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2013-2014 REVIEW

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FOREWORD BY THE HON. MAYOR

This review marked the first edition of the IDP Review since the adoption of a five year development Strategy in May in 2012. The development priorities are consistent with the provisions of the White Paper on Local Government which defines the outcomes of a Developmental Local Government as follows;



- Provision of households infrastructure and services
- Creation of liveable, integrated cities, towns and rural areas
- Local Economic Development and;
- Community empowerment and redistribution

Section 153 of the Constitution of the Republic of South Africa, 1996, prescribe that a municipality must (a) structure and manage its administration and budgeting and planning processes to give priority to the basic needs of the community, and to promote the social and economic development of the community; and (b) participate in national and provincial development programmes

To give effect to the above constitutional provisions, section 34 of the Local Government: Municipal Systems Act, 2000, prescribe that a municipal council must review its integrated development plan (i) annually in accordance with an assessment of its performance measurements in terms of section 41 and (ii) to the extent that changing circumstances so demand.

As we table this budget titled “People’s Budget” MFMA: Circular: 67, 2) reminds us that the economic outlook is, however constrained by a difficult global environment and domestic restructuring. Due to lower-than projected economic growth and revenue underperformance, government has adjusted the spending plans presented in the 2012 Medium Term Budget Policy Statement.

The above statement confirm one thing that globalization affects all spheres of government including local government. The report titled “OECD Economic Surveys: South Africa 2013. Notes that Per capita incomes are growing, public services are expanding,. Health indicators are improving, crime rates are falling and demographic trends are favourable. The public finances are in better shape than those of many

OECD countries, the financial system is healthy and core inflation is stable and within the central bank's target zone. At the same time, an extremely high proportion of the population is out of work, as has been the case for most of the past three decades. Moreover, income inequality remains extremely high, education outcomes are poor on average and hugely uneven, and frustration is growing with public service delivery failures and corruption.

The IDP and budget we are tabling today is a responding to the challenges identified by communities and simultaneously provide solutions. Every effort has been made within the available limited resources to contribute to NDP priorities.

CLLR THOKOZILE SOKANYILE
HON MAYOR

STATEMENT BY THE MUNICIPAL MANAGER

This IDP Review is a culmination of a public consultation process which started in August 2012, when Council adopted Schedule of Key deadlines herewith referred as “IDP and Budget Process Plan”.

Section 34 of the Local Government: Municipal Systems Act No 32 of 2000 prescribes that a municipal council must review its Integrated Development Plan annually in accordance with an assessment of its performance measurements in terms of section 41; and to the extent that changing circumstances so demand



An Integrated Development Plan is a development plan for the entire municipal area and not just a municipal plan. It informs and is the basis for development programmes and projects by government, non-governmental organizations and the private sector. It is the key strategic planning tool for the municipality and must be adopted by the council of a municipality. It is described in the Municipal Systems Act (MSA) (section 35) (1) (a) as:

- (a) “...the principal strategic planning instrument which guides and informs all planning and development, and all decisions with regard to planning, management and development in the municipality”;
- (b) “Binds the municipality in the exercise of its executive authority...”

The IDP Review for 2013/14 has taken into account *the National Development Plan* which defines South Africa’s development trajectory by amongst other things investing in a strong network of economic infrastructure designed to support the country’s medium and long term economic and social objectives and improving the quality of education, skills development and innovation

The New Growth Path which is based on the following tenets: (a) Identifying areas where employment creation is possible on a large scale as a result of substantial changes in conditions in South Africa and globally (b) developing a policy package to facilitate employment creation and institutional developments required to take advantage of opportunities.

Yours in Service Delivery

.....

**N NOMANDELA
MUNICIPAL MANAGER**

EXECUTIVE SUMMARY

INTRODUCTION

The Nyandeni Local Municipality falls within the OR Tambo District Municipality which is situated in the eastern part of the Transkei region of the Eastern Cape Province. Nyandeni consists of the two former magisterial districts of Libode and Ngqeleni. It is one of ISRDP Nodes identified by the presidency.

The Municipality is bordered to the south-west by the King Sabata Dalindyebo Municipality, to the north by the Mhlontlo Municipality, to the east by the Ntabankulu, Ingquza Hill and Port St Johns Municipalities. The Indian Ocean forms the southern boundary of the municipal area.

According to the Statistics South Africa's Population Census 2011, Nyandeni Local Municipality had an estimated total of 290 390 people living within the boundaries of the municipality. The population is growing at an average of 0.57% per annum since 2001. More than 99% of the population belongs to the African population group. In 2011 there were approximately 61 647 households in Nyandeni Local Municipality, with an average household size of 4.8 people.

The total population density (number of people per km²) for 2011 was 117.2. The total number of individuals with an education level of less than a matric certificate - including those without schooling - was approximately 221 500 in 2011. The total number of individuals having obtained a matric certificate without any other education was 21 650. In 2011, there were 67 700 people in Nyandeni Local Municipality who were considered to be functionally illiterate. Expressed as a literacy rate of all people aged 20 and up, this amounts to 51.3% - up by 6.3 percentage points from 44.9% in 2005. Nyandeni Local Municipality's literacy rate is still lower than that of the O.R. Tambo District Municipality. A higher literacy rate is often associated with higher levels of urbanisation, where access to schools is less of a problem, and where there are economies of scale (more learners, more schools, more choices, better educators, etc).

A decline in the numbers of people living in extreme poverty is most certainly an indication that the community is developing. In 2011, there was an estimated 193 355 people (or 64.0% of the total population Nyandeni Local Municipality) living in poverty in . On average, this number declined at 1.3% per annum since 2005.

The annual per capita income in Nyandeni Local Municipality amounted to R7 969 in 2011, which is lower than the district average. The total personal income in 2011 amounts to R2 1 billion which is increasing over time. In 2011 the Nyandeni Local Municipality had a Gini-coefficient of 0.53. Between 2005 and 2011,

income inequality decreased which means that an improvement is seen in the income distribution.

It is estimated that just over 9 069 people were employed by formal and informal sectors in the local municipality. The unemployment rate was very high at 49.3% in 2011 or 13 253 people. The total economically active population was just over 26 900 people. The largest sector in terms of jobs is the community service sector which includes all levels of government.

In 2011, the region had a total Gross Domestic product (GDP) of R1.2 billion which is a contribution of 7.2% to the total GDP of the O.R. Tambo District municipality and 0.57% to the GDP of the Eastern Cape Province. The average growth rate in constant prices from 2005 to 2011 is 2.3%. In 2011, the community services sector contributed 63.4% towards Nyandeni Local Municipality's GVA (an indicator of business activity), with the trade and finance sectors trailing at 16.1% and 10.4% respectively.

The Nyandeni Local Municipality is committed towards ensuring a brighter future for all inhabitants in the region and its investment strategies aim to enhance competitiveness and encourage sustainable growth that is inclusive. A stimulus should be created for the local economy to grow, compete and create more jobs. It is all about competitiveness, about enterprises thriving in competitive markets and locations with the aim to create sustainable employment at the local level. The main approach to do so is:

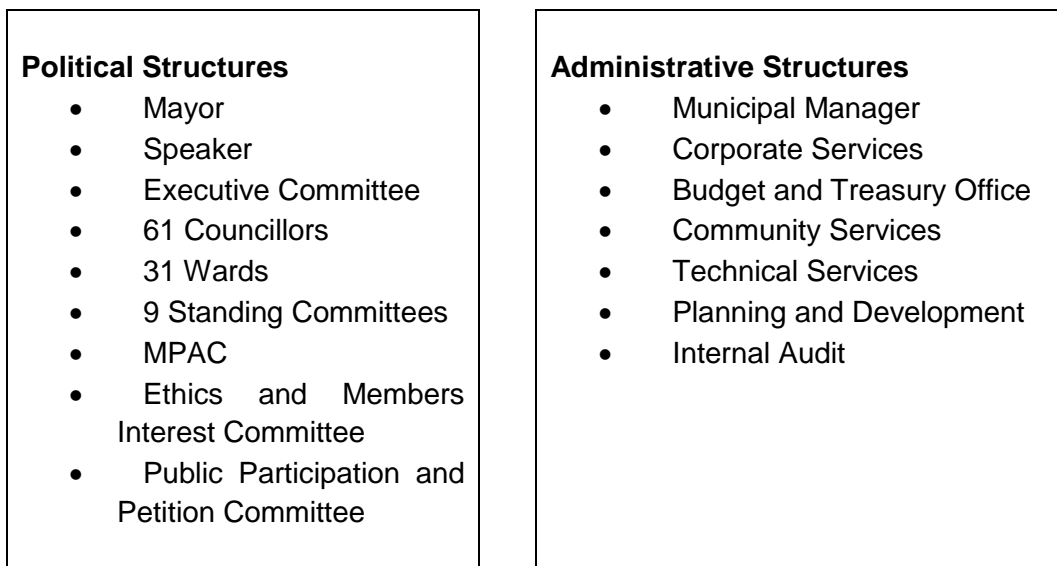
- To ensure that an environment and opportunities for more labour-absorbing economic activities is established;
- To ensure that the fruits of growth are shared in such a way that poverty is largely eliminated; and
- To ensure that severe inequalities that still plague South Africa are considerably reduced.

Attracting private investors to Nyandeni Local Municipality – and assisting them in establishing and growing their businesses within the region – will ultimately result in the generation of income and wealth, as well as increased profit margins which invariably lead to more investment. Once the cycle of investment and positive returns on investment has been established within Nyandeni Local Municipality, the economic and socio-economic welfare of the entire community becomes a reality.

Organizational structure, systems, processes and personnel capacity

This review has been informed by government ten point plans as approved by Cabinet. Following the signing of Service Delivery Agreement between the Mayor and the MEC for Local Government the, Outcome 9 outputs and indicators have been incorporated into the organizational scorecard.

Our organizational structure and design has been strongly influenced by the development and optimization of competencies and capability. This will positively impact on the capacity requirements for Nyandeni Local Municipality to deliver on its key outputs. The diagram below shows how the Nyandeni Local Municipality is structured in terms of the different levels of government and the structures within the Municipality.



At the political level, the organization is based upon a strong programme management model and a politically orientated governance approach, combined with competencies in community based engagement, development and stakeholder mobilization. This is complimented by the leadership and executive management structures primarily at a political level. These structures are used to make decisions and inform high level planning for the achievement of desired objectives of Nyandeni Local Municipality.

The Municipal Manager reports to the Mayor and Council and is selected by this body. Since the Municipal Manager is selected by this body, he is strongly influenced to support and execute the decisions of this body. In addition, the Municipal Manager is an integral link between the political and administrative structures.

Administrative Structures

Nyandeni Local Municipality structure is hierarchical based on functional silos represented by five departments which are supposed to be in aligned to the four core focus areas of the Municipality. The Nyandeni Local Municipality organizational structure is divided into five functional departments as follows:

- a) Corporate Services;
- b) Budget and Treasury Office;
- c) Community Services;
- d) Infrastructure Planning and Development; and
- e) LED, Planning and Strategy.

Each Department represents a functional area of work and is further divided into sub-functional components. The five key focus areas attempt to create integration. This integration demands a value chain response from each department in terms of its deliverables. This is one of the structural components deficiencies that will unlock organizational integration and consequently the linkages between departments within Nyandeni Local Municipality.

LEGISLATIVE FRAMEWORK AND POLICY ENVIRONMENT

The constitution provides the primary overarching framework within the Local Government planning must be understood. The Constitution gives Local Government a mandate to;

- Provide democratic and accountable government for all communities
- Ensure provision of services to communities in a sustainable manner
- Promote social and economic development
- Promote a safe and healthy environment; and
- Encourage the involvement of communities and community organizations in the matters of Local Government

ALIGNMENT WITH NATIONAL AND PROVINCIAL LEGISLATIONS

NATIONAL LEGISLATION	ETHICAL REQUIREMENT
GENERAL MANAGEMENT	
Constitution of the Republic of South Africa 1996	The Constitution is the supreme law of the Republic; law or conduct inconsistent with it is invalid, and the obligations imposed by it must be fulfilled
Local Government: Municipal Systems Act, 2000	To give effect to “developmental local government” To set principles, mechanisms and processes to promote social and economic upliftment of communities and to ensure access to affordable services for all

NATIONAL LEGISLATION	ETHICAL REQUIREMENT
	To set a framework for planning, performance management, resource mobilization and organizational change and community participation
Local Government: Municipal Structures Act, 1998 as amended	To provide for the establishment of municipalities in accordance with the requirements relating to the categories and types of municipality, the division of functions and powers between municipalities and appropriate electoral systems To regulate internal systems, structures and office-bearers
Local Government: Municipal Demarcation Act, 1998	To provide for the demarcation of boundaries of municipalities for the establishment of new municipalities
Municipal Electoral Act, 2000	To regulate municipal elections To amend certain laws and to provide for matters connected therewith
Organized Local Government Act, 1997	To provide for the recognition of national and provincial organizations representing the different categories of municipalities and the designation of representatives to participate in the National Council of Provinces etc,
Occupational Health and Safety Act, 1993	To provide for occupational health and safety in the work place and the protection of persons outside the work place against hazards to health and safety arising from activities of persons at the work place
Promotion of Access to Information Act, 2000	To control and regulate the right of all persons to access to information
Promotion of Fair Administrative Justice Act, 2000	To give effect to the right to administrative action that is lawful, reasonable, and procedurally fair in terms of the Constitution of the Republic of South Africa 1996
Promotion of Equality and Prevention of Unfair Discrimination Act, 2000	To give effect to section 9 read with item 23(1) of Schedule 6 to the Constitution of the Republic of South Africa, 1996, to prevent and prohibit unfair discrimination and harassment To promote equality and to eliminate unfair discrimination and to prevent and prohibit hate speech and to provide for matters connected therewith
FINANCE	
Appropriation of Revenue Act, 2000	To provide for a fair division of revenue to be collected nationally between national, provincial and local government spheres for the 2010/2011 financial year and for matters connected therewith

NATIONAL LEGISLATION	ETHICAL REQUIREMENT
Businesses Act, 1991	To repeal certain laws regarding the licensing of businesses To provide for the licensing and operation of certain businesses, shop hours and related matters
Debt Collectors Act, 1998	To provide for controlled debt collecting
Income Tax Act, 1962	To provide for the payment of taxes on incomes of persons and taxes on donations
Insolvency Act, 1936	To consolidate and amend the law relating to insolvent persons and their estates
Local Government Municipal Finance Management Act, 2003	To regulate financial management in the local sphere of government to require that all revenue, expenditure assets and liabilities of municipalities and municipal entities are managed efficiently and effectively, to determine responsibilities of persons entrusted with local sphere financial management and to determine certain conditions and to provide for matters connected therewith
Public Finance Management Act, 1999	To regulate financial management in the national and provincial governments and, inter alia, provincial public entities
Value-added Tax Act, 1991	To provide for the taxation in respect of the supply of goods and services
Local Government: Property Rates Bill 2000	To regulate general property valuation
ADMINISTRATION / CORPORATE AND LEGAL SERVICES	
Electoral Act, 1998	To manage and regulate elections on national, provincial and local government level
Expropriation Act, 1975	To provide for the expropriation of land and other property for public and certain other purposes and matters connected thereto
Rental Housing Act, 1999	To define the responsibility of Government in respect of rental housing
TOWN PLANNING AND SPATIAL DEVELOPMENT	
Provision of Certain Land for Settlement, 1993	To provide for the designation of certain land and to regulate the subdivision of such land and settlement of persons thereon.
Ordinance 113 and LUPO (land use planning ordinance)	To control the land use rights within the former black areas
Development Facilitation Act, 1995	To provide for Integrated Development Plans, reflecting current planning and to institutionalize development tribunals for evaluating applications
Physical Planning Act, 1991	To provide guidelines for the drafting of urban development Plans

NATIONAL LEGISLATION	ETHICAL REQUIREMENT
Regulations on Advertisements on or Visible from National Roads, 1998	To control all advertising on national and regional roads
Land Use Management Bill, 2002	To establish a uniform land use management system.
ENVIRONMENT	
Environmental Conservation Act, 1982	To provide for environmental impact assessments and exemptions, noise control areas etc
Environment Conservation Act, 1989	To provide for the effective protection and controlled utilization of the environment and for matters incidental thereto
National Environmental Management Act, 1998	To provide for co-operative environmental governance by establishing principles for decision making on matters affecting the environment and to provide for matters connected therewith

PERFORMANCE MANAGEMENT SYSTEM; REPORTING AND EVALUATION

Performance Management Policy and Procedure Manual has been developed and adopted by Council

Service Delivery and Budget Implementation plan (SDBIP) will be used to measure quarterly performance by all departments; this will then translate into Mid-year report, compilation of section 46 reports and annual report.

In accordance with the Municipal Performance Regulations of 2001, the Municipal Manager and section 57 managers have all signed performance agreements.

IDP and Budget Planning Process

Each municipality, within a prescribed period must develop and adopt a process set out in writing to guide the planning, drafting, adoption and review of its Integrated Development Plan in terms section 29 of the Municipal Systems Act.

The municipality must through appropriate mechanisms, processes and procedures established in terms of section 17 of the municipal systems Act, consult the local community before adopting the process plan.

Status of the Integrated Development

The Integrated Development Plan is a strategic planning instrument that guides and informs all planning, budgeting, management and decision-making in a municipality. The IDP gives impetus to the implementation of the government programme of action

Municipal Finance Management Act

The IDP and budget must be one process. Section 21 of MFMA requires the mayor to coordinate the process for preparing the annual budget and developing the Integrated Development Plan.

Section 21 of the Local Government: Municipal Finance Management Act states that the Mayor must table a schedule of key deadlines for various budget activities 10 months before the start of the new financial year. The accounting officer is tasked by section 68 of the MFMA with assisting the mayor in performing the budgetary functions.

The plan should amongst other things outline the following key issues

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

Adoption of the IDP and Budget Process Plan: 2013/14

In accordance with section 21(b) of the Local Government: Municipal Finance Management Act, the IDP and Budget Process Plan for the financial year 2013/14 was tabled and adopted by Council on 30 August 2012

Tabling of Draft IDP and Budget for 2013/14

The Draft IDP and budget for 2013/14 was tabled to Council on 27 March 2013 with related policies and published for comments, inspection and representations in Regional and Local News Paper as well as in the Municipal Website (www.nyandenilm.gov.za). Furthermore, In accordance section 21(4) of the Municipal Systems Act No. 32 of 2000 placed in all municipal Libraries for easy access by communities

MEC Comments for 2012/13 IDP Assessment report

The main aim of the MEC Comments is to identify gaps in the Integrated Development Plan and suggest interventions to ensure that IDPs are truly creditable and aligned to the budget and national programme of actions. As part of the IDP review process the municipality has develop action plan to ensure implementation of the corrective measures in a coordinated manner

The following set of activities has been implemented during the development of this document

- I. Consideration of MEC comments
- II. Integrated Waste Management Plan
- III. Compilation of the Audit Action Plan
- IV. Review of Integrated Performance Management Policy
- V. Human Resource Policies Review
- VI. Organizational Structure Review-
- VII. Financial Policies Review

Phases of the IDP Process

Integrated Developing Planning	Detail
Analysis phase	A Comprehensive IDP Socio-Economic Situational Analysis was undertaken and forms the basis of the review
Strategies	A review of objectives, strategies has been done,, aligning government programme of action
Projects	Project identification has been informed by the objectives and strategies
Integration	Integration remains a greatest challenge, particular with sector department sector plans.
Approval	Approval
Publication of all IDP and Budget Related Policies	

INSTITUTIONAL ARRANGEMENT

ROLE PLAYER	ROLES AND RESPONSIBILITY
Council	Approve and adopt the process and framework plans as well as IDP and Budget
Executive Committee	<ul style="list-style-type: none"> Monitoring of the implementation of the IDP and Budget Political coordination and management implementation programme
IDP Representative Forum	<p>Represents the interests of various constituencies</p> <p>Participation in all phases of IDP and Budget process</p>
IDP Steering Committee	<ul style="list-style-type: none"> Provide technical and advisory support in the IDP and Budget process Monitor and evaluate adherence to the process plan
Municipal Manager	<ul style="list-style-type: none"> Responsible for managing and coordinating the entire IDP and Budget Process Plan Chair the IDP and Budget Steering Committee

PARTICIPATION MECHANISMS

The following participation mechanisms are established in accordance with the provisions of the MSA and MFMA

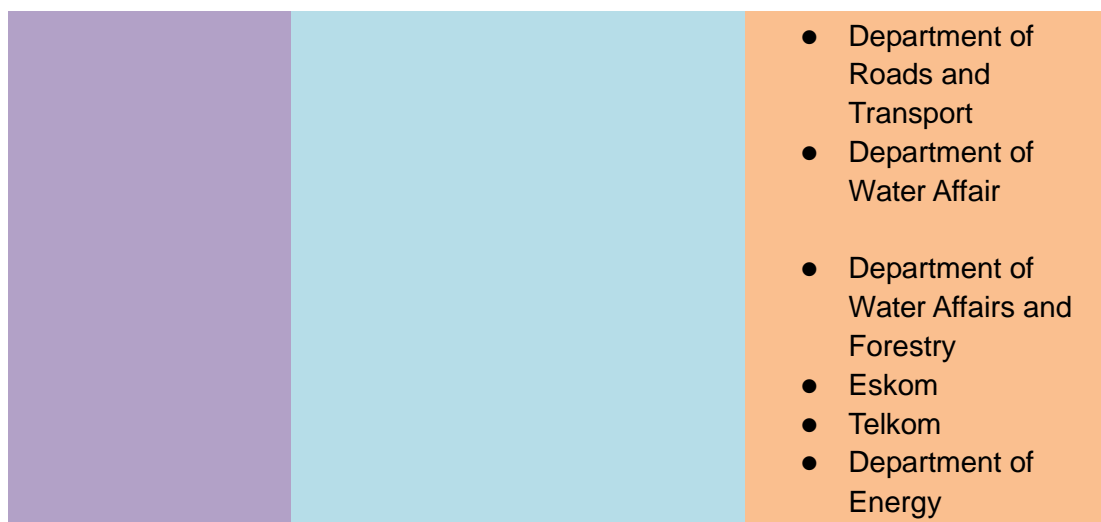
- IDP Representative Forum
- District Representative Forum
- Use of Councillors to call Ward meetings to keep communities informed on the IDP process
- Ward Committees and CDW to keep communities abreast on IDP process
- Published annual performance reports
- Advertisement on news papers and community radio station
- Municipal notices
- Making IDP document available to all units

- Use of municipal website
- Community outreaches
- Intergovernmental Forums

NYANDENI CLUSTERS ESTABLISHMENT

In accordance with the Eastern Cape Provincial guidelines the following clusters have to be established to co-ordinate and facilitate development in the Nyandeni Municipal Area

Cluster	KPA	Key Departments
Governance and Administration	<ul style="list-style-type: none"> ● Municipal Transformation and Organizational Development ● Integrated Development Planning ● Municipal Finance Viability and Management ● Good Governance and Public Participation ● Basic Service Delivery ● Performance Management System 	<ul style="list-style-type: none"> ● Nyandeni Local Municipality ● Department of Local Government & Traditional Affairs ● Provincial Treasury and Planning ● Office of the Premier ● OR Tambo DM ● ECSECC ● SALGA
Social Cluster	Comprehensive Health Care Education Special Programmes Social Safety Net Safety and Security Victim Empowerment Food Security and Nutrition Sport and Recreation	<ul style="list-style-type: none"> ● Nyandeni Local Municipality ● Department of Social Development ● Department of Health ● Department of Home Affairs ● Department of Sports, Recreation, Arts & Culture ● SASSA
Economic Growth and Infrastructure Cluster	Local Economic Development Roads Infrastructure Second Economy Interventions Water Resource Management Electricity Environmental Management	<ul style="list-style-type: none"> ● Nyandeni Local Municipality ● DEDEA ● Department of Environmental Affairs ● Department of Agriculture



IDP and Budget schedule of key deadlines

MILESTONE	ACTIVITIES	RESPONSIBILITY	TIMEFRAME
	Table Draft IDP and Budget Process Plan for 2013-14 for adoption by Council including the following documents <ul style="list-style-type: none"> ✓ Public Participation Plan ✓ AFS ✓ Performance Information report 	Mayor	30 August 2012
	Annual Financial Statements submitted to Auditor General	Chief Financial Officer	August 2012
	Compilation of the Draft Performance Information	Municipal Manager	August 2012
COUNCIL SITTING	Tabling of IDP & Budget Process Plan, AFS & Performance information report to council for adoption	Mayor	28 August 2012

	Economic infrastructure Cluster	MM	11 September 2012
	Governance Cluster	MM	12 September 2012
	Social Cluster	MM	18 September 2012
	State of the Local Address.	Speaker	26 September 2012
	State of the District Address	Council	28 September 12
Situational Analysis	Advertise IDP & Budget schedule	Manager: IDP	September 2012
	Review comprehensive Socio-Economic Analysis	Senior Manager Operations	September -November 2012
	Intergovernmental Relations Forum	Municipal Manager	02 October 2012
	IDP & Budget Steering Committee	Municipal Manager	01 October 2012

	Reviewal of financial policies	Municipal Manager	15-17 October 2012
	Mayoral Imbizo's to give service delivery feedback and solicit development priorities from communities	Office of the Speaker	5-9 November 2012
	Council Lekgotla	Office the Mayor	20-23 November 2012
	Public Participation Workshop	Mayor	29-30 October 2012
	IDP Representative Forum	Mayor	19 Nov 2012
	Management Retreat to finalize Midyear, annual report and adjustment budget with revised action plan	Management Team	09-11 January 2013
	Table Annual, Mid-term Reports and Adjustment Budget for approval to the Special Council Meeting	Speaker	24 January 2013
COUNCIL SITTING	Tabling of Draft IDP and Budget, Tariffs and budget related policies	Council	29 March 2013

MILESTONE	ACTIVITIES	RESPONSIBILITY	TIMEFRAME
PROJECT PHASE	Outline prioritized development projects and setting of targets and indicators	All Departments	February 2013
	Council Lekgotla	Mayor	11-12 March 2013

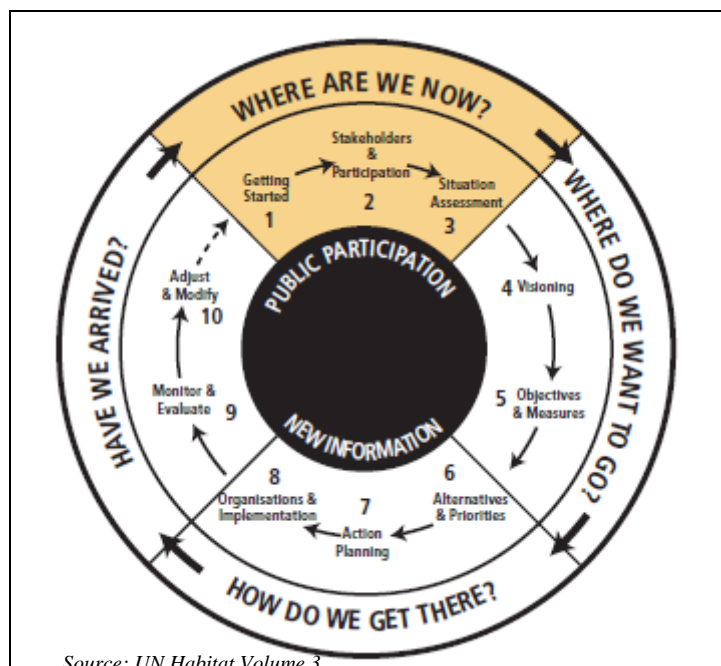
	Projects phase session to align projects and programmes of local municipalities, sector departments and parastatals	IDP Steering Committee	February-March 2013
INTEGRATION PHASE	Integration of sectors plans	IDP & Budget Steering Committee Meeting	11 March 2013
	IDP Representative Forum	IDP Representative Forum	19 March 2013
	IDP & Budget Public Hearings	Council	22-26 April 2013
	IDP Representative Forum	Mayor	16 May 2013
COUNCIL SITTING	Tabling of final IDP and Budget and related policies to Council	Council	18 June 2013
	Management Retreat to Prepare SDBIP	Municipal Manager	10-11 June 2013
	Submission of SDBIP & Performance Agreements to the Mayor	Municipal Manager	14 June 2013

SECTION B: SITUATION ANALYSIS

CHAPTER 1: INTRODUCTION TO NYANDENI LOCAL MUNICIPALITY

Introduction

As a municipality, Nyandeni needs to provide the necessary support and create an environment that will be conducive for economic growth and social progress. A fragmented or uneven economic and business environment coupled with lack of communication and collaboration between government, community and business leads to society being disorganised. All economic agents need to come together and decide on a common strategy for their region in order to move forward and unlock benefits for all its citizens. Role players has to look at the existing and potential local capabilities of a region (**Local**), nurture existing markets and develop new markets (**Economic**) in addition to improving the general living conditions of a community (**Development**). In order to achieve these objectives a community first needs to determine where they are now, second where they want to go, third how to get there and lastly if they have arrived at their desired destination. The diagram below outlines the Local Economic Development (LED) process graphically:



Getting started and ensuring stakeholders are involved and participate lays the foundation for an LED in determining *where it is now*. The **Situational Analysis** however provides quantifiable information that gives direction for the rest of the LED process.

A **Situational Analysis** quantifies the economic, demographic and socio-economic environment and contextualises it in terms of the spatial dynamics of the municipality. All relationships and dynamics between and within each of these concepts have to be understood. It is also important to understand the functioning of these concepts within the greater national and international context. The situation analysis requires both qualitative and quantitative information, which can be collected by either primary or secondary research methods. The information should then be used to conduct a SWOT (Strength, Weakness, Opportunities and Threats) analysis of the municipality. This will inform the LED team on the strengths, weaknesses, opportunities and threats that may influence LED. Identifying strengths will allow the municipality to devise plans and policies and to build on them as it could be more effective to grow existing businesses and markets as opposed to developing new ones. By identifying weaknesses the municipality can implement possible policies and plans to correct the situation. In many instances solutions may already exist and the weaknesses could be corrected with ease. Identifying opportunities could allow for the municipality to coordinate activities or facilitate stakeholders to take full advantage of the situation. The municipality could also coordinate and facilitate stakeholders in mitigating threats should they arise. An accurate understanding of the local economic, demographic and socio-economic history and current characteristics will help develop a realistic and achievable plan for economic development.¹

The socio economic status quo of Nyandeni Local Municipality is presented against the background of a macro economic outlook for South Africa as a whole. No primary research or surveys was conducted by IHS Global Insight as part of this study, and all information contained in this report was sourced from internal research conducted by IHS Global Insight through its Regional eXplorer (ReX) product.

Where applicable the Regional eXplorer (ReX) methodology and calculations is included to provide a summary of the approach followed by IHS Global Insight to explain and analyse the economic indicators. Although most of the figures used is from the ReX, some figures from Statistics South Africa (Stats SA) Population Census 2011 have also been incorporated into the report. The purpose for this

¹*The local economic development series Volume 3*

incorporation is that we want to provide the Nyandeni Local Municipality with the latest and most accurate data that is available. The Regional eXplorer (ReX) does not yet have the census data built in which instance the raw Census 2011 data was used. Unless specifically referenced, all data in the report is from the Regional eXplorer (ReX).

Take note that the provincial and municipal boundaries for the Eastern Cape and OR Tambo have changed significantly over the years. All historic 2001 Population Census data have been adjusted to be aligned with the boundaries as used in the 2011 population census. The implication for this is that the 2001 numbers will differ from Census 2001 publications using earlier boundary sets.

The report will consist of sections which establish a topic-based framework of the current status of the Nyandeni Local Municipality's economy by looking at some of these economic and socio-economic indicators relative to the provincial and national economy.

5 Demography

“Demographics” is a shortened term for “population characteristics”. It includes population groups, age and location. Distributions of values within a demographic variable, and across households, as well as trends over time are of interest. In this section, an overview is provided of the demography of Nyandeni Local Municipality. Where applicable the data from Statistics South Africa Population Census 2001 and 2011 were used.

5.1 Total Population

Population statistics is important when analysing an economy, as the growth in population impacts on employment, unemployment, economic growth and per capita income and a range of other economic variables.

Definition | The total population of a region is the total number of people within that region in the middle of the respective year. It therefore includes all residents, non-residents and individuals of any age, gender and population group.

According to StatsSA’s Census data Nyandeni Local Municipality had a total population of 274 344 in 2001 which increased at an average annual rate of 0.57% to 290 390 in 2011.

TABLE 1. POPULATION OF NYANDENI LOCAL MUNICIPALITY RELATIVE TO OTHER REGIONS, 2001 AND 2011 [NUMBERS]

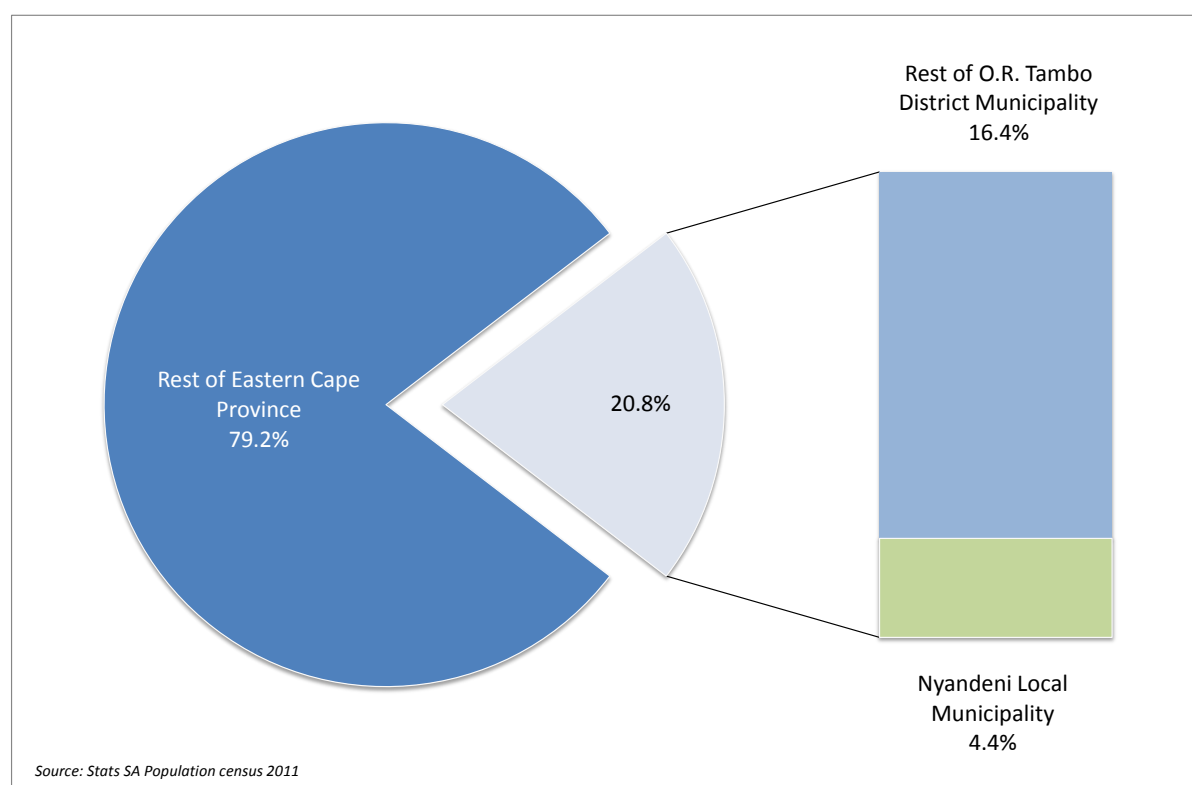
Region	2001	2011	AAGR 2001-2011
Ngquza Hill Local Municipality	254 590	278 481	0.90%
Port St Johns Local Municipality	147 026	156 136	0.60%
Nyandeni Local Municipality	274 344	290 390	0.57%
Mhlontlo Local Municipality	203 219	188 226	-0.76%
King Sabata Dalindyebo Local Municipality	416 119	451 710	0.82%
O.R.Tambo District Municipality	1 295 298	1 364 943	0.53%
Eastern Cape Province	6 436 765	6 562 053	0.19%
South Africa	44 819 779	51 770 560	1.45%

Source: Stats SA Population census 2001 & 2011

In terms of population the Nyandeni Local Municipality is the second largest local municipality in the O.R. Tambo District Municipality. Nyandeni Local Municipality has the second lowest average annual population growth rate amongst its peers in O.R. Tambo District Municipality between 2001 and 2011. The O.R. Tambo District

Municipality increased at an average annual growth rate of 0.53% which is relatively close to the growth rate in the Nyandeni Local Municipality. The population of South Africa increase at an average annual growth rate of 1.45%.

CHART 1. TOTAL POPULATION IN NYANDENI LOCAL MUNICIPALITY RELATIVE TO THE REST OF THE EASTERN CAPE [PERCENTAGE, 2011]



The share of the O.R. Tambo District Municipality population remains mostly unchanged between 2001 (20.1%) and 2011 (20.8%). Nyandeni Local Municipality houses 4.4% of the total population in the Eastern Cape.

Nyandeni Local Municipality accounts for 0.56% of the South African population in 2011 as opposed to 0.61% in 2001 which might have some equitable share allocation implications. Despite Nyandeni Local Municipality's high fertility rate, the population growth is affected by negative factors such as HIV/AIDS and out-migration towards the bigger cities, which could explain the smaller share of the total South African population in 2011 when compared to 2001.

5.1.1 Population forecast

The Nyandeni Local Municipality population has a forecasted outlook of 0.65% at an average annual growth rate between 2012 and 2016. In 2016 the total population of

Nyandeni Local Municipality is expected to be 299 685, which is an increase of 7 718 people.

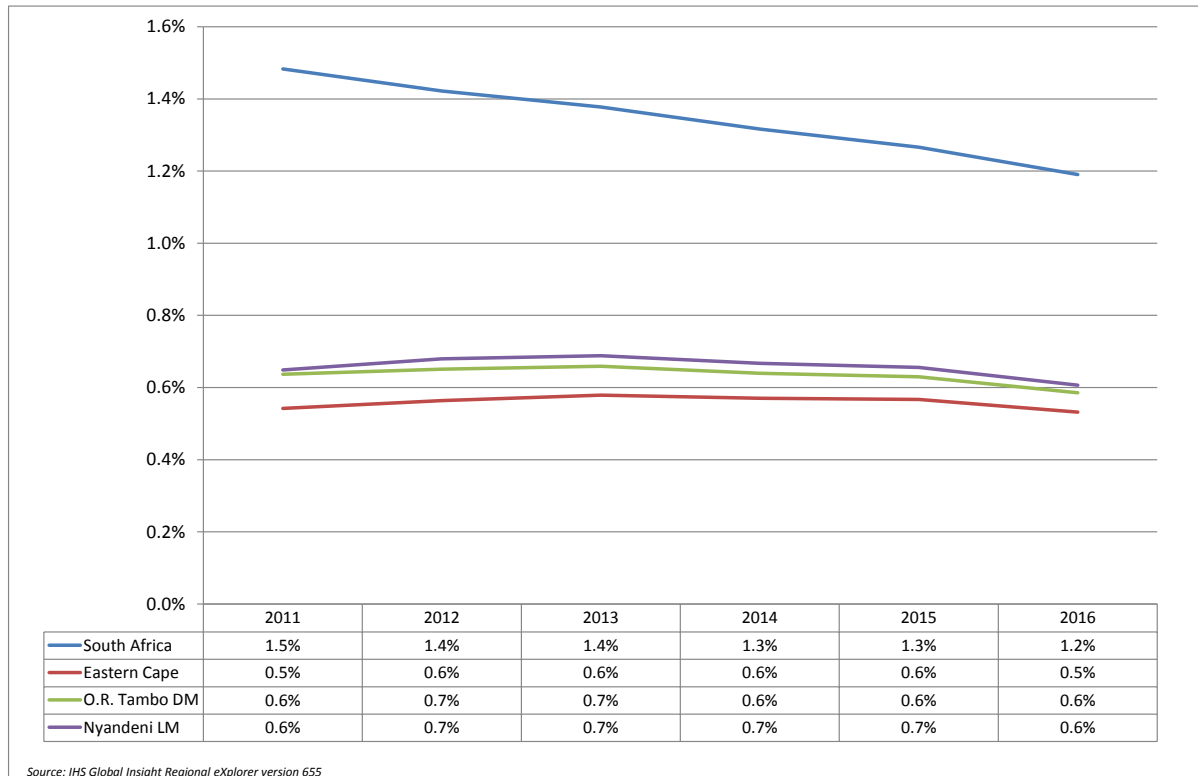
TABLE 2. TOTAL POPULATION FORECASTS IN NYANDENI LOCAL MUNICIPALITY RELATIVE TO OTHER REGIONS [NUMBERS, 2012 - 2016]

Year	South Africa	Eastern Cape	O.R. Tambo District Municipality	Nyandeni Local Municipality
2012	52 246 418	6 645 595	1 373 951	291 967
2013	52 966 131	6 684 071	1 383 006	293 976
2014	53 663 501	6 722 196	1 391 852	295 937
2015	54 342 815	6 760 291	1 400 618	297 877
2016	54 989 625	6 796 249	1 408 817	299 685
Average annual growth rate:				
2012-2016	1.29%	0.56%	0.63%	0.65%

Source: IHS Global Insight Regional eXplorer version 655

The chart below represents the expected annual change in the population. The population growth rate of South Africa is clearly declining from 2011 to 2016. The population growth rate in the Eastern Cape, O.R. Tambo District Municipality and the Nyandeni Local Municipality seems to be relatively constant over the same period.

CHART 2. TOTAL POPULATION FORECASTS IN NYANDENI LOCAL MUNICIPALITY RELATIVE TO OTHER REGIONS [PERCENTAGE CHANGE, 2011 - 2016]



Source: IHS Global Insight Regional eXplorer version 655

The population growth of Nyandeni Local Municipality is expected, on average, to increase at 0.7% annually and a very small decline in growth will be seen in 2016. Nyandeni Local Municipality will continue to show a slow overall population growth rate in the years to come compared to South Africa.

5.2 Population by Population Group, Gender and Age

Definition | The population of a region is the total number of people within that region in the middle of the respective year, categorised according to population group and the sub categories of gender and age. The population groups output are African, White, Coloured and Asian. It is important to note that the 'Asian' population is made up of all people groups originating from Asia – this includes those of Indian and Chinese origin. The population is output in five year age categories.

Of the 290 390 people living in Nyandeni Local Municipality in 2011, 45.9% are African male and 53.5% African female. The other population groups make up a small percentage of the total population at 0.6%, with 0.3% being male and 0.3% being female.

TABLE 3. POPULATION BY POPULATION GROUP AND GENDER - NYANDENI LOCAL MUNICIPALITY, 2001 AND 2011

Year	African		Other		Total	
	Male	Female	Male	Female	Male	Female
Total population						
2001	128 168	152 329	366	391	128 534	152 720
2011	133 343	155 341	898	808	134 241	156 149
Percentage of total						
2001	45.6%	54.2%	0.1%	0.1%	45.7%	54.3%
2011	45.9%	53.5%	0.3%	0.3%	46.2%	53.8%

Source: Stats SA Population census 2001 & 2011

It is evident from the figures that the female population in Nyandeni Local Municipality, at 53.8%, is much higher than the male population. This is clearly visible in the population pyramid below.

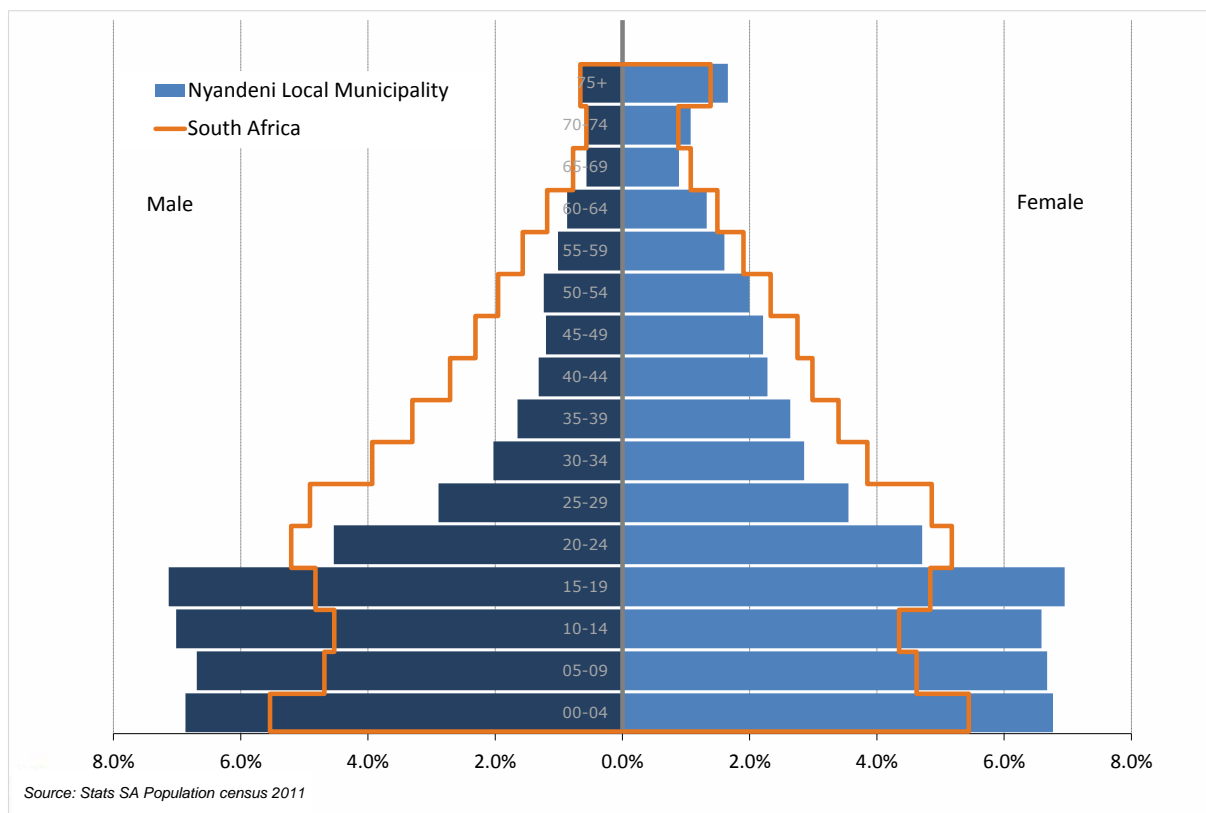
5.2.1 Population Pyramids

Definition | A population pyramid is a visual representation of the population broken down by gender and age for the selected year and region. The horizontal axis depicts the share of people, with the left pane depicting males and the right pane depicting females; the vertical axis depicts the 5-year age

categories. The **regional vs. national** population pyramid compares the population structure of the selected region (represented by bars) with that of the national population (represented by the line).

The total population pyramid greatly reflects that of the African population as the African population constitutes more than 99.4% of the total population for Nyandeni Local Municipality. The graph below compares the national population structure to that of Nyandeni Local Municipality.

CHART 3. POPULATION PYRAMID OF NYANDENI LOCAL MUNICIPALITY AND SOUTH AFRICA, 2011

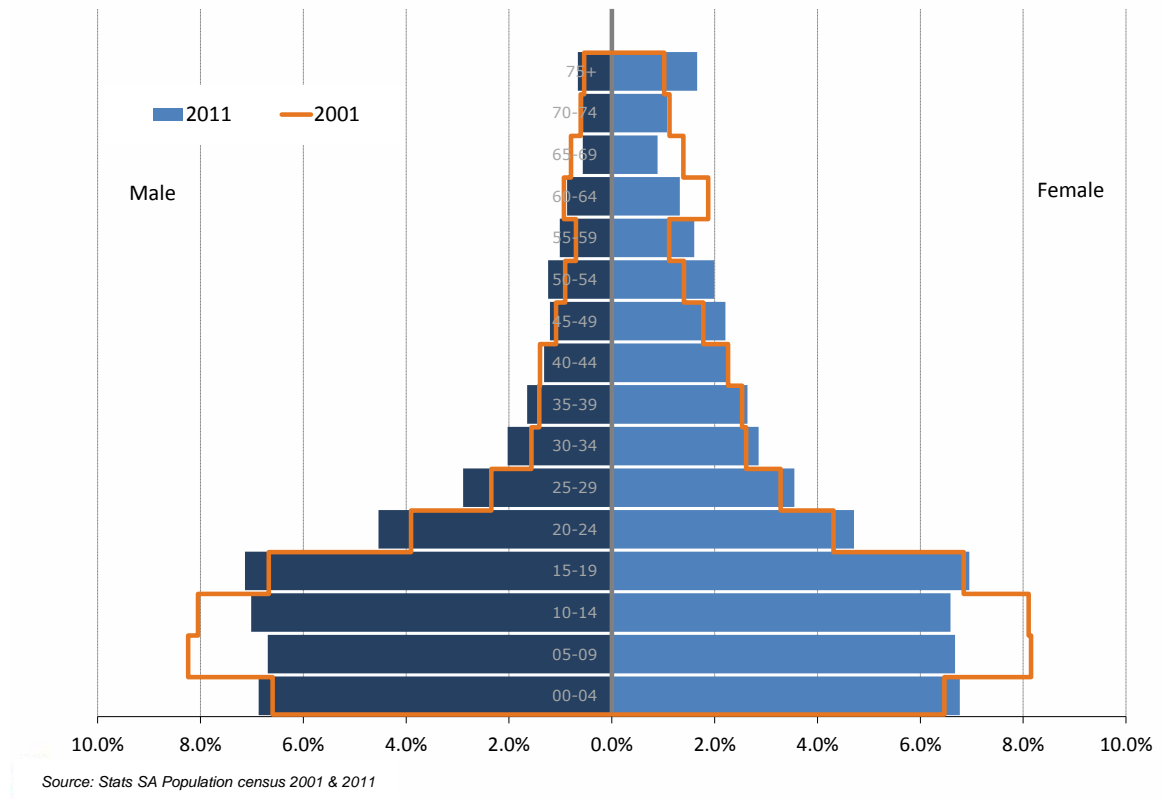


The total population tends to have a broad base with a big youth or student group present. From the age 20+ the number of people in each age group declines sharply. This can be a sign of out-migration of working age people as they move to the larger metropolitan areas looking for better employment opportunities. Other possible explanations for the differences between the national and the Nyandeni Local Municipality population pyramid:

- The effect of HIV/AIDS has an impact on the sexually active population.
- Employment conditions in urban areas force parents to send children to grandparents in rural communities.

- Distortions resulting from grants.
- Spatial policies, and subsequent re-allocation, that changed since 1994.

CHART 4. POPULATION PYRAMID OF NYANDENI LOCAL MUNICIPALITY, 2001 AND 2011

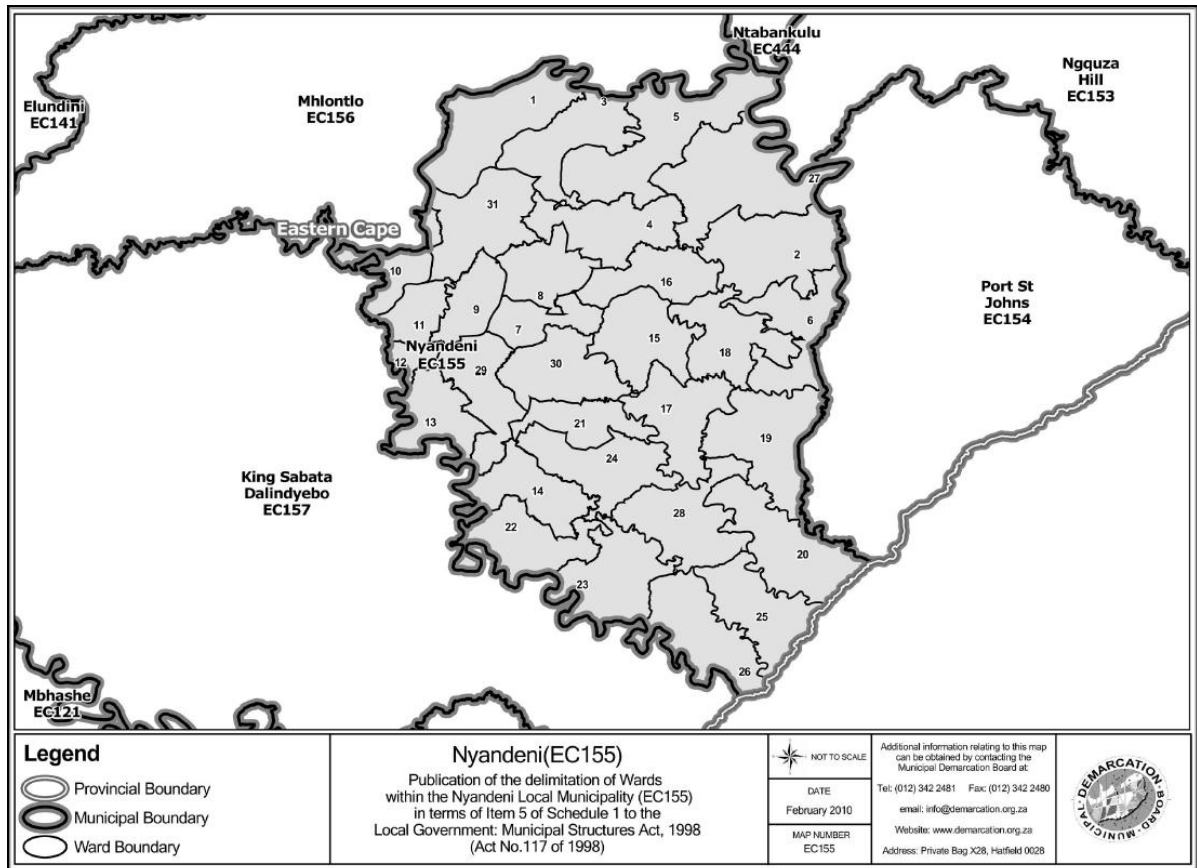


Possible explanations of the differences between 2001 and the 2011 Population Census in Nyandeni Local Municipality:

- 05-09 age cohort bulge in 2001 translates to a 15-19 age cohort bulge in 2011
- Student migration is a possibility – 10-14 age cohort bulge did not directly translate into a 20-24 age cohort bulge
- Increased concentration of 0 - 4 year olds due to fertility rates increasing
- There is also a possibility that there was less out migration of workers in 2011.
- Life expectancy increasing

5.3 Population by ward level

There are 31 wards in the Nyandeni Local Municipality. The population distribution of the Nyandeni Local Municipality is relatively equally distributed across all wards. The following is a map from the demarcation board of the latest layout of all the wards in the Nyandeni Local Municipality.



Source: Demarcation Board

The ward with the highest population is ward 11 with a total number of 13 243 people, or 4.6% of the total population in Nyandeni Local Municipality. The ward with the lowest number of people is ward 27 with 6 598 people currently in that ward. The percentage share in population by the different wards range between 2.3% and 4.6% with the average share being 3.2%.

TABLE 4. POPULATION BY POPULATION GROUP AND GENDER – WARD LEVEL IN NYANDENI LOCAL MUNICIPALITY, 2011 [NUMBER]

Ward	African		Other		Total	
	Male	Female	Male	Female	Male	Female
1	4 509	5 375	28	54	4 537	5 429
2	3 621	4 400	12	5	3 633	4 405
3	3 505	3 952	13	18	3 518	3 970
4	3 612	4 207	3	3	3 615	4 210
5	4 054	4 572	4	2	4 058	4 574
6	4 468	5 520	13	17	4 481	5 537
7	3 718	4 233	51	41	3 769	4 274
8	3 625	4 233	8	9	3 633	4 242
9	4 751	5 518	78	79	4 829	5 597
10	5 078	5 758	12	13	5 090	5 771
11	6 118	7 070	23	32	6 141	7 102
12	4 880	5 559	95	95	4 975	5 654
13	3 926	4 531	19	15	3 945	4 546
14	3 872	4 422	26	9	3 898	4 431
15	5 373	6 429	42	38	5 415	6 467
16	3 617	4 517	7	5	3 624	4 522
17	4 631	5 611	9	14	4 640	5 625
18	3 724	4 551	9	10	3 733	4 561
19	5 045	5 996	22	31	5 067	6 027
20	5 237	6 182	88	73	5 325	6 255
21	3 476	3 848	53	27	3 529	3 875
22	4 972	5 770	26	12	4 998	5 782
23	4 373	5 012	12	7	4 385	5 019
24	3 493	3 904	5	4	3 498	3 908
25	3 971	4 515	44	28	4 015	4 543
26	5 204	6 139	19	23	5 223	6 162
27	2 982	3 598	7	11	2 989	3 609
28	3 884	4 430	18	9	3 902	4 439
29	4 857	5 293	37	23	4 894	5 316
30	4 722	5 466	95	87	4 817	5 553
31	4 045	4 728	9	3	4 054	4 731
Total	133 343	155 341	898	808	134 241	156 149
% of Total	45.9%	53.5%	0.3%	0.3%	46.2%	53.8%

Source: Stats SA Population census 2011

5.4 Number of Households by population group

If the number of households is growing at a faster rate than that of the population it means that the households sizes is also decreasing and vice versa.

Definition | A household is a group of people who live together, and who provide themselves jointly with food and/or other essentials for living, or a single person who lives alone. An individual is considered part of a household if he spends at least four nights a week within the household.

This measure categorises a household according to the population

group to which the household head belongs.

There were 55 112 households in Nyandeni Local Municipality in 2001 and 61 647 in 2011. That equates to an average annual growth rate of 1.13% over time.

TABLE 5. NUMBER OF HOUSEHOLDS BY NYANDENI LOCAL MUNICIPALITY RELATIVE TO OTHER REGIONS, 2001 AND 2011 [NUMBERS AND PERCENTAGE GROWTH]

Region	2001	2011	AAGR 2001-2011
Ngquza Hill Local Municipality	51 160	56 212	0.95%
Port St Johns Local Municipality	29 560	31 715	0.71%
Nyandeni Local Municipality	55 112	61 647	1.13%
Mhlontlo Local Municipality	44 295	43 414	-0.20%
King Sabata Dalindyebo Local Municipality	90 597	105 241	1.51%
O.R.Tambo District Municipality	270 724	298 229	0.97%
Eastern Cape Province	1 535 968	1 687 384	0.94%
South Africa	11 770 276	14 450 163	2.07%

Source: Stats SA Population census 2001 & 2011

The level of the average annual growth in population (and the age composition of the population) places different demands on the need for health, education and safety services.

The average household size in 2001 was approximately 4.8 individuals per household as compared to the 4.6 persons per household in 2011. With faster growth in the number of households, compared to the growth in population, in Nyandeni Local Municipality, marginal demand for housing and basic services compared to that of health, education and safety services may be relatively higher.

TABLE 6. NUMBER OF HOUSEHOLDS BY POPULATION GROUP IN NYANDENI LOCAL MUNICIPALITY, 2001 AND 2011 [NUMBER AND PERCENTAGE GROWTH]

Year	African	Other	Total
Number of households:			
2001	54 923	189	55 112
2011	61 228	419	61 647
Average annual growth rate:			
2001 - 2011	1.09%	8.29%	1.13%

Source: Stats SA Population census 2001 & 2011

The growth in the number of households for the African population is on average 1.09% per annum for the period 2001 – 2011, which translates to an increase of 6 305 households over the period. The average annual growth in the number of all

the other population groups is 8.29% although it only amounts to 230 households according to the Census figures.

6 Development

Indicators of development are used to estimate the level of development of the Nyandeni Local Municipality relative to the rest of South Africa in terms of Human Development Index (HDI), Gini Coefficient (income inequality), poverty and education. Nyandeni Local Municipality should be a point of departure in the compilation of all policies that aspire towards a better life for all in the region.

