



INTSIKA YETHU
LOCAL
MUNICIPALITY
INTEGRATED DEVELOPMENT
PLAN- DRAFT
2016-2017

Foreword by the Mayor

Intsika Yethu Local Municipality is located at the local sphere of government which is the coalface of the service delivery of government. Our municipality interact with communities on daily basis being mandated by the Constitution of Republic of South Africa, Act 108 of 1996 in order to create a better life for all and enhance the living conditions of the community and its members. Indeed, it is true that Intsika Yethu Local Municipality continues to work tirelessly together with our communities in order to find sustainable and progressive way to fulfil their social, economic and developmental needs.

It is through Integrated Development Plan, which is the most important tool that we use to guide our planning, development and decision making process in our municipality. All other plans and actions of the municipality are resonate with and secondary to Integrated Development Plan. In order to achieve the vision and mission of Intsika Yethu Municipality, we commit ourselves in continuous engagements with our local communities through public participation in finding best solutions to address the long term objectives of the municipality. Our Integrated Development Plan places our institution at the vantage point of future development.

The Integrated Development Plan depicts the developmental status quo of the municipality which identifies human, financial, physical and natural resources and links them with the plans. It is through the limited resources and capacity that is at our disposal, that we strive to provide quality services with pride to our communities in ensuring a better life for all.

In our IDP, the municipality was able to commit this capital expenditure in line with our priorities as outlined in the IDP, which includes, high masts for our township areas and minimise crime activities, erection of small bridges and culverts for roads accessibility, construction of access roads etc. The IDP and Budget seems to have yielded healthy relationship between our municipality and its residents and continues to minimise community protests.

Though our municipality have limited resources, we continue to update our communities about IDP progress and our intentions as the municipality through ward councillors, ward committees and outreach programmes. 2016/2017 IDP will continue to assist in improving the lives of our people and continue to strengthen the municipal relationship with our communities.

Our interactions with communities played an essential role in the identification and prioritisation of projects geared at developing our communities, which resulted in development of this progressive, community driven and inclusive IDP.

Intsika Yethu Municipality will continue to protect the environment and use land effectively as we better the quality of the lives of our people, and ensure that our municipality remains economically viable and sustainable.

Yours in struggle

.....
K. VIMBAYO
HON MAYOR



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Acronym List

ABET	Adult Basic Education and Training
AIDS	Acquired Immune Deficiency Syndrome
ASGISA	Accelerated and Shared Growth Initiatives for South Africa
BOP	Best Operating Practices
CBP	Community Based Plan
CDW	Community Development Worker
CFO	Chief Financial Officer
CFO	Chief financial Officer
CHDM	Chris Hani District Municipality
CIP	Comprehensive Infrastructure Plan
	Department of Corporative Governance and Traditional
COGTA	Affairs
CPF	Community Policing Forum
DBSA	Development Bank of Southern Africa
DGDS	District Growth and Development Strategy
DLA	Department of Land Affairs
DLGTA	Department of Local Government and Traditional Affairs
DWAF	Department of Water and Forestry
EAP	Employee Assistance Programme
EC	Eastern Cape
EC-DoE	Eastern Cape Provincial Department of Education
ECSECC	Eastern Cape Social and Economic Consultative Council
EHP	Environmental Health Practitioners
FBS	Free Basic Services
FET	Further Education and Training
FMG	Financial Management Grant
FS	Free State
GP	Gauteng Province
GRAP	Generally Recognised Accounting Practice
GVA	Gross Value Added
HDI	Human Development Index
HIV	Human Immune Deficiency Virus
HOD	Head of Department
HV	High Voltage
IDP	Integrated Development Plan
IeC	Integrated Energy Centre
IGR	Intergovernmental Relations
ISD	Integrated Service Delivery
IYLM	Intsika Yelthu Local Municipality
KPA	Key Performance Area
KPI	Key Performance Information
KZN	Kwa-Zulu Natal
LAC	Local Aids Council
LED	Local Economic Development
LRAD	Land Redistribution for Agriculture Development
LTO	Local Tourism Organisation
MDG	Millennium Development Goals
MEC	Member of the Executive Committee

MFMA	Municipal Finance Management Act
MHS	Municipal Health Service
MIG	Municipal Infrastructure Grant
MM	Municipal Managers
MoU	Memorandum of Understanding
MP	Mpumalanga
MPAC	Municipal Public Accounts Committee
MPRA	Municipal Property Rates Act
MSA	Municipal Systems Act
MSIG	Municipal Systems Improvement Grant
MTEF	Medium Term Expenditure Framework
MTREF	Medium Term Revenue and Expenditure Framework
NC	Northern Cape
NP	Northern Province
NSDP	National Spatial Development Plan
NW	North West
OHS	Organisational Health and Safety
PDP	Personal Development Plan
PMS	Performance Management System
PSDV	Provincial Spatial Development Plan
RBIG	Regional Bulk Infrastructure Grant
RED	Regional Electricity Distribution
RSA	Republic of South Africa
SALGA	South African Local Government Associations
SANAC	South African National Aids Council
SARS	South African Revenue Services
SCCIP	School Community Co-operative Ilima Programmes
SCM	Supply Chain Management
SDBIP	Service Delivery Budget Implementation Plan
SDF	Spatial Development Framework
SDL	Skills Development Levies
SETA	Sector Education and Training Facilities
SLA	Service Level Agreement
SMME	Small Medium and Micro Enterprise
SPU	Special Programmes Unit
SWOT	Strengths, Weaknesses, Opportunities and Threats
TADA	Treatment Against Drugs and Alcohol
UIF	Unemployment Insurance Fund
VAT	Value Added Tax
VIP	Ventilated Improvement Pit (dry sanitation facility)
WC	Western Cape
WSA	Water Service Authority
WSP	Water Service Provider

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Executive Summary

Intsika Yethu Local Municipality (IYLM), which has approximately 145 372 in population, is located within the Chris Hani District Municipality of the Eastern Cape. It has 21 wards, and is bounded by municipalities such as Sakhisizwe, Engcobo, Emalahleni, Lukhanji, Amahlati, Mnquma, and Mbashe. Cofimvaba and Tsomo are the main towns and the rural residential component comprises 213 villages scattered throughout the municipal area.

Intsika Yethu municipality prides itself of best agricultural resources in the land, with no less than three irrigation schemes *viz* Ncora, Qamata and Bilatye Irrigation Schemes, which are considered to be the biggest not only in the province but in South Africa as the whole. With its rich biophysical endowments in the form of rivers and plains, its pristine natural veld, valleys and unique landscapes (for tourism), its rich heritage resources and its relatively good potential soils; Intsika Yethu should be what “gold” is to Gauteng, “platinum” to North West, and “coal” in Mpumalanga in so far as economic development is concerned. It is incongruous that the area with such abundance of natural resources (water and land) remains trapped in abject poverty and high levels of unemployment.

In an effort to turn situation around and better the quality of lives of the people of Intsika Yethu, Intsika Yethu Local Municipality’s Council has taken a consultative planning process in review of its Integrated Development Plan (IDP). The reviewed IDP sets out the objectives and priorities the municipality intends to undertake in order to fulfil its vision and turn the situation around. This will be through a set of strategies, programmes and projects that it will implement in the financial year 2015/16.

As a service delivery sphere of government, Intsika Yethu Municipality is showing signs of becoming a stronger institution. This is evidenced by its good track record in delivery of its mandate as well as positive Audit Outcome which was Qualified in the 2013/14 after having received Adverse and Disclaimers in the previous outer years. In as much as there is a story to tell in terms of service delivery and the progressive changes in the Audit Outcome, there remain many challenges that still beset the municipality. It therefore goes without saying that there are tasks that need to be attended to in the months ahead.

The below are some of the intended programmes and initiatives that were undertaken in the previous year which Intsika Yethu will continue to pursue even in this current financial year. It is assumed that in no distant future they will put Intsika Yethu in the nucleus of its developmental agenda where the people of Intsika Yethu will enjoy the quality of life as espoused in the Constitution of the Republic of S.A.

Within Basic Services and Infrastructure including social infrastructure, focus will be on investment in the following key programs:

- **Community Residential Units**

The municipality has earmarked Erf 2342 within the Township of Thabo Village for the purposes for Community Residential Units, with collaboration with the Department of Human Settlement. The development is in line with the Breaking New Ground policy (2004) for comprehensive human settlements. The development is to accommodate individuals or households who are unable to be accommodated in the private rental and social housing market. The Development is structured in phases and the first phase involves the construction of **100** units comprising of bachelor, one bedroom and two bedroom apartments. (He also state the project has been put on hold we should confirm with MM if we should include also on the IDP)

Shopping Mall/Complex

The Intsika Yethu Municipality has appointed Andile Mafu/Eris/Cofimvaba Development Consortium to establish a commercial development on a portion of Erf 1 Cofimvaba. The shopping mall/complex is to be strategically located along the R61. The developers submitted a letter to the municipality dated 26 February 2015 with things that are required from the municipality upon which the developers will start with the construction. (Makanya suggest we delete this section)

Office Space

The municipality has earmarked Erf 2310; Cofimvaba for the development of an office block, this need is due to the growth of the municipality and the need for the governmental departments to bring their services close to the people. The municipality has appointed Eris Properties as a developer for the development of an office park on Erf 2310, Cofimvaba, the municipality is currently collaborating with the Department of Public Works and Eris Properties, the development of the offices is envisaged to take place during the 2015/2016/2017 financial years.

Rental Residential Units

Due to the envisaged economic and population growth of the municipality, the municipality has seen a need to cater for rental residential units within the municipality. This need is also supported by development of the mall/complex and office park. The municipality has made a portion of the remainder of Erf 1, Cofimvaba which is at an extent of 9 Hectares available for the purposes of mixed residential type options and the rental residential units is one of the options. The development is to cater accommodation for individuals who get an income over an amount of R3 500.00.

Potable Water, Electricity, Road and Storm Water, and Sanitation service delivery Provision

Generally poor levels of road access across IYM and sporadic transportation services are affecting socio economic upliftment and local economic development initiatives; Climate change is leading to increased incidents of storms, flooding and damage to buildings and infrastructure, which threatens sustainable livelihoods; and inadequate bulk infrastructure capacity is stifling economic investment and the development of towns.

- Planning, construction, connecting, upgrading and ensuring that all citizens of Intsika Yethu have reasonable access to these basic services is but one of the strategic intent the municipality will continue to address in 2015/16 and beyond. This is moreso given the backlogs the municipality continues to grapple with, with MIG and Equitable share funding insufficient to address these service delivery backlogs.
- **Solid Waste Management:** The municipality has established a functional landfill site in PPP arrangement with Buyisa e-bag. This has resulted in the formation of a business structure in form of a Co-operative that is currently in operating mainly made of women. It then can be said that this initiative has not only been a good omen to environmental issues alone but has contributed to LED in the form of job opportunities created through this venture.

In terms of **Local Economic Development;** there is widespread poverty, unemployment and inadequate social support systems which make it difficult for local enterprise, contractors and SMME's to gain access to opportunities for trade and employment; Whilst there are significant opportunities for agriculture and forestry in the area, connecting these opportunities to

meaningful community participation is complex and time consuming; and economic sustainability of IYM is dependent upon retention of existing investors and attraction of new investors. Key programmes to be pursued include, Integrated Energy Centre (IeC), which is going to be a one stop shop for fuel (petrol, gasoline, and paraffin), Agricultural development through livestock and crop improvement programmes, SMME support and Tourism development. In as far as agricultural development is concerned more efforts will be on the resuscitation of our irrigation schemes which are a shadow of their former glory. The motive behind revitalisation of irrigation schemes is as discussed below:

- **Revitalisation of Irrigation Schemes:** Intsika Yethu Municipality, recognising that its irrigation used to be the hub of economic activities, employing a significant number of its residents and providing a much needed food security in the early seventies to late eighties embarked on the process of resuscitating these irrigation schemes. Working with Chris Hani District Municipality, Provincial Department of Rural Development and Agrarian Reform, the National Department of Rural Development and Land Reform and ECRDA, our collaborative efforts will be focussed towards attracting investors to run the schemes under Public Private Partnerships. The main objective being to exploit the undisputed agricultural potential of the area and make agriculture the mainstay of the economy of Intsika Yethu like in the good old days.
- **Tourism Development:** One of strategic objectives of Intsika Yethu Municipality owing to its rich heritage and tourism potential is developing tourism programmes with an intent to position Intsika Yethu as a recognised tourist destination. IYM has a operating Local Tourism Organisation also to market our products (LTO).

With regard to issues relating to: **Good Governance and Public Participation (Deepening Democracy) Strategic Framework:** the municipal area is affected by marginalized and dependent communities, **therefore more** effective and active community participation in planning and development initiatives are needed. Towards this end, public participation systems and structures continue to form a strong pillar of our governance. Despite many challenges, ward committees and Traditional leaders remain functional while efforts to strengthen participation of the business sector continue to preoccupy us. Intsika Yethu municipality is working tirelessly to improve its relations with some traditional leaders and is strengthening the capacity of its Business Chamber so that these Actors play a meaningful role in the affairs of the municipality. Internally a functional Internal Audit unit, MPAC and internal audit continue to work tirelessly in ensuring that there is a clean administration and that there a movement towards clean audit, a situation which has eluded us in the past three years.

- **SPU Unit** This unit is established at the office of the Honourable Mayor. The main strategic focus of good governance and public participation includes implementing Gender Mainstreaming, implementation of the Youth Development Plan, Women, Elderly people ,people living with disability and focus on addressing HIV and Aids.
- **Health/HIV-AIDS:** HIV and AIDS affects every municipality and Intsika Yethu Municipality is not immune in this phenomenon. HIV and AIDS results in greater demand for municipality and support, such as health care, burial spaces, poverty alleviation and indigent concessions amongst other things. In responding to HIV/AIDS epidemic ,Intsika Yethu municipality, developed a strategy that focusses on amongst other things, revival and strengthening of Local Aids Council and mainstreaming HIV/AIDS in the IDP processes and core business of the municipality. To date we have a functional WARD LOCAL COUNCILS in all Intsika Yethu wards. We also have an HIV/AIDS strategy that focusses not only on HIV in workplace but HIV at local level. Towards this end Intsika Yethu won the best credible HIV/AIDS strategy at CMRA in September 2010.

However Mgungu Ndlovu Municipality visited Intsika Yethu municipality for benchmarking. The thrust of the strategy rests on public awareness campaigns, health education, counselling and provision of health services and wide range of clinic facilities.

- **Youth Development Plan: Education and literacy development programmes,** Improving learner performance and achievements, providing school infrastructure which include school buildings i.e classrooms, provision of safety and security at schools, provision of scholar transport and nutrition, teacher training and development and engagement/involvement of parents in decision making within the school environment are some of the strategies that Cofimvaba/Tsomo Department of Education is pursuing to improve standard of education within the municipality jurisdiction. As a result of these efforts, Intsika Yethu has in the past two years been contender number one in the Province in terms of matric pass rate especially mathematics and physical science. **Also** realising that the area(Intsika Yethu) is an agricultural area, Arthur Mfebe has been established as an Agricultural school mainly focussing in agriculture as its core area of business.
- **Elderly people** , it is the municipalities responsibility to take care of elderly ,protect them and make sure that are not vulnerable . There is a functioning forum for elderly people and the adults centres are established within the municipality where they do wellness programmes and economic projects.
- **People with disability** There is an operating forum for this category and they participate in the community programs. The municipality also established centre for people with disability for trainings, program and projects. These stakeholders participate in the disabilities month, parliament for people living with disability and District dialogs .
- **Social Cohesion** The municipality has number of programmes to deal with social cohesion Mayor's Cup, Horse race , Choral competition , Gospel talent search (BOM) and Top archivers awards (highschool). These programmes are running up to national.
- **The municipal Financial Viability and Management:** The municipality received Qualified opinion from Auditor General in 2013/14 financial year. And, in addressing the issues raised by AG, the municipality has developed a turnaround strategy and or action plan that focusses precisely on all those issues raised by Auditor General. The municipality has also developed Internal control measures which were identified as gaps in the 2012/13 audit. Also as means towards financial management the municipality is reviewing its Credit control policy and Indigent policy to enable the Council to set targets for debt collection, taking indigent into account and applying principles of Batho Pele.
- **Municipal Transformation and Institutional development:** this intervention would strive to achieve the goal of a stable, highly capacitated and productive workforce, with upgraded capacity and productivity necessary to meet their challenges. Institutional development hinges greatly on having improved ICT Systems, archives and, safe records and document control. This will require investing in necessary infrastructure, offices, furniture and equipment, enabling the institution to function more efficiently. A special focus will be paid to achieving staff retention and recruitment of critical skills needed to assist with delivery.
- Cordial relations between Political Office Bearers and Management has always been a cornerstone that defines IYM. The high level of stability that exist in the municipality can simple be attributed to these affable relations between these centres of power. This not only limited to Politicians and Management, but is also a result of good and cordial relations between the management and operating Labor forum that sit on a montly basis which is now the relations going from strength to strength.
- Towards its efforts of ensuring a stable environment and highly productive workforce, the Council has taken steps will be taken towards revision of all institutional policies including the organizational

performance management system which will be effective on first July 2015. Also, critical staff vacancies will be filled and our ability to retain staff will be improved significantly.

Despite these efforts and opportunities, Intsika Yethu is beset with challenges. Limitations confronting this municipal municipality are the same as those confronting other homelands towns in South Africa, in the form of low skills base, poorly planned or non-existent developments and lack of economic activities upon which revenue could depend. The scars of discriminatory laws of the past are still vivid to date as we still after almost twenty years of democracy we still grapple with huge service delivery backlogs in the form of water, sanitation, roads, water and storm water etc. Also, the municipal capacity to raise its own revenue continues to pose a challenge to for the municipality, as a result grants and subsidies continue to be our major source of income.

Through this IDP the Council has however taken major steps towards addressing many of these problems. Our key objectives over the medium term remain as follows:

- Expediting the reduction of service delivery backlogs
- Addressing absolute poverty, food security and reduction of youth unemployment.
- Creating an enabling environment for economic investment, development and growth within Intsika Yethu jurisdiction. Special focus being on town development, agriculture and tourism sectors.
- Continue to strengthen public participation and Intergovernmental relations as these are the cornerstones of our developmental agenda.
- As the way of monitoring and evaluation a municipal-wide scorecard with targets for the next three years has been developed which, in turn will lay the basis for the annual operational plans (SDBIP) and the performance agreements for the Section 57 managers.

The Process Plan

In line with Section 28 and Section 29 of the Municipal Systems Act (MSA) of 2000, IYLM adopted a process plan on the 28 August of 2014 which outlined the programme, processes, and institutional arrangements for the IDP review 2016-2017. In line with statutory requirements, provision was made for public participation and community commentary and was considered integral to the development of the document. Community identified priority issues are the point of departure for this document and as such, a presentation of those issues and their comparative weighting is presented at the end of the section on process.

Situational Analysis

The IDP 2015-2016 includes an in depth assessment of IYLM's current situation with regards to both the institutional arrangements of the municipality and the socio-economic profile of its inhabitants. The objective of a comprehensive situational analysis in an IDP is to give a clear picture of the prevalent circumstances in the municipality which in turn assists with the identification of priorities, opportunities or short-comings in the municipality on both an institutional and societal level.

Institutional Review

The situational analysis elaborates on the institutional profile of the local municipality through presenting a breakdown of the municipal powers and functions of the municipality as informed by The Constitution of the Republic of South Africa (Act 108 of 1996), Section 156, Section 229 and the Municipal Structures Act (Act 117 of 1998, Section 84). The situational analysis further presents a breakdown of the powers and functions of the Local Municipality in relation to the District Municipality.

The situational analysis also gives information regarding the organisational structure of IYLM, including the Municipal Managers office, the Corporate Services Directorate, the Finances Directorate, Local Economic Development Directorate, Community Services Directorate, as well as the Technical Services

Directorate. Brief consideration of the municipality's financial position and performance, as well as key considerations relating to vacancy and funding are included. In addition, a list of institutional policies and manuals in IYLM is presented in the chapter. Issues pertaining to human resources such as Employment Equity and Skills Development are also briefly touched on in this section. The institutional review is considered representative of the institution's Finance, Governance and Administration cluster.

The Development Context and Socio-Economic Profile

The socio-economic profile of IYLM forms an integral part of the situational analysis; the profile provides a detailed analysis of the population of IYLM and further provides some key insights into demographics, socio-economic conditions, infrastructural service levels in the Municipal area and environmental issues. The analysis lends weight to prioritisation of identified issues in IYLM and conveys some urgency with regards to what needs to be done first.

