

## CHAPTER ONE

Tsolwana local municipality's Integrated Development Plan is arranged in the manner that is specified below:

<b>Chapter 1</b>	Executive Summary
<b>Chapter 2</b>	External and Internal Situation Analysis – Tsolwana Area
<b>2.1</b>	Desk-top Analysis (Geographic; Demographic and Socio-economic)
<b>2.2</b>	KPA 1: Spatial Development Framework
<b>2.3</b>	KPA 2: Service Delivery
<b>2.4</b>	KPA 3: Municipal Financial Viability
<b>2.5</b>	KPA 4: Local Economic Development Analysis
<b>2.6</b>	KPA 5: Good Governance and Public Participation
<b>2.7</b>	KPA 6: Institutional Analysis
<b>Chapter 3</b>	Tsolwana Council Vision ,Development Objectives and Strategies
<b>Chapter 4</b>	Projects Register , Strategic Sector Alignment

## CHAPTER 1

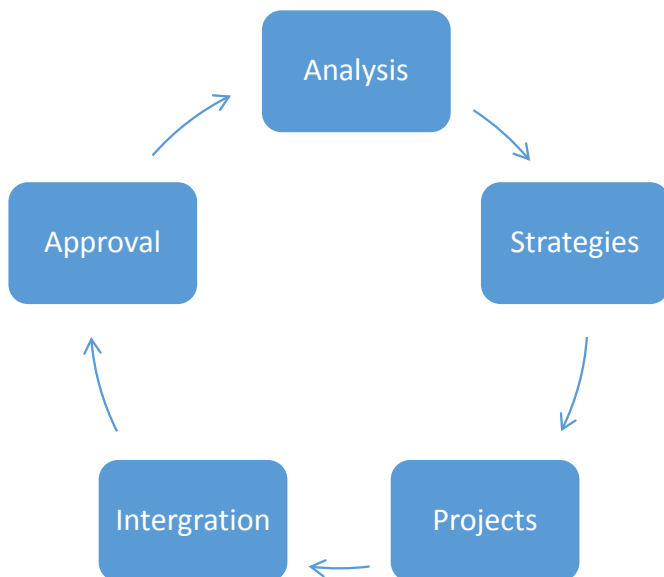
### 1. EXECUTIVE SUMMARY – TSOLWANA LOCAL MUNICIPALITY

The Executive Summary touches briefly on the planning processes undertaken by the municipality during the crafting of the IDP. It deals with the IDP planning methodology, legal frameworks and gives a birds-eye-view of the situational analysis spread over the five Local Government National Key Performance Areas, including Spatial Development. It also highlights the municipality's priorities and strategies that will be addressed and funded in the operational plan / Service Delivery Budget Implementation Plan.

Efforts have been made to ensure that the National and Provincial priorities' are contextualized within the Tsolwana area.

**1.1 IDP PROCESS**

The integrated development planning methodology comprises five interrelated phases namely;



- ⇒ Analysis
- ⇒ Strategies
- ⇒ Projects
- ⇒ Integration
- ⇒ Approval

**1.1.1 TSOLWANA IDP/ BUDGET PROCESS AND ACTION PLAN 2014 -15.**

The IDP Review process is guided by the IDP Process and Action Plan 2014-15 which was developed and tabled to Council for adoption on the **29 August 2013**.

**Table of Contents**

**1 Introduction..... 4**

1.1 Organisational arrangements.....

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1.1.1 Tsolwana Municipal Council.....4

1.1.2 IDP Manager.....4

1.1.3 IDP Steering Committee.....5

1.1.4 IDP Representative Forum.....5

1.1.5 Roles and responsibilities of stakeholders.....6

1.1.6	Community Participation strategy.....	8
1.1.7	Mechanisms and procedures for public participation.....	8
1.1.8	Focus Areas.....	10
1.1.9	Mechanisms and Procedures for Alignment.....	91
1.2	Binding legislation.....	91

## **Introduction**

In line with the requirements of section 28 of the Local Government Municipal Systems Act 32 of 2000 this document represents a process plan for the review of Tsolwana IDP 2014/2015. It outlines the mechanisms and procedures that will be followed in the formulation of this IDP. In terms of the process plan the following institutional arrangements were adopted.

## **Institutional Arrangements**

### **Tsolwana Municipal Council**

In accordance with section 30 of the Municipal Systems Act 32 OF 2000, the council hereby authorizes and assigns the municipal manager to act as the municipality's IDP Manager. The Municipal Council is chaired by the Honourable Mayor will focus its role on the following:

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

### **IDP Manager**

The IDP Manager will manage the Municipal IDP. In terms of the process the IDP manager is tasked to:

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

municipality are shared and distributed amongst government departments so that they might incorporate them in their planning process and vice versa

### **IDP Steering Committee**

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

- Provide technical and advisory support to the IDP Manager
- Perform daily planning activities including the preparation and facilitation of events; documentation of outputs and making recommendation to the IDP Manager and the Municipal Council
- Commission feasibility studies and business plans for projects
- Commission in depth studies
- Interact with the Local steering committee local members regarding local projects.
- Prepare, facilitate and document meetings
- Act as the secretariat for the IDP Representative Forum.

Meetings shall be held as per the action programme or when considered necessary by the chairperson.

### **IDP Representative Forum**

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

- Secretariat of IDP steering committee
- Ward Committees
- Youth groups
- Rate payers
- Agricultural Union
- NGO's and CBOs
- All Sector Departments
- District Municipality
- IDP Steering Committee
- Community development workers
- Traditional Leaders
- Farmers Association
- Rate Payers Association
- Youth and Sporting formations
- State owned enterprises like ESKOM

**The task of the representative forum shall be to:**

- Represents the interest of various constituencies in the IDP planning process
- Provide an organizational platform and mechanism for discussion, negotiation and decision making between stakeholders
- Creation of conducive environment for Stakeholders to engage with the sector departments on planned programmes/ projects for the municipality.
- Provide a communication mechanism for the exchange of ideas and opinions among the various stakeholder interest groups
- Participate in the setting up of key performance indicators including the monitoring thereof in line with the performance Management Manual of the Local Municipality
- Monitor the performance of the planning and implementation process

### **Roles and responsibilities of stakeholders**

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

<b>Actors</b>	<b>Roles and responsibilities</b>
1. Council	<ul style="list-style-type: none"> <li>▪ Consider and adopt reviewed IDP</li> <li>▪ Consider the District Framework plan</li> <li>▪ Encourage public participation</li> <li>▪ Keep public informed about the contents of the IDP</li> </ul>
2. IDP Manager	<ul style="list-style-type: none"> <li>▪ Ensure that the Process Plan and reviewed IDP are adopted by the Council</li> <li>▪ Manage the local municipal IDP by ensuring that all daily planning activities are performed within an efficient and effective consideration of available time; financial and human resources;</li> <li>▪ Encourage an inclusive participatory planning process and compliance with action programme</li> <li>▪ Facilitate the horizontal and vertical alignment of the district IDP</li> <li>▪ Ensure that the planning process outcomes are properly documented</li> <li>▪ Manage service providers to the local municipal IDP</li> <li>▪ The IDP Manager will coordinate with various government departments and to ensure that all the projects, strategies and objectives of the local municipality are shared and distributed amongst government departments so that they might incorporate them in their planning process and vice versa</li> </ul>
3. Heads of Departments & Senior Management	<ul style="list-style-type: none"> <li>▪ Provide technical and advisory support to the IDP Manager</li> <li>▪ Perform daily planning activities including the preparation and facilitation of events; documentation of outputs and making recommendation to the IDP Manager and the Municipal Council</li> <li>▪ Interact with the relevant cluster regarding the prioritization of their individual departments projects and programmes for the following years</li> <li>▪ Provide clear terms of reference to service providers</li> </ul>

Actors	Roles and responsibilities
4. District Municipality	<ul style="list-style-type: none"> <li>▪ Provide support and guidance on IDP Review process</li> <li>▪ Assist municipalities to achieve the target dates</li> <li>▪ Interact with service providers to ensure that a quality product is provided</li> <li>▪ Assist with workshops</li> <li>▪ Project Management and Implementation Support Services</li> <li>▪ Ensure that clusters achieve integrated planning</li> <li>▪ Ensure that an uniform reporting mechanism is devised</li> </ul>
5. Sector Departments	<ul style="list-style-type: none"> <li>• Ensure the participation of Senior personnel in the IDP review process</li> <li>• Horizontal alignment of programmes and strategic plans within the clusters</li> <li>• Provide technical support and information to the planning process</li> <li>• Contribute relevant information to support the review process within the clusters</li> <li>• Incorporate district and local municipal projects into departments planning within the clusters</li> </ul>
6. National & provincial governments	<ul style="list-style-type: none"> <li>• Monitor and evaluate the preparation and implementation process</li> <li>• Provide training and capacity building support to the local municipality</li> <li>• Coordinate support programmes so that overlapping does not occur</li> <li>• Provide technical guidance and monitor compliance with provincial policy and legal framework</li> <li>• Provide financial support to the IDP planning and implementation process</li> </ul>
7. Support providers	<ul style="list-style-type: none"> <li>• Provide methodological and technical guidance</li> <li>• Conduct in depth studies when commissioned by the Steering Committee</li> <li>• Ensure delivery of a product that is user friendly and tailor made for each municipality</li> </ul>

### Community Participation strategy

This review will focus on strengthening local democracy through ward based planning appraisal and consolidation of gains achieved over the last few years.

Through this approach, we aim to also improve the profile of the municipality in so far as its public image is concerned.

Communities will be supported and invited to play a meaningful role in influencing decision of the council and municipality in general through participation in:

- IDP representative forums
- Community Mayoral consultation Imbizo's
- Ward participatory planning initiatives
- Direct engagement via line functional project implementation steering committees

- Facilitated parliamentary consultative initiatives
- Radio and newspaper advertisements
- Popular loud hailing announcements and n
- Municipal notice board communication

Mechanisms and procedures for public participation

**Community participation**

Community participation is pivotal to the sustainability of the entire IDP review and implementation process and will occur in the following manner as outlined in the table below:

PARTICIPATION MECHANISMS
<ul style="list-style-type: none"> <li>▪ Use of IDP Representative Forum to verify data &amp; add additional data</li> <li>▪ Use of IDP representative forum to ensure that community priorities are adequately reflected in the IDP.</li> <li>▪ Use of Councilors to convene meetings to keep communities informed on the IDP progress</li> <li>▪ Publish Annual reports on municipal progress</li> <li>▪ Newspaper advertisements to inform communities of the process</li> <li>▪ Pamphlets/summaries on IDP's</li> <li>▪ Making the IDP available for public comment</li> <li>▪ Making the IDP document accessible to all members of the public</li> </ul>

**a)Appropriate Language Usage**

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

**b)Appropriate Venues, transport and refreshments**

Meetings will be convened in different Community Halls in all five wards, and community members will be expected to attend meetings in their respective wards. The municipality will be responsible for organizing workshop logistics and venue equipment.

**Focus Areas**

- MEC Comments



- AG Comments
- Incorporation of new information
- Broad Sector Plan analysis
- Consider taking IDP to the people by simplifying IDP into a one page leaflet translated into Isi Xhosa (Finance permitting.)
- Updating information using Statistics SA 2011 Census.
- Consider mainstreaming of special groups
- Alignment for proper coordination of service delivery initiative

### **Mechanisms and Procedures for Alignment**

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

<b>Phases</b>	<b>Alignment on Cross cutting issues</b>	<b>With Whom</b>
2. Strategies	<ul style="list-style-type: none"> <li>▪ Technical input on objectives goals of programmes</li> <li>▪ Local and wide strategic debates</li> </ul>	<ul style="list-style-type: none"> <li>• Affected Gov Departments</li> </ul>
3. Projects	<ul style="list-style-type: none"> <li>▪ Technical input on projects</li> <li>▪ Input on budgets</li> <li>▪ Cross cutting projects e.g. HIV/Aids</li> </ul>	<ul style="list-style-type: none"> <li>• Affected Gov Departments</li> </ul>
4. Integration & Alignment	<ul style="list-style-type: none"> <li>▪ Technical input</li> <li>▪ Sector alignment &amp; integration</li> </ul>	<ul style="list-style-type: none"> <li>• Affected Gov Departments</li> </ul>
5. Approval	<ul style="list-style-type: none"> <li>▪ Submission; Comments on revised IDP's</li> </ul>	<ul style="list-style-type: none"> <li>• Affected Gov Departments</li> </ul>

### **Binding legislation**

The Tsolwana Municipality's IDP formulation and implementation processes will be bound by the following set of legislations (the inventory in the table below is not exclusive of other applicable legislation that may be omitted for lack of information or other reason):

<b>National Legislation</b>	<b>Summery/ Scope of Legislation</b>
<b>General Management</b>	
Constitution of the Republic of South Africa 1996	To introduce a new constitution for the Republic of South Africa and to provide for matters incidental thereto

National Legislation	Summery/ Scope of Legislation
<p>Local Government: Municipal Systems Act, 2000</p>	<p>To give effect to “developmental local government”</p> <p>To set principles, mechanisms and processes to promote social and economic upliftment of communities and to ensure access to affordable services for all</p> <p>To set a framework for planning, performance management, resource mobilization and organizational change and community participation</p>
<p>Local Government: Municipal Structures Act, 1998 as amended</p>	<p>To provide for the establishment of municipalities in accordance with the requirements relating to the categories and types of municipality, the division of functions and powers between municipalities and appropriate electoral systems</p> <p>To regulate internal systems, structures and office-bearers</p>
<p>Consumer Affairs (Unfair Business Practices) Act, 1996</p>	<p>To provide for the investigation, prohibition and control of unfair business practices in the interest of consumers</p>
<p>Local Government Cross-boundary Municipalities Act, 2000</p>	<p>To authorize the establishment of cross-boundary municipalities, to provide for the re-determination of the boundaries of such municipalities under certain circumstances and to provide for matters connected therewith</p>
<p>Local Government: Municipal Demarcation Act, 1998</p>	<p>To provide for the demarcation of boundaries of municipalities for the establishment of new municipalities</p>
<p>Municipal Electoral Act, 2000</p>	<p>To regulate municipal elections</p> <p>To amend certain laws and to provide for matters connected therewith</p>
<p>Organized Local Government Act, 1997</p>	<p>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,</p>
<p>Promotion of Local Government Affairs Act, 1983</p>	<p>To provide for the co-ordination of functions of general interest to local authorities and of those functions of local authorities which should in the national interest be</p>

National Legislation	Summery/ Scope of Legislation
	coordinated
Local Government Transition Act, 1993	To provide for matters relating to municipalities in the interim phase, powers and functions of municipalities and actions of officials and councilors
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	<p>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</p> <p>To promote equality and to eliminate unfair discrimination and to prevent and prohibit hate speech and to provide for matters connected therewith</p>
<b>Finance</b>	
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 2000/2001 financial year and for matters connected therewith
Businesses Act, 1991	<p>To repeal certain laws regarding the licensing of businesses</p> <p>To provide for the licensing and operation of certain businesses, shop hours and related matters</p>
Debt Collectors Act, 1998	To provide for controlled debt collecting

National Legislation	Summery/ Scope of Legislation
Income Tax Act, 1962	To provide for the payment of taxes on incomes of persons and taxes on donations
Insolvency Act, 1936	To consolidate and amend the law relating to insolvent persons and their estates
Local Authorities Capital Development Fund Ordinance, 1978  READ WITH  Local Government Affairs Second Amendment Act, 1993	To provide for the establishment and management of a Capital Development Fund and for matters incidental thereto
Municipal Accountants' Act, 1988	To provide for the establishment of a board for Municipal Accountants and for the registration of Municipal Accountants and the control of their profession
Municipal Consolidated Loans Fund Ordinance, 1952  READ WITH  Local Government Affairs Second Amendment Act, 1993	To provide for the establishment and management of a Consolidated Loans Fund as approved by the Premier
Local Government Municipal Finance Management Act, 2003	To regulate financial management in the local sphere of government to require that all revenue, expenditure assets and liabilities of municipalities and municipal entities are managed efficiently and effectively, to determine responsibilities of persons entrusted with local sphere financial management and to determine certain conditions and to provide for matters connected therewith
Pension Benefits for Councilors of Local Authorities Act, 1987	To provide for pension benefits for councilors
Public Finance Management Act, 1999	To regulate financial management in the national and provincial governments and, inter alia, provincial public entities
Prescribed Rate Of Interest Act, 1975	To prescribe and regulate the levying of interest from debtors
Reporting by Public Entities Act, 1992	To provide for the reporting to Parliament by public entities
Value-added Tax Act, 1991	To provide for the taxation in respect of the supply of goods and services

<b>National Legislation</b>	<b>Summery/ Scope of Legislation</b>
Local Government Transition Act, 1993	To provide for matters relating to municipalities in the interim phase, powers and functions of municipalities and actions of officials and councillors
Local Government: Property Rates Bill 2000	To regulate general property valuation
<b>ADMINISTRATION / CORPORATE AND LEGAL SERVICES</b>	
Electoral Act, 1998	To manage and regulate elections on national, provincial and local government level
Expropriation Act, 1975	To provide for the expropriation of land and other property for public and certain other purposes and matters connected thereto
Housing Arrangements Act, 1993	To provide for the establishment of a National and Regional Housing Board(s) and the abolition of certain existing boards.
Rental Housing Act, 1999	To define the responsibility of Government in respect of rental housing
Residential Landlord and Tenant Act, 1997	To provide for the regulation of landlord-tenant relations in order to promote stability in the residential rental sector in the province.
<b>Town Planning and Spatial Development</b>	
Provision of Certain Land for Settlement, 1993	To provide for the designation of certain land and to regulate the subdivision of such land and settlement of persons thereon.
Advertising on Roads & Ribbon Development Act, 1940	To control advertising on national and regional roads
Ordinance 113 and LUPO (land use planning ordinance)	To control the land use rights within the former black areas
Development Facilitation Act, 1995	To provide for Integrated Development Plans, reflecting current planning and to institutionalize development tribunals for evaluating applications
Physical Planning Act, 1991	To provide guidelines for the drafting of urban development Plans

<b>National Legislation</b>	<b>Summery/ Scope of Legislation</b>
Regulations on Advertisements on or Visible from National Roads, 1998	To control all advertising on national and regional roads
Subdivision of Agricultural Land Act, 1970	To control the subdivision of farm land and agricultural holdings
Land Use Management Bill, 2002	To establish a uniform land use management system.
Planning Professions Act, 2002	To provide for the training and registration of professional Planners
<b>Environment</b>	
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
<b>ENGINEERING / TECHNICAL SERVICES</b>	
Advertising on Roads & Ribbon Development Act, 1940	To control advertising on national and regional roads
Regulations on Advertisements on or Visible from National Roads, 1998	To control all advertising on national and regional roads
National Building Regulations and Building Standards Act, 1977	To provide for the promotion of uniformity in the law relating to the erection of buildings in the areas of jurisdiction of local authorities and for the prescribing of building standards
National Water Act, 1998	To provide for fundamental reform of the laws relating to water resources
Water Services Act, 1997	To provide for the rights of access to basic water supply and sanitation, national standards and norms for tariffs and services development plans

National Legislation	Summery/ Scope of Legislation
<b>SAFETY AND SECURITY</b>	
Criminal Procedure Act, 1977	To consolidate and regulate procedure and evidence in criminal proceedings
Disaster Management Act, 2002	To provide for an integrated, coordinated and common approach to disaster management by all spheres of government and related matters
Fire Brigade Services Act, 1987	To provide for the rendering of fire brigade services and certain conditions to the rendering of the service
Gatherings and Demonstration Act, 1993	To control public gatherings and procession of marches
Hazardous Substances Act, 1973	To control matters relating to gas, petrol and liquids
National Land Transport Bill, 1999	
National Land Transport Interim Arrangements Act, 1998	To make arrangements relevant to transport planning and public road transport services
Urban Transport Act, 1977, as amended 1992	To promote the planning and provision of adequate urban transport facilities
National Road Traffic Act, 1996	To regulate traffic on public roads, the registration and licensing of motor vehicles and drivers, including fitness requirements and incidental matters
Road Traffic Management Corporation Act, 1999	To provide in the public interest for co-operative and coordinated strategic planning, regulation, facilitation and law enforcement in respect of road traffic matters and to provide for matters connected therewith
Prevention of Illegal Eviction from and Unlawful Occupation of Land Act, 1998	To provide for the eviction of unlawful occupants of land and the protection of the rights of such occupants under certain conditions
Regulation of Gatherings Act, 1993	To control public gatherings and procession of marches
South African Police Service Act, 1995	To provide, inter alia, for a municipal (city) police
<b>Health and Welfare</b>	
Hazardous Substances Act, 1973	To control matters relating to gas, petrol and liquids
Health Act, 1977	To provide for the promotion of the health of the inhabitants of the Republic, for the rendering of health services, to define the duties, powers and responsibilities of certain authorities

National Legislation	Summery/ Scope of Legislation
	which render such services and for the co-ordination of the services
National Policy For Health Act, 1990	To provide for control measures to promote the health of the inhabitants of the republic and for matters connected thereto
<b>Human Resources</b>	
Employment Equity Act, 1998	<p>To promote the constitutional right of equality and the exercise of true democracy</p> <p>To eliminate unfair discrimination in employment</p> <p>To redress the effect of unfair discrimination in the work place to achieve a workforce representative of the population</p>
Basic Conditions of Employment Act, 1997	<p>To give effect to the right to fair labour practice</p> <p>To provide for the regulation of basic conditions of employment</p>
Compensation of Occupational Injuries and Diseases Act, 1993	To regulate the categories of persons entitled to compensation for occupational injuries and diseases, and to determine the degree of disabled employees
Labour Relations Act, 1995	<p>To regulate the organizational rights of trade unions, the right to strike and lock-outs</p> <p>To promote and facilitate collective bargaining and employee participation in decision making</p> <p>To provide simple procedures for labor disputes</p>
Skills Development Act, 1998	To provide for the implementation of strategies to develop and improve the skills of the South African workforce, to provide for Learner ships, the regulation of employment services and the financing of skills development
Skills Development Levies Act, 1999	To provide for the imposition of a skills development levy



National Legislation	Summery/ Scope of Legislation
	and for matters connected therewith
South African Qualifications Authority Act, 1995	To provide for the establishment of a National Qualifications Framework and the registration of National Standards Bodies and Standards Generating Bodies and the financing thereof
Unemployment Insurance Act, 1966	To provide for the payment of benefits to certain persons and the dependants of certain deceased persons and to provide for the combating of unemployment
<b>Electricity</b>	
Electricity Act, 1987	To provide for and regulate the supply of electricity and matters connected thereto

### Macro Policy Planning Framework informants

The municipality acknowledges that Local Government has become more outcomes driven. Cognizance is taken of the development approach contained in the following macro policy planning framework informants.

- NSDP
- ASGISA
- Millennium Development Goals
- National Medium Term Strategic Framework (MTSF 2009-2014)
- 14 National Outcomes
- Provincial Growth and Development Plan (EC)
- Provincial Strategic Framework June 2009
- Reviewed Provincial Strategic Framework (Priorities 2011)
- National Development Plan (Vision 2030)
- SONA 2014
- SOPA (EC)2014
- Chris Hani District Municipality Priorities and Strategic Objectives 2014/15

#### 1.1.2 THE LEGISLATIVE AND POLICY FRAMEWORK

The Integrated development planning process is highly regulated and the municipality is guided by the following important legislation; the Republic of South Africa Constitution Act (1996); Chapter 3 and 7

- ⇒ The Municipal Systems Act (2000); read together with the Municipal Planning and Performance Regulations (2001)
- ⇒ The Local Government Municipal Finance Management Act, (2003)
- ⇒ The Municipal Structures Act, (1998) and the Inter-Governmental Relations Framework, (2005).
- ⇒ The National Framework for Sustainable Development (NFSD) 2008 – The NDFD identifies the need for inclusion of sustainable resource use and biodiversity

conservation criteria into IDPs, as well as into Provincial Growth and Development Strategies.

- ⇒ Provincial Growth and Development Strategy,
- ⇒ Reviewed Provincial Spatial Development Framework, (2010) and the IDP Framework Guide for Credible IDP's.

Municipalities are responsible for (1) Implementing the environmental policies, plans and programmes of national and provincial government; (2) Ensuring alignment between Integrated Development Plans (IDPs) and provincial Environmental Implementation Plans; (3) Ensuring that IDPs comply with the National Environmental Management Act (NEMA) principles; and (4) Ensuring that IDPs are aligned to the National Biodiversity Framework (South Africa's National Biodiversity Strategy and Action Plan: Country Study, 2005).

### **1.1.3 DEVELOPMENT OF THE INTERGRATED DEVELOPMENT PLAN 2014/15 - 2016/17**

The status of the Tsolwana IDP for the five years (2012–2017) is based on the following prescripts:-

- ⇒ It is the principal strategic planning instrument which guides and informs all planning and development, and all decisions with regard to planning, management and development, in the municipality;
- ⇒ It binds the municipality in the exercise of its executive authority, except to the extent of any inconsistency between a municipality's integrated development plan and national or provincial legislation, in which case such legislation prevails; and
- ⇒ It binds all other persons to the extent that those parts of the integrated development plan that impose duties or affect the rights of those persons have been passed as a by-law; and it should be a product of intergovernmental and inter-sphere planning.

## CHAPTER 2

### 2.1. THE STUDY AREA

Tsolwana Municipality is a category B municipality situated within Chris Hani District Municipality (CHDM) of Eastern Cape Province. It is bounded on the east by Inkwankwa and Lukhanji Municipalities, on the west by Inxuba Yethemba Municipality, on the north by Joe Gqabi District Municipality and on the south by Amathole District Municipality. Tsolwana Municipality is an amalgamation of the following areas.

- Former Tarkastad TLC and TRC (Republic of South Africa)
- Former Hofmeyr TLC and TRC (Republic of South Africa)
- Former Ntabethemba TRC (Republic of Ciskei)

#### 2.1.2 Geographic Description

The figure below depicts the locality of Tsolwana Local Municipality within Chris Hani District Municipal context. Tsolwana LM covers an area of approximately 6000 km<sup>2</sup> in extent with a density of about 6 people/ km<sup>2</sup>.



**Map: 1 Tsolwana Locality Plan**

The extent of the local area of jurisdiction translates to about 17 % of Chris Hani District Municipality.

As shown in figure 1 above, Tsolwana Municipality has two main urban nodes, Tarkastad and Hofmeyr, which are surrounded by commercial farmland in the former Tarkastad and Hofmeyr areas and about 11 rural villages scattered within the former Ntabethemba area, including Thornhill, Mitford, Rocklands, Tendergate, etc.).

The Municipal seat is located in Tarkastad, along the Queenstown and Cradock R61 road. It is roughly 64km from Queenstown and 81km from Cradock. From the two major

airports in the province, Tarkastad is 365km form Port Elizabeth and 257 from East London. The 2011 elections delimited the municipality into 5 wards as specified in the table below:

Ward No	Areas Covered
1	Thornhill, Zola,
2	Mitford, Rocklands, Phakamisa, Barcelona.
3	Bacclesfarm, Khayaletu, Tendergate, Springroove, Thembalethu and Khwezi
4	Tarkastad, Zola Township, Ivanlew, Matyhantya
5	Hofmeyr, Luxolweni Township

**Table 1: Ward location**

## 2.1.2 DEMOGRAPHIC ANALYSIS

### 2.1.2.1 Population and Population Density

The demographic profile within the study area includes both urban and rural areas. Various sources of data have been used for the purpose of compiling the IDP. 2011 Census data (Stats SA) has been used and sector plans in the IDP should be updated to include the latest information thus ensuring proper alignment

According to the 2011 Population Census conducted by Statistics South Africa the total population of the Eastern Cape Province is 6 562 053 people and the total population of the Chris Hani District is 795 461 . The net migration is the major cause of the low population growth in Eastern Cape. The percentage of population growth declined from 15.1 % in 1996 to 12.7 % in 2011. The District population accounts for 12,1 % of the Provincial population. Tsolwana Local Municipality has a total population of 33 281 which constitutes 4,1 % of the total District population.

Tsolwana population has showed a slow growth of 4,2 2001 to 2011. Although untested possible reasons for the slow population growth could be:

- Delayed improvement in living conditions and basic services pushing people from the rural areas to bigger cities and the coastal areas
- High rate of unemployment
- Socio economic condition within Tsolwana Municipality

Planning must consider the impact on future development needs, with greater emphasis placed on job creation, housing, primary heath and home based care.

Tsolwana Local Municipality has a low population density of 4,2 people per square kilometre.

### **Table 2: Population Growth Rate 1996, 2001, 2011 (Census 2011 Stats SA)**

Based on the current statistics 2011 Census SA 33 281 population the area has an average of approximately 0,43 people per square kilometer (total area 4 562km) in comparison with CHDM with 8 people per square kilometer. Statistics SA information has revealed that South African Population growth has declined from 1,33 % per annum (2001-2011) The estimated growth rate of Tsolwana therefore is based on the national growth rate and expecting a decline over the next 10 years.

1996	2001	1996- 2001	2011	2001- 2011	
35 104	32 537	- 1,5	33 281	0,1	

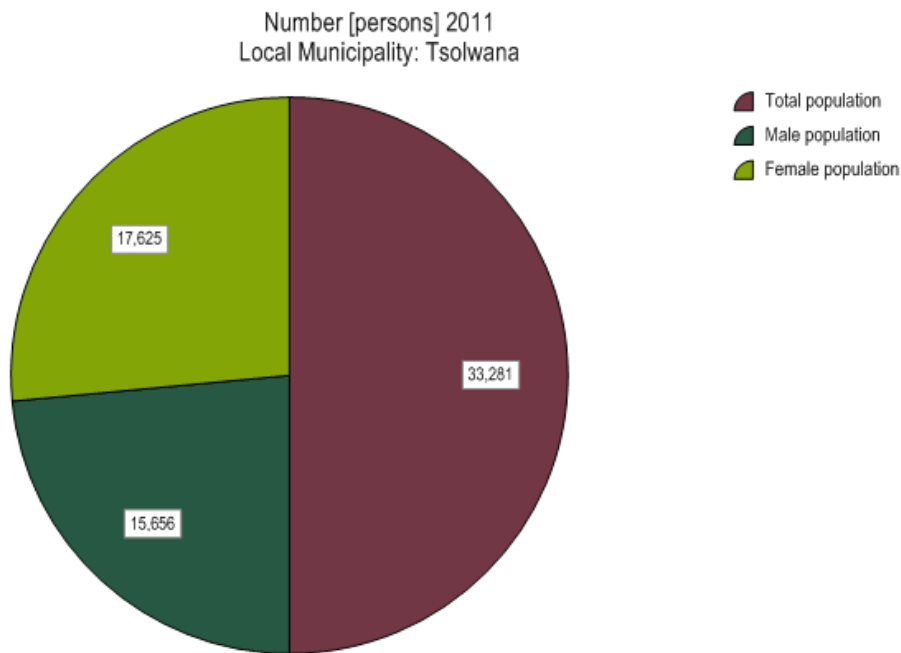
**Table 3: Tsolwana Population Growth rate :( Census 2011 Stats SA)**

The following key observations are noted:

- The 2011 Census Stats SA estimates a total population of approximately 33 281 for the Tsolwana municipality, comprising of 2 949 households.
- The population figure includes a large percentage of rural population.
- The rural population includes the rural nodes of ward 1,2, and 3
- It is estimated that the population will grow in line with the National average of 1.1 % between 2012 and 2022.

**2.1.2.2 GENDER DISTRIBUTION (1996, 2001, 2011)**

The population of Tsolwana Local Municipality consists of slightly more female than male residence. Females constitute 53. % of the population and males 47.0%. Municipal planning does take cognizance of the gender distribution in the Municipality and the Special Programmes Unit. The municipality has taken an initiative to consider mainstreaming of previously disadvantaged groups as a priority in all development activities. This initiative is to consider mainstreaming women and create an environment that is conducive women empowerment as a previously disadvantaged group.



Source: Statistics South Africa

**Figure 1 : Tsolwana Gender Distribution**

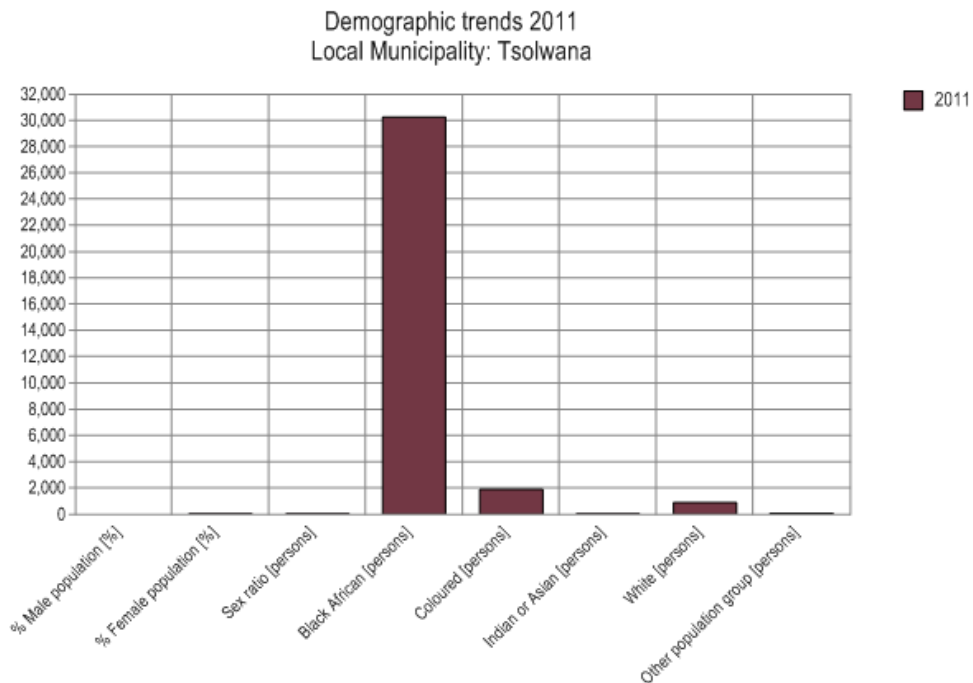
The population of Tsolwana has shown a decline from 1996 to 2001, and an increase from 2001 to 2011. Women have remained the majority in all the demographic patterns. The table below clearly presents the trends as revealed by Statistics SA.

Description	Census 1996	Population 2001	Census 2011	Population 2011
Male	16 086	15 102	15 657	
Female	18 715	17 435	17 624	
Total	34 801	32 538	33 281	

**Table 3 : Gender**

### 2.1.2.3 RACIAL DISTRIBUTION

The majority of the people in Tsolwana are Black African, constituting a large percentage of population, 91 % and other racial groupings make-up the remaining 9 %%. This trend is not reflective of the District level, where African people constitute 93 % of the total district population and where the remaining ethnic groups equate to 7 %. The municipality must consider the dominant cultural groups existing within the municipality in all decision making processes affecting people whilst accommodating the minority cultural groups existing in the district.



Source: Statistics South Africa

**Figure 2 : Demographic Changes by race (Census 2011 Stats SA)**

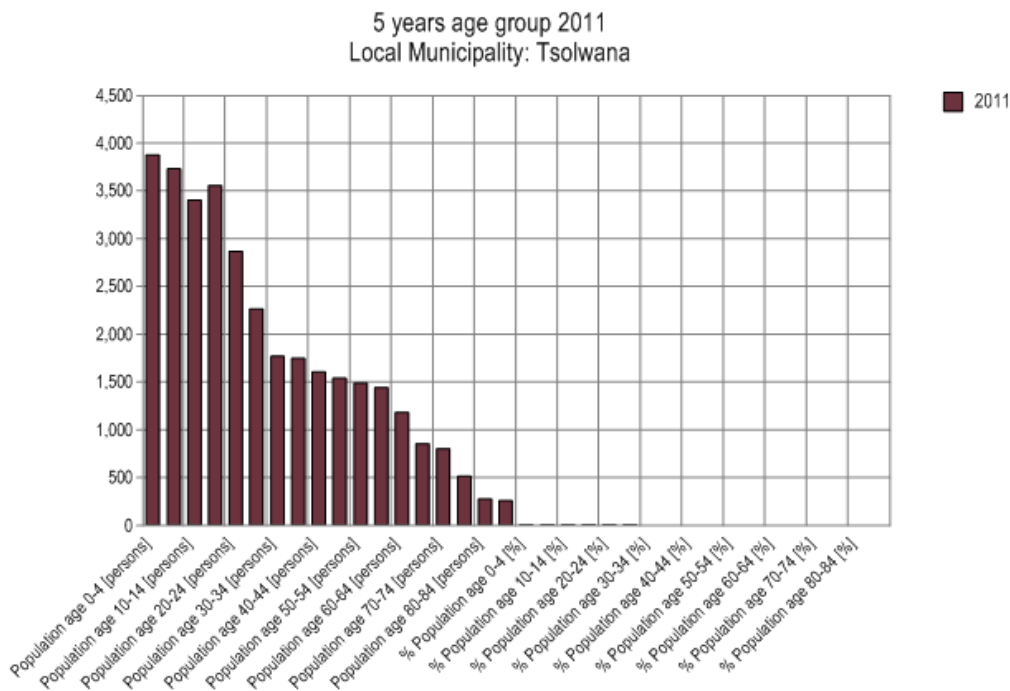
**2.1.2.4 AGE DISTRIBUTION**

The total population of **Tsolwana is 33 281**. The population density is low with an average population density of 2.5 people per Km<sup>2</sup>. The majority of the population is female (53 %) and predominantly Black Africans (87 %).

The largest portion (64 %) of the population is young and under the age of 35 years, 33.1% are still dependent (1-14), 58 % are potentially economically active (15-65) and 8,2 % are elderly (65+). A small percentage of the population has some form of disability with more men than women being afflicted. Most of the disabilities are physical.

Upon analysis this has negative consequences for Tsolwana, as this places an even larger dependency burden on the smaller economically active population as they need to take care of a higher number of dependent youth.

The high proportion of dependent youth in the Municipality implies a higher burden on the economically active population. Given that a high percentage of the economic active population are not economically active, this burden shifts to organs of state and places a higher burden on the municipality and government departments tasked with providing social assistance such as SASSA, Social Development, Health, Education etc. Municipal planning takes cognizance of the age distribution in the Municipality.



Source: Statistics South Africa

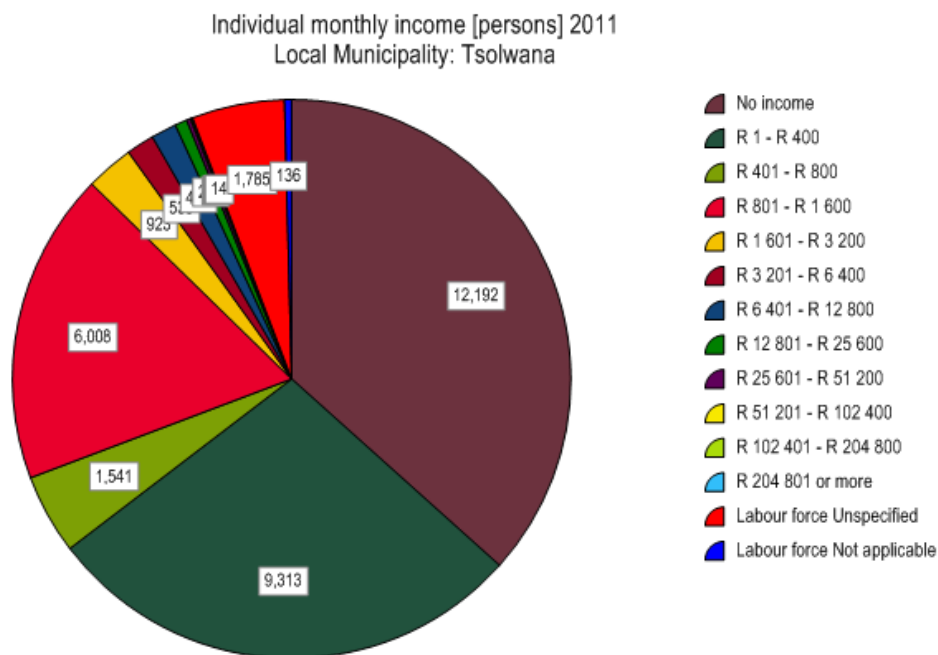
**Figure 3 : Tsolwana Age Distribution**

### 2.1.3 SOCIO-ECONOMIC ANALYSIS

Tsolwana Local Municipality is characterized by poor socio economic conditions. The low economic growth rate coupled with low household / individual income and high rate of unemployment leads to low affordability levels.

#### 2.1.3.1 INCOME LEVELS

##### Individual income for Tsolwana Municipality



Source: Statistics South Africa

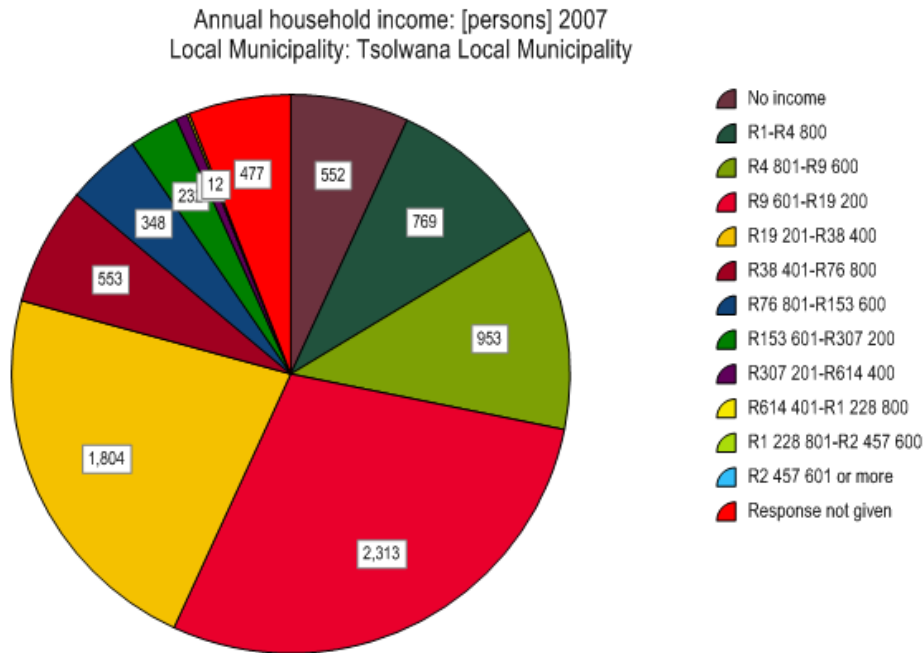
**Figure 4 : Tsolwana Individual Income**

There is a significant increase in the province, the districts and from 2001 to 2011. Income levels within the Municipal area are low considering that 36,6% of the economically active population does not generate an income. About 36,6 % of Tsolwana population is earning an income of R800 and below with only 18,5 % earning an income of R1601.00 and below per month. Job creation is a national priority, therefore it is crucial for municipal planning to focus strongly on local economic development and job creation initiatives, which will enable the community to generate an income.

**Figure 5 above** represents the monthly income category earned by the economically active population as at 2011



**Avarage Household Income :**



Source: Statistics South Africa

**Figure 5 : Tsolwana Annual Household Income**

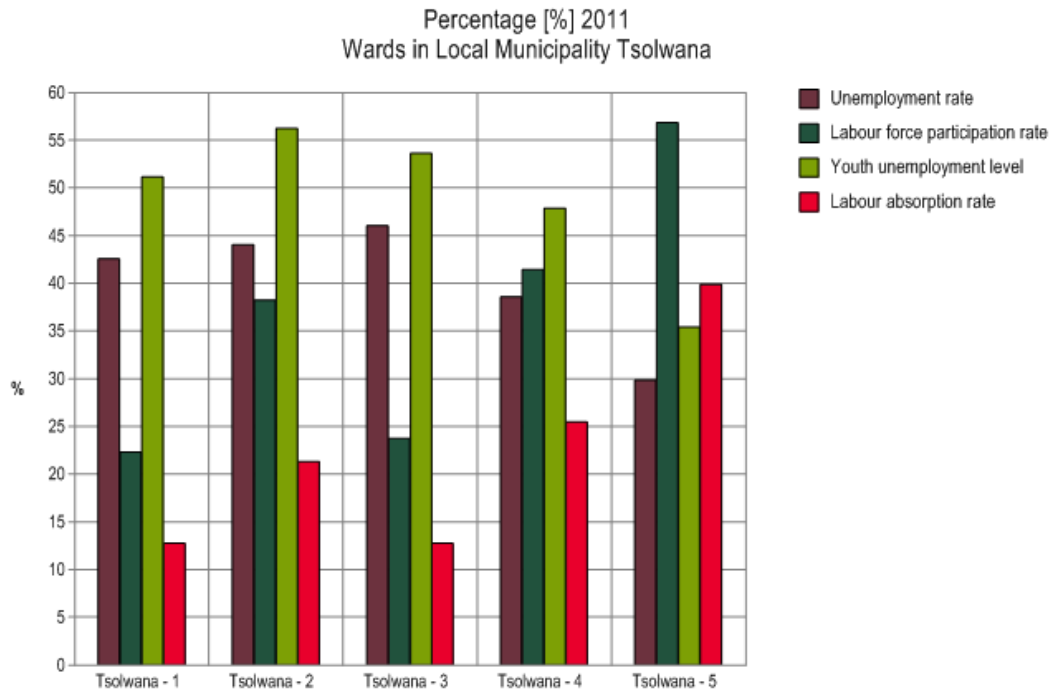
**Table: 8 Annual Household Income, Source Statistics AS (Census 2011)**

The number of households in Tsolwana is 9 494. According to Statistics SA about 6 % of households have no income. Planning and budgeting process of the municipality must consider the percentage as it informs the number of indigents. The high number of indigents may also contribute to a high dependency on social grants from Sector departments (SASSA, Social Development About 10 % of households income falls between R4 801- R9 600). About 24 % earn between R9 601 – R19 200.

**2.1.3.2 Poverty Levels**

Increasing levels of absolute poverty have been recorded in the Eastern Cape and 74% of the people of the Eastern Cape live below the poverty line of R800 or less a month. Poverty levels in the CHDM District are substantially lower than the Provincial norm, at 59.5%. Poverty levels within Tsolwana Local Municipality are 71.3% which is much higher than the District norm. High poverty levels imply a high dependency on social assistance in the form of grants. Municipal planning needs to focus strongly on poverty alleviation mechanisms.

**2.1.3.3 EMPLOYMENT LEVELS AND TRENDS**



Source: Statistics South Africa

**Figure 6 : Employment Levels and Trends**

Tsolwana Local Municipality is characterized by low levels of employment and a high percentage of people who are not economically active. This in turn accounts for the high poverty levels and low income levels.