6.1 Human Development Index (HDI)

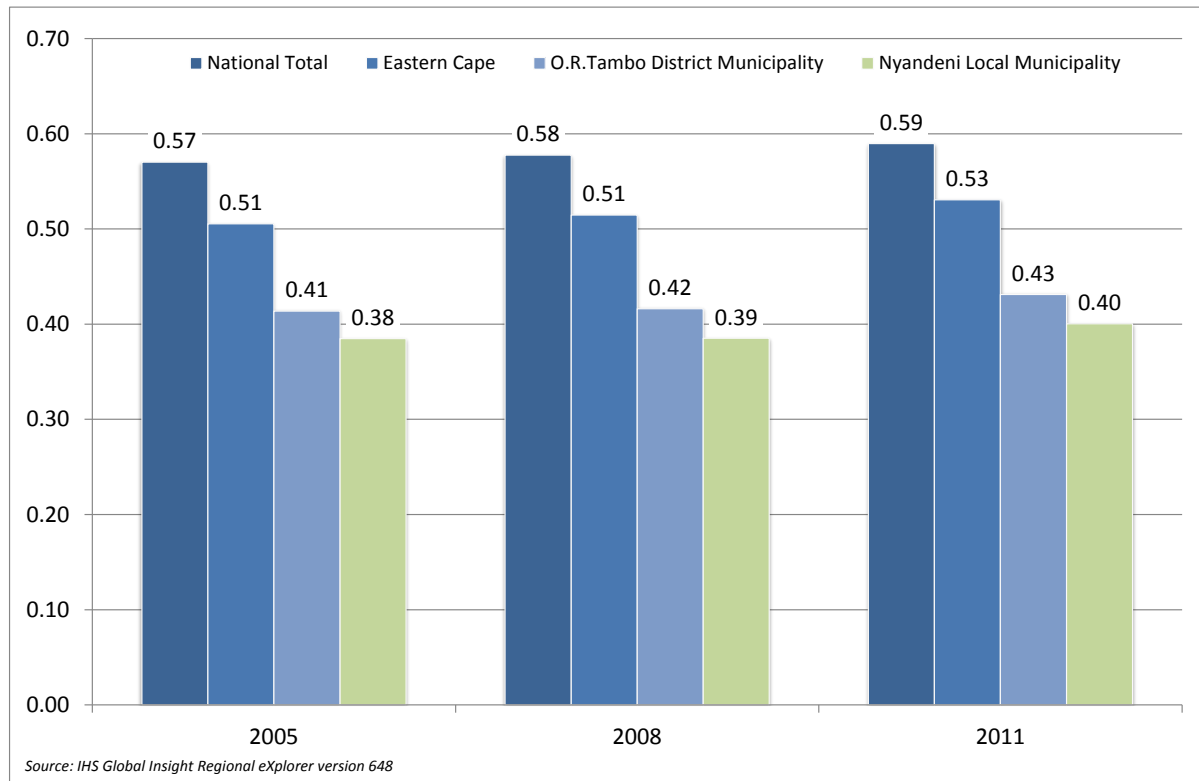
Definition | The Human Development Index (HDI) is a composite relative index used to compare human development across population groups or regions. HDI is the combination of three basic dimensions of human development

- A long and healthy life
- Knowledge
- A decent standard of living

A long and healthy life is typically measured using life expectancy at birth. Knowledge is typically measured using adult literacy and / or the combination of enrolment in primary, secondary and tertiary schools. A decent standard of living is typically measured using GDP per capita.

The HDI can assume a maximum value of 1, indicating a very high level of human development. It has a minimum value of 0, indicating no human development.

It is estimated that in 2011 Nyandeni Local Municipality had an HDI of 0.40. This is significantly lower than the Eastern Cape which has an HDI of 0.53 and South Africa with its 0.59.

CHART 5. HUMAN DEVELOPMENT INDEX BY REGIONS - 2005, 2008 AND 2011

The HDI has been increasing in South Africa, Eastern Cape, O.R. Tambo District Municipality and the Nyandeni Local Municipality since 2005. An explanation might be that education and health conditions have improved and a general increase in income is seen.

6.2 Gini Coefficient

Definition The Gini coefficient is a summary statistic of income inequality, which varies from 0 to 1. If the Gini Coefficient is equal to zero it means that income is distributed in a perfectly equal manner, indicating a low variance between high and low income earners in the population. If the Gini coefficient is equal to one, income is completely inequitable, with one individual in the population earning income, whilst everyone else earns nothing.

In practice this coefficient is likely to lie in a range between 0.25 and 0.70.

In 2011, income inequality in Nyandeni Local Municipality at 0.53 was lower than that of the provincial and national level which was at 0.61 and 0.63 respectively.

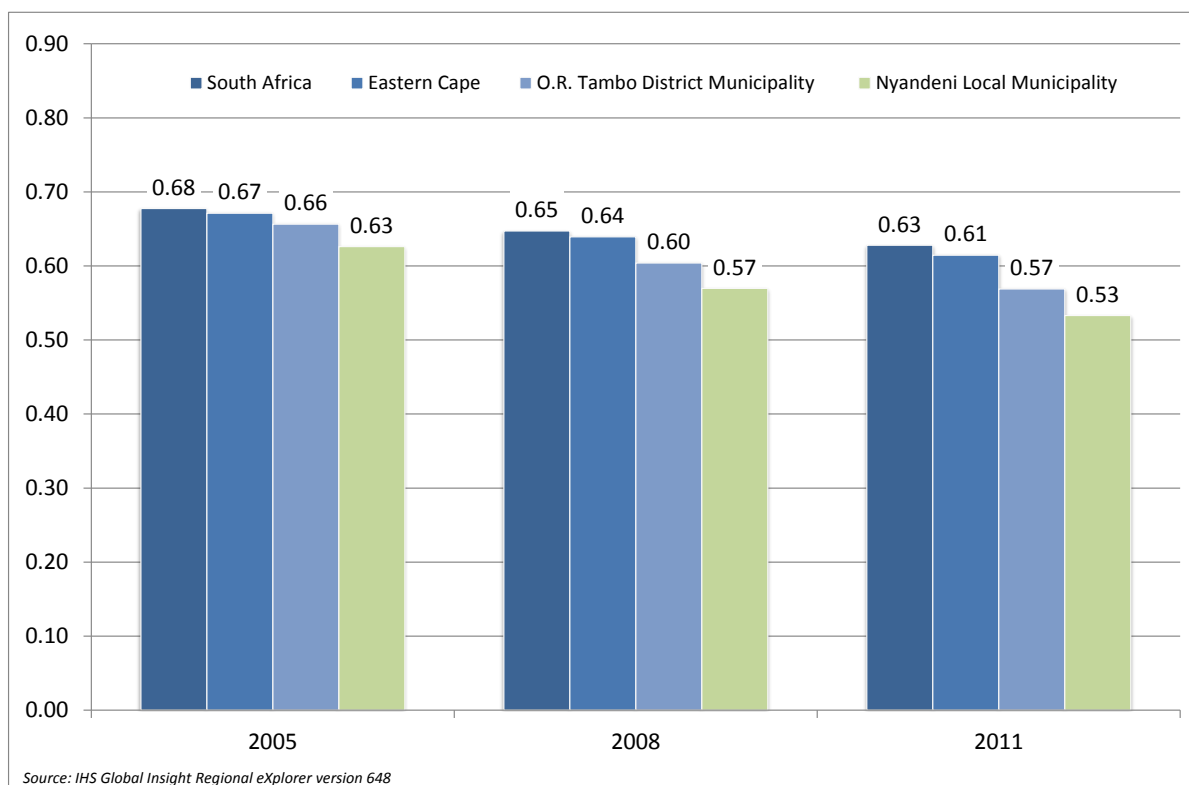
**TABLE 7. GINI COEFFICIENT OF NYANDENI LOCAL MUNICIPALITY
RELATIVE TO OTHER REGIONS, 2005 - 2011**

Year	South Africa	Eastern Cape	O.R. Tambo District Municipality	Nyandeni Local Municipality
2005	0.68	0.67	0.66	0.63
2006	0.67	0.66	0.64	0.61
2007	0.66	0.65	0.62	0.59
2008	0.65	0.64	0.60	0.57
2009	0.64	0.63	0.59	0.55
2010	0.63	0.62	0.58	0.54
2011	0.63	0.61	0.57	0.53

Source: IHS Global Insight Regional eXplorer version 648

Over time an improvement is noted on all regional levels were the Gini Coefficient declined reflecting a more equal distribution of income. This also might be due to social welfare and grants, community services employment and a more accessible economic environment conducive to economic growth and development.

**CHART 6. GINI COEFFICIENT OF NYANDENI LOCAL MUNICIPALITY RELATIVE
TO OTHER REGIONS, 2005, 2008 AND 2011**

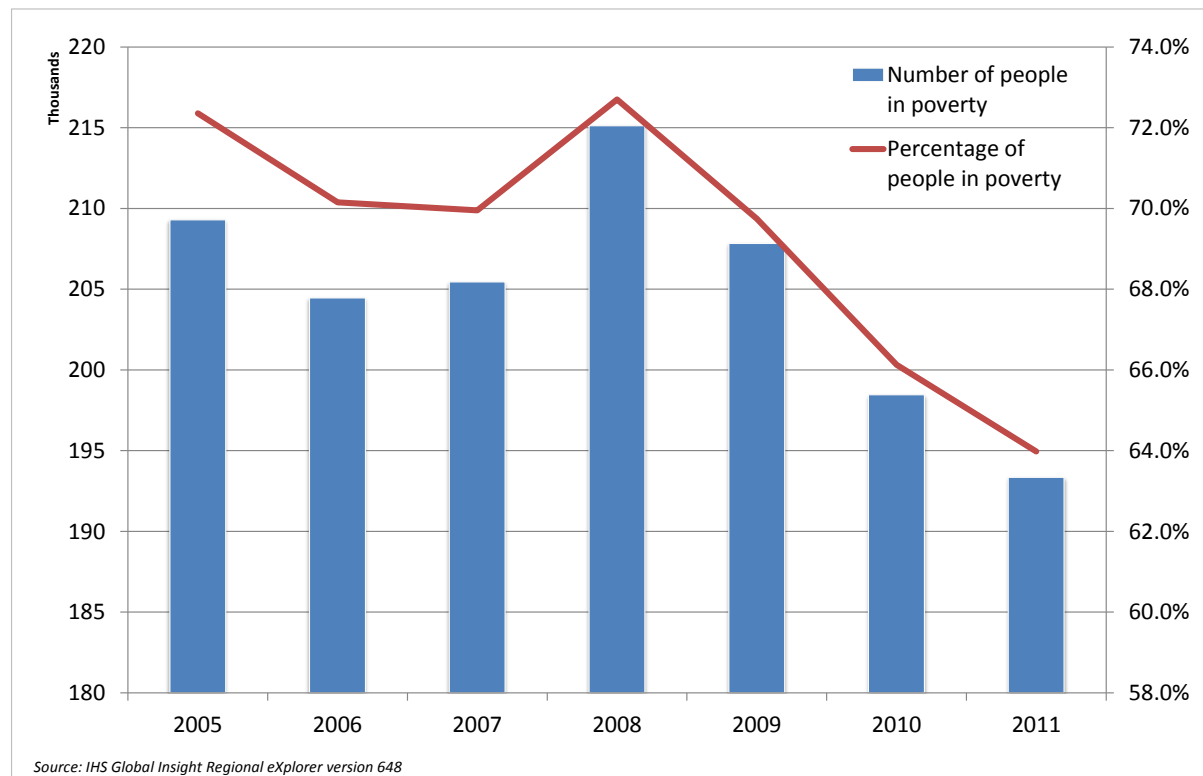


6.3 Poverty

Definition A household is considered to be subject to poverty if the individuals therein earn a combined income less than the poverty income threshold. The poverty income level is defined as the minimum monthly income needed to sustain a household and varies according to household size, the larger the household the larger the income required to keep its members out of poverty. The poverty income used by IHS Global Insight - within the context of this assessment - is based on the Bureau of Market Research's Minimum Living Level. Currently the poverty minimum amount of income for a household of 4 people is R2 544 per month.

In 2011, there were 193 355 people living in poverty across Nyandeni Local Municipality – down by 2.6% from 198 463 in 2010. In 2011, the number of Nyandeni Local Municipality's inhabitants that were living in poverty accounted for 64.0% of the total population of Nyandeni Local Municipality. The number of people living in poverty in the Nyandeni Local Municipality declined by an average annual rate of 1.3% from 2005 to 2011.

CHART 7. NUMBER AND PERCENTAGE OF PEOPLE LIVING IN POVERTY, NYANDENI LOCAL MUNICIPALITY, 2005–2011



On a national basis 37.7% of the total population was living in poverty, while more than half the population of the O.R. Tambo District Municipality is living in poverty

TABLE 8. PERCENTAGE OF PEOPLE LIVING IN POVERTY IN NYANDENI LOCAL MUNICIPALITY RELATIVE TO OTHER REGIONS, 2005 - 2011 [PERCENTAGE]

Year	South Africa	Eastern Cape	O.R. Tambo District Municipality	Nyandeni Local Municipality
2005	45.7%	56.3%	68.2%	72.4%
2006	43.4%	54.2%	65.8%	70.2%
2007	42.0%	53.2%	65.2%	70.0%
2008	42.9%	54.3%	67.3%	72.7%
2009	41.3%	52.0%	64.8%	69.7%
2010	39.7%	49.5%	61.6%	66.1%
2011	37.7%	46.8%	58.9%	64.0%

Source: IHS Global Insight Regional eXplorer version 648

6.3.1 Poverty Gap

Definition | The Poverty Gap measures the difference between each poor household's income and the poverty line - measuring the depth of poverty of all poor households combined. In other words, the Poverty Gap indicates how much extra all of the poor households combined would have to earn each year to rise up to the poverty income.

The Poverty Gap deals with a major shortcoming of the poverty rate, which does not give any indication of the depth of poverty.

A shortcoming of the poverty rate as an indicator of poverty is that it does not give any indication of the depth of poverty i.e. how far the poor households are below the poverty income level. In contrast, the poverty gap proves useful in that it measures the difference between each poor household's income and the poverty line. It thus measures the depth of poverty of each poor household. The aggregate poverty gap is calculated by summing the poverty gaps of each poor household. It is thus equivalent to the total amount by which the incomes of poor households need to be raised each year to bring all households up to the poverty line and hence out of poverty.

It is estimated that the poverty gap in Nyandeni Local Municipality amounted to R535 million in 2011. Although the poverty gap has increased in nominal terms from R433

billion in 2005, in real terms this has come down when we include the effects of inflation.

TABLE 9. TOTAL POVERTY GAP – NYANDENI LOCAL MUNICIPALITY AND OTHER LOCAL MUNICIPALITIES, 2005-2011 [R MILLIONS, CURRENT PRICES]

Year	Ngquza Hill Local Municipality	Port St Johns Local Municipality	Nyandeni Local Municipality	Mhlontlo Local Municipality	King Sabata Dalindyebo Local Municipality	O.R. Tambo District Municipality
2005	413	230	433	285	524	1 884
2006	405	225	426	282	526	1 863
2007	419	234	436	290	557	1 936
2008	499	278	515	347	674	2 313
2009	513	284	523	357	686	2 364
2010	509	280	524	359	677	2 350
2011	516	284	535	369	689	2 393
Average annual growth rate:						
2005-2011	3.8%	3.6%	3.6%	4.4%	4.7%	4.1%

Source: IHS Global Insight Regional eXplorer version 648

In terms of the various local municipalities in O.R. Tambo District Municipality, the largest poverty gap exists in King SabataDalindyebo equaling R689 million. The smallest poverty gap exists in the Port St Johns Local Municipality with R284 Million. Take note that the population size should be taken into account when comparing the poverty gap in different local municipalities.

6.4 Education

Education is very important and industry and businesses are very much reliant on the availability of adequately trained and experienced professionals. The following is the definition of the education indicator:

Definition This measure represents the highest level of education for those aged 15 or older. An age of 15 is used because, according to the United Nations definitions on education, one is an adult if they are 15 or older. Using this cut off point therefore allows for cross country comparisons. Furthermore, age 15 is the legal age at which children may leave school in South Africa.

Sustainable economic growth along with social upliftment is very much a factor of increased levels of education and literacy. Generally, the smaller an economy's skilled labour pool, the less likely it is to achieve accelerated rates of economic growth and increased levels of prosperity.

In 2001, the number of people with no schooling accounted for 22.4% or 61 585 persons. This number drastically decreased to 2011 at an annual average rate of 8% to 26 858. The number of 'some primary education' learners amounts to 102 833 or 35.4% of the total population in Nyandeni Local Municipality in 2011. The Nyandeni Local Municipality have a total of 5 821 people with an education higher than matric in 2011, which is an average annual growth rate from 2001 to 2011 of 6.4%.

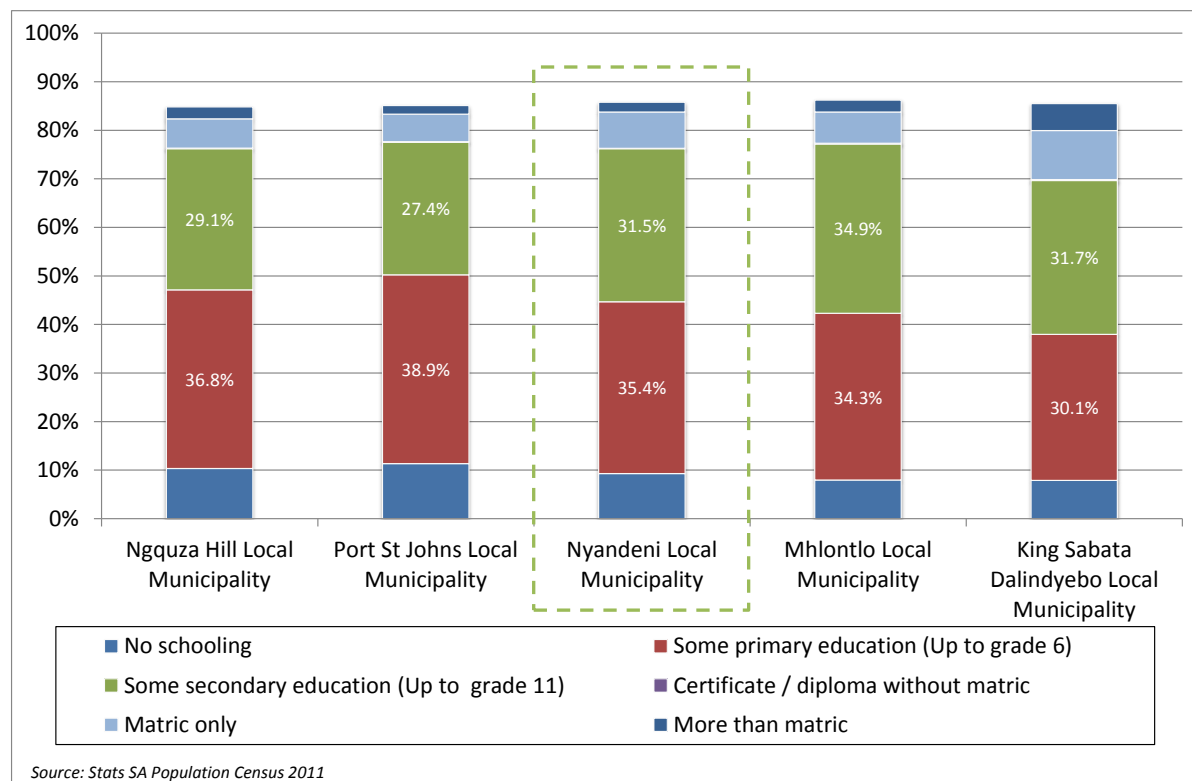
TABLE 10. HIGHEST LEVEL OF EDUCATION: AGE 15+ IN NYANDENI LOCAL MUNICIPALITY, 2001 AND 2011 [NUMBERS AND PERCENTAGE SHARE AND GROWTH]

Level	2001	2011	AAGR 2001-2011
No schooling	61 585	26 858	-8.0%
Some primary education (Up to grade 6)	103 833	102 876	-0.1%
Some secondary education (Up to grade 11)	59 294	91 515	4.4%
Certificate / diploma without matric	397	280	-3.4%
Matric only	10 312	21 651	7.7%
More than matric	3 142	5 821	6.4%
Not applicable	35 869	41 388	1.4%
Total	274 432	290 389	0.6%
No schooling	22.4%	9.2%	
Some primary education (Up to grade 6)	37.8%	35.4%	
Some secondary education (Up to grade 11)	21.6%	31.5%	
Certificate / diploma without matric	0.1%	0.1%	
Matric only	3.8%	7.5%	
More than matric	1.1%	2.0%	
Not applicable	13.1%	14.3%	
Total	100.0%	100.0%	

Source: Stats SA Population census 2001

In the chart below, it is clear that the majority of people at 35.4% of the total population fall within the 'some primary education (up to grade 6)' category. There is a higher percentage of the population with some secondary education in 2011 compared to 2001, which can be the result of an increase in the number of schools in the area.

CHART 8. LEVELS OF EDUCATION: AGE 15 + BY LOCAL MUNICIPALITIES , 2011 [PERCENTAGE]



6.5 Functional literacy

Functional illiteracy is used to describe reading and writing skills that are inadequate to cope with the demands of everyday life - including the demands posed in conducting day-to-day activities in the workplace. This is contrasted with illiteracy in the strict sense, meaning the inability to read or write simple sentences in any language. Functional literacy is believed to promote economic growth by strengthening the basic literacy capacity and professional skills of individuals - and ultimately reducing poverty.

Definition | For purposes of this report, the functional literacy rate measures the number of people in a region aged 20+ who have completed their primary education (grade 7), and are thus deemed functionally literate.

In 2011, there were 71 282 literate individuals in Nyandeni Local Municipality as opposed to 67 726 who were considered to be functionally illiterate. Expressed as a rate, this amounts to 51.3% - up by 6.3% percentage points from 44.9% in 2005. Compared to the District, Nyandeni Local Municipality's literacy rate is still lower than that of O.R. Tambo District Municipality.

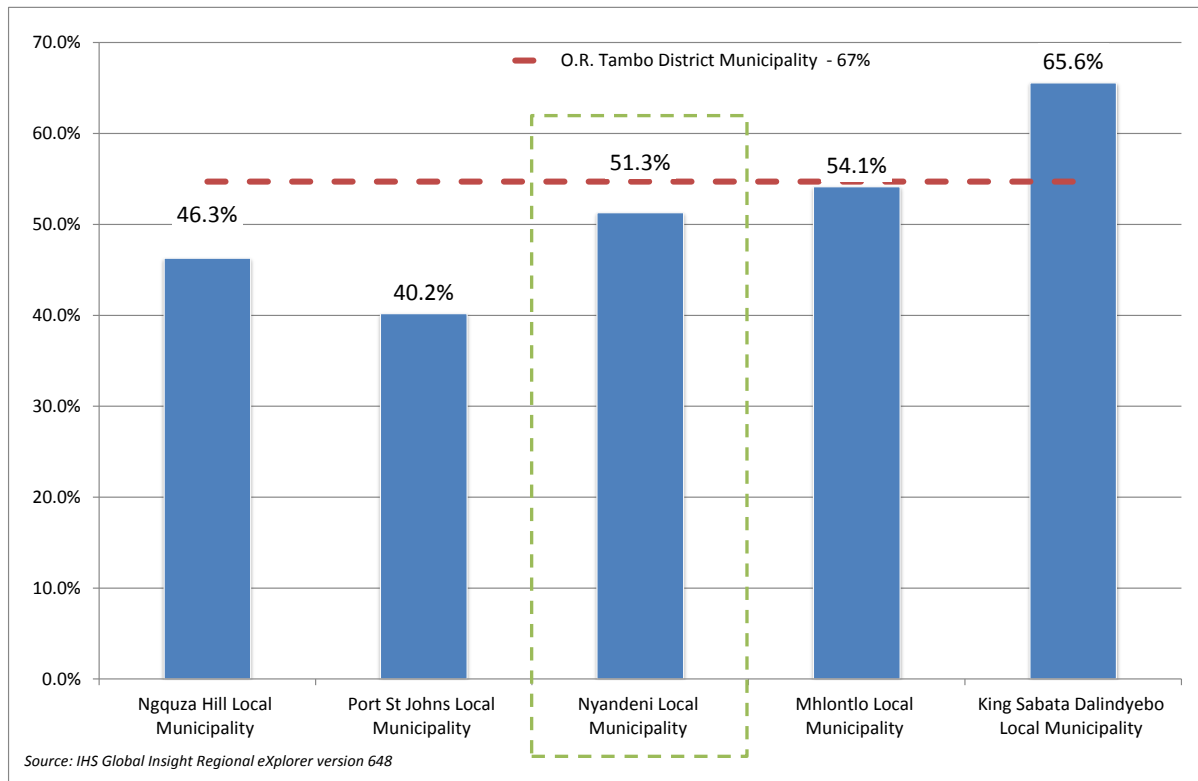
TABLE 11. FUNCTIONAL LITERACY IN NYANDENI LOCAL MUNICIPALITY
RELATIVE TO OTHER REGIONS: AGE 20+, COMPLETED GRADE 7 OR
HIGHER, 2005 - 2011 [PERCENTAGE]

Year	South Africa	Eastern Cape	O.R. Tambo District Municipality	Nyandeni Local Municipality
2005	70.2%	62.4%	47.9%	44.9%
2006	71.0%	62.7%	48.0%	45.0%
2007	71.4%	64.1%	49.4%	46.3%
2008	73.0%	66.2%	51.4%	48.2%
2009	73.4%	66.4%	51.5%	48.2%
2010	75.1%	68.7%	53.7%	50.3%
2011	76.2%	69.9%	54.7%	51.3%

Source: IHS Global Insight Regional eXplorer version 648

A higher literacy rate is often associated with higher levels of urbanization, where access to schools is less of a problem, and where there are economies of scale. We can see from the spatial breakdown of the literacy rates that the districts with bigger cities do have higher literacy rates.

The Nyandeni Local Municipality has a literacy rate of 51.3% in 2011. The King SabataDalindyebo Local Municipality at 65.6% does have a higher literacy rate than Nyandeni Local Municipality. The local municipalities that have a lower literacy rate than that of the O.R. Tambo District Municipality is the Port St Johns Local Municipality with 40.2% and the Ngquza Local Municipality with 46.3%.

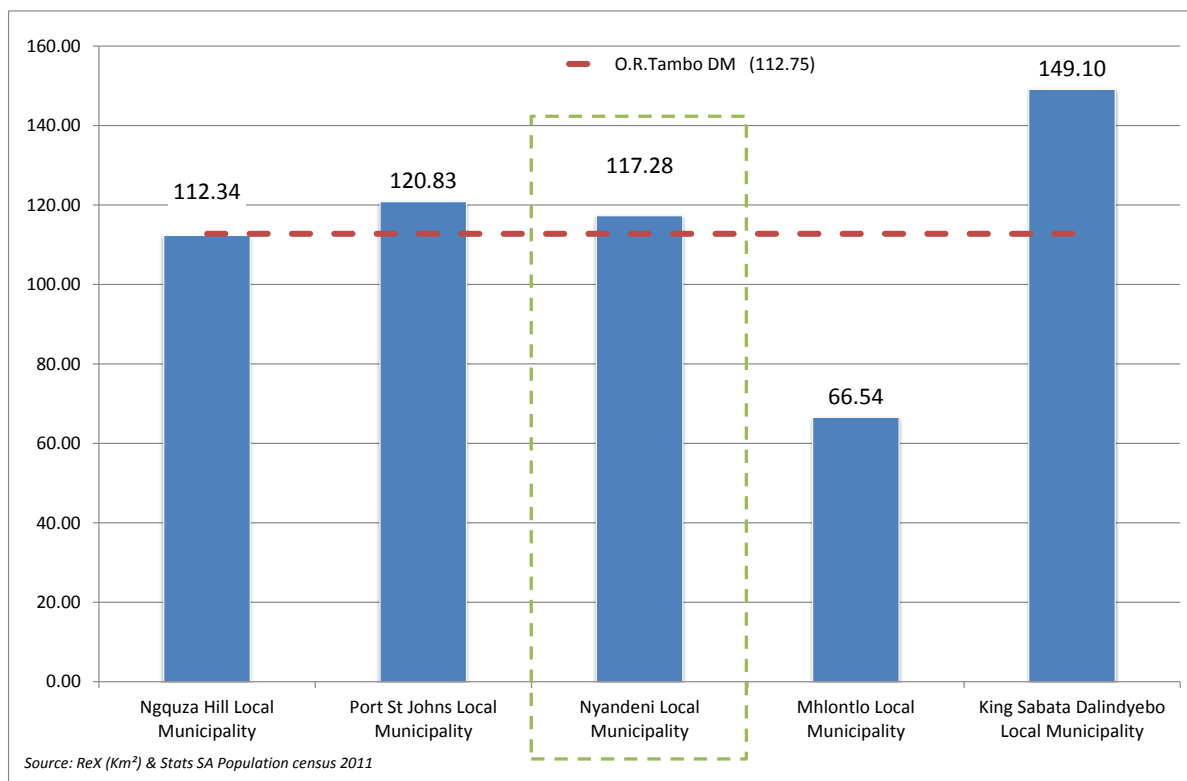
CHART 9. LITERACY RATES BY LOCAL MUNICIPALITY, 2011 [PERCENTAGE]

6.6 Population Density

Definition | Population density measures the concentration of people in a region by dividing the population of the region by the area size of that region. The output of this is the number of people per kilometer squared and can be broken down according to population group.

In 2011, there were 117.28 persons per square kilometer living in the Nyandeni Local Municipality. Compared to the other local municipalities, it seems to be on similar level than Ngquza Hill and Port St Johns local municipalities, as well as to the O.R. Tambo District Municipality.

**CHART 10. POPULATION DENSITY BY LOCAL MUNICIPALITY, 2011
[NUMBER OF PEOPLE]**



6.7 Crime

The state of crime in South Africa has been the topic of many media articles and papers in the past years. Most people would acknowledge that the country has a crime problem, but very little research has been done on the relative level of crime. The media tends to publish sensational, exaggerated case studies and ignores the progress and positive side of combating crime.

6.7.1 IHS Global Insight composite crime index

The IHS Global Insight composite crime index is compiled using official data from the SAPS which is reported in 27 crime categories ranging from murder to crime injuries. These 27 categories are divided into two groups according to the nature of the crime—violent crimes and property crimes. Two methods are then used to derive weights for each category of crime:

- (a) Length-of-sentence approach and
- (b) Cost-of-crime approach.

Definition | The crime index is a composite weighted index of crime. This variable provides a comparative time series of the change in the level of crime. The higher the index number, the higher the level of crime in the selected year and region. However, a single figure by itself is meaningless unless compared with a figure from either another year or another region.

Although crime is on average very high in South Africa, O.R Tambo District Municipality has the second lowest crime rate in the Eastern Cape and the Nyandeni Local Municipality is very much on the same level. The IHS Global Insight Crime Index below represents the violent crime, Property crime and the overall crime index in the Nyandeni Local Municipality.

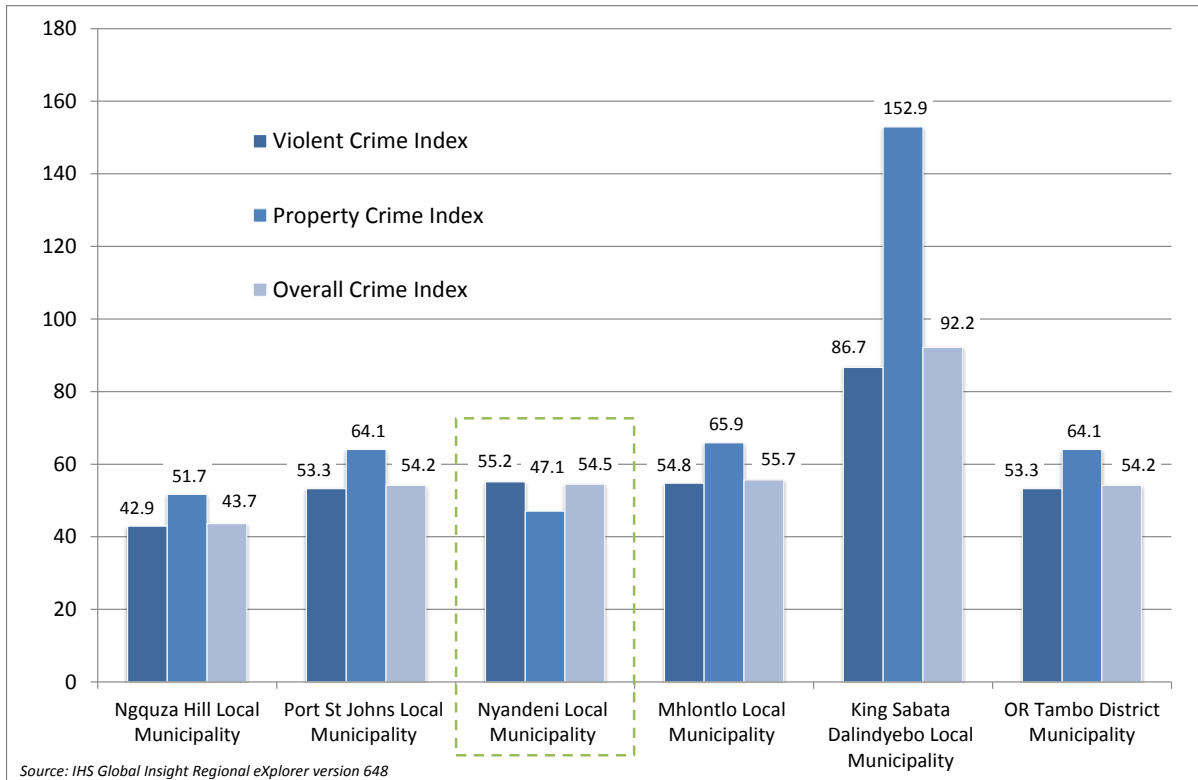
TABLE 12. CRIME INDICES OVER TIME IN NYANDENI LOCAL MUNICIPALITY, 2005/06 – 2011/12 FINANCIAL YEARS

Year	Violent Crime Index	Property Crime Index	Overall Crime Index
2005/2006	71.64	38.89	68.90
2006/2007	56.43	39.68	55.03
2007/2008	59.89	38.66	58.12
2008/2009	51.50	37.89	50.37
2009/2010	51.10	49.04	50.93
2010/2011	61.47	51.40	60.63
2011/2012	55.18	47.12	54.50

Source: IHS Global Insight Regional eXplorer version 648

For the period 2005 – 2008 overall crime in Nyandeni Local Municipality decreased at an annual average rate of 9.9%. Violent crime follows the same pattern at an average annual decrease of 10.4%, while property crimes decreased at an average annual rate of 0.9% in the Nyandeni Local Municipality from 2005 to 2008.

CHART 11. CRIME INDEX BY LOCAL MUNICIPALITY, 2011/2012 FINANCIAL YEAR

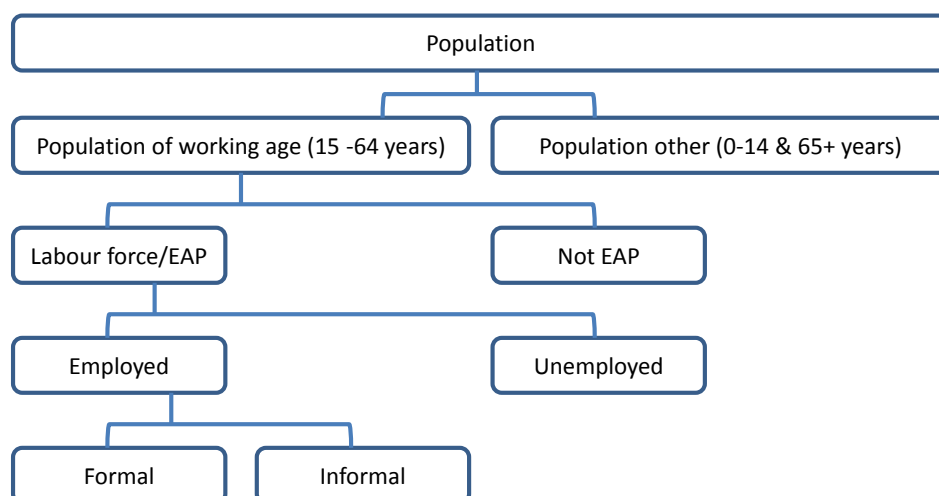


It is clear that the local municipality where the economy is more advanced is also more prone to crime. A proof of this is seen in the King Sabata Dalindyebo Local Municipality where the property crime is above average.

The change on an annual basis is very volatile due to the size of the population of the municipalities. A small increase in the actual number of crime incidents might reflect as large percentage increase. This trend is true for all the local municipalities.

7 Labour

The labour force of a country consists of everyone of working age typically above a certain age and below retirement, which is participating workers, that is people actively employed or seeking employment, and is also called the economically active population (EAP). People not counted include students, retired people, stay-at-home parents, people in prisons or similar institutions, people employed in jobs or professions with unreported income, as well as discouraged workers who cannot find work.



The following is the summary of the population distinguishing between the working age population (age 15 to 64) and the other population (age 0 to 14 and above 65 years of age).

TABLE 13. WORKING AND OTHER AGE POPULATION IN NYANDENI LOCAL MUNICIPALITY RELATIVE TO OTHER REGIONS, 2001 AND 2011 [NUMBER, AVERAGE ANNUAL GROWTH RATE]

	South Africa	Eastern Cape	O.R. Tambo DM	Nyandeni LM
Population of working age (15 - 64 years)				
2001	28 239 271	3 663 394	649 823	137 594
2011	33 904 479	3 952 967	756 392	156 782
Population other (0-14 & 65+ years)				
2001	16 580 508	2 773 371	645 646	143 665
2011	17 866 081	2 609 084	608 552	133 606
Average annual growth rate:				
Working age	1.8%	0.8%	1.5%	1.3%
Other	0.7%	-0.6%	-0.6%	-0.7%

Source: Stats SA Population census 2001 & 2011

The working age population in Nyandeni Local Municipality totalled 156 786 in 2011 which is an average annual increase of 1.3% from 2001. This rate is lower than the growth in the working age population of the O.R. Tambo District Municipality (1.5%) and South African growth (1.8%), but higher than that of the Eastern Cape (0.8%).

In theory, a higher or increasing population dividend is supposed to provide additional stimulus to economic growth. People of working age have higher consumption patterns (FCE) and a higher concentration of people of working age is supposed to decrease dependency ratios – given that the additional labour that is offered to the market is absorbed.

7.1 Economically Active Population (EAP)

The economically active population (EAP) is a good indicator of how many of the total working age population is participating in the labour market of a region. An economically active person forms part of the labour force.

Definition | The economically active population (EAP) is defined as the number of people who are able, willing and working or who are actively looking for work and who are between the ages of 15 and 65. It thus includes both employed and unemployed people. The strict definition of unemployment (and therefore EAP) is used. The implication here is that people who have not recently taken active steps to find employment are not included in the measure. These people may (or may not) consider themselves unemployed. Regardless, they are counted as discouraged work seekers, and thus form part of the non-economically active population.

TABLE 14. EAP IN NYANDENI LOCAL MUNICIPALITY, AND EAP AS PERCENTAGE OF O.R. TAMBO DISTRICT MUNICIPALITY, 2005 - 2011 [NUMBER, PERCENTAGE]

Year	Eastern Cape	O.R. Tambo DM	Nyandeni LM	EAP as % of O.R. Tambo
2005	1 401 878	157 350	25 916	16.47%
2006	1 420 098	158 764	26 083	16.43%
2007	1 433 008	159 660	26 150	16.38%
2008	1 472 333	162 081	26 430	16.31%
2009	1 455 921	160 656	26 189	16.30%
2010	1 458 152	161 456	26 331	16.31%
2011	1 489 462	164 906	26 905	16.32%
Average annual growth rate:				
2005 - 2011	1.0%	0.8%	0.6%	-0.2%

Source: IHS Global Insight Regional eXplorer version 648

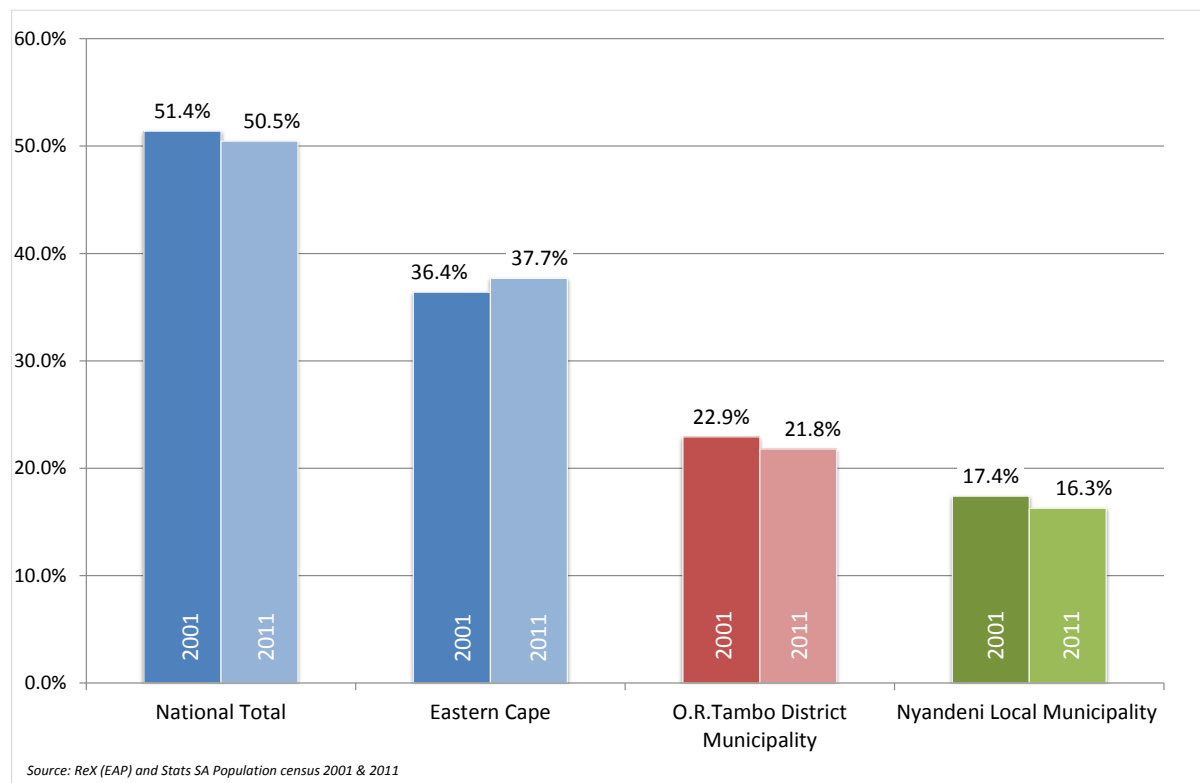
Nyandeni Local Municipality’s EAP amounted to 26 905 in 2011 - as opposed to 26 331 the year before. In 2011, the EAP in Nyandeni Local Municipality constituted 9.03% of its total population of 290 390, and roughly 16.32% of the total EAP of the O.R. Tambo District Municipality. The average annual growth rate of the EAP in the Nyandeni Local Municipality was 0.6% from 2005 to 2011, which is 0.2% points lower than the average annual growth rate of the EAP in the O.R. Tambo District Municipality.

7.1.1 Labour force participation rate

Definition | The labour force participation rate (LFPR) is the sum of those who are employed and those who are unemployed expressed as a percentage of the total working age population.

The following is the labour participation rate by local municipality of the Nyandeni Local Municipality.

CHART 12. THE LABOUR FORCE PARTICIPATION RATE BY NYANDENI LOCAL MUNICIPALITY RELATIVE TO OTHER REGIONS, 2011 [PERCENTAGE]



From 2001 to 2011 the national labour force participation rate decreased from 51.4% to 50.5%, while in the Eastern Cape Province it increased from 36.4% to 37.7%. The

labour force participation rate in O.R. Tambo District Municipality decreased from 22.9% to 21.8%, with the labour force participation rate in Nyandeni Local Municipality decreased from 17.4% in 2001 to 16.3% in 2011.

7.2 Unemployment

Definition | The choice of definition for what constitutes being unemployed has a large impact on the final estimates for all measured labour force variables. The following definition was adopted by the Thirteenth International Conference of Labour Statisticians (Geneva, 1982):

‘(1) The "unemployed" comprise all persons above a specified age who during the reference period were:

(a) "without work", i.e. were not in paid employment or self-employment;

(b) "currently available for work", i.e. were available for paid employment or self-employment during the reference period; and

(c) "seeking work", i.e. had taken specific steps in a specified reference period to seek paid employment or self-employment.

The specific steps may include registration at a public or private employment exchange; application to employers; checking at worksites, farms, factory gates, market or other assembly places; placing or answering newspaper advertisements; seeking assistance of friends or relatives; looking for land, building, machinery or equipment to establish own enterprise; arranging for financial resources; applying for permits and licenses, etc.’

However, this definition goes further:

‘(2) In situations where the conventional means of seeking work are of limited relevance, where the labour market is largely unorganized or of limited scope, where labour absorption is, at the time, inadequate, or where the labour force is largely self-employed, the standard definition of unemployment given in subparagraph (1) above may be applied by relaxing the criterion of seeking work.’

In essence, there are two accepted definitions of unemployment; the first is called the official (or strict) definition which does not encompass

paragraph (2) above, and the second is the “expanded” definition which allows for the relaxation of paragraph (1c) as per paragraph (2).

Sufficient data pertaining to unemployment as per the “expanded” definition is no longer available and the findings of this report focus on only the official definition also used by StatsSA.

Clearly South Africa needs to steer clear of the elevated levels of unemployment that currently exist. While it is detrimental to the economy, the physiological, physical and socio-economic impacts on the individual may be even more severe than the knock to the economy at large. The prevalence of unemployment is usually measured using the unemployment rate, which is defined as the percentage of those in the labour force who are unemployed.

In 2011, the total number of unemployed people in Nyandeni Local Municipality (based on the official definition of unemployment) amounted to 13 235. Unemployment in the Nyandeni Local Municipality decreased at an average annual rate of 0.7% which is slightly lower than the rate of decrease in O.R. Tambo District Municipality (0.8%) and the Eastern Cape Province (0.8%).

TABLE 15. UNEMPLOYMENT IN NYANDENI LOCAL MUNICIPALITY RELATIVE TO OTHER REGIONS - OFFICIAL DEFINITION [NUMBER, PERCENTAGE GROWTH]

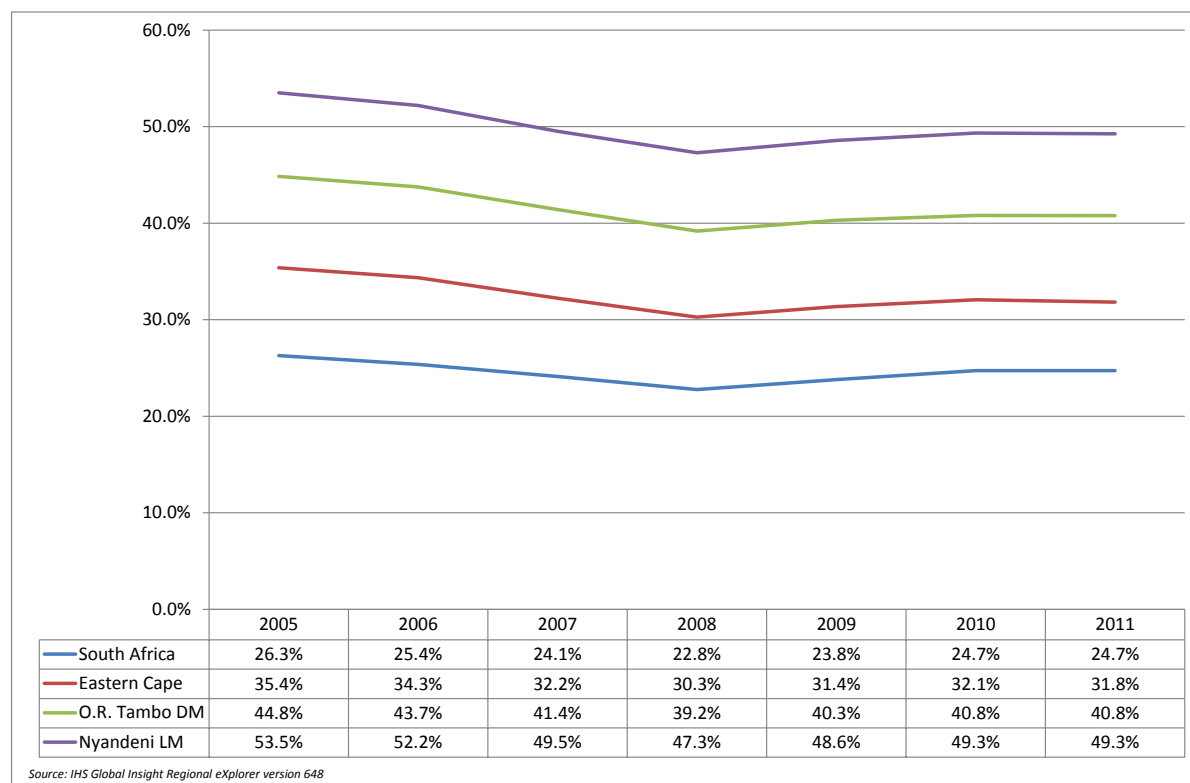
Year	South Africa	Eastern Cape	O.R. Tambo District Municipality	Nyandeni Local Municipality
2005	4 084 026	496 130	70 549	13 865
2006	4 044 091	487 792	69 458	13 609
2007	3 931 819	461 849	66 104	12 946
2008	3 850 922	445 717	63 510	12 501
2009	3 981 594	456 534	64 737	12 718
2010	4 137 147	467 485	65 862	12 989
2011	4 231 740	474 084	67 244	13 253
Average annual growth rate:				
2005 - 2011	0.6%	-0.8%	-0.8%	-0.7%

Source: IHS Global Insight Regional eXplorer version 648

In Nyandeni Local Municipality the number of unemployed decreased from 2005 to 2008, after which it started to increase again, due to the impact of the economic slowdown. The same trend is visible in the unemployment rate which also includes

the dynamics of the economic active population and which is driven by the labour participation rates.

**CHART 13. UNEMPLOYMENT RATE IN NYANDENI LOCAL MUNICIPALITY
RELATIVE TO OTHER REGIONS- OFFICIAL DEFINITION
[PERCENTAGE]**



Looking at the unemployment rate across all regional levels, it is evident that a very similar trend is followed, although on different levels.

7.3 Total employment

Employment data is important as it can “be compared to the EAP to estimate unemployment, while trends in employment in different sectors or industries indicate important structural changes in the economy. Employment data are also used to calculate productivity, earnings per worker and other economic indicators.”²

Definition | Total employment consists of two parts: employment in the official economy, or the formal sector, and then employment in the unofficial economy or the informal sector.

² Philip Mohr, 2008, Economic indicators, Third edition, Unisa, Pretoria

TABLE 16. TOTAL EMPLOYMENT PER BROAD ECONOMIC SECTOR, -
 NYANDENI LOCAL MUNICIPALITY, 2005 - 2011[NUMBERS]

Sector	2005	2006	2007	2008	2009	2010	2011	AAGR 2005-2011
Agriculture	376	391	440	440	395	362	341	-1.6%
Mining	0	0	0	0	0	0	0	-0.4%
Manufacturing	276	285	291	293	265	265	275	-0.1%
Electricity	40	43	47	45	43	41	40	0.0%
Construction	509	475	473	480	421	439	452	-2.0%
Trade	991	1 008	958	1 031	954	952	948	-0.7%
Transport	344	351	350	481	468	474	467	5.2%
Finance	191	196	206	225	241	241	245	4.3%
Community services	3 697	3 875	4 207	4 550	4 614	4 590	4 755	4.3%
Households	1 284	1 363	1 562	1 715	1 668	1 580	1 547	3.1%
Total	7 707	7 988	8 535	9 261	9 068	8 944	9 069	2.7%

Source: IHS Global Insight Regional eXplorer version 648

The economic sectors that recorded the largest declines in employment numbers between 2010 and 2011 were (1) households (or domestic workers) down by almost 33 jobs and (2) agriculture down by 21 jobs. For the rest of the sectors it stayed relatively unchanged only for the Community services sector where an increase of 165 jobs is recorded from 2010 to 2011. The tertiary sector showed the highest average annual growth rate for the period between 2005 and 2011.

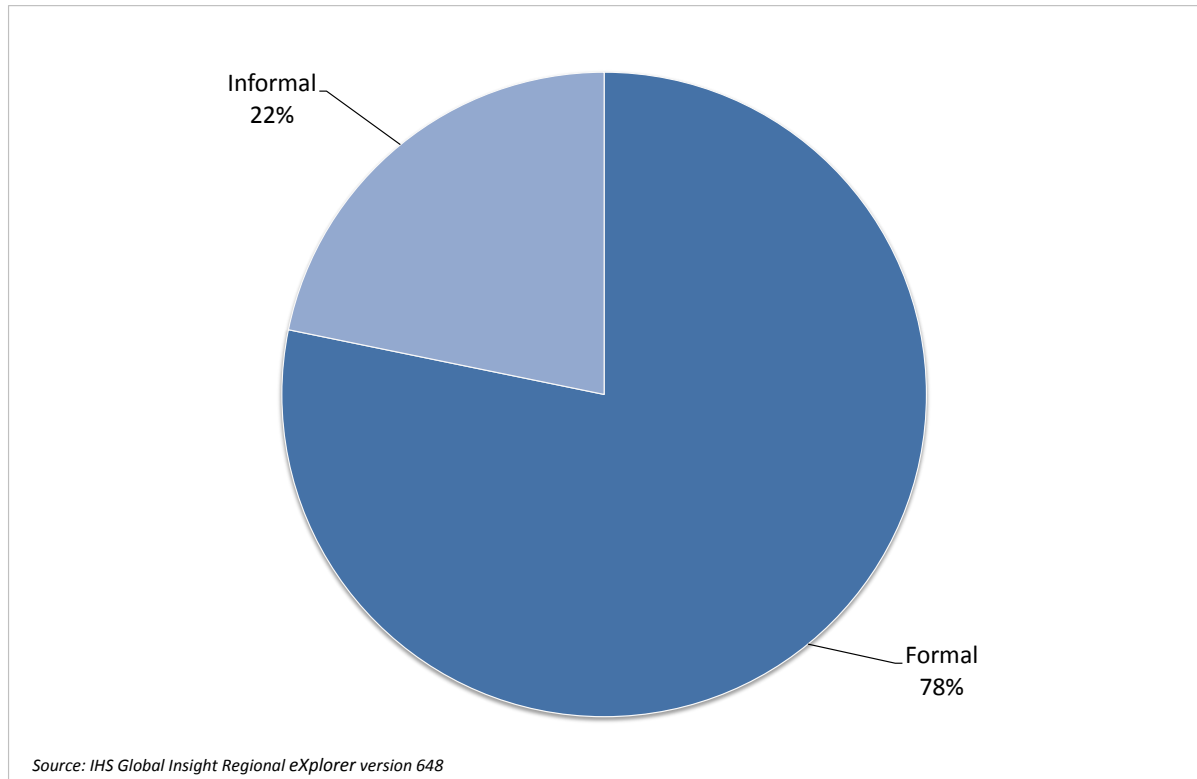
7.4 Formal & Informal employment

Formal employment is much more stable than informal employment. Informal employment is much harder to measure and manage, simply because it cannot be tracked through the formal business side of the economy. Informal employment is however a reality in South Africa and cannot be ignored.

Definition | Total employment can be broken down into formal and informal sector employment. Formal sector employment is measured from the formal business side, and the informal employment is measured from the household side where formal businesses have not been established.

The following chart is the composition of total employment in the Nyandeni Local Municipality for 2011; the number of formally employed people in Nyandeni Local Municipality counted 7 094, which is about 78% of total employment, while the number of people employed in the informal sector counted 1 975 which translates into 22% of the total employment.

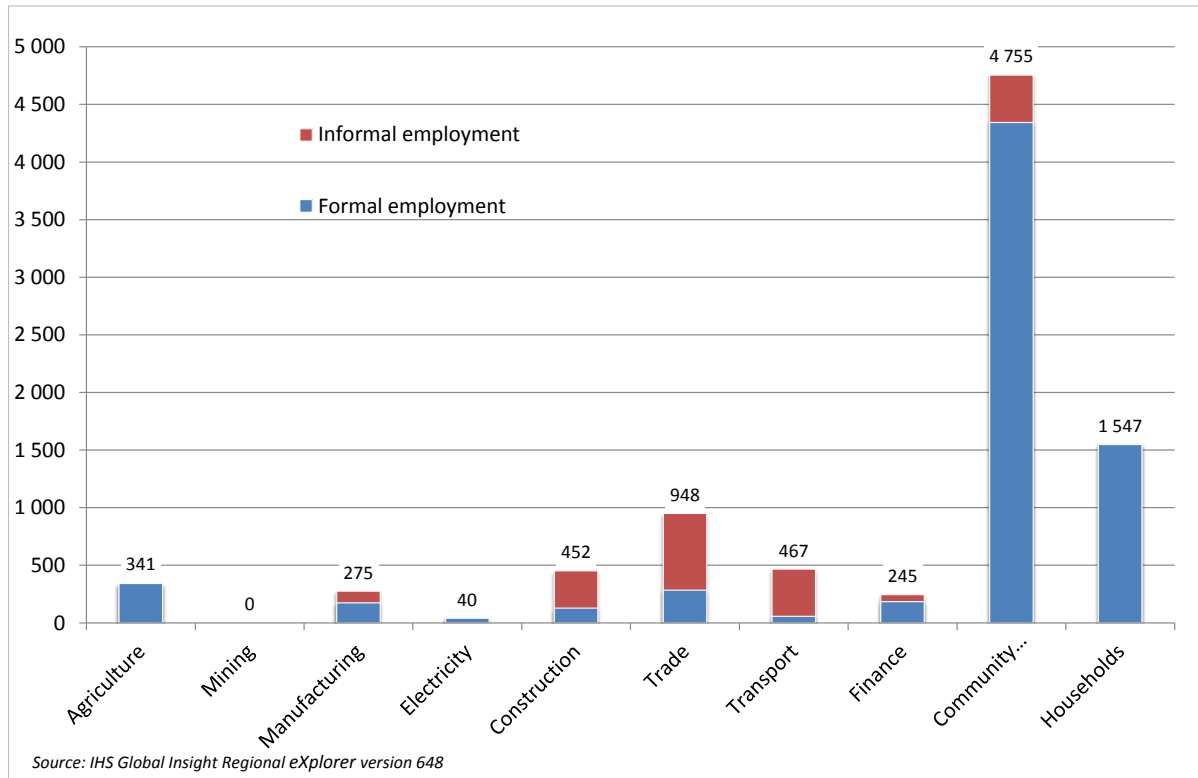
CHART 14. FORMAL AND INFORMAL EMPLOYMENT IN NYANDENI LOCAL MUNICIPALITY, 2011 [PERCENTAGE SHARE OF TOTAL]



Some of the economic sectors have little or no informal employment:

- **Mining industry**, due to well-regulated mining safety policies, and the strict registration of a mine, little or none informal employment can be found in this sector
- **Electricity**, there are no private electricity generating companies in South Africa, so it is hard to get informal employment in a regulated sector
- **Domestic Workers and Agriculture** is typically counted under a separate heading.

CHART 15. FORMAL AND INFORMAL EMPLOYMENT PER SECTOR IN THE NYANDENI LOCAL MUNICIPALITY, 2011 [NUMBERS]



Informal employment in Nyandeni Local Municipality was estimated at 1 975 in 2011, increasing from 1 826 in 2005. In 2011 the economic sector which recorded the highest number of informal employed people is the Trade sector, with a total of 664 workers being informally employed. When looking at the relative contribution of informal employment to the total sector employment, the trade, construction and transport sector is the least formal sector where employment in the informal sector is higher than formal employment. The informal taxi-industry is included in the bigger transport sector and may account for the employment in the informal transport sector. The spaza-shops and informal retailers make up a large percentage of the informal employment, and also a fairly large share percentage of the trade sector.

