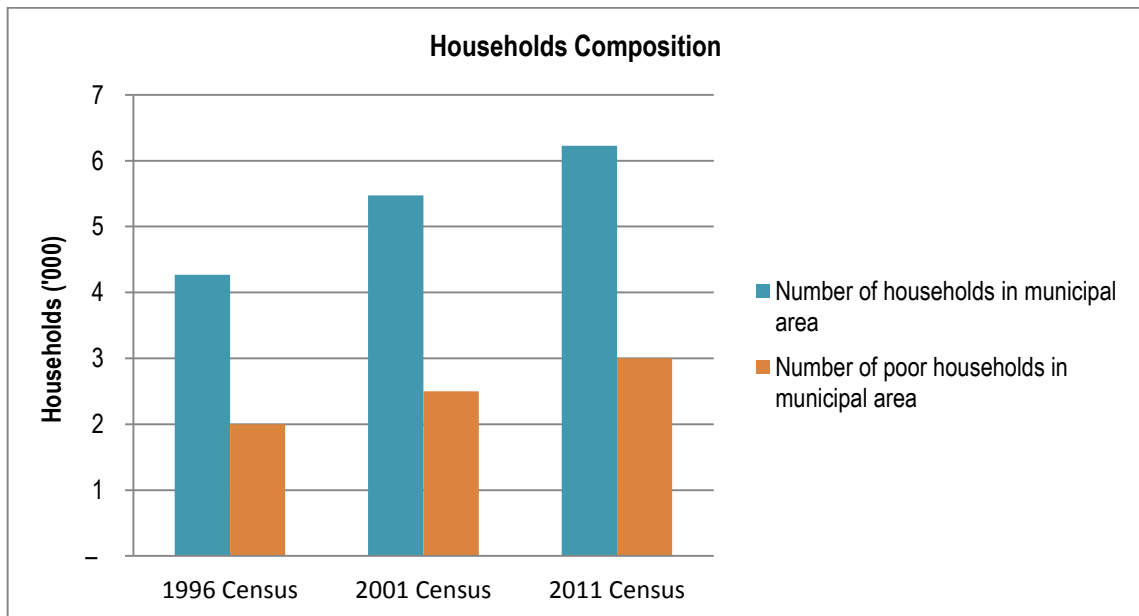
3.2.4. Population by Age & Location.



Inkwanca LM currently has a population of children from age 0-9 constituting 20% while it has a teen and early adulthood population of age group between 10 – 19 constituting 25% of the total population in all its demographic forms. The working population of age group between 25–64 constitutes 47% whilst the older population of 65 and above constitutes 7% of the population.

The current age profile implies that the active labourforce (20-64) which constitutes 47% of the population has to work and support 52% of the population as the age group of 0-14, age group 15-25 and age group of 65 and above are an economically dependent burden in the sense that they are non-productive members of the society and must be supported by the economically active labour force and the state in the case of old age grant earners.

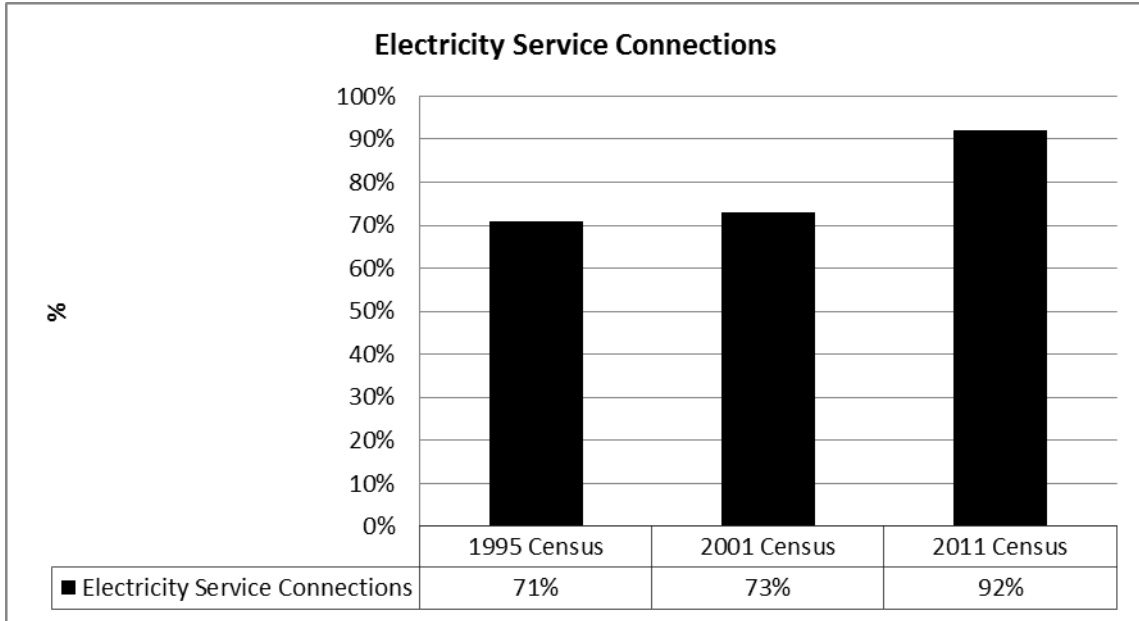
3.3. Household Distribution.



Almost 50% of the Inkwanca households were poor in 2011. This was the same trend during both the 1996 and 2001 Census.

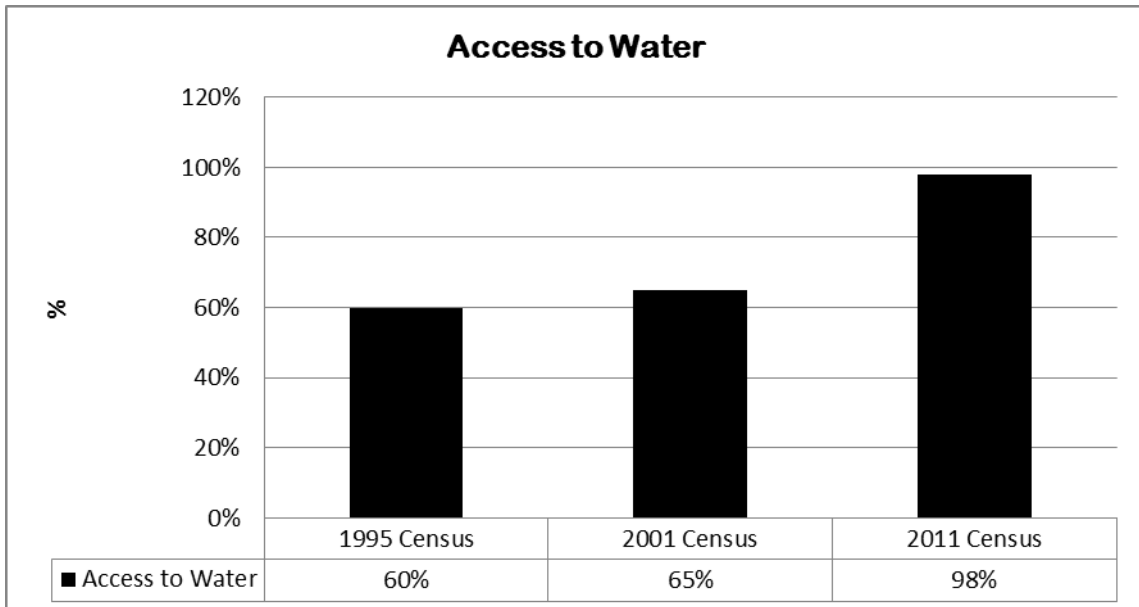
3.4. Access to Services.

3.4.1. Electricity Service Connections.



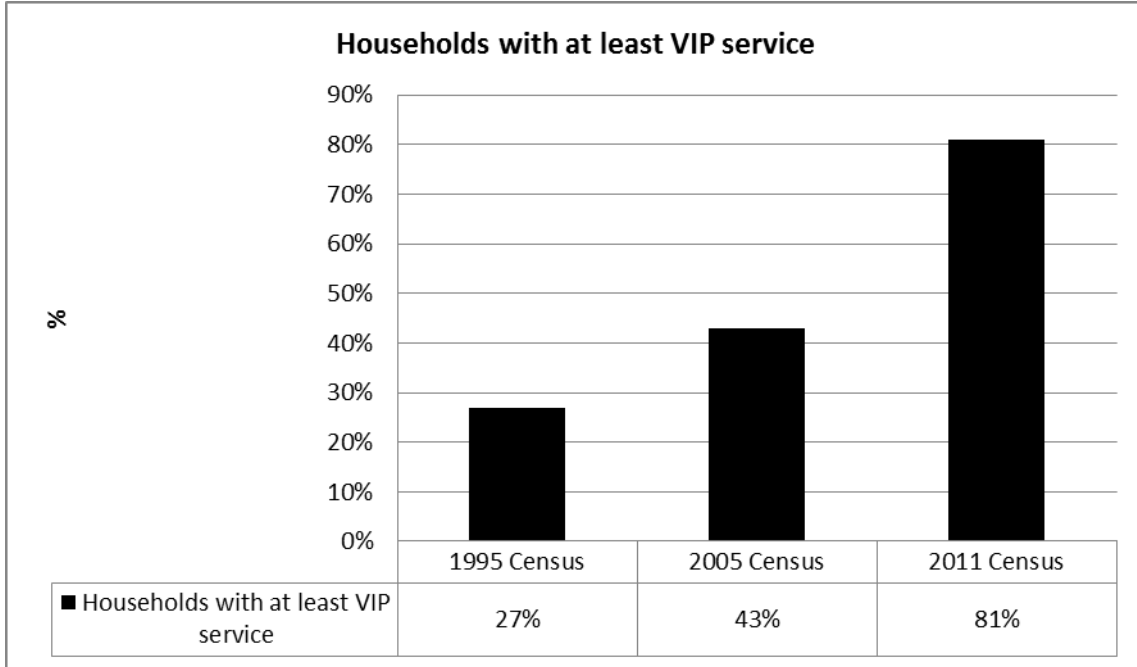
About 92% of the total population had access to electricity. Therefore only 8% of the population uses candles, paraffin etc, for lighting and heating. Access to electricity also indicates an improvement in the quality of life.

3.4.2. Access to Water.



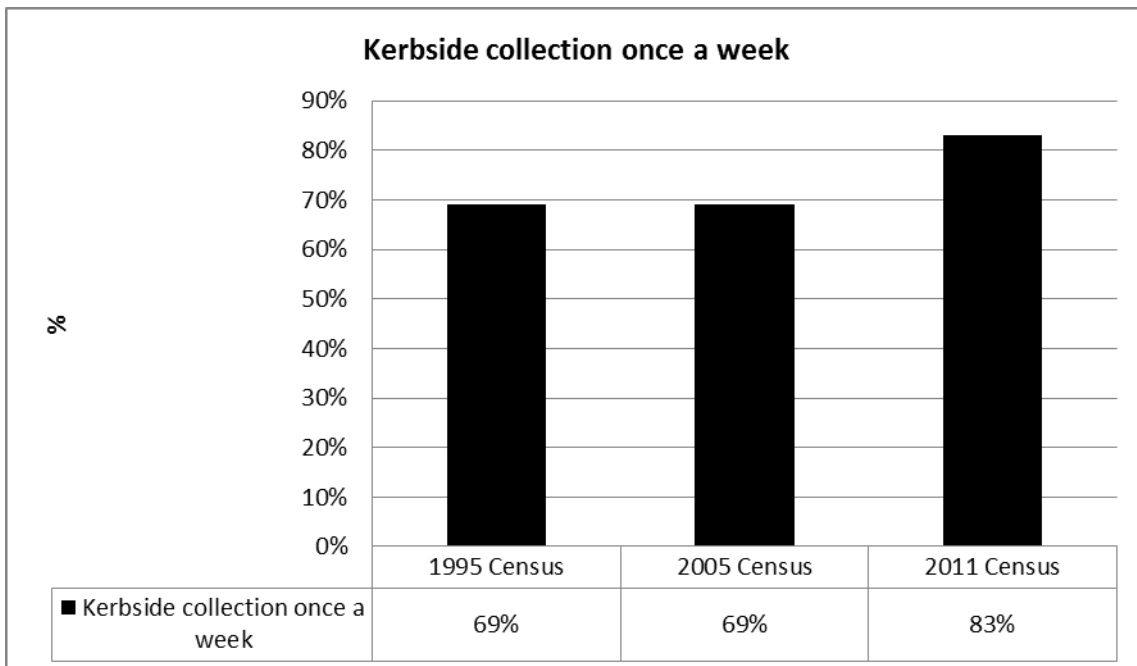
About 98% of the total population had access to piped water. Therefore only 2% of the population still fetch water from the rivers or dams. Access to water also indicates an improvement in the quality of life.

3.4.3. Access to Sanitation Services.



Sanitation backlog at Inkwanca was at 9% in 2011 and considered to be very low in comparison to other municipalities in the region. This could be attributed to spatial size of these municipalities and the fact that they are highly rural in nature. This trend is similar to the water services backlog, which is highest in the same municipalities.

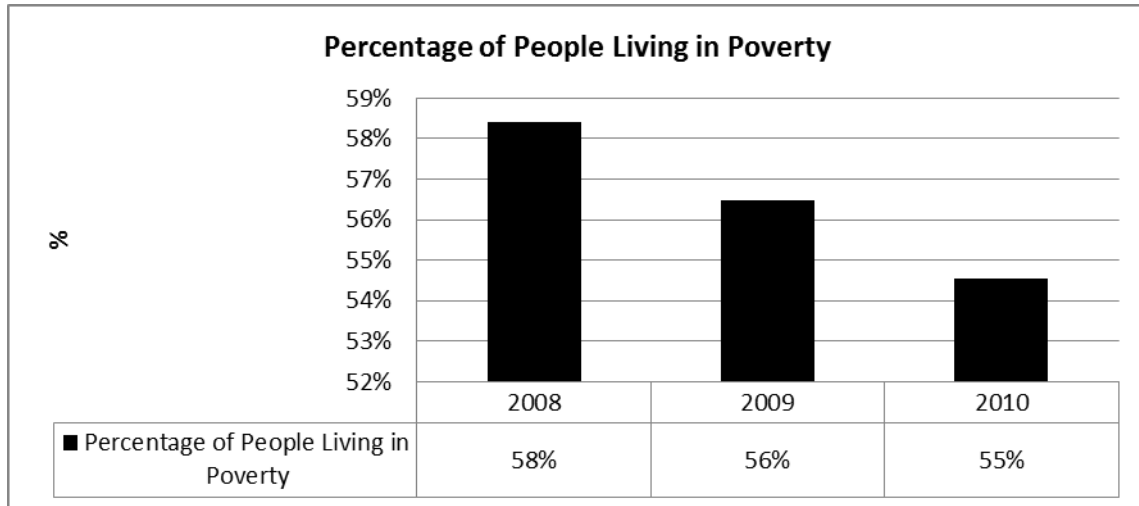
3.4.4. Access to Solid Waste Collection.



About 7% of the population that still didn't have access to refuse removal in 2011. This could be the portion of the population who resides in the rural nodes of the municipality and thus do not pay for refuse removal services.

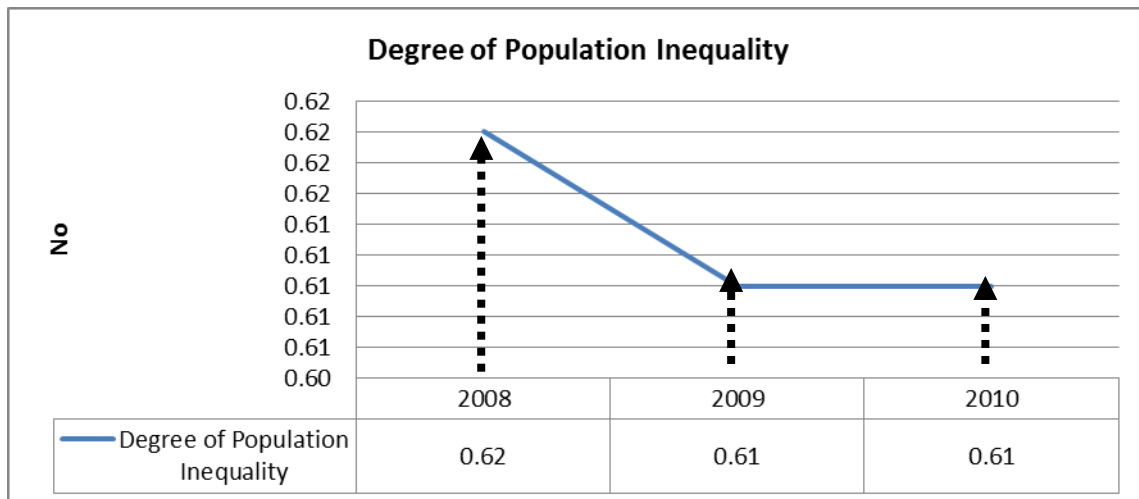
3.5. Poverty Indicators.

3.5.1. People Living in Poverty.



About 55% of the Inkwanca population was both poor and ultra-poor. This implies that these people either earn no income or they live below poverty line and can only afford the minimum necessities.

3.5.2. GINI Coefficient Index.



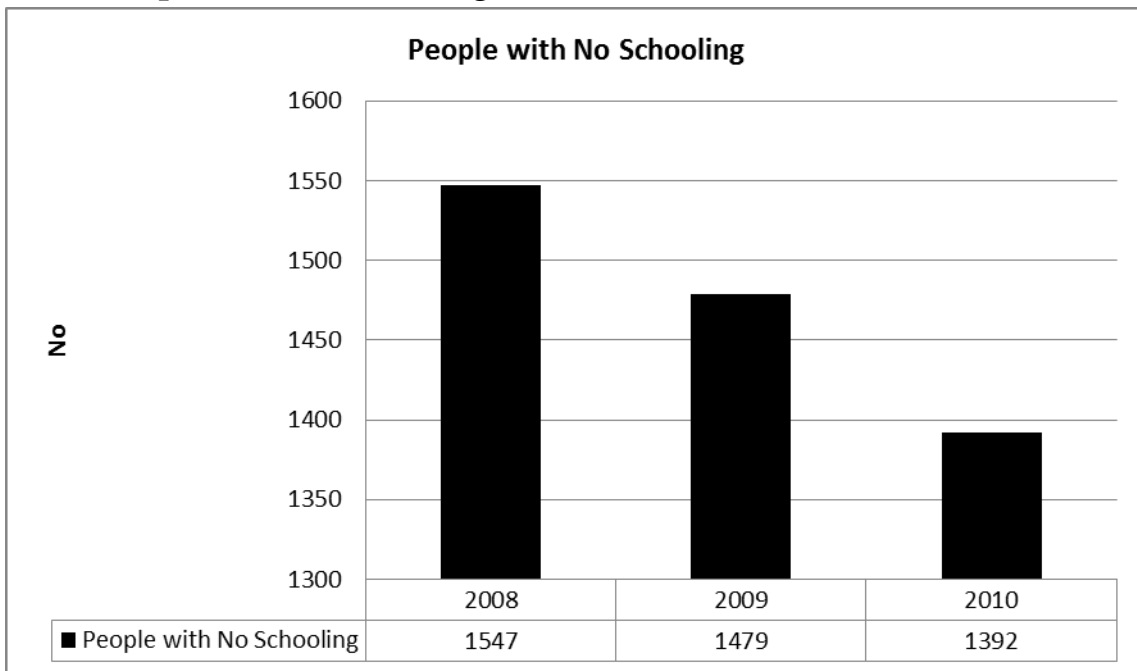
Gini Coefficient Index is used to measure the degree of inequality in terms of income distribution in a particular economy. The index varies between 0 and 1. If incomes are distributed equally, the Gini coefficient is zero.

In 2008, the Inkwanca LM's Gini Coefficient Index was 0.62, which implies that income distribution was highly uneven and benefited a small portion of the

society. In 2009 and 2010, the index was even at 0.61. Whilst this was still high, it means that income distribution was gradually moving towards 1.0 meaning that there was a reasonable distribution of income whilst it remained moderately uneven.

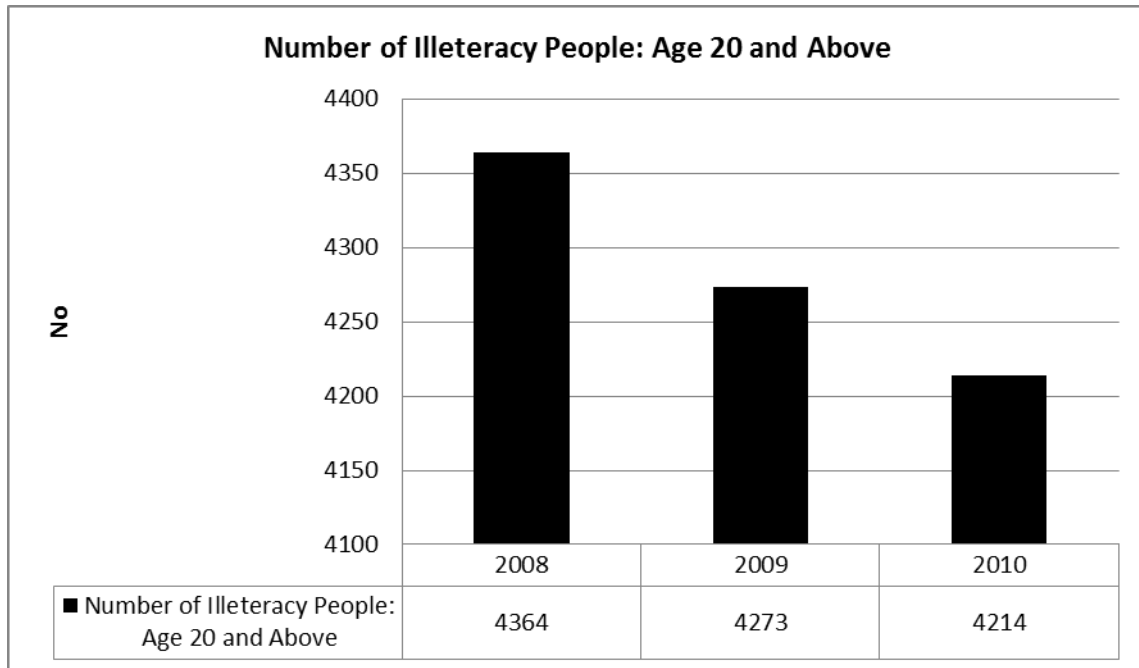
3.6. Education and Literacy Indicators.

3.6.1. People with No Schooling.



Literacy rate is fairly high across the population congruent to the demographic composition of the municipality.