High unemployment rates impact negatively on municipalities as low affordability levels generally result in a poor payment rate for services and an increase in the number of indigent people in indigent register. There is an increase in employment levels between 1996 and 2001 and a decline across the district in 2011. The figures below depicts a picture and summarizes the unemployment rate, labour absorption as well as youth unemployment. The ward with highest percentage of unemployment rate of 46, 1 % is ward 3. In ward 2 there is a high percentage of youth unemployment (56 % ). Planning and job creation initiatives needs to cover all the ward and consider the wards with high rate of unemployment

	1996	2001	2011
Eastern Cape	48.2	54.3	37.5
CHDM	54.1	58.8	39.2
Tsolwana LM	51.2	54.4	38.1

**Table 4, Unemployment Rate (EC, CHDM, TLM, age 15-64) Source: Census 2011 Stats SA**

Tsolwana unemployment rate is higher than that of CHDM and Eastern Cape as depicted in the table above. The economy of Chris Hani District Municipality is derives mainly from the following four sectors:

- ⇒ The Primary sector is dominated by agriculture
- ⇒ The second most important is the community and public sector.
- ⇒ The next most important contributor to the GDP is the wholesale and retail trade followed by the manufacturing sector.

#### **2.1.3.4 RELIANCE ON SOCIAL GRANTS**

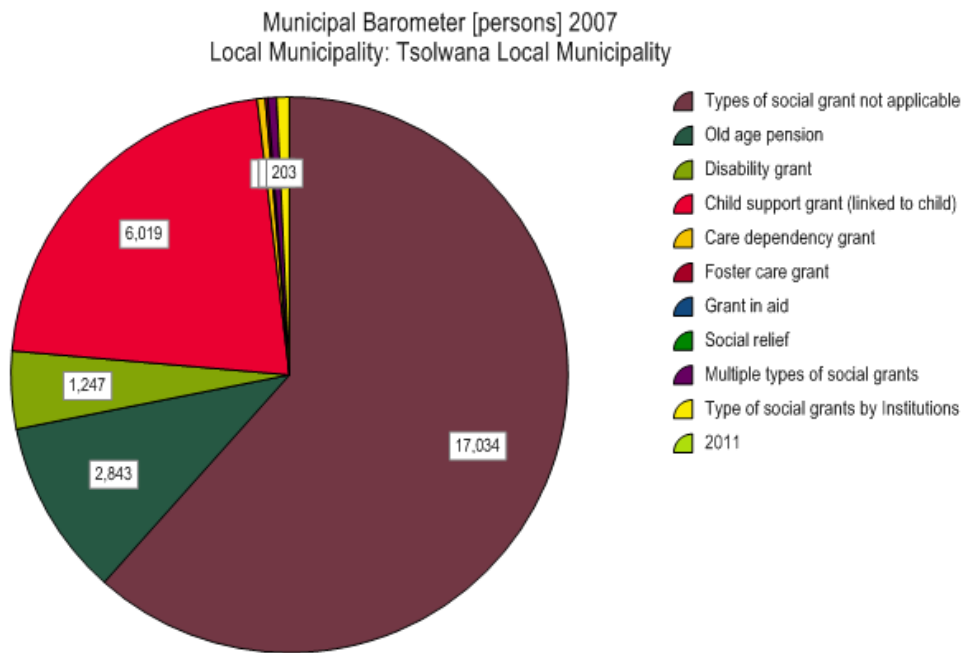
There is a high level of dependency on social grants. A portion of the population is dependent on different types of social grants. The figure below clearly shows a picture of these grants.

##### **Dependency Grant**

Tsolwana Municipality needs to facilitate a process to ensure that all potential beneficiaries of grants receive what they are entitled to, working closely with Department of Social Development and SASSA. This will ensure that Tsolwana residents are able to access and benefit from grants offered by the government for the needy and vulnerable groups.

The figure below presents different kinds of social grants received by the, resident of TLM. Child support grants constitutes 22 %, disability is at 4,5 % and old age grant at 10,3 %.

##### **Different Types of Social Grants within Tsolwana:**



Source: Statistics South Africa

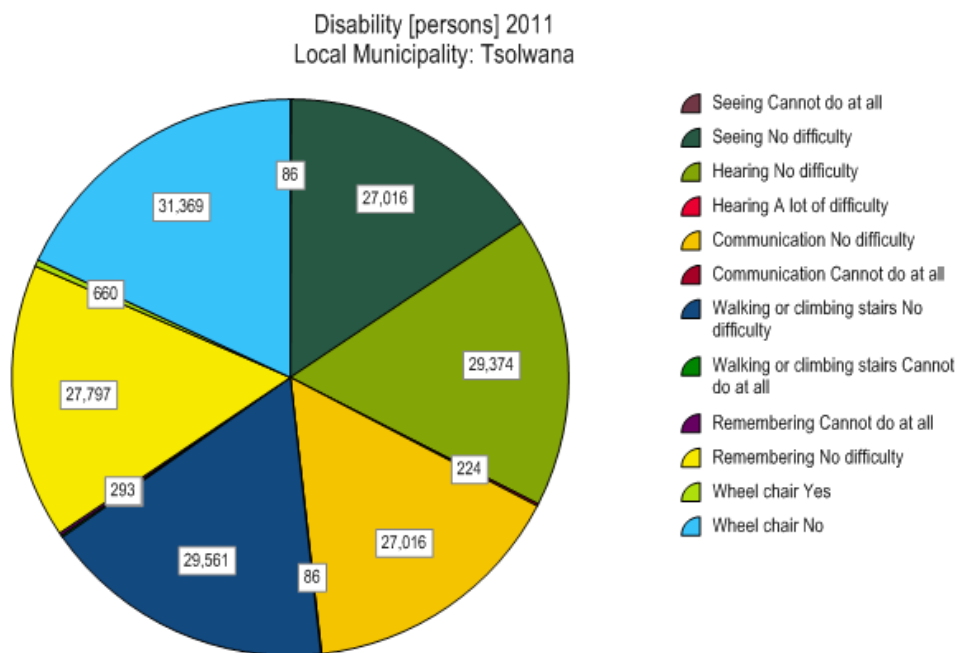
**Figure 7: Different Types of Social Grants at Tsolwana**

	1996	2001	2011
<b>Eastern Cape</b>	48.2	54.3	37.5
<b>CHDM</b>	54.1	58.9	39.2
<b>Tsolwana</b>	51.2	54.4	38.1

**Table 5 : Dependency Ration Source : Census 2011, Stats SA**

There was an increase of dependency ratio between 1996 and 2001 and a decline in the districts including municipalities. Despite the decline there is still a portion of Tsolwana population that is still depended on social grants at a rate of 38,1 which is below that of CHDM (39,2). The high rate of unemployment has a huge contribution in this scenario.

**Disability at Tsolwana :**



Source: Statistics South Africa

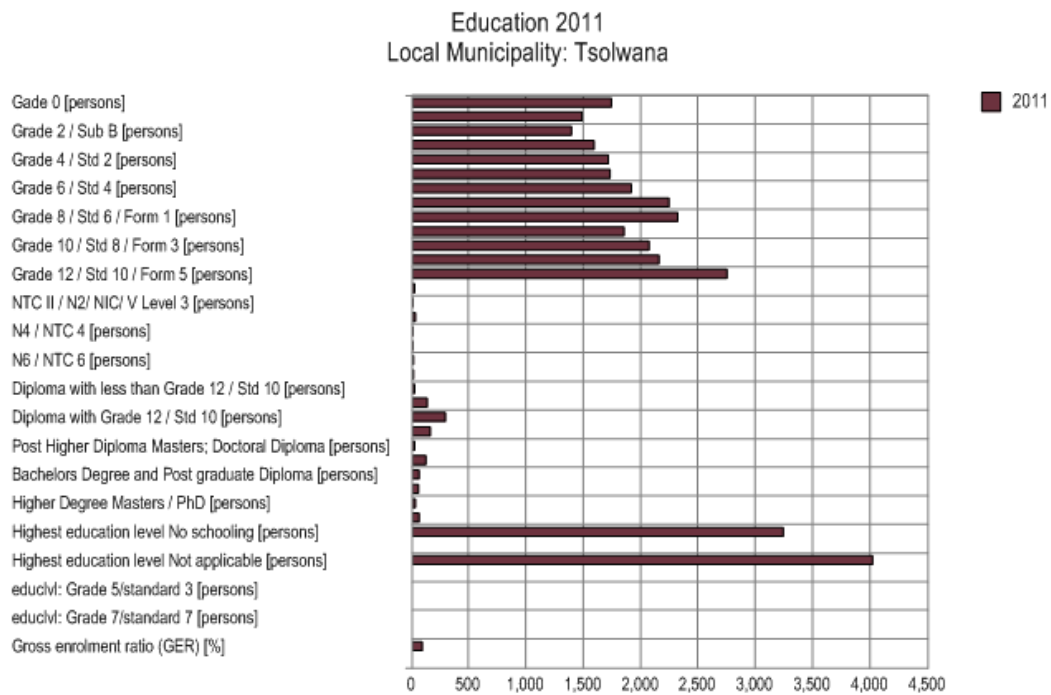
**Figure 8 : Disability at Tsolwana**

Tsolwana Municipality population has different forms of disability that differ percentages/ numbers. Statistics SA has revealed that the percentage of population with disabilities ranges from 81 % and above. There is a high % for people with wheelchairs as compared to other forms of disability as presented above. The municipality is required to consider the disabled group as a vulnerable group. Municipality planning must consider people using wheelchairs as a priority during planning/ budgeting process.

#### 2.1.3.5 EDUCATION

Tsolwana Local Municipality is characterized by low education and literacy levels. Statistics SA has revealed that about 9,7% of the population over 20 years of age has no education, while 62,6% has not attained grade 12. The gross enrolment ratio is at 92,6% . A proportion of people completing Grade 12 and people with Higher Education has increased overtime from 1996 to 2001. The high percentage of enrolment ratio and the small percentage attaining grade 12 needs further investigation by the relevant stakeholders. There is a significant decline in the number of people with no school and the positive implication for the municipality is the reduction of high levels of illiteracy. Considering the economic climate and opportunities in Tsolwana, many of these school leavers would face challenges in terms of tertiary education as well as entry to the employment market.

#### Education:



Source: Statistics South Africa

**Figure 9 Education, Source: Statistics South Africa: 2011**

The National Spatial Development Perspective emphasizes that development should focus on people rather than places, and that development efforts in areas of limited economic opportunity and out-migration should be focused on human resource development (health, education etc) so that out-migrants are equipped to prosper.

In this respect the educational system in the areas is failing the communities, since educational attainments are well below average. The municipality will raise the issue of education and training through the Tsolwana Integrated Development Planning Representative Forum. One of the key focus areas should be the identification of a strategy to promote increased levels of matriculation in the schools that are currently performing poorly, thus providing the learners with more opportunities.

## **2.2 KPA -1 SPATIAL DEVELOPMENT FRAMEWORK (SDF)**

SDF – It is a strategic plan that gives effect to the vision, goals, and objectives of the IDP. SDF is intended to guide long term development of an area as well as capital expenditure priorities and decisions of the IDP over a medium term 5 years. An SDF is mandatory in terms of the Municipal Systems Act.

Tsolwana SDF was adopted by council in 2010 and is valid till 2014. The next revision will among other things attempt to define a clear Land Use management framework, provide policy directive on the hierarchy of service points and settlements, identify key development corridors & strengthen links with EC – Provincial SDF and National Spatial Development Plan.

### **2.2.1 What is the purpose of the SDF?**

The purpose of formulating a Spatial Development Framework is to provide the municipality and other development agencies with a tool to assist them in making development decisions, which ensures that land in municipality 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 municipality 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 Municipality, directs investment to areas of greatest potential and to target areas of greatest need to alleviate poverty and promote economic growth.
- which proposes strategic options that are aimed at improving linkages within the municipality and beyond its boundaries in order to stimulate effective and sustainable integrated development.
- to protect natural systems in Municipality.

### **2.2.2 Spatial Development Framework requirements**

In terms of the Local Government Municipal Planning and Performance Management Regulations (R. 796 of 2001) it was determined that the Spatial Development Framework should contain the following:

#### **a) Guiding Policies and principles**

- Establish clear spatial development objectives for the municipality and principles to be followed in the management of spatial development.
- Identify adopted strategies and policies that will aim at achieving the spatial development objectives.

#### **b) Key spatial development features (trends and dynamics)**

- Create a development perspective of the area (develop trends and dynamics).
- Identify key spatial structural elements for developing the plan (map)
- Mapping to illustrate the spatial features and objectives.

#### **c) Set out basic guidelines for land use management.**

- Develop a land use management plan

### **2.2.3 Formulating a spatial development framework**

#### **Guiding Policies & Principles**

In terms of legislation, the Spatial Development Framework within the IDP must be formulated so that it gives effect to the General Principles on Land Development contained in Chapter 1 of the Development Facilitation Act (Act 76 of 1995).

Furthermore, principles and policies formulated in the Provincial Spatial Plan provide valuable guidance in formulating Municipality's Spatial Development Framework. These principles ensure that decisions are aligned with National Planning Strategies, Acts and specific development programmes.

General Principles in terms of Chapter 1 of the Development Facilitation Act are listed below:

- Facilitate the development of new and existing informal settlements.
- Discourage land invasion / informal settlement.
- Promote integrated land development. Address land development in rural and urban areas in a holistic manner and do not discriminate between the two but rather recognize them as part of an interrelated system of settlement and development.
- Discourage urban sprawl.



- Maximum benefit from available resources / avoid duplication. E.g. build on the existing infrastructure and resources and invest in resources where maximum spin-off can be generated.
- Encourage environmentally sustainable practices

#### **2.2.4 Provincial Spatial Development Plan (PSDP)**

The Provincial Spatial Development Plan refers to “an embracing spatial policy that guides and co-ordinates such planning (IDP’s) according to sound norms and principles”.

The Spatial Management Approach adopted by the PSDP recognizes the limits of available resources in the Eastern Cape Province and therefore proposes *a targeted and phased development approach* in an effort to address basic needs and create the environment of local economic development (in either rural or urban context).

This strategy is termed an Integrated Spatial Development Strategy and is as follows:

- Focus investment and upgrade existing rural settlements, villages and towns on a phased basis according to available resources and development priorities;
- Target strategic investment at nodal points and reinforce development nodes and development areas though building on strengths and bulk infrastructure; and
- Focus on economic upliftment and employment creation through LED, Agriculture, SMME’s and industrial programmes.

Furthermore the PSDP plan proposes the following principles and strategies:

- Ensure the protection of natural systems and resources
- Promote tourism and areas of recreation
- Adopt an hierarchy of settlements policy approach for targeting investment
- Build on maintaining and developing an efficient and accessible transportation network
- Align development decisions and investment with other Spatial Development Initiatives (SDI’s)
- Build on industrial and mining opportunities (according to competitiveness and resources)
- Conserve water resources
- Foster small scale and commercial agriculture as a cornerstone of rural development.
- Investment should target areas where the economic opportunities and returns are greatest.

- Social expenditure on basic infrastructure for basic needs should be specified as spin-offs from economic development investment, wherever possible.
- Development investment should create an enabling environment for private sector investment.
- Inter-Departmental investment linkages should be identified in order to maximize benefits and achieve a coordinated effort.

***i. PSDP: Spatial Development Policies and Principles***

In order to achieve the most significant results the PSDP suggests that policies of investment and management should be applied at three levels:

Firstly, investment should seek to address, basic needs – secondly, strengthen local capacity by building on existing strengths and thirdly, target development zones that have the potential to attract private sector investment.

**Accordingly the PSDP defines the following three levels of investment: -**

**Level 1:** Basic Needs to all – This would fulfil basic human rights in the provision of basic services to both urban and rural areas, at a minimum level. Backlogs in these areas, the proximity of existing bulk services and local IDP priorities would guide this.

**Level 2:** Build Capacity – This ensures the managed investment of public sector funding in urban and rural areas in order to strengthen local capacity, build on the strengths and opportunities, which exist, and to maximize potential from the existing infrastructure and settlement system. Capacity building implies investment at a higher level in middle order services, infrastructure and needs such as institution building (human resource training, skill transfer and community empowerment) and provision of facilities such as secondary schools, market places, taxi ranks, etc.).

**Level 3:** Targeted Focus Areas – This would involve the provision of funding to strategically target development zones which have development potential. These will represent nodes or areas of opportunity, where a special focus of effort and investment will attract interest from the private sector to invest; either in joint ventures with Government or independently, in order to develop economic growth opportunities and potential which already exists. This investment includes higher order services and infrastructure (which includes non-essential needs) such as sports stadiums, tertiary and

specialized education facilities as well as investment that are likely to generate significant socio-economic development spin-offs.

***ii. Key Spatial Development Features***

The development perspective is informed by the following:

- a) Settlement patterns and land tenure
- b) Socio economic trends: levels of poverty (poverty index)
- c) Current development planning initiatives in the area

### **2.2.5 Settlement patterns and land tenure**

Apart from small pockets of privately owned land in the two urban centres, namely, Hofmeyr and Tarkastad, the balance of the land in Municipality Municipal area is held in terms of lesser forms of tenure – registered in the name of the state.

The settlement pattern within the municipality is indicative of the nature and type of activities to be found. Tarkastad and Hofmeyr are the main populated areas and formally proclaimed towns within the municipality. Outside these two urban centres lie the Thornhill /Tentergate and Ntabethemba rural settlements, located mostly in wards 1, 2 and 3, on the eastern portion of Tarkastad.

### **2.2.6 Land Use Audit**

The figure below gives a distribution of available land by use types and also determines the land use needs for future development in the primary nodes.

## Tarkastad and Hofmeyer Land Use Audit

TARKASTAD AND HOFMEYER LAND USE REQUIREMENTS AND THRESHOLD POPULATION								
Population per settlement: (Approx 4 persons/unit)			TARKASTAD (12165 persons)			HOFMEYER (7433 persons)		
Land use	No. of Persons	Provision	Standard	Existing	Shortfall	Standard	Existing Facilities	Shortfall
<b>Retail</b>								
Regional Centre	250000	1 per 250000 persons	0	0	0	0	0	0
Community Centre	100000	1 per 100000 persons	0	0	0	0	0	0
Neighbourhood Centre	20000	1 per 20000 persons	0,6	0	0	0,4	0	0
Corner Shop	1500	1 per 1500 persons	8	1	7	5	2	3
Spaza	100	1 per 100 persons			Various			Various
<b>Education</b>								
Creche	5000	1 per 5000 persons	2	2	0	1,5	2	0
Primary	4000	1 per 4000 persons	3	3	0	2	2	0
Secondary	10000	1 per 10000 persons	1	2	0	0,7	1	0
Tertiary	150000	1 per 150000 persons	0	0	0	0	0	0
<b>Health</b>								
Mobile Clinic	25000	1 per <25000 persons						
Clinic	25000	1 per > 25000 persons	0,5	2	0	0,3	2	0
Day Hospital	50000	1 Per 50000 persons	0,2	0	0	0	0	0
Community Hospital	75000	1 per 75000 persons	0	0	0	0	0	0
<b>Social/Cultural</b>								
Public Worship	3750	1 per 3750 persons	3	3	0	2	0	2
Library	20000	1 per 20000 persons	0,6	0	1	0,4	1	0
Post Office	20000	2 per 20000 persons	1,2	1	0	0,7	1	0
Community Centre	20000	3 per 20000 persons	1,8	2	0	1	2	0
Police	20000	4 per 20000 persons	2,4	1	1	1,5	1	1
Municipal Offices	50000	1 Per 50000 persons	0,2	1	0	0,1	0	0
Fire Station	75000	1 per 75000 persons	0,1	1	0	0,1	0	0
Childrens Home	50000	1 Per 50000 persons	0,2	0	0	0,1	0	0
Old Age Home	50000	1 Per 50000 persons	0,2	0	0	0,1	0	0
<b>Open Space</b>								
Playground		< 2000 persons			Various			Various
Neighbourhood Park		1 per 8000 persons	1,5	0	2	1	0	1
Sportsfield		1 per 4000 persons	3	4	0	1,8	3	0
Community Park		1 per 16000 persons	0	0	0	0	0	0
District Park		1 per 80000 persons	0	0	0	0	0	0

The table below show the distribution of land parcels by municipal rural sub-area.

Settlement	Units
Bacclesfarm Village	348
Hofmeyer	1813
Khayaletu	185
Kwezi Village	473
Mitford	926
Phakamisa	221
Rocklands	566
Spring Grove	394
Tarkastad	2967

Settlement	Units
Tentergate	1103
Themba lethu	95
Thornhill	1416
Zola Village	353
Total	10860

**Table 6 : Distribution Of Land Parcels, Source Tsolwana SDF (2010 )**

**Key issues relating to Municipality spatial development are listed below:**

- Dispersed Settlement Pattern: Pockets of developed urban centres surrounded by scattered undeveloped rural villages, which implies great costs to fulfil every basic human right to basic infrastructure and services.
- Need to systematically address the fragmented nature of development to promote the integration of urban and rural areas over time (phased development approach which will optimise on existing capacity and resources to generate the most spin-off effects from investment).
- A strategic approach is required, which enables geographic areas to be prioritised for different levels of investment to ensure ongoing sustainable development and which will have the most spin-off effects for continued economic growth in the Municipality Area.
- Limited economic activity outside of urban centres
- Need to build on the agricultural and tourism potential of the area and target investment to other LED related initiatives and programmes taking place outside of the urban centres that have potential for growth and to generate economic spin-off.

### 2.2.7 Spatial Development Framework Proposals

#### Nodal development

The municipality has identified in its SDF commitments the following strategic nodes:

**Tarkastad & Hofmeyr are primary development nodes.** These areas are seen as key administrative centres with a relatively well developed urban infrastructure on which to catalyse development. They are also well positioned because of their central locality with regards to movement patterns with Hofmeyr in the north connecting the municipality outward through distributor arteries like R390, r391 and R401 while Tarkastad in the

South connects us through R344 & R61. These affect largely the ward 4 and 5. In these nodes the municipality seeks to ensure the following:

- A well demarcated urban boundary
- Focused densification to ensure improved levels of access to amenities
- Improved infrastructure expenditure to lever economic development in especially areas such as SMME, Manufacturing, Office, and Trade activities.

**Tendergate / Mitford / are secondary development nodes:** These are areas where we intend to focus special interest rural development interventions. For example, the areas of Tendergate and Mitford are suitable for secondary administrative offices as well as focused Agriculture and Tourism development while T.... can be utilised mainly for ensuring better access to municipal services and administrative support.

### Densification

It is proposed that the new housing programme be used to infill and density existing settlement in order to achieve better spatial integration and economic efficiency. Also earmarked for densification are the rural areas shown in the diagram below.

(See densification map)

### Special zones and corridors

Our SDF also make provision for development of certain parts of our municipal space as special development zones allowing only certain land uses. For example, we propose that agricultural development which is a focus area in our LED priorities be undertaken and encouraged into these areas.

## 2.3 KPA2: BASIC SERVICE DELIVERY.

Basic services 2011 Wards in Local Municipality Tsolwana

	<b>Total households [households]</b>	<b>% Access to water at or above RDP level [%]</b>	<b>% Access to electricity [%]</b>	<b>% Access to sanitation at or above RDP level [%]</b>	<b>% Access to refuse removal services [%]</b>
<b>Tsolwana - 1</b>	1,949	91.4	94.3	80.3	0.8
<b>Tsolwana - 2</b>	1,533	82.5	90.3	69.7	1.2
<b>Tsolwana - 3</b>	1,990	73.1	90.9	84.2	0.6
<b>Tsolwana - 4</b>	1,884	99.0	80.5	64.8	80.6
<b>Tsolwana - 5</b>	2,138	89.2	84.6	53.8	51.6
<b>Total</b>	<b>9,494</b>	<b>87.1</b>	<b>88.0</b>	<b>70.4</b>	<b>28.1</b>

**Table 7, Source: Statistics South Africa**

Service delivery is divided into three groups, namely infrastructure services; community services; and community facilities. The majority of functions under service delivery impact in various ways to the lives of the communities served by municipalities. The table below clearly gives an overview of access to basic services on water, electricity, sanitation as well as refuse removal. It is worth mentioning that some of the functions are not the competency of the local municipality. The municipality in this scenario has a full responsibility to play a facilitating role.

### **2.3.1 INFRASTRUCTURE STATUS QUO**

It is imperative for the municipality to understanding the degree to which households as well as businesses within the jurisdiction of the municipality are provided and have access to infrastructure services. The activity of studying the status quo is central to delivering the mandate of a developmental local government.

The analysis of service delivery gaps and challenges points to the following high level summary of issues which have been dealt with in detail in the sections that follows:

- Varied levels of service delivery in our wards
- Municipal services tend to concentrate in urban centres
- Unresolved problem of vandalization especially areas like Mathyantya (RDP houses)
- Incomplete integrated infrastructure projects (Housing development not planned closely with provision for expansion of electricity grid & bulk water supplies)
- Poor access to government services – long travel distances to access basic services
- Poor funding and maintenance of critical infrastructure (roads, bridges, community facilities, agricultural facilities are not regularly maintained leading to their premature collapse and malfunctioning)
- Disaster Management and Ambulance services non-existent in certain parts of our rural areas and this increases the risk of inhabitants suffering from fire disasters.
- Poorly coordinated Youth Development Programmes

#### **Infrastructure asset & Investment plan**

A project (IDP14) has been identified and funded for the development of a comprehensive Infrastructure Master Plan. The Master Plan will detail analysis of assets, their performance, state of functionality and lifespan. It will comprise of two major parts, viz;

- a) A comprehensive cost quantified municipal infrastructure 20 year infrastructure maintenance plan with proposals for funding and institutional arrangements

b) A comprehensive 20 year infrastructure development and investment plan

The master plan will among other things assess and appraise the extent of backlogs per each infrastructure type, ward and also quantify costs of investments needed to reverse such.

The municipality is currently operating a 20 year master plan and will continue to ensure alignment of its 3 year capital investment plans to the objectives of the master plan.

### 2.3. 1.1 Water

#### **Service Level Agreement with Chris Hani DM**

Tsolwana Local Municipality is a Water Services Provider on behalf of the Water Services Authority, Chris Hani District Municipality. This was informed by the Section 78 assessment that was on the 1st of July 2008. Based on the above study, a service level agreement was signed between the two institutions so as to formalise the working relationship in this regard. As Water Service Provider, the municipality has a responsibility of making sure that the communities have access to portable water. Statistics SA has identified various sources of water with Tsolwana . There is a high percentage of households 78 % who access water from the local scheme operated by the Water Service Provider and a 0 % of households accessing water from dams and stagnant water. The table below clearly indicates water sources to households:



**Water sources by Households**

Source of water by Households	No Of Households	% Of Households
Regional/local water scheme operated by municipality of other Water Service Provider.	7 399	78 %
Borehole	916	10 %
Spring	22	0 %
Rain water tank	112	1 %
Dam/ Pool/ Stagnant water	74	1 %
Rivers/ Stream	06	0
Water Vendor	177	2 %
Water tanker	521	5 %
Other	267	3 %
Not applicable	-	-
Total	9 494	100 %

**Table 8, Water sources by households, Source: Statistics SA (Census 2011)**

Water supply to the settlements is in the form of underground water (boreholes), abstracted by submersibles pumps to the reservoirs. In Tarkastad (Ward 4) there are eight boreholes, out of the eight boreholes four pump to the reticulation line and the other four pump to the reservoir. There municipality has signed an agreement with Mr Venter for the supply of water to supplement the schemes whenever there is a need at a cost. In Hofmeyer (Ward 5) there are five boreholes, three of them are pumping to Eluxolweni reservoir and two pumping to town. Two privately owned boreholes are used in Hofmeyer , Tsolwana municipality reimburses the owner of the farm (Mr De Lange). In the rural areas of Ntabethemba there are three wards with eleven villages, There are nine boreholes (Ward 1, 7 Thornhill, 2 Zola) . In ward 2 ( 1 Pakamisa, 3Mitford, 2 Rocklands, 1 Baccarlona ) there are seven boreholes and one water reservoir in Baccarlona . In ward 3 there 12

boreholes. (2 Becclesfarm, 2 Khayaletu, 2 Tendergate, 2 2Springgroove, 2 Thembalethu, 2Ikhwezi) There are currently no water treatment works in the whole study area.

The main bulk water sources for human consumption is underground water a, surface water supply schemes and ground water supply schemes. Tsolwana municipality depend solely on groundwater for their suppliers.

In Hofmeyr the current production yield is 7l/s and supply the town adequately while the yield in Tarkastad is being stressed as it reaches a total of 11.26 l/s. The table below summarises the water supply situation in the municipality.

Ward & Administrative Area	Water Supply	Present situation	Future situation
5- Hofmeyr	5 boreholes having a production yield of 71/s yield	The boreholes adequately supply Hofmeyr town and Eluxolweni Township	Possible increase in the number of boreholes by four with a production yield of 8l/s
4- Tarkastad	8 boreholes with a total production yield of 11.26 l/s.	There in inadequate supply of water in the area by the boreholes	Study was conducted in 2011, 4 boreholes were identified and tested pending to equipment. The production yield is 7.8l/s
1,2, & 3 - Ntabethemba area	25 boreholes	Production yield is unknown. Engines are very old and impossible to repair and even not in the market. Poor security leading to vandalism.	The municipality is expecting funds to conduct feasibility study. All the diesel pumps need to be converted urgently to electricity pumps.

**Table 10: Tsolwana Water Supply Situation**

**Source: Chris Hani District Municipality: Water Services Development Plan (2011)**

Ward 5 has a serious shortage of water supply. These shortages are also impacting on the ability to reduce bucket systems and increase access to waterborne connections as well as ensure sustainable housing settlement delivery since bulk water supplies are a problem. Chris Hani DM has also prioritized ward 5 water supply and budgeted amounts of R9,6 and R30 million for the next two years respectively.

Ward 4 has sufficient water supply and they are currently looking at the feasibility for the water supply of connecting the new housing developments and the planned bucket eradication project. It is probable that further water sources would have to be found for additional housing developments.

The table below indicates the dams operated by the Department of Water Affairs and Forestry, which are located within the municipal area and mostly supplying water for irrigation purposes.

Dam Name	Supply Type (Domestic/ Irrigation)	Supply Areas	Live Storage (Mm <sup>3</sup> )	Firm Yield (Mm <sup>3</sup> /a)	Owner
Tendergate Dam	Irrigation	Ntabathemba Irrigation Scheme	1.72	0.26	DWAF
Mitford Dam	Irrigation	Ntabathemba Irrigation Scheme	0.89	0.05	DWAF
Glen Brock Dam (Thorn hill)	Irrigation	Ntabathemba Irrigation Scheme	0,41	0.12	DWAF
Thrift Dam	Irrigation	Ntabathemba Irrigation Scheme	2.6	0.58	DWAF
Commando Drift Dam	Irrigation	Commando Drift Irrigation Scheme	55.7	18.0	DWAF
Grassridge Dam	Balancing	None	49.6	N/A	DWAF

**Table 9, Dams within Tsolwana, Source: CHDM: Water Services Development Plan (WSDP), 2006**

According to CHDM State of Environment Report (2004), the total scheduled area for Ntabathemba Irrigation Scheme is 1200ha of which 720ha was irrigated in 1995. Presently only about 20ha is being irrigated and it is unlikely that much more development will take place. Commando Drift (Tarka) Irrigation Scheme and Lake Arthur Dams (Lake Arthur is almost completely silted up) supply the water for this scheme. The main rivers in the catchment are the Tarka and Vlekpoort rivers. It should be indicated that Commando (Tarka Scheme) is the main irrigation scheme serving the commercial sector in the area.

Household Access to water Supply.

### 2.3.1.2 Water services

a. **Water services delivery strategy and main role-players:** Tsolwana Local Municipality is a Water Services Provider on behalf of the Water Services Authority, Chris Hani District Municipality. This was informed by the Section 78 assessment that was on the 1<sup>st</sup> of July 2008. Based on the above study, a service level agreement was signed between the two institutions so as to formalise the working relationship in this regard. As Water Service Provider, the municipality has a responsibility of making sure that the communities have access to portable water.

b. **Levels and standards in water services:** Yard connections are regarded as the high level of service and the provision of communal standpipes being the low or basic level of service. In the urban areas, all the provision is a high level of service that is provided and in some parts of the rural areas a basic level of service is provided.

As required by the service level agreement, the WSP must take water samples every month for water quality test to any recognise laboratory. The results have proved positive on many instances except where there was a little contamination. In this case there was a need for an increase of dosing substances so as to be able to be in an acceptance standard with regard to water service quality. Customer Care Practitioner is updating the number of households for services yearly.

#### c. Annual performance as per key performance indicators in water services

	Indicator name	Total number of household/customer expected to benefit	Estimated backlogs (actual numbers)	Target set for the FY under review (actual numbers)	Number of HH/customer reached during the FY	Percentage of achievement during the year
1	Percentage of households with access to potable water	14024	0	0	0	100%
2	Percentage of indigent households with access to free basic potable water	>1965	-	-	-	-
4	Percentage of clinics with access to potable water	11	0	11	11	100%
5	Percentage of schools with access to potable water	35	6	29	29	82%
6	Percentage of	680	804	680	0	0%

households buckets	using					
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**Table 10 : Annual Performance in Water Services, Source Tsolwana Annual Report 2012/13**

**d. Major challenges in water services and remedial actions.**

At Ntabethemba area, the pump stations were being vandalised and due to the said destructive activities community was unable to access water. The pump houses were not secured and were improper and the structures were poorly constructed. The municipality has displayed commitment in addressing these challenges by reconstructing proper and secured structures .

In urban water schemes, Tarkastad and Hofmeyr, there was a theft of electricity cables from the pump stations which deprived the communities the right to have access to water. The municipality replaced electricity cables and the incident was then reported to the SAPS.

At Hofmeyr not all townships have consumer water meter and this leads to inability to quantify the water losses within the system. 800 consumer meters were procured and the project will commence in the next financial year as phase two.

At Ntabethemba most of bulk water meters are faulty and other pumps are not equipped with bulk water meters. This situation leads us to be unable to quantify the exact amount of water supplied to community. The water service authority CHDM is in process of implementing the installation of bulk meters in the villages. Tsolwana Municipality from

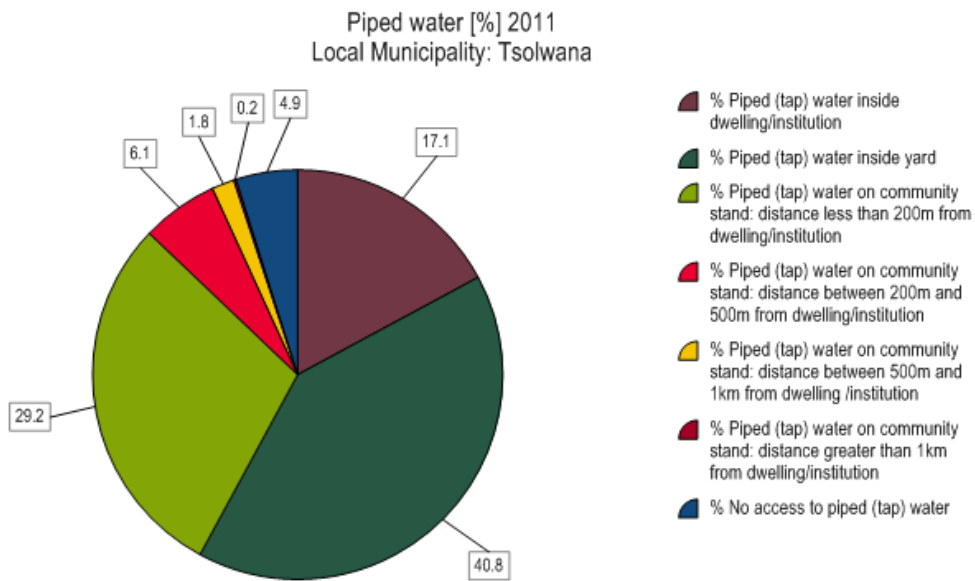
**2.3.1.3 Household Access to piped water**

Statistics SA (Census 2011) has revealed that the percentage of access to piped water inside their dwelling/ yard has increased across Eastern Cape province in all the districts. Proportion of households with no access has decreased in all districts. Tsolwana

Municipality has showed a significant increase in the percentage of households with access to piped water inside dwelling by 33.1 % in 2001 to 58 % in

2011. Proportion of households with no access to piped water has decreased from 12 % in 2001 to 5 % in 2011.

**Household Access to piped Water**



Source: Statistics South Africa

**Figure 10 Household Access to Piped Water.**

**Piped water inside dwelling Access      Water on communal stand      No**

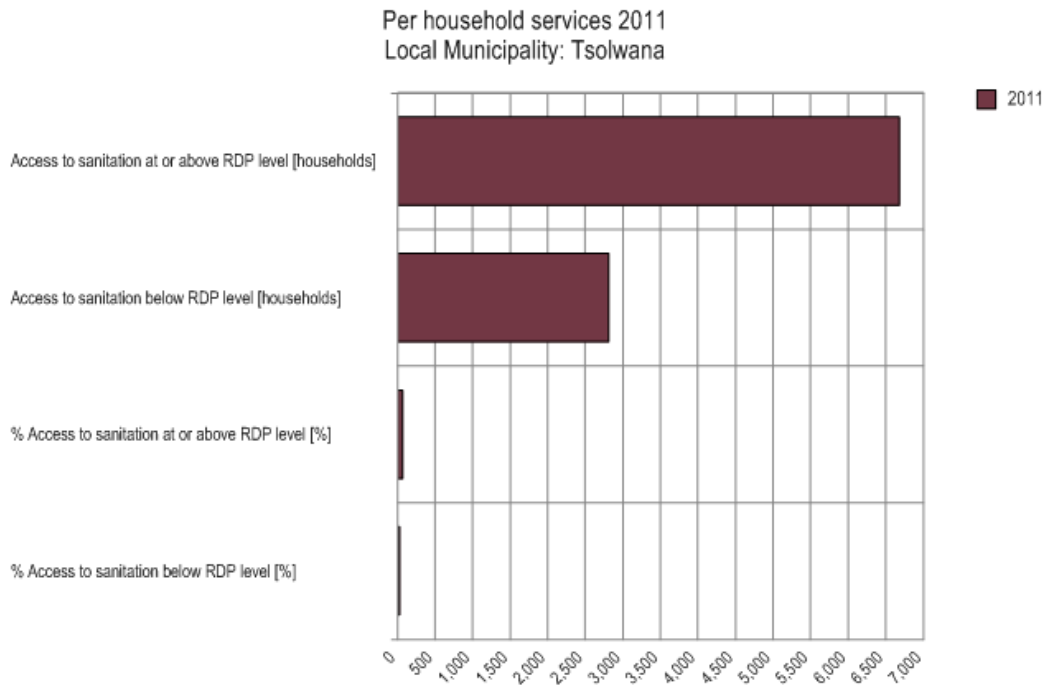
	1996	2001	2011	% 2011	1996	2001	2011	% 2011	1996	2001	2011	% 2011
DC 13 CH DM	45 765	60 059	89 706	43 %	37 680	53 793	92 777	44 %	84 112	71 499	28 369	13,4 %

EC 132	2 844	3 149	5 498	58 %	4 172	3 574	3 534	37.2 %	717	1 108	462	5 %
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**Table 11 Source: Statistics SA (Census 2011) - Distribution of Households access to piped water.**

**2.3.1.4 SANITATION**

Statistics SA 2011 has revealed that about 70 % of household have access to sanitation at /or above the RDP leves and about 29 % of households below the RDP standards. The figure below shows a clear picture of access to sanitation. The municipality remains committed to eradicate issues affecting communities on sanitation.



Source: Statistics South Africa

**Figure 11 : Access to Sanitation per household**

**A.Sanitation services, delivery strategy and main role-players**

Tsolwana Local Municipality is a Water Services Provider on behalf of the Water Services Authority, Chris Hani District. This was informed by the Section 78 assessment that was on the 1<sup>st</sup> of July 2008. Based on the above study, a service



level agreement was signed between the two institutions so as to formalise the working relationship in this regard. This WSA/WSP contract includes sanitation services. Chris Hani DM has approved and implemented VIP toilets in the Ntabethemba areas. Chris Hani DM has not been able to meet the National target of December 2008 for the eradication of buckets. This was due to non-performance by the contractors appointed.

This is only applicable to the Tarkastad bucket eradication project. Chris Hani DM has appointed learner contractor to continue with the project, CHDM has appointed a learner contractor however 107 original scope of work is not covering, 115 poorly constructed.

**b. Level and standards in sanitation services.**

The municipality remains committed in adhering to the required minimum standards regarding the sanitation services in the area. Customer Care Practitioner is updating the number of households for services yearly.

**c. Annual performance as per key performance indicators in sanitation services**

	<b>Indicator name</b>	<b>Total number of household/customer expected to benefit</b>	<b>Estimated backlogs (actual numbers)</b>	<b>Target set for the f. year under review</b>	<b>Number of HH/customer reached</b>	<b>Percentage achievement of the year</b>	<b>of during</b>
1	Percentage of households with access to sanitation services	14024	5199	5199		71%	
2	Percentage of indigent households with access to free basic sanitation services	>2091	0	0	2091	100%	
4	Percentage of clinics with access to sanitation services	11	0	11	11	100%	
5	Percentage of schools with access to sanitation services	35	7	0	0	0%	

**Table 12, Annual Performance in Sanitation****d. Major challenges in sanitation services and remedial actions.**

Dawn- Park area had 68 households are currently using bucket system June 2013. A contractor was appointed for the installation of sewer main but the work has not yet commenced. The sewer pump station at Zola has been upgraded to address issues of sewerage overflow. The bucket eradication project is in progress. Rural Sanitation is a project implemented by CHDM. There are challenges around the design of the structure which is not user-friendly. There are delays in project implementation due to unresolved issues around contract issues between CHDM and the contractor. (Ward committees to assist quantifying).

*Statistics SA (Census 2011)* has revealed that that the percentage of households with access to flush or chemical toilets has increased in all districts. Approximately 24% of households have access to flushed toilets in Tsolwana Municipality. Sanitation backlogs remain higher especially in wards located in the rural areas. Municipal planning must take cognizance of total eradication of bucket system.

**The following figure compares distribution of households by access to levels of sanitation provision.**

**Flush**

Toilet facilities	No Of Households- 2011	% of Households- 2011
None	1000	11 %
Flush Toilets with connected sewerage	1 676	18 %
Flush toilets with septic tank	486	5 %
Chemical toilets	196	2 %
Pit toilet with ventilation (VIP )	4 520	48 %
Pit toilet without ventilation	655	7 %
Bucket	784	8 %
Other	178	2 %
Unspecified	-	-
Not Applicable	-	-
Total	9 494	100 %

**Table 13, Statistics SA (Census 2011)****2.3.1.5 OBSTRUCTING FACTORS WITH REGARD TO WATER SUPPLY**

- Old, improper and poor structures/ reservoirs/ pump houses exposing them to vandalism
- Access roads to the reservoirs/pump houses are non-existent
- No standby pumps for emergency cases especially in summer.
- No protection from lightning
- Drinking water is very hard
- Livestock local farmers depend on the same source with the municipality for the farming activities.
- Maintenance of Municipal Recreational facilities (sport fields, parks) consume large quantities of drinking water.
- Tempering of consumer water meters
- Severe leaks in RDP Units left unattended to by the contactor and schools.

**Challenges with regard to Sanitation.**

- Blocked drains caused by root intrusion
- Foreign objects are flushed
- Non-compliance with DWA standards (Final effluent flows to Riet River ) posing a risk to a Skapkraal borehole and down to other consumers
- Final effluent is not chlorinated
- Non-compliance with OHSA

### **2.3.2 ROADS AND STORMWATER**

**Roads & Storm water**

The total road network length (km) for Tsolwana Municipality is 695 km, 4 km paved, 695 km unpaved (Department of Transport, status of municipal roads in Eastern Cape September 2013).

**a. Road maintenance services delivery strategy and main role-players.**

The total length of internal road in the municipality is 695 km (To be confirmed). The conditions of roads within the municipality especially in the Ntabethemba are in a state of disrepair. The storm water channels are non-existent throughout the municipal area causing roads to be eroded, especially during heavy rains. As 30 June 2013, a number of roads upgrading projects funded by Human Settlement to address the above issues in area such as Hofmeyr 13,5 Km have been completed, Tendergate 21,5Km, Rocklands 32.38, Becclessfarm 8 Km, Mitford 20 Km, Kwezi 15,9 Km all are gravel roads.

It is worth mentioning that Tsolwana Municipality and Department of Roads and Public Works EC signed Service Level Agreement (SLA) for upgrading of Tsolwana Roads. The scope of works will include road to Tsolwana Game Reserve, Tarkastad internal street, Hofmeyr Internal roads, Eluxolweni internal street and Zola Township internal roads. A Professional Service Provider was appointed for implementation of the project as at 30 June 2013. The Department of Roads and Public Works is intending to rehabilitate roads in 2014 financial year after heavy rainfall within the municipality. The said department is also planning to revive Tsolwana Road Forum in 2014-15 financial year.

**b. Level and standards in road maintenance services.**

The municipality does not have a plant to maintain the roads. However, efforts are made with the limited resources to address issues related to road maintenance. Department of Roads and Public Works is playing a significant role by supporting the initiatives of the municipality in the roads maintenance. In addition Department of Human Settlement is construction internal roads for the new RDP housing units. The absence of a unit and personnel for road maintenance is a challenge. The institutional organogram has provided space for this unit.

**c. Annual performance as per key performance indicators in road maintenance services.**

	<b>Indicator name</b>	<b>Total number of household/customer expected to benefit</b>	<b>Estimated backlogs (actual numbers)</b>	<b>Target set for the f. year under review (Actual numbers)</b>	<b>Number of HH/customer reached during the FY</b>	<b>Percentage of achievement during the year</b>
1	Percentage of households without access to gravel or graded roads	234km	124km	110km	110km	100%
2	Percentage of road infrastructure requiring upgrade	71.3km	221km	23.3km	0km	0%
4	Percentage of planned new road infrastructure actually constructed	0km	234km	0km	0km	0%
5	Percentage of capital budget	25km	213km	0km	0km	0%

reserved for road upgrading and maintenance effectively used.					
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**Table 14 Annual Performance on road maintenance, Annual Report 2012-13**

**d. Major challenges in road maintenance services and remedial actions.**

Although there is an SLA between Tsolwana Municipality and Department of Roads and Public Works to upgrade Tsolwana internal road but the challenge is funding. Another challenge is the non-existence of machinery to maintain the internal road.

**d. Major challenges in road maintenance services and remedial actions.**

Although there is an SLA between Tsolwana Municipality and Department of Roads and Public Works to upgrade Tsolwana internal road but the challenge is funding. Another challenge is the non-existence of machinery to maintain the internal road.

The municipality is responsible for the construction, maintenance and upgrading of local access roads and storm water infrastructure. Other roads are a responsibility of the District, Province and National department of Transport. The municipality will not develop a separate Master plan for roads but rather incorporate this function in the comprehensive infrastructure investment and maintenance plan. Similarly for storm water management function.

Observations of the visual road index reflect a decaying state of road and storm water infrastructure across the municipal landscape. This is largely due to lagging behind in maintenance which is often attributed to lack of funding, planning and HR capacity constraints.