TABLE 17. FORMAL AND INFORMAL EMPLOYMENT IN NYANDENI LOCAL MUNICIPALITY BY BROAD ECONOMIC SECTOR IN 2011 [NUMBERS]

Sector	Formal Employment	Informal Employment	Total Employment
Agriculture	341	-	341
Mining	-	-	-
Manufacturing	173	102	275
Electricity	40	-	40
Construction	127	325	452
Trade	284	664	948
Transport	56	411	467
Finance	184	61	245
Community services	4 343	412	4 755
Households	1 547	-	1 547
Total	7 094	1 975	9 069

Source: IHS Global Insight Regional eXplorer version 648

The informal sector is vital for the areas with very high unemployment and very low labour participation rates. Unemployed people see participating in the informal sector as a survival strategy. The most desirable situation would be to get a stable formal job. But because the formal economy is not growing fast enough to generate adequate jobs, the informal sector is used as a survival mechanism.

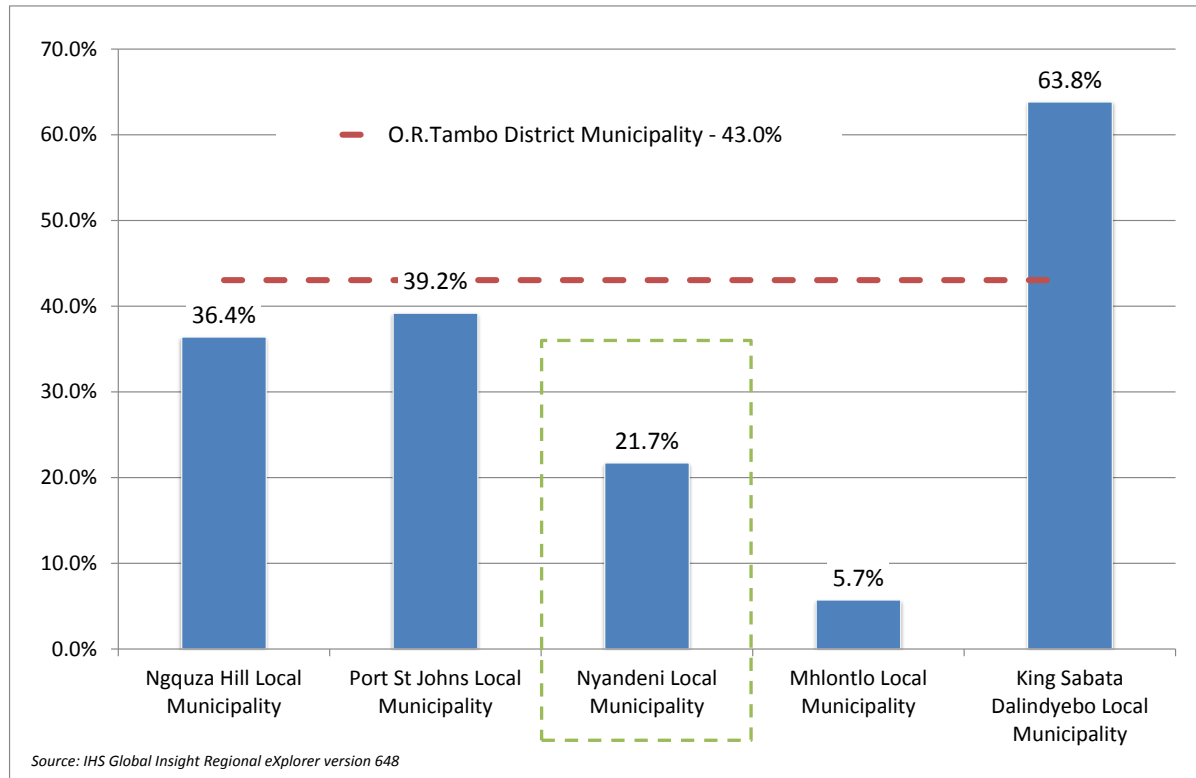
7.5 Labour absorption capacity

An indicator to measure the employment performance of the economy is (marginal) labour absorption capacity which can be defined as follows:

Definition | The ratio or percentage of new entrants to the labour force that is able to find employment in the formal sector of the economy. It is calculated by taking the change between the formally employed people divided by the change between the economically active people (EAP) in an economy.³

³ Philip Mohr, 2008, Economic indicators, Third edition, Unisa, Pretoria

TABLE 18. THE LABOUR ABSORPTION RATE BY LOCAL MUNICIPALITY, 2011 [PERCENTAGE]



For 2011 the labour absorption capacity is 21.7% in the Nyandeni Local Municipality which means that 21.7% of the newly entered economically active people get employed. Looking at the other local municipalities, it is clear that the King SabataDalindyebo Local Municipality has the most capacity for labour absorption at a rate of 63.8%. On the other hand the Mhlontlo Local Municipality only has an absorption capacity of only 5.7%.

7.6 Labour per GVA

Total labour (formal and informal employment) in the economy can be expressed relative as a ratio relative to the Gross Value added (GVA). The following data shows the employment for every R1 million (constant prices) the economy grows.

In 2011, for every R1 million the Nyandeni Local Municipality grows (in constant prices) it employs on average 13 more people.

TABLE 19. LABOUR VERSUS GVA BY BROAD ECONOMIC SECTOR IN NYANDENI LOCAL MUNICIPALITY, 2005 TO 2011 [NUMBER PER R1 MILLION]

Sector	2005	2006	2007	2008	2009	2010	2011
Agriculture	22	20	22	20	17	15	14
Mining	-	-	-	-	-	-	-
Manufacturing	19	19	19	19	18	18	18
Electricity	6	7	7	7	7	6	7
Construction	88	76	69	67	53	57	59
Trade	10	10	9	10	9	9	9
Transport	15	15	15	21	20	21	21
Finance	3	3	3	3	3	3	3
Community services	10	11	11	12	12	11	11
Total Industries	13	13	14	14	14	13	13

Source: IHS Global Insight Regional eXplorer version 648

The construction sector employs on approximately 60 additional people for every R1 million economic growth in this sector. This figure decreased from 88 in 2005. The finance sector only employs an additional 3 people for every additional R1 million that the sector grows - this rate stayed consistent from 2005. A change in the labour/GVA ratio can indicate a change in the capital versus the labour intensity of an economic sector.

8 Household Infrastructure

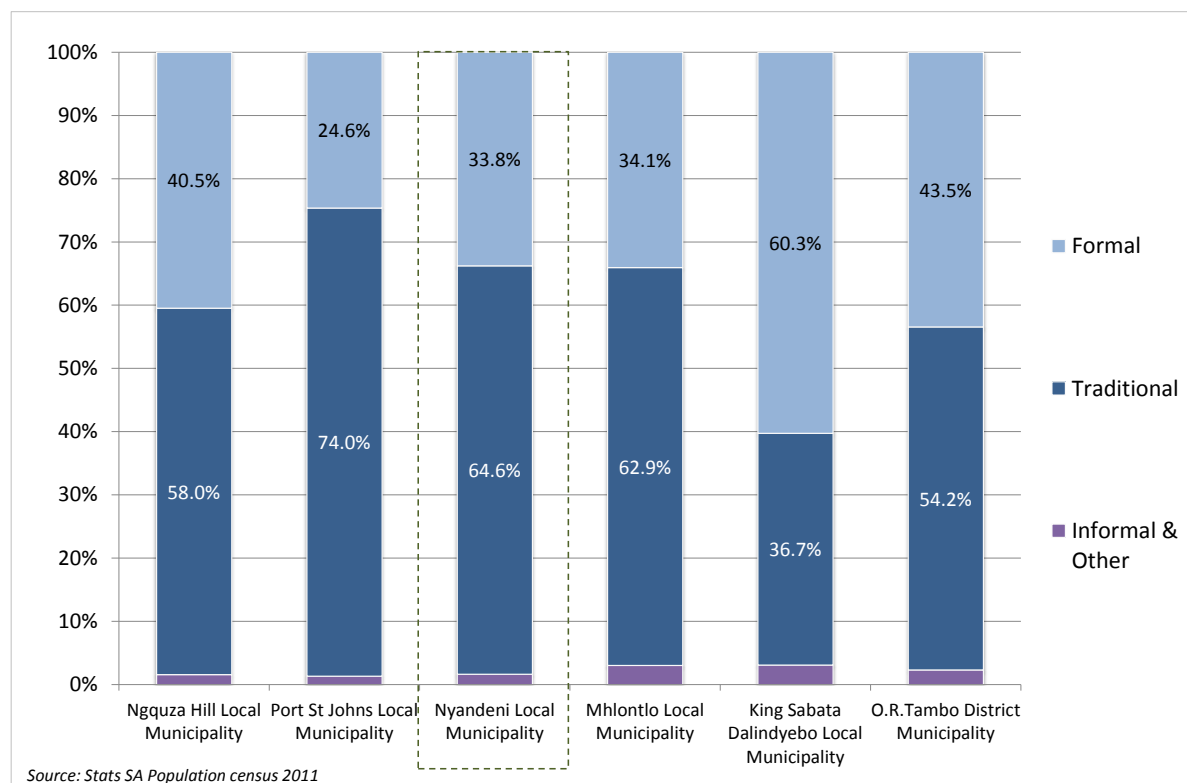
A figure representing household infrastructure is essential and very useful in economic planning and social development. Measuring household infrastructure involves the measurement of the following four indicators; access to running water, access to proper sanitation, access to refuse removal and access to electricity. A house is considered serviced if it has access to all four of these basic services. If not, the household is commonly known as forming part of the 'backlog'. However, what defines access to a given service (and how to accurately measure that specific definition over time) gives rise to some distinct problems. IHS Global Insight has therefore developed a unique model to capture the number of households and their level of access to the four basic services i.e. sanitation, water, electricity and refuse removal.

The following sections provide an overview of the household infrastructure that existed in Nyandeni Local Municipality between 2005 and 2011.

8.1 Households by Dwelling Type

Definition	<p>This time series categorises households according to the type of dwelling unit that they occupy, using the Stats SA definition of a household and a dwelling unit. A household is a group of persons who live together and provide themselves jointly with food and/or other essentials for living, or a single person who lives alone". A dwelling unit, which is known as a housing unit, is a unit of accommodation for a household, which may consist of one structure, or more than one structure or, part of a structure.</p> <p>Dwelling units are distributed into 3 categories:</p> <ol style="list-style-type: none"> 1. Formal Dwellings: structures built according to approved plans, e.g. houses on a separate stand, flats or apartments, townhouses, rooms in backyards or flatlet elsewhere. 2. Traditional dwellings: Traditional dwellings made of clay, mud, reeds or other locally available material. 3. Informal Dwellings: shacks or shanties in informal settlements, serviced stands or proclaimed townships or shacks in the backyards of other dwelling types.
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4. Other Dwelling Units: tents, ships, caravans etc.

CHART 16. PERCENTAGE OF HOUSEHOLDS BY DWELLING TYPE – LOCAL MUNICIPALITIES, 2011

In 2011, the Nyandeni Local Municipality had 33.8% or 20 820 formal dwelling units, and 39 815 traditional dwelling units which translates to 64.6% of the total dwelling units in Nyandeni Local Municipality. Nyandeni Local Municipality only has 397 informal dwellings units. When comparing the Nyandeni Local Municipality with the other local municipalities within the O.R. Tambo District Municipality, it is seen that the Nyandeni Local Municipality has the second highest number of dwelling units. The King Sabata Dalindyebo Local Municipality has the highest number of dwelling units with a total of 105 241 units.

TABLE 20. NUMBER OF HOUSEHOLDS BY DWELLING TYPE – LOCAL MUNICIPALITIES, 2011

Type	Ngquza Hill Local Municipality	Port St Johns Local Municipality	Nyandeni Local Municipality	Mhlontlo Local Municipality	King Sabata Dalindyebo Local Municipality	O.R.Tambo District Municipality
Formal	22 749	7 817	20 820	14 785	63 416	129 587
Informal	541	319	397	1 016	2 087	4 360
Traditional	32 581	23 477	39 815	27 322	38 580	161 775
Other dwelling type	341	102	618	290	1 158	2 509
Total	56 212	31 715	61 650	43 413	105 241	298 231

Source: Stats SA Population census 2011

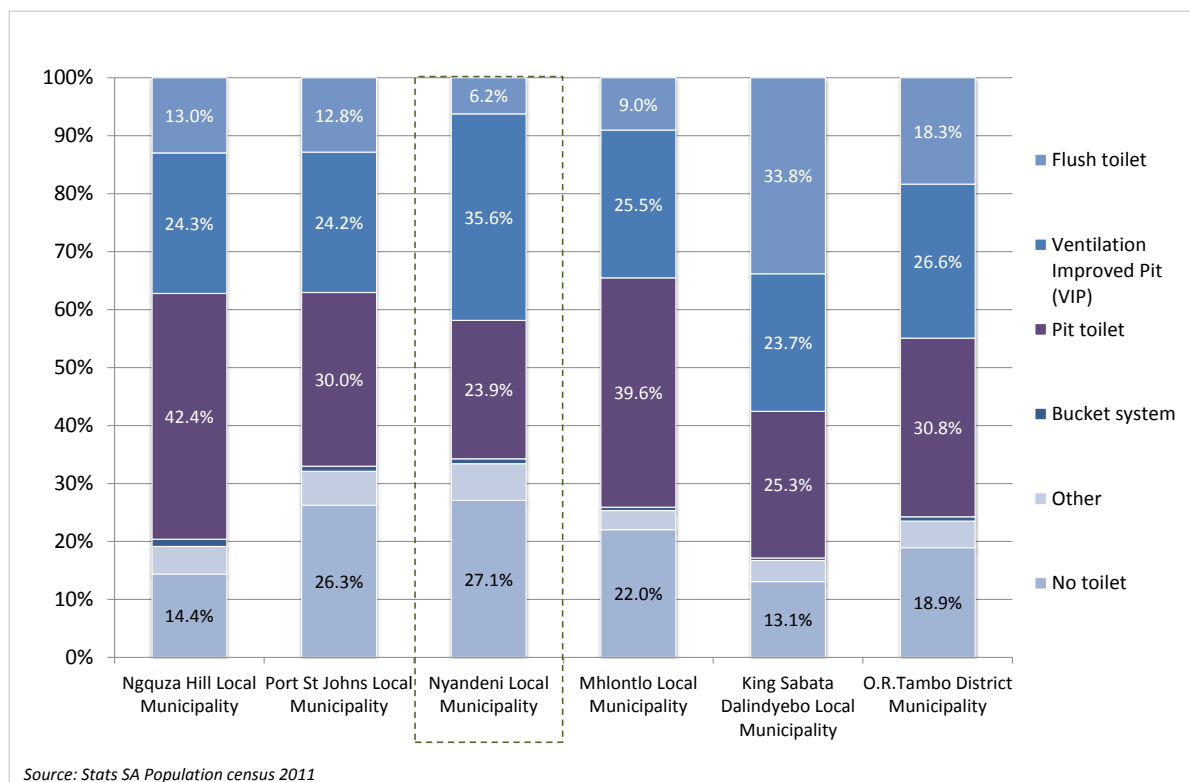
8.2 Households by Type of Sanitation

Definition | Number of households by access to type of sanitation. This variable categorises and sums all households in a region according to the type of sanitation they have access to. The sanitation types are broken down into 5 categories:

1. **Flush toilet:** Waste is flushed into a tank from where it cannot flow into the surrounding environment and which must therefore be either emptied or pumped elsewhere.
2. **Ventilation improved pit:** A top structure over a pit, vented by a pipe with a fly screen. The pit may be lined or unlined depending on soil conditions.
3. **Pit toilet:** A top structure over a pit.
4. **Bucket system:** A top structure with a seat over a bucket. The bucket is periodically removed and contents disposed of. Widely used but pose health risk to collectors. Most authorities are actively attempting to discontinue the use of such buckets in their local regions.
5. **No toilet:** No access to any of the toilet systems explained above.

A household is a group of persons who live together and provide themselves jointly with food and/or other essentials for living, or a single person who lives alone.

CHART 17. PERCENTAGE OF HOUSEHOLDS BY TYPE OF SANITATION – LOCAL MUNICIPALITIES, 2011



In 2011, the Nyandeni Local Municipality had 3 845 households with access to a flush toilets which translates to 6.2 % of total households. The most common used method of sanitation used in the Nyandeni Local Municipality is the ventilation improved pit (VIP) which accounts for 35.6% or 21 965 of the total households that use this method. Although Nyandeni Local Municipality has a relatively low percentage of households using the bucket system, it still has a high number of households with no toilet facility (27.1%).

TABLE 21. NUMBER OF HOUSEHOLDS BY TYPE OF TOILET – LOCAL MUNICIPALITIES, 2011

Type	Ngquza Hill Local Municipality	Port St Johns Local Municipality	Nyandeni Local Municipality	Mhlontlo Local Municipality	King Sabata Dalindyebo Local Municipality	O.R.Tambo District Municipality
Flush toilet	7 286	4 070	3 845	3 911	35 582	54 694
Ventilation Improved Pit (VIP)	13 637	7 678	21 965	11 075	24 972	79 327
Pit toilet	23 831	9 507	14 707	17 172	26 619	91 836
Bucket system	694	279	523	250	488	2 234
Other	2 666	1 850	3 912	1 436	3 798	13 662
No toilet	8 100	8 330	16 696	9 571	13 781	56 478
Total	56 214	31 714	61 648	43 415	105 240	298 231

Source: Stats SA Population census 2011

8.3 Households by Access to Water

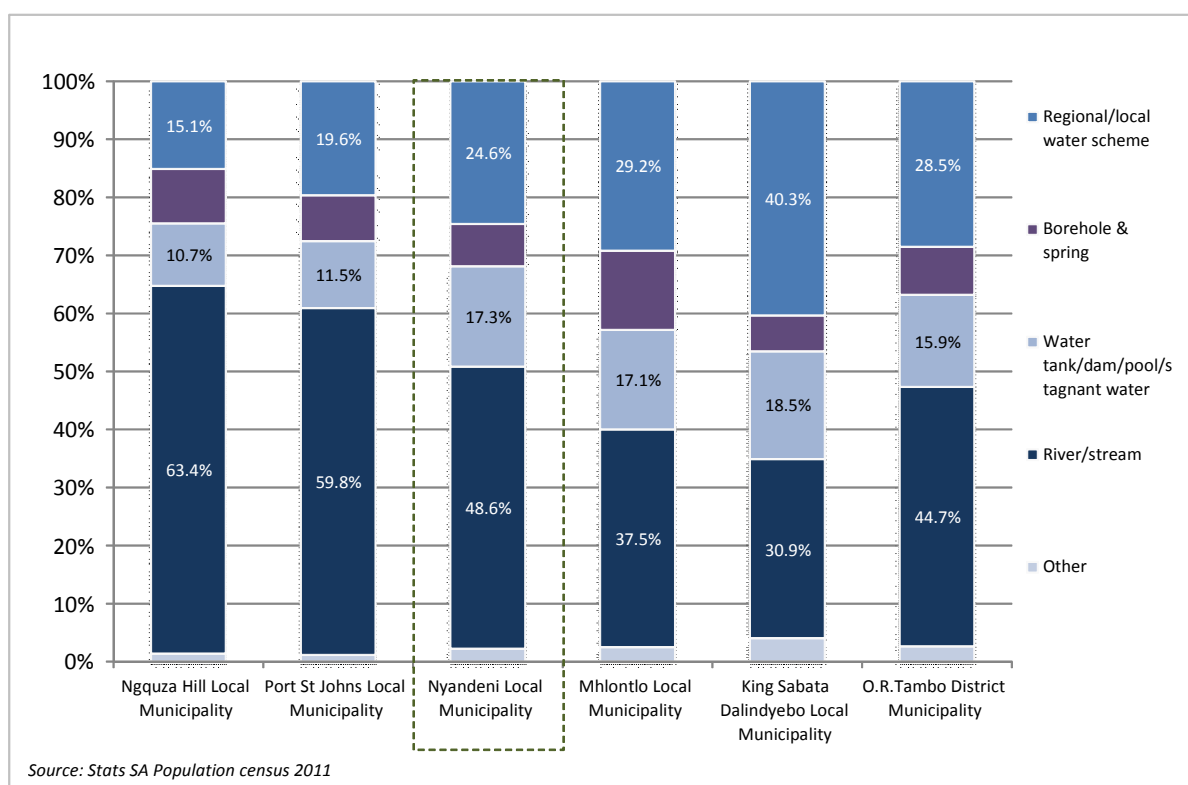
Definition | A household is categorised according to its main access to water, as follows:

- Regional/local water scheme
- Borehole and spring
- Water tank
- Dam/pool/stagnant water
- River/stream
- Other

'No formal piped water' includes households that obtain water via water carriers and tankers, rain water, boreholes, dams, rivers and springs.

A household is a group of persons who live together and provide themselves jointly with food and/or other essentials for living, or a single person who lives alone.

CHART 18. PERCENTAGE OF HOUSEHOLDS BY TYPE OF WATER ACCESS – LOCAL MUNICIPALITIES, 2011



In 2011, the most households in Nyandeni Local Municipality had access to water through a river/stream, with 48.6% or 29 985 of the total households using this method. The second most common way to access water is the regional/local water scheme that the government provides, where a total of 15 149 or 24.6% of the total households in Nyandeni Local Municipality use this water scheme.

TABLE 22. NUMBER OF HOUSEHOLDS BY TYPE OF WATER ACCESS – LOCAL MUNICIPALITIES, 2011

Type	Ngquza Hill Local Municipality	Port St Johns Local Municipality	Nyandeni Local Municipality	Mhlontlo Local Municipality	King Sabata Dalindyebo Local Municipality	O.R.Tambo District Municipality
Regional/local water scheme	8 491	6 232	15 149	12 670	42 453	84 995
Borehole & spring	5 274	2 503	4 491	5 926	6 511	24 705
Water tank/dam/pool/stagnant water	6 037	3 652	10 654	7 445	19 521	47 309
River/stream	35 633	18 966	29 985	16 287	32 513	133 384
Other	778	363	1 368	1 086	4 243	7 838

Source: Stats SA Population census 2011

8.4 Households by Type of Electricity Usage

Definition Households are distributed into 3 electricity usage categories:

- Households using electricity for cooking
- Households using electricity for heating
- Households using electricity for lighting

Household using solar power are included as part of households with an electrical connection. This time series categorises households in a region according to their access to electricity (electrical connection).

A household is a group of persons who live together and provide themselves jointly with food and/or other essentials for living, or a single person who lives alone.

TABLE 23. NUMBER OF HOUSEHOLDS BY TYPE OF ELECTRICAL CONNECTION – LOCAL MUNICIPALITIES, 2011

Type	Ngquza Hill Local Municipality	Port St Johns Local Municipality	Nyandeni Local Municipality	Mhlontlo Local Municipality	King Sabata Dalindyebo Local Municipality	O.R.Tambo District Municipality
Electricity for lighting	35 317	21 504	43 760	31 525	77 182	209 288
Electricity for cooking	20 323	9 885	24 669	19 444	60 464	134 785
Electricity heating	10 680	5 406	9 583	6 519	20 888	53 076
Percentage of total households:						
Electricity for lighting	62.8%	67.8%	71.0%	72.6%	73.3%	70.2%
Electricity for cooking	36.2%	31.2%	40.0%	44.8%	57.5%	45.2%
Electricity heating	19.0%	17.0%	15.5%	15.0%	19.8%	17.8%

Source: Stats SA Population census 2011

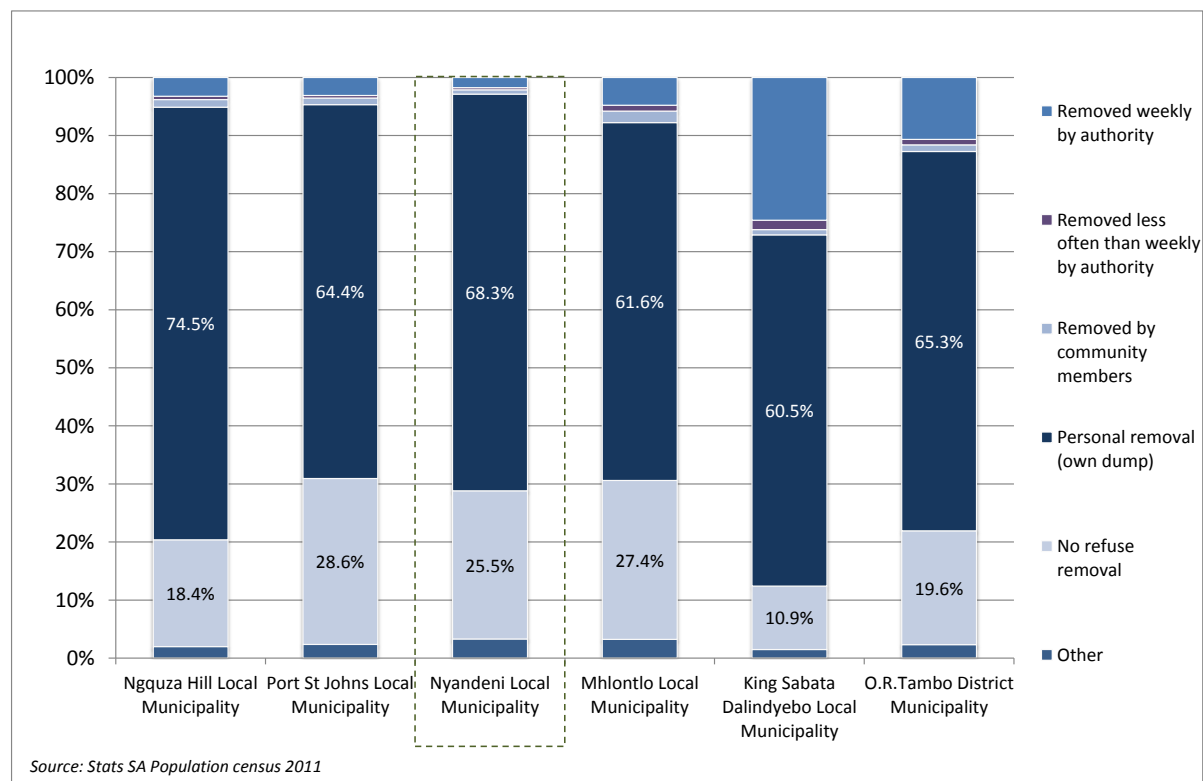
In 2011 24 669 or 40% of the total number of households in the Nyandeni Local Municipality had access to electricity for cooking. The total number of households that had access to electricity for lighting was 43 760 or 71%. A similar

distribution is evident for the other local municipalities in O.R. Tambo District Municipality regarding access to electricity.

8.5 Households by Refuse Disposal

Definition	<p>Distinction is made between 'formal' and 'informal' refuse removal. Formal refuse removal occurs when refuse is removed by local authorities. Informal refuse removal occurs when refuse is removed either by the community, by the individual household or if there is no refuse removal. These broad categories are used to split access to refuse removal further according to the frequency with which it is removed. The final categories of refuse removal are as follows:</p> <ul style="list-style-type: none">• Removed weekly by authority• Removed less often than weekly by authority• Removed by community members• Personal removal (own dump)• No refuse removal <p>A household is a group of persons who live together and provide themselves jointly with food and/or other essentials for living, or a single person who lives alone.</p>
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CHART 19. PERCENTAGE OF HOUSEHOLDS BY REFUSE DISPOSAL BY LOCAL MUNICIPALITY, 2011



In 2011, 68.3% of all the households in the Nyandeni Local Municipality were responsible for personal refuse removal. A total number of 15 731 households (25.5%) did not have any refuse removal.

TABLE 24. NUMBER OF HOUSEHOLDS BY REFUSE DISPOSAL BY LOCAL MUNICIPALITIES, 2011

Type	Ngqaza Hill Local Municipality	Port St Johns Local Municipality	Nyandeni Local Municipality	Mhlontlo Local Municipality	King Sabata Dalindyebo Local Municipality	O.R Tambo District Municipality
Removed weekly by authority	1 811	981	1 081	2 078	25 872	31 823
Removed less often than weekly by authority	328	143	219	430	1 690	2 810
Removed by community members	734	354	454	864	943	3 349
Personal removal (own dump)	41 889	20 425	42 117	26 752	63 659	194 842
No refuse removal	10 337	9 056	15 731	11 877	11 494	58 495
Other	1 114	755	2 045	1 413	1 582	6 909

Source: Stats SA Population census 2011

9 Income and Expenditure

In a growing economy with increasing factors of production, household income is spent to purchase goods and services, therefore the income and expenditure of households is a major indicator of several economic trends and is a good indicator of growth and the propensity to consume.

9.1 Number of Households by income category

It was estimated that 86.0% of all households in Nyandeni Local Municipality were classified as living on R38 200 or less per annum in 2011. A total of 10 574 households or 17.2% of the total households have no income.

TABLE 25. TOTAL NUMBER OF HOUSEHOLDS PER INCOME CATEGORY BY NYANDENI LOCAL MUNICIPALITY RELATIVE TO OTHER REGIONS, 2011 [NUMBERS]

2011	South Africa	Eastern Cape	O.R. Tambo District Municipality	Nyandeni Local Municipality
No income	2 177 538	264 309	50 887	10 574
R 1 - R 4800	648 754	98 769	20 414	4 448
R 4801 - R 9600	1 066 364	165 799	40 244	9 515
R 9601 - R 19 600	2 475 240	384 579	71 892	15 783
R 19 601 - R 38 200	2 740 596	343 052	61 172	12 704
R 38 201 - R 76 400	1 879 235	164 896	22 850	4 292
R 76 401 - R 153 800	1 335 657	113 971	14 765	2 339
R 153 801 - R 307 600	1 045 292	86 222	9 999	1 296
R 307 601 - R 614 400	685 364	46 463	4 417	511
R 614 001 - R 1 228 800	268 934	12 310	835	66
R 1 228 801 - R 2 457 600	79 896	3 895	415	64
R 2 457 601 or more	46 593	3 080	336	56
Unspecified	700	40	5	1
Total	14 450 163	1 687 385	298 231	61 649

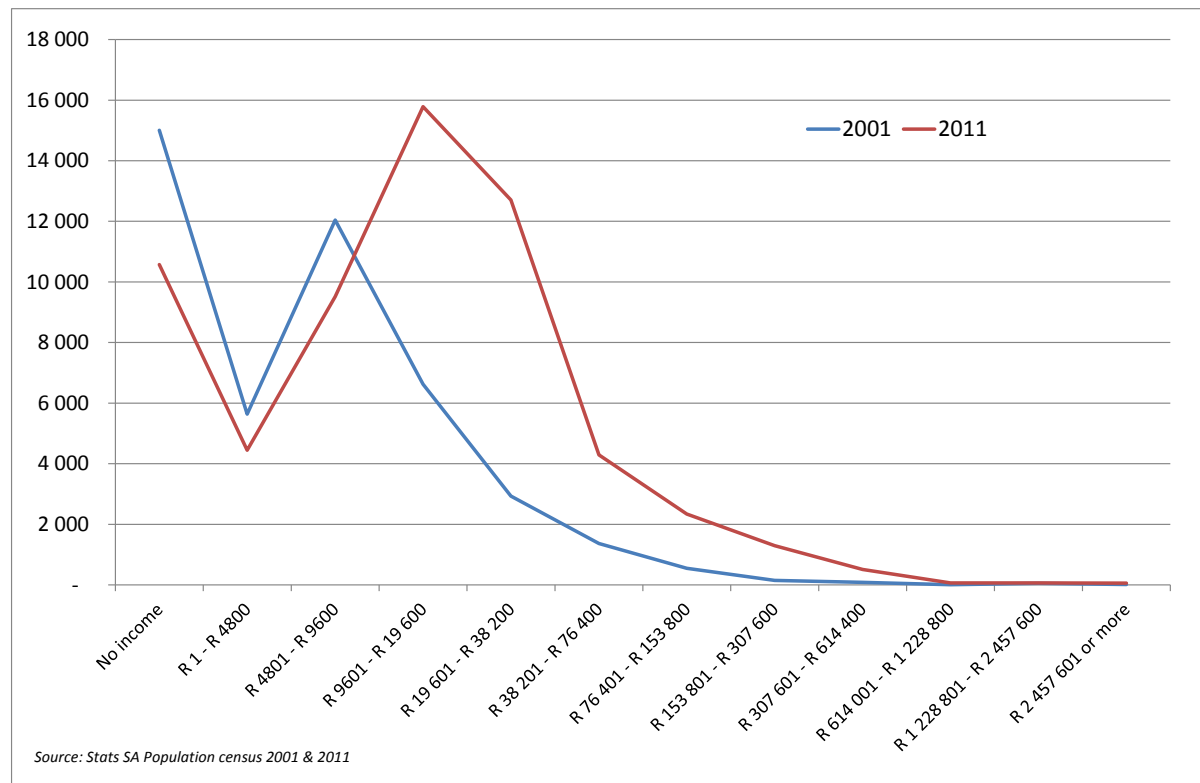
Source: Stats SA Population census 2011

The total number of households without any income in Nyandeni Local Municipality is at a concerning 17.2%. Dependency on subsistence farming could be a substitute for income as a means of survival as subsistence farming is not reported or understood as income by households and is therefore not reported. When a high percentage of households earn no income it may place an increased burden on state to provide health, education and safety.

The graph below portrays the number of households per income category - for 2001 versus 2011. The number of households earning more than R38 200 per annum has increased significantly - in 2001, 4.2% of households were earning more than

R38 200 per annum, while in 2011 this percentage increased to 14.0%. The income brackets do not take inflation into account and “inflation creep” occurs. This implies that - over time - movement of households “up” the brackets is natural, even if they are not earning any more in real terms.

CHART 20. NUMBER OF TOTAL HOUSEHOLDS PER INCOME BRACKET, NYANDENI LOCAL MUNICIPALITY, 2001 AND 2011



9.2 Annual per household income

Definition | Per household personal income is the annual total personal income of an area divided by the total number of households within the area and presented by the population group of the head of each household.
Annual total personal income is the total personal income for all households in the region summed together.

In 2001, the average household income for Nyandeni Local Municipality was R16 800 and it increased at an average annual rate of 7.4% to R34 254 in 2011.

TABLE 26. ANNUAL PER HOUSEHOLD INCOME IN NYANDENI LOCAL MUNICIPALITY RELATIVE TO OTHER REGIONS, 2001 AND 2011 [CURRENT PRICES, R MILLIONS]

Region	2001	2011	AAGR 2001-2011
Ngquza Hill Local Municipality	15 008	38 448	9.9%
Port St Johns Local Municipality	18 916	31 548	5.2%
Nyandeni Local Municipality	16 836	34 254	7.4%
Mhlontlo Local Municipality	14 599	36 246	9.5%
King Sabata Dalindyebo Local Municipality	26 755	61 135	8.6%
O.R.Tambo District Municipality	9 836	44 533	16.30%
Eastern Cape Province	14 717	65 613	16.12%
South Africa	24 005	104 491	15.85%

Source: Stats SA Population census 2001 & 2011

In 2011, the O.R. Tambo District Municipality had a household income of R44 533, which increased at an average annual growth rate of 16.3% from 2001. The Eastern Cape Province's household income grew at an average annual rate of 16.12% and South Africa as a whole with 15.85% average annually.

9.3 Annual total Personal Income

Personal Income is a broader concept than labour remuneration discussed in the economics section above. It includes profits, income from property, net current transfers and net social benefits.

Definition Annual total personal income is the total personal income for all households in the region summed together. Income is presented in units of rand million. The definition of "income" is the same as used in the income brackets variable, and also includes income tax. Annual total personal income is presented in current prices – this means that inflation has not been taken into account.

It is estimated that total personal income in Nyandeni Local Municipality amounted to R2.1 billion in 2011. This increased at an average annual rate of 9.0% since 2001 when the total personal income was estimated at R919 million.

TABLE 27. ANNUAL TOTAL PERSONAL INCOME IN
 NYANDENI LOCAL MUNICIPALITY RELATIVE TO OTHER
 REGIONS [CURRENT PRICES, R MILLIONS]

Region	2001	2011	AAGR 2001-2011
Ngquza Hill Local Municipality	785 322	2 282 696	11.3%
Port St Johns Local Municipality	645 310	1 076 523	5.3%
Nyandeni Local Municipality	919 626	2 186 227	9.0%
Mhlontlo Local Municipality	659 302	1 665 955	9.7%
King Sabata Dalindyebo Local Municipality	2 608 801	6 692 049	9.9%
O.R.Tambo District Municipality	5 618 361	13 903 985	9.48%
Eastern Cape Province	45 322 490	112 692 881	9.54%
South Africa	577 658 701	1 579 385 527	10.58%

Source: Stats SA Population census 2001 & 2011

Comparing Nyandeni Local Municipality with the other municipalities' it is seen that the municipality is performing average at an average annual growth rate. The only municipality that stands out with the lowest average annual growth rate of all the local municipalities was the Port St John Local Municipality with an increase of only 6.1% annually over the period.

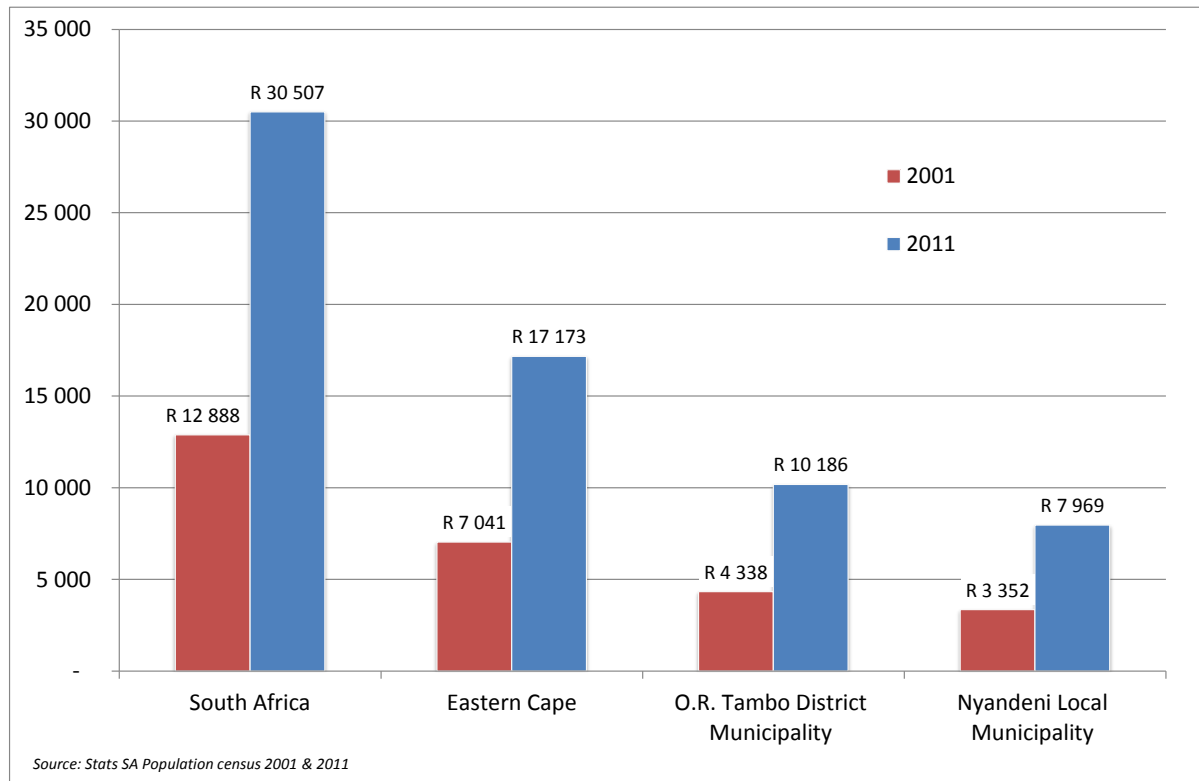
9.4 Annual Per Capita Income

Per capita income is often used as a measure of wealth particularly when comparing different economies or population groups - and rising per capita income usually alludes to possible increase in demand for consumption.

Definition | Per capita income refers to the income per person and is calculated by dividing the total personal income per annum equally among the population.

In 2011, the per capita income amounted to R7 969 in Nyandeni Local Municipality

**CHART 21. PER CAPITA INCOME IN NYANDENI LOCAL MUNICIPALITY
RELATIVE TO OTHER REGIONS, 2001 AND 2011
[RAND, CURRENT PRICES]**



The per capita income for South Africa in 2011 amounted to R30 507, which is an average increase of 9% per year from 2001. The Eastern Cape Province has a per capita income of R17 173 and had an average annual growth rate of 9.3%.

9.5 Household Goods

Ownership of a cellphone, television, refrigerator and computer has increased considerably between Census 2001 and Census 2011. However, the demand for radios and landline telephones has decreased owing to a rise in the popularity of cellphones.⁴

Only 32% of the people in South Africa had access to a cell phone in 2001 compared to the 89% in 2011. Households with access to computers increased from 9% in 2001 to 21% in 2011 in South Africa. 75% of the households in South Africa owned a TV in 2011 while only 54% of households had a TV in 2001. Only 69% of the households in South Africa have a refrigerator, even though 82% of the households have electricity connections. The percentage of households using landline

⁴Statistics South Africa

telephones and radios have decreased since 2001. South Africa seems to embrace technology as it becomes more accessible.

While Nyandeni Local Municipality seems to follow the national trend it does not exhibit the same level of absorption when compared to South Africa.

TABLE 28. ACCESS TO HOUSEHOLD GOODS IN NYANDENI LOCAL MUNICIPALITY, 2011

Access to	Yes	No	% Yes
Cell phone	49349	12298	80.1%
Electric/gas stove	33425	28222	54.2%
Television	30679	30968	49.8%
Radio	30080	31567	48.8%
Refrigerator	22837	38810	37.0%
DVD player	22147	39500	35.9%
Access to internet	10 425	51 223	16.9%
Mail Post box/bag	6 298	55 350	10.2%
Motor-car	5 382	56 266	8.7%
Satellite television	4 169	57 478	6.8%
Washing machine	1 972	59 676	3.2%
Computer	1 762	59 885	2.9%
Mail delivered at residence	1 754	59 894	2.8%
Vacuum cleaner	1 130	60 518	1.8%
Landline/telephone	1 025	60 622	1.7%

Source: Stats SA Population census 2011

It is evident that the majority of households (80.1%) have access to Cell phones.

About 50% of households have access to electric/gas stove, radio or television.

Although only 2.9% of households have access to computers, 16.9% have access to the internet.

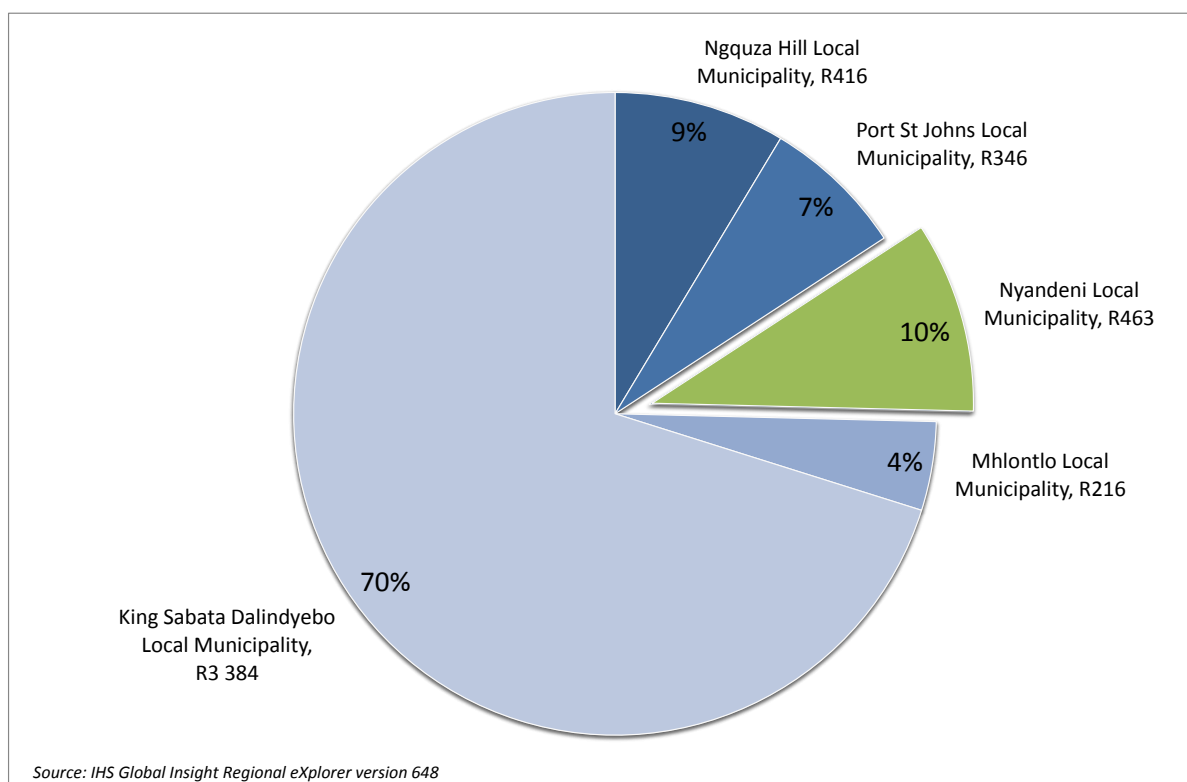
9.6 Formal Retail sales

Definition Annual retail trade sales by product type measure the total retail spend, distributed across spending categories, by all households within the region. The outputs are presented in units rand thousands. This measure represents consumption from the supply side (retail) perspective of the economy. Two important implications are thus:

- Only goods that are **sold by a shop** are counted as a sale. This measure therefore does not give an accurate account of *all* consumption in a region, particularly subsistence and inter-household transfer consumption.
- The sale is registered at the place of the sale, and not at the place of the household buying the good.

Formal retail trade in Nyandeni Local Municipality amounted to R463 million in 2011, which is 10% of the total formal retail sales within the O.R. Tambo District Municipality.

CHART 22. ANNUAL FORMAL RETAIL TRADE SALES BY LOCAL MUNICIPALITY, 2011 [PERCENTAGE SHARE]



The majority of formal retail sales occur in the King Sabata Dalindyebo Local Municipality and amounts to R3.4 billion (70.1%), while the least – only R216 million (4.5%) is sold in the Mhlontlo Local Municipality.

9.7 Index of Buying Power

Definition | The Index of Buying Power (IBP) is a measure of a region's general capacity to absorb products and services. This measure is useful when comparing two regions in terms of their capacity to buy products. This general capacity depends on three factors:

- The size of the population.
- The ability of the population to spend, which is measured by total income.
- The willingness of the population to spend, which is measured by total retail sales.

The index values range from 0 to 1 (with the national equal to 1) and can be interpreted as the percentage of national buying power attributable to the specific region.

TABLE 29. INDEX OF BUYING POWER PER REGION,2011

Variable	National Total	Eastern Cape	O.R.Tambo DM	Nyandeni LM
Population	50 252 369	6 873 100	1 407 374	302 201
Population - share of national total	100.0%	13.7%	2.8%	0.6%
Income (Rmill)	1 965 067	179 764	21 018	3 612
Income - share of national total	100.0%	9.1%	1.1%	0.2%
Retail (Rmill)	617 815	51 408	4 825	463
Retail - share of national total	100.0%	8.3%	0.8%	0.1%
Index	1.000	0.094	0.012	0.002

The Index of buying power suggests that only 0.2% of the national buying power is attributable to the Nyandeni Local Municipality, while 1.2% is attributable to the O.R. Tambo District Municipality.

10 Economy

In order to put the economic state of Nyandeni Local Municipality in perspective, the municipality is compared on a spatial level with the national, provincial, district municipality and local municipality economies.

10.1 Gross Domestic Product by Region (GDP-R)

When comparing economies and economic states, a good indicator to use is the Gross Domestic Product (GDP). This is one of the most important indicators of the performance of the economy⁵.

Definition | Gross Domestic Product by Region (GDP-R) represents the value of all goods and services produced within a region, over a period of one year, plus taxes and minus subsidies. GDP-R can be measured using either current or constant prices.

With a GDP of R 1.28 billion (current prices) in 2011, the Nyandeni Local Municipality contributed 7.2% to the total GDP of the O.R. Tambo District municipality and 0.57% to the GDP of the Eastern Cape Province.

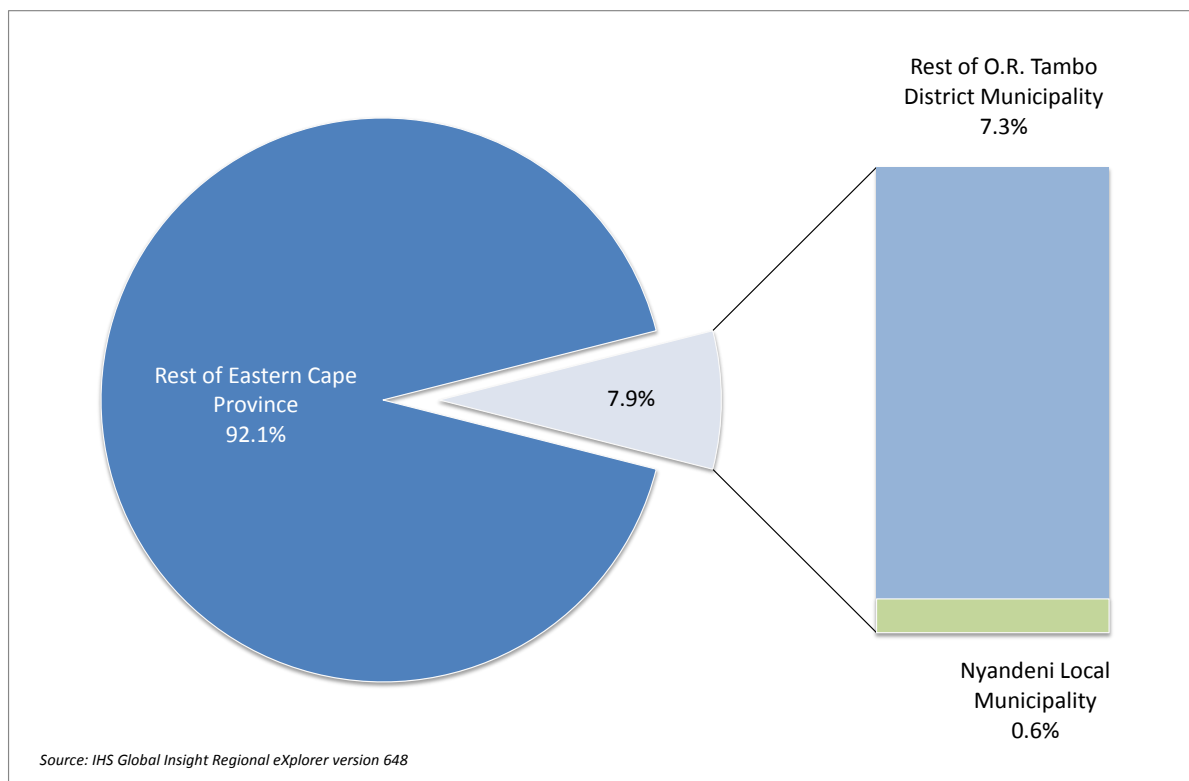
TABLE 30. GDP OF NYANDENI LOCAL MUNICIPALITY RELATIVE TO OTHER REGIONS [R MILLIONS, CURRENT PRICES, PERCENTAGE]

Year	South Africa	Eastern Cape	O.R. Tambo District Municipality	Nyandeni Local Municipality
2005	1 571 082	122 819	9 584	686
2006	1 767 422	134 729	10 335	742
2007	2 016 184	150 943	11 431	815
2008	2 262 502	169 760	12 659	903
2009	2 398 156	181 806	13 879	997
2010	2 661 435	202 707	15 949	1 168
2011	2 964 261	224 566	17 738	1 284

Source: IHS Global Insight Regional eXplorer version 648

⁵ Philip Mohr, 2008, Economic indicators, Third edition, Unisa, Pretoria

CHART 23. GDP OF NYANDENI LOCAL MUNICIPALITY RELATIVE TO THE REST OF THE EASTERN CAPE PROVINCE [PERCENTAGE SHARE]



A local municipality does not function in isolation from its district, province, South Africa and the world and now, more than ever, it is crucial to have reliable information on its economy for effective planning. Information is needed that will empower the municipality to plan and implement policies that will encourage the social development and economic growth of the people and industries in the municipality respectively.

The following is a comparison between the Nyandeni Local Municipality and the neighboring municipalities falling in the O.R. Tambo District Municipality.

TABLE 31. GDP PER LOCAL MUNICIPALITY, 2005 TO 2011 [CURRENT PRICES]

Year	Ngquza Hill Local Municipality	Port St Johns Local Municipality	Nyandeni Local Municipality	Mhlonlo Local Municipality	King Sabata Dalindyebo Local Municipality
2005	822	537	686	925	6 614
2006	899	587	742	1 003	7 103
2007	991	648	815	1 101	7 876
2008	1 113	718	903	1 220	8 704
2009	1 215	782	997	1 329	9 556
2010	1 394	904	1 168	1 557	10 926
2011	1 562	1 004	1 284	1 710	12 177

The greatest contributor to the O.R. Tambo District Municipality economy is the King Sabata Dalinyebo Local Municipality with a share of 69% or R 12.1 billion. The economy with the lowest contribution is the Port St Johns Local Municipality with R 1 billion or 5.7%.

10.1.1 Economic Growth forecasts

The economic growth forecasts reveal a slow but positive economic recovery from the economic slowdown in 2008/09. It is expected that Nyandeni Local Municipality will grow at an average annual rate of 2.47% from 2012 to 2016. Compared to the O.R. Tambo District Municipality and South Africa, which is expected to grow at 2.60% and 3.2% respectively, the growth path seems to be very similar.

TABLE 32. GDP GROWTH FORECAST OF NYANDENI LOCAL MUNICIPALITY REALTIVE TO OTHER REGIONS,2012 – 2016 [PERCENTAGE-CONSTANT 2005 PRICES]

Year	South Africa	Eastern Cape	O.R. Tambo District Municipality	Nyandeni Local Municipality
2012	1 739 187	134 429	10 286	693
2013	1 794 658	138 176	10 523	708
2014	1 860 120	142 739	10 818	726
2015	1 943 358	148 706	11 223	752
2016	2 036 237	155 554	11 696	783
Average annual growth rate:				
2012-2016	3.20%	2.96%	2.60%	2.47%

Source: IHS Global Insight Regional eXplorer version 648

10.2 Gross Value Added by Region (GVA-R)

Nyandeni's economy is made up of various industries. The GVA-R variable provides a sectoral breakdown, where each sector is measured in terms of its "value added" produced in the local economy.

Definition | Gross Value Added is a measure of output (total production) which measures the total output of a region by considering the value that was created within that region. GVA is often broken down by various production sectors. One can think of GVA-R as the difference between the inputs obtained from outside the region and the outputs of the region – that is, the region's total "value added".

The following is the Gross Value added (GVA) off all the relevant regions to put the Nyandeni Local Municipality in perspective.

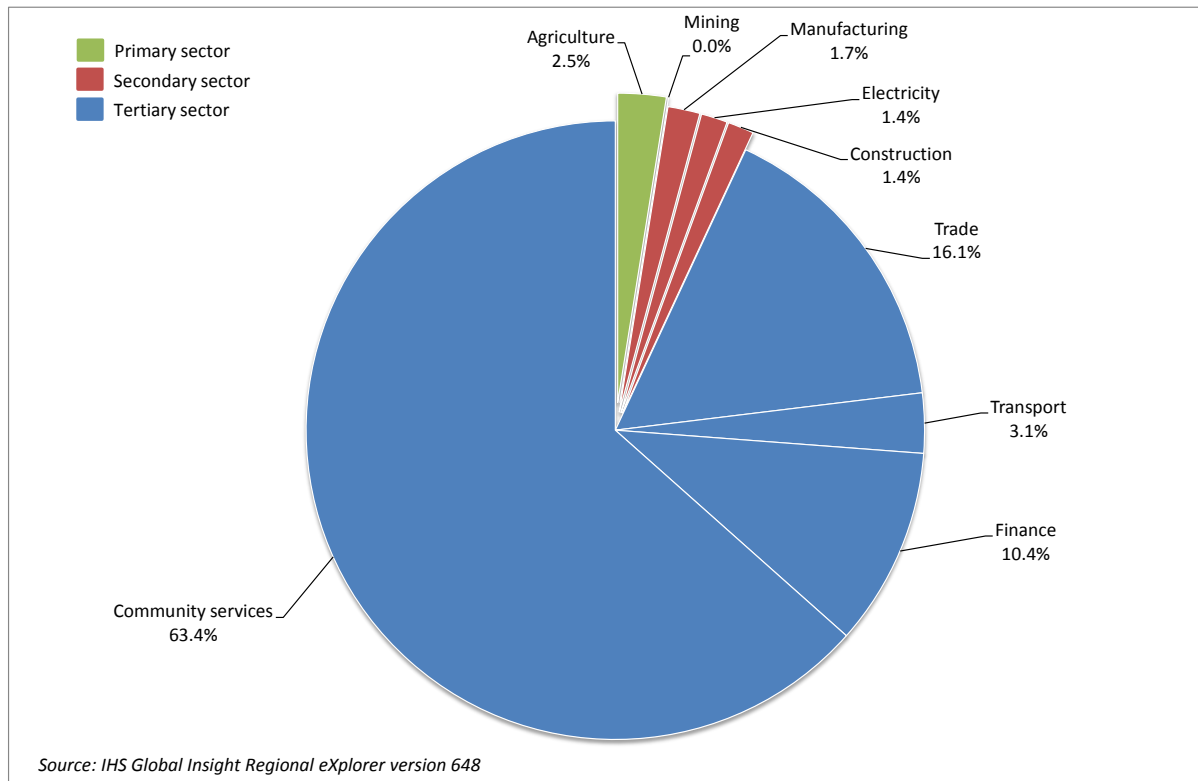
TABLE 33. TOTAL GROSS VALUE ADDED (GVA) BY BROAD SECTOR FOR NYANDENI LOCAL MUNICIPALITY RELATIVE TO OTHER REGIONS, 2011 [R BILLIONS CURRENT PRICES]

2011	South Africa	Eastern Cape	O.R. Tambo District Municipality	Nyandeni Local Municipality
Agriculture	63 984	3 344	572	29
Mining	260 381	858	6	-
Manufacturing	357 756	27 622	457	19
Electricity	78 532	3 392	176	16
Construction	120 420	7 172	437	15
Trade	386 430	31 009	3 049	183
Transport	220 060	15 586	505	35
Finance	565 224	41 450	2 774	118
Community services	617 717	71 887	8 470	719
Total Industries	2 670 504	202 320	16 446	1 133
Taxes less Subsidies on products	293 757	22 246	1 292	151
Total (GDP)	2 964 261	224 566	17 738	1 284

Source: IHS Global Insight Regional eXplorer version 648

In 2011 Nyandeni Local Municipality's economy was dominated by the tertiary sector as a whole, which is primarily focused on community services. Community services accounted for more than half of the GVA with a 63.4% contribution to the total economic activity in Nyandeni Local Municipality in 2011. The community services consist of public administration (6.9%), education (40.6%), health and social work (14.6%) and other community services (1.3%). The trade sector at 16.1% is the second largest contributor to the economic activity.