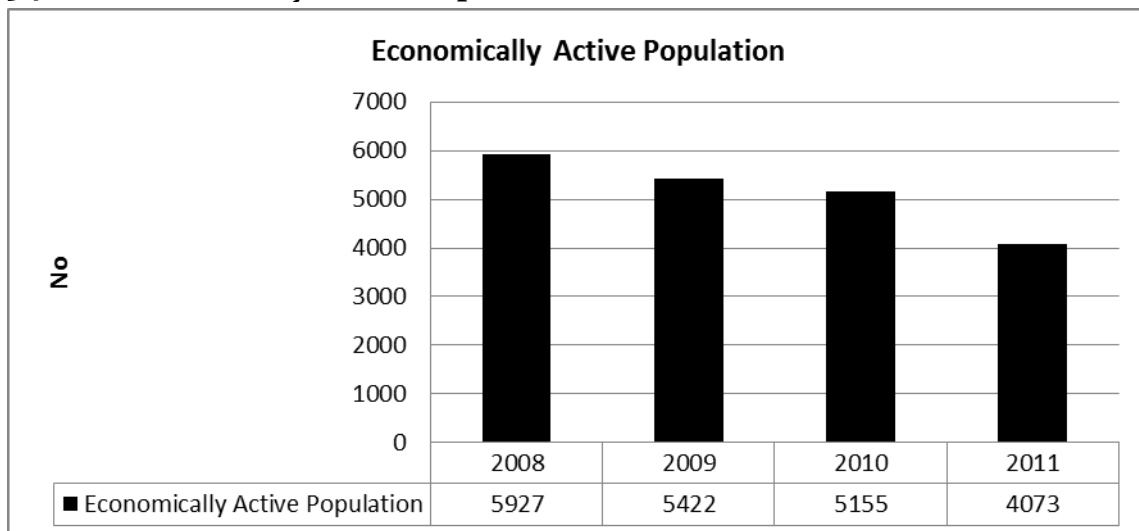
3.6.2. Illiteracy Rate.



Illiteracy rate is fairly low across the population congruent to the demographic composition of the municipality.

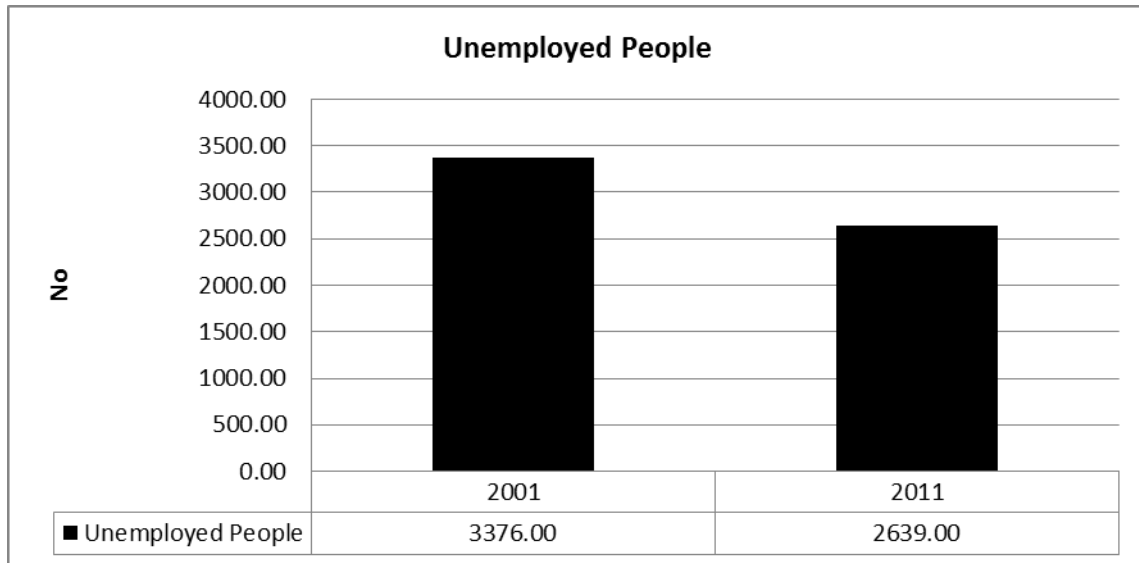
3.7. Economic Indicators.

3.7.1. Economically Active Population.



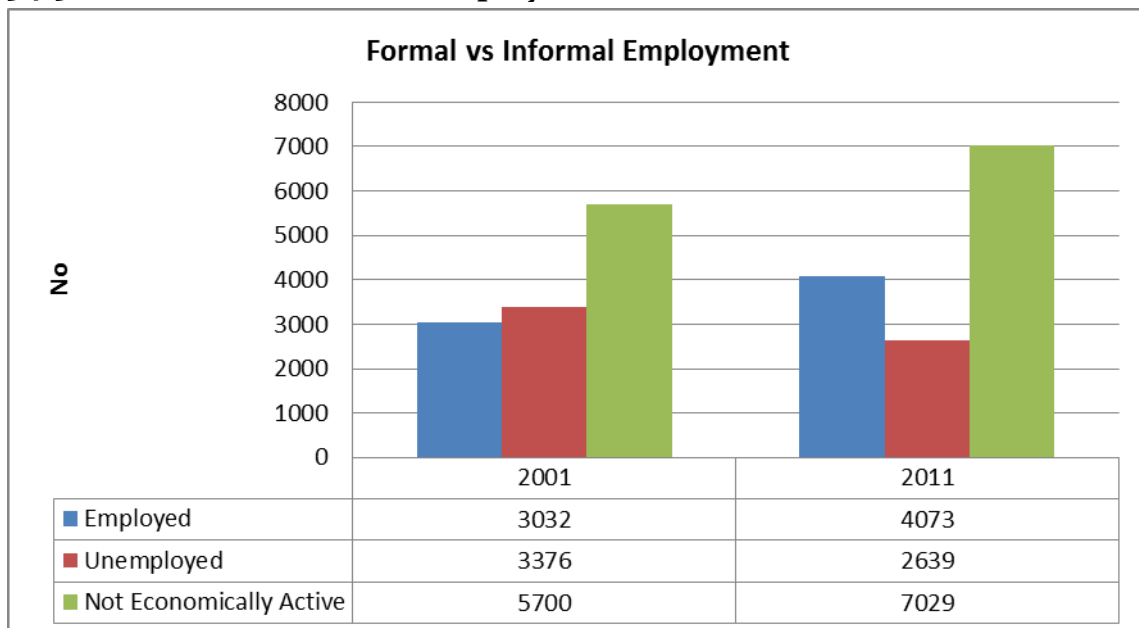
The economically active population are those people who are willing and able to work. According to Stats SA only 7029 people at Inkwanca were economically active. This implies that just over 19% of the Inkwanca population supports about 81% of the total population.

3.7.2. Population Unemployment.



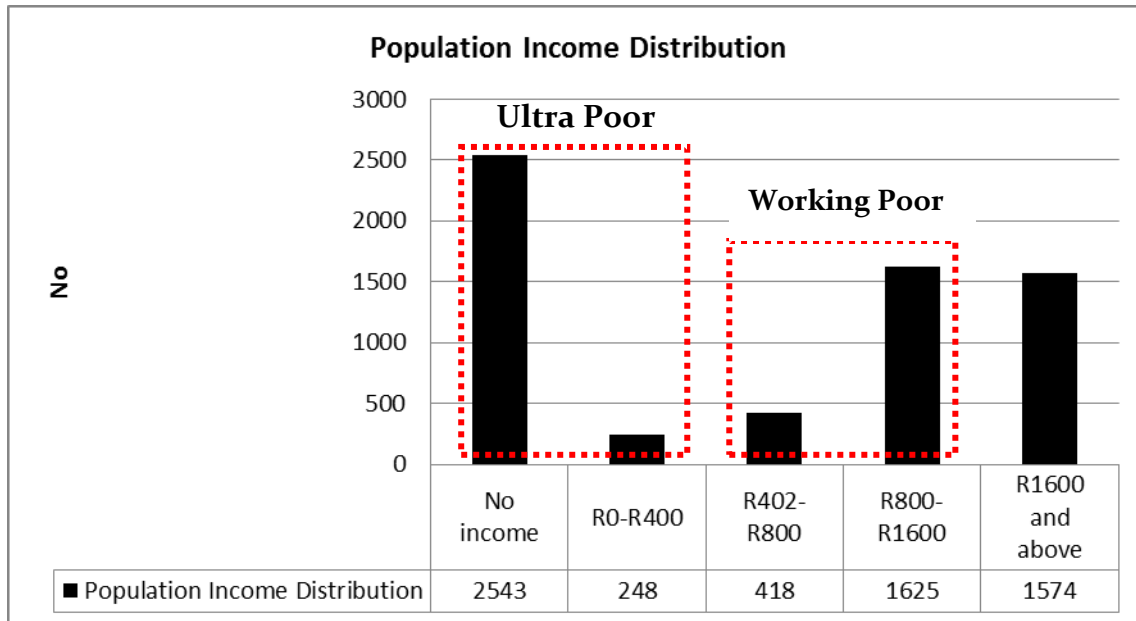
About 2639 people at Inkwanca were looking for work but could not find it and were therefore unemployed. These people exclude those under the age of 20 and over the age of 65 years. These people then become dependent to the 4073 employed people and depend directly or indirectly on government social grants.

3.7.3. Formal and Informal Employment.



The number of people who were full-time employed at Inkwanca in 2011 was about 4073, which also represents about 19% of the working population. The permutations are the same as with the economically active population.

3.7.4. Population Income Distribution.



The household distribution per income group indicates that the income levels of most households have been predominately between **R400** and **R1 600**. Whilst this earning category has largely been concentrated, 43% of the workers in this income category cannot afford most of the basic services and are thus referred to as the “**Working Poor**”.

About 2500 people which represents 11% of the population was “**Ultra Poor**” in 2011, earning below R400 a month.

4. Internal Situational Analysis of Inkwanca Local Municipality.




4.1. Introduction.

IDP thematic clusters namely: Economic Development, Institution and Finance, Social and Environmental and Infrastructure and Spatial clusters conducted an in-depth analysis of the situation at Inkwanca Local Municipality. The situation analysis has been categorized according to the five (5) Local Government Key Performance Areas namely:

Local Government Key Performance Areas	
Key Performance Area 1	Municipal Transformation and Development
Key Performance Area 2	Basic Service Delivery and Infrastructure Development
Key Performance Area 3	Local Economic Development
Key Performance Area 4	Municipal Financial Viability and Management
Key Performance Area 5	Good Governance and Public Participation

The analysis of the current situation on both the KPA’s and KFA’s has been done using the following system;









The Analysis of the key focus areas will be conducted according to the following rating system:

1	Good performance/implementation/standard	
2	Average performance/standard or policy in place with average implementation	
3	Poor performance/standard or no performance	







4.2. Key Performance Area One: Governance and Stakeholder Participation.

Strategic Objective: To ensure good governance and the participation of stakeholders.





4.2.1. KFA 1: Governance and Structures.

Description	Rating
Council has been duly elected and is fully functional	
Mayor	
Sect 80 Committees (Portfolio Committees)	
Sect 79 Ethics Committee	
Sect 79 MPAC (Municipal Public Accounts Committee)	
Sect 79 Naming	
Sect 79 Petitions	
Audit/ Risk Committee	






Inkwanca Local Municipality Integrated Development Plan for 2013-2014

IDP Representative Forum	
Office of the Speaker	
Ward Committees in all 4 wards	
Office of the Chief Whip	
Municipal Code (Bylaws)	
Town Planning Tribunal	



4.2.2. *KFA 2: Stakeholder Participation.*

Description	Rating
Petitions Policy	
Petitions Committee	
Functional ward committees in all 4 wards	
Participation in IDP and Budget process	




4.2.3. *KFA 3: Risk Management.*

Description	Rating
Anti-Fraud and Corruption Management Committee	
Risk Management Policy	
Risk Register	
Risk Management Committee	
Disaster Management Plan / Risk Management Plan / Business Continuity Plan	

4.2.4. *KFA 4: Policies and Procedures.*

Description	Rating
Policy Register	
Regular review of policies	





Inkwanca Local Municipality Integrated Development Plan for 2013-2014

System of Delegations	
Delegations Register	
Rules of Order	





4.2.5. ***KFA 5: Bylaws.***

Description	Rating
Regular Review of bylaws	
Bylaws Register	




4.2.6. ***KFA 6: Monitoring and Evaluation.***

Description	Rating
Regular review of bylaws	
Regular review of service providers and contractors	
Project Management Unit	
Cascading of Performance Management System	














4.2.7. ***KFA 7: Inter Governmental Relations.***

Description	Rating
Dedicated IGR Unit	
Participates on Technical IGR	
Participates on SALGA functions	
Participates on District Mayoral Forum	

4.2.8. ***KFA 8: Communication (Internal and External).***

Description	Rating
Communications Policy	
Communications and Marketing Unit	
Internal newsletter	





Inkwanca Local Municipality Integrated Development Plan for 2013-2014

External newsletter	
Functional website	
Complaints Management System	
Corporate gifts policy	
Telephone systems	
Regular internal management meetings	
Departmental meetings	
Regular Mayoral Strategic Sessions	
Functional website and Compliance with Sect 75 of MFMA	
IDP Fora	
Functional Ward Committees in all 4 wards	
People's Assembly	
E-mail system	

4.3. Key Performance Area Two: Safety and Environment.

Strategic Objective: To ensure safety within the community as well as a healthy and protected environment.

4.3.1. KFA 9: Traffic Control.

Description	Rating
Traffic Law Enforcement	
Speed Law Enforcement	
Traffic Administration	
Community Training/ Projects	

4.3.2. KFA 10: Environmental Management




Description	Rating
-------------	--------

Environmental Management Framework	
------------------------------------	---





4.3.3. KFA 11: Disaster Management

Description	Rating
Disaster Management Plan	
Disaster Management Centre	

4.3.4. KFA 12: Fire Fighting Services

Description	Rating
Firefighting Station	
Fire Prevention	
Community Training /Projects on fire & disaster	




4.3.5. KFA 13: Municipal Bylaw Enforcement.

Description	Rating
Bylaws on stray animals	
Bylaw for billboards and advertising	
Bylaw of keeping dogs and birds	
Bylaw on liquor trading	

4.3.6. KFA 14: Parks and Open Spaces.














































Description	Rating
Freedom Park	

Inkwanca Local Municipality Integrated Development Plan for 2013-2014































Sterkstroom Park	
Nomonde Park	
Sterkstroom Mini-Parks	

4.4. Key Performance Area Three: Social and Community Development





4.4.1. KFA 15: Sustainable Human Settlements.

Status of service delivery in human settlements								
Ward No.	Settlement	Number of structures	Services				Housing Backlog	Settlement linked to Housing Project
			Potable water	Electricity	Sanitation	Refuse removal		
Ward 1	Mdantsane	474						Not linked to housing project
	Y Section IDT Sites	82						Project linked RDP houses
	Z, Y, B, R Sections	282						Not linked to housing project
	Y and Old Location	343						Not linked to housing project
Ward 2	Y Section Molteno	43						Not linked to housing project
	Dennekruin	75						Not linked to housing project
	Langgevagte	71						Not linked to housing project
	Molteno Town	547						Not linked to housing project
	Sterkstroom Town	654						Project linked RDP houses

Inkwanca Local Municipality Integrated Development Plan for 2013-2014

Ward 3	Sonwabile	742						Project linked RDP houses
	Mqeshi, Zwelitsha, Safari Delta and Zola	1248						Project linked RDP houses
ward 4	Mdantsane	100						Project linked RDP houses
	Nkululeko	452						Not linked to housing project
	Nceduluntu	117						Project linked RDP houses
	Phumlani	421						Project linked RDP houses









4.4.2. **KFA 16: Sport and Recreation Facilities.**

Description	Rating
Molteno Sportsfield	
Nomonde Sportsfield	
Sterkstroom Sportsfield	
Masakhe Sportsfield	

4.4.3. **KFA 17: Libraries.**

Description	Rating
Molteno Library	
Sterkstroom Library	






4.4.4. **KFA 18: Cemeteries and Crematoria.**

Description	Rating
Roman Catholic Cemetery	
Malambile Cemetery	
Nomonde Cemetery	
Molteno Cemetery	
Dennekruin Cemetery	
Sterkstroom Cemetery	
Old Masakhe Cemetery	
New Masakhe Cemetery	







4.5. Key Performance Area Four: Institutional Transformation

Strategic Objective: To ensure institutional transformation.



4.5.1. KFA 21: Organizational Structure.

Description	Rating
Functional organizational structure	
Number of vacancies	
Staff turnover	
Implementation of employment equity	
Employee vetting	

4.5.2. KFA 22: Human Capital and Skills Development.

Description	Rating
WTR & ATR	
Annual updating and submission of WTR & ATR	
Succession Plan	
Study Assistance Programme	
Training Programmes	
Staff morale	

4.5.3. KFA 23: Programme and Project Management.








Description	Rating
Programme Management Unit (PMU)	
Expanded Public Works Programme (EPWP)	

Inkwanca Local Municipality Integrated Development Plan for 2013-2014



4.5.4. KFA 24: Performance Management.

Description	Rating
Performance Management Policy	
Performance Management Framework	






4.5.5. KFA 25: Systems and Technology.

Description	Rating
Strategic IT Capability	
Resources (budget, staff, equipment)	
Master Systems Plan (MSP)	
ICT helpdesk and technical support	
Financial Management System	
HR Management Plan	
Consumer Account Management	




4.5.6. KFA 26: Processes and Procedures.

Description	Rating
Processes and procedures are in place to address and implement Council policies	
Processes and procedures are reviewed or developed departmentally as and when required on the basis of changed circumstances	











4.5.7. KFA 27: Municipal Facilities.

Description	Rating
Municipal Manager's Office	
Administration Building	
Community Services Building	
Sterkstroom Administrative Unit	
Molteno Library	

Inkwanca Local Municipality Integrated Development Plan for 2013-2014

Sterkstroom Library	
Sterkstroom Stores	
Molteno Stores	

4.5.8. KFA 28: Equipment and Fleet Management.

Department	Vehicle Type	Number of vehicles	Rating
Community Services	Toyota Hilux	1	
	Isuzu Kb 250	1	
	Ford 400 Truck	1	
	Compactor Truck	1	
	John Deer Tractor	1	
Technical Services	Isuzu Kb 250	1	
	Nissan 1400	1	
Mayor's Office	Nissan Qashqai	1	
Accounting Officer	Nissan hardbody	1	
	Nissan hardbody	1	

4.6. Key Performance Area Five: Financial Sustainability

Strategic Objective: To ensure sound financial management through effective revenue & expenditure management and credit control.

A detailed situational analysis of the financial sustainability of the Municipality is contained in **Chapter 4: Financial Plan**.

Inkwanca Local Municipality Integrated Development Plan for 2013-2014




4.6.1. KFA 29: Capital Expenditure.

Description	Rating
Capital Expenditure	

4.6.2. KFA 30: Expenditure Management.

Description	Rating
Operating Expenditure	
Cost Containment	

4.6.3. KFA 31: Revenue Management.

Description	Rating
Outstanding Debt	
Registered Indigents	
Revenue Collection	




4.6.4. KFA 32: Supply Chain Management.



Description	Rating
Supply Chain Management	

4.6.5. KFA 33: Asset Management.





Description	Rating
Movable assets	
Immovable assets	

4.6.6. KFA 34: Financial Reporting.




Description	Rating
Section 71 Monthly Reporting	
Section 52 Quarterly Reporting	
Midyear Performance Reporting	

Annual Report	
Annual Financial Statements	

4.6.7. *KFA 35: Budgeting.*

Description	Rating
Budget Policy	
Budget Steering Committee	
Operational Budget	
Capital Budget	

4.6.8. *KFA 36: Funding.*

Description	Rating
Own funding	
Grant funding	
External loans	





4.7. **Key Performance Area Six: Physical Infrastructure and Energy Efficient**

Strategic Objective: To ensure maintenance of roads; storm-water; drainage and Street lights.















4.7.1. *KFA 37: Energy Efficiency.*

Description	Rating
Energy Efficiency	




4.7.2. *KFA 38: Electricity Infrastructure.*

Substation	Capacity	Condition
Molteno Substation		
Sterkstroom Substation		





Inkwanca Local Municipality Integrated Development Plan for 2013-2014

Network	Capacity	Condition
Molteno Town		
Dennekruin		
Nceduluntu		
Nkululeko		
Sterkstroom Town		
Sonwabile Village		
Hofmanville		

4.7.3. KFA 39: Roads and Storm water Infrastructure.

Description.	Condition
National Roads Passing through Inkwanca LM	
Provincial Roads Passing through Inkwanca LM	
Access Roads	





4.7.4. KFA 40: Water and Sanitation Infrastructure.

Network	Rating
Molteno Oxidation Ponds	
Molteno Bio-filter Sewerage Plant (<i>W.I.P.</i>)	
Sterkstroom Town Reservoir	
Sterkstroom Pump station	

4.7.5. KFA 41: Landfill Sites.

Description	Rating
Molteno Landfill Site	
Sterkstroom Landfill Site	

4.7.6. **KFA 42: Local Amenities and Public Places.**



Description	Rating
Molteno Town Hall	
Sterkstroom Town Hall	
Nomonde Community Hall	
Masakhe community Hall	




4.8. Key Performance Area Seven: Services and Customer Care

Strategic Objective: To ensure maintenance of roads; storm-water; drainage and Street lights.

4.8.1. **KFA 43: Water and Sanitation.**

Basic service infrastructure indicators suggest that the ILM compare very well with the District and Eastern Province with respect to Water and Sanitation.


Description	Rating
Molteno Water: Blue Drop Status (100%)	
Sterkstroom Water: Blue Drop Status (75%)	





Description	Rating
Households without water	
Households without hygienic toilets	
Households without piped water or at above RDP level	

Inkwanca Local Municipality Integrated Development Plan for 2013-2014




4.8.2. KFA 44: Electricity.

Electricity for the area is purchased in bulk by the Inkwanca LM from Eskom and reticulated throughout the licensed area. The current electricity backlog at Inkwanca is currently seating at below 1% of the total population. All reticulation is provided by the municipality.

Description	Number	Rating
Households without electricity connections	6	
Source: Stats SA Census 2011		

Number of Households Connected	No. of households connected	Rating.
Electricity (Paid)	5092	
Electricity (Free)	1613	
Prepaid	1638	
Industrial sites	2	

















4.8.3. KFA 45: Cleansing and Waste Management.

Description	Rating
Townships	
Other settlements	
Businesses and industrial areas	

4.8.4. KFA 46: Customer Relations.

Description	Rating
Complaints/Grievance System	
Toll-free complaints hot-line	








4.8.5. *KFA 47: Building Regulations and Municipal Planning.*

Description	Rating
Spatial Development Framework	
Annual Revision of SDF	
Development, Planning & Housing Policy	
Bylaws on building regulations	
Bylaws on town planning and land use	
Bylaws on outdoor advertising	
Bylaws enforcement on building regulations	
Bylaws enforcement on town planning and land use	
Bylaws enforcement on outdoor advertising	
Monitoring of performance of attorneys on matters handed over	
Land Use Management Scheme	
Turnaround times on land use applications	
Turnaround times on building plan applications	
Integrated Sustainable Human Settlement Plan	
Monitoring of Land Invasions	
CBD Revitalization Programme	

4.9. Key Performance Area Eight: Local Economic Development

Strategic Objective: To ensure maintenance of roads; storm-water; drainage and Street lights.

4.9.1. KFA 48: Local Economic Development (LED).

Description	Rating
LED Strategy	
Food Security Programmes	
Improved IGR with other Provincial and National Sector Departments	
SMME Database	
Community Works Programme (CWP)	
Inkwanca Economic Analysis	
LED Projects	

4.9.2. KFA 49: Capacity Building.

Description	Rating
Capacity Building Programmes for Job Creation	

4.9.3. KFA 50: Rural Development.

Description	Rating
Comprehensive Rural Development Programme	

5. CHAPTER 3: Five (5) Year Development Plan.

This chapter outlines Inkwanca's strategic intent and key performance areas for the next five years. It aims to respond to some of the key issues and challenges highlighted in Chapter 2, as well as the National Policy imperatives outlined in Chapter 1.