The socio-economic profile elucidates many of the social issues which characterise IYLM. The data demonstrates that IYLM has a relatively young and rural population which is characterised by high levels of poverty and relatively low levels of literacy. The people of IYLM are also generally low income earners with many of them having no regular income at all. The data further shows population decreases in recent years which point to the possible outward migration of many people in search of better employment and education opportunities in more urbanised areas outside of the region. IYLM performs poorly in terms of the Human Development Index (HDI) measures of life expectancy, literacy and education. Thus the demographic profile of the municipality highlights a number of social-economic issues which hamper the overall development of the IYLM community and must be considered as part of evidence-based planning for the municipality.

Economic indicators in the situational analysis illustrate that IYLM has considerable potential for economic growth. The tertiary sector is the biggest sector in terms of employment and economic output with the secondary and primary sectors producing significantly less. This is problematic since it is the latter sectors that tend to drive economic growth in poorly developed rural municipalities such as IYLM. Chapter 3 of the IDP later elaborates further on the specific projects undertaken by the municipality that seek to rectify the imbalances between economic sectors through stimulating growth in both the primary and secondary sectors.

Spatial Analysis and Rational

The spatial analysis reflects the strategies, policies and maps that assist the municipality to plan strategically in terms of the implementation of projects. The spatial analysis adds detail to the situational analysis through presenting a geographical outline of the situation in the municipality. To this end the Spatial Development Framework (SDF) for IYLM as been e reviewed and adopted by the Council on the 24 June 2013. The municipality has in place its SPLUMA By-Law which was approved by Council and gazetted on the 4th of March 2016. The municipality has in its employment a GIS Technician who's function is to manage the GIS data base system of the municipality, provides GIS services. The system provides the municipality with a tool to make strategic decisions. It allows one to view all the municipal elements from the schools, clinics, municipal offices and assets, governmental institutions, municipal boundary and all the settlements within the municipality.

The following are regarded as key issues of spatial development within IYLM:

- Dispersed settlements patterns and pockets of development at urban centres surrounded by scattered underdeveloped rural villages, which implies great costs to achieve access to basic services and infrastructure;

- 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);
- Prioritisation of different levels of investment to ensure ongoing sustainable development and spin-off effects for continued economic growth in the IYLM area; and
- Limited economic activity outside of urban centres.

The Service Delivery Profile

The service delivery profile of IYLM takes a clustered approach in considering the municipal status quo with regards to existing backlogs, levels of service provision, and institutional arrangements within the District and Local Municipality. Service delivery is differentiated between that of Technical Services, Social Needs, Economic Planning and Development, and the Finance, Governance and Administration clusters. Each cluster is examined in depth, considering the municipality's position in relation to services aligned to each cluster, as well as those areas where the municipality faces specific challenges, such as financing the requisite backlogs eradication within Technical Services. Other challenges related to Disaster Management arrangements with the District Municipality and considerations related to environmental health are also noted. The municipality further open a complaint management register in which all the service delivery complaints are registered and attended to. Internally there are suggestion box face book page, customer care line and presidential hotline where all complaints are lodge to.

Development strategies, projects and programmes

As part of the IDP process Council undertook an exercise to develop a vision for its current term of office. A product of the political leadership of the municipality, the following Vision was formulated:

“A people centred, developmentally focused rural local municipality in which all of its inhabitants have access to quality service delivery and participate in vibrant and well-balanced social and economic development”.

This institutional Vision was supported with the institutional raison d’etre, its Mission for being. That Mission is as follows:

“Endeavours to advance its developmental local government mandate through a sustained focus on sound and accountable governance, physical and social infrastructure appropriate for sustainable development in our Municipal area”.

IYLM adopts the “Batho Pele Principles”, together with other underlying principles aligned to this value framework, which include the following: Democracy, as realised through consultation, transparency, and accountability; Respect & Courtesy; Responsiveness; Quality Services; Redress; and Value for Money.

These strategic intentions are supported by a clear alignment between organisational goals and objectives, and service delivery targets across each of the five key performance areas of local government. This section provides a detailed breakdown of the high-level service delivery targets and is substantiated with a list of funded and unfunded projects over the Medium Term Expenditure Framework (MTEF) to advance these objectives. It also represents the integration of various National, Provincial, District, and Local imperatives in that Provincial projects within the municipal area are also clearly identified. The formulation of strategic objectives in particular takes cognisance of those priorities and strategies already being advanced across the three spheres of government and reinforces them.

Performance Management System

The IDP 2015/2016 includes Performance Management System (PMS) requirements applicable to IYLM. These are derived from legislation relevant to the local municipality and with consideration of the service level outputs prioritised annually by the municipality.

In this chapter the current IYLM PMS is assessed. A framework for the development of a comprehensive PMS is consequently included, which covers issues such as: roles of stakeholders, performance indicators, performance targets, publishing of performance reports and the PMS in relation to the IDP.

A first draft of the performance information component of the Service Delivery Budget Implementation Plan (SDBIP) is also provided as these service delivery targets broken down over four quarters provide the basis for Section 57 Performance Agreements, as per the MSA.

Financial Plan and Budget

The Municipality has developed a financial strategy in order to respond to the various priorities and initiatives which are budgeted for as part of the IDP process. The council's overall Financial Strategy is structured into the following core components to allow for a clearer understanding of the overall task:

- Revenue enhancement and maximisation strategies;
- Asset management strategies;
- Financial management strategies;
- Capital financing strategies;
- Operational financing strategies;
- Strategies to enhance cost-effectiveness; and
- Free Basic Services and indigent support.

IYLM has recognised that there are other factors that could impact on the success of their financial strategy such as financial risks which can be summarised as follows:

- Limitation on revenue raising capacity due to high poverty indices;
- Growth within debt composition associated with low level service offerings;
- Financial distress- ratio analysis- specific on working capital elements;
- Containment of personnel costs within set benchmarks as established within the budget process;
- Governance and administration costs as a percentage of own revenue;
- Increases associated with deferred maintenance and backlog eradication.

The section ends with a breakdown of the municipal budget over the MTEF and a brief overview of the organisations audit history.

Overall, the IDP 2016/17 represents the collective efforts of IYLM staff, Council, and citizens in the crafting of a strategic plan for the development of the municipal area, responsive to the needs and aspirations of its citizens, informed by the technical skills and abilities of the administration, and within the limitations of the scarce resource available to it.

Chapter 1: Introduction and Planning Process

(Part A) Introduction

The IDP is the key planning instrument available to local government in the pursuit of decentralised, strategic, participatory, implementation-orientated, coordinated and integrated development. Preparing an IDP is not only a legal requirement in terms of the legislation but it is an imperative towards realising the municipality's major developmental responsibility to improve the quality of life of its citizens. The IDP process creates platforms to enhance service delivery by securing the buy-in of all relevant role-players and provides government departments and other social partners with a clear framework for realising the municipality's developmental goals and objectives.

Section 25 of the Municipal Systems Act, No 32, 2000 prescribes the following:

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

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

In accordance with the aforementioned prescript, Intsika Yethu Local Municipality (IYLM) has compiled an Integrated Development Plan (IDP) in document form. This document is the sum of all the various plans, strategies and goals that IYLM shall pursue over the next five years. The document takes into consideration pertinent issues within the municipality and plots a way forward in terms of responding to these issues which are of paramount importance to the well-being of the IYLM community.

IYLM therefore seeks to present in this document an integrated plan that will:

- Link all of the municipal plans across the sectors in a coherent and effective manner;
- Present the way forward through outlining the municipality's goals, strategies, and objectives over the next five years;
- Be a source of information regarding the current situation in the municipality especially with regard to the social circumstances of the municipality's inhabitants and the institutional situation within the municipal structures; and
- Link the municipality's plans and strategies to provincial and national mandates.

Ultimately the IDP of IYLM should act as the pillar upon which the municipality's developmental approach rests. The plan should inform and guide all projects that are focused on improving the lives of the community; this is in keeping with national government's “Batho Pele” approach of putting people first.

(Part B) The Planning Process

1. The IDP Process Plan

In order to ensure certain minimum quality standards and proper coordination between and within spheres of government in development of Integrated Development Plan (IDP), Section 28(1) and 29(1) (a) and (b) of Municipal Systems Act of 2000 prescribes that the Council of the municipality must within the prescribed period after the start of its elected term, “adopt a process set out in writing to guide the planning, drafting, adoption and review of its IDP. This plan must include the following:

- A programme specifying the time frames for the different planning steps;
- Appropriate mechanisms, processes and procedures for consultation and participation of local communities, organs of state, traditional authorities and other role players in the IDP drafting process;
- An indication of the organisation arrangements for the IDP process;
- Mechanisms for integration and alignment.”

In compliance with the provisions of the Act as stipulated above, the LED and Planning Department of IYLM submitted the following breakdown as part of the preparation for the crafting of the Integrated Development Plan of the new Council for their term of office.

Table 1: Distribution of Roles and Responsibilities in the IDP process

Actors	Role and Responsibilities
Executive Committee	<ul style="list-style-type: none">• Recommends the Process Plan to Council;• Overall management, coordination and monitoring of process and drafting of IDP;• Approves nominated persons to be in charge of the different roles, activities and responsibilities;• Overall management and coordination of planning process;• Public Participation; and• Ensures the annual business plans, budget and land use management decisions are linked to and based on the IDP
Municipal Council	<ul style="list-style-type: none">• Political decision making body;• Oversees the development and review of the IDP;• Considers, adopts and approves process plan and IDP; and• Adopts the Integrated Development Plan, Budget and SDBIP.
Municipal Manager (MM)	<ul style="list-style-type: none">• The MM utilized the Section 59 provisions of the Municipal Systems Act to delegate the responsibility to the Economic Development and Planning Director.• In terms of the process plan the IDP Manager was

Actors	Role and Responsibilities
	<p>tasked to:</p> <ul style="list-style-type: none"> ▪ Prepare the Process Plan for adoption by the Municipal Council; ▪ Manage the local municipal IDP by ensuring that all daily planning activities were performed within an efficient and effective consideration of available time, financial and human resources; ▪ Encourage an inclusive participatory planning process and compliance with the action programme; ▪ Facilitate the horizontal and vertical alignment of the various internal and external departmental programmes; ▪ Ensure that the planning process outcomes were properly documented; ▪ Manage service providers engaged in the municipal IDP process; ▪ Chair the IDP Steering Committee; ▪ Nominate persons in charge of different roles; ▪ Respond to comments on the draft reviewed IDP from the public; ▪ Adjust the IDP in accordance with the comments of the MEC for Local Government & Traditional Affairs; and ▪ 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.
Chris Hani District	<ul style="list-style-type: none"> • Participate in the IYLM IDP Representative Forum; and • Provide relevant documentation and budget information for planned projects and locations within Intsika Yethu Municipal Area for the IDP 2012-2017.
Councillors/Ward Committees and CDWs	<ul style="list-style-type: none"> • Major link between municipal government and residents; • Link the planning process to their wards or constituencies; • Set out a Municipal Vision, Mission, and Values; • Contribute to the Goal and Strategic Objective formulation for the term of office; • Organise public consultation and participation; • Coordinate participation of Ward Committees in the IDP Representative Forum; • Ensure proper documentation of the results of the

Actors	Role and Responsibilities
	planning of the IDP document; and <ul style="list-style-type: none"> • Adjust the IDP in accordance with the MEC for Local Government's proposals.
Municipal and Government officials	<ul style="list-style-type: none"> • Provide relevant technical, sector and financial information for analysis for determining priority issues; • Contribute technical expertise in the consideration and finalisation of Strategic Objectives, Strategies, Performance Indicators, and identification of Projects; • Provide departmental operational and capital budgetary information; • Responsibility for the preparation of project proposals, the integration of projects and sector programmes; • Responsibility for preparing amendments to the draft IDP for submission to the municipal Council for approval and the MEC for Local Government for alignment; and • Preparation of all business plans for different programmes and Projects for the IDP 2012-2017.
Community at large	<ul style="list-style-type: none"> • Represent their interests, contribute knowledge and ideas (Rep forum); • Inform interest groups, communities and organisations; • Analyse issues, determine priorities, and reach consensus; • Participate in designing project proposals; • Discuss and comment on the draft IDP; • Monitor performance in implementation; and • Conduct meetings with groups, other communities, and Traditional Leaders to prepare for follow up on relevant planning activities.

The IYLM Process Plan was presented and approved by Council on the 26 August 2014 and submitted to the Department of Local Government and Traditional Affairs. Although there has been considerable deviation from the adopted process plan, the following presents the schedule applied to the drafting of the Integrated Development Plan, and continues to apply to the public consultation process going forward. The details of the activities for the Process Plan are included in the table below.

1. ACTION PLAN:

ACTIVITY PLAN	MECHANISM	KEY FOCUS AREA	RESPONSIBLE	TIME FRAME
PLANNING PHASE				
Draft IDP process plan that guide the planning , drafting, adoption and review of the IDP (MSA, s 28)	EXCO Meeting	IDP and Budget Process plan tabled to to EXCO	IDP Manager / Municipal Manager	07 August 2015
Presentation of IDP process plan and Budget plan to the Council	Council Meeting	Adoption by the council	Municipal Manager	13 August 2015
Give notice to local community of particulars of the process , (MSA s28)	Advert	Advertisement	IDP Manager	28 August 2015
IGR Meeting:	IGR meeting	To consider comments /proposals received from MEC, DPLGTA, AG (MSAs 32) and any other comments/ proposals received from councillors, ward committees and other role players.	Office of the Municipal Manager	29 th September 2015
Municipal Score Card	Assessment of the performance of the municipality and	Municipal Performance Management Systems	Office of the Municipal Manager	08 October 2015

ACTIVITY PLAN	MECHANISM	KEY FOCUS AREA	RESPONSIBLE	TIME FRAME
	submit a section 72 report on the assessment to the mayor, provincial Treasury and national treasury.			
ANALYSIS PHASE				
Finance Committee	Revision of draft estimates	<p>OPEX Preparations</p> <p>Preliminary discussion of Finance committee, to revise</p> <p>Tariff increases, salary increase, general expenses, repairs and Maintenance. Key future changes to be reflected considering all strategies and studies, Develop priority areas, reflect on all factors that could potentially impact on future budgets.</p>	<p>Finance committee</p> <p>Municipal Manager</p> <p>CFO</p>	29 September 2015
Technical Steering Committee	IDP Steering committee meeting	Hold a self-assessment dialogue to review performance of the municipality and determine short comings and weakness. Identify	<p>Municipal Manager</p> <p>CFO, Infrastructure Manager</p>	13 October 2015

ACTIVITY PLAN	MECHANISM	KEY FOCUS AREA	RESPONSIBLE	TIME FRAME
		and plug gaps as identified by AG and Internal Audit Committee. Also discuss Infrastructure plan for the municipality	IDP Manager	
IGR Meeting	IGR Meeting	Preparation for community needs programme.	Municipal Manager IDP Manager	15 October 2015
Ward IDP review Process	Ward Based Planning Sessions	Present the programme for community needs collection to the Councillors. Community needs collection, prioritised and ranked by ward residents. Engage communities on Ward based planning exercise.	Office of the Speaker EXCO members Ward Councillors Municipal Manager Municipal Directors IDP Manager	19 October -27 October 2015
Special Finance Committee	Revision of draft estimates	OPEX Preparations To prepare draft capital and operational plan with cost and revenue estimates for IDP. HOD's to access human Resource component of the operating budget for the next year and for the two outer years.	Fin Com Municipal Manager IDP Manager	30 October 2015
Technical IGR meeting	IGR Meeting	Reflection on community needs and path way forward. Assess provincial strategic plan	Sector Departments HOD	4 November 2015

ACTIVITY PLAN	MECHANISM	KEY FOCUS AREA	RESPONSIBLE	TIME FRAME
		and sector plans	IDP Manager Municipal Manager	
STRATEGIES PHASE REVIEW OF VISION, MISSION ,STRATEGIES, PROGRAMME AND PROJECTS				
IDP Rep Forum	IDP Forum meeting	EXCO / Council lekgotla to review and update the Vision, Mission, Objectives.	Municipal Manager IDP Manager	09 February 2016
IDP Steering Committee	IDP Steering Committee meeting	Refining municipal strategies, Objectives KPA's, KPI and targets so as to influence the budget. Set and agree on IDP priority programmes/projects and Strategies.	Municipal Manager Directors	February 2016
Strategic Planning	Strategic Session	Quarterly performance reporting. HOD's to present IDP Projects / Programmes, Capital and Operational budgets, Service delivery backlogs, HR issues (institutional capacity), Financial situation, Spatial socio- economic, and environment.	Municipal Manager HOD	10-12 February 2016
High level SDBIB	EXCO	HOD's to present their Implementation plans	Municipal Manager All HOD's	14 February 2016

ACTIVITY PLAN	MECHANISM	KEY FOCUS AREA	RESPONSIBLE	TIME FRAME
		<p>i.e. Define indicators, outputs and targets;</p> <p>identify major activities, time frames and responsibilities,</p> <p>Setting targets and key performance indicators , outlining the</p> <p>Projects cost and institutional resources needed.</p> <p>Also invite communities to make their inputs.</p>		
Budget discussions	EXCO	Finalise alteration if applicable. Submission of altered draft budget to Mayor and EXCO. Integrate and align Budget and IDP	EXCO Municipal Manager CFO	03March 2016
ALIGNMNET AND INTERGRATION				
Horizontal and Vertical alignment with District, Province, National	Technical team Steering Committee	Integrated sectoral programme, (LED, HIV, Poverty Alleviation, Gender Equity etc) Consolidated monitoring /performance management system, Disaster Management plan, institutional Plan, Reference to sector plans.	All Head of Department	21 March 2016
Approval of draft Budget	Council	Submission of EXCO report on draft budget and draft IDP to full Council	Mayor Municipal Manager CFO	30 March 2016

ACTIVITY PLAN	MECHANISM	KEY FOCUS AREA	RESPONSIBLE	TIME FRAME
Submit draft IDP and SDBIP	Advert	Submit draft copies of IDP and budget to DLGTA and Provincial Treasury	IDP Manager	09 April 2016
Publication of the draft IDP/Budget	IDP Manager	Advertising the draft budget and draft IDP for public comments for a period of 21 days Consolidate project proposals in terms of location and sector	IDP Manager	April 2016
Publication of the draft IDP/Budget and invitation to local community and stakeholders for comments and inputs and submission to Provincial Treasury	Advertisement	Draft IDP / Budget advertised for public comments for 21 days	IDP Manager	April 2016

ACTIVITY PLAN	MECHANISM	KEY FOCUS AREA	RESPONSIBLE	TIME FRAME
Draft IDP and Budget	Mayoral Imbizo	IDP/ Budget Road show public hearings.	Mayor EXCO Municipal Manager Directors IDP Manager Budget Office	12- 20 April 2016
IGR Technical meeting	IGR meeting	Integration	Municipal Manager office	17 May 2016
APPROVAL PHASE				
Adoption	Council Meeting	Final Adoption of the IDP and Budget	IDP Manager Municipal Manager Council	29May 2016
Submission of the final IDP	MEC IDP submission		IDP Manager	10June 2016
PERFORMANCE MANAGEMENT SYSTEM				
SDBIP and PMS	SDBIP and PMS	Submission of draft Services delivery and implementation plan with in 14days after the approval of the budget to the mayor. Submission of draft annual performance agreements for the next year to the mayor	Municipal Managers office	12June 2016
SDBIP	Management	Approval of SDBIP within 28day after the approval of the budget.	Mayor	06 July 2016

ACTIVITY PLAN	MECHANISM	KEY FOCUS AREA	RESPONSIBLE	TIME FRAME
		Loading accounting system with new budget data Implementation of SDBIP		
Public awareness with 14 days after the approval.	Advert	Advertising in all public viewing places and media.	IDP Manager	11July 2016

The above process plan is in compliance with the provision of Chapter 4 of the MSA, as amended, and allows for meaningful participation in IDP processes via the established forums. In terms of Section 32(2) of the MSA, the Provincial MEC for Local Government and Traditional Affairs is authorised to provide suggestions and advice based on the findings of the IDP analysis. In this regard MEC comments for 2014/15 IDP have been instrumental in guiding the planning process in writing up the IDP. The MEC comments received by IYLM were helpful in addressing gaps during the drafting of the IDP. The municipality has considered the comments, although the specific municipal responses were not necessarily captured in the IDP. Accordingly the IDP has been prepared in accordance with the assessment of IYLM as required in terms of Section 41 of the MSA.