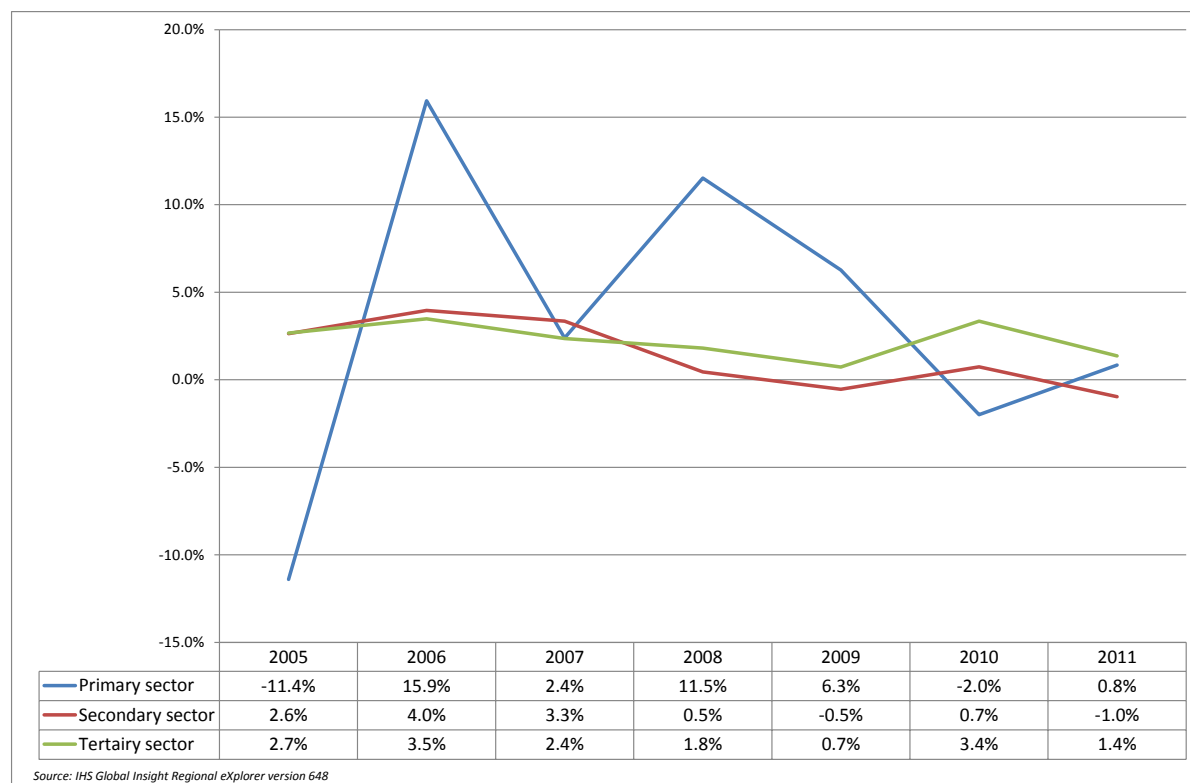
CHART 24. GROSS VALUE ADDED (GVA) COMPOSITION BY BROAD ECONOMIC SECTOR FOR NYANDENI LOCAL MUNICIPALITY, 2011 [PERCENTAGE CONTRIBUTION]



10.2.1 Historical Economic growth

When looking at growth in GVA on a sector level, the mining sector contracted considerably in 2008/2009. This was a direct response to a significant drop in demand for mining commodities. The global recession took its toll with the need to reduce production and operating cost resulting in a decline in most sectors.

TABLE 34. GROSS VALUE ADDED (GVA) GROWTH BY AGGREGATE ECONOMIC SECTOR - NYANDENI LOCAL MUNICIPALITY, 2005 – 2011 [PERCENTAGE- CONSTANT 2005 PRICES]

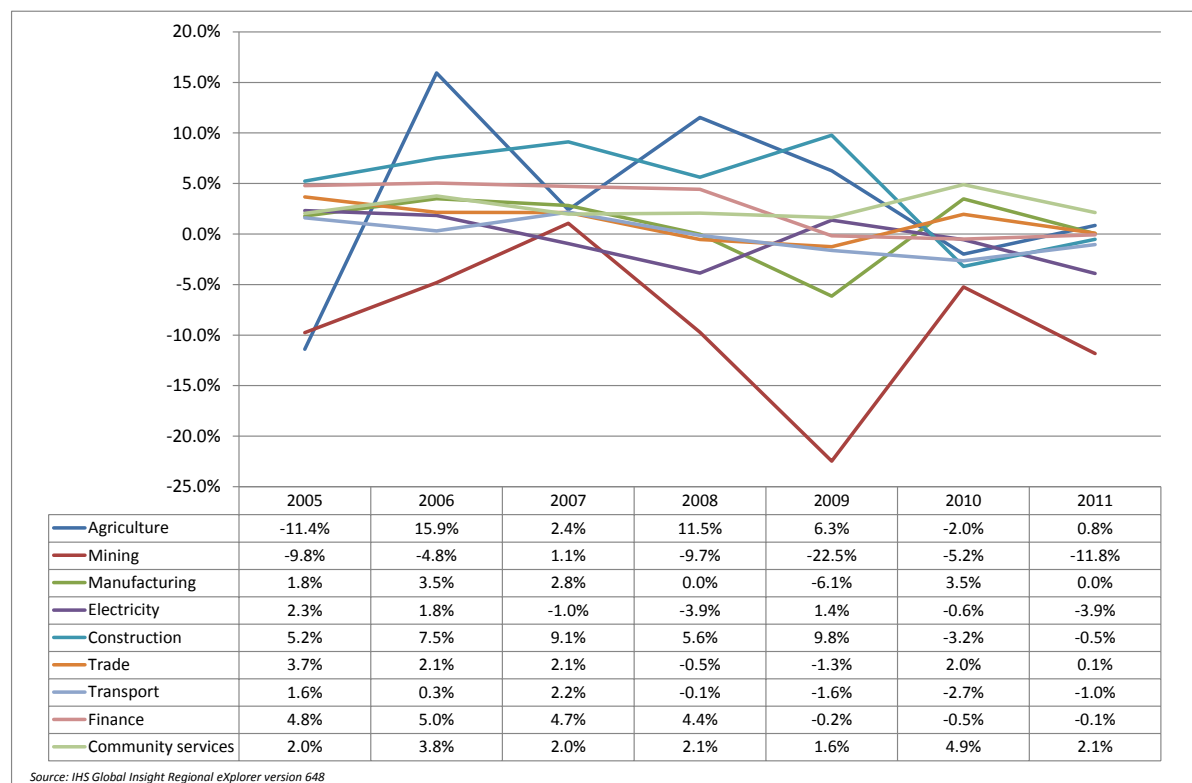


Within the primary sector, both the mining and the agricultural sectors seem to show volatility over time – the mining sector is small and a small change will therefore have a big effect and then agricultural sector is highly dependent on seasonal factors and weather conditions. The effect of the global recession on this sector is evident in the decline in growth. The agricultural sector within Nyandeni Local Municipality dominates the primary sector in terms of contribution, and therefore it will show similar growth patterns than the primary sector.

The secondary sector declined steadily from 2006 to 2009 after which it began to increase again. Although the secondary sector is fairly small it is dominated by manufacturing and therefore the growth pattern is similar to that of the manufacturing sub-sector. The electricity crisis in 2008 is shown clearly in the secondary sector. The construction sector slowed steady growth from 2005 to 2009 after which it began to decline to negative growth in 2010 and 2011.

Although the tertiary sector is the biggest economic sector in the Nyandeni Local Municipality, it showed a constant decline in the growth rate from 2006 to 2009, after which it began to show some signs of recovery.

TABLE 35. GROSS VALUE ADDED (GVA)GROWTH BY BROAD ECONOMIC SECTOR - NYANDENI LOCAL MUNICIPALITY,2005 - 2011 [PERCENTAGE- CONSTANT 2005 PRICES]



Based on the typical profile of a developing country, we can expect faster growth in the secondary and tertiary sectors when compared to the primary sector. Also remember that the agricultural sector is prone to very high volatility as a result of uncertain weather conditions, pests and other natural causes – and the forecasts presented here is merely a long-term trend rather than trying to forecast the unproductive weather conditions.

The table below lists the sectors’ contribution to the total economic growth for the period 2005-2011. In 2011 the community services sector contributed 1.1 percentage points to the overall GDP growth, only the community services sector made a notable contribution to economic growth in Nyandeni Local Municipality in 2011. This clearly reflects the importance of this community services sector in the Nyandeni Local Municipality’s economy.

TABLE 36. BROAD SECTOR CONTRIBUTION TOWARDS TOTAL ECONOMIC GROWTH - NYANDENI LOCAL MUNICIPALITY, 2005 - 2011 [PERCENTAGE POINT - CONSTANT 2005 PRICES]

Sector	2005	2006	2007	2008	2009	2010	2011
Agriculture	-0.3%	0.4%	0.1%	0.3%	0.2%	-0.1%	0.0%
Mining	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Manufacturing	0.0%	0.1%	0.1%	0.0%	-0.1%	0.1%	0.0%
Electricity	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Construction	0.0%	0.1%	0.1%	0.1%	0.1%	0.0%	0.0%
Trade	0.5%	0.3%	0.3%	-0.1%	-0.2%	0.3%	0.0%
Transport	0.1%	0.0%	0.1%	0.0%	-0.1%	-0.1%	0.0%
Finance	0.5%	0.5%	0.5%	0.5%	0.0%	-0.1%	0.0%
Community services	1.1%	1.9%	1.0%	1.1%	0.8%	2.5%	1.1%
Total Industries	1.9%	3.3%	2.1%	1.8%	0.7%	2.6%	1.1%
Taxes less Subsidies on products	0.1%	0.3%	0.2%	0.4%	0.1%	0.7%	0.3%
Total (Gross Domestic Product - GDP)	1.9%	3.6%	2.3%	2.2%	0.9%	3.4%	1.4%

Source: IHS Global Insight Regional Explorer version 648

The growth in Community Services sector was also the only sector that delivered significant positive and consistent growth within Nyandeni Local Municipality over the period under review.

10.2.2 Sector Growth forecasts

The GVA projections are based on projected growth rates derived from two sources: historical growth rate estimates and national level industry forecasts. The projections are thus based partly on the notion that regions that have performed well in the recent past are likely to continue performing well (and visa versa) and partly on the notion that those regions which are well endowed with sectors that are forecast to grow rapidly in the national economy (e.g. finance and telecommunications) are likely to perform well (and visa versa). As the target year moves further from the base year (2005) so the emphasis moves from historical growth rates to national-level industry growth rates.

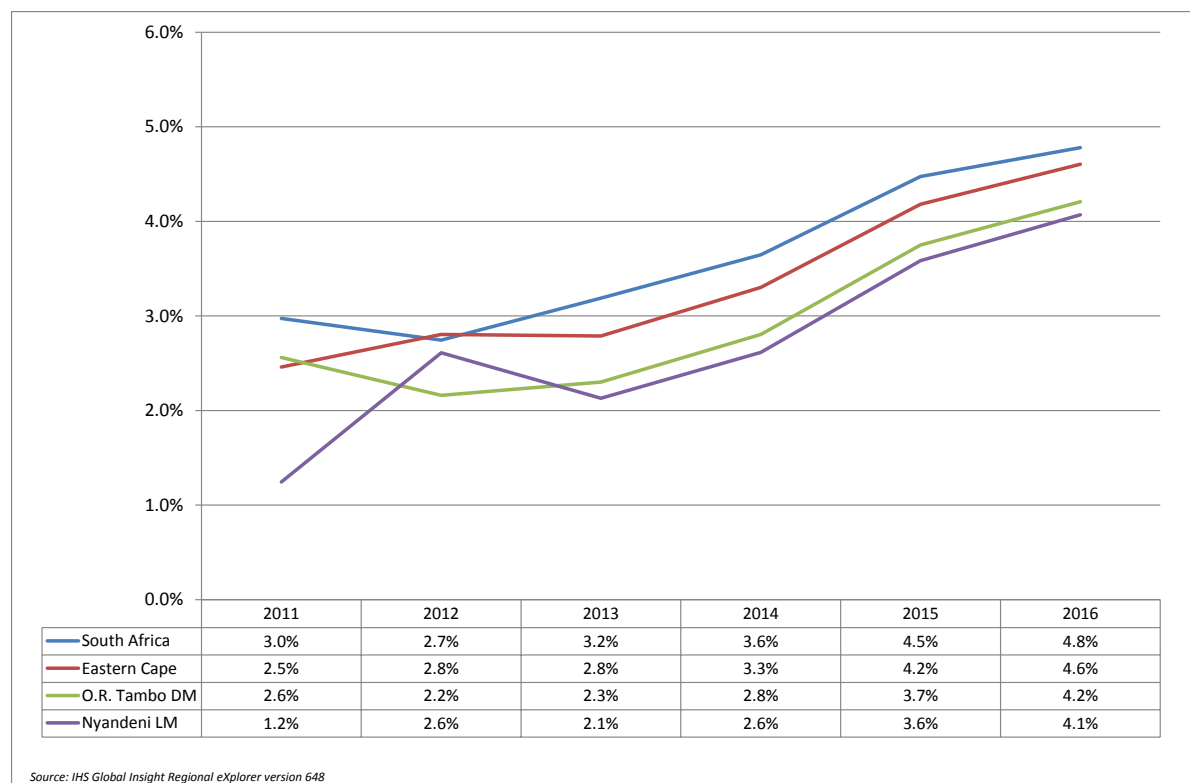
TABLE 37. GROSS VALUE ADDED (GVA) GROWTH FORECAST BY AGGREGATE ECONOMIC SECTOR - NYANDENI LOCAL MUNICIPALITY RELATIVE TO OTHER REGIONS, 2011 – 2016 [PERCENTAGE- CONSTANT 2005 PRICES]

Year	South Africa	Eastern Cape	O.R. Tambo District Municipality	Nyandeni Local Municipality
2011	1 692 724	130 760	10 068	675
2012	1 739 187	134 429	10 286	693
2013	1 794 658	138 176	10 523	708
2014	1 860 120	142 739	10 818	726
2015	1 943 358	148 706	11 223	752
2016	2 036 237	155 554	11 696	783
Average annual growth rate:				
2011-2016	3.13%	2.94%	2.53%	2.49%

Source: IHS Global Insight Regional eXplorer version 648

The Gross value added (GVA) in the Nyandeni Local Municipality has an expected average annual rate of 2.49% between 2011 and 2016. The O.R. Tambo District Municipality has an expected average annual growth rate of 2.53%. Looking at South Africa as a whole it is expected that the average annual growth will be 3.13% at constant prices.

CHART 25. GROSS VALUE ADDED (GVA) GROWTH FORECASTING NYANDENI LOCAL MUNICIPALITY RELATIVE TO OTHER REGIONS, 2011 – 2016 [PERCENTAGE- CONSTANT 2005 PRICES]



10.3 Labour Remuneration

“The remuneration of labour is both an important source of income in the economy and an important component of the cost of production.” It also “determines the living standards of workers as well as the costs of production and competitiveness of firms, particularly in the labour-intensive industries.”⁶

Definition | Labour remuneration (a component of GVA) measures the total amount paid out by firms to labourers working within the region. This amount is a total cost to company concept and includes worker's contributions to medical or pension schemes etc.

In 2011, an estimated R633 million was paid out in terms of salaries and wages to employees across all economic sectors. This amounted to roughly 7.55% of the total districts' salaries and wages and 0.57% of the Eastern Cape total. Of total salaries and wages in Nyandeni Local Municipality, 0.38% was paid out to labourers in the primary sector, 3.10% to workers in the secondary sector, and 96.51% to people

⁶ Philip Mohr, 2008, Economic indicators, Third edition, Unisa, Pretoria

employed within the tertiary sector. The tertiary sector within Nyandeni Local Municipality contributes 7.71% to the total tertiary sector of the O.R. Tambo District Municipality.

TABLE 38. LABOUR REMUNERATION BY BROAD ECONOMIC SECTOR IN NYANDENI LOCAL MUNICIPALITY RELATIVE TO OTHER REGIONS, 2011 [R MILLIONS, CURRENT PRICES]

Sector	South Africa	Eastern Cape	O.R. Tambo District Municipality	Nyandeni Local Municipality
Agriculture	19 338	740	46	2
Mining	92 163	381	2	-
Manufacturing	213 157	17 657	231	11
Electricity	25 834	1 343	50	4
Construction	44 028	2 517	131	5
Trade	154 587	11 614	657	36
Transport	76 352	5 431	241	16
Finance	208 492	15 991	756	32
Community services	483 704	55 492	6 270	527
Total Industries	1 317 655	111 166	8 384	633

Source: IHS Global Insight Regional eXplorer version 648

The largest amount of remuneration in 2011 was paid to workers within the Community service sector - .with labour remuneration of R 527 million the Nyandeni Local Municipality is highly government concentrated. The mining sector in Nyandeni Local Municipality is clearly not active with any remuneration paid to that sector.

10.4 Gross Operating Surplus

Gross Operating Surplus (GOS) is one of the components of GVA and is typically an indication of the profitability of a particular sector. GOS comprises (1) profits, (2) consumption of fixed capital and (3) interest payments. The definition of GOS is as follows:

Definition | Gross Operating Surplus refers to the portion of GDP-R that is attributed capital. GOS is calculated as the difference between GVA-R and Labour Remuneration for each sector in each region.

Total GOS in Nyandeni Local Municipality is estimated to have amounted to R 500million (in current prices) in 2011 (or 44.15% of Nyandeni Local Municipality's Gross Value Added). Most of Nyandeni Local Municipality's total GOS, at 88.7%, is attributed to the tertiary sector.

TABLE 39. GOS PER BROAD ECONOMIC SECTOR-
 NYANDENI LOCAL MUNICIPALITY RELATIVE TO OTHER REGIONS,
 2011[R MILLIONS, CURRENT PRICES]

Sector	South Africa	Eastern Cape	O.R. Tambo District Municipality	Nyandeni Local Municipality
Agriculture	44 646	2 604	525	26
Mining	168 218	477	4	-
Manufacturing	144 599	9 965	226	8
Electricity	52 698	2 050	126	11
Construction	76 392	4 655	307	11
Trade	231 843	19 395	2 392	147
Transport	143 708	10 155	264	20
Finance	356 732	25 459	2 018	86
Community services	134 013	16 395	2 200	192
Total Industries	1 352 849	91 154	8 062	500

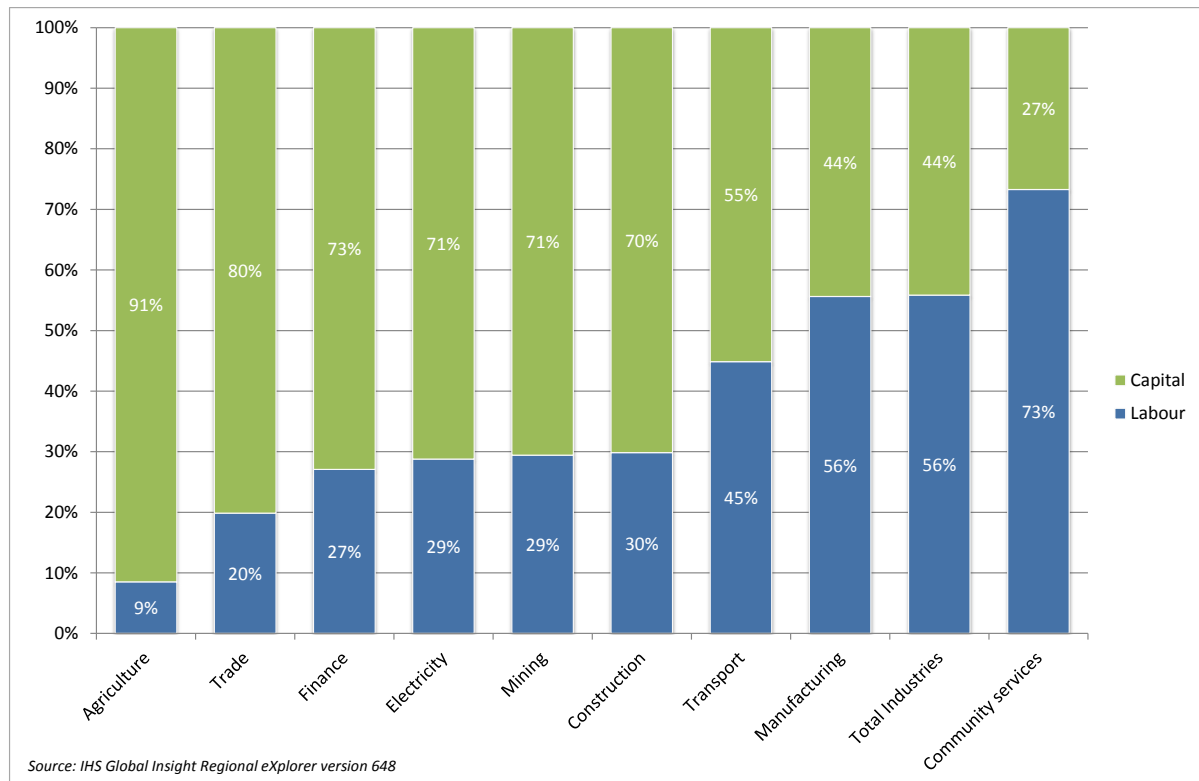
Source: IHS Global Insight Regional eXplorer version 648

In the Nyandeni Local Municipality the community services sector's contributes to the GOS is the largest at R 192 million. In the O.R. Tambo District Municipality the sector with the largest contribution to the GOS is the Trade sector with a total of R 2.4 billion or 29.7%.

10.4.1 Labour vs Capital

When comparing the labour (remuneration) with capital or Gross operation Surplus (GOS), the result shows how intensive a sector is using labour and capital. The combination of these two variables essentially equates to Gross Value Added (GVA).

**CHART 26. LABOUR VS CAPITAL BY BROAD ECONOMIC SECTOR -
NYANDENI LOCAL MUNICIPALITY, 2011 [PERCENTAGE
DISTRIBUTION]**



The Nyandeni Local Municipality deploys approximately 91% capital and 9% labour in the production of agricultural products (i.e. only 10c out of every rand value added in agricultural production will be spent on labour). The agricultural sector has the lowest labour intensity which is probably due to the importance of forestry and logging (70% of the agricultural sector) which is more capital than labour intensive. Community services have the lowest capital intensity of all the sectors, with 73% of the GVA consisting of labour remuneration and only 27% of capital.

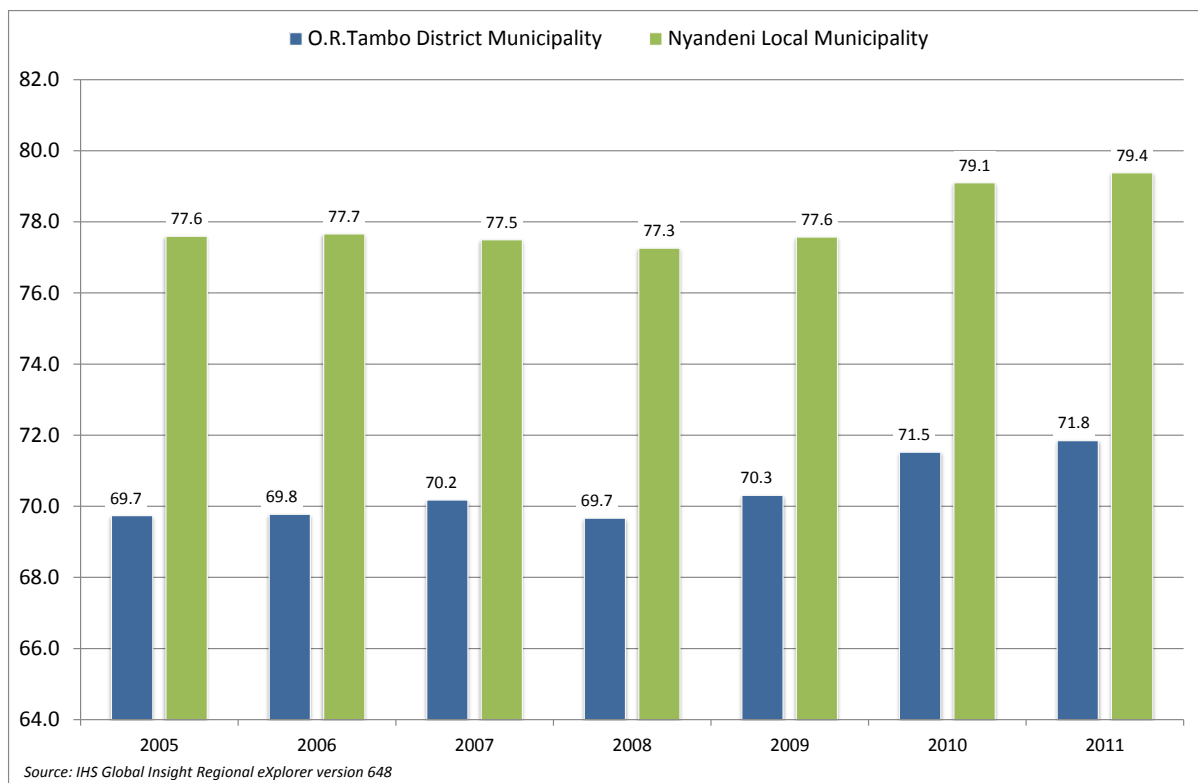
National and provincial programs aimed at generating jobs in the agriculture sector will therefore have less of an impact in creating employment in this sector given the type of activities being implemented – more labour intensive projects are therefore needed to positively impact on job creation.

10.5 Tress Index

A Tress index provides insight into the level of concentration (or diversification) within an economic region.

Definition | The Tress index is estimated by ranking the nine sectors according to their contribution to Gross Value Added (GVA) and then adding the values cumulatively and indexing them. A Tress index value of 0 means that all economic sectors in the region contribute equally to GVA, whereas a Tress index of 1 means that only one economic sector makes up the whole GVA of the region.

CHART 27. TRESS INDEX – NYANDENI LOCAL MUNICIPALITY, O.R. TAMBO DISTRICT MUNICIPALITY, 2005 TO 2011.



In 2011, Nyandeni Local Municipality's Tress Index was an estimated 79.4 which is higher than that of the district with an index value of 71.8. This implies that, on average, Nyandeni Local Municipality is less diversified in terms of its economic activity spread than the O.R. Tambo District Municipality as a whole. The reason for the high Tress Index in Nyandeni Local Municipality is most probably the fact that the

province is relatively more dependent on community services, with little activity in terms of primary and secondary sectors.

Take note that the more diverse an economy is, the more likely it is to create employment opportunities across all skills levels (and not only - for instance - employment opportunities that cater for highly skilled labourers), and maintain a healthy balance between labour-intensive and capital-intensive industries. If both economic growth and the alleviation of unemployment are of concern, clearly there need to be industries that are particularly profitable, as well as those that typically employ large numbers of unskilled labourers. Unfortunately, in many cases (but not always), industries that are particularly profitable (and boost economic growth) are not those that create many employment opportunities for unskilled labourers (and alleviate unemployment).

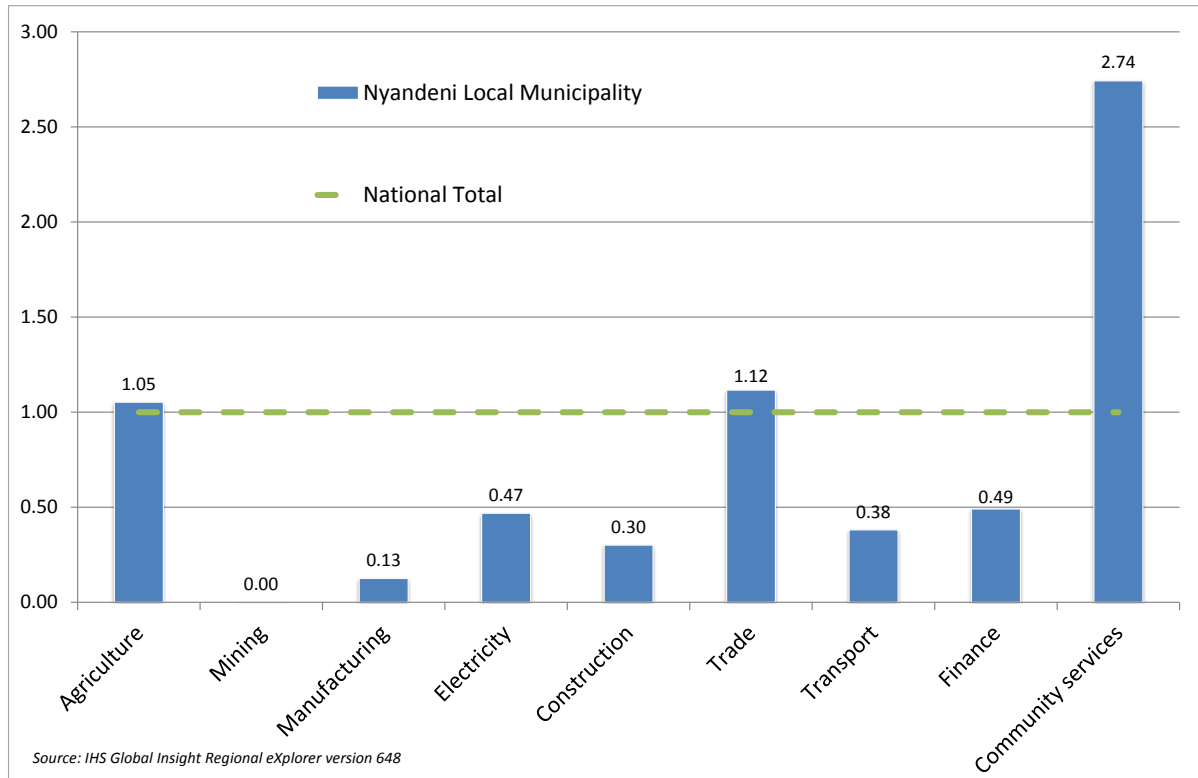
10.6 Location Quotient

A specific regional economy has a comparative advantage over other regional economies if it can more efficiently produce the same good. The location quotient is one way of measuring this comparative advantage by taking into account production and employment.

Definition | If the location quotient is larger than one for a specified sector and region, then that region has a comparative advantage in that sector. This is because the share of that sector of the specified regional economy is greater than the same sector in the national economy. The location quotient is usually computed by taking the percentage share of the sector in the regional economy divided by the percentage share of that same sector in the national economy.

Compared to the national economy, Nyandeni Local Municipality has a comparative advantage when it comes to community services. Community services mostly consist of government and therefore do not really imply an advantage when compared to the national economy, but it rather raises a concern as to the importance of this sector when compared to the other sectors.

CHART 28. LOCATION QUOTIENT BY BROAD ECONOMIC SECTORS FOR NYANDENI LOCAL MUNICIPALITY AND SOUTH AFRICA, 2011



The Nyandeni Local Municipality exhibits a slight comparative advantage in the Agriculture and Trade sectors. The other sectors in Nyandeni Local Municipality have a significant comparative disadvantage relative to the country as a whole. In general Nyandeni Local Municipality has a very concentrated economy.

The Manufacturing sector is generally seen as the growth propeller in the economy due to its linkages to other sectors – this sector is grossly underrepresented in the Local Municipalities' economy.

11 Tourism

Tourism can be defined as the non commercial organisation and operation of vacations and visits to the place of interest. It ranges from visits to friends and relatives, business orientated visits, leisure / holiday and other trips such as medical or religious trips.

11.1 Trips by purpose of trips

Definition | As defined by the United Nations World Tourism Organisation (UNWTO); a trip refers to travel, by a person, from when they leave their usual residence until they return to that residence. This is usually referred to as a round trip. ReX narrows the definition of trips to that of overnight trips only, and further narrows the definition by focusing only on trips made by adult visitors (in this case, those over the age of 18 years). It should be noted that ReX measures "person" trips, and not household or "party trips".

The purpose of a trip is defined as the **main** purpose for which one is taking an overnight trip, and it is broken down into the following categories:

- Visits to friends and relatives
- Business
- Leisure / Holiday
- Other Trips (religious or medical)

In 2011, the total number of tourist trips in Nyandeni Local Municipality numbered 135 868, which implies an average annual decrease of 0.5% since 2005. Tourism is dominated by visits to friends and/or relatives – which is a typical pattern seen in areas with high out-migration. Despite Leisure/Holiday and Business tourism's contribution to overall tourism in Nyandeni Local Municipality being small, Leisure/Holiday had the highest average annual growth from 2005 to 2011 at 19.8%.

TABLE 40. NUMBER OF TRIPS BY PURPOSE OF TRIPS –
NYANDENI LOCAL MUNICIPALITY, 2005 - 2011

Year	Leisure / Holiday	Business	Visits to friends and relatives	Other (Medical, Religious, etc)	Total
2005	208	948	128 224	10 478	139 858
2006	250	936	135 312	10 156	146 654
2007	365	1 018	147 223	10 636	159 242
2008	496	1 033	155 329	10 587	167 446
2009	618	1 018	168 355	10 356	180 347
2010	642	948	154 427	9 786	165 803
2011	615	793	126 098	8 362	135 868

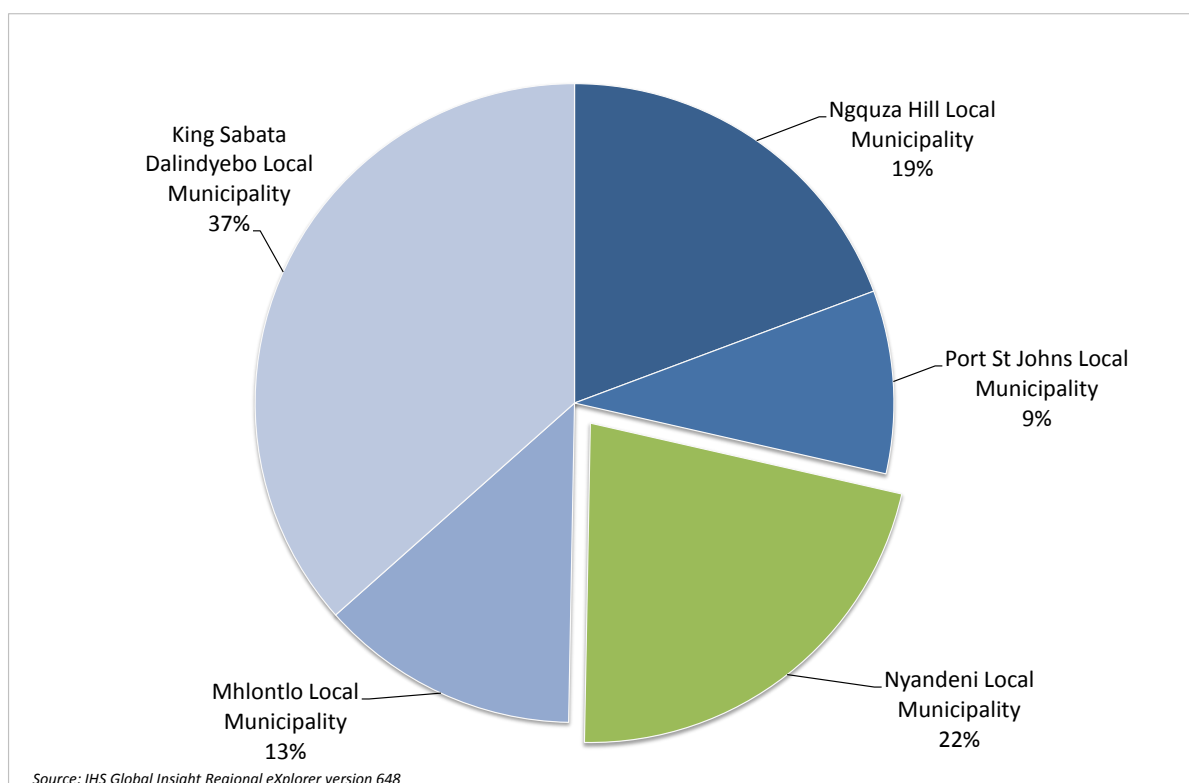
Average annual growth rate:

2005-2011	19.8%	-2.9%	-0.3%	-3.7%	-0.5%
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Source: IHS Global Insight Regional eXplorer version 648

Business travel and other travel show an annual average decline for the period 2005 to 2011 of 2.9% and 3.7% respectively.

CHART 29. TOTAL NUMBER OF TRIPS BY LOCAL MUNICIPALITY IN O.R.
TAMBO DISTRICT MUNICIPALITY, 2011



In 2011, the Nyandeni Local Municipality, with 135 868 tourism trips, had the second largest share of total tourism trips in the O.R. Tambo District Municipality at 22%. The largest contributor is the King Sabata Dalindyebo Local Municipality with a total contribution of 37%.

11.2 Origin of tourists

Definition | Tourist origin is classified into two categories; domestic and foreign. A domestic tourist is a tourist that originated from within the country, and travelled within South Africa on a trip. An international tourist is someone that originated from outside South Africa's borders and travelled into South Africa on a trip.

The following is the number of tourists of domestic and international origin that visited the Nyandeni Local Municipality.

TABLE 41. TOTAL NUMBER OF TRIPS BY ORIGIN OF TOURISTS-
NYANDENI LOCAL MUNICIPALITY, 2011

Year	Domestic tourists	International tourists	Total tourists
2005	137 233	2 625	139 858
2006	143 847	2 806	146 654
2007	156 417	2 825	159 242
2008	164 750	2 695	167 446
2009	177 694	2 653	180 347
2010	162 998	2 804	165 803
2011	132 950	2 918	135 868
Average annual growth rate:			
2005 - 2011	-0.5%	1.8%	-0.5%

Source: IHS Global Insight Regional eXplorer version 648

The total number of tourists in Nyandeni Local Municipality slightly decreased from 139 858 in 2005 to 135 868 2011, which translates to an average annual decline of 0.5%. The number of international tourists increased with 1.8% annually, while the domestic tourists decreased with 0.5% per year.

The following is the number of bed nights spend by tourists from domestic and of international origin in the Nyandeni Local Municipality.

TABLE 42. BEDNIGHTS BY ORIGIN OF TOURIST -
NYANDENI LOCAL MUNICIPALITY, 2011

Year	Domestic tourists	International tourists	Total tourists
2005	952 525	24 597	977 122
2006	926 133	27 471	953 604
2007	979 336	29 007	1 008 343
2008	966 332	30 747	997 079
2009	934 129	32 731	966 860
2010	772 798	37 819	810 617
2011	558 532	42 599	601 131
Average annual growth rate:			
2005 - 2011	-8.5%	9.6%	-7.8%

Source: IHS Global Insight Regional eXplorer version 648

From 2005 to 2011 the number of bed nights spend by domestic tourists decreased at an average annual rate of 8.5% from 953 000 to 559 000. The number of bed nights spend by international tourists increase from 24 600 to 42 600 or at an average annual rate of 9.6%. Due to the fact that the majority of tourists are domestic, the total number of bed nights is decreasing at an average annual rate of 7.8%.

11.3 Tourism spending

Definition	<p>The definition of tourism spending in ReX is inherited from the StatsSA definition used in their compilation of the Tourism Satellite Account. It includes all expenditure by visitors for their trip to the particular region excluding capital expenditure and the shopping expenditure of traders (known as shuttle trade.)</p> <p>It is important to note that this definition of spending is different to the concept of 'contribution' to GDP and merely represents a nominal spend of total trips made to each region.</p> <p>Tourism spend is presented at current prices which means that inflation has not been accounted for in the measure.</p>
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TABLE 43. TOTAL TOURISM SPENDING BY LOCAL MUNICIPALITY - NYANDENI LOCAL MUNICIPALITY, 2011 [R THOUSAND CURRENT PRICES]

Year	Ngquza Hill Local Municipality	Port St Johns Local Municipality	Nyandeni Local Municipality	Mhlonlo Local Municipality	King Sabata Dalindyebo Local Municipality	OR Tambo District Municipality
2005	141 476	130 813	148 240	133 472	555 759	1 109 760
2006	141 476	130 813	148 240	133 472	555 759	1 109 760
2007	164 564	152 618	175 789	149 385	628 875	1 271 231
2008	179 199	161 271	191 497	154 023	672 409	1 358 400
2009	163 317	138 973	173 354	131 948	619 153	1 226 745
2010	164 469	134 653	173 976	125 934	621 767	1 220 798
2011	129 211	98 857	130 124	91 012	522 824	972 027
Average annual growth rate:						
2005-2011	-1.5%	-4.6%	-2.1%	-6.2%	-1.0%	-2.2%

Source: IHS Global Insight Regional eXplorer version 648

The following is the tourism spending per resident capita in the Nyandeni Local Municipality. This measure divides total tourism spending related to visiting a specific region by the total number of local residents living within that region.

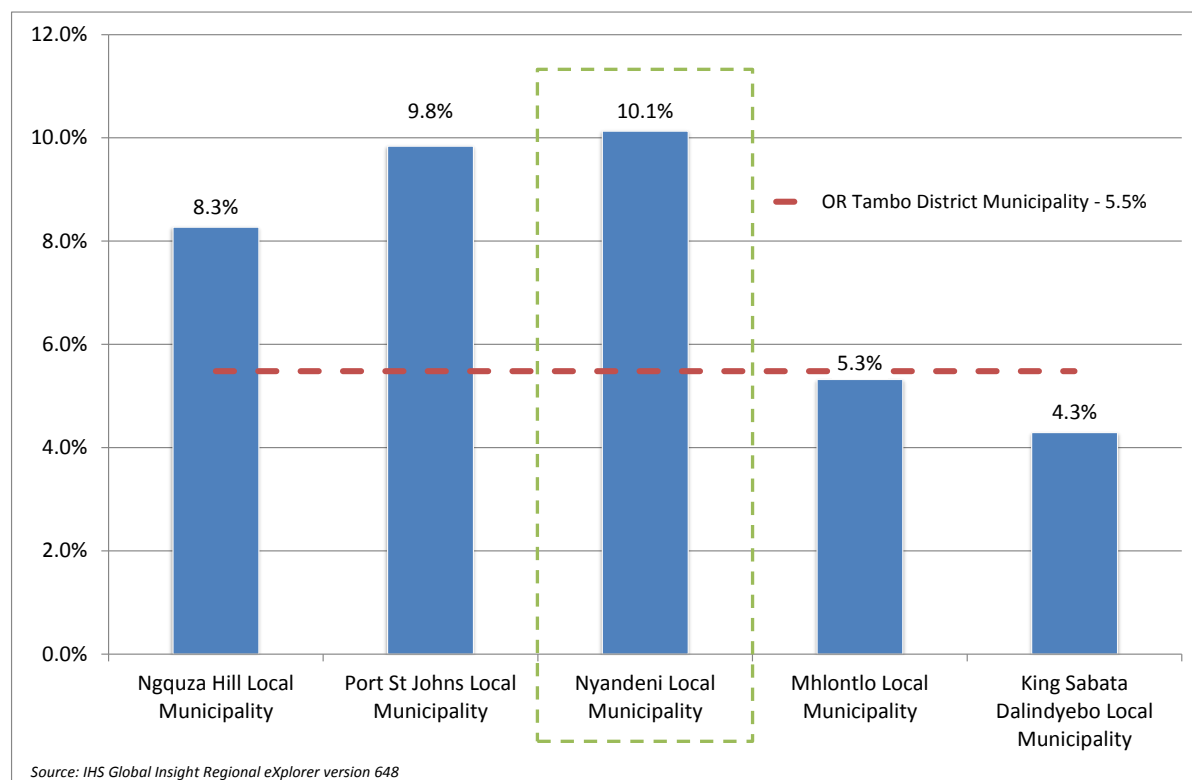
TABLE 44. THE AVERAGE TOURISM SPEND PER RESIDENT CAPITA - NYANDENI LOCAL MUNICIPALITY, 2011 [R THOUSAND CURRENT PRICES]

Year	Ngquza Hill Local Municipality	Port St Johns Local Municipality	Nyandeni Local Municipality	Mhlontlo Local Municipality	King Sabata Dalindyebo Local Municipality	OR Tambo District Municipality
2005	445	699	413	547	1 115	700
2006	530	871	509	642	1 250	816
2007	613	1 014	599	717	1 402	928
2008	663	1 067	647	737	1 485	985
2009	600	916	582	629	1 356	884
2010	600	884	580	598	1 349	873
2011	468	646	431	430	1 125	691
Average annual growth rate:						
2005-2011	0.8%	-1.3%	0.7%	-3.9%	0.2%	-0.2%

Source: IHS Global Insight Regional Explorer version 648

In 2011 the Nyandeni Local Municipality had a total of R 431 tourism spending per resident capita which translates to an average annual growth rate of 0.7%. The King Sabata Dalindyebo Local Municipality has the highest tourism spending per resident capita of R1 125, which increased from 2005 to 2011 at an average annual rate of 0.2%. The local municipality that decreased the most is the Mhlontlo Local Municipality with a decline of 3.9% annually.

CHART 30. TOTAL TOURISM SPENDING AS PERCENTAGE OF GDP (CURRENT PRICES) BY LOCAL MUNICIPALITY - NYANDENI LOCAL MUNICIPALITY, 2011



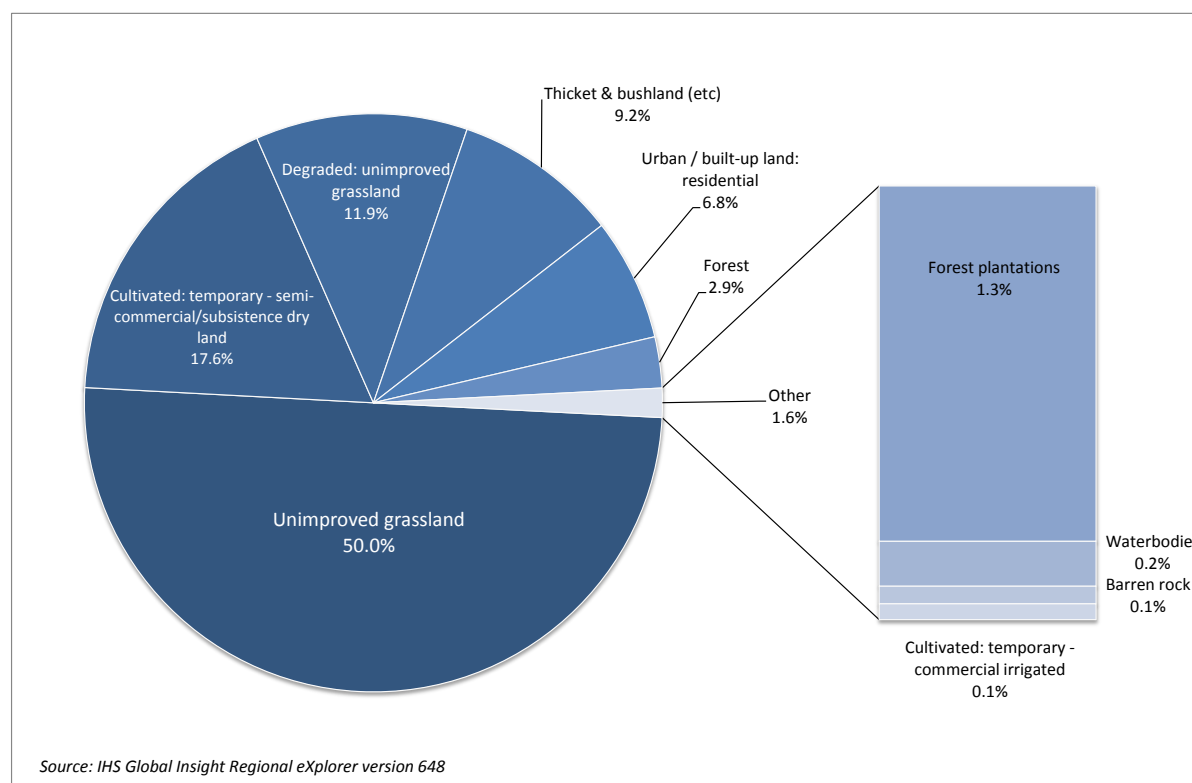
Although tourism spending is the highest in the King Sabata Dalindyebo Local Municipality in 2011 (R522 million), expressed as a percentage of the GDP it is the lowest of all the local municipalities at only 4.3%. The local municipality with the second most spending is the Nyandeni Local Municipality with R130 million. Nyandeni Local Municipality tourism spending is also the largest in terms of percentage share of the GDP with a 10.1% share of GDP.

12 Environment

Definition | For the purpose of this report the land cover category (% of area) variable is used. This measure provides a breakdown in terms of percentage of total area of the type of vegetation, type of land, or the type of urban area within the specified region.

The following is the land cover by category as a percentage of the total area in the Nyandeni Local Municipality

CHART 31. TOTAL LANDCOVER – % OF AREA BY CATEGORY - NYANDENI LOCAL MUNICIPALITY, 2011



In Nyandeni Local Municipality the majority of land area is covered in unimproved grassland, this is a total of 50% of the total area. Cultivated: temporary - semi-commercial/subsistence dry land covers 17.6% of the total area in the Nyandeni Local Municipality, while 11.9% is degraded: unimproved grassland.

13 Social Infrastructure

Social infrastructure is a subset of the infrastructure sector and typically includes assets that accommodate social services. Examples of social infrastructure assets

include schools, universities, hospitals, prisons and community housing. Social infrastructure does not typically extend to the provision of social services, such as the provision of teachers at a school or custodial services at a prison.

13.1 Educational services

Definition	<p>Educational services in an economy consist of many components, for the purpose of this report we will use the following indicators to summarise the educational services:</p> <ul style="list-style-type: none"> • Total learners – the number of learners actively participating in education. • Total educators – the number of educators or teachers part of the education. • Number of facilities – all the facilities or schools used for the education.
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The following is an overview of the educational services and statistics of the Nyandeni Local Municipality. The total learners, total educators or teachers and number of schools are presented for the last 3 years.

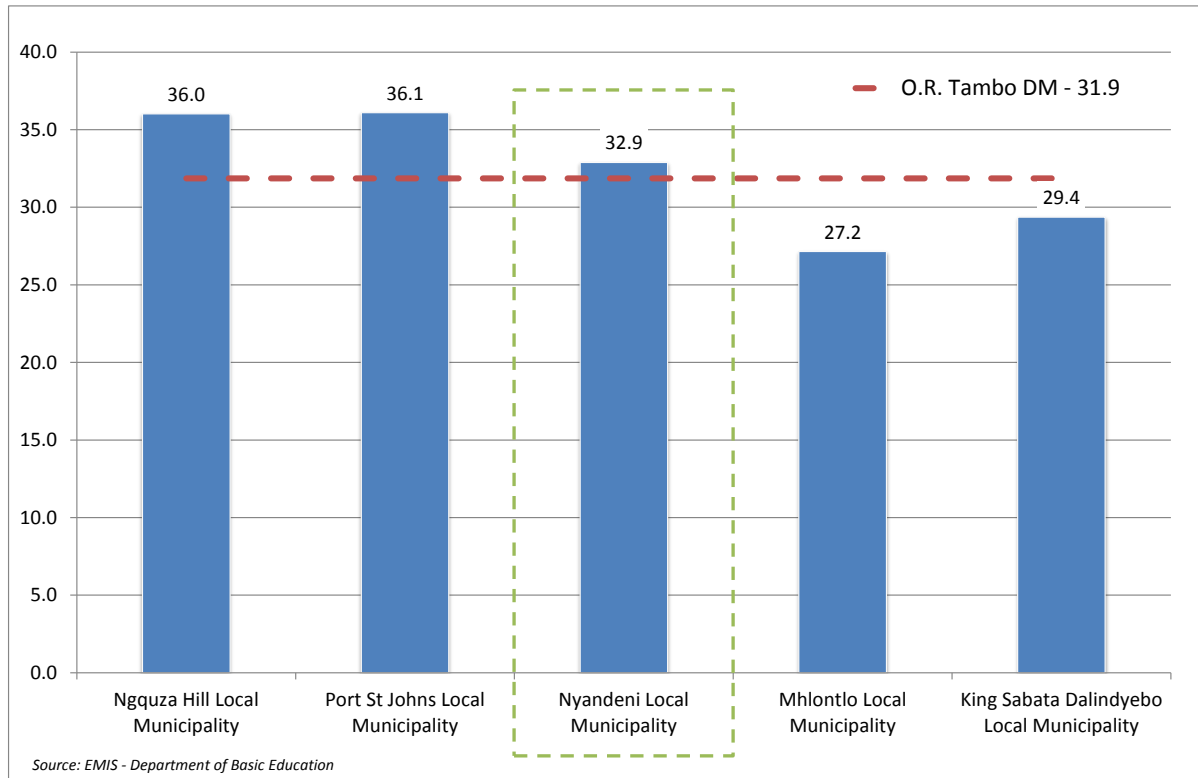
TABLE 45. EDUCATION INFRASTRUCTURE BY LOCAL MUNICIPALITY IN O.R. TAMBO DISTRICT MUNICIPALITY, 2010 TO 2012

		Ngquza Hill Local Municipality	Port St Johns Local Municipality	Nyandeni Local Municipality	Mhlontlo Local Municipality	King Sabata Dalindyebo Local Municipality	Total
Total Learners	2010	114 713	66 799	110 920	75 993	158 657	527 082
	2011	112 444	64 030	107 037	69 680	149 749	502 940
	2012	115 057	64 949	106 925	68 776	145 043	500 750
Total Educators	2010	3 282	1 824	3 331	2 559	5 082	16 078
	2011	3 162	1 838	3 299	2 591	5 020	15 910
	2012	3 194	1 799	3 251	2 533	4 939	15 716
Number of Schools	2012	218	147	259	259	350	1 233

Source: EMIS - Department of Basic Education

The number of learners in the Nyandeni Local Municipality was 106 925 in 2012, which is a decrease of 1.82% per year from 2010. The total number of educators that are serving the learners amounts to 3 251 and decreased at an average annual rate of 1.21%. Nyandeni Local Municipality has a total number of 259 schools to accommodate the learners and the educators.

CHART 32. NUMBER OF STUDENTS FOR EACH EDUCATOR BY LOCAL MUNICIPALITY IN O.R. TAMBO DISTRICT MUNICIPALITY, 2012



in order to sustain growth in the number of learners, educators are necessary. In Nyandeni Local Municipality there is a total number of 3 251 educators/teachers which is equal to 33 learners to one educator, which is inline with the district municipality (32 learners per educator). Comparing that to the other local municipalities the Mhlontlo Local Municipality has the lowest ratio of 27 learners to one educator.

13.2 Healthcare facilities

Definition A healthcare facility is, in general, any location at which medicine is practiced regularly. Medical facilities range from small clinics and doctor's offices to emergency medical centres and large hospitals with elaborate emergency rooms and trauma centres. The healthcare facilities is summed in to categories:

- **Private facilities** – all facilities that is for-profit this includes private hospitals and private clinics. The not-for profit facilities also forms part of the private facilities, but is only non-medical sites.

- **Public facilities** – this includes general provincial facilities, provincial emergency services and any other department facilities

There is a total of 8252 healthcare facilities in South Africa, 6575 is in the hands of the government and 1677 in the private sector. The following summarizes the number of health facilities in the O.R. Tambo District Municipality and the Nyandeni Local Municipality.

TABLE 46. NUMBER OF HEALTH FACILITIES IN NYANDENI LOCAL MUNICIPALITY, 2011

Type	Number of health facilities		Facilities per 100,000 people	
	O.R. Tambo DM	Nyandeni LM	O.R. Tambo DM	Nyandeni LM
Private facilities	5	1	0.4	0.3
Public facilities	193	65	14.1	22.4
Total	198	66	14.5	22.7

Source: Health Information Systems Programme (HISP)

The Nyandeni Local Municipality has 33.7% of the total public facilities in the O.R. Tambo District Municipality. In the O.R. Tambo District Municipality there is a total of 14.5 healthcare facilities for every 100,00 people, while in Nyandeni Local Municipality a total of 22.7 healthcare facilities are available for every 100,000 people.

TABLE 47. NUMBER OF HEALTH FACILITIES IN NYANDENI LOCAL MUNICIPALITY BY TYPE OF FACILITY, 2011

Type	O.R. Tambo District Municipality	Nyandeni Local Municipality
Clinic	139	46
Community Health Centre	10	3
Correctional Centre	4	2
Crisis Centre	1	1
District Hospital	9	4
EMS Station	9	3
Mobile Service	14	6
Non-medical Site	3	-
Private Hospital	1	-
Provincial Tertiary Hospital	2	-
Psychiatry Service	3	1
Regional Hospital	1	-
Specialised Orthopaedic Hospital	1	-
Specialised TB Hospital	1	-
Total	198	66

Source: Health Information Systems Programme (HISP)

The above table is a breakdown of the type of healthcare facilities in the Nyandeni Local Municipality. The majority of health facilities are in the form of a clinic - 46 facilities or 69.7% of the total facilities in Nyandeni Local Municipality.

The number and quality of medical facilities in a country or region is one common measure of that area's prosperity and quality of life.

CHAPTER 3: THE SPATIAL DEVELOPMENT FRAMEWORK

Preparation and Adoption

The Spatial Development Framework was reviewed and adopted by Council on 31 March 2011 with a council resolution no 650 as key component of the integrated development planning. It is five a year horizon plan that guide and inform spatial planning processes and key decisions.

The formulation of a Spatial Development Framework Plan is a legal requirement, which every Municipality must adhere to as part of their Integrated Development Planning process (IDP). Refer: Section 26 (e) of the Municipal Systems Act (Act 32 of 2000).

3.1 Purpose of Spatial Development Planning

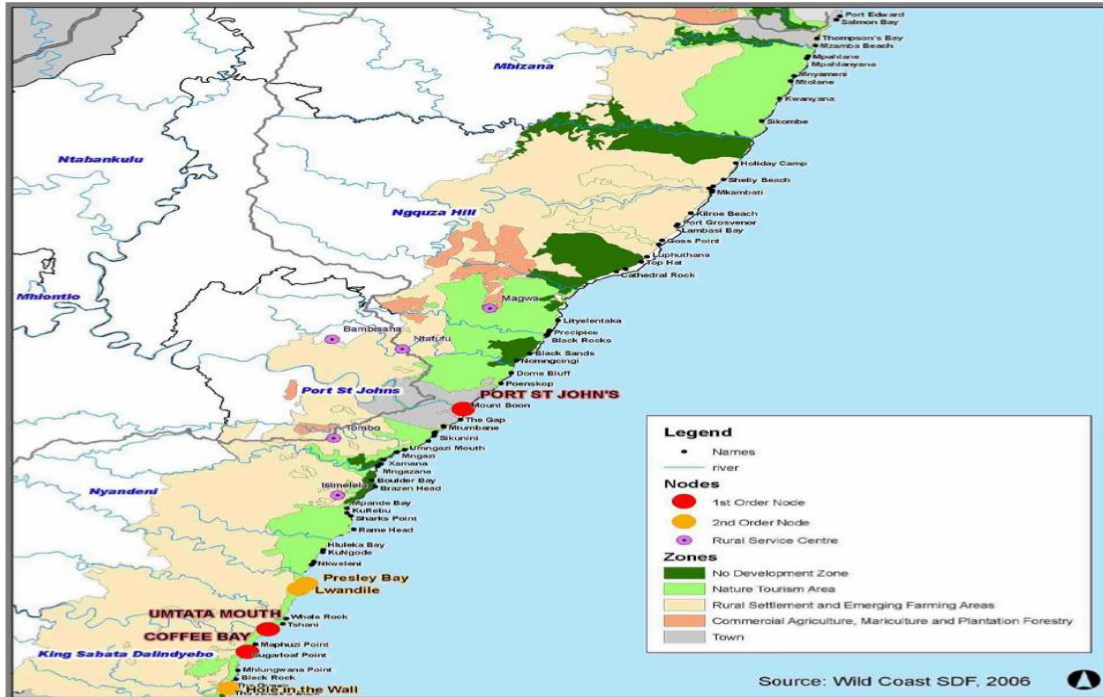
The purpose of formulating a Spatial Development Framework Plan for Nyandeni is to provide the municipality and other development agencies with a tool to assist them in making development decisions, which ensures that land in Nyandeni is used and managed appropriately and that sustainable development decisions and practices are implemented.

The Spatial Development Framework essentially creates a map “picture” of what the Nyandeni area will look like in the future in accordance with the Municipality’s vision and objectives, developed during the IDP process.

In so doing the purpose of the plan is to provide a spatial policy framework:

- To direct development agencies in decision making which directly or indirectly impacts on the Municipal area.
- To direct private and public investment to areas in that would ensure the most sustainable return of investment.
- To guide development in a spatially efficient way, ensuring linkage and alignment to regional and national development policies and programmes.
- Which in response to locally specific trends and dynamics in Nyandeni, directs investment to areas of greatest potential and to target areas of greatest need to alleviate poverty and promote economic growth.
- This proposes strategic options to improve linkages within Nyandeni and beyond its boundaries to stimulate effective and sustainable integrated development.

Nyandeni LM SDF



3.2 Legal Framework for the SDF

During the Apartheid era (pre–1994), spatial planning was commonly used as a tool to achieve the “separate development” ideology of the Apartheid Government. In those terms, spatial planning entailed prescriptive, inflexible and control-orientated measures that sought to manipulate the physical environment in order to achieve racially separate. As an inevitable consequence of this, fragmented and unequal socio-economic and spatial development patterns resulted across South Africa, which is a legacy that will need to be redressed for generations to come.