5.1. Vision.

The vision of the Inkwanca Local Municipality is:

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

Umasipala onika amathuba alinganayo ophuhlisayo, nentlalontle kuluntu lonke.

5.2. Mission Statement

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

5.3. Objectives

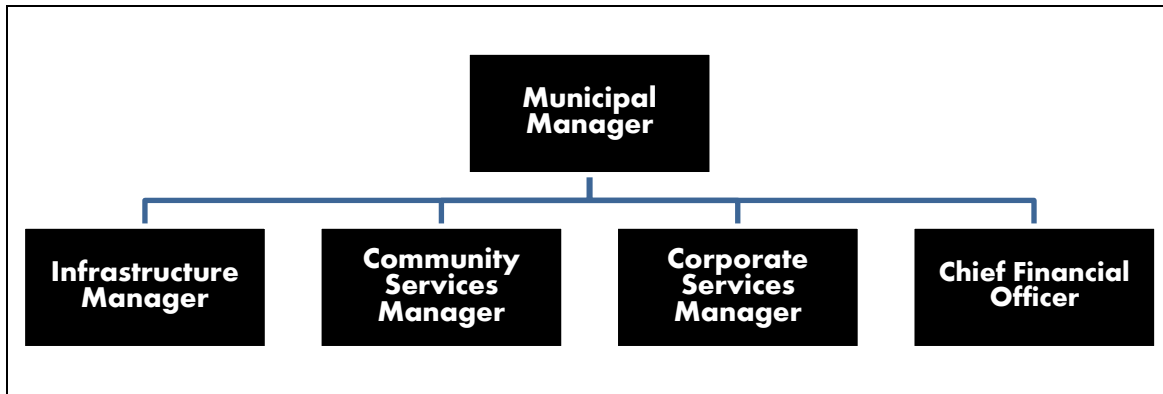
- To provide quality and affordable services to all communities.
- To build and maintain infrastructure to support service delivery, social development and economic growth.
- To ensure that customers are given satisfactory services at all times.
- To maintain enough supply of skills relevant to local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

5.4. Governance Structure

Inkwanca Local Municipality has an organizational structure albeit it not aligned to the IDP. The organizational structure comprises of a total of 168 funded posts. However, the organizational structure in its current format requires a review as it is not process driven and limits upward mobility and job descriptions need to be compiled.

Of these funded posts, 17 were vacant as at 30 June 2012. Inkwanca Local Municipality has an office for the Municipal Manager and 4 Directorates.

The senior management structure of the municipality is illustrated by the Organogram;



Office of the Municipal Manager.

The Office of the Accounting Officer used to have 10 positions but currently there are three additional positions that are added thus expanding the office to 13 positions, which includes *inter alia*;

- 1) A position for Unit manager in Sterkstroom has been taken out and a new position for section 57 Strategic Manager (not budgeted) in the Office of the Municipal Manager has been created and will deal with strategic and planning functions and co-ordination of all departmental functions including monitoring and evaluation
- 2) Further the position for assistant Internal Auditor has been created (budgeted).
- 3) There three positions that moved into the Office of the Municipal Manager, which of the P.A to the Mayor, communications officer (not budgeted) and Public participation officer (budgeted) and IPASS manager is still vacant.
- 4) Six positions are filled and five positions are vacant. 5. The six positions are: Municipal Manager, Personal Assistant to Municipal Manager, Corporate Services Manager, Community Services Manager, Internal Auditor, and Personal Assistant to the Mayor.

Community Services Department.

Community Services has 55 positions and there are no changes in this department. The following are the positions that are vacant in this department and are budgeted;

- 1) Museum Curator
- 2) Senior Licensing Clerk (Supervisory post)
- 3) A position for Environmental Officer must be budgeted for 2014 to 2015 financial year.

Positions for general workers have also been budgeted for in the department and positions for retired employees are still vacant.

The department uses casual workers in the form of grave diggers and also in the refuse section.

Integrated Planning and Economic Development (IPED).

The department constitutes 10 positions and there are plans in place to turn it around. It has number of vacancies as a result it operates with a skeleton staff. The following positions have been filled in the department;

- 1) Agricultural Development Officer.
- 2) Special programs Co-coordinator and
- 3) HIV/Aids officer.

The following positions have been budgeted for and vacant;

- 1) Integrated Planning and Strategic Services (IPASS).

The following positions have not been budgeted for and vacant;

- 1) Spatial planning officer
- 2) Women, Youth & Disabled People's Officer.

Budget and Treasury Office.

The Budget and Treasury Office has 22 positions. The following new positions have been created;

- 1) Supply Chain Management Clerk.
- 2) Store Clerk.
- 3) Debtors Clerk position for Sterkstroom Unit.

The following positions have been budgeted for and vacant;

- 1) Supply Chain Management Clerk,
- 2) Debtors Clerk position for Sterkstroom Unit.
- 3) Chief Financial Officer.

The following positions have not been budgeted for and vacant;

- 1) Store clerk.

Corporate Services Department.

Corporate Services has increased to 20 positions and it includes placements from other department. Further there is also a new section created called Registry and Archives section which deals with record keeping and control. The position of the Legal officer has been changed to that of a Labour relations officer because of its scope of work which has a wider role.

The following positions have been budgeted for and vacant;

- 1) ICT Administrator.
- 2) EAP Co-coordinator.

Staff of the new Registry section will be Chief registry officer and two registry clerks and these positions are not budgeted. There are 13 positions filled, and three positions are budgeted but vacant and four not budgeted.

Technical Services Department.

The following positions have not been budgeted for and vacant;

- 1) General Assistant.
- 2) Two handy man.
- 3) Building Inspector.

There is only one position budgeted and vacant that of the Technical Services Manager.

5.5. Spatial Development Framework.

The Spatial Development Framework (SDF) is the legislated component of the municipality's IDP that prescribes development strategies and policy guidelines to restructure and re-engineer the urban and rural form. The SDF is the municipality's long-term vision of what it wishes to achieve spatially, and within the IDP programmes and projects.

5.5.1. The National Spatial Development Perspective (NSDP)

In essence, the NSDP proposes that spatial and development planning activities carried out by the state should acknowledge the realities of the economic development potential of an area to be planned whilst still taking into account the likelihood that Apartheid spatial planning – particularly in peripheral areas such as the Inkwanca Municipality – has resulted in a fragmented pattern of spatial development.

The NSDP suggests that economic development potential may be classified in terms of broad categories from high potential to low potential and that such potential will not be uniformly distributed but is likely to be associated with certain conditions that enhance development potential. Such conditions would include current economic activities and associated scales of economy, natural endowments such as climate, soils and water availability (for agricultural and/or industrial development), and tourism potential based on competitive advantages (which may be historical, social, or natural in character).

A set of criteria to assist with the assessment of development potential is provided in the NSDP, as follows: -

Criterion	Description	Applicability in Inkwanca Municipal Area
Innovation and experimentation.	<i>Research and development and the application of technology to production processes.</i>	<ul style="list-style-type: none"> ▪ Not applicable
Production: High value, differentiated goods (not strongly dependent on labour costs).	<i>All forms of production that focus on local and/or global niche markets such as manufacturing, and some specialised agricultural or natural resource-based products.</i>	<ul style="list-style-type: none"> ▪ Not applicable
Production: Labour-intensive, mass-produced goods (more dependent on labour costs and/or natural resource exploitation).	<i>Industries in this category, such as iron and steel producers, and agricultural and mining activities, are highly dependent on market proximity or good, cheap transport linkages to the large volumes of natural resources that they use in their production processes, as well as the availability of greater numbers of unskilled and semi-skilled labour.</i>	<ul style="list-style-type: none"> ▪ The central Inkwanca area has been identified as having low grade coal reserves as well as some coal-bed methane gas production potential. ▪ This mining potential has not been actively explored or initiated yet. ▪ Agricultural Sector in Inkwanca identified as having ongoing development potential. ▪ Presently, farming aimed at commercial production under pressure from market conditions and crime (stock theft). ▪ However, no substantial secondary activities are identified relating to the primary sectors at this time..
Tourism.	<i>Key components of tourism include the need for a tourist-attraction (e.g. eco-scenery, cultural, heritage), good transport routes, safety and, in</i>	<ul style="list-style-type: none"> ▪ The Calata Liberation Heritage Route Tourism route runs through the Inkwanca area. ▪ Areas with potential as tourism sites of

Inkwanca Local Municipality Integrated Development Plan for 2013-2014

Criterion	Description	Applicability in Inkwanca Municipal Area
	<i>many instances, high-quality restaurants and hotels.</i>	interest include farm-stay enterprises, rock art sites and the Vegkoppies Boer War Memorial.
Retail and services.	<p><i>Retail, catering and personal services are major components of any economy and a large employer of semi-skilled workers in the major post-industrial economies of the world, such as the United States of America (US), the United Kingdom (UK) and Europe and Japan.</i></p> <p><i>The locational requirements for this category are the presence of enterprises and people who are willing and able to pay for goods and services.</i></p>	<ul style="list-style-type: none"> ▪ Molteno and Sterkstroom are local-level service centres, providing access to basic goods and services. ▪ Both these towns compete with the larger centre of Queenstown and, fall within the larger centre's sphere of influence. ▪ The prevailing poverty (low disposable income) of the majority of residents in the LM limits the scale and range of enterprises in the towns. ▪ This is allied to the trend of higher-income individuals having the means to travel to larger centres to do their business (and access social services) than was the case in the past.
Public services and administration.	<i>The processes of production, consumption and circulation need to be organised through business and public management. This category also includes social services such as health, welfare and education.</i>	<ul style="list-style-type: none"> ▪ Molteno is a centre for Local Government administration. ▪ Sterkstroom is a subsidiary centre for the Inkwanca LM. ▪ Administration premises are low-level in nature and not significant beyond local scale.

A critical assessment of the above suggests that the NSDP would classify the Inkwanca area as having a generally low level of development potential from a National perspective. It is likely that the area would be seen as one of probable ongoing social transfers (that is, an area where it is unlikely in the short to medium term that the economic activities in the area would enable the majority of residents to self-sustain whilst paying all social rents due (such as economically related service fees and charges etc.).

In short, the likelihood remains that, in spite of the identified development potential of the area in agriculture, mining and tourism, the state would continue to be the main provider of livelihoods support in the short-medium term.

The implication for the Inkwanca Municipality is that whilst there is no major economic node in the Municipality, there are identified development opportunities linked to the base of natural resources and environmental endowments. Taking these opportunities into account, then, the interpretation of the NSDP suggests that the Inkwanca Municipality should:

- ❑ Prioritize activities that would lead to ongoing partnerships with significant economic role-players in the Municipal area (such as the Chris Hani DM, the Farmers Associations, the Elitheni Coal Mining Company and Badimo Gas etc.); and
- ❑ Ensure that the towns of Molteno and Sterkstroom are properly managed such that necessary urbanization is catered for in such a way as to restructure the spatial relationships of the town over time and afford the majority of residents better access to business and social facilities.

Facilitate and focus on ensuring good partnerships with state departments that are central to the rendering of social services (such as Education, Health & Welfare, Sports, Art & Culture) in order to ensure a focus is the continual improvement of the quality of such services rendered in the towns of Molteno and Sterkstroom (the objective being these become “centres of excellence” in the provision of social goods and services).

5.5.2. The EC Provincial Spatial Development Plan

The Eastern Cape PGDP (2004 – 2014) provides a strategic framework, sectoral strategies and programmes aimed at achieving a rapid improvement in the quality of life for the poorest people of the Province. In order to achieve this, the PGDP sets out a vision with quantified and sequenced targets in the areas of economic growth, employment creation, poverty eradication and income redistribution for the ten-year period 2004-2014.

The strategy framework for growth and development is expressed in terms of six strategic objectives, which are divided further into **three key objectives** and **three foundation objectives**.

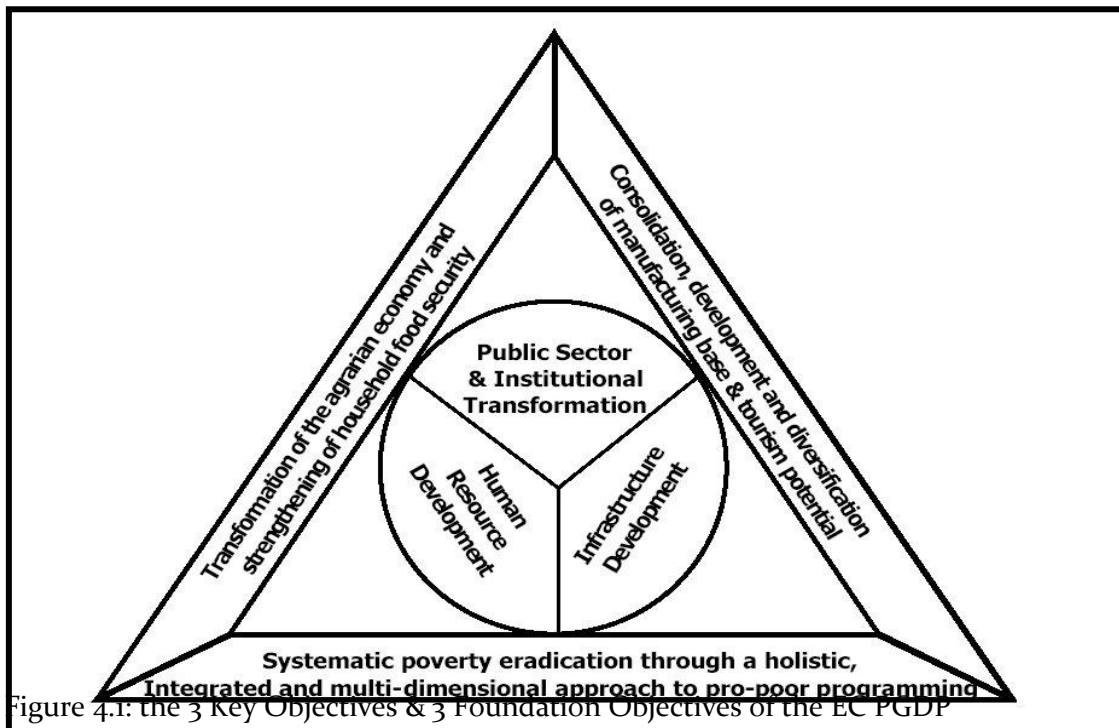
The three key objectives:

- 1) Systematic eradication of poverty through a holistic, integrated and multi-dimensional approach to pro-poor programming.
- 2) Agrarian transformation and strengthening of household food security.
- 3) Consolidation, development and diversification of the manufacturing base and tourism potential.

These key objectives are supported by the following three **foundation objectives**:

- 1) Infrastructure development.
- 2) Human resource development.
- 3) Public sector and institutional transformation.

The above strategic framework for the PGDP is illustrated below: -



5.5.3. Inkwanca LM Spatial Development Framework (SDF)

The Spatial Development Framework (SDF) for the Inkwanca area is a visual representation of the Development Vision and Interventions required for achieving the Development Objectives. The SDF should not be interpreted as a blueprint or master plan aimed at controlling physical development, but rather the framework giving structure to an area while allowing it to grow and adapt to changing circumstances. The SDF needs to be closely read with the fundamentals, objectives, strategies, programmes, interventions and projects.

The SDF indicates areas of existing development and proposed expansion for specific land uses, e.g. industrial development, institutional development, residential development etc.

5.5.4. The Fourteen (14) Inkwanca LM Spatial Development Priorities

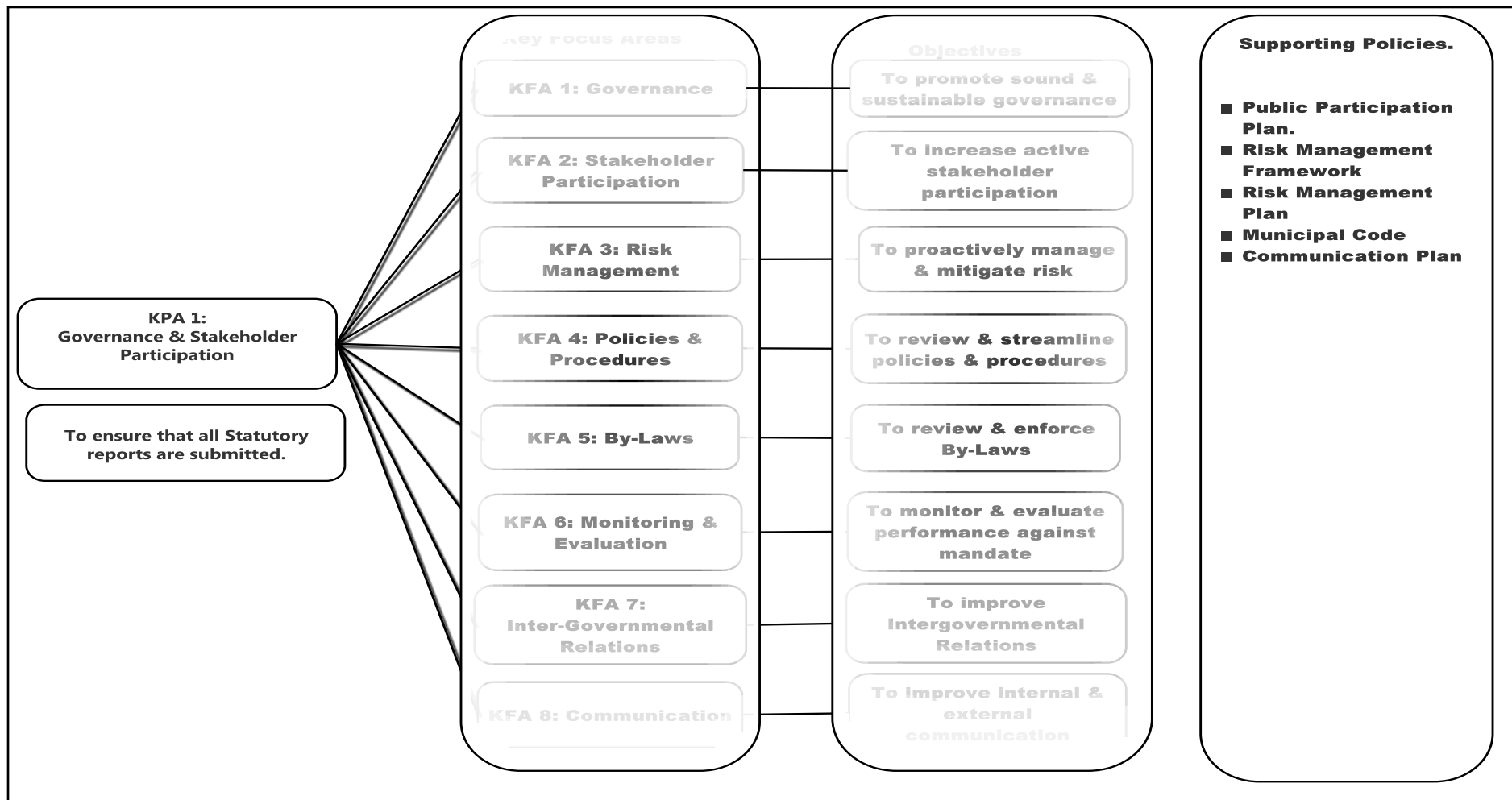
- 1) Sustainable homestead food production programme, complemented by promotion of commercial production through programmes such as the Massive Food Production Programme.
- 2) Provincial industrial strategy identifying new opportunities and key sub-sectors in all parts of the province, and including provisions for the facilitation of structured finance for small manufacturing initiatives.
- 3) Integrated infrastructure development programme with a particular emphasis on rural infrastructure and job creation, and on the promotion of input purchase and service provision from local small and medium enterprise suppliers (Extended Public Works Programme to be part and parcel of this process).
- 4) Programme to build access to productive assets by the poor (including assets such as land, plant, machinery and agriculture).
- 5) A programme of phased decentralization of service provision and facilitation of economic growth from provincial government departments to district and local municipalities, paying attention to the integration of the delegation of powers and functions, the building the capacity of municipalities, and the targeting and management of fiscal resources.
- 6) Integrated human resource development strategy that pays particular attention to skills development initiatives that address the income and asset base of the poor (such as learnerships) while addressing the longer term skills needs that will make the Eastern Cape more competitive.
- 7) Integrated HIV-Aids Programme in society and in the workplace.
- 8) Programme aimed at the promotion of tourism investment and marketing, based on research, and at building representative tourism organizations linked to district municipalities.
- 9) Programme of mobilization of communities around socio-economic rights by linking with and supporting social movements and civil society organizations.
- 10) Improving access to health, education and social grants by the poor, with a strong emphasis on women, the youth and the disabled.
- 11) Leverage additional resources for land redistribution and extension support targeted at small-unit farmers, and critically examine relevant policies and implementation of the land reform programme.
- 12) Develop an effective regulatory framework for land use management in rural areas.
- 13) Build planning and fiscal management systems and capacity in the Province, paying particular attention to the institutionalization of participatory planning and monitoring and evaluation.
- 14) Promote the branding and vision of the province.

5.5.5. Strategic Alignment of KPA's and Key Focus Areas (KFA')

The ILM's IDP is focusing on eight (8) Key Performance Areas (KPAs) and Strategic Objectives which are interrelated. The Key Focus Areas (KFAs) and predetermined Objectives as well as the

activities, programmes and projects are supportive of each other, to ensure greater impact in delivery.

