

# **INTEGRATED DEVELOPMENT PLAN 2013 – 2014**



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## GLOSSARY OF TERMS

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



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



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# FOREWORD BY MAYOR

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*It gives me pleasure as the Mayor of Sakhisizwe Municipality to present once again to the Council and the public at large, as well as to our stakeholders, the revised Integrated Development Plan and Budget for the 2013 -2014.*

*This review marks a major milestone in the life and term of this council. We have committed to transforming the lives of our people during our term and this IDP are but one of the ways that we seek to advance that goal as a council.*

*During the previous term we were faced with many challenges which compromise our efforts to make people's lives better due to lack of both human and financial resources. I believe that tomorrow belongs to the people who build it today, we have to continue with right strategies so that tomorrow is better than today. As we begin our new council term, I wish to urge all our stakeholders to rally behind this council in making the lives of our people better.*

*This IDP provides a useful guide on how we shall improve service deliver, local economic development, financial viability, municipal institutional development and transformation as well as good governance and effective public participation in Sakhisizwe.*

*Our performance reports indicate that while considerable gains have been achieved in certain areas of our interventions, more needs to be done in especially the areas of obtaining a clean audit, expanding basic services, fighting the scourge of poverty, inequality and HIV./Aids among our people. This we cannot achieve without adherence proper institutional systems and effective governance processes.*

*We therefore commit to improving our internal systems of control within the budget and treasury office, accountability and performance management within the office of MM and Mayor, capacity building and strengthening of our operational machinery including strict oversight on our administration. We shall work hard as this council to ensure that all of our resources are led and rallied effectively to deliver on the promise of this IDP and Budget.*

*We shall also embark in a collective approach to continue to strengthen our partnership in ensuring the integrated approach, to work with all government spheres, private sector, NGO'S, CBO' and the community in general. IGR will be strengthened to ensure better coordination and mobilization of development resources and objectives in our jurisdictional areas.*

*"Together we can do more" - our partners must work close with us to improve the situation described in this IDP and to reverse backlogs for roads, infrastructure, electricity, water and sanitation and other essential services so that more investors will be motivated to invest in our municipality.*

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

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**Councilor: Jentile  
HON. MAYOR**



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# EXECUTIVE SUMMARY

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*This section gives an executive summary of the Sakhisizwe Municipal IDP 2013 -2014 report.*

## **1.1 Objectives of this review**

*The main objectives of this review are to:*

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

## **1.2 The development challenge**

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

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

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

*The promise to a better future remains an elusive goal for many households and peoples who are trapped into a vicious*

*cycle of poverty and unemployment. It remains a commitment of this council to lay a solid foundation for better life for all and to direct our development trajectory toward improved economic development, better service delivery and marked reduction in poverty and unemployment.*

### **1.2.1 Demographic dynamics**

*Statistics South Africa released its report on the recent census count in 2012 and it estimated out population to be 63 582. The majority of population is female and youth. There are about 29,9 people per square kilometre.*

### **1.2.2 Service Delivery**

*Indeed, our analysis show that we lag behind with provision of basic and other required services and run a strategic risk of not meeting our millennium and EC PDGS goals if this situation is not rescued. Our backlogs are water, sanitation, Electricity, Refuse, Road network (300km of gravel and approximately 62km of tarred surfaces). There are also other challenges such as poor accessibility of facilities and quality outputs affecting Education, Health, Public Transport, Social Development and Safety & Security. These challenges militate against our strength to better the lives of our people.*

### **1.2.3 Economic Development and Environment**

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

*Our GDP is estimated at about R463 million while unemployment remains as high as 36%.*

*Key sector with potential but currently under performing and needing focused interventions include Manufacturing and Tourism. While we acknowledge that our is a small economy it is appreciated that it currently shows a better tress index of diversification at 79,7 compared to the of*



the region at 65,5. Our comparative advantage is in community services, agriculture and trade sectors.

#### 1.2.4 Municipal Institutional Development & Transformation

We are still unable to perform all are expected mandate in terms of assigned powers and functions due to administrative and other capacity constraints. Our council is a plenary executive system and administer manage through 5 key administrative departments including that of the office of the municipal manager. However, we are constantly innovating to ensure greater participation by our communities in all aspects of our decision making. We have resolved to promote community participation and local democracy by implementing ward planning during 2013/14.

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

#### 1.2.5 Good Governance

The past two years have seen our governance system characterised by a fair political stability and relatively stable management operations leading to a fair service delivery records, fair audit outcome in terms of opinions expressed on our financial statements.

IGR is existent with sector departments taking place. However, this needs to be strengthened.

#### 1.2.6 Financial Viability

As a municipality, we are defined by national treasury as a weak low capacity organization. Our current systems of financial control as found by auditor general reports of the last 2 years are evidently showing signs of improvement.

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

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

- Systems development and financial controls

### 1.3 Development priorities

#### 1) Service Delivery

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

#### 2) Local Economic Development

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

#### 3) Financial Viability

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

#### 4) Good Governance & Public Participation

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

#### 5) Municipal Institutional Development & Transformation

- a. Organizational development and Administration
- b. HR Development



- c. Capacity Building and Training
- d. Fleet Management
- e. Council Support

*Special Programmes (SPU)*

#### **1.4 Planning for the future**

*This IDP review has not amended the agreed vision and mission of the municipal council ever since it was amended in Mountain Shadow at our Strategic Plan.*

*The document also provides a detailed list of programmes and projects to be implemented in attempting to reverse the development challenge outlined above. It further provides a framework for ensuring smooth integration, alignment and synergy in the implementation of this IDP's intention. It concludes with the outline of the processes followed in approving this IDP review for implementation.*

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# PRE-PLANNING PHASE

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## 2 THE REVIEW PROCESS PLAN

*In terms of the Municipal Systems Act, Chapter 5, Part 3, a Municipal Council must review its integrated development plan annually in accordance with its performance measurements in section 41; and to the extent that changing circumstances so demand and may amend its integrated development plan in accordance with a prescribed process. In accordance with the philosophy behind the Municipal structures Act, 1998, Section 84 (1) that states:*

*Sakhisizwe council adopted its process plan for the review of the IDP in September 2012.*

### 2.1 Organisational arrangements

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

#### 2.1.1 IDP Steering Committee

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

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

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

#### 2.1.2 IDP Representative Forum

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

- *Secretariat of IDP steering committee*
- *Ward Committees*
- *Youth groups*



- Rate payers
- Traditional Leaders
- Civic bodies & Entities
- NGO’s and CBOs
- Sector Departments and the District Municipality
- Management Team
- Community development workers

**2.1.3 Roles and responsibilities of stakeholders**

The following table gives a list of stakeholders and their respective roles and responsibilities.

<b>ACTORS</b>	<b>ROLES AND RESPONSIBILITIES</b>
<i>Council</i>	<ul style="list-style-type: none"> <li>▪ Consider and adopt reviewed IDP</li> <li>▪ Promote public participation via Ward Based plans, Representative Forum &amp; Mayoral Imbizos / Roads Shows</li> <li>▪ Keep public informed about the contents of the IDP</li> </ul>
<i>IDP Manager</i>	<ul style="list-style-type: none"> <li>▪ Ensure that the Process Plan and reviewed IDP are adopted by the Council</li> <li>▪ 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;</li> <li>▪ Encourage an inclusive participatory planning process and compliance with action programme</li> <li>▪ Facilitate the horizontal and vertical alignment of the district IDP</li> <li>▪ Ensure that the planning process outcomes are properly documented</li> <li>▪ Manage service providers to the district or local municipal IDP</li> <li>▪ Coordinate with various government departments and to ensure that all the projects, strategies and objectives of the local municipality are shared and distributed amongst government departments so that they might incorporate them in their planning process and vice versa</li> </ul>
<i>Heads of Departments &amp; Senior Management</i>	<ul style="list-style-type: none"> <li>▪ Provide technical and advisory support to the IDP Manager</li> <li>▪ Perform daily planning activities including the preparation and facilitation of events; documentation of outputs and making recommendation to the IDP Manager and the Municipal Council</li> <li>▪ Interact with the relevant cluster regarding the prioritization of their individual departments projects and programmes for the following years</li> <li>▪ Provide clear terms of reference to service providers</li> </ul>



<b>ACTORS</b>	<b>ROLES AND RESPONSIBILITIES</b>
<i>District Municipality</i>	<ul style="list-style-type: none"> <li>▪ Provide support and guidance on IDP Review process</li> <li>▪ Assist municipalities to achieve the target dates</li> <li>▪ Interact with service providers to ensure that a quality product is provided</li> <li>▪ Assist with workshops</li> <li>▪ Project Management and Implementation Support Services</li> <li>▪ Ensure that clusters achieve integrated planning</li> <li>▪ Ensure that an uniform reporting mechanism is devised</li> </ul>
<i>Sector Departments</i>	<ul style="list-style-type: none"> <li>• Ensure the participation of Senior personnel in the IDP review process</li> <li>• Horizontal alignment of programmes and strategic plans within the clusters</li> <li>• Provide technical support and information to the planning process</li> <li>• Contribute relevant information to support the review process within the clusters</li> <li>• Incorporate district and local municipal projects into departments planning within the clusters</li> </ul>
<i>National &amp; provincial governments</i>	<ul style="list-style-type: none"> <li>• Monitor and evaluate the preparation and implementation process</li> <li>• Provide training and capacity building support to the local municipality – <b>Cogta</b> guide for credible IDPs</li> <li>• Coordinate support programmes so that overlapping does not occur</li> <li>• Provide technical guidance and monitor compliance with provincial policy and legal framework</li> <li>• Provide financial support to the IDP planning and implementation process</li> </ul>
<i>Communities</i>	<ul style="list-style-type: none"> <li>• Input and influence plans and decision making</li> </ul>

#### 2.1.4 Community Participation strategy

<b>ISSUE</b>	<b>PARTICIPATION MECHANISM &amp; PLANNING EVENTS</b>
<i>Planning participation</i>	<ul style="list-style-type: none"> <li>▪ Use of workshops &amp; Community Based Plans</li> </ul>
<i>Attendance at meetings, workshops etc</i>	<ul style="list-style-type: none"> <li>▪ Interchanging of venue logistics between Elliot and Cala to ensure convenience</li> <li>▪ Support with transportation where it was possible</li> <li>▪ Issuing of invitations via popular media and local institutions like ward committees, public announcements in social events etc</li> </ul>
<i>Effective communication</i>	<ul style="list-style-type: none"> <li>▪ Meetings were largely run in Isixhosa and this allowed participants to inputs meaningfully without restrictions of language</li> </ul>
<i>Approval &amp; Comments on the document</i>	<ul style="list-style-type: none"> <li>▪ Use of ward level Mayoral Imbizos and Road shows further explaining the budget and IDP 2012/13 to communities</li> </ul>



### 2.1.5 Activity process Plan

	Activities	Timeframe	Responsible Department
<b>A</b>	<b>Preparation phase / Pre-planning</b>		
1	Development plan and Framework plan	15 August 2012	IPED
2	Exco to look on the IDP Framework & IDP/Budget Process Plan	21 August 2012	MM
	Council Approval of Framework Plan & Process Plans (IDP & Budget)	29 August 2012	IPED/
3	Advertise Adopted IDP Process Plan	04 September 2012	IPED
4	IGR Meeting chaired by the Mayor	05 September 2012	MM
5	IDP/PMS/Budget Representative Forum meeting for the IDP and Budget Process Plan 2013/14	19 September 2012	ALL HOD'S
6	Development of Ward Base plans together with DLGTA	01 September-20 November 2012	DLGTA & IPED
7	Quarter 1 Performance reporting (July - Sept)	10 October 2012	HOD's/MM
<b>B+C</b>	<b>Analysis Phase / Monitoring and evaluation</b>		
2	Assess implementation progress (HODs to present action plans for existing projects and planned completion dates for projects, aligning expenditure with progress), impact of new information/unexpected events, evaluation of achievement with regard to objectives, strategies and projects (per programme), overview of funding available per cluster (both from savings as well as new funding from operating budget and from external funds), possible implications on programmes of additional sector information.	July - October 2012	All HOD'S
	IDP/PMS/Budget Steering Committee meeting to review Implementation progress and report on gaps identified during the analysis phase, ward base plan to be presented to the committee	11 October 2012	All HOD'S
	Issue Budget guidelines to Directorates, focusing on revenue and expenditure projections	06 November 2012	All HOD'S
	Technical IGR Meeting	12 November 2012	MM
	IDP/PMS/Budget Rep Forum meeting - discuss priorities and presentation of Draft Ward Base plan development	27 November 2012	MM



	<i>Mid-year review process, Costing of personnel requirements, Submission of Budget Proposals (Budget adjustment)</i>	<i>07 December 2012</i>	<i>ALL HOD'S</i>
	<i>Quarter 2 Performance reporting (Oct - Dec)</i>	<i>10 January 2013</i>	<i>HOD's &amp; MM</i>
<b>D</b>	<b>Strategies Phase / Refined objectives, strategies, programmes and projects phase</b>		
	<i>Mid- year review approved by council Consolidate budget submissions</i>	<i>30 January 2013</i>	<i>CFO</i>
	<i>Strategic planning session. Adopt proposed overall direction of the IDP - agree on main themes and key strategic objectives and key financial issues .</i>	<i>12-13 Feb 2013</i>	<i>IPED</i>
<i>2</i>	<i>Refine objectives, strategies, programmes and draft projects as necessary for MTEF period.</i>	<i>Dec 2012 - Jan 2013</i>	<i>ALL DEPTS</i>
<i>4</i>	<i>IDP/Budget Steering Committee to approve draft budget allocations (IDP/ Budget link)</i>	<i>22 January 2013</i>	<i>ALL GOVT DEPTS &amp; HOD'S</i>
	<i>Technical IGR Meeting</i>	<i>07 February 2013</i>	<i>MM</i>
	<i>IDP REP Forum</i>	<i>13 February 2013</i>	<i>ALL HOD'S</i>
	<i>IDP/PMS/Budget Steering Committee meeting to present the draft IDP and Budget</i>	<i>14 March 2013</i>	<i>IPED</i>
<i>5</i>	<i>IDP/Budget/Representative Forum meeting to present the draft IDP</i>	<i>20 March 2013</i>	<i>MM</i>
<i>6</i>	<i>Council Workshop on the draft IDP and Budget</i>	<i>29 March 2013</i>	<i>MM</i>
<i>7</i>	<i>Council approval of the draft IDP &amp; Budget</i>	<i>28 March 2013</i>	<i>ALL HOD'S</i>
<i>8</i>	<i>Identify operating impacts (including staff issues) of proposed projects and ensure that these are included in the operating budget submissions</i>	<i>01-30-March-2013</i>	<i>IPED /BTO/CFO / Corporate Services</i>
	<i>Quarter 3 Performance reporting (Jan - March)</i>	<i>10 April 2013</i>	<i>HOD'S &amp; MM</i>
	<i>Draft IDP and Draft Budget published. Advertise for public comment (21days)</i>	<i>01 April 2013</i>	<i>IPED</i>
<b>E</b>	<b>Reviewed IDP document (Integration/programme implementation and operational plan)</b>		
	<i>IDP Rep Forum</i>	<i>03 April 2013</i>	<i>IPED</i>
	<i>Publicise Draft Budget on local newspapers and website</i>	<i>05 April 2013</i>	<i>BTO/CFO</i>
<i>1</i>	<i>IDP/Budget roadshows - public hearings</i>	<i>22-24 April 2013</i>	<i>MM/IPED/BTO</i>
	<i>IDP Steering Committee meeting (implementation and operational plan)</i>	<i>14 May 2013</i>	<i>IPED</i>





	<i>Technical IGR</i>	<i>09 May 2013</i>	<i>MM</i>
	<i>IDP Rep Forum</i>	<i>26 May 2013</i>	<i>IPED</i>
<b>F</b>	<b>Approval phase</b>		
3	<i>Council Workshop on the Final IDP prior Adoption</i>		<i>CORPORATE SERVICES</i>
4	<i>Council &amp; Approval of Final IDP &amp; Budget</i>	<i>29 May 2013</i>	<i>MM, Corporate services, BTO &amp; IPED</i>
4	<i>Quarter 4 Performance reporting (April - June))</i>	<i>10 July 2013</i>	<i>HOD's &amp; MM</i>
<b>G</b>	<b>Performance Management System</b>		
2	<i>Drafting of Service Delivery and Budget Implementation Plan (SDBIP)</i>	<i>02 April 2013</i>	<i>MM</i>
3	<i>Submit draft SDBIP within 14 days after approval of the budget</i>	<i>14 June 2013</i>	<i>MM</i>
4	<i>Approval of SDBIP within 28 days after budget</i>	<i>28 June 3013</i>	<i>Mayor</i>
5	<i>Signing of MM and Section 57 Managers Performance Agreements</i>	<i>31 June 2013</i>	<i>MM</i>
6	<i>Publicize SDBIP and Performance Agreements no later than 14 days after approval</i>	<i>09 July 2013</i>	<i>MM</i>

### 2.1.6 Mechanisms and Procedures for Alignment

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

PHASE	ALIGNMENT ON CROSS CUTTING ISSUES	WITH WHOM
2. Process Plan + Situation Analysis	<ul style="list-style-type: none"> <li>▪ IDP &amp; Budget process activity plans</li> <li>▪ Sector Department planning &amp; Municipal IDP inputs</li> </ul>	<ul style="list-style-type: none"> <li>• BTO &amp; IPED</li> <li>• Affected Gov Departments</li> </ul>
2. Strategies	<ul style="list-style-type: none"> <li>▪ Technical input on objectives and goals of programmes</li> <li>▪ Local and wide strategic debates</li> </ul>	<ul style="list-style-type: none"> <li>• Affected Gov Departments</li> </ul>
3. Projects	<ul style="list-style-type: none"> <li>▪ Technical input on projects</li> <li>▪ Input on budgets</li> <li>▪ Cross cutting projects e.g. HIV/Aids</li> </ul>	<ul style="list-style-type: none"> <li>• Affected Gov Departments</li> </ul>
4. Integration & Alignment	<ul style="list-style-type: none"> <li>▪ Technical input</li> <li>▪ Sector alignment &amp; integration</li> </ul>	<ul style="list-style-type: none"> <li>• Affected Gov Departments</li> </ul>
5. Approval	<ul style="list-style-type: none"> <li>▪ Submission; Comments on revised IDP's</li> </ul>	<ul style="list-style-type: none"> <li>• Affected &amp; interested parties</li> </ul>

### 2.2 Main Legislation and Policy framework

The Sakhisizwe Municipality's IDP formulation and implementation processes will be bound by the following legislation and policy framework.

#### Legislation framework

- Constitution: 1996
- Development Facilitation Act 96 of 1995
- White paper on Local government of 1998
- Municipal Structures Act 117 of 1998
- Municipal Systems Act 32 of 2000 + its regulations of Aug 2001
- Municipal Finance Management Act: 2003
- Municipal Property Rates Act: 2004
- All other laws governing and regulating development in South Africa



## **Policy Framework**

- *LG White paper of 1997*
- *National Planning & Performance Management circulars by Cogta, National Treasury etc*
- *National Development plan 20130 of Nov 2012*
- *National Turn Around Strategy for LG - 2009*
- *Eastern Cape Provincial Growth & Development Plan (PGDP) (2009-2014)*
- *Eastern Cape Spatial Development Plan*
- *Credible IDP guide by Cogta*
- *District Municipal Strategic Plans (IDP, SDF, LED etc*
- *Any other applicable policies not mentioned directly*

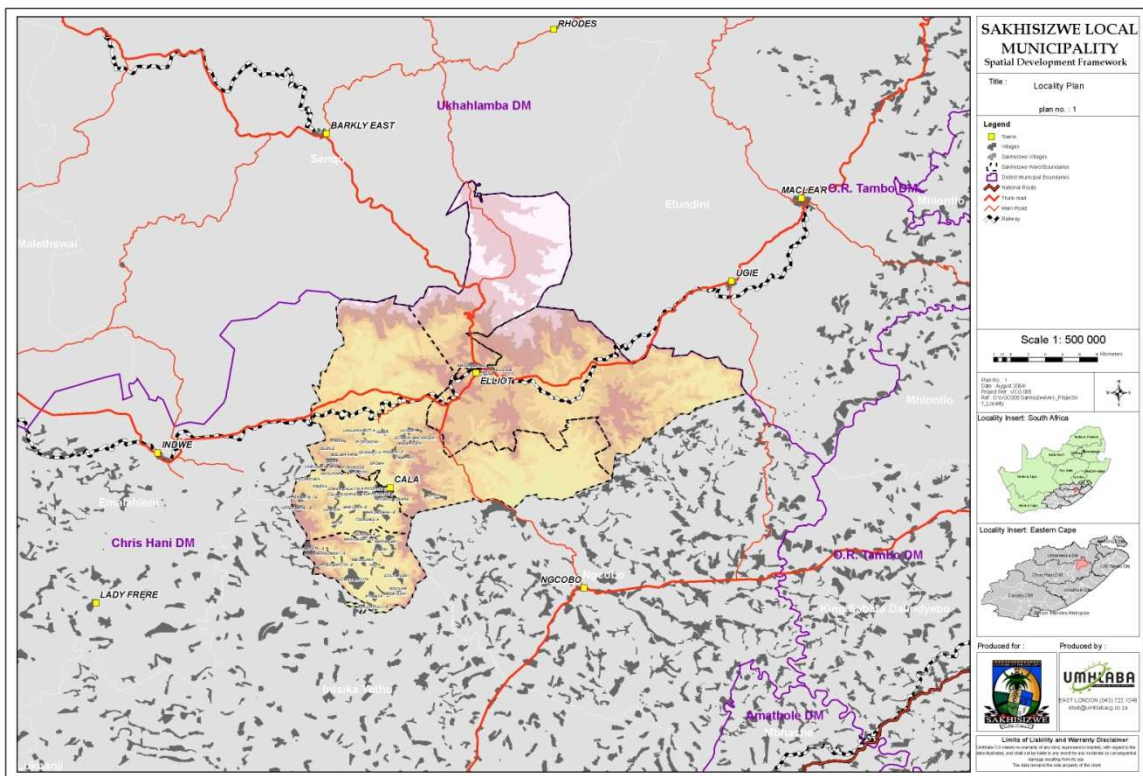
# SITUATION ANALYSIS

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

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

## 3 LOCALITY CONTEXT

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



The Sakhisizwe Local Municipal Area consists of 9 Wards, with the main administrative centre located in Cala (Ward 5). A second administrative centre is located in Elliott (Ward 1).