The main transport routes within the municipality are found in Wards 4 and 5 and include the following:

- R61 from Queenstown to Tarkastad
- R344 from Balfour to Tarkastad
- R390 and R391 from Hofmeyr to Ukhahlamba District Municipality
- R401 from Tarkastad through Hofmeyr to N10
- R 61 linking Tarkastad and Cradock
- Road linking Tarkastad to Sterkstroom
- Hofmeyr – Cradock road

The conditions of the roads within in the wards 1,2 & 3 has improved with the assistance of DRPW and Department of Human Settlements. The accessible has also improved however there are still areas that still need more attention. The lifespan for the roads in wards 1,2 & 3 area are short. Storm water channels are in poor condition throughout the

municipal area thus the roads are eroded, especially during heavy rains. About 230 km internal gravelled roads within the settlements in the municipality indicated below are in appalling conditions and require urgent maintenance attention.

Ward	Settlements	Estimated Distance (Km)	Comments
1	Thornhill, Zola & Phakamisa	80.9	No storm water channels in these villages
2	Mitford & Rocklands	30.4	No storm water channels.
3	Tendergate, Spring Grove, Khayaletu, Thembaletu, & Khwezi	62.3	This includes 7.5km access road to Khwezi which is in a very poor conditions
4	Tarkastad (Including Zola and Ivanlew Townships)	38.0	Apart from the main road to Tarkastad and its internal roads that are tarred. Some houses are flooded during heavy rains in the Townships due to lack of storm water drainage.
5	Hofmeyr (including Luxolweni and Twinsville Townships)	22.1	The roads have no storm water drainage. Only the road passing through Hofmeyr to Cradock and the access road to Luxolweni are tarred.
Total		233.7	

**Table 15, Challenges on Road Maintenance, Annual Report**

The major handicap for road works and maintenance is budget availability. The municipality is unable to perform its function for access roads. For the financial years (2013/14, 2014/15 and 2015/16) only R 9,326 million was made available to construct and maintain access roads from MIG.

2.3.3

ELECTRICITY

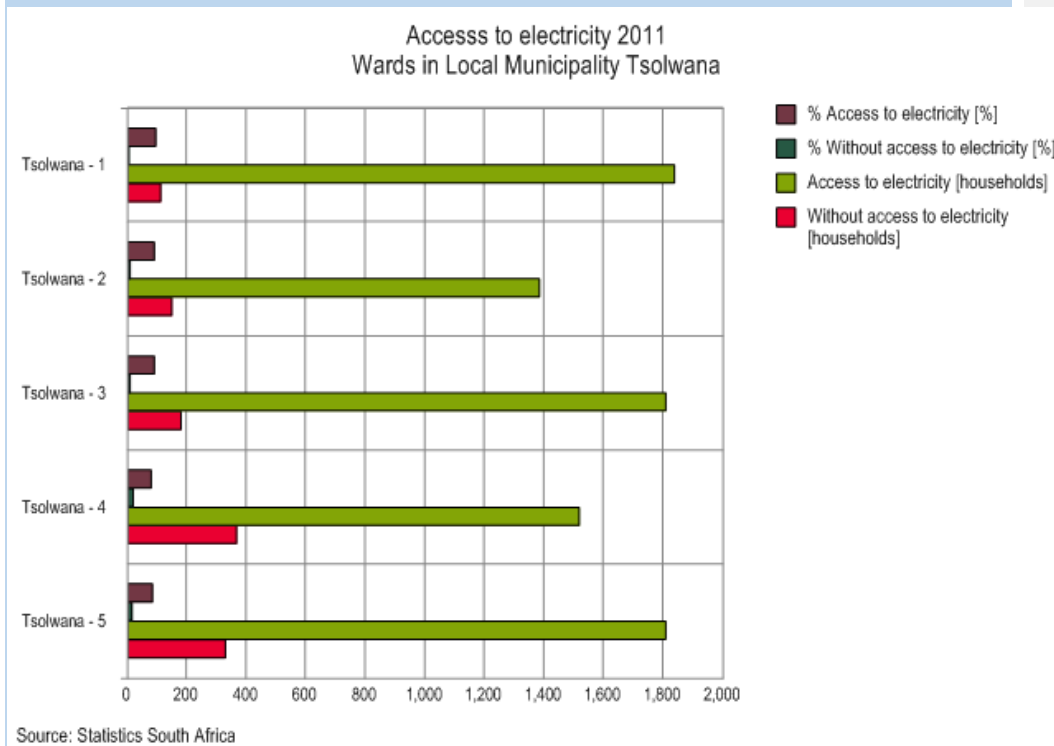


Figure 12, Access to Electricity

2.3.3.1 Electricity and energy supply sources

ESKOM is the licensed distributor of electricity in the rural area covering ward 1, 2 and 3. Tsolwana distributes electricity in the entire ward 4 & 5. The majority of households in Tsolwana Municipality have access to electricity supply. Tsolwana municipality is also licensed NERSA for Tarkastad town, Zola Township, Matyantya and Twinsville

Tsolwana Local Municipality, become one of the municipalities in the Eastern Cape to provide the communities with the system of SOLAR GEYSER, some households in the area of Tarkastad only have been provided with the Solar Geysers. The initiative of Solar Geysers is also assisting in terms of reducing the pressure on the current demand of Electricity. Stats South Africa 2011 shows that a large percentage of electricity is used for lighting.

There are a number of challenges experienced currently by the municipality. Among them is the ageing infrastructure, huge electricity loss, noncompliance with OHSACT

2.3.3.2 Areas of that need intervention:

1.1 Establishment of Electrical Department, the following will be needed; qualified electrician, artisan, and handymen.

- 1.1 An 8ton crane truck for line construction and line faults.
- 1.2 A cherry pick truck for street light maintenance and trimming of vegetation.
- 1.3 Two 1ton bakkies with canopies and ladder racks as we cover both Hofmery and Tarkastad.
- 1.4 Storage areas for equipment

1.5 Adoption of ESKOM standards

1.5.1 Pre-paid meters must be sealed

1.5.2 Enforce debt collection and establish a Revenue Protection Unit to mitigate energy loss

1.5.3 Identification of training needs and personnel

1.5.4 Policy review and communication

Statistics SA has revealed that about 88 % of households have access to electricity and usage differs. The majority of households in especially rural areas rely largely on risky means of energy sources for their cooking, lighting and heating. They mainly utilise paraffin, wood and candles.

The figure below reflects that an estimated 88% of households have connections and use electricity for lighting.

Cooking	No of households	%
	7 294	77 %
Lighting	8 355	88 %
Heating	1 984	21 %

**Table 16 Electricity Usage, Source: Statistics SA (Census 2011)**

Engagement with Eskom revealed that they had planned electrification expenditure investment for Tsolwana alone during their 2014/15 financial year. Eskom has a budget for 2014-15 financial year. The municipality is in the process of lobbying Eskom provide more accurate forecasting and better budgeting information to improve the situation. 12 % is a backlog based on Statistics. There are about 176 planned projects by ESKOM.

The table below gives a list of promises by Eskom which have not been met so far and which a resolution has been solicited for the confirmation as to whether Eskom is still continuing with these projects or grant permission for their removal in our future IDPs.

Remove

Outstanding number of households f or ward 1 (Thorn/ Zola)

Programme	Project	Amount
Rural Electrification		R 3,900,000



<b>Programme</b>	<b>Project</b>	<b>Amount</b>
	Zola - 200hh	
	Phakamisa -45hh	
	Hartbees - 12 hh	
	Mitford - 14hh	
	Rocklands - 10hh	
	Beccles - 20hh	
	Lindela - 3hh	
	Tendergate Extension 1 - 10hh	
	Tendergate Extension 2 - 10hh	
Hoffmeyer Infrastructure upgrade	Connect 519 hh by 2011	R 311,000,000

**Table 17 : Outstanding Households for Electricity**

Electrification of Matyhantya is currently underway and the project was split over 3 financial years 11/12, 12/13 and 13/14. Currently the project is in phase 3. Bulk infrastructure has been projected for Hofmeyer and Tarkastad. DOE is the main funder through ENERP.

**Major Challenges:**

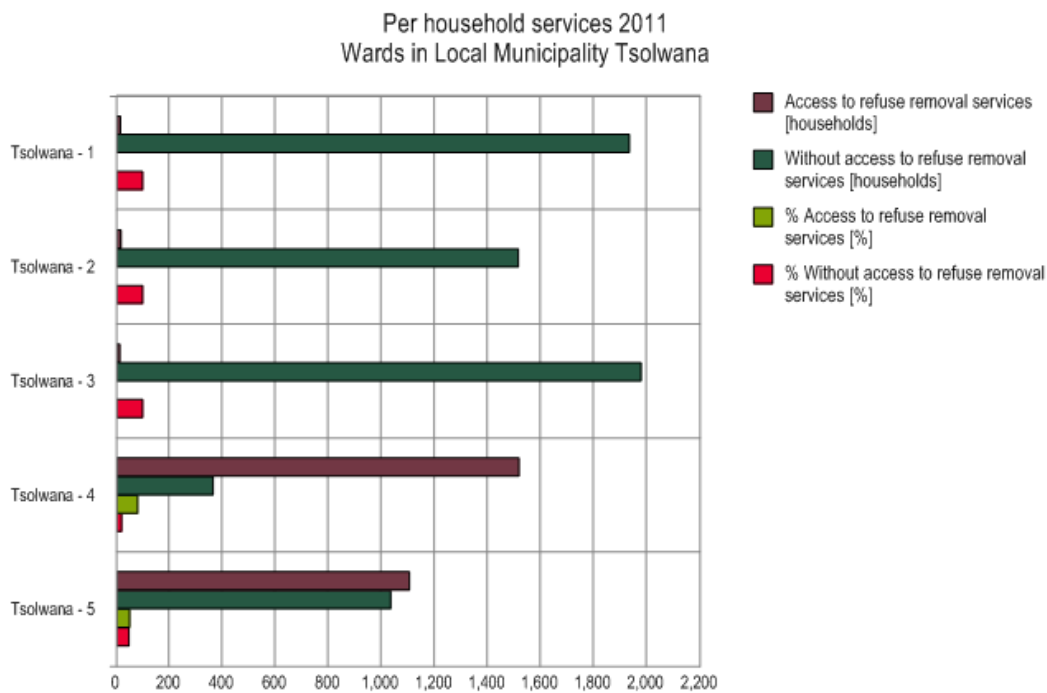
1. One of the main challenges for electricity supply is the old network which leads to power failure and electricity losses, infrastructure deterioration especially in the urban centres where this phenomenon poses a threat to investment attraction and urban renewal initiatives. The municipality intends to intensify lobbying of Eskom and DME to support infrastructure upgrade and expansion in especially the two towns of Tarkastad and Hofmeyer.

- Nonexistence of Electrical Department
- Aging infrastructure (No grant funding)
- Transfer of houses
- Lack of integrated planning with new infrastructure

**2.3.4 WASTE MANAGEMENT AND REFUSE REMOVAL**

Tsolwana municipality is responsible for providing refuse removal service to its areas of jurisdiction. Ward 4 and 5 have a high percentage of households receiving the service with ward 5, 51.6 % and ward 4, 80.6 %. In the rural areas there is no formal refuse disposal system. In the three wards that constitute Ntabethemba (Wards 1, 2, 3), this service is not rendered at all. The percentage of households with no access is about 99 % for the three wards in rural areas. The table below clearly gives the picture of refuse removal in the municipality.

Waste management is however, the responsibility of the district



Source: Statistics South Africa

**Figure 13 : Household Access to refuse Removal Per Ward**

Currently, there are two unregistered landfill sites i.e. in ward 4 & 5. The council does not have resources to ensure that these two landfill sites are properly registered and meet the required standards.

The municipality is currently negotiating a service level agreement with the CHDM to develop and manage a landfill site in its jurisdictional area.

#### 2.3.4.1 Solid waste management

The solid waste generated in ward 4 & 5 is disposed off at an unlicensed local landfill sites situated in close proximity to the two towns. There are major challenges with this arrangement which include the fact that the municipality does not receive any monies for

rendering this service from the authority as well as other environmental concerns such as possible water contamination, air pollution, unsightliness caused by windblown litter, no fencing, inaccessibility to the dumps, uncontrolled tipping, improper disposal of, especially, medical waste etc.

Tsolwana promotes sustainable waste management through facilitation of public awareness programmes, sorting of license and permits for operating a legal waste dumping site in Tarkastad and supporting income generating projects such as waste recycling.

As indicated in the above section, the municipality's landfill sites are not registered. It is therefore common knowledge that the standard of our land field sites is very low and need a lot of improvement. Both solid and rabble waste generated at Tarkastad and Hofmeyr is disposed of at local landfill sites situated in close proximity to the two towns. Among the problems associated with these landfill sites is possible water contamination, air pollution, litter caused by wind blow, our dumping sites are highly accessible to local communities as we have improved during the 2012/13 financial year.

The municipality has sent three officials for the training on how to manage waste disposal sites. Signage has been developed in Tarkastad and a guard house has been erected for the purposes of having a dedicated person to control the tipping of the waste. In the rural areas there is no formal refuse disposal system and that is contributing to high levels of illegal dumping that impacts negatively on the environment.

In terms of the backlog, it has been estimated that approximately 15% (754) of the households are without municipal refuse removal services especially in the area of Kuwait in Tarkastad. R500 000 is needed to eradicate this backlog. In 2012/13 financial year the municipality received an amount of R1.5 million from the district municipality for the purpose of job creation and poverty alleviation where 260 beneficiaries were employed. This number included youth, women and disable people.

The solid waste generated in ward 4 & 5 is disposed of at an unlicensed local landfill sites situated in close proximity to the two towns. There are major challenges with this arrangement which include the fact that the municipality does not receive any funding for rendering this service from the authority as well as other environmental concerns such as possible water contamination, air pollution, unsightliness caused by windblown litter, no fencing, inaccessibility to the dumps, uncontrolled tipping, improper disposal of, especially, medical waste etc.

Tsolwana promotes sustainable waste management through facilitation of public awareness programmes, sorting of license and permits for operating a legal waste dumping site in Tarkastad and supporting income generating projects such as waste recycling.

### 2.3.4.2 Service backlogs for refuse disposal

By 2011 only 28 % (Statistics SA 2012) of households were confirmed to be receiving weekly refuse removal, 67 % own refuse and 3 % of households with no rubbish disposal. There are refuse removal backlogs in wards located in rural areas of ward 1, 2,3 where about 99 % of households dispose their own refuse without assistance from the local authority. The table below indicates the distribution of households by type of refuse removal.

	Ward 1	Ward 2	Ward 3	Ward 4	Ward 5	EC 132 Tsolwan a
Removed by local authority once a week	1 %	1 %	0 %	80 %	46 %	27 %
Removed by local authority less often	0 %	0 %	0 %	0 %	6 %	1 %
Communal refuse dump	-	1 %	0 %	0 %	2 %	1 %
Own refuse dump	99 %	96 %	99 %	10 %	36 %	67 %
No rubbish disposal	1 %	1 %	0 %	4 %	5 %	3 %
Other	1 %	1 %	0 %	4 %	5 %	2 %

**Table 18: Household Refuse Disposal Backlog: Source Statistic SA (Census 2011)**

### 2.3.5 Free Basic Services

Free basic service is a policy introduced by government in 2001 aims to alleviate poverty in disadvantaged communities which seeks to promote access to basic services by all despite levels of access to income (**six kilolitres free water and 50 kilowatts free electricity per month**). It is often funded through the equitable share allocation and facilitated via implementation of a clear indigent policy. Statistics SA has undertaken non-financial census of municipalities since 2002 for monitoring and evaluation of progress. For the year ending 30 June 2012 of the 11.7 million consumer units receiving water 4.3 had access to free basic water. Easter Cape had the second highest percentage, 45 % of consumer units receiving free basic water following Western Cape 66 % as revealed by **Statistics SA Census 2011**.

Tsolwana has a council adopted indigent policy which is administered and lead by the budget and treasury department. Currently the policy provides for subsidization of services such as electricity, water, sanitation and refuse. The costs of subsidizing water and sanitation are ring fenced and managed at Chris Hani District level.

Electricity is subsidized through transfers to Eskom who in turn reduces costs of sale of prepaid and conventional power to users in our areas. This policy is being reviewed for 2014/2015 financial year in order to improve its targeting and verify beneficiaries.

### Challenges for Waste Management

- Infrastructure
- Equipment and machinery
- No refuse removal in wards 1,2,3 rural wards
- Inadequate personnel
- Illegal dumping.

### 2.3.6 COMMUNITY/ PUBLIC AMENITIES

#### 2.3.6.1 Community Halls

Tsolwana owns and manages a number of community facilities. There is a need to develop a library in Thornhill, swimming baths in rural wards for recreational activities. A formal park is currently under construction in ward 4 , another one needs to be developed in ward 5, and upgrade existing sports fields and community halls.

Currently, there are 16 community halls distributed amongst the wards as shown in the table below.

Ward	No. of Community Halls	Location
1	1	Thornhill, Zola Village
2	2	Mitford & Rocklands and Phakamisa
3	1	Tendergate, Ikwezi, Springroove, Thembaletu, Buccleasefarm
4	3	Tarkastad Town, Ivanlew Township & Zola Township
5	2	Hofmeyr Town & Luxolweni Township, Twinsville

**Table 19 : Location of Tsolwana Community Halls**

#### 2.3.6.2 Sports Grounds

Sports arts and cultural heritage services are a primary competence of the Department of Sports, Arts and Culture. Tsolwana municipality plays a facilitative role in the identification of needs and cooperates with the Department of sports arts and culture in the implementation of such services.

Existing sports facilities are limited to a few poorly developed sports fields in Wards 1, 2, and 3. Upgrading needs to occur in these areas that are currently served with dilapidated sports fields. Standard size sports fields are in ward 4 and ward 5.

There are existing sport facilities in wards 1 and 2. Maintenance of these facilities is not consistent. Ward 3 does not have a sport facility except for playing grounds.

Zola township sport facility in ward 4 has been upgrading has been completed. Upgrading needs to occur in ward 5 which is currently dilapidated.

#### **2.3.6.3 Libraries**

There are three libraries in the municipal area which are managed by the Municipality on an agency basis in terms of a Service Level Agreement entered into with the Department of Sport, Recreation, Arts and Culture and Chris Hani District Municipality. The libraries are located in Ward 4 and Ward 5. Ward 3 has been provided with a container with the assistance of DSRAC. The members of the IDP/ Budget Representative Forum raised the absence of library services in ward 1 and 2 as a concern. The municipality was urged to facilitate dialogues with relevant stakeholders including DSRAC and CHDM for the establishment of libraries in wards where there are no libraries.

#### **2.3.6.4 Cemeteries**

In ward four (Tarkastad) two cemeteries that are used by the previously disadvantaged

Communities are 95% full which necessitates an urgent identification of new cemetery. The number of deaths within the municipality is putting pressure on available space for cemeteries.

There is generally fair distribution of cemeteries in the municipality. The challenge is the environmental compliance, quality, maintenance and size of current facilities. There are current plans to undertake investigation of alternative sites for future expansion of this service. Facilities in rural wards 1, 2 and 3 are informally managed by the local communities.

The following environmental issues regarding cemeteries location and development were noted:

- The unsuitable geographical location of cemetery sites in relation to drainage features (e.g. lakes, rivers, dams, streams and marshes). This poses environmental and health risks in terms of possible seepage from the graves into the water bodies.
- Improper maintenance of the cemeteries / burial grounds and crematoria in the rural villages.

#### **2.3. 6.5 Pounds and Fencing**

The municipality is assigned power and functions over ponds and fencing. Tsolwana Municipality must consider the idea of developing a pound to cater for areas around Thornhill. The municipality must facilitate dialogue for fencing with the department of

Rural Development and Agrarian Reform for budgeting and implementing their projects within the jurisdiction of Tsolwana

#### **2.3.6.7 Community Safety and Security**

Tsolwana Municipality does not have its own municipal police force therefore the responsibility for providing safety and security services in its areas rests with the South African Police Services Department (SAPS). Tsolwana participates in Local Community Policing Forums (CPF). There is no intention for the municipality to have its own separate safety plan outside of the one used by the SAPS since this is their competence in the first place.

Crime especially domestic violence and common assaults linked to substance abuse is prevalent in the area. An integrated social development strategy is needed to guide interventions aimed at reducing these occurrences. There are 5 police stations in the Tsolwana areas, viz the Thornhill (Ward 1), Rocklands (Ward 2), Tendergate (Ward 3), Tarkastad (ward 4) and Hofmeyr (Ward 5). The department of road and transport has undertaken to introduce the following programmes in Tsolwana ;

- Establishment of Community Road Safety Councils (CRSC) by all provinces. 20 District CRSCs are in place, There are two members in Tsolwana Municipality
- Learner driver education programme
- Implementation of junior traffic training centre initiatives aimed at encouraging young pupils to understand and learn to obey road rules

#### **2.3.6.8 Traffic Safety**

R61 that runs through Tarkastad to Cape Town is notorious for critical accidents especially during the festive and Easter holidays, to the extent that SANRAL and national department of Transport has embarked in a project of expanding the road on both side (i.e. Tarkastad – Cradock and Tarkastad – Queenstown). The municipality as part of its contribution towards traffic safety and revenue enhancement strategy has established a Traffic Control Unit with the approval of the provincial department of Transport. Four youth (three males and one female) were trained and have qualified as Traffic Officers. One Chief Traffic Officer is to be employed to manage the function. An old railway station has been converted to house the traffic unit. Included in this initiative, learners and driving licenses are to be tested. It is envisaged that this center will be in full operation by the end of 2014

### **2.3.7 COMMUNITY SERVICES**

#### **2.3.7.1 Education**

The role of the Tsolwana Municipality in Education is to facilitate and cooperate with the Department of Education for the provision of schools, education programs as well as directly provide for erection of early childhood learning facilities like crèches. In particular the municipality needs to communicate information to relevant authorities in terms of key priority areas needing education infrastructure and services.

The municipality also has direct interest in the monitoring of education and functional literacy levels among its economically active population so as to ensure adequate supply of critical skills needed for growing the local economy.

### 2.3.7.2 Skills and literacy levels

Approximately 52% of the population is functionally literate meaning that of the age category of 20 and above only 52% have attained schooling of grade 07 and above. The figure below gives a distribution of literacy attainment by schooling grades completed

However, the situation is slightly improving when considering that by 2011 Stats SA estimates for primary school enrolments in our areas is about 94.8%. This implies that most of the children who are supposed to have started schooling are currently enrolled for school.

### 2.3.7.3 Distribution of education assets (facilities)

There are 17 primary schools and 10 high schools and numerous crèches distributed within wards all the wards in the local municipality. Most of the schools are fair to good physical conditions, although individual educational facility has its own peculiar needs which the field study could not established at the time of the study (school holidays).

The distribution of the primary and high schools is indicated in Table—and Figure --.

Ward	No. of Primary Schools	Location
1	3	Thorn Hill, Zola & Phakamisa
2	2	Mitford & Rocklands
3	5	Tendergate, Spring Grove, Khayaletu, Thembaletu, Khwezi, Baccles Farm
4	3	Tarkastad Town (2) & Zola Township
5	3	Hofmeyr, Luxolweni & Twinsville

**Table 20 – Distribution of Primary Schools**

**Table 21 - Distribution of Secondary Schools**



Ward	No. of High Schools	Location
1	1	Thornhill
2	2	Mitford & Rocklands
3	2	Tendergate, Bacceles Farm
4	3	Tarkastad Town (High School), Tarkastad Town (Sec. School) & Zola Township
5	2	Hofmeyr Town & Luxolweni Township

#### 2.3.7.4 HEALTH

Primary health is a competence of the Provincial department of Health. Chris Hani DM is responsible for municipal health. There are mainly four parties that provide health facilities in the study area namely, Department of health, Chris Hani District Municipality, Tsolwana municipality and Private institutions. Tsolwana Municipality is serviced by one hospital and ten clinics. Martjie Venter Hospital based in Tarkastad provides a higher order health services to the entire sub- region but serious and critical cases are referred to Queenstown. The table below clearly indicate the distribution of health facilities within Tsolwana.

#### Distribution of Health Facilities

Ward	No of facilities	Facility Type	Location
1	1	Clinic	Thornhill
2	2	Clinic	Rockland and Mitford
3	3	Clinic	Tendergate, Baccles, Springgroove
4	1	Hospital	Tarkastad (Martjie Venter Hospital )
	2	Clinic	Tarkastad Town and Zola Township

5	2	Clinic	Hofmeyr Town and Eluxolweni
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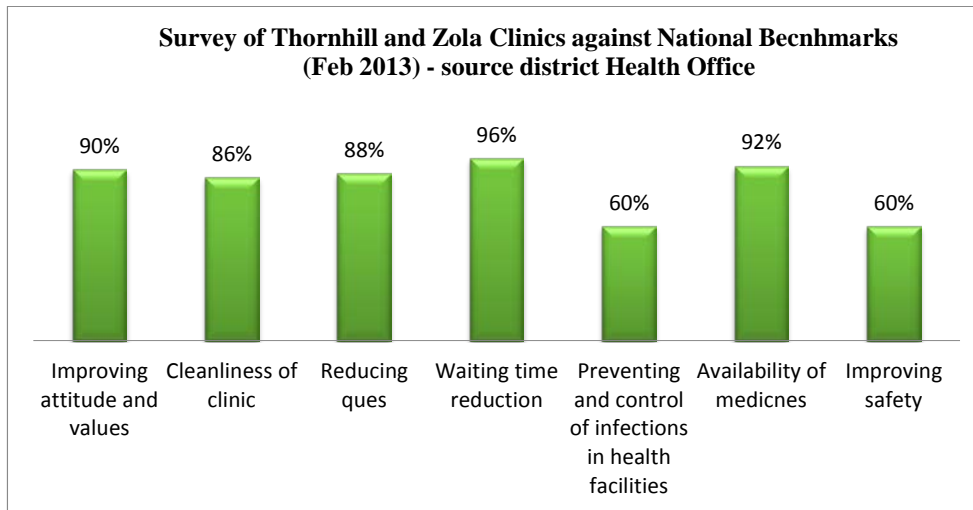
**Table 22 : Distribution Health Facilities**

**2.3.7.5 Overview of service**

Health service is steadily improving while there are still pockets of noticeable challenges and shortfalls in some areas. Our district health office conducts regular operational clinic surveys which are aimed at improving service quality and monitoring and reporting on a set of agreed benchmarks including among others:

- a) Quality of service as measured by attitudes of nurses and levels of professionalisms displayed while attending to a patients
- b) Length of time spent on queues waiting for a service
- c) Availability of medication and doctors at our facilities
- d) Compliance with signed charters and **Batho Pele** principles
- e) Effectiveness of programmes
- f) Cleanliness of facilities

The following figure gives an extract of the performance by Zola and Thornhill clinics on their recent performance report as measured using anonymous submissions by its users at boxes located in each clinic.



**Figure 14 : Extract of Performance (Thornhill and Zola Clinic ), District Health Office.**

The following table highlights key issues identified as emergency interventions in the operations of our local clinics.

Issue Programme /	Intervention	Comments
Disaster	Municipality assisted by donating an old building to be used as a disaster management coordination station	For maintenance that is doors and windows for privacy will be done after April 2013
Governance i.e Health councilor and clinic committees	Invited quarterly according to meetings in LSA and poor attendance and schedule given.	To organize Quantum to collect them to the meeting, if there is transport constraint
Outreach services	Door to door per clinic outreach team to their wards	Still pilot to check impact of visiting homes but no transport
School health services		All schools to be visited
Circumcision	This quarter, 179 initiates TRD only 6 Male medical circumcision This project need support from parents according to condition of boys.	Only 1 death 6 admissions, 13 septic dressed in bushes, bush tracking by DMO'S 1 gangrene. (revise with health )

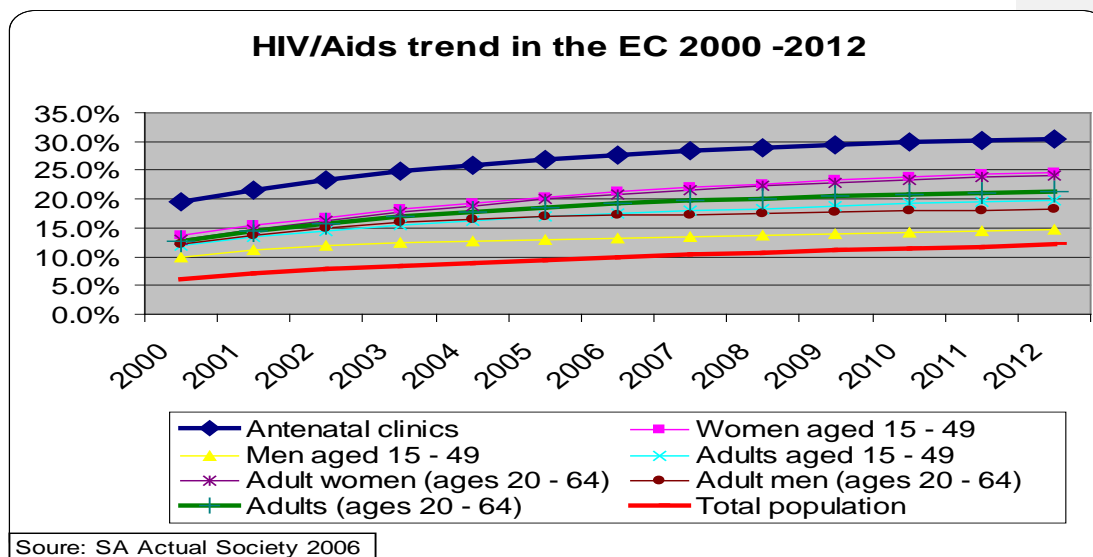
**Table 23 Key issues for intervention in the operation of Clinics**

#### **HIV/Aids programmes and prevalence**

HIV/Aids is a public health concern that the municipality should to at least monitor and proactively contribute to the reduction of the impact and the spread of HIV/Aids among its communities. Tsolwana has a workplace HIV/Aids policy but the current policy is silent on HIV prevalence and targets for reducing the spread of Aids. The prevalence rate is estimated to be 9% for HIV and 1% for AIDS **(Global Insight: 2008)**

Figure below reflects on HIV/Aids prevalence rates in the province and country over the last 5 years.

The above figure indicates that women of economically age groups 20 – 64 years of age in the province are most vulnerable. The figure below gives longitudinal projections of HIV/Aids impact.



**Figure 15 : HIV/AIDS Trends in EC 2000- 2012**

The table below gives a matrix assessment of the quality of health service provision using common national indicators. Zola and Phakamisa villages (in wards 1 & 2) do not have constructed clinics and are serviced by mobile clinics.

Quality Of Health Care Services Indicator	Benchmark	Performance Against Benchmark
Access to health facilities (clinics)	1: 10 000 households	Tsolwana needs 3 clinics. It is well served with its 10 clinics
Access to health facilities (L-1 Hospital)	1 : 25 000	Needs 2 L-1 hospitals. Adequately served with its hospital facility in Tarkstad
Nurses per 100 000 population	12 / 100 000 population	Unknown
Hospital beds per 1000 population	2.5 / 1000 population	Unknown
Emergency Medical Vehicles per 100 000 population	5-8 vehicles / 100 000 population	Unknown

**Table 24: Quality of Health Service Provision**

**2.3.7.6 DISASTER MANAGEMENT**

Disaster management is a competency of the district but the municipality works closely to ascertain that systems and processes for responding to local disasters such as fire and other emergencies are in place. The municipality has a localised response plan which provides for setting up of policy and institutional arrangements for dealing with disasters and liaising with the district.

The municipality assists by facilitating public education and awareness campaigns for disaster and risk management and also contribute to the planning of response plans

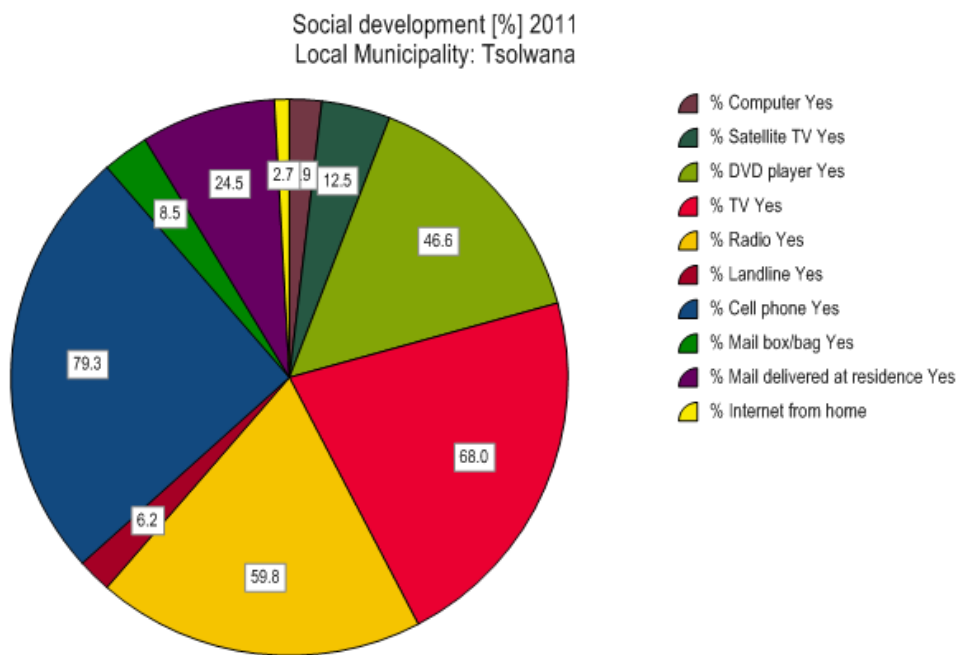
**Main Challenges:**

- Inability to access the service in ward1,2,3,- Establishment of a satellite office with adequate equipment
- Substation to accommodate distance

**Communication**

**2.3.7.8 TV and Telecommunication**

There is access to telecommunication services. The cellular network is good in all of the towns although some problems are experienced between Tarkastad and Hofmeyr. TV (can add more)



Source: Statistics South Africa

**Figure 16 : TV and Telecommunication Services.**

Statistics SA 2011 has revealed that the majority of Tsolwana citizens (79 %) use cellphone followed by 68 % using TV as well as 59 % using radios. In this scenario the municipality must consider engaging relevant parties for installation of the necessary devices for upgrading of the network within the jurisdiction of Tsolwana. It is also estimated that about 5,9 % and about 2 % have access to internet.

### **2.3.7.9 TRANSPORTATION**

There are no planned movement patterns and this cause the local spatial economy to underperform. Public transport system in the area is weakly developed and is limited to minibus taxis that service the area on a regular basis. Private cars and bicycles are in the minority. There is a provision for non - motorized Commuter shelters are available and not adequate for Tsolwana citizens. Properly organised taxi ranks with commuter shelters need further consideration. The lack of a comprehensive SDF also adds to this planning problem. It is envisaged that on review of the SDF will assist to address this challenge.

Poor roads due to lack of maintenance and adequate funding for new road construction hampers free and smooth transportation of goods and produce from local farms to markets.

Analysis of transportation challenges show among others there are no formal crossing arrangements to cater for pedestrians. Signage in most areas and along key distributor roads is lacking. However, the municipality is in contact with Chris Hani District Municipality to lobby for implementation of commitments as specified in the District Integrated Transport Plan.

### **2.3.8 LAND REFORM AND HUMAN SETTLEMENT**

#### **2.3.8.1 Land administration**

Land administration function for Tsolwana is mainly comprised of activities like facilitation of land use planning, transfers, sale of estates and management of public assets such as ponds and commonages.

Tsolwana consists of two main urban nodes, Tarkastad and Hofmeyr, which are surrounded by commercial farmland. The farmlands are privately owned. The lands in the rural areas in the Ntabethemba district are owned by the state. In these areas land ownership is directed through intermediary mechanisms such as the issuing of occupational certificates. The long term view of the municipality is to transform this ownership form into freehold so as to increase security of tenure for households and empower their asset wealth. There are efforts to formalise relations with local Traditional authorities to facilitate such development.

### **2.3.8.2 Land tenure**

There are basically two dominant forms of land ownership patterns in our municipality, viz communal and freehold. Freehold is further divided into two components of long term leases (up to 100 years) and outright ownership with a title deed. Communal land is largely concentrated in wards 1,2, and 3 while freehold comprises mainly Tarkastad, Hofmeyr town and private commercial farms.

The first pay out of the Eastern Cape's biggest land claim, amounting to more than R390-million, was being paid to thousands of Tsolwana residents on the 4 December 2013 in Thorn hill. Cheques were officially handed over to beneficiaries as a form of compensation for the land claims of people who were forcefully removed from 23 villages Herschel and Sterkspruit between 1975 and 1976. The pay-out was made by the Rural Development and Agrarian Reform Department

The municipality needs assistance in identifying land ownership/ conducting land audit.

### **2.3.8.3 Land use, ownership and supply**

Tsolwana Spatial Development Framework (2010) incorporates a land use framework for guiding planning and management of landuses across the municipality. The Tsolwana IDP states that in the long run the municipality intends to transform the land ownership status of the rural areas of Ntabethemba by replacing the issuing of occupational certificates into freehold title ownership.

The following issues regarding land and housing are highlighted:

- Problems of relocations and farm evictions in farms around Tarkastad and Hofmeyer need to be resolved.
- Rural villages desire more land for settlement and commonage.

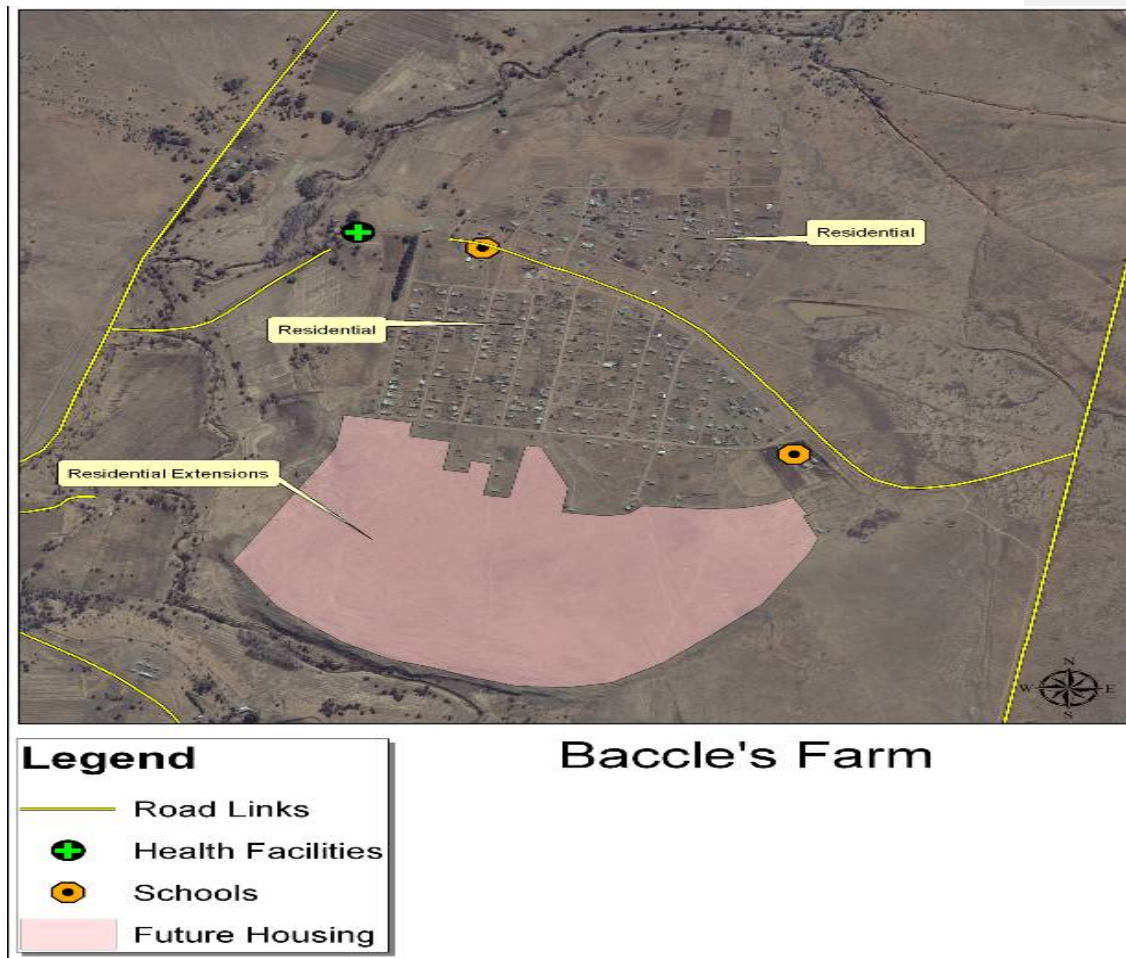
### **2.3.8. 4 Strategic Land Parcels**

The land set aside for housing development in Ntabethemba is state owned farms (registered state land). According to the SDF 2010 three of the villages have been formally proclaimed as Townships (Thornhill, Zola and Phakamisa) whilst some of the villages (Khayaletu, Spring Grove and Tentergate) have been planned, but formal Township establishment/Proclamation has not yet been finalized.

The existing commonage land in Tarkastad is to be used for new housing. For the balance of the remaining settlements, although appear not to have been formally proclaimed as Townships (no General Plans are registered), Thornhill, Zola and Phakamisa have also

benefited from a formal Rural Housing project, with residents' ownership having been formalized by way of full title.

The following aerial photos indicate the strategic land parcels for residential development in rural and urban settlements in the Municipality.



**Map 2 Strategic land parcels: Baccles Farm**

*Source: Tsolwana Housing Sector Plan 2012-2016*

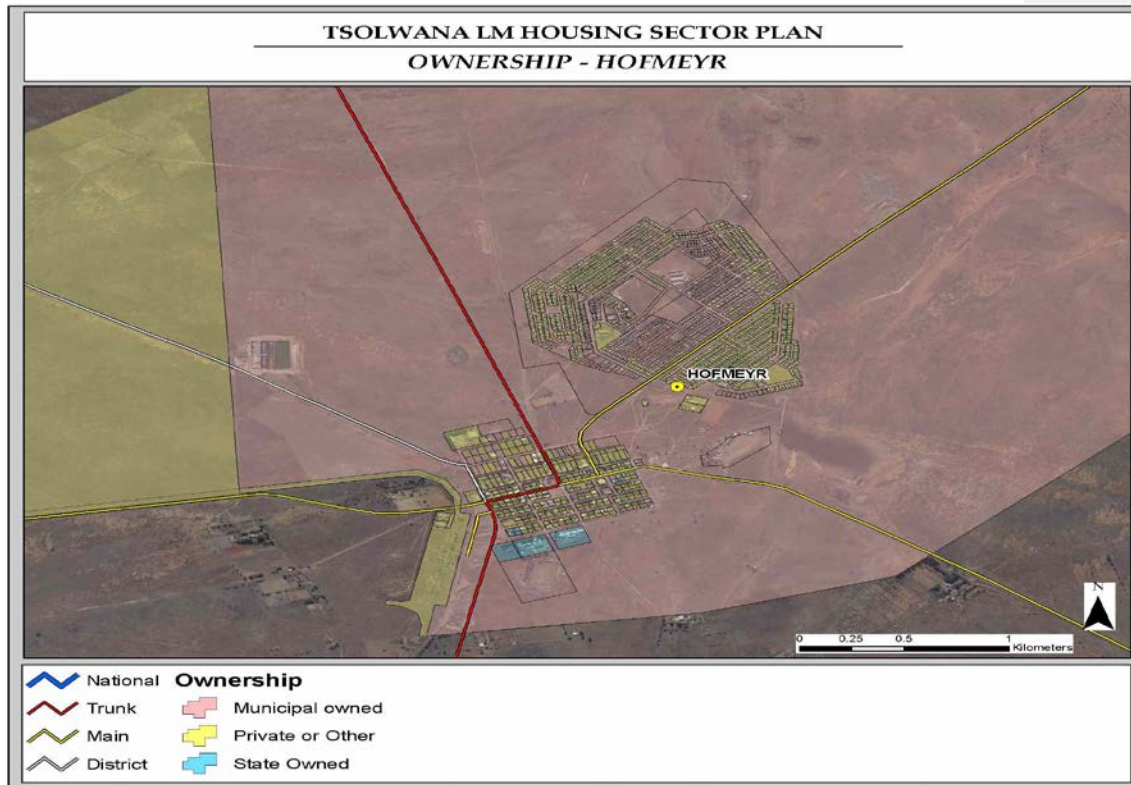
### **2.3.8.5 Land Ownership in Rural & Rural Settlements**

In rural areas Land belongs to traditional authorities. Urban centres are surrounded by commonage land and beyond that privately owned farm land.

### **2.3.8.6 Land Ownership in Urban Centres**

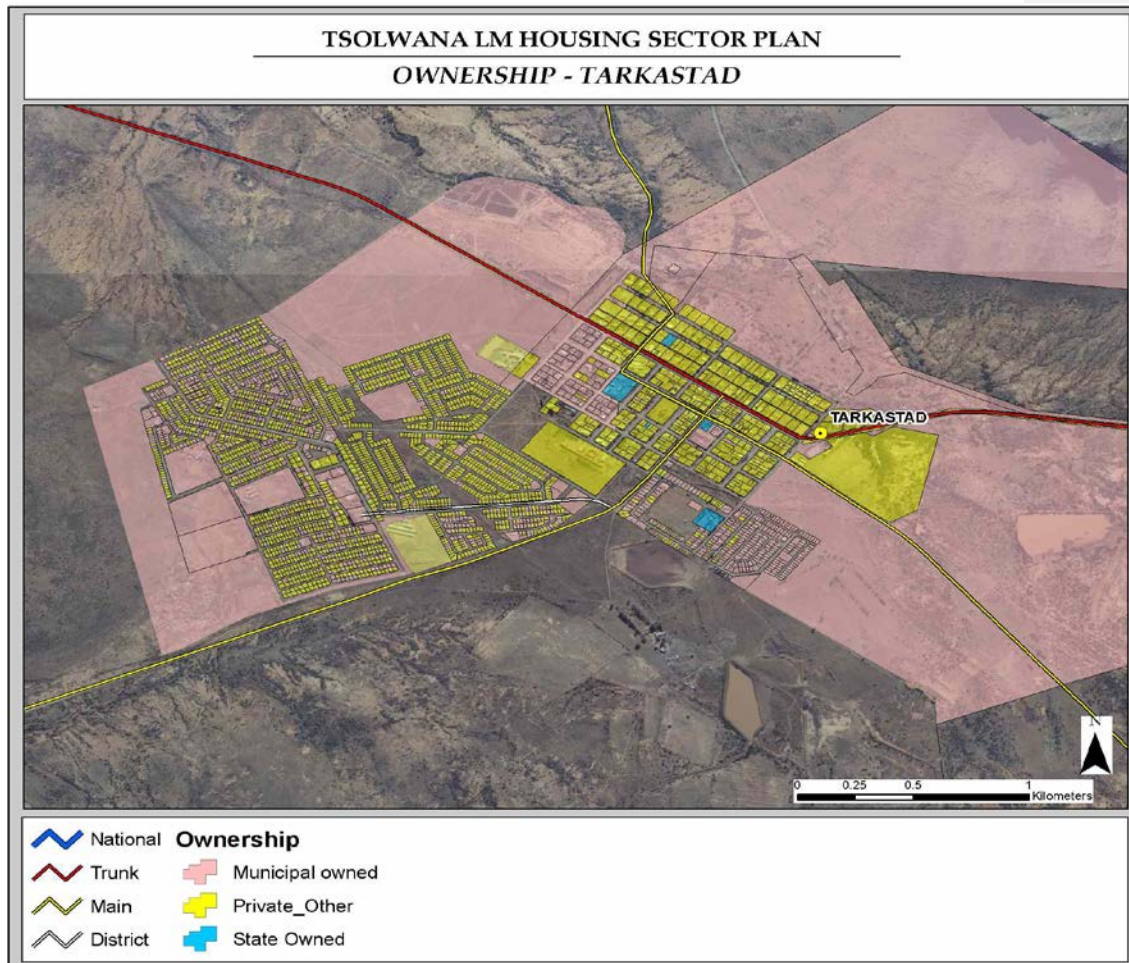
The plans and tables below indicate private, municipal and state land ownership within the urban centres of Hofmeyr and Tarkastad.