4.5.1. KPA 1: Governance and Stakeholder Participation.



Inkwanca Local Municipality Integrated Development Plan for 2013-2014

KPA 1: Governance and Stakeholder Participation																
Strategic Objective: To ensure good governance and participation of stakeholders															Delivery:	Funding
Ref #	Key Focus Area (KFA)	Description of Capital Projects, Programmes and Activities	Key Performance Indicators (KPI's)	Words	Department	Annual Baseline	5yr Target	13/14	14/15	15/16	16/17	17/18	Internal/ External	Source		
	KPA 1: Governance Structures	Coordination and submission of quarterly reports to council.	Council resolution.	Al	wards	Municipal Manager	4	20.00	4	4	4	4	4	Internally	Equitable share	
		Submission of Annual Financial Statements and Performance Report to Auditor General.	Confirmation from the AG's office	Al	wards	Municipal Manager	1	5.00	1	1	1	1	1	Internally	Equitable share	
		Submission of Monthly S71 report to Mayor.	Confirmation from the Mayor's Office	Al	wards	Municipal Manager	1	20.00	1	1	1	1	1	Internally	Equitable share	
		Submission of Quarterly S5(d) report to Council	Council resolution.	Al	wards	Municipal Manager	1	20.00	1	1	1	1	1	Internally	Equitable share	
		Submission of Mid-year S72 report to Council.	Council resolution.	Al	wards	Municipal Manager	1	5.00	1	1	1	1	1	Internally	Equitable share	
		Submission of Annual Report to Council (Tabling and Approval)	Council resolution.	Al	wards	Municipal Manager	2	10.00	2	2	2	2	2	Internally	Equitable share	
		Coordinate the Adjustments Budget Process for the Current Financial year.	Council Approval	Al	wards	Municipal Manager	1	5.00	1	1	1	1	1	Internally	Equitable share	
		Coordinate the Budget and IDP review process for the 2013/14 financial year (Tabling and Approval).	Council resolution.	Al	wards	Municipal Manager	2	10.00	2	2	2	2	2	Internally	Equitable share	
		Coordinate the Review of Performance contracts for 57 Senior Managers.	Council resolution.	Al	wards	Municipal Manager	2	10.00	2	2	2	2	2	Internally	Equitable share	

Inkwanca Local Municipality Integrated Development Plan for 2013-2014

KFA 1: Governance and Stakeholder Participation															
Strategic Objective to ensure good governance and participation of stakeholders													Delivery:	Funding	
Ref #	Key Focus Area (KFA)	Description of Capital Projects, Programmes and Activities	Key Performance Indicators (KPI's)	Wards	Department	Annual Baseline	5Y Target	13/14	14/15	15/16	16/17	17/18	Internal/ External	Source	
	KFA 2: Stakeholder Participation	Stakeholder Participation Plan	Development of a Stakeholder Participation Plan	All wards	Municipal Manager	None	None	Development of a stakeholder participation plan	Review of SPN	Review of SPN	Review of SPN	Review of SPN	Internally	Equitable share	
		Public Participation Policy	Development of a Public Participation Policy	All wards	Municipal Manager	None	None	Development of a public Participation Policy	Review of PPP	Review of PPP	Review of PPP	Review of PPP	Internally	Equitable share	
	KFA 3: Risk Management	Risk Management Plan	Implement risk management plan	All wards	Municipal Manager	None	None	Review of Risk Management Plan	Review of Risk Management Plan	Review of Risk Management Plan	Review of Risk Management Plan	Review of Risk Management Plan	Internally	Equitable share	
		Risk Register	Maintain & update risk register	All wards	Municipal Manager	None	None	Maintain & update risk register	Maintain & update risk register	Maintain & update risk register	Maintain & update risk register	Maintain & update risk register	Internally	Equitable share	
		Risk Management Report	Submit Risk Management Reports to Council	All wards	Municipal Manager	4	20.00	4	4	4	4	4	4	Internally	Equitable share

Inkwanca Local Municipality Integrated Development Plan for 2013-2014

KFA 1: Governance and Stakeholder Participation														
Strategic Objective: to ensure good governance and participation of stakeholders													Delivery:	Funding
Ref #	Key Focus Area (KFA)	Description of Capital Projects, Programmes and Activities	Key Performance Indicators (KPI's)	Wards	Department	Annual Baseline	5Yr Target	13/14	14/15	15/16	16/17	17/18	Internal/External	Source
	KFA 4: Policies	Reviewing of all policies including finance policies	All policies reviewed annually to an acceptable standard	All wards	Municipal Manager	None	None	All policies reviewed annually to an acceptable standard	All policies reviewed annually to an acceptable standard	All policies reviewed annually to an acceptable standard	All policies reviewed annually to an acceptable standard	All policies reviewed annually to an acceptable standard	Internal	M/IG
	KFA 5: Bylaws	Develop finance by-laws	All finance by-laws developed, adopted by Council and gazetted by DPLGTA	All wards	Municipal Manager	None	None	All finance by-laws developed, adopted by Council and gazetted by DPLGTA	Implementation & review of finance by-laws	Implementation & review of finance by-laws	Implementation & review of finance by-laws	Implementation & review of finance by-laws	Internal	DPLGTA/ILM
		Facilitation of the gazetting of outstanding by-laws	All adopted bylaws to be gazetted	All wards	Municipal Manager	None	None	Gazetted by-laws to be implemented & enforced	by-laws to be implemented & enforced	by-laws to be implemented & enforced	by-laws to be implemented & enforced	by-laws to be implemented & enforced	Internal/Ext	DPLGTA/IYM

Inkwanca Local Municipality Integrated Development Plan for 2013-2014

KPA 1: Governance and Stakeholder Participation																		
Strategic Objective: TO ensure good governance and participation of stakeholders																		
Targets																		
Ref #	Key Focus Area (KFA)	Description of Capital Projects, Programmes and Activities	Key Performance Indicators (KPI's)	Wards	Department	Annual Baseline	5Y Target	13/14	14/15	15/16	16/17	17/18	Delivery: Internal/External	Funding Source				
	KFA 6: Monitoring & Evaluation	Coordinate sittings of the Audit Committee	Quarterly Reports	All wards	Municipal Manager	4	20.00	4	4	4	4	4	Internal	MSIG				
		Facilitate the Development and Implementation of a Risk Management Strategy.	Council Approval and Quarterly Reports to Management/Council	All wards	Municipal Manager	4	20.00	4	4	4	4	4	Internal	MSIG				
		Coordinate the formulation of responses from issues raised by the Internal Audit Unit	Quarterly Reports	All wards	Municipal Manager	4	20.00	4	4	4	4	4	Internal	MSIG				
		Facilitate the Implementation of the Action Plan developed for the 2011/12 audit report	Improved Audit Report on issues raised and report progress to Audit steering committee	All wards	Municipal Manager	4	20.00	4	4	4	4	4	Internal	MSIG				
		Coordinate audit of the 2012/13 financial year including formulation of responses to issues raised by the Auditor General	Confirmation of receipt of responses and minutes of meetings by the Auditor General.	All wards	Municipal Manager	2	10.00	2	2	2	2	2	Internal	MSIG				
		Facilitate Tabling of the Audit Report and Action Plan addressing audit issues to council.	Council Resolution	All wards	Municipal Manager	1	5.00	1	1	1	1	1	Internal	MSIG				
		Assist in the Compilation of the Oversight Report to Council	Council Resolution	All wards	Municipal Manager	1	5.00	1	1	1	1	1	Internal	MSIG				
		Review and implementation of the PMS	Council approved revised PMS	All wards	Municipal Manager	2	10.00	2	2	2	2	2	Internal	MSIG				

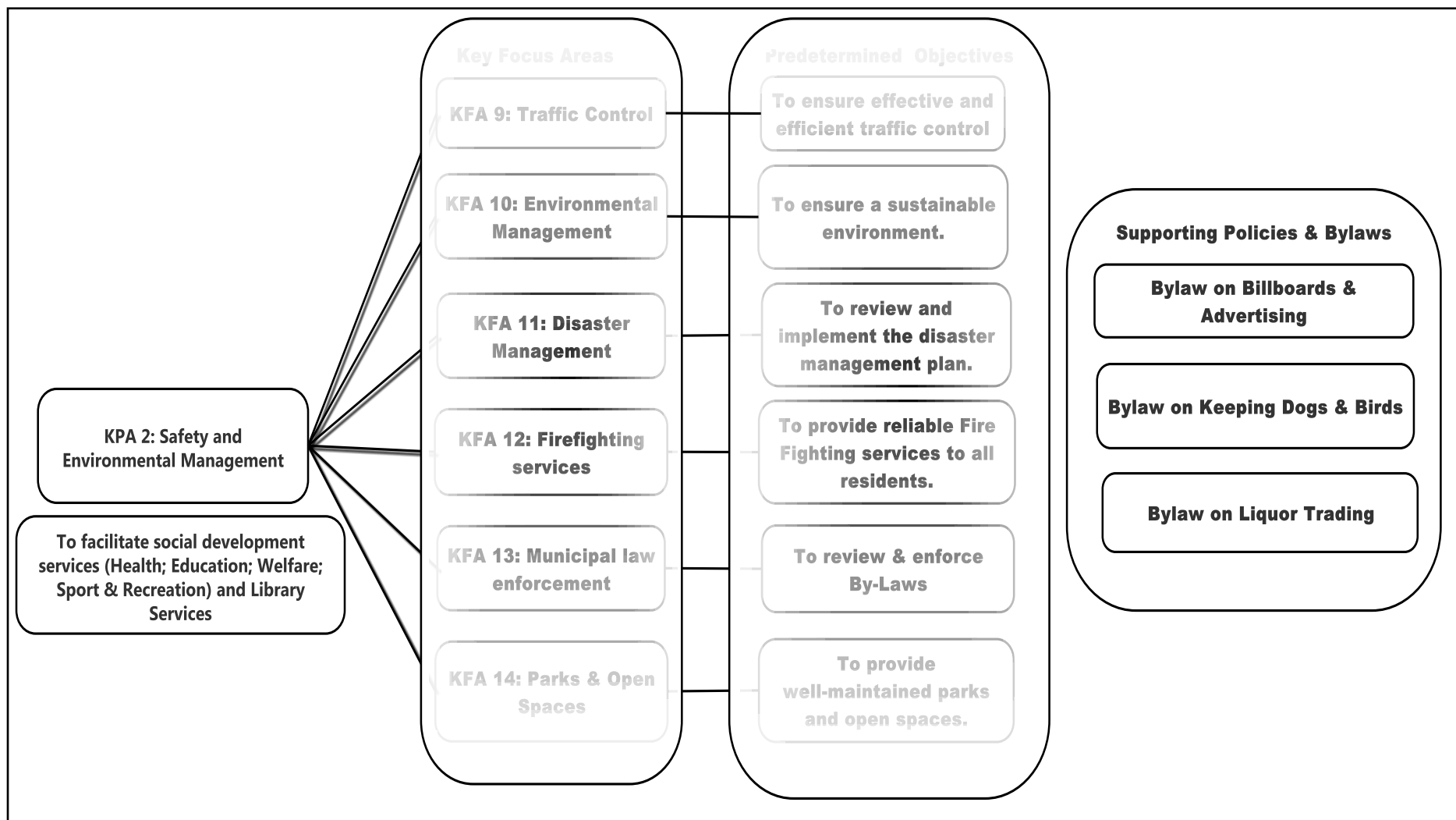
Inkwanca Local Municipality Integrated Development Plan for 2013-2014

KPA 1: Governance and Stakeholder Participation																
Strategic Objective		to ensure good governance and participation of stakeholders										targets		Delivery: Internal/External	Funding Source	
R#	Key Focus Area (KFA)	Description of Capital Projects, Programmes and Activities	Key Performance Indicators (KPI's)	Wards	Department	Annual Baseline	5Y Target	13/14	14/15	15/16	16/17	17/18				
	KPA 3: Monitoring & Evaluation	Co-Ordinate the compilation of Service Delivery and Budget Implementation Plans.	Council resolution.	All wards	Municipal Manager	2	10.00	2	2	2	2	2	Internal	MSIG		
		Monitor and Evaluate the Departmental performance based on SDBIP	Quarterly reports to management/council	All wards	Municipal Manager	4	20.00	4	4	4	4	4	Internal	MSIG		
		Monitor the implementation of Council Resolutions	Quarterly reports to management	All wards	Municipal Manager	4	20.00	4	4	4	4	4	Internal	MSIG		
		Facilitate implementation of Council Resolutions.	Quarterly.	All wards	Municipal Manager	4	20.00	4	4	4	4	4	Internal	MSIG		
		Co-Ordinate the sittings of Management Meetings	Committee Minutes	All wards	Municipal Manager	12	60.00	12	12	12	12	12	Internal	MSIG		
		Conduct Quarterly and Annual Performance Appraisals for the Heads of Departments.	Quarterly Reports.	All wards	Municipal Manager	4	20.00	4	4	4	4	4	Internal	MSIG		
		Solicit funding from the National Treasury through the NDPG Programme - Urban Development	Written Confirmation from the National Treasury	All wards	Municipal Manager	1	5.00	1	1	1	1	1	Internal	MSIG		
		Communications within and outside the institution streamlined through an approved communications plan/ strategy	Approval of Communication Strategy by Council Continuous updating of website with information prescribed in the MFMA	All wards	Municipal Manager	4	20.00	4	4	4	4	4	Internal	MSIG		
		To facilitate the review of the Departmental Organogram	Council approved revised organogram.	All wards	Municipal Manager	1	5.00	1	1	1	1	1	Internal	MSIG		

Inkwanca Local Municipality Integrated Development Plan for 2013-2014

KPA 1: Governance and Stakeholder Participation																	
Strategic Objective															Delivery:		Funding Source
To ensure good governance and participation of stakeholders															Internal/Ex	ternal	
Ref#	Key Focus Area (KFA)	Description of Capital Projects, Programmes and Activities	Key Performance Indicators (KPI's)	Wards	Department	Annual Baseline	5Y Target	13/14	14/15	15/16	16/17	17/18					
	KFA 7: Inter-Governmental Relations	Establish an IGR Forum	Inception meeting and minutes	All wards	Municipal Manager	1	5.00	1	1	1	1	1	1	Internal		MSIG	
		Facilitate sitting of quarterly IGR meetings.	Quarterly Reports.	All wards	Municipal Manager	5	15.00	5	5	5	5	5	5	Internal		MSIG	
	KFA 8: Communication	Communication Plan	Annual Review of Communication Plan	All wards	Municipal Manager	None	None	Annual Review of Communication Plan	Annual Review of Communication Plan	Annual Review of Communication Plan	Annual Review of Communication Plan	Annual Review of Communication Plan	Annual Review of Communication Plan	Internal		MSIG	

4.5.2. KPA 2: Safety and Environment



Inkwanca Local Municipality Integrated Development Plan for 2013-2014

KPI A 2: Safety and Environmental Management													
Strategic Objectives are safety within the community as well as healthy and protected environment												Delivery:	Funding
Key Focus Area (KFA)	Description of Capital Projects, Programmes and Activities	Key Performance Indicators (KPI's)	Wards	Department	Annual Baseline	5Y Target	13/14	14/15	15/16	16/17	17/18	Internal/External	Source
KFA 9: Traffic Control	Traffic law enforcement	Monthly reports on traffic offences	All wards	Community Services	780	3950	720	750	780	820	860	Internal	Equitable Share
	Traffic law enforcement	% increase in traffic fines issued	All wards	Community Services	5%	5%	5%	5%	5%	5%	5%	Internal	Equitable Share
	Special operations-heavy duty operations	Number of heavy duty operations	All wards	Community Services	12 heavy duty operations	40 heavy duty operations	12 heavy duty operations	12 heavy duty operations	12 heavy duty operations	12 heavy duty operations	12 heavy duty operations	Internal	Equitable Share
	Special operations-public transport operations	Number of public transport operations	All wards	Community Services	36 public transport operations	180 public transport operations	36 public transport operations	36 public transport operations	36 public transport operations	36 public transport operations	36 public transport operations	Internal	Equitable Share
	Special operations-road blocks	Number of road blocks	All wards	Community Services	4 road-blocks	20 road-blocks	4 road-blocks	4 road-blocks	4 road-blocks	4 road-blocks	4 road-blocks	Internal	Equitable Share
	Training & development of traffic wardens	Number of trained & deployed traffic wardens	All wards	Community Services	1 traffic warden	1 traffic warden	1 traffic warden	0.00	0.00	0.00	0.00	Internal	Equitable Share
	Traffic income	Number of reports on income generated	All wards	Community Services	12 monthly traffic reports	60 monthly traffic reports	12 monthly traffic reports	12 monthly traffic reports	12 monthly traffic reports	12 monthly traffic reports	12 monthly traffic reports	Internal	Equitable Share
	Road safety campaigns	Number of campaigns	All wards	Community Services	4 campaigns	20 campaigns	4 campaigns	4 campaigns	4 campaigns	4 campaigns	4 campaigns	Internal	Equitable Share
	DLTC Services	Learners & drivers licence renewals, PDP's.	All wards	Community Services	70 cases for all DLTC services	350 cases for all DLTC services	70 cases for all DLTC services	70 cases for all DLTC services	70 cases for all DLTC services	70 cases for all DLTC services	70 cases for all DLTC services	Internal	Equitable Share
	DLTC Services and motor registrations	Number of motor vehicle registrations	All wards	Community Services	400 vehicle registrations	2000 vehicle registrations	400 vehicle registrations	400 vehicle registrations	400 vehicle registrations	400 vehicle registrations	400 vehicle registrations	Internal	Equitable Share

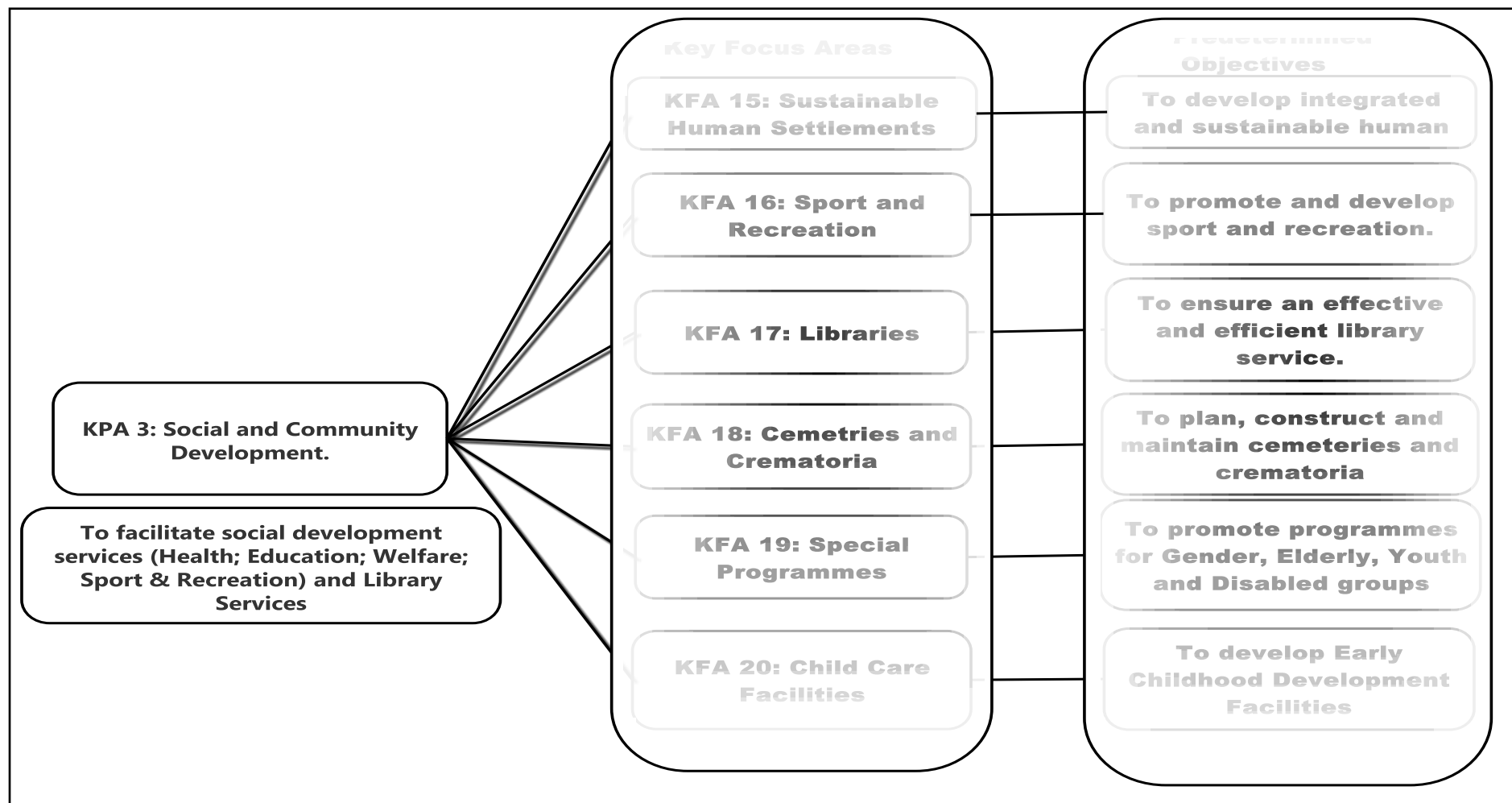
Inkwanca Local Municipality Integrated Development Plan for 2013-2014

Key Area 2: Safety and Environmental Management														
Strategic Objectives are safety within the community as well as healthy and protected environment													Delivery:	Funding
Key Focus Area (KFA)	Description of Capital Projects, Programmes and Activities	Key Performance Indicators (KPI's)	Wards	Department	Annual Baseline	5Y Target	Targets					Internal/External	Source	
							2013/14	2014/15	2015/16	2016/17	2017/18			
KFA 10: Environmental Management	Environmental Management Framework	Environmental Management Framework	All wards	Community Services	None	Reviewed EMF	Environmental Management Framework	Review EMF	Review EMF	Review EMF	Review EMF	Review EMF	Internal/External	DBA/ILM
	Rehabilitation of rivers	Rehabilitation of Stormberg River	All wards	Community Services	Rehabilitation of Stormberg River	Rehabilitation of Stormberg River	Rehabilitation of Stormberg River	Rehabilitation of Stormberg River	Rehabilitation of Stormberg River	Rehabilitation of Stormberg River	Rehabilitation of Stormberg River	Rehabilitation of Stormberg River	Internal/External	DBA/ILM
	Provision of wheely bins	Provision of wheely-bins	All wards	Community Services	Provision of wheely-bins	Provision of wheely-bins	Provision of wheely-bins	Provision of wheely-bins	Provision of wheely-bins	Provision of wheely-bins	Provision of wheely-bins	Provision of wheely-bins	Internal/External	Equitable Share
	Construction of swimming pools	Construction of swimming pools	1,3	Community Services	None	Construction of swimming pools	Continuous maintenance	Continuous maintenance	Continuous maintenance	Continuous maintenance	Continuous maintenance	Continuous maintenance	Internal/External	DBA/ILM
KFA 11: Disaster Management	Disaster Management Plan	Development of Disaster Management Plan	All wards	Community Services	None	Development of Disaster Management Plan	Review DMP	Review DMP	Review DMP	Review DMP	Review DMP	Review DMP	Internal/External	DBA/ILM
	Disaster Management Office	Establishment of Disaster Management Office	All wards	Community Services	Disaster Management Office	Disaster Management Office	Continuous maintenance	Continuous maintenance	Continuous maintenance	Continuous maintenance	Continuous maintenance	Continuous maintenance	External	CHDM

Inkwanca Local Municipality Integrated Development Plan for 2013-2014

KPA 2: Safety and Environmental Management														
Strategic Objectives are safety within the community as well as neat and protected environment													Delivery:	Funding
Key Focus Area (KFA)	Description of Capital Projects, Programmes and Activities	Key Performance Indicators (KPI's)	Wards	Department	Annual Baseline	5yr Target	13/14	14/15	15/16	16/17	17/18	Internal/External	Source	
KFA 12: Firefighting	Firefighting station	Construction of firefighting station	all wards	Community Services	Construction of firefighting station	Construction of firefighting station	Continuous maintenance	Continuous maintenance	Continuous maintenance	Continuous maintenance	Continuous maintenance	External	CHDM/COGTA/DPW	
KFA 13: Municipal Law Enforcement	By law enforcement	By law enforcement	all wards	Community Services	Reports on by law enforcement	Reports on by law enforcement	Reports on by law enforcement	Reports on by law enforcement	Reports on by law enforcement	Reports on by law enforcement	Reports on by law enforcement	Internally	Equitable Share	
KFA 14: Parks and Open Spaces	Development of Parks	Development of Parks	1,2,3	Community Services	Development of Parks	Development of Parks	Continuous maintenance	Continuous maintenance	Continuous maintenance	Continuous maintenance	Continuous maintenance	Internal/External	DBA/ILM	
	Planting of trees	Planting of trees	All	Community Services	Planting of trees	Planting of trees	Planting of trees	Planting of trees	Planting of trees	Planting of trees	Planting of trees	Internally	Equitable Share	