## 4 DERMOGRAPHIC PROFILE

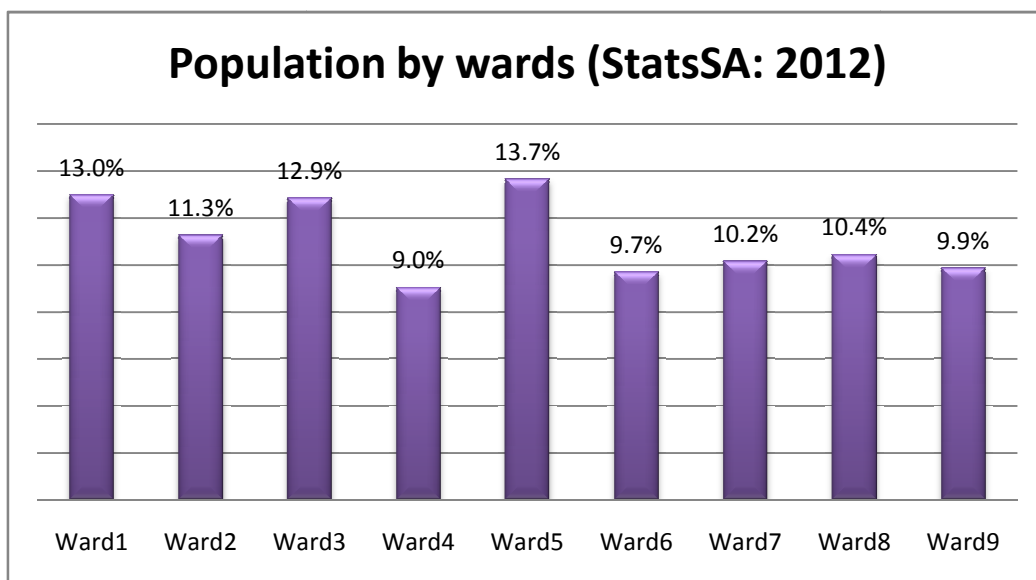
### 4.1 Population Size & Household dynamics

The recent statistical report issued in November 2012 by the Statistics South Africa estimates total population of Sakhisizwe municipality to approximately 63582 people and 16151 households. This indicates a slight population growth of 0,44% between 2001 and 2011. The average household size remains around 4 people per household.

About 51,9% of households are female headed. Given also that Sakhisizwe is a largely rural municipality with just over 39% of its households residing in the urban centres and peri-urban areas of Cala and Elliot, it is important to design development programmes suitable to this situation.

The population density is estimated by the municipal SDF to be 29,9 people per square kilometre. The highest concentrations are largely found in the urban centres. StatsSA 2012 estimates that formal dwelling account for 64,1% of the build environment.

The following figure provides a distribution of population by wards within Sakhisizwe and it is based on calculation drawn from the recently concluded ward based planning process.



In terms of the above figure wards 1, 3 and 5 have the highest population concentration when compared to the rest of the wards. Just over 40% of the Sakhisizwe population resides in these 3 wards. It is also noted from the above figure that Sakhisizwe population is evenly distributed across the rest of the wards.

### 4.2 Population gender & age dynamics

There are more females than males in our population. For example, StatsSA 2012 claims that for every 100 females there are 93 males in our population. It is therefore imperative that our development programmes should pay critical attention to issues of women empowerment and integration into mainstream economy.

The analysis of gender age distribution shows that Sakhisizwe population is very youthful population with 57,5% of its population being people of the economically aged group ages 15 to 65 years. Another 35% comprises mainly children of ages 1 to 15 years while the balance of 7,5% is accounted for by the elderly population ages of 65 years and more.

The dependency ratio (number of people in the economically aged group who are dependent on others for their livelihood) has slightly improved from about 89,8% in 2001 to about 73,8% in 2011. While this is a welcome improvement it is however recognised that it remains unacceptably high.

## 5 SERVICE DELIVERY PROFILE

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

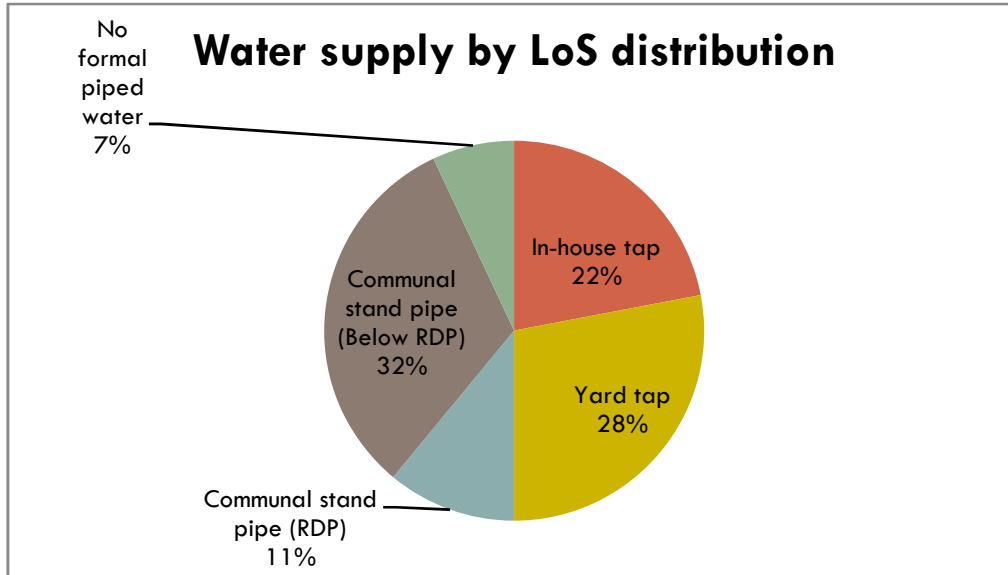
As a developmental local government, we are expected to ensure sustainable delivery of services through our direct channels and in collaboration with and by facilitation of contributions from various other stakeholders in our jurisdiction.

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

### 5.1 Water and Sanitation

Provision and governance of water and sanitation services in all our areas is a competence of the district municipality. We only play a facilitating role as Sakhisizwe municipality.

The figure below gives a comparison of household access to different levels of service for water. It draws its analysis from the Global insight statistics of 2011.

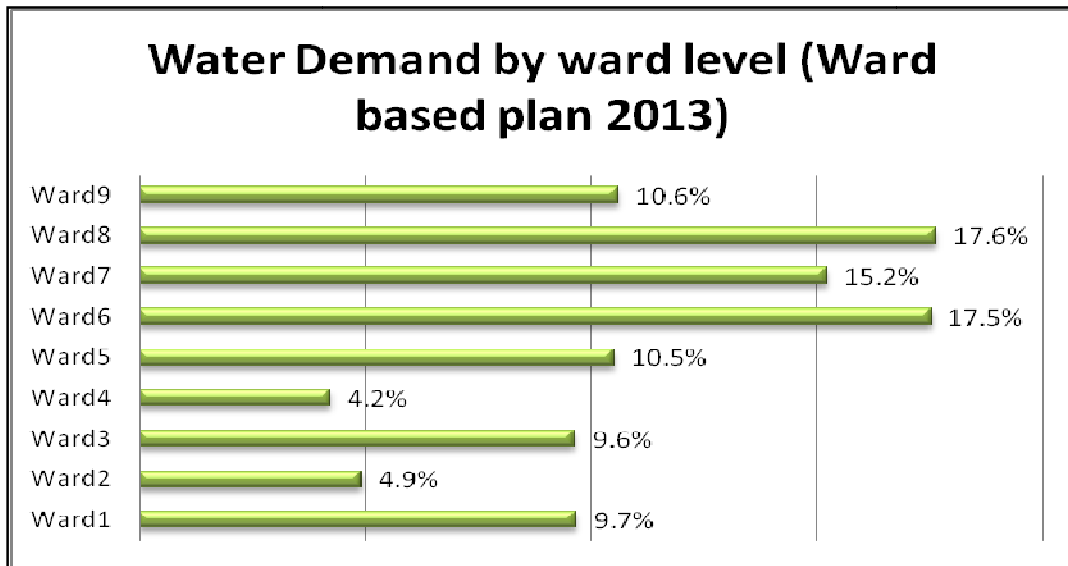


The backlog for basic water supply is 39%. The following figure illustrates the distribution of water demand by ward level. It shows that wards 6 & 8 have the highest levels of water demand (17,5% & 17,6%). The water demand for wards 1, 3, 5 & 10 is averaging 10% of total demand in the municipality while that of ward 2 & 4 averages just over 4,5%.

Currently the municipality is implementing the following projects which are all planned to be finalised by June 2013.



CURRENT PROJECT	WARD	STATUS	COST
Cluster 5 Sanitation	2,3,4,7 and Taleni	95% Complete	
Cluster 4 Water Supply Scheme: Seplan Interim water supply	8	98% Complete Vandalised	
Cluster 4 Water Supply Scheme: Alpha Farm Rising & Gravity Bulk Pipeline	3	98% Complete	R 7 117 302.00
Cluster 4 Water Supply Scheme: Clunny Farm Rising & Gravity Bulk Pipeline	3	90% Complete	R 5 209 356.00

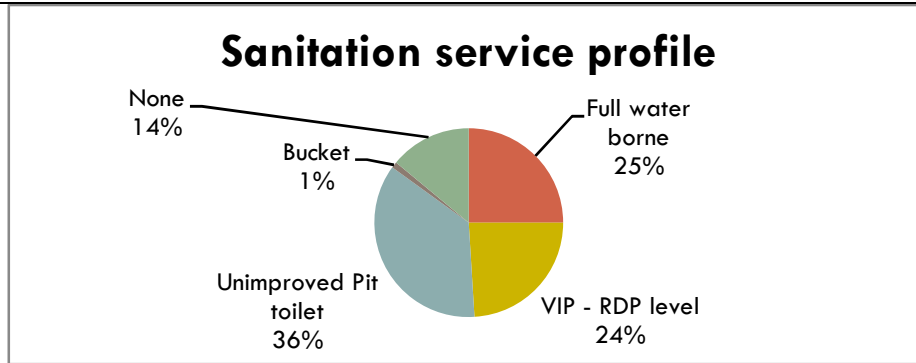


Sanitation backlogs remain high (51%) so much so that our municipality will not be able to meet the millennium development goal of wiping our backlog for household access to basic level of sanitation (VIP toilet).

In order to deal with current water backlogs the current MTEF is budget to spend R10,9 million in 2013/14 and this figure will increase to about R12,2 million for the year 2015/16.

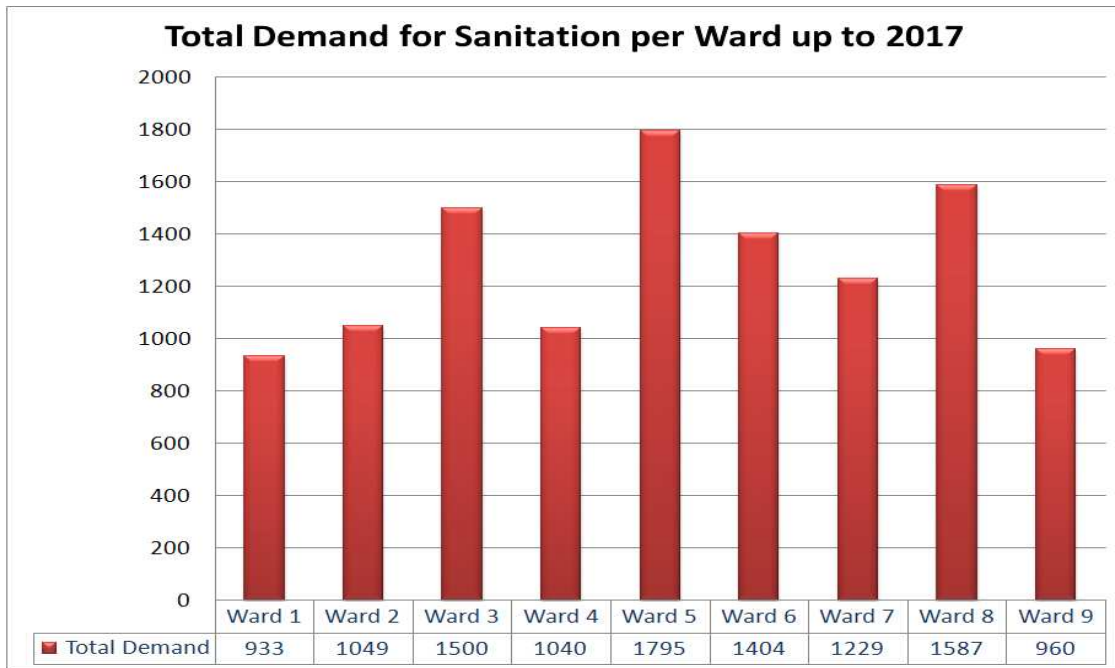
For sanitation (waste water) the municipality has set aside approximately R9,3 million which will increase to R10,5 million by end of MTEF period 2015/16.

The figure below gives a comparison of household access to different levels of service for sanitation. It draws its analysis from the Global insight statistics of 2011.



It shows that 36% of households are served with below RDP level VIPs and another 1% still uses bucket by 2010 while 14% received no access to the service at all. The figure below uses StatsSA 2012 statistics to show estimate distribution of the water demand backlogs by ward levels.

In terms of the figure below the highest concentration for sanitation backlogs is in wards 5, 8 and 3 respectively. The highest concentration of households with access to sanitation by comparison is found in ward 1 followed closely by ward 8.



## 5.2 Roads, Bridges and Storm water

Functional road infrastructure is critical to economic development of an area. Sakhisizwe municipality has a direct responsibility for construction and maintenance of its access road network while other roads are the responsibility of other spheres of government including the district municipality, province and national department of roads and transport.

The majority of our tarred road network in the Sakhisizwe municipality are access roads and few provincial and district roads. There is no classified national road passing our municipality even though some commitments were pledged by SANRAL to assist with the repair and rehabilitation work on provincial roads R56 linking Elliot to Barkly East and Aliwal North as well as the R56 linking Elliot to Indwe

The rest of the municipality's road network is gravel. It is often characterised by poor storm water drainage designs which often put a lot of pressure on the visual road index





and surface durability especially during rainy seasons. There is over 300km of this type of road network which needs regular maintenance and upgrading.

The majority of our past MIG allocations in the last three to five years have gone to doing this task without much success. Inputs from consultative representative forum discussions identified a number of strategic organizations which the municipality must establish links and partnerships for raising necessary capacity (funds, equipment and skill) to address our major challenges in the delivery of sustainable roads, storm water and bridge infrastructure. These include departments Public Works, Roads & Transport, Chris Hani District Municipality and Human Settlements as well as state owned enterprises like SANRAL. It is noted with disappointment therefore that the EC department of roads and transport has not made any allocation to spend in the Sakhisizwe municipality for the next 3 years in its budgeting.

The focus for the next 5 years will be on strengthening the chosen primary and secondary nodal development (NB: Sakhisizwe is part of the recently demarcated Queenstown Provincial Development Node) as well as enforce spatial linkages identified in terms of our spatial development framework (SDF). We hope that through this strategy we shall be able to integrate our space economy better. Thus able to achieve a functional road network capable of:

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

### 5.2.1 Capacity to spend on budgeted capital programme (roads)

In the last year and half the municipality has invested a lot in building its internal operational capacity and this has started to pay dividends. For example, by March 2013 our performance report indicated that we are on track to completing all planned commitments for road infrastructure delivery. The table below gives a progress status report for road projects implementation as at end March 2013.

<b>_PLANNED PROJECTS (2012/13)</b>	<b>CONTRACT AMOUNT</b>	<b>EXPENDITURE</b>	<b>PROGRESS TO DATE %</b>
Cala Road & Storm water	3,108.752. 14	2, 682. 438. 69	95%
Old Location Hall	1,809, 352. 14	2, 171. 222. 51	100%
Elliot Cemetery	512, 000. 00	487, 650.00	92%
Ndondo Square Hall	1,816, 450. 01	1,749, 252.54	95%
Ward 9 Hall	1,500, 384. 60	1,519, 386.91	100%
Ward 8 Hall	1,390, 307. 01	876, 134. 64	85%
Upper Indwana	1, 747, 217. 01	1, 075, 927. 50	85%
Lower Langanci Electricity	5,400, 000. 00	4, 900, 000. 00	100%

Furthermore, the table below gives a list of extensions and refurbishment projects status report for the year 2012/2013 as at end March.

PLANNED (2012/13)	PROJECTS	WARD	STATUS	COST
Hota Mbewula		9	100% Complete	R24 877.60
Ngxumza		7	99% Complete	
Maxongoes Hoek		1	80% Complete Vandalized	
Lower Langanci		9	80% Complete	R 33 620.00
Gubenxa Pinegroove		1	98% Complete	R 68 050.00
Polar Park Access Road		2	Under construction	
Polar Park Emasimini		2	99% Complete	R 72 856.26
Askiton (Soga Farm)		8	100% Complete	R24 871.00
Manzimdaka Emamfengwini		5	99% Complete	
Manzimdaka Entla Kwamasimi		5	99% Complete	
Mbenge Kunomadamba		9	100% Complete	
Mbenge Extension		9	100% Complete	
Lower Lufutha Emmangweni		9	0% Complete	
Strong yard		6	80% Complete	
Siphafeni		6	100% Complete	R 25 727.50

### 5.3 Public Transport

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

However, it is our intention to develop and adopt such a sector plan in order to guide how we intervene and play our role in facilitating public transport, mobilization of transportation infrastructure support and coordination of movement patterns in support of our economic development objectives. This will prepare us to play a critical coordinating role in the planned developments by South African Railway Services (improvements of the rail line connecting Maclear –Elliot to South Drakensburg and Karoo areas) and other similar initiatives.

Our physical transportation systems are poorly linked and overly rely on road based network. The lack of established rail system linkages is a huge obstacle to realizing the existing potential in underperforming yet promising economic sectors like tourism, forestry, manufacturing and agriculture production. The lack of established rail transport network coupled with poorly maintained road infrastructure contributes

negatively to our competitive advantage. It makes it difficult for our industries to have effective distribution networks necessary to link out local produce to markets.

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

### 5.4 Electricity

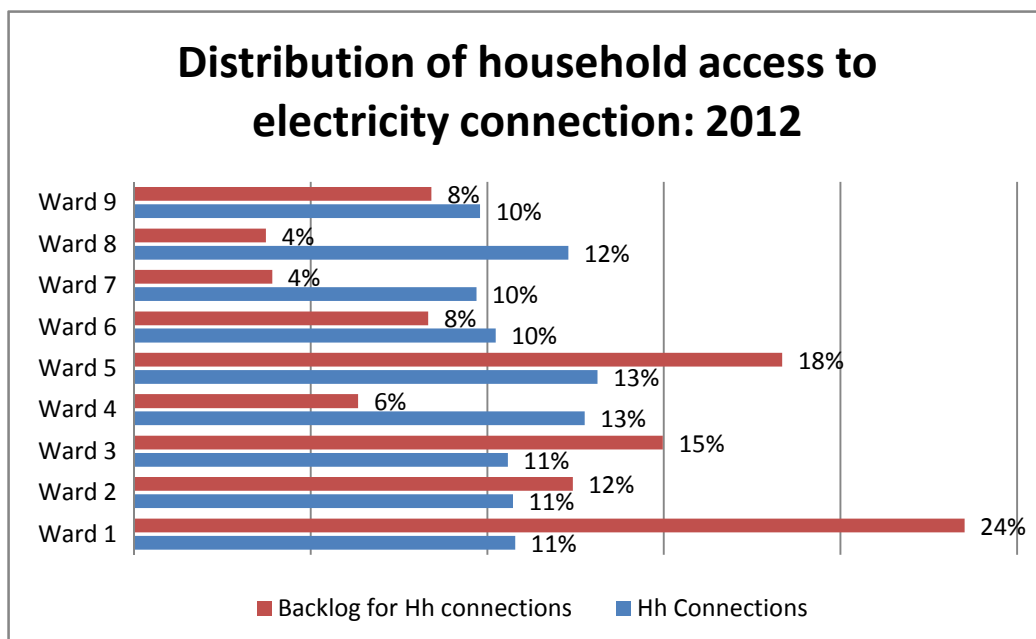
Eskom is the main provider of electricity in our areas. Sakhisizwe is licensed to supply only in the areas of Elliot town, Hillview township and Takalani township.

StatsSA report of 2012 indicates that by 2011 the majority 79.1% of households in the Sakhisizwe municipality had access to electricity for lighting purposes. The technical services department estimates that only 10% of households do not have access to electricity connection by February 2012.

In addition to the commitment by Eskom to ensure that all areas of Sakhisizwe are electrified by 2014, the following projects for electrification were recently completed.

- ▶ Elliot bulk electricity network phase 1
- ▶ Elliot bulk electricity network phase 2
- ▶ Cala high mast street lighting
- ▶ Takalani township household connections (440) 2011-2012
- ▶ Extension 14 & 15 household connections
- ▶ Lower Langanci M-v line networking. 2010-2011
- ▶ Lower Langanci household connections (196) 2011-2012

The following figure gives the distribution of electricity supply and demand (household connections) by ward level. It shows that the majority of households awaiting household connections are concentrated in the wards 1 (24%), 5 (18%) and 3 (15%).