1.1 Mechanisms and Procedures for Public Participation

One of the most exciting opportunities of the planning and budgeting process is the potential for involvement of community and stakeholder organisations in the process. This insures that the IDP addresses the real issues that are experienced by the citizens of IYLM. The Constitution stipulates that one of the objectives of the municipality is “to encourage the involvement of communities and community organisations in the matters of local government”. The White Paper on Local Government also puts emphasis on the role and significance of public participation. Participation varies from internal to external stakeholders inclusive of IGR clusters (various municipal departments). Inter municipal relation also are strengthened e.g. Mgungundlovu Municipality benchmarked for HIV/AIDS, Ingquza Hill Municipality, Hibiscus Coast Municipality for Landfill site, Portfolio Committees, Community Development Workers, Ward Councillors, Ward Committees, Local Tourism Organisation, the Executive Committee and Council, Traditional Councils, IDP Representatives Forums, etc. Regardless of the stakeholder, the engagement and participation creates an opportunity for more robust engagement, ownership, and ultimately a more credible IDP going forward.

The aforementioned stakeholders have already interacted with the document and will continue to be engaged in the process of refining the draft IDP in the following manner:

- Use the IDP Representative Forum to critique, verify, and add additional information;
- Use the IDP Representative Forum to ensure that community priorities are adequately reflected in the IDP;
- Engage Councillors’ and Community Development Workers to call meetings to keep communities informed on the IDP processes;
- Request feedback on municipal progress;
- Use newspaper advertisements to inform communities of the process;
- Distribute pamphlets/summary books on IDP’s & budget;
- Make the IDP & budget available for public comment; and
- Make the IDP & budget documents accessible to all members of the public.

The following table provides an overview of the various participation mechanisms employed across the different phases of the IDP process.

Table 2: Participation mechanisms for different Phases

Planning Phase	Participation Mechanism
Analysis	Community meetings Stakeholder meetings CBP/ward committees
Strategies	Technical committee craft strategies
Project	Technical committees with selected representatives of stakeholder organisation
Integration	IDP Representative Forum
Approval	IDP Representative Forum

Planning Phase	Participation Mechanism
	Public discussion, consultation process Community meetings Stakeholder meeting Opportunity for comments from the public
Monitoring of implementation	IDP representative Forum Community meetings Stakeholder meetings

The municipality's Public Participation Strategy was adopted on the 19th December 2014 has informed this process and provided for the involvement of the public in identification of key issues that inform the resources the production of a credible IDP. Furthermore, public comment and engagement on the draft document has further enhanced its credibility in this regard with no challenges.

1.1.1 Ward committees and CDWs

One of the intrinsic features of the Integrated Development Planning process undertaken by the IYLM is the involvement of community and stakeholder organisations in the process. Participation of affected and interested parties ensures that the Integrated Development Plan (IDP) addresses the core developmental issues experienced by the citizens of a municipality. To further strengthen community engagement the municipality has in collaboration with its constituencies established 21 Ward Committees of ten members each, with Ward Councillors acting as Chairpersons.

Through the engagements with the Ward Councillors, Ward Committee members and CDWs, the following issues were identified as having the potential to negatively affect their functionality:

- Lack of understanding and clarity on the roles and responsibilities;
- The different literacy levels and the general understanding of Local Government between Ward Committees, CDWs and Ward Councillors;
- Poor coordination of Ward Committees and community meetings;
- Lack of commitment of some of the Ward Committee members and support staff; and
- Lack of reports and/or attendance registers.

Ward Committees are central to the IDP planning process, as supported by legislation. As representatives of the developmental aspirations and needs of the Wards, they also form an information assimilation/dissemination mechanism between a municipal Council and the community. The Ward Committees are also crucial to the development, implementation, monitoring and reporting of municipal performance on the service delivery targets and planned interventions as presented in the municipal IDPs.

1.1.2 Issues identified by Wards within IYLM

This section of the Situational Analysis is required by Chapter 4 of the Municipal Systems Act of 2000. IYLM has been actively involved in the community participation meetings and has considered all the needs identified in previous IDP Reviews and consultation at various ward level. The Municipality has developed ward base plans in partnership with CoGTA which serve as a good base for the IDP and helps the municipality in making well informed planning and budget decisions. The local area plan is the process of

facilitation where communities are assisted in developing plans. This process serves to enhance the public participation in the IDP process; hence the plans are articulated in the IDPs of the municipalities.

These issues identified by IYLM communities provide a firm starting point for a more robust examination of the developmental status quo as part of the Situational Analysis of the IDP 2016-2017

Key priorities agreed with communities

The following are agreed as top thirteen development priorities for Intsika Yethu in 2016/17.

IYM CONSOLIDATED TOP PRIORITY NEEDS

01	Roads and Bridges
02	Electricity
03	Water and Sanitation
04	Education (renovations of school, crèches and scholar transport)
05	Health (clinic and Hospital)
06	LED Projects (dry land crop production, shearing shed, dipping tanks, fencing of arable land)
07	Safety and Security
08	Public Amenities
09	Housing
10	Sport Fields

Chapter 2: Situational Analysis

(Part A) An Institutional Review

Introduction

This section of the Integrated Development Plan provides an overview of the current status quo within IYLM. The section is aimed at painting a picture of the current situation in IYLM that has assisted in the identification of key issues to be addressed over the medium term as well as their prioritisation. The Situational Analysis covers information such as demographics, employment information, socio-economic data, economic data, governance and organisational information, and service delivery. In addition, this section elaborates upon crucial spatial considerations identified within IYLM's Spatial Development Framework (SDF). It is hoped that after reading this section the reader will have gained a comprehensive understanding of the current situation in IYLM and the challenges and opportunities facing the municipality.

But before going into further detail of socio-economic status quo, it is important to contextualise the municipality's situation by presenting the various municipal powers and functions.

2. Institutional Profile

2.1 Municipal Powers and Functions

In order to develop a fully functional Municipality in line with the developmental mandate of Local Government, it is necessary to be aware of the municipal powers and functions as they were Gazetted, and directed by the MEC of Local Government and Traditional Affairs in the Eastern Cape Province.

The Constitution of the Republic of South Africa (Act 108 of 1996), Section 156, Section 229 and the Municipal Structures Act (Act 117 of 1998, Section 84) provides a broad framework for the allocation of powers, duties and functions between District and Local Municipalities. Since a Municipality has executive authority in respect of, and has the right to administer the local government matters listed in Part B of Schedule 4 and Part B of Schedule 5. Much confusion still prevails regarding which of the two tiers of Local Government is responsible for various functions. This confusion not only lies between the District Municipality and Local Municipality, but also between the District Municipality and Provincial and National Departments.

Firstly, the powers of municipalities as institutions of Local Government, one of the three spheres of government, are recognized and protected in the Constitution. Secondly, the exercise of municipal legislative power is no longer a delegated function subject to administrative review, but a political process, influenced by the considerations and input of elected Councillors, representing the will of the municipal residents. The Constitution provides that municipalities have legislative and executive powers over the functional areas listed in Schedules 4B and 5B of the Constitution. Section 156(1) and (2) and the two lists of functional areas in Schedules 4B and 5B constitute the primary source of power for Local Government.

The constitutional allocation of 'original powers' to Local Government produces at least two areas of overlap, namely supervisory overlap and overlap between matters listed in the Schedules. The Constitution does not allocate the matters in Schedule 4B and 5B exclusively to Local Government; National and Provincial Government may also regulate those matters. The Local Government matters listed in Schedule 4B are part of the concurrent provincial and national legislative competence "to the extent set out in section 155(6) (a) and (7)". Similarly, the Local Government matters listed in Schedule 5B are part of the exclusive provincial competence "to the extent set out for provinces in section 155(6) (a) and (7)". National

and Provincial Governments have the authority to ensure that municipalities adequately perform in respect of these matters. The Constitution provides that, subject to section 151(4), a by-law that conflicts with national or provincial legislation is invalid.

Section 155(6) (a) of the Constitution states that Provincial Government has a duty to monitor and support Local Government in its jurisdiction. The Province must assert legislative and executive power in order to promote the development of local government's capacity to perform its functions and manage its affairs and they may do so by regulating municipal executive authority, thus ensuring the municipalities' effective performance of their functions in respect of listed local government matters. Taken together, these competencies are considerable and facilitate a measure of Provincial Government control over the manner in which municipalities administer those matters in Part B of Schedules 4 and 5. This control is not purely administrative. It could encompass control over municipal legislation to the extent that such legislation impacts on the manner of administering Local Government matters.

Another consideration relates to the role and function of traditional leaders and how they are to be incorporated into the Local Government structures and procedures in future. The Traditional Leadership and Governance Framework Act (Act 41 of 2003) provide that the MEC for Local Government and Traditional Affairs appoint representatives of traditional leaders to participate in the Council as provided in the Municipal Systems Act (Act 32 of 2000). In this regard the issue of land administration between the Municipality and the traditional leaders is a challenge that needs to be addressed. The challenge arises when traditional leaders continue to allocate land to communities without engaging the municipality to ascertain issues relating to township establishment and land development requirements generally. This may result in communities occupying sites in which no services have been provided and where no formal procedures are followed.

This situation leads to a host of other challenges which including health related problems, occupation of land not suitable for human settlement, compounding existing challenges of poverty eradication. IYLM and relevant traditional leadership structures must devise a system of engagement and cooperation in order to address this challenge.

It is obvious that without clarity on power, duties and functions (responsibilities) between these institutions it becomes very difficult to design strategies and formulate projects and budget accordingly. This has been a significant problem in the IYLM IDP development process in the past. It is in this regard that, this issue is identified by IYLM and is essential that a concerted effort be sustained in order to resolve matters pertaining to the allocation of powers, duties and functions pertaining to all disciplines.

As far as powers and functions are concerned, CHDM performs certain functions within IYLM. Additionally, due to existing low capacity in some areas, CHDM will, in consultation with Local Municipalities, enter into a contract with the external service provider to supplement capacity. It remains a two-way commitment between a Local Municipality and the District Municipality to build adequate capacity for accelerated service delivery. Below is a table of the Powers and Functions distributed between CHDM and IYLM as authorised, and as per the status quo.

Table 3: Division of Powers and functions between CHDM and IYLM

	Services	CHDM authorised powers	IYLM authorised powers	IYLM Quo Status
Part B of Schedule 4 of the Constitution of RSA	Air Pollution	No	Yes	No
	Building regulation	No	Yes	Yes
	Child care facilities	No	Yes	Yes
	Electricity and gas reticulation	Yes	No	No (Eskom)
	Fire fighting	Yes	Yes	No
	Local Tourism	Yes	Yes	Yes (Resolve w/ CHDM)
	Municipal Airports	Yes	Yes	No
	Municipal Health	Yes	Yes	No SLA
	Municipal planning	Yes	Yes	Yes
	Municipal Public Works	Yes	Yes	Yes
	Pontoons and Ferries	No	Yes	Yes
	Municipal public transport	Yes	Yes	Yes (only Infra. Provision)
	Sanitation	Yes	No	No
	Storm water	No	Yes	Yes
Trading regulation	No	Yes	Yes	
Water	Yes	No	No	
Part B of Schedule 5 of the Constitution of RSA	Beaches & amusement facilities	No	Yes	No
	Billboards & advertisements	No	Yes	Yes
	Cemeteries, parlours & crematoria	No	Yes	Yes
	Cleansing	No	Yes	Yes
	Control of public nuisance	No	Yes	Yes
	Control of undertakings that sell liquor	No	Yes	Yes
	Facilities for accommodation, care & burial of animals	No	Yes	Yes
	Fences & Fencing	No	Yes	Yes
	Licensing and controlling of undertakings that sell food to the public	No	Yes	Yes
	Licensing of dogs	No	Yes	No
	Local amenities	No	Yes	Yes
	Local Sports facilities	Yes	Yes	Yes
	Markets	Yes	Yes	Yes
	Municipal abattoirs	Yes	Yes	No

	Services	CHDM authorised powers	IYLM authorised powers	IYLM Quo	Status
	Municipal parks & recreational facilities	No	Yes	Yes	
	Municipal roads	Yes	Yes	Yes	
	Noise pollution	No	Yes	Yes	
	Pounds	No	Yes	Yes	
	Public places	No	Yes	Yes	
	Refuse removal dumps & solid waste disposal	Yes	Yes	Yes	
	Street lighting	No	Yes	Yes	
	Street trading	No	Yes	Yes	
	Traffic and parking	No	Yes	Yes	
From Section 84(1) of Municipal Structures Act of 1998	Receipt, distribution and allocation of grants	Yes	No	No	
	Imposition and collection of taxes, levies, and duties	Yes	No	Yes	

The above table illustrates the powers and functions that IYLM is authorised to perform (in the second column) against the functions and responsibilities actually performed (in the third column) the last column present a status quo, the CHDM functional responsibilities are shown in first column. Where a yes appears in both columns, it means that the function is shared between District and Local municipality.

2.2 Municipal Council and institutional governance

The Local Government Elections of May 2011 saw the African National Congress (ANC) retain its control of the Intsika Yethu Municipal Council, receiving nearly 90% of the total votes cast in the election. Of the 72,149 registered voters, 43,716 turned out for the election across all 21 wards, a total of 60.59% of the potential electorate. Twenty-one Councillors were elected to represent their Wards while another twenty-one were elected from a Proportional Representation ballot, bringing the Municipal Council to 42 in total.

Table 4: Voting results of the Local Government Elections of May 2011 for IYLM

Leading parties	Ward votes and %	Party votes and %	Ward	Prop. Rep	Total
1st ANC	37165 87.83%	37956 88.35%	21	16	37
2nd COPE	1908 4.51%	1958 4.56%	-	2	2
3rd UDM	1656 3.91%	1466 3.41%	-	2	2
4th PAC	517 1.22%	555 1.29%	-	1	1
Others	1068 2.52%	1025 2.39%	-	-	-
Total	42314 100.00%	42960 100.00%	21	21	42

Within the Municipal Council, Councillors elected from the Proportional Representation list make-up the Executive Committee of Municipality and hold various portfolio positions to which they apply political leadership and guidance towards the delivery of services to the citizens of IYLM.

The following positions are currently held within IYLM:

Mayor: Ms K Vimbayo

Speaker: Mr J Cengani

Chief Whip: Mr Myathaza

Mayoral Executive Committee Members-

Infrastructure, Development & Planning: Ms Khanyisa Mdleleni

Community Services: Ms NA Tshangana-Nkota

Local Economic Development: Mr W Mdwayingana

Corporate Services: Ms N Ntsaluba

Treasury & Budget: Mr Nobhongoza

Special Programmes: Mr Toni

In addition to the 8 Councillors above, 34 other Councillors make-up the Intsika Yethu Local Municipal Council. The total list of Ward and Proportional Representation Councillors follows below.

Table 5: Municipal Councillors for IYLM

Ward Councillors	Wards	Proportional Councillors	Representation
Cllr Holta Mhlawevoti Hewu	1	1	Cllr Koliswa Vimbayo
Cllr Neliswa Portia Gadeni	2	2	Cllr Jongumzi Cengani
Cllr Madoda Lawrence Papiyana	3	3	Cllr Ntombazipheli Nkota-Tshangana
Cllr Manyewu Shasha	4	4	Cllr Noloyiso Kolosa Ntsaluba
Cllr Dudu Kaspile	5	5	Cllr Myolise Toni
Cllr Mahkwenkwane Henry Mahali	6	6	Cllr Kanyiswa Florence Mdleleni
Cllr Nophelo Magaga	7	7	Cllr Saziso Myataza
Cllr Nozuko Sygnoria Mafanya	8	8	Cllr William Ndamthini Mdwayingana
Cllr Monde Armon Mbotshane	9	9	Cllr Mandisi Mbebe
Cllr Mwezi Innocent Bikitsha	10	10	Cllr Noloyiso Ntloko
Cllr Zweloxolo Mxi	11	11	Cllr Zonwabele Shepher Matshikiza
Cllr Vuyokazi Gladys Matomela	12	12	Cllr Zukiswa Thutwana
Cllr Siphwiwo Mkunyana	13	13	Cllr Phumzile Nqandela
Cllr Malibongwe Gulubela	14	14	Cllr Nobom Bani
Cllr Albertinah Nokwetu Royi	15	15	Cllr Nokwakha Jada
Cllr Noloyiso Mto	16	16	Cllr Nayisile Headman Mgodeli
Cllr Noxolo Faith Nowandile Dangazela	17	17	Cllr Nomgcobo Albertina Somdyala
Cllr Noxolile Mavis Hexana	18	18	Cllr Monwabisi Zulu
Cllr Mayenzeke Yamile	19	19	Cllr Humphrey Sangolibanzi Nobongoza
Cllr Zukiswa Qayiya	20	20	Cllr Sizwe Tame
Cllr Nontembiso Baleka	21	21	

Supportive of the good governance function within IYLM are a number of structures and positions that fulfil a variety of roles and functions. An overview of these bodies and groups will also highlight some of the achievements of the previous term.

2.3 Committees of Council

IYLM has both Section 79 and Section 80 Committees established as per legislative requirements to support the good governance function of Council. Within the municipality Section 79 Committees fall under the Speaker's Office and fulfil key governance functions of predominantly an administrative oversight nature, whereas Section 80 Committees are standing committees aligned to the various functional areas for service delivery within the municipality under the Mayor's office. In the previous term some of the Section 79 Committees were unable to fulfil their duties adequately, in part because of a failure to delegate responsibilities adequately as required in Section 79 of the Municipal Finance Management Act (MFMA).

2.4 Community Development Workers (CDWs)

CDWs within IYLM are the foot-soldiers for service delivery and accountable governance. Based within the Local Municipality's LMs 21 wards, these workers compile monthly reports for submission to the Speaker's Office and to the Department of Local Government and Traditional Affairs detailing the conditions on the ground.

In the previous term, CDWs played an instrumental role in the identification of service delivery shortcomings and assisted in ensuring a number of interventions were carried out to address these issues. They also played a prominent role in publicising and mobilising residents to target part in government sector gatherings and meetings.

2.5 Ward Committees

Following the re-demarcation process conducted by the Demarcation Board during the previous term, IYLM saw its Ward composition change from 23 Wards to the current 21 Wards. Each Ward has representation of ten committee members of which the Ward Councillor acts as Chairperson at meetings and is responsible for holding meetings within their respective Wards.

Every Ward Committee within Intsika Yethu Municipal Area is considered functional and active, partially due to the successes of the previous term in which each Ward had its own programme of action. Ward Councillors regularly furnish reports on meetings and service delivery progress to the Speaker's Office to keep the municipality informed and ensures accountability.

2.6 Finances and Financial Management

Given the poverty rate within the municipality and the high grant dependency of many IYLM citizens, the municipality is not yet financially viable in terms of a local revenue base, and remains reliant upon its Equitable Share allocations and MIG funding to undertake its core functions in the area of basic services and infrastructure provision. Capital expenditure has remained a priority within IYLM and has been bolstered in recent years by a growing and increasingly capable staffing complement.

The information provided below gives an overview of IYLM's finances over the previous two years as well as a projection for 2013/2014. It details a considerable increase in operational expenditure while showing a relatively stable allocation for capital projects.

Table 6: IYLM Budget Allocations 2012-2015

Budget 2012/2013		
Capital	Operating	Total
R 22,500,000	R 118,974,000	R 141,474,000
Budget 2013/2014		
Capital	Operating	Total
R47,149,000	R155,070,700	R202,219,700
Budget 2014/2015		
Capital	Operating	Total
R47,977,781	R165,958,541	R213,935,772

Source: *Gaffney's Local Government in South Africa Yearbook*

Over the previous term IYLM experienced some challenges in effectively applying the funds available to it in a transparent and accountable manner. Nevertheless, IYLM has been proactive in its approach to dealing with graft and fraud by developing a Fraud Prevention Policy that seeks “the ultimate eradication of fraud, corruption, theft and maladministration by means of the application of the full spectrum of both pro-active and re-active measures at their disposal.”¹

Performance in terms of a clean administration fluctuated considerably over the years. After beginning the term with an Adverse audit opinion for 2012-13 we improved to a Qualified audit opinion in 2012/2013 a status that we intend to improve in 2014/15 to Unqualified Audit opinion.