4.5.3. KPA 3: Social and Community Development



Inkwanca Local Municipality Integrated Development Plan for 2013-2014

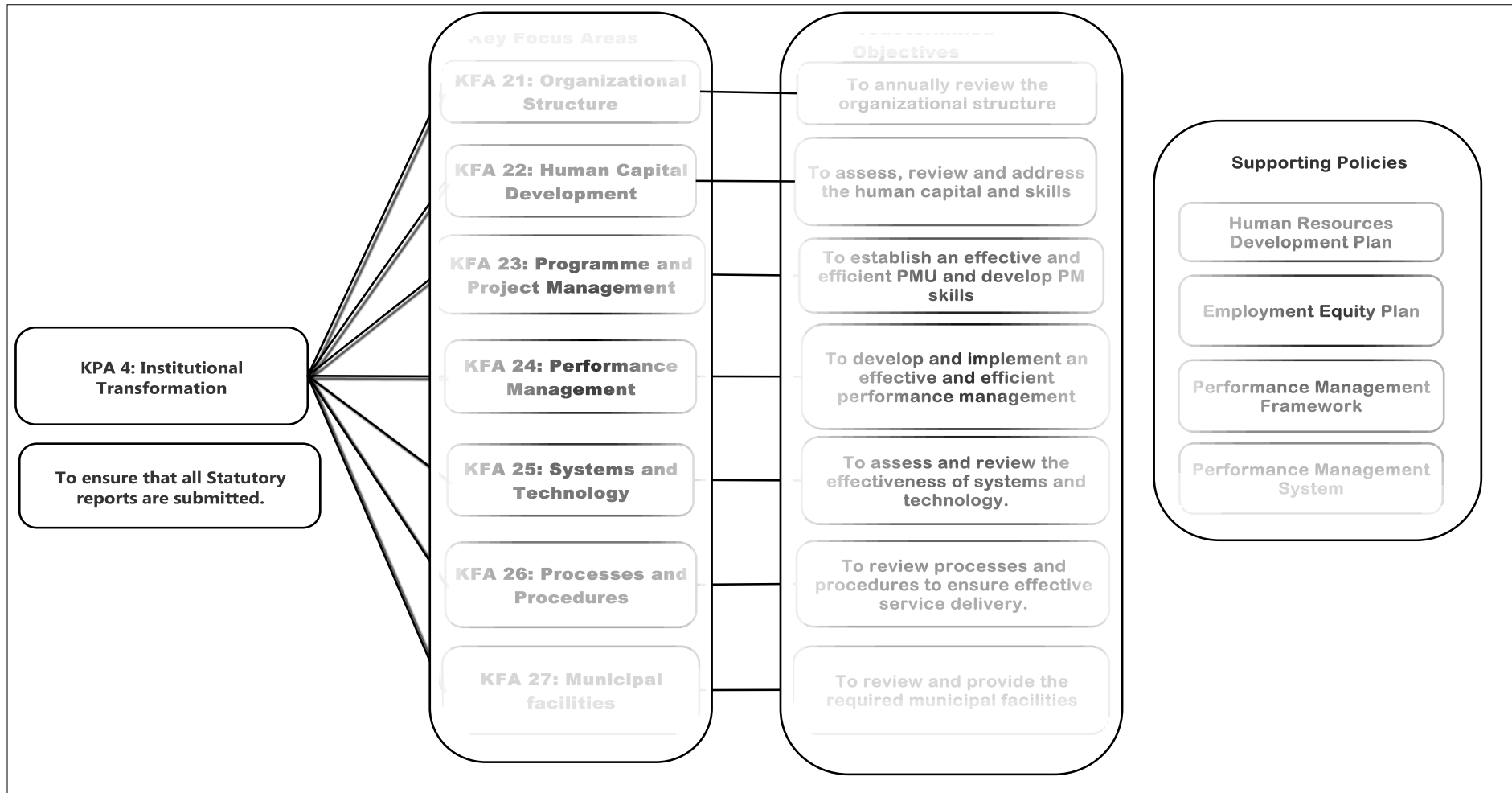
KPA 3: Social and Community Development																
Strategic Objective: To facilitate social and community development														Delivery:	Funding Source	
Key Focus Area (KFA)	Description of Capital Projects, Programmes and Activities	Capital Projects (CP), Programmes (P) & Activities (A)	Key Performance Indicators (KPI's)	Wards	Department	Targets								Internal/External		
						Annual Baseline	5Y Target	13/14	14/15	15/16	16/17	17/18				
KFA 15: Sustainable Human Settlements	Development of Airstrip 1127 Housing Project	CP	Development of 1127 houses with infrastructure & services	2,4	Human Settlements /CommService	500	1127	500	627	0.00	0.00	0.00	0.00	0.00	Internal/External	Human Settlements/ILM
	Starkstroom 165	CP	Development of 165 houses with infrastructure & services	3	Human Settlements /CommService	165	165	0	165	0.00	0.00	0.00	0.00	0.00	Internal/External	Human Settlements/ILM
	Construction of a Multi-Purpose Centre	CP	Multi-purpose centre linked to Airstrip 1127	2,4	Human Settlements /CommService	Construction of a Multi-Purpose Centre	Construction of a Multi-Purpose Centre	Construction of a Multi-Purpose Centre	Maintain Multipurpose hall	Maintain Multipurpose hall	Maintain Multipurpose hall	Maintain Multipurpose hall	Maintain Multipurpose hall	Maintain Multipurpose hall	Internal/External	Human Settlements/ILM
	Construction of Masakhe Sports Field	CP	Construction of abatement facilities, change rooms, fencing, upgrade of grand stand, track & field & landscaping	2	CommService /Infrastructure	Construction of Masakhe Sports Field	Construction of Masakhe Sports Field	Operation & Maintain Masakhe Sports Field	Operation & Maintain Masakhe Sports Field	Operation & Maintain Masakhe Sports Field	Operation & Maintain Masakhe Sports Field	Operation & Maintain Masakhe Sports Field	Operation & Maintain Masakhe Sports Field	Operation & Maintain Masakhe Sports Field	Internal	MIG/Equitable Share
KFA 17: Libraries	Maintenance of libraries	P	Libraries in working condition with resources	All wards	CommService	Maintenance of libraries	Maintenance of libraries	Maintenance of libraries	Maintenance of libraries	Maintenance of libraries	Maintenance of libraries	Maintenance of libraries	Maintenance of libraries	Maintenance of libraries	Internal/External	D/RAC/Inkwanca

Inkwanca Local Municipality Integrated Development Plan for 2013-2014

K/A 3: Social and Community Development

Strategic Objective														Delivery:	Funding Source
to facilitate social and community development														Internal/	
Key Focus Area (KFA)	Description of Capital Projects, Programmes and Activities	Capital Projects (CP), Programmes (P) & Activities (A)	Key Performance Indicators (KPI's)	Wards	Department	Annual Baseline	5yr Target	13/14	14/15	15/16	16/17	17/18			
KFA 18: Cemeteries and Crematoria	Procurement & operation of Cemetery Management System	A	System procured & installed	All wards	CommServe	Procurement & operation of Cemetery Management System	Procurement & operation of Cemetery Management System	Procurement & operation of Cemetery Management System	Operation of Cemetery Management System	Operation of Cemetery Management System	Operation of Cemetery Management System	Operation of Cemetery Management System	Internal	Equitable share	
	Construction of new cemeteries at Masakhe & Nomondle	CP	constructed & operated	1,2	Infrastructure	1.00	2.00	1.00	1.00	0.00	0.00	0.00	Internal	MIG	
	Maintanance of cemete	P	working condition with amenities	All wards	Infrastructure	Maintan cemeteries	Maintan cemeteries	Maintan cemeteries	Maintan cemeteries	Maintan cemeteries	Maintan cemeteries	Maintan cemeteries	Internal	Equitable share	

4.5.4. KPA 4: Institutional Transformation



Inkwanca Local Municipality Integrated Development Plan for 2013-2014

KPA 4: Institutional Transformation													
Strategic Objective											Delivery:	Funding	
to ensure institutional transformation											Internal/	Source	
Key Focus Area (KFA)	Description of Capital Projects, Programmes and Activities	Capital Projects (CP), Programmes (P) & Activities (A)	Key Performance Indicators (KPI's)	Wards	Department	13/14	14/15	15/16	16/17	17/18	Internal/	Source	
KFA 21: Organizational Structure	Implementation of the organisational structure across all levels	P	All appointments to be done in line with the approved organisational structure	All wards	Corporate Services	All	All	All	All	All	Internal	M/G/Equitable Share	
			WSP to finalised and submitted to DPLGTA, CHDM, LGSeta, Council, DPL	All wards	Corporate Services	1.00	1.00	1.00	1.00	1.00	Internal	M/G/Equitable Share	
KFA 22: Human Capital Development	Revision of the Workplace Skills Plan	P	All reports in terms of Regulation C of MFMA prepared & submitted to National Treasury, Council, DPLGTA annually before the due date	All wards	Corporate Services	All reports prepared & submitted to National Treasury, Council, DPLGTA annually before the due date	All reports prepared & submitted to National Treasury, Council, DPLGTA annually before the due date	All reports prepared & submitted to National Treasury, Council, DPLGTA annually before the due date	All reports prepared & submitted to National Treasury, Council, DPLGTA annually before the due date	All reports prepared & submitted to National Treasury, Council, DPLGTA annually before the due date	Internal	M/G/Equitable Share	

Inkwanca Local Municipality Integrated Development Plan for 2013-2014

KFA 4: Institutional Transformation													
Strategic Objective	To ensure Institutional Transformation											Delivery:	Funding
	Key Focus Area (KFA)	Description of Capital Projects, Programmes and Activities	Capital Projects (CP), Programme s (P) & Activities (A)	Key Performance Indicators (KPI's)	Wards	Department	13/14	14/15	15/16	16/17	17/18	Internal/ External	Source
KFA 23: Programme and Project Management							Continuous motivation of employees	P	Conducting roadshows & reporting concerns raised by staff to management	All wards	Corporate Services	Conduct annual roadshows	Conduct annual roadshows
	Project Management	A	% of MIG Funds	All wards	Infrastructure	100%	100%	100%	100%	100%	Internal	MIG	
	Expanded Public	A	% Target of ETE	All wards	All	100%	100%	100%	100%	100%	Internal	Operation	
	Develop EPWP Policy	A	Council approved policy	All wards	All	Policy approved	Policy reviewed	Policy reviewed	Policy reviewed	Policy reviewed	Internal	Operation	
	Reporting on Expanded Public	A	Number of reports on the	All wards	Corporate	4.00	4.00	4.00	4.00	4.00	Internal/	ILM/CoGTA	

Inkwanca Local Municipality Integrated Development Plan for 2013-2014

KPA 4: Institutional Transformation													
Strategic Objective: TO ensure institutional transformation												Delivery:	Funding
Key Focus Area (KFA)	Description of Capital Projects, Programmes and Activities	Capital Projects (CP), Programmes (P) & Activities (A)	Key Performance Indicators (KPI's)	Wards	Department	13/14	14/15	15/16	16/17	17/18	Internal/ External	Source	
	Continuous review of		PMS reviewed				PMS reviewed	PMS reviewed	PMS reviewed	PMS reviewed	PMS reviewed		
KPA 24: Performance Management	Performance Management Framework and System	P	annually to the standards prescribed by SA/LGA	All wards	Corporate Services		annually to the standards prescribed by SA/LGA	annually to the standards prescribed by SA/LGA	annually to the standards prescribed by SA/LGA	annually to the standards prescribed by SA/LGA	annually to the standards prescribed by SA/LGA	Internal	Operational
	Development of a framework document for cascading of PMS to levels below Section 56	P	Framework developed and communicated with LLE, Council & municipal employees	All wards	Corporate Services		PMS cascaded fully and implemented accordingly	PMS cascaded fully and implemented accordingly	PMS cascaded fully and implemented accordingly	PMS cascaded fully and implemented accordingly	PMS cascaded fully and implemented accordingly	Internal	Operational
	Departmental SDBIP's	P	% SDBIP's targets achieved	All wards	Corporate Services		60%	60%	60%	60%	60%	Internal	Operational

Inkwanca Local Municipality Integrated Development Plan for 2013-2014

KPA 4: Institutional Transformation												
Strategic Objective: To ensure institutional transformation											Delivery:	Funding
Key Focus Area (KFA)	Description of Capital Projects, Programmes and Activities	Capital Projects (CP), Programmes (P) & Activities (A)	Key Performance Indicators (KPI's)	Wards	Department	Targets					Internal/ External	Source
						13/14	14/15	15/16	16/17	17/18		
KFA 25: Systems and Technology Development	Procurement and licencing of Microsoft Operating System for the entire institution	A	Microsoft operating system procured, licenced and fully installed on the server and stand-alone machines	All wards	Corporate Services	Microsoft operating system procured, licenced and fully installed on the server and stand-alone machines	Microsoft operating system procured, licenced and fully installed on the server and stand-alone machines	Licence renewal on existing MS Office Suites and/or addition of user	Licence renewal on existing MS systems and/or addition of user	Licence renewal on existing MS systems and/or addition of user	Internal	M, I, G
	Procurement and licencing of Microsoft Office Suites for the entire institution	A	Microsoft office suites procured, licenced and fully installed on the server and stand-alone machines	All wards	Corporate Services	Microsoft office suites procured, licenced and fully installed on the server and stand-alone machines	Microsoft office suites procured, licenced and fully installed on the server and stand-alone machines	Licence renewal on existing MS Office Suites and/or addition of user	Licence renewal on existing MS Office Suites and/or addition of user	Licence renewal on existing MS Office Suites and/or addition of user	Internal	M, I, G
	Procurement of a back-up generator/s to back-up systems in cases of power interruptions	A	Back-up generator/s procured to back-up systems in cases of power interruptions	All wards	Corporate Services	Back-up generator/s procured to back-up systems in cases of power interruptions	Maintenance of back-up generators	Maintenance of back-up generators	Maintenance of back-up generators	Maintenance of back-up generators	Maintenance of back-up generators	Internal

Inkwanca Local Municipality Integrated Development Plan for 2013-2014

KPA 4: Institutional Transformation													
Strategic Objective												Delivery:	Funding
to ensure institutional transformation												Internal/	Source
Targets												External	
Key Focus Area (KFA)	Description of Capital Projects, Programmes and Activities	Capital Projects (CP), Programme s (P) & Activities (A)	Key Performance Indicators (KPI's)	Wards	Department	13/14	14/15	15/16	16/17	17/18			
KPA 25: Systems and Technology Development	Maintenance of IT infrastructure	A	Concluding of agreement with IT service provider to maintain IT infrastructure	All wards	Corporate Services	Concluding of agreement with IT service provider to maintain IT infrastructure	Continuous maintenance of IT infrastructure	Continuous maintenance of IT infrastructure	Continuous maintenance of IT infrastructure	Continuous maintenance of IT infrastructure		Internal	MIG
	Procurement of internet service provider	A	Procurement of internet service provider to provider internet usage	All wards	Corporate Services	Procurement of internet service provider to provider internet usage	Procurement of internet service provider to provider internet usage	Procurement of internet service provider to provider internet usage	Procurement of internet service provider to provider internet usage	Procurement of internet service provider to provider internet usage		Internal	MIG
	Set-up and configuration of emails on the exchange server	A	Emails set-up and configured on the exchange server	All wards	Corporate Services	Emails set-up and configured on the exchange server	Emails set-up and configured on the exchange server	Emails set-up and configured on the exchange server	Emails set-up and configured on the exchange server	Emails set-up and configured on the exchange server		Internal	MIG

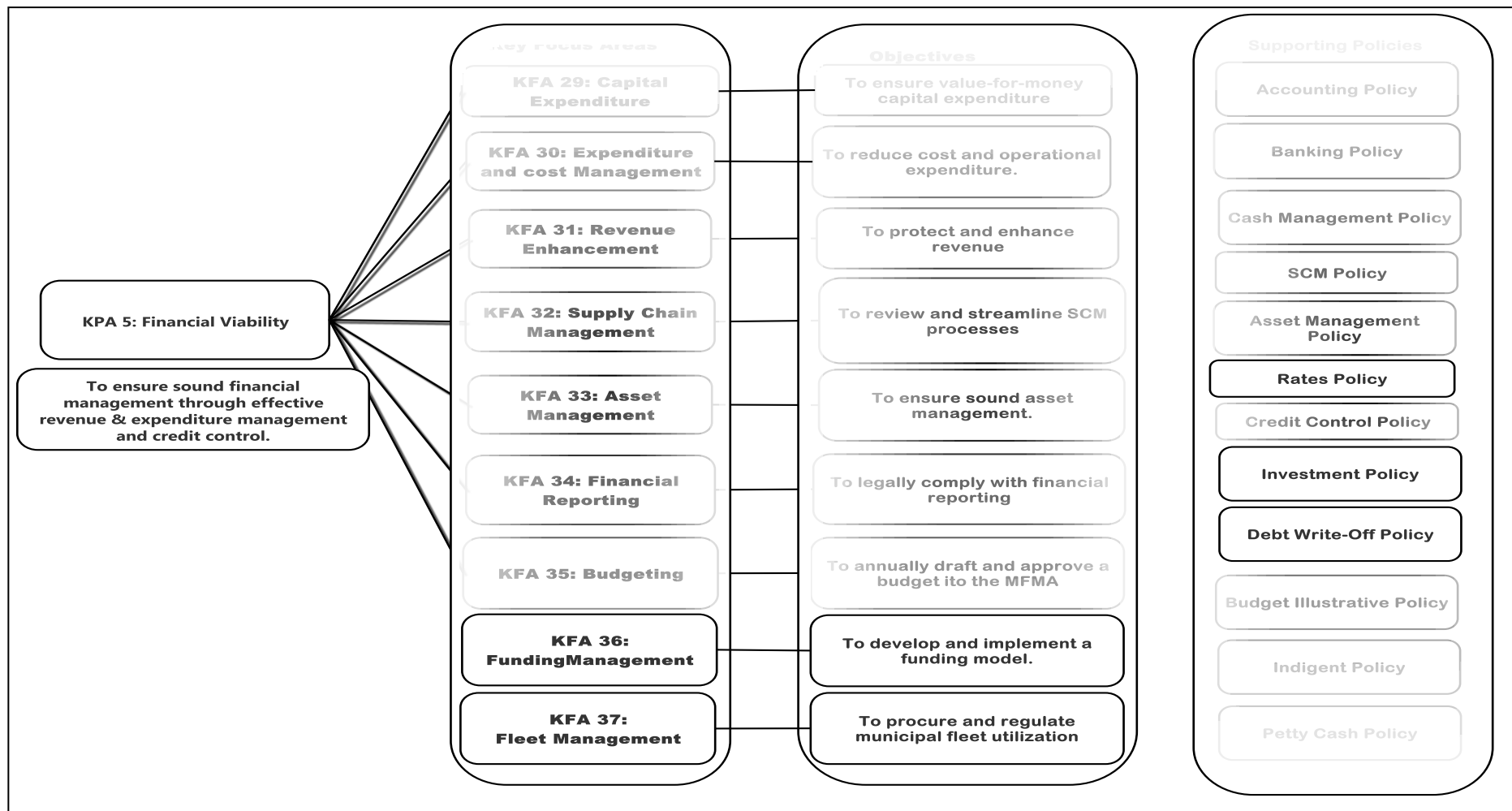
Inkwanca Local Municipality Integrated Development Plan for 2013-2014

KPA 4: Institutional Transformation												
Strategic Objective	To ensure Institutional Transformation										Delivery:	Funding
											Internal/ External	Source
Key Focus Area (KFA)	Description of Capital Projects, Programmes and Activities	Capital Projects (CP), Programme s (P) & Activities (A)	Key Performance Indicators (KPI's)	Wards	Department	13/14	14/15	15/16	16/17	17/18		
KPA 25: Systems and Technology Development	Organising of IT related training of IT personnel	A	IT personnel attending specific training in line with the ATR	All wards	Corporate Services	IT personnel attending specific training in line with the ATR	IT personnel attending specific training in line with the ATR	IT personnel attending specific training in line with the ATR	IT personnel attending specific training in line with the ATR	IT personnel attending specific training in line with the ATR	Internal	MIG
	Procurement of a firewall and renewal of business licenses	A	Procurement of a firewall and renewal of	All wards	Corporate Services	Procurement of a firewall and renewal of	Procurement of a firewall and renewal of	Procurement of a firewall and renewal of	Procurement of a firewall and renewal of	Procurement of a firewall and renewal of	Internal	MIG

Inkwanca Local Municipality Integrated Development Plan for 2013-2014

KPA 4: Institutional Transformation												
Strategic Objective: To ensure institutional transformation											Delivery:	Funding
											Internal/ External	Source
Key Focus Area (KFA)	Description of Capital Projects, Programmes and Activities	Capital Projects (CP), Programmes (P) & Activities (A)	Key Performance Indicators (KPI's)	Wards	Department	13/14	14/15	15/16	16/17	17/18		
KFA 26:						Reviewed	Reviewed	Reviewed	Reviewed	Reviewed		
Processes and Procedures	Departmental policies & processes	A	Review policies & procedures	All wards	Corporate Services	policies & procedures	policies & procedures	policies & procedures	policies & procedures	policies & procedures	Internal	M/IG
KFA 27:												
Municipal Facilities	Development of Building Maintenance Plan	A	Maintenance Plan approved by Council	All wards	Corporate Services	Maintenance Plan approved by Council	None	None	None	None	Internal	M/IG
			% of building									
	Building Maintenance Plan	A	Maintenance per funded plan	All wards	Corporate Services	20%	20%	20%	20%	20%	Internal	Opex
KFA 28:												
Equipment and Fleet Management	Equip all workshops	CP	% Equipment Delivered	All wards	Corporate Services	100%	100%	100%	100%	100%	Internal	Opex

4.5.5. KPA 5: Financial Sustainability.



Inkwanca Local Municipality Integrated Development Plan for 2013-2014

KPA 5: Financial Sustainability													
Department: Budget and Treasury Office													
Strategic Objectives to ensure financial sustainability												Delivery:	Funding
												Internal/External	Source
Key Focus Area (KFA)	Description of Capital Projects, Programmes and Activities	Capital Projects (CP), Programmes (P) & Activities (A)	Key Performance Indicators (KPI's)	Annual Baseline	5Yr Target	13/14	14/15	15/16	16/17	17/18			
KPA 29: Capital Expenditure	Infrastructure Capital Budget Expenditure	A	% spent of approved infrastructure budget vs. actual expenditure	100%	100%	100%	100%	100%	100%	100%	Internal	Opex	
	Capital Budget Expenditure	A	% of actual Capex vs. budgeted Capex	100%	100%	100%	100%	100%	100%	100%	Internal	Opex	
	Departmental Capital Projects	A	% of departmental capital budget spent	100%	100%	100%	100%	100%	100%	100%	Internal	Opex	
	IDP/SDBIP's capital projects completed	A	% of IDP/SDBIP approved capital projects completed	100%	100%	100%	100%	100%	100%	100%	Internal	Opex	