### 5.5 Telecommunication

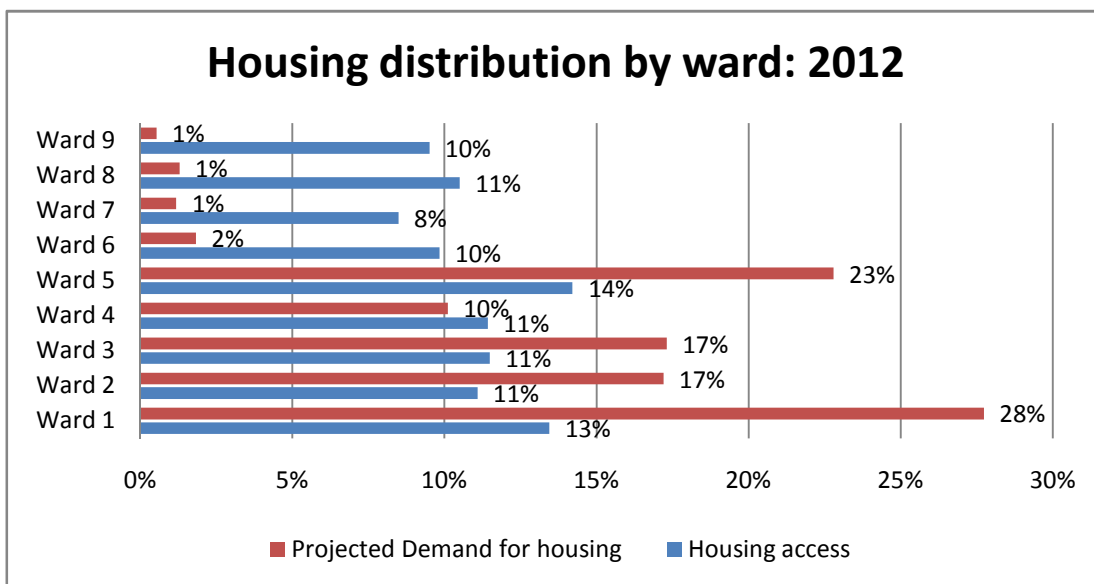
Telkom is the main provider of the landline telephone services in the Sakhisizwe area. Cellular network coverage is patchy due to the mountainous terrain as is television and radio reception. Business telecommunication services and facilities are unreliable due to inadequate infrastructure for broadband.

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

### 5.6 Housing delivery

Our municipality is not a housing authority and therefore our role is often limited to administrative support like processing of beneficiary applications for subsidized housing linked to rural development and land reform initiatives. We also play a facilitating role in housing construction programme of the department of Human Settlements. The SDF proposes that the initially focus should be on densification programmes in Phola Park, Old Location in Elliot, Bathandwa Ndondo, Phakamisa, Manzindaka, and Cala Reserve. In 2013/2014 the department of Human Settlements has budgeted to rehabilitate and rectify about 65 houses as part of its disaster and emergency programme.

The estimated backlog for housing in Sakhisizwe is 930 units distributed across the wards as shown in the figure below.



These units can be further categorised into the following types (internal assessment):

- 600 low income units (RDP level across SLM)
- 200 middle to upper income units (primary nodes only)



- 130 rental stock in nodal areas (Cala, Elliot towns and Lower Lafuta secondary node)

In order to satisfy the current demand the recent report on ward based planning in Sakhisizwe proposes that an estimated 464 hectares may be needed for new development demand. The table below gives the distribution of housing demand by ward and hectares of land needed to satisfy the demand.

Housing:	Ward 1	Ward 2	Ward 3	Ward 4	Ward 5	Ward 6	Ward 7	Ward 8	Ward 9	Total
Land required for new housing (45%)	20.2	12.3	32.6	11.7	17.8	28.2	25.8	29.2	30.9	209
land required for ancillary land uses (25%)	11.2	6.8	18.1	6.5	9.9	15.7	14.3	16.2	17.2	116
land required for roads (30%)	13.5	8.2	21.7	7.8	11.9	18.8	17.2	19.5	20.6	139
<b>Total land required in hectares (ha) 1 ha = 10 000 m<sup>2</sup></b>	<b>44.84</b>	<b>27.3</b>	<b>72.44</b>	<b>26.09</b>	<b>39.66</b>	<b>62.63</b>	<b>57.3</b>	<b>64.95</b>	<b>68.75</b>	<b>463.94</b>

## 5.7 Land reform and rural development

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

### Settlement typologies

*Scattered low-density rural residential settlements:* these settlements are loosely scattered throughout the southern municipal area and are surrounded by communal grazing land, and in some instances - arable lands. The structure of most of these settlements clearly reflects a distinction between residential and arable 1 grazing uses. In a number of settlements where land use rights were in the past issued in terms of the quitrent system, these ownership and use-rights are still acknowledged and respected. The levels of service are generally low, with the majority of residential structures being self-built. Apart from a few trading stores and agricultural activities, there is little sign of any other economic activity in this area.



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

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

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

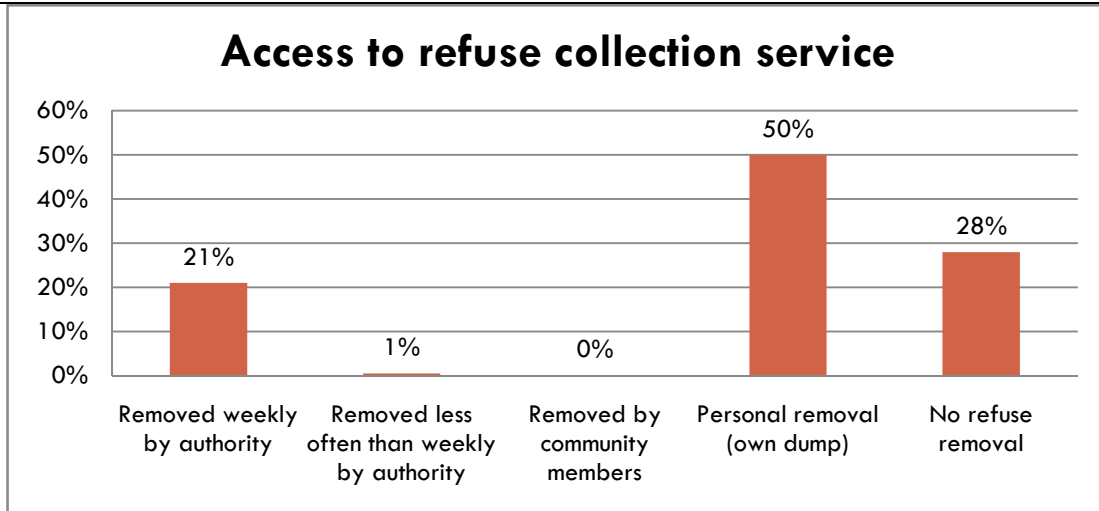
## **KEY ISSUES**

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

## **5.8 Refuse collection, cleansing and waste management**

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

*Backlog for provision of refuse removal remains high with 28% not served at all while another 50% of households use own means of disposing refuse and waste without any support from the municipality. The deliberate lack of provision in rural areas creates an unfair urban bias and inequalities when comparing rural to urban households. The figure below uses Global insight statistics of 2010 to give an indication of coverage for refuse collection by household access to a level of service within Sakhisizwe municipality.*



### 5.9 Traffic, Safety and security

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

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

### 5.10 Health

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

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



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

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

It should, however, be noted that whilst the above health facilities might well exist throughout the Sakhisizwe Municipality, it needs to be borne in mind that the infrastructure serving the facilities (water, sanitation, electricity etc.) is very often well below optimum. According to the findings published in the Eastern Cape Department of Health's Strategic Position Statement<sup>3</sup> 27.5% of clinics in the Eastern Cape do not have water-borne toilets, 39% do not have access to safe water and 18% do not have electricity

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

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

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

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

- **Deteriorating infrastructure:** existing hospitals and clinics are often poorly maintained and planned upgrades take long to be implemented leading to gradual decay of already existing facilities. This was attributed to lack of funds and limited budgets allocated to the district office for infrastructure upgrades.
- **HIV and Aids prevalence:** the fight against the spread of HIV and increase of infections and eventual Aids pandemic has been identified as a key priority outcome of the municipality.
- **Lack of doctors and specialist practitioners visiting clinics:** most participants in the community engagement processes mentioned that available consulting doctors were too few to cover the existing demand in all our local



clinics and this tend to cause people to want to flock into hospitals only to be sent back to their clinics

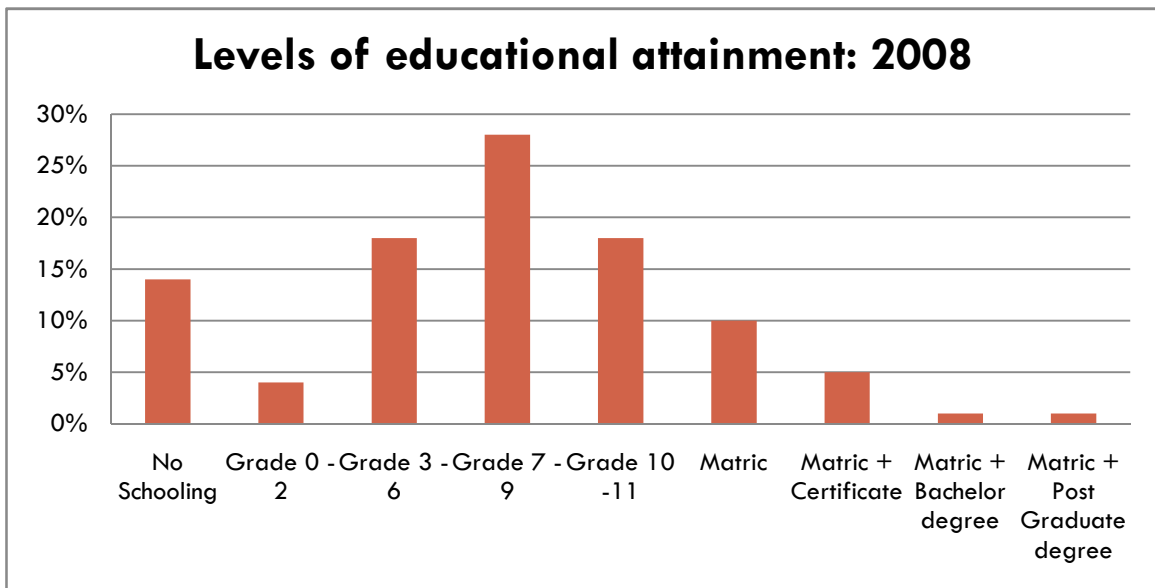
- **Attitudes and poor communication:** nursing staff in certain clinics were accused of holding unprofessional attitude when dealing with patients and often fail to communicate properly the department’s policy (eg. Transfer to a hospital) to their patients. Thus causing confusion and misunderstandings which could be prevented.

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

### 5.11 Education and early childhood development

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

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



It is concerning that a huge number 56% of local adult population are functionally illiterate. Plans are advanced to establish a training and skills centre or FET in Cala.

The recent ward based participatory planning process identified the following issues and infrastructures for education in the Sakhisizwe LM.



Education:	Ward 1	Ward 2	Ward 3	Ward 4	Ward 5	Ward 6	Ward 7	Ward 8	Ward 9	Total
Persons with no education	664	967	700	206	699	275	467	393	438	4,809
Facility to educate persons with no education	1	1	1	1	1	1	1	1	1	9
No of classrooms for new facility	22	32	23	7	23	9	16	13	15	160
Maintenance of existing schools	yes	yes	yes	yes	yes	yes	yes	yes	yes	-
ECD (Grade R)	7	6	14	7	7	8	7	6	6	68
GET (Grade 1-7)	0	0	0	0	0	0	0	0	0	-
Secondary	0	1	1	1	1	1	0	1	0	6
Special Schools	1	0	0	1	0	0	0	0	0	2
FET Campus (to be based in Cala)	0	0	0	1	0	0	0	0	0	1
FET College	0	0	0	0	0	0	0	0	0	-
University	0	0	0	0	0	0	0	0	0	-
Nursing college (to be based in Cala)	0	0	0	1	0	0	0	0	0	1

### Challenges relating to education

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

### 5.12 Social and recreational development

Social development is critical for community cohesion. Sakhisizwe municipality understands the importance of this aspect of our development and has developed close working relations with critical stakeholders like the department of Social



Development and other agencies to ensure smooth delivery of social development programmes. The table below gives a summary of the planned interventions by the department in 2013/ 2014.

Name of Organization	Area	Location	Facility Type	Sub-programme	Ward	Beneficiaries
Domestic Violence Unit	Sakhisizwe	Cala Town	Victim Support Services	VEP 2.7	5	7
FADA	Sakhisizwe	Cala Town	Substance Abuse	Substance Abuse, Prevention & Rehabilitation 2.2	5 & 1	6
CMR	Sakhisizwe	Elliot	Child protection services	Child Care Protection 2.6	1	300
Manzana Pre-School	Sakhisizwe	Manzana Location, Cala	Early Childhood Development	Child Care Protection 2.6	4	48
Ekuphumleni Pre-School	Sakhisizwe	Lahlangubo A/A, Cala	Early Childhood Development	Child Care Protection 2.6	4	20
Phumlani Pre-School	Sakhisizwe	Nyalasa A/A, Cala	Early Childhood Development	Child Care Protection 2.6	6	40
Masincedise Pre-School	Sakhisizwe	Lower Lufuta	Early Childhood Development	Child Care Protection 2.6	6	60
Noxolo Pre School	Sakhisizwe	Mcewula A/A	Early Childhood Development	Child Care Protection 2.6	7	15
White City Pre School	Sakhisizwe	Mcewula A/A	Early Childhood Development	Child Care Protection 2.6	7	18
Irinembeni Pre School	Sakhisizwe	Mcewula A/A	Early Childhood Development	Child Care Protection 2.6	7	34
Masibambane Pre-School	Sakhisizwe	Vergenoeg Township, Elliot	Early Childhood Development	Child Care Protection 2.6	1	90
Masithandane Pre-School	Sakhisizwe	Mnxex	Early Childhood Development	Child Care Protection 2.6	4	30
Masizakhe Pre-School	Sakhisizwe	Cala Reserve	Early Childhood Development	Child Care Protection 2.6	4	45
Masizakhele Pre-School	Sakhisizwe	Siphafeni A/A, Sifonondile Location Cala	Early Childhood Development	Child Care Protection 2.6	4	20
Nobuntu Pre- School	Sakhisizwe	Zikhonkwane A/A, Cala	Early Childhood Development	Child Care Protection 2.6	3	37
Nokwakha Pre-School	Sakhisizwe	Nyalasa A/A Cala	Early Childhood Development	Child Care Protection 2.6	6	37
Nomzamo Pre-School	Sakhisizwe	Lower Cala	Early Childhood Development	Child Care Protection 2.6	4	22
Nosiseko Pre-School	Sakhisizwe	Ndondo Square, Cala	Early Childhood Development	Child Care Protection 2.6	5	58
Sizamile Pre-School	Sakhisizwe	Galili A/A Sifonondile	Early Childhood Development	Child Care Protection 2.6	4	50
Sophila Sonke HCBC	Sakhisizwe	Cala Town	HCBC	HIV/AIDS 2.8	5	550
Masiphile HCBC	Sakhisizwe	Tsengiwe A/A	HCBC	HIV/AIDS 2.8	4	470
Sinovuyo HCBC	Sakhisizwe	Lower Cala	HCBC	HIV/AIDS 2.8	4	410
Siyakhana HCBC	Sakhisizwe	Elliot	HCBC	HIV/AIDS 2.8	2	700
Elliot Victim Support Centre	Sakhisizwe	Elliot	Victim support Services	VEP 2.7	1	7
Masifundisane Service Centre	Sakhisizwe	Cala Town	Service Centre	Older Persons 2.3	5	60
Elliot Home for the Age	Sakhisizwe	Elliot	Home for Age	Older Persons 2.3	1	24
Sibanye Service Centre	Sakhisizwe	Cala Reserve	Service Centre	Older Persons 2.3	4	24
Mzomhle Service Centre	Sakhisizwe	Zikhonkwane A/A Cala	Service Centre	Older Persons 2.3	3	30
Mumanyano Service Centre	Sakhisizwe	Elliot	Service Centre	Older Persons 2.3	1	55
Mwancedo Service Centre	Sakhisizwe	Mbhenge Location	Service Centre	Older Persons 2.3	6	45
Ekuphumleni Service Centre	Sakhisizwe	New Location- Elliot	Service Centre	Older Persons 2.3	1	60
Masakhane Service Centre	Sakhisizwe	Mgwalana A/A- Cala	Service Centre	Older Persons 2.3	3	60
Msidima Somntomdala	Sakhisizwe	Lapesini	Service Centre	Older Persons 2.3	4	60



**Sport & Recreational facilities**

Existing facilities are not properly managed or maintained leading to their premature dilapidation. There are very few publicly accessible facilities for people to enjoy and they are often overused and less maintained. Recently upgraded soccer field in Cala is a case in point. This is often due to the fact that there are no formal sporting management structures that work with the municipality to operate and share costs of maintenance for facilities.

<b>Sporting Code</b>	<b>Formal League / Teams</b>	<b>Management Body in Place</b>	<b>Facilities</b>	<b>Issues</b>
Soccer	Yes. Only armature levels	Yes. Launched in Feb 2011	Cala & Elliot towns	Lack of tournaments & training facilities
Rugby	No.	No.	None	No formal structure
Cricket / Swimming / Netball / Tennis	Some schools have active pupils in these codes	No	None	No organized structure
Swimming	No.	No.	Private swimming pools in Elliot	No organized structure
Gym	No	No	Informal operators in Cala and Elliott	Need for a formal gym in an accessible area
Athletics (Running, Music, Dance, Acting etc)	Done by schools only	None outside of those working with DoE	Informal grounds mostly linked to schools	Need to integrate schools sports and community leagues

**Libraries & Halls**

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

**Community Halls**

At least the municipality was able to construct six community halls have completed in the past two years using resources from MIG and other contributors. There are few other halls earmarked for small upgrades in the next MTEF period. The intention is to establish multi-purpose centres which shall allow mix-usages for meetings and other purposes (functions & pay-point for grants etc).

**Summary of community needs**

The table below summarizes the community needs as identified in the ward based planning process for sports and recreational facilities by ward.

<b>Sports and Recreation:</b>	<b>Ward 1</b>	<b>Ward 2</b>	<b>Ward 3</b>	<b>Ward 4</b>	<b>Ward 5</b>	<b>Ward 6</b>	<b>Ward 7</b>	<b>Ward 8</b>	<b>Ward 9</b>
Soccer / Cricket Field combined and park for youth/kids	3	3	14	3	3	8	7	6	6
Rugby Fields	1	1	0	1	1	1	1	1	1
Tennis court	0	0	0	0	0	0	0	0	0
Netball	1	1	1	1	1	1	1	1	1
Swimming pool	0	0	0	1	0	0	0	0	0
Athletics	0	0	0	0	0	0	0	0	0
Trim park	1	0	0	1	0	0	0	0	0
Stadium	1	0	0	1	0	0	0	0	0
Multi-purpose central sporting facility consisting of 2 sports fields for soccer/rugby, cricket, x2 tennis courts, athletics and netball court and a clubhouse/change room	1	0	0	1	0	0	0	0	0

**6 LOCAL ECONOMIC DEVELOPMENT PROFILE**

The council adopted its current LED strategy in July 2011 and has identified the need to review it in line with changes in its baseline planning information and IDP priorities for 2012 -2017. The strategy is valid until 2014. In the strategy the municipality sees its role in economic development as primarily to create conducive environment for investment attraction and leveraging of efforts for sustained growth and poverty alleviation. We do not see ourselves as primarily responsible for job creation even though we identify as our inherent role the need to plan and coordinate economic



development that seeks to achieve job creation and other objectives. As required by the Regulation on the systems Act, we shall comply with the national KPA requiring us to monitor measure and report on how many jobs (opportunities) we created as part of rolling-out our capital expenditure programmes.

## 6.1 General Indicators for economic development

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

### 6.1.1 Gross Development Product

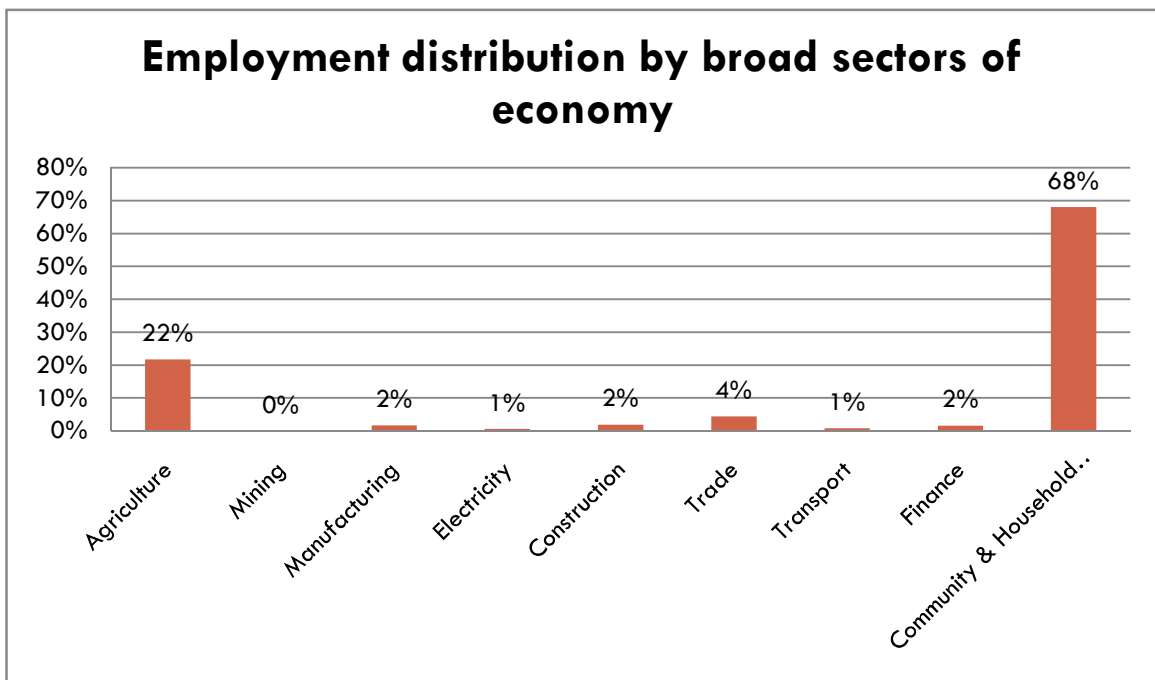
The overall economy of Sakhisizwe has experience less than a percentage growth in the last decade (1996 -2008). This situation must be turn-around if we are to curb compounding problems of unemployment, service backlogs and poverty.