**Map 3 : Ward 5 Ownership**

<b>OWNERSHIP</b>	<b>No. OF ERVEN</b>	<b>HECTARES</b>	<b>%</b>
Municipal owned	738	1718.6001	69.65
Private Other	1294	737.2588	29.88
State Owned	14	11.5047	0.47
<b>Total</b>	<b>2046</b>	<b>2467.3636</b>	<b>100</b>



**Ward 4 : Ownership in Ward 4**

Ownership	No. of erf	Hectares	%
Municipal owned	903	592.5691	81.22014
Private Or Other	2238	134.6191	18.45149
State Owned	8	2.3957	0.328365
<b>Total</b>	<b>3149</b>	<b>729.5839</b>	<b>100</b>

**2.3.8.7 Land Potential and Constraints**

The major challenge faced by the municipality is that some of the parcels of land that belong to the municipality that is potential for housing development are zoned agriculture. Township establishment on a land zoned as such follows a cumbersome process.

### 2.3.8.8 Summary of Land Availability

Tsolwana Municipality urban centres are mainly surrounded by privately owned farmland. The Land in the rural areas of Ntabethemba Administrative Area is owned by the state where land ownership administration is administered via intermediary mechanisms such as the issuing of occupational certificates. The Tsolwana IDP states that the long term view is to transform this ownership form into Freehold to increase security of tenure for households and empower their wealth assets.

Communal land is largely concentrated in the greater Ntabethemba area while freehold comprises mainly Tarkastad, Hofmeyr and private commercial farms.

The SDF summarises the land required for housing development as follows.

#### **LAND FOR HOUSING DEVELOPMENT**

<b>Settlement</b>	<b>Area in Hectares</b>
<b>Baccles Village</b>	78.03
<b>Hofmeyr</b>	32.27
<b>Khayaletu</b>	22.05
<b>Kwezi Village</b>	35.86
<b>Mitford</b>	70.77
<b>Phakamisa</b>	17.88
<b>Rocklands</b>	35.1
<b>Spring Groove</b>	54.98
<b>Tarkastad</b>	40.86
<b>Tentergate</b>	41.94
<b>Thornhill</b>	325,42
<b>Zola</b>	30.35
<b>Total</b>	765.69

*Table 25 Source: Tsolwana Rural SDF 2010*

### 2.3.9 Tsolwana Housing Sector Plan (2012-2016 )

**Vision:** The vision of Tsolwana Municipality is to provide basic services (including housing) to communities of Tsolwana with emphasis on economic growth, rural development and agricultural sustainability.

#### **Strategic Development Priorities**

- The municipality to establish a Housing Unit.
- A need to review the Spatial Development Framework Plan.
- The Rectification Program in the municipality needs to be speeded up so that all houses that have not yet been transferred to their rightful owners can be issued with the Title Deeds.
- Houses build before 1994 and after 1994 and dilapidated/fallen houses needs to be assessed urgently in order to submit an application for funding to the Department of Human Settlements.
- Clear programme for the Disaster houses to be drafted
- Strategic approach in dealing with other applicable application processes such as EIA's, geotechnical studies.
- The municipality to registration the Emerging Building Contractors with the NHBRC and provide necessary training to prevent poor workmanship.
- Awareness campaigns be conducted with the communities regarding Land Use Management to avoid illegal occupation of land, illegal dumping, illegal construction of properties;

#### **Strategic Programmes:**

- Defining and understanding demand
- Increased scaled up supply of state funded housing delivery
- Closure of all blocked projects and rectification of all defective houses
- Developed institutional structuring
- A suitable structured and capacitated housing department
- Developed strategy for households in traditional structures in rural areas
- Eradication of squatters and informal settlements
- Provision of housing for middle and high income earners
- Enhance quality and standard of RDP houses.

The role of the municipality in housing is also facilitation and administration of beneficiary registrations and monitoring. The municipality must set aside, plan and manage land for housing development, plan and develop bulk infrastructure to support housing development initiatives. In addition to that the municipality has a crucial role to initiate, plan, coordinate ad develop housing projects.

### 2.3.9. 1 Housing Delivery Management

The municipality does not have a housing department. Housing concerns are handled by Community Services Directorate, delegated to Land and Estate Officer. The municipality highlights that with the current staff composition, it does not have the capacity to manage and implement housing projects.

#### **ORGANIZARTIONAL SET UP FOR HOUSING**

Positions	RESOURCE AVAILABILITY/UTILISATION			
	Approved	Filled	Vacant	Advertised
• Management Positions	Y	Y		
• Technical and Financial Control Positions	N	N	N	N
• Administrative Support	Y	Y	N	
• Social Facilitation and Support	N	N	Y	N
• Contracts Implementation and Management	N	N	Y	N
• Other, specify				

**Table 26 : Organizational Set up for Housing, Source, Tsolwana Housing Sector Plan**

#### **Institutional Arrangements**

Current support from the Province creates huge dependency rather than provide support that realises the transfer of skills to the Municipality. Reliance on professionals to plan for and deliver housing creates the same dependencies with no meaningful transfer of expertise. The ability to manage these outsourced arrangements is also absent/low with the Municipality at present.

In order to support the proposed structure above the land and project packaging and applications can be outsourced to a local professional team. Agreements with Province, NHBC, NURCHA, and HDA must be entered into to provide support as identified in the stakeholder analysis table. Co-operation agreements must be entered into with the NGO'S, CBO'S and higher learning institutions to support the department with its research agenda and social facilitation need

The Department of Human Settlements has appointed a service provider (Kenteys Consulting) is currently assisting the municipality to review Tsolwana Housing Sector Plan. In addition the Department has also appointed a service provider (MBUMBA Consulting) to develop a housing needs register.

Department of Human Settlements provides funding of housing programmes. Its role is to develop sustainable human settlements for needy South African Citizens through the delivery of the following key programmes.

- IRDP – Tarkastad 61
- Internal services (Roads & storm water, full water borne sewer system, water reticulation and Top structures with VIP's in the rural areas.
- Emergency programme
- Destitute programme
- Rectification programme
- Social housing , CRU's and Middle Income housing
- Rural subsidy voucher system

**In 2013/2014 financial year, the Department of Human Settlements is busy with the following projects.**

Project	Status	Full Services	Partial Services		Projected expenditure
			Roads & Storm water	VIP/Rainwater tanks	
Mitford	Project blocked		221	0	R 10,31m
Rocklands/Baccles farm 688	Contractor on site	0	344	0	R 11,46m
Khwezi 512	Contractor on site	0	512	0	R 8,55m
Springroove/Thembalethu	Contractor on site	0	535	0	R 5,08m
Tendergate/Khayalet hu	Project blocked	0	550	0	R 12,56m
Hofmeyer –twinsvile youth 500	Contractor on site	0	500	0	R 7,9m

Project	No. Of Units	Status	Contract Details	
Tarkastad	1671	Tender stage	Contractor	To be appointed
			Duration	7m
			Budget	R 10m

Hofmeyer Youth	500	Contract or on site	Contractor	SC Contractors
			Duration	8 months
			Budget	R 7.9m
Mitford	700	Contract or on site	Contractor	Ukamva Civils
Springgrove / Thembaletu	535	Contract or on site	Contractor	Cotterrels Civils
			Duration	8 months
			Budget	R 3.7m
Rocklands / Baccles Farm	688	Contract or on site	Contractor	OM Mashilo
			Duration	7 months
			Budget	R 7.5m
Tendergate / Khayaletu	1101	Project blocked	Contractor	Ukamva Civils
			Duration	8 months
			Budget	R 8.6m
Khwezi	512	Contractor on site	Contractor	OM Mashilo
			Duration	7 months
			Budget	R 7.5m

**Table 27 Source: Tsolwana Housing Sector Plan 2012-2016**

The following housing projects are either in the design or planning stages.

**BATCH 4**

The Department of Human Settlements has assisted the municipality by appointing a service provider to conduct a feasibility study on the state of readiness for the projects. It is envisaged that on completion of the feasibility study the department will appoint contractors to start the project in 2013-14 financial year.



<b>Project Name</b>	<b>No of Units</b>	<b>Status quo</b>	<b>Progress</b>	<b>Approved Budget</b>
Barcelona	1000	Budget approved and service provider appointed	Well Resourced Developers Consortium are appointed and they have started with the work	<b>R 3 864 000.00</b>
Zola Village	700	Not yet appointed	Resolution for the budget still has to be approved.	<b>R2 704 800.00</b>
Thornhill Village	1500	Not yet appointed	Resolution for the budget still has to be approved.	<b>R 5 796 000.00</b>
Phakamisa Village	300	Not yet appointed	Resolution for the budget still has to be approved.	<b>R 1 159 200.00</b>
Mitford Village	350	Not yet appointed	Resolution for the budget still has to be approved.	<b>R 1 352 400.00</b>
Rocklands Village	200	Not yet appointed	Resolution for the budget still has to be approved.	<b>R 830 080.00</b>
Bacclesfarm Village	300	Not yet appointed	Resolution for the budget still has to be approved.	<b>R 1 159 200.00</b>
Tentergate Village	1000	Not yet appointed	Resolution for the budget still has to be approved.	<b>R3 864 000.00</b>
Khayaletu Village	100	Not yet appointed	Resolution for the budget still has to be approved.	<b>R 430 000.00</b>
Thembaletu Village	100	Not yet appointed	Resolution for the budget still has to be approved.	<b>R 430 000.00</b>
Springroove Village	200	Not yet appointed	Resolution for the budget still has to be approved.	<b>R 830 080.00</b>
Kwezi Village	200	Not yet appointed	Resolution for the budget still has to be approved.	<b>R 830 080.00</b>
Tarkastad	41	Not yet appointed	Resolution for the budget still has to be approved.	<b>R 231 840.00</b>

**Table 28: BATCH 4**

Other planned projects in terms of the municipality's sector plan and rectification programme of the Human settlements department include:

- Construction of internal services for the new 61 units in Tarkastad
- Assessment of defective units and rectification on Thornhill involving 1400 units



- 150 units needing rectification around Tsolwana at a cost estimated to be 13,5 million .
- Initiatives by NHBRC such as

Tarkastad	1000	Assessment of defective units	Procurement of service providers by NHBRC is underway
Tarkastad	671	Assessment of defective units	Procurement of service providers by NHBRC is underway
Hofmeyer Youth	500	Assessment of defective units	Procurement of service providers by NHBRC is underway
Thorn hill	1400	Assessment of defective units	Procurement of service providers by NHBRC is underway

### Challenges facing Housing delivery

*The housing Delivery challenges are listed as follows:*

- The municipality does not have any building inspectors and does not have adequate personnel to managing the housing delivery process.
- Contractors do not have the capacity to deliver: leading to substandard houses.
- Vandalism on properties that have not been occupied.
- Some areas do not have electricity.
- Some beneficiaries cannot be located.

### 2.3.10 ENVIRONMENTAL MANAGEMENT PROFILE

Tsolwana is assigned power and function for air and noise pollution. However, there is currently insufficient capacity to fully deal with these functions in our organizational arrangements.

Tsolwana subscribes to international and national environmental treaties which give it additional secondary responsibilities for environmental planning and conservation management. The latter role is often interpreted to include tasks such as:

- local agenda 21 initiatives,
- environmental impact assessment facilitation ito NEMA,
- bio-diversity and nature conservation management initiatives,
- participation in the state of environment reporting initiatives either by district municipality or by DEAT
- Cemeteries
- Commonage management (including pound & nature conservation)

- Environmental health (public health)
- Local Economic Development
- Refuse removal
- Solid waste disposal/management
- Sewerage treatment/sanitation
- Supply and/or treatment of potable water
- Urban public open space (parks & recreation)

**The key development issues are:**

- Cemeteries have the potential to pollute groundwater in the vicinity and will permanently exclude the area for development. Local authorities need to ensure that this will not affect the management and/or exploitation of natural resources in their areas of responsibility. Areas with a high water table, such as wetlands and floodplains adjacent to rivers should be avoided.
- Commonages are placed under pressure due to rapid urban growth and the presence of informal settlements and incorrect management practices.
- Environmental health - Population growth, urbanization, a lack of suitably qualified personnel and poor transport infrastructure in outlying areas puts pressure on environmental health.
- The use of natural resources plays an important role in Local Economic Development. High levels of unemployment, however, can put pressure on these projects as natural resources are limited.
- Refuse removal is carried out in all local municipalities. Increased income and associated standards of living can be expected to increase the amount of domestic waste generated in an area.
- Solid waste disposal and management.
- Sewage treatment/sanitation. Sewage treatment facilities are in existence, however the municipality should ensure that there is ongoing operations and maintenance.
- Supply and treatment of potable water is undertaken by the local municipalities. The supply of water is a top priority. The availability and quality of water must be assessed.
- Urban public open space (parks & recreation) can provide an important recreational area for the general public and a refuge for wildlife, but the use of public open space may be limited by crime and the negative effect

of visible pollution. Tsolwana has managed to develop a park in Ward 4 in 2013-14 financial year through EPWP initiatives.

### **Natural environment**

The natural environment provides the basis for the regional economy, especially the primary production, recreation and tourism. It is therefore essential that the integrity of the natural environment be not compromised if planning is to promote the welfare of the municipality's population.

### **Topography**

The study area is characterised by rolling and undulating and hilly to very steep areas within the valleys, as can be seen on Map 4. Slope analysis reveals that a large portion of the area, specifically north-eastern to south-eastern portions have slopes greater than 12% while areas around Hofmeyr down Tarkastad and also areas around Mitford and Zola right down to Tendergate have slopes of less than 5%.

### **Geology & Soils**

Tsolwana consists mainly of Beaufort sediments intruded by dolerite. These comprise of shale, mudstone and sandstone. The soils in the area are mainly derived from the Beaufort and Molteno series of the Karoo sequence. The soils are then poorly developed, shallow or rocky, which are not suitable for crop production. Soil salinity is a major problem in the irrigation areas of Tarkastad and Hofmeyr.

### **Climate**

The climate varies from arid to very cold high veld and falls mainly into 2 climatic zones according to the Agricultural Development Programme for the Eastern Cape (1986), namely, "Arid and semi-arid moderate midlands, and Arid and semi-arid cold high lying land"

### **Rainfall**

The average annual precipitation is between 100mm and 300mm in Hofmeyr and between 301mm and 600 mm in the rest of the municipal area. Rainfall distribution is poor and dry spells are a frequent occurrence. The further to the west, the poorer the rainfall distribution with fairly frequent droughts. This is a summer rainfall area with 70% – 80% of precipitation during the summer months and 20% – 30% during the winter months.

### **Temperatures**

Temperatures are coolest in the northern sections of the municipality becoming warmer to the south and east. Maximum temperature in Tarkastad and Hofmeyr ranges from

19.3°C to 25.3°C while the average minimum ranges from 4.1°C to 10.2°C. In wards 1 and 2, the maximum ranges from 22.4°C to 23.2°C and the minimum is up to 10.2°C. Ward 3 has an average maximum temperature of 22.3°C and an average minimum of up to 8.9°C.

### **Prevailing Winds**

During the summer months, prevalent wind direction in the study area is north – westerly (berg winds); whereas south – easterly to south – westerly winds prevail during the winter months.

### **Evaporation**

Evaporation in Tsolwana is approximately 2 146mm per annum, which is higher than its average annual rainfall.

### **Vegetation**

According to the vegetation type ( see Map 6 ), the area is covered by South – Eastern Mountain Grassland, Sub arid Thorn Bushveld, Eastern Mixed Nama Karoo and Moist Upland ( Chris Hani state of Environment report (2004).

### **South Eastern Mountain Grasslands**

Sweet grassland dominated by grasses such as *Themeda triandra*, *Pennisetum sphacelatum* and *Ehrharta calycina*. Dicotyledonous forbs are well represented and include: *Diascia capsularis*, *Sutera macrosiphon*, *Dianthus caespitosus*, *Othonna auriculifolia* and *Euphorbia epicyparissias*.

*This vegetation is good for cattle and sheep grazing. About 46% of the total South African extent of this vegetation type occurs in the CHDM. The existing pressure on this vegetation type is that it is suitable for winter grazing but susceptible to conversion to sourveld, karoo and Grassy Fynbos due to overgrazing.*

### **Eastern Mixed Nama-Karoo**

A complex mix of grass - and shrub-dominated vegetation types, which are subject to dynamic changes in species composition dependent on seasonal rainfall events. This vegetation type is too dry for crop production but is important for sheep and goat grazing for wool and meat, but is sensitive to overgrazing.

The existing pressure on this vegetation is that it is considered to be the most degraded vegetation type in South Africa by Acocks (important in desertification and karoo encroachment). Also overgrazing can lead to desertification and karoo encroachment and stocking rates must be determined by the rainfall at the time.

### **Moist Upland Grassland**

This vegetation type is dense, sour grassland with *Themeda triandra*, *Heteropogon contortus*, *Tristachya leucothrix*, *Eragrostis curvula* and *Elionurus muticus* as some of the dominant species. The tall-growing *Hyparrhenia hirta* and *Sporobolus pyramidalis* are often prominent in the area. Hardy forbs also occur as do some trees and shrubs on sheltered sites, rocky hills and ridges. In fire-protected areas the incidence of other species increases, including forest pioneers such as *Rapanea melanophloeos* and some Fynbos species.

Grazing, maize farming and forestry are suited to this vegetation type. Hiking also occurs in some areas. In terms of existing pressures on this vegetation type, it is said that poor management encourages growth of unpalatable grasses and the invasion of weeds. Summer burning also reduces invasion of Grassy Fynbos and Afromontane Forest. In the absence of fire, Afromontane Forest and Grassy Fynbos may become invasive.

### **Sub-Arid Thorn Bushveld**

Acacia karroo bushclumps or individuals characterize this type, but the grass layer mostly remains intact, except where severely overgrazed. The most prominent grass species include *Themeda triandra*, *Cymbopogon plurinodis*, *Eragrostis curvula*, *Sporobolus fimbriatus*, *Heteropogon contortus*, *Digitaria eriantha* and *Eustachys paspaloides*.

This vegetation type is suited to grazing. About 52% of the total South African extent of this vegetation type occurs in the CHDM. Fire and grazing are important processes in the extent of this vegetation type. This vegetation is also poorly conserved.

### **Water resources**

#### **Rivers**

Tsolwana municipality is drained by numerous rivers, the major ones being, Swart-Kei, Tarka, Elands, Vlekpoort, Teebus and Hongerskloof, Haasfonteinloop, and Riet.

#### **Dams**

Tsolwana Municipality has 2 major dams, namely, Grassridge and Commando drift Dams. Grassridge Dam situated on the north-western boundary of the municipality is used as balancing dam whereas Commando drift located on the south western boundary is used for irrigation.

#### **Wetlands**

Wetlands refer to rivers and their marginal zones, such as floodplains. A number of wetlands occur within the catchments of significant dams. The most serious threat to wetlands is gully erosion. The headword (upstream) retreat of these gully systems can

lead to the erosion and hence loss of wetland areas. As wetlands act as sediment storage sites within catchments, the loss of these areas may with time lead to the siltation of dams downstream. This implies a loss of storage capacity within these dams and possible grazing land during times of drought.

Important wetlands, (pan / pond and dam wetlands) in the study area are clearly indicated on Map 9. According to the study, these wetlands have been heavily impacted upon either by human activities e.g. cultivation, overgrazing, etc. exotic vegetation invasion or soil erosion

### **Major Environmental Challenges**

The following environmental problems are some of the major issues of concern facing the municipality:

- Contaminated rivers and streams throughout the study area but especially the Keiskamma River.
- Loss of sensitive environments and biodiversity, and habitat degradation.
- Health and environmental risks associated with poor water quality.
- Eutrophication of water impoundments.
- Lack of legal compliance.

The general causes of the above issues include the following:

- Urbanization in river catchment areas
- Cemeteries and burials located close to water resources
- Lack of awareness

### **Natural Disasters**

Frequent occurrence of severe storms and tornados

- Storm damage to properties (houses)
- Flooding
- Extreme drought

Uncontrolled veld fire which destroy grazing and grass used by communities for roof thatching.

## **2.3. 11 LAND CARE**

Tsolwana has some of the most erodable soils in the district, particularly in the former Ciskei area in Ntabethemba i.e. Kwezi, Thembaletu, Khayaletu, Rocklands, Baccles Farm, Mitford and Thornhill, including areas such as Zola village, Phakamisa, Tendergate, Spring Groove and Tarkastad. The municipality does not have direct competence and in-house

skills to deal with such highly technical aspects of soil erosion management and land rehabilitation but the municipality facilitates and constantly lobby the department of Agriculture through its programmes and extension officers to assist with technical skills and resources for addressing these challenges.

In terms of conservation and management of alien vegetation species the municipality works closely and partner with the Department of Environmental Affairs to implement programmes like working for water and removal of Lapesi projects. The relationship with the Department of Environmental Affairs has yielded positive results. The Department has committed 1Million Rands for 2014-15 financial year to address issues of land degradation by implementing a project on elimination of alien invasive around Tsolwana Game Reserve. The said project has a huge potential for job creation with the intention to address issues of unemployment and poverty alleviation.

## 2.4 KPA 3: MUNICIPAL FINANCIAL VIABILITY

**Strategic Objective:** Improve financial management and implement appropriate financial management policies, procedures and systems

**Intended Outcome:** Improved financial management and accountability

**Key focus areas:**

- Budget
- Audit
- Expenditure
- Revenue
- SCM
- Risk Management and Compliance

**Key focus areas:**

The finance department champions financial sustainability for Tsolwana Municipality. Its key five-year strategic objectives are largely based on the goals of the financial sustainability:

- Empowered customers, enjoying the highest standards of customer care and responsiveness;
- Implementation and management of new rates policy with minimum disruption;
- Revenue optimisation;
- Sustained excellence in financial management;
- A budget structure and format that enables sound resource allocation decisions;
- An increase in the percentage of operating expenditure budgeted and spent on maintenance;
- Achievement of unqualified with no matters (clean audit)
- Equitable and competitive tariff systems that are informed by national inflation data and targets, comparable local municipalities and the circumstances of residents, to ensure affordability.
- To manage the Supply Chain Management processes according to legal requirements, (Centralization of the SCM unit)
- Maintain the asset register in terms of GRAP standards
- Improve the average monthly collection rate on billings to from 58% to 85% by 2014



**2.4.1 BUDGET 2014/2015**

The Municipality's total budget for the 2014/15, 2015/16 and 2016/17

EC132 Tsolwana - 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	Pre-audit outcome	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
<b>Financial Performance</b>										
Property rates	222	1 124	1 360	1 300	1 800	1 800	1 800	1 580	1 700	1 700
Service charges	3 616	4 648	8 035	7 700	9 872	9 872	9 872	11 433	12 258	13 311
Investment revenue	802	567	378	342	225	225	225	238	248	259
Transfers recognised - operational	45 008	29 921	26 562	29 870	31 811	31 811	31 811	32 614	35 774	43 684
Other own revenue	1 356	970	8 636	10 392	12 584	12 584	12 584	9 276	10 159	11 107
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>51 004</b>	<b>37 229</b>	<b>44 970</b>	<b>49 604</b>	<b>56 291</b>	<b>56 291</b>	<b>56 291</b>	<b>55 141</b>	<b>60 139</b>	<b>70 061</b>
Employee costs	6 874	14 235	17 434	21 009	19 813	19 813	19 813	20 857	23 043	25 130
Remuneration of councillors	1 742	1 999	2 192	2 422	2 321	2 321	2 321	2 540	2 769	3 018
Depreciation & asset impairment	-	5 474	5 704	6 075	5 955	5 955	5 955	6 244	6 698	7 180
Finance charges	20	31	-	160	-	-	-	-	-	-
Materials and bulk purchases	3 867	5 371	6 389	8 597	8 297	8 297	8 297	9 049	9 778	10 565
Transfers and grants	-	-	2 604	-	3 175	3 175	3 175	2 911	3 148	3 406
Other expenditure	36 943	17 428	26 635	17 414	21 424	21 424	21 424	20 060	19 820	21 364
<b>Total Expenditure</b>	<b>49 445</b>	<b>44 537</b>	<b>60 958</b>	<b>55 677</b>	<b>60 984</b>	<b>60 984</b>	<b>60 984</b>	<b>61 661</b>	<b>65 256</b>	<b>70 663</b>
<b>Surplus/(Deficit)</b>	<b>1 558</b>	<b>(7 308)</b>	<b>(15 987)</b>	<b>(6 073)</b>	<b>(4 693)</b>	<b>(4 693)</b>	<b>(4 693)</b>	<b>(6 520)</b>	<b>(5 117)</b>	<b>(603)</b>
Transfers recognised - capital	12 478	9 842	10 858	12 515	16 420	16 420	16 420	14 397	16 927	12 516
Contributions recognised - capital & contributed a	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>14 036</b>	<b>2 534</b>	<b>(5 130)</b>	<b>6 442</b>	<b>11 727</b>	<b>11 727</b>	<b>11 727</b>	<b>7 877</b>	<b>11 810</b>	<b>11 913</b>
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) for the year</b>	<b>14 036</b>	<b>2 534</b>	<b>(5 130)</b>	<b>6 442</b>	<b>11 727</b>	<b>11 727</b>	<b>11 727</b>	<b>7 877</b>	<b>11 810</b>	<b>11 913</b>
<b>Capital expenditure &amp; funds sources</b>										
<b>Capital expenditure</b>	<b>11 440</b>	<b>9 164</b>	<b>9 865</b>	<b>21 044</b>	<b>17 149</b>	<b>17 149</b>	<b>17 149</b>	<b>15 294</b>	<b>17 359</b>	<b>12 680</b>
Transfers recognised - capital	10 945	8 007	9 157	12 515	16 284	16 284	16 284	14 397	16 927	12 516
Public contributions & donations	-	-	-	-	-	-	-	-	-	-
Borrowing	-	-	-	7 294	-	-	-	-	-	-
Internally generated funds	495	1 157	707	1 235	865	865	865	897	433	164
<b>Total sources of capital funds</b>	<b>11 440</b>	<b>9 164</b>	<b>9 865</b>	<b>21 044</b>	<b>17 149</b>	<b>17 149</b>	<b>17 149</b>	<b>15 294</b>	<b>17 359</b>	<b>12 680</b>
<b>Financial position</b>										
Total current assets	20 881	22 442	15 033	15 398	9 960	9 960	9 960	16 501	17 942	24 898
Total non current assets	106 276	89 076	91 897	119 286	109 106	109 106	109 106	118 156	128 817	134 316
Total current liabilities	9 481	8 988	9 923	6 255	6 995	6 995	6 995	3 385	3 057	3 339
Total non current liabilities	2 438	2 957	5 694	10 547	3 902	3 902	3 902	5 314	7 505	7 705
Community wealth/Equity	114 245	99 573	91 312	117 882	108 169	108 169	108 169	125 793	135 852	145 265
<b>Cash flows</b>										
Net cash from (used) operating	15 477	5 542	7 616	7 897	46 549	46 549	46 549	20 726	18 867	19 792
Net cash from (used) investing	(11 305)	(9 400)	(9 870)	(13 429)	(17 149)	(17 149)	(17 149)	(15 294)	(17 359)	(12 680)
Net cash from (used) financing	41	(30)	(46)	8 415	7 299	7 299	7 299	3	3	4
<b>Cash/cash equivalents at the year end</b>	<b>14 271</b>	<b>10 384</b>	<b>8 084</b>	<b>8 636</b>	<b>45 144</b>	<b>45 144</b>	<b>45 144</b>	<b>14 071</b>	<b>15 581</b>	<b>22 696</b>
<b>Cash backing/surplus reconciliation</b>										
Cash and investments available	14 271	10 278	8 445	8 636	7 544	7 544	7 544	14 071	15 581	22 696
Application of cash and investments	4 276	(9 912)	5 767	(4 298)	(1 629)	(1 629)	(1 629)	826	1 769	2 909
<b>Balance - surplus (shortfall)</b>	<b>9 996</b>	<b>20 190</b>	<b>2 678</b>	<b>12 934</b>	<b>9 173</b>	<b>9 173</b>	<b>9 173</b>	<b>13 245</b>	<b>13 812</b>	<b>19 787</b>
<b>Asset management</b>										
Asset register summary (WDV)	106 276	27 861	34 684	61 184	65 293	65 293	80 387	80 387	97 746	110 426
Depreciation & asset impairment	-	5 474	5 704	6 075	5 955	5 955	6 244	6 244	6 698	7 180
Renewal of Existing Assets	-	-	-	-	-	-	-	-	-	-
Repairs and Maintenance	-	-	-	-	2 915	2 915	3 624	3 624	3 807	4 007
<b>Free services</b>										
Cost of Free Basic Services provided	-	-	-	711	711	711	2 911	2 911	3 148	3 406
Revenue cost of free services provided	-	-	-	2 200	2 200	2 200	2 200	2 200	2 200	2 200
<b>Households below minimum service level</b>										
Water:	-	-	-	2	2	2	2	2	2	2
Sanitation/sewerage:	-	-	-	1	1	1	1	1	1	1
Energy:	-	-	-	-	-	-	-	-	-	-
Refuse:	-	-	-	-	-	-	-	-	-	-

**Table 29 : Municipal Budget for 2014-15 Financial Year**

A budget structure and format that enables sound resource allocation decisions

**2.4.1.1 INCOME ALLOCATIONS AND SOURCES**

Tsolwana Local Municipality derives its income from two sources namely;

- ⇒ External income
  - Government Grants and subsidies
  - Capital Grants
- ⇒ Own income
  - Property rates, including those levied on agricultural properties
  - Service charges on electricity, refuse removal, water and sanitation
  - Interest on outstanding debtors and external investments
  - Rental on facilities
  - Fines
  - Agency services

The Municipality has a low income base and is greatly dependent on Government grants and subsidies and capital grants which amounts to R43 m for operation and R11,7 m for capital in the 2014/15 budget.

**Table30: Own income**

Income by Source	2012	2013	2014	2015	2016	2017
Property Rates	1 359 506.00	1 509 757.01	1 733 562.00	2 637 575.72	2 795 830.26	2 963 580.08
Public Contributions and Donations	20 000.00	-	-	-	-	-
Fines	5 252.99	3 000.00	240 000.00	500 000.00	550 000.00	600 000.00
Service Charges	5 330 821.16	7 014 834.93	11 186 600.00	6 643 200.00	7 516 481.88	8 323 047.00
Water Service Authority Contribution	6 424 353.65	6 489 171.99	7 814 703.20	7 826 174.00	8 608 791.00	8 579 670.00
Rental of Facilities and Equipment	56 171.28	59 873.84	71 000.00	75 260.00	79 775.60	84 562.14
Interest Earned - external investments	377 733.97	300 186.23	470 000.00	502 000.00	532 120.00	564 047.20
Interest Earned - outstanding debtors	1 223 801.79	1 367 315.76	1 410 000.00	1 028 000.00	1 122 150.00	1 206 683.00
Agency Services	710 314.92	918 832.74	440 000.00	1 860 400.00	1 882 024.00	1 154 945.44
Other Income	175 185.25	287 351.79	90 400.00	111 100.00	118 660.00	125 773.60
Gain on disposal of Property, Plant and Equipment	19 035.13	338.20	-	30 000.00	30 000.00	30 000.00
	<b>15 702 176.14</b>	<b>17 950 662.49</b>	<b>23 456 265.20</b>	<b>21 213 709.72</b>	<b>23 235 832.74</b>	<b>23 632 308.45</b>

**Table 31: Income Grants & Subs 2013/14 to 2016/17**

Grant Description	2012	2013	2014	2015	2016	2017
Equitable Share	21 877 998.40	24 741 419.00	27 463 000.00	31 320 000.00	38 783 000.00	39 422 000.00
NT - 1% Contribution Audit fees	398 173.55	501 331.58	450 000.00			
Local Government Financial Management Grant	1 250 000.00	1 500 000.00	1 650 000.00	1 800 000.00	1 950 000.00	2 100 000.00
Integrated National Electrification Programme (Eskom) Grant	2 000 000.00	2 000 000.00	3 000 000.00	-	-	-
Municipal Infrastructure Grant	9 631 000.00	11 683 000.00	11 823 000.00	12 359 000.00	12 773 000.00	13 148 000.00
Municipal Systems Improvement Grant	790 000.00	800 000.00	890 000.00	934 000.00	967 000.00	1 018 000.00
EPWP grant	243 209.17	1 000 000.00	1 000 000.00	1 177 000.00		
Project Library	369 207.00	439 000.00	693 670.95			
DPLG & Housing	605 032.27		-			
Department of Raods - Internal roads		3 502 050.76	2 000 000.00			
Tendergate Goat Project	119 600.00	30 000.00				
Paving Project - CHDM		2 000 000.00	1 500 000.00			
Training Caterers - CHDM			160 000.00			
Stockdams - CHDM			197 200.00			
Waste management - CHDM			1 175 260.00			
Internal audit - CHDM			300 000.00			
Middel incom housing - Human settelement			1 300 000.00			
Other - IDP	94 247.14	250 000.00				
SETA	100 320.52	79 448.01				
LED project: Other	67 175.00	87 990.00				
Vuna award	40 000.00					
	<b>37 585 963.05</b>	<b>48 614 239.35</b>	<b>53 602 130.95</b>	<b>47 590 000.00</b>	<b>54 473 000.00</b>	<b>55 688 000.00</b>

**2.4.1.1.1 EQUITABLE SHARE**

The importance of the municipality's reliance on grant funding is accentuated by the pattern of revenue streams. This means that considerable thought is to be given to cash flow management in order to smooth out the expenses in line with revenue flows.

The growth or otherwise of the equitable share is a matter that is very pertinent to the municipality's cash management.

**Table 32: Equitable share 1 July 2014 to 30 June 2017**

Source : (service charges / grants / donors)	2013/14 (budget)	2014/15 (budget)	2015/16 (budget)	2017/17 (budget)
Equitable Share	R27 463 000	R31 320 000	R38 783 000	R39 422 000

**2.4.1.2 VALUATION ROLLS**

Property rates constitute only 7% of the Municipalities 2013/14 income. The Municipality adopted a valuation roll for the entire area in 2008 and the new valuation roll will be implemented on the 1 July 2014.

Due to financial constraints, the municipality has applied for an extension and an exemption from the MEC for Local Government which was granted in 2012 for the new

valuation roll to be implemented 1 July 2014. The valuation roll will be implemented in the 2014/15 budget year. The property values in the Tarkastad area has increased tremendously which resulted in a decrease in the tariffs for the 2014/15 financial year.

#### **2.4.1.3 BILLING AND PAYMENT RATES**

Property rates and service charges on electricity, water and refuse removal constitute 17,8%, 70,4% and 11,8% of the Municipalities own income for the 2014/15 financial year. The average collection rate is 58%.

Payment rates are low and it is estimated that less than 47% of households are paying their monthly accounts. This is compounded by the high poverty levels and low affordability levels of the community.

The municipality has created a post for a credit control clerk whose sole responsibility is to enforce the Credit Control Policy. The position will be filled during the 2014/15 year. The collection rate is anticipated to increase at least by 20% with the appointment of a credit control clerk

#### **Areas of prioritized intervention**

- Review billing system to ensure service consumption is recovered: this also expands to the credit control policy and by-laws of the municipality and also ensuring that all necessary steps are taken to collect municipal revenue.
- Create awareness and culture of payment by consumers for services rendered. The campaign will also target indigent consumers in the community to make them aware of the requirements as stipulated in the Free Basic Services Programme.

#### **2.4.1.4 RESOURCE FRAME**

The municipality has an operating budget of R61,6m to invest in the management and operation of the institution and a capital investment of R12,6m. The table below shows the division of the budget with regard to the 5 key performance areas.

#### **Areas of prioritised intervention**

- Financial Strategy to address the expansion of the municipality's own resource base.

#### **2.4.2 EXPENDITURE ALLOCATION AND TRENDS**

The capital and operational budgets constitute 17% and 83% of the 2014/5 budget respectively.

National treasury no longer prescribes a norm for salary expenditure and instead requires Municipalities to develop a personnel expenditure ratio that is based on the nature of its functions, organizational structure, labour intensity of its operations, extent to which labour intensive components of its operations are outsourced and the composition of non-personnel components of its operational expenditure. The 2014/15 budget reflects that 38% (R23,538 m) of the operational budget was allocated to salary expenditure. This excludes the Water and Sanitation division since Chris Hani District Municipality is funding the salaries to the amount of R5,992m

The Municipality is constantly striving to provide services to its community which requires substantial capital investment, especially in terms of infrastructural assets. In order to maintain service delivery it is imperative that these assets be maintained in proper working order which requires equitable investment in terms of maintenance and repair costs. According to the National Treasury Municipalities should be budgeting between 10% and 15% of their operating expenditure for repairs and maintenance. The 2014/15 budget reflects an allocation of R1,65m to repairs and maintenance which falls short of the recommended norm.

#### Areas of prioritised intervention

- Financial Strategy to address the expansion of the municipality's own resource base.
- Increase in the repairs and maintenance of property plant and equipment with funding there off.

#### 2.4.3 PROVISION OF FREE BASIC SERVICES

Tsolwana Local Municipality has adopted an Indigent Policy which aims to assist the indigent by providing free basic water, electricity and refuse removal services in the urban areas. The Indigent Policy is managed in the revenue office by the Department of Finance, where a full time official is needed to be responsible for the indigent application process, including the verification of information and updating of the register.

The high unemployment rate and low household income compounds the battle of collecting revenue. Household consumers have also been encouraged to come to the municipality and register as indigents. There has been a significant improvement in terms of registering more people in the indigent register during 2013/14. The Council has established an Indigents Committee consisting of ward councilors, municipal officials and ward committee members.

They are conducting indigent awareness road shows in annually to update the register on an annual basis. The municipality will then commence with the annual review and update the Indigent Register as household economic conditions change from time to time.

Provision is made on the budget for the provision of free basic electricity and solid waste services from the equitable share. As promulgated in the Division of Revenue Act, 2012 Tsolwana Municipality will receive an Equitable Share of R31, 320m.

Currently Tsolwana only delivers services in Ward 4 and 5. Tsolwana however does fund the free electricity from Eskom in Ward 1,2 and 3.

**Table 33: FBS Allocations**

Number of Households	Budget for 2014/15	Budget for 2015/16	Budget for 2016/17
	R1 987 900	R2 044 900	R2 105 320

#### Areas of prioritised intervention

- Annual update the Indigent register for 2014/15.
- Investigate how Tsolwana households without access to electricity can benefit from alternative FBE

- Amendment to the organogram to include a debt collection unit that will be responsible for Indigent subsidies and credit control.
- Appointment of a Clerk: Indigent control

#### **2.4.4 FINANCIAL POLICY DEVELOPMENT**

Internal financial controls, such as payment procedures, income receipts, charges, debt collections, etc have also been developed and are being implemented. In addition Tsolwana

Municipality has the following financial policies in place:

**a) Budget policy**

The objectives of the budgeting policy are to set maximum expenditure limits for the budget or each component thereof, for the Municipality. A Municipality may only incur expenditure in accordance with its approved budget.

**b) Tariff Policy**

The purpose of this tariff policy is to prescribe the accounting and administrative policies and procedures relating to the determining and levying of tariffs by Tsolwana Municipality.

**c) Credit Control and Debt Collection Policy**

The Local Government: Municipal Finance Management Act, 2003, Act 56 of 2003 contains legal prescriptions for sound and sustainable management of the financial affairs of municipalities. Section 97 deals with revenue management, inter alia with effective revenue collection systems and the preparation of accounts for service charges.

A Credit Control and Debt Collection Policy is required in order to give effect to requirements of Act 56, generally and specifically with revenue collection.

**d) Cash Management and Investment Policy**

In order to ensure sound and sustainable management of the cash resources of the municipality this policy addresses all principles and processes involved in cash and investment management

**e) Property rates policy**

Setting of criteria for establishing rates tariffs. This policy address rebates available and when and how rates will be levied.

**f) Accounting Policy**

Accounting policy guides the preparation of the Annual Financial Statements and is reviewed each year during the preparation to ensure compliance with GRAP standards and any guiding principles issued by Accounting Standards Board and National Treasury.

**g) Virement Policy**

The virement policy establishes the framework for managers to manage their respective budgets within certain limitations. It also ensures good budgeting practices en effective financial management.

**h) Borrowing Policy**

The objective of this policy is to ensure that the Municipality's borrowing practices at all times comply with the relevant laws and best practices. The primary goal in the borrowing of funds is to ensure that the funds are obtained at the lowest possible interest rates at minimum risk.

**i) Fixed Assets Management Policy**

The fixed assets management policy is designed to ensure management of Municipal assets in efficient and effective manner with regard to acquisition, utilisation, control, maintenance and disposal of assets. The policy guides directorates/departments and staff in their responsibility and duties for control of their assets.

**j) Funding and Reserves Policy**

This policy aims to set standards and guidelines towards ensuring financial viability over both the short- and long term and includes funding as well as reserves requirements.

**k) Supply Chain Management Policy**

This policy aims to set standards and guidelines towards complying with the SCM regulations and to assist in clear guidelines into procurement.

#### **2.4.4.1 Supply Chain Management**

The SCM unit consist out of two permanent officials. Three finance interns have also been assigned to the SCM Unit on a rotational basis. The municipality has formalized the following three bid committees, who are responsible for different stages of the SCM tender processes.

- Specification
- Evaluation and
- Adjudication Committees
- 

**Intervention requirements:**

- Appointment of additional permanent SCM clerks to assist with the work load.

#### **2.4.4.2 ASSET REGISTER**

The current organogram of the municipality does not provide for an asset management unit hence the urgent need for the organogram to be amended.

Compliance with maintaining a GRAP compliant Asset Register has proved to be very challenging. We are using an excel version for an Asset register.

Seek financial assistance from DLGTA and or Hands-on support.

#### **2.4.5. AUDIT, REPORTING AND RISK MANAGEMENT**

**Reporting:**

The municipality remains committed in presenting monthly financial report to the Municipal Council which reflects income and expenditure in accordance with the budget. Daily cash flow reports are produced to ensure sufficient available cash at hand. Annual

Financial Statements in GAMAP format were compiled and submitted for the 2012/13 financial year.

#### **Audit Committee**

Tsolwana Municipality has a shared service of audit committee with Inxuba Yethemba Municipality. The audit committee has been appointed by the Council in 2013 to assist the municipality in audit related matters. The committee seats quarterly as scheduled. Tsolwana municipality has developed an Audit Committee Charter to guide the audit committee.

#### **Internal Audit Unit**

The municipality has considered the idea of establishing an Internal Audit Unit carefully and started to budget for the establishment of this unit. Internal audit unit must advise the accounting officer and report to the audit committee on matters, amongst other things, on a wide range of financial management. The municipality has appointed a Chief Internal Auditor in 2012/13 financial year and an intern. The staff component for this unit is not adequate, in an attempt to strengthen the capacity the municipality has a co-sourcing arrangement with *Price Water Coopers*.

#### **2.4.5.1 AUDITOR GENERAL REPORT 2012/13**

The audit outcomes of the municipality for the 2012/13 financial year have shown an improvement from a qualified to unqualified audit opinion with matters.

#### **2.4.5.2 AUDIT ACTION PLAN 2012/13**

The Auditor General's report is a key indicator of municipal performance in the MFMA 2000. Tsolwana municipality has improved from a qualified opinion to unqualified audit opinion in 2012/13. A detailed action plan to address matters raised by the auditor general has been developed with clear deadlines. This plan is being monitored by management and the oversight committee of council on a monthly basis.

The main area of focus in the 2013/14 year based on the audit opinion and matters raised are:

- Compliance with laws and regulations
- Implementation of internal controls

Compliance with regard to the Supply Chain Management framework.

Challenges included delays in the payment of suppliers as well as lack of transparency during the tender procedures in terms of making the contract available to the public. These matters are being addressed through:

- The review of the SCM policy
- Permanent capacity will be created within the new organogram.

#### **2.4.6 FINANCIAL PERFORMANCE 2012/13**

##### **2.4.6.1 OPERATING RESULT**

The overall operating results of the Tsolwana Municipality for the year ended 30 June 2013 are outlined below as per the Annual Report:



**Statement of financial position**

<b><u>DEPARTMENT</u></b>	<b><u>INCOME/EXPENDITURE</u></b>	<b><u>AUDITED 2013</u></b>
<b>Budget &amp; Treasury</b>		<b>699 519.37</b>
	Expenditure	9 097 514.79
	Income	-8 397 995.42
<b>Community &amp; Social Services</b>		<b>-6 810 370.98</b>
	Expenditure	11 374 756.11
	Income	-18 185 127.09
<b>Corporate Services</b>		
	Expenditure	<b>328 066.37</b>
	Income	5 383 282.38
		-5 055 216.01
<b>Executive &amp; Council</b>		
	Expenditure	
	Income	<b>-951 160.05</b>
		6 286 094.93
	Expenditure	-7 237 254.98
	Income	
<b>Technical Services</b>		<b>1 244 366.18</b>
	Expenditure	24 423 359.73
	Income	-23 178 993.55
<b>Grand Total</b>		<b><u>-5 489 579.11</u></b>

**2.4.7 FINANCIAL PLAN AND SDBIP**

**2.4.7.1 CAPITAL BUDGET**

The municipality relies heavily on grants to fund its capital requirements. The capital budget therefore focuses on national and provincial priorities in order to be assured of the necessary funding streams. The projects that are currently undertaken by the municipality are funded through the Municipal Infrastructure Grant (MIG) and consist of the following:

- upgrading of roads,
- establishment of new cemeteries,
- installation of high mast lights
- waste water treatment plant

**Capital Budget up to 2016/17**

CAPITALPROJECTS								
3	Ref	Program/Project description	6	Funding 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15	Budget Year +1 2015/16	Budget Year +1 2016/17
R thousand	4							
1.1 - Municipal Manager		Buildings	All wards	MIG	2 091 150.00	4 128 500.00	-	-
4.1 - Community Services		Community hall 1	Khayaletu Community Ha	MIG	-	-	2 750 000.00	
4.4 - Sport and Recreation		Sport field 1	Phakamisa Sportfield	MIG	-	-	3 000 000.00	
4.5 - Public Safety		Traffic testing station	All wards	MIG	3 340 700.00	-	-	
5.1 - Roads and Stormwater		Internal Roads	Ward 1, 2	MIG	3 800 000.00	1 612 550.00	-	
5.1 - Roads and Stormwater		Internal Roads 2	Ward 1	MIG	-	-	4 600 000.00	
5.1 - Roads and Stormwater		Internal roads Zola	Ward 4	MIG	-	-	1 784 350.00	
5.1 - Roads and Stormwater		Bridge - Bacclesfarm	Ward 3	MIG	2 000 000.00	6 000 000.00	-	
5.2 - Electricity		Electricity 1		INEP	3 000 000.00	-	-	
5.2 - Electricity		Electricity 2		INEP	-	-	-	
					14 231 850.00	11 741 050.00	12 134 350.00	-
DORA						11 741 050.00	12 134 350.00	12 490 600.00
		SLA has been signed by TLM for the internal road projects:			15 000 000.00	25 000 000.00	25 000 000.00	

**Table 34 : Capital Projects**

**2.4.7.2 REVENUE**

Tsolwana Municipality, like most rural local authorities, has as its foremost challenge, the collection of sufficient revenue to perform and sustain the functions allocated to it. The high prevalence of poverty and unemployment take its toll on the extent to which the municipality can levy tariffs that are realistic and sustainable in the long run.