Table 7: Audit outcomes for IYLM from 2011-2015

2012/2013	2012/2013	2014/2015
Adverse	Qualified	Still under-review

Source: *Auditor General Local Government Annual Reports*

As already indicated, after having received Disclaimers and Adverse opinions in the last five years with the exception of 2008/9 the new Council pulled its socks and subsequently engaged vigorously and rigorously with the findings identified by the Auditor General and took proactive steps to rectify some of the issues raised. Prior to the release of the 2012/2013 Audit findings of the Auditor General, IYLM had already compiled an Audit Turnaround Action Plan for the financial year ended 30 June 2013.

The plan provided a detailed breakdown of the Auditor General’s findings, management comments in response, along with a stated plan of action and the status of that plan of action, including a date by which the action should be completed. The Qualified audit opinion in 2012/2013 was therefore not unexpected given the efforts and determination by Council and the Management to improve the status quo that has become a blemish which YLM was accustomed to albeit undesirable. This document forms the basis of the municipality’s response to the Auditor General’s findings and is evidence of the due consideration given.

However the achievement of a clean administration is not without challenges. Despite the existence of Section 79 and Section 80 committees, and an Internal Audit section, IYLM has struggled in its efforts to achieve a clean administration. Support in preparation of the compilation of its Annual Financial Statements is an area the municipality still requires assistance in, which has been forthcoming.

¹ IYLM, Fraud and Prevention Policy, 2009, p. 2
IntsiKa Yethu final IDP 2015-2016

As the municipality forges forward, the failure to comply will be a focal area requiring sustained effort to ensure improvement towards the achievement of a clean audit for 2014, as per the national target of COGTA.

Table 8: Financial Policies of IYLM

Financial Policies	
Title	In existence
Tariffs Policy	Yes
Rates Policy	Yes
Credit Control and Debt Collection	Yes
Borrowing Policy	No
Funding and Reserves Policy	No
Long-Term Financial Plan	No
Fraud Prevention Policy	Yes
Supply Chain Management Policy	Yes
Asset Management and Disposal Policy	Yes
Indigent Support Policy	Yes
Infrastructure Investment and Capital Projects	No

The table of policies above identifies those financial policies currently in existence or not in existence but a priority. Crucially, despite a clear Supply Chain Management Policy and a functional unit comprising 8 permanent staff members, compliance to the MFMA has proved elusive and remains a priority for IYLM going forward. IYLM's three Bid Committees (Specification, Adjudication, and Evaluation) will face the enduring challenging of managing procurement as per the letter of the law and the municipality's internal policy.

In other areas, the municipality has improved its implementation of policy in pursuit of a clean administration. The municipal efforts to update its valuation roll are evidence of such as the municipality completed the valuation update in July of 2011 and has since undertaken two supplementary valuations. In the absence of a Land Asset Register, the valuation roll has proven useful to the municipality in considering the acquisition of property for developmental purposes.

2.7 Human resources

Given the various developmental challenges facing IYLM, a robust and capacitated human resource base is a necessity for driving local government's developmental mandate. In this respect, IYLM has shown considerable progress over the previous term, positioning the municipality well for the 2012-2017 periods ahead. As a recipient of two VUNA Awards for its success and professionalism in hiring and retaining skilled staff, the municipality has made remarkable progress towards making capacity shortcomings a thing of the past. All the IYM post has the job description and all the orgarnogram were adopted in September 2014.

Table 9: Approved posts per Department circa 2010

MM's Office	Community Services	LED	Finances	Corp. Services	Water Service & Infrastructure	Total
16	104	07	32	59	71+63=134	352

Source: IYLM HR Strategy 2011-2012

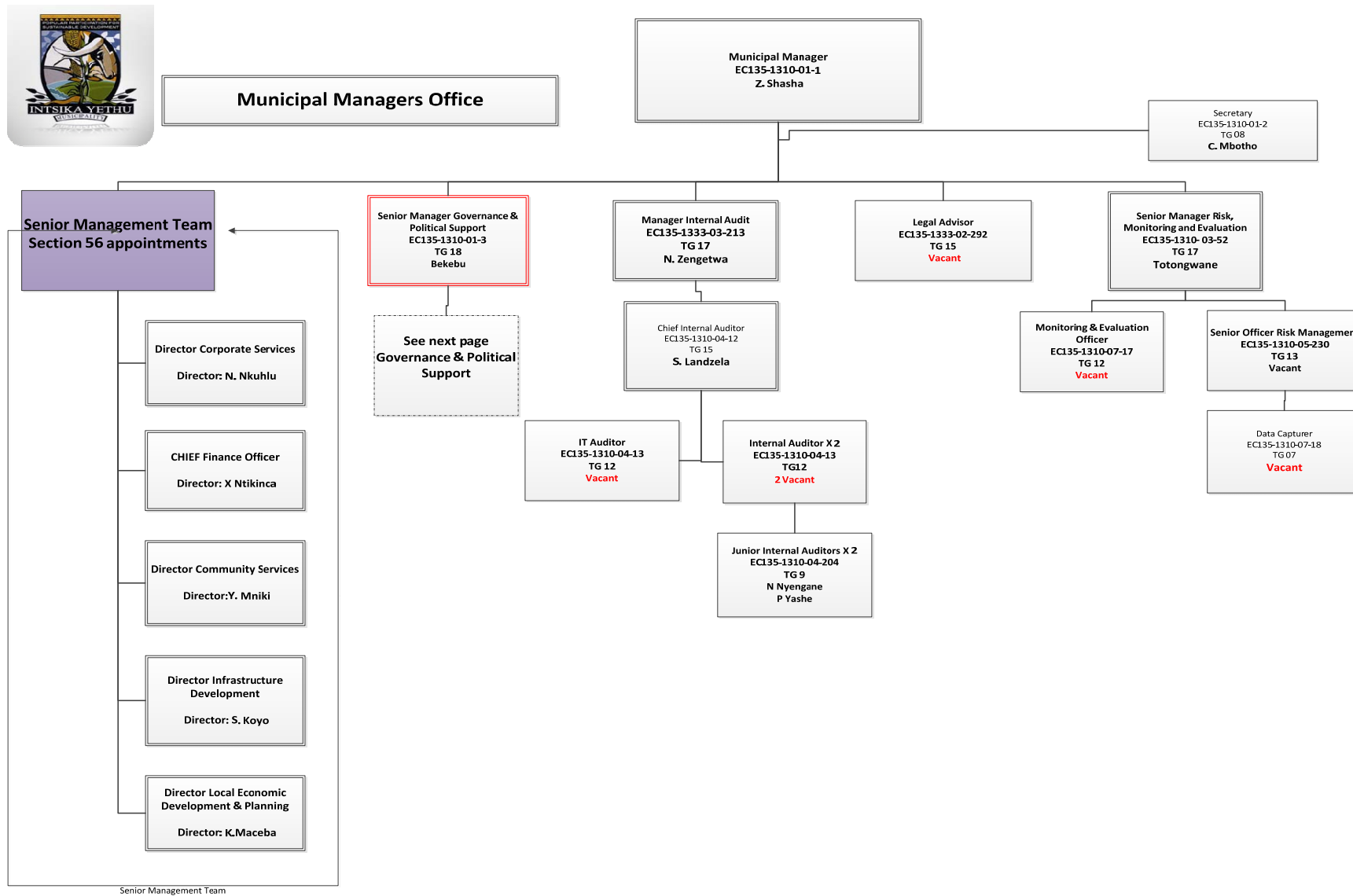
In 2014 IYLM had a vacancy rate of 20%, and it has since made considerable progress in filling posts through an annual prioritisation process that identifies key vacancies within the institution for recruitment. This approach has yielded considerable successes for the organisation as it has continuously increased its staffing complement in scarce skills areas and prioritised functional areas such as Technical Services. On an annual basis IYLM considers the funded vacancies within the organisation and prioritises critical posts for service provision before advertising posts and embarking on a planned recruitment process. However, given the current employee expenses, 20 posts have been prioritised for the 2013/2014 financial year and have been filled. However we do have 35 temporary employees in total across all departments with 12months contracts renewed when the need arise.

Despite these achievements, the Technical Services directorate held the highest vacancy rate within the organisation; the majority of the 20 filled posts were from this directorate. Subsequently, this vacancy rate has been lowered to approximately 5%, attributed to the post prioritisation process undertaken by Corporate Services. Recent progress in appointing staff will assist this crucial Directorate in carrying out its key powers and functions more effectively, so as to avoid the shortfall in spending of MIG allocations that has been a challenge for the department in the past.

At present, IYLM's Human Resource Strategy 2013/2014 has been reviewed and adopted by the council in 2014/2015 financial year so that the organisation's HR plans are more closely reflective of the current developmental trajectory of IYLM. This revised document, coupled with the extensive policies and manuals already established by the Corporate Services Directorate, will provide a firm basis for a responsive and critical post- prioritised, recruitment of staff.

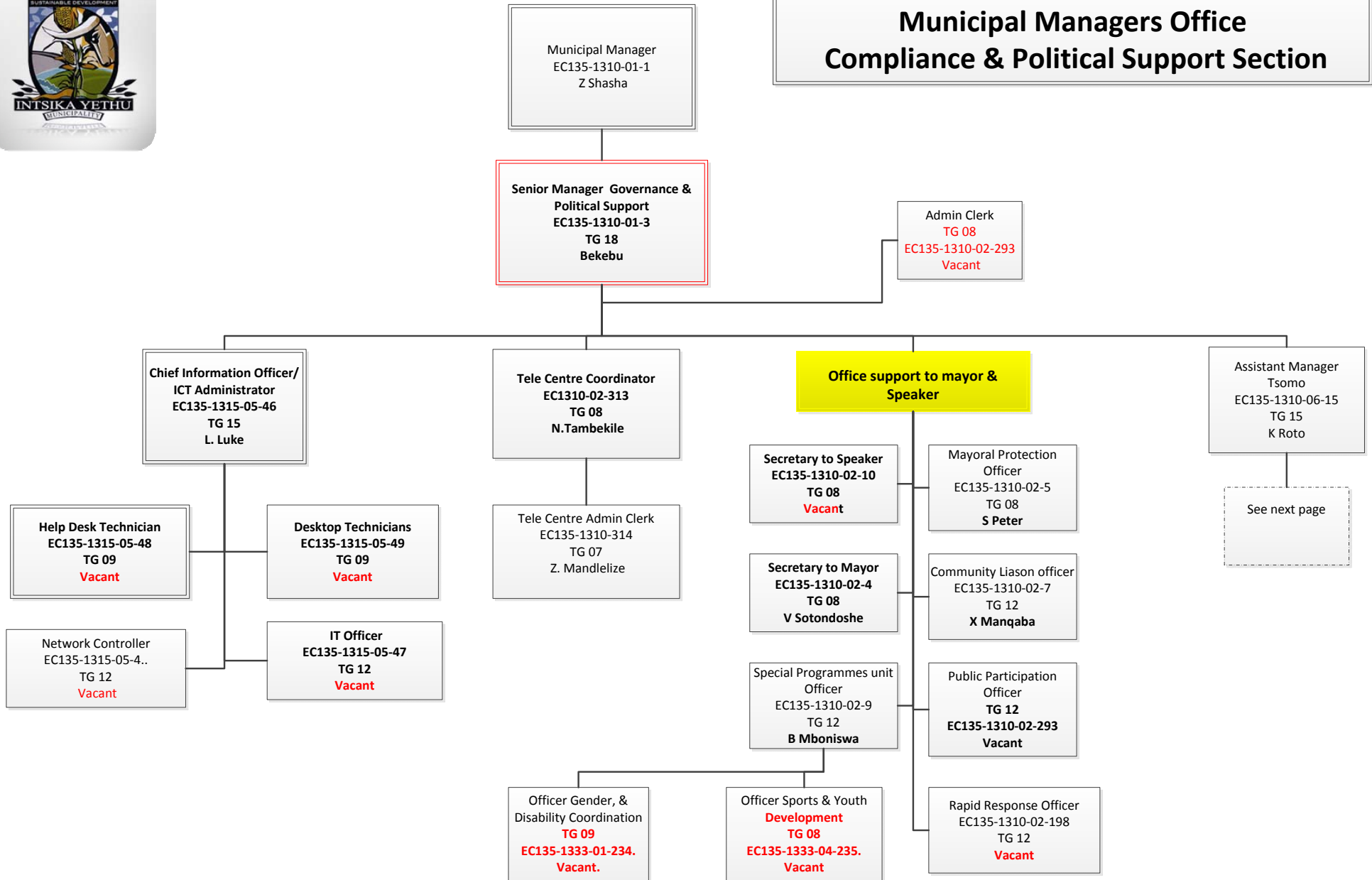
The following figures provide a representation of the existing organisational structures within IYLM per Directorate. The following provides a visual representation and breakdown of the posts, as well as some brief narrative speaking to the functions and responsibilities that the two highest levels of management within the municipality are responsible for.

Figure 1: Municipal Manager’s Office organisational structure



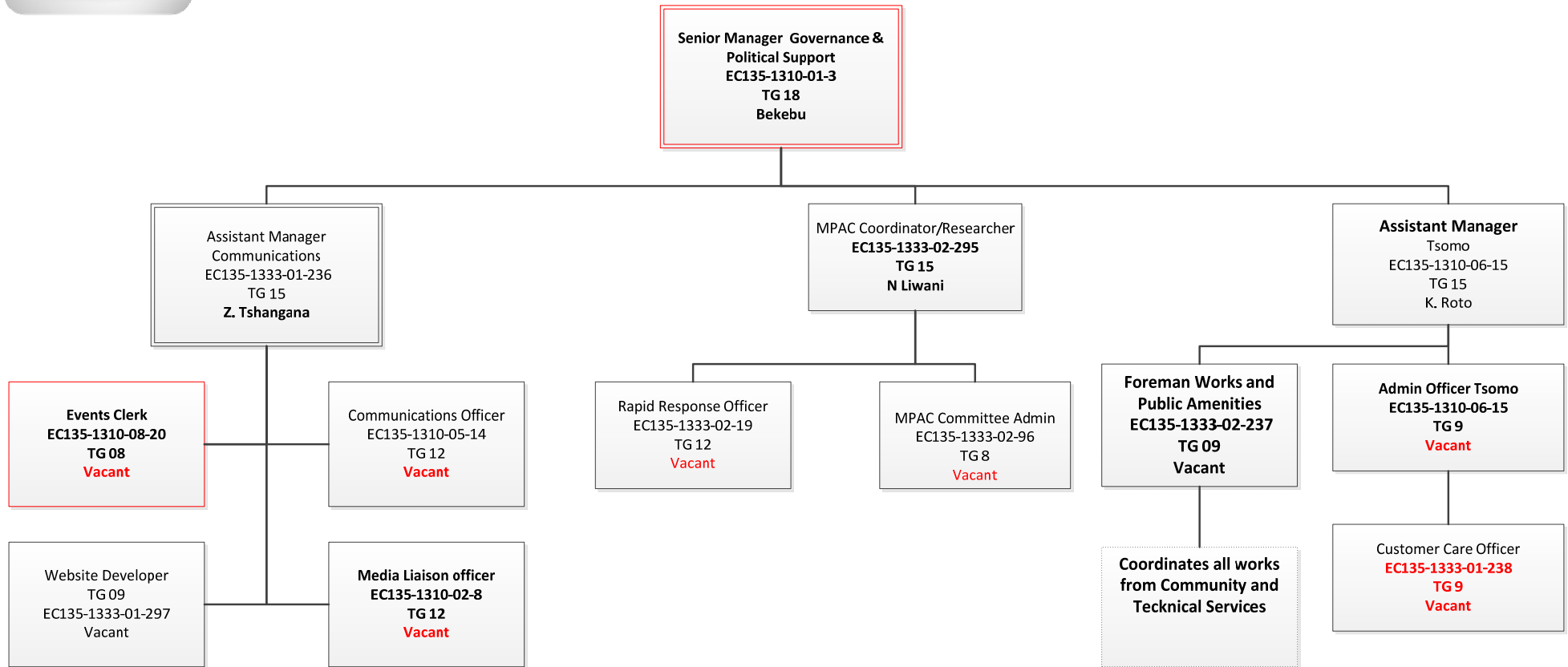


Municipal Managers Office Compliance & Political Support Section





Municipal Managers Office

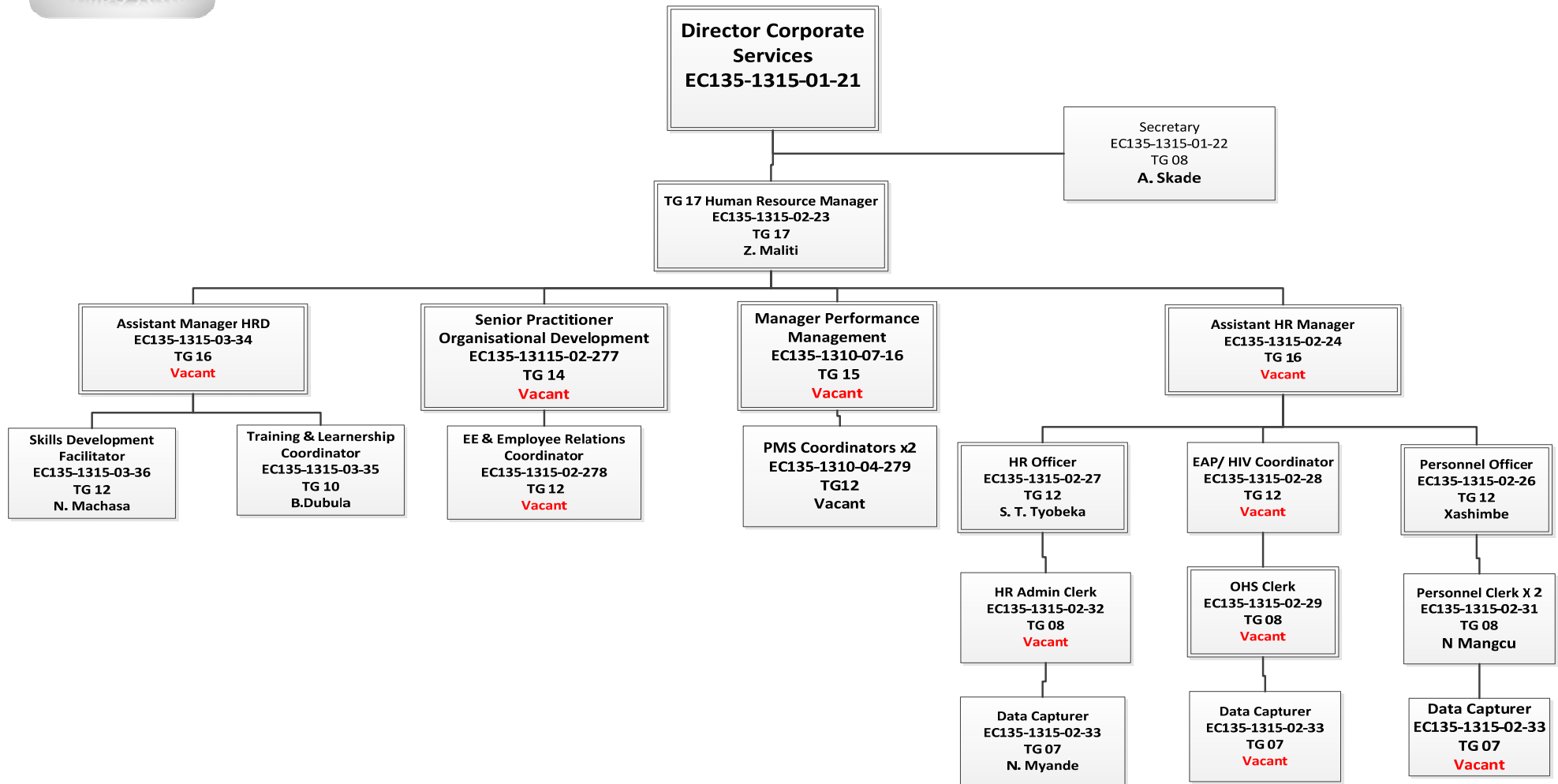


The organisational structure provided above shows the Municipal Manager’s responsibilities within IYLM inclusive of oversight for institutional Communications, Internal Audit, Monitoring and Evaluation, risk Management as well as the Special Programmes Unit and Mayoral support.