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

### 6.1.2 Employment

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

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



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

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



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

The table below gives anecdotal job demand profile by ward within the Sakhisizwe municipality. The figures used here are drawn from the recently adopted report of the ward based planning and its research conducted in 2012.

<b>Job Creation:</b>	<b>Ward 1</b>	<b>Ward 2</b>	<b>Ward 3</b>	<b>Ward 4</b>	<b>Ward 5</b>	<b>Ward 6</b>	<b>Ward 7</b>	<b>Ward 8</b>	<b>Ward 9</b>	<b>Total</b>
<i>Employed in formal sector</i>	2,076	997	883	1,438	1,416	730	355	338	719	8,952
<i>Immediate job creation (unemployed above age 15)</i>	4304	3246	3609	2836	4239	2531	2562	2750	2551	28,628
<i>New Demand in 2017 (25% of current 10-14 age group)</i>	210	205	245	148	252	161	191	195	174	1,779
<i>Employable persons above age 15 at present</i>	5187	4129	4492	3719	5122	3414	3445	3633	3434	36,575

The research further suggests that the demand for jobs will increase as new entrants into the economically aged population are anticipated by 2017. The table below gives estimation of the projected demand by 2017.

<b>Projected Demand by 2017 by sector</b>	<b>Ward 1</b>	<b>Ward 2</b>	<b>Ward 3</b>	<b>Ward 4</b>	<b>Ward 5</b>	<b>Ward 6</b>	<b>Ward 7</b>	<b>Ward 8</b>	<b>Ward 9</b>	<b>Total</b>
<i>Small Business Manufacturing Centre – welding, carpentry etc</i>	8	7	8	6	8	6	6	6	6	61
<i>Small Business Repair Centre – Cars and electrical appliances</i>	8	7	8	6	8	6	6	6	6	61
<i>Small Business Retail Centre</i>	8	7	8	6	8	6	6	6	6	61
<i>Small Business Agro-processing Centre – Food processing related units</i>	8	7	8	6	8	6	6	6	6	61

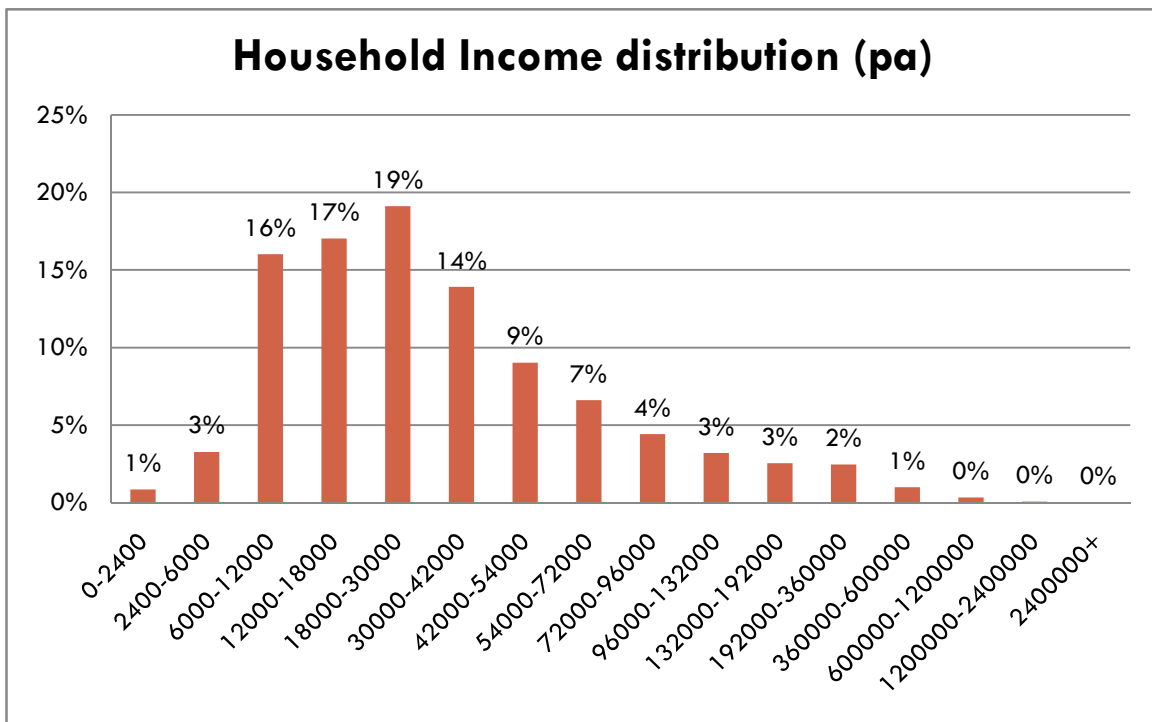


<b>Total by ward in 2017</b>	<b>4514</b>	<b>3451</b>	<b>3854</b>	<b>2984</b>	<b>4491</b>	<b>2692</b>	<b>2753</b>	<b>2945</b>	<b>2725</b>	<b>30,407</b>
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In order to achieve job creation and poverty alleviation goals of the strategy Sakhisizwe is currently partnering with strategic stakeholders to delivery critical projects using labour intensive methods as required by EPWP policy.

### 6.1.3 Income & poverty distribution

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



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

Human Development Index<sup>2</sup> is also a useful indicator of lifestyle poverty. It measures people’s exposure to poverty by looking at their lifestyles. Sakhisizwe has an HDI of 0.41 which is lower than that of the region and the country. In order to improve this

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





situation the municipality may have to implement effective development strategies aimed at facilitating better education, improved direct investments and employment opportunities.

## 7 ENVIRONMENTAL MANAGEMENT PROFILE

The municipality has no functional capacity for undertaking environmental planning and management. We are currently not performing impact assessments, air quality monitoring and general environmental tasks associated with our principal responsibilities. The intention is to engage the departments of Environmental Affairs and Tourism to supplement our capacity insufficiencies until we have a developed capacity.

### 7.1.1 Overview of conditions

#### Topography

The Sakhisizwe municipal area comprises gently undulating “table land” forming the Drakensberg foothills. Elevations in the area range between 750m to 2600m above sea level. The soil types vary according to topography. The low-lying area is characterized by soils with high clay content (highly erodible) and the surrounding hills consist of strong litho-soils. Size of municipality is 2556 km<sup>2</sup>.

#### Climate

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

#### Vegetation

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

### Environmental Development Constraints

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

Invader plant species - especially wattle along drainage features.

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

### 7.1.2 General environmental challenges

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

**Lack of provision for green spaces:** our towns are characterised by dire lack of public and recreational parks. The former land allocated to these activities has unfortunately been taken over by speculative development in Cala town and poor



*maintenance in Elliott town centre. Local inhabitants do not have descent areas where they can take their families for a picnic or kids to play.*

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

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

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

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

## **8 FINANCIAL VIABILITY PROFILE**

### **8.1 Economic overview**

*In general usage a financial plan is a budget, in other words a plan for spending and saving future income. This plan allocates future income to various types of expenses, such as salaries, insurances and also reserves some income for short term and long term savings. A financial plan is also an investment plan, which allocates savings to various assets or projects expected to produce future income.*

*One of the key issues identified for the sustainability of Sakhisizwe Local Municipality is expanding its revenue base whilst remaining financially viable and sustainable. The objectives are therefore to provide effective, efficient and co-ordinated financial management and financial accounting.*

*This financial plan includes the assumptions used when compiling the operating and capital budget, financial strategies as well as the accounting policies and includes national and provincial priorities*

*The domestic economy has lost momentum as a result of the disruption to world economic activity following the Japanese tsunami, domestic strike activity and moderating household consumption. South Africa's recession officially ended in 2009/10, boosted by the growth in the manufacturing, electricity, water and gas and construction sectors. The South African economy contracted by 1,8% in 2009, grew by 1,5% in 2010 and was expected to grow by 3,5% in 2011. The economic contraction in 2009 resulted in a sharp decline in employment in the private sector (SARB). However, the economy grew at 4,5% on an annual basis, in the first quarter of 2011, slowing down to 1.3% in the second quarter.*

*The labour market remains sluggish. Formal sector non-agricultural employment is just 2.6% higher than its low in March 2010. Unemployment increased from 21.8% in the fourth quarter of 2008 to 25.7% in the second quarter of 2011.*



The **Local Government Budgets and Expenditure Review** document highlights the following areas as requiring particular attention while preparing municipal budgets:

- **Revenue management** - To ensure the collection of revenues, municipalities need to ensure that billing systems are accurate, send out accounts to residents and follow up to collect revenues owed.
- **Collecting outstanding debts** - This requires political commitment, sufficient administrative capacity, and pricing policies that ensure that bills are accurate and affordable, especially for poor households.
- **Pricing services correctly** – The full cost of services should be reflected in the price charged to residents who can afford to pay. Many municipalities offer overly generous subsidies and rebates that result in services being run at a loss, resulting in funds being diverted away from other priorities.
- **Under spending on repairs and maintenance** – Often seen as a way to reduce spending in the short term, under spending on maintenance can shorten the life of assets, increase long-term maintenance and refurbishment costs and cause a deterioration in the reliability of services.
- **Spending on non-priorities** – Many municipalities spend significant amounts on non-priority items including unnecessary travel, luxury furnishings, excessive catering and unwarranted public relations projects. Consultants are often used to perform routine tasks.

#### **National Priority – creating decent employment opportunities**

In drafting their budgets, all municipalities are urged to continue to explore opportunities to mainstream labour intensive approaches to delivering services and more particularly to participate fully in the Extended Public Works Programme.

Municipalities must focus on maximizing its contribution to job creation by:

- Ensuring that service delivery and capital projects use labour intensive methods wherever appropriate
- Ensuring that service providers use labour intensive approaches
- Supporting labour intensive LED projects
- Participating fully in the Extended Public Works Programme
- Implementing interns programmes to provide young people with on-the-job training

The past financial year has presented budgetary challenges to the Sakhisizwe Local Municipality, resultant of the global economic meltdown.

These challenges include coping with revenue shortfall, the collection of arrear debt, and creating a balance between increasing demand for services and limited financial resources. The Sakhisizwe Local Municipality has developed a Financial Strategy to mitigate against these pressures. Several options were considered, which include maximizing revenue generation, debt collection, increase in indigent support, tariff increases above the projected inflation in some services and curtailing of expenditure.

The following graphs indicate the estimated movement in the inflation percentage in the coming three years:



Year	2010-2011	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016
%	3.8	5.6%	5.6%	5.6%	5.4%	5.4%

## 8.2 Auditor General Concerns

The municipality is gradually improving on its capacity to plan, manage finances and account on its activities and expenditure. According to Auditor General Sakhisizwe Municipality achieved a qualified audit opinion for the year ended 30 June 2012. He acknowledged that the municipality was able to give a fair presentation in all material respects regarding its financial performance and cashflows as required by MFMA, DORA and GRAP.

AUDIT OUTCOMES FOR THE PAST THREE YEARS		
2009/2010	2010/2011	2011/2012
Adverse opinion	Qualified opinion	Qualified opinion

In his communication of his assessment of the municipality's accounting record he however identifies a number of concerns that needs urgent attention including among others:

- Insufficient record with regards to certain expenditures incurred - unauthorised
- Poorly constructed performance targets statements – not SMART
- Misalignment of IDP and PM indicators & targets
- Spending beyond budget – deficit
- Non-compliance with frequent reporting and completion and submission of budget and performance quarterly reports (late or nil submissions). Need to improve internal audit functionality
- Need to strengthen supply chain management and internal control processes
- Lack of documenting of internal policies
- Late correction of asset register
- Lack of proper implementation of risk management and regular monitoring and reporting on eminent risks

## 8.3 Budget 2013 /2014

In drafting the 2013/2014 budget the following assumptions were considered.

- Municipalities must take into account the multi-year Salary and Wage Collective Agreement for the period 1 July 2012 to 30 June 2015. The agreement provides for a wage increase based on the average CPI for the period 1 February 2012 until 31 January 2013, plus 1.25% for the 2013/14 financial year. Municipalities are therefore advised to provide for increases related to salaries and wages for the 2013/14 budget year of 6.85% (5.6% + 1.25%)
- Bulk electricity purchases: SAKHISIZWE LM has assumed a tariff increase of 8% from ESKOM and will increase its tariffs with 8% as determined by NERSA;



- *Other expenditure: in order to accommodate the increases in salaries, bulk purchases, debt impairment and depreciation, it means that all other expenditure will increase at a reduced rate or maintained at the current levels;*
- *Sakhisizwe Local Municipality will continue with its current powers and functions;*
- *The Budget is based on current service levels.*
- *Government grants for the years 2013/2014 to 2015/2016 are as per the Division of Revenue Act, assuming that all allocations will be received;*
- *The inflation rate has been estimated at 5.6% per annum;*
  
- *Tariff increases relating to services are as follows:*
  - *Rates = 6.00 %*
  - *Refuse = 6.00 %*
  - *Water = 6.00 %*
  - *Sewerage = 6.00 %*
  - *Electricity = 8.00 %*

*The following table gives the 2013 /2014 to 2015/2016 operational budget for Sakhisizwe Municipality*



EC138 Sakhisizwe - Table A4 Budgeted Financial Performance (revenue and expenditure)											
Description	Ref	2009/2010			Current Year 2012/2013				2013/14 Medium Term Revenue &		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
R thousand	1										
<b>Revenue By Source</b>											
Property rates	2	2 843	2 609	2 867	3 785	3 785	3 785	3 785	4 020	4 225	4 432
Property rates - penalties & collection charges		-	-	-	-	-	-	-	-	-	-
Service charges - electricity revenue	2	3 770	4 842	5 528	7 980	8 040	8 040	8 040	9 920	10 426	10 937
Service charges - water revenue	2	-	-	1 678	2 200	2 200	2 200	2 200	2 200	2 312	2 308
Service charges - sanitation revenue	2	-	-	1 149	1 950	1 950	1 950	1 950	1 950	2 049	2 046
Service charges - refuse revenue	2	1 735	1 648	1 443	2 450	2 450	2 450	2 450	2 600	2 733	2 866
Service charges - other											
Rental of facilities and equipment		5	9	90	1 009	1 028	1 028	1 028	1 116	1 173	1 230
Interest earned - external investments		1 077	836	662	630	636	636	636	636	668	701
Interest earned - outstanding debtors		1 142	1 845	4 243	2 130	2 130	2 130	2 130	2 435	2 559	2 633
Dividends received		-	-	-	-	-	-	-	-	-	-
Fines		56	28	85	60	30	30	30	30	32	33
Licences and permits		-	-	-	-	-	-	-	-	-	-
Agency services		5 520	-	9 069	3 982	4 071	4 071	4 071	4 441	4 669	4 711
Transfers recognised - operational		25 777	34 682	36 609	43 064	42 753	42 753	42 753	46 635	51 224	62 556
Other revenue	2	4 413	3 013	3 277	19 163	18 483	18 483	18 483	19 587	20 754	22 164
Gains on disposal of PPE		-	-	-	-	-	-	-	-	-	-
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>46 337</b>	<b>49 511</b>	<b>66 701</b>	<b>88 403</b>	<b>87 557</b>	<b>87 557</b>	<b>87 557</b>	<b>95 571</b>	<b>102 824</b>	<b>116 618</b>
<b>Expenditure By Type</b>											
Employee related costs	2	17 873	18 636	23 153	27 650	28 323	28 323	28 323	30 993	32 574	33 932
Remuneration of councillors		2 794	2 929	4 581	4 780	5 000	5 000	5 000	5 116	5 377	5 641
Debt impairment	3	10 586	4 122	5 869	4 976	4 976	4 976	4 976	4 976	5 230	5 403
Depreciation & asset impairment	2	4 531	3 673	9 318	5 098	4 604	4 604	4 604	4 604	4 839	5 069
Finance charges		68	1 064	1 246	1 168	1 178	1 178	1 178	733	770	808
Bulk purchases	2	4 217	5 050	7 019	8 900	8 900	8 900	8 900	9 400	9 879	10 363
Other materials	8	3 724	7 248	2 878	5 974	6 354	6 354	6 354	5 864	6 163	6 294
Contracted services		82	343	391	319	255	255	255	1 215	1 277	1 317
Transfers and grants		3 285	5 014	2 828	3 892	3 501	3 501	3 501	3 482	2 534	2 617
Other expenditure	4, 5	8 286	10 398	17 501	25 907	23 996	23 996	23 996	26 489	26 536	28 497
Loss on disposal of PPE		70	-	-	-	-	-	-	-	-	-
<b>Total Expenditure</b>		<b>55 516</b>	<b>58 477</b>	<b>74 784</b>	<b>88 665</b>	<b>87 088</b>	<b>87 088</b>	<b>87 088</b>	<b>92 873</b>	<b>95 180</b>	<b>99 941</b>
<b>Surplus/(Deficit)</b>		<b>(9 179)</b>	<b>(8 966)</b>	<b>(8 084)</b>	<b>(262)</b>	<b>469</b>	<b>469</b>	<b>469</b>	<b>2 697</b>	<b>7 644</b>	<b>16 677</b>
Transfers recognised - capital											
Contributions recognised - capital	6	16 000	9 910	13 093	19 477	23 977	23 977	23 977	15 766	16 600	17 532
Contributed assets											
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>		<b>6 821</b>	<b>944</b>	<b>5 009</b>	<b>19 215</b>	<b>24 447</b>	<b>24 447</b>	<b>24 447</b>	<b>18 463</b>	<b>24 244</b>	<b>34 209</b>
Taxation											
<b>Surplus/(Deficit) after taxation</b>		<b>6 821</b>	<b>944</b>	<b>5 009</b>	<b>19 215</b>	<b>24 447</b>	<b>24 447</b>	<b>24 447</b>	<b>18 463</b>	<b>24 244</b>	<b>34 209</b>
Attributable to minorities											
<b>Surplus/(Deficit) attributable to municipality</b>		<b>6 821</b>	<b>944</b>	<b>5 009</b>	<b>19 215</b>	<b>24 447</b>	<b>24 447</b>	<b>24 447</b>	<b>18 463</b>	<b>24 244</b>	<b>34 209</b>
Share of surplus/ (deficit) of associate	7										
<b>Surplus/(Deficit) for the year</b>		<b>6 821</b>	<b>944</b>	<b>5 009</b>	<b>19 215</b>	<b>24 447</b>	<b>24 447</b>	<b>24 447</b>	<b>18 463</b>	<b>24 244</b>	<b>34 209</b>



The following table gives a list of grants allocated to the municipality for the period 2013/2014 onwards.

<b>NATIONAL DORA ALLOCATIONS</b>			
Description	Year 2013/2014	Year 2014/2015	Year 2015/2016
<b>Direct</b>			
Equitable Share	40 363 000	45 728 000	56 865 000
Councillor Remuneration	2 351 000	2 962 000	3 074 000
Finance Management Grant (FMG)	1 550 000	1 600 000	1 650 000
Municipal System Improvement Grant (MSIG)	890 000	934 000	967 000
Municipal Infrastructure Grant (MIG)	16 596 000	17 474 000	18 455 000
Integrated National Electrification Programme Grant (Municipal)			
Expanded Public Works - Programme Integrated Grant	1 000 000		
	<b>62 750 000</b>	<b>68 698 000</b>	<b>81 011 000</b>
<b>Indirect</b>			
Integrated National Electrification Programme Grant (Eskom)	7 013 000	8 000 000	9 000 000
Water Services Operating Subsidy Grant			
Neighbourhood Development Partnership Grant			
Municipal Disaster Grant			
MIG Allocation for District Municipalities	20 917 000	17 747 000	18 221 000
	<b>27 930 000</b>	<b>25 747 000</b>	<b>27 221 000</b>
<b>Direct (Other)</b>			
Water: 67% of Total Allocation (CHDM)	8 453 390	9 004 800	9 481 170
Sanitation: 67% of Total Allocation (CHDM)	7 044 380	7 424 270	7 725 100
	<b>15 497 770</b>	<b>16 429 070</b>	<b>17 206 270</b>
	<b>106 177 770</b>	<b>110 874 070</b>	<b>125 438 270</b>

#### 8.4 Financial Strategies 2013 /2014

Sakhisizwe Local Municipality is a developing municipality located in the rural areas of the Province of the Eastern Cape. Only a small percentage of its population is economically active which poses specific challenges regarding financial sustainability. Council operations must be conducted in a manner that will ensure that services will remain affordable and yet tariffs must be able to cover costs.

The Municipality do have a GRAP compliant asset register from the financial year 2008 – 2009. All infrastructure assets were valued and reflected at fair values.

The valuation roll of the municipality is up to date and implemented on the financial system sebata.

The by-laws of the municipality are in the reviewing process to be implemented from 01 July 2013.

##### a) Revenue Raising Strategy

Outstanding debt amounts to R49 million. Drastic steps must be implemented to have this amount reduced as it will eventually lead to cash flow problems. The target is that 90% of all billing must be collected.