Since 1994, the post-Apartheid Government has sought productively to change e imbalances and inequalities of the past by: -

- *Promoting the restructuring of spatially inefficient settlement forms;*
- *Encouraging wise and sustainable land use;*
- *Channeling resources to areas of greatest need and development opportunity;*
- *Stimulating economic development opportunities in both rural and urban areas;*
and
- *Supporting equitable protection of rights to and in land.*

In order to achieve this, the Government has adopted a range of new legislation and policies, which allows for a more flexible, participative planning methodology that is principle-led and rights-based.

For the Nyandeni Spatial Development Framework, the **key legislative informants** of the new approach to spatial planning are derived from: -

- *The Development Facilitation Act (Act 67 of 1995)*
- *The Municipal Systems Act (Act 32 of 2000) – specifically Chapter 5*
- *The Local Government: Municipal Planning & Performance Management Regulations (GN R796 of 2001)*
- *The White Paper on Wise Land Use: Spatial Planning and Land Use Management (March 2001)*
- *The Draft Land Use Management Bill (2008)*

The above laws and legislative policy documents provide the foundations for establishing the parameters of a Spatial Development Framework. As such, these are the principle informants on matters of spatial planning policy for the Municipality and, in the case of the enacted laws, the Municipality is legally obliged to apply their provisions when engaging in spatial planning and land use management.

3.3 Nyandeni Development Nodes

Nodes are usually located on main transport routes and intersections of such routes, to provide maximum access and can act as catalysts for new growth and development in areas adjacent to the nodes. As such, they are areas where the following should be prioritized: -

- Appropriate levels of development investment in infrastructure.
- Appropriate land use management to promote preferred development outcomes, which are further described in Section 6.3.3. Below in the Land Use Management Guidelines.

IT MUST BE NOTED that defining certain urban or rural settlements as development nodes does imply that these areas are of a higher level of strategic importance in the overall spatial pattern of development in Nyandeni.

However, this does not mean that the constitutional injunction to strive to deliver a basic level of service to all settlements in the municipal area within the available means of the state is to be compromised.

Rather, the identification of the development nodes is seen as a tool to assist the Municipality in prioritizing its efforts and expenditure appropriately to achieve the best possible developmental outcomes in the Nyandeni area, to the benefit of all Nyandeni communities.

URBAN NODES	
NODE TYPE	AREA/LOCALITY
Municipal Urban Node	Libode Ngqeleni
DESCRIPTION	
<p>Both these towns are described in the OR Tambo District SDF as lower-order service centres in terms of the district-scale.</p> <p>From the local municipal perspective they remain important as urban settlements where goods and services can be accessed by the local residents and residents of surrounding rural settlement areas.</p> <p>The towns should be promoted by the LM as places for the location of retail and wholesale enterprises as well as education and health facilities. It is important also to ensure that public transport facilities are developed to an effective standard in these towns.</p> <p>The priorities in these towns are deemed to be the upgrade and extension of infrastructure networks and the implementation of rigorous land use management.</p>	

3.3.1 Libode

The specific priorities for land development in the town of Libode are suggested as follows (refer to Plans overleaf): -

- Given the fact that the town is relatively close to the conurbation of Mthatha, where housing/accommodation is at a premium, the focus in Libode should be on developing the town as a secondary or satellite town to Mthatha. This means that emphasis should be placed on
 - a. The upgrade of urban infrastructure to ensure that a decent level of service can be provided to residents in the town;
 - b. The rendering of basic cleansing services and the effective management of solid waste so as to improve the quality of the living environment in the town;
 - c. Proper application of the Town Planning Scheme and Building Controls to ensure that land development takes place in terms of the requirements for site coverage, height controls and the provision of on-site parking and loading facilities;
 - d. Placing a special focus on the improvement of infrastructure (including public transport facilities) in the Central Business area (Business Improvement District)

- e. Maintaining the integrity of the urban edge until the area demarcated by the edge is fully developed and serviced.
- f. Encouraging the densification of residential areas in the “old town” where erf sizes are large. This may be achieved by the application of rates surcharges for undeveloped land located in the town area.
- It is desirable that a Local Spatial Development Framework be formulated that focuses on the town of Libode and the rural settlements due south of the town to attempt to promote the integration of the functioning of the urban and rural areas.

.3.2 Ngqeleni

The specific priorities for land development in the town of Ngqeleni are suggested as follows (refer to Plans overleaf): -

- Given the fact that the town is centrally located within the Nyandeni Municipal area and is located on a main access route to the coastal resort areas of Presley Bay and Lwandile, the focus in this area should be placed: -
 - a. The upgrade of urban infrastructure to ensure that a decent level of service can be provided to residents in the town;
 - b. The rendering of basic cleansing services and the effective management of solid waste so as to improve the quality of the living environment in the town;
 - c. Proper application of the Town Planning Scheme and Building Controls to ensure that land development takes place in terms of the requirements for site coverage, height controls and the provision of on-site parking and loading facilities;
 - d. Placing a special focus on the improvement of infrastructure (including public transport facilities) in the Central Business area (Business Improvement District);
 - e. The development of a Tourism Information Centre (Visitors Info Centre) at an appropriate locality in the town;
 - f. The legalisation of the existing (built) township area known as Extension 3;
 - g. Maintaining the integrity of the urban edge until the area demarcated by the edge is fully developed and serviced.
 - h. Encouraging the densification of residential areas in the “old town” where erf sizes are large. This may be achieved by the application of rates surcharges for undeveloped land located in the town area.
- It is desirable that a Local Spatial Development Framework be formulated that focuses on the town but this is not seen to be as high a priority as the need for a LSDF in Libode and surrounds, given the strategic importance of the

Topography

Nyandeni Municipality ranges in altitude from 1200m above sea level in the North-West slowly descending Towards the South-East to the low lying coastal area. It is drained by four perennial rivers, Mngazi, Mngazana, Mlata and Mhenu River.

Climate

Nyandeni experiences a largely subtropical climate, with the more elevated regions experiencing a more temperate climate. Below the escarpment, along the coast are the wettest area, though the whole municipality a very high average annual rainfall of above 700mm per annum.

Minimum temperatures range from 8.9°C in the high lying North West to 15.3°C along the coast, with a very small maximum range from 22.8°C along the coast to 23.8°C inland.

This moderate climate ensures favourable conditions for agriculture and this seems to be the most viable means of income generation for this region.

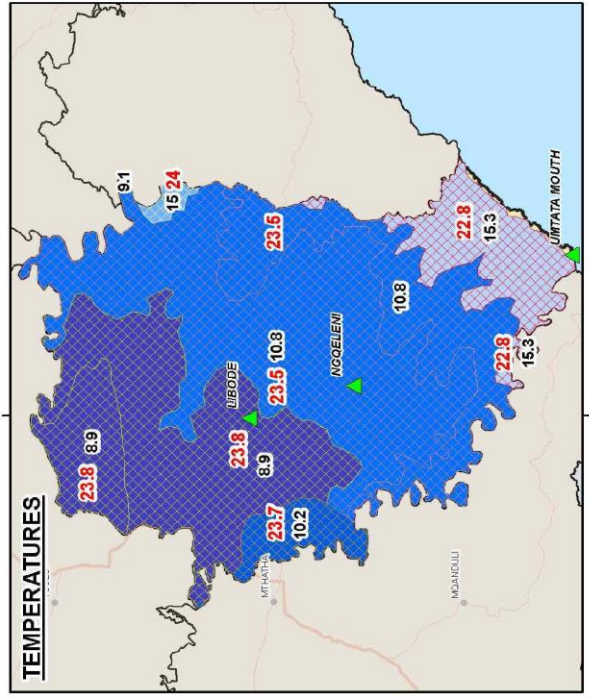
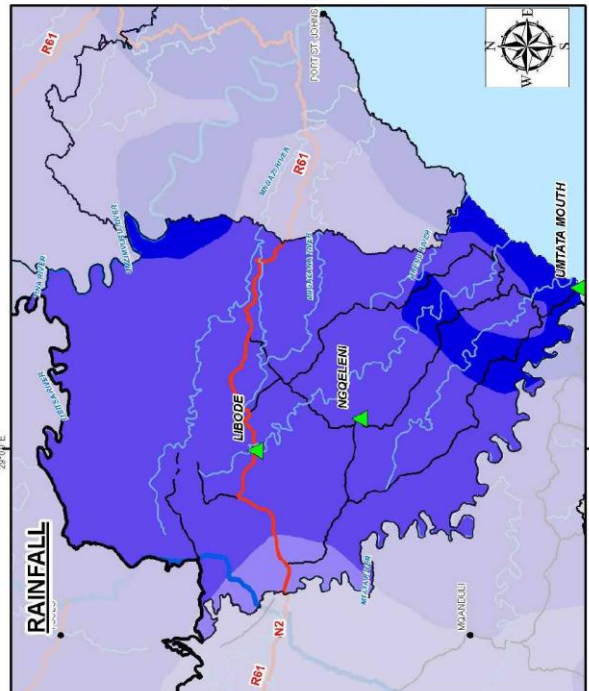
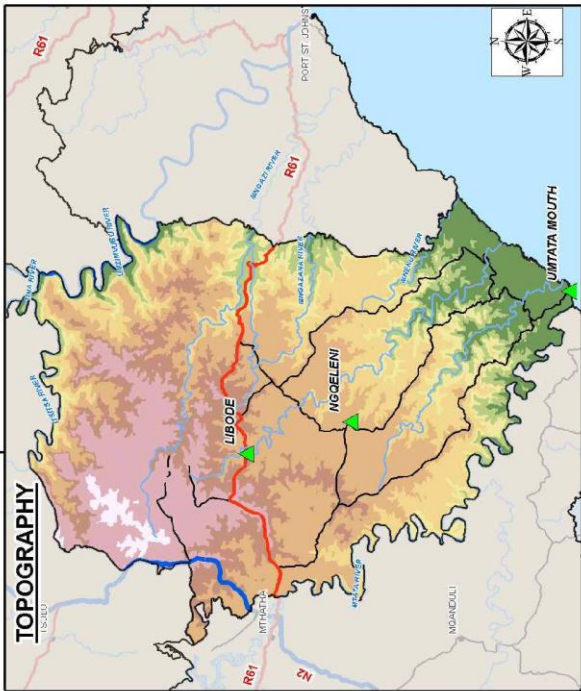


- Map 1:**
- ▲ MAIN TOWNS
 - NATIONAL ROUTE
 - ARTERIAL ROUTE
 - MAIN ROAD
 - SECONDARY ROAD
- Elevation**
- HEIGHT**
- 0 - 100
 - 101 - 200
 - 201 - 300
 - 301 - 500
 - 501 - 700
 - 701 - 800
 - 801 - 1000
 - 1001 - 1200

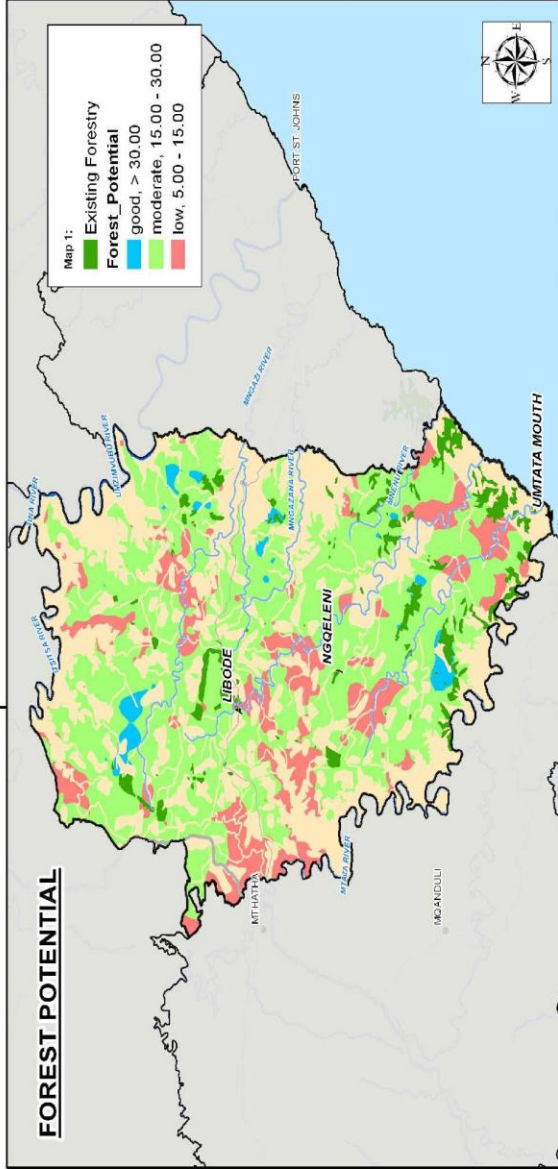
- Map 2:**
- ▲ MAIN TOWNS
 - Perennial Rivers
 - Non-Perennial Rivers
 - NATIONAL ROUTE
 - ARTERIAL ROUTE
 - MAIN ROAD
 - SECONDARY ROAD

- Rainfall**
- Average Annual rainfall (mm)**
- 0 - 500
 - 501 - 700
 - 701 - 800
 - 801 - 1000

- Map 3:**
- Maximum °C Minimum °C**
- 22.8
 - 23.5
 - 23.7
 - 23.8
 - 24
 - 15
 - 15.3



FOREST POTENTIAL



FOREST POTENTIAL

The eastern portion of the Eastern Cape has large areas which are biophysically suitable for commercial forestry. In 2003, DWAF commissioned a Strategic Environmental Assessment (SEA) of areas that are biophysically suitable for forestry in Water Management Area 12 (WMA12) (Umzimvuubu—Keiskamma).

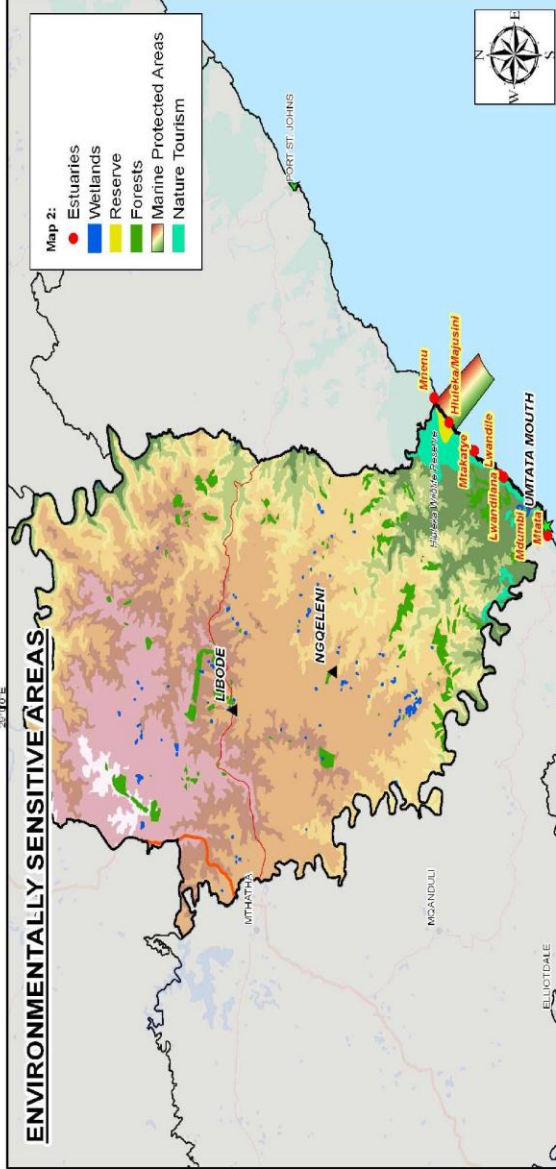
Although there are other areas with forestry potential within the province, WMA12 represented the area with the highest forestry potential and where the hydrological impacts are likely to be lowest. The area has one of the lowest total requirements for water in the country, due to relatively high rainfall and low levels of economic activity.

The identified areas having "good" potential (Mean Annual Increments of 22 for Pine, 35 for Gum and 10 for Wattle) and 1 585 947 ha as moderate (Mean Annual Increments of 15 for Pine, 15 for Gum and 8 for Wattle). A Mean Annual Increment is a measure of plantation growth in cubic meters per hectare per year.

The areas with forestry potential were identified on the basis of biophysical criteria after filtering out existing forestry, areas of high biodiversity, conservation value, socio-economic value, hydrological restrictions, infrastructural constraints, and urban and residential settlements. At this stage the areas are merely identified as being suitable for forestry (as opposed to available).

Category	Area (Ha)	%
good	3764.15	2.82%
low	26935.25	20.15%
moderate	102966.12	77.03%
Total	133665.52	100.00%

ENVIRONMENTALLY SENSITIVE AREAS



ENVIRONMENTALLY SENSITIVE AREAS

Nyandeni Municipality has potential for tourism along the 20km stretch of coastline from Mtata Estuary in the south-west to Mhenu Estuary in the north-east. This coastline is a very important eco-tourism destination, as there are a number of forests, areas designated for nature tourism, estuaries, Huleka Wildlife Reserve and a marine protected area.

Coastal Forest
Coastal Forest includes all areas of coastal dune forest and coastal lowland forest. It is becoming increasingly rare along the eastern coast due to clearing for agriculture and township development. This group of vegetation is important because of its high species diversity which may harbour medicinally useful plants; aesthetics; soil binding and erosion prevention characteristics habitat provision for wildlife and educational, tourism

Wetland Areas

Two types of wetland systems are found within the Nyandeni Municipality. Coastal wetlands are influenced by tides and contain waters that show appreciable salinity. Inland wetlands include fresh water areas and can be likened to a basin which is filled with soil that has an impervious layer such that it retains water. Wetlands are usually identified by a few characteristic plant types such as bulrushes, reeds, sedges, mangroves and other water loving trees and grasses. Wetlands offer a multitude of advantages to the environment:

1. Plant cover allows for filtering, reducing flow velocities and most importantly allowing for infiltration into the soil and thereby replenishing ground water levels.
2. Controlling stream flow velocities, flood control and volumes
3. Soil erosion protection.
4. Provision of stock grazing lands
5. Provision of wildlife habitat including aquatic nurseries (fishing, hunting, material harvesting, education and game viewing)

All estuaries, streams and rivers should be conserved within the Nyandeni Municipality due to their functional importance in the provision of freshwater supply as well as their ecological importance.

TOURISM NODES	
NODE TYPE	AREA/LOCALITY
Primary Coastal Node	Mthatha Mouth/Mdumbi/Tshani
Secondary Coastal Node	Presley Bay/Lwandile
Proclaimed Reserve	Hluleka Reserve
DESCRIPTION	
<p>These are areas or settlements where the principal function has been identified as being related to the development of a viable and sustainable Coastal Tourism sector</p> <p>Accordingly, the priorities in these nodes are related to appropriate infrastructure development, the development of suitable access roads and the maintenance of the infrastructure so developed.</p> <p>A further set of priorities for these nodes is strongly related to the appropriate management of land use and related activities as well as rigorous environmental management to preserve the environmental assets that provide the competitive advantage of these areas.</p>	

RURAL NODES	
NODE TYPE	AREA/LOCALITY
Higher Order Rural Settlement Node (Rural Service Centres)	Corana Junction Nyandeni village Marhubeni Dikela Hill Ntlaza Junction "Kop Shop" Junction Canzibe Entshilini Junction
DESCRIPTION	

RURAL NODES

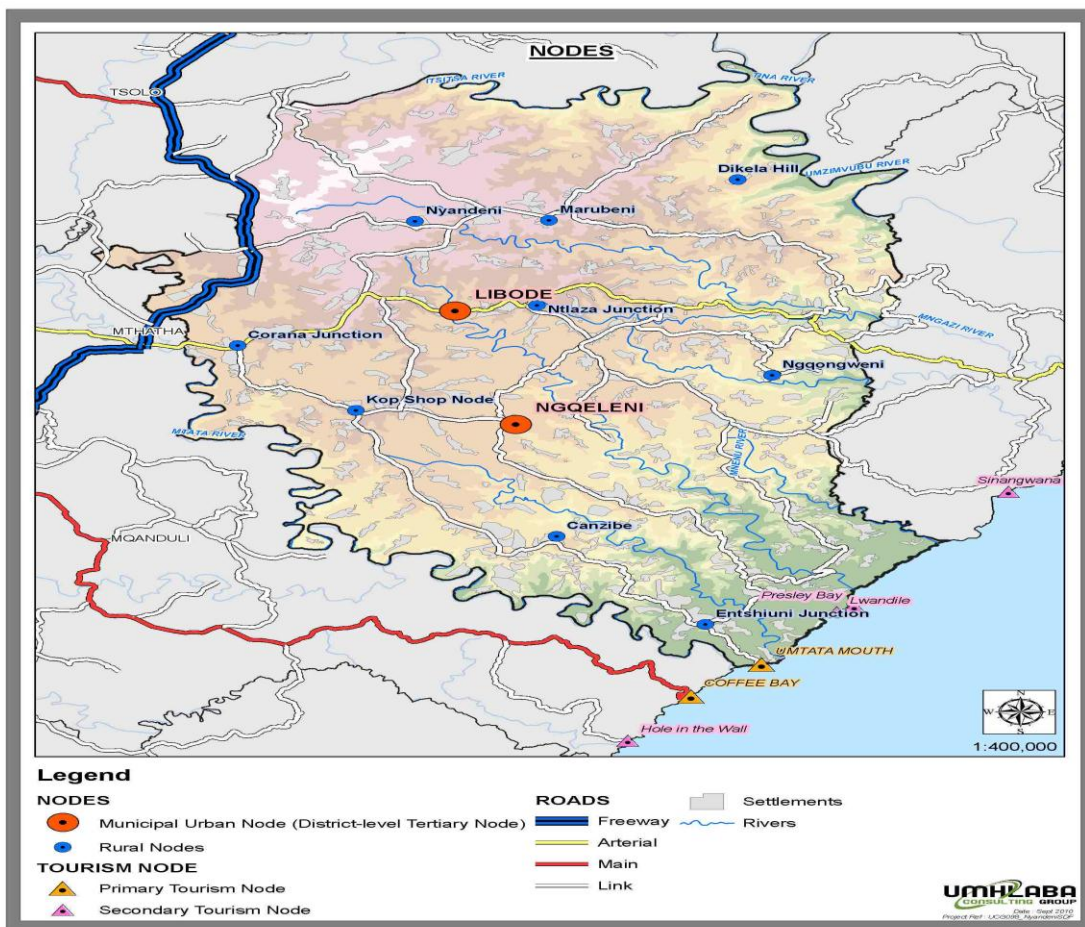
NODE TYPE

AREA/LOCALITY

These are rural villages or transport junctions where higher order rural-level services are prioritized. In the main, these are seen to include education facilities, primary health care facilities (clinics), businesses and, where required, other social facilities (police stations, pension pay points etc.).

The priority from an infrastructure point of view for these rural nodes remains a basic level of supply for water services and electricity. However, road access to and from these nodes is seen to be of a higher priority and should be noted accordingly when road development and maintenance budgets are drawn up.

These nodes are also prioritized as local areas where spatial planning to improve land use and infrastructure should be carried out.



3.4 Development Corridors

Development corridors are described in planning terms as roads or railway routes that are usually associated with the movement of people between places. This function of facilitating movement of people along a route also means that these “movement corridors” have the potential to accommodate development of different levels of intensity and a mix of land uses at certain points along the route.

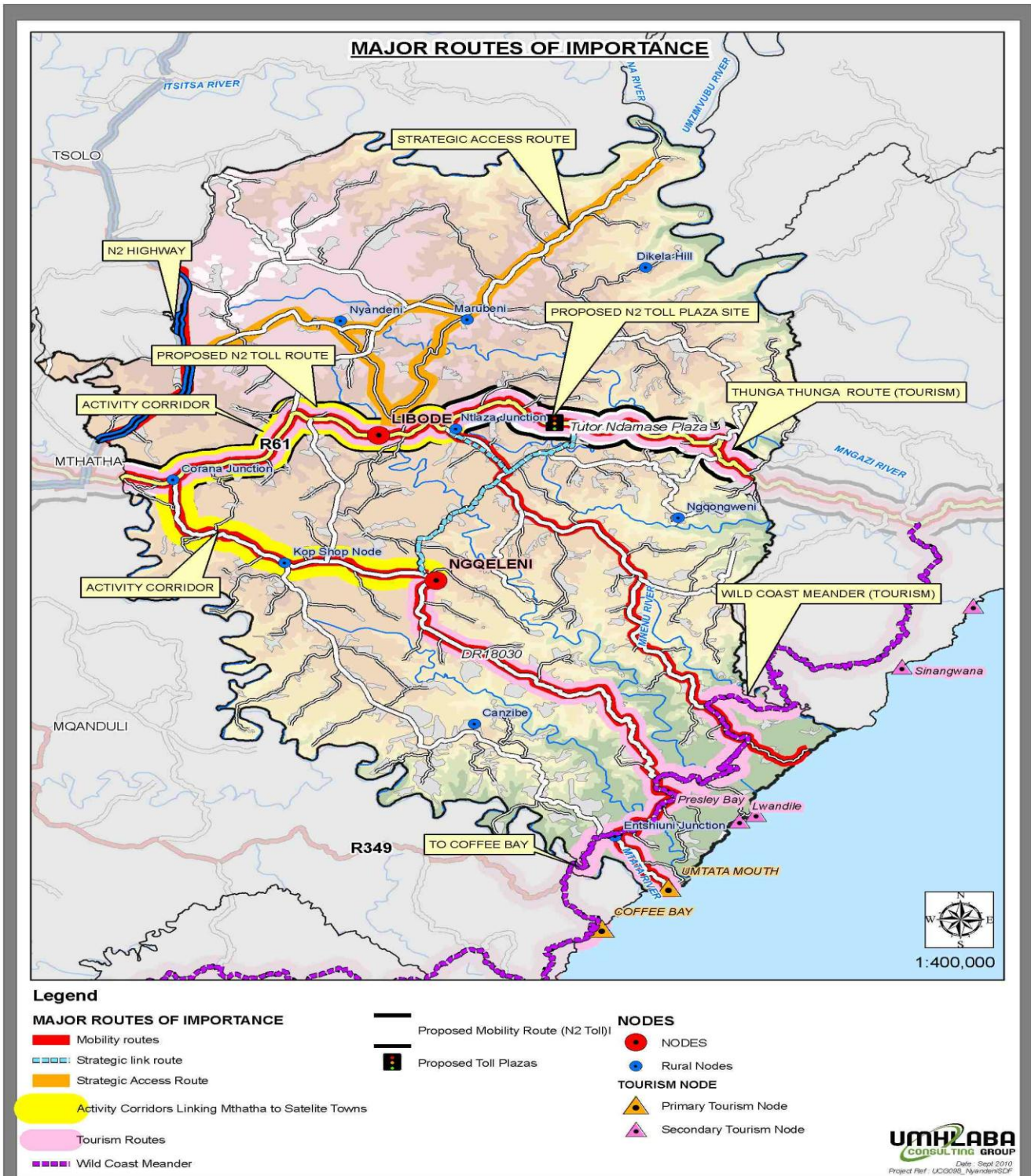
Different categories of Development Corridors can be described as follows (*adapted from the Buffalo City Spatial Development Framework: SETPLAN et al, 2003*):

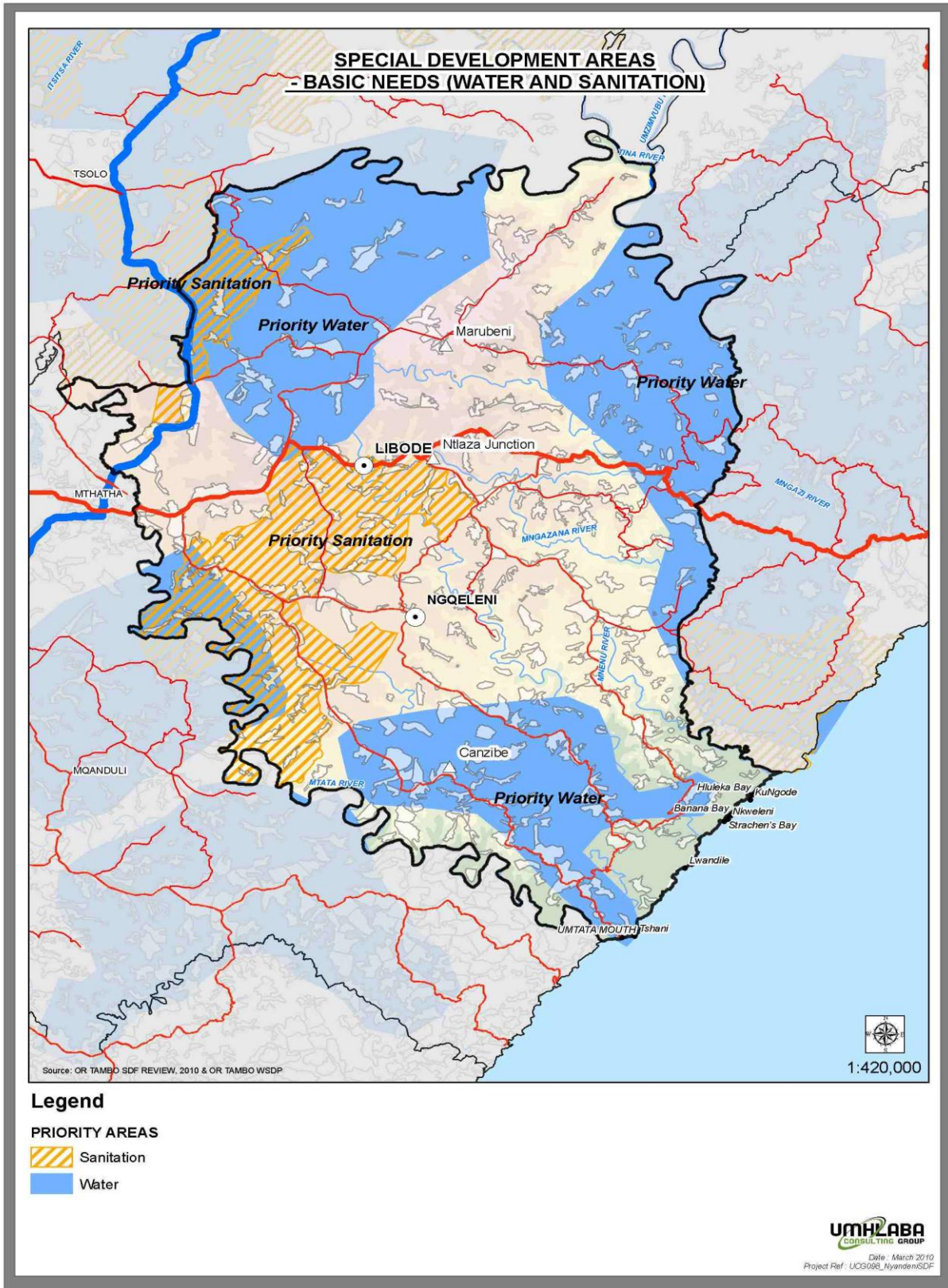
- **Mobility Route:** is a road with limited access that principally carries traffic between major nodes.
- **Activity Corridor:** is a band of high-density development up to 800m wide along a public transportation route. Typically, activity corridors link areas of greater intensity of land use (nodes) and are usually found in larger urban areas. They can, however, be designated in rural areas where deemed appropriate.

In addition to the above types of development corridor commonly defined, the particular circumstances within Nyandeni warrant the identification of **Special Routes**, which are, in this instance, related to tourism development.

TYPE	AREA/DESCRIPTION OF LOCALITY	FUNCTION
Primary Activity Corridor	<ul style="list-style-type: none"> ▪ R61 from Mthatha to Ntlaza Junction 	This route has the potential to be developed as a development corridor with a higher intensity of land use alongside it due to the proximity of the three nodal elements of Ntlaza Junction, Libode and Mthatha.
Mobility Routes	<ul style="list-style-type: none"> ▪ N2 ▪ R61 ▪ DR18030 (road from R61 to Mthatha Mouth via Ngqeleni) 	These routes carry passing traffic and provide access between local areas in Nyandeni and centres

Proposed Mobility Route	<ul style="list-style-type: none"> ▪ N2 TOLL Road 	further afield
Special Routes Tourism Focus	<ul style="list-style-type: none"> ▪ Wild Coast Meander ▪ Thunga Thunga Route (R61) ▪ DR18030 (road to Mthatha Mouth) 	These routes relate to tourism destinations and provide links between tourism nodes and main mobility routes





BIOREGIONS
 In terms of the Biodiversity Act (Act 10 of 2004), the Minister or the MEC for environmental affairs in a province may determine a geographic region as a bioregion for the purposes of the Act and publish a plan for the management of biodiversity in that region.

SUSTAINABILITY
 There is an obligation for government on the one hand to promote rural development poverty alleviation and service delivery, and on the other hand to ensure that the rich natural capital of the Province is sustainably used and conserved such that both current and future generations may benefit.

CRITICAL BIODIVERSITY AREAS
 Critical Biodiversity Areas (CBAs) are terrestrial and aquatic features in the landscape that are critical for conserving biodiversity and maintaining ecosystem functioning.

The ECBCP developed two maps: one showing terrestrial (land-based) CBAs (see Map 1), and the other showing aquatic (freshwater) CBAs (Map 2). The map of terrestrial CBAs was compiled by undertaking a systematic biodiversity planning analysis and adding all biodiversity priority areas identified by other systematic biodiversity planning projects (such as STEP) in the Province. The following table identifies recommended land-use objectives for Biodiversity Conservation.

TABLE A: Recommended Land-Use Objectives

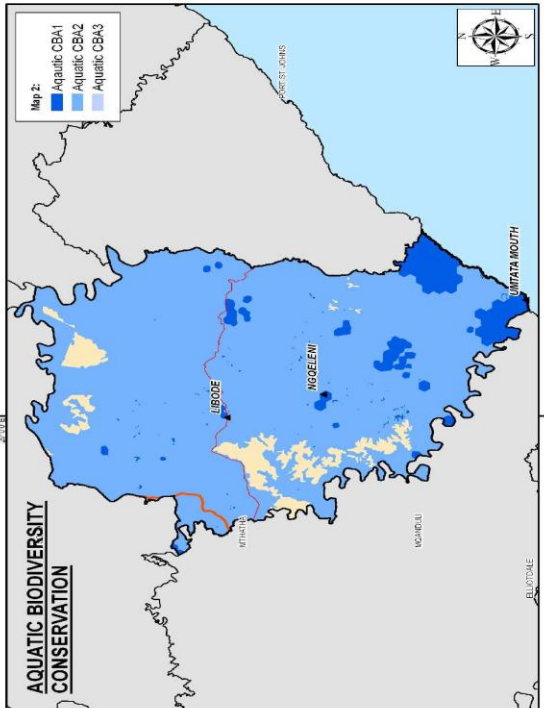
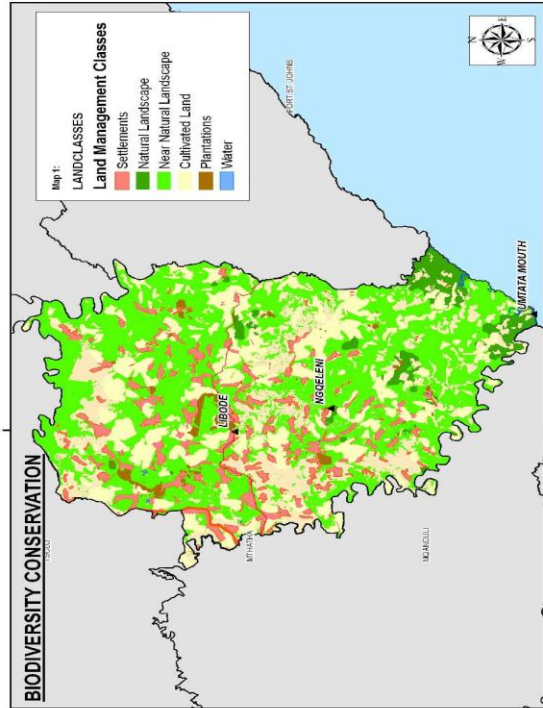
	Yes	Yes	Yes	Yes
Conservation	Yes	Yes	Yes	Yes
Game farming	No	Yes	Yes	Yes
Commercial livestock	No	Yes	Yes	Yes
Commercial livestock ranching	No	No	Yes	Yes
Dry land cropping	No	No	Conditional	Yes
Irrigated cropping	No	No	Conditional	Yes
Dairy farming	No	No	Conditional	Yes
Timber	No	No	Conditional	Yes
Settlement	No	No	Conditional	Yes

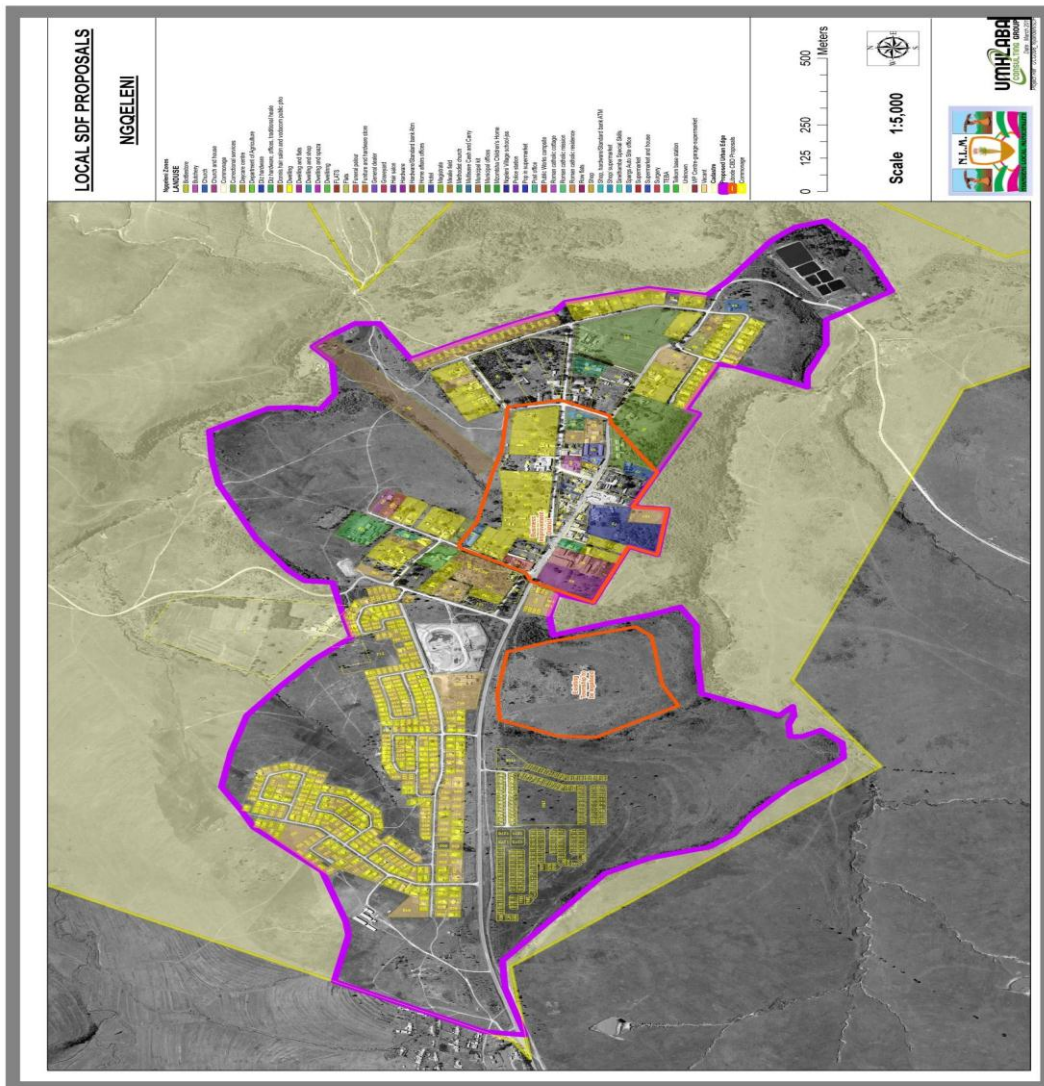
Aquatic CBAs were identified on the basis of sub-quaternary catchments, addressing the linkages between catchments, important rivers and sensitive estuaries. Priorities were identified through a systematic conservation planning analysis.

Why conserve biodiversity?
 Biodiversity provides us with clean water, air and soil, as well as medicinal plants, herbwood, food products (from fishing, hunting and venison), building materials and grazing. Plant roots stabilise the soil and prevent erosion. All of these are vitally important for human wellbeing. Biodiversity also contributes significantly to rural livelihoods. The scenic beauty of the Province provides valuable products for the tourism and wildlife industry, with potential to generate considerable economic revenue from nature reserves, game farms and hunting lodges. At the global scale, we depend on nature, particularly forests, to absorb the carbon dioxide that we generate, and to regulate the climate. All of these resources depend directly on biodiversity.

Recommended Land Uses
 Some land use types have a much greater negative impact on biodiversity than others. For instance, timber plantations and urban settlement are much more damaging to biodiversity than livestock and low-impact tourism activities. To further

Compiled by Amanda George Hayes and written by Derek Bellmer, Philip Desmet and Robert Hayes, Department of Water Affairs and Forestry, Project No 2005-012, Rong Williams's Farm, August 2007.
 ISBN 978-0-620-35422-5





SDF Implementation- the below projects were identified in the SDF

NYANDENI PRECINCT PLAN

Nyandeni Precinct Plan was commissioned by the Eastern Cape Socio Economic Consultative Council herewith referred as (ECSECC) and completed in 2012. The study identifies 3 areas namely;

- *Central Business District (CBD) of Ngqeleni*
- *Mthatha Mouth to Mdumbi River*
- *Lwandile/Presley Bay*

The main objective of the project is to enhance the implementation

VISION AND OBJECTIVES

4.1 Vision

"Ngqeleni will be a town where the community has access to adequate infrastructure and jobs. A vibrant economy resulting from socio-economic developments will create jobs and an accessible service centre."

Table 9: Objectives	
Objectives	Impact
1. Upgrade of urban infrastructure to ensure that a decent level of services can be provided to residents in the town.	High
2. Provide a clinic for the community of Ngqeleni	High
3. Identify the strategic areas of opportunity that should be the focus areas for capital investment in engineering services infrastructure.	High
4. Improve road quality by undertaking road maintenance and/or rehabilitation.	Medium
5. Implementation of a well designed stormwater system that will reduce damage to road infrastructure.	Medium
6. Implement a comprehensive land use management system for the municipality. This will lead to investment and development in the medium to long term.	High
7. Unlocking of strategic land.	High
8. Improve image of Ngqeleni (aesthetics)	Medium
9. The development and improvement of linkages between the CBD and residential areas, sporting grounds and schools for easy pedestrian commuting and vehicular commuting.	High
10. To support the business sector and facilitate its expansion.	High
11. The legalisation of the existing (built) township area known as Zone 5.	Low
12. Maintain the proposed urban edge for the next 10 years or more until such time that the area fully developed and serviced.	Medium

Strategies

2. Provide a clinic for the community of Ngqeleni	<p>The nearest hospital is Canzibe Hospital, in Mgodweni location, 30 km away from Ngqeleni.</p> <p>An appropriate site has been allocated for a clinic in Ngqeleni Town.</p>
3. Identify the strategic areas of opportunity that should be the focus areas for capital investment in engineering services infrastructure.	<p>This is the mapped CBD area that will facilitate medium density developments and intense economic activity.</p> <p>Maintain the proposed urban edge for the next 10 years or more until such time that the area has been developed to its full potential and densified to its full potential.</p>
4. Improve road quality by undertaking road maintenance and/or rehabilitation.	<p>Tar the two main roads. Namely: King George and Armstrong street. And provide wide pavements that facilitate random street trading as well as people walking with their goods.</p>
5. Implementation of a well designed stormwater system that will reduce damage to road infrastructure.	<p>This will be costly and will disturb the everyday functioning of the town therefore careful planning is required and appropriate times for road works.</p>
6. Implement a comprehensive land use management system for the municipality. This will lead to investment and development in the medium to long term.	<p>Channel development into a system of nodes and corridors, in accordance with the principles of the National Spatial Development Perspective.</p>
7. Unlocking of strategic land.	<p>Support and develop strategic locations that contain the right characteristics to enable sustainable economic development and which contribute to the overall spatial efficiency and sustainability.</p> <p>Identify vacant land parcels which will have 1st priority in terms of development and thereafter identify other land parcels that would facilitate ideal developments for the betterment of the town. Those land parcels would then need to be acquired from the municipality or bought from private owner.</p>

Nggeleni Nodal Precinct identifies the following development priorities

- Construction of a Tourism Information Centre to cater for the needs of tourist travelling through the town
- Tourism Sector Plans
- Resources (Skilled Professional)
- Preparation of Business Plans
- Detail Urban design guidelines
- Tourism and Direction Signage
- Redevelopment of Taxi Rank with facilities
- Upgrading of water supply

Development Priorities – Mthatha Mouth/Mdumbi

- Detail Urban design guidelines
- Application for funding for township establishment
- Tourism and Direction Signage
- Marketing and investment opportunities
- Upgrading of the main access road
- Upgrading of water supply
- Upgrading of sanitation
- Development of Hotel/Lodge
- Development of Caravan Park'
- Development of two resort areas

Development Priorities – Lwandile/Presley Bay Node

- Upgrading of the main access road
 - Tourism signage and marketing
 - Township Establishment
 - Upgrade of water supply
 - Upgrade of sanitation
 - Development of Hotel/lodge
 - Development of two resort area
 - Development of Caravan Park
-

Local Spatial Development R61 Corridor/Ntlaza & Libode

Objective of the LSDF

- Manage development, upgrade the CBD and Ntlaza Junction area, improve the quality of life, give access to basic services, social facilities and create employment opportunities.
- Upgrading of infrastructure to support the growing transport services and new development initiatives.
- Manage use of natural resources.
- Identify and develop adequate land and services for existing and new communities.
- Create higher density settlements.
- Promote development along major transport routes and in close proximity to services.

STRENGTHS	WEAKNESSES	OPPORTUNITIES	THREATS
<ul style="list-style-type: none"> ▶ Ntlaza Junction situated at a transport interchange. 	<ul style="list-style-type: none"> ▶ High dependency rate on the local government sector. ▶ Low levels of employment and income, which results in limited buying power. 	<ul style="list-style-type: none"> ▶ Densification of residential areas is encouraged. 	<ul style="list-style-type: none"> ▶ Predominant residential component, instead of a more business orientated centre.
<ul style="list-style-type: none"> ▶ Libode regarded as the economic hub of Nyandeni Local Municipality. 	<ul style="list-style-type: none"> ▶ No legislation in place to control development. 	<ul style="list-style-type: none"> ▶ Ntlaza Junction prioritized for education facilities, primary health care facilities, businesses and other social facilities. 	<ul style="list-style-type: none"> ▶ No projects to upgrade roads and stormwater in Libode.
<ul style="list-style-type: none"> ▶ Vacant land within the town of Libode is available for development. 	<ul style="list-style-type: none"> ▶ Infrastructure backlog. 	<ul style="list-style-type: none"> ▶ Road access to and from Ntlaza Junction prioritized for maintenance. 	<ul style="list-style-type: none"> ▶ Water shortages in Libode, particularly in dry seasons.
<ul style="list-style-type: none"> ▶ Favourably located on R61 en-route to the National N2 Road and the coast. 	<ul style="list-style-type: none"> ▶ Existing gravel roads, with no formal stormwater infrastructure. 	<ul style="list-style-type: none"> ▶ R61 identified as a 'Primary Activity Corridor' with the potential of being developed as a 'development corridor'. 	<ul style="list-style-type: none"> ▶ Illegal dumping of refuse by the Municipality at the unlicensed waste disposal site.
<ul style="list-style-type: none"> ▶ Proposal by SANRAL to upgrade interchanges along the R61 into Libode. 	<ul style="list-style-type: none"> ▶ Water demand is higher than the existing supply of water in Libode. 	<ul style="list-style-type: none"> ▶ Relatively high youthful population which reduces the dependency ratio. 	<ul style="list-style-type: none"> ▶ No formal taxi embayments along the R61 at Ntlaza Junction.
<ul style="list-style-type: none"> ▶ Proposal to construct a Waste Water Treatments Works for Libode. 	<ul style="list-style-type: none"> ▶ No formalised waterborne sewerage infrastructure. ▶ Poor sanitation services may cause water pollution. 	<ul style="list-style-type: none"> ▶ Opportunity to provide land tenure to those settled at Ntlaza Junction. 	<ul style="list-style-type: none"> ▶ Rainwater tanks are main supply of water at Ntlaza Junction.
<ul style="list-style-type: none"> ▶ Electricity supplied by Eskom and is currently being upgraded to increase the supply. 	<ul style="list-style-type: none"> ▶ Little opportunities for employment poses a threat to development. 	<ul style="list-style-type: none"> ▶ Opportunity to prevent haphazard development at Ntlaza Junction. 	<ul style="list-style-type: none"> ▶ Non-existent refuse removal service at Ntlaza Junction, which is an environmental hazard.

INFRASTRUCTURE FRAMEWORK

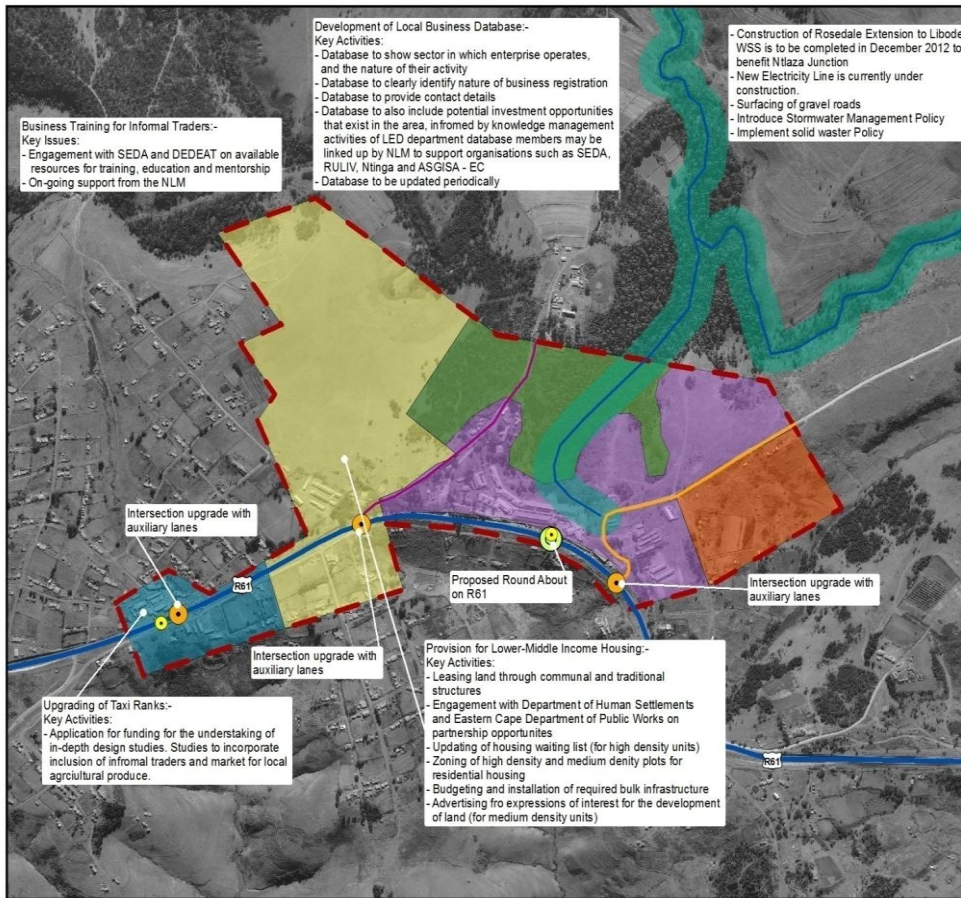
⊙ Upgrading of the R61

- > Interchange at the eastern access road into Libode
- > Overpass at the currently closed off access near the NLM offices, including pedestrian ramps and public transport bays
- > Relocation of the western intersection to Libode with the introduction of auxiliary turning lanes
- > Pedestrian bridge at the school along the R61- Libode
- > Central median island along the R61- Ntlaza junction
- > The introduction of a roundabout at the hospital with the relocation of the access to the hospital off the side road at Ntlaza junction
- > The formalization and redevelopment of the public transport facilities along the R61 in the vicinity of the Ntlaza junction
- > Rationalization of intersections at the Ntlaza junction

Public Transport Facility in Libode

- ⊙ Surfacing and demarcation of the rank
- ⊙ Formalization of the informal trading areas
- ⊙ Provision of adequate shelters for both informal traders and commuters
- ⊙ Dedicated wash bays
- ⊙ Ablution and office facilities
- ⊙ Adequate municipal services such as water, sewerage, electricity, refuse removal, etc

NTLAZA JUNCTION SDF





**NYANDENI
LOCAL MUNICIPALITY**

**LOCAL SPATIAL DEVELOPMENT
FRAMEWORK
LIBODE URBAN DEVELOPMENT NODE
AND NTLAZA JUNCTION**

**NTLAZA JUNCTION LOCAL
SPATIAL DEVELOPMENT
FRAMEWORK**

LEGEND

- Urban Edge
- Nodes
- Upgraded Intersection
- Round about
- R61
- Primary Activity Street
- Secondary Activity Street
- River
- 50m River Buffer
- Public Open Space
- 1 - Hospital Precinct
- 2 - Residential Precinct
- 3 - Eastern Precinct
- 4 - Business Precinct

DATE: NOVEMBER 2012




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This data is for information purposes only
no liability shall devolve upon the local authority
or it's officials through the use thereof.

INTEGRATED WASTE MANAGEMENT PLAN

The Municipality has adopted its Integrated Waste Management Plan on 12 December 2012 with (CR No. 918-12/13/2012). The IWMP take stock of the current situational analysis and identifies objectives and strategies to intervene decisively in managing Integrated Waste Management Plan.

EXECUTIVE SUMMARY

The National Environmental Management: Waste Act (NEMWA), Act 59 of 2008 requires each and every municipality to develop an Integrated Waste Management Plan.

The current solid waste management system in the Nyandeni Local Municipality is lacking in efficiency, has capacity problems, and the disposal sites currently in use in Libode and Ngqeleni and the entire area under the jurisdiction of the above mentioned municipality do not conform to the waste management requirements of the Department of Water Affairs Forestry (1998) Minimum Requirements for Waste Disposal by Landfill

The IWMP is developed in alignment with Government Policy as set out in the NWMS and the National Environment: Waste Act, 59 of 2008 (hereafter, Waste Act). The IWMP's should provide the Local Municipalities with an instrument with which to manage waste and prevent pollution, with particular emphasis on sorting, separation, reduction, recycling, re-use, as well as the cradle-to-grave approach, thereby achieving high levels of sustainability with waste management.

The ultimate objective is to strive towards the Polokwane Waste Summit Declaration Goals, which is to reduce the quantity of waste to landfill by 50% by 2012, and towards zero waste in 2022. [Although this principle is sound, the targets are unrealistic]. Legislation regulating the waste management function is currently characterized by fragmentation, overlapping and duplication of functions occurring at national, provincial statutes, regulations and ordinances and local by-laws which deal directly or indirectly with waste management issues, but when coupled with planning related policy and legislation, the legal position becomes more complex.

/ Targets

Improvement of refuse collection in informal settlements

Public education and awareness campaigns.

Promote separation of waste at source (at domestic service points), i.e., at the point of generation (for recycling and composting projects) as well as the implementation of garden waste/public disposal facilities.

Gap Analysis

Lack of service and or sustainable initiatives.

Lack of a properly designed collection system.

Lack of adequate receptacles in informal areas.

Lack of waste awareness campaigns. Lack of a proper budget, action plan and person to drive the process fulltime.

No evidence found of separation at source implementation programmes.

No public disposal facilities available

Needs Assessment

To expand the service areas in both towns.

There is a need for a dedicated person who can drive the public education and awareness campaigns, are of paramount importance.

Education on separation at source should be included in the public education and awareness campaigns described above. Lobby the private sector to assist or get involved with the municipality on projects of this nature.

Start with a pilot project to establish feasibility and cooperation of separation at source and public disposal facilities.

Waste Act seeks to create a regulatory framework that will enable the NWMS

CHAPTER 4: ORGANIZATIONAL ANALYSIS

Location of Departments

Nyandeni Main Municipal Offices are based in Libode approximately 30km from Mthatha, with a Satellite Office based in Ngqeleni. All departments are located in one central area in Libode (Main Offices)

Nyandeni Local Municipality is seen as a key component of the Provincial Government of the Eastern Cape and the South African Government in managing and providing effective governance to all of the population within the municipality's jurisdiction. Consequently, a significant component of the Nyandeni Local Municipality core competence will be built around the Government role.

The South African Government has five key roles in the promotion of effective governance and Nyandeni Local Municipality as the local governance arm of National and Provincial Government must also support these roles. These include the following:

- a) Facilitation and Implementation;
- b) Coordination;
- c) Planning and Policy Making;
- d) Regulation and Monitoring; and
- e) Development Promotion.

Nyandeni Local Municipality is an integral component of Provincial and National Government and consequently has a critical role in the development and execution of local government strategy and strategic objectives. Overall, Nyandeni Local Municipality possesses the competency and capability to translate many of Government's vision and related legislation and policy into a blueprint framework through its Integrated Development Plan document.

4.1 Organisational review

The institutional capability of Nyandeni Local Municipality is informed by overall organizational functioning, the interventions of management to engage in organizational leadership, development and management of organizational systems and processes to promote effective operations and service delivery through optimum use of resources. It is intended to inform Nyandeni Local

Municipality's organizational strategy to enhance service delivery to key customers/stakeholders.

Nyandeni Local Municipality is represented by two components in terms of its organization and service delivery outcomes. These are the political structures represented by the politically elected councilors and the administrative structure represented by the Municipal Manager, the management team and municipality employees.

4.2 Organizational competency status

Nyandeni Local Municipality possesses the required competencies amongst staff as well as the required number of staff to perform its core functions. However, there exists an urgent need to redesign the organizational structure to ensure that the appropriate numbers of staff are placed on an organizational structure that is aligned to the organizational strategy and key strategic objectives. There is a need for a significant increase to core local government professionals, management, technical and functional posts as well as the enhancing the levels of competence to enable Nyandeni Local Municipality to develop and enhance the necessary institutional capacity and capability to deliver on its strategic objectives.

4.3 Functions assigned to the municipality that are being performed or not performed

Section 156 of the Constitution¹ provides for the powers and functions of municipalities and states that a municipality has executive authority in respect of, and has the right to administer:

- a) the local government matters listed in Part B of Schedule 4 and Part B of Schedule 5; and*
- b) Any other matter assigned to it by national or provincial legislation.*

As indicated above a municipality may make and administer by-laws for the effective administration of the matters which it has the right to administer.

Specific functions and the way that the responsibilities for these functions are allocated to the 3 different spheres of government are detailed in Schedules 4 and 5 of the constitution. Schedules 4B and 5B identifies those functions allocated to local government.

These Schedules read together with section 84 of the Local Government: Municipal Systems Act provide further for the distinction between those

services which can be delivered by district municipalities and those which can be run by the local municipalities.

The Nyandeni Municipality has been allocated powers and functions in terms of the Constitution and the Municipal Structures Act no 117 of 1998. Accordingly, Nyandeni has been granted executive authority over its area of jurisdiction.

Section 85 of the Structures Act provides further that the MEC for local government in a province may, adjust the division of functions and powers between a district and a local municipality as set out in section 84 by allocating, within a prescribed policy framework, any of those functions or powers vested-

- a) in the local municipality, to the district municipality; or*
- b) in the district municipality (excluding a function or power referred to in section 84 (1) (a), (b), (c), (d), (l), (o) or (p), to the local municipality.*

Provincial Notice No. 23 of 2003 dated 5 May 2003 deals with the adjustment of functions and powers between district and local municipalities in terms of section 85(1) of the Structures Act.