Figure 2: Corporate Services' organisational structure

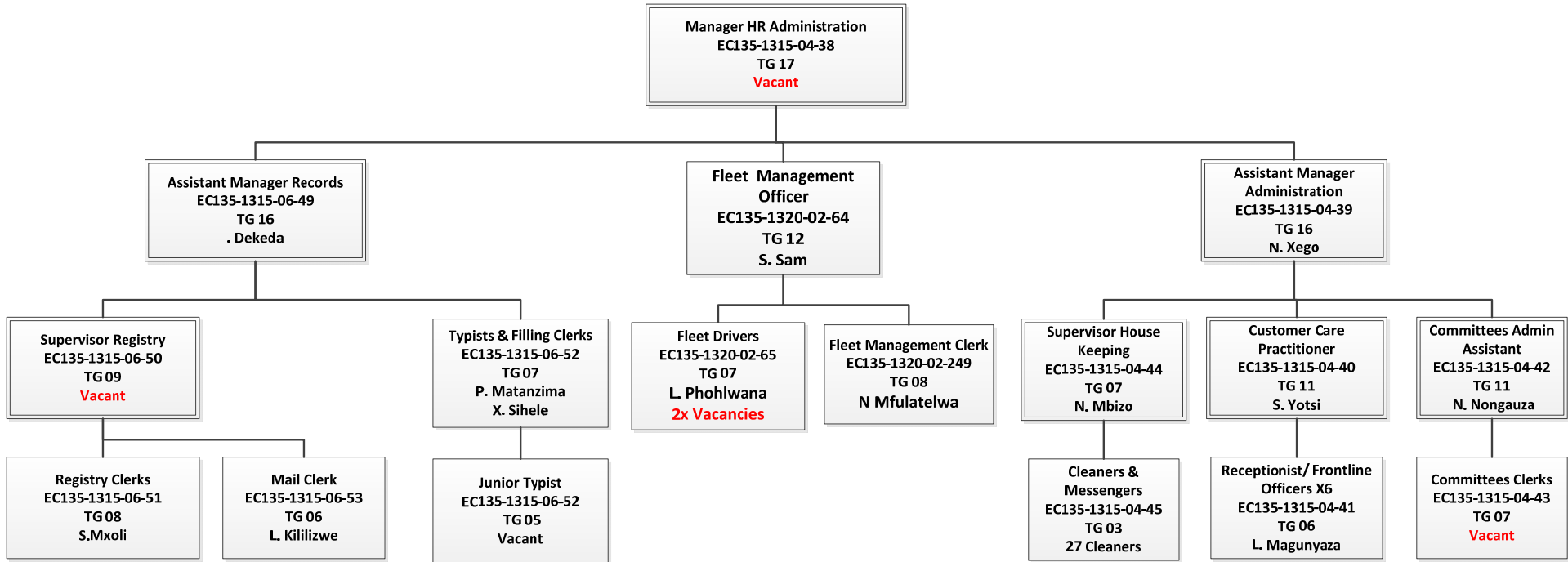


**Intsikayethu Local Municipality: EC135
Corporate Services Department: 1315**



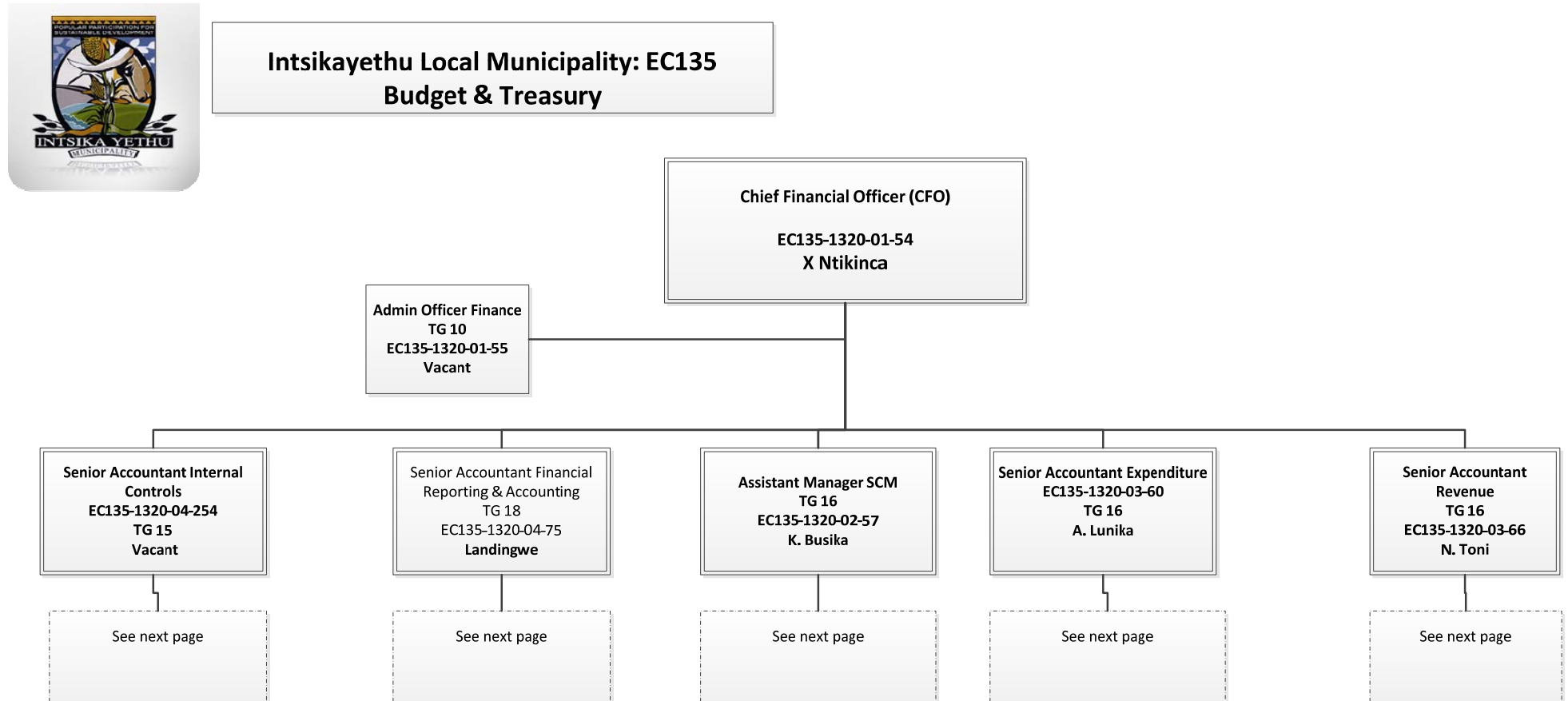


Intsikayethu Local Municipality: EC135
 Corporate Services Department: 1315



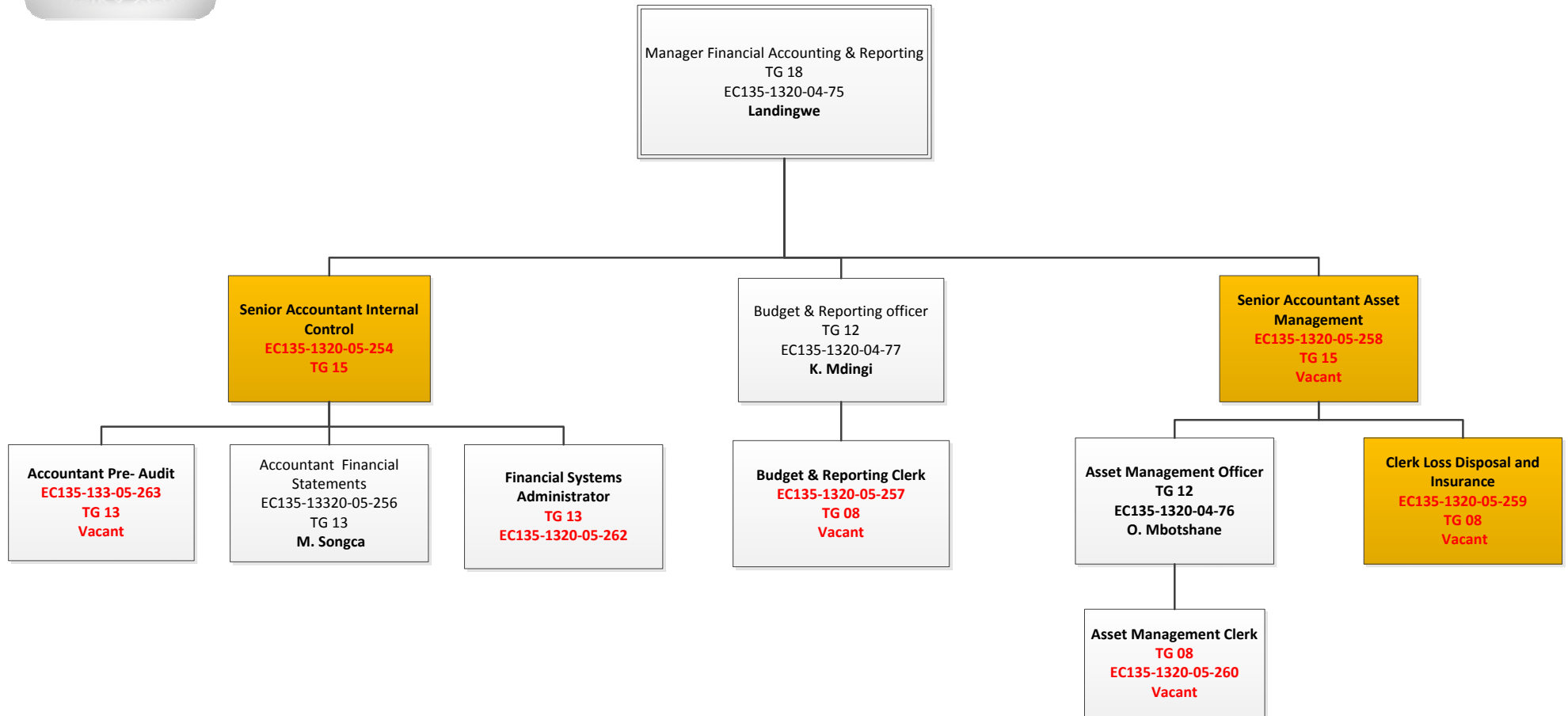
The Director of Corporate Services is the technical head of two divisional functions, namely human resource management and administration, inclusive of Information and Communication Technology, Council Committee Administration, Fleet management as well as Customer Care and Records Management.

Figure 3: Finances organisational structure





**Intsikayethu Local Municipality: EC135
Budget & Treasury Services**





Intsikayethu Local Municipality: EC135
Budget & Treasury

Assistant Manager SCM
TG 16
EC135-1320-02-57
K. Busika

Stores Control Officer
EC135-1320-03-205
TG 12
B. Ndimba

Procurement Officer
TG 12
EC135-1320-02-61
N. Ntanga

Bids Compliance & Contract
Management Officer
TG 12
EC135-1320-05-266
S. Masiko

Dispatch Clerk Cofimvaba &
Tsomo
TG 08
EC135-1320-02-62
T. Shasha
U. Toro

Receiving Clerk
TG 08
EC135-1320-02-63
M. Ngcobo

Demand Management
Clerk
EC135-1320-05-264
TG 08
Vacant

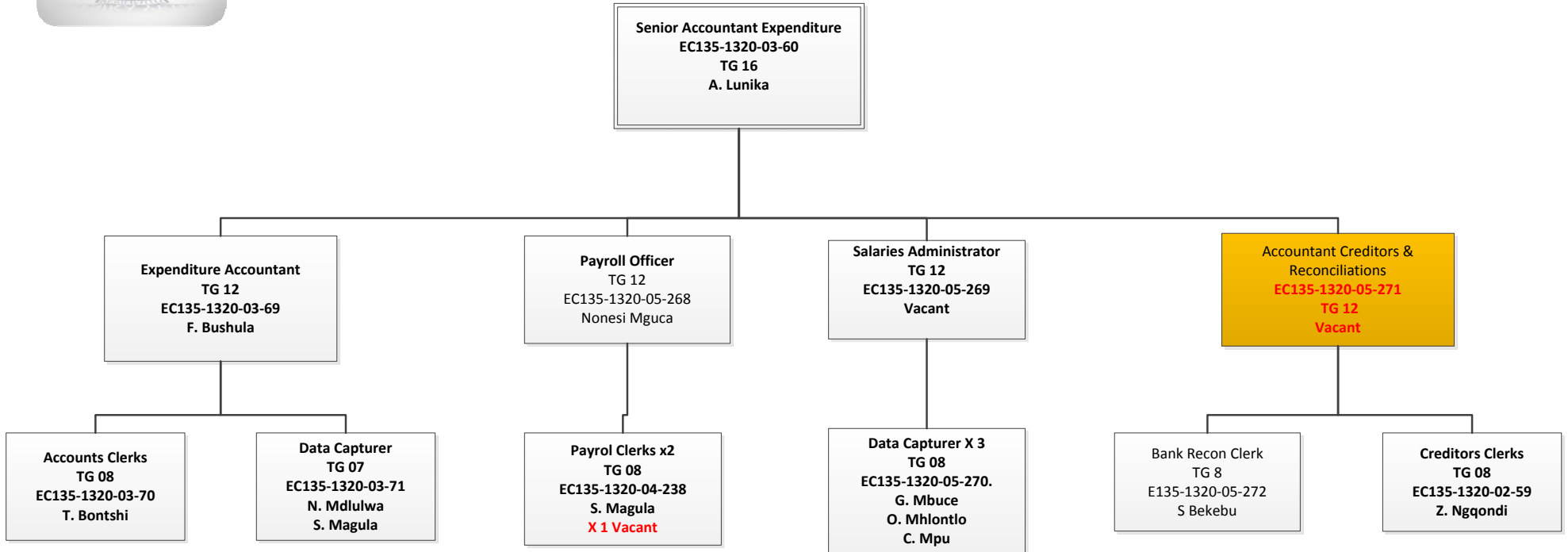
Acquisition Clerk
TG 08
EC135-1320-05-265
A. Mazwi