It is anticipated that the wider tax base will bring about relief for current ratepayers and allow the municipality to grant exemptions and rebates in accordance with its rates policy with the inclusion of the previously exempt properties.

**2.4.7.3 EXPENDITURE**

The way the municipality spends its limited funds is most significant amid the ongoing pressure to contribute to local economic growth and the creation of employment in a poor rural environment.

Internal expenditure with regard to telephone and vehicle cost are prioritized as areas for attention through:

- Introducing a zero tolerance approach to the misuse of telephones and vehicles
- A drive to improve the supervision and control within each department
- Investigation of systemic solutions such tracking systems, call print outs per ID code and the improved use of log books.

**2.4.7.4 SALARIES AND WAGES**

The municipality has over the years contended with the dualism of acquiring the necessary skills to deal with the transformation agenda of government while trying to bring down the salary bill as a percentage of the total budget. Tsolwana find it difficult to

maintain a average salary bill towards the total budget. Contributing factors are the location of the municipality which goes with higher incentive to be paid for scarce skills and also the annual salary increase plus notch increase which equal to 9.03% for the 2014/15 year.

This shortage of people to do the work has become critical. The current percentage salary bill is around 38% of the operational budget for 2014/15 excluding the water and sanitation services, funded by Chris Hani District.

It can only be hoped that the growth in budgets over the next few years will be substantially larger than the increases to salaries, wages and allowances.

## 2.5 KPA – 4 LOCAL ECONOMIC DEVELOPMENT (LED)

Local economic development is a key priority for this term of council in Tsolwana. An LED strategy was adopted by council in 2011. However, LED remains one of the least financed priorities of the municipality. There are commitments to change this situation moving into the future. For example, a commitment is made in this IDP that budgeting will now on be based on the priorities set out in the IDP.

The municipality has discussed and deliberated at length during its IDP and Strategic Planning sessions on the following key options for its chosen role in LED.

- a) **Municipality as a catalyst developer:** where the strategic role is that of a catalyst to economic development rather than participant collaborator. This role would entail engaging directly with the markets and the economy through for example, buying land and developing it in order to earn an income from the development that can be further used to develop infrastructure and provide services. The key differentiator of this role will be that the council must now make available budget and resources to initiate economic development and take full responsibility for job creation.
- b) **Municipality as a coordinator:** where the strategic role is to co-ordinate and facilitates rather than initiate. In this role the municipality would limit its role essentially to planning, co-ordination, collaboration and leveraging of resources by other role players in order to realize infrastructure development, job creation and economic growth.

The following are further examples of the situations that would distinguish the municipality's role and parameters of involvements in the implementation and realization of LED goals.

TASK example	Catalyst Role	Coordinator Role
LED planning	Dev Strategy to guide its interventions + Implement via a dedicated owned by the municipality	Dev Strategy to guide its interventions. Implement the strategy using internal officials
Job Creation	Create jobs (Hire + Appoint full time employees to work on LED projects)	Facilitate job opportunities (eg. EPWP, Use SCM to enforce use of labour intensive methods in infrastructure delivery)
Correction of market failures – BBBEE,	Engage in direct empowerment transactions	Apply SCM policy to create equity in the existing opportunities
Trade and investment	Set-up company entities to deal directly with traders.	Facilitate linkages via trade fares, training and creation

TASK example	Catalyst Role	Coordinator Role
	Initiate in Market Bonds (eg. City of Joburg). Engage in direct business missions to unlock trade relations between local players and overseas markets	of access to exhibition platforms, Also develop concession framework for attracting investments – tax incentive scheme for foreign direct investments
Development Funding	Budget, Fund construction (eg. Shopping Centre), Manage Development etc	Make land available with service connection and invite investors to build and manage a shopping centre

Flowing from the debates during consultative and strategic planning processes it is preferable that the municipality adopts the role of a coordinator or a leverager in local economic development for the following reasons:

- Current organizational capacity and financial resources available to undertake LED work are severely limited
- It is not the intention of the municipality to take primary and direct responsibility for job creation as this is not a clear funded competence in our mandate
- While the municipality’s previous and this current review IDPs prioritizes LED, it is acknowledged that the depth of the task of transforming our current local economy requires much greater participation and actual contributions by a variety of players such government, business and NGO sectors
- Since the municipality is heavily dependent on national grants (eg. MIG) for its LED capital programmes, there is very little scope to directly engage in large and expensive projects. Hence its option to be a leverage wherein it will use the limited resources to creative a conducive and attractive environment for other market role players to fund needed capital for economic projects

Therefore, our strategic role in local economic development moving forward will be that of a facilitator and coordinator of other role players and lever of necessary resources for the realization of this LED Strategic objective.

### Principles informing our LED mandate

The municipality remains committed in observing and conducting LED responsibilities in a manner that promotes and adhere to the following principles:

- **Inclusivity:** planning and implementing LED through consultative arrangements. The institutional arrangements for delivering on this strategy needs to be reflective of the various stakeholders that must play a critical role in the realization of its objectives
- **Sustainability:** ensuring longevity in our forecasting plans. Able to balance current demands and future needs of our economy
- **Incremental Development:** growth at a pace commensurate to internal capacity and available resources. Start with small easy step and accelerate to giant leaps

- **Rural-Urban equity:** intervene in markets to entice private investments to rural areas as well. Use own infrastructure development decisions to leverage attraction of investments in rural areas

### 2.5.1 INSTITUTIONAL ARRANGEMENTS

The municipality does not have a fully-fledged unit for LED Unit. This is contributing to inability to implement of LED initiatives. Currently there are only two officials to drive all LED activities in the municipality namely:

- LED Coordinator x1
- LED Assistant x1 (Support from DLGTA).

The municipality is intending to budget in future to capacitate and fill in the vacancies in the LED Unit.

### 2.5.2 OVERVIEW ON LOCAL ECONOMY

#### **Economy size**

The economy of Tsolwana is currently estimated to be in the region of R199 million , (Global Insight stats). It has steadily grown from about 72 million for the two towns of Tarkastad and Hofmeyr in 1996 to approximately 142 million by end of 2008 (Global Insight) and currently estimated at 199 million by end 2010.

#### **Extent of diversity in our economy**

The economy of Tsolwana Municipality is highly concentrated and not optimally diversified. The Tress index is a useful indicator of progress and depth scale in an economy. The Tress index indicates the level of concentration or diversification in an economy. Global Insight estimates this indicator by ranking the nine broad sectors according to their contributions to GVA or employment, adding the values cumulatively and indexing them. A tress index of zero represents a totally diversified economy, while a number closer to 100 indicates a high level of concentration.

Tsolwana economy is poorly diversified when compared to that of the Chris Hani region. The tress index for Tsolwana is 71.94 while that of Chris Hani remains 65.12.

Based on the above figure it can be deduced that Tsolwana has a highly concentrated economy with Agriculture and community services being highly dominant contributors. This situation is unsustainable and needs to be reversed by increasing investments that will unleash the locked potential in other important local sectors like Manufacturing, trade, Tourisms and informal sector.

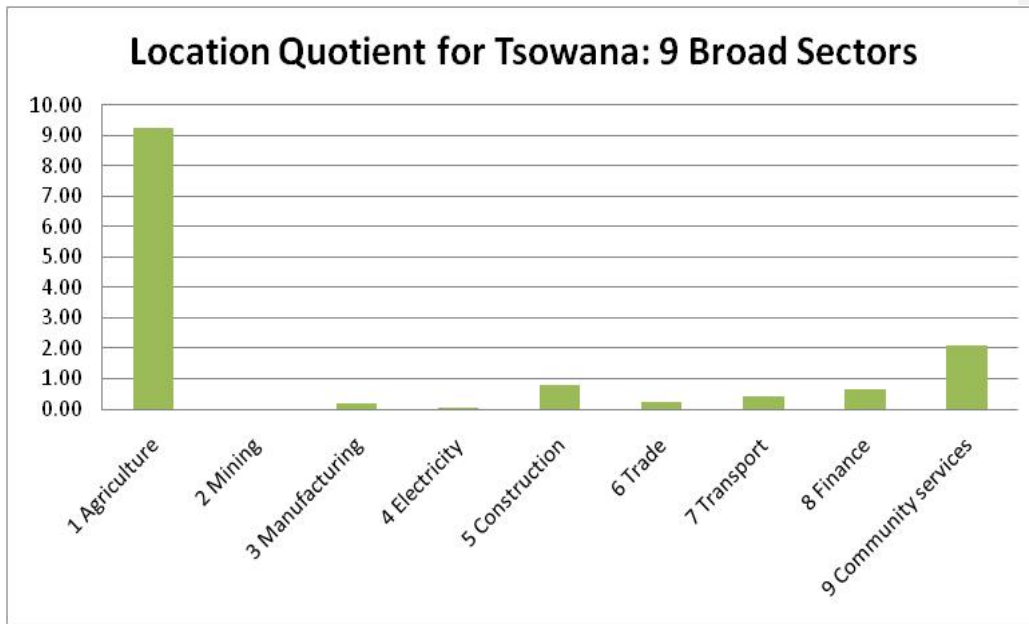
#### **Competitiveness in our economy**

In order for us to improve our economy it is important to consider improving our location quotient. Location quotient is an important indicator of the economy's competitive

advantage. It indicates the extent to which an economy has a competitive advantage in a particular sector.

When comparing the nine broad economic sectors, Tsolwana can compete relatively better if the local economy can concentrate productivity on Agriculture and Community services. This is notwithstanding the need to diversify contributions of other underperforming sectors mentioned earlier.

The figure below shows that our economy can compete in two important sectors such as Agriculture and Community services.



**Figure 17: Location Quotient**

**Responsiveness to poverty & unemployment**

**Income inequality**

A healthy economy is one that is able to adequately respond to the challenges of growth, poverty and unemployment among other issues. There are various macro-economic tools for understanding the strength of an economy in terms of its ability to address these fundamental externalities or market failures.

The gini coefficient is one such useful indicator and it looks at income inequality. It measures the gap in income distribution among those who are very rich and those who earn nothing or very insignificant amounts. Such a figure is given as a number between 0 (in the case of perfect equality where all households earn equal income) to 100 (in the case where one household earns all the income and other households earn nothing). In practice the coefficient is likely to vary from approximately 0,25 to 0,70. Tsolwana had a gini coefficient of 0.57 by 2008 (Global Insight) which implies that the income inequality gap between few highly earning households and those that earn insignificantly is quite high. This is a condition that must justify government intervention in economic development. It is a failure of free market economy to balance itself.

**Household income distribution**

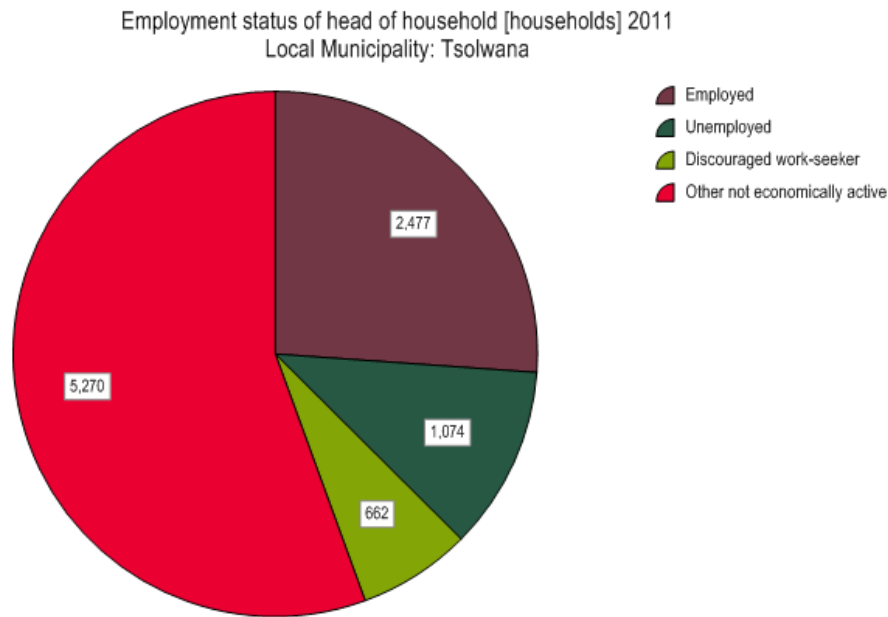
Household income is a useful proxy for understanding levels of income poverty. Approximately 15% of households have no income. Another 7% earn between R1 and R4 800 per month. This has an effect on the number of households to be deemed as indigent. The municipality will be left with a small number of households that they can provide services to and expect to pay. Below is a figure illustrating a household income distribution pattern within Tsolwana municipality?

Income Category	% Households Weighted	Households Weighted
No Income	15 %	1 449
R1- R 4 800	7 %	633
R4 801- R9 600	10 %	991
R9 601- R19 600	28 %	2 651
R19 601 - R38 200	23 %	2 178
R38 201- R 76 400	8 %	803
R76 401- R153 800	4 %	420
R153 801- R307 600	2 %	225
R307 601- R614 400	1 %	101
R614 401- R1 228 800	0 %	23
R1 228 801- R2 457 600	0 %	7
R2 457 601 or more	0 %	14
Unspecified	-	-
Total	100 %	9 494

**Table Household Income Distribution: Source Statistics SA Census 2011**



## Unemployment



Source: Statistics South Africa

### Figure 18, Unemployment

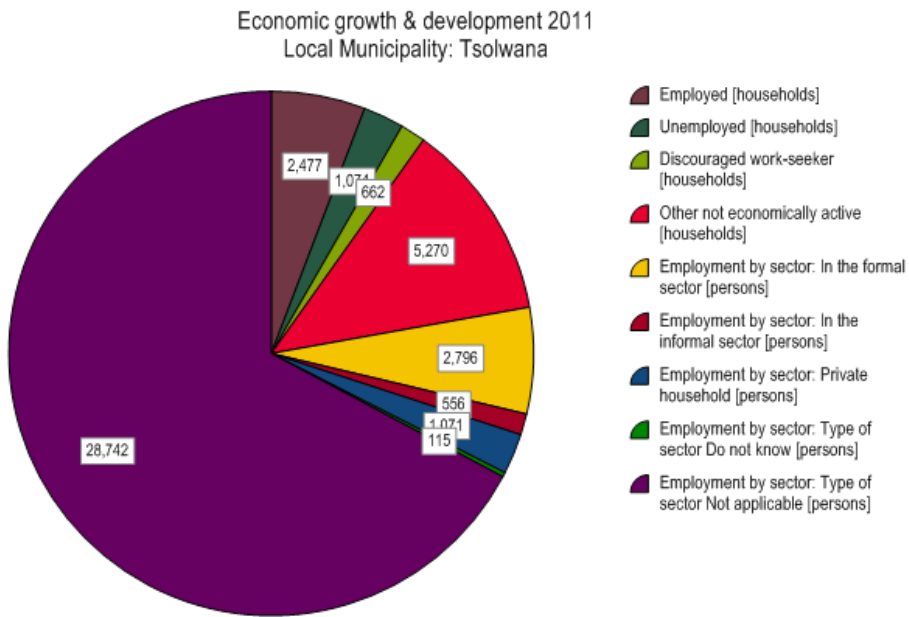
Unemployment is a major development challenge in Tsolwana Municipality. According to Statistics South Africa, Census 2011 unemployment in Tsolwana is estimated to be at same rate with the district and EC Province respectively. It is estimated to be about 45% (using the official definition) of the total population is not employed.

About 32% of the population in Census 2011 is not economically active. The economically active population (EAP) is defined as the number of persons that are able and willing to work between the ages of 15 and 65.

In Tsolwana, the distribution of unemployment is largely concentrated in the Ward 5 when comparing with other wards within Tsolwana. The figure below gives a comparative view of unemployment distribution within Tsolwana in all five wards.

	Person Weighted	% of person weighted	W.1	1	W.2	2	W.3	3	W.4	4	W.5	5
Employed	4 405	13 %	507	12 %	698	16 %	567	13 %	900	20 %	1 732	39 %
Unemployed	2 720	8 %	377	14 %	551	20 %	486	18 %	567	21 %	740	27 %
Discouraged work seekers	1 811	5 %	451	25 %	268	15 %	374	21 %	372	21 %	347	19 %
Other not economically active	10 580	32 %	2 613	25 %	1 743	16 %	3 005	28 %	1 694	16 %	1 525	14 %
Age less than 15 years	-	-	-	-	-	-	-	-	-	-	-	-
Not Applicable	13 764	41 %	3 154	23 %	2 383	17 %	3 197	23 %	252 6	18 %	2 505	18 %
Total	33 281	100 %	7 102	21 %	5 642	17 %	7 629	23 %	6 059	18 %	6 849	21 %

**Table 36 : Unemployment by Wards Source: Statistics SA (Census 2011)**  
**Formal Employment**



Source: Statistics South Africa

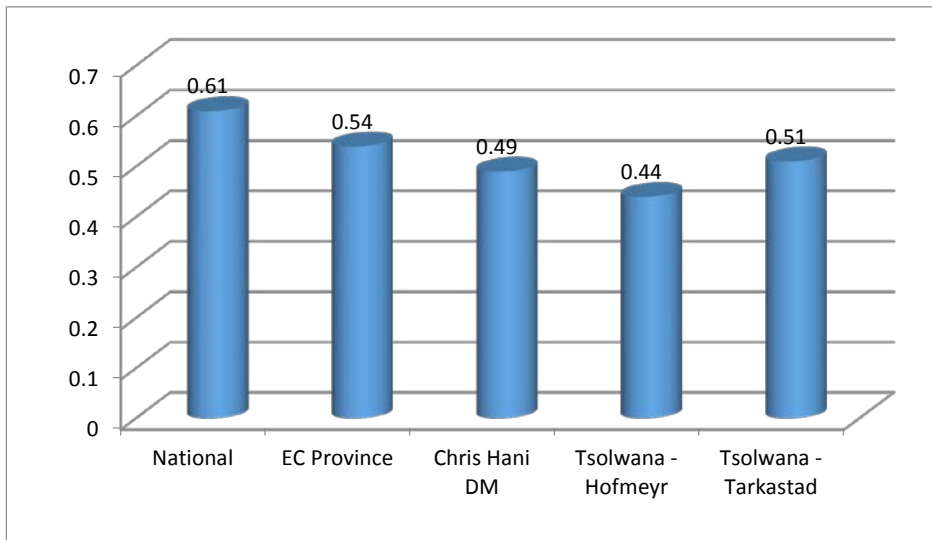
**Figure 19: Employment by Households and Individuals**

**Human Development Index**

The human development index (HDI) is a useful mechanism to gauge the level of development of a local economy. The HDI is a composite, relative index that attempts to quantify the extent of human development of a municipality (area). It is based on measures of life expectancy, literacy and income.

The HDI is calculated as the average of indices of life expectancy at birth, adult literacy and per capita income. For a municipality to be well developed, it must achieve a HDI closer to 1. The closer the figure is to 1 the better the lifestyle. The figure below gives a comparative HDI for Tsolwana.

**Figure 20 : Human Development Index**



Tsolwana has a human development index of 0,51 for Tarkastad and 0.44 for Hofmeyr. In comparison to the district as a whole Tarkastad enjoys better lifestyle than the average district areas while Hofmeyr lags behind the average area in the district. This point reinforces the view that there is higher concentration of poverty and declining lifestyle in Hofmeyr than in the Tarkastad and surrounding areas. There is a need therefore to design targeted interventions for LED to alleviate this strife in Hofmeyr are

### 2.5.3 SWOT of the local economy

#### Agriculture

Strength & Opportunities	Weaknesses & Threats
<ul style="list-style-type: none"> <li>• Existence of infrastructure such as Agric Schemes</li> <li>• Availability of pockets arable land</li> <li>• Pockets of high quality soils for crop production</li> <li>• Access to availability technical support by Agriculture</li> <li>• Existence of support institutions like Assgisa, Land Bank and Uvimba to resource agricultural programmes</li> <li>• Favourable environment for livestock and game farming</li> <li>• Access to input support by government – Tractors, Seeds, Bulls etc.</li> </ul>	<ul style="list-style-type: none"> <li>• Lack integration in planning and implementation programmes</li> <li>• Agriculture not seen as fashionable employment sector by especially young people</li> <li>• Lack of entrepreneurship &amp; value chain production – Agro-processing (potential for wool and meat production not fully realized)</li> <li>• Poorly developed service infrastructure and non-existent services (road network, water supply and electricity connection)</li> <li>• Lack of funds to pursue strategic large projects</li> <li>• Prevalent soil erosion, land invasions and veld fires adding to declining quantities for arable land</li> </ul>

#### Tourism

Strength & Opportunities	Weaknesses & Threats
<ul style="list-style-type: none"> <li>• Endowed with natural beauty resources: eg - Tsolwana game reserve</li> <li>• Powerful natural and historic attraction sites &amp; areas (Boelhoek Massacre site)</li> <li>• Part of the Liberation Heritage Route which is a National Project that seeks to establish a route based on the war against colonialism and national oppression.</li> <li>• Potential for absorbing unskilled labour</li> </ul>	<ul style="list-style-type: none"> <li>• Poor institutional arrangements for driving tourism development</li> <li>• Common veld fires coupled with poor response times for disaster management</li> <li>• Poorly developed service infrastructure and non-existent services (road network, water supply and electricity connection)</li> <li>• Inadequate accommodation facilities</li> <li>• Lack of marketing and established tourism</li> </ul>

Strength & Opportunities	Weaknesses & Threats
	<p>offerings and linkages</p> <ul style="list-style-type: none"> <li>• Poor management skills</li> <li>• Lack of by laws</li> <li>• Lack of a coherent tourism plan                             <ul style="list-style-type: none"> <li>▪ Lack of access to development funding</li> </ul> </li> </ul>

**Manufacturing**

Strength & Weaknesses	Threats
<ul style="list-style-type: none"> <li>• Availability of affordable land for establishment of production space</li> <li>• Abundance of labour inputs</li> <li>• Availability of raw material inputs</li> <li>• Access to support from government</li> <li>• Prioritization by EC PGDS</li> <li>• Proven untapped potential demand in trade, agriculture and tourism</li> </ul>	<ul style="list-style-type: none"> <li>• Poor culture of entrepreneurship</li> <li>• Poorly development support networks (broadband signal and coverage in and around towns of Hofmeyr and Tarkastad is very weak leading to problems of internet connectivity)                             <ul style="list-style-type: none"> <li><input type="checkbox"/> Unreliable electricity supply to drive intense mechanized production lines</li> <li><input type="checkbox"/> Poorly developed value chain production processes and systems</li> </ul> </li> <li>• Insufficient supply of artisans, technicians and skills trades in key strategic areas like engineering, management and science by the local economy</li> </ul>

**Retail, Trade & Wholesale**

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STRENGHTS & OPPORTUNITIES	WEAKNESES & THREATS
<ul style="list-style-type: none"> <li>• Existing demand for services (household and convenience goods)</li> <li>• Significant contributor to employment creation (lower end jobs)</li> <li>• Easy access to entry - no strict barriers</li> </ul>	<ul style="list-style-type: none"> <li>• Poor regulation (None existence of effective by-lays to control and regulate operators like taverns, hawkers and food selling outlets)</li> <li>• Unreliable service provision - water, electricity, sanitation, refuse etc</li> <li>☐ Lack of care for aesthetics by operators and owners</li> <li>• Environmental degeneration potential</li> </ul>

### SMME

STRENGHTS & OPPORTUNITIES	WEAKNESES & THREATS
<ul style="list-style-type: none"> <li>• Potential for growth and contribution to unemployment</li> <li>• Market demand</li> <li>• Availability of support from various sources within and outside government - ECDC, SEDA, SETAs, Training Institutions, Bus Forums etc</li> </ul>	<ul style="list-style-type: none"> <li>• Limited support for training and finding             <ul style="list-style-type: none"> <li>▪ Lack of business support - generally the lack of business support to existing businesses and this hampers their growth potential. There is a need to offer integrated business support in a sustainable way including:                 <ul style="list-style-type: none"> <li>○ Infrastructural support investment on such things as access roads, electricity, refuse, water &amp; sanitation</li> <li>○ Improving efficiency and turn-around times in the processing of development applications</li> </ul> </li> </ul> </li> <li>• Environmental degeneration potential</li> <li>• Poorly organized businesses and processes to create conducive environment for growth and development</li> <li>• High degree of survivalist rather than growth oriented entrepreneurs - high failure rate of ventures</li> </ul>

#### 2.5.4 LOCAL DEVELOPMENT INITIATIVES AND CHALLENGES

Chris Hani District Municipality has taken a resolution to establish Chris Hani Development Agency (CHDA), with the intention to promote economic development in the

District and which is responsible for the implementation of local economic projects in the District in co-operation with the Local Municipalities. The said Agency will focus on :

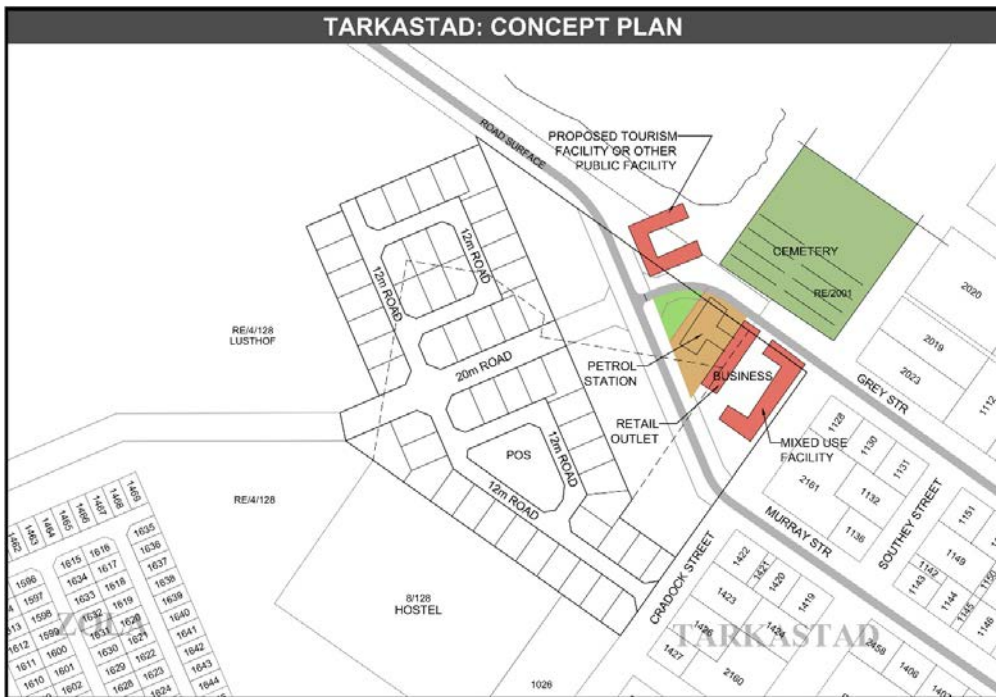
- Targeted resource mobilization and management of ring-fenced funds
- Access to financing
- Sub sector value chains and cluster development
- Targeted skills development
- Institutional framework for formal collaboration
- Commercialization of underutilized public assets
- Holding strategic interest on behalf of future beneficiaries

CHDM established Chris Hani District Municipality Regional Economic Development Strategy (REDS) in 2009 which was reviewed and adopted in 2013/14 financial year. The strategy is focusing on areas around which resources can be mobilised to ensure that the people in the district are benefiting from the economy. Agricultural sector has been identified as a competitive advantage of the district. This has a huge potential for job creation, food security and improvement of socio- economic condition.

CHDM has started the corridor approach to focus on geographical spatial initiatives and interventions to link the node towns and small towns surrounding areas utilizing an intergrated economic development approach. Small town revitalization initiative is central in this approach. CHDM has appointed a service provider (*Urban Dynamics*) on behalf of Tsolwana Municipality to develop a concept document on *Revitalization of Tarkastad* in 2013/14 financial year. The Council has adopted the concept as presented to the management and councillors and it is ready for implementation.

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### 2.5.5 Small Town Revitalization



**Map 4, Tarkastad Concept Plan**

Small town revitalization or regeneration has been nationally prioritized as a key catalyst for supporting rural economic growth, job creation and social upliftment. Small town development or revitalization has been adopted as part of the Chris Hani District Municipality's Spatial Development Framework and focusses on the strengthening of linkages between different centres within the District and areas outside the boundaries of the District. The adopted small town development approach is aimed at accelerating development through alignment of economic activities to ensure value chain addition. The small town development approach looks at redesigning of the town layout with the aim of ensuring the potential of the space in and around the town are fully realized. The small town regeneration concept is aimed at creating a development plan with a 30 year future outlook of growth potential and creating a plan that seeks to realize that potential.

❖ **Centre for Development and Enterprises**

The Centre for Development & Enterprises did extensive research on small town revitalization and redevelopment and made the following key observations:

- There are approximately 500 small towns in South Africa.
- They contain over 3.3 million people (8% of the total population).
- Some 75% of the country's poor and 81% of the ultra-poor live in rural areas, most live in the hinterlands of small towns or within small settlements themselves.
- Small towns can promote their own local development initiatives, act as nodes for rural development programmes and conduits for the distribution of welfare support to the most destitute areas.
- Development of the capacity of small towns can create an alternative focus to urban growth in large cities.
- Small towns are located in the heartland of the areas of greatest need in the country.
- Small towns can promote and assist rural development.

Comment [u1]:



- South Africa needs to maximise returns on existing investments.
- Facilities and infrastructure in small towns need to be fully utilised.
- Small town development can provide an alternative place of residence and opportunities for potential city migrants.
- Common to all forms of small towns is their location in the heartland of the areas of greatest need in the country.
- Homeland towns especially are located in the areas greatest of development need.
- Poverty levels and unemployment are exceptionally high.
- They have few comparative advantages, inadequate levels of communication, public services provision and amenities.
- They play a vital role as centres for the distribution of welfare payments and pensions.
- They have experienced little, in any, investment from the private sector and rely on state employment and support. In consequence, there are only limited prospects for the towns in private, entrepreneurial terms, beyond that of rurally oriented microenterprise.

- There is a symbiotic relationship between small towns and their agricultural hinterlands. Small towns are closely linked with, and also service the needs of surrounding rural areas.
- Small towns by virtue of their location can promote and assist rural development.

❖ **The Centre further proposes a number of small town revitalisation strategies and strategic approaches.**

- The key players in developing the small towns are the people who live in the town. A commitment to the future of the town on the part of the local leadership is essential. For local initiative to be effective there needs to be a degree of consensus among local residents around a vision for the future of their town. This consensus is more likely to emerge if local leaders are working together to initiate local economic development.
- The starting point for any town's development will be for leadership across the different communities to formulate a shared vision for the future of that town.
- Enhancement of the role of the town within its broader region has the potential to promote symbiotic development in the urban area and its rural hinterland to the mutual benefit of both areas. Rather than looking to bigger centres or metropolitan areas within the region, small towns should therefore look to developing close linkages with their own rural hinterland, and networks with other small towns nearby.

❖ **Guidelines for strategies are proposed and include :**

- Reconciliation
- Economic growth
- Socio economic development
- Linkages

❖ **As part of the implementation strategy and package of implementation strategies, key development issues for small town revitalisation needs to consider the following :**

- Adopt a developmental attitude and approach.
- Encourage reconciliation in the community.
- Place emphasis on the concept of joint ventures which involve all key local stakeholders.
- Strive for compromise and joint improvement of a town rather than conflict and resultant failure.
- Devise and adopt local economic development strategies.
- Network with other communities / towns, especially successful towns.
- Identify your town's strengths, weaknesses and opportunities and comparative and competitive advantages.
- Identify a vision for the town and appropriate strategies to realise it.
- Develop enterprise support and training programmes.

- Attempt to increase local productivity, launch “buy local” campaigns and involve the whole community in conscious efforts to improve facilities and the attraction of the town.
- Review the possibility of tourism as a strategy for local economic development.
- Look for market niches and economic networks which can assist the town.
- Use all facilities / resources which you have available (especially if there are underutilised resources in parts of town for training, etc.).
- Develop linkages to rural areas and promote small-scale farming.
- Investigate sharing staff and functions with neighbouring towns wherever possible

#### **2.5.5.1 Drivers for Small Town Revitalisation**

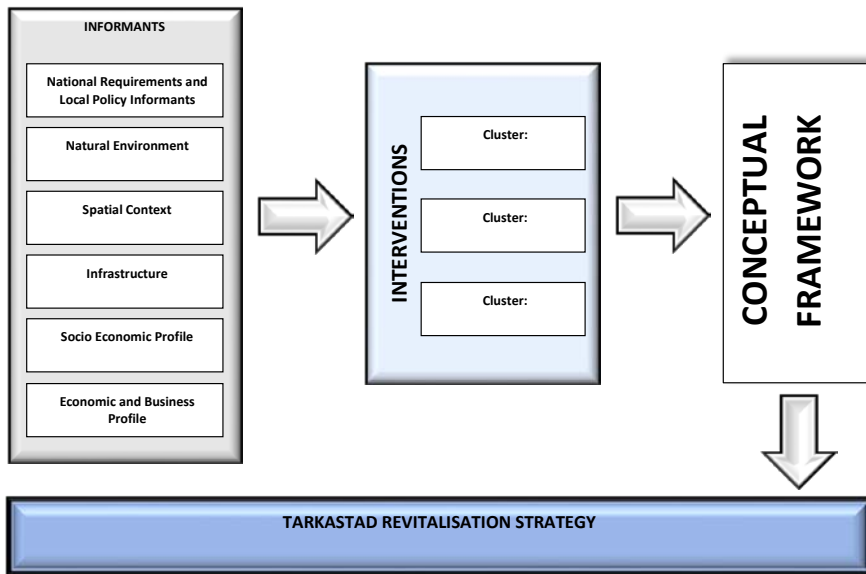
Successful revitalization and redevelopment of the Tarkastad node requires a multi sectoral approach on various levels of intervention. The conceptual framework for revitalization of the town’s economy, service delivery and possible future growth options, cannot be addressed through one single intervention or an uncoordinated approach. Alignment between the various informants, community needs and support through various levels of intervention is critical.

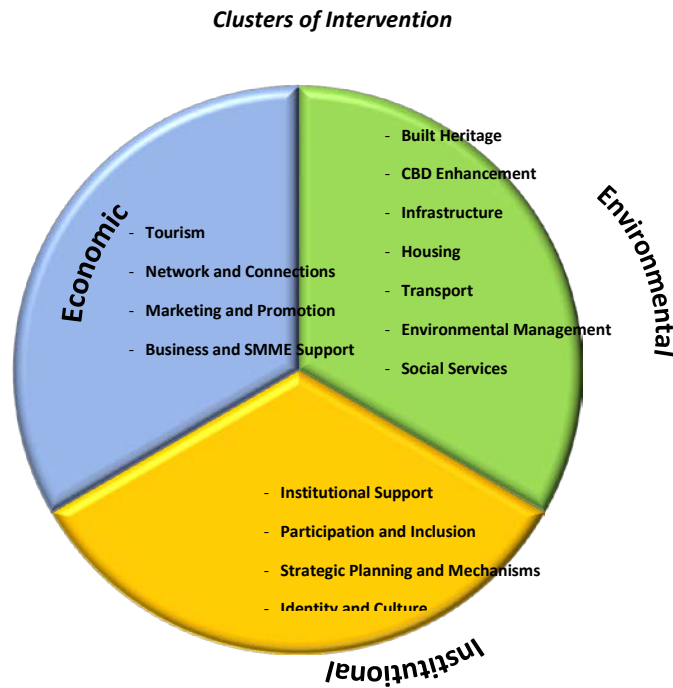
Within this framework, a number of interventions are identified and forms the basis for revitalization strategies. Small town revitalization requires a holistic approach that should be specifically adapted for the unique circumstances and growth demands within the specific study area. The status quo analysis for Tarkastad identified various shortfalls, priorities and possible opportunities for intervention.

The conceptual framework for revitalization should be based on 3 clusters of intervention:

- Economic
- Institutional
- Environmental

The key objective of the conceptual framework and clusters for intervention is to provide a broad development vision for Tarkastad and forms the basis of future redevelopment on a broad and high level scale. The conceptual framework is further based on normative principles and structuring elements with clear strategies.

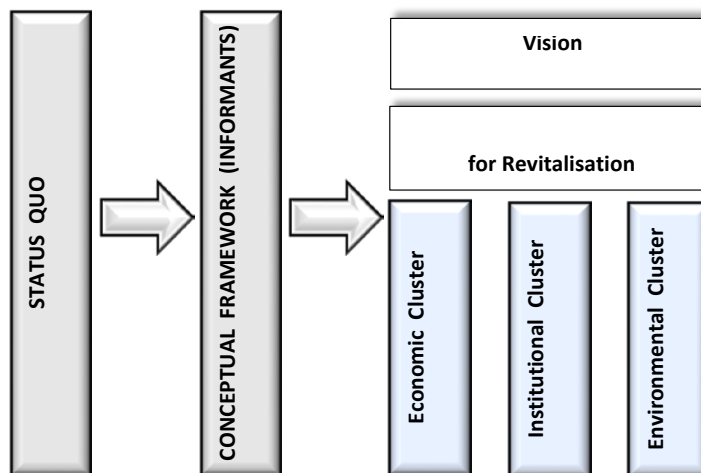




**Figure 21, Clusters for Intervention**

#### 2.5.5.2 Tarkastad Revitalization Strategy Vision

Visioning for revitalization of Tarkastad is based on a number of key informants. These informants identify areas for intervention and the objective is to identify strategies and project proposals that will support such a vision. Small town revitalization has its founding goal, the economic regeneration, redevelopment and prioritization of the urban node as a key role player within the district. Further, expansion of existing economic footprint and to ensure a well-balanced and desirable place to interact, trade and live.



Based on the status quo, participation, feedback and identified drivers for revitalization, the following vision statements apply to Tarkastad.

❖ **Create an Environment for increased Investment, Population, Growth and Urban Regeneration.**

In order to increase investor potential, supporting institutional structures, management and leadership from the municipality is required, through financial planning, budgeting and alignment of various Sector Plans on local, district and provincial level.

❖ **Improve the Role of Tarkastad on a District Level as a Key Provider and Rural Service Node .**

Ensure an increase in the status of the town as a social service provider and anchor node within the district, through improved accessibility and linkages with the surrounding rural population, agricultural activities and tourism industry. Improve availability of services and accessibility to the central business district.

❖ **Provision and Maintenance Of Service Infrastructure AND Services Delivery**

Ensure adequate engineering service provision and long term maintenance planning and budget integration.

A number of key interventions or drivers for revitalization have been identified. These include supporting strategic projects and constitutes a holistic package for urban regeneration and small town revitalization. The strategic projects and drivers should not function in isolation and should be implemented as a holistic programme package. Prioritization and budgeting constraints will necessitate medium term expenditure, phasing and business plan prioritization (refer to Chapter 7).

### 2.5.5.3 Structuring Elements

Urban structuring elements are spatial tools and concepts required to achieve specific development goals and objectives. Management and implementation of these structuring

elements are tools for redevelopment and development implementation. Structuring elements should operate at a variety of levels and scales from town to neighbourhood level.

The following structuring elements are relevant to Tarkastad, supporting of the Conceptual Framework:

- Nodes
- Corridors
- Infill and Densification
- Containment
- Protection
- Special Growth and Investment Areas

#### **2.5.5.4 Development Precincts**

The functionality and implementation of a desired spatial form, including the structuring elements, is demarcated in various development precincts. These are areas that represent similar characteristics and development opportunities/ constraints. Tarkastad is divided into the following precincts.

- Zola
- Zola Commercial Mixed Use
- Mixed Use and Tourism
- CBD
- Tarkastad
- Gateway 1
- Gateway 2

#### **2.5.5.5 Targeted Projects**

Revitalization of an urban node cannot function in isolation and requires specific catalytic projects. Tarkastad is no exception and as part of the revitalization strategy approach, a decision was taken to identify targeted projects that will make a specific impact and be the driving force behind further and sustainable investment and fund allocation.

These targeted projects are based on the revitalization strategies, participation input, status quo analysis and the outline of drivers for revitalization.

❖ **The objective of the targeted projects are to :**

- Ensure maximum short term impact towards economic regeneration.
- Create employment and ensure restructuring of the urban fabric.
- Ensure participation and an inclusive approach towards development.
- Maximise economic development spin-offs and impact on all sectors within the economy and future development scenario of Tarkastad.
- Re-align the district status of Tarkastad and its impact on the immediate hinterland.
- Ensure a unique character and sense of place that will benefit the greater community.

- Promote integration and accessibility by residents within the town, the rural area and the district.

The following project initiatives represent a targeted approach towards revitalization of Tarkastad :

- Gateway 1 Development
- Gateway 2 Development
- Murray Street Upgrading
- CBD Hawker / Informal Trading Facilities
- CBD Taxi Facilities
- Public Ablutions
- Street Signage Beautification and Improvements
- Expansion Of Municipal Office and Administrative Function
- Social Services Cluster and Office Development

The targeted projects are based on the following desired outcomes:

- Redirect traffic through Murray Street to enforce and strengthen the central business district.
- Develop gateway precincts at the entrance of Tarkastad to afford motorists the opportunity to redirect into Murray Street or Grey Street, in both directions.
- Through increased traffic flow, support local business development and revitalise central business district.
- Support regional functionality through improved municipal offices and administrative function.
- Improve regional functionality and status through the provision of government satellite offices, thereby attracting people into the Tarkastad CBD for general social services.
- Strengthen the nodal function of Tarkastad in comparison to bigger centres like Queenstown and Cradock.
- Develop supporting infrastructure, i.e. transportation hub, taxi, informal trading areas, town beautification, road widening, parking and extension of Murray Street.

LED Multi- Sector Based Corridor, Calata (**West**) Corridor linking Middelburg to Cradock along the N10 and then links Cradock, Tarkastad to Queenstown along R61. It is hoped that Tsolwana will benefit .The Corridor initiative gives CHDM an opportunity to implement LED initiatives across the district in recognition of economic development as a process not an event.

As a result of the historic lack of investment in the District, Tsolwana Municipality faces considerable challenges to economic development including the following:-

- Low level of human capital development,
- Lack of competitiveness of sectors and localities. This resolves into two key aspects:
  - ⇒ Support systems and services – there is inadequate technical and systemic (e.g.: for maintenance, provision of supply, production) support across all the sectors.
  - ⇒ Skills – all sectors and area raised the issue of inadequate and inappropriate skills as a constraint to growth.



- Under-developed infrastructure and
- Land related issues – this includes the resolution of land ownership and use rights, land use planning and land use management to exploit (where applicable) and protect (where applicable) the environment.
- Ineffective governance.

### **Principles for Economic Development: (CHDM) REDS**

The strategy has been developed using the principle of “systemic competitiveness”. This requires that the systems and actions be focused on **creating an environment that enterprise can flourish in**, that actions focus on removing blockages to growth and development and that **enterprises succeed because they are competitive**.

### **Competitive advantage (Strengths & Weaknesses)**

Competitive advantage of the region relates to those aspects which compete on cost, quality, and/or availability with that which other localities can offer. Certain regions have built competitive advantage on “comparative” advantage – i.e.: those natural endowments which give the region an advantage. Other regions have built competitive advantage in the absence of any obvious comparative advantage.

Competitive disadvantages are those aspects which increase the cost of doing business, present barriers, and result in enterprise establishing elsewhere. These can be insurmountable (for example: distance from markets) and will then influence the choice of niche markets where these barriers have a low relevance.

### **The dominant advantages in Tsolwana is:**

- Livestock farming
- Natural scenery
- Tourism

### **The dominant disadvantages in Tsolwana is:**

- The poor infrastructure
- The cost of doing business
- Lack of productive investment

### **High impact investment**

For CHDM REDS the “high impact investment” is central to growth, and this is where most of the “hard” interventions will be located. Five result areas combine to the achievement of high impact investment:

- Locality development includes infrastructure, spatial development (including access and linkages), protection and development of the environmental assets, urban renewal, tourism facilities and even lifestyle facilities.
- Subsectoral development, which includes diversification of the economy, value chain development and business retention, all focused on development of the competitive advantage of the locality. For the CHDM REDS urban development has been linked under corridor developments to strengthen the integration of the economy and support value chain development across the district.

- Public good investment: this refers primarily to investment in land, the environment, economic assets, production facilities, machinery, equipment and other productive assets that are used by multiple stakeholders.
- District venture capital fund: while it is not necessary that such a fund be limited to the district, or “owned” by anyone in the district, it is necessary that access to investment funds that target the district, syndicate risk and respond to criteria that address the constraints of investors in the district.
- Stimulate new sectors: public and private investment is required to stimulate sectors which build on the advantages (strengths) of the district. The approach should be to stimulate a diversity of sectors to see which “take” – i.e.: which sectors find champions and investors.

**DEA is supporting the following projects:**

#### **2.5.6 TSOLWANA GREENING AND BEATIFICATION PROJECT**

The municipality has secured funding from DEA for greening and beautifying the towns by improving the quality of life for Tsolwana residents. R1m is earmarked for non-accredited and accredited training. A Project Concept Plan has been developed and acknowledges the critical role that the public sector has in unlocking private sector potential.

Upgrading of parks Hofmery is in progress, Tarkastad is about to finish development of a new park. Paving funded by CHDM (3m ) is in progress. DEA allocated an amount of 7m for parks.

The development proposal contains the following facets therefore all of the urban areas will benefit from this investment as the development proposal:-

- Create short term jobs of at least person days over three years (2011 to 2013);
- Investing in human capital
- Landscaping of four suburban parks in the areas mention above
- Beautification and landscaping of three town entrance features, townscapes and suburban streets and walkways

#### **2.5.6.1 EPWP & COMMUNITY WORKS PROGRAMME (CWP)**

**For EPWP Tsolwana municipality has employed 112 temps and the annual target is 256, the municipality still needs 144 temporary jobs to reach the annual target.**

#### **2.5.7 TSOLWANA LOCAL ECONOMIC OVERVIEW**

High unemployment and poverty levels in the Municipality result in low affordability levels which in turn manifest in low levels of investment and under-utilization of development opportunities. There is an urgent need for major new private sector investments to create jobs and improve livelihoods in area.