The notice provides as follows:

- 1. that O.R. Tambo District Municipality performs the following local functions in respect of Nyandeni Local Municipality:*
 - a. Municipal planning;*
- 2. that NLM performs the following district functions in its local area:*
 - a. 84(1)(e) Solid waste disposal sites, in so far as it relates to-*
 - (i) the determination of a waste disposal strategy;*
 - (ii) the regulation of waste disposal;*
 - (iii) the establishment, operation and control of waste disposal sites, bulk waste transfer facilities and waste disposal facilities for more than one local municipality in the district*
 - b. 84(1) (l) the establishment, conduct and control of cemeteries and crematoria serving the area of a major proportion of municipalities in the district.*
 - c. 84(1) (n) Municipal public works relating to any of the above functions or any other functions assigned to the district municipality.*

The table below illustrates the powers and functions that the Nyandeni Local Municipality is authorized to perform in terms of Part B of Schedules 4 and 5 of the Constitution.

Part B of Schedule 4

1. Air pollution
2. Building regulations
3. Child care facilities
4. Electricity and gas reticulation
5. Fire-fighting services
6. Local tourism
7. Municipal airport
8. Municipal planning
9. Municipal health services
10. Municipal public transport
11. Pontoons, fairies, settees, piers and harbours excluding the regulations of international and national shipping
12. Municipal public works only in respect of the needs of the municipalities
13. Storm water management system
14. Trading regulations
15. Water and sanitation services (limited to potable water supply system, domestic waste water and sewerage disposal system)

Part B of Schedule 5

16. 16. Beaches and amusement facilities
17. 17. Billboards and display advertisement in public places
18. 18. Cemeteries, funeral parlours and crematoria
19. 19. Cleansing
20. 20. Control of public nuisance
21. Control of undertakings that sell liquor to the public
22. Facilities for the accommodation care and burial of animals
23. Fencing and fences
24. Licensing and controlling of undertakings that sell food to the public
25. Local amenities
26. Local sport facilities
27. Markets
28. Municipal abattoirs
29. Municipal parks and recreation
30. Municipal roads
31. Noise pollution
32. Pounds
33. Public places
34. Refuse removals, refuse dumps and solid waste disposals
35. Street trading
36. Street lighting
37. Traffic and parking

Of the 39 functions listed in Parts B of Schedules 4 and 5 of the Constitution, Nyandeni has been allocated 34 functions which it is required to deliver on, the following 20 functions are being performed by Nyandeni Local Municipality:

Part B of Schedule 4

1. Solid waste
2. Abattoirs
3. Municipal planning
4. Storm water management system
5. Public transport
6. Trading regulations
7. Tourism
8. Building regulations

Part B of Schedule 5

9. Cemeteries, funeral parlours and crematoria – including the DM function
10. Cleansing
11. Local sport facilities
12. Municipal parks and recreation
13. Municipal roads
14. Pounds
15. Public places
16. Refuse removals, refuse dumps and solid waste disposal
17. Traffic and parking
18. Municipal public works
19. Beaches and amusement
20. Billboards and display advertisement in public places
21. Street trading

The table below reflects function that NLM is authorized to perform but is not performing:

Part B of Schedule 4

1. Air pollution
2. Child care facilities
3. Electricity and gas reticulation (not authorized but included in new organizational design)
4. Fire-fighting services
5. Municipal airport
6. Municipal public transport
7. Pontoons and ferries
10. Electrification reticulation

Part B of Schedule 5

11. Control of public nuisance
12. Control of undertakings that sell liquor to the public
13. Fencing and fences
14. Markets
15. Municipal abattoirs
16. Municipal parks and recreation
17. Municipal roads
18. Noise pollution
19. Public places
20. Street lighting

4.4 Effectiveness of the legislative function

The administration, as appropriately delegated, has a responsibility to support the Council in exercising its powers and functions, including drafting of by-laws for approval by Council. By laws are developed annually as need arises

4.5 System of delegation within the municipality

Council delegates where appropriate the responsibility to exercise legislative and executive authority to the relevant structures of the municipality. A delegation framework and register has been developed and approved by council

4.6 Extent of service delivery by the municipality

Nyandeni Local Municipality is enhancing its service delivery by executing the following:

- Developing a performance culture at all levels of the organization which is able to clearly indicate a tangible influence on the key stakeholders within the municipality's area of jurisdiction in terms of poverty reduction and enhancement of the quality of life through the development and execution of an effective sustainable economic development and a job creation strategy;
- The efficient use of networks and internal human resources through the delivery of outcomes as opposed to engaging in significant planning and talk without outcomes to show for effort;
- Improving governance throughout the organization through controls, accuracy, punctuality, knowledge, professionalism and work ethic;
- Building a team-based organization that is people-oriented with a strong focus upon *Batho Pele*, with a general respect and a passion to deliver a quality service to all stakeholders. This includes developing a strong collective culture in terms of Nyandeni Local Municipality organizational building;
- Integrity: ethics, honesty, non-corruptive behavior;
- Innovation to face challenges and offer new solutions through a high intensity and work ethic;
- A commitment to its constituents, the majority of whom are poor and unemployed who live within the boundaries of the municipality's area of jurisdiction.

4.7 Organizational structures, systems, processes and personnel capacity

4.7.1 Organizational Structures

Reviewal and adoption

The organizational structure was reviewed and approved by Council on 20 June 2012 with a Resolution no 820 of 20 June 2012.

Our Integrated Development Plan is aligned to our organizational structure and is a key institutional factor that determines the institutional capacity and capability of our municipality in order for it to deliver on its vision, mission, strategy and strategic objectives.

Our organizational structure and design has been strongly influenced by the development and optimization of competencies and capability. This will positively impact on the capacity requirements for Nyandeni Local Municipality to deliver on its key outputs. The diagram below shows how the Nyandeni Local Municipality is structured in terms of the different levels of government and the structures within the Municipality.

Nyandeni Local Municipality

Political Structures	Administrative Structures
<ul style="list-style-type: none"> • Executive Committee • 61 Councillors • 31 Wards <p>Council Standing</p> <p>Committees</p> <ul style="list-style-type: none"> • Infrastructure & Technical Services • Corporate Services • Budget & Treasury • Human Settlement and Rural Development • Local Economic Development • Community Service • Public Safety • Disaster • Special Programmes • Oversight Committee 	<ul style="list-style-type: none"> • Municipal Manager • Corporate Services • Budget and Treasury Office • Community Services • Planning and Development • Technical Services Department • Internal Audit

- Member's Interest Committee
- Audit Committee

Political Structures

At the political level, the organization is based upon a strong programme management model and a politically orientated governance approach, combined with competencies in community based engagement, development and stakeholder mobilization. This is complimented by the leadership and executive management structures primarily at a political level. These structures are used to make decisions and inform high level planning for the achievement of desired objectives of Nyandeni Local Municipality.

Other Committees of Council

- Municipal Public Accounts Committee (MPAC)
- Ethics and Members Interest Committee
- Public Participation and Petitions Committee
- Internal Audit Committee

(See details in the section titled Good Governance)

Administrative Structures

Nyandeni Local Municipality structure is hierarchical based on functional silos represented by five departments which are supposed to be in aligned to the four core focus areas of the Municipality. The Nyandeni Local Municipality organizational structure is divided into five functional departments as follows:

- f) Corporate Services;
- g) Budget and Treasury Office;
- h) Community Services;
- i) Planning and Development; and
- j) Technical Services

Each Department represents a functional area of work and is further divided into sub-functional components. The five key focus areas attempt to create integration. This integration demands a value chain response from each department in terms of its deliverables. This is one of the structural components / deficiencies that will unlock organizational integration and

consequently the linkages between departments within Nyandeni Local Municipality.

4.7.2 HR Strategy, Systems, processes and personnel capacity

The following systems, structure and process exist within the Nyandeni Local Municipality:

4.7.2.1 Systems

- Formal budget monitoring and control systems in place. Thus, budget control and management of operating expenditure is enhance;
- Impact assessment and benefits realization from the introduction of financial system; and
- Adequate management information systems and reporting tools.
- HR Strategy that is aligned to the organizational goals

4.7.2.2 Local Labour Forum

Local Labour Forum is in place and convenes on a monthly basis to address labour related issues as well as implementation of Bargaining Council Agreement. It is constituted by Union and Employer representatives.

4.7.2.3 Revenue / Cash Flow Management

- Recoverability and management of debtors. Clear strategy and decisive management of this. This will improve current service delivery and planned improvements;
- Vat recoveries, and updating of Vat percentage as allowed by SARS – Vat contingency reviews are done timeously
-
- Certainty with respect to completeness of income from non-core services;
- Incentive for revenue enhancement and cost efficiencies;
- Payment of creditors has improved; and
- Accounting and dealing with contingent liabilities seems to have been a thing of the past few years.

4.8 Corporate Services

Internally, the functions within the Corporate Services department are aligned in terms of their own corporate roles and the overall role of Corporate Services. Corporate Affairs is primarily a support function, which plays a key role in ensuring that core operations receive the required support that is non-core.

Human resources development, transformation, mobilization and the need to create a motivated, competent and effective workforce is the responsibility of all levels of organizational leadership and management. Nyandeni Local Municipality will continue develop the necessary institutional capacity and organizational culture required to mobilize the workforce towards the necessary performance levels. The Human Resources function is geared up in executing the necessary Human Resources processes, systems and policies that will ensure effective institutional development of Nyandeni Local Municipality.

The Internal Communication and Media Liaison Unit have played an important role in the branding of the work performed by Nyandeni Local Municipality. The branding is an important vehicle to create awareness about Nyandeni Local Municipality amongst the communities. In addition, the core function of the Unit is to ensure effective communication to all stakeholders.

It is however critical for all relevant stakeholders within Nyandeni to engage in a constructive dialogue to ensure that this Unit is well positioned to support the vision, mission and strategic objectives of Nyandeni as it is an important medium to ensure the involvement of the people through communication.

The Corporate Services Department is also responsible for Support Services Function which range from Switchboard Services, Office Accommodation, office automation and Registry/Archives Management. The Support Services Function is in a position to support with the necessary levels of capacity, competence, technology and resources.

Work Place Skills Plan

The work skills place and annual training report was compiled and submitted to the LGSETA

4.9 Budget and Treasury Office

Nyandeni Local Municipality strives to build a strong institutional competence in terms of its capability to manage the finances and Supply Chain Management processes of the organization. Working together with other spheres of government and state owned agencies, systems have been put in place to improve systems, business process and procedures.

In doing business, the institution will strive to ensure efficiency and effectiveness. The Budget and Treasury Office will provide support and guidelines for financial management and business planning to Line Managers so as to improve the effectiveness and optimization of resources in terms of business operations.

4.10 Community Services

The Community Services Department plays a key role in the delivery of a broad spectrum of Social Services to the Nyandeni Local Municipality. Some of the core functions of this Department include the following:

- a) Municipal Health Services;
- b) Safety and Security;
- c) Parks and Recreation;
- d) Cleansing;
- e) Refusal Removal and Solid Waste Disposal;
- f) Early Childhood Development
- g) Sports, Arts and Culture;
- h) Traffic and Parking; and

The organizational structure is aligned to support the effective delivery of the mandate in terms of the Integrated Development Plan. Additional project, programme and technical skills are required if Nyandeni Local Municipality is to add to the quality and service levels offered to the community.

4.11 Infrastructure and Technical Services

Infrastructure Department is the foundation upon which the infrastructure of the entire Nyandeni Local Municipality is sustained and managed. It is responsible for the key areas as follows:

- a) Electricity;(maintenance of street lights)
- b) Construction and maintenance of Access Roads;
- c) Community Amenities;
- d) Land.

The current Infrastructure Planning and Development function within Nyandeni Local Municipality does not have any strategic & operational planning and management and programme management capabilities to ensure the necessary engineering organizational systems are developed and implemented for the effective management of infrastructure services. Consequently, it is not in any position to integrate its current operations with National and Provincial programmes for the provision of, viz. basic water, sanitation and electricity services to the population of Nyandeni Local Municipality. The current capacity levels are significantly below the desired number and levels. Furthermore, there is a lack of the desired number of personnel required to perform the volume and complexity of engineering services work required.

Another major problem which inhibits optimization and utilization of all resources is the lack of engineering equipment and technology. The function does not have anywhere close to the required number of heavy duty motor vehicles and plants for the construction of major works like the upgrading and building of roads, buildings and engineering infrastructure. The primary reason for limited resources is lack of financial funding.

4.13 LOCAL ECONOMIC DEVELOPMENT

4.13.1. LED STRATEGY

The LED Strategy was reviewed in collaboration with the Department of Local Government and Traditional Affairs and was subsequently adopted by Council on 28 March 2012 with the greater involvement of local stakeholder's participating in Local Economic Development. It is a five year plan a

The Strategy contains a detail implementation plan which includes the following

- Strategic focus
- Interventions
- Actions
- Timeframe
- Budget estimates and sources of funding
- Key stakeholders

SUMMARY OF THE SITUATIONAL ANALYSIS

The situation analysis begins by contextualizing the LED strategy within **strategic policy and planning informants**. The relevance of various documents on a local, district, provincial and national level is noted as providing direction regarding the nature of optimal interventions and to inform and ensure alignment to the Nyandeni local economy.

The strategy is aligned with the following

- New Growth Path
- National Framework for LED in South Africa
- Broad Based Black Economic Empowerment Act
- South African Co-operatives Act 14 of 2005
- Eastern Cape Provincial Spatial Development Plan
- Eastern Cape Rural Development Strategy
- ORTAMBO Integrated Development Plan
- ORTAMBO Spatial Development Framework

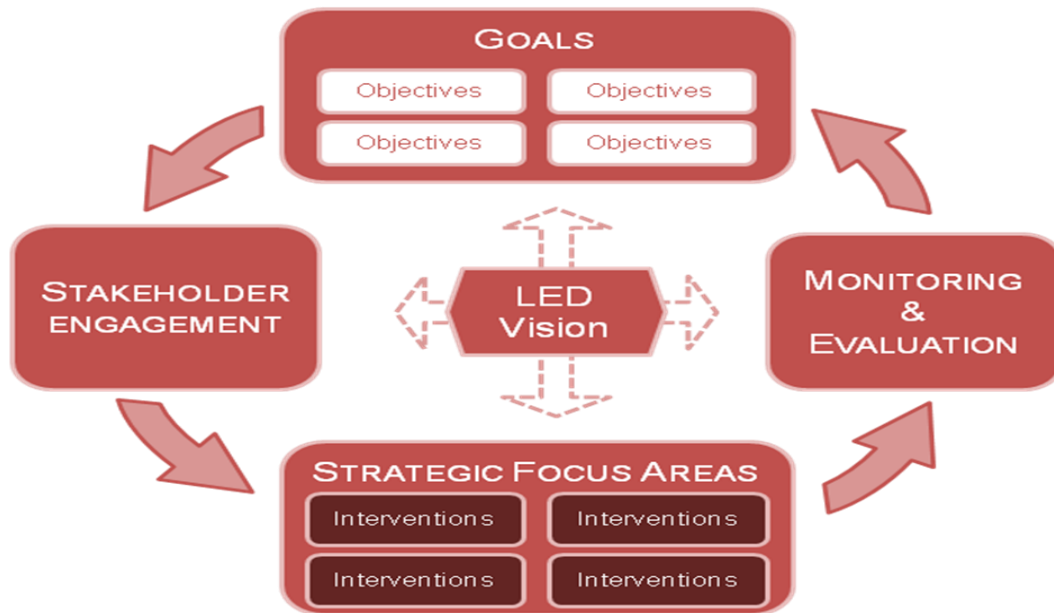
Socio-economic information about the area is then provided. This reveals Nyandeni to be inhabited by a youthful populace whose demographic layout gives Nyandeni the highest population density of all the localities in the O.R. Tambo District Municipality. low educational levels in the locality's working age population result low levels of employment, which leads to endemic poverty as seen through the area's gini coefficient, grant dependence, HDI and average weighted household income levels.

The **economic profile** shows how the economy is very dependent on government services (public sector activity) (to initiate, stimulate, and sustain economic activity in the area. Nyandeni thus has limited private sector investment. The economy's performance is closely linked to the locality's proximity to the regional hub of Mthatha. Sector profiles provide information on identified trends, opportunities and constraints in the local economy.

The state of the natural environment and access to essential services is discussed under the headings of **built and natural capital**. The poor state of development in the area, is shown to be linked to under-provision of several forms of bulk economic infrastructure. Potential for development in the area is also revealed to be closely linked to the natural environment of the locality, given the largely rural settlement patterns within the municipality.

STRATEGIC PLAN

The strategic framework for the Nyandeni LED strategy's implementation is presented below. As part of this, the following elements are identified:



Vision:

A self-sustaining and vibrant economy that supports sustainable rural livelihoods through coordinated community-anchored development

Goals:

- i. To promote agriculture as a viable livelihood strategy and as a productive commercial sector
- ii. To support the business sector and facilitate its expansion
- iii. To develop the regional tourism industry in a responsible manner
- iv. To crowd-in public sector rural and nodal infrastructural investments
- v. To increase institutional capacity for LED through partnerships and governance

The LED strategy identifies four strategic focus areas within which multiple interventions are proposed. These interventions all involve detailed actions plans.

Strategic focus area	Interventions
Strategic institutional and infrastructural partnerships	➤ Establishment of new strategic partnerships, and full utilization of existing strategic partnerships with development organizations

	<ul style="list-style-type: none"> ➤ Improvement of knowledge management in Nyandeni LED
	<ul style="list-style-type: none"> ➤ Establishment of LED forum
	<ul style="list-style-type: none"> ➤ Internal municipal-wide LED training
	<ul style="list-style-type: none"> ➤ Urban infrastructural upgrades
Enterprise support	<ul style="list-style-type: none"> ➤ Development of local business database
	<ul style="list-style-type: none"> ➤ Business attraction, retention and expansion
	<ul style="list-style-type: none"> ➤ Review of municipal supply chain to reduce economic leakage
Agriculture	<ul style="list-style-type: none"> ➤ Forestry afforestation partnerships
	<ul style="list-style-type: none"> ➤ In-depth fishing & fisheries study
	<ul style="list-style-type: none"> ➤ Skills development for dairy farming
Tourism	<ul style="list-style-type: none"> ➤ Prioritisation of responsible tourism sector plan projects with cross-cutting benefits
	<ul style="list-style-type: none"> ➤ Investigation of opportunities emanating from N2 re-routing
	<ul style="list-style-type: none"> ➤ Develop responsible tourism sector plan annual operation plans

4.13.2. Comparative and Competitive Advantage in Nyandeni

IMPLICATIONS OF NYANDENI'S ECONOMIC PROFILE ON LED

- Although the Nyandeni economy grew in nominal terms, the real size of the economy is reflected in low per capita levels of income and GGP. Nyandeni thus has a **small economy**, with low levels of gross value added.
- The economic **growth rate** between 2000 and 2010 was not sufficient to make significant inroads in reducing poverty and under-development in the region. The Nyandeni economy thus needs to grow at accelerated rates for LED goals expressed in previous planning documents to be achievable.
- The Nyandeni **economic structure** is concentrated in service sector activity, with primary and secondary industries making minimal contributions to gross geographic product.
- High rates of growth in agriculture must be moderated by the fact that formalized agrarian output in the area is very low, with much activity being of a subsistence nature. This is seen in agriculture's large contribution to employment and low contribution to GGP.
- Government and community services thus emerge as the most **important economic sector** in Nyandeni, despite a fall in its relative contribution to output and the improved Tress index for the area.
- The **sector profiles** show how Nyandeni has potential for development across most sectors. It must be noted that this potential should typically be associated with small scale developments that are supported and driven by community members. It is important that opportunities for economic growth be harnessed through a bottom-up approach that factors in community needs, aspirations and realities.
- The sector profiles revealed the broad nature of **constraints** to development across Nyandeni's economy. These constraints are often based on the absence of critical economic infrastructure.
- Where the **opportunities** for development are best exploited by the community at large, the constraints to development are best tackled by the public sector, as they relate to the presence (or absence) of an enabling and conducive environment for growth.

The LED within Nyandeni currently indicates that Nyandeni Local Municipality has been successful in ensuring the necessary leadership and governance. Some of the key facets of this leadership include the following:

- a) Effective Inter-governmental coordination;
- b) Infrastructure Investment Capability;
- c) Enterprise Support;
- d) Service Development;
- e) Skills Development;

- f) Identification and promotion of competitive advantage; and
- g) Customized sectors and clusters, and innovation.

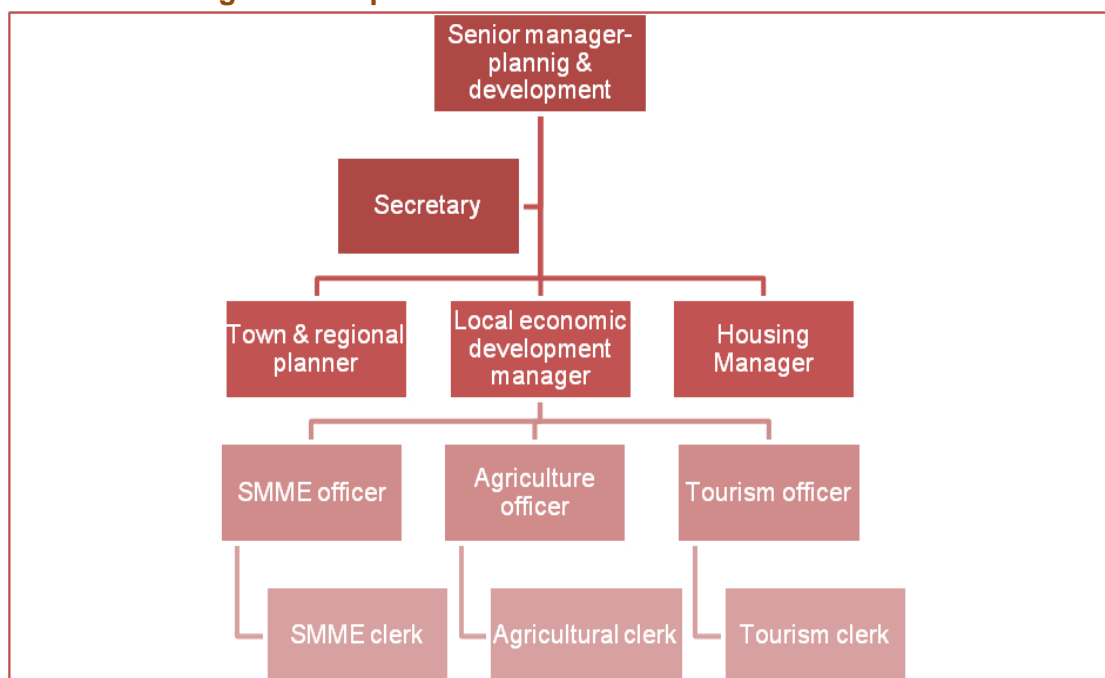
LED Capacity

The 2010/2011 IDP indicates a municipal-wide vacancy rate of 53.8%, with only 174 out of 377 posts having been filled at the time of its preparation. Local economic development is situated in the planning & development department of the municipality, whose organogram is shown in below. The LED unit has provision for 7 posts. The planning & development organogram shows that **Nyandeni's LED structure is well aligned with its departmental focal areas**, as discussed in the policy review.

The Nyandeni Municipal LED Unit is responsible for coordinating, facilitating and managing LED activities in the area. The Unit has limited policies, procedures, systems and tools and as such also needs technical support to improve internal integration and implementation of LED. The Municipality is addressing these issues through the assistance received from the Thina Sinako LED Municipal Institutional Capacity and Systems Development programme.

Strategic policy documents that guide the activities of the planning and development department include the Integrated Development Plan (IDP), Local Economic Development (LED) Strategy, Spatial Development Framework (SDF), Responsible Tourism Sector Plan (RTSP) and the Housing Sector Plan.

Planning & Development



NB: Of all posts identified above only tourism is yet to be filled

Business attraction, retention and expansion

Rationale:

The DPLG LED toolkit and the National Regional Industrial Development Strategy recommend that LED strategies consider business expansion and retentions interventions as a core element of the planning framework (DPLG, 2006). Business Retention & Expansion (BR&E) is any strategy or programme designed to reduce barriers that hinder business expansion and growth, addresses issues that cause business closure and enhance competitive advantage. Such strategies are typically firmly rooted within the land use management and spatial planning context of an area to build regional competitive advantage

Aims

- Increase in number of small value-adding enterprises that are established
- Reduction in the number of small businesses that close down
- Reduction of red-tape to investment and business establishment
- Stimulation of the second/informal economy
- Job creation
- Improving attitudes and perceptions of local business participants

Key actions

Regarding business attraction, provision of the following information to potential investors by the LED department is required:

- Who to contact in the municipality or in sector departments for investment specific queries that the LED department cannot assist with
- Expected timeframes (realistic) for the query that the investor has that are realistic
- Documentation the investor will need to furnish or acquire for the application to be processed
- Explanations on the municipal processes involved with each specific application
- Ancillary information on how the municipality is willing, able and positioned to support investments in certain sectors or areas
- Well-presented information on basics of doing business in Nyandeni such as local tariffs and charges for universal business cost centres such as electricity and water
- Policies in place that affect the range of permissible actions, as governed by licensing requirements
- Information on SMME training and funding (especially for construction sector enterprises on CIDB and NHBRC regulations)

Regarding business retention:

- Enforcement of by-laws that relate to business regulation and operations in Nyandeni's urban and rural areas. This action will involve particular emphasis on mining and shell harvesting.
- Expediting of permit application processing times (e.g. for building alterations)
- Retail licenses and permits (including informal businesses such as hawkers)

Regarding business expansion:

- LED department to undertake value-chain research into value-adding activities linked to mining such as brick-making
- Promotion of middle-income housing development within municipality
- Reduction of time taken for rezoning of land and building plan processing applications

ESTABLISHMENT OF PARTNERSHIPS

Partnership with the University of Fort Hare

4.14 Municipal Top Structure

4.14.1 Staff compliment in Nyandeni Local Municipality as at 30 March 2013

Status of top management

Name	Position	Status	Date of appointment	Duration
N Nomandela	Municipal Manager	Filled	3 Sept. 2012	5 yrs
B Benxa	Chief Financial Officer	Filled	4 June 2012	5 yrs
Q Madikida	Senior Manager Infrastructure	Filled	23 May 2010	5 yrs
G Cekwana	Senior Manager Planning & Development	Filled	1 May 2012	5 yrs
G Zide	Senior Manager; Community Services	Filled	1 April 2013	5 yrs
S Poswa	Senior Manager Corporate Serv.	Filled	1 Sept. 2009	5 yrs
-	Senior Manager Operations	The post became vacant from the 1 April 2013 after the incumbent was appointment to another position		

Status of contract workers

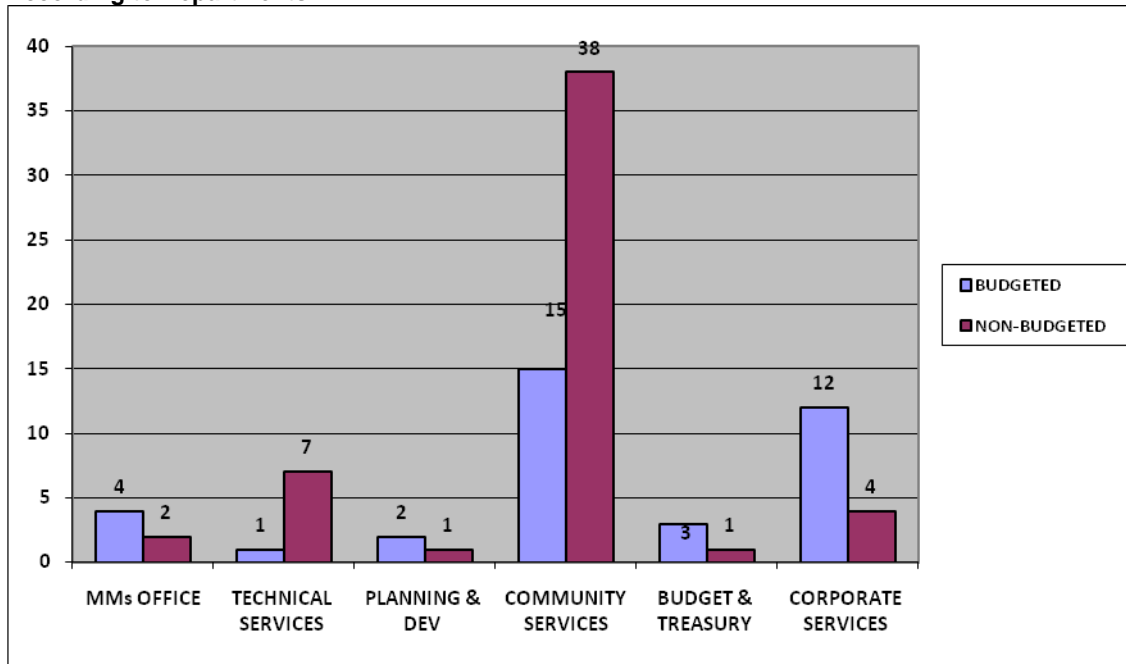
Status of Middle Management

Name	Designation	Status	Date of appointment	Date of expiry of contract
Z Masumpa	Manager LED	Filled	2 January 2009	31 December 2013
S Ntshanga	Manager Town Planning	Filled	2 January 2009	31 December 2013
G Nomqonde	Manager Legal Services	Filled	2 January 2009	31 December 2013
L Madzidzela	Manager Human Settlements	Filled	2 January 2009	31 December 2013
J Sikhuni	Manager Community Services	Filled	1 November 2009	30 October 2014
J.Yengane	PMU Manager	Filled	2 April 2013	May 2018
S Maqkeza	Chief Law Enforcement	Filled	1 May 2011	31 April 2016
N Mcingane	Manager IDP	Filled	2 January 2010	31 December 2015
X Sikobi	Manager Budget		1 September 2012	30 August 2017
ZZ Madyibi	Manager SCM	Filled	4 February 2013	31 January 2018

Breakdown

Departments	Number of approved posts	Filled posts	Vacant posts	Vacancy rate
Municipal manager's office	34	28	06	
Technical Services	28	23	05	
Planning and Development	13	12	01	
Community Services	153	112	41	
Budget and Treasury Office	30	28	02	
Corporate Services	42	33	09	
Total:	300	236	64	

Table 1: Showing Nyandeni Approved Posts (Identifying Filled, Vacant as well as the Vacancy Rate) According to Departments



Employment Equity

All Nyandeni employees are Africans even though the employment Equity Plan caters for other races, the challenge is the other races do not apply which is why they are not represented.

In terms of the Eastern Cape Socio Economic Consultative Council (ECSECC) Demographics 2011 (Race), it shows a high percentage of Africans (98.86%) and low percentages of Whites (0.57%), Coloureds (0.48%) and Indians (0.09%). Currently the workforce is made up of Africans at 100%. The Nyandeni Employment Equity Plan caters for other races but they do not apply which is why they are not represented.

This therefore means that the Municipality still needs to appoint more Black Females and Coloureds.

The number of female employees in the workforce profile shows a low percentage of 39.38% compared to that one of male employees which shows 60.62%. The workforce of Nyandeni Municipality is dominated by males. In terms of ECSECC Demographics 2011 (Gender) Females dominates at 52.50% and Males are at 47.50%. There is still a need to appoint more female employees in order to reach 52.50%. The Employment Equity Plan must address this need in the vacant posts that still need to be filled. The Nyandeni Municipality budgets for Employment Equity and it should not stop the practice. This will assist to attract the kind of caliber of females that we need so that equity is not compromised.

Figure 3: Showing Nyandeni Unfilled Budgeted and Non-Budgeted Posts According to Departments in Figures

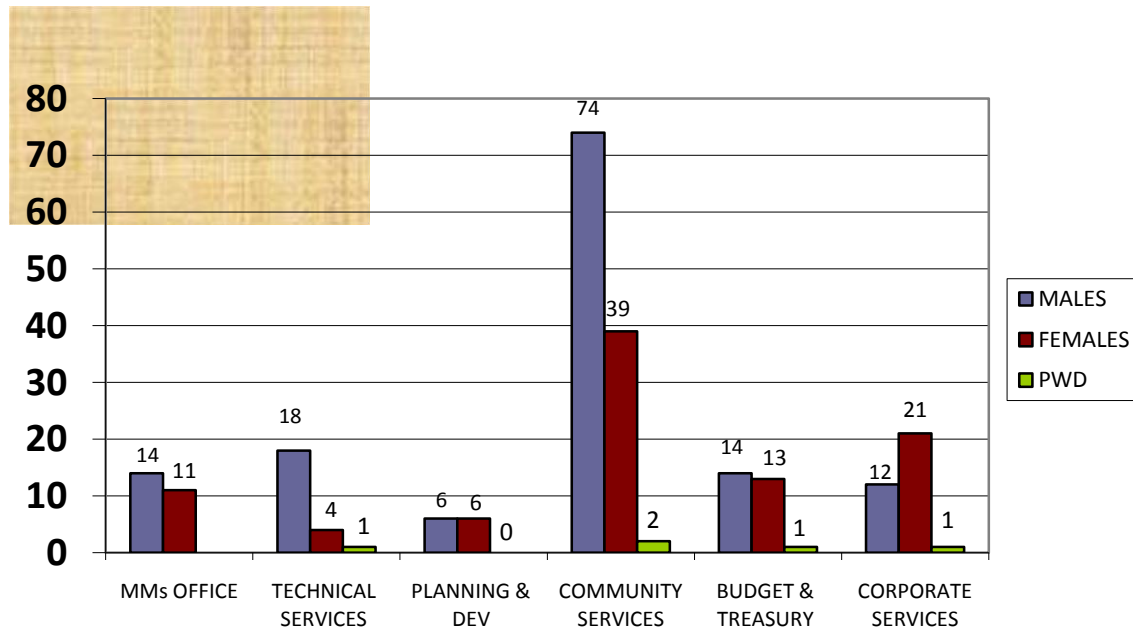


Figure 4: Showing Nyandeni Employment Equity in Terms of Gender Employment and People with Disabilities in Figures

KPA 5 GOOD GOVERNANCE AND PUBLIC PARTICIPATION

5.1 Political governance

- Nyandeni Local Municipality is a Collective Executive System combined with a ward participatory system and has Eight Standing Committees which are chaired by Political Heads. The Political and administrative seat is situated in Libode
- Council meetings are opened to the public with the exception of special meetings
- Ordinary Council meetings take place at least once per quarter
- Special Council meetings are convened only when important issues arise that requires urgent and immediate attention
- Council has 31 wards as per the demarcation

5.1.2 Municipal Public Accounts Committee

- a. Municipal Public Accounts Committee was established in terms of section 79 of the Local Government: Municipal Structures Act, its main purpose is to perform and exercise oversight over the executive functionaries of council and to ensure good governance in the municipality

- b. Council has determined functions of the committee and agreed on the terms of reference
- c. Chairperson has been appointed and comprised of 8 members including opposition parties
To this far

Functions of MPAC

- a. To consider and evaluate the content of the annual report and to make recommendations to Council when adopting an oversight report on annual report
- b. To examine the financial statements and audit report of the municipality
- c. To promote good governance, transparency and accountability on the use of municipal resources
- d. To perform any other functions assigned to it through a resolution of council within its area of responsibility

OVERSIGHT REPORTS

Since its inception in 2011 the Municipal Public Accounts Committee has diligently compile two Comprehensive Oversight Reports for 2010/11 and 2011/2012 which was adopted without reservations.

5.1.3 Participation of Traditional Leaders in Council

The MEC for Local Government and Traditional Affairs gazzetted the Guidelines/Framework for participation of Traditional Leaders in Municipal Councils and the names of the identified Traditional Leaders per Provincial Notice no 42 published in the Provincial Gazette No. 2646 dated 19 October 2011

In fulfillment with the provisions of the above gazette, on 18 November 2011 Council Special Meeting was convened wherein twelve traditional leaders were sworn in. Inter alia, Status of their participation in council is fully expressed in section 7 of the gazette no.2646

To this far, Traditional Leaders have been trained in Basic Computer Skills, Municipal Governance and Legislation

5.2 Community and Public Participation

5.2.1 Public Participation

5.2.2. Ward Committee System

The municipality has 31 Ward Committees with 310 Ward Committee Members that are functional and participates actively in the Integrated Development Planning processes. Ward Councilors Forum has been established as a network to share information, resolve common challenges, serves as performance monitoring and report back platform.

Since 2007 Council is making the following contribution towards supporting and improving performance of ward committees.

- Allocated cell phones to all Ward Committee Members
- R 850 stipend paid monthly to 31 Ward Administrators
- R 1000 stipend paid monthly to 310 ward committee members
- The municipality is further responsible for Ward Committee transport cost
- Three Officials have been designated to be responsible for the Presidential Hotline Programme
- The municipality is further assisting Ward Committees with wards office management
- 100 Ward Committee Members trained
- Training on Computer Literacy

WARD BASED PLANS

Ward based plans were developed in 2012 in all wards, issues raised in the plans have been incorporated into the IDP.

5.2.3 Community Development Workers

Community Development workers performance monitoring

The municipality has 26 CDW's coordinated by CDW Coordinator. Monthly reports are submitted to the CDW Coordinator, who then compile a consolidated monthly report for submission to the municipality and the Department of Local Government and Traditional Affairs (DLGTA).

Reported cases are registered in the case register and referred to the relevant department. When a case has been resolved and concluded, a complainant is being informed about the resolution of that specific case.

Achievements

24 CDW's are functioning well and participates in the IDP and Budget Processes. A memorandum of understanding has been signed with the Department of Local Government and Traditional Affairs to strengthen working relations and to ensure effective inter-governmental planning and delivery coordination and to improve the quality of democratic participation in decision making processes

Interventions

Nyandeni municipal leadership has committed to promoting sound and good governance culture within the organisation. The main focus areas identified for good governance interventions in this term includes but not limited

- Training of new ward committees to improve their effectiveness in advancing goals of public participation
- Provision of dedicated administrative support to CDWs and councillors to aid their role as link between council and communities
- Establishment of sound mechanisms and systems to discourage corruption and ensure functional internal audit
- Continuous engagement with sector departments to improve intergovernmental relations and especially their participation in the implementation of this IDP
- Mobilization and coordination of existing resource capacity to enhance our scale of service delivery and economic growth through such initiatives as establishment of PPPs and participation in district wide initiatives including the realisation of commitments made at the recent Economic Growth Summit held by ORTDM and the recent Investment Conference

5.2.4 Intergovernmental Relations

Nyandeni Municipality has a functional IGR Forum

The core focus of Nyandeni Local Municipality's role as a local government institution is divided into three clusters. These include the following:

- a) **Social needs cluster** - to promote, provide and maintain a safe and healthy environment;
- b) **Economic Growth and Infrastructure cluster** - to promote and facilitate job creation through project initiatives by communities, attracting investors, promoting SMME development & tourism and agricultural development by revitalizing and establishing irrigation schemes for the benefit of farmers;
To ensure that basic services are provided to the optimum for the creation of an enabling social and economic condition for the people of Nyandeni Local Municipality.
- c) **Good Governance and Institutional cluster** - to provide institutional and financial support and ensure institutional sustainability for the realization of Nyandeni Local Municipality's objectives.

These clusters are also indicative of the core organizational competencies required to support the attainment of the Integrated Development Plan. Our Integrated Development Plan matches our resources and capabilities in order to deliver on our mandate.

5.2.5 Presidential Hotline and Complains Management System

The Presidential Hotline services and a public liaison were launched on the 08 October 2009 to address problems that affect individuals and families.

Institutional arrangement

The Presidential Hotline and Complains Management System are housed in the Office of the Municipal Manager of which the Council Speaker is the political champion. 2 users have been trained and are responsible for day to day capturing and management of complaints and petitions.

5.2.6 Support to Special Programmes

The Special Programmes Unit is located in the Office of the Mayor and is currently has a compliment of 3 staff members and is headed by Senior Manager at the level of Section 57 Manager.

Special Programmes includes HIV and Aids, Children, Youth, Women, Physically challenged and Military Veterans Association.

Key programmes includes

- ✓ Annual Mayoral Tournament
- ✓ Annual Youth Month Programmes
- ✓ Observing of National calendar days
- ✓ Support to HIV and Aids related programmes
- ✓ Mainstreaming LED programmes

5.3 Municipal Audit

The Accounting officer is responsible for preparation and fair presentation of the financial statements to the Auditor General in a manner required by the Municipal Finance Management Act, 2003 (Act NO. 56 Of 2003)

In the year ending 30 June 2009 the municipality has received a Qualified Opinion with one matter of emphasis. In the year ending June 2010 the municipality received Unqualified Opinion. However, in the ending 30 June 2011 the municipality received a Disclaimer Opinion. For the year ending 30 June 2011 the municipality received Qualified Opinion

5.3.1 FUNCTIONING OF AUDIT COMMITTEE

Section 166 of the MFMA requires each municipality to have an audit committee. The audit committee is an independent body which must amongst other things advise the municipal council, the political office-bearers, the accounting officer and the management staff of the municipality on matters relating to internal financial control and internal audits, risk management and performance management.

In accordance with the supra stated provisions the audit committee was established during the last quarter of 2012/13 Financial year and approved by Council and consists of the

- Mr. S Mabalekwa – Chairperson
- Mr L Galada
- Adv. T Mngqobi
- Mr. S Mtonga

Key programmes.

- Monitoring the implementation of the auditor general recommendations
- Monitoring implementation of the commitments made with the regards to clean audit
- Audit Committee hosted a visit by Auditor General on the 14 May 2012
- Audit Committee have convened

The following documents has been approved

- I. Internal Audit Charter
- II. Audit Committee and Performance Charter

5.3.2 Institutional arrangement

The municipality has a fully functional Internal Audit Unit and is responsible for undertaking internal audits and related responsibilities

- ✓ Manager Internal Audit - filled
- ✓ 2 x Internal Auditor Officers - filled
- ✓ Secretary – filled
- ✓ Two interns - filled

Key Programmes

- ✓ Development of the internal audit strategy
- ✓ Preparation of the annual audit plan
- ✓ Quarterly reports to the audit committee detailing performance against the annual internal audit plan
- ✓ Facilitate the identification, analysis and rating of risk by management
- ✓ Facilitation of the audit committee report

In this regard, an action has been developed together with Provincial Treasury and Auditor General to address issues arising from the report

MANAGEMENT ACTION PLAN WITH REGARD ISSUES RAISED BY AG: YEAR 2011/12

No	AG Finding	Action/Activity	Responsible Person	Date
Property, plant and equipment	<p>Infrastructure assets with a carrying value of R127 million (2010-11 R155 million) are included in the property, plant and equipment of R179 million disclosed in the statement of financial position. The disclosure in note 9 of infrastructure assets under construction at year end does not include construction in progress to the value of R34.6 million. Assets under construction as disclosed in note 9 are understated.</p> <p>Furthermore, appropriate documentation calculations and workings supporting the deemed cost of the assets of R320 million (2012:11 R320 million) at the date of</p>	<ul style="list-style-type: none"> • Appoint an expert on Infrastructure Assets to perform the following: <ul style="list-style-type: none"> ❖ Prepare the plan for unbundling of the infrastructure assets ❖ Perform the valuation of the infrastructure assets ❖ Determine the impairment of infrastructure assets ❖ Determine the gross carrying amounts of the 	CFO and Budget Manager	31 March 2013

	implementation of GRAP 17 could not be provided	<p>infrastructure assets</p> <ul style="list-style-type: none"> ❖ Identify and determine the work in progress for the infrastructure assets ❖ Prepare the necessary journal entries for inclusion in the financial statements 		
Irregular Expenditure	Documentation supporting the awarding of tenders to the value of R27,8 million (2011-11 R7.5 million) could not be provided for audit purposes. As a result I could not obtain sufficient audit evidence that the awards were made in accordance with the	<ul style="list-style-type: none"> • Review the SCM policy and forward to the Council for approval, and ensure that it is line with SCM regulations • Develop the procedure manual for easy 	CFO/SCM Manager	30 June 2013

	<p>municipality's SCM policy. It was therefore not possible to determine whether SCM processes has been followed and whether the payments made on these contracts resulted in irregular expenditure</p>	<p>implementation of the SCM policy</p> <ul style="list-style-type: none"> • Ensure that Bid Committes sit and all the necessary minutes are signed ad kept safe • Ensure that all necessary documentation e.g. adverts, closing reports and registers are kept and maintained. • Ensure that all tender documents for the awarded service providers are kept safe • Ensure that the SCM practitioners adhere to the SCM procedures all the time • Where the irregular expenditure has been 		
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		<p>identified, perform necessary steps in line with S32 of the MFMA</p> <ul style="list-style-type: none"> • Provide training for the SCM staff regularly 		
Cash & Bank Journals processed not reviewed	<p>It was noted that the journal was not reviewed after it has been processed. And subsequently obtained the file of other journals processed and it was also noted that those journals were also not reviewed.</p>	<ul style="list-style-type: none"> • Review the journals by the senior official and sign it for authenticity • Update it on the ProMunue and print the hard for filling 	<p>Manager Budget & Expenditure</p>	<p>7th day of the month</p>
Bank reconciliations not reviewed.	<p>Obtained and inspected Bank reconciliation for the 19 of March 2012 was noted that it was not reviewed by the responsible official after it has been prepared as the system does. Subsequently we found the file of all reconciliations prepared by the municipality and noted that they were not</p>	<ul style="list-style-type: none"> • Review the bank reconciliation • Sign the bank reconciliations for authenticity • Keep the signed copy on file 	<p>Manager Budget & Expenditure</p>	<p>7th day of the month</p>

	reviewed.			
Weaknesses in the internal control (Leadership), Financial Performance and Governance	<ul style="list-style-type: none"> Performance appraisals were not done, so it could not be verified whether they were based on an assessment of critical job factors and whether they clearly identify areas in which the employee is performing well and areas that need improvement. 	<ul style="list-style-type: none"> All Senior Managers have already signed Performance Agreements. All second layer Managers to sign performance agreements Perform formal evaluation of the Senior Managers (31 January 2013 for the mid year performance), and 31 July 2013 for the whole financial year. Supervisors and Officer level to compile monthly activity plans Hold monthly meetings to evaluate performance and keep 	<p>Senior Manager Operations/ IDP Manager & PMS</p> <p>Municipal Manager</p> <p>All Senior Mangers</p> <p>All Senior Mangers</p> <p>Accountant</p>	<p>Quarterly</p> <p>1 Dec 2012</p>

	<ul style="list-style-type: none">• Inventory levels of materials, supplies and other Assets are not checked regularly and the differences between recorded and actual amounts are not corrected, and the reasons for the	<p>minutes as evidence</p> <ul style="list-style-type: none">• Centralise supply chain management processes to ensure that inventories and assets are checked regularly		
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	discrepancies are not resolved.			
Investment register not reviewed	<ul style="list-style-type: none"> Obtained and inspected investment register for 2011 2012 financial year and found that it has not been reviewed by a responsible official. 	<ul style="list-style-type: none"> Prepare the monthly investment reconciliations Review the investments reconciliations and register Sign the investment register for authenticity 	Manager Budget & Expenditure	Monthly
Internal control- receipt of goods	<ul style="list-style-type: none"> It was noted that there is no centralized receiving function for goods received also there is no register for recording goods received however the municipality could pay for goods not received. <p>Secondly not all assets</p>	<ul style="list-style-type: none"> Centralize the SCM processes Keep the register for goods received where the delivery note from the supplier will be signed by Stores Clerk Upon distributing the 	SCM Accountant	1 Dec 2012

	<p>received get recorded to the Fixed Asset register and assets can go missing if not tagged on time of arrival before taken to the relevant departments.</p>	<p>goods to the user departments, a register should be kept</p> <ul style="list-style-type: none"> • The assets should be tagged by Asset Clerk before issued out to user departments • Assets register should be kept on Excel for update to the GL. 		
<p>Creditors reconciliation are not performed</p>	<ul style="list-style-type: none"> • During the audit of expenditure and through enquiries it was noted that frequent creditors reconciliations are not performed. 	<ul style="list-style-type: none"> • Obtain the suppliers statements on monthly basis • Perform the reconciliation of the statement for new invoices and payments made • Update the reconciliation • Review the Creditors 	<p>Expenditure Accountant</p>	<p>Monthly</p>

		<p>reconciliation and sign it</p> <ul style="list-style-type: none"> • Keep the hard copy on file 		
<p>Pound fees Receipt book details does not agree to tariff list</p>	<ul style="list-style-type: none"> • It was noted that the details in the Pound Receipt book which also serves as a register do not agree to the details in the Tariff policy. 	<ul style="list-style-type: none"> • Utilize the correct tariffs all the time when selling goods • Update the pound register on a monthly basis • Review the register and sign it for authenticity • Keep the hard copy on file 	<p>Community Service Manager</p>	<p>Monthly</p>
<p>Revenue Lack of internal controls</p>	<ul style="list-style-type: none"> • The following internal controls were found to be lacking: • No evidence that the caretaker checks the receipts for Hall hire. • No evidence that the checking is done by 	<ul style="list-style-type: none"> • Keep the register for the bookings • Obtain the receipt from suppliers and check it for accuracy in 	<p>Revenue Accountant</p>	<p>Monthly</p>

	Security on Wood sales.	<p>terms</p> <ul style="list-style-type: none"> ✓ Accuracy which is hours to be spent ✓ Sign the register to agree with the receipt 		
Traffic fine register not complete.	<ul style="list-style-type: none"> • During the planning phase of revenue system, it was noted that the traffic fine register is not complete as the receipt number 01585 that was issued to Silinga Mthuthuzeli for R1500.00 on 18/10/2011 could not be traced in the register. 	<ul style="list-style-type: none"> ✓ Update the register on a monthly basis ✓ Check the sequence of receipts for completeness 	Public Safety Manager	Monthly
Bank reconciliations are not performed timeously	<ul style="list-style-type: none"> • Obtained and inspected the bank reconciliations for the year under review and find that they were not performed timeously. 	<ul style="list-style-type: none"> • Perform bank reconciliations on monthly basis • Review the bank reconciliations 	Manager Budget & Expenditure	Monthly

		<ul style="list-style-type: none"> • Sign off the bank reconciliation before the 14th of a subsequent month 		
<p>Application for overtime was not submitted prior to working the overtime</p>	<ul style="list-style-type: none"> • During the audit of employee cost have noted instances whereby application form for overtime approved by T.L Mketsu (acting CFO) dated 13 February 2012 for Miss A. Norolela to prepare payments for service providers on the 15 December 2011 the application was submitted two months after overtime was worked. 	<ul style="list-style-type: none"> • Requisition to work overtime should be done prior to perform the work in respect to overtime • Approval be sought by the relevant officer from the Senior Manager/HOD 	<p>Manager Corporate Services</p>	<p>Monthly</p>
<p>IS Audit: Weaknesses identified in security management</p>	<ul style="list-style-type: none"> • A formally approved information technology (IT) security policy had not been established by IT management. The 	<ul style="list-style-type: none"> • Develop the ICT policy and forward it to Council for approval • Prepare the procedure 	<p>CFO & ICT Officer</p>	<p>31 Jan 2012</p>

	informal processes implemented were inadequately designed to ensure data confidentiality, integrity and availability	manual for easy implementation		
IS Audit: Weaknesses identified in user access controls	<ul style="list-style-type: none"> A formally documented and approved user account management process had not been established to manage the granting of access to users of the Promun financial system. 	<ul style="list-style-type: none"> Prepare the procedure manual for easy implementation of the policy Upon granting of access codes , staff members should sign the form for authenticity 	CFO/ICT Officer	31 Jan 2012
IS: Lack of adequate backups procedures	<p>During the audit of the IT General Controls systems; the following was noted:</p> <ul style="list-style-type: none"> The back-up of the system is not done on a daily basis, the last back up was done on the 19th September 2012 The external hard drive 	<ul style="list-style-type: none"> Perform backup on a daily basis Acquire the external server and locate it in other Municipal Offices 	CFO/ICT Officer	31 Jan 2012

	<p>used for the backup is stored in the same building as the server, and not off-site.</p>			
<p>Provisions: Register for outstanding cases not properly maintained.</p>	<ul style="list-style-type: none"> Although a list of outstanding cases was obtained from the Municipal Legal Department. Some of the cases (either by or versus Municipality) have not been included as provisions or contingent assets and /or liabilities on notes to financial statements as a result it could not be determined whether or not all provisions and contingencies were recorded. Discrepancies between the list of cases (per legal department) and those disclosed in financial statements were noted: 	<ul style="list-style-type: none"> Keep and maintain the register of cases on a monthly basis Update the register by requesting the monthly statements from the external legal representatives At year end , obtain the confirmation in writing from the legal representatives for disclosure in annual financial statements 	<p>Manager legal services</p>	<p>Monthly</p>

<p>Audit committee: Not effectively discharge its mandate in terms of the charter.</p>	<ul style="list-style-type: none"> ✓ An audit committee is an independent advisory body which must— advise the municipal council, the political office-bearers, the accounting officer and the management staff of the municipality, or the board of directors, the accounting officer and the management staff of the municipal entity, on matters relating to— internal financial control and internal audits; 	<ul style="list-style-type: none"> ✓ Audit committee to sit at least quarterly ✓ Audit Committee to consider quarterly reports as per the internal audit plan ✓ Advise the management on effectiveness of internal controls 	<p>Manager Internal Audit</p>	<p>Quarterly</p>
<p>Audit Committee: No periodic assessment of the audit committee by Council</p>	<ul style="list-style-type: none"> • The council needs to assess the effectiveness of the audit committee on a periodic basis. No supporting information could be provided that the council assessed the performance of the audit committee. 	<ul style="list-style-type: none"> ✓ Develop an assessment tool for audit committee by both the management and the audit committee itself ✓ Perform annual assessment of the audit 	<p>MM/Manager internal Audit</p>	<p>Quarterly</p>

		<p>committee</p> <ul style="list-style-type: none"> ✓ Forward the assessment reports to the Council 		
<p>Creditors suppliers not paid within 30 days</p>	<ul style="list-style-type: none"> ✓ The following suppliers were not paid within 30 days of receipt of invoice as required by MFMA: 	<ul style="list-style-type: none"> ✓ On receipt of invoice stamp the invoice using received stamp ✓ Capture all the invoices on ProMune ✓ Perform the creditors reconciliations 	<p>Expenditure Accountant</p>	<p>Monthly</p>
<p>Payables amounts not included in the suppliers listing or accrual listing</p>	<ul style="list-style-type: none"> ✓ There following invoice amounts were not included and disclosed in the creditors listing or accrual listing as at year end 30 June 2012. 	<ul style="list-style-type: none"> ✓ Set a cut-off date for all the invoices submitted at year end ✓ Update the system by the list of accruals ✓ Check all the invoices sub mitted after the year end and update the accrual listing for 	<p>Expenditure Accountant</p>	<p>Monthly</p>

		completeness		
Payables_ debit balance on creditors listing	<p>✓ The following transactions have a debit balance in the creditors listing which reduced creditor figure as disclosed in the financial statement.</p>	<ul style="list-style-type: none"> • Obtain the suppliers statements on monthly basis • Perform the reconciliation of the statement for new invoices and payments made • Update the reconciliation • Scrutinize the creditors for unusual entries i.e. debit balances • Review the Creditors reconciliation and sign it • Keep the hard copy on file 	Expenditure Accountant	Monthly

<p>Property, Plant and Equipment: Asset register maintained is not adequate</p>	<p>The fixed asset register maintained was not adequate as it did not contain the following for each asset in order to be able to verify the existence and value of assets.</p>	<ul style="list-style-type: none"> • Update the asset register on a monthly basis • Perform physical verification on a quarterly • Ensure that assets are bar-coded • Ensure that the asset register account for depreciation, impairment/disposal and carrying values 	<p>Accountant Asset Management</p>	<p>Monthly</p>
<p>Salary paid is more than the salary approved in the contract.</p>	<p>The following errors were noted: 1. N. Pompolwana (Trainee-Electrical Engineering) have been paid R2,000 per month more than the R1,000 amount as per the contract, the salary notch for trainee as at 1/09/2011 is at R12,000 per year.</p>	<ul style="list-style-type: none"> • Verify the appointment letters and contracts before capturing the employee into the system • Scrutinize the salaries before the final run • Sign off the salaries as a 	<p>Manager Corporate Services</p>	<p>Monthly</p>

	<p>2. The payment for salary of S.Tshotsho (Internal Audit Intern) for the payments made on 25 July 2011 of R2, 550.00 and 25 August 2011 at R2, 455.00 while the contract has expired.</p> <p>3. The payments for salary of S, Tshotsho (Internal Audit Intern) for the payments made on the 25 September 2011 of R1, 980.00 instead of R7, 666.67(92000/12) as per the contract.</p> <p>4. The salary increase of N.Nyingwa (registry Trainee corporate services) and N.Xantsa (Road Technician Trainee) from the basic salary of R1000 to R2000 without a contract.</p>	<p>proof of verification</p> <ul style="list-style-type: none"> • Authorize the salaries on the system 		
<p>Assumption of duty not signed by the supervisors</p>	<ul style="list-style-type: none"> • During the audit of employee cost have noted instances whereby employees do 	<ul style="list-style-type: none"> • Ensure that employees sign the assumption of duty form 	<p>Manager Corporate Services</p>	<p>Monthly</p>

	<p>not sign the assumption of duty when they start working.</p>	<ul style="list-style-type: none"> • Perform the monthly updates to identify any gaps on signing of the assumption of duty forms • On induction phase, ensure that the necessary forms are introduced and signed by the relevant employees and HODs 		
<p>Overtime processed in the system do not agree with those approved by the management</p>	<ul style="list-style-type: none"> • It was discovered that overtime paid is less than the amount calculated for overtime: 	<ul style="list-style-type: none"> • Scrutinize the monthly reports on payroll for overtime • Senior Official to verify the overtime report before the final run of payments • Print the copy before authorization of the final run 	<p>Salary Officer</p>	<p>Monthly</p>

Salary run was not signed by the head of the departments	<ul style="list-style-type: none"> During the audit instance were noted whereby salary run for the departments were not signed by the head of the departments 	<ul style="list-style-type: none"> Ensure that salary run reports are signed by the Senior Managers 	Salary Officer	Monthly
Expenditure: Payments made without a valid invoice	<p>The following payments were made without a valid tax invoice being attached.</p> <p>Only a pro-forma or statements of account were attached.</p>	<ul style="list-style-type: none"> Check the invoice whether it is SARS compliant For pro-forma invoices i.e. Accommodation, always obtain the invoices when checking out (for filing purposes). All suppliers to furnish the institution with valid tax invoices 	Expenditure Accountant	Monthly
Revenue – No VAT is charged on the rental income received.	<p>During the Audit of Revenue, it was noted that no VAT amount has been charged on all the rental income received. The Output VAT amounting to R11 622.85 on rental income is as</p>	<ul style="list-style-type: none"> Ensure that the system is configured to charge Vat on rental income Declare the output Vat on monthly basis. 	Revenue Accountant	Monthly

	follows:			
Conditional Grants: No Liability raised	During the audit of conditional grants it was noted that grant intended to fund operational and capital expenditure, were not transferred from the current liability called Unspent Conditional Grants.	<ul style="list-style-type: none"> • Upon receipt of the grant, allocate it on the unspent grant vote • As you spend, recognize the revenue • Process the relevant journals for income recognition, and such must be allocated to Revenue. 	Revenue Accountant	Quarterly
Revenue - No reconciliation between ratable valuation and rates and taxes charged	During the audit of revenue, it was noted that the municipality did not perform the reconciliation between ratable valuation and rates and taxes charged.	<ul style="list-style-type: none"> • Perform reconciliation between the tariffs charged and the Valuation Roll figures • Ensure that the tariffs utilised tie with the valuation roll values • Sign off the reconciliation for 	Revenue Accountant	Quarterly

		<p>authenticity</p> <ul style="list-style-type: none"> • Keep the reconciliation on file 		
<p>Revenue – Property Register not updated annually</p>	<p>Based on inspection of the property register, it was noted that the property register is not sub-divided into part A for current valuation roll of the municipality including supplementary valuations and Part B which specifies properties that are subject to exemptions, rebates, phasing in of rates or exclusions. There is also no evidence that part B of the property register is being updated annually as required by the Local Government Municipal Property Rates Act and the property register is not made available for the public to inspect.</p>	<ul style="list-style-type: none"> • Update the valuation roll through compiling the General Valuation Roll • Compile the Supplementary valuation roll on a yearly basis which captures the following: <ol style="list-style-type: none"> 1. Value of property 2. Exemptions, and rebates and exclusions 	<p>Revenue Accountant</p>	<p>Quarterly</p>
<p>Revenue - No monthly reconciliation is</p>	<p>During the Audit of revenue, it was noted that no monthly reconciliation is</p>	<ul style="list-style-type: none"> • Identify all the direct deposits on a monthly 	<p>Revenue Accountant</p>	<p>Quarterly</p>

<p>done for Direct income registers</p>	<p>prepared by the municipality to reconcile revenue received by the municipality from Hall hire rental, Pound fees, Cemetery fees and Tender fees to the Vote and the General Ledger.</p>	<p>register</p> <ul style="list-style-type: none"> • Update the Direct Income Register on a monthly basis • Review the register and sign it for authenticity 		
<p>Revenue – Tender fees register not adequately maintained</p>	<p>Although the municipality maintains a register for tender fees, it was noted that this register is not done in such a way that we are able to see the date, the Total amount of the tender and how much was collected for the month. There are no dates and amounts recorded and it is not neatly prepared. It was not possible to agree the amount collected on the register to the amount recorded in the general ledger and the amount received as recorded in the receipt and the GL could not be agreed to the tariff list.</p>	<ul style="list-style-type: none"> • Compile the monthly register for the tender fees • Reconcile the register to list that was submitted by SCM to Revenue for selling • Update the register on a monthly basis 	<p>Revenue Accountant</p>	<p>Monthly</p>

FINANCIAL VIABILITY AND MANAGEMENT

Objectives

The objective of the Financial Viability and Management is to secure sound and sustainable management of the financial affairs of the municipality and to comply with the accounting norms and standards.