Aquisition Clerk
TG 8
EC135-1320-05-265
Vacant

Clerk, Contract
Management
TG 8
EC135-13320-05-267
vacant

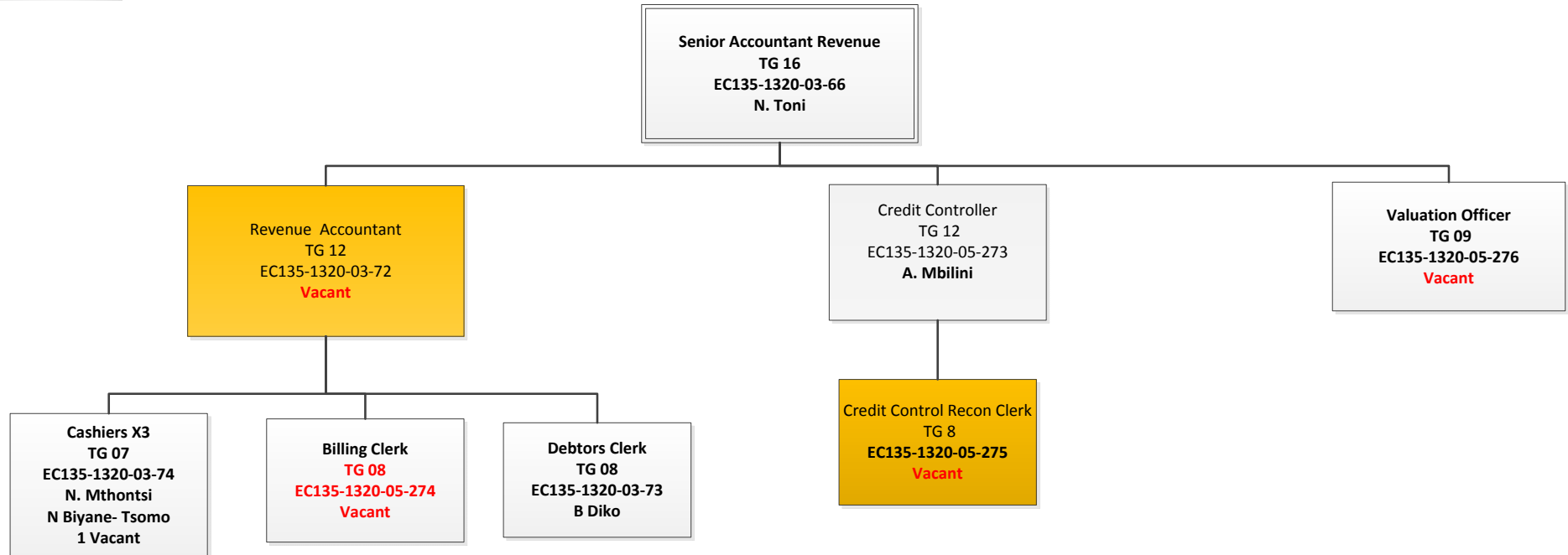


**Intsikayethu Local Municipality: EC135
Budget Treasury**



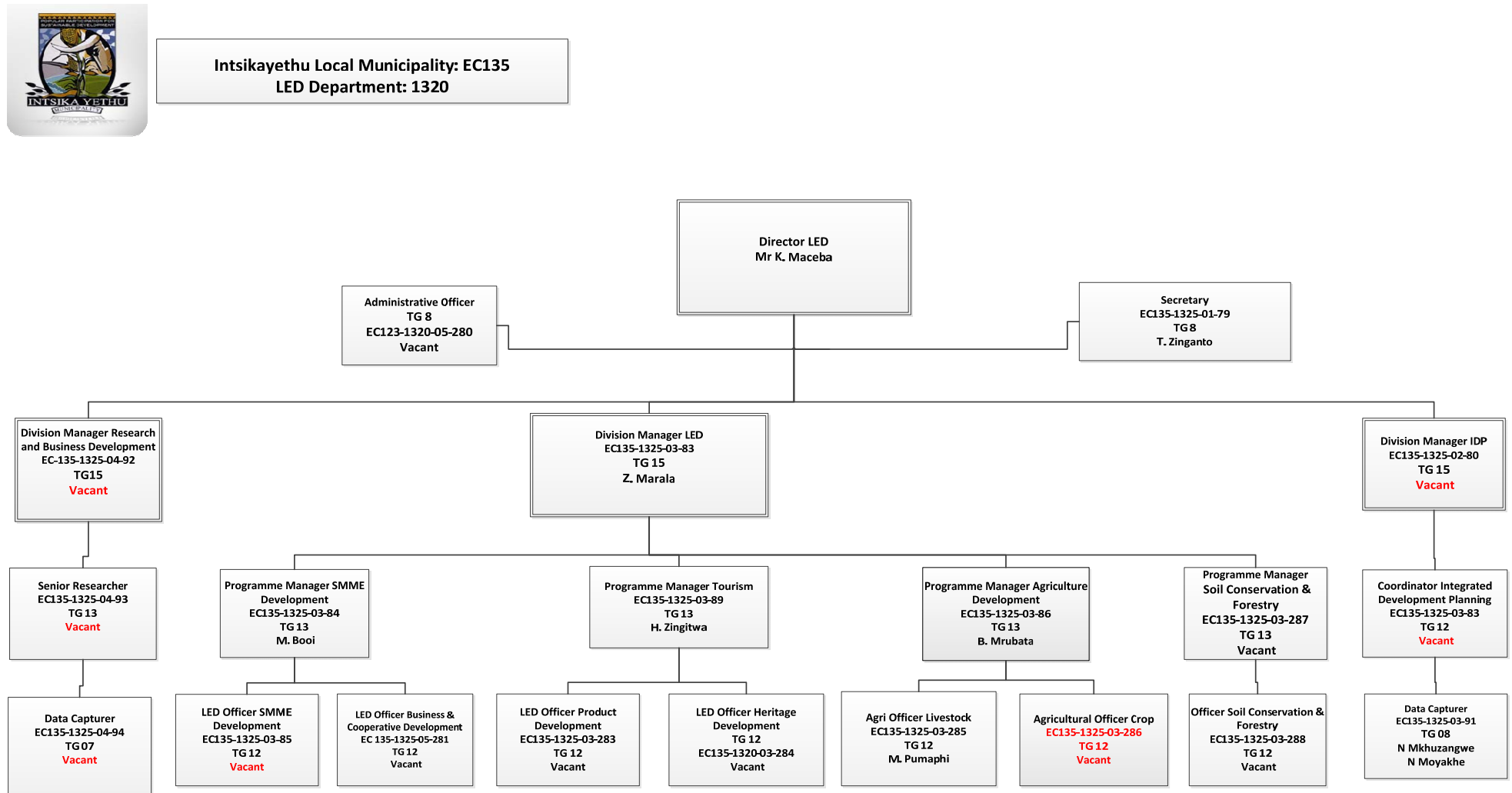


**Intsikayethu Local Municipality: EC135
Budget & Treasury**



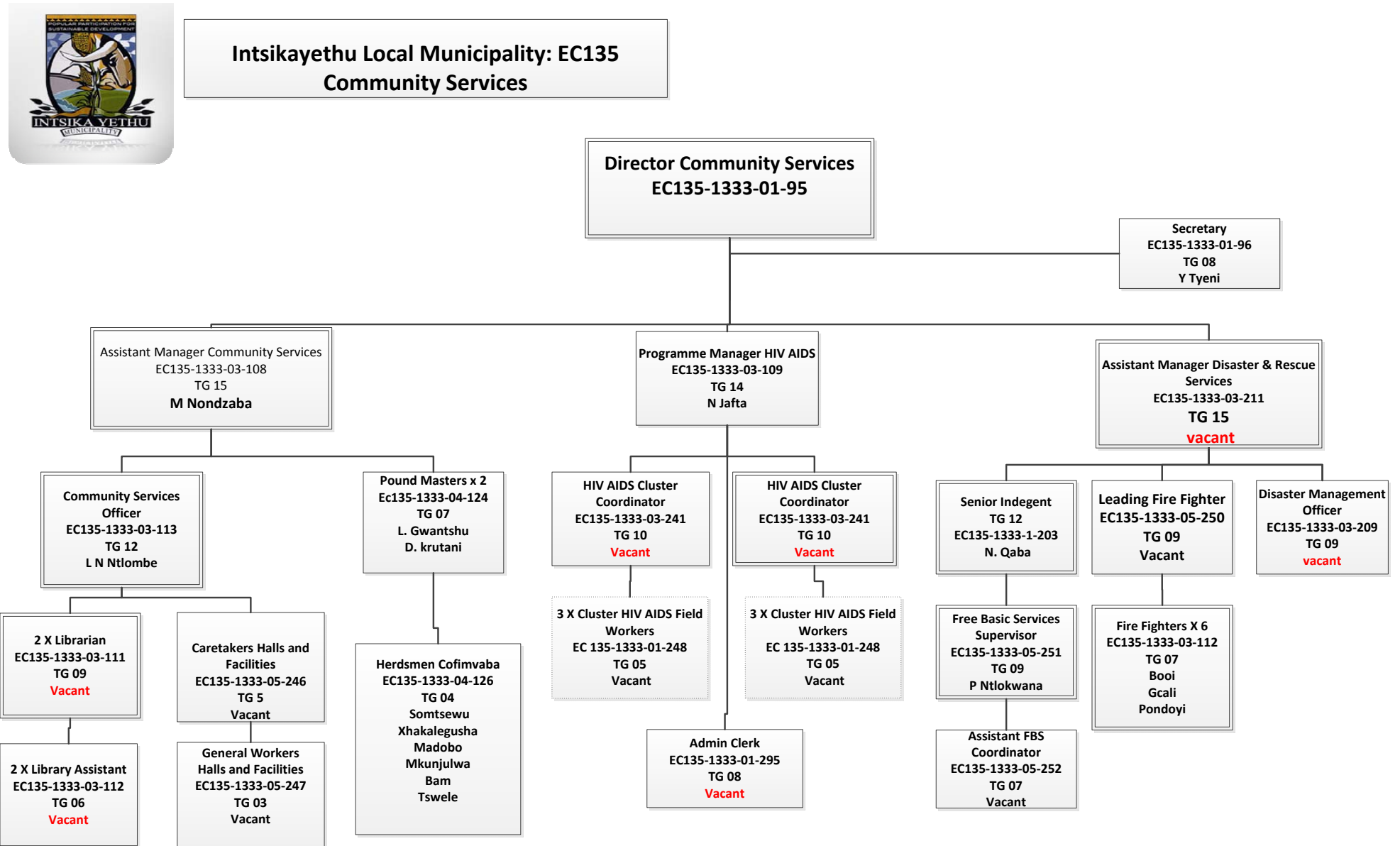
The following organisational structure shows the Chief Financial Officer as the senior manager responsible for the collection and management of organisational revenue, as well as tasked with the responsibility of overseeing the financial arrangements. In addition, the CFO oversees all Supply Chain Management within IYLM and is responsible for the registry of institutional assets, payroll administration. The CFO is also responsible for five internships that are not currently provided for within the above organisational structure.

Figure 4: Local Economic Development organisational structure



The Director of Local Economic Development has responsibilities inclusive of the Integrated Development Plan formulation and consultation process, as well as some performance management responsibilities. LED related projects and programmes focus upon Agriculture, Forestry, Tourism, and Enterprise Development, while the directorate also has some research capabilities and functions, as well as includes some interns.

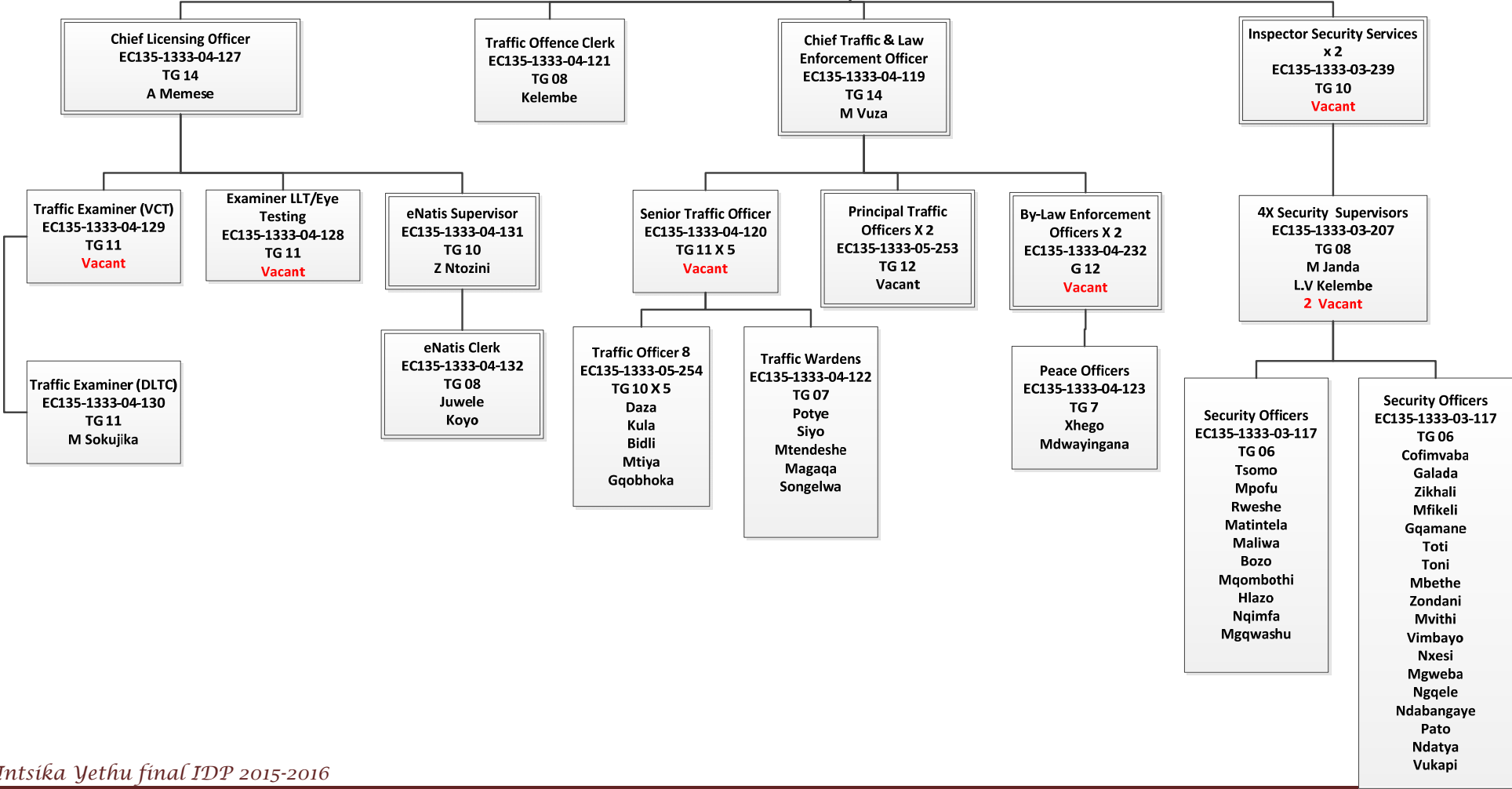
Figure 5: Community Services organisational structure





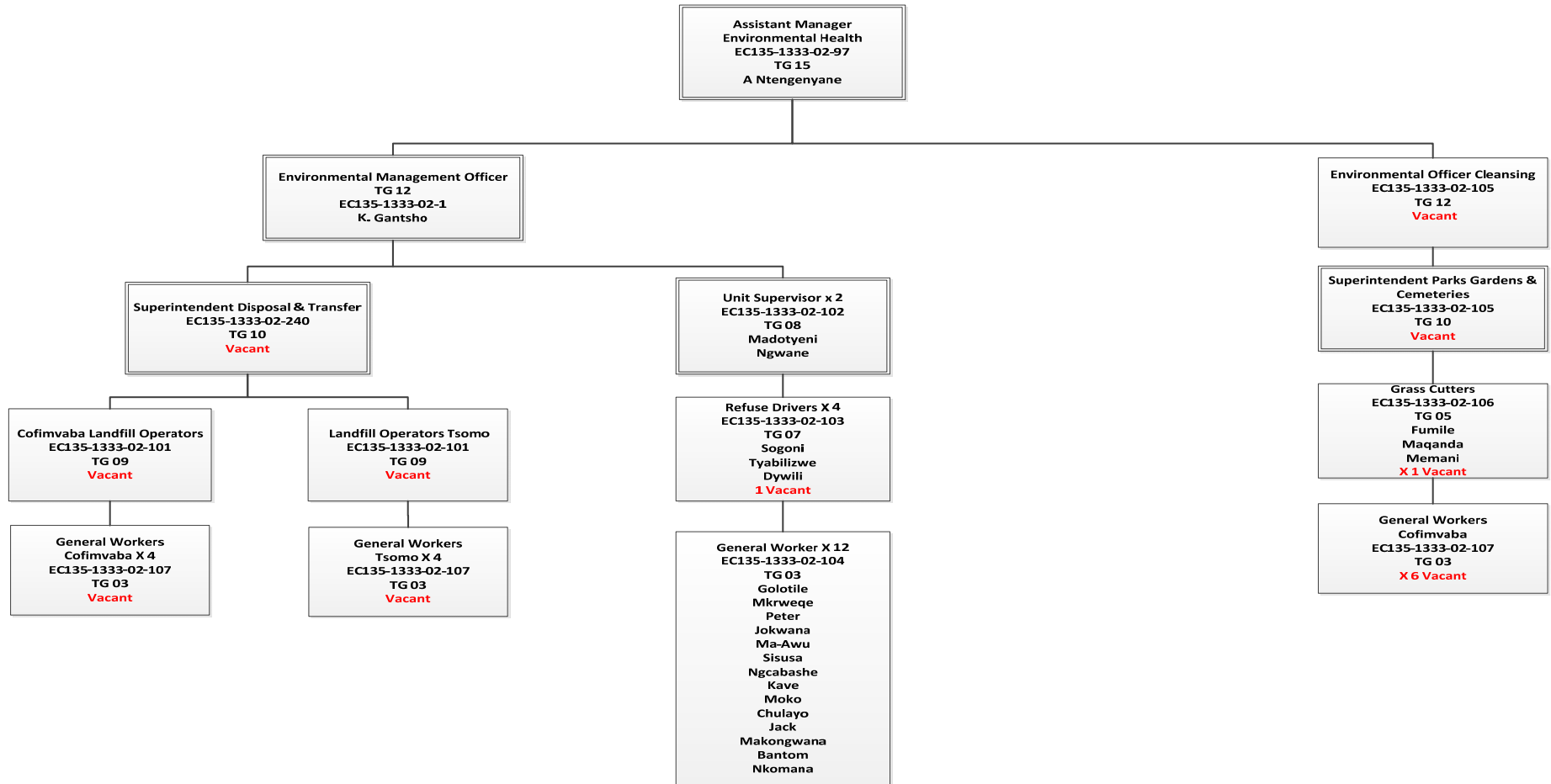
Intsikayethu Local Municipality: EC135
Community Services

Manager Law Enforcement & Licensing
EC135-1333-1-210
TG 16
vacant



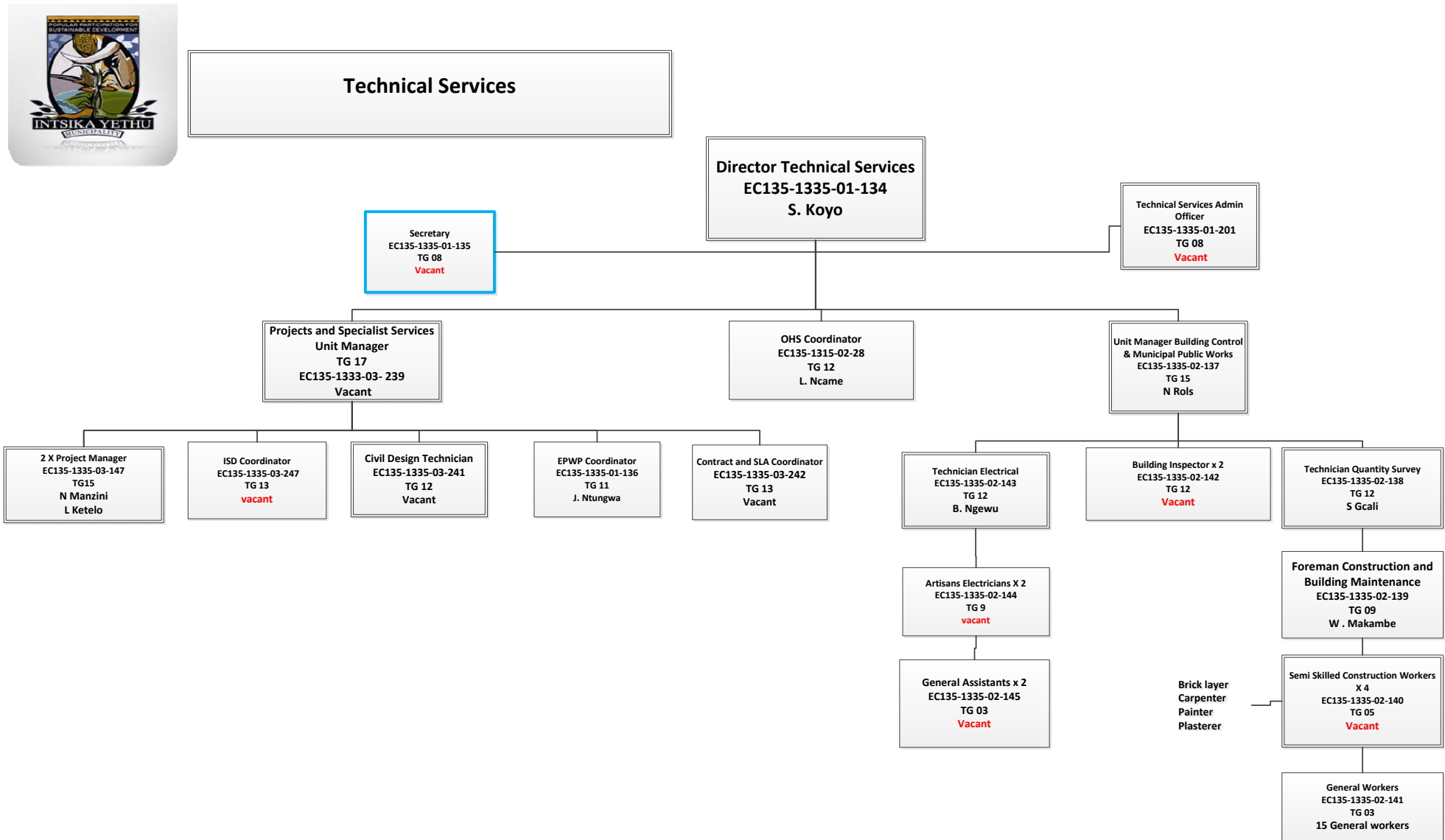


**Intsikayethu Local Municipality: EC135
Community Services**



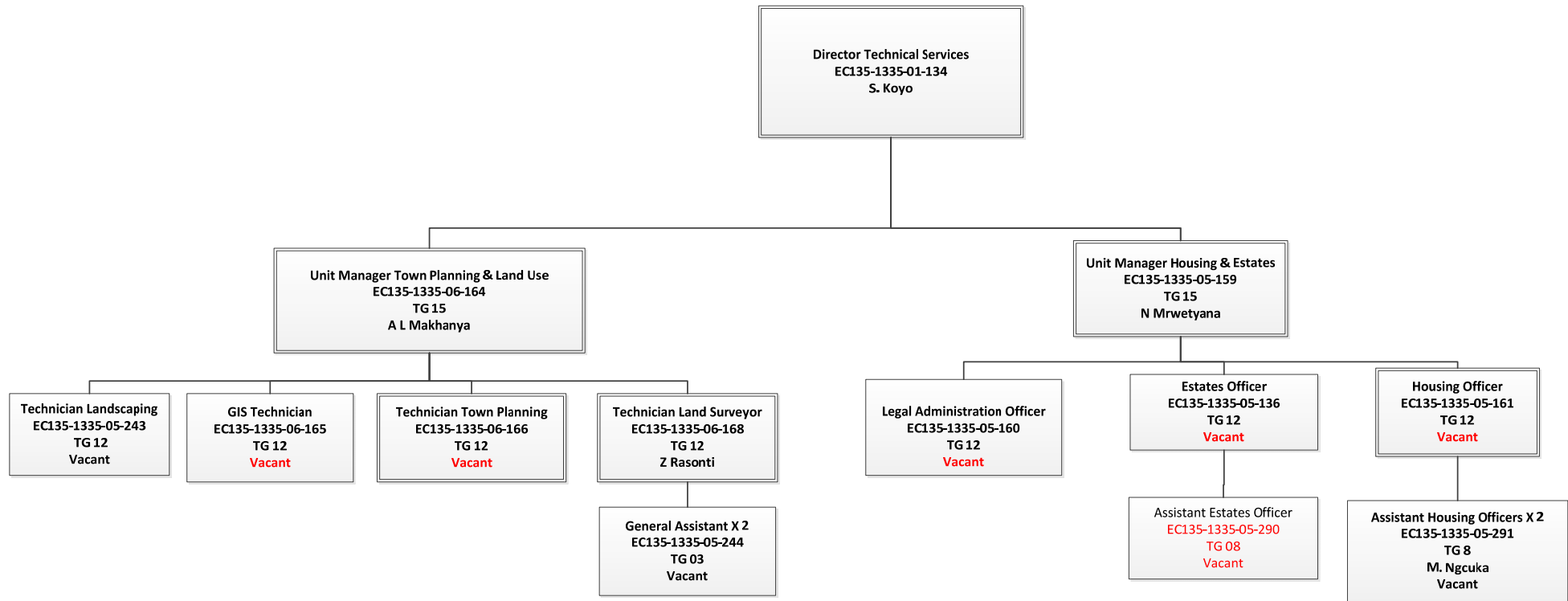
The Director of Community Services oversees a broad set of services aimed at addressing social needs within the Intsika Yethu Municipal area. Responsibility for Traffic Safety and enforcement is one of the key responsibilities, along with management of Environmental Health and Waste Removal services. Further functions and services are including a special coordinator for HIV/AIDS, Fire and Disaster Management, as well as responsibilities for Pounds and Animal Control.