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

- **The review and implementation of the Credit Control & Debt Collection Policy.** *This policy and the relevant procedures detail all areas of credit control, collection of amounts billed to customers, procedures for non-payment etc.*
- **The review and implementation of the Indigent Policy.** *This policy defines the qualification criteria of an indigent, the level of free basic services enjoyed by indigent households, penalties for abuse etc.*
- **The review and implementation of the Tariff Policy.** *This policy will ensure that fair tariffs are charged in a uniform manner throughout the Sakhisizwe Local Municipality area. Tariffs must remain affordable but also insure sustainable services.*
- **The review and implementation of the Property Rates and Valuation Policy.** *This will ensure that a fair rates policy and an updated valuation roll is applied to the entire Sakhisizwe Local Municipality area and will aim to ensure that all properties are included in the municipality's records. Furthermore the policy will ensure that valuations are systematically carried out on regular bases for all properties.*
- **The review and implementation of the Improved Payment Strategy.** *This strategy aims at implementing innovative cost effective processes to encourage consumers to pay their accounts in full on time each month, including increasing the methods of payment and implementing on-line pre-payment systems.*

**b) Asset Management Strategy**

*The following are some of the more significant programmes that have been identified:*

- **The maintaining of the asset management system.** *All assets must be captured on the asset management system on a monthly basis. The system must be maintained in terms of GRAP requirements.*
- **The review and update of asset and risk insurance procedures and the renewal of the insurance portfolio.** *This programme will involve the identification of risks in conjunction with insurers and all Departments and the review and update of the asset and risk insurance procedure manual. It will also include the review of the existing insurance portfolio and the renewal of the insurance policy as per the renewal terms.*

**c) Capital Financing Strategy**

*The following are some of the more significant programmes that have been identified:*

- **The review and implementation of the municipal loans policy.** *This policy will ensure that any borrowings taken by the Sakhisizwe Local Municipality will be done in a responsible manner and that the repayment and servicing of such debt will be affordable.*

**d) Projected staff growth and costs**



After the 2011 Local Government Election the status of Sakhisizwe Municipality changed from a plenary council to an executive council, which will result in an increase in the staff component.

Currently the municipality is using casuals to assist with service delivery of the refuse collection function. The option of appointing more permanent staff for the services needs to be investigated and can result in an increase in the staff component of the municipality with a financial implication.

e) Managing Global Financial Crisis

Alternative mechanisms are being sought by the municipality to finance investment in infrastructure and acquiring of new infrastructure.

MFMA Circular 48 notes that the global economy is experiencing a sharp downturn, spreading from developed to developing countries. Its origins lie in macroeconomic imbalances of an unprecedented scale and therefore, the consequences are felt everywhere.

Given the current economic crisis, municipalities will need to take some very tough decisions in the course of preparing their 2012 – 2013 budget and MTREF. We have given priority to the following critical issues:

<b>Focus Area</b>	<b>Detail</b>
<i>Managing and enhancing all revenue streams, especially debtors.</i>	<i>Develop a revenue enhancement strategy and recovery plan.</i>
<i>Supporting meaningful local economic development (LED) initiatives that foster micro and small business opportunities and job creation</i>	<i>Implement LED strategy which seeks to address job creation through support to SMME's</i>
<i>Expediting spending on capital projects that are funded by conditional grants.</i>	<i>Develop a strategy through which all conditional grants are re-in fenced, and reported monthly to council</i>
<i>Customer Centre</i>	<i>In a process of enhancing and expanding the customer and the Presidential Hotline System to include all the municipal sections.</i>

## 8.5 Financial Policies for 2013/2014

### General Financial Philosophy

The financial policy of the Sakhisizwe Local Municipality is to provide sound, secure and fraud free management of financial services. The Budget and Finance Office has the following objectives:

- Implementation of LG MFMA
- Implementation of the LG Municipal Property Rates Act
- Management of the Budget Process
- Performance of the Treasury Function
- Management of Municipal Revenue
- Maintaining the Supply Chain Management Unit
- Maintenance of Internal Financial Control



- *Production of Financial Performance Reports*
- *To Retain the Financial Viability of the Municipality*
- *To work towards an Unqualified Audit Report*

*Herewith the list of the current budget and financial related policies of Sakhisizwe Municipality:*

- *Budget Policy*
- *Corruption and Fraud Policy*
- *Credit Control and Debt Collection Policy*
- *Bad Debt Write Off Policy*
- *Asset Management Policy*
- *Indigent Policy*
- *Cash & Investment Management Policy*
- *Rates Policy*
- *Tariff Policy*
- *Information Technology Policy*
- *Supply Chain Management Policy*
- *Interest Reversal Policy*
- *Loans Policy*
- *Unforeseen & Unavoidable Expenditure Policy*
- *Administration of Immoveable Property Policy*
- *MFMA Delegations Policy*
- *Long Service award Policy*
- *Performance Management System*
- *Acting Allowance policy*
- *Disciplinary and grievance policy and procedure*
- *Human Resources development policy*
- *Induction training and Staff Orientation*
- *Overtime policy*
- *Policy Regulating Absenteeism*
- *Leave policy*
- *Staff placement policy*
- *Sexual Harassment policy*
- *Staff retention policy*
- *Training and development policy*
- *Telephone policy*
- *S & T policy*
- *MFMA delegation policy*
- *Code of conduct employee*
- *Delegation of authority*

b) *Budget Policy*

*The aim of the policy is to set out the budgeting principles which the municipality will follow in preparing each annual budget, as well as the responsibilities of the chief financial officer in compiling such budget.*

c) *Tariff Policy*

*A tariff policy must be compiled, adopted and implemented in terms of Section 74 of the Local Government: Municipal Systems Act 2000, such policy to cover, among other*



things, the levying of fees for municipal services provided by the municipality itself or by way of service delivery agreements.

d) Rates Policy

In developing and adopting this rates policy, the council has sought to give effect to the sentiments expressed in the preamble of the LG Municipal Property Rates Act, namely that:

- the Constitution enjoins local government to be developmental in nature, in addressing the service delivery priorities of our country and promoting the economic and financial viability of our municipalities;
- there is a need to provide local government with access to a sufficient and buoyant source of revenue necessary to fulfill its developmental responsibilities;
- revenues derived from property rates represent a critical source of income for municipalities to achieve their constitutional objectives, especially in areas neglected in the past because of racially discriminatory legislation and practices; and
- it is essential that municipalities exercise their power to impose rates within a statutory framework which enhances certainty, uniformity and simplicity across the nation and which takes account of historical imbalances and the burden of rates on the poor.

In applying its rates policy, the council shall adhere to all the requirements of the Property Rates Act no. 6 of 2004 including any regulations promulgated in terms of that Act.

e) Indigent Support Policy

The objective of Indigent Support Policy is to ensure the following:

- The provision of basic services to the community in a sustainable manner, within the financial and administrative capacity of the Council; and
- To provide procedure and guidelines for subsidization of basic provisions received from Central Government, according to prescribed Policy guidelines.

The Council also recognizes that there may be residents simply not able to afford the cost of full provision and for this reason the Council will endeavour to ensure affordability through:

- Settings tariffs in terms of the Council Tariff Policy; which will balance the economic viability of continued service delivery; and
- Determining appropriate service levels.

f) Credit Control & Debt Collection Policy

The purpose is to ensure that credit control forms an integral part of the financial system of the local authority, and to ensure that the same procedure be followed for each individual case.

g) Supply Chain Management Policy

The objective of this policy is to provide a policy framework within which the municipal manager and chief financial officer can institute and maintain a supply chain



management system which is transparent, efficient, equitable, competitive, which ensures best value for money for the municipality, applies the highest possible ethical standards, and promotes local economic development.

By adopting this policy the council further pledges itself and the municipal administration, to the full support of the Proudly SA campaign and to the observance of all applicable national legislation, including specifically the:

- Preferential Procurement Policy Framework Act No. 5 of 2000 and its regulations;
- Broad Based Black Economic Empowerment Act No. 53 of 2003 and any applicable code of practice promulgated in terms of that Act; and
- LG Municipal Finance Management Act No. 56 of 2003, including the regulations relating to the prescribed framework for supply chain management.

A paraphrase of the relevant provisions of the foregoing statutes is annexed to this policy.

Where applicable, the council also pledges itself to observe the requirements of the Construction Industry Development Board Act No. 38 of 2000 and its regulations.

The following committees exist for the execution of supply chain:

- Bid specification committee
- Bid evaluation committee
- Bid Adjudication committee

h) Accounting Policies

Sakhisizwe Local Municipality has submitted its Annual Financial Statements in time to the Auditor General from the financial year ending June 2011. The municipality moved out of disclaimers to an qualified opinion for the financial year ending June 2011. The municipality is striving towards unqualified audit reports

## 9 MUNICIPAL INSTITUTIONAL DEVELOPMENT AND TRANSFORMATION PROFILE

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

### 9.1 Powers and Functions

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

Part B of Schedule 4	Part B of Schedule 5
1. Air pollution 2. Building regulations	16. Beaches and amusement facilities



Part B of Schedule 4	Part B of Schedule 5
<p><b>3. Child care facilities</b></p> <p>4. <i>Electricity and gas reticulation</i></p> <p>5. <i>Fire-fighting services</i></p> <p><b>6. Local tourism</b></p> <p>7. <i>Municipal airport</i></p> <p><b>8. Municipal planning</b></p> <p>9. <i>Municipal health services</i></p> <p>10. <i>Municipal public transport</i></p> <p>11. <i>Pontoons, fairies, settees, piers and harbours excluding the regulations of international and national shipping</i></p> <p><b>12. Municipal public works only in respect of the needs of the municipalities</b></p> <p><b>13. Storm water management system</b></p> <p><b>14. Trading regulations</b></p> <p>15. <i>Water and sanitation services (limited to potable water supply system, domestic waste water and sewerage disposal system)</i></p>	<p><b>17. Billboards and display advertisement in public places</b></p> <p><b>18. Cemeteries, funeral parlors and crematoria</b></p> <p><b>19. Cleansing</b></p> <p><b>20. Control of public nuisance</b></p> <p>21. <i>Control of undertakings that sell liquor to the public</i></p> <p><b>22. Facilities for the accommodation care and burial of animals</b></p> <p>23. <i>Fencing and fences</i></p> <p>24. <i>Licensing and controlling of undertakings that sell food to the public</i></p> <p><b>25. Local amenities</b></p> <p><b>26. Local sport facilities</b></p> <p><b>27. Markets</b></p> <p><b>28. Municipal abattoirs</b></p> <p><b>29. Municipal parks and recreation</b></p> <p><b>30. Municipal access roads</b></p> <p><b>31. Noise pollution</b></p> <p><b>32. Pounds</b></p> <p><b>33. Public places</b></p> <p><b>34. Refuse removals, refuse dumps and solid waste disposals</b></p> <p><b>35. Street trading</b></p> <p><b>36. Street lighting</b></p> <p><b>37. Traffic and parking</b></p>

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

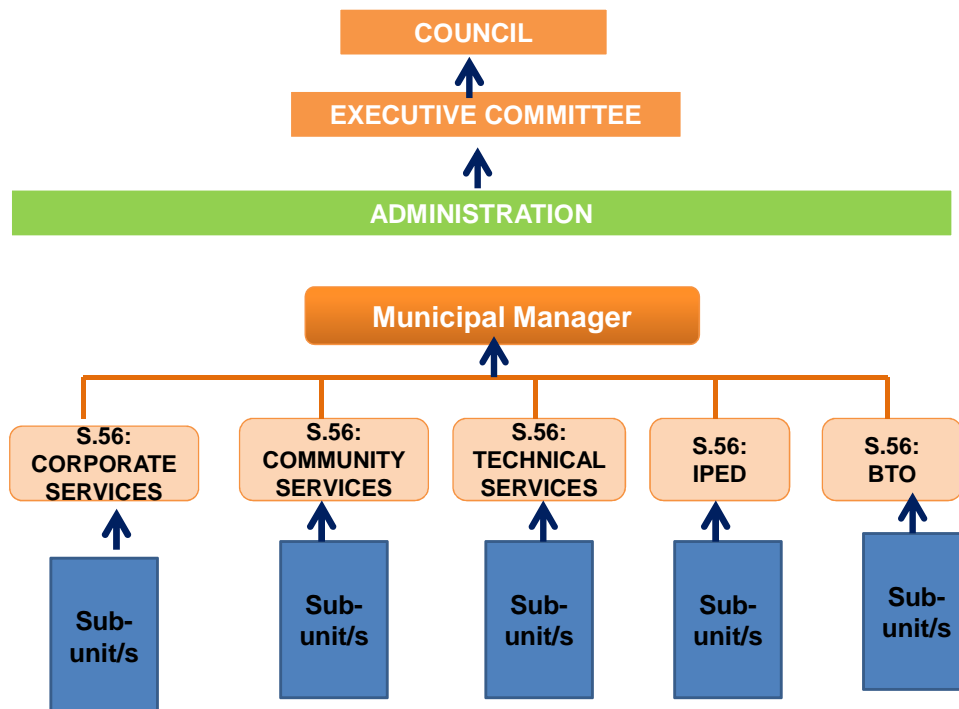
## 9.2 Organizational development

In order to give effect to the implementation and administration of the above mandate it is both necessary and imperative to put in place a relevant institutional structure and administration. The organisational structure was adopted by the Council in 2012. It provided for approximately 250 posts, 162 filled post and 52 vacant posts

Sakhisizwe has 6 departments namely:

- IPED
- Municipal Managers
- Technical Services Department
- Community Services Department
- Corporate Services Department
- Finance Department

All identified section 57 positions in our organogram are filled. The figure below gives a summarized illustration of the current organizational arrangements at Sakhisizwe.



## 10 GOOD GOVERNANCE & PUBLIC PARTICIPATION PROFILE

### 10.1 Governance systems

The municipal council is the highest decision making body in the organization. It is chaired by the Speaker. Under the new council arrangements Sakhisizwe has both a Council Speaker who is not the same as Mayor as was the case before. In this type of governance structure the protocol dictates that decisions are made by council supported by its executive committee.



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

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

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

**The following HR Policies were adopted for 2012/2013 financial year:**

Leave Policy, Recruitment and selection Policy, HIV/AIDS Policy, Employment Equity Policy, Disciplinary, Grievance and Procedure Policy, Overtime Policy, Policy Regulating Absenteeism, Subsistence Policy Transport Policy, Induction Policy Training and Development Policy, Acting Policy, Bereavement Policy, Long Service Policy, Public Participation Policy, Rules of Order, Sexual Harassment Policy, Customer Care Policy.

The Sakhisizwe Municipal Council also adopted the HR Plan, Employment Equity Plan, Training and Development Plan and Staff Retention Strategy

**10.2 Inter- Governmental Relations**

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

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

**10.3 Public Participation & Promotion of Local Democracy**

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

A newsletter and regular mayoral report back Imbizos are also planned for the year ahead to enable constant flow of information between the council, its administration and local communities on the affairs of the municipality. Mayoral Imbizos are held every Quarter, IDP Rep forums and Road shows sit according to the IDP Process Plan.





**10.4 Special Programmes**

The municipality supports the transformation of our society through facilitating a range of interventions aimed at mainstreaming participation of the vulnerable groups in society. The following tables outline our planned commitments to promote the mainstreaming of the vulnerable groups in society.

**WOMEN’S FORUM PLAN 2013/2014 FINANCIAL YEAR: (R85’850.00)**

ACTIVITY	TIMEFRAME	TARGET	VENUE	BUDGET
Induction Workshop	30 July 2013	Ward Forums	Cala Town Hall	1. Transport <ul style="list-style-type: none"> <li>Transporting of Ward Forums to the Venue <b>Total – R 4’000.00</b></li> </ul> 2. Catering(Tea & Lunch) <ul style="list-style-type: none"> <li>Catering for 100 people at R90.00 each <b>Total - R9’000.00</b></li> </ul> 3. Stationery <ul style="list-style-type: none"> <li>100 Pens and 100 Exam Pads, Khoki Pens, Flip Chart Papers and Files. <b>Total = R1’000.00</b></li> </ul> <b>Grand Total = R14’000.00</b>
4. Monthly Meetings	Monthly	Women’s Forum	Cala Town Hall	1. Transport- R7’000.00 2. Catering – R 6’500.00 <b>Grand Total =R13’500.00</b>
Bathandwa Ndondo Heritage	September	Mobilisation Stokwes	Cala	R 1.2 M
3. Women’s Day	August	300 Women	Elliot	1. Transport <ul style="list-style-type: none"> <li>Transporting 15 Women per Ward <b>Total – R8’000.00</b></li> </ul> 2. Catering <ul style="list-style-type: none"> <li>Catering for 300 People @ R65.00 each <b>Total -R19’500.00</b></li> </ul> <b>Grand Total = R27’500.00</b>
3. Awareness Campaigns	Sept – Nov	Community	All Wards	1. Transport – R3’000.00 2. Catering -



ACTIVITY	TIMEFRAME	TARGET	VENUE	BUDGET
				R5'850.00 <b>Grand Total = R8'850.00</b>
4. Running Costs	Ongoing	Provincial Events National Events		<b>Total = R 20'000.00</b>

**ELDERLY FORUM YEAR PLAN 2012/2013 R116'500.00 )**

ACTIVITY	Area	TIMEFRAME	TARGET GROUP	BUDGET
1. Building of Service Centres for Elderly	Ward 1,3,5,6,7,8,9	2013/2014	Elderly	
2. Golden Games	Cala Indoor Sport Centre	September to October	Elderly	1. Transport <ul style="list-style-type: none"> <li>Transporting Elderly from all the Wards Total = R4'000.00</li> <li>2. Transport               <ul style="list-style-type: none"> <li>Transporting 96 Elderly from Sakhisizwe to Queenstown during CHDM Games Total = R30'000.00</li> <li>3. Golf T-Shirts-T-Shirts for Identification during District Games(100 T-Shirts @ R250.00 each) Total = R25'000.00</li> </ul> </li> </ul> <b>Grand Total R59'000.00</b>
3. Elderly Christmas Party	Cala Town Hall	December 2013	Elderly for 90 years up wards	4. Transport =10 per Ward x 9 Wards Total = R4'000.00 <ul style="list-style-type: none"> <li>Catering (Tea &amp; Lunch) 150 people X R90 Total- R13'500.00</li> <li>Promotional Material Scarves and Coffee Mugs Total – R20'000.00</li> </ul> <b>Grand Total R37'500.00</b>



ACTIVITY	Area	TIMEFRAME	TARGET GROUP	BUDGET
4. Running Costs	District and Provincial Events	On-going	Elderly	Total = R20'000.00

**DISABILITY FORUM PLAN 2013/2014 FINANCIAL YEAR: (R70'750.00)**

ACTIVITY	TIMEFRAME	TARGET	VENUE	BUDGET
1. Induction Workshop	30 July 2013	<ul style="list-style-type: none"> <li>Ward Forums</li> </ul>	Cala Town Hall	Transport Transporting of Ward Forums to the Venue <b>Total – R 4'000.00</b> Catering(Tea & Lunch) Catering for 100 people at R90.00 each <b>Total - R9'000.00</b> Stationery 100 Pens and 100 Exam Pads, Khoki Pens, Flip Chart Papers and Files. <b>Total = R1'000.00</b> <b>Grand Total = R14'000.00</b>
2. Disability Project	2013/2014 Financial Year	<ul style="list-style-type: none"> <li>People with Disabilities</li> </ul>	To all Gov Depts.	Transport –Transporting Forum members to the Venue. <b>R250.00</b>
3. Meeting with Stakeholders	2 <sup>nd</sup> Week July 2013	<ul style="list-style-type: none"> <li>Sector or Depts.</li> <li>NGO's &amp; CBO's</li> <li>Municipality</li> </ul>	Cala Town Hall	Transport- R1'000.00 Catering - R1'000.00 <b>Grand Total = R2'000.00</b>
4. Monthly Meetings	Monthly	<ul style="list-style-type: none"> <li>Disability Forum</li> </ul>	Cala Town Hall	Transport- R7'000.00 Catering – R 6'500.00 <b>Grand Total =R13'500.00</b>
4. Disability Day	December	<ul style="list-style-type: none"> <li>200 People with Disabilities</li> </ul>	Cala Town	Transport Transporting 15 People per Ward <b>Total – R8'000.00</b> Catering Catering for 200 People @ R65.00 each <b>Total -R13'000.00</b> <b>Grand Total = R21'000.00</b>
5. Collecting Disability Data	On-Going	<ul style="list-style-type: none"> <li>People with Disability</li> </ul>	All Wards	No budget
		<ul style="list-style-type: none"> <li>Provi</li> </ul>		



ACTIVITY	TIMEFRAME	TARGET	VENUE	BUDGET
6. Running Costs	Ongoing	ncial Events • National Events		<b>Total = R 20'000.00</b>

**YOUTH COUNCIL YEAR PLAN 2012/2013: (R330'250.00)**

ACTIVITY	Area	TIMEFRAME	TARGET GROUP	BUDGET	Responsible
1. Monthly Meetings	Cala Town Hall	Monthly	Youth Council	Catering – R 10'000.00 Transport –R 4'000.00  <b>Total R14'000.00</b>	• Youth Council
2. Youth Forums Induction	Cala Town Hall	July 2013	Youth Forums	Catering - R6'000.00 Transport - R5'000.00 Stationery - R2'000.00  <b>Total R13'000.00</b>	• NYDA • CHDM
3. Youth Council Summit	Elliot( Mountain Shadows)	September 2013	Youth Forums	R2000'000.00  <b>Total R 200'000.00</b>	• NYDA • Sector Depts • CHDM
4. Youth in Business	Cala Pass Hall	November 2013	Youth in Business	Catering - R 6'000.00 Transport – R 6'000.00  <b>Total - R12'000.00</b>	• NYDA • SITA • DTI • ECDC • Labour • CHDM –LED • O.T.P.
5. Career Exhibition	Cala Reserve	January	Grade 12	Catering – R8'250.00  <b>Total R8'250.00</b>	• Ikhala • WSU • NMMU • FortHare • DOEC
6. Youth Unemployed Data Base	All Wards	On-going	Unemployed Youth	No Budget	• Youth Councils
7. Projects	All Wards	2013/2014 2014/2015 2015/2016	Unemployed Youth		• DOSD • DOA • LED – Sakhisizwe • CHDM
8. Skills Development Training • Plant	-	March 2014	Unemployed		• Public Works • Skill Development-Sakhisizwe