National Treasury Municipal revenue budget and expenditure review of 2011 expressly states that “municipal councils, mayors and municipal managers are responsible for ensuring that available revenues are collected, that resources are allocated appropriately, and that procurement and service delivery processes are economical, efficient, effective and equitable”.

6.1 Financial Policies

The following financial policies were reviewed and adopted by Council in May 2013

Sector Plan	Detail
IDP and Budget Policy	This policy sets out the budgeting principles, which Nyandeni Local Municipality will follow in preparing each annual budget, as well as the Integrated Development Planning process through which the municipality will prepare a strategic development plan, for a five-year period.
Rates Policy	To ensure that property rating in Nyandeni Municipality is carried out in a fair, consistent, considerate and controlled manner, this rate policy is developed in accordance with the provisions of the Local Government: Municipal Property Rates Act, (Act 6 of 2004).
Supply Chain Management Policy	Ensure Supply Chain Management Policy that is fair, equitable, transparent, competitive and cost effective;

	<p>(c) complies with (I) the Regulations; and (ii) any minimum norm and standards that may be prescribed in terms of section 168 of the Act; (d) is consistent with other applicable legislation;</p>
Fixed Asset Management Policy	<p>This document is provided to assist management and employees of Nyandeni Municipality to implement and maintain consistent, effective and efficient fixed asset management principles.</p> <p>The objective of this document is aimed at:</p> <ul style="list-style-type: none"> <input type="checkbox"/> Safeguarding the fixed assets of the Nyandeni Municipality to ensure effective use of existing resources <input type="checkbox"/> Emphasizing a culture of accountability over fixed assets owned by the Nyandeni Municipality. <input type="checkbox"/> Ensuring that effective controls are communicated to management and staff through clear and comprehensive written documentation. <input type="checkbox"/> Providing a formal set of procedures to ensure that the Nyandeni Municipality's fixed asset policies are achieved and are in compliance with the Municipal Finance Management Act (MFMA) and National Treasury, GRAP and Accounting Standards Board directions, instructions, principals and guidelines.
Banking and Investment Policy(cash management)	<p>The policy is aimed at gaining the optimal return on investment, without incurring undue risks, during those periods when cash revenues are not needed for capital or operational purposes</p>
Fleet Management Policy	<p>To co-ordinate the management of council transport by means of control measures which are applicable to all political officer bearers,</p>

	departments, divisions and sections of the Council's operation To prescribe requirements relating to the utilization and maintenance of such transport by employees and political office bearers
Tariff Policy	Guide setting and implementation of tariff
Credit Control and Debt Collection Policy	Guide credit control implementation in line with the MFMA
Indigent Policy	Provision of basic services to communities in a sustainable manner within the financial and administrative capacity of the Council
	To provide guidelines and procedures for the subsidization of basic service charges to indigent households
Insurance Policy	To safeguard municipal assets and minimize risks where there will be a need of replacement due to natural causes

EC155 Nyandeni - Supporting Table SA18 Transfers and grant receipts

Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
RECEIPTS:	1, 2									
Operating Transfers and Grants										
National Government:		-	-	-	119,981	119,981	119,981	145,787	172,348	220,904
Local Government Equitable Share					115,788	115,788	115,788	143,347	169,814	218,287
Finance Management					1,500	1,500	1,500	1,550	1,600	1,650
Municipal Systems Improvement					800	800	800	890	934	967
MIG (Operational portion)					1,893	1,893	1,893	-	-	-
Provincial Government:		-	-	-	543	543	543	-	-	-
Devolution of Property rates					543	543	543			
District Municipality: [insert description]		-	-	-	-	-	-	-	-	-
Other grant providers:		-	-	-	800	800	800	800	843	905
LGSETA					500	500	500	500	527	572
Libraries Subsidy					300	300	300	300	316	333
Total Operating Transfers and Grants	5	-	-	-	121,324	121,324	121,324	146,587	173,191	221,809
Capital Transfers and Grants										
National Government:		-	-	-	41,460	41,460	41,460	67,566	71,367	90,740
Municipal Infrastructure Grant (MIG)					37,860	37,860	37,860	48,566	56,367	60,740
Integrated National Electrification Programme					3,600	3,600	3,600	19,000	15,000	30,000
Provincial Government:		-	-	-	-	-	-	-	-	-
Other capital transfers/grants [insert description]										
District Municipality: [insert description]		-	-	-	-	-	-	-	-	-
Other grant providers:		-	-	-	1,000	1,462	1,462	1,000	-	-
EPWP INCENTIVE					1,000	1,462	1,462	1,000	-	-
Total Capital Transfers and Grants	5	-	-	-	42,460	42,922	42,922	68,566	71,367	90,740
TOTAL RECEIPTS OF TRANSFERS & GRANTS		-	-	-	163,784	164,246	164,246	215,153	244,558	312,549

6.4. STRATEGY ON REVENUE ENHANCEMENT AND COLLECTION:

6.4.1 Indigents Registration and Policy

It is fruitless to attempt debt collection endeavours from Indigents. It is therefore of critical importance to determine with greater accuracy and reliability who Indigent Debtors are.

Continuous write off of Indigents' Debts should be avoided by installation of reliable restriction valves that ensures that not more or less than the 6kl of water is supplied per month.

Those identified through the door-to-door verification process will be screened by the respective Ward Councillor, in consultation with his/her Ward Committee. The register will thereafter be taken to Council for adoption.

It is furthermore important to note that the new registration form is more comprehensive in the sense that it provides, inter alia for disqualifying/penalizing of the applicant in the event of misrepresentation. It also allows for the installation of a reliable water restriction valve, as another control measure.

Ability to Collect / Credit Control / Customer Care:

The appointment and training of Debt Collection staff cannot be over-emphasised. The legal processes and requirements need to be focused on. Setting up of a Call Centre for Outbound Communication (Telephonic Debt Collection) and thereafter inbound where consumers can register problems / complaints.

A Debtors Call Centre will ensure performance measurement and assists with a function for diarizing the steps taken and to be taken. Telephonic contact with consumers in many instances proves to be faster and more effective.

Customer Care in respect of Applications, Terminations of Service, and Enquiries/Queries is timeously dealt with. A Systematic Dispute/Query Handling System (statutory requirement) to be introduced to ensure that all queries are dealt with. Customer Care is also a statutory requirement.

Management of the Consumer Database:

Updating consumer information like telephone numbers, ID numbers, etc. Profiling/ Classification of Debtors; Identifying prescribed debts and irrecoverable debts for write off. Identifying material debt for immediate collection; Revisit consumer application forms. We need to ensure that all tariffs and also the correct tariffs are charged. There are several debtors who are not being charged/fully /correctly charged and council loses income, which it cannot afford.

Identifying Areas for Improvement in Revenue Generation and Collection Processes:

We need to review the Billing Cycle, Accounts Returned/Undelivered. Alternative sources of revenue and Public-Private-Partnerships should be explored. Grouping of Untraceable Debtors and applying a strategy of appointing a tracer on a "No-trace-no-

fee” basis and placing of public notices for such debtors to come to council’s offices to arrange.

Training and Mentoring of Staff:

Setting up and Training on Systematic Debt Collection and Credit Control Procedures, Processes, Legislation, Customer Care and Guidelines in line with approved policies. Training and capacity building is an area that has been neglected and has accounted for low morale.

Expenditure Management

As important as Revenue Management, is Expenditure Management which is also prescribed per Section 65 of the Municipal Finance Management Act.

In respect of Cash Outflow (Expenditure side) the following is also critical because how you spend is just as important as collecting revenue.

The following areas must be well managed and in certain areas, improved:

- Ensure accurate payments, e.g. no over payments, deduction of discounts.
- Reconciling of Creditors’ Accounts.
- Avoid payments before due date.
- Ensure value-for-money in spending.
- Strict Budgetary Control / Fiscal Discipline.
- Better returns on Investments without compromising safety of investments.
- More competitive prices / bidding.
- Review Supply Chain Management Policy in line with the new BBBEEE
- External service providers to render services for non-core functions at cheaper rates.

Other initiatives:

- Letters of appreciation for good payers and possible incentives.
- Economic/Skills Profiling of Indigent Debtors to offer work to redeem debts instead of future write off. .
- Interest Write-off Incentive for non-indigent debtors (excluding Government, Councillors and Staff).
- The Mayors’ letter to consumers / rate payers informing them about Income and Expenditure of Municipalities and their responsibility to pay. Motivating consumers to pay and thanking those who are paying promptly.

- Newsletters will also be initiated in order to communicate with our clients and thereby improving the image of the municipality. Projects and other achievements

- will also be communicated to the public. Businesses could advertise in the newsletter to cover (at least partly) our newsletter and account rendering costs.
- Investigation/Audit of all Assessment Rates Accounts based on Land Value only as some property owners are not being charged for improvements. Valuator to expedite process.
 - VAT and Creditor's Audit to recover unclaimed/under claimed VAT and overpaid Creditors.
 - Conduct customer satisfaction surveys

6.5. Summary of Operating and Capital Expenditure for MTERF

EC155 Nyandeni - Table A1 Budget Summary

Description	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
R thousands									
Financial Performance									
Property rates	2,699	3,997	3,834	5,800	5,800	5,800	2,619	2,761	2,995
Service charges	22	71	159	70	70	70	200	211	229
Investment revenue	3,400	2,469	2,552	1,500	1,500	1,500	3,000	3,162	3,431
Transfers recognised - operational	72,525	91,649	161,185	121,324	121,324	121,324	146,287	172,348	220,904
Other own revenue	1,093	4,119	3,447	6,027	12,467	12,467	20,990	4,016	4,358
Total Revenue (excluding capital transfers and contributions)	79,739	102,306	171,175	134,721	141,161	141,161	173,096	182,498	231,917
Employee costs	37,048	50,416	55,187	62,796	62,796	62,796	75,821	82,266	89,258
Remuneration of councillors	10,846	11,261	12,333	15,144	15,144	15,144	15,144	16,431	17,828
Depreciation & asset impairment	-	-	31,480	-	-	-	44,741	53,597	66,260
Finance charges	67	91	-	100	100	100	-	-	-
Materials and bulk purchases	3,393	3,096	10,867	8,265	9,710	9,710	13,660	13,989	29,382
Transfers and grants	-	-	-	-	-	-	4,000	4,216	4,574
Other expenditure	24,120	32,186	44,512	48,416	53,410	53,410	55,063	57,124	61,682
Total Expenditure	75,475	97,051	154,379	134,721	141,161	141,161	208,430	227,623	268,984
Surplus/(Deficit)	4,264	5,255	16,796	0	0	0	(35,333)	(45,126)	(37,068)
Transfers recognised - capital	21,630	26,785	-	53,710	53,526	53,526	68,566	71,367	90,740
Contributions recognised - capital & contributed	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	25,894	32,040	16,796	53,710	53,526	53,526	33,233	26,241	53,672
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	25,894	32,040	16,796	53,710	53,526	53,526	33,233	26,241	53,672
Capital expenditure & funds sources									
Capital expenditure	22,936	30,734	31,480	53,710	53,526	53,526	78,898	82,211	122,506
Transfers recognised - capital	22,936	30,734	31,480	53,710	53,526	53,526	78,898	82,211	122,506
Public contributions & donations	-	-	-	-	-	-	-	-	-
Borrowing	-	-	-	-	-	-	-	-	-
Internally generated funds	-	-	-	-	-	-	-	-	-
Total sources of capital funds	22,936	30,734	31,480	53,710	53,526	53,526	78,898	82,211	122,506
Financial position									
Total current assets	74,346	75,714	71,510	57,381	57,381	57,381	7,883	8,497	9,108
Total non current assets	285,401	316,080	239,899	257,878	257,878	257,878	364,174	405,301	479,101
Total current liabilities	95,513	16,878	17,875	5,761	5,761	5,761	-	-	-
Total non current liabilities	270	537	452	340	340	340	191	289	84
Community wealth/Equity	328,370	374,379	293,082	309,157	309,157	309,157	371,865	413,510	488,125
Cash flows									
Net cash from (used) operating	25,894	33,311	49,316	53,710	53,526	53,526	81,474	128,464	123,433
Net cash from (used) investing	(22,936)	(30,734)	(31,480)	(53,710)	(53,526)	(53,526)	(78,898)	(82,211)	(122,506)
Net cash from (used) financing	-	-	-	-	-	-	-	-	-
Cash/cash equivalents at the year end	2,958	5,535	23,371	-	-	-	2,576	48,829	49,757
Cash backing/surplus reconciliation									
Cash and investments available	68,771	66,392	60,482	55,011	55,011	55,011	76,471	80,600	84,952
Application of cash and investments	87,860	(918)	4,797	3,391	3,391	3,391	(1,360)	(1,622)	(1,862)
Balance - surplus (shortfall)	(19,089)	67,310	55,685	51,619	51,619	51,619	77,831	82,222	86,814
Asset management									
Asset register summary (WDV)	60,167	60,192	61,414	232,505	232,321	232,321	365,551	438,276	529,760
Depreciation & asset impairment	-	-	31,480	-	-	-	44,741	53,597	66,260
Renewal of Existing Assets	-	-	-	-	-	-	-	-	-
Repairs and Maintenance	-	-	-	9,710	14,310	14,310	13,660	13,989	29,382
Free services									
Cost of Free Basic Services provided	-	-	-	-	-	-	-	-	-
Revenue cost of free services provided	-	-	-	4,582	5,032	5,032	4,251	4,480	4,861
Households below minimum service level									
Water:	-	-	-	-	-	-	-	-	-
Sanitation/sewerage:	-	-	-	-	-	-	-	-	-
Energy:	-	-	-	-	-	-	-	-	-
Refuse:	-	-	-	-	-	-	-	-	-

6.5.1 ANALYSIS OF OWN REVENUE SOURCES

EC155 Nyandeni - Supporting Table SA1 Supporting detail to 'Budgeted Financial Performance'

Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
R thousand										
REVENUE ITEMS:										
Property rates										
Total Property Rates	6	2,699	3,997	3,834	5,800	5,800	5,800	2,870	3,025	3,282
less Revenue Foregone								251	264	286
Net Property Rates		2,699	3,997	3,834	5,800	5,800	5,800	2,619	2,761	2,995
Service charges - electricity revenue										
Total Service charges - electricity revenue	6									
less Revenue Foregone										
Net Service charges - electricity revenue		-	-	-	-	-	-	-	-	-
Service charges - water revenue										
Total Service charges - water revenue	6									
less Revenue Foregone										
Net Service charges - water revenue		-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue										
Total Service charges - sanitation revenue										
less Revenue Foregone										
Net Service charges - sanitation revenue		-	-	-	-	-	-	-	-	-
Service charges - refuse revenue										
Total refuse removal revenue	6	22	71	159	70	70	70	200	211	229
Total landfill revenue										
less Revenue Foregone										
Net Service charges - refuse revenue		22	71	159	70	70	70	200	211	229
Other Revenue by source										
List other revenue by source										
Advertising Rental										
Rent: Hall										
Rent: Office										
Site Rental										
Tender Sales					190	190	190	200	211	229
Commission Charged					70	70	70	120	126	137
Building Plan Approval								5	5	6
Plan Fees					50	50	50	20	21	23
Interest Received								-	-	-
Interest from Investments								-	-	-
Other	3	758	3,675	2,743	2,457	8,897	8,897	17,630	474	515
Total 'Other' Revenue	1	758	3,675	2,743	2,767	9,207	9,207	17,975	838	910

OPERATION CLEAN AUDIT

2008/2009	2009/2010	2010/2011	2011/2012
Qualified opinion	Unqualified opinion	Disclaimer	Qualified opinion

6. Planning the future of Nyandeni Local Municipality

Vision

“A well governed place of opportunities characterised by integrated-employment -creating economy and sustainable functional urban and rural centres for better livelihoods”

Mission

- a) *Nyandeni Local Municipality shall strive for an accountable and transparent governance system that fosters a culture of service and partnership with all our stakeholders and citizenry*
- b) *The Municipal shall provide sustainable quality service delivery and infrastructure.*
- c) *The municipality commits to implement socio – economic development interventions that prioritised rural development whilst ensuring functional urban spaces and infrastructure that supports viable businesses and sustainable human settlements*
- d) *Amongst its priorities, the municipality will strive to foster a strong IGR system to implement rural development and seamless service delivery.*
- e) *Through partnership with traditional council, the council shall ensure proper land use planning and management.*
- f) *The Nyandeni Local Municipality shall strive for financial viability through increased revenue generation, resource mobilisation strategies as well as sound financial management practices.*

Council values

- a) **Diligence** (self-driven public representative and management team, commitment to serving the people, assertive in representing the interests of Nyandeni inhabitants)
- b) **Promptness** (responding to matters of public and citizens interests within reasonable time including acknowledging and keeping people informed of all municipal processes)
- c) **Integrity** (transparency, honesty, good democratic ethics, impartial on matters of public good and interest and building a public service that transcends political and social boundaries)
- d) **Accountability** (responsible, taking ownership, discipline, efficient and implanting a culture of a demand driven development paradigm)

- e) **Participative** (building a reciprocal relationship between management and all internal stakeholders, between council and administration, between labour and organizational leadership, and between the municipality and its citizens and social formations)
- f) **Responsive** (building a customer friendly municipal environment, ensuring a proactive, flexible, creative and quality conscious service delivery environment)
- g) **Considerate** (implanting a culture of compassionate, caring and emotional intelligent municipal environment that prioritizes its inhabitants, employees and councillors)

Strategic goals of the municipality

a) To ensure sound governance practices within Nyandeni local municipality

- a. Improving and strengthening intergovernmental relations
- b. Collaborative planning
- c. Fostering strategic partnerships
- d. By ensuring good corporate practices
- e. Effective municipal leadership and management
- f. Wise resource management
- g. Seamless programme management
- h. Ensuring a stable political environment

b) To provide sound governance for local communities through

- a. Broadening and deepening local democracy through ward committees and beyond
- b. Ensure local accountability through continuous reporting system, local imbizos etc
- c. Implanting a culture of people centred people driven development

c) To provide sustainable services to all inhabitants of the municipality through

- a. Physical infrastructure provision
- b. Community and social services
- c. Effective local economic development planning
- d. Spatial development planning
- e. Effective intergovernmental collaboration
- f. Providing support to business development
- g. Strategic sector planning and development

13.3 Products and services as outlined in the powers and functions

a) Physical infrastructure

- a. Municipal buildings
- b. Plant and equipment
- c. Community facilities [halls etc]
- d. Access roads
- e. Storm water
- f. Walkways, transport halts etc
- g. Dams (for grazing and to catalyze agriculture and farming)
- h. Bulk infrastructure

b) Social services

- a. Primary health care
- b. Library services
- c. Social amenities
- d. Public safety
- e. Early childhood development
- f. Skills development

c) Environmental management

- a. Environmental health management services
- b. Environmental safety management
- c. Pollution control and management
- d. Environmental planning
- e. Environmental monitoring and compliance

d) Economic services

- a. Local economic development planning
- b. Tourism planning
- c. Land use management planning and zoning schemes
- d. Spatial planning
- e. Agriculture planning
- f. Transport planning
- g. Tourism planning
- h. Business regulations

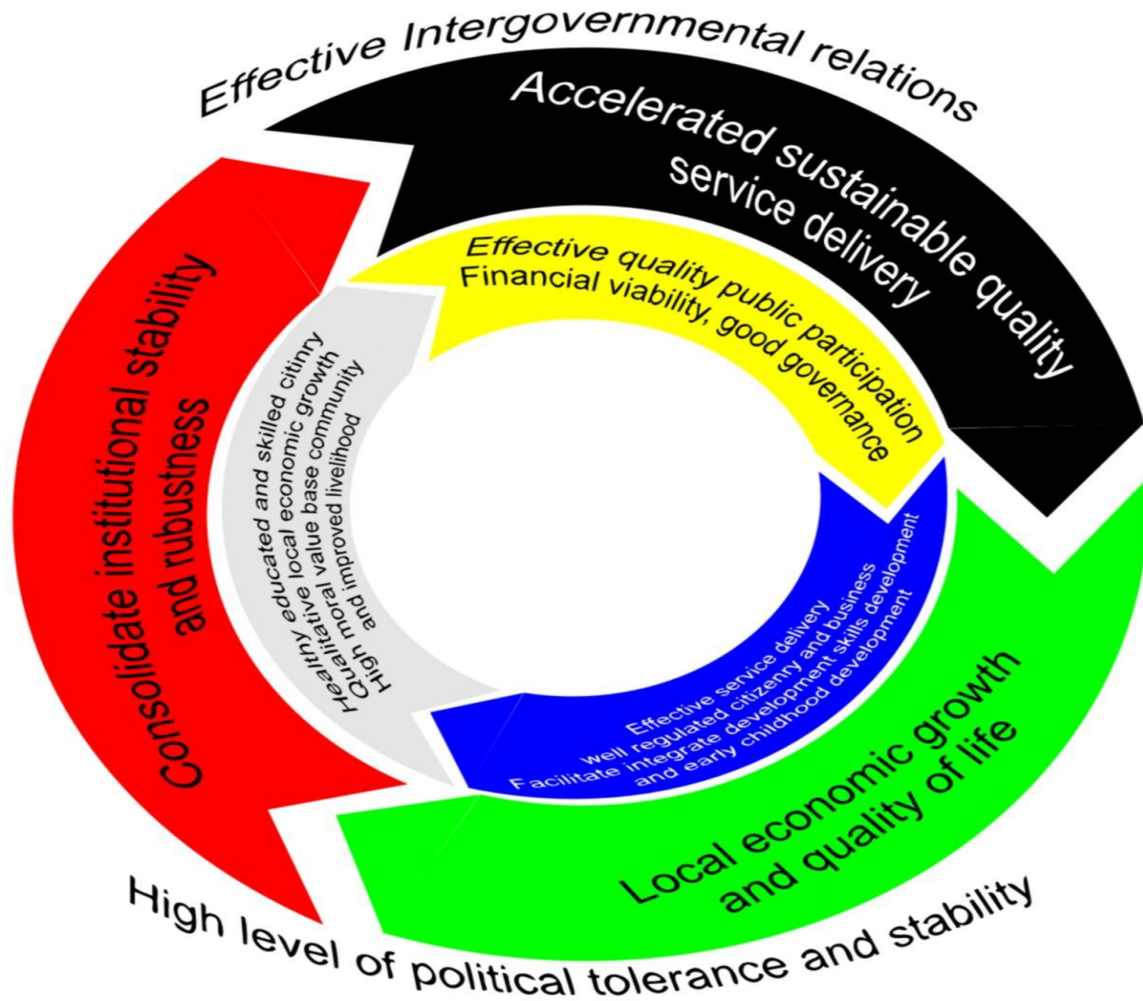
Within the spirit and context of sound intergovernmental relations, Nyandeni Local Municipality accept and therefore locates its current and future strategic areas of focus within the broad

national and provincial planning frameworks in terms of development and growth priorities for the Eastern Cape and nationally.

As these broad frameworks embody the qualitative aspects of the national transformation trajectory, they thus inform and underpin our development priorities and strategic direction. Accordingly, the municipality crafted itself a macro-strategy as alluded to earlier and as detailed below.

Medium term macro institutional strategy

Recognizing the numerous and huge challenges it faces, the fact that solutions can potentially be in conflict with or complement each other, as stated above, the municipality conceptualized a medium term macro institutional strategy. The objective of this strategy is to equip leadership and management with a guide on decision making when there are conflicting strategic options. The macro/ overarching strategy will also provide a basis for the allocation of scarce resources. In addition, the macro strategy/overarching strategy will serve as a basis to rally collective energies of all employees and councilors in terms of the strategic direction the municipality is taking. This macro strategy was deduced from myriad institutional deficiencies, advances as well as development challenges. It is presented in the form of a diagram to illustratively communicate the dialectical inextricable interconnectedness of the components. The diagram summarizes the medium term overarching institutional strategy of the municipality. Municipal objectives and their supporting strategies have been formulated in line with this macro strategy.



The strategy hinges on three dialectically inextricable intertwined components. These are:

- a) Consolidate institutional stability and robustness
- b) Accelerated quality and sustainable service delivery
- c) Local economic growth and quality of life

These key components should, and do overlap, in terms of timing. However there is also some sequence in terms of focus. The initial focus being on building a formidable municipal organisation; thus consolidate institutional stability and robustness which will, as it is being consolidated, be able to contribute towards improving living environments. The municipality will commit resources to ensure such institutional efficacy leads to sound financial management, effective revenue generation and ultimately financial viability. In terms of governance, although the municipality has managed to establish a functional intergovernmental relations cluster system at both political and administrative levels, its impact in terms ensuring effective integrated development planning and management and establishment institutional cohesion

between the municipality and all other critical role partners is still to be realised. The aim is to lobby all other local municipalities within the OR Tambo District to institutionalize an intergovernmental regime that emphasized a district – wide municipal support system.

- a) To support all municipalities in **financial administration** in order for them to be financially sustainable.
- b) To support all municipalities on **human resources** related issues for the purposes of sound management systems and a stable environment in terms of their labour force.
- c) To support all municipalities in **administration** for the purpose of effective operations of Council activities.
- d) To support and assist all municipalities on **technical** issues in order for them to manage their projects and to handle the technical aspects thereof.
- e) To support and assist all municipalities in developing and reviewing their **Integrated Development Plans (IDPs)** and the establishment of **Performance Management Framework which embeds a district-wide enjoyment**

These programmes should in the main be an outcome of shared institutional knowledge and cross – municipal – referencing in which outsourcing of certain support functions is the last resort. The ultimate vision is establishment of a shared services centre towards a seamless district institutional regime. The Nyandeni Local Municipality is not oblivious to the fact that current intergovernmental relations within OR Tambo District are experiencing serious challenges.

Over and above this approach towards effective intergovernmental relations, the municipality will strengthen its advocacy and lobbying capacity towards ensuring improvement of IRG. The strategic focus of such a system should be the following key objectives. The other crucial element within this component is systematically building public confidence and a reciprocal relationship between the municipality and its citizenry including all stakeholders within its jurisdiction.

This will lead to an institutional service delivery efficacy where sustainable and quality service delivery should lead to development of a law abiding, citizenry with high moral values. This stable economic and political environment will also lead to improved livelihoods characterized by a healthy and skilled citizenry with high moral values enjoying employment in a robust employment creating economy which will in turn lead to better payment for services, better participation in the activities of the municipality, improved accountability by public representatives and municipal administration to the community. This will lead to a municipality that is characterized by improved financial viability, good governance, and qualitative public

participation. Such a municipality should be able to deliver services, regulate citizens and businesses, facilitate development, and provide effective support to all Ward Committees and other organs of development to deepen democracy and thus high levels of political stability.

All of this will have to happen in a context of, and reinforce effective intergovernmental relationships. This positive feedback loop will deliver the vision of the municipality. The reversal of the positive feedback loop, anticipated above, is a real possibility. If the municipality fails to consolidate itself as a robust institution, it will not be able to accelerate service delivery, it will not be able to create the required environment for local economic growth, and it will not be able to contribute towards improving living environments. In turn, livelihoods will not improve, leading to high levels of unemployment with a generally unhealthy and unskilled citizenry with low moral values living in poverty and a lawless local environment. This will in turn erode the legitimacy of the Nyandeni Local Municipality as government. The institution will be characterized by citizen apathy, high levels of non-payment for services, and deteriorating standards of governance. Corruption, in this context, will be inherent and possibly high labour turn – over. Leadership will therefore have to strive to ensure that the feedback loop is not reversed. Difficult choices will have to be made and unpopular strategies will be implemented, where necessary, in support of the positive feedback loop.

In line with this line of strategic thinking, the strategic planning workshop developed a municipal scorecard as presented below.

14 Strategic scorecard

The municipal strategic scorecard was developed as part of the 2011/2012 IDP process. For purposes of this strategic plan, it has not been reviewed. What has been done is a high – level assessment against the national outcomes and the conclusion is that to a greater extent the scorecard covers all essential components that should lead to the municipality achieving these national outcomes.

14.1 National outcomes

For easy reference under listed are the national outcomes alluded to above;

- a) A responsive, accountable, effective and efficient local government system
- b) A developmental – oriented public service and inclusive citizenry
- c) Decent employment through inclusive economic growth
- d) An efficient, competitive and responsive economic infrastructure network
- e) Vibrant, equitable and sustainable rural communities and food security
- f) Improve the quality of basic education

- g) Improve health and life expectancy
- h) All people in South Africa are and feel safe
- i) Sustainable human settlements and improved quality of household life
- j) A skilled capable workforce to support inclusive growth

14.2 Provincial priorities

The high- level assessment of the scorecard was also administered against the provincial objectives to check the extent of confluence with the municipal strategic scorecard. For easy reference, these are listed below;

14.2.1 Provincial strategic objectives

- a) Poverty eradication,
- b) Agrarian transformation,
- c) Diversification of manufacturing and tourism,
- d) Massive infrastructure development,
- e) Human resource development and
- f) Public sector transformation.

14.2.2 Provincial targets (indicators)

The under listed provincial priorities are extremely impossible to meet by almost all spheres of government. These have been listed for easy reference.

- a) To maintain an economic growth rate of between 5%-8% per annum.
- b) To half the unemployment rate by 2014.
- c) To reduce by 60% and 80% the number of households living below the poverty line by 2014.
- d) To reduce by between 60% and 80% the proportion of people suffering from hunger by 2014.
- e) To establish food and self -sufficiency in the Province by 2014.
- f) To ensure the universal primary education (UPE) by 2014, with all children proceeding to the first exit point in a secondary education.
- g) To improve the literacy rate in the Province by 50% by 2014.
- h) To eliminate gender disparity n education and employment by 2014.
- i) To reduce by two thirds the under five mortality rate by 2014.
- j) To reduce by three quarters the maternal mortality rate by 2014.
- k) To halt and begin to reverse the spread of HIV/AIDS by 2014.
- l) To halt and begin to reverse the spread of tuberculosis by 2014.
- m) To provide clean water to all in the Province by 2014.
- n) To eliminate sanitation projects by 2014.

Municipal Goals			To strengthen municipal governance and administrative capacity							
Municipal Key Performance Area (KPA)			Good Governance							
Municipal Turnaround Strategy										
Provincial Strategic Priority										
National Outcomes			(9) A Responsive, accountable, effective and efficient local government system							
			(12) A developmental-oriented public service and inclusive citizenship							
Strategic Focus Area	5 Year Objective	municipal Strategies	Output/Outcomes Indicator	Indicator Custodian Department	Baseline	Annual Targets				
						2012/2013	2013/2014	2014/2015	2015/16	2016/2017
PUBLIC PARTICIPATION	to ensure effective public participation in processes of decision making	review public participation policy and develop petition management guidelines	Council resolution and approved public participation policy and petition management guidelines	SMO	public participation policy in place but needs review	Review Public Participation Policy	Review Public Participation Policy	Capacity programme for stakeholders		
		strengthen and build capacity of ward committee system	Number of Ward Committees trained Number of sittings of Ward Committee Meetings	SMO	31 Ward Committees have been established; 160 trained; 31 Ward Administrators have been appointed	Training of 160 Ward Committees 4 Sittings of Ward Committees' Meetings	Training of 150 Ward Committees 4 Sittings of Ward Committees' Meetings	4 Sittings of Ward Committees' Meetings	4 Sittings of Ward Committees' Meetings	4 Sittings of Ward Committees' Meetings

PUBLIC PARTICIPATION	to ensure effective public participation in processes of decision making	strengthen relations with Community Development Workers	Number of assessment progress reports	Speakers' Office	24 CDW 's have been placed by the DLGTA	facilitate signing of MoU between the Municipality & DLGTA	4 assessment meetings in partnership with DLG&TA	4 assessment meetings in partnership with DLG&TA	4 assessment meetings in partnership with DLG&TA	4 assessment meetings in partnership with DLG&TA
		Co-ordinate Mayoral Imbizo's and Budget Public Hearings in all 31 wards Annually	Number of Mayoral Imbizo's and IDP Public hearings	IDP Manager	IDP & Budget Process Plan 2012/13 adopted by council	conduct 2 Mayoral Imbizo's and 1 IDP & Budget Public Hearings	conduct 2 Mayoral Imbizo's and 1 IDP & Budget Public Hearings	conduct 2 Mayoral Imbizo's and 1 IDP & Budget Public Hearings	conduct 2 Mayoral Imbizo's and 1 IDP & Budget Public Hearings	conduct 2 Mayoral Imbizo's and 1 IDP & Budget Public Hearings
MUNICIPAL PLANNING										
MUNICIPAL PLANNING	To provide effective municipal planning	develop IDP and Budget planning processes appropriate to the municipality annually	Approved IDP & Budget Process Plan; and IDP and Budget	IDP Manager	Five year IDP adopted by Council in 2012	conduct annual IDP & Budget Review 2013/14	conduct annual IDP & Budget Review for 2014/15	conduct annual IDP & BUDGET Review 2015/16	conduct annual IDP & Budget Review for 2016/17	
			Approved MUTAS report by Councillors		Compile MTUS report and submit to the District Municipality		Review MTUS	Review MUTAS	Review MUTAS	Review MUTAS

INTERGOVERNMENTAL RELATIONS	To ensure meaningful participation by all spheres of government	Improve communication and collaboration across the spheres of government	Number of IGR Forum Meetings	Municipal Manager	IGR Forum has been launched and effective and & ToR were adopted	Conduct 4 IGR Forums	Conduct IGR Summit	Conduct 4 IGR Forums	Conduct 4 IGR Forums	Conduct 4 IGR Forums
INTERGOVERNMENTAL RELATIONS	To ensure meaningful participation by all spheres of government	Formalise Relations with the District Municipality on DM functions performed at the local municipality (Disaster, Water and Sanitation, Housing, Environmental Health)	Number of MoU signed with the DM	Municipal Manager	No formal agreements are in place	-	Sign MOU with the District Municipality	-	-	-
Traditional Authorities	Strengthen Relations with Traditional Leadership	to foster collaboration with Traditional Authorities	Approved Policy on Traditional Leaders	Municipal Manager	12 traditional leaders have been co-opted in Council	Develop a Policy on Traditional Leaders	Develop a Policy on Traditional Leaders	-	-	-

Legal services	To improve management and administration of legal matters	Develop mechanism to fast-track finalization of pending litigations	Signed litigation register	Legal Manager	Draft Litigation register is in place	Develop a system for management of cases	Updating of the litigation register	Updating of the litigation register	Updating of the litigation register	Updating of the litigation register
By-laws	To fast-track services delivery through effective enforcement of By – Laws and policies	Develop new by-laws and reviewal of existing by-laws	Number of gazetted By-Laws	Legal Manager	18 By-laws in place	Review and development of new By-laws	Review 5 By-laws and Develop 2 new By-laws	Review 5 By-laws	Develop 3 By-laws	Develop 2 By-laws
		Review of the delegation register	Signed register of delegation between the AO and SM and between AO and Mayor representing Council	MM	System of delegation is in place	First Draft of the reviewed delegation register	Review of the delegation register	Review of the delegation register	Review of the delegation register	Review of the delegation register
Communication	To provide accurate, timely and reliable information to citizens	Develop an effective communication system and procedure manual aligned to the National Framework	Adopted Communication strategy and Communication Policy	Communications	Draft Communication Strategy in place	adopt Communication Strategy and protocol guidelines	adopt Communication Strategy and protocol guidelines Rebranding of	Review of the communication policy and strategy	Review of the communication policy and strategy	Review of the communication policy and strategy

							Nyandeni Local Municipality				
		Communication of information to the public	Number of newsletter editions, media releases, notices, publications	Communications	Newsletter not in place, notices and publications are done when there is a need	-	Adoption of the communication policy	3 newsletters developed and released 4 media releases 7 notices and 3 publications	4 newsletters developed and released 4 media releases 7 notices and publications issued 3	4 newsletters developed and released 7 notices and publications issued 3	4 newsletters developed and released 7 notices and publications issued 3
Internal audit	To monitor internal controls and provide advice to management and council	Perform audits as per risk – based internal audit plan to ensure compliance with relevant legislations and to ensure internal controls are in place.	Approved annual audit committee charter, annual internal audit charter and annual internal audit plan	IA Manager	Fully Functional Internal Unit in place and Audit Committee established	Approved internal audit charter, Audit Committee Charter and internal audit plan. Internal audit	Review Audit Committee Charter, Internal Audit Charter and Internal Audit Plan and reports	Review Audit Committee Charter, Internal Audit Charter and Internal Audit Plan and reports submitted to audit committee	Review Audit Committee Charter, Internal Audit Charter and Internal Audit Plan and	Review Audit Committee Charter, Internal Audit Charter and Internal Audit Plan and reports submitted	

						reports submitted to audit committee	submitted to audit committee		reports submitted to audit committee	to audit committee
		Internal controls are in place	Number of internal audit unit reports submitted as per plan	IA Manager	Internal audit plan had 12 audits	Carry out and report on 12 audit projects	Carry out and report on 10 audit projects	Carry out and report on 10 audit projects	Carry out and report on 10 audit projects	Carry out and report on 10 audit projects
		Internal Audit Unit to track and monitor implementation of management audit action plan	Status report on the progress on implementation of the action plan	IA Manager	Audit Action Plan developed and monitored	AG follow-ups	Conduct audit on the implementation of Audit Action Plan and compile report	Conduct audit on the implementation of Audit Action Plan	Conduct audit on the implementation of Audit Action Plan	Conduct audit on the implementation of Audit Action Plan

Risk Management	To identify, access and mitigate municipal risk	develop and implement comprehensive risk management plan, and risk management profile and risk management charter	Adopted risk management plan, risk management profile and risk management charter Existence of the risk management committee	All Head of Department; Risk Office	Risk Management systems are in place	Develop Risk Management Plan, Risk management profile and risk management charter and Risk management Committee	Review Risk Management Plan, Risk management profile and risk management charter and Risk management Committee	Review Risk Management Plan, Risk management profile and risk management charter and Risk management Committee	Review Risk Management Plan, Risk management profile and risk management charter and Risk management Committee	Review Risk Management Plan, Risk management profile and risk management charter and Risk management Committee
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			Progress report on risk management profile	Risk Officer	Poor reporting of risk management	Four progress report on risk management profile	Four progress report on risk management profile	Four progress report on risk management profile	Four progress report on risk management profile	Four progress report on risk management profile
		develop systems and processes to combat corruption	Approved fraud prevention strategy Annual Fraud Prevention Report	Risk Office	Fraud Prevention Policy adopted by Council	Development and approval of the fraud prevention policy	Develop Fraud Prevention Strategy	Review Fraud Prevention Strategy	Review of the fraud prevention strategy	Review of the fraud prevention strategy
Council Affairs	To ensure efficient and effective council support	Timely and accurate recording of Council Decisions	Signed minutes and Council Resolutions by the Speaker	Senior Manager Operations	Council Resolutions Register in place	Distribution of council resolutions annually	Distribution of council resolutions annually	Distribution of council resolutions annually	Distribution of council resolutions annually	Distribution of council resolutions annually

			Number of Ordinary & Special Council Meetings	Senior Manager Operations	Annual Council Calendar is in place	Arrange 4 Ordinary Council Meetings and Standing Committee Meetings	Arrange 4 Ordinary, Special Council Meetings, Exco and Standing Committee Meetings	Arrange 4 Ordinary, Special Council Meetings, Exco and Standing Committee Meetings	Arrange 4 Ordinary, Special Council Meetings, Exco and Standing Committee Meetings	Arrange 4 Ordinary, Special Council Meetings, Exco and Standing Committee Meetings
Municipal Oversight	To improve municipal oversight and accountability	develop mechanisms and procedures for effective oversight	Annual oversight report adopted by council	MPAC	MPAC established and is functional	Compile MFMA-S129, S72 Reports	Compile MFMA-S129, S72 Reports	Compile MFMA-S129, S72 Reports	Compile MFMA-S129, S72 Reports	Compile MFMA-S129, S72 Reports
Institutional PMS	To provide a tool for measuring achievement of predetermined objectives	Development of institutional KPI's with community involvement.	Adopted Institutional KPI's	MM	No adopted institutional KPI's	-	Develop institutional scorecard	review institutional scorecard	Review institutional scorecard	review institutional scorecard
		Compilation of management report to Exco	Number of management report submitted to Exco	MM	Management report are developed annually	Four management report submitted to EXCO	Four management report submitted to EXCO	Four management report submitted to EXCO	Four management report submitted to EXCO	Four management report submitted to EXCO

									EXCO	
		Compilation of MFMA, S52(d), S72, S121 & MSA S46 reports	Number of MFMA & MSA reports submitted	MM	Reports have been compiled for 2012/13 FY	Compilation of MFMA, S52(d), S72, S121 & MSA S46 reports	Compilation of MFMA, S52(d), S72, S121 & MSA S46 reports	Compilation of MFMA, S52(d), S72, S121 & MSA S46 reports	Compilation of MFMA, S52(d), S72, S121 & MSA S46 reports	Compilation of MFMA, S52(d), S72, S121 & MSA S46 reports
Special Programs	To contribute to national development priorities on designated groups (women, youth, disabled, children and elderly)	Mainstreaming of programs at all levels	Number of women, children and elderly, youth and disabled supported; Number of projects supported Report on Ms Nyandeni results	SPU and all departments	Youth development plan and in place, Youth Council in place ; Women's Caucus is in place, Nyandeni Disabled Persons' Association is in place; Miss Nyandeni Held	Development and approval of database for vulnerable groups; Implement youth development plan	100 children; 50 elderly; 20 women; 2 youth projects supported; 3 disabled projects supported	100 children; 50 elderly; 20 women; 2 youth projects supported; 3 disabled projects supported	100 children; 50 elderly; 20 women; 2 youth projects supported; 3 disabled projects supported	100 children; 50 elderly; 20 women; 2 youth projects supported; 3 disabled projects supported

		To promote all sporting codes within the municipality	Number of sporting codes formed; Results of the Mayors' Cup		sports' council is established; Mayors' cup held	Host Mayor's Cup	2 sporting codes supported	2 sporting codes supported	2 sporting codes supported	2 sporting codes supported
Resource mobilization	To source funding and partnership toward improved services delivery	lobby for external funding and investment opportunities	Rand value of funds received; Number of partnership formed; Number of investment opportunities created	MM	Resource mobilization committee in place	Develop ToR for the resource mobilization committee	Capacitation of the resource mobilization committee; Approval of ToR; Formalized partnership with Private partner for purposes of resource mobilization			

Municipal Goals		To have a financial sound, self-sustainable, transparent and accountable municipality								
Municipal Key Performance Area (KPA)		Financial Viability								
Municipal Turnaround Strategy										
Provincial Strategic Priority		(7) Building a developmental state and improving the public services, and strengthening democratic institutions								
National Outcomes		(9) A Responsive, accountable, effective and efficient local government system								
Strategic Focus Area	5 Year Objective	Programmes/Projects/Strategies	Output/Outcomes Indicator	Indicator Custodian Department	Baseline	Annual Targets				
						2012/2013	2013/2014	2014/2015	2015/2016	2016/2017
Revenue Management	To ensure effective Debtors management	Debtors data cleansing	Debtors Master File	BTO	Inaccurate debtors records	Debtors' Information Update	Debtors' Information Update	Debtors' Information Update	Debtors' Information Update	Debtors' Information Update
	To increase revenue by 20%	Implementation of MPRA	Approved General valuation roll and Supplementary valuation roll	BTO	Compliance with the MPRA	Continuous Interim Valuation	Annual (GV And Interim Valuation)	Continuous Interim Valuation	Continuous Interim Valuation	Continuous Interim Valuation
		Reviewal of By-Laws and Financial policies	Approved Credit Control & Debt Collection Policy and By-laws	BTO	Approved By-Laws and Financial policies are in place	Review of by-laws and policies & procedures	Review Credit Control by-laws and procedures	Review Credit Control by-laws and procedures	Review Credit Control by-laws and procedures	Review Credit Control by-laws and procedures

		Development and implement Revenue Enhancement strategy	Actual collection increased by 20%	BTO	Draft Revenue Enhancement strategy	Approval and implementation of revenue enhancement strategy	2% increase in actual collection	5% increase in actual collection	6% increase in actual collection	7% increase in actual collection
		Full implementation of credit control and debt collection policy	Reduction of the old debtors balance by 10%	BTO	Credit Control and debt collection policy reviewed	Implementation of credit control and Indigent policy	Implementation of credit control and Indigent policy	Implementation of credit control and Indigent policy	Implementation of credit control and Indigent policy	Implementation of credit control and Indigent policy
		Review indigent register	Approved Indigent register	BTO	Indigent register not in place	Review of indigent register bi-annual	Review of indigent register bi-annual	Review of indigent register bi-annual	Review of indigent register bi-annual	Review of indigent register bi-annual
Expenditure Management	To ensure effective Budget management									
		Development of realistic and credible Budget	Approved Budget	BTO	Budget is currently compiled as per the MFMA requirement	Compliance management, monitoring and quality management	Approve 13/14 annual budget	Approve 14/15 annual budget	Approve 15/16 annual budget	Approve 16/17 annual budget
		Adherence to budget reforms	Budget returns, s 52(d) s71, s72 B schedule, and C schedule	BTO	Compliance with development of reforms	Implementation of budget reforms	Compliance reports as per MFMA Calendar	Compliance reports as per MFMA Calendar	Compliance reports as per MFMA Calendar	Compliance reports as per MFMA Calendar
Asset manage	To ensure proper	Review GRAP Fixed asset management policy	Approved Fixed asset	BTO	Draft policy in place	Review of GRAP	Conduct annual	Conduct annual	Conduct annual	Conduct annual

ment	managem ent of municipal assets		policy			Fixed asset managem ent policy	reviewal of Fixed Assets Register	reviewal of Fixed Assets Register	reviewal of Fixed Assets Register	reviewal of Fixed Assets Register
		Updating of GRAP Asset Register	Approved GRAP compliant Asset Register	BTO	Non GRAP compliant Asset register in place	Developme nt of fixed asset register	Updating of GRAP fixed asset register annually	Updating of fixed asset register annually	Updating of fixed asset register annually	Updating of fixed asset register annually
		Acquisition and maintenance of municipal fleet	Updated fleet management Report	BTO	Procedure manual for fleet management in PLACE	Managem ent of fleet and maintenanc e	Managem ent of fleet and maintenanc e	Managem ent of fleet and maintenanc e	Managem ent of fleet and maintenanc e	Managem ent of fleet and maintenanc e
Supply Chain Manage ment	To ensure proper SCM procedure s	Ensure compliance of SCM policy that is in line with relevant legislation and regulations	Approved SCM policy	BTO	SCM policy in place	Review SCM policy annually	Review SCM policy annually	Review SCM policy annually	Review SCM policy annually	Review SCM policy annually
		Acquisition of goods and services in compliance with SCM regulations and policy	Quarterly report on implementation of SCM policy	BTO	Procedures manual in place	Implementa tion of the SCM Policy	Implementa tion of the SCM Policy	Implement ation of the SCM Policy	Implementat ion of the SCM Policy	Implementa tion of the SCM Policy
		Proper contract management	Annual Contract register	BTO	No formal contract management unit	Updated Contract Register	Updated Contract Register	Updated Contract Register	Updated Contract Register	Updated Contract Register
Reportin g		Development of AFS	Signed AFS	BTO	Municipality Complies	Submission of AFS 2011/12	Submission of AFS 2012/13	Submissio n of AFS 2013/14	Submission of AFS 14/15	Submissio n of AFS 15/16
		Annual audit	AG Audit Report	BTO	Positive audit outcomes (Disclaimer to Qualified)	Qualified Audit Report	Unqualified Report	Unqualified Report	Clean Audit Report	Clean Audit Report

Strategic Focus Area	5 Year Objective	Strategies	Output/Outcomes Indicator	Indicator Custodian Department	Baseline	2012/2013	2013/2014	2014/2015	2015/2016
POLICY REVIEW AND DEVELOPMENT	To ensure effective compliance and sound management practices within the institution	Develop Institutional policies	Number of policies adopted by Council	CPS	06 HR Policies developed	Develop 5 policies	Develop 7 policies	Develop 5 policies	Develop 5 policies
		Review.. Institutional policies	Number of policies adopted by Council	CPS	27 HR Policies reviewed	review all policies	Review 27 policies	review all policies	review all policies
ORGANISATIONAL DESIGN	To ensure alignment of the Organogram with the assigned powers and functions	Review the Organogram annually	Adoption by Council	CPS	Last reviewed in 2012	Review annually	Review annually	Review annually	Review annually
		Develop Job Description for each post	100% Signed job descriptions for all positions in the approved organogram	CPS	Unsigned Job Descriptions are in place	100%	100%	100%	100%
		Filling of all funded posts	All funded vacant posts filled	CPS	24%	10%	5%	5%	4%

Strategic Focus Area	5 Year Objective	Strategies	Output/Outcomes Indicator	Indicator Custodian Department	Baseline	2012/2013	2013/2014	2014/2015	2015/2016
PERFORMANCE MANAGEMENT SYSTEM	To ensure that individual assessments are conducted for Senior Managers	<p>Establish Performance Assessment Panel</p> <p>Performance Agreements have been concluded by end June annually.</p> <p>Conduct quarterly, mid year and annual performance assessments for Senior Managers</p>	<p>Performance Assessment panel formally appointed by Council and trained.</p> <p>Signed individual Performance Agreements</p> <p>Assessment reports</p>	CPS	PMS Policy and Procedure Manual are in place	Implement the procedure manual	50%	100%	100%
PERFORMANCE MANAGEMENT SYSTEM	To ensure that individual assessments are conducted for Senior Managers	Managers below Sec 56 to sign performance agreements	Signed Performance Agreements	CPS	Only Senior Managers have signed Performance Agreements	All Managers below Senior Managers sign Performance Agreements by end July.	All Managers below Senior Managers sign Performance Agreements by end July.	All Managers below Senior Managers sign Performance Agreements by end July.	All Managers below Senior Managers sign Performance Agreements by end July.