Figure 6: Technical Services organisational structure



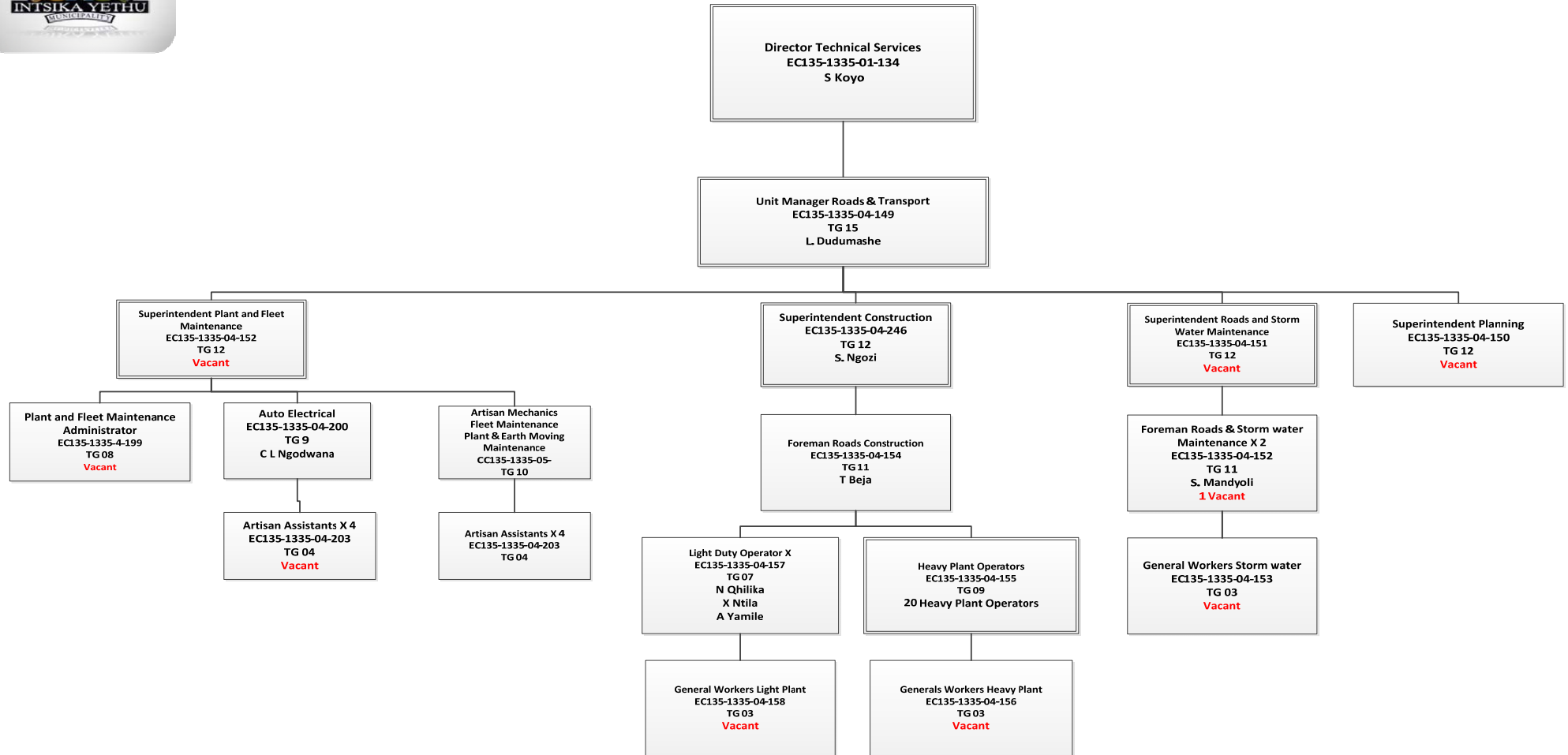


Intsikayethu Local Municipality: EC135
Technical Services Department: 1335





**Intsikayethu Local Municipality: EC135
Technical Services Department: 1335**



The following shows the range of positions and functions which the Director of Technical Services oversees. This is inclusive of Electricity and Energy Access, construction and maintenance of IYLM's built infrastructure, including Community Facilities, Public Works, and Integrated Human Settlements.

Throughout IYLM's back-offices, a range of well-developed institutional policies inform and prescribe key organisational processes and functions crucial to its successful operations and with bylaws for enforcement in those policies that needs enforcement ie Informal trading Bylaw. This extensive policy set, entailing more than 27 policies and 2 manuals, and the manner in which the policies are implemented and adhered to, provides some explanation as to how the municipality has been so successful of late in this regard.

Table 10: Existing Manuals of IYLM

Existing Manuals		
Number	Titles	Year
IYLM-MAN 1	Delegation of Power Manual	2013/2014
IYLM- MAN 2	Access to Information Manual	2013/2014

The table on the following page provides an overview of all of the institutional policies for IYLM. Despite this extensive list, there continue to be some policy gaps for consideration in the 2012-2017 period of the IDP. Possible policies for consideration based on a benchmarking with other municipalities include:

- Relocation Policy;
- Private Work and Business Policy;
- Sexual Harassment Policy;
- Scarce Skills Policy; and
- Succession Planning for Critical Posts Policy.

Notable in this list of potential policies is that of planning for the succession of critical posts. IYLM has had the good fortune of relative stability amongst its senior management, but planning for the eventuality of succession is inevitable to ensure a smooth administrative transition at the end of a contract or following the departure of a Section 57 Manager.

Table 11: Existing Institutional Policies of IYLM

Existing Institutional Policies		
Policy Number	Policy	Year
IYLM-HR 1	Recruitment, Selection and placement Policy	2013/2014
IYLM-HR 2	Code of Conduct Policy	2013/2014
IYLM-HR 3	Acting and Acting allowance Policy	2013/2014
IYLM-HR 4	Subsistence and Travel Policy	2013/2014
IYLM-HR 5	Performance Management Policy	2013/2014
IYLM-HR 6	Termination of Service Policy	2013/2014
IYLM-HR 7	Reward and Recognition Policy	2013/2014
IYLM-HR 8	Overtime and Work on Sundays Policy	2013/2014
IYLM-HR 9	Standby Policy	2013/2014
IYLM-HR 10	Training and Development Policy	2013/2014
IYLM-HR 11	Leave of Absence Policy	2013/2014
IYLM-HR 12	Grievance Policy	2013/2014
IYLM-HR 13	Staff Movement Policy	2013/2014
IYLM-HR 14	Employee Assistance Programme Policy	2013/2014
IYLM-HR 15	Occupational Health and Safety Policy	2013/2014
IYLM-HR 16	Housing Policy	2013/2014
IYLM-HR 17	Telephone Usage Policy	2013/2014
IYLM-HR 18	HIV/AIDS Policy	2013/2014
IYLM-HR 19	Motor Vehicle Policy	2013/2014
IYLM-HR 20	Abscondment Policy	2013/2014
IYLM-HR 21	Attraction and Retention Strategy	2013/2014
IYLM-HR 22	Smoking Policy	2013/2014
IYLM-HR 23	Transport Policy	2013/2014
IYLM-HR 24	Funeral Policy	2013/2014
IYLM-HR 25	Records Management Policy	2013/2014
IYLM-HR 26	Farewell's Policy	2013/2014
IYLM-HR27	Informal Trading Policy	2014/2015

IYLM-HR 28	Night Work and Shift Policy	2013/2014
IYM- HR 29	Job Evaluation Policy	2013/2014
IYM-HR 30	EPWP Policy	2013/2014

2.8 Employment Equity

In terms of Employment Equity, IYLM boasts Senior Management and a staffing complement consistent with its organizational Employment Equity Plan, with only an under-representation of people with disabilities, whereby there are currently not any within the organizational structure. There is also a slight gender imbalance within the organization, with 59% of all staff male and 41% female. IYLM is currently addressing employment equity through awareness raising initiatives including: formal written communication, a policy statement including reference to employment equity, a summary of the Employment Equity Act publically displayed, Employment Equity training, diversity management programmes and discrimination awareness programmes. An existing Employment Equity Forum within IYLM is the ideal and appropriate route to allow support from the management to monitor the municipality's status in this regard. The table below provides an organizational snap-shot of the Employment Equity status quo within IYLM.

Table 12: Employment equity* within IYLM as at 13 January 2014

Occupational Levels	Male				Female				Foreign Nationals		Total
	A	C	I	W	A	C	I	W	Male	Female	
Top management	1	0	0	0	0	0	0	0	0	0	1
Senior management	03	0	0	0	02	0	0	0	0	0	05
Professionally qualified and experienced specialists and mid-management	28	0	0	0	25	0	0	0	0	0	53
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents	102	0	0	0	39	0	0	0	0	0	141
Semi-skilled and discretionary decision making	40	0	0	0	58	0	0	0	0	0	98
Unskilled and defined decision making	58	0	0	0	42	0	0	0	0	0	100
TOTAL PERMANENT	232	0	0	0	166	0	0	0	0	0	398
Temporary employees	18	0	0	0	17	0	0	0	0	0	35
GRAND TOTAL	250	0	0	0	183	0	0	0	0	0	433

*A denotes African; C denotes Coloured; W denotes White; I denotes Indian; and PWD denotes People With Disabilities.

2.9 Skills development

Another strong point for IYLM over the previous term was its skills development and training programmes, as informed by its Training and Development Policy (IYLM-HR 10/13-14). In this area, the municipality has set out on developing of its human resources component through the establishment of structures and procedures enabling the realisation of staff and Council's innate potential.

A Municipal Skills Development Forum exists to assist and advise the organisation on human resource related matters, including skills auditing and monitoring of training. Furthermore, the municipality has provided for extensive skills development opportunities that include: in-service training; experiential training and internships; learnerships; Adult Basic Education and Training (ABET); and undertaking further studies. It also provides study assistance for staff as well as bursaries for both undergraduate and postgraduate studies on the condition of returning for service as equivalent to the duration of the studies.

A Workplace Skills Plan (WSP) with all the training interventions to be done by the municipality each and every year is developed by the Skills Development Facilitator (SDF) with the assistance of the Skills development Forum. The plan is submitted to LGSETA and it is through the implementation of this plan that the municipality receives grants to assist with the training interventions.

2.10 Information Communication Technology (ICT)

Information Communication Technology (ICT) is one of the most vital services to the Municipality as it is used to pay salaries, provide information to key decision making, communicate with internal and external stakeholders, market the Municipality to potential investors and funders, pay service providers, Manage and report on financial position of the Municipality, management of assets of the municipality, etc. It is therefore very important for a Municipality to sustain this service in order to ensure that is stable and more importantly available whenever needed. The principal responsibility of the ICT unit is to be responsible for a constant, protected, reachable and steadfast ICT infrastructure which is available 98% of the time. The primary focus for ICT should then be on ensuring that 98% uptime of its services.

The purpose of this section is to provide electronic communication and information management to the municipality.

This section responsible for the following:-

- Data and Systems Security
- Antivirus solutions
- IT Policies
- IT Governance
- IT Disaster Recovery and service continuity planning
- Systems and Data backups
- Master Systems Plan (ICT Strategy)
- Electronic communication (e.g. Internet, Intranet, Website and E-mails)
- E-Governance
- Payroll and financial systems
- IT Support (Computers, printers, faxes, etc.)
- IT Risks register
- IT Trainings
- Network infrastructure and servers
- Telephone management
- Electronic Performance management system

- IT Service Level Agreement (SLA)
- IT Change management

IT policies were reviewed and adopted by council where all security issues, confidentiality and access to information are dealt with.

Alignment of ICT to national KPA's is elaborated in our Master Systems Plan (MSP) which is the ICT strategy for the Municipality. MSP also aligns ICT with Municipal IDP.

2.10.1 ICT Steering committee

An ICT steering committee has been established to drive ICT and to ensure that it is aligned to the business. The committee is also responsible for approving ICT strategies, projects, policies and also ensuring that they are implemented.

The Chief Information Technology Officer (CITO) is required to submit a quarterly ICT report to the steering committee covering the activities performed by ICT unit and identifying the risks. This allows the committee to monitor and evaluate ICT performance. The ICT steering committee must convene quarterly and must drive the implementation of Master Systems Plan (MSP).

2.10.2 ICT Organogram

1. Chief Information Technology Officer (CITO) – Filled
2. Network Controller - Filled
3. IT Officer – Vacant
4. Desktop Support Technician – Vacant
5. Help Desk Technician - Vacant

2.10.3 ICT Strategic Objectives

To fulfil this mission, ICT Unit will, in partnership with the Municipality's Business Units seek to:

- Provide a secure IT infrastructure which delivers appropriate levels of data Confidentiality, Integrity and Availability.
- Ensure access to appropriate skills and resources.
- Incorporate effective governance and Project Management practices to promote a close alignment between IT and Business Units.
- Maximise value for money from existing and future technology investments.
- Incorporate best environmental practices into its IT operations.
- ICT Unit will achieve these objectives by focussing on the continuous development of its People, its Processes and its Technology

2.10.4 Providing a Secure IT Infrastructure

Data security is the most crucial aspect of any ICT infrastructure. The ICT section must maintain confidentiality and integrity of user's data at all times. The IT Policies must classify data and must also be enforced in order to protect the data.

a must be upheld in order to ensure that Councillors, Officials and Customers data which is protected under the Protection of Private Information Act is guaranteed; this will prevent lawsuits and other actions which may be taken against the Municipality.

Data Integrity must be achieved by ensuring that all data stored on the server is credible and that access controls are applied to ensure that the data has not fabricated and comes from a reliable source. The role of data creators is to ensure that the data generated is a true reflection of the reality and where possible information must be verifiable.

Data Availability means that the ICT division must ensure that users have access to data at all times and must also ensure that data and systems are made available to authorised users only. The Municipality will slowly migrate to cloud computing which will ensure that data is available at all times to the users.

2.10.5 Governance of ICT

Governance of ICT and corporate governance are lately viewed as one and no longer as two separate governance disciplines, because computer systems and electronic communication are more important now than ever for the survival of any organisation. Therefore, it is important for the municipality to streamline efforts towards sound Governance of ICT.

There are limitations which are faced by the municipality that limit these efforts. Possibly the biggest contributing factor towards this current municipal Governance of ICT predicament, among others, is the fact that there are very few, if any, guidelines and resources available to the municipality to aid in implementing proper IT infrastructure, systems and governance procedures. To improve the current state of Governance of ICT within the municipality, better guidelines and procedures are required.

Governance of ICT framework has been developed and adopted by council. When Governance of ICT Framework is effectively implemented and maintained, the following benefits are realised:

- Improved effective municipal service delivery through ICT-enabled access to government information and services;
- ICT risks managed in line with the priorities and appetite of the Municipality;
- Appropriate security measures to protect Municipal and employee information;
- ICT pro-actively recognises opportunities and guides departments and the Municipality in timeous adoption of appropriate technology;
- ICT executed in line with legislative and regulatory requirement;
- Improved management of business-related ICT projects.

(Part B) The Development Context and Socio-Economic Profile

3. Socio-Economic Profile

3.1 Demographic Profile

This section provides a detailed analysis of the population of IYLM and provides some key insights into demographics, socio-economic conditions, infrastructural service levels within the Municipal area and environmental issues. The analysis lends weight to prioritisation of identified issues within the IYLM and conveys some urgency with regards to what needs to be done first. The primary source of the information below is taken from the Statistics South Africa, Census 2012

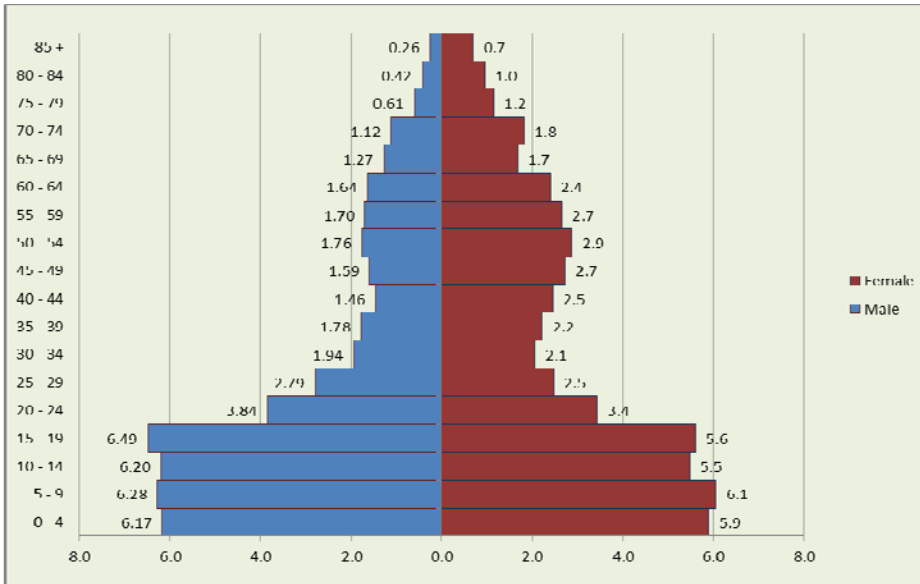
	Male	Female	Grand Total
Inxuba Yethemba	31671	33889	65560
Tsolwana	15656	17625	33281
Inkwanca	10676	11295	21971
Lukanji	90619	100103	190723
Intsika Yethu	68797	76575	145372
Emalahleni	56620	62839	119460
Engcobo	71953	83560	155513
Sakhisizwe	30646	32936	63582
Grand Total	376638	418823	795461

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Statistics South Africa: Web page: www.statssa.gov.za
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The table above shows us IYLM's total population in relation to other LMs in the Chris Hani District (CHDM). IYLM is the third largest LM in CHDM following Engcobo LM in terms of the size of its population. IYLM population has decline from the 2001 census one of the reasons is the changes on demarcations. There are two wards that have relocated to Idutywa and Engcobo that cause Engcobo to be the second largest in terms of population at CHDM.

Residents of IYLM are predominantly rural, living in small villages which cluster around the relatively larger towns such as Cofimvaba and Tsomo. IsiXhosa is the most spoken language as a mother tongue within the municipality; census 2011 showed that around 87% of the people in the municipality were

Xhosa 1st language speakers. IYLM is an almost racially homogenous municipality; Census 2011 estimates the percentage of Blacks/Africans in IYLM at 99%. IYLM has a higher female than male population, as is the case with the most other LMs in CHDM. The larger female population may be attributed to the general tendency of males of working age to migrate to other areas where employment opportunities are more available. Further research is required before we can conclude that the disparities between the male and female populations of IYLM and CHDM are due to outward migration of males, but such a trend is widely acknowledged throughout rural municipalities.



Statistics South Africa

Descriptive

Table 1

**Age in completed years by Gender
for Person weighted, EC135: Intsika Yethu**

	Number			Percentage		
	Male	Female	Grand Total	Male	Female	Grand Total
0 – 4	8971	8565	17536	6.2	5.9	12.1
5 – 9	9129	8827	17955	6.3	6.1	12.4
10 – 14	9017	7975	16992	6.2	5.5	11.7
15 – 19	9438	8146	17584	6.5	5.6	12.1
20 – 24	5579	4984	10563	3.8	3.4	7.3
25 – 29	4049	3587	7635	2.8	2.5	5.3
30 – 34	2825	2995	5820	1.9	2.1	4.0
35 – 39	2584	3244	5828	1.8	2.2	4.0
40 – 44	2126	3580	5706	1.5	2.5	3.9
45 – 49	2310	3967	6277	1.6	2.7	4.3
50 – 54	2555	4174	6729	1.8	2.9	4.6
55 – 59	2468	3857	6326	1.7	2.7	4.4
60 – 64	2386	3488	5873	1.6	2.4	4.0
65 – 69	1848	2446	4294	1.3	1.7	3.0
70 – 74	1632	2665	4297	1.1	1.8	3.0
75 – 79	886	1675	2562	0.6	1.2	1.8
80 – 84	611	1383	1994	0.4	1.0	1.4
85 +	384	1017	1401	0.3	0.7	1.0
Grand Total	68797	76575	145372	47.3	52.7	100.0

Statistics South Africa: Census 2011 Web page:

www.statssa.gov.za

The above graph demonstrates that IYLM has a relatively young population with the majority of inhabitants falling under the age of 5-9. The graph shows a very sharp dip in numbers after the teens with very few people falling in the middle age category. For example the number of people aged 15-19 is roughly 2 times larger than the number of people in the 40-44 categories. There are a number of factors that can be associated with the youthful population of IYLM including high mortality rates amongst middle-aged people caused by diseases such as HIV/AIDS and the out-migration of working age adults out of the area in search of employment opportunities elsewhere. These factors are recognizable in many other municipalities that have similar demographics to IYLM; however, there is no conclusive research within IYLM to explain the youth bulge.

3.2 Poverty Rate in IYLM

The level of poverty in IYLM remains worryingly high. The table below, taken from ECSECC data, shows us that the majority of people in the municipality can be classified as poor or living in poverty. The table shows that the percentage levels of poverty in IYLM have decreased over time, and this is a trend that is visible not only in IYLM but also in CHDM and the Eastern Cape Province as a whole. Poverty in the municipality seems to have been at its most acute point in the year 2000 when South Africa was experiencing significant economic problems. The poverty rate then dropped after the country had recovered to reach its lowest rate of since the democratic transition.