Tsolwana has a limited and almost non-existent industrial economy and there is a high dependency on primary economic activities. Commercial and business development in the area is confined to the urban centres of Tsolwana. More substantial commercial and businesses activities take place in , Queenstown and Cradock which means that a significant portion of potential income is not being reinvested into the town’s economy.

Economic growth is constrained by

- Slow growth rate
- High illiteracy, poverty and unemployment rate
- Poor Socio economic conditions

### 2.5.8 SECTORAL OVERVIEW

Based on existing economic activity, market opportunities and present resources, assets and skills bases the sectors offering the most significant potential include:

- ⇒ Agriculture (game and livestock farming)
- ⇒ Tourism ( arts, crafts, scenery, wildlife, cultural heritage)
- ⇒ SMME
- ⇒ Trade and Business Services

#### 2.5.8.1 LIVE STOCK FARMING

Adequate grazing makes the area suitable to livestock, cattle and game farming. Cattle, sheep and game farming are the most predominant.

##### *Significant Agricultural Enterprises*

The Competitive advantage of CHDM points to the agricultural division. The said sector has a huge potential in contributing to job creation, livelihoods elevation as well as sustainable socio- economic growth and development. CHDM has identified two sub-sectors that are likely to contribute to job creation and elevation of sustainable livelihoods. They are :

- Timber production and processing
- Livestock production and processing.

The District has also identified livestock farming for both commercial and communal farming. A certain area in the Western part of CHDM is gradually turning to game farming in the spaces of Queenstown, Cradock, Tarkastad and Molteno. CHDM has tied up in partnership with NWGA (National Wool Growers Association). It is envisaged that the said partnership will improve wool quality, Wool Growers Association establishment, capacity building of livestock farmers, proper veld management skills and infrastructure development (dipping tanks, fencing, and shearing equipment). The aforementioned partnership between CHDM and NWGA is likely to benefit Local Municipalities within the District counting Tsolwana Municipality.

**Table: Opportunities for Agriculture in Tsolwana**

Enterprise	Product	Management & Tech Enterpr	Processing Infrastructure	Markets	Market Potential
Sheep (extensive)	Mutton Wool	Medium	Existing agents & abattoirs	Local (mutton) Export Wool	Good
Beef (extensive)	Beef	Medium	Existing agents & abattoirs	Local	Good

Boer goats (Extensive)	Meat	Low	Existing agents & abattoirs	Local	Good
Game	Hunting, live game, tourism	Medium	No	National Export	Good

- Growth in agriculture is inhibited by
  - Limited opportunity for field crops due to the type of soil that is not suitable for crop production.
  - Lack of access to finance for historically disadvantaged and emerging farmers
  - Aging farming population

Opportunities in agriculture:

- Livestock farming
- Wool production

#### 2.5.8.2 FORESTRY

The National government ASGISA programme has identified forestry development as a key pillar to achieving the economic growth and development targets, and has prioritized forestry as a key sector for support across all tiers of government.

In the Chris Hani District area, most of the forestry plantations exist in Intsika Yethu and Engcobo Local Municipalities and are owned by DAFF. There are also some woodlots and few hectares of category A plantations (Pine Stands) in Sakhisizwe Municipality. The forestry sector in Chris Hani District remains uninspiring with little or no significance contribution on the economy of the region. There are limited forestry areas in Tsolwana. The DAFF has started to engage District and Local Municipalities by establishing Eastern Cape Forestry Sector Forum for proper coordination of Forestry initiatives within Eastern Cape.

#### 2.5.8.3 TOURISM

CHDM has a rich history of natural resources with a potential to promote tourism in the region. The resources are unexploited and not budgeted by both the District and Local Municipalities. The National Heritage Council and Eastern Cape Department of Sports Arts and Culture started the Liberation. Tourism activities within the jurisdiction of Tsolwana Municipality are limited, despite the fact that there is abundant natural beauty and a diverse array of cultural groups which have strong potential for eco, adventure and cultural tourism.

Accessibility to and information on tourist attractions is limited and the urban centers should ideally serve as tourism gateways and information centers in order to attract tourists to the local area. Tsolwana Municipality has requested CHDM to assist in establishing Tsolwana LTO in 2013/14 financial year. The Municipality working with CHDM in most tourism related initiatives (Chris Hani Month, Liberation Heritage Route). A Responsible Tourism Sector Plan was developed in 2007, it needs to be reviewed.

Tourist attractions in the Tsolwana area include;

- ⇒ Spectacular scenery

- ⇒ Tarkastad Museum
- ⇒ Tsolwana Game Reserve
- ⇒ Heritage Sites:

In Tsolwana there is unsatisfactory progress in tourism growth constrained by:

- Lack of tourism promotion and signage
- Lack of knowledge to manage heritage resources
- Aging farming population
- Lack of institutional arrangements
- Lack of funds

### **2.5.8.3. NATURE RESERVE**

Tsolwana Game Reserve falls within Tsolwana Municipality. The area has been declared a **conservation area** and has a potential to contribute on tourism growth as well as the economy within the jurisdiction of the municipality.

### **2.5.8.4 SMALL MEDIUM AND MICRO-ENTERPRISE DEVELOPMENT**

SMME's have a huge potential to contribute to the economic growth within the Municipality. The area has potential for the development of SMME's and the majority operates as sole traders.

Most of the SMMEs are in the trade / service sector consisting of spaza shops, hair salons and caterers. There is a need to diversify SMME development to include agriculture and tourism as opposed to the prevalent over-dependency on the retail sector. Tsolwana Municipality hosted an SMME Summit in 2013 in an effort to capacitate this sector. The rationale behind the SMME Summit was to find practical solutions to unlock the strengths and opportunities by addressing local weaknesses and threats for economic growth.

SMME development is constrained by

- Lack of technical skills to manage the business.
- Access to micro-credit and business locations
- Infrastructure quality in poverty stricken rural areas
- Tax management

### **2.5.8.5 TRADE AND BUSINESS SERVICES**

The urban areas serves as local service centers that requires well planned physical development to support the growth of the trade sector (formal and informal) and the tourism industry.

Trade and Business Services constrained by

- Lack of market access.
- Lack of investment
- Under-investment in human capital

#### **Areas of prioritized intervention**

- Develop a LED Plan;
- Develop a Business Attraction and Retention Strategy for the municipality
- Strengthen SMME's;
- Create heritage site awareness

- Form and strengthen partnership with Chris Hani District Municipality for coordinated LED initiatives.
- Facilitate and support tourism development by establishing LTO with the assistance of CHDM.
- Set aside budget for the establishment of fully fledged LED Unit

***Priority: Local Economic Development***

The communities identified Local Economic Development as the priority issue.

**Economic Development Needs:**

- Support & promote subsistence farming
- Capacitate emerging farmers
- Encourage livestock
- Promote tourism
- Skills Development
- Support SMME's by providing business amenities
- Develop business attraction strategy
- Encourage labour intensive projects for job creation

## **2.6 KPA- 5 GOOD GOVERNANCE AND PUBLIC PARTICIPATION**

### **2.6.1 MUNICIPAL COUNCIL**

Tsolwana Municipality is a plenary type with ward representation. It therefore consist of 10 councillors i.e. 5 ward councillor and 5 proportional representation councillors.

It has two standing committees i.e. Finance, governance and administration and Technical and community services.

The council seats once per quarter and the standing committees seats once per month. Standing committees do not take any binding decisions as their function is to recommend to council.

### **2.6.2 IDP/ BUDGET / PMS REVIEW PROCESS**

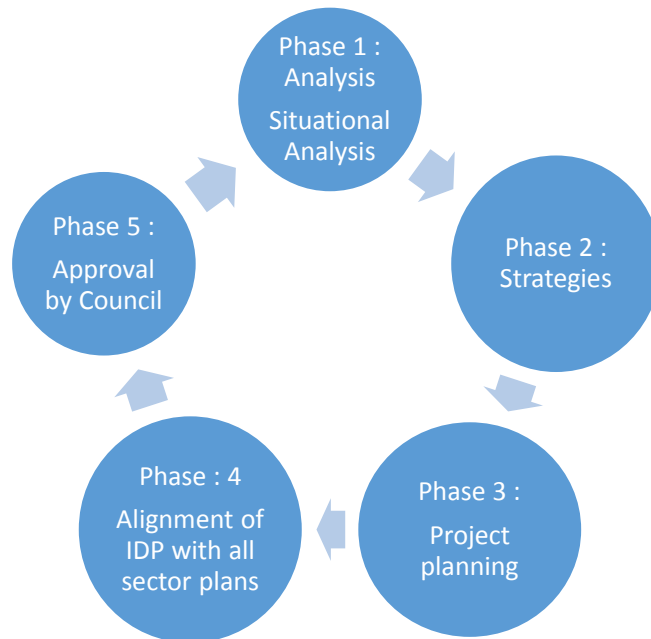
Integrated Development Planning (IDP) is a planning tool for promoting developmental local government. It enables the Municipality to identify its priorities and develop a strategic development plan for the short, medium and long term. The IDP process is a consultative process which requires of the Municipality to engage with its citizenry and other stakeholders in the development thereof.

IDP's must be reviewed on an annual basis and adjusted and revised in accordance with the monitoring and evaluation of existing performance and changing circumstances.

The integrated development planning methodology consist five interrelated phases namely;

- Analysis
- Strategies
- Projects
- Integration
- Approval

**These diagram below depicts the cycle of IDP Review in phases:**



**Figure 22 : IDP Review Cycle**

**The analysis phase:** seeks to evaluate the prevailing level of development within the jurisdiction of the Municipality. It is the kind of conditions that have a bearing on the lives of the citizens of Tsolwana Municipality that must be scrutinized for planning purposes. This provides the municipality with an opportunity to identify challenges, come up with strategies on how to address the identified and prioritized.

It is crucial for the municipality to compile the analysis phase in a more precise manner as this will craft a clear path towards planning, budgeting, decision making and service delivery. This will lead to a credible plan.

#### **Framework Guide for Credible IDP's**

A Credible IDP Framework Guide has been developed by the Department of Provincial and Local Government. The objective of the framework guide is to provide a standardized reference point for municipalities with respect to their key service delivery, governance and management obligations. The framework also serves as an enabling tool for the IDP drafting and revision process and facilitates compliance with the Municipal Systems Act by municipalities.

The framework outlines six key focus areas namely;

- Spatial Development Framework
- Service Delivery
- Financial Viability
- Local Economic Development
- Good Governance and Public Participation
- Institutional Arrangements



The IDP/ Budget / PMS 2014-15 will be developed following the above mentioned Framework.

### 2.6.2.1 COMPLIANCE SCHEDULE

Item	Legislative / Framework	Compliance
1.	IDP Guide Pack- DPLG	The IDP methodology, as guided by the Guide packs from National DPLG, served as the basis of the process design.
2.	<b>MSA, Sec (26 )</b> - Content of the IDP	The document reflects: <ul style="list-style-type: none"> <li>• Situational Analysis (development level)</li> <li>• KPA 1 to KPA 6 and Priorities</li> <li>• Vision, Strategic objectives and strategies</li> <li>• Operational Plan (Projects Register)</li> <li>• Alignment of Municipal to sectoral programmes and projects</li> <li>• Financial Plan and SDBIP</li> </ul> Organisational Performance Management
3.	<b>MSA, Sec (27)</b> - Framework for Integrated Development Planning	CHDM has adopted a framework for LM's to follow the process in a proper way thus ensuring proper alignment and coordination. The Municipality partook in the organizing meetings to ensure integration and alignment including:- <ul style="list-style-type: none"> <li>• CHDM Sector Engagement and IGR meetings.</li> <li>• CHDM District IDP Representative Forum meetings.</li> <li>• Attendance of District Mayors Forum (DIMAFO) and Municipal Manager Forum meetings</li> <li>• In partnership with the DLGTA, CHDM, sectoral alignment engagements were held with provincial departments with regard to available budget and LM needs.</li> </ul> Copies of the Draft IDP will be submitted to the MEC for DLGTA for assessment and comment.
4.	<b>MSA Sec (28 )</b> - Adoption Process	Council will adopt the Draft IDP on 31 March 2014 and it will be published for public comment (21-days). At the end of April these comments will be discussed by the Steering Committee and be presented to the Representative Forum and considered by the Mayor before the final IDP is tabled for adoption by the Council at the end of May 2014. Copy of the final IDP will be submitted to the MEC 10 days after the adoption by Council.
5.	<b>Municipal Planning and Performance Management Regulations.</b>	Performance Monitoring and Evaluation process: <ul style="list-style-type: none"> <li>• PMS – Framework is in place , to be reviewed with IDP/Budget</li> </ul>

	<p><b>MSA Sec (38 – 49 )-</b> Performance Management System</p>	<ul style="list-style-type: none"> <li>• IDP includes a section on: Institutional Performance Management System</li> <li>• IDP is structured according to the National Key Performance Areas reflected in the performance plan of the Municipal Manager.</li> </ul> <p>Objectives are specified by measurements/baseline and targets to serve as the standards in the performance agreements – these are in the process of being formulated</p>
6.	<p><b>MSA Sec (16 )-</b> Community Participation</p>	<p>The community participation in the planning process is guided at two levels namely:-</p> <ul style="list-style-type: none"> <li>• IDP Representative Forum (Interest groups)</li> <li>• Ward Committees’ (community level)</li> </ul> <p>The consultative and planning process for the formulation of the IDP commenced in September 2013. The municipality has a communication strategy which seeks to guide communication procedures. The four ward committees’ function is central to communication between the municipality and the community (both political and administrative). Automatically the ward councillor chairs the committee and interacts with the municipality. Matters pertaining to stakeholder consultation and the applicable planning processes were undertaken. The process was interrupted which led to delay in the whole process.</p>

**Table 37 , Compliance Schedule**

**2.6.2.2 ADOPTED FINAL IDP ASSESSMENT BY MEC (DLGTA) 2013- 14.**

The MEC , DLGTA assesses all IDP’s yearly for various constructive reasons. IDP’s are assessed to ensure among other things proper alignment in all spheres, identification of weaknesses and to ensure that the document is credible. The municipality has performed fairly well for two consecutive years, regrettable there was a regression in 2013 to medium rating as clearly tabulated in the table below. The contributing factor towards regression is the quality of information placed in Basic Service Delivery, Institutional Arrangement and Municipal Financial Viability. The municipality must take cognizance of these contributing factors by putting sufficient and quality information in the respective chapters. The municipality has attempted to put mechanisms in place to respond in a positive manner to the MEC Comments by developing an action plan.

Financial Year	Rating By MEC
2011	High
2012	High
2013	Medium

**Table 38 : IDP Rating over 3 years****Action Plan on MEC Comments Raised in 2013- 14 Final IDP Assessment**

<b>Basic Service Delivery.</b>				
Evidentia / Criteria	Y/N	Comment for remedial measures	Time Frames	Responsibility
Do the planned capital projects require EIAs and licenses / legal requirements, if so have they been catered for	N	<ul style="list-style-type: none"> <li>• <b>Not reflecting in the IDP doc</b></li> <li>• <b>Projects that will need EIA's must always be reflected</b></li> </ul>	May 2014	Technical Services, Community Service. DEDEA
Have municipalities adopted EPWP Policy	N	<b>Not reflecting in the IDP Doc</b>	May 2014	
a) Do municipalities have coordinated forums towards Roads and Transport planning?		<ul style="list-style-type: none"> <li>• <b>There is but it is not reflected</b></li> <li>• The document must have a statement on the roads forum</li> </ul>	May 2014	Technical SERVICES, DORPW
b) (i)How many landfill sites exist within the Municipality (ii) How many are operational and how many are licensed? If not licensed when they will be		(i) Two landfill sites (ii) Two operational and both unlicensed in the process of them getting licensed (iii) Landfill site is not	2014-15 Financial Year	Community Services, CHDM, DEADEA

licensed.  (iii) Indicate level of compliance (license and management)		complying as there is no license in place.		
(c) Is there any functional Vehicle/Licensing & Testing Station/s?	N	<ul style="list-style-type: none"> <li>• Is being under construction</li> <li>• It is hoped that by June 2014 it will be completed</li> </ul>		Technical Services
Indicate whether the Indigent Steering Committees that have been established are functional	N	<ul style="list-style-type: none"> <li>• Established but not reflected in the document</li> </ul>	March 2014	CFO, DLGTA
Is there a plan to address land degradation and revitalization?	N	<ul style="list-style-type: none"> <li>• <i>Technical support should be provided on soil erosion management and land rehabilitation</i></li> <li>• <i>There are discussions with DEDEA on this matter</i></li> </ul>	July 2014	Community Services, DEDEA, CHDM
Does the IDP housing sector plan include a data base on informal settlement?	N	The information is in the sector plan and should be incorporated in the document	May 2014	Human Settlements, Land & Housing Officer
Is the IDP informal Settlements section aligned to the Migration Plan of the municipality?	N	The information is in the sector plan and should be incorporated in the document	May 2014	Human Settlements, Land & Housing Officer, IDP Manager
Is the IDP informal Settlements section aligned to the Migration Plan of the municipality?	N	The information is in the sector plan and should be incorporated in the document	May 2014	Human Settlements, Land & Housing Officer, IDP Manager

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	<b>Municipal Financial Viability</b>			
<b>Evidentia Criteria/ KIP's</b>	<b>Y/ N</b>	<b>Comment for remedial measures</b>	<b>Time frames</b>	<b>Responsibility</b>
a) Does the municipality have and implement the prescribed statutory policies regulating: <ul style="list-style-type: none"> <li>• Tariffs;</li> <li>• Rates;</li> <li>• Credit control and debt collection;</li> <li>• Cash management; and</li> <li>• Investment</li> <li>• Borrowing policy</li> <li>• Funding and reserves</li> <li>• Long-Term financial plan</li> <li>• Supply Chain Management</li> <li>• Asset management and disposal policy</li> <li>• Infrastructure investment and capital projects</li> <li>• Indigent Policy</li> </ul>	N	<ul style="list-style-type: none"> <li>• Municipality must include all policies in the IDP document</li> </ul>	May 2014	CFO,
Are these policies yearly reviewed?	N	Municipality must indicate	May 2014	CFO, BTO
Are these policies promulgated into by-laws and gazetted?	N	Municipality must indicate	May 2014	CFO, BTO
Is there a financial recovery plan in place to address cash flow problems?	N	Municipality must indicate	May 2014	CFO, BTO
Does the municipality have a GRAP compliant Asset Register?	N	Municipality must indicate	May 2014	
) Does the municipality have AFS Process Plan?	N	Municipality must indicate	May 2014	
<b>3.2 Expenditure</b>	<b>N</b>	<b>Municipality must indicate</b>		
a) Does the IDP reflects on the percentatge of Municipality's last year's capital budget actually spent? (i) What percentage was				

spent in the past two financial years? Included a table showing audited results for each year?				
What is the % of expenditure on grants usage (MIG, MSIG, etc.)?	N	Municipality must indicate	May 2014	CFO, BTO

<b>Local Economic Development</b>				
<b>Evidentia Criteria/ KPI's</b>	<b>Y/N</b>	<b>Comment for remedial measures</b>	<b>Time frame</b>	<b>Responsibility</b>
Is there evidence of stakeholder and community involvement on LED activities (e.g. LED forum, business chambers)	N	<ul style="list-style-type: none"> <li>No indication in the document</li> <li>This should be indicated in the document.</li> </ul>	May 2014	HOD LED
Are there Bylaws to enforce these Policies?	No	Any existing policies with regard to Informal Trading Policies should be included	May 2014	HOD LED
Is the socio - economic analysis underpinned by quality assured data? (Relevance, accuracy, source and up-to-date).	No	Page 58 needs referencing and data source needs to be shown		

<b>Institutional Transformation and Organizational Development</b>				
<b>Evidentia Criteria/ KPI</b>	<b>Y/ N</b>	<b>Comment for remedial measures</b>	<b>Time Frame</b>	<b>Responsibility</b>
Does the IDP show if the Municipal Manager & all of the S56 positions are	N	Need to reflect on filled posts of the MM and S56	By 31 March 2014	Tsolwana LM

currently filled? If not, are the vacancies and duration thereof mentioned, with an explanation of challenges to fill these posts, if any		Managers		
Does the IDP reflect the filled and vacant posts per Department?	N	Need to reflect on the filled and vacant posts per Department	By 31 March 2014	Tsolwana LM
Do all employees have job descriptions?. If not indicate those that don't have)	N	Need to reflect on employees job descriptions	By 31 March 2014	Tsolwana LM
Does the IDP reflect on funded posts vacant for more than three months?	N	Need to reflect on the vacant funded posts	By 31 March 2014	Tsolwana LM
Does your IDP reflect the existence and functionality of the local labour forum?	N	Need to reflect on the existence and functionality of the LLF	By 31 March 2014	Tsolwana LM
Does the IDP reflect on Work Place Skills Plans that is responsive to the capacity challenges of the municipality?	N	There is an existing plan however need to indicate responsiveness to the capacity challenges of the Municipality	By 31 March 2014	Tsolwana LM
Does the municipality show evidence that it has a training and retention strategy for scarce skills?  Evidentia Criteria/ KPI	N	The IDP must reflect on training and retention of scarce skills.	By 31 March 2014	Tsolwana LM
Is there evidence of the succession plan	N	However they have agreed to	By 31 March 2014	Tsolwana LM

especially key positions		develop HR Strategy which will cover succession plan		
Does the IDP reflect on Work Place Skills Plans that is responsive to the capacity challenges of the municipality?	N	There is an existing plan however need to indicate responsiveness to the capacity challenges of the Municipality	By 31 March 2014	Tsolwana LM

<b>Good Governance and Public Participation</b>				
<b>Evidentia Criteria/ KPI's</b>	<b>Y/N</b>	<b>Comment for remedial measures</b>	<b>Timeframes</b>	<b>Responsibility</b>
<b>(a)</b> Are there any challenges with regards to effectively implementing the public participation strategy/plan <b>A summary of challenges to be indicated</b>	N	<ul style="list-style-type: none"> <li>No challenges cited.</li> <li>The municipality needs to reflect in the document the challenges experienced by the municipality around this matter</li> </ul>	May 2014	PP Practitioner, IDP Manager
Are the ward committee resolutions/concerns considered by the Municipal Council	N	<ul style="list-style-type: none"> <li>There is no indication of how ward committee issues are considered.</li> <li>The Municipality must reflect a clear picture of the handling of ward committee concerns by the council</li> </ul>	By May 2014	Coorporate Services, PP Practitioner, IDP Manager
Do the municipal social cohesion programmes	N	<ul style="list-style-type: none"> <li>An indication of the benefits of</li> </ul>	May 2014	SPU,DLGTA, Soc



contribute to nation building?		<p>social cohesion programmes to be indicated</p> <ul style="list-style-type: none"> <li>• There must be a statement/ paragraph on the social cohesion component</li> </ul>		Development
<p>(a) Is the municipality engaged in inter-municipal planning programmes?</p> <p><b>Programmes/project in respect of inter-municipal planning to be indicated</b></p>	N	No twinning- such arrangements to be initiated	<b>3<sup>rd</sup> Quarter March 2015</b>	<b>CHDM, DLGTA</b>
<p><b>Complaints &amp; Fraud Management</b></p> <p>(a) Is there an institutionalized complaint management system?</p> <p><b>Provide the complaint management system used</b></p>	N	<ul style="list-style-type: none"> <li>• Complaints and fraud management systems to be institutionalized</li> <li>• The municipality will give a clear picture of how complaints are managed.</li> </ul>	<b>March 2014</b>	<b>MM, PP Practitioner</b>
<p>(a) Is there a fraud prevention plan?</p> <p>(i) Is the fraud prevention plan effective?</p>	N	<ul style="list-style-type: none"> <li>• Existence of the plan to be indicated</li> <li>• The plan is available, it will be indicated</li> </ul>	<b>March 2014</b>	<b>MM, CFO, DLGTA, CHDM</b>
Does the audit committee have a framework to regularly audit the implementation of the IDP	N	<ul style="list-style-type: none"> <li>• Audit committee framework to be developed</li> <li>• The audit committee framework was developed it needs to be reflected</li> </ul>	<b>March 2014</b>	<b>DLGTA, Treasury, Chief Internal Auditor</b>
a) What were the Audit Opinions for this municipality over the last	N	<ul style="list-style-type: none"> <li>• 3yr audit opinions to be indicated</li> </ul>	<b>March 2014</b>	<b>DLGTA, Treasury, Chief Internal Auditor,</b>

three years?				<b>CFO</b>
Is there special focus to promote people with disabilities?	<b>N</b>	<ul style="list-style-type: none"> <li>• But on the document there is a commitment for Special programmes</li> <li>• The document will give a clear statement on the issue of people with disabilities</li> </ul>	<b>March 2014</b>	<b>SPU</b>
Do the sector plans take MDGs and 12 Outcomes targets into consideration	<b>N</b>	<ul style="list-style-type: none"> <li>• MDGs to be considered</li> </ul>	<b>March 2014</b>	<b>CHDM, DLGTA, IDP Manager</b>

**Table 39 ,IDP Action Plan****2.6. 3 INTERGOVERNMENTAL RELATIONS (IGR)**

Tsolwana chairs an IGR and IDP forum which meets regularly to discuss and evaluate progress on the implementation of plans that are committed in the IDP and departmental annual plans.

Regrettably the municipality is currently experiencing challenges with the IGR. In this scenario the IDP/ Budget Forum is also used by the municipality to discuss IGR related matters. The challenges include but not limited to.

It is worth mentioning that Tsolwana municipality is participating in DIMAFO, Provincial Political MUNIMEC.

- Lack of seriousness by certain sector departments to this platform as shown by their consistent non-attendance of meetings or sending of junior officials to seat-in
- Increasing problem of dishonouring commitments made in the IDP wherein for example a department would budget for a project and later remove that project in its priorities without reporting or offering any reasons to the forum or the municipality
- Poor coordination of plans leading to duplication of projects especially those aimed at poverty alleviation and agricultural development
- Lack of participation of Traditional leaders
- Functionality of the IGRF has always been a problem as the sector departments and state owned enterprises (SOEs) do not either participate or make a meaningful contribution to IDP development process. IGRF was established as a stand-alone structure but was never functional.
- In the IDP Representative Forum, however there are departments that are consistent participants. But still the council has a problem with the contributions that are made by sector departments. In many instances project submitted by sector departments are do not get implemented and thereby affecting the implementation rate of the IDP. This is a very dangerous situation as the council might be viewed as failing to deliver on predetermined objectives

## **2.6.4 PARTNERSHIPS AND STRATEGIC RELATIONSHIPS**

Tsolwana municipality has considered the idea of developing strategic relationships. The municipality alone is not able to address the concerns of the community. The municipality has a good working relationship with CHDM. In some instances Tsolwana benefits indirectly from strategic relationships between CHDM and its strategic partners.

## **2.6.5 COMMUNICATION AND MARKETING**

The municipality does not have a unit for Communication. Cooperate Services is a caretaker for communication. The council does have a communication strategy in place to guide the municipality. It developed with the assistance of GCIS and CHDM. The action plan is reviewed annually. The organogram does cater for a communication officer but budget has not been provided for as yet.

The major barrier towards the idea of establishing and equipping Communications Unit with adequate infrastructural resources is budget. Budget allocated for communication is therefore insufficient and the resources for communication are not enough. The municipality must consider allocating budget for this function in 2014/15 financial year. LCF is being revived.

Communication tools that are currently used by the municipality are :

- Imbizo's / Road shows,
- Loud tailing,
- Library;
- Notice boards
- Local Newspaper

### **Areas for consideration for 2014-15 financial year:**

- Implement the resolution of the political MUNIMEC by allocating 1 % of the total annual budget to communication.
- Establish a Unit for Communication and centralize it
- Consider diversifying tools of communication to narrow the gap between the municipality and the community.
- Strengthen the existing tools of communication
- Establish and publish the Municipal Newsletter to be published quarterly.

## **2.6.6 PUBLIC PARTICIPATION, CUSTOMER CARE.**

The council promotes local democracy and community involvement in its affairs by facilitating capacity building and establishing operational mechanisms for ensuring public participation in planning, project implementation and general council affairs.

In addition, we have a dedicated unit dealing with ISD or promotion of special programmes reporting directly to a section 57 manager. This office works closely with our political offices and office and serves as interface between our organization and partner stakeholders in the realization of programme objectives.

As part of our efforts to improve access to council and municipal offices, we have implemented a process of decentralising our operational administrative services by utilizing municipal building in areas like Thornhill and Hofmeyr to extend certain key services such that people in those vicinities may not have to travel to Tarkastad to access municipal administrative support

### **Challenges with regard to the implementation of Public Participation Mechanisms**

- Unending silo mentality among the directorates in effecting Public Participation activities.
- Public participation unit is not utilized effectively
- Minimal understanding of the manner in which government operates.
- Inadequate resources for execution of Public Participation activities

### 2.6.7 CONSULTATION ON WARD PRIORITIES

In 2012 we were supported by the district municipality to develop ward based plans for all our wards. These plans have been adopted by council and were used and considered in formulating the review situation analysis. Each plan provides for a detailed analysis of its ward's development challenge and concludes with a clear action plan with timeframes for implementation by the ward committee assisted by other stakeholders. The IDP is reviewed comprehensively by consulting wards to detect new challenges and priorities that might affect planning, prioritizing and budgeting. The DLGTA has also assisted the municipality in 2013-14 financial year to develop Ward operational Plans.

### 2.6.8 FUNCTIONING OF WARD COMMITTEES

- 5 Tsolwana local Municipality has got five wards and five ward committees (comprised by 50 individuals). Ward committees function under the chairpersonship of a ward councillor and representative of all sectors within the community.
- 6 Ward committees seat at least once per month and submit reports or minutes to the Mayor's office (also serves as the speaker of council. A stipend of R1000 gets paid to each member of the ward committee after consideration of the member's participation and attendance of ward committee meetings and submission of a report to the Mayor.
- 7 However, the council has been experiencing challenges when it comes to the functioning of ward 5 ward committee. The committee has not been seating regularly and the council had to stop payment of stipends to the members of that particular ward committee.

Challenge	Remedial Action	Time frames
Lack of cooperation	Revival of the ward committee	1 <sup>st</sup> quarter

### 2.6.9 Traditional leaders

Tsolwnana Municipality has 2 Tadtional Leaders who are supposed to attend Council Meetings from Maqwathi and Basotho. The attendance of the Traditional leaders with regard to council meetings is not satisfactory. There is still time and space to improve this situation by timeous issuing of invitations.

### 2.6.10 FUNCTIONING OF COMMUNITY DEVELOPMENT WORKERS (CDWs)

The municipality has got three CDWs. Initially there were five CDWs. Ward four (Tarkastad) was dismissed due to misconduct. Ward 2 passed away. The municipality is left with three CDWs. No replacement has been made despite this matter being reported to the Department of Local Government and Traditional Affairs. The working relations between the municipality and the CDWs have improved compared to the other years. They participate in a number of activities working with the Ward Committees in wards.

### **.2.6.11 INFORMARTION COMMUNICATION TECHNOLOGY (ICT) MANAGEMENT**

ICT is central to the smooth functioning of the municipality. Regrettably the municipality has experienced a number of challenges on ICT related issues which are the major causes of non-compliance with the required standards (ECLGICT, AG, and SALGAICT. This has led to inability to achieve the objectives. The initiative to put all the mechanisms in place is high on the municipalities' agenda.

The appointment of the IT Technician in 2013-14 financial year was a starting point to show commitment on the side of the municipality. Due to the nature of responsibilities and deliverables to the incumbent and AG, ECLGICT and SALGAICT expectations in Municipalities position naming must be reviewed to ICT Specialist and this caters for all round expertise that comes with the incumbent. That is Governance, Systems Security, Storage and Disaster Recovery Plan, Backups, Networking and Service providers contractual matters that must be sorted out for the institution, it's clearly and an indication of IT Technician job description is not enough hence the proposed change. Hence there must be a positional review or upgrade to cater for the new challenges we have to tackle as this is formation of ICT unit that will also be easily migrated to the new SCOA requirements to be implemented in 2016.

#### **ICT Challenges**

- ICT Governance Policy development and implementation.(Policy draft ongoing and will be submitted to council for approval 31 March 2013)Strategy
- Software and hardware quality assurance.(Ensure in house ownership of licenses and compliance with ICT laws and acts 2<sup>nd</sup> Quarter 2014-15)Project
- Implementation of standard and operational procedures.(Ensure that ICT security, system administration, data integrity are in practice for conformity 4<sup>th</sup> Quarter 2014-15)Strategy
- Provision of storage room for redundant ICT Equipment.(Additional room to safe guard ICT infrastructure 4<sup>th</sup> Quarter 2014-15)Project
- Broadband Connectivity in Municipality Demarcation contractual issues.(Fast track all internet, cellphone and Wi-Fi connection to sign contracts and pay rental to the municipality 4<sup>th</sup> Quarter 2014-15)Project
- Allocation of ICT Budget to implement mini projects to turn around the status quo.(As the new unit it is vital for it to get its own budget so that the unit can be able to also lobby for funding from other spheres of government 1<sup>st</sup> July 2014)Strategy
- Hofmyer satellite offices network migration to Tarkastad main office.(Virtual Private Network(VPN) setup for centralization of municipality offices and departments 4<sup>th</sup> Quarter 2014-15)Project
- Firewall for data security and web filtering solution to protect Tsolwana LM information hacking from the internet.(As part of ECLGICT standards and new SCOA requirements this must be setup 4<sup>th</sup> Quarter 2014-15)Project
- Tsolwana Local Municipality Website must be administered in house to keep updating the required information as deemed by legislature (IT Tech to go for training to the web developer for future administration 2<sup>nd</sup> Quarter 2014-15)Strategy

### **2.6.12 COMPLAINTS/ CUSTOMER CARE & PRESIDENTIAL HOTLINE**

The municipality does not have a Complaints Management System. There are institutional arrangements to register complaints by the official designated for that purpose. Complaints received are directed to the management for consideration. The municipality is doing fairly well currently on the Presidential Hotline.

### **2.6.13 AUDIT/ OVERSIGHT**

#### **2.6.13.1 Audit matters**

Notwithstanding these challenges, the municipality is committed to the goal of achieving a clean audit by 2014. A plan of action to respond to the current set of issues raised by auditor general has been developed and adopted. This plan will comprise a key part of the contracting arrangements between the municipality and the CFO moving forward. The plan includes a number of improvements and introductions into the systems of accounting and reporting such as:

- Regular management reporting on their AG concerns
- New controls to manage and curb poor documentation trail for expenditure
- Training and capacity building for all managers on financial management
- Mechanisms for definition and registration of new assets especially from the technical services division
- Lack of integration of the IDP objectives and municipal performance management plans etc

In 2012 **PWC** produced a report aimed at assisting with analysing and providing support towards addressing of the queries that were raised in our Audit report. AG gave us a qualified audit opinion and highlighted issues that were of concern. In response we have met as management and developed a comprehensive AG response action plan which is jointly led by the MM and CFO.

#### **2.6.13.2 Audit Committee**

Tsolwana Local municipality has, in place, fully functional Audit Committee consisting of three (3) member's i.e.

- Reverend TJ Irion
- Advocate MA Zepe
- Mr Tukwayo (CFO of Inxuba Yethemba)

The municipality has put all the mechanism in place by developing an audit committee charter to make sure that the audit committee, reviewed in 13-14 is operating within the parameters of the audit committee charter. Participation of Inxuba Yethemba CFO was agreed upon due to loss of interest by a former member of the Audit Committee. It was agreed with the Auditor General that this was not contra vires.

The Audit Committee is shared between three municipalities i.e. Tsolwana, Inkwanca and Inxuba Yethemba Local municipalities. It seats four times per annum. Part of its functions is

- to consider reports of the internal audit before they are tabled before the management and council,
- consideration of Annual Financial Statements before they can be adopted by council and
- any other matter that the council would want investigate. Functioning of the Audit Committee has been superb in the 2012/13 financial year.

#### **Audit Outcomes:**

- 2010-11 Financial Year (Qualified Audit Opinion )
- 2011-12 Financial Year (Qualified Audit Opinion )
- 2012-13 Financial Year (Unqualified Audit Opinion )

### **2.6.13.3 Internal Audit**

The organogram of the municipality does provide for an internal audit unit (which is not fully populated due to limited budget). The Municipality has appointed a Chief Internal Auditor who is currently assisted by an intern. Further, a co-sourcing arrangement – meant to capacitated and transfer skills to existing staff - was entered into with Price Waterhouse Coopers (PWC) an coming to end by the end of the current local government financial year (31 June 2014)

As it stand, the council will not be able to cope with the carrying of its internal audit function. This is due to understaffing in that department as well the software that is needed in order for it to perform

### **2.6.13. 4 Council Standing Committees**

The council has two standing committees i.e. Finance, Governance and Administration and Community and Technical Services. These committees seat once per month (as per council calendar) and make recommendations to the council. However, these committees are also facing challenges when it comes to administrative support and safe-keeping of minutes. Seating are also not as regular as the council may have wanted.

### **2.6.13.5 Municipal Public Accounts Committee (MPAC)**

MPAC was established in November 2012 on the basis of the guidelines of the department of Local Government and Traditional Affairs. MPAC seats once per quarter in terms of council calendar to consider internal audit reports and advise council. However, there are problems with regards to the functionality of MPAC due to members wanting to be ferried to meetings irrespective of transport allowance (25% of councillor allowances) that is being to all councillors and a council resolution to only incur councillor travelling allowances when they have to travel outside of the municipal boundaries.

## **2.6.14 MAINSTREAMING OF SPECIAL PROGRAMME AND CROSSCUTTING ISSUES.**

The municipality has a dedicated SPU which is responsible for facilitating our interventions in social cohesion and support targeted at affirming special groups an mainstream them for improved participation. The said Unit reports in the Office of the Municipal Manager.

The unit run key programmes that are dealing with youth, women, children, elderly, disabled and HIV Aids programmes. It is hosted and reports to the office of the municipal manager. The municipality has identified mainstreaming of SPU Programmes as an area for consideration during 2014-15 financial year. (*Institutional Strategic Planning March 2014*) Different Forums (Youth Development Forum, Women’s Forum, Disabled Forum, Forum for the Aged). In 2013-14 financial year the municipality has assisted the Disabled people to start a Food Security garden by providing some equipment for fencing. SPU Programme were inducted by the Municipality in November 2013 with the assistance of CHDM. The municipality does not have an HIV/ AIDS Strategy, this needs consideration in planning for 2014-15 financial year.

### **HIV/AIDS Mainstreaming:**

HIV/AIDS is a global health concern that obstructs the ability to achieve a several development initiatives. South Africa has the largest population living with HIV/AIDS. The

number of people living with AIDS in South Africa is 5, 26 million.17, 4 % of females are HIV positive, 15,9 % adults are HIV positive, HIV/AIDS in youth (15-24) has dropped to 8,5 % since 2011. There is also a significant decrease (0, 85 %) of new infections for adults. (*Statistics SA, 2013 estimates*)

Tsolwana Municipality is affected by the said pandemic in the form of vulnerability as well as susceptibility .The municipality therefore has taken a conscious decision to play an active role in HIV and AIDS prevention and mitigation as contained within the developmental agenda for local government established by the **Constitution of South Africa, Act No.108 of 1996**. The two approaches that TLM is following are, HIV/ AIDS programming and HIV/AIDS mainstreaming.

HIV and AIDS mainstreaming, is a tactic whereby HIV and AIDS is seen through a development and governance lens. Mainstreaming as an approach to HIV and AIDS necessitates municipalities, to examine how HIV and AIDS impacts on themselves as organizations and on their core business, and to conclude on how the municipality can respond. It is essential for municipal departments to look at their core work through the lens of HIV and AIDS and to take HIV and AIDS causes and effects into account during all stages of the municipal planning, implementation, budgeting, and monitoring and evaluation process. Mainstreaming should be taking place in both the internal functioning of a municipality, and the externally focused service delivery work.

**HIV/AIDS Programming:** In the light of the above the municipality has appointed an HIV/AIDS coordinator to drive HIV/AIDS programming. The appointed coordinator has developed and is currently implementing a strategy to halt the spread of HIV infection through key intervention that include education, alertness, condom distribution, VCT, PMTCT.

**Internal HIV/AIDS mainstreaming:** Tsolwana Municipality seeks to ensure that the organization continues to fulfill its mandate effectively despite challenges that are HIV/AIDS related. The municipality has taken a positive stance by re-examining and adjust internal systems and procedures to reduce the negative impacts of HIV and AIDS on the organization. In 2013-14 financial year a Draft Workplace HIV/AIDS Strategy was workshopped to Councillors and a Tsolwana Wellness Committee. The municipality is also intending to put all the mechanisms in place by developing Tsolwana HIV/AIDS Strategy in 2014-15 financial year that speaks to the broader Tsolwana community.

**External HIV/AIDS mainstreaming:** The municipality is not doing well in this regard. A decision to put mechanisms in place for external mainstreaming was taken during an Institutional Strategic Session. All HOD's will be given tasks for HIV/AIDS in 2014-15 financial year.

**Mainstreaming HIV and AIDS in the IDP Review Process:** A practical approach has been adopted by the municipality to include vulnerable groups in the planning process. The idea of build, strengthen and sustain, partnerships with appropriate stakeholders like the DAC working with LAC to collaborate events and other progressive initiatives is satisfactory.

The municipality has also created an opportunity for the voice of HIV/AIDS affected and infected through public participation in platforms like the IDP/ Representative Forum Meetings. The groups include Community Based Organization, Local Aids Council, a political champion (Mayor), resource person from the Department of Health, Department of Social Development, SASSA Traditional leaders as well as HIV/AIDS Coordinator.

**Areas for intervention:**



- Development of Tsolwana HIV/AIDS Strategy in 2014-15 financial year
- Sensitize HOD's about mainstreaming in all development related initiatives.
- Spread HIV/AIDS to all departments across the institution. (external mainstreaming)
- Create a conducive environment for the voice of infected /affected residents
- Develop a Mainstreaming Strategy in 2014-15 for implementation in 2015-16 financial year.
- Collection of data of HIV/AIDS prevalence within the jurisdiction of TLM.

**Social Cohesion:**

Social cohesion, nation building and promotion of national identity are high on South Africa's agenda. According to the Department of Arts and Culture, social cohesion and nation building can only be based on the following principles: constitution and democracy; human rights and equality; non-racialism, non-tribalism and non-sexism; unity in diversity; inclusivity and social justice; redress and transformation; intergroup and community co-operation; social solidarity; active citizenship; civic responsibility; and national consciousness.

These principles serve as the touchstone of social cohesion and are aimed at fostering shared values and greater cohesion within diverse communities and national unity. Sport has been noted as a powerful tool to promote social cohesion. Tsolwana municipality is committed in contributing to social cohesion. Annually the municipality hosts the Mayoral Cup. The municipality is organizing the Mayoral Cup annually. In 2013-14 financial year the Mayoral Cup will take place in April. The event has a huge potential to bring people together for unity.

## 7 KPA : INSTITUTIONAL ARRANGEMENT AND ANALYSIS

### 2.7.1 POWERS AND FUNCTIONS

The Constitution outlines the objectives of local government as follows:

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

A municipality has the functions and powers assigned to it in terms of sections 156 and 229 of the Constitution. These functions and powers are divided between the District municipality and the local municipalities established within its area of jurisdiction. Section 84(a) to (p) of the Structures Act defines the functions and the powers that are assigned to District Municipalities.

The Minister may authorize (under certain circumstances) a local municipality to perform a district function and power and the Member of the Executive Council for local government may (under certain circumstances) adjust specified functions and powers between the district and a local municipality in its area.

The table below not only reflects the local powers and functions that Tsolwana Municipality is responsible for but also indicates the extent to which the municipality is able to perform that function within its financial and human resource means.

Function	Tsolwana LM	Performing/ understand function	Budget available
Air pollution	X	No	No
Building regulations	X	Yes	Yes
Child Care facilities	X	No	No
Electricity reticulation	X	Yes	Yes
Fire Fighting	X	Yes	Yes
Local Tourism	X	Yes	Yes
Municipal airports	X	No	No
Municipal Planning	X	Yes	Yes
Municipal Health Services			
Municipal Public Transport	X	No	No
Storm water	X	Yes	Yes
Trading regulations	X	Yes	No
Water (potable)	X	Yes	Yes
Sanitation	X	Yes	Yes
<b>Schedule 5 part b</b>			
Amusement facilities	X	No	No
Billboards and the display of adverts in public places	X	Yes	Yes
Cemeteries, Crematoria and funeral parlours	X	Yes	Yes
Cleansing	X	Yes	Yes

Function	Tsolwana LM	Performing/ understand function	Budget available
Control of public nuisances	X	Yes	Yes
Control of undertakings that sell liquor to the public	X	Yes	Yes
Facilities for the accommodation, care and burial of animals	X	No	No
Fencing and fences	X	No	No
Licensing of dogs	X	No	No
Licensing and control of undertakings that sell food to the public	X	No	No
Local amenities	X	Yes	Yes
Local sport facilities	X	Yes	Yes
Markets	X	No	No
Municipal abattoirs	X	Yes	Yes
Municipal parks and recreation	X	Yes	Yes
Municipal roads	X	Yes	Yes
Noise pollution	X		
Pounds	X	No. Do not have any pounds	No
Public places	X		
Refuse removal, refuse dumps and solid waste disposal	X	Yes	Yes
Street trading	X	Yes	Yes
Street lighting	X	Yes	Yes
Traffic and parking	X	Yes. No provision on organogram	Yes

**Table 40. Powers & Functions****2.7.1.1 BY-LAWS AND POLICIES**

Tsolwana Municipal council have promulgated the following By-laws and adopted the Policies listed hereunder.

Advertising Signs	Indigent Support Policy	Solid Waste Disposal
Community Fire Services	Leave Policy	Street Trading
Customer Care and Revenue Management	Liquor Trading	Storm water Management
Electricity Supply	Outdoor advertising and signage	Tariff Policy
Fences and Fencing by-laws	Public Amenities	Water Supply and Sanitation Services
Impoundment of Animals	Supply Chain Management Policy	Bereavement Policy

**Table 41, Bylaws and Policies**

## 2.7.2 TSOLWANA INSTITUTIONAL DEVELOPMENT

### 2.7.2.1 TSOLWANA ACCOMODATION

Tsolwana municipality is made up of two urban nodes namely Tarkastad and Hofmeyr and Ntabethemba administrative area consisting of eleven villages. The administrative and political seat is in Tarkastad with a satellite administrative unit located in Hofmeyr (Finance, technical and community services) and all other functions are performed in Tarkastad. There is a lack of sufficient office space in Tarkastad for the entire staff component. At the main Administrative Office, staff members are in some cases required to share office space, creating cramped working environment that are not conducive for performing.

### 2.7.2.2 TSOLWANA ORGANISATIONAL OVERVIEW

One of the key 2014-15 targets linked to Outcome 9 is that the municipality's, vacant, critical posts must be filled with competent and qualified staff. The top structure of the organogram makes provision for a Municipal Manager, Manager Technical Services, Manager Community Services, Manager Cooperate Services, and Chief Financial Officer. In compliance with the 2014 target it will be necessary for the position of PMU Technician, Electrician to be filled. The position for the IDP/PMS Manager and IT Technician are all filled.