Strategic Focus Area	5 Year Objective	Strategies	Output/Outcomes Indicator	Indicator Custodian Department	Baseline	2012/2013	2013/2014	2014/2015	2015/2016
		The rest of staff of the municipal to be in possession of signed work plans	Signed work-plans	CPS	Only Senior Managers have signed Performance Agreements		All employees below Managers to sign work-plans by end July	All employees below Managers to sign work	plans by end July
PERFORMANCE MANAGEMENT SYSTEM	To ensure that individual assessments are conducted for Senior Managers	All fulltime time Cllrs and EXCO members to sign Performance Agreements	Signed Performance Agreements	MAYOR'S OFFICE	Mayor, Speaker and Chief Whip	All performance agreements to be signed by end July	All performance agreements to be signed by end July	All performance agreements to be signed by end July	All performance agreements to be signed by end July
		To introduce performance, management, monitoring and rewards to all managers and employees	Assessment reports	CPS	Reward system not done	All Managers assessed and rewarded	All managers and Officers assessed and rewarded (non-financial)	All managers, Officers and employees assessed and rewarded (non-financial)	All managers, Officers and employees assessed and rewarded (non-financial)

Strategic Focus Area	5 Year Objective	Strategies	Output/Outcomes Indicator	Indicator Custodian Department	Baseline	2012/2013	2013/2014	2014/2015	2015/2016
SKILLS DEVELOPMENT	To ensure that all employees have the required competency levels	Implement WSP	Number of employees trained	CPS	70% of WSP is implemented	80% of WSP implemented	90% of WSP implemented	100% of WSP implemented	100% of WSP implemented
		Capacitate training and development committee Develop schedule of meetings for silks development committee Strengthening of skills development committee	<ul style="list-style-type: none"> Meetings held as scheduled Recommendations by committee implemented 	CPS	Inadequate functioning of the committee	Quarterly	Quarterly	Quarterly	Quarterly
SKILLS DEVELOPMENT	To provide opportunities to new entrants to the labour market	Create opportunities for practical work exposure for interns (1% of the total administrative personnel)	Number of Interns employed	CPS	29 Interns	30	30	35	35
	To provide Skills to the unemployed	Mainstream skills development within the service delivery and infrastructure programmes	Number of unemployed trained	CPS	210	500	500	600	600

Strategic Focus Area	5 Year Objective	Strategies	Output/Outcomes Indicator	Indicator Custodian Department	Baseline	2012/2013	2013/2014	2014/2015	2015/2016
BENEFITS ADMINISTRATION	Ensure proper administration of benefits	Regular Induction of all employees, on municipal code of practice in relation to benefits etc	Attendance registers	CPS	Done twice a year	February & August annually	February & August annually	February & August annually	February & August annually
		Regular Induction of all Councillors on municipal code of practice in relation to benefits etc	Attendance registers	CPS & MM's Office	Once a term	February Annually	February Annually	February Annually	February Annually
BENEFITS ADMINISTRATION	Ensure proper administration of benefits	Councillor/employee information on personnel files to be constantly updated	Audit Report Updated Councillor/employee information on personnel file	CPS	Incomplete personnel files	Provide inspection report based on the checklist	Provide inspection report based on the checklist	Provide inspection report based on the checklist	Provide inspection report based on the checklist
STAFF PROVISIONING	To attract and retain competent personnel	Implement Human Resource Plan	75% HR Plan interventions fully implemented	CPS	HR Plan adopted by Council Resolution	25%	25% of	50%	75%
		Implement Succession Plan Policy	Adoption by Council	CPS	Adopted by Council Resolution No. ...	Department s identify critical position. Rollout	Develop PDPs for all employees	Implement PDP interventions	Mentoring and Coaching by HODs

Strategic Focus Area	5 Year Objective	Strategies	Output/Outcomes Indicator	Indicator Custodian Department	Baseline	2012/2013	2013/2014	2014/2015	2015/2016
		Improve municipal recruitment system and processes	Budgeted vacant posts to be filled within 3 months	CPS	6 months	Filling of vacant posts within 3 months after the beginning of a financial year	Filling of vacant posts within 3 months after the beginning of a financial year	Filling of vacant posts within 3 months after the beginning of a financial year	Filling of vacant posts within 3 months after the beginning of a financial year
COMPLIANCE WITH LABOUR LEGISLATION AND COLLECTIVE AGREEMENTS	To ensure compliance with Labour related Legislation and SALGBC Main Collective Agreement	Implementation of Employment Equity Plan	% of women employed	CPS	48%	50%	53%	55%	55%
			% of youth employed	CPS	27.40%	30%	35%	40%	45%
			% of disabled employed	CPS	2.65%	3%	3.50%	3.50%	3.50%
			% of Coloureds employed	CPS	0% Coloureds	0.25%	0.50%	1%	1%
		Submission of Employment Equity Report to Department of Labour	Confirmation of receipt by DoL	CPS	EE Report is submitted annually	By 15 January annually	By 15 January annually	By 15 January annually	By 15 January annually
		Convene monthly Local Labour Forum Meetings	Meetings sit on a monthly basis	CPS	Three (3) Meetings sat in 2011	Monthly sitting 1 AGM	Monthly sitting. 1 AGM	Monthly sitting. 1 AGM	Monthly sitting. 1 AGM

Strategic Focus Area	5 Year Objective	Strategies	Output/Outcomes Indicator	Indicator Custodian Department	Baseline	2012/2013	2013/2014	2014/2015	2015/2016
		Online submission of Return of Earnings to Department of Labour	Receipt of invoice confirming institutional assessment by DoL	CPS	Registered with DoL	100%	100%	100%	100%
		Conduct regular inspections of municipal facilities and construction sites	Monthly Inspection reports	CPS	Irregular reports	All facilities and sites to be inspected on a monthly basis	All facilities and sites to be inspected on a monthly basis	All facilities and sites to be inspected on a monthly basis	All facilities and sites to be inspected on a monthly basis
		Regular sitting of Occupational Health & Safety Committee	Attendance registers	CPS	2 Sitting in 2012	Quarterly	Quarterly	Quarterly	Quarterly
		Prioritise workstations improvement to create a general safety education programme on office-based physical activity	No of cases reported	CPS	2 cases reported in 2012	0	0	0	0

Strategic Focus Area	5 Year Objective	Strategies	Output/Outcomes Indicator	Indicator Custodian Department	Baseline	2012/2013	2013/2014	2014/2015	2015/2016
COMPLIANCE WITH LABOUR LEGISLATION AND COLLECTIVE AGREEMENTS	To ensure compliance with Labour related Legislation and SALGBC Main Collective Agreement	Integration of Employee Assistance Program, Occupational Health and Safety and managing HIV and AIDS in the Workplace	Integrated health & wellness programme	CPS	Programme run separately	Design Employee Wellness Program	Monitor and Evaluate Implementation	Monitor and Evaluate Implementation	Monitor and Evaluate Implementation
		Establish and Capacitate Wellness Advisory Committee to manage and administer the program	Attendance registers	CPS	none	Implement annual action plan	Implement annual action plan	Implement annual action plan	Implement annual action plan
		Address the interconnected web of genetic, social, emotional, spiritual and physical factors that contribute to health through work-life balance	Reduced lifestyle related diseases and related claims	CPS	One natural death since 2010	Hold health promotion and wellness days twice a year	construction of health and fitness centre	Hold health promotion and wellness days twice a year	Hold health promotion and wellness days twice a year

Strategic Focus Area	5 Year Objective	Strategies	Output/Outcomes Indicator	Indicator Custodian Department	Baseline	2012/2013	2013/2014	2014/2015	2015/2016
COMPLIANCE WITH LABOUR LEGISLATION AND COLLECTIVE AGREEMENTS	To ensure compliance with Labour related Legislation and SALGBC Main Collective Agreement	To have an integrated Information Management System	System producing quality reports	CPS	Infrastructure in place but not yet integrated	Procure document management system	Implement network system connecting all municipal sites	To capacitate End Users to use available systems optimally and provide timely support.	To capacitate End Users to use available systems optimally and provide timely support.
		To provide reliable and updated IT systems	Council Adopted Policies	CPS	None	Develop ICT policies	Develop ICT policies	Develop ICT policies	Develop ICT policies
			Audit reports	IA	Only by AG	Conduct Annual IT Audit	Conduct Annual IT Audit	Conduct Annual IT Audit	Conduct Annual IT Audit
		Capacity building on the utilisation of Registry	Attendance registers	CPS	None	Training of clerical staff	Training of clerical staff	Training of all office employee through support form Province	
		Develop maintenance plan	maintenance plan	CPS	maintenance done on an ad hoc basis	Conduct preventative maintenance	Conduct preventative maintenance	Conduct preventative maintenance	Conduct preventative maintenance

Strategic Focus Area	5 Year Objective	Strategies	Output/Outcomes Indicator	Indicator Custodian Department	Baseline	2012/2013	2013/2014	2014/2015	2015/2016
		Develop internal capacity to do own maintenance	Turn around time in doing repairs	CPS	delayed by SCM processes	repairs done within two days	repairs done within two days	repairs done within two days	repairs done within two days
CUSTOMER CARE	To ensure implementation of Batho Pele Principles	Develop Customer Care Policy and infrastructure	number of complaints	CPS	no record	Develop Service Standards	Monitor, review and evaluate	Monitor, review and evaluate	Monitor, review and evaluate
					None	Mark Public Service Week annually	Mark Public Service Week annually	Mark Public Service Week annually	Mark Public Service Week annually
						Conduct client satisfaction survey annually	Conduct client satisfaction survey annually	Conduct client satisfaction survey annually	Conduct client satisfaction survey annually

5 YEAR MUNICIPAL SCORECARD

DEPARTMENT: PLANNING AND DEVELOPMENT

Strategic Focus Area	5 Year Objective	Strategies/Projects	Output/Outcomes Indicator	Indicator Custodian Department	Baseline	2012/2013	2013/2014	2014/2015	2015/2016	2016/2017
SMME Support and Development	To promote entrepreneurship and access to markets	To develop a data base of all SMMEs and Co-operatives and develop SMME/co-operative Strategy	A data base of SMME's/ Co-operatives and an SMME/ Co-operative Strategy approved by the Council	Planning and Development	LED Strategy in place	Start developing the Data Base of SMME/Co-operatives	Finalisation of the SMME Strategy	Review SMME Strategy	Review the Strategy	Review SMME Strategy
		Capacity building and skills development	400 SMME's and Co-operatives receive training and		160 SMME's have received training	Identify training needs	100 SMMEs and Co-operatives	100 SMMEs and Co-operatives	100 SMMEs and Co-operatives	100 SMMEs and Co-operatives

			capacity building							
		By creating strategic partnership with institutions of higher learning and funding institutions	Sign 5 MOU's with institutions of higher learning and funding institutions.		1 MOU signed with Tsolo Agric. College and Ntinga O.R. Tambo Deve Agency	1 MOU's signed	2 MoU signed with University of Fort Hare – Enterprise Development Unit, WSU	1 MoU's signed	1 MoU signed	1 MoU signed
		Development of Sector Strategy for Retail	Approved Retail Sector Strategy		30 Licence and 203 hawker permits developed and issued	50 retail and 203 hawker permits issued	Develop of Sector Strategy for Retail	Review Sector Strategy for Retail	Review Sector Strategy for Retail	Review Sector Strategy for Retail
		Introduction of card system for hawker permits and review business licences	Number of hawker permit issued		Manual hawker permit in place	-	Print Card System Hawker Permits 210	Update data base for hawkers and business	Update data base for hawkers and business	Update data base for hawkers and business
Agricultural development	To enhance the promotio	By promoting dairy farming initiatives	New land of dairy farming secured and		None	Finalisati on /consultat ion of the	Secure new land for dairy developmen	Provision of infrastru	Comme nce with operatio n.	Provisio n of addition al

	n of Agrarian Reform		agreements signed			area earmarked for the dairy farm project	t and sign agreements			infrastructure
		By increasing the number of hectares and tons planted through crop production	Number of hectares ploughed and expected yield of 4 tons per hectare		298 ha	300 ha planted and harvested	800 ha planted and harvested	500 ha planted and harvested	500 ha planted and harvested	500 ha planted and harvested
		To promote small scale farming	Number of small scale farming projects supported for the next 5 years		over 26 projects were supported	8 projects supported	8 projects supported	8 projects supported	8 projects supported	8 projects supported
		Development of comprehensive agricultural plan	An Agricultural Sector Plan developed and approved by the Council		None	Develop TOR. Conduct Land suitability study in all 31 wards	Develop and approve Agricultural Development Plan	Implementation of the projects identified in the sector plan		Review Agricultural Development Plan
		Livestock improvement	Number of Improved breeds		programme exists at	Identify 3 wards to introduce	Stock 6 bulls and 6 rams for 3	Stock 10 bulls and 10 rams	Stock 10 bulls and 10	Stock 10 bulls and 10

		introduced for the next 5 years.		ward 17 and 31	the programme	identified wards	5 for identified wards	rams for 5 identified wards	rams for 5 identified wards -
	In depth fishing & fisheries study	Well researched aquaculture project		Wild Coast Fishing Project	Investigation of diff species in our coastal stretch Create partnership with various stakeholders interested in the field		Economic feasibility study and business plan	Develop a business model for fishing	
	Essential Oils	Approved essential oils study		Pre-feasibility study conducted	- -	Develop and approve a Study on Essential Oils	Develop Business Plans on projects identified in the Study	Develop Business Plans on projects identified in the Study	Develop Business Plans on projects identified in the Study
	Tomato Hydroponics Projects	1 irrigation system installed		5 bays developed	- -	Installation of an irrigation system for	Pitching of 5 additional bays	Facilitate the development of	Facilitate the development of

							the project		facilities	facilities
		Forest Development Plan	A forest development plan approved by the Council		None	Develop Terms of Reference for the Plan	Develop and approve forest development plan	Facilitate implementation of the projects identified in the plan	Review the plan	
Tourism Development	To develop and promote Nyandeni as tourist destination area.	By recruiting and placing 34 life guards to all 6 beaches during December and Easter holidays	Number of life guards appointed per annum.		34 life guards are placed in our beaches	34 Life guards recruited and placed in 6 beaches.	34 Life guards recruited and placed in 6 beaches.	34 Life guards recruited and placed in 6 beaches.	34 Life guards recruited and placed in 6 beaches	34 Life guards recruited and placed in 6 beaches
		Local Tourism Organization Support	Tourism website developed and exhibition stand organized			- -	Develop a tourism website and arrange an exhibition stand	Update website and stand arranged	Update website and stand arranged	Update website and stand arranged
		Mlengane Eco-Tourism Development	Mlengane Lodge developed		Feasibility Study, Business plan and designs developed and ROD is	Securing ROD Capacity building of trust members	Develop business and ownership model	Construction of a lodge	Lobby funding for infrastructure provision.	Provision of infrastructure

					in place					
		Tourism Infrastructure Development	Develop one children's play land and one braai area in one of our beaches		6 beaches	- -	Develop and children's play land and braai area	Develop business plans and structural designs for day visitor facilities	Lobby funding for the construction of facilities	Construction of the day visitor facilities
		Branding, marketing and signage	4 sign posts installed.		There are 3 coastal beaches		Installation of 4 signage in Nyandeni Municipal area.	Install 8 additional signage for inland and coastal area	Marketing Nyandeni brand and Participate in tourism trade shows	- -
Mining	To explore the potential of mining for development.	Implementation of Malungeni Clay Study	Number of awareness campaigns organized		A service provider has been commissioned to prepare a feasibility study	Package areas that have mining opportunities.	Feasibility and business plan for Malungeni clay	Facilitate market for the Malungeni	Develop 5 year report on projects supported through Social & Labour Plan	- -
Coastal Planning	To exploit opportuni	Develop local spatial plan			Wild Coast	Develop strategies	Development and	Implementation of the	Review of the	- -

	ties offered by our coastal area	focusing on coastal development			SDF	for the development of LSDF	approval of Coastal LSDF.	coastal LSDF	coastal LSDF.	
										- -
										-
Spatial Planning	To increase the number of middle income housing stock and business sites for the growth of both towns of Libode and Ngqeleni	Environmental Impact Assessment for 80 units in Libode	Approved Environmental Impact Assessment .		3 townships have been approved	Develop and Approve LSDF for Libode Corridor and Ntlaza junction	In-situ upgrade of remainder of commonage Erf 80 Libode.	Lodge application for township establishment	Survey and Register new erven from insitu upgrade	- -
		Township and General Plan Registration for Ngqeleni Extension 5	General Plan developed and township registered		3 townships have been approved	Obtain approval for township establishment	Register the Township and open township register	Register beneficiaries	- -	-
		Develop layout plans for human settlements	A layout plan approved		Ext. 2, Libode and Ext	Bulk water installatio	Develop and approve a layout	Lodge an application for	Plan and survey	Plan and survey

		programmes	for at least 1 township		3, Ngqeleni layout plans have been approved	n to Libode and Ngqeleni	plan for 500 units in Libode.	township establishment for 500 units.	for new settlements	for new settlements
Development of Local SDF'S	To guide development in a spatially and efficient way	Development of a Coastal LSDF	Approved Coastal LSDF		SDF, Libode LSDF and Ngqeleni Precinct Plan	Develop precinct plan for Ngqeleni and Libode/ R61 Corridor and Ntlaza Junction	Develop and approve Coastal LSDF	Development of Canzibe Precinct Plan	Approval and implementation of Canzibe precinct plan	-
Land administration	To develop integrated urban nodes that form a direct link to rural nodes and settlements	Urban Area Land Audit	Detailed Land Audit conducted		Properties are currently searched through Windeed	- -	Conduct search for properties under Libode Extension 1 and Ngqeleni Extension 4	Conduct search for Ngqeleni Extension 2	Conduct search for Libode Extension 4	-
Human	To	EIA for Libode	Approved		Bulk	- -	Obtain	Facilitate	- -	- -

Settlements	coordinate the provision of sustainable rural and urban human settlements	500 units	EIA for Libode 500 units		internal services in place		Record on Decision for	the construction of 500 units		
		By coordinating development of rural and urban houses	Number of housing units coordinated within the next 4 years		810 units are currently being built	Commence with 650 rural housing units	Complete the outstanding units. Coordinate the development of 500 units	Additional 300 units completed	A further 200 units development is coordinated	Lobby for more housing projects
		Housing Consumer Education	Number of housing consumer education conducted		Housing Consumer Educations have been conducted	12 housing consumer education meetings held	10 education	8 housing consumer education meetings held	10 housing consumer education meetings held	- -
		Compilation of Housing Need Register	Number of forms completed and		None	Recruit 186 field workers and start	Complete the data collection for 31 wards	- -	Review the programme.	Update the data

		captured			with rollout of the programme. Recruit 10 data captureurs for capturing of data from wards				
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Municipal Goals		To ensure universal access to basic household, community and social services								
Municipal Key Performance Area (KPA)		Infrastructure and Service Delivery								
Municipal Turnaround Strategy										
Provincial Strategic Priority										
National Outcomes		(1) Improve the quality of basic education								
		(2) Improve health and life expectancy								
		(3) All people in South Africa are, and feel safe								
		(4) Decent employment through inclusive economic growth								
		(6) An efficient and responsive economic infrastructure								
		(8) Sustainable human settlements and improved quality of household life								
		(9) A responsive and, accountable. Effective, and efficient local government system								
Strategic Focus Area	5 Year Objectives	Strategies	Output/Outcomes Indicator	Indicator Custodian Department	Annual Targets					
					Baseline	2012/2013	2013/2014	2014/2015	2015/2016	2016/2017
Provision of Access roads and road maintenance	To construct and maintain roads to service centre's and economic development nodes (100km maintenance)	60/40 strategy on maintenance and construction, Cluster projects per ward for maintenance, 4 km maintenance per ward, Roads master plan, ITP, alternative technology use, maximize use of internal plant)	Kilometers constructed to public amenities and economic development centre. Number of roads forums. Number of people trained and employed	Infrastructure Development department, Roads and public works	100 km maintained and 50 km construction	50 km constructed 200 jobs created	50 km constructed 200 jobs created ITP Development	50 km constructed 200 jobs created ITP use on projects	50 km constructed 200 jobs created	50 km constructed 200 jobs created

	ce and 50 km Construction)	Provision of roads to public amenities				100 km maintained	100 km maintained	100 km maintained	100 km maintained	100 km maintained
		Provide access to economic development centre's		Infrastructure Development department, Roads and public works		3 roads forum	3 roads forum	3 roads forum	3 roads forum	3 roads forum
		Provide job creation and training to unemployed through EPWP program (Use of indigent register for EPWP Program, Skills development through EPWP Program, better contract management, Regular and invitation of DEDEAT prior implementation, development of local Contractors through incubation, Broad use of EPWP in rural areas)								

		Partner with Dept of roads and public works for maintenance of provincial roads								
Urban centre Infrastructure	To improve livelihoods in urban centre's through infrastructure development	Construct and maintain pedestrian sidewalks	Kilometers surfaced and sidewalks paved	Infrastructure Development	105 Jobs created, 4 km paved	3 km paved	3 km	3 km	3 km	2 km
		Upgrade internal road network to all weather surface				Monthly reports on EPWP funds	Monthly reports on EPWP funds	Monthly reports on EPWP funds	Monthly reports on EPWP funds	Monthly reports on EPWP funds
		Road signage and road marking in surfaced roads	Visibility of roads signs and road markings in towns (Libode and Ngqeleni) 500 jobs created			100% Expenditure on allocated funds	100% Expenditure on allocated funds	100% Expenditure on allocated funds	100% Expenditure on allocated funds	100% Expenditure on allocated funds
						100 job opportunities created	100 job opportunities created	100 job opportunities created	100 job opportunities created	100 job opportunities created
Storm water control	To improve storm water system so as to achieve life span of road network	Develop storm water master plan. Implementation of Storm water master plan	Approved Storm Water Plan. Storm water projects.	Infrastructure Development	No Master Plan	Develop Storm Water Master Plan. Approved master plan by council.	Implement budgeted projects	Implement budgeted projects	Implement budgeted projects	Implement for budgeted projects
Electrification	Provide and	Business plans for	Allocated funds	Infrastructure	80%	4 Minutes for	3 %	6 %	Electrification	Electrification

	maintain electricity	funding connections through DOE. Provision of electricity to public amenities. Provision and maintenance of street lighting. Engagement of ESKOM for electrification programs	by DOE. Progress reports and plans by ESKOM. Minutes for site meetings. Monthly reports to DOE	Development and ESKOM	Access to electricity	site meetings for ESKOM and DOE projects. 2274 household connections by ESKOM. 645 household connections by DOE funding 100% expenditure on DOE funding	Electrification 945 household connection by ESKOM. 597 household connection from DOE funding 100% expenditure on DOE funding	Electrification 100% expenditure on DOE funding	on of extensions and continuous maintenance	ion of extensions and continuous maintenance
Water	To provide basic water supply to all communities	To facilitate provision of water with ORTDM To facilitate maintenance of existing water schemes	Progress reports from OR Tambo DM. Households with access to portable water.	Infrastructure Development and ORTDM	23 % Access to Portable water	Bulk Infrastructure Projects. 3 Progress reports from OR Tambo DM.	Bulk Infrastructure Projects. 3 Progress reports from OR Tambo DM	Bulk Infrastructure Projects. 3 Progress reports from OR Tambo DM	Bulk Infrastructure Projects. 3 Progress reports from OR Tambo DM	Bulk Infrastructure Projects. 3 Progress reports from OR Tambo DM
Sanitation	To provide access to sanitation to all	To facilitate provision of sanitation with ORTDM	Progress reports from OR Tambo DM. Households with	Infrastructure Development and ORTDM	33 % Access to sanitation	41% access to sanitation on 21450 households	20% access to sanitation for 10400 households	6% access for sanitation on 3120 households	Bulk Infrastructure for Waste	Bulk Infrastructure projects

	communities (21450 hh)	To facilitate upgrade of existing sewer system to waterborne in Libode and Ngqeleni	access to portable water.				Feasibility studies for waste water treatment works for Libode and Ngqeleni	Bulk Infrastructure for Waste Water Treatment Works	Water Treatment Works	for waste water treatment works for Libode and Ngqeleni
Public Amenities	To provide and maintain local amenities and community facilities	To construct and upgrade transport hubs	Business Plans for transport hubs, sports field. Appointment Letters for projects. Completion Certificates.	Infrastructure Development and Community Services	Underdeveloped Transport hubs. No sports field	Business plans for Libode transport hub and Libode sports ground	Construction of Libode sports field.	Construction of 2 community halls	Construction of 4 community halls	Provision of public ablution facilities
		Construction of recreational facilities and sports centre's					Feasibility studies for ablutions.	Const of Ngqeleni sports ground	Construction of Ngqeleni Transport Hubs	
		Provision of ablution facilities for public nodes and coastal areas								
Bridges	To improve accessibility of communities through maintenance of 6 bridges	Construction and upgrade of bridges	Number of bridges constructed, Business Plans prepared and submitted for funding	Infrastructure Development and Roads and Public Works	2 Low Level bridges constructed /year	Business plans submission for funding	Implementation of funded projects	Construction of identified bridges	Construction of identified bridges	Construction of identified bridges
		Source funds for bridge construction and prepare business plans								

Strategic Focus Area	5 Year Objectives	Strategies	Output/Outcomes Indicator	Indicator Custodian Department	Baseline	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018
Environmental Management	To maintain a safe and healthy environment	Strengthen Pound Management by 2016	Accreditation Certificate from SPCA	Community Services	Two functional pounds though not compliance with SPCA standards	Renovation of accommodation for Pound Staff	Sub – division of pound through fencing (grouping of animals according to species)	Building of animal sheds for all types of impounded animals	Expansion of pound premises	Expansion of pound premises
		maintain cemeteries throughout the year	Updated Grave register		393 grave tags are installed at Libode and 112 are installed at Ngqeleni	Renovation of guard room, office block & Ablution facilities Installation of 200 grave tags	Tagging of new grave sites & maintenance of grave paths Beautification of cemetery yard	Maintenance of grave yard	Customer satisfactory survey through rate payers	Implementation of results from the survey
		Provide infrastructure for landfill site.	Operational landfill Site by 2013/14		conditional licensed Landfill Site at Libode is in place	Provide infrastructure in line with permit conditions: Fencing, boom gate, guardroom, ablution facilities, way bridge, & water pond	Compliance Audit of all landfill site	Upgrading of lechete cells	Installation of the electronic Waste Information system	Monitoring of the landfill operations

To maintain a safe and healthy environment			Operational Waste Transfer Station		The service provider has been appointed for the feasibility study	Prepare and submit application for the Waste Transfer Station permit	Construction of the Transfer Station at Ngqeleni	Signing of the contractual agreement with recycling companies	Establishment of house contractors on waste for food on waste program	Monitoring waste transfer station activities
	Expansion of waste collection to peri – urban areas (Thabo Mbeki, Kopshop, Corana, Ziphunzana & Ntlaza)	Well established waste – collection plan and public			Waste collection is taking place at Ntlaza, both towns and town residents	Expand waste collection at Thabo Mbeki township & Mfenetyisi, Corana, Ziphunzana	Establishment of a collection plan at Ziphunzana (Ward 11)	Establishment of the collection at Kopshop (Ward 14)	Establishment of the collection plan at Corana (Ward 12)	Establishment of the waste collection plan at Ngqeleni Extension 5 (Ward 21)
	Implementation of IWMP by 2016	Number of recycling projects established (2)			IWMP has been adopted	Establish 2 recycling projects	Reviewing of Waste by –Law and Awareness Campaign and capacity building	Identification and empowerment of informal recycling groups	Implement priority projects as per IWMP	Review of the IWMP
To maintain a safe and healthy environment	Establishment of green parks & open spaces by 2015	One park established and operated	Community Services		Spaces for green parks has been identified in both towns		Construction of the Libode park and handover to youth co-operative	Establishing public private partnership for uplifting standards in our	Feasibility study and the designs for Ngqeleni Park	Construction of the Ngqeleni parks

									parks		
HIV / AIDS & HEALTH MATTERS	To contribute toward reduction & the spread of communicable diseases	Conduct awareness raising campaigns	Number of Awareness Campaigns conducted	Community Services	Functional HIV / AIDS Unit	4 Outreach and awareness campaigns on HIV/AIDS, TB, & Communicable Diseases	2 Outreach and awareness campaigns on HIV/AIDS, TB, & Communicable Diseases	2 Outreach and awareness campaigns on HIV/AIDS, TB, & Communicable Diseases	2 Outreach and awareness campaigns on HIV/AIDS, TB, & Communicable Diseases	2 Outreach and awareness campaigns on HIV/AIDS, TB, & Communicable Diseases	
		Approved data base support group			Data base of stakeholders not updated	Compile Data base for stakeholder management	Capacity building and support to aids councils and support groups	Capacity building and support to aids councils and support groups	Capacity building and support to aids councils and support groups	Capacity building and support to aids councils and support groups	
	Convene Local Aids Council Sitzings	Number of LAC sittings convened	LAC functional		Convene 4 LAC Sitzings	Convene 4 LAC Sitzings	Convene 4 LAC Sitzings	Convene 4 LAC Sitzings	Convene 4 LAC Sitzings		
LIBRARY & INFORMATION SERVICE	To provide library infrastru	facilitate the construction of Ngqeleni and Libode Libraries by	Number of libraries built	Community Services	Two functional libraries with	Constructio n of Ngqeleni Library	Constructio n of Ngqeleni Library	Constructio n of Libode Library	Constructio n of Libode Library		

	cture	2016			inadequate infrastructure					
		facilitate the provision of mobile libraries to remote rural areas by 2016	Number of modular container libraries handed over		There is one mobile container library at Ntsundwana	Facilitate one modular library roll out from DSRAC	Facilitate one modular library roll out from DSRAC	Facilitate One modular library roll out from DSRAC	Facilitate One modular library roll out from DSRAC	Facilitate One modular library roll out from DSRAC
	To provide library information services	coordinate and celebrate library activities	Number of library activities organised		Four library activities are held annually	Coordinate 4 library activities	Coordinate 4 library activities	Coordinate 4 library activities	Coordinate 4 library activities	Coordinate 4 library activities
	Provide support to school / community libraries	Number of school/community libraries assisted		6 school /community libraries assisted	Assist 2 school/community libraries	Assist 2 school/community libraries	Assist 2 school/community libraries	Assist 2 school/community libraries	Assist 2 school/community libraries	
Free Basic Services	To provide of free basic services to the Indigent people	Implementation of Indigent Policy	Approved Indigent policy and Credible Indigent Register	Community Services	indigent policy has been approved	Development & Approval of Credible Indigent Register for 31 wards	Undertake indigent register update and review Indigent policy	Undertake indigent register update and review Indigent policy	Undertake indigent register update and review Indigent policy	Undertake indigent register update and review Indigent policy
		Provision of free basic services	Number of indigent		Ward 20-1692	Support 5 000	Support 5 000	Support 5 000	Support 5 000	Support 5 000

	To contribute to national programs on eradication of poverty	Expanded Public Programmes	households supported		households, Ward 25- 1567 household, Ward 26- 2296 households has been provided with paraffin and 3333 household has provided with free basic electricity	households annually	households annually	households annually	households annually	households annually
Number of people employed through EPWP				62 casual workers hired on EPWP	Employ 124 people through EPWP	Employ 124 people through EPWP	Employ 124 people through EPWP	Employ 124 people through EPWP	Employ 124 people through EPWP	
Number of social cluster meetings convened			Facilitation of intergovernmental programmes towards social basic services	Functional Social Needs Cluster Programme	Coordinate 4 Social Needs Cluster Meetings	Coordinate 4 Social Needs Cluster Meetings	Coordinate 4 Social Needs Cluster Meetings	Coordinate 4 Social Needs Cluster Meetings	Coordinate 4 Social Needs Cluster Meetings	

Education, Early Childhood Development and Literacy	To provide Early Childhood Development Infrastructure	Construction of the Early Childhood Development Centres	Number of ECDC constructed	Community Services	Eight Early Childhood Development Centres built	Construction of 2 Early Childhood Development Centres	Construction of 2 Early Childhood Development Centres	Construction of 2 Early Childhood Development Centres	Construction of 2 Early Childhood Development Centres	Construction of 2 Early Childhood Development Centres
PUBLIC SAFETY & SECURITY	To facilitate public safety programmes	Co – ordination of Community Safety Forum	Number of Community Safety Forums Sitzings	Community Services	Active CSF & NTF, 12 Gazetted by Law	Convene 4 Community Safety Forum sittings	Convene 4 Community Safety Forum sittings	Convene 4 Community Safety Forum sittings	Convene 4 Community Safety Forum sittings	Convene 4 Community Safety Forum sittings
		Co – ordination Nyandeni Transport Forum	Number of Transport Forum Sitzings			Convene 4 Transport Forum Sitzings	Convene 4 Transport Forum Sitzings	Convene 4 Transport Forum Sitzings	Convene 4 Transport Forum Sitzings	Convene 4 Transport Forum Sitzings
		Implementation of the National Road Traffic Act	Number of learners license, drivers license issued		Partial functioning of DLTC, with testing ground finalised and RA constructed	6600 learners for learners license and 2640 for drivers license	6600 learners for learners license and 2640 for drivers license	6600 learners for learners license and 2640 for drivers license	6600 learners for learners license and 2640 for drivers license	6600 learners for learners license and 26400 for drivers license

		Support Arrive Alive Campaigns	Number of campaigns supported		2 arrive alive campaigns are held annually	Support 2 Arrive Alive Campaign	Support 2 Arrive Alive Campaign	Support 2 Arrive Alive Campaign	Support 2 Arrive Alive Campaign	Support 2 Arrive Alive Campaign
		Enforcement of Municipal By - Laws	Report on the number of by-laws enforced	Community Services	18 By-laws are in place but were not enforced fully	Enforcement of 3 by-laws: Waste management, pound, management, street trading and environmental health by-laws	Enforcement of 3 by-laws: Waste management, pound, management, street trading and environmental health by-laws	Enforcement of 3 by-laws: Waste management, pound, management, street trading and environmental health by-laws	Enforcement of 3 by-laws: Waste management, pound, management, street trading and environmental health by-laws	Enforcement of 3 by-laws: Waste management, pound, management, street trading and environmental health by-laws
		To safeguard and secure municipal facilities	Number of municipal facilities are secured	Community Services	51 securities are mending municipal assets.	Safeguard all 8 municipal facilities	Safeguard all 8 municipal facilities	Safeguard all 8 municipal facilities	Safeguard all 8 municipal facilities	Safeguard all 8 municipal facilities

INSTITUTIONAL & FINANCE CLUSTER – PRIORITY PROGRAMMES & PROJECTS

KPA	OBJ NO.	WARD NO	PROJECT DESCRIPTION	FUND SOURCE	FUNDING YEAR		
					2013/14	2014/15	2015/16
Good governance & Admin oversight	01	N/A	Review a communication strategy	OPEX	R70' 000	R73 780	R80 051
		N/A	Review of institutional policies	OPEX			
		N/A	Design website and update	OPEX	R50 000	R52 750	R57 234
		N/A	Review of procedure manual	OPEX	R150 000	R158 250	R171 701
			Development of municipal by-laws	Opex	R100 000	R105 400	R114 359
			Legal Fees	Opex	R1 200 000	1 264 800	1 372 308
			Media Liaison Programmes	Opex	R250 000	R263 500	R285 898
			Municipal Oversight	Opex	R150 000	R158 100	R171 539
			Implementation of upper limits (tools of trade)	Capex	R1 000 000		
			Motor Vehicle	Capex	R1 100 000		
Intergovernmental relations	02	N/A	Strengthening IGR	OPEX	R300,000	R316 200	R343 077

KPA	OBJ NO.	WARD NO	PROJECT DESCRIPTION	FUND SOURCE	FUNDING YEAR		
					2013/14	2014/15	2015/16
Public participation & support to political structures	04	N/A	Support to Traditional Leaders	OPEX	R500 000	R527 000	R571 795
			Support for ward admin facilities	Opex	R3 000 000	R3 162 000	R3 430 770
	05	N/A	Public participation	OPEX	R500 000	527 000	R571 795
			Project launches	Opex	R300 000	R316 200	R343 077
			Sports and recreation	Opex	R300 000	R316 200	R343 077
			SPU: Children	Opex	R150 000	R158 100	R171 539
			SPU: Physiscal challenged	Opex	R150 000	R158 100	R171 539
			SPU: Women	Opex	R400 000	R421 600	R457 436
			SPU: Youth	Opex	R400 000	R421 600	R457 436
			Outreach programmes/lmbizos	OPEX	R550 000	R579 700	R628 975
			Mayoral sectoral fund	Opex	R884 700	R932 474	R1 011 734
			Mayor's poverty alleviation fund	Opex	R700 000	R737 800	R800 513
	All	Ward Admin Training	Opex	R350 000	R368 900	R 400 257	

KPA	OBJ NO.	WARD NO	PROJECT DESCRIPTION	FUND SOURCE	FUNDING YEAR		
					2013/14	2014/15	2015/16
Reporting & credit control	07	N/A	Development of bad debt recovery strategy	OPEX	R0.00	R0.00	R0.00
		N/A	Compilation of valuation roll	OPEX	R1 000 000	R1 054 000	R1 143 590
			Grap implementation	OPEX	R900 000	R949 500	R1 030 208
			Awareness campaign	Opex	R50 000	R52 750	R57 234
			Accounting and audit fees	Opex	R3 500 000	R3 692 500	R4 006 353
			Review of institutional policies	Opex	R100 000	R105 500	R114 468
Revenue & Billing	08	N/A	Review Revenue Strategy	Opex	R0.00	R0.00	R0.00
	09	N/A	Municipal Software	Capex	R350 000	R368 900	R400 256
Asset Management & Information Technology Management	10	N/A	Compilation of GRAP Asset Register	OPEX	R1 000 000	R1 055 000	R1 144 675
		N/A	Financial management system	OPEX	R600 , 000	R633 000	R686 805
		N/A	APN Solution	OPEX	R250 000	R263 750	R286 169
Risk Management	11	N/A	Develop Risk Management Plan and Risk assessment	Opex	R350 000	R368 900	R400 257
			Audit Committee Costs	Opex	R250 000	R263 500	R285 898
Internal Audit	12	N/A	Internal Audit costs	OPEX	R500 000	R527 000	R571 795

KPA	OBJ NO.	WARD NO	PROJECT DESCRIPTION	FUND SOURCE	FUNDING YEAR		
					2013/14	2014/15	2015/16
Institutional Arrangements	13	N/A	Revise organogram & fill approved vacant & budgeted positions	OPEX	R100 000	R105 400	R114 359
		N/A	Implement internship programme & develop retention strategy	OPEX	R750 000	R790 500	R857 693
			Municipal Building Paving	Capex	R400 000	R421 600	R457 436
Workplace Skills Plan	14	N/A	Human resource development fund	OPEX	R1 100 000	R1 159 400	R1 257 949
Heath and Wellness	17	N/A	Health and Wellness programme	Opex	R500 000	R527 000	R571 795
			Occupational health & safety		R200 000	R210 800	R228 718
Employment Equity Plan	15	N/A	Establish Employment equity forum and ensure reporting	OPEX	R50 000	R52 700	R57 180
PMS & SDBIP	16	N/A	Development of Municipal PMS	OPEX	R350 000	R368 900	R400 257
			IDP Development	Opex	R1 000 000	R1 054 000	R1 143 590

Economic & Environment Cluster – Priority Programmes & Projects

KPA	OB J NO.	STRATE GY CODE	WAR D NO	PROJECT DESCRIPTION	FUND SOURCE	FUNDING YEAR			
						2013/14	2014/15	2015/16	
Municipal Planning (SDF, IDP, Trading by-laws and Policies)	17			Coastal LSDF	OPEX	R500 000	R527 000	R571 795	
				Urban Area Land Audit		R50 000	R52 700	R57 180	
				LED Strategy implementation		R150 000	R158 100	R171 539	
				Electricity Master Plan	Opex	R0	R0	R0	
				Farming	Opex	R 600 000	R632 400	R686 154	
				Feasibility Study and Business Plan Development	Opex	R150,000	R158 100	R171 539	
				Tomato Hydroponics Project	OPEX	R200 000	R210 800	R228 718	
		21	21 E&EC 01		Tourism Development	OPEX	R250 000	R263 500	R285 898
				Life Guards support	Opex	R500 000	R527 000	R571 795	
				Support to LTO	Opex	R100,000	R105, 400	R114 359	

KPA	OB J NO.	STRATE GY CODE	WAR D NO	PROJECT DESCRIPTION	FUND SOURCE	FUNDING YEAR			
						2013/14	2014/15	2015/16	
SMME	22			SMME support/Cooperatives and strategy	Opex	R150 000	R158 100	R171 539	
				Retail Sector Strategy	OPEX	R100 ,000	R105 400	R114 359	
	25				Mlengane development project	OPEX	R200,000	R210 800	R228 718
					Malungeni Clay Implementation	Opex	R200,000	R210 800	R228 718
					Erf 88, Business Site	Opex	R0	R0	R0
					Forestry Development Plan implementation	Opex	R300 000	R316 200	R343 077
					Mdumbi Hotel and Conference Centre	To source funding	0.000	0.000	0.000
					Development of sustainable villages	To source funding			
					Arts and Craft Support	OPEX	R50 000	R52 700	R57 180
					Branding and signage	OPEX	R50 000	R52 700	R57 180
				07	Office Park Development	Opex	R50 000	R52 700	R57 180
					Dairy Farming	Opex	R350 000	R368 900	R400 257

KPA	OB J NO.	STRATE GY CODE	WAR D NO	PROJECT DESCRIPTION	FUND SOURCE	FUNDING YEAR		
						2013/14	2014/15	2015/16
				Housing Consumer education	OPEX	R100 000	R105 400	R114 359
				Libode 500 Units EIA	OPEX	R250 000	R263 500	R285 898
				Housing needs register	OPEX	R200 000	R210 800	R228 718
				Project Launches	OPEX	R150 000	R158 100	R171 539
				Housing policies	OPEX	R0	R0	R0
				Housing Summit	OPEX	R800 000	R843 200	R914 872
				Housing Renovations	Opex	R400 000	R421 600	R457 436
				Equipment for building inspection	CAPEX	R100 000	R105 400	R114 359
Environmental Management	31			Alien eradication programme	DM	R0.000	R0, 000	R0.000
Building Control & Town Planning	32			Implementation of existing building regulations	OPEX	R0	R0	R0
				Development and implementation of town planning scheme	OPEX	R0	R0	R0
				Survey and Planning	OPEX	R500 000	R527 00	R571 795

Community Services Cluster – Priority Programmes & Projects

KPA	OB J NO.	WARD NO	PROJECT DESCRIPTION	FUND SOURCE	FUNDING YEAR		
					2013/14	2014/15	2015/16
Waste & Refuse Collection	33	3,14, 16, 23	Waste Management	CAPEX	R400 000	R421 600	R457 436
			Refuse truck	CAPEX	R1 500 000	R1 581 000	R1 715 385
		21, 7	Development of refuse removal Transfer Station in Ngqeleni	MIG/OPE X	Opex	R0.000	R0.000
		All	Conduct awareness	OPEX	R46 740	R49 264	R53 451
		N/A	Participate in the implementation of ORTDM waste management plan	OPEX ORTDM	R0 000	R0 000	R0 000
Cleansing	34	1,7,16,19,21,24	Refuse bags	OPEX	R175 000	R184 450	R200 128
Pound Management	35	21&7	Pound services	OPEX SPCA	R150 000	R158 100	R171 539
Cemeteries	36	4,5,19,20	Cemeteries	OPEX	R50 000	R52 700	R57 179
Parks and Open Spaces	37	21,7	Establish community parks and gardens	OPEX	R150 000	R158 100	R171 539

KPA	OB J NO.	WARD NO	PROJECT DESCRIPTION	FUND SOURCE	FUNDING YEAR		
					2013/14	2014/15	2015/16
Free Basic Services			Free basic services	OPEX	R4 000 000	R4 216 000	R4 574 360
Disaster Management – Fire Fighting	38	All	Implement disaster management plan together with ORTDM.	ORTDM Opex	R0 000	R0.000	R0.000
Municipal Health & Hygiene Promotion	39	All	Promote health and hygiene	ORTDM DoH	R0 000	R0. 000	R0 000
		All	HIV/AIDS	OPEX/ DoH	R400 000	R421 600	R457 436
Special Programs (Youth, Women, Disabled)	41	All	Sports and Recreation	OPEX	R0	R0	R0
			Poverty relief programme	Opex	R0	R0	R0
			SPU-Children		R0	R0	R0
			SPU Physically challenged		R0	R0	R0
			SPU Woman		R0	R0	R0
			SPU Youth		R0	R0	R0

KPA	OB J NO.	WARD NO	PROJECT DESCRIPTION	FUND SOURCE	FUNDING YEAR		
					2013/14	2014/15	2015/16
			Mayors Sectoral fund	OPEX	R0	R0	R0
			Mayoral Cup		R0 000	R0.000	R0.000
			Community Liaison programmes	OPEX	R100 000	R105 400	R114 359
Education, Early childhood, Adult learning programs	42		Support development of Early Childhood Development Centres	CAPEX	R1 350 000	R1 422 900	R1 543 847
Public Safety	45		Establishment of Community Safety Forum	OPEX	R50 000	R52 700	R57 180
Regulations (Environmental Health)	47		Train Officials on environmental health to promote public health awareness	OPEX	R0 000	R0 000	R0 000
Traffic safety	49		Vehicle registration authority	OPEX	R150 000	R158 100	R171 539
			Learners and drivers licence centre	Capex	R360 000	R379 440	R411 692

KPA	OB J NO.	WARD NO	PROJECT DESCRIPTION	FUND SOURCE	FUNDING YEAR		
					2013/14	2014/15	2015/16
			Policing equipment	CAPEX	R100 000	R105 400	R114 359
			Transport forum	OPEX	R70 000	R73 780	R80 051
			Support arrive campaign	OPEX	R100 000	R105 400	R114 359
			DLTC and ENATIS	OPEX	R350 000	R368 900	R400 257
			Pauper Burial	OPEX	R70 000	R73 780	R80 051
			Development of by-laws	OPEX	R50 000	R52 700	R57 180
			Amenities and community facilities	OPEX	R200 000	R210 800	R228 718
			Nyandeni early childhood development forum	OPEX	R20 000	R21 080	R22 872
			Public security	OPEX	R300 000	R316 200	R343 077

Infrastructure Cluster – Priority Projects

CAPITAL PROJECTS

FOCUS AREA	Indicator	WA RD NO	PROJECT DESCRIPTION	FUND SOURCE	2013/14	2014/15	2015/16	
Access road		7	Libode transport hub	MIG	R1 777 129	R1 873 094	R2 032 307	
		7	Libode Sports and Recreational Centre	MIG	R9 000 000			
			Cherry pick	Equitable share	R600 000			
			Motor vehicle	Equitable share	R500 000	R527 000	R571 795	
			Water truck	Equitable share	R800 000	R843 200	R914 872	
			Infrastructure workshop	Equitable share	R100 000	R105 400	R114 359	
			Electricity infrastructure	DME	R19 000 000	R15 000 000	R30 000 000	
		21	Ngqeleni Street Surfacing	MIG	R2 000 000	R2 108 000	R2 287 180	
			Ngqeleni stormwater phase 1	MIG	R4 143 000			
			Libode stormwater phase 1	MIG	R7 200 000			

	30	Dikela Springs to Mngamnye	MIG		R2 000 000		
	12	Mdeni to Ngobozi	MIG		R5.98m		
	22	Bomvana Access Road	MIG		R4.0m		
	06	Nduna to Ngojini access road	MIG		R5.4m		
	05	Ndayini access road	MIG	R3 149 000			
	14	Mqwangqweni to Siqikini access road	MIG	R5 700 000			
	15	Didi to Ntlaza	MIG	R3 500 000			
	04	Mpindweni Ward 04 Phase 2	MIG	R5 800 000			
	07 & 21	Street surfacing/storm water projects	MIG		R5 000 000		
	21	Alternative Surfacing Pilot at Extension 4 Ngqeleni	MIG		R3 000 000		
	18	Maqanyeni to Mgungundlovu	MIG		R3 700 000		
	27	Ntshеле access road	MIG		R3 500 000		
	03	Mhlanganisweni to Ngavu-ngavu	MIG		R3 000 000		

		29	Sezela to Njezweni access road	MIG		R3 000 000		
		02	Jojozi to Ncithwa access road	MIG		R3 000 000		
		09	Gxulu access road	MIG		R3 500 000		
		23	Bukhwezeni access road	MIG		R3 500 000		
		25	Mzonyane access road	MIG		R4 000 000		
		01	Thembeni access road	MIG		R4 000 000		
		7	Libode Landfill Site	MIG		R4 000 000		
		07	Church of God to Belmont	MIG		R2 000 000		
		21	Polini Access Road	MIG		R2 000 000		
		21	Ngqeleni Transport Hub	MIG		R8 000 000		
		7 & 21	Storm water management	MIG		R7 000 000	R4 000 000	
		21	Ngqeleni transport hub	MIG		R1 000 000		
Municipal Public Works & EPWP	59		Implement all municipal own civil and maintenance works	OPEX	R1 000 000			R0 000
			Facilitate implementation of EPWP projects in our areas	OPEX	R0			R0 000

MAINTENANCE							
2013-2014 FINANCIAL YEAR							
		02	Gqwarhu Access road	Own funding	R1 200 000		
		05	Ngolo to Dalibunga Access Road	Own funding	R1 500 000		
		12	Ncipizweni Access road	Own funding	R 700 000		
		30	Lutsheko Access road		R1 200 000		
		18	Bukwini Access road	Own funding	R1 500 000		
		25	Mngcibe Access road	Own funding	R2 000 000		
2014-2015 FINANCIAL YEAR							
		03	Makhotyana to Makaziwe			R2 000 000	
		04	Mdina Access road			R1 200 000	
		09	Misty Mount Access Road			R1 000 000	
		13	Thakatha to Magozeni Access road			R2 500 000	
		20	Bucula Access Road			R2 000 000	
		23	Thekwini Access Road			R1 200 000	
		22	TBC				
2015-2016 FINANCIAL YEAR							
		06	Mputshane access road				R3 000 000

		28	Ntibane access road				R4 500 000	
		17	Guqa access road				R3 500 000	
		16	Goshill to maqingeni access road				R3 000 000	
		19	Zinduneni To Bandla				R4 000 000	
		01	Kalandoda access road				R4 000 000	
Electricity			Ngeleni phase 3				19m	
	1500 households connections completed		Extensions	Eskom			R21 000,000,00J	
Stormwater	55		Maintain storm water drainage systems		R 1'300 000			R1'368 900
Housing	56 units completed		Mampondomiseni phase 1 (new)	DoHS	R 6'806,000			
	74 units completed		Mampondomiseni phase 2 (new)	DoHS	R 6'246,000			
	40 units completed in line with quality assurance standards		Mhlanganisweni phase 1 (new)	DoHS	R 2,465,000			

			Mhlanganisweni phase 1 (new)	DoHS	R 2'465,000		
	50 Units completed		Ngqeleni	DoHS	R3'151,000		
	190		Emergency & vulnerable groups	DoHS	R6'000,000		
			Military Veterans housing	DoHS	R1'232,500		
		07	Libode-Ext.1-Thabo Mbeki Street Renewal	I			R0 000
		21	Ngqeleni-Ext.4 Street renewal				R0 000
Bridges			Jange bridge				
			Ngonjini bridge				
			Zinkumbini bridge				
			Zixambuzi bridge				
		21	Maqanyeni bridge				
			Maqanyeni bridge				
			Dalaguba to Mncwili bridge				
			Ntsundwana to Mvilo bridge				
			Malungeni bridge				

		22	Magwaz'iphalitshi bridges					R00 000
			Ndlovayiphathwa bridge					
			Mamolweni bridge					
			Magozeni					
			Mthomde					
			Mdlankomo to Mamfengwini (material)					
			Bantini to Godini					
			Ngqongweni to Bedla					
			Bolotwa to Dimanda SSS					
			Didi to CHB					
			Mafusini bridge					
			Luqolweni					
			Guqa to Ngqongwei					
			Mgojweni bridge					
			Mngamnye no 1 to Dikela Springs JSS					
			Polini to Bolotwa bridges					

Telecommu nication	58		Promote partnerships for installation of signal networks & telecommunication infrastructure	OPEX	R0 000			R0 000
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Current capital projects (Funded by OR Tambo DM)

Project Name	Ward	Villages Served	Scope	Progress
Thekwini Regional Phase Water Supply	Ward 23 & 26	Njivane, Kwa Madiba, Entsimbini, Goso, Enyandeni, Mpendle, Ntsimbini, Mgawuza, Ezincukuthwini and Mpundweni.	Construction of Storage Reservoirs, Bulk Distribution Mains, Break pressure Tanks, Reticulation Network and Refurbishment of the Nomadolo Pumpstation	88 % Complete
Rosedale - Libode /1	Bulk Ward 7	To Serve the Libode Town	Construction of Bulk Distribution Line from 3MI Reservoir to Booster Pump Station.	53 % Complete
Rosedale - Libode /2	Bulk Ward 7	To Serve the Libode Town	Construction of Bulk Distribution Line from Booster Pump Station to Command Reservoir.	34 % Complete
Rosedale - Libode /3	Bulk Ward 7	To Serve the Libode Town	Construction of Bulk Distribution Line from Command Reservoir to Libode Town.	15 % Complete
Buthongweni Water Supply	Ward 24 & 28	Kumandeni, Kwazaka, Mhlakotshane, Sigubudu, Mfundweni, Lutshini, Mayalweni,	Construction of Reticulation Network and Completion of the Water Treatment Plant.	Project Complete, 100% of the Scope

		Ngonyameni, Sizindeni, KwaZulu, Sidanda, Lutatweni and Buthongweni		
Ntsonyini - Ngqongweni Water Supply	Ward 6	Ntsonyini, Nohokoza, Ngqongweni and Kulambeni	Construction of Storage Reservoirs, Bulk Distribution mains, and Reticulation lines	90 % Complete
Nqgeleni Dam	Ward 30	Nqgeleni 27 villages	Construction of an earthfill storage dam, gravity main and access road to dam - completion of outstanding work	Site establishment done (2% complete)

Project Name	Ward	Villages Served	Scope	Progress
Ward Sanitation	3 Ward 13	Buntingville, Mandlovini, Ntsaka and Dumasi	Construction of 1 640 VIP's	1 452 VIP's Complete
Ward 6 Sanitation	A Ward 6 & 27	Mngazi, Ngojjini, Cibeni, Mevana, Nkanga, Lukhuni, Gqweza	Construction of 2 920 VIP's	2 603 VIP's Complete
Ward 6 Sanitation	B Ward 6 & 27	Mgwenyane, Ntsonyini, Nohokoza, Kulambeni, Maqanyeni, Nkonkoni, Ntshela, Bungu, Dikela and Lwandlana.	Construction of 2 920 VIP's	1 923 VIP's Complete
Ward Sanitation	10 Ward 10 & 11	Zikhoveni, Ntilini, Sofaya Villages, Nkanini, Suncity, Ngqwayi	Construction of 1 000 VIP's	986 VIP's Complete

Ward Sanitation	9A Ward 9,30	Norwood, Ngxanga, Mhlabeni Diphini	Construction of 2350 VIP's	149 VIP's Complete
Ward Sanitation	9B Ward 9,18	Mchubakazi, Mabheleni, Vezamandla, Zithathele	Construction of 2350 VIP's	1296 VIP's Complete
Nyandeni Ward 20 A Sanitation	Ward 20	Mdzwini, Xhuth'udwele/H luleka, Lucingweni, Gangeni, Bhucula, Mvilo, Ngonqelweni, Mjanyana, Khephe/Vinish, Jange and Ntsundwana, Notitsila	Construction of 800 VIP Units / Toilets	218
Nyandeni Ward 20 B Sanitation	Ward 20	Mdzwini, Xhuth'udwele/H luleka, Lucingweni, Gangeni,	Construction of 800 VIP Units / Toilets	100 Pit linings

		Bhucula, Mvilo, Ngonqelweni, Mjanyana, Khephe/Vinish, Jange and Ntsundwana, Notitsila		
Nyandeni Ward 24A Sanitation	Ward 24, 28 & 29	Malungeni, Mbange, Godini A/A, Ncedani and Buthongweni.	Construction of 2200 VIP Units/ Toilets	1004
Nyandeni Ward 24B Sanitation	Ward 24 & 29	Buthongweni, Zaka and Mahlakotshane	Construction of 2200 VIP Units / Toilets	589
Nyandeni Ward 26A Sanitation	Ward 26 & 25	Ntsimbini A/A and Gazini	Construction of 1635 VIP Units /Toilets	1438
Nyandeni Ward 26B Sanitation	Ward 26	Gazini and Mankosi A/A	Construction of 1635 VIP Units / Toilets	156

LM	Project Name	Areas to be Served	Scope	Progress
Nyandeni	Libode sewer and treatment works	Libode Town and Thabo Mbeki township	Construction of sewer network, bulk mains and sewer treatment works	consultant appointed in January 2013

Water projects for 2013/14

LM	Project Name	Areas to be Served	Scope	Progress
Nyandeni	Ntsonyini/Ngqongweni Regional scheme	Ngqongweni Nodushe, Ntlagwini, Nohokoza, Masameni, Ntsonyini, Makhuzeni, Mputshane, Mcothama	Cibeni, off-channel Dam, bulk clear water, bulk lines, reticulation to villages, new treatment works	25% on Designs
Nyandeni	Dumasi Water Supply	Dumasi	Construction of Reservoir	50% on Design
Nyandeni	Libode phase 2 water supply	Rosedale Libode Town and Thabo Mbeki township	Construction of water reticulation and bulk lines to Libode Town	50% on Design
Nyandeni	Thekwini Water Supply Scheme Phase 3B	Thekwini, Ntibane, Sidanda, Lutatweni, Sigubudu, Lutshini, Mayalweni, Ngonyameni, Sizindeni, Zulu	Construction of reservoirs, bulk lines and reticulation to villages	Tender stage
Nyandeni	Completion of Ngqeleni Regional Water Supply Scheme	Ngqeleni town and surrounding areas	Upgrading and extension of water supply	DM to appoint the Professional Service Provider for the development of Business Plan

LM	Project Name	Areas to be Served	Scope	Progress
Nyandeni	Extension of Mhlanganisweni Regional Water Scheme (Tsitsa River Source)	Mhlanganisweni, Marhubeni, Mlomo, Ngavu, Dokodela, Makhotyana, Phezukwamawa	Upgrading and extension of water supply	DM to appoint the Professional Service Provider for the development of Business Plan

	Gxulu design			Eskom	R47,50 0,00		
		20,25,26	Nyandeni phase 3 electrification	DOE	R10m	R8m	
	1284 connection		Umtata Mouth A	Eskom		19,260,000	
	300 households connected		Mtombe	Eskom	R30'18 0 500	4'500,000,0 0	
	1149 connections completed		Umtata Mouth A	Eskom			R17'235, 000
	1690 connections completed		Ngqeleni phase 3	Eskom		R24'505,00 0	
	128 households connections completed		Gxulu	Eskom		R1'728 000	
	1690 households connections completed		Ngqeleni phase 3	Eskom			R25' 350 000
	1284 households connections completed		Umtata Mouth B	Eskom			R19'260, 000

	1500 households connections completed		Extensions		Eskom			R21 000,000,00
Stormwater	55		Maintain stormwater drainage systems			R 1'300 000	R1'368 900	R1'444,190
Housing	56 units completed		Mampondomiseni phase 1 (new)	DoHS		R6'806,000		
	74 units completed		Mampondomiseni phase 2 (new)	DoHS		R6'246,000		
	40 units completed in line with quality assurance standards		Mhlanganisweni phase 1 (new)	DoHS		R2, 465,000		
			Mhlanganisweni phase 1 (new)	DoHS		R2' 465, 000		
	50 Units completed		Ngqeleni	DoHS		R3'151, 000		
	190		Emergency & vulnerable groups	DoHS		R6'000,000		
			Military Veterans housing	DoHS		R1'232,500		

		07	Libode-Ext.1-Thabo Mbeki Street Renewal	I		R0 000	R0 000
		21	Ngqeleni-Ext.4 Street renewal			R0 000	R0 000
Bridges			Jange bridge				
			Ngonjini bridge				
			Zinkumbini bridge				
			Zixambuzi bridge				
		21	Maqanyeni bridge				
			Maqanyeni bridge				
			Dalaguba to Mncwili bridge				
			Ntsundwana to Mvilo bridge				
			Malungeni bridge				
		22	Magwaz'iphalitshi bridges			R00 000	R0 000
			Ndlovayiphathwa bridge				
			Mamolweni bridge				
			Magozeni				
			Mthomde				

			Mdlankomo to Mamfengwini (material)				
			Bantini to Godini				
			Ngqongweni to Bedla				
			Bolotwa to Dimanda SSS				
			Didi to CHB				
			Mafusini bridge				
			Luqolweni				
			Guqa to Ngqongwei				
			Mgojweni bridge				
			Mngamnye no 1 to Dikela Springs JSS				
			Polini to Bolotwa bridges				
Telecommunication	58		Promote partnerships for installation of signal networks & telecommunication infrastructure	OPEX	R0 000	R0 000	R0 000

ESKOM ELECTRIFICATION PLAN FOR 2013 FINANCIAL YEAR

Project Name	Connections (H/H)	Amount (Estimate)
Gxulu	375	R 6.375.000.00
Mthatha Mouth	150	R 2.550.000.00
Mthatha Mouth link line	Pre Eng.	R 800.000.00
Mtombe	239	R 4.063.000.00
Ngqeleni H/D	Pre Eng.	R 47.500.00
Nyandeni Ext	Pre Eng.	R 787.500.00
Sun City Electrification	200	R 3.400.000.00
Sun City Electrification	Pre Eng.	R 170.000.00
Total	964	R 18.193.000.00

DEPARTMENT OF ROADS AND TRANSPORT

Project Name	Municipality	Project description	Type of Infrastructure	Project duration		Total Project Cost	Expenditure to date from previous years	MTEF 2011/12	MTEF 2012/13	MTEF 2013/14	
			(No of km)	Date: Start	Date: Finish			Project Costs R'000	Project Costs R'000	Project Costs R'000	
			Total								
Overheads	All	Maintenance						9,600	10,800	10,580	
Routine Maintenance	Roads	various	Maintenance					6,000	16,210	17,500	
Routine Maintenance	Roads	Nyandeni	Maintenance	502	Apr-11	Mar-12	37,259	26,549	1,000	4,670	5,040

DEPARTMENT OF EDUCATION: B5 Schedule projects for 2011-2014

Name of School	Budget Allocation	Classrooms
CHB	R21 892 589.00	19
Bomvini	R7 905 872.01	06
Sidanda	R10 263 150	09
Ndzuluka	R7 905 872.01	6
Zonneblom	R9 471 325.92	8
Manzimahle	R6 439 778.65	8
Zwelenqaba	R5 661 863.93	3
Gobizembe	R5 661 863.93	3
LR Ntlaza	R5 661 863 93	3
Mgcotyelwa	R4 892 035	2

INTEGRATION & ALIGNMENT

STATUS OF SECTOR PLANS

Sector Plan	Detail	Date of approval
IDP and Budget Policy	This policy sets out the budgeting principles, which Nyandeni Local Municipality will follow in preparing each annual budget, as well as the Integrated Development Planning process through which the municipality will prepare a strategic development plan, for a five-year period.	20 June 2012
PMS Policy and Procedure Manual	Provides mechanisms, procedures and guidelines in managing performance, reporting and evaluations	28 March 2012
Public Participation Plan	It guides how public participation is to be achieved, set structures, systems and mechanisms to for engagements. Critically, the plan has mechanisms to handle and to respond to management of petition and resolutions	30 May 2011
Rates Policy	To ensure that property rating in Nyandeni Municipality is carried out in a fair, consistent, considerate and controlled manner, this rate policy is developed in accordance with the provisions of the Local Government: Municipal Property Rates Act, (Act 6 of 2004).	31 March 2011
Spatial Development Framework	Is a decision –making tool, which ensures that land use management and land development is based on the principle of sustainable development decisions and practices	31 March 2011
LED Strategy		28 March 2012
LED Socio-economic Profile	This document is a rapid strategic review of the local socio-economic environment, providing an overview of	March 2011

	<p>geo-political and demographic considerations together with a more detailed analysis and synopsis in respect of the Nyandeni Municipality's local economy's key indicators, structural characteristics, comparative and competitive advantages, opportunities and constraints.</p> <p>It is designed to present a more reliable statistical baseline to inform local stakeholder choices on local economic development options for the Nyandeni Municipality, leading to the review of the current strategic framework for local economic development (2007) of Nyandeni.</p>	
Fraud Prevention Sector Plan	In addition to promoting ethical conduct within Nyandeni, the plan is intended to assist in preventing, detecting, investigating and sanctioning fraud and corruption	27 March 2013
Risk Management Strategy and Framework		27 March 2013
HR Strategy Key focus areas of the strategy	<p>The Human Resource Plan was developed and adopted by Council on 28 March 2012. The plan has been incorporated into the Integrated Development Plan</p>	20 June 2012
<ul style="list-style-type: none"> • Workforce analysis • Employee wellness • Occupational health and safety • Individual performance management • Education, training and development 	Facilitate a culture of public service and accountability amongst staff	
	Align roles and responsibilities with priorities and objectives reflected in the Integrated Development Plan (IDP);	

<ul style="list-style-type: none"> • Employment and management • Recruitment selection • Retention 	equity diversity	Organize structures and administration in a flexible way to respond to changing priorities and circumstances;	
	and	Perform functions through operationally effective and appropriate administrative units;	
Personnel Regulation Policy		To ensure compliance to the occupational Health & Safety legislation.	20 June 2012
		To ensure the effective induction and orientation of newly appointed employees	
		To provide guidelines with regard to staff benefits and allowances for employees.	
Human Resource Development Policy		To create a cultural of life and to provide employees and councilors with opportunities to acquire new skills	28 March 2012
		To improve the quality of workers and their prospects of mobility within and outside the municipality	
		To facilitate the development of a skilled and competent workforce and development	
Disciplinary Policy		To serve as a guide to management and ensures fair and equal treatment of all employees	28 March 2012
		To encourage timely corrective action in the event of an employees behavior providing to be unsatisfactory or unacceptable	
		To ensure that the principles of natural justice are applied before an employee is penalized for misconduct	

Induction Policy	To familiarize and introduce new employees and new councilors to the institutional culture, including IDP and budget and related policies	28 March 2012
Employment Equity	The purpose of this policy is to outline the broad principle of employment equity to which the municipality is committed and to describe in general how it seeks to realize equity principles	28 March 2012
Employment Retention Policy	The Municipality is one of the remote rural municipalities with a high rate of unemployment and a shortage of skills in particular	28 March 2012
Occupational Health and Safety	To ensure the compliance with all relevant statutory requirement including the Municipal Safety Regulations and Procedures.	28 March 2012
	To minimize loss through accident or incident.	
	To continually strive for the achievement of the highest level of safety, namely a 5 star rating on the NOSA rating system, and the maintenance thereof once this has been achieved.	
Employee Retention Policy	The Municipality strives to ensure attraction and retention of a cadre of personnel with the necessary competency to enable the Municipality, the retention will periodically reviewed to improve it on par with the dynamics of the labour market	28 March 2012
Housing Sector Plan	Was developed and adopted as a five year horizon plan and is due for review. Department of Human Settlement should provide technical support	August 2005
Youth Development Plan	Identifies key challenges affecting young people, macro strategy to address youth development and implementation plan. Furthermore, the place encapsulate structures, mechanism	30 May 2011

	and processes for participation of young people in the main stream of the economy	
Tourism Sector Plan	Addresses economic potential of the Nyandeni Municipal Area	September 2010
OUTSTANDING PLANS		
Infrastructure Plan	Currently being developed and is expected to be finalized in before the end of 2012	
Integrated Transport Plan	Not available, we requires financial and technical support	
Waste Management Plan	The objective of the IWMP is to manage waste management	
Forestry Plan	Department of Water Affairs should provide financial support	
Agricultural Development Plan	In progress	

APPROVAL

7 THE APPROVAL PROCESS

This document was tabled to Council on the 31 May 2013. The document is an outcome of a consultative process involving a range of stakeholders from our representative forum members, internal administration and councillors, sector departments and traditional leaders.

DECLARATION OF ADOPTION

SIGNATURES

..... DATE
Ms. N Nomandela
MUNICIPAL MANAGER

..... DATE
Hon. T. Sokanyile
MAYOR