ACTIVITY	Area	TIMEFRAME	TARGET GROUP	BUDGET	Responsible
<i>Operator's Training</i> <ul style="list-style-type: none"> <li>• <i>Plumbing, Carpentry</i></li> <li>• <i>Bricklaying, Electricity</i></li> </ul>					<ul style="list-style-type: none"> <li>• <i>LED – Sakhisizwe</i></li> <li>• <i>DOSD</i></li> <li>• <i>SITA</i></li> <li>• <i>NYDA</i></li> </ul>
9. <i>A.G.M.</i>	<i>Cala Town Hall</i>	<i>May 2013</i>	<i>All Youth Forums</i>	<ul style="list-style-type: none"> <li>• <i>Transport - R6'000.00</i></li> <li>• <i>Catering - R7'000.00</i></li> </ul> <p><b>Total - R13'000.00</b></p>	<ul style="list-style-type: none"> <li>• <i>Sakhisizwe Youth Council</i></li> </ul>
10. <i>June Month</i>	<i>D.M.Skosana</i>	<i>June 2013</i>	<i>Youth</i>	<ul style="list-style-type: none"> <li>• <i>R 50'000.00</i></li> </ul>	<ul style="list-style-type: none"> <li>• <i>Sakhisizwe Youth Council</i></li> <li>• <i>CHDM</i></li> <li>• <i>NYDA</i></li> <li>• <i>Sector Depts</i></li> </ul>
11. <i>Running Costs for</i> <ul style="list-style-type: none"> <li>• <i>District Events</i></li> <li>• <i>Provincial Events</i></li> <li>• <i>National Events</i></li> </ul>				<ul style="list-style-type: none"> <li>• <i>R20'000.00</i></li> </ul> <p><b>Total – R20'000.00</b></p>	<ul style="list-style-type: none"> <li>• <i>District Events</i></li> <li>• <i>Provincial Events</i></li> <li>• <i>National Events</i></li> </ul>
<i>Grand Total</i>				<b>R330'250.00</b>	

**Summary of SPU planned programmes & budgets for 2013/2014**

ITEM	AMOUNT
• <i>Capacity Building SPU Co-ordinator</i>	<i>R 30'000.00</i>
• <i>Stationery and running Costs</i>	<i>R 25'000.00</i>
• <i>Women's Forum</i>	<i>R 85'850.00</i>
• <i>Elderly Forum</i>	<i>R 116'500.00</i>
• <i>Disability Forum</i>	<i>R 70'750.00</i>
• <i>Youth Council</i>	<i>R 330'250.00</i>
• <i>Mayor's Cup</i>	<i>R 250'000.00</i>
• <i>Special Programmes Strategy</i>	<i>R200 000,00</i>
• <i>Children Advisory Forum</i>	<i>R 30'000.00</i>
• <i>Sport Council</i>	<i>R</i>
<b>TOTAL</b>	<b>R1,038'100.00</b>

## 10.5 Customer care relations

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

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

- Implementing democracy through investment in public participation and ward capacity building programmes including ward based planning*
- Fighting tendencies of corruption in our system*
- Increasing trust and support from our communities and also ensuring the maintenance of a good image and profile for the municipality*
- Implementing community outreach initiatives such as those activities undertaken in the special programmes unit (focusing on youth, women and disabled)*
- Attainment of a clean audit outcome within two prior to installation of the next council*
- Putting in place effective systems and processes for improving council oversight and administrative accountability through implementation of functional PMS and SDBIP regular reporting*

*The main challenges for good governance stem from the reasons that were observed in the consultative processes which necessitated the above focus. Key challenges for 2012/13 will be the finalization of the matter relating to our municipal manager position, lack of HR capacity in critical areas of our functions such as LED and Engineering and also dealing with issues raised by auditor general in our previous report (discussed earlier in this document).*

## 11 SPATIAL DEVELOPMENT FRAMEWORK

*Sakhisizwe Local Municipality has adopted its review SDF in March 2012. The SDF is valid until 2014. The document is aimed at providing a spatial policy perspective to this IDP as well as guide future planning decisions about space development. This SDF is based on the following set of objectives and principles.*

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

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

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

### 11.1 Legal framework

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

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

#### Ensuring a uniform planning system

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

## **Providing a national spatial planning framework**

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

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

*In terms of the analysis of Sakhisizwe potential index, the area has potential in Agricultural development, Tourism resources such as the Cultural Tourism industry and less potential in the Innovation and experimentation through its limited urban centre with no developed consumer base.*

### **11.2 The provincial framework**

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

#### **Strategic policy framework to spatial investment**

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

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

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

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

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

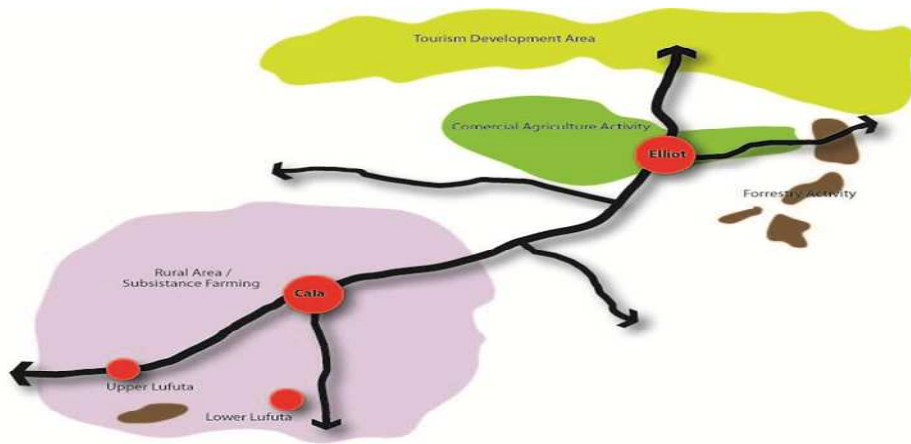
*Human Resource Development*



### 11.3 Overview of the SDF concept

The diagram below gives a spatial concept of the Sakhisizwe Municipal area.

#### Conceptual Framework



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

### 11.4 SDF proposals for Sakhisizwe LM

#### Agricultural Potential areas

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

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

#### Urban Edge

It is proposed that based on the urban edge as demarcated in Paragraph 4.2 (page 168 of SDF) for Cala and Paragraph 4.3 (Page 170 of SDF) for Elliot, the municipality should not entertain ad hoc, short term proposals for the amendment of the urban edge, unless a strategic change has taken place in the municipal and provincial context.

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

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

### **Nodal Development**

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

- *In order to support the effective development of nodes in the municipality, the development of urban non-residential land uses, such as business, retail, community facilities, and social services should be restricted to nodal areas.*
- *Nodes should typically be located at the main access points as urban areas, typically at the intersection of a major mobility route and the major collector route.*
- *These nodes should show a large degree of public investment in infrastructure, public domain and social services.*
- *Nodes must be characterised by mixed-use, high intensity activity and higher density residential development (maximum FAR's, coverage and height should not be restricted).*

- *The manner in which parking in the nodal areas are treated is of importance. Large parking lots adjacent to streets should not be promoted. Buildings should be placed as close to street boundaries as possible*

### **Corridor development**

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

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

### **Industrial development zones**

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

*The following guidelines apply to developments in the industrial areas:*

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

### **Densification**

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

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

***The following strategic densification priority zones are proposed-***

- *Around the Cala and Elliot CBDs.*



- Along Titsa Road Activity Spine.
- Along Maclear Way Activity Spine.

#### **Development of new settlement ethos**

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

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

#### **Land use regulation outside urban edge**

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

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

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

- *Nature conservation/sensitive natural areas.*
- *Agricultural activities. 13*
- *Tourism and related activities.*
- *Conference and training facilities.*
- *Recreational facilities which are essentially rural in nature.*

- *Farm stalls and home industries.*
- *Resource based industries.*
- *Any other uses that in the municipality's discretion fit in with the character of the area outside the urban edge, provided that such development adheres to the criteria set out above.*

### **Tourism development**

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

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

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

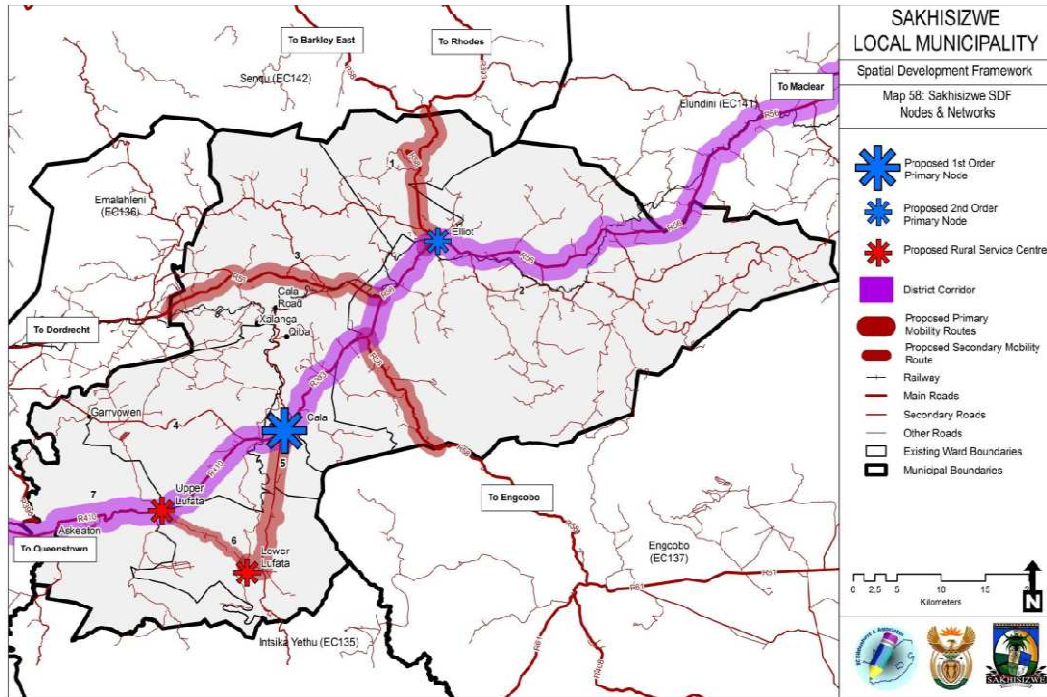
- *All new developments should therefore consider heritage resources as part of the environmental impact assessment process.*
- *All developments that affect existing structures older than 60 years or those that have been afforded protected status must adhere to the provisions of the relevant legislation.*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

### **Public spaces and CBD**

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

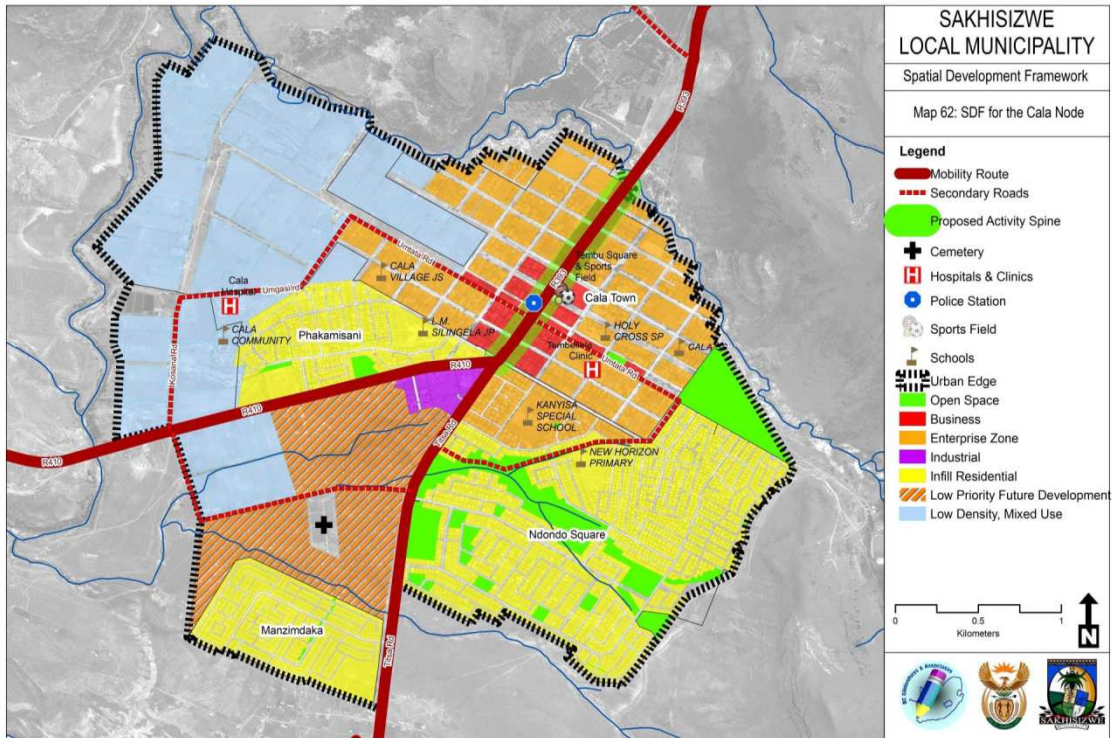
- *Entrances into Sakhisizwe urban areas, Cala and Elliot, should be celebrated through signage, monuments or other prominent features.*
- *Strategic sites, which provide settings for landmarks, should be identified and utilised. Buildings located at these positions should have landmark qualities*
-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

### 11.5 The overall framework for Sakhisizwe LM

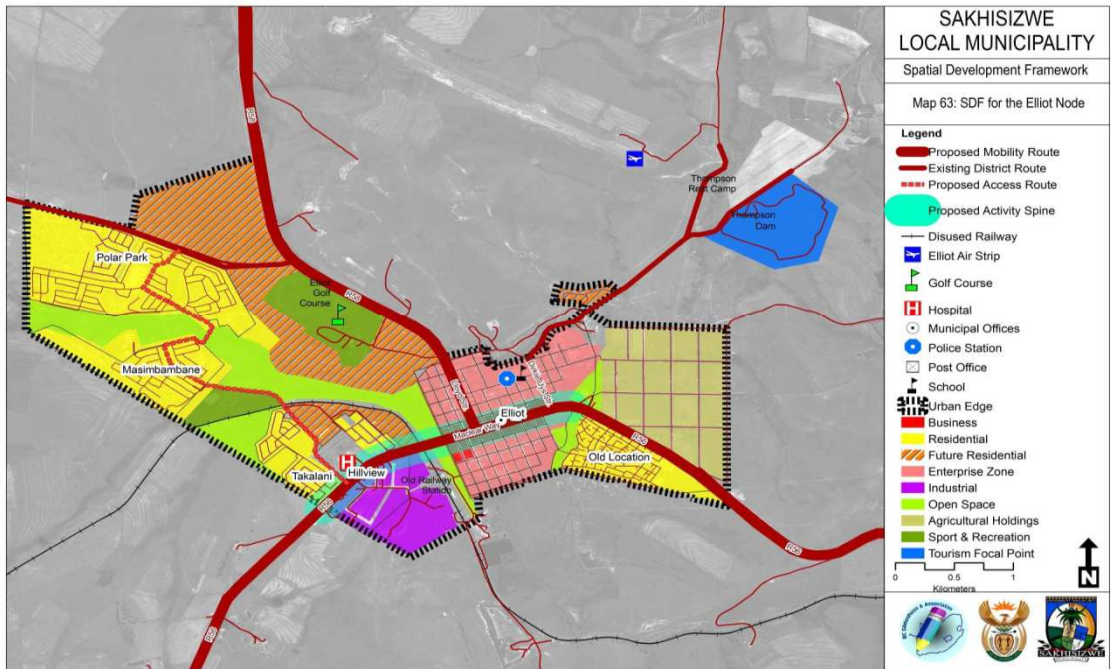


### 11.6 Land Use Management framework (Cala & Elliot)

*Cala Land Use Management framework*



**Elliot Land Use Management framework**





## 12 KEY DEVELOPMENT PRIORITIES for 2013/2014

### 1) *Service Delivery*

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

### 2) *Local Economic Development*

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

### 3) *Financial Viability*

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

### 4) *Good Governance & Public Participation*

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

### 5) *Municipal Institutional Development & Transformation*

- a) *Organizational development and Administration*
- b) *HR Development*
- c) *Capacity Building and Training*
- d) *Fleet Management*
- e) *Council Support*
- f) *Special Programmes (SPU)*





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# FORWARD PLANNING

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*This section outlines the desired future for the development of Sakhisizwe through determination of a strategic development vision, mission and values. It also sets clear development objectives, strategies as well as intended projects to be implemented during the tenure of this IDP.*

## 13 VISION

*At a strategic planning session held at Mount Shadows the municipality agreed to alter its current vision from:*

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

*And now on as adopted by subsequent representative forums and council, it will read:*

**“Together with all communities and partners, we will provide a sustainable and visible service delivery”**

## 14 MISSION

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

## 15 BROAD STRATEGIC DEVELOPMENT OUTCOMES

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

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



## 16 DEVELOPMENT OBJECTIVES, STRATEGIES AND PROJECTS

Key Priority Area	Sub-result areas	Objective	Development Target in terms of MSA -S26 & 41	Supporting Strategies	Project to be implemented	Source of budget	MTEF BUDGET		
							2013-14	2014-15	2015-16
Service Delivery	Water & Sanitation	To facilitate adequate provision of services and maintenance of operational infrastructure	90% of households with access to basic water by 2014	Top mobilize resources from various stakeholders for construction and upgrade and use own MIG for maintenance	Implement water projects as prioritised	CHDM	R 8 453 390	R 9 004 800	R 9 481 170
					Implement sanitation projects as prioritized	CHDM	R 7 044 380	R 7 424 270	R 7 725 100
	Electricity	To facilitate provision of reliable electricity to households and businesses	100% of households with access to electricity by 2015	Use own MIG to lever more resources from strategic partners	Implement National electrification programme	Eskom	R 7 013 000	R 8 000 000	R 9 000 000
	Roads, Stormwater, Bridges and Transport infrastructure	To plan and facilitate delivery and maintenance of road,	150 km of gravel road and 30km of tarred surfaces	Top mobilize resources from various stakeholders for construction	Construct and upgrade access roads	MIG -SLM	R 5 000 000	R 5 000 000	R 5 000 000



Key Priority Area	Sub-result areas	Objective	Development Target in terms of MSA -S26 & 41	Supporting Strategies	Project to be implemented	Source of budget	MTEF BUDGET		
							2013-14	2014-15	2015-16
		<i>stormwater, bridges and transport infrastructure</i>	<i>sealed and patched by 2014</i>	<i>and upgrade and use own MIG for maintenance</i>	<i>Takalani township access road</i>		<i>R1 991,220.28</i>		
					<i>Old location street upgrade Phase 1</i>	<i>MIG</i>	<i>R7 505,224.09</i>		
					<i>Cala town - Qokolo and Kopitjie access road</i>	<i>MIG</i>	<i>R3 898,331.49</i>		
					<i>Cala gravel road and storm water phase 2</i> <i>Cala roads &amp;stormwater Ph3 upgrade</i>	<i>MIG</i>			



Key Priority Area	Sub-result areas	Objective	Development Target in terms of MSA -S26 & 41	Supporting Strategies	Project to be implemented	Source of budget	MTEF BUDGET		
							2013-14	2014-15	2015-16
					<i>Ndumndum access road</i>	<i>MIG -SLM</i>	<i>R1 694,777.62</i>		
					<i>Roma-Sphafeni access road</i>	<i>MIG -SLM</i>	<i>R4 458,309.66</i>		
					<i>Mthingwevu - Ndambane access road</i>	<i>MIG -SLM</i>	<i>R4 967,550.00</i>		
					<i>Sdikidini to White city access road</i>	<i>MIG -SLM</i>	<i>R3 115,893.60</i>		
					<i>Stokwe basin - Barrackson</i>	<i>MIG -SLM</i>	<i>R3 403,036.80</i>		



Key Priority Area	Sub-result areas	Objective	Development Target in terms of MSA -S26 & 41	Supporting Strategies	Project to be implemented	Source of budget	MTEF BUDGET		
							2013-14	2014-15	2015-16
					<i>Mnxe Mission Eccess road</i>	<i>MIG</i>	<i>R1 972,715.74</i>		
					<i>Mbhenge Access Road</i>	<i>MIG</i>			
					<i>Hillview access road</i>	<i>MIG -SLM</i>			
					<i>Mhlwazi access road</i>	<i>MIG -SLM</i>			
					<i>Construct and upgrade access roads</i>	<i>MIG - CHDM</i>			



Key Priority Area	Sub-result areas	Objective	Development Target in terms of MSA -S26 & 41	Supporting Strategies	Project to be implemented	Source of budget	MTEF BUDGET		
							2013-14	2014-15	2015-16
					<i>Cala Reserve Access Road</i>	<i>MIG</i>	<i>R 1 000 000.00</i>		
					<i>Upper Indwana Access Road</i>	<i>MIG</i>			
					<i>Tyalibhokwe Access Road</i>	<i>MIG</i>		<i>Registered</i>	
					<i>Xonya – Macangceni Access Road</i>	<i>MIG</i>	<i>Registered</i>	<i>Planned</i>	
					<i>Polar Park Access road</i>	<i>MIG</i>	<i>R1 000 000.00</i>		
	<i>Waste Management &amp; Refuse collection</i>	<i>To improve service coverage to those at risk</i>	<i>100% of households with access to healthy means of refuse and</i>	<i>By utilising own funds and supplementing with contributions sourced</i>	<i>Upgrade and maintain facilities</i>	<i>OPEX</i>	<i>R 0</i>	<i>R 0</i>	<i>R 0</i>
<i>Establishment of Cala landfill site</i>					<i>OPEX</i>	<i>R 0</i>	<i>R 0</i>	<i>R 0</i>	



Key Priority Area	Sub-result areas	Objective	Development Target in terms of MSA -S26 & 41	Supporting Strategies	Project to be implemented	Source of budget	MTEF BUDGET		
							2013-14	2014-15	2015-16
			waste removal by 2014	elsewhere	Elliot solid waste disposal site	OPEX	R 0	R 0	R 0
					Clean streets in Cala and Elliot towns	OPEX	R 0	R 0	R 0
					Develop a sector plan for waste management	OPEX	R 120 000	R 0	R 0
	Housing	To plan and facilitate delivery of mix income level housing programme	950 housing applications administered per by June 2014	By working in close partnership with departments of human settlements and land affairs	Administer and process low cost housing applications for beneficiaries in all wards	OPEX	R 0	R 0	R 0
					Survey and service strategic land (250 ervens) for sale to middle income housing initiatives	DoLG	R 0	R 0	R 0
		250 planned and service ervens approved for sale to middle income housing applicants by							