Inkwanca Local Municipality Integrated Development Plan for 2013-2014

KPA 5: Financial Sustainability													
Department: Budget and Treasury Office													
Strategic Objectives												Delivery:	Funding
to ensure financial sustainability												Internal/External	Source
Key Focus Area (KFA)	Description of Capital Projects, Programmes and Activities	Capital Projects (CP), Programmes (P) & Activities (A)	Key Performance Indicators (KPI's)	Annual Baseline	5Yr Target	13/14	14/15	15/16	16/17	17/18			
KFA 30:			% spent of										
Expenditure and Cost Management	Infrastructure Maintenance Budget Expenditure	A	Infrastructure maintenance budget v.s. actual	100%	100%	100%	100%	100%	100%	100%	Internal	Opex	
KFA 31:													
Revenue Management	Improve revenue collection and ensure what is due to the council is collected	A	% of outstanding creditors paid	15%	75%	15%	15%	15%	15%	15%	Internal	Opex	
	Facilitate the payment of all outstanding creditors.	A	% of outstanding debt collected	15%	75%	15%	15%	15%	15%	15%	Internal	Opex	
	Revenue enhancement	A	Current debtors as % of revenue	25%	125%	15%	20%	25%	30%	35%	Internal	Opex	
	Revenue enhancement	A	% increase in revenue	7%	7%	7%	7%	7%	7%	7%	Internal	Opex	

Inkwanca Local Municipality Integrated Development Plan for 2013-2014

KPA 5- Financial Sustainability													
Department: Budget and Treasury Office													
Strategic Objective: To ensure financial sustainability											Delivery:	Funding	
Targets											Internal/E	Source	
Key Focus Area (KFA)	Description of Capital Projects, Programmes and Activities	Capital Projects (CP), Programmes (P) & Activities (A)	Key Performance Indicators (KPI's)	Annual Baseline	5Yr Target	13/14	14/15	15/16	16/17	17/18			
KPA 31: Revenue Management	Revenue enhancement	A	Review Revenue Enhancement Strategy	Review Revenue Enhancement Strategy	Review Revenue Enhancement Strategy	Review Revenue Enhancement Strategy	Review Revenue Enhancement Strategy	Review Revenue Enhancement Strategy	Review Revenue Enhancement Strategy	Review Revenue Enhancement Strategy	Internal	Other	
	Revenue enhancement	A	Hand-out outstanding debtors for collection	Hand-out outstanding debtors for collection	Hand-out outstanding debtors for collection	Hand-out outstanding debtors for collection	Hand-out outstanding debtors for collection	Hand-out outstanding debtors for collection	Hand-out outstanding debtors for collection	Hand-out outstanding debtors for collection	Internal	Other	
	Intelligent Policy	A	Monthly subsidies to indigents	3.00	15.00	3.00	3.00	3.00	3.00	3.00	Internal	Other	
	Property valuations		Conduct General Valuations on Properties(MPRA implementation)	1.00	5.00	1.00	1.00	1.00	1.00	1.00	Internal	Other	
	Rates (Tarrif & rates)		Review tarrifs and rates	1.00	5.00	1.00	1.00	1.00	1.00	1.00	Internal	Other	

Inkwanca Local Municipality Integrated Development Plan for 2013-2014

KPA 5: Financial Sustainability													
Department: Budget and Treasury Office													
Strategic Objective: to ensure financial sustainability											Delivery:		Funding
											Internal/E	Source	
											External		
Key Focus Area (KPA)	Description of Capital Projects, Programmes and Activities	Capital Projects (CP), Programmes (P) & Activities (A)	Key Performance Indicators (KPI's)	Annual Baseline	5Yr Target	13/14	14/15	15/16	16/17	17/18			
KPA 32: Supply Chain Management	Annual Procurement Plans	A	Develop departmental APP's	5.00	25.00	5.00	5.00	5.00	5.00	5.00	5.00	Internal	Opex
	Supplier database	A	Development and maintenance of a supplier database.	1.00	5.00	1.00	1.00	1.00	1.00	1.00	1.00	Internal	Opex
	Ensure that goods procured are in line with the Supply Chain Management Policy	A	Quarterly reports to Municipal Manager for council consideration.	4.00	20.00	4.00	4.00	4.00	4.00	4.00	4.00	Internal	Opex
	Accruals register	A	Develop accruals register monthly	12.00	60.00	12.00	12.00	12.00	12.00	12.00	12.00	Internal	Opex
	Commitment Register	A	Develop commitment register monthly	12.00	60.00	12.00	12.00	12.00	12.00	12.00	12.00	Internal	Opex
	Vetting of SCM Officials	A	Vetting of SCM Officials	1.00	5.00	1.00	1.00	1.00	1.00	1.00	1.00	Internal	Opex

Inkwanca Local Municipality Integrated Development Plan for 2013-2014

KPA 5: Financial Sustainability												
Department: Budget and Treasury Office												
Strategic Objective: To ensure financial sustainability											Delivery:	Funding
											Internal/E	Source
											External	
Key Focus Area (KFA)	Description of Capital Projects, Programmes and Activities	Capital Projects (CP), Programmes (P) & Activities (A)	Key Performance Indicators (KPI's)	Annual Baseline	5Yr Target	13/14	14/15	15/16	16/17	17/18		
KPA 55: Asset Management	Renew insurance contract	A	Renewed insurance contracts	Renew all contracts	Renew all contracts	Renew all contracts	Renew all contracts	Renew all contracts	Renew all contracts	Renew all contracts	Internal	Opex
	Maintenance of a Fixed Assets Register	A	Updated Fixed assets register to AG standards	1.00	5.00	1.00	1.00	1.00	1.00	1.00	Internal	Opex
	Physical Verification and Bar coding of	A	Existence of fixed assets.	1.00	5.00	1.00	1.00	1.00	1.00	1.00	Internal	Opex
	Facilitate the disposal of fixed assets	A	Proceeds from disposal of fixed assets	As required	As required	As required	As required	As required	As required	As required	Internal	Opex
	Development and maintenance of a stock control register and procedures manual at the workshop.	A	Approved procedures manual and maintained stock control register.	1.00	5.00	1.00	1.00	1.00	1.00	1.00	Internal	Opex
	Update of the Fixed Assets on eVinus	A	Asset Register fully integrated on	1.00	5.00	1.00	1.00	1.00	1.00	1.00	Internal	Opex

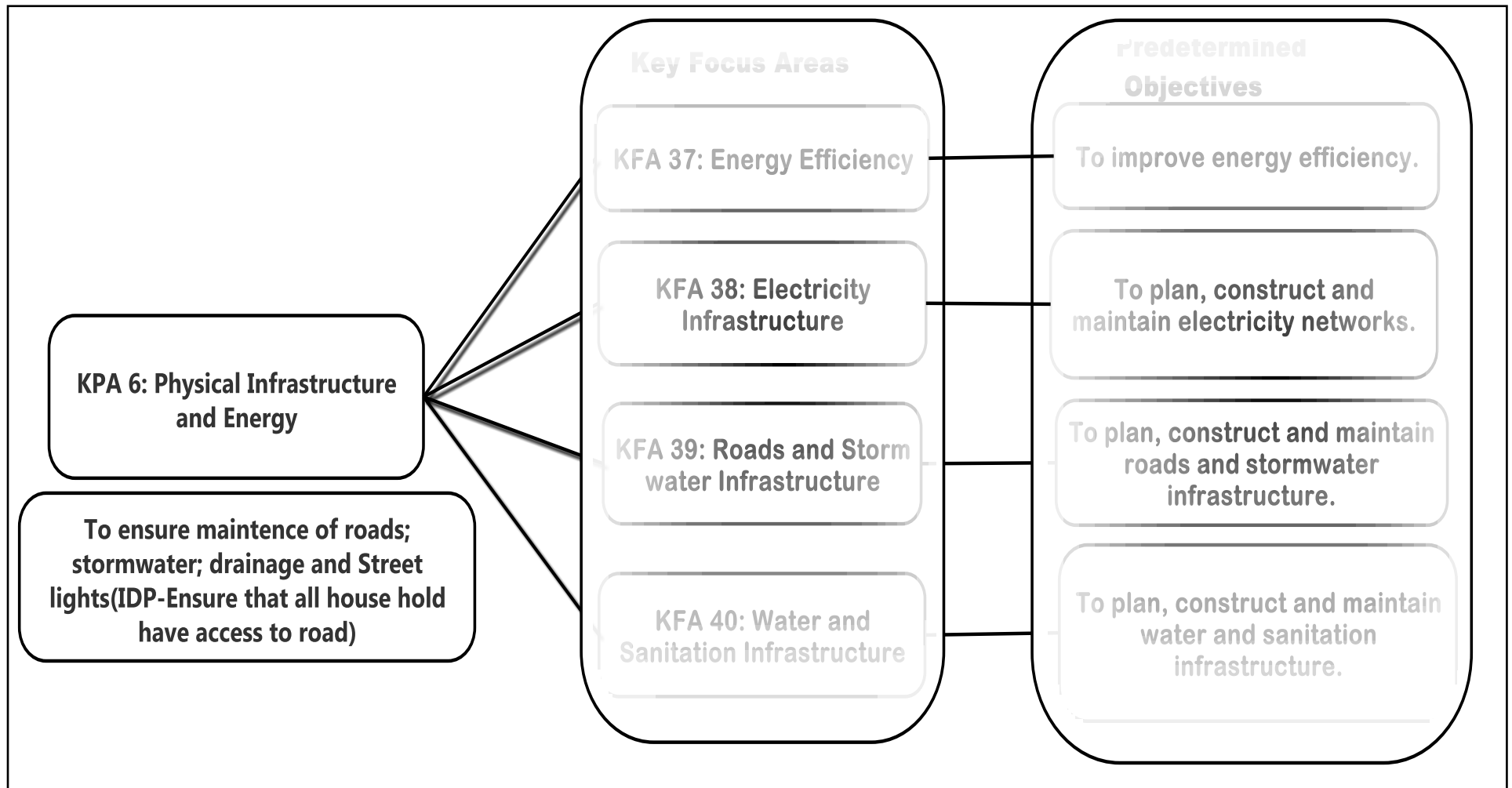
Inkwanca Local Municipality Integrated Development Plan for 2013-2014

KPA 5: Financial Sustainability												
Department: Budget and Treasury Office												
Strategic Objective: To ensure financial sustainability											Delivery:	Funding
Key Focus Area (KFA)	Description of Capital Projects, Programmes and Activities	Capital Projects (CP), Programmes (P) & Activities (A)	Key Performance Indicators (KPI's)	Annual Baseline	5Yr Target	13/14	14/15	15/16	16/17	17/18	Internal/External	Source
KFA			Preparation and									
34 Financial Reporting	Section 71 Reports	A	submission of S71 reports	1.00	5.00	1.00	1.00	1.00	1.00	1.00	Internal	Opex
	Annual Financial Statements	A	Preparation and submission of AFS to AG	1.00	5.00	1.00	1.00	1.00	1.00	1.00	Internal	Opex
	Audit Action Plan	A	Facilitate the Implementation of the Action Plan developed for the 2011/12 audit report.	1.00	5.00	1.00	1.00	1.00	1.00	1.00	Internal	Opex
	Capturing of opening balances	A	Capture opening balances for the 2013/14 financial year	Once-off	Once-off	Once-off	Once-off	Once-off	Once-off	Once-off	Internal	Opex
	Capturing of budget figures	A	Capture the budget figures for 2013/14 on eVinus	Once-off	Once-off	Once-off	Once-off	Once-off	Once-off	Once-off	Internal	Opex

Inkwanca Local Municipality Integrated Development Plan for 2013-2014

KPA 5: Financial Sustainability													
Department: Budget and Treasury Office													
Strategic Objectives to ensure financial sustainability											Delivery:	Funding	
Key Focus Area (KFA)	Description of Capital Projects, Programmes and Activities	Capital Projects (CP), Programmes (P) & Activities (A)	Key Performance Indicators (KPI's)	Annual Baseline	5 Yr Target	13/14	14/15	15/16	16/17	17/18	Internal/External	Source	
KFA 35: Budgeting	Tabling to council		To develop a Budget and IDP process plan in line with MFMA requirements.	1.00	5.00	1.00	1.00	1.00	1.00	1.00	Internal	Opex	
	Council approved Adjustments Budget	A	Compilation of an Adjustments Budget.	1.00	5.00	1.00	1.00	1.00	1.00	1.00	Internal	Opex	
	Council approval of policies	A	Ensure the Review of Budget Related Policies in preparation for the next years budget.	Once-off	Once-off	Once-off	Once-off	Once-off	Once-off	Once-off	Internal	Opex	
	Tabling to council by 31 March 2013	A	Compilation of the Draft Budget for 2013/16 MTEF period.	1.00	5.00	1.00	1.00	1.00	1.00	1.00	Internal	Opex	
	Approval by council by 31 May 2013	A	Submission of final budget for 2013/16 MTEF period for approval by council.	Once-off	Once-off	Once-off	Once-off	Once-off	Once-off	Once-off	Once-off	Internal	Opex
	KFA 36: Funding	Cost coverage	A	Maintain an acceptable ratio	ratio 2:1	ratio 2:1	ratio 2:1	ratio 2:1	ratio 2:1	ratio 2:1	ratio 2:1	Internal	Opex
KFA 37: Fleet Management	Municipal Fleet	A	Maintain and replace fleet	As required	As required	As required	As required	As required	As required	As required	Internal	Opex	

4.5.6. KPA 6: Infrastructure and Energy Efficiency.



Inkwanca Local Municipality Integrated Development Plan for 2013-2014

KPA 6: Physical Infrastructure and Energy Efficiency														
Responsible Department: Infrastructure														
Strategic Objective: To ensure that all communities have appropriate community lighting												Delivery:	Funding	
Key Focus Area (KFA)	Description of Capital Projects, Programmes and Activities	Capital Projects (CP), Programmes (P) & Activities (A)	Key Performance Indicators (KPI's)	Wards	Annual Baseline	5Yr Target	Targets					Internal/ External	Source	
							13/14	14/15	15/16	16/17	17/18			
KPA 37: Energy efficiency	Deper Farm Wind Energy Project	CP	Completion of the wind farm and connection to the main grid	All wards	None	None	None	None	None	None	None	None	External	Eskom
KPA 38: Electricity Infrastructure	Upgrade Electricity Infrastructure	CP	Replace poles at 11KV yard, replace & maintain transformers, procure electricity meters	All wards	6 household meters, replace 2 transformers, maintain 4 transformers, replace 14 poles at 11 KV yard	6 household meters, replace 2 transformers, maintain 4 transformers, replace 14 poles at 11 KV yard	6 household meters, replace 2 transformers, maintain 4 transformers, replace 14 poles at 11 KV yard	replace 2 transformers, maintain 4 transformers	maintain 4 transformers	maintain 4 transformers	maintain 4 transformers	Internal	Inkwanca LM/Equita bl Share	

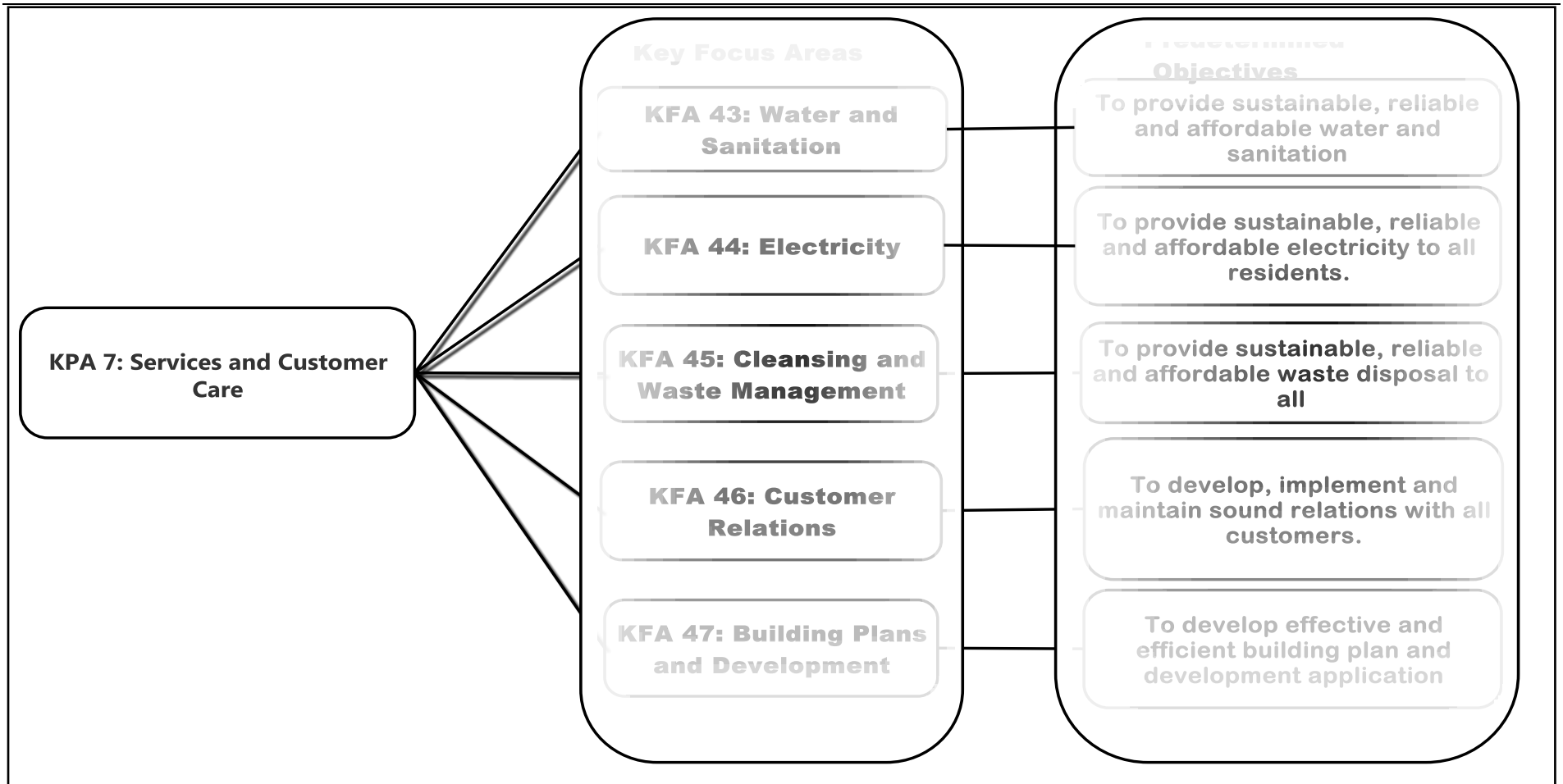
Inkwanca Local Municipality Integrated Development Plan for 2013-2014

KPA 6: Physical Infrastructure and Energy Efficiency														
Responsible Department: Infrastructure														
Strategic Objective: To ensure that all communities have appropriate community lighting												Delivery:	Funding	
Key Focus Area (KFA)	Description of Capital Projects, Programmes and Activities	Capital Projects (CP), Programmes (P) & Activities (A)	Key Performance Indicators (KPI's)	Wards	Annual Baseline	5Yr Target	Targets						Internal/ External	Source
							13/14	14/15	15/16	16/17	17/18			
KFA 39: Roads and Stormwater Infrastructure	Resurfacing of Nomonde & Misakhe Access Road	CP	Complete 3KM, with road bed, top-laying, base-course, chip spread & slurry	3, 4	Complete 3KM, with road bed, top-laying, base-course, chip spread & slurry	Complete 3KM, with road bed, top-laying, base-course, chip spread & slurry	Complete 3KM, with road bed, top-laying, base-course, chip spread & slurry	Preventative road maintenance	Preventative road maintenance	Preventative road maintenance	Preventative road maintenance	Preventative road maintenance	Internal	MIG
	Painting of 6KM road lines or marks	CP	Painting of 6KM road lines or marks	All wards	Painting of 6KM road lines or marks	Painting of 6KM road lines or marks	Painting of 6KM road lines or marks	Preventative road maintenance	Preventative road maintenance	Preventative road maintenance	Preventative road maintenance	Preventative road maintenance	Internal	Equitable share
	Patching of pot-holes	CP	Patching of pot-holes	All wards	Patching of pot-holes	Patching of pot-holes	Patching of pot-holes	Patching of pot-holes	Preventative maintenance	Preventative maintenance	Preventative maintenance	Preventative maintenance	Preventative maintenance	Internal

Inkwanca Local Municipality Integrated Development Plan for 2013-2014

KPA 6: Physical Infrastructure and Energy Efficiency														
Responsible Department: Infrastructure														
Strategic Objective: To ensure that all communities have appropriate community lighting													Delivery:	Funding
Key Focus Area (KFA)	Description of Capital Projects, Programmes and Activities	Capital Projects (CP), Programmes (P) & Activities (A)	Key Performance Indicators (KPI's)	Wards	Annual Baseline	5Yr Target	Targets				Internal/ External	Source		
							13/14	14/15	15/16	16/17			17/18	
KFA 40: Water and Sanitation Infrastructure	Upgrade Waste Water Treatment Works in Sterkstroom	CP	Completed WWTW	2	Upgrade Waste Water Treatment Works in Sterkstroom	Upgrade Waste Water Treatment Works in Sterkstroom	Upgrade Waste Water Treatment Works in Sterkstroom	Preventative maintenance	Preventative maintenance	Preventative maintenance	Preventative maintenance	External	CM/DM	
	Construction of Water Treatment Works at Sterkstroom			3	Completion of WWTW	Completion of WWTW	Completion of WWTW	Preventative maintenance	Preventative maintenance	Preventative maintenance	Preventative maintenance	External	CM/DM	
	Mlteno Oxidation Ponds	CP	Pond lining & operation of the bio-filters	2	Pond lining & operation of the bio-filters	Pond lining & operation of the bio-filters	Pond lining & operation of the bio-filters	Preventative maintenance	Preventative maintenance	Preventative maintenance	Preventative maintenance	External	CM/DM	
	Construction of Misakhe Sports Field	CP	Construction of ablution facilities, change rooms, fencing, upgrade of grand stand, track & field & landscaping	2	Construction of ablution facilities, change rooms, fencing, upgrade of grand stand, track & field & landscaping	Construction of ablution facilities, change rooms, fencing, upgrade of grand stand, track & field & landscaping	Construction of ablution facilities, change rooms, fencing, upgrade of grand stand, track & field & landscaping	Preventative maintenance	Preventative maintenance	Preventative maintenance	Preventative maintenance	Internal	M/G	

4.5.7. KPA 7: Services and Customer Care.



Inkwanca Local Municipality Integrated Development Plan for 2013-2014

KPA 7: Services and Customer Care															
Strategic Objective	to provide sustainable and affordable services and effective customer care												Delivery:		
	Targets												Internal/External		
Key Focus Area (KFA)	Description of Capital Projects, Programmes and Activities	Capital Projects (CP), Programmes (P) & Activities (A)	Key Performance Indicators (KPI's)	Wards	Department	Annual Baseline	5Yr Target	13/14	14/15	15/16	16/17	17/18			
KPA 43: Water & Sanitation	Molteno Water Blue Drop Certification	P	Blue Drop Status (100%)	All wards	Infrastructure	100%	None	80%	80%	80%	80%	80%	80%	Internal/External	
	Storkstroom Water Blue Drop Certification	P	Blue Drop Status (75%)	All wards	Infrastructure	100%	None	80%	80%	80%	80%	80%	80%	Internal/External	
	Green Drop Certification Programme	P	Green Drop Status (No score)	All wards	Infrastructure		None	80%	80%	80%	80%	80%	100%	Internal/External	
	Water Meters	CP	Installation of water meter to measure revenue water	All wards	Infrastructure	1 200.00	1 200.00	1 200.00	-	-	-	-	-	-	Internal/External
	Reduction of water and	P	% Reduction	All wards	Infrastructure	3%	15%	3%	3%	3%	3%	3%	3%	3%	Internal