The Organogram for Tsolwana Municipality was adopted by Council in October 2012.

**Table no. 72: Staffing position as at February 2014.**

Number of approved position	Total number currently employed	Number of vacant positions	% posts filled

#### **Source Tsolwana Local Municipality - HR**

Tsolwana Municipality has a staff component of 127. The Municipality has a very high vacancy rate and only 80 of the 127 approved positions are filled, which translates into a vacancy rate of 62%. As most of the vacant posts are situated in the Technical Services and Community Development Department it is concluded that the current scenario will have a detrimental effect on service delivery.

#### **Below is a list of positions that are on contract bases :**

- 1 LED Assistant ( Community Services Department )
- 1 x PMU Technician (Technical Services )
- 1 Chief Internal Auditor (Municipal Manager' Office )
- 5 Finance Interns (Finance Department )

A HR Action Plan was developed and adopted in 2011 to recruit and fill the critical key and general worker posts in the Technical Services and Community Development Department.

#### **Areas of prioritized intervention**

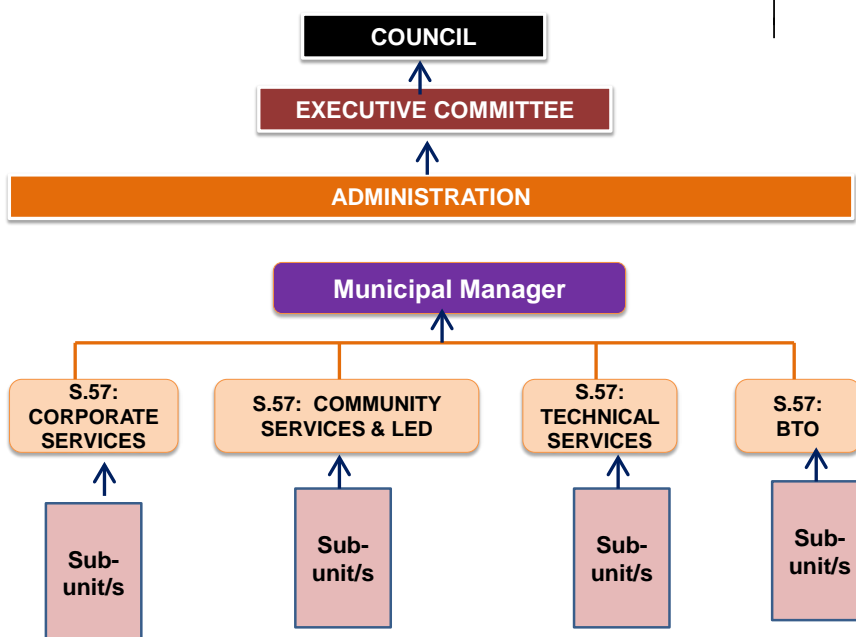
- Implement the Action Plan to fast track the filling of critical key and general worker posts.

The Municipalities organizational structure comprises of positions, which are divided into the following Departments

- ⇒ Office of the Municipal Manager
- ⇒ Technical Services
- ⇒ Community Development
- ⇒ Financial Department
- ⇒ Cooperate Services

The organizational structure of the municipality is indicated on figure below

**High level Organizational Structure ( No exuc committee)**



**Figure 23 : High level Organizational Structure**

The figure above reflects an overview of the administrative structure of the municipality. All the departments are filled by section 57 managers who are contracted for 5 years to the municipal council. The municipality has managed to appoint an IDP Manager in the office of the Municipal Manager to relieve the Municipal Manager from operational issues.

There is a revised organogram (2012) which identifies critical vacant positions to be filled in order to develop and improve current HR capacity levels. An organogram reflecting detailed organizational structure is annexed in this document.

The analysis of institutional challenges also highlighted a number of challenges to be addressed and these are included in the list below.

**2.7.3 Institutional challenges**

The municipality faces a number of institutional challenges and has begun a strategy to ameliorate its institutional development challenges. These include among others:

- **Limited service delivery capacity:** the municipality intends to prioritise the establishment and staffing of PMU in order to fast track its development of

capacity for programme & contract management with a view to accelerating infrastructure roll-out plans. Through this institutional vehicle, the municipality aims to build secondary layer of financial management capacity which will support the management and accurate reporting on capital expenditure.

- **Skills shortage:** the municipality currently lacks critical skills in the areas of engineering, finance and environment. Due to these problems, our CAPEX rollout lags behind. A comprehensive recruitment strategy is planned so as to give guidance on appropriate interventions for curbing the challenge of skills shortage. The HR Plan needs to be reviewed and reflect on how to recruit and retain critical skills.
- **Over reliance on grants:** due to limited local revenue base there is very limited scope of raising own revenue outside of national and provincial grants. This is made worse by the recurring problem of un-improving payment levels for services coupled with high number of households in the low income (indigent) categories who are often unable to afford services and reliant on subsidization.
- **Monitoring and Evaluation:** lack of a functional framework for monitoring and evaluation in the municipality tends to undermine capacity to do oversight. The municipality has developed a template to monitor implementation of council resolutions A revised PMS Framework has been adopted by Council to improve the IDP monitoring in the coming financial year.
- **Office space:** there municipal offices are overcrowded. There is an urgent need to expand offices or find suitable alternative space for offices.
- **Low Rate of Payment:** adding to the problems of low revenue base is the serious challenge of poor payment levels by households that are served.
- **Lack of HR capacity:** the municipality has serious HR capacity constraints in critical areas of , engineering, town planning and project management

The tables below reflect the post description and whether that position is vacant or filled, per department:-

#### 2.7.4. OFFICE OF THE MAYOR

Department	No. of posts	Post Description	Filled posts	Vacant posts
Office of the Mayor	01		01	-
<b>Sub-total</b>	<b>01</b>		<b>01</b>	<b>0</b>

**Table 42, Office of the Mayor**

#### 1. Full Time Staff Complement per Functional Area a .MM/Section 57 and Line Managers.

	Approved positions (e.g MM-S57 etc...)	Number of approved and budgeted posts per position	Budgeted	Filled Posts	Vacant Posts
1	Municipal Manager	1	Yes	1	0
2	Chief Finance Officer	1	Yes	1	0

3	Corporate Services Manager	1	Yes	1	0
4	Community Services Manager	1	Yes	1	0
5	Technical Services Manager	1	Yes	1	0
	<b>Total</b>	<b>5</b>		<b>5</b>	<b>0</b>

**Table 43 , MM and Section 57 Managers****Office Of The Municipal Manager**

Apart from the sub directorates that report directly to the Municipal Manager, the Office of the Municipal Manager has 11 posts in total and 63 % are filled.

The under mentioned sub-directorates, resort directly under the Office of the Municipal Manager;

- ⇒ Internal Audit
- ⇒ Special Programmes
- ⇒ Customer Care and Public Participation
- ⇒ Communication and Marketing
- ⇒ IDP/ PMS
- ⇒ ICT

	Approved positions (e.g MM-S57 etc...)	Number of approved and budgeted posts per position	Budgeted	Filled Posts	Vacant Posts
1	Personal Assistant	1	Yes	1	0
2	IDP Manager	1	Yes	0	1
3	Senior Internal auditor	1	Yes	1	0
4	Agricultural Development Officer	1	Yes	1	0
5	LED and Tourism Officer	1	No	0	1
6	SPU Coordinator	1	Yes	1	0
7	Communications and Marketing Officer	1	No	0	1
8	HIV/AIDS Coordinator	1	No	1	0
9	Spatial Planning Officer	1	No	0	1
10	Customer Care/Public Participation Practitioner	1	Yes	1	0
11	LED Assistant ( seconded from DLG)	1	Yes	1	0
	<b>Total</b>	<b>11</b>	<b>8</b>	<b>8</b>	<b>3</b>

**Table 44, Municipal Manager's Office****Corporate Services Department**



	Approved positions (e.g MM-S57 etc...)	Number of approved posts per position	Budgeted	Filled Posts	Vacant Posts
1	Secretary	1	Yes	1	0
2	Manager: Human Resources	1	No	0	1
3	Human Resources Officer	1	Yes	1	0
4	Senior Admin Officer	1	No	0	1
5	OHS Officer	1	No	0	1
6	Labour Relations Officer	1	No	0	1
7	Skills Development and EE Officer	1	No	0	1
8	Human Resources Clerk	1	No	0	1
9	Records and Archives Clerk	1	Yes	1	0
10	Receptionist	1	Yes	1	0
11	Messenger/Driver	1	Yes	1	0
	<b>Total</b>	<b>11</b>		<b>5</b>	<b>6</b>

**Table 45, Cooperate Services****d) Budget and Treasury Office**

	Approved positions (e.g MM-S57 etc...)	Number of approved posts per position	Budgeted	Filled Posts	Vacant Posts
1	Budget and Treasury Officer	1	Yes	1	0
2	Secretary	1	No	0	1
3	Accountant: Budget & Treasury	1	No	0	1
4	Revenue Clerks	2	Yes	2	0
5	Snr Debtors Clerk	1	Yes	0	1
6	Cashiers	5	Yes	5	0
7	Free Basic Services Clerk	1	No	0	1
8	Meter Readers	4	Yes	3	1
9	SNR Accountant Expenditure & SCM	1	No	0	1
10	Accountant ( Income)	1	Yes	1	0
11	Snr Clerk: Creditors	1	Yes	1	0
12	Snr Clerk : Salaries	1	No	0	1
13	Snr Clerk: Grants, Asset and Vat management	1	No	1	0
14	Clerk Creditors: Grants	1	Yes	1	0
15	Supply Chain Management Officer	1	Yes	1	0
16	Stores controller	1	No	0	1

17	SCM Clerk	1	Yes	1	0
18	Asset management clerk	1	Yes	1	0
	<b>Total</b>	<b>26</b>		<b>18</b>	<b>8</b>

**Table 46, Budget and Treasury****(f) Staff Complement in the Technical Services**

Technical Services has 52 posts in total and 37 are filled.

The following sub-directorates fall under the Department of Technical Services

- ⇒ Technical Services Hofmeyr
- ⇒ Technical Services in Tarkastad
- ⇒ (Electricity and PMU)

	<b>Approved positions (e.g MM-S57 etc...)</b>	<b>Number of approved posts per position</b>	<b>Budgeted</b>	<b>Filled posts</b>	<b>Vacant posts</b>
1	Area Manager: Water Services	1	Yes	1	0
2	Admin Clerk	1	No	0	1
3	SNR Financial Controller	1	Yes	1	0
4	Technician Civil	1	Yes	1	0
5	Technician : Electro Mechanical	1	Yes	1	0
6	Technician :Water Quality	1	Yes	1	0
7	Technician: Civil Eng Projects	1	Yes	1	0
8	Customer Care Practitioner	1	Yes	1	0
9	PMU Manager	1	Yes	0	1
10	Technician : Solid waste	1	No	0	1
11	Technician : Electricity	1	No	0	1
12	Roads Superintendent	1	No	0	1
13	Town Planner	1	No	0	1
14	Building Inspector	1	Yes	1	0
15	Land and Estates Officer	1	Yes	1	0
16	Driver/ plant operator	4	Yes	4	0
17	Handyman Electrical	1	Yes	0	1
18	General Workers	42	Yes	42	
	<b>Total</b>	<b>62</b>	<b>13</b>	<b>55</b>	<b>7</b>

**Table 47, Technical Services****Community Services**

	<b>Approved positions (e.g MM-S57 etc...)</b>	<b>Number of approved posts per position</b>	<b>Budgeted</b>	<b>Filled posts</b>	<b>Vacant posts</b>
1	Librarian	1	No	0	1
2	Library Assistants	2	Yes	2	0
3	Superintendent : waste management	1	No	0	1

4	Foreman : Community Services	2	Yes	2	0
5	Security Officers	4	No	0	4
6	Driver : supervisor	4	Yes	4	0
7	Caretaker: community halls	1	No	0	1
8	Cleaners : libraries	3	Yes	2	1
9	Pound Master	1	No	0	1
10	Cemeteries Inspector	1	No	0	1
11	General workers: refuse, parks & cemeteries	23	Yes	23	
12	Chief Traffic Officer	1	No	0	1
13	Administration Officer: eNatis	1	No	0	1
14	Cashier : eNatis	1	No	0	1
15	Traffic Officers: Law Enforcement	2	Yes	2	0
16	Traffic Officers: licence testing	2	Yes	2	0
17	Traffic Officers	1	No	0	1
18	Pit Assistant	1	No	0	1
	<b>Total</b>	<b>52</b>	<b>5</b>	<b>37</b>	<b>15</b>

**Table 48, Community Services****2.7.4 INSTITUTIONAL (HR) POLICY DEVELOPMENT**

The Department of Local Government and Traditional Affairs assisted Tsolwana municipality to draft a Human Resource Plan.

In addition the following administration and human resources policies have been developed by the Municipality;

<b>ADOPTED POLICIES</b>	<b>DRAFT POLICIES</b>
<ul style="list-style-type: none"> <li>⇒ HIV/AIDS Policy</li> <li>⇒ Overtime: Policy and Control</li> <li>⇒ Promotion and Transfer</li> <li>⇒ Recruitment and Selection policy</li> <li>⇒ Succession Planning</li> <li>⇒ Training and Development Policy</li> </ul>	<ul style="list-style-type: none"> <li>⇒ Attendance and Punctuality;</li> <li>⇒ Employment Equity Policy;</li> <li>⇒ Staff Retention Policy; and</li> </ul>

**Table 49, HR Policies**

The municipality invests capital and time in building capacity of recruited personnel but then is often faced with key staff members resigning and moving on to better paying, larger municipalities. In a small and rural municipality like Tsolwana, the effect can be devastating both at a strategic and operational level. This has prompted the municipality to develop the following two strategies to try and circumvent some these effects.

**2.7.5 RECRUITMENT AND RETENTION POLICY**

The Recruitment and Selection Policy was adopted by Council on 30 July 2009 The aim of the policy is to guide line managers and the Human Resource Department to attract the

best candidate for the job and develop the skills of the selected employee. Tsolwana has adopted the following strategies to enhance the retention of staff:-

- o Identified targeted skills (scarce and valued skills) to be retained
- o Recruitment to be guided by clear core competencies required to retain scarce and valued skills
- o Expose new staff to an induction process
- o Reward high performers and value creators within Tsolwana Municipality.
- o Provide growth opportunities and skill development. (Career-pathing)
- o Conduct exit interviews and analyze reasons to inform evolving retention interventions.

**Recruitment and Selection Process:**

All positions that were evaluated have job descriptions, but those that were not evaluated are currently on interim job descriptions waiting for the next round of job evaluation. The municipality strives to fill any position that becomes vacant within a specified period so as to eliminate the problems of positions remaining vacant for more than three months. The custodian of orientation for newly employed officials is the HOD Cooperate Services. Newly appointed officials are provided with information on various policies as well as the Code of Conduct as clearly specified in the MSA. Officials displaying unethical conduct and ill-discipline face disciplinary hearing based on charges. The Councillors get a Councillor induction session, where they are made aware about how the municipality works including the Conduct as clearly specified in the MSA. The Municipal Manager oversees the disciplinary process for officials and the Mayor is assigned for the Councillors.

**2.7.6 SUCCESSION POLICY**

Tsolwana municipality has a Succession Plan which acknowledges key positions and seeks to identify potential talent from within the institution, to groom such employees in a systematic way to fill key positions. It further aims to create a well-trained cadre that are experienced and motivated to step up to where they are needed.

**2.7.7 EMPLOYMENT EQUITY PLAN**

A five-year Employment Equity Plan was developed for the period 2009 to 2014, as prescribed by the Employment Equity Act, No. 55 of 1998. The Municipality’s employment equity plan has been updated for submission to the Department of Labour.

The table below depicts the Equity profile in Tsolwana municipality

**Table 73: Tsolwana Equity Profile (To be updated)**

	Africans	Coloureds	Whites	Total
MM Office				
Female	2	0		2
Male	7	0		7
<b>Total</b>				<b>09</b>

Finance				
Female	7	3	1	11
Male	4	1	0	5
<b>Total</b>		<b>4</b>	<b>1</b>	
Community Service				
Female	02	0	0	2
Male			1	
Total				
<b>Cooperate Services</b>			<b>1</b>	
<b>Female</b>	<b>5</b>			
<b>Male</b>	<b>5</b>			
<b>Total</b>				

**Table 50, Employments Equity Plan****Areas of prioritized intervention**

Review the Employment Equity Plan 2014/15 and submit by October 2014.

**2.7.6 SKILLS DEVELOPMENT AND TRAINING**

All skills development activities are managed in term of the annual Workplace Skills Plan, as required by the Local Government SETA (LGSETA). The plan aims to address the skills shortage within the municipality. The post has recently been filled and it is therefore unclear as to the status around the latest submission of the WSP. To address the gap the Human Resource Department conducted a skills audit exercise during 2012-13 that will respond to deficiencies identified around scarce skills and address the training needs of employees.

The response will form the basis of the training programme for the 2014/15 financial year. As prescribed in the Skills Development Act, this will be followed by the development and submission of the Tsolwana Workplace Skills Plan by June 2014.

**Areas of prioritized intervention**

Develop and submit the WSP for 2014-15 financial year.

During the 2013/14 financial year an amount of R450 000 was allocated for training purposed.

This funding has ensured the training and skills development as listed below.

<b>Course / Learnership</b>	<b>Department</b>	<b>Participant</b>
HR Leave Module	HR and Corporate Services	3

CPMD	Finance, MM's Office	3
Records and Archives	Coorporate Services	3
Labour Law and Public Administration	Mayor's Office (Councillors)	2

**Table 51, Skills Development and Training****2.7.6.1 SKILLS ENHANCEMENT**

Tsolwana municipality is supporting the utilization of interns to enhance internal human resource capacity as outlined below:-

- One Internal audit intern.
- Four financial interns
- One electrical engineering intern.
- One assigned to the Human Resource Department

**2.7.7 PERFORMANCE MANAGEMENT**

Council adopted Performance Management System as a service delivery measuring and monitoring tool. Performance assessment of section 57 set although not as periodically as prescribed.

**Some of the challenges include:**

- PMS focuses only on Section 57 employees
- Inability to adhere to the time frames for reporting purposes.
- Revenue base is very low and qualified employees cannot be retained
- E-system is not functioning effectively
- Municipal officials do not understand the PMS completely
- No clear alignment with IDP, SDBIP, Budget and PMS
- Linkages between individual performance and organizational performance are unclear.

**Overview of System**

Performance Management in Local Government begins essentially with the need to ensure the realization of the IDP and the continued improvement in the standards of performance through the following:

- Increased accountability and transparency.
- Provision of a platform for learning and development.
- Facilitation of decision making through the clarification of goals and priorities.
- Provision of early warning signals highlighting underperformance.
- Continual assessment of the performance of the Municipality so as to assess areas requiring improvement.
- Creation of a culture of performance of the Municipality amongst all officials.

The function of performance management and its use by officials thereof is regulated by the following legislation:

- The Municipal Systems Act (32/2000).
- The Municipal Planning and Performance Management Regulations (2001).
- The Municipal Finance Management Act (56/2003).
- The Municipal Performance Regulations for Municipal Managers and Managers Directly Accountable to Municipal Managers (2006).

Legislation states that key performance indicators and targets must be formulated and delegated to posts within the municipality. These indicators pin-point areas of focus for each financial year as developed through the process of public participation. Essentially they are derived both from the projects listed in chapter 4 and also from needs identified in the communities and Institutional plan. In addition to the indicators developed through the IDP process, the Municipal Planning and Performance Management Regulations also stipulate a set of national KPIs which must also be included where applicable.

On approval, the IDP is aligned with the budget in a document called the Service Delivery and Budget Implementation Plan (SDBIP) which provides a workable management tool from which to operate under and monitor progress. The utilization of the SDBIP is how institutional performance management is monitored. The SDBIP is then transformed into a personalized performance management system for each and every official through the delegation of activities included in the SDBIP, and as agreed in individual performance plans. As every activity of Tsolwana is attached to an official who is responsible for its conclusion, one can see that institutional performance is inseparable from Individual performance. For Tsolwana to succeed in its objectives, it depends on the performance of each employee across the institution.

Through a system of quarterly reviews, performance of each individual is monitored to ensure that progress remains in line with what was originally planned in the IDP. The final result is fed back to the community via the annual report using relevant public participation processes.

#### **Objectives of performance management within Tsolwana local municipality.**

The department of local government has constituted an inclusive and elaborate system of monitoring the performance of municipalities and individuals in municipalities. The purpose is to enable continuous monitoring of the municipality to guarantee that their key objectives have been realized within the necessary timeframes and budgets. The essential component of performance management is the development of key performance areas (KPA's) and key performance indicators (KPI's) as tools to measure the performance of the municipalities and their personnel. These KPA's and KPI's are vital in confirming that multifaceted socio-economic and other developmental issues are easily measured. These KPA's and KPI's are therefore key mechanisms to safeguard a proper assessment to be conducted on the municipalities to determine their bearing on improving the lives of the citizens within Tsolwana.

#### **Status quo of PMS at Tsolwana Local Municipality**

- Targets are set and there is the monitor and review of the performance of Tsolwana Local Municipality based on indicators linked to their Integrated Development Plan (IDP)
- An annual performance report on performance of the Municipality forming part of its annual report as per the Municipal Finance Management Act (MFMA) is published.
- An audit of all performance measures is conducted continuously.
- Tsolwana Local Municipality annual performance report is audited by the Auditor-General.
- The community is involved in setting indicators and targets and reviewing municipal performance through the IDP review processes as well as the involvement of councillors during the monitoring and evaluation of individual performance.

The Performance Management Policy Framework guides Tsolwana Local Municipality with the preparation and the implementation of an institutional and individual Performance Management System.

The PMS framework details the implementation of the PMS, as well as the procedures and processes of maintaining the PMS. As mentioned earlier the primary objective of the PMS framework is to assist Tsolwana Local Municipality in achieving its strategic objectives as articulated in the Integrated Development Plan (IDP), resulting in improved quality of life of its community by enhanced service delivery in an effective and efficient manner.

The PMS framework deals with the following components:

- The legislative requirements which a performance management system will need to comply with.
- The characteristics and objectives that dictates the development and the use of the system within the municipality.
- Linking institutional performance with individual performance.
- The philosophy underlying the PMS.
- Adopting the balance scorecard as an approach and methodology.
- The linking of the IDP and Budget to the PMS.
- The Service Delivery and Budget Implementation Plan link to the PMS.
- The roles and responsibilities of the various key stakeholders within the PMS process.

The abovementioned Performance Management Policies and Process Plan are available at the office of the Municipal Manager.

### **Future Actions**

The present goal is to ensure achievement of an unqualified Audit Report for Performance Measures thereby proving full compliance with all requirements in terms of Performance Management

The above objective will be substantially addressed in this financial year, following extensive preparation the previous financial year. The entire administration will be exposed to a performance management system that ensures quarterly interaction between manager and employee.

The Service provider was appointed to develop a comprehensive performance management system for the Tsolwana Local Municipality during 2013-14 financial year. In anticipation of such a draft institutional scorecard / service delivery and budget implementation plan (SDBIP) has been developed, linking where possible the development priorities, objectives, strategies and projects to performance measures. The municipality has not managed to implement Performance management system to the second layer of the management. There is a plan to cascade PMS to the second layer of the Top Management.



## CHAPTER THREE

### 3.1 Strategic Framework

The previous Chapter comprises of an in-depth status quo and gap analysis based on the needs of the people and priority setting. This Chapter acknowledges that Local Government has become more 'outcomes-driven' and the Strategic Framework will set the context for this to be realised. Cognizance was taken of the development approach contained in the following Policies and Frameworks, whilst Tsolwana municipality crafted its Local Strategic Framework:-

- National, Provincial and District Policy Frameworks;
  - NSDP
  - Asgisa
  - Millennium Development Goals (MDG's)
  - National Medium Term Strategic Framework (MTSF) 2009 - 2014
  - 14 National Outcomes Approach
  - Provincial Growth and Development Plan (EC)
  - Provincial Strategic Framework June 2009
  - Reviewed Provincial Strategic Framework (Priorities) 2011
  - National Development Plan
  - Chris Hani District Municipality Priorities and Objectives 2014/15
- Confirmation of the vision statement;
  - Tsolwana Vision
  - Tsolwana Mission
  - Tsolwana values
- level of synergy between National, Provincial and Tsolwana municipality's priorities and objectives ; and
- develop strategies to address the objectives

### 3.2 Strategic Alignment with other spheres of Government

#### 3.2.1. Policy Framework

The following section provides an overview of the National and Provincial Policies and Frameworks that has a direct impact on the local government planning undertaken by Tsolwana.

#### 3.2.1.1 The National Spatial Development Perspective (NSDP)

The NSDP contains the following principles:

- **Principle 1:** Rapid Economic growth that is sustained and inclusive is a pre-requisite for the achievement of poverty alleviation.
- **Principle 2:** Government has a constitutional obligation to provide basic services to all citizens.
- **Principle 3:** In addition to the above, Government spending on fixed investment should be focused on localities of economic growth and / or economic potential in order to:
  - gear up private sector investment,
  - stimulate sustainable economic activities and
  - create long-term employment opportunities.

- **Principle 4:** Efforts to address past and current social inequalities should focus on people not places.
  - In localities where there are both high levels of poverty and development potential, Government spending should include fixed capital investment beyond basic services to exploit that potential.
  - In localities with low development potential, Government spending should focus on providing social transfers, human resource development and labour market intelligence which would enable people to make choices; become more mobile and migrate to localities that are more likely to provide sustainable employment or other economic opportunities
  - Where low economic potential exists investments should be directed at projects and programmes to address poverty and the provision of basic services in order to address past and current social inequalities.
  -
- **Principle 5:** In order to overcome the spatial distortions of Apartheid, future settlement and economic development opportunities should be channelled into activity corridors and nodes that are adjacent to or link the main growth centres.
  - Infrastructure investment should primarily support localities that will become major growth nodes in SA and SADC region to create regional gateways to the global economy.

### 3.2.1.2 Accelerate and Shared Growth Initiative (ASGISA)

The following broad national goals were agreed up in ASGI-SA, and are encompassed in the Policy Framework of the Provincial Spatial Economic Development Strategy:

- Accelerated growth in the economy to more than 4,5 % in the period 2009, and more than 6 % from 2010 to 2014.
- Reduce the gap between the first and second economies, and halve poverty and unemployment by 2014.
- Ensure that social security reaches all who are eligible.
- 

### 3.2.1.3 Provincial Growth and Development Plan 2004 - 2015

The Eastern Cape Provincial Growth and Development Plan (PGDP) outline the framework for development in the province. The long-term vision of the PGDP, aims to achieve the provincial objectives, over a ten to twenty-year period. The foundation and core objectives of the PGDP are reflected below:-

- Systematic poverty eradication
- Agrarian transformation and household food security
- Development and diversification of the manufacturing base and tourism potential
- Human resource development
- Infrastructure development
- Public sector and institutional transformation

### Millennium Development Goals (MDG's)

MDG's are eight goals that all 189 UN member states signed in September 2000. Signed and adopted by the world leaders from developed and developing countries, the MDG's

are both global and local, tailored by each country to suit specific development needs making sure that the Human Development reaches everyone and everywhere by 2015.

South Africa has an obligation to commit on eight Millennium Development Goals developed by the United Nations. The link between the MDG's and the strategic framework for South Africa has a potential to assist the country to achieve its objective in addressing the pressing issues in communities.

#### The MDG's are:

1. To eradicate extreme poverty and hunger
2. To achieve universal primary education
3. To promote gender equality and empower women
4. To reduce child mortality
5. To improve maternal health
6. To combat HIV/ AIDS, malaria and other diseases
7. To ensure environmental sustainability
8. To develop a global partnership for development

#### Strategic Alignment Of Millennium Development Goals

Elements Of MTSF	MDG's	Provincial Priority	12 National Outcomes	Tsolwana Priorities
Priority 1 : Speeding up growth and transforming the economy to create decent work and sustainable livelihoods	MDG 1, MDG 2, MDG 3, MDG 8	PP 1	NO 4	MP 2
Priority 2 : Massive programme to build economic and social infrastructure	MDG 1, MDG 3, MGD 8	PP2	NO 4, 6	MP 1 & 2
Priority 3 : Comprehensive rural development strategy linked to land and agrarian reform and food security	MDG 1, MDG 2, MDG 7	PP 3	NO 7	MP 2
Priority 4 : Strengthen the skills and human resource base	MDG 2	PP4	NO 5, NO 1	MP 5
Priority 5 : Improve the health profile of all South	MDG 4, MDG 5, MGD 6	PP 5	NO 2	MP1

Africans				
Priority 6 : Intensify the fight against crime and corruption	MDG 2, MDG 3	PP 6	NO 3, NO 13	MP 1, 4
Priority 7 : Build Cohesive, caring and sustainable communities	MDG 2, MDG 3, MDG 7	PP 8	NO 8, NO 14	MP 4
Priority 8 : Pursuing African advancement and enhanced International cooperation	MDG 8	PP 7	NO 11	MP 4
Priority 9 : Sustainable resource management and use	MDG 7	PP 1	NO 10	MP 1
Priority 10 : Building a developmental state including improvement of public services and strengthening democratic institutions	MDG 1, MDG 2, MDG 3, MDG 8	PP 7	NO 12, 09	MP 4

#### 3.2.1.4 Medium Term Strategic Framework 2009 - 2014

The 2009 electoral mandate was translated into the Medium Term Strategic Framework. The main purpose is to guide planning and resource allocation across all spheres of government, that address the following ten

##### (10) National Strategic Medium Term Priorities

1. Speed up economic growth and transform the economy to create decent work and sustainable livelihoods:
2. A massive programme to build economic and social infrastructure
3. Comprehensive rural development strategies linked to land and agrarian reform and food security
4. Strengthen the skills and human resource base
5. Improve the health profile of society
6. Intensify the fight against crime and corruption.
7. Build cohesive, caring and sustainable communities
8. Pursue regional development, African advancement and enhanced international cooperation.
9. Ensure sustainable resource management and use
10. Build a developmental state including improvement of public services and strengthening democratic institutions:

**ELEMENTS OF MTSF**

**MILLENIUM DECELOPMENT GOALS**

Priority 1 : Speeding up growth and transforming the economy to create decent work and sustainable livelihoods	MDG 1, MDG 2, MDG 3, MDG 8
Priority 2 : Massive programme to build economic and social infrastructure	MDG 1, MDG 3, MGD 8
Priority 3 : Comprehensive rural development strategy linked to land and agrarian reform and food security	MDG 1, MDG 2, MDG 7
Priority 4 : Strengthen the skills and human resource base	MDG 2
Priority 5 : Improve the health profile of all South Africans	MDG 4, MDG 5, MGD 6
Priority 6 : Intensify the fight against crime and corruption	MDG 2, MDG 3
Priority 7 : Build Cohesive, caring and sustainable communities	MDG 2, MDG 3, MDG 7
Priority 8 : Pursuing African advancement and enhanced International cooperation	MDG 8
Priority 9 : Sustainable resource management and use	MDG 2, MDG 3, MDG 7
Priority 10 : Building a developmental state including improvement of public services and strengthening democratic institutions	MDG 1, MDG 2, MDG 3, MDG 8

### 3.2.1.5 Fourteen (14) National Outcome Approach

During the 2009/10 financial year the National Planning Strategy and the 12 National Outcomes approach was developed. The 12 National Outcomes approach has been ammended to 14 National Outcomes approach. These do not only clarify what, but also how, government is expected to achieve these priorities, including the measure of success. It is important to note that the purpose of the outcome appraisal is not only to measure outcomes but will also act as a mechanism to guide policy implementation. A corresponding 5-year Medium Term Expenditure Framework has been developed that reflects broad indicative expenditure trends. It is clear that the planning framework is premised on a multi-year approach for the formulation of plans and budget allocations that are geared to realize the intended strategic objectives.

#### The 14 National Outcomes

<b>N0</b>	<b>National outcomes</b>	<b>N0</b>	
NO1	Quality basic education	NO7	Vibrant, equitable, sustainable rural communities contributing towards food security for all
NO2	A long and healthy life for all	NO8	Sustainable human settlements and

	SA		improvement quality of household life
NO3	All people in SA are and feel safe	NO9	Responsive, accountable, effective and efficient Local Government Systems
NO4	Decent employment through inclusive economic growth	NO10	Protect and enhance our environment assets and a better world
NO5	Skilled and capable workforce to support an inclusive growth path	NO11	Create a better SA, a better Africa and a better world
NO6	An efficient, competitive and responsive economic infrastructure network	NO12	An efficient, effective and development oriented public service and an empowered, fair and inclusive citizenship.
		NO 13	Social Protection
		NO 14	Nation Building and Social Cohesion

Provincial five-year strategic plans must take these medium term imperatives into account. Likewise municipal IDPs must also be in line with the National priorities.

#### **3.2.1.6 Provincial Strategic Framework 2009**

The Eastern Cape Provincial Strategic Framework (PSF) was adopted by the Executive Council in June 2009. The province identified the following eight priorities out of the ten listed above

1. Speeding up growth and transforming the economy to create decent work and sustainable livelihoods (PO1)
2. Massive programme to build social and economic infrastructure (PO2)
3. Rural development, land and agrarian reform and food security (PO3)
4. Strengthen education, skills and human resource base (PO4)
5. Improve the health profile of the Province (PO5)
6. Intensifying the fight against crime and corruption (PO6)
7. Building a developmental state and improving the public service, and strengthening democratic institutions (PO7)
8. Building cohesive, caring and sustainable communities. (PO8)

#### **3.2.1.6.1 Reviewed Provincial Strategic Framework 2011**

Developments at both national and provincial level warranted a need to review the Eastern Cape Strategic priorities in order to respond to the policy environment and alignment to the National Outcomes. Development programmes must be crafted to

address the following renamed and reshaped provincial strategic priorities, as paired with the National Outcomes that are to be focused upon until the end of the 2014 term.

<b>NO</b>	<b>National outcomes</b>	<b>PP</b>	<b>Reviewed Provincial Priorities</b>	<b>Clusters</b>
NO1	Quality basic education	PP4	Quality basic education, skilled and capable workforce to support an inclusive growth path	Social & Gov & Admin
NO2	A long and healthy life for all SA	PP5	A long and healthy life for all people of the province.	Social
NO3	All people in SA are and feel safe	PP6	All people in the Province are and feel safe	Security
NO4	Decent employment through inclusive economic growth	PP1	Decent employment through inclusive economic growth with environmental assets and natural resources that is well protected and continually enhanced.	Econ Dev
NO5	Skilled and capable workforce to support an inclusive growth path	PP4	Quality basic education, skilled and capable workforce to support an inclusive growth path	
NO6	An efficient, competitive and responsive economic infrastructure network	PP2	An efficient, competitive and responsive economic infrastructure network	Econ Dev
NO7	Vibrant, equitable, sustainable rural communities contributing towards food security for all	PP3	Vibrant, equitable, sustainable rural communities contributing towards food security for all	Econ Dev
NO8	Sustainable human settlements and improvement quality of household life	PP8	Sustainable, cohesive, caring communities and human settlement for improved quality of households.	Social & Econ Dev & Gov & Admin Security
NO9	Responsive, accountable, effective and efficient Local Government Systems	PP7	An efficient, effective and developmental oriented public service and an empowered, fair and inclusive citizenship with responsive, accountable, effective and efficient Local Government	Gov & Admin

			system	
NO10	Protect and enhance our environment assets and a better world			
NO11	Create a better SA, a better Africa and a better world			
NO12	An efficient, effective and development oriented public service and an empowered, fair and inclusive citizenship.	PP7	An efficient, effective and developmental oriented public service and an empowered, fair and inclusive citizenship with responsive, accountable, effective and efficient Local Government system	

### 3.2.1.7 Chris Hani District Municipality Development Interventions: Priority Issues.

The following issues which appeared from the situational analysis and community participation during local level engagement sessions were systematically selected into the listed development priorities.

- Infrastructure Development
- Capacity Building and Support to local municipalities
- Economic Development
- Community Services
- Institutional Development

### 3.3 TSOLWANA DEVELOPMENT OBJECTIVES AND STRATEGIES

Tsolwana Local Municipality have developed a community driven vision and mission statement, to provide strategic direction for all planning and service delivery activities in the Municipality.

#### 3.3.1 TSOLWANA VISION AND MISSION STATEMENT

Tsolwana Municipality has adopted the following mission and vision:



**VISION:**

“A municipality that provides access to basic services with emphasis on economic growth, rural development and agricultural sustainability “

**MISSION:**

“To effectively deliver the municipal mandate within the context of our existing capacity and constraints while ensuring financial and administrative stability in the municipal operations and governance.”

**VALUES**

Tsolwana Municipality identified a set of core values that bind everyone in the institution.

**They are:**

- Good Governance
- Transparency
- Public Participation
- Integrity and honesty
- Responsiveness to work ethic

**3.3.2 PRIORITIES, OBJECTIVES AND STRATEGIES.**

Following the in-depth consultations at representative forum and ward planning levels, the municipality’s final priorities are as follows:

- a) **Service Delivery = 50%**
- b) **Local Economic Development = 20%**
- c) **Municipal Financial Viability = 15%**
- d) **Good Governance & Public Participation = 10%**
- e) **Institutional Development and Transformation = 5%**

**STRATEGIC DEVELOPMENT OBJECTIVES & KEY STRATEGIES (i.t.o. systems act, s26 & 41)**

Key Priority Area (KPA)	Dev. Objective i.t.o. systems act, s26 & 41	Key Strategies	Sub-result areas
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<b>Service Delivery</b>	To facilitate provision of reliable water supply and sustainable sanitation services in all our areas by 2017	By ensuring facilitation of programmes led by CHDM (WSA) and other agencies as well as acting as a service provider for the urban centres on behalf of CHDM	<b>Water and Sanitation</b>
	To ensure provision, continuous maintenance and coordination of road, stormwater and bridges infrastructure programmes in all wards by 2017	By utilizing our MIG & Equitable Share allocation to partly fund provision, continuous maintenance of access roads, stormwater and coordination of stakeholder funding to construct and repair bridges, roads and stormwater infrastructure in all wards.	<b>Roads and Stormwater &amp; Bridges</b>
	To facilitate integrated planning and sustainable delivery of reliable electricity services to our households, social facilities and businesses by June 2017	By utilizing our Equitable share to subsidize poor household access to basic electricity and MIG to install communal lights in strategic areas and supplement that by coordinating contributions to electricity supply and infrastructure development using budgets of agencies such as Eskom, DME and others. Further we intend to achieve our objective by planning together for large infrastructure programmes such as rural electrification.	<b>Electricity</b>
	To construct and maintain community facilities in areas of need and also facilitate delivery of planned EPWP in all our areas by 2017	By utilizing our MIG for construction and ES for maintenance of community facilities in areas of need and also facilitate delivery of planned EPWP in all our areas. Further, by coordinating available resources from contribution stakeholders through SLAs and project level collaborations.	<b>Community &amp; Sports Facilities + EPWP</b>

Key Priority Area (KPA)	Dev. Objective i.t.o. systems act, s26 & 41	Key Strategies	Sub-result areas
	To facilitate provision of reliable and effective library & museum services in our areas	By facilitating and coordinating efforts of DSRAC and other contributing NGOs aimed at providing reliable and effective library & museum services in our areas	<b>Libraries &amp; Museums</b>
	To maintain facilities and provide sustainable cemetery & pounding services in all our wards by 2017	By utilizing our Equitable share grant to partly cater for maintenance of cemetery & pounding facilities and services and further coordinate inputs by our stakeholders	<b>Cemeteries &amp; Pounds</b>
	To facilitate and coordinate provision and maintenance of disaster management & emergency services in our areas by 2017	By entering into SLAs with relevant authorities to improve services and participate in planning and implementation programmes by lead departments and agencies.	<b>Disaster Management &amp; Emergency Services</b>
	To facilitate support and improvement of health infrastructure and services in all our facilities by 2017.	By participating in joint service delivery and planning programmes led by relevant departments through entering into SLAs and partaking in project teams	<b>Health</b>
	To support delivery of effective education services and skills development programmes across our areas by 2017	By participating in stakeholder engagement processes and service delivery institutional structures led by relevant department of education and other agencies	<b>Education</b>
	To provide reliable refuse collection and facilitate implementation of sustainable waste management solutions by 2017	By utilizing our available resources such as MIG and Equitable share to provide reliable refuse collection and facilitate implementation of sustainable waste management programmes working closely with relevant stakeholders	<b>Refuse Collection and waste management</b>
	To facilitate provision of	By administering land use	<b>Housing &amp;</b>

<b>Key Priority Area (KPA)</b>	<b>Dev. Objective i.t.o. systems act, s26 &amp; 41</b>	<b>Key Strategies</b>	<b>Sub-result areas</b>
	housing and facilitate land use planning and spatial development proposals by 2017	development applications including those focusing on housing subsidy support and facilitating delivery of approved housing projects by the Human Settlement Department using our Housing sector plan & SDF as a guiding framework for housing & land use development.	<b>Land Use</b>
	To contribute to the reduction and prevention of crime and improved compliance with Traffic, Safety and Road regulation by 2017	By working closely with relevant authorities in the safety and security sector to promote reduction and prevention of crime and improved compliance with Traffic, Safety and Road regulation.	<b>Crime Prevention, Traffic, Safety and Security</b>
<b>Local Economic Development</b>	To promote economic development, job creation and growth as well as promote local tourism, conservation and environmental sustainability by 2017.	By mobilizing and coordinating resources budgeted & targeted for our areas for the implementation of LED projects and other initiatives by stakeholder agencies using agreed LED Strategy as a guiding framework	<b>Local Economic Development, Environment &amp; Conservation management</b>
<b>Financial Viability</b>	To build capacity of BTO to undertake its core functions effectively and improve compliance with financial regulations and to ensure that we achieve a clean audit outcome by 2016	By continuously building internal financial management capacity and compliance culture with internal controls. By implementing a decisive programme of action to eliminate non-compliance issues raised by our audit reports	<b>Financial Management</b>
	To properly budget, manage	By improving capacity to budget	<b>Budget,</b>

Key Priority Area (KPA)	Dev. Objective i.t.o. systems act, s26 & 41	Key Strategies	Sub-result areas
	expenditure and revenue streams year by year (2012 - 2017)	and manage expenditure and revenue streams through continuous exposure to training and mentoring of our staff	<b>Revenue &amp; Expenditure Management</b>
	To improve capacity for management of supply chain and procurement processes and to ensure consistency by 2017	By putting in place an effective SCM policy and institutional processes for its implementation as well as exposing our SCM staff to regular training and development.	<b>Supply Chain Management</b>
	To provide for information, communication and technology management and utilisation to advance our work and achieve stability by 2017	By setting up appropriate platforms for our ICT and compliance with our licenses and binding contracts	<b>ICT</b>
<b>Good Governance &amp; Public Participation</b>	To ensure functional internal audit services by 2014	By setting in place institutional arrangements and governance processes for effective accountability and internal audit services	<b>Internal Audit</b>
	To provide accountable administrative leadership and champion search for office space by 2017	By putting in place administrative processes and tools for effective municipal governance and administration annually (2012 - 2017).	<b>Municipal Planning, PMS &amp; Oversight</b>

Key Priority Area (KPA)	Dev. Objective i.t.o. systems act, s26 & 41	Key Strategies	Sub-result areas
	To build capacity to manage large contracts, service delivery programmes and improve efficiency of PMU by 2014	By incrementally building capacity to manage large contracts, service delivery programmes and improve efficiency of PMU	<b>Project Management Unit</b>
<b>Institutional Development and Transformation</b>	To ensure effective organizational design and human resource development by end 2013 /2014	By ensuring effective organizational design and implementation of human resource solutions through implementation of agreed organogram and HR development plans	<b>Organizational development</b>
	To provide for safe keeping and archiving of municipal information and documents by June 2014	By putting in place proper tools and systems for the safe keeping and archiving of municipal information and documents	<b>RECORDS &amp; ARCHIVES</b>
	To administrate human resources and ensure effective management of our transformation by 2017	By putting in place proper tools and plans for effective HR administration and management	<b>Human Resource development &amp; Transformation</b>
	To facilitate mainstreaming of vulnerable groups in society within our municipal area (2012 -2017)	By putting together a clear programme of action and coordinating resources for its implementation	<b>Special Programmes Unit</b>
	To ensure local democracy and effective public participation in municipal	By putting in place clear plans and processes for public participation, communication and	<b>Public Participation &amp; Admin</b>

Key Priority Area (KPA)	Dev. Objective i.t.o. systems act, s26 & 41	Key Strategies	Sub-result areas
	affairs by 2017	intergovernmental relations	<b>Support to council</b>

**Strategic Sector Alignment 2014-15**

Sector Department	Programme/ Project	TLM Priority
Department of Human Settlements	Building Housing Units	Basic Service Delivery
Department of Roads and Public Works	Maintenance of Roads	Basic Service Delivery
Department of Rural Development and Agrarian Reform	Crop Production	LED
DEDEA	Elimination of Alien Invasive	LED
Department of Social Development		
Department of Safety & Liason		
Department of Health		Basic Service Delivery
DSRAC	Operation of libraries.	Basic Service Delivery

## Sector Plan Analysis

### Basic Service Delivery

Sector Plan/ Strategy	Status Quo	Comment/Required Intervention
Integrated Transport Plan		
Integrated Waste Management Plan		
Tsolwana Housing Sector Plan	Available	Implementation
WSP		
Road Master Plan		
Storm water Management Plan		
Environmental Management Plan		
Intergrated Transport Plan		

### Municipal Financial Viability

Sector Plan/ Strategy	Status Quo	Comment/Required Intervention
Revenue Enhancement Strategy	In progress	BTO Must develop in 2014-15
Fraud Prevention Plan	Available (2010 )	



### Local Economic Development

Sector Plan/ Strategy	Status Quo	Required Intervention
LED Strategy	Developed in 2011-12	Implementation
Responsible Tourism Sector Plan	Developed in 2007	Review
Business attraction and retention strategy	None	To be developed
Tsolwana SMME Strategy	None	
Small Town Revitalization Strategy	Developed in 2013	Implement and align with the IDP

### Institutional Transformation and Organizational Development

Sector Plan/ Strategy	Status Quo	Required Intervention
HR Plan	Developed in 2011	Implementation
Recruitment and Retention Strategy	None	To be developed
Succession Plan	None	To be developed

**Good Governance and Public Participation**

<b>Sector Plan/ Strategy</b>	<b>Status Quo</b>	<b>Comment/ Required Intervention</b>
<b>Communication Strategy</b>	<b>Available</b>	<b>Annual Review of action plan</b>
<b>Public Participation Strategy</b>	<b>None</b>	<b>To be developed in 2014-15 financial year</b>
<b>ICT Policies</b>	<b>None</b>	<b>The Policies and procedures are being developed</b>
<b>MTAS</b>	<b>Available</b>	<b>Needs to be reviewed in 2014-15</b>
<b>HIV/ AIDS Strategy</b>	<b>None</b>	<b>To be developed in 2014-15</b>
<b>SPU Mainstreaming Strategy</b>	<b>None</b>	<b>The strategy must be developed in 2014-15</b>