Key Priority Area	Sub-result areas	Objective	Development Target in terms of MSA -S26 & 41	Supporting Strategies	Project to be implemented	Source of budget	MTEF BUDGET		
							2013-14	2014-15	2015-16
			<i>June 2014</i>		<i>Facilitate delivery of housing by DoHS</i>	<i>DoHS</i>	<i>R 0</i>	<i>R 0</i>	<i>R 0</i>
	<i>Community Services &amp; Facilities</i>	<i>To ensure adequate provision and accessibility of community services &amp; facilities</i>	<i>100% of wards with access to a local fenced cemetery by June 2014</i>	<i>By planning and setting aside suitable land for cemeteries and providing service to communities</i>	<i>Upgrading of Old Location Cemeteries in Elliot</i>	<i>MIG</i>	<i>R899,017.57</i>		
<i>Upgrading of Cala cemetery B</i>					<i>R896,f197.84</i>				
<i>Upgrading of Polar Park cemetery</i>									
					<i>Provision of cemetery services and maintenance</i>	<i>OPEX</i>	<i>R 0</i>	<i>R 0</i>	<i>R 0</i>





Key Priority Area	Sub-result areas	Objective	Development Target in terms of MSA -S26 & 41	Supporting Strategies	Project to be implemented	Source of budget	MTEF BUDGET		
							2013-14	2014-15	2015-16
			Pound Management plan in place by June 2014	By improving management of existing facilities	Hiring of rangers and stock shepherds for existing pounds	OPEX	R 0	R 0	R 0
					Develop BP to secure funding for the procurement of pounding truck to operate Cala and Elliot areas	OPEX	R 0	R 0	R 0



Key Priority Area	Sub-result areas	Objective	Development Target in terms of MSA -S26 & 41	Supporting Strategies	Project to be implemented	Source of budget	MTEF BUDGET		
							2013-14	2014-15	2015-16
			4 community halls actually constructed by June 2014	By utilising own funds and supplementing with contributions sourced elsewhere	Construct and upgrade multi-purpose centres  Construction of Ward 6 community hall  Ward 7 Community Hall  Old Township community Hall  Ward 8 Community Hall	MIG	R 4 500 000	R 5 000 000	R 6 500 000



Key Priority Area	Sub-result areas	Objective	Development Target in terms of MSA -S26 & 41	Supporting Strategies	Project to be implemented	Source of budget	MTEF BUDGET		
							2013-14	2014-15	2015-16
			<i>Turnaround time for disaster and emergency response for ambulance and fire reduced to within 1 and half hour by 2014</i>	<i>Sign MoU with relevant government organs</i>	<i>MoUs with CHDM, Health and Community Services signed</i>	<i>OPEX</i>	<i>R 0</i>	<i>R 0</i>	<i>R 0</i>
		<i>To improve accessibility of library and information services to all our people</i>	<i>Ensure development of at least 2 intermediary libraries by 2013</i>	<i>Sign MoU with department of sport for operational support to all existing libraries</i>	<i>Facilitate MoU with DoSports &amp; Recreation</i>	<i>OPEX</i>	<i>R 0</i>	<i>R 0</i>	<i>R 0</i>



Key Priority Area	Sub-result areas	Objective	Development Target in terms of MSA -S26 & 41	Supporting Strategies	Project to be implemented	Source of budget	MTEF BUDGET		
							2013-14	2014-15	2015-16
		To ensure improved service and infrastructure upgrade for health & Education facilities	Improved service delivery using national benchmarks	Invite senior department representatives to IGF	Facilitate delivery of health services	DoE	R 0	R 0	R 0
					Facilitate delivery of educational services	DoH	R 0	R 0	R 0
					Upgrading of Phola Park cemetery	MIG	R 0	R 0	R 0
					Facilitate carrying out of joint awareness campaigns for HIV and other health matters in all wards	DoH & OPEX	R 250 000	R 250 000	R 0



Key Priority Area	Sub-result areas	Objective	Development Target in terms of MSA -S26 & 41	Supporting Strategies	Project to be implemented	Source of budget	MTEF BUDGET		
							2013-14	2014-15	2015-16
					Facilitate support to crèches and early childhood development initiatives in all wards	OPEX	R 150 000	R 150 000	R 150 000
Local Economic Development	Planning & Economic Development	To ensure sustainable economic development and job creation	Raise at least 10 million to implement LED Strategy by June 2014	Collaborate with strategic partners and develop BPs to potential funders for specific projects	Lobby funding for implementation of LED Strategy	OPEX	R 0	R 0	R 0
					Provision of hawker stalls, upgrading of Bashee street & taxi rank	MIG	R 4 716, 787.41	R 0	R 0
	Tourism Development, Manufacturing				Facilitate implementation of EPWP	OPEX	R 1 000 000	R 0	R 0



Key Priority Area	Sub-result areas	Objective	Development Target in terms of MSA -S26 & 41	Supporting Strategies	Project to be implemented	Source of budget	MTEF BUDGET		
							2013-14	2014-15	2015-16
	& SMME support				lobby funding to trained at least 300 participants in manufacturing and vocational trades from all wards	OPEX	R 0	R 0	R 0
					Procured in excess of R3,5 million per annum from local SMMEs using own SCM provisions	OPEX	R 0	R 0	R 0
	Agriculture, Farming & Poverty Alleviation	Improve performance of the sector in job creation	Facilitate at creation of at least 500 job opportunities by June 2014	Collaborate with strategic partners and develop BPs to potential	Develop partnerships and support cooperatives in all areas	DoAgric, Dti & Sakhisizwe	R 0	R 0	R 0



Key Priority Area	Sub-result areas	Objective	Development Target in terms of MSA -S26 & 41	Supporting Strategies	Project to be implemented	Source of budget	MTEF BUDGET		
							2013-14	2014-15	2015-16
				<i>funders for specific projects</i>	<i>Facilitate implementation of Agric programmes</i>	<i>DoSD, DoLA, DoA</i>	<i>R 0</i>	<i>R 0</i>	<i>R 0</i>
Financial Viability	Financial Viability	To ensure financial viability and a clean audit outcome	Clean audit outcome by June 2015	work in collaboration with CHDM and DBSA to build systems and capacity	Develop audit action plan and monitor compliance on a monthly basis	OPEX	R 0	R 0	R 0
					Provide for internships & improve capacity of the BTO	FMG	R 1 550 000	R 1 600 000	R 1 650 000
					Implement financial strategies and policies	MSIG	690000	R 934 000	R 967 000
Governance & Public Participation	Good Governance & Public	To ensure good accountable	Achieve improved community	Works in collaboration with ward	Facilitate Mayoral Imbizos	OPEX	R 0	R 0	R 0



Key Priority Area	Sub-result areas	Objective	Development Target in terms of MSA -S26 & 41	Supporting Strategies	Project to be implemented	Source of budget	MTEF BUDGET		
							2013-14	2014-15	2015-16
	<i>Participation</i>	<i>governance and public participation</i>	<i>rating through an annually conducted public participation survey by 2014</i>	<i>committees, IGF and CDWs</i>	<i>Review IDP and PMS and ensure all S56 &amp; 57 managers sign performance contracts by July 2013</i>	<i>OPEX</i>	<i>R 0</i>	<i>R 0</i>	<i>R 0</i>
					<i>Establish functional IGF</i>	<i>OPEX</i>	<i>R 0</i>	<i>R 0</i>	<i>R 0</i>
					<i>Develop and gazette for implementation by-laws and policies for Street trading, Noise control, Sand Mining, Town Planning Scheme, Animal Pounding &amp; Liquor Outlet regulation</i>	<i>MSIG</i>	<i>R 200 000</i>	<i>R 0</i>	<i>R 0</i>





Key Priority Area	Sub-result areas	Objective	Development Target in terms of MSA -S26 & 41	Supporting Strategies	Project to be implemented	Source of budget	MTEF BUDGET		
							2013-14	2014-15	2015-16
Municipal Institutional Development & Transformation	Organizational Development & Administration	To ensure efficient operations and professionally run organization	Fill all budgeted and approved vacancies by June 2014	By ensuring revision and approval of new organogram	Review organogram and fill all budgeted approved positions by June 2014	OPEX	R 0	R 0	R 0
	HR Development	To build capacity of the municipal workforce and leadership core	100% of ward committees trained and at least 40% of staff sent to training in skills areas identified in the WSP by June 2014	Through collaboration with relevant institutions	Train councillors and officials in line with approved WSP	DoL; SETAs and OPEX	R 500 000	R 500 000	R 0



Key Priority Area	Sub-result areas	Objective	Development Target in terms of MSA -S26 & 41	Supporting Strategies	Project to be implemented	Source of budget	MTEF BUDGET		
							2013-14	2014-15	2015-16
	Council support	To support council and related structure to function efficiently	Effective support provided to council all the time by 2014	Use of corporate services officials	Provide secretariat to council, committees and ward councillors	OPEX	R 0	R 0	R 0
	Special Programmes Unit	To facilitate mainstreaming of special groups in our society and fighting of HIV spread	SPU programme implemented fully	Through collaboration with relevant institutions	Capacity Building SPU Co-ordinator	OPEX	R 30 000	R 0	R 0
Stationery and running Costs					OPEX	R 25 000	R 0	R 0	
Women's Forum					OPEX	R 85 850	R 0	R 0	
Elderly Forum					OPEX	R 116 500	R 0	R 0	
Disability Forum					OPEX	R 70 750	R 0	R 0	
Youth Council					OPEX	R 330 250	R 0	R 0	
Mayor's Cup					OPEX	R 250 000	R 0	R 0	



Key Priority Area	Sub-result areas	Objective	Development Target in terms of MSA -S26 & 41	Supporting Strategies	Project to be implemented	Source of budget	MTEF BUDGET		
							2013-14	2014-15	2015-16
					<i>Special Programmes Strategy</i>	OPEX	R 2000 000.00		
					<i>Children Advisory Forum</i>	OPEX	R 30 000	R 0	R 0

# INTEGRATION & ALIGNMENT

This section outlines how the municipality will ensure alignment and integration of sector plans, PMS, SDBIP, BUDGET and IDP implementation plan. It highlights existing plans and gaps for attention by relevant line functions.

## 16.1 Sector Plans

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

### 16.1.1 Integration and alignment with other spheres of government

SPHERE	PROGRAMMES & GUIDELINES	SAKHISIZWE RESPONSES
National	Legislation & Policies	Process Plan recognizes the list that informs our IDP approach
	National Spatial Development Perspective	Resolved to revise its SDF to incorporate objectives of NSDP
	Millennium Development Goals	Have set target for water & sanitation backlogs - which must be facilitated with Chris Hani DM
	National Development Plan 2030	To integrate the priorities identified for our areas within the plan
	National LED Framework	Will utilize the framework as guide in its current process of formulating LED Strategy
	National framework for municipal turn around strategies 2009	Our approach in this IDP is informed by the suggested key points in the National Municipal Turn-around strategy. We shall develop our own in Sakhisizwe
	National KPAs	Incorporated and mainstreamed into adopted KPAs + form part of PMS
Province	Provincial Growth & Development Strategy	Have identified key strategic localized projects in response to the EC Provincial 24 PRIORITIES
		Have also taken into account the new priorities like Rural development which came after the April 2009 elections
Sector Departments	5 Year plans	Have acknowledged all key projects that are budgeted and confirmed for implementation in 2013/14 within Sakhisizwe areas.
		Formal letters of confirmation of commitments to be issued by Mayor as part of lobbying departments to act on their commitments – 2013/14 onwards
District	IDP Framework	Informs our Process Plan activity schedule

SPHERE	PROGRAMMES & GUIDELINES	SAKHISIZWE RESPONSES
	<i>CHDM plans</i>	<i>Integrate our priorities within the designed strategies for the district in its strategic plans (IDP, WSDP, LED, SDF etc)</i>
	<i>Water services Development Plan</i>	<i>Informed by our target priorities for meeting millennium goals - lobby DM to implement</i>
	<i>Disaster Management Plan</i>	<i>Informs our localized fire fighting responses - work closely at operational level</i>
	<i>Occupational Health and Safety plan</i>	<i>Decided to use the DM plan to modify and customize for our application</i>
	<i>Waste Management Plan</i>	<i>Informs our localized refuse collection strategies - work closely at operational level</i>
	<i>LED Strategy</i>	<i>Key district commitments relating to the DM Economic summit to be reinforced by our revised LED strategy</i>

**16.1.2 Integration & Alignment of internal sector plans / policies**

Department	Sector Plan / Policy
<i>Finance</i>	<i>Credit control &amp; revenue collection strategy not in place.</i>
	<i>Investment Plan</i>
	<i>Revenue collection and enhancement strategy to be revised and implemented in 2013/14</i>
	<i>SCM policy to be updated annually</i>
	<i>Indigent policy needs to be updated and implemented</i>
	<i>Service Delivery Budget Implementation Plans in place</i>
	<i>Budget 2013/14 – 2015/16 adopted with this IDP</i>
<i>Corporate services</i>	<i>Risk &amp; Asset Management plan</i>
	<i>HR Manual &amp; Policies in place</i>
	<i>Organogram to be implemented as planned and budgeted by June 2014</i>
	<i>Employment equity plan not in place.</i>
<i>Office of Municipal Manager</i>	<i>Workplace skills plan to be amended with new inputs and implemented</i>
	<i>Performance Management Policy to be reviewed together with signed PM contracts for s56&amp; 57 managers</i>
	<i>SPU strategy and programme to be implemented and monitored as adopted</i>
	<i>IDP to be revised and implemented</i>



Department	Sector Plan / Policy
Integrated Planning & Economic Development	<i>Integrated development plan review 2013 -2014</i>
	<i>Spatial Dev Framework as adopted in March 2011</i>
	<i>LED Strategy as adopted in 2011</i>
	<i>Environmental sector plan not in place, funding sorted from DEA</i>
	<i>Tourism sector plan once finalized in 2012</i>
Community services	<i>HIV/ Aids workplace strategy not in place. Need help with this document</i>
	<i>Waste management sector plan (adapt DMs plan)</i>
	<i>Disaster management plan (adapt DMs plan)</i>
Technical services	<i>Capital Infrastructure Investment plan to be developed with participation of wards and then adopted by council</i>

### 16.1.3 Cala town bulk water and sewer master plan

*Master Plan ( as adopted by the Council in March 2012) for the upgrading of the water and sewer infrastructure in Cala Town has been commissioned by Sakhisizwe Municipality, Water Services Provider for the town.*

*The Water and Sewer Master plan for Cala was last updated in 2005. Since the 2005 update there have been a number of water and sewer infrastructure develops in town and in addition, Sakhisizwe has now formally taken over the water services provision function from Chris Hani DM, the Water Services Authority.*

### 16.1.4 Maintenance plan

*Sakhisizwe Local Municipality has implemented numerous projects in recent years to improve the local electricity supply to its municipal area and the users within the area. The municipality wishes not to have the newly built infrastructure go to waste and be left unmaintained (Master Plan as adopted by the Council March 2012).*

*The electrical department needs to be well equipped to perform the maintenance and hence needs the proper equipped staff to implement the plan.*

*Outlay of infrastructure:*

*MV Overhead/Underground Network*

*LV Overhead/Underground Network*

*LV Street Lighting*

*LV High Mast Lighting*

*Service Connections/ Meters*

*The document is attached as an annexure*

**16.1.5 Special Programmes**

The municipality has adopted a comprehensive special programme action plan which will be largely comprised of the following programmes.

ITEM	AMOUNT
a) Capacity Building SPU Co-ordinator	R 30'000.00
b) Stationery and running Costs	R 25'000.00
c) Women's Forum	R 85'850.00
d) Elderly Forum	R 116'500.00
e) Disability Forum	R 70'750.00
f) Youth Council	R 330'250.00
g) Mayor's Cup	R 250'000.00
h) Special Programmes Strategy	R200 000,00
i) Children Advisory Forum	R 30'000.00
j) Sport Council	R
<b>TOTAL</b>	<b>R1,038'100.00</b>

**16.1.6 Community based Plans**

In 2012/13 the municipality developed detailed ward based plans with assistance from the Provincial Department of local government. The outcome of these plans informed the situation analysis of this document and they will be implemented in 2013/2014.

**16.1.7 MPAC and Leadership Development**

APC MPAC MEMBERSHIP TRAINING was done 24-26 April 2012, Induction workshop for traditional leaders participating in municipal council was done by SALGA on the 17-20 April 2012.

**16.1.8 Audit Action Plan**

Based on the recommendations of Auditor General the municipality developed and adopted its Audit action plan and is currently implementing and reporting on it regularly in its management meetings.

**16.1.9 Housing sector plan**

Human Settlement Sector Plan funded by the Department of Human Settlement. The Sector Plan was developed and adopted by council in 2012. It will be used to guide our housing interventions in 2013/14.

The following section gives a summary of the housing sector plan interventions underway.

Project Name	Project Units	Project Type	Project Status	Comment
ELLIOT	498	Project Linked	Completed	

The following is the latest data received from the Department

Project Name	Project Units	Project Type	Project Status	Comment
Cala Ward 2 – 2693	2693	Rural Housing Programme	Planning	
Cala Ward 4 –	2662	Rural Housing Programme	Planning	



Project Name	Project Units	Project Type	Project Status	Comment
2662				
Elliot Old Location 1000	1000	IRDP Phased Approach Planning & Services & Top Structure	Planning	
<b>Total</b>	<b>6,355</b>			

**OVERALL PROJECT SCHEDULE (PLANNED AND CURRENT PROJECTS)**

Project Number	Project Name	Comment
<b>Rectified RDP stock 1994-2002</b>		
C09090006/1	Elliot (Cala) 301	Construction
C09090008/1	Elliot 302	Construction
C99030006/1	Cala 420	Construction
<b>IRDP Phased approach planning &amp; services</b>		
	Elliot Old Location 1000	Planning
<b>IRDP Phased approach top structure( informal settlements)</b>		
C01010008/1	Cala Ext 13 &14 – 1545	Construction
C01100014/1	Cala Ext 15 – 1070	Construction
C01100043/1	Elliot 800	Construction
<b>Rural Housing Programmes</b>		
C01100014/1	Cala Ward 4 – 2662	Planning
C01010008/1	Cala Ward 2 – 2693	Planning
<b>Project linked subsidies serviced (housing units)</b>		
C99030006/1	Cala 420	Not in this Fin. Year
C01010008/1	Cala Ext 13 &14 – 1545	Not in this Fin. Year
C01100014/1	Cala Ext 15 – 1070	Not in this Fin. Year
C10020014/1	Elliot Old Location 1000	Not in this Fin. Year





**APPROVED HOUSING PROJECTS**

Sub-Programme	Project Number	Project Name/Description	Status	Status			Number of Sites Planned	Number of Houses Planned	Rectification or repairs	Approved project amount (in total) R'000
				GF/Insitu	Blocked	WIP				
<b>1.6(a) Rectified RDP stock 1994-2002</b>				<b>2</b>	<b>0</b>	<b>3</b>	<b>0</b>	<b>0</b>	<b>23</b>	<b>45,814</b>
	C09090006/1	Elliot (Cala) 301	Construction			X	0	0	8	22,869
	C09090008/1	Elliot 302	Construction			X	0	0	15	22,945
	C99030006/1	Cala 420	Construction			X	0	0	0	0
	C01010008/1	Cala 1545	Moved to 2.1	X			0	0	0	
	C01100014/1	Cala 1070	Moved to 2.1	X			0	0	0	
<b>2.1 Project linked subsidies serviced (housing units)</b>				<b>3</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
	C97020004/1	Cala Ext 13 & 14 - 1545	Duplicate				0	0	0	
	C99030006/1	Cala 420	Not in this Fin. Year	X			0	0	0	
	C01010008/1	Cala Ext 13 & 14 - 1545	Only budgeted under 2.2c	X			0	0	0	0
	C01100014/1	Cala Ext 15 - 1070	Only budgeted under 2.2c	X			0	0	0	0
<b>2.2a IRDP Phased approach planning &amp; services</b>				<b>1</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
		Elliot Old Location 1000	Planning	X			0	0	0	0
<b>2.2c IRDP Phased approach top structure( informal settlements)</b>				<b>1</b>	<b>0</b>	<b>3</b>	<b>650</b>	<b>410</b>	<b>0</b>	<b>190,372</b>
	C01010008/1	Cala Ext 13 & 14 - 1545	Construction			X	350	300	0	92,461
	C01100014/1	Cala Ext 15 - 1070	Construction			X	300	70	0	47,193
	C01100043/1	Elliot 800	Construction			X	0	40	0	50,718
	C10020014/1	Elliot Old Location 1000	Not in this Fin. Year	X			0	0	0	
<b>4. Rural Housing Programmes</b>				<b>2</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
	C01100014/1	Cala Ward 4 - 2662	Planning	X			0	0	0	0
	C01010008/1	Cala Ward 2 - 2693	Planning	X			0	0	0	0
<b>Total for Sakhisizwe Municipality</b>				<b>9</b>	<b>0</b>	<b>6</b>	<b>650</b>	<b>410</b>	<b>23</b>	<b>236,186</b>



**OTHER CAPITAL PROJECTS**

Jobs 2010/2011	Project Name	Funder	2011/12/	2012/13	2013/14	Water	Sanitation
<b>M070016</b>	Elliot Waste Water Treatment Work	MIG	4, 800, 000.00	5,800,000.00	500,000.00		4,800,000.00
<b>M070021</b>	Cluster 5 Sanitation MIG (Wards 2,3,4, 7 and Talení	MIG	12,000,000.0 0	9,000,000.00	10,500,000.00		12,000,000.0 0
<b>M070012</b>	Cluster 4 water backlog (Ward 6,7 & 4	MIG	2,500,000.00	8,000,000.00	8,000,000.00	2,500,000. 00	
<b>M070022</b>	Cala Bulk Water & Sanitation Services	MIG	200,000.00	3,000,000.00	8,000,000.00	200,000.00	
<b>M070018</b>	Xalanga Ward 4 Water Supply	MIG	R1,500,000	R0		1,500,000. 00	
<b>TOTAL: SAKHISIZWE LM</b>			<b>R12,000,000</b>	<b>R25,800,000</b>	<b>R27,000,000</b>	<b>R4,200,00 0</b>	<b>R16,800,000</b>

## 17 PERFORMANCE MANAGEMENT

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

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

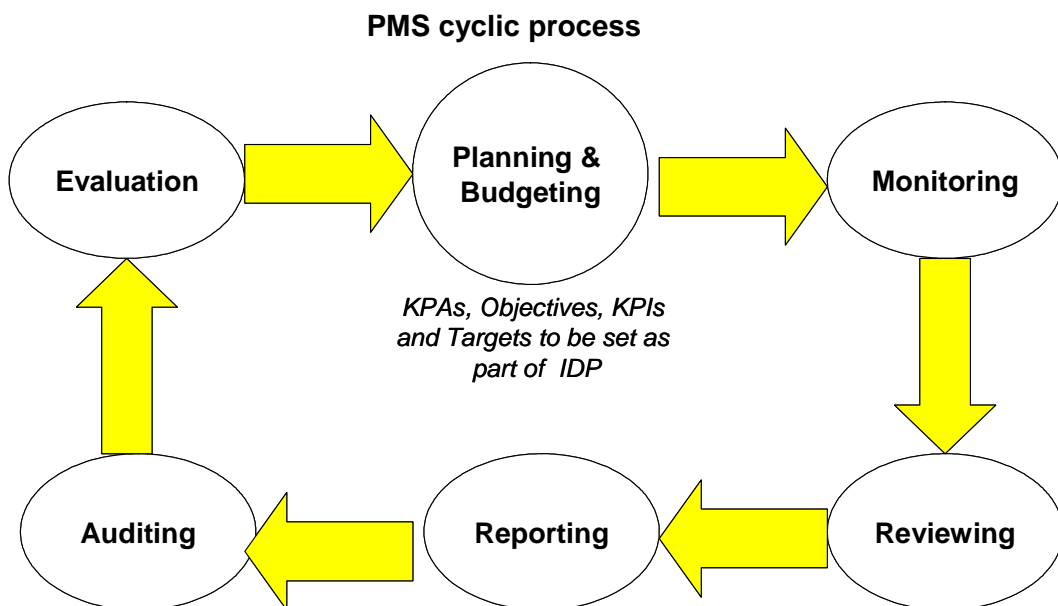
The main goal of this document is to provide the Sakhisizwe Local Municipality with a written policy that will serve as a guide in terms of the key processes, procedures and mechanisms to be followed when implementing performance planning, measurement, review, reporting and auditing. This framework document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

### 17.1 Status of the framework document

This document represents a policy which was commented upon and finalised. It was submitted to Exco and council for adoption in 2013/2014. After it was adopted by council it served as a binding policy that guides how performance management should be implemented at Sakhisizwe. It also serves as a document reference that is aimed at enhancing the awareness and understanding (among all role players) of how the performance management system should operate.