Inkwanca Local Municipality Integrated Development Plan for 2013-2014

KPA 7: Services and Customer Care

10 provide sustainable and affordable services and effective customer care														Delivery:
Strategic Objective	targets													Internal/E
Key Focus Area (KFA)	Description of Capital Projects, Programmes and Activities	Capital Projects (CP), Programmes (P) & Activities (A)	Key Performance Indicators (KPI's)	Wards	Department	Annual Baseline	5Yr Target	13/14	14/15	15/16	16/17	17/18	Internal	
KPA 45: Cleansing and Waste Management	Refuse removal and collection	P	Refuse removal & collection from 6622 households weekly	All wards	CommServ	31 856 collections	139 200 collections	31 856 collections	31 856 collections	31 856 collections	31 856 collections	31 856 collections	Internal	
	Waste Management Awareness Campaigns	P	4 Campaigns quarterly	All wards	CommServ	4 Campaigns quarterly	20 Campaigns quarterly	4 Campaigns quarterly	4 Campaigns quarterly	4 Campaigns quarterly	4 Campaigns quarterly	4 Campaigns quarterly	Internal	
	Street cleaning	P	Sweeping, grass cutting, cleaning of pavements, service trees & parks in both towns and townships daily	1,2,3,4	CommServ	220 days of street cleaning	1100 days of street cleaning	220 days of street cleaning	220 days of street cleaning	220 days of street cleaning	220 days of street cleaning	220 days of street cleaning	Internal	
	Waste Recycling	P	Implementation of the recycling initiative	2	CommServ	2 recycling initiatives	10 recycling initiatives	2 recycling initiatives	2 recycling initiatives	2 recycling initiatives	2 recycling initiatives	2 recycling initiatives	Internal	

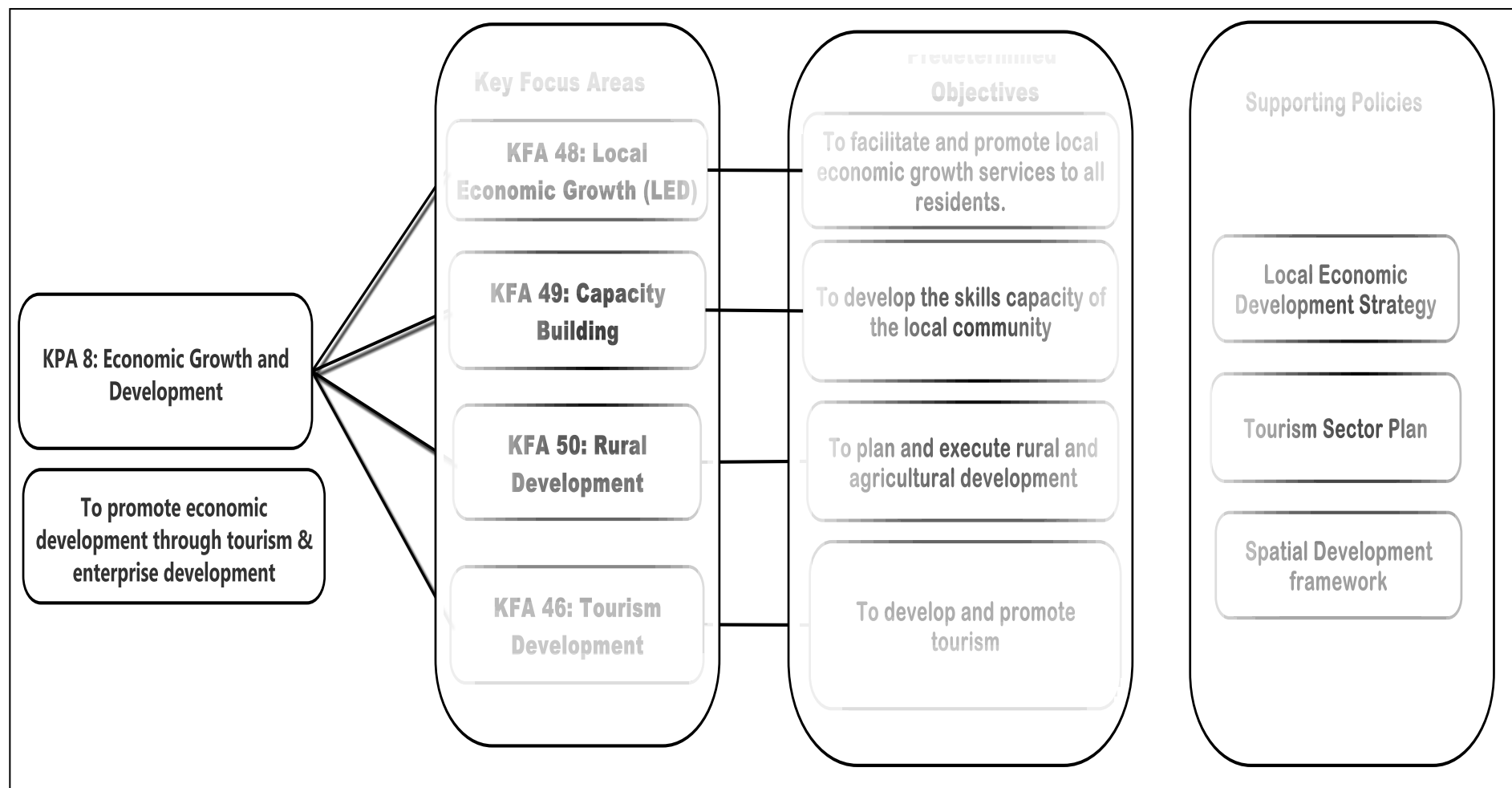
Inkwanca Local Municipality Integrated Development Plan for 2013-2014

KPA 7: Services and Customer Care														
Strategic Objective	to provide sustainable and affordable services and effective customer care													Delivery:
Key Focus Area (KFA)	Description of Capital Projects, Programmes and Activities	Capital Projects (CP), Programmes (P) & Activities (A)	Key Performance Indicators (KPI's)	Wards	Department	Annual Baseline	5Yr Target	13/14	14/15	15/16	16/17	17/18	Internal/External	
KPA 46: Customer Care	Complaints awareness programme	P	Raise customer awareness	All wards	CorpServ	Raise customer awareness	Raise customer awareness	Raise customer awareness	Raise customer awareness	Raise customer awareness	Raise customer awareness	Raise customer awareness	Raise customer awareness	Internal
			% customer			%	%	%	%	%	%	%		
	Complaints system	P	complaints resolved satisfactorily	All wards	CorpServ	complaints resolved	complaints resolved	complaints resolved	complaints resolved	complaints resolved	complaints resolved	complaints resolved	complaints resolved	Internal
							Approved							
	Services Charter & Standards	P	Approved Services Charter & Minimum Standards	All wards	CorpServ	None	Services Charter & Minimum Standard	Approved Services Charter & Minimum Standards	Review Charter & Standards	Review Charter & Standards	Review Charter & Standards	Review Charter & Standards	Review Charter & Standards	Internal

Inkwanca Local Municipality Integrated Development Plan for 2013-2014

KPA 7: Services and Customer Care															
Strategic Objective: To provide sustainable and affordable services and effective customer care														Delivery:	Funding
Key Focus Area	Description of Capital Projects, Programmes and Activities	Capital Projects (CP), Programmes (P) & Activities (A)	Key Performance Indicators (KPI's)	Wards	Department	Annual Baseline	5Yr Target	13/14	14/15	15/16	16/17	17/18	Internal		
													Internal	External	
KEA 7: Building Regulations and Municipal Planning	Land Use Management Plan	A	Develop Land Use Management Plan	All wards	IPASS	None	None	Develop Land Use Management Plan	Review LUMP	Review LUMP	Review LUMP	Review LUMP	Internal	Other	
	Turnaround times: Land Use Applications	A	% of land use applications submitted for decision in accordance with minimum service standards	All wards	IPASS	To be determined 2013/2014	To be determined 2013/2015	To be determined 2013/2016	None	None	None	None	Internal	Other	
	Turnaround times: Land Use Applications	A	Number of reports to be submitted on land use applications	All wards	IPASS	To be determined 2013/2014	To be determined 2013/2015	To be determined 2013/2016	None	None	None	None	Internal	Other	
	Turnaround times: Building plan Applications	A	% of building plans submitted for decision in accordance with minimum service standards	All wards	IPASS	To be determined 2013/2014	To be determined 2013/2015	To be determined 2013/2016	None	None	None	None	Internal	Other	
	Turnaround times: Building plan Applications	A	Number of reports to be submitted and turnaround times	All wards	IPASS	To be determined 2013/2014	To be determined 2013/2015	To be determined 2013/2016	None	None	None	None	Internal	Other	

4.5.8. KPA 8: Local Economic Development.



Inkwanca Local Municipality Integrated Development Plan for 2013-2014

KPA 8: Local Economic Development													
Strategic Objective: To promote economic development through tourism & enterprise development												Delivery:	Funding Source:
Key Focus Area (KFA)	Description of Capital Projects, Programmes and Activities	Capital Projects (CP), Programmes (P) & Activities (A)	Key Performance Indicators (KPI's)	Wards	Annual Baseline	5Yr Target	13/14	14/15	15/16	16/17	17/18	Internal/External	Source
KPA 48: Local Economic Development			Identify tourism product owners. Marketing & branding of tourism products. Facilitate training & capacity building towards grading.	All	8	40	8	8	8	8	8	ILM/DSRAC/ECTB/CHDM	ILM/DSRAC/ECTB/CHDM
	Tourism Sector Plan	A	Review Tourism Sector Plan to Council approval	All	None	None	Review Sector Plan	Review Sector Plan	Review Sector Plan	Review Sector Plan	Review Sector Plan	Internal/External	ILM/CHDM
	LED Strategy	A	Review LED Strategy to Council approval	All	None	None	Review LED Strategy	Review LED Strategy	Review LED Strategy	Review LED Strategy	Review LED Strategy	Internal/External	ILM/CHDM
			Number of agricultural programmes & projects identified	All	9	40	8	8	8	8	8	Internal	Equitable Share
	Agricultural Development at Inkwanca area	P											

Inkwanca Local Municipality Integrated Development Plan for 2013-2014

KPA 8: Local Economic Development														
Strategic Objective: To promote economic development through tourism & enterprise development													Delivery:	Funding:
Key Focus Area (KFA)	Description of Capital Projects, Programmes and Activities	Capital Projects (CP), Programmes (P) & Activities (A)	Key Performance Indicators (KPI's)	Wards	Annual Baseline	5Yr Target	Targets					Internal/External	Source	
							13/14	14/15	15/16	16/17	17/18			
KPA 48: Local Economic Development	Establishment of Wool Processing Plant	P	Development of a business case, feasibility study & business plan	All	None	None	Development of a business case, feasibility study & business plan	Fundraising for the plant	Establishment of the plant	Operate the plant	Operate the plant	Internal/Xternal	ILM/CHD/DRDE	
	Profiling of all projects	P	Comprehensive database of all active projects	All	None	None	Comprehensive database of all active projects	Database maintenance	Database maintenance	Database maintenance	Database maintenance	Internal/Xternal	ILM/CHD/DRDEA	
	Promote SMME's in the Inkwanca area	P	Create an enabling environment for development & support of SMME's	All	None	None	Create an enabling environment for development & support of SMME's	Create an enabling environment for development & support of SMME's	Create an enabling environment for development & support of SMME's	Create an enabling environment for development & support of SMME's	Create an enabling environment for development & support of SMME's	Internal	Opex	
	Promote SMME's in the Inkwanca area	P	Facilitate registrations and business planning	All	None	None	Facilitate registrations and business	Facilitate registrations and business	Facilitate registrations and business	Facilitate registrations and business	Facilitate registrations and business	Facilitate registrations and business	Internal/Xternal	ILM/SED/HDM

Inkwanca Local Municipality Integrated Development Plan for 2013-2014

K1 A 8: Local Economic Development														
Strategic Objective: To promote economic development through tourism & enterprise development													Delivery Mechanism	Funding Source
Key Focus Area (KFA)	Description of Capital Projects, Programmes and Activities	Capital Projects (CP), Programmes (P) & Activities (A)	Key Performance Indicators (KPI's)	Wards	Annual Baseline	5Yr Target	13/14	14/15	15/16	16/17	17/18			
K1 A 8: Local Economic Development	Promote SMME's in the Inkwanca area	P	Facilitate establishment of a local business forum	All	None	None	Facilitate establishment of a local business forum	Support activities of the forum	Support activities of the forum	Support activities of the forum	Support activities of the forum	Internal/External	ILM/CHDM/CHDM Business Forum	
	Establish SMME Incubation Centre	P	Establish SMME Incubation Centre	All	None	None	Business Case, Feasibility Study & Business Plan	Business Case, Feasibility Study & Business Plan	Fundraising & establishment	Fundraising & establishment	Management & Maintenance	Internal/External	ILM/CHDM/DEDEA/DTM/ECDC	
	Community Beneficiation on the proposed coal mine	P	Deal structuring such that community members have direct shareholding via an SPV	All	None	None	Deal structuring such that community members have direct shareholding via an SPV	Identify tangible benefits, beneficiaries & register entity	Identify tangible benefits, beneficiaries & register entity	Support beneficiaries	Support beneficiaries	Internal/External	ILM/CHDM/DEDEA/ECDC/Elitheni/DMR	
	Community Beneficiation on the proposed wind farm	P	Deal structuring such that community members have direct shareholding via an SPV	All	None	None	Deal structuring such that community members have direct shareholding via an SPV	Identify tangible benefits, beneficiaries & register entity	Identify tangible benefits, beneficiaries & register entity	Support beneficiaries	Support beneficiaries	Internal/External	ILM/CHDM/DEDEA/ECDC/Wind Farm/DoE	

Inkwanca Local Municipality Integrated Development Plan for 2013-2014

KIA 8: Local Economic Development														
Strategic Objective: To promote economic development through tourism & enterprise development													Delivery	Funding Source
Key Focus Area (KFA)	Description of Capital Projects, Programmes and Activities	Capital projects (CP), Programme s (P) & Activities (A)	Key Performance Indicators (KPI's)	Wards	Annual Baseline	5Yr Target	Targets					Internal / External		
							13/14	14/15	15/16	16/17	17/18			
KIA 48: Local Economic Development	Creation of employment opportunities on the proposed coal mine	P	Number of direct jobs created for Inkwanca residents	All	None	None	Opportunity profiling & beneficiation	Opportunity profiling & beneficiation	Opportunity profiling & beneficiation	Opportunity profiling & beneficiation	Opportunity profiling & beneficiation	Internal / External	ILM/CHDM/DEDEA/ECDC/Elitheni/DMR	
	Creation of employment opportunities on the proposed wind farm	P	Number of direct jobs created for Inkwanca residents	All	None	None	Opportunity profiling & beneficiation	Opportunity profiling & beneficiation	Opportunity profiling & beneficiation	Opportunity profiling & beneficiation	Opportunity profiling & beneficiation	Internal / External	ILM/CHDM/DEDEA/ECDC/Wind Farm/DoE	
KIA 49: Capacity Building	Community Building Programmes	P	Number of individuals capacitated	All	35.00	175.00	25.00	30.00	35.00	40.00	45.00	Internal / External	ILM/Other sector departments	
	Job Creation Programme	P	Number of reports on number of jobs created	All	4.00	20.00	4.00	4.00	4.00	4.00	4.00	Internal / External	ILM/Other sector departments	

Inkwanca Local Municipality Integrated Development Plan for 2013-2014

K1 A 8: Local Economic Development															
To promote economic development through tourism & enterprise development													Delivery	Funding Source	
Key Focus Area (KFA)	Description of Capital Projects, Programmes and Activities	Capital projects (CP), Programme s (P) & Activities (A)	Key Perfomance Indicators (KPI's)	Wards	Annual Baseline	5yr Target	13/14	14/15	15/16	16/17	17/18	Internal / External			
K1A 50: Rural Development	Small Town Revitalization	P	Formulated Molteno CBD Revitalization Strategy & Urban Renewal Framework	All	None	None	Formulated	Formulated	"Final" Molteno CBD Revitalization Strategy & Urban Renewal Framework	Formulated	"Draft" Molteno CBD Revitalization Strategy & Urban Renewal Framework	Planning & Design considerations	Planning & Design considerations	Internal / External	ILM/Other sector departments
	Small Town Revitalization	P	Formulated Sterkstroom CBD Revitalization Strategy & Urban Renewal Framework	All	None	None	Formulated	Formulated	"Final" Sterkstroom CBD Revitalization Strategy & Urban Renewal Framework	Formulated	"Draft" Sterkstroom CBD Revitalization Strategy & Urban Renewal Framework	Planning & Design considerations	Planning & Design considerations	Internal / External	ILM/Other sector departments

6. CHAPTER 4: Financial Plan.

6.1. Introduction

The purpose of this chapter is to outline a comprehensive multi-year financial plan that will ensure long-term financial sustainability for Inkwanca. The financial plan is essential to ensure that the municipality continues to implement its mandate effectively without impairing its capital base and to move towards self-sufficiency in meeting the growing demands of service delivery.

The multi-year financial plan is prepared for a planning period of five years, paying particular attention to infrastructure investment which is an important developmental component of the IDP. Through this plan Inkwanca will focus on greater financial health and sustainability making collaboration of capital investment projects with other levels of government and private sector investors much easier.

It is of utmost importance that Inkwanca stimulates the macro-economic environment to attract the private sector to investment in Inkwanca. Through this approach Inkwanca will enhance its ability to have access to much needed financial resources to invest in new as well as to maintain its current infrastructure assets.

This plan will also focus on the improvement of Inkwanca's revenue sources in relation to its costs to ensure that the municipality stays a financial viable and sustainable going concern. Inkwanca must utilize available financial resources in an effective, efficient and economical way to ensure that outputs have the desired outcomes as set out in Chapter 3 of the IDP. The financial strategies detailed in this plan must contribute to the achievement of these objectives.

It is important to note that this multi-year financial plan will cover key focus areas over the next five years and even longer. However, due to the fact that budgets in terms of National Treasury's Municipal Budget and Reporting Regulations only covers a planning period of the next financial year and the two outer financial years thereafter; budget information supplied in this chapter might only cover the next three financial years. It will also cover the current financial year's information as well as the previous three financial years' audited information.

A discussion will now follow on key focus areas consisting of a financial framework, financial strategies, financial policies, budget assumptions, operating revenue, operating expenditure, capital expenditure, capital expenditure funding and a concluding statement.

6.2. Financial Framework.

It must be noted that not all municipalities are the same and this should be kept in mind when assessing the financial health of and the setting of benchmarks for a municipality. A municipality can be categorised into a developed or a developing municipality. Inkwanca can be categorised as an underdeveloped and low growth municipality with very few or no developments taking place.

As a low growth municipality, Inkwanca requires a lot of government attention across all levels and it requires both financial and non-financial assistance to put it at par with

Inkwanca Local Municipality Integrated Development Plan for 2013-2014

other municipalities in its category. This financial plan and related strategies will need to address a number of key areas in order to achieve this goal.

The areas which have been identified are detailed below.

6.2.1. Revenue Adequacy and Certainty.

It is essential that Inkwanca has access to adequate sources of revenue from its own operations and intergovernmental transfers to enable it to carry out its functions. It is furthermore necessary that there is a reasonable degree of certainty with regard to the source, amount and timing of revenue. The latest DORA has laid out the level of funding from National Government that will be received for the 2012/2013 to 2014/2015 financial years.

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

6.2.2. Cash/Liquidity Position: Current Ratio

Cash and cash management is vital for the short- and long-term survival and good management of any organization. This is also the case with Inkwanca. The current ratio has been calculated in the following table;

Inkwanca LM: Current Ratio_FY 2010/2011 - FY2011/2012		
Current assets		
	FY2011	FY2012
Cash and cash equivalents	1 077 382.00	63 323.00
Trade and other receivables from exchange transactions	3 060 464.00	5 042 315.00
Other receivables from non-exchange transactions	565 219.00	112 597.00
Inventories	43 702.00	731 673.00
VAT receivable	1 432 232.00	3 208 302.00
Total Current Assets	6 178 999.00	9 158 210.00
Current liabilities	FY2011	FY2012
Trade and other payables from exchange transactions	16462902.00	14229472.00
Consumer deposits	209398.00	169512.00
Current provisions	2987067.00	189118.00
Current portion of unspent conditional grants and receipts	2995801.00	3660020.00
Current portion of borrowings	2069011.00	2069011.00
Current portion of finance lease liability	70569.00	73114.00
	24 794 748.00	22 092 247.00
Current Ratio	0.25	0.41

The appropriate benchmarks which can assist in assessing the financial health of the municipality are:

The **current ratio**, which expresses the current assets as a proportion to current liabilities. A current ratio in excess of two to one (2:1) is considered to be healthy. Inkwanca as at 30 June 2011 stood at a **ratio of 0.25:1**; as at 30 June 2012 at a ratio of **0.41:1**. These results are seen as highly undesirable in the medium to short term and must be turned around. The operating budget needs to produce yearly operating surpluses to improve our cash back reserves position and all collectable revenue needs to be collected.

6.2.3. Cash/Liquidity Position: Debtor's Turnover.

Debtor's turnover ratio indicates the efficiency and effectiveness of collected debts owed to the municipality for municipal services and has been calculated as follows;

Inkwanca LM: Debtors Turnover Ratio_ FY2011/2012	
Total debtors	63 323.00
Total sales	11 625 516.00
Debtor's Turnover Ratio	183.5907
Formula	Total Sales/Debtors

Debtor's turnover ratio, which have a great impact on the liquidity of the Municipality. The municipality as at 30 June 2012 took on average **184 days** to recover its outstanding debts. Inkwanca will attempt to reduce the debtor's turnover ratio (without provisions for bad debt) to less than 90 days, 80 days and 70 days in the short-term (2012/13 financial year). The acceptable norm is 45 days.

6.2.4. Municipal Sustainability.

Inkwanca needs to ensure that its budget is balanced and cash-funded (realistically anticipated revenue to be received / collected that covers expenditure). As there are limits on revenue, it is necessary to ensure that services are provided at levels that are affordable; and, that the full costs of service delivery are recovered. However, to ensure that households which are too poor to pay for even a portion of their basic services at least have access to these basic services; there is a need for the subsidization of these households through an indigent support subsidy.

6.2.5. Effective and Efficient Use of Resources.

In an environment of limited resources, it is essential that the municipality make maximum use of the resources at its disposal by using them in an effective and efficient manner. Efficiency in operations and investment will increase poor people's access to basic services. It is therefore imperative for the operating budget to be compiled to eliminate any fat usually built in a budget with an incremental approach. This should be seriously looked at.

6.2.6. Accountability, Transparency and Good Governance.

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

6.2.7. Equity and Redistribution.

The municipality must treat people fairly and justly when it comes to the provision of services. In the same way the municipality should be treated equitably by national and provincial government when it comes to inter-governmental transfers. The “equitable share” from national government will be used primarily for targeted subsidies to poorer households. In addition, the municipality will continue to cross-subsidize between high- and low-income consumers within a specific service or between services. Unfunded mandates remain a financial burden to Inkwanca customer base due to national and provincial transfers not following the functions that Inkwanca perform on behalf of government.

6.2.8. Development and Investment.

In order to deal effectively with backlogs in services, there is a need for the municipality to maximise its investment in municipal infrastructure. Due to our financial constraints the underlying policies should encourage the maximum degree of private sector investment.