Annexure 1

Chapter 4 Project Register 2014-15

KPA – BASIC SERVICE DELIVERY

Dev. Objective	Strategies	Focus Area	Ref.	Activity /Project linked to IDP	W	Key Performance Indicator	Funding Source	ANNUAL BUDGET			Project Owner
								2014/15	2015/16	2016/17	
								To facilitate provision of reliable water supply and sustainable sanitation services in all our areas by 2017	By ensuring facilitation of programmes led by CHDM (WAS) and other agencies as well as acting as a service provider for the urban centres	Provision of water & sanitation services	
To facilitate provision of reliable water supply and sustainable sanitation services in all our areas by 2017	By ensuring facilitation of programmes led by CHDM (WAS) and other agencies as well as acting as a service provider for the urban centres	Provision of Water & Sanitation	IDP 02	Facilitate Cluster 1 Sanitation implementation	2, 3	No of new VIPs installed by June 2015	CHDM				HOD Technical Services

Dev. Objective	Strategies	Focus Area	Ref.	Activity /Project linked to IDP	W	Key Perform ance Indicator	Fundi ng Sourc e	ANNUAL BUDGET			Project Owner
								2014/15	2015 /16	2016/17	
To facilitate provision of reliable water supply and sustainable sanitation services in all our areas by 2017	By ensuring facilitation of programmes led by CHDM (WAS) and other agencies as well as acting as a service provider for the urban centres	Provision of Water & Sanitation	IDP 03	Facilitate Tarkastad Bucket Eradication	4	No of bucket units actually converted by June 2014	CHDM	R400 000.00	00	00	HOD Technical Services
To facilitate provision of reliable water supply and sustainable sanitation services in all our areas by 2017	By ensuring facilitation of programmes led by CHDM (WAS) and other agencies as well as acting as a service provider for the urban centres	Provision of Water & Sanitation	IDP 04	Rehabilitation of Hofmeyr sewer ponds	5	Sewer ponds rehabilitation completed by June 2014	CHDM	R500 000.00	R2 322 863.00	R3 000 000.00	HOD Technical Services
To facilitate provision of reliable water supply and sustainable sanitation services in all our areas by 2017	By ensuring facilitation of programmes led by CHDM (WAS) and other agencies as well as acting as a service provider for the urban centres	Provision of Water & Sanitation	IDP 05	Facilitate implementation of the Rockland's Water Project	2	Number of stakeholder facilitation meetings held per annum	CHDM	00	00	00	HOD Technical Services
To facilitate provision of reliable water supply and sustainable sanitation services in all our areas by 2017	By ensuring facilitation of programmes led by CHDM (WAS) and other agencies as well as acting as a service provider for the urban centres	Provision of Water & Sanitation	IDP 06	Repair Hofmeyr Pump station	5	Hofmeyr pump station repairs completed by March	CHDM	R500 000.00	R3 301 378.78	R1 056 493.00	HOD Technical Services

Dev. Objective		Focus Area	Re f.	Activity /Project linked to IDP	W	Key Perform ance Indicator	Fundi ng Sourc e	ANNUAL BUDGET			Project Owner
	Strategies							2014/15	2015 /16	2016/17	
						2014					
To facilitate provision of reliable water supply and sustainable sanitation services in all our areas by 2017	By ensuring facilitation of programmes led by CHDM (WAS) and other agencies as well as acting as a service provider for the urban centres	Provision of Water & Sanitation	IDP 07	Upgrade of pump electric panels (Beccles Farm, Khwezi, Phakamisa, Thembaletu, Spring Groove & Mitford)	1, 2, 3	% progress achieved in repairing existing pumps per quarter	OPEX	00	00	00	HOD Technical Services
To facilitate provision of reliable water supply and sustainable sanitation services in all our areas by 2017		Provision of Water & Sanitation	IDP 08	Repair and equipping of new boreholes in Thornhill, Kwinana and Mitford	1, 2, 3	% progress achieved in repairing boreholes (Thornhill, Kwinana & Mitford)	OPEX	R400 000.00	00	00	HOD Technical Services

Dev. Objective		Focus Area	Ref.	Activity /Project linked to IDP	W	Key Performance Indicator	Funding Source	ANNUAL BUDGET			Project Owner
	Strategies							2014/15	2015/16	2016/17	
						per quarter					
To facilitate provision of reliable water supply and sustainable sanitation services in all our areas by 2017	By ensuring facilitation of programmes led by CHDM (WAS) and other agencies as well as acting as a service provider for the urban centres	Provision of Water & Sanitation	IDP 09	Promote community awareness campaigns for water demand management	1, 2, 3, 4, 5	% of wards who successfully held awareness events by June 2014	OPEX	00	00	00	HOD Technical Services
To facilitate provision of reliable water supply and sustainable sanitation services in all our areas by 2017	By exploring initiatives on accessing water	Provision of Water & Sanitation	IDP 10	Lobby for funding to conduct 11 feasibility study for Lilyfontein and Drift Dam		Funding for feasibility study sourced by June 2015	DWA, CHDM	00	00	00	HOD Technical Services
continuous maintenance and coordination of road, stormwater and bridges infrastructure programmes in	By utilizing MIG & Equitable share to partly fund provision, continuous maintainance and coordination of stakeholder funding to	Provision of roads & storm water	IDP11	Facilitate implementation of DoRT SLA	1, 2, 3, 4, 5	Number of stakeholder facilitation	DoRT	R50000.00	00	00	HOD Technical Services



Dev. Objective	Strategies	Focus Area	Re f.	Activity /Project linked to IDP	W	Key Perform ance Indicator	Fundi ng Sourc e	ANNUAL BUDGET			Project Owner
								201 4/15	2015 /16	201 6/17	
To facilitate integrated planning and sustainable delivery of reliable electricity services to our households, social facilities and businesses by June 2017	By utilizing equitable share to subsidize poor households access to basic electricity and MIG , using budget of agencies like ESKOM, DME and plan in an ointergrated	Provision of electricity & energy generation	IDP 15	Electrification of Matyhantya Ph 3 )	1, 2, 3, 4, 5	% of households with access to electricity service by 30 June 2015	Eskom, TLM	00	00	00	HOD Technical Services
To facilitate integrated planning and sustainable delivery of reliable electricity services to our households, social facilities and businesses by June 2017	By utilizing equitable share to subsidize poor households access to basic electricity and MIG , using budget of agencies like ESKOM, DME and plan in an ointergrated manner with large programmes like	Provision of electricity & energy generation	IDP 16	Lobby for implementation of committed rural household connection to 146 beneficiaries in Kwezi	3	Number of stakeholder facilitation meetings held per quarter	ESKOM	00	00	00	HOD Technical Services
To facilitate integrated planning and sustainable delivery of reliable electricity services to our households, social facilities and businesses by June 2017	By developing initiatives on alternative sources and forms of energy	Provision of electricity & energy generation	IDP 17	Carryout feasibility study for solar energy use in street lighting & pilot .	1, 2, 3,	Produce a Solar energy feasibility study report by June 2015	MIG	R 450 000	00	00	HOD Technical Services



Dev. Objective	Strategies	Focus Area	Ref.	Activity /Project linked to IDP	W	Key Performance Indicator	Funding Source	ANNUAL BUDGET			Project Owner
								2014/15	2015/16	2016/17	
K To facilitate integrated planning and sustainable delivery of reliable electricity services to our households, social facilities and businesses by June 2017	By utilizing equitable share to subsidize poor households access to basic electricity and MIG , using budget of agencies like ESKOM, DME and plan inn an ointergrated manner with large programmes like	Provision of electricity & energy generation	IDP 18	Facilitate connection of Farm Dwellers - 6 beneficiaries		Number of stakeholder facilitation meetings held per quarter	ESKOM	R26 400	00	00	HOD Technical Services
integrated planning and sustainable delivery of reliable electricity services to our households, social facilities and businesses by June	By utilizing equitable share to subsidize poor households access to basic electricity and MIG , using budget of agencies like ESKOM, DME and	Provision of electricity & energy generation	IDP 19	Implement DME license & SLA	4	Number of households connected by June 2014	DME	R 2 520 000	R 4 493 000	R 4 718 000	
integrated planning and sustainable delivery of reliable electricity services to our households, social facilities and businesses by June	By utilizing equitable share to subsidize poor households access to basic electricity and MIG , using budget of agencies like ESKOM, DME and	Provision of electricity & energy generation	IDP 20	Lobby for funding to implement solar systems for geysers	1, 2, 3, 4, 5	Business plan drafted and lodged with potential	OPEX	00	00	00	

Dev. Objective		Focus Area	Ref.	Activity /Project linked to IDP	W	Key Performance Indicator	Funding Source	ANNUAL BUDGET			Project Owner
	Strategies							2014/15	2015/16	2016/17	
						funders by Dec 2013					
<p>K To facilitate integrated planning and sustainable delivery of reliable electricity services to our households, social facilities and businesses by June 2017</p>	<p>By utilizing equitable share to subsidize poor households access to basic electricity and MIG, using budget of agencies like ESKOM, DME and plan in an ointergrated manner with large programmes like</p>	<p>Provision of electricity &amp; energy generation</p>	<p>IDP 21</p>	<p>Promote and participate in electricity demand management initiatives</p>	<p>1, 2, 3, 4, 5</p>	<p>Number of wards reached and number of campaigns organized &amp; undertaken by June 2015</p>	<p>OPEX, ESKOM, DME</p>	<p>00</p>	<p>00</p>	<p>00</p>	
<p>TO construct and maintain community facilities in areas of need and also facilitate delivery of planned EPWP in all areas by 2017</p>	<p>By utilizing our MIG allocation and by coordinating contributions from other sector departments.</p>	<p>Maintenance of community amenities</p>	<p>IDP 22</p>	<p>Maintain existing halls, cemetery and sport facilities</p>	<p>1, 2, 3, 4, 5</p>	<p>Number of facilities actually maintained by June 2014</p>	<p>OPEX</p>	<p>R 350 000</p>	<p>R 311 000</p>	<p>R 393 260</p>	

Dev. Objective	Strategies	Focus Area	Ref.	Activity /Project linked to IDP	W	Key Performance Indicator	Funding Source	ANNUAL BUDGET			Project Owner
								2014/15	2015/16	2016/17	
maintain community facilities in areas of need and also facilitate delivery of planned EPWP in all areas by	By utilizing our MIG allocation and by coordinating contributions from other sector departments.	Construction of community amenities	IDP 23	Construction of Phakamisa Sports field	2	Handover of the facility by June 2015	MIG	R 3 000 000	00	00	HOD Community Services
maintain community facilities in areas of need and also facilitate delivery of planned EPWP in all areas by	By utilizing our MIG allocation and by coordinating contributions from other sector departments.	Construction of community amenities	IDP 24	Construction of Khayaletu Community Hall	3	Handover of the facility by June 2014	MIG	R2 700 000	00	00	HOD Community Services
To construct and maintain community facilities in areas of need and also facilitate delivery of planned EPWP in all areas by 2017	<b>By facilitating delivery and management of EPWP Programme</b>	Community & Sport facilities, EPWP	IDP 25	Facilitate delivery of EPWP	1, 2, 3, 4 & 5	Number of short term jobs actually created by June 2015	DoPW	00	00	00	HOD Community Services
To facilitate provision of reliable and effective library & museum services in all areas	Through coordination of activities and organizing resources by collaborating with the Department of Sport Recreation Arts and Culture, Department of Education, National Arts Council and sector specific NGO's	Library and museum services.	IDP 26	Electrification and supply of books and internet facilities in the Tendergate mobile library	1	Number of units (books) raised & Internet installed by June 2015	DSRAC	00	00	00	HOD Community Services

Dev. Objective	Strategies	Focus Area	Ref.	Activity /Project linked to IDP	W	Key Performance Indicator	Funding Source	ANNUAL BUDGET			Project Owner
								2014/15	2015/16	2016/17	
								To facilitate provision of reliable and effective library & museum services in our areas	Through coordination of activities and organizing resources by collaborating with the Department of Sport Recreation Arts and Culture, Department of Education, National Arts Council and sector specific NGO's	Library and museum services	
To facilitate provision of reliable and effective library & museum services in our areas	Through coordination of activities and organizing resources by collaborating with the Department of Sport Recreation Arts and Culture	Library and museum services	IDP 28	Establish libraries in areas where there is no library	1, 2	Library established by June 2015	DSRAC, CHDM, TLM	00	00	00	
To maintain facilities and provide sustainable cemetery & pouding services in all our wards by 2017.	By rezoning cemetery sites, developing cemetery management systems as well as maintaining the existing cemeteries.	Development and maintainance of cemeteries and crematoria	IDP 29	Maintenance of cemeteries	1, 2, 3, 4, 5	Number of facilities actually maintained by June 2014 % implementation of the Cemetery Maintena	OPEX	R 100 000	R 106 000	R 112 360	

Tsolwana Local Municipality Intergrated Development Plan 2014/15 Financial Year

Dev. Objective		Focus Area	Ref.	Activity /Project linked to IDP	W	Key Performance Indicator	Funding Source	ANNUAL BUDGET			Project Owner
	Strategies							2014/15	2015/16	2016/17	
						nce Plan					
To maintain facilities and provide sustainable cemetery & pouding services in all our wards by 2017		Development & maintenance of community	IDP 30	Supporting of pauper burials	1, 2, 3, 4, 5	Number of families actually supported by June 2015	OPEX	R5000	R 7500	R 10000	
To maintain facilities and provide sustainable cemetery & pouding services in all our wards by 2017		Development & maintenance of community	IDP 31	Maintain Pounds	4, 5	Number of pounds actually maintained by June 2015	OPEX	R15000	R15900	R 16854	
To facilitate and coordiante provision and maintainance of disaster y managemet & emergency services by 2017		<b>Disaster Management &amp; Emergency Services</b>	IDP 32	Lobby for implementat ion of health SLA	1, 2, 3, 4, 5	Number of stakehold er facilitatio n meetings held per quarter	OPEX	00	00		HOD Community Services

Tsolwana Local Municipality Intergrated Development Plan 2014/15 Financial Year

Dev. Objective		Focus Area	Ref.	Activity /Project linked to IDP	W	Key Performance Indicator	Funding Source	ANNUAL BUDGET			Project Owner	
	Strategies								2014/15	2015/16		2016/17
To facilitate support and improvement of health infrastructure and services in all our facilities by 2017		Health	IDP 33	Lobby DoH to attract/ deploy doctors and upgrade of infrastructure	1, 2, 3, 4, 5	Number of stakeholder facilitation meetings held	TLM, DoH	00	00	00	HOD Community Services	
To support delivery of effective education services and skills development programmes across our areas by 2017		Education	IDP 34	Establishment of local skills training centre	4	Business plan for the Agriculture Training Centre developed by June 2015	DoE, CHDM, SETA, DRAR	00	00	00	HOD Community Services	
To support delivery of effective education services and skills development programmes across our areas by 2017		Education	IDP 35	Promote Learnerships for local youth and unemployed graduates	1, 2, 3, 4, 5	Number of local beneficiaries actually linked with Learnerships by June 2014	DoRT, DoL, TLM	00	00	00	HOD Community Services	

Tsolwana Local Municipality Intergrated Development Plan 2014/15 Financial Year

Dev. Objective		Focus Area	Ref.	Activity /Project linked to IDP	W	Key Performance Indicator	Funding Source	ANNUAL BUDGET			Project Owner
	Strategies							2014/15	2015/16	2016/17	
To support delivery of effective education services and skills development programmes across our areas by 2017		Education	IDP 36	Facilitate early childhood development initiatives	1, 2, 3, 4, 5	Number of facilities actually assisted by June 2015	TLM, DoSD	00	00	00	HOD Community Services
To support delivery of effective education services and skills development programmes across our areas by 2017		Education	IDP 37	Cooperate with DoE on delivery of ABET programme	4, 5	Number of stakeholder facilitation meetings held per quarter	DoE	R 70 000	R 17 500	R 17 500	HOD Community Services
To provide reliable refuse collection and facilitate implementation of sustainable waste management solutions by 2017		Promote community health & well-being	IDP 38	Develop, submit and implement of CLEAN-UP campaign programme . Facilitate and coordinate public awareness	1, 2, 3, 4, 5	Number of cleaning campaigns undertaken and number of wards benefiting from the cleaning	OPEX	00	00	00	HOD Community Services

Tsolwana Local Municipality Intergrated Development Plan 2014/15 Financial Year

Dev. Objective		Focus Area	Re f.	Activity /Project linked to IDP	W	Key Perform ance Indicator	Fund ing Sourc e	ANNUAL BUDGET			Project Owner	
	Strategies								201 4/15	2015 /16		201 6/17
				campaigns for waste management		campaign						
To provide reliable refuse collection and facilitate implementation of sustainable waste management solutions by 2017		Promote community health & well-being	IDP 39	Facilitate finalization of landsite permits	4, 5	Applicati on for permits lodged with DoEA by Dec 2013	OPEX	R 102 000	R108 120	R114 607	HOD Community Services	
To facilitate provision of housing and facilitate land use planning and spatial development proposals by 2017		Facilitate community & town planning	IDP 34	Transfer of old municipal housing to the owners	1, 2, 3, 4, 5	Number of housing units transferred by June 2014	DoH, TLM	00	00	00	HOD Community Services	



Tsolwana Local Municipality Intergrated Development Plan 2014/15 Financial Year

Dev. Objective		Focus Area	Ref.	Activity /Project linked to IDP	W	Key Performance Indicator	Funding Source	ANNUAL BUDGET			Project Owner
	Strategies							2014/15	2015/16	2016/17	
To facilitate provision of housing and facilitate land use planning and spatial development proposals by 2017		Facilitate community & town planning	IDP 41	Facilitate bilateral engagement with DoHS to resolve housing project implementation challenges	1, 2, 3, 4, 5	Number of stakeholder facilitation meetings held per quarter	DoA&LR, DoHS, DoLG &TA, TLM	00	00	00	HOD Community Services
To facilitate provision of housing and facilitate land use planning and spatial development proposals by 2017		Facilitate community & town planning	IDP 42	Facilitate implementation of SDF priority programmes	1, 2, 3, 4, 5	Number of stakeholder facilitation meetings held per quarter	DoA&LR, DoHS, DoLG &TA, TLM	00	0	0	HOD Community Services
to contribute to reduction & prevention of crime and improved compliance with Traffic Safety and Road Regulations by 2017		Facilitate community & town planning	IDP 43	Develop and implement a by-law to facilitate traffic enforcement	1, 2, 3, 4, 5	Traffic enforcement by-law developed by June 2014	OPEX	R 75 000	0	0	HOD Community Services

Tsolwana Local Municipality Intergrated Development Plan 2014/15 Financial Year

Dev. Objective		Focus Area	Ref.	Activity /Project linked to IDP	W	Key Performance Indicator	Funding Source	ANNUAL BUDGET			Project Owner
	Strategies							2014/15	2015/16	2016/17	
		Facilitate community & town planning	IDP 44	Number of community meetings attended	1, 2, 3, 4, 5	Number of community meetings held/attended	OPEX	00	00	00	HOD Community Services
		Facilitate community & town planning	IDP 45	Establish a licensing & testing station in Tarkastad by July 2013	4	Licence and testing station launched by Dec 2014	OPEX, DoRT	R 50 000	R 84 800	R 89 888	HOD Community Services
To promote economic development, job creation and growth as well as promote local tourism, conservation and environmental sustainability by 2017.	By mobilizing and coordinating resources budgeted & targeted for our areas for the implementation of LED projects and other initiatives by stakeholder agencies using agreed LED Strategy as a guiding framework	Promote local economic development	IDP 46	Revise and lobby funding for implementation of LED strategy		Amount pledged and contributed in rands for LED implementation by June 2014	TLM, SEDA, DoLG, CHDM	R 450 000	R 500 000	R 500 000	HOD Community Services

Dev. Objective		Focus Area	Ref.	Activity /Project linked to IDP	W	Key Performance Indicator	Funding Source	ANNUAL BUDGET			Project Owner
	Strategies							2014/15	2015/16	2016/17	
	By mobilizing and coordinating resources budgeted & targeted for our areas for the implementation of LED projects and other initiatives by stakeholder agencies using agreed LED Strategy as a guiding	Promote local economic development	IDP 47	Facilitate job creation through EPWP Programme	1, 2, 3, 4, 5	Number of jobs created through the EPWP Programme	OPEX	00	00	00	HOD Community Services
	By mobilizing and coordinating resources budgeted & targeted for our areas for the implementation of LED projects and other initiatives by stakeholder agencies using agreed LED Strategy as a guiding	Promote local economic development	IDP 48	Organize and support SMMEs and Cooperatives	1, 2, 3, 4, 5	Number of capacity building workshops organized by June 2015	TLM, CHDM, ECDC	00	0	0	HOD Community Services
		Promote local	IDP 49	Coordinate Youth awareness roadshow on LED		No of youth awareness roadshows coordinated	TLM	00	00	00	HOD Community Services

Dev. Objective		Focus Area	Ref.	Activity /Project linked to IDP	W	Key Performance Indicator	Funding Source	ANNUAL BUDGET			Project Owner
	Strategies							2014/15	2015/16	2016/17	
	By mobilizing and coordinating resources budgeted & targeted for our areas for the implementation of LED projects and other initiatives by stakeholder agencies using agreed LED Strategy as a guiding framework	Promote local economic development	IDP 50	Facilitate implementation of the greening and beautification project in Tarkastad and Hofmeyr towns	4 & 5	Number of stakeholder facilitation meetings held per quarter	DoEA	R 7 000 000	R 625 000	R 625 000	HOD Community Services
	By mobilizing and coordinating resources budgeted & targeted for our areas for the implementation of LED projects and other initiatives by stakeholder agencies using agreed LED Strategy as a guiding framework	Promote local economic development	IDP 51	Facilitate implementation of conservation & environmental management initiatives by DoEA	1, 2, 3, 4, 5	Number of stakeholder facilitation meetings held per quarter	TLM, DoEA	0	00	00	HOD Community Services
	By mobilizing and coordinating resources budgeted & targeted for our areas for the implementation of LED projects and other initiatives by stakeholder agencies using agreed LED Strategy as a guiding framework	Promote local economic development	IDP 52	Establish an LTO to implement tourism plan	1, 2, 3, 4, 5	LTO established and launched by June 2014	OPEX	00	00	00	HOD Community Services

Tsolwana Local Municipality Intergrated Development Plan 2014/15 Financial Year

Dev. Objective		Focus Area	Ref.	Activity /Project linked to IDP	W	Key Performance Indicator	Funding Source	ANNUAL BUDGET			Project Owner
	Strategies							2014/15	2015/16	2016/17	
	By mobilizing and coordinating resources budgeted & targeted for our areas for the implementation of LED projects and other initiatives by stakeholder agencies using agreed LED Strategy as a guiding	Promote local economic development	IDP 53	Implement Small Town revitalization Strategy		Small Town revitalization strategy implemented by June 2015	CHDM	00	00	00	HOD Community Services
	Review of Tsolwana LED Strategy	Promote local economic	IDP 54	Reviewal of Tsolwana LED Strategy		Tsolwana LED Strategy adopted by Council		00	00	00	HOD Community Services
To build capacity of BTO to undertake its core functions effectively and improve compliance with financial regulations and to ensure that we achieve a clean audit outcome by 2016		Statutory reports	IDP 55	Prepare Section 71 reports	Internal	Section 71 reports prepared & produced by the end of June 2015 and submitted to Mayor,	OPEX	00	00	00	

Tsolwana Local Municipality Intergrated Development Plan 2014/15 Financial Year

Dev. Objective		Focus Area	Ref.	Activity /Project linked to IDP	W	Key Performance Indicator	Funding Source	ANNUAL BUDGET			Project Owner
	Strategies							2014/15	2015/16	2016/17	
TO build capacity of BTO to undertake its core functions effectively and improve compliance with financial regulations and to ensure that we achieve a clean audit outcome by 2016		Recruitment & selection	IDP 56	Recruit and offer Internships in BTO	Internal	5 internships contracts concluded by June 2014	FMG	R 600 000	R 600 000	R 600 000	

Dev. Objective		Focus Area	Ref.	Activity /Project linked to IDP	W	Key Performance Indicator	Funding Source	ANNUAL BUDGET			Project Owner
	Strategies							2014/15	2015/16	2016/17	
To build capacity of BTO to undertake its core functions effectively and improve compliance with financial	By continuously building internal financial management capacity & compliance culture with internal controls. By implementing a decisive programme of action to eliminate non- compliance issues as raised by AG	Statutory reports	IDP 57	Prepare Section 52 (d) reports	Internal	Section 52(d) reports submitted to Council within 30 working days	OPEX	0	0	0	
To build capacity of BTO to undertake its core functions effectively and improve compliance with financial	By continuously building internal financial management capacity & compliance culture with internal controls. By implementing a decisive programme of action to eliminate non- compliance issues as raised by AG	Statutory reports	IDP 58	Prepare Section 72 Mid-year reports	Internal	Section 72 Mid-Year Performance assessment report submitted to Mayor, National & Provincial Treasury	OPEX	0	0	0	

Dev. Objective		Focus Area	Re f.	Activity /Project linked to IDP	W	Key Perform ance Indicator	Fund ing Sourc e	ANNUAL BUDGET			Project Owner
	Strategies							201 4/15	2015 /16	201 6/17	
To build capacity of BTO to undertake its core functions effectively and improve compliance with financial	By continuously building internal financial management capacity & compliance culture with internal controls. By implementing a decisive programme of action to eliminate non-compliance issues as raised by AG	Financial reporting	IDP 59	Preparation of the annual financial statements	Internal	Annual financial statements prepared and presented to Council	OPEX	R 2 581 242	R 2 839 366	R 3 123 303	
To build capacity of BTO to undertake its core functions effectively and improve compliance with financial	By continuously building internal financial management capacity & compliance culture with internal controls. By implementing a decisive programme of action to eliminate non-compliance issues as raised by AG	Financial reporting	IDP 60	Prepare and present audit action plan	Internal	Audit action plan produced based on AG's management letter, monitored and reported upon quarterly	OPEX	0	0	0	



Dev. Objective		Focus Area	Ref.	Activity /Project linked to IDP	W	Key Performance Indicator	Funding Source	ANNUAL BUDGET			Project Owner
	Strategies							2014/15	2015/16	2016/17	
To properly budget, manage expenditure and revenue streams yearly (2012- 21017)	By improving capacity to budget and manage expenditure and revenue streams through continuous exposure to training and monitoring of staff.	Budgeting & financial control	IDP 61	Produce annual budget and table to council a draft by March and final budget by 31 May 2014	Internal	Draft budget tabled and adopted by Council	OPEX	0	0	0	
To properly budget, manage expenditure and revenue streams year by year (2012 - 2017)	By improving capacity to budget and manage expenditure and revenue streams through continuous exposure to training and monitoring of staff	Improve revenue collection and ensure what is due to the	IDP 62	Establish a debt control unit to improve revenue generation	Internal	Debt control unit established by June 2014	OPEX	0	0	0	

Dev. Objective		Focus Area	Ref.	Activity /Project linked to IDP	W	Key Performance Indicator	Funding Source	ANNUAL BUDGET			Project Owner
	Strategies							2014/15	2015/16	2016/17	
To properly budget, manage expenditure and revenue streams year by year (2012 -2017)	Develop and implement Revenue Enhancement Strategy	Improve revenue collection and ensure what is due to the council is collected	IDP 63	Facilitate development of a revenue enhancement and collection strategy	Internal	Council adopted Revenue Enhancement Strategy with implementation plan developed June 2015	OPEX	0	0	0	
To properly budget, manage expenditure and revenue streams year by year (2012 -2017)	By improving capacity to budget and manage expenditure and revenue streams through continuous exposure to training and monitoring of staff	Budgeting & financial control	IDP 64	Perform monthly payroll reconciliations	Internal	Monthly payroll reconciled by 10th day of each consecutive month	OPEX	00	0	0	

Dev. Objective		Focus Area	Ref.	Activity /Project linked to IDP	W	Key Performance Indicator	Funding Source	ANNUAL BUDGET			Project Owner
	Strategies							2014/15	2015/16	2016/17	
To properly budget, manage expenditure and revenue streams year by year (2012 -2017)	By improving capacity to budget and manage expenditure and revenue streams through continuous exposure to training and monitoring of staff	Budgeting & financial control	IDP 65	Undertake monthly creditor reconciliations	Internal	Monthly creditor report reconciled by 10 <sup>th</sup> day of each consecutive month	OPEX	0	0	0	
To properly budget, manage expenditure and revenue streams year by year (2012 -2017)	By improving capacity to budget and manage expenditure and revenue streams through continuous exposure to training and monitoring of staff	Budgeting & financial control	IDP 66	Undertake monthly VAT reconciliations	Internal	VAT reconciled by 25 <sup>th</sup> day of each new quarter in 2014/15	OPEX	0	0	0	
To properly budget, manage expenditure and revenue streams year by year (2012 -2017)	By improving capacity to budget and manage expenditure and revenue streams through continuous exposure to training and monitoring of staff	Budgeting & financial control	IDP 67	Conduct quarterly asset counts		Number of asset counts completed by 10 <sup>th</sup> day of each new quarter in	OPEX	0	0	0	

Tsolwana Local Municipality Intergrated Development Plan 2014/15 Financial Year

Dev. Objective		Focus Area	Re f.	Activity /Project linked to IDP	W	Key Perform ance Indicator	Fundi ng Sourc e	ANNUAL BUDGET			Project Owner
	Strategies							201 4/15	2015 /16	201 6/17	
						2014/15 & reconciled to asset register					
To properly budget, manage expenditure and revenue streams year by year (2012 -2017)	Develop & keep an Indigent Policy in line with legislation	Indigent Policy	IDP 68	Review Indigent policy and monitor implementation	Internal	Revised indigent policy tabled to Council by Sep 2014 and implemented by June 2015	MSIG	R35 000	R35 000	R35 000	HOD BTO
To improve capacity for supply chain management and procurement processes consistently by 2017	Maintain a supplier database by advertising for registration and register potential suppliers.	Supplier database	IDP 69	Invite suppliers to regularly update registration details on supplier database	Internal	Accredited Supplier Database developed and maintained	OPEX	0	0	0	

Dev. Objective		Focus Area	Ref.	Activity /Project linked to IDP	W	Key Performance Indicator	Funding Source	ANNUAL BUDGET			Project Owner
	Strategies							2014/15	2015/16	2016/17	
						d by June 2015.					
To improve capacity for supply chain management and procurement processes consistently by 2017		Procurement of goods and services	IDP 70	Ensure monthly reconciliation of tender register	Internal	Tender register reconciled by 10th day of each month in 2014/15	OPEX				
To improve capacity for supply chain management and procurement processes consistently by 2017		Procurement of goods and services	IDP 71	Ensure monthly meeting of bid & adjudication committees	Internal	Binding calendar of SCM committee meetings completed and adopted for implementation by	OPEX				

Tsolwana Local Municipality Intergrated Development Plan 2014/15 Financial Year

Dev. Objective		Focus Area	Ref.	Activity /Project linked to IDP	W	Key Performance Indicator	Funding Source	ANNUAL BUDGET			Project Owner
	Strategies							2014/15	2015/16	2016/17	
		Procurement of goods and services	IDP 72	Monitor and investigate SCM contraventions & then report to Treasury, Council, MEC for Local Government & Auditor General	Internal	4 x Compliance reports with SCM produced as part of quarterly risk management & internal audit reports by June 2014	OPEX	0	0	0	

Dev. Objective		Focus Area	Ref.	Activity /Project linked to IDP	W	Key Performance Indicator	Funding Source	ANNUAL BUDGET			Project Owner
	Strategies							2014/15	2015/16	2016/17	
		Provision of ICT services & support	IDP 73	Maintain existing licenses for municipal information systems (Finance, PMS + Other)	Internal	All licenses and contracts fully serviced by June 2014	OPEX	0	0	0	
To ensure functional internal audit services by 2017	By setting in place institutional arrangements and governance processes for effective accountability in internal audit services	Provision of Internal Audit Services	IDP 74	Facilitate development of departmental risk registers	Internal	Departmental risk registers	FMG	0	0	0	
To ensure functional internal audit services by 2017	By setting in place institutional arrangements and governance processes for effective accountability in internal audit services	Provision of Internal Audit Services	IDP 75	Produce risk assessment and internal audit annual plan	Internal		OPEX	0	0	0	

Dev. Objective		Focus Area	Ref.	Activity /Project linked to IDP	W	Key Performance Indicator	Funding Source	ANNUAL BUDGET			Project Owner
	Strategies							2014/15	2015/16	2016/17	
To ensure functional internal audit services by 2017	By setting in place institutional arrangements and governance processes for effective accountability in internal audit services	Provision of Internal Audit Services	IDP 76	Support the audit committee to review and produce reports on quarterly performance of the municipality	Internal	4 quarterly performance reports produced	OPEX	0	0	0	
To ensure functional internal audit services by 2017	By utilizing the funds paid to PWC to establish a functional internal audit unit on the expiry of the PWC contract	Provision of Internal Audit Services	IDP 77	Capacity building of internal Audit Unit		Functioning Internal Auditing Unit with personel and systems	OPEX	0	0	0	MM
To ensure functional internal audit services by 2017	To develop an Internal Audit Charter with a submission schedules and standard procedures and turnaround times	Provision of Internal Audit Services	IDP 78	Development of Internal Audit Charter		Council approved Internal Audit Charter in line with acceptabl	OPEX	0	0	0	MM



Tsolwana Local Municipality Intergrated Development Plan 2014/15 Financial Year

Dev. Objective		Focus Area	Ref.	Activity /Project linked to IDP	W	Key Performance Indicator	Funding Source	ANNUAL BUDGET			Project Owner
	Strategies							2014/15	2015/16	2016/17	
						e Internal Audit Standards					
To provide accountable administrative leadership and champion search for office space.		Municipal Planning, PMS & Overight	IDP 79	Review IDP, PMS Framework & SDBIP	1, 2, 3, 4, 5	Revised IDP, PMS Framework & SDBIP by June 2015	OPEX	R36 000	R38 160	R40 449	
To provide accountable administrative leadership and champion search for office space		Municipal Planning, PMS & Overight	IDP 80	Ensure cascading of PMS to cover up top 3 levels		Scorecards developed and signed by all top 3 levels by Sep 2015	OPEX	0	0	0	
To provide accountable administrative leadership and champion search for office space		Infrastructure Development	IDP 81	Facilitate acquisition of office space - SOURCE FUNDS	Internal	Construction initiated by September 2014	MIG	R4 128 500	0	0	

Dev. Objective	Strategies	Focus Area	Ref.	Activity /Project linked to IDP	W	Key Performance Indicator	Funding Source	ANNUAL BUDGET			Project Owner
								2014/15	2015/16	2016/17	
To provide accountable administrative leadership and champion search for office space		Municipal Planning, PMS & Oversight	IDP 82	Undertake Operational Strategic planning	Internal	Annual Stratplan report tabled to council by Sep 2014	OPEX	R75 000	R75 000	R75 000	
		Municipal planning & Oversight	IDP 83	Facilitate seating of IGR/ IDP Rep Forum Meetings	Internal	4 IGR/ IDP Rep Forums convened by June 2015	OPEX	R15 000	R15 000	R15 000	MM
To facilitate mainstreaming of vulnerable groups in society within our municipal area (2012 -2017)	By developing an SPU Strategy and implement programmes and activities for special programmes	SPU Sustainable programmes to cater for all	IDP 84	Implement Special Programmes	1, 2, 3, 4, 5	Council approved SPU Strategy	OPEX	R35 000	R35 000	R35 000	MM
To facilitate mainstreaming of vulnerable groups in society within our municipal area (2012 - 2017)	By coordinating participation of TLM in national & international commemoration events	Coordination of commemoration events	IDP 85	Participation in commemoration events		Number of events coordinated and contributed to by TLM - June 2015	OPEX	0	0	0	MM

Tsolwana Local Municipality Intergrated Development Plan 2014/15 Financial Year

Dev. Objective		Focus Area	Ref.	Activity /Project linked to IDP	W	Key Performance Indicator	Funding Source	ANNUAL BUDGET			Project Owner
	Strategies								2014/15	2015/16	
To facilitate mainstreaming of vulnerable groups in society within our municipal area (2012 -2017)	By coordinating HIV/AIDS	Coordination of HIV/AIDS	IDP 86	Establishment of ward based HIV/AIDS Council	1, 2, 3, 4, 5	Efficient Ward based HIV/AIDS Councils				MM	
To facilitate mainstreaming of vulnerable groups in society within our municipal area (2012 -2017)	By coordinating HIV/AIDS	Coordination of HIV/AIDS	IDP 87	Prepare 4 quarterly report on HIV/AIDS trends	1, 2, 3, 4, 5	No of reports prepared and submitted				MM	
To ensure local democracy and effective public participation in municipal affairs by 2017	By developing a Public Participation Policy and implementation plan with processes for public participation, communication and intergovernmental relations	Improve Public Participation	IDP 88	Public participation and accountable governance.		Council approved Public Participation Policy and Plan	OPEX	0	0	0	MM
To ensure local democracy and effective public participation in municipal affairs by 2017	By pro of dedicated toll free line for customer complaints	Improve public participation	IDP 89	To ensure a centralized customer complaints management and a prompt response by		Functioning Customer Complaints line	OPEX	0	0	0	MM

Tsolwana Local Municipality Intergrated Development Plan 2014/15 Financial Year

Dev. Objective		Focus Area	Re f.	Activity /Project linked to IDP	W	Key Perform ance Indicator	Fundi ng Sourc e	ANNUAL BUDGET			Project Owner
	Strategies							201 4/15	2015 /16	201 6/17	
				the departments							
To ensure local democracy and effective public participation in municipal affairs by 2017		Improve public participation	IDP 90	Community Radio talk shows by the Hon. Mayor	Internal	Number of Community radio talk shows by the Mayor	OPEX	R5 000	R5 500	R6 000	MM
To ensure local democracy and effective public participation in municipal affairs by 2017		Public Participation	IDP 91	Facilitate community awareness initiatives on Presidential Hotline/ Complaints handling	1, 2, 3, 4, 5	Number of campaigns conducted on Presidential Hotline	OPEX	0	0	0	MM

Tsolwana Local Municipality Intergrated Development Plan 2014/15 Financial Year

Dev. Objective	Strategies	Focus Area	Ref.	Activity /Project linked to IDP	W	Key Performance Indicator	Funding Source	ANNUAL BUDGET			Project Owner
								2014/15	2015/16	2016/17	
To ensure local democracy and effective public participation in municipal affairs by 2017	Develop a Communication Plan by implementing Political Munitec Resolution by allocating 1% of annual municipal budget to communications	Improve communication	IDP 92	Promote culture of communication internally & externally	Internal	Council approved Communication Plan	OPEX	0	0	0	MM
To ensure local democracy and effective public participation in municipal affairs by 2017	To engage the Office of the Premier to develop a database of IGR representatives from government departments based in Tsolwana Local Municipality	Improve communication	IDP 93	Improvement of participation of sector departments and SOE	Internal	IGR Participation Plan developed	OPEX	0	0	0	MM
To provide for information, communication and technology management and utilization to advance our work and achieve stability in 2017	By setting up appropriate platforms for our ICT and compliance with our licenses and binding contracts	Institutionalized electronic mailing	IDP 94			Functioning ICT Platforms and services	OPEX	0	0	0	MM

Dev. Objective		Focus Area	Re f.	Activity /Project linked to IDP	W	Key Performance Indicator	Fundi ng Sourc e	ANNUAL BUDGET			Project Owner
	Strategies							2014/15	2015/16	2016/17	
To provide for information, communication and technology management and utilization to advance our work and achieve stability in 2017	By developing an institutional ICT Governance Policy with standard operational procedures and implementation plan.	ICT governance	IDP 95	By developing an institutional ICT Governance Policy with standard operational procedures and implementation plan.		Council approved ICT Governance Policy	MSIG	R730 000	R780 000	R850 000	MM
To ensure		Organizational Development	IDP 96	Fill vacant posts in line with agreed organogram	In te rnal	% of prioritized and budgeted positions filled.	OPEX	R50 000	R53 000	R56 180	

Dev. Objective		Focus Area	Ref.	Activity /Project linked to IDP	W	Key Performance Indicator	Funding Source	ANNUAL BUDGET			Project Owner
	Strategies							2014/15	2015/16	2016/17	
		Organizational Development	IDP 97	Implement existing Municipal Human Development Strategy	Internal	% of proposals in the strategy actually completed by June 2015	OPEX	R50 000	0	0	
To ensure effective organizational design and hum	By developing and implementing OHS	Occupational Health & Safety	IDP 98		Internal	Occupational Health Plan developed by March 2015	OPEX	0	0	0	
	By developing HIV/ AIDS Strategy incorporating wellness	Occupational Health & Safety	IDP 99	Review and Implement Municipal wellness plan incorporating HIV/ AIDS Management	Internal	Municipal wellness & HIV/ Aids management strategy IMPLEMENTED by	CHDM	R150 000	R159 000	R168 540	

Tsolwana Local Municipality Intergrated Development Plan 2014/15 Financial Year

Dev. Objective		Focus Area	Ref.	Activity /Project linked to IDP	W	Key Performance Indicator	Funding Source	ANNUAL BUDGET			Project Owner
	Strategies							2014/15	2015/16	2016/17	
				Strategy		June 2015					
		By-law enforcement	IDP 100	Conduct ward level workshops on draft by-laws and policies (Traffic and liquor selling outlets)	Internal	No of bylaws workshoped at ward level	MSIG	R60 000	R60 000	R60 000	
To provide for safekeeping and archiving of municipal information and documents by 2014	By putting in place proper tools and systems for the safekeeping and archiving of the municipal information and documents	Records & Archives	IDP 101	Installation of document management system	Internal	Document Management System installed by June 2015	OPEX	R85 000	0	0	



Tsolwana Local Municipality Intergrated Development Plan 2014/15 Financial Year

Dev. Objective		Focus Area	Ref.	Activity /Project linked to IDP	W	Key Performance Indicator	Funding Source	ANNUAL BUDGET			Project Owner
	Strategies							2014/15	2015/16	2016/17	
To ensure effective organizational design and human resource development by end 2013 /2015	Conduct employee skills audit and engage in skills development projects aimed at enhancing the efficiency & effectiveness of personnel	Training & Development	IDP 102	Implement, monitor and report on agreed WSP to relevant authorities	Internal	WSP developed and submitted by June 2015	OPEX	0	0	0	
To ensure effective organizational design and human resource development by end 2013 /2015	Facilitate the prescribed and skills development initiatives for Councillors.	Implement the Workplace Skills Plan	IDP 103	Training of Municipal employees & Councillors	Internal	Number of councilors sent to accredited training in 2014/15	OPEX	0	0	0	
To ensure effective organizational design and human resource development by end 2013 /2015	Ensure that skills development & training interventions enhances the required staff minimum competency levels.	Implement the Workplace Skills Plan	IDP 104	Training of Municipal employees & Councillors	Internal	Number of officials sent to accredited training in 2014-15	OPEX	0	0	0	

Dev. Objective		Focus Area	Ref.	Activity /Project linked to IDP	W	Key Performance Indicator	Funding Source	ANNUAL BUDGET			Project Owner
	Strategies							2014/15	2015/16	2016/17	
	To administrate human resources and ensure effective management of our transformation by 2023							Comply with Employment Equity Act	IDP 105	Produce and submit an annual report on EEP	
Provision of efficient & effective council support services to council structures		Administration support to Council	IDP 107	Provision of effective secretarial support to Council and its structures	Internal	Timeous availability of relevant documents to council and its committees	OPEX	0	0	0	

Dev. Objective		Focus Area	Ref.	Activity /Project linked to IDP	W	Key Performance Indicator	Funding Source	ANNUAL BUDGET			Project Owner
	Strategies							2014/15	2015/16	2016/17	
	Provision of efficient & effective council support services to council structures	Administration support to Council	IDP 108	Establishment of support unit dedicated for ward committee administration	1, 2, 3, 4, 5	Dedicated ward committee office established by .....	OPEX	0	0	0	HOD Cooperate Services
	Provision of efficient & effective council support services to council structures.	Administration support to Council	IDP 109	Distribution of agenda to Council Structures, 7 days before the council meeting.	Internal	No of days taken to distribute Council agenda to council structures	OPEX	0	0	0	HOD Cooperate Services
	Provision of efficient & effective council support services to council structures	Administration support to Council	IDP 110	Publishing of council meetings in newspapers and website	Internal	No of days taken to publish notices for Council Meetings	OPEX	0	0	0	HOD Cooperate Services

Dev. Objective		Focus Area	Re f.	Activity /Project linked to IDP	W	Key Perform ance Indicator	Fundi ng Sourc e	ANNUAL BUDGET			Project Owner
	Strategies							201 4/15	2015 /16	201 6/17	
	Provision of efficient & effective council support services to council structures	Administration support to Council						IDP 111	Proper recording of council structure proceedings during the meeting		

**CHDM CAPITAL PROGRAMMES 2014/15- 2016/17**

MIG PROJECTS

TSOLWANA MUNICIPALITY			2014/2015	2015/16	2016/17
		Cluster 1 Sanitation (Ward 2 & 3	R 0.00	R 2 500 000.00	R 2 500 000.00
	13A/2013/MD(AM)	Tarkastad Bucket Eradication	R 400 000.00	R 0.00	
		Rehabilitation of Sewer Ponds-Hofmeyer	R 500 000.00	R 2 322 863.00	R 3 000 000.00
		Tarkastad Bulk Services	R 500 000.00	R 1 000 000.00	R 3 000 000.00
		Rocklands Water Project	R 0.00	R 0.00	

Tsolwana Local Municipality Intergrated Development Plan 2014/15 Financial Year

		Hofmeyer Pump station	R 500 000.00	R 3 301 378.78	R 1 056 493.00
	<b>TOTAL TSOLWANA LM</b>		<b>R 1 900 000.00</b>	<b>R 9 124 241.78</b>	<b>R 9 556 493.00</b>
<b>TOTAL: TSOLWANA LM</b>		CHRIS HANI DISTRICT MUNICIPALITY			
		PMU Operational Budget	<b>R13 898 50.00</b>	<b>R13 910 600.00</b>	<b>R 14 569 600.00</b>
<b>GRAND TOTAL: MIG PROJECTS</b>		<b>GRAND TOTAL</b>	<b>R177977000.00</b>	<b>R278 212 00.20</b>	<b>R291 392000.00</b>

**REGIONAL BULK INFRASTRUCTURE GRANT**

<b>TSOLWANA MUNICIPALITY</b>		<b>Funder</b>	<b>2014/15</b>	<b>2015/16</b>	<b>2016/17</b>
ECR005b	Hofmeyer Water Supply	<b>BIG</b>	R 4 666 000	R 0	
	<i>Phase 1 Material Supply</i>	<i>Tender</i>			
	<i>Phase 2 Water Supply</i>	<i>Tender</i>			
			<b>R 4 666 000</b>	<b>R 0</b>	<b>R 0</b>
<b>TOTAL: TSOLWANA LM</b>	<b>CHRIS HANI DISTRICT MUNICIPALITY</b>				
<b>GRAND TOTAL:RBIG PROJECTS</b>			<b>R 218 238 000</b>	<b>R 243 503 000</b>	<b>R 201 000 000</b>