### 17.2 Working definition

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





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

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

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

### 17.3 Policy context for municipal PMS

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

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

- a) **Consultation:** - Citizens should be consulted about the level and quality of public service they receive, and, where possible, should be given a choice about the services which are provided.
- b) **Service standards:-** Citizens should know what standard of service to expect and should be consulted if promised service standards are to change including development targets set in terms of the IDP.
- c) **Access:** - All citizens should have equal access to the services to which they are entitled. State of exposure to income or poverty should not be reason enough to lack access to a basic level of service.
- d) **Courtesy:-** Citizens should be treated with courtesy and consideration.
- e) **Information:-** Citizens should be given full and accurate information regarding public services they are entitled to receive.
- f) **Openness and transparency:-** Citizens should know how departments are run, how resources are spent, and who is in charge of particular services.



- g) **Redress**:- *If the promised standard of service is not delivered, citizens should be offered an apology, a full explanation and a speedy and effective remedy; and when complaints are made citizens should receive a sympathetic, positive response.*
- h) **Value-for-money**:- *Public services should be provided economically and efficiently in order to give citizens the best possible value-for-money.*

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

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

## **17.4 Legal context for municipal PMS**

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

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

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

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

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

- provides for the procedure by which the system is linked to the municipality's integrated development planning processes;

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

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

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

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

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

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

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

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

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

Coupled with the MSA: 2000, the MFMA: 2003 provide for the development of a mid-term budget and performance assessment of the municipality. The development of the mid-year budget and performance assessment report should give an indication on the progress made by the municipality for the past six months. The MFMA requires that the



accounting officer of the municipality take into account the performance of the municipality against the performance expectations set by senior managers and their departments.

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

## **17.5 Other benefits for establishing PMS**

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

### **17.5.1 Increased accountability**

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

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

### **17.5.2 Learning and improvement**

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

### **17.5.3 Early warning signals**

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

### **17.5.4 Effective decision-making**

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

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

## **17.6 Principles guiding PMS implementation**

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

- ◇ *UNIFORMITY* - System must apply uniformly to all affected



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

## **17.7 Institutional arrangements**

### **17.7.1 PMS Co-ordination**

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

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

### **17.7.2 PMS Audit function**

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

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



### 17.7.3 Public participation

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

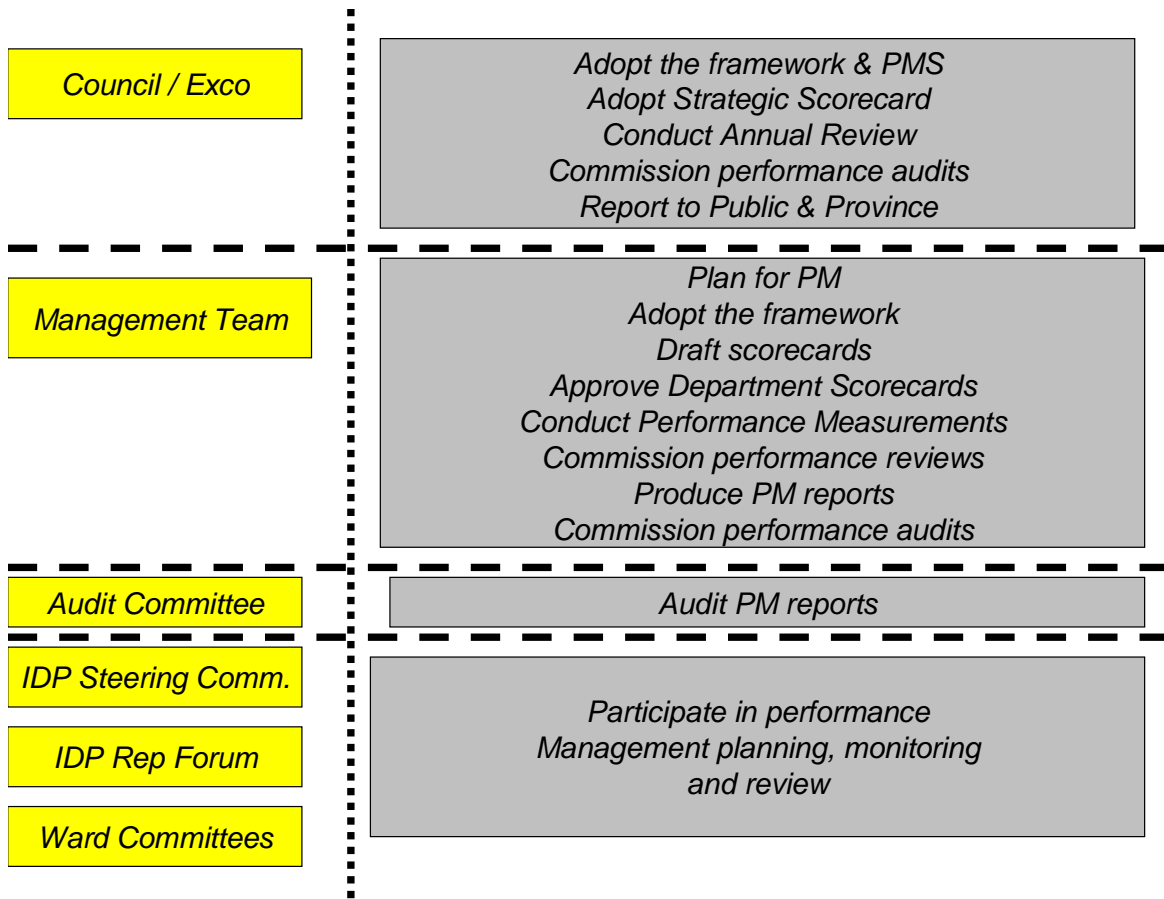
- ◇ Key development priorities agreed for each year
- ◇ Development objectives
- ◇ Key development targets agreed

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

### 17.7.4 Stakeholder Roles and Responsibilities

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

#### Stakeholder Roles and Responsibilities



## 17.8 PMS model for Sakhisizwe LM

### 17.8.1 What is a model?

A model for performance management provides simplified mechanisms for understanding how better to organise and roll-out the various aspects of performance that should be measured, reported on and managed. It also provides a useful tool to



predict and project future scenarios so that current decision-making could influence the desired future.

### 17.8.2 Why is a model important for PM?

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

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

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

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

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

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

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

### 17.8.3 The Municipal Scorecard model

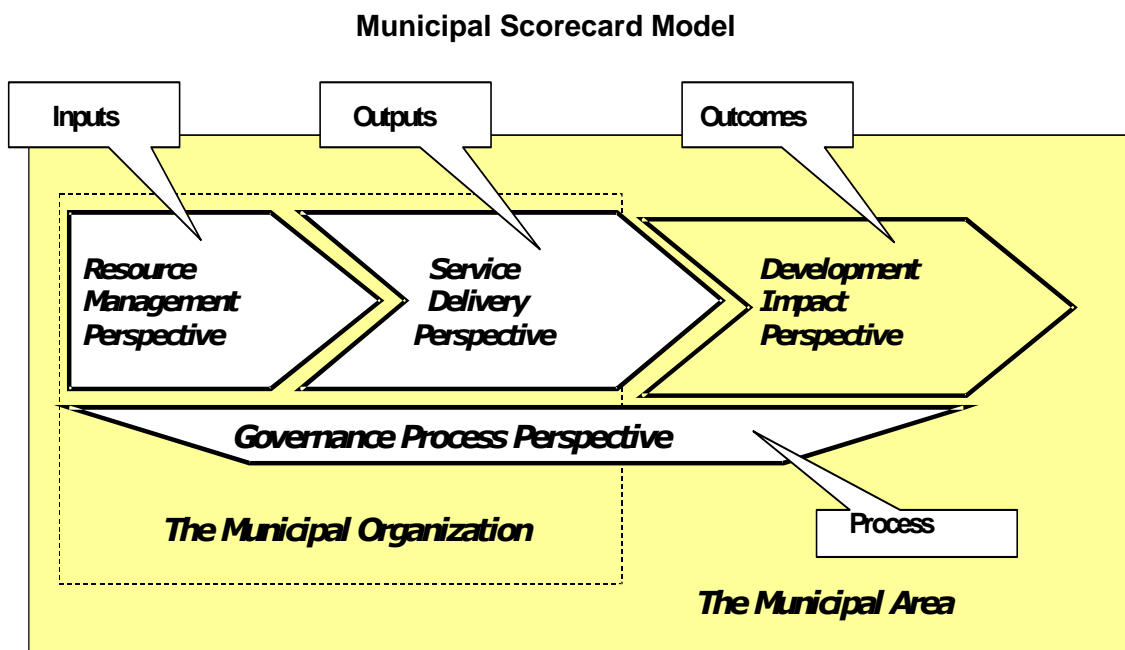
In terms of this policy the municipal scorecard model is to be used as a preferred model for the municipality. This model provides a modified version of the balanced scorecard model which has been adapted to SA local government legislation environment. It is also based on four key perspectives outlined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

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

- Tightly aligned to the strategic planning (IDP) and Budget processes
- Directly relevant to the notions of developmental local government and co-operative governance

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

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



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

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

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

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

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

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

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

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

### DEFINITION OF CONCEPTS USED IN THE SCORECARDS

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

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

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

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

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

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

### CRITERIA ADOPTED TO GUIDE SELECTION OF SUITABLE INDICATORS

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

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

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

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

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

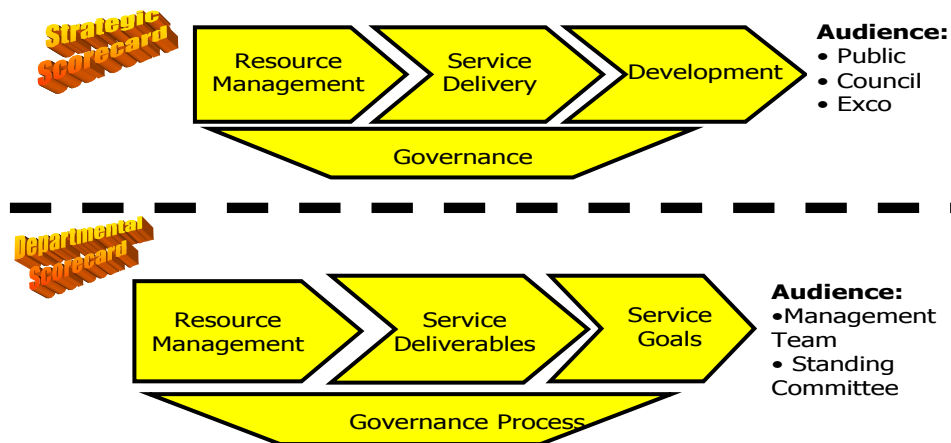
**Minimise perverse consequences:** *Poorly chosen indicators, while they may have noble intentions, can have perverse consequences in the behaviours it incentives. Choose indicators that will incentives behaviour that is desired and not unintended results.*

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

### 17.8.4 Levels of scorecards in a municipal scorecard model

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

#### Levels of scorecard example



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

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

Service Scorecards will be comprised of the following components:

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

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

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

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

### 17.9 Monitoring and measurement of indicators

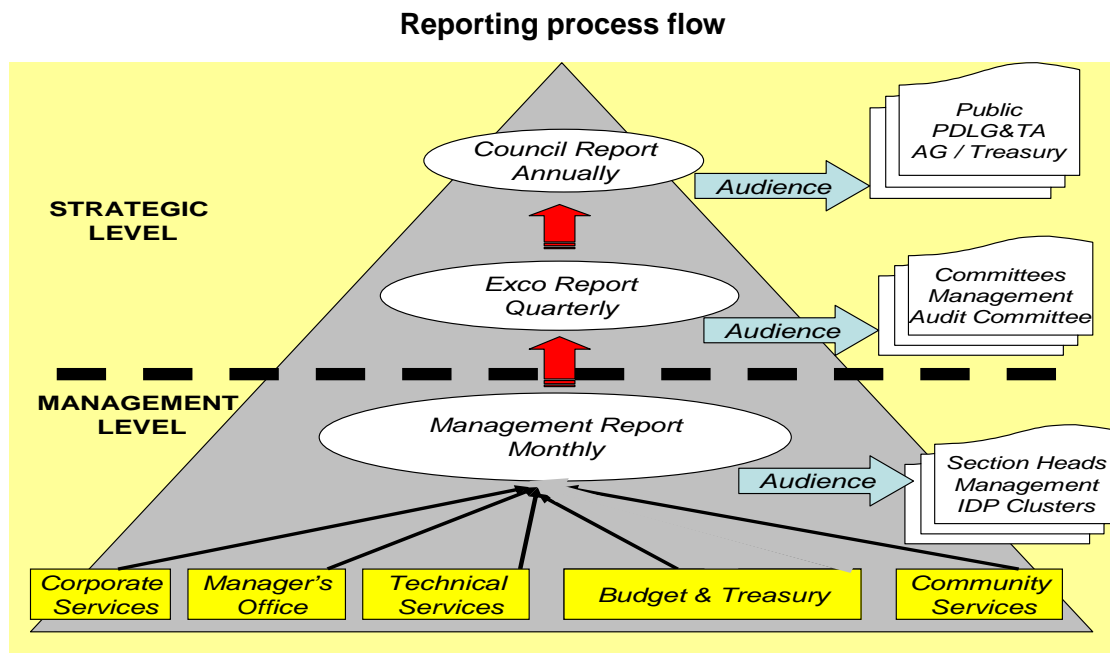
For each indicator the scorecard require a responsible official, usually the respective line manager, to be designated by name. While this official is not necessarily fully accountable for performance on this indicator, he/she has the responsibility for conducting measurements of that indicator, analyzing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

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

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

### 18 Performance reporting and auditing

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



**Performance reporting:** As indicated in the above diagram reporting will commence from the internal department (weekly and chaired by HoD) then cascade to



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

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

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

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

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

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

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

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

## 19 Performance reviews

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

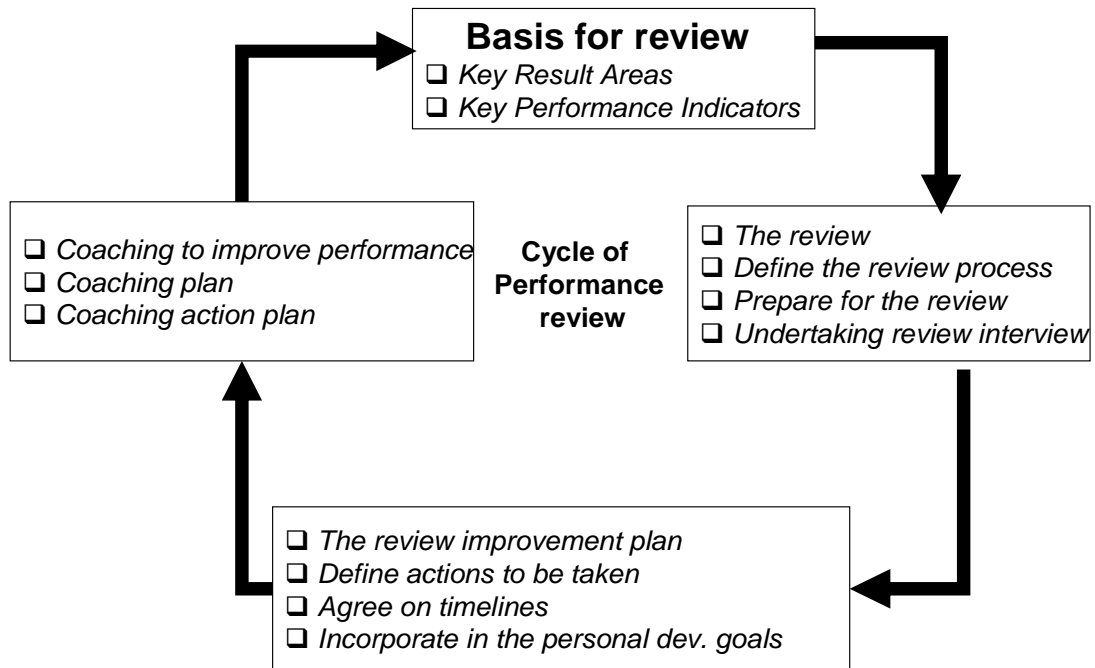
It will also be useful to provide an overall analysis of municipal performance with respect to the strategic scorecards and department scorecards, at least for quarterly

and annual reviews. Such an analysis could pick up trends in performance over time and over all departments. It is proposed that the Performance Management Coordinator be responsible for this.

### 19.1.1 How should reviews be conducted?

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

## PROPOSED REVIEW PROCESS



The review process should involve the following guideline steps:

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

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

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





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

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

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

### **Combining points & rating on a scale with 5 levels**

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

## EXPLANATION OF LEVELS

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

### 19.1.2 Suggested levels of reviews

**Section 56 Management Reviews:** *It is intended that a review committee comprising of the municipal manager, a standing committee councilor of that department and an independent auditor who must be a member of the audit committee review their performance of a section 56 manager at least every second month, using his/her personal contract scorecard. Managers will be reviewed on their overall annual performance during the period 01 July and 30 July of every year to conclude the year ended 30 June and to determine salary progression moves and bonuses.*

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

**Management Team Reviews:** *Departments have to report on their performance in the department scorecard format to the Municipal Manager and the Managers of departments every month. These reviews must also provide for section 56 managers to report on their individual scorecards to the municipal manager. In order to avoid duplication of reporting efforts the SDBIPs must also be reported at these platforms. Additional indicators that occur in the departmental scorecard & SDBIP should also be reviewed. The formulation of the process of review will be co-ordinated by the proposed performance management coordinator.*

*The Management Team will need to reflect on whether targets are being achieved, what are the reasons for targets not being achieved where applicable and corrective action that may be necessary. Where targets need to be changed, the Management Team can endorse these, for approval by the relevant standing Committee. The*



Management Team can delegate tasks to the performance management coordinator in developing an analysis of performance prior to Management Team reviews.

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

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

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

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

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

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

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

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



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

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

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

### **19.1.3 Evaluation and improvement of the municipal PMS**

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

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

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



# APPROVAL

*This IDP review 2013-2014 was prepared in line with adopted process plan and contains an outcome of a consultative process of planning involving all our municipal stakeholders through the representative forum and steering committee.*

*This document was adopted by Sakhisizwe Municipal Council to serve as its IDP 2013 - 2014 and thereafter be used to facilitate development by the Sakhisizwe LM working in partnerships with its stakeholders including but not limited to communities, sector departments, MEC for local Government, the District Municipality and others not specifically mentioned by name.*

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

**THUS ADOPTED AS AN IDP REVIEW 2013-2014 THROUGH A COUNCIL RESOLUTION LISTED BELOW**

COUNCIL RESOLUTION NUMBER FOR IDP ADOPTION: .....

**SIGNATURES**

.....  
**THEMBENI SAMUEL**  
**MUNICIPAL MANANGER**

**DATE** \_\_\_\_\_

.....  
**COUNCILOR: JENTILE**  
**HON. MAYOR**

**DATE** \_\_\_\_\_