6.2.9. Borrowing.

The strong capital market in South Africa (commercial banks and other lending institutions like the DBSA etc.) provides an additional instrument to access financial resources. However, the municipality may not borrow to balance its operating budget and to finance any operating overspending. Safeguards need to be put in place to ensure that the municipality borrows in a responsible way. In order to have access to this market, the municipality will need to have accurate and appropriate financial accounting and reporting systems. We will have to ensure that we generate enough cash to honour repayment commitments.

The manner in which the municipality manages debt or takes on new debt to finance investment activities will have a significant impact on the solvency and long-term viability of the municipality.

6.3. Financial Strategies.

6.3.1. General Financial Philosophy.

The financial philosophy of Inkwanca is ensure sound financial management through effective revenue & expenditure management and credit control.

It is the goal of the municipality to achieve a strong financial position with the ability to withstand local and regional economic impacts; to adjust efficiently to the community’s changing service requirements; to effectively maintain, improve and expand the

municipality's infrastructure; to manage the municipality's budget and cash flow to the maximum benefit of the community; to prudently plan, coordinate and implement responsible and sustainable community development and growth; and to provide a high level of fire and other protective services to assure public health and safety.

Based on the financial framework, financial strategies and the general financial philosophy statement, the municipality have to develop financial policies that support the above. Inkwanca's financial policies shall also address the following fiscal goals:

- ❑ To keep the municipality in a fiscally sound position in both the long and short term;
- ❑ To maintain sufficient financial liquidity through regular reviews and adjustments to meet normal operating and contingent obligations;
- ❑ To apply credit control policies which maximise collection while providing relief to the indigent;
- ❑ To implement credit control policies that recognise the basic policy of customer care and convenience;
- ❑ To maintain and protect existing infrastructure and capital assets;
- ❑ To direct the municipality's financial resources toward meeting the goals of the municipality's Integrated Development Plan.

6.3.2. Budget Related Policy.

The annual budget is the central financial planning document, directed by the IDP that embodies all revenue and expenditure decisions. It establishes the level of services to be provided by each department. The budget will be subject to monthly control and be reported to Council with recommendations of actions to be taken to achieve the budget goals. The budget will be subject to a mid-term review, which will result in a Revised Budget. These principles are embedded in the **Budget Illustrative Policy**.

The **Budget Illustrative Policy** allows the Municipal Manager and his administration to transfer funds from one vote to another vote within policy directives to improve effective and efficient service delivery.

Adequate maintenance and replacement of the municipality's assets (property, plant and equipment) will be provided for in the annual budget. It will be informed by Council's **Fixed Asset Management Policy**.

The budget shall balance recurring operating expenses to recurring operating revenues. The budget will have revenue plans based on realistically expected revenue to be collected and expenditure figures. Plans will be included to achieve maximum revenue collection percentages.

6.3.3. Capital Infrastructure Investment Policies.

The municipality will establish and implement a comprehensive five-year capital investment plan (CIP). This plan will be updated annually and could be extended to even twenty years to ensure that bulk infrastructure services and internal infrastructure

services together with the foreseen funding sources are planned in an integrated and coordinated manner.

An annual capital investment budget will be developed and adopted by the Inkwanca as part of the annual budget. The municipality make all capital improvements in accordance with the IDP.

Un-expensed capital project budgets shall not be carried forward to future fiscal years unless the project expenditure is committed or funded from grant funding and approved external loans. Routine capital needs will be financed from current revenues and conditional grant allocations as opposed to the issuance of long-term debt. The municipality will maintain all assets at a level adequate to protect the municipality's capital investment and to minimize future maintenance and replacement costs.

6.3.4. Revenue Policies.

The municipality will estimate annual revenues through a conservative, objective and analytical process based on realistically expected revenue to be collected. The municipality will consider market rates and charges levied by other public and private organizations for similar services in establishing rates, fees and charges. Inkwanca will set fees and user charges at a level that fully supports the total direct and indirect costs of operations. Tariffs will be set to reflect the developmental and social policies of Council. These principles will be embedded in a **Rates Policy** that needs to be updated.

Inkwanca will maintain a valuation system based on market values of all properties within its boundaries as well as periodically review the cost of activities supported by user fees to determine the impact of inflation and other cost increases. Fees will be adjusted where appropriate to reflect these increases.

The municipality will continue to identify and pursue grants and appropriations from province, central government and other agencies that are consistent with the municipality's goals and strategic plan and to eradicate unfunded mandates.

6.3.5. Credit Control Policies and Procedures.

Inkwanca will follow an aggressive policy of collecting revenues from those who can afford to pay for their services. For this purpose a **Credit Control Policy** do exist. Currently households owe in excess of 80% of all outstanding debt and it is highly unlikely that 184 days outstanding debt will be recovered from them. Therefore, a **Writing-Off of Irrecoverable Debt Policy** exists.

6.3.6. Supply Chain Policy and Procedures.

The **Supply Chain Management Policy** will ensure that goods and services are procured compliant with legislative requirements in a fair, equitable, transparent, competitive and cost effective way. It includes the disposal of goods or assets not needed anymore for basic service delivery and it must be read in conjunction with Council's **Fixed Asset Management Policy**.

Cost containment and contract management will be a focus area in 2012/13 and Council needs to ensure that contracts awarded to service providers to render services will be managed and monitored appropriately.

6.3.7. Investment Policies

In terms of Section 13(2) of the Municipal Finance Management Act each municipality must establish an appropriate and effective cash management and investment policy. Investments of the municipality shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. The portfolio shall remain sufficiently liquid to enable the municipality to meet daily cash flow demands and conform to all state and local requirements governing the investment of public funds. The preservation of principal is the foremost objective of the investment program. Inkwanca will continue the current cash management and investment practices, which are designed to emphasise safety of capital first, sufficient liquidity to meet obligations second, and the highest possible yield third. These principles are embedded in the **Investment Policy** of Council.

6.3.8. Asset Management Policies

The objective of the asset management policy is to prescribe the accounting and administrative policies and procedures relating to Property, Plant & Equipment (PPE), which are immovable and moveable assets of Inkwanca, and, computer software which are intangible assets of Inkwanca Local Municipality. The principles and policy statements are embedded in the **Fixed Asset Management Policy** of Council.

6.3.9. Accounting Policies

The principals on which Inkwanca operate with regard to the presentation, treatment and disclosure of financial information forms part of the **Accounting Policy** adopted in the compiled yearly annual financial.

6.4. Operating Revenue.

In order to serve the community and to render the services needed, revenue generation is fundamental to financial sustainability. The reality is that we are faced with developmental backlogs and poverty challenging our revenue generation capacity. The needs (being capital or operational of nature) always exceed the available financial resources. This becomes more obvious when compiling the annual budget and marrying it with the community's needs as recorded in the IDP.

This is a worldwide problem and therefore available financial resources should be utilized where it delivers the biggest impact on outcomes that will improve the quality of life of our local communities.

The operating revenue will now be discussed and analyzed.

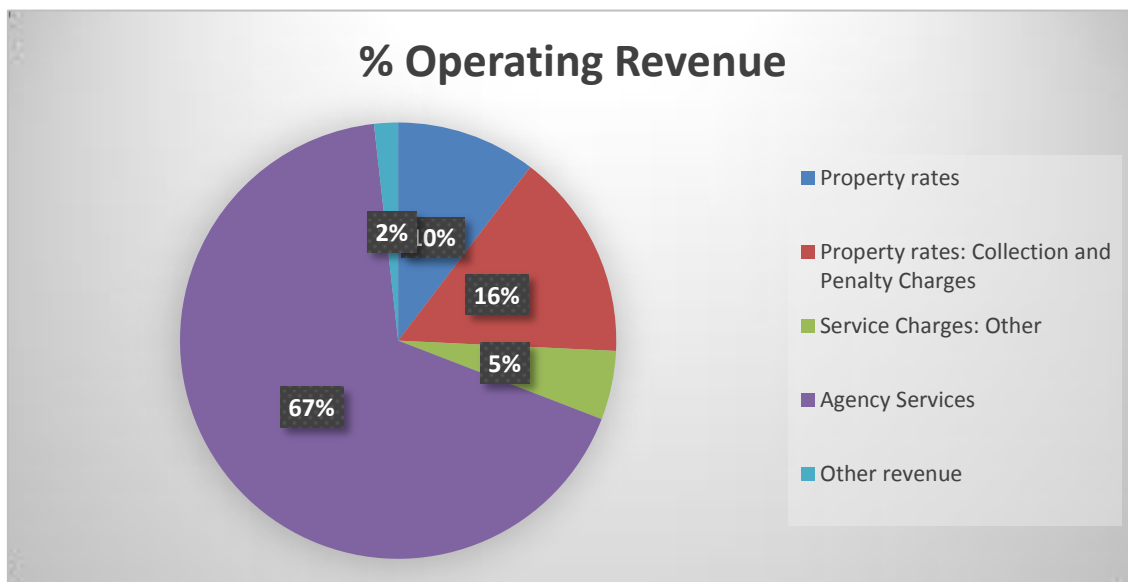
6.4.1. Operating Revenue by Source

The operating revenue by sources is summarized in the following table;

Inkwanca Local Municipality									
Operating Revenue By Source									
Description	2011/2012	Current Year			2013/14 Medium Term Revenue & Expenditure Framework			Financial Framework	
		Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/2014	Year + 1 2014/15	Year + 2 2015/16	Forecast Year 3 + 2016/17
Revenue by Source									
Property rates	2 819 427.00	3 180 000.00	2 547 982.00	2 547 982.00	4 775 866.00	5 062 418.00	5 366 163.00	5 629 104.99	
Property rates: Collection and Penalty Charges									
Service Charges: Electricity Revenue	5 102 276.00	5 746 256.00	5 746 256.00	5 746 256.00	5 779 576.00	6 126 351.00	6 493 932.00	6 812 134.67	
Service Charges: Water Revenue	2 762 696.00	636 000.00	450 000.00	450 000.00	450 000.00	477 000.00	505 620.00	530 395.38	
Service Charges: Sanitation Revenue	5 361 186.00	636 000.00	600 000.00	600 000.00	600 000.00	636 000.00	674 160.00	707 193.84	
Service Charges: Refuse Revenue	3 548 775.00	239 000.00	239 000.00	239 000.00	265 000.00	280 900.00	297 754.00	312 343.95	
Service Charges: Other									
Rental of Facilities & Equipment	105 524.00	80 110	101 225	101 225	200 000	212 000	224 720	235 731	
Interest earned: External Investments	51.00								
Interest earned: Outstanding Debts	3 006 797.00				1 895 000.00	2 008 700.00	2 129 222.00	235 731.28	
Fees	55 637.00	218 000.00	75 000.00	75 000.00	58 697	62 219	65 952	69 184	
Licences and permits	-	179 533.00	180 000.00	180 000.00	200 000	212 000	224 720	235 731	
Agency Services									
Transfers recognised: Operational	18 054 693.00	21 133 000.00	21 133 000.00	21 133 000.00	23 903 250.00	24 995 800.00	29 130 500.00	30 557 894.50	
Agency Services	6 281 686.00	8 901 185.00	6 803 508.00	6 803 508.00	6 651 867.00	7 050 979.00	7 474 038.00	7 840 265.86	
Other revenue	2 778 490.00	1 183 687.00	1 182 986.00	1 182 986.00	834 290.00	866 633.00	937 711.00	983 658.84	
Gains on disposal of PPE									
Total Revenue (Excluding Capital Transfers & Contributions)	49 877 238	41 999 238	38 878 997	38 878 997	49 419 546	47 779 688	53 299 772	59 919 638	

6.4.2. Analysis of Total Operating Income

The biggest revenue source for Inkwanca Local Municipality comes from agency services, which constitute 67%. These agency services include water services through an agency agreement with Chris Hani District Municipality.



Collection and penalty charges for property rates on constitute for 16% and the rest of the services constituting insignificantly.

6.5. Operating Expenditure.

Operating expenditure budgeting should be done on a zero base budget approach. Further do best practice methodologies relating to operating expenditure include infrastructure repairs and maintenance as a priority; budgeted expenditure to be funded by realistically anticipated cash backed revenues; and, operational gains and efficiencies to result in operating surpluses to fund capital expenditure from own cash backed funds.

6.5.1. Operating Expenditure by Type

The following table depicts the main types of operating expenditure. The percentages highlighted in red represent increases and decreases in the operating expenditure types that are higher than normal inflation and growth patterns.

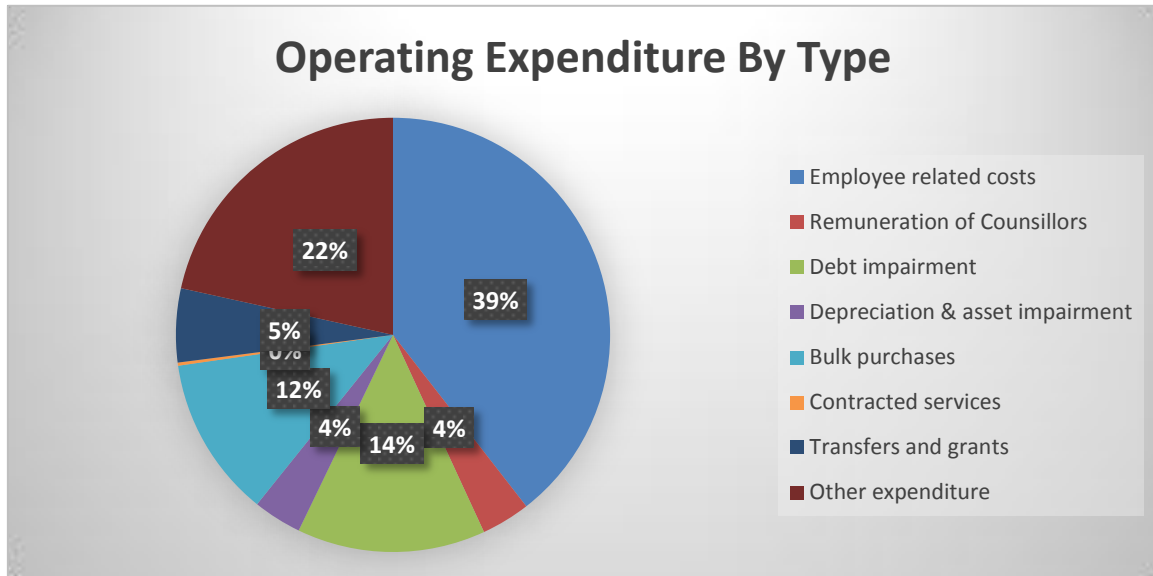
Inkwanca Local Municipality

Operating Expenditure By Type

Description	2011/2012		Current Year		2013/14 Medium Term Revenue & Expenditure Framework			Long Term Financial Framework		%	
	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year	Year + 1 2014/15	Year + 2 2015/16	Forecast Year 3 +	Forecast Year 4		Increase/Decrease
					2013/2014			2016/17	+ 2017/18		
Expenditure by Type											
Employee related costs	18 556 206.00	19 105 426.00	19 806 249.00	19 806 249.00	21 672 097.00	22 972 422.00	24 350 768.00	25 543 955.63	26 821 153.41	0	
Remuneration of Councillors	1 858 550.00	1 907 830.00	817 809.00	1 817 809.00	1 996 959.00	2 116 777.00	2 243 783.00	2 353 728.37	2 471 414.79	-	
Debt impairment	2 552 413.00	7 080 838.00	7 080 838.00	7 080 838.00	7 704 486.00	8 166 755.00	8 656 760.00	9 080 941.24	9 534 988.30	-	
Service Charges: Refuse Revenue										-	
Depreciation & asset impairment	0 298 868.00	714 026.00	713 025.00	713 025.00	1 983 754.00	2 102 779.00	2 228 946.00	2 338 164.35	2 455 072.57	-	
Finance charges	169 206.00	6 360.00	30.00	30.00	-	-	-	-	-	-	
Bulk purchases	5 977 207.00	5 200 636.00	5 200 636.00	5 200 636.00	6 567 936.00	6 962 012.00	7 379 733.00	7 741 339.97	8 128 406.91	-	
Other materials	-	-	-	-	-	-	-	-	-	-	
Contracted services	-	1 451 500.00	-	-	127 234.00	134 868.00	142 960.00	149 965.04	157 463.29	-	
Transfers and grants	-	-	-	-	3 014 250.00	3 236 705.00	2 736 091.65	2 870 160.14	3 013 668.15	-	
Other expenditure	7 098 408.00	12 528 900.00	11 383 580.00	11 383 580.00	11 828 191.00	11 432 978.00	12 820 964.35	13 449 191.60	14 121 651.18	-	
Loss on disposal of PPF										-	
Total Revenue (Excluding Capital Transfers & Grants)	36 761 853.00	42 991 516.00	41 602 167.00	41 602 167.00	50 294 907.00	52 125 296.00	50 560 016.00	53 527 006.30	54 705 818.61	0.00	

6.5.2. Analysis of Operating Expenditure by Type

The biggest cost driver is employee related costs, which also combines remuneration of Councillors.



The second biggest cost driver is bulk purchases which has a direct linkage to service delivery. This expenditure is financed wholly by Chris Hani District Municipality and from revenue water. Depreciation and asset impairment is a book entry and non-cash backed item.

6.6. Capital Expenditure.

Capital expenditure budgeting should be done on a capital prioritizing model. Such a model will ensure that future allocations of scarce available financial sources will be allocated to capital projects which will have the biggest impact on the outcomes that will improve the quality of life of Inkwanca's customer base. Such a model will ensure that sufficient funds are made available for the renewal of dilapidated infrastructure to ensure on-going quality service delivery.

6.6.1. Capital Expenditure by Standard Classification

The five standard classifications are:

- ❑ Governance and administration comprising of the sub-categories of executive and council; budget and treasury office; and, corporate services;
- ❑ Community and public safety comprising of the sub-categories of community and social services; sport and recreation; public safety; housing; and, health;
- ❑ Economic and environmental services comprising of the sub-categories of planning and development; road transport; and, environmental protection;

Inkwanca Local Municipality Integrated Development Plan for 2013-2014

- Trading services comprising of the sub-categories of electricity; water; waste water management; and, waste management; and
- Other services.

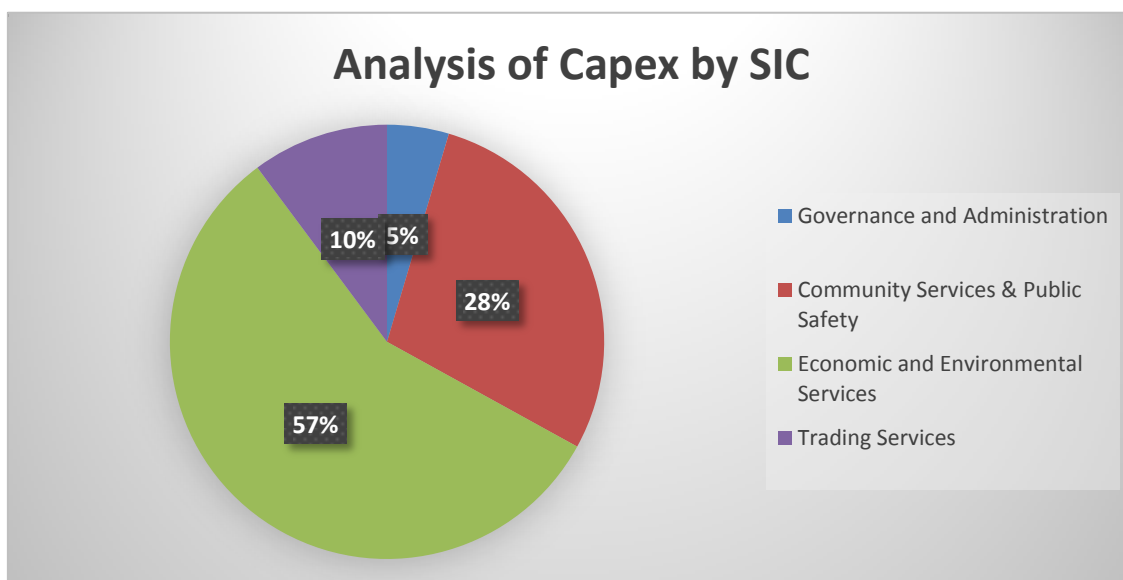
Inkwanca Local Municipality

Capital Expenditure By Standard Industrial Classification

Description	2011/2012	Current Year		2013/14 Medium Term Revenue & Expenditure Framework			
				Full Year			
R thousand				Forecast			
Capital Expenditure By Standard Industrial Classification							
Governance and Administration	166 131.00	-	526 500.00	526 500.00	700 000.00	400 000.00	450 000.00
Executive and Council			326 500.00	326 500.00	350 000.00	-	-
Budget & Treasury Office					-	-	-
Corporate Services	166 131.00		200 000.00	200 000.00	350 000.00	400 000.00	450 000.00
Community Services & Public Safety	1 113 628.00	431 000.00	251 000.00	251 000.00	2 710 750.00	1 998 200.00	1 961 500.00
Community & social services	1 113 628.00	431 000.00	408 000.00	408 000.00	-	-	-
Sport & Recreation			843 000.00	843 000.00	2 710 750.00	1 998 200.00	1 961 500.00
Economic and Environmental Services	4 750 456.00	9 991 000.00	499 000.00	499 000.00	5 300 000.00	6 700 000.00	7 035 000.00
Road transport	4 750 456.00	9 991 000.00	499 000.00	499 000.00	5 300 000.00	6 700 000.00	7 035 000.00
Trading Services	1 482 335.00	1 020 000.00	165 000.00	165 000.00	1 300 000.00	1 720 000.00	1 797 200.00
Electricity	1 482 335.00		85 000.00	85 000.00	800 000.00	1 000 000.00	1 200 000.00
Water		1 020 000.00	80 000.00	80 000.00			
Waste management			60 000.00	60 000.00	500 000.00	720 000.00	597 200.00
Total Capital Expenditure-Standard	7 512 550.00	11 442 000.00	1 441 500.00	1 441 500.00	11 010 750.00	10 818 200.00	11 243 700.00

6.6.2. Analysis of Capital Expenditure.

For the 2013/14 the split between the standard classifications are set out in the following graphic;



<input type="checkbox"/> Economic and Environmental Services	:	57%
<input type="checkbox"/> Community Services & Public Safety	:	28%
<input type="checkbox"/> Governance & Administration	:	5%
<input type="checkbox"/> Trading Services	:	10%

6.7. Capital Expenditure Funding.

Capital expenditure is funded through a very small portion of own funding and largely by grants.

Grants through government programmes are a biggest source of funding for Inkwanca Local Municipality.

The capital expenditure funding sources are illustrated in the following table;



6.8. Conclusion.

Inkwanca Local Municipality needs to investigate and implement various strategies and alternatives in order to drastically improve its financial position.

The multi-year Financial Plan contains realistic and credible revenue and expenditure forecasts which should provide a sound basis for improved financial management and institutional development as well as service delivery improvements and implementation. The strategy towards cash backing and cash funded budgets will have to be put in place and implemented to ensure the sustainability of the Municipality over the short-, medium- and long-term.

7. Annexures.

Annexure A: Municipal Service Delivery & Budget Implementation Plan

Annexure B: Performance Management System

Annexure C: Municipal Scorecard

Annexure D: Spatial Development Framework

Annexure E : Risk Register

Annexure F : Bylaw Register

Anexxure G : Policy Register