Table 13: Poverty rates from 1995-2010

Poverty rates from 1995-2010				Estimate
YEAR	1995	2000	2005	2010
Eastern Cape Province	50%	58.03%	56.26%	53.48%
Chris Hani District Municipality	57%	64%	60.26%	57.03%
Intsika Yethu Local Municipality	63.3%	68.8%	61.6%	56.4%

It is extremely important to note that measurements and perceptions of what poverty is vary from source to source thus another source may see far more or far less poverty in the same area based on the normative judgment which is driven by a certain understanding of what constitutes poverty. In addition there are always various levels of poverty. The most severe level of poverty in South Africa is known as “indigent”, this refers to a person who lacks the most basic necessities of a decent life such as:

- Water;
- Sanitation;
- Energy;
- Refuse removal;
- Food and clothing; and
- Housing.

IYLM maintains an Indigent Policy from 2009 which aims to ensure that households that cannot afford municipal services are given access to the most basic municipal functions. The policy elaborates upon what exactly constitutes an indigent household in the IYLM context. Given the historical legacies of underdevelopment from the pre-democratic era, IYLM carries a heavy burden in terms of an indigent population. Further socio-economic analysis provides more insights into the dynamics of IYLM.

3.3 Income and Employment data

The tables and graphs provided below tell us that the majority of people within IYLM do not receive any income at all. However, this could be misleading because youth of school going age are also included in the measurement and they generally do not receive income. Of those who do receive an income, most receive between R1 to R400. This is considered to be very low income by national standards.

IYLM is a low income area; however, income levels alone do not sufficiently convey the full range of social circumstances that people are facing. It should also be noted that many of the people listed as having an

income in this graph are not formally employed but receive government grants which are classified as income.

Chart 4: Proportion of monthly income of IYLM residents by income bracket

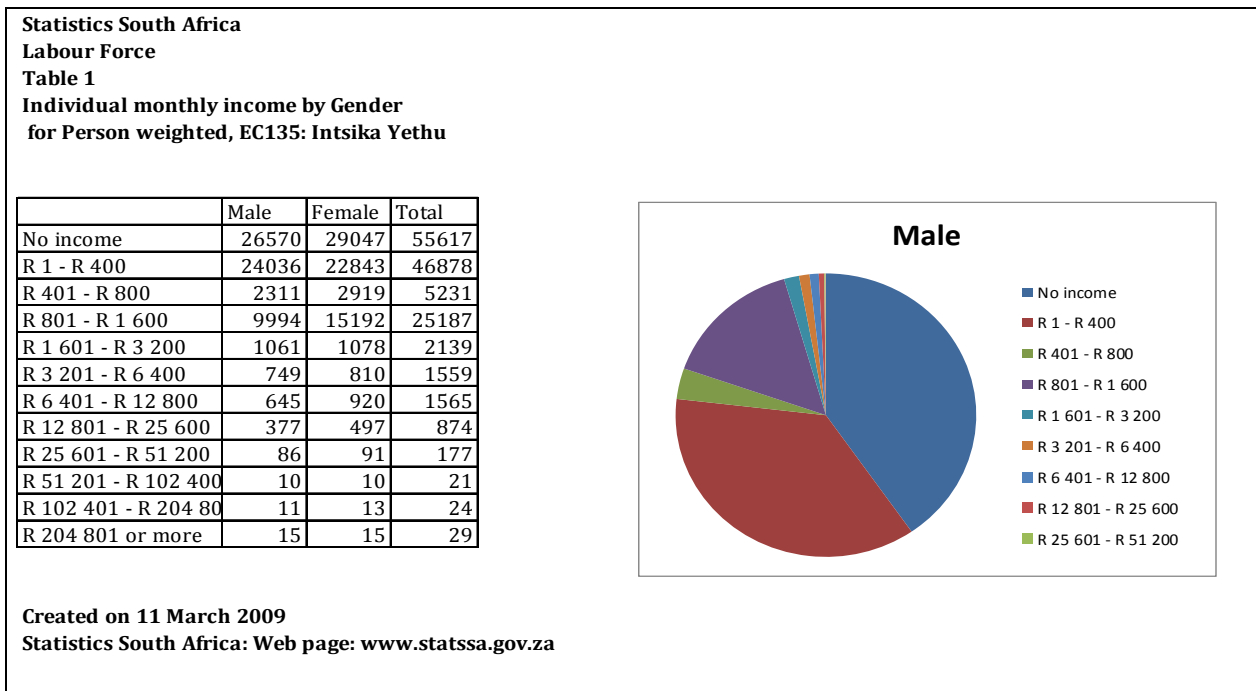


Table 14: Social Grants recipients as a percentage of total population

Type of grant	No. of recipients	% of total population
Old age pension	8420	5.60%
Disability Grant	2922	1.75%
Child support grant	21 767	13.80%
Care dependency grant	540	0.32%
Foster care grant	34	0.02%
Grant in aid	99	0.05%
Social relief	2	0.00%
Multiple social grants	0	0%
Institutions	331	19%

Source: Gaffneys Local Government in South Africa-Official Yearbook, 2011-2013. Pg: M135

The number of people who receive grants in IYLM is substantial, even considering the extent of IYLM's indigent population. The table above tells us that the largest grant is the Child support grant which covers 21 767 people or 13.80% of IYLM's entire population. Although there is a heavy concentration of youth across the country's age distribution, the distribution of grants suggests that fewer of these households receive social welfare support than one would be inclined to believe. However, updated information from the South African Social Security Agency indicates that approximately 48 807 people receive grants within IYLM, at least in the current year 2014/15, meaning more than a quarter of the population is grant dependent. This translates to more than R35 million per month that is spent on social grants in IYM. More and above this, approximately R1 270 000 spent on food parcels.

Chart 1: Employment opportunities across economic sectors

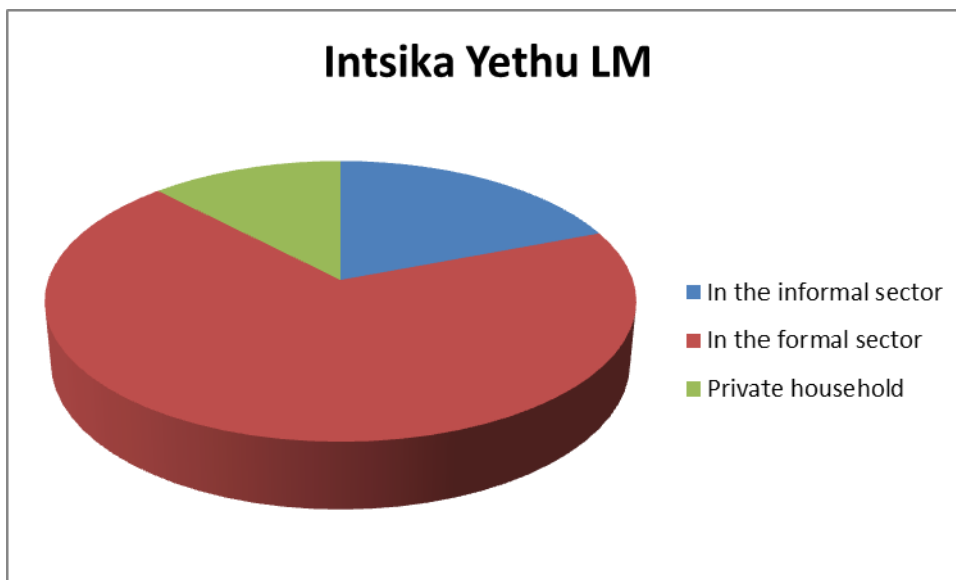


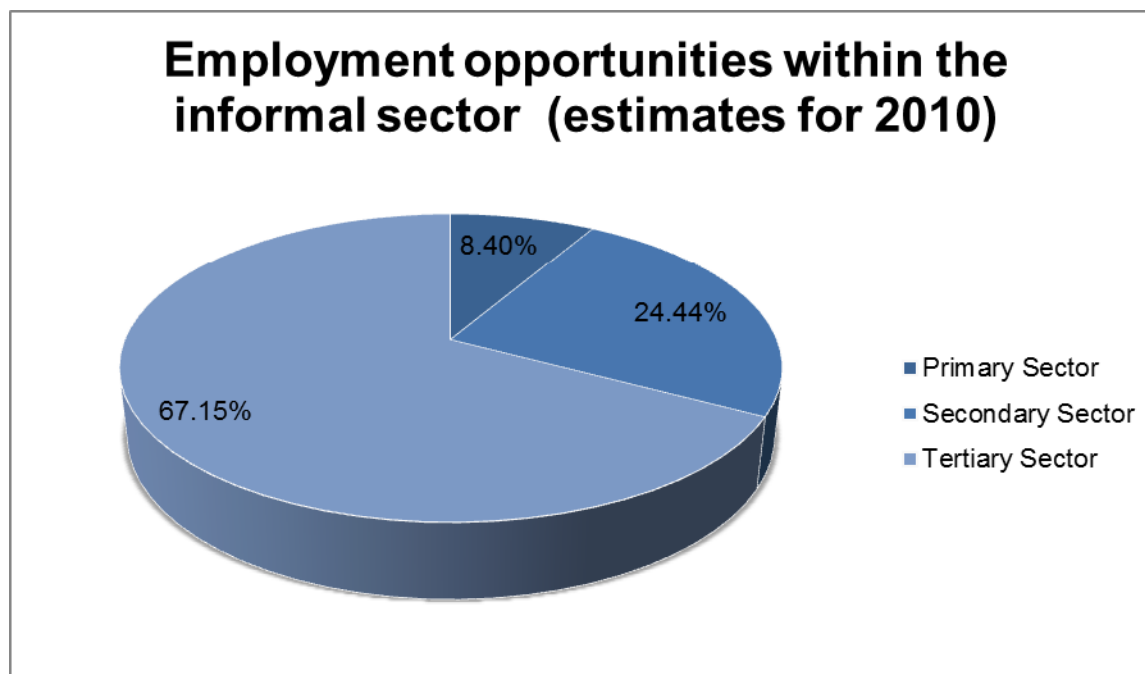
Table 1
Type of sector by Official employment status
for Person weighted, EC135: Intsika Yethu

	Employed		
	Eastern Cape	Chris Hani DM	Intsika Yethu LM
In the informal sector	148 812	15 431	2 012
In the formal sector	735 818	69 524	7 204
Private household	120 999	12 239	1 280

Source: Statistics SA, census 2011

IYLM is characterised by high unemployment rates with 44% of the working population being officially unemployed in 2009, as in seeking work opportunities but unable to find them. ECSECC estimated that this number would decrease slightly in 2010 to around 42%. There has been a reasonable drop in the rate of unemployment over the last 10 years since 2002 when unemployment stood at 54%. The largest employment sector in IYLM is the tertiary sector which employs 74% of all employed people within the formal sector. The largest numbers of people employed within the tertiary sector are involved in general government. ECSECC estimated that there would be about 4263 people working in general government in 2010.

Chart 2: Employment opportunities within the informal sector



Source: ECSECC, Statistics Database, 2011.

When looking at employment figures in the South African context one should always consider analysis of the informal sector. In IYLM, the informal sector remains a significant source of income for many of the residents and therefore deserves to be mentioned in any analysis of income and employment within the

IYLM. According to Chart 6, the tertiary sector is the biggest source of income within the informal sector. ECSECC explains that the majority of individuals earning an income from the tertiary sector of the informal sector in IYLM are involved in the wholesale and retail trade 61%. The secondary sector accounted for an estimated 24.44% of employment within the informal sector, the biggest industry within this sector is the construction industry which accounts for 67% of all employment within the secondary sector of the informal economy.

The primary sector accounted for only 8.40% of all employment within the informal sector. Agriculture and fishing accounted for 100% of all employment opportunities within the primary sub-sector of the informal sector. It is interesting to note that the informal sector mirrors the formal sector in terms of the predominance of the tertiary sector as a means of employment and the inability of the 2nd and especially the 3rd sectors to create employment. Furthermore ECSECC data shows that primary sector industries such as agriculture and fishing have been contracting in terms of their ability to create employment. In 1995 the agriculture and fishing industry employed 30% and 25% of all working people in IYLM within the formal and informal sectors respectively; in 2010 ECSECC data forecasted that this industries share of the workforce would fall to 8% in the formal sector and 13.8% in the informal sector. This is problematic in that IYLM has not seen convincing growth in any other sector that could supplement the decline in the agricultural and fishing industries.

3.4 Human Development Index

The level of development is a complex measure to capture in any society. Indeed much of the data previously presented in this situational analysis speaks to aspects of development. Nevertheless there are important internationally recognised indicators of development that should be looked at in order for one to gain a good understanding of what kind of society is being analysed. The Human Development Index (HDI) is possibly the most internationally recognised measure of a society's standards of living. This is a comparative measure which looks at indicators such as life expectancy, literacy and education.

Table 15: HDI for the Eastern Cape, District and IYLM

	FORECAST			
	1995	2000	2005	2010
Eastern Cape Province	0.4757	0.4968	0.5171	0.4828
Chris Hani District Municipality	0.4156	0.4296	0.4512	0.4126
Intsika Yethu Local Municipality	0.3712	0.3891	0.4123	0.3731

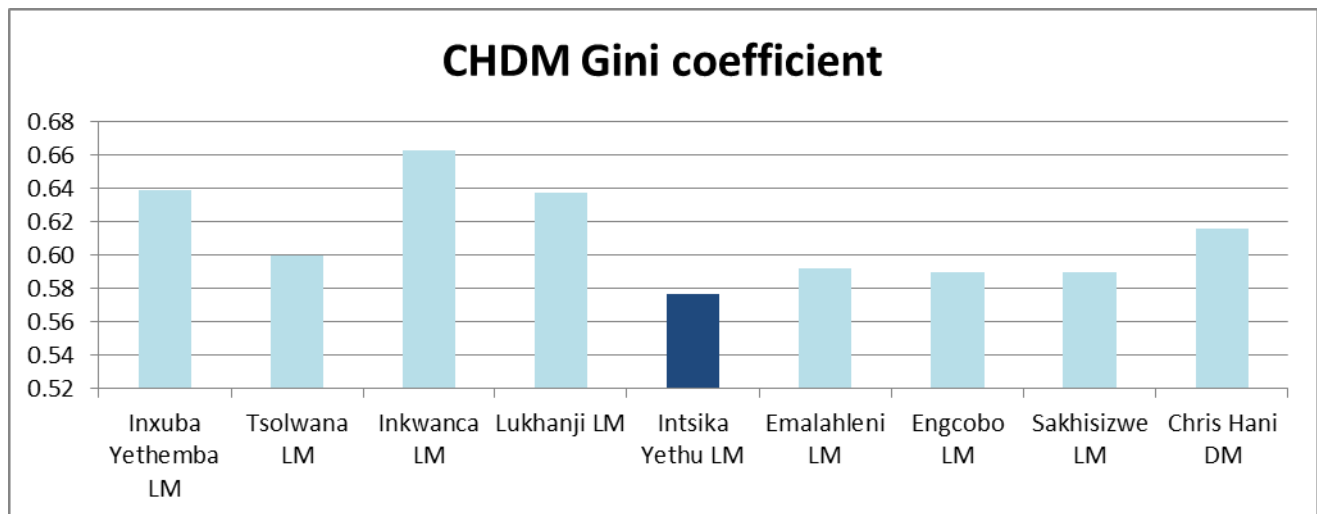
Source: ECSECC, Statistics Database, 2011

The HDI of a particular group is displayed by a measurement between 1 and 0, the closer to 1 a society is, the higher the level of development on the other groups that measure closer to 0 are classified as less developed. The HDI looks specifically at life expectancy, education and income per capita in order to calculate the level of development of a given society or group.

The table above presents development indicators spanning over a number of years for IYLM, CHDM and the Eastern Cape Province. The ECSECC data shows that IYLM maintains a relatively low HDI, well beneath the national average. In 2010 ECSECC forecasted that IYLM's HDI would be 0.3731 which is below the national and the provincial averages of 0.5501 and 0.4828 respectively. This means that IYLM is a poorly developed society by local and international standards.

3.5 Inequality

Chart 3: Inequality within CHDM with special focus on IYLM

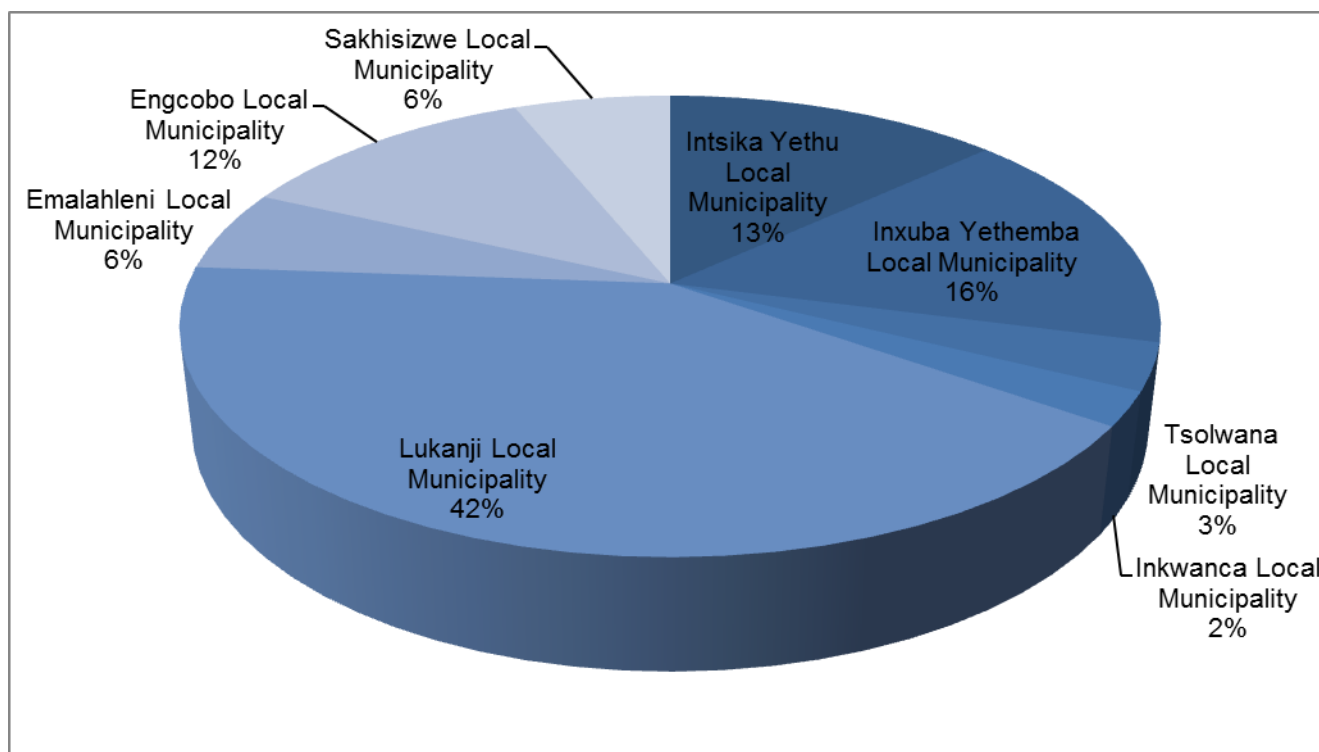


Source: Chris Hani Municipality Demographic Profile, 2011

The Gini Coefficient is a statistic which measures inequality in a society. The measurement varies from “0” (a perfectly equal society) to “1” a society in which one household or individual possesses complete wealth whilst everyone else earns nothing. In reality there are no completely equal or unequal societies i.e. “0” or “1”. Most societies will have a measurement ranging between 0.25 (fairly equal) and 0.75 (highly unequal). Nationally South Africa ranks as one of the most unequal societies on earth with a gini co-efficient score of 0.67 according to the World Bank. IYLM has a gini co-efficient of 0,58 which could be considered fairly unequal by international standards but is rather low by national standards, indeed IYLM is the least unequal municipality within CHDM. Whilst the relatively lower levels of inequality in IYLM may be interpreted as positive in the sense that higher inequality has the potential to cause social instability, it is important to remember that lower levels of inequality in IYLM could be caused by general poverty, in other words many people are equally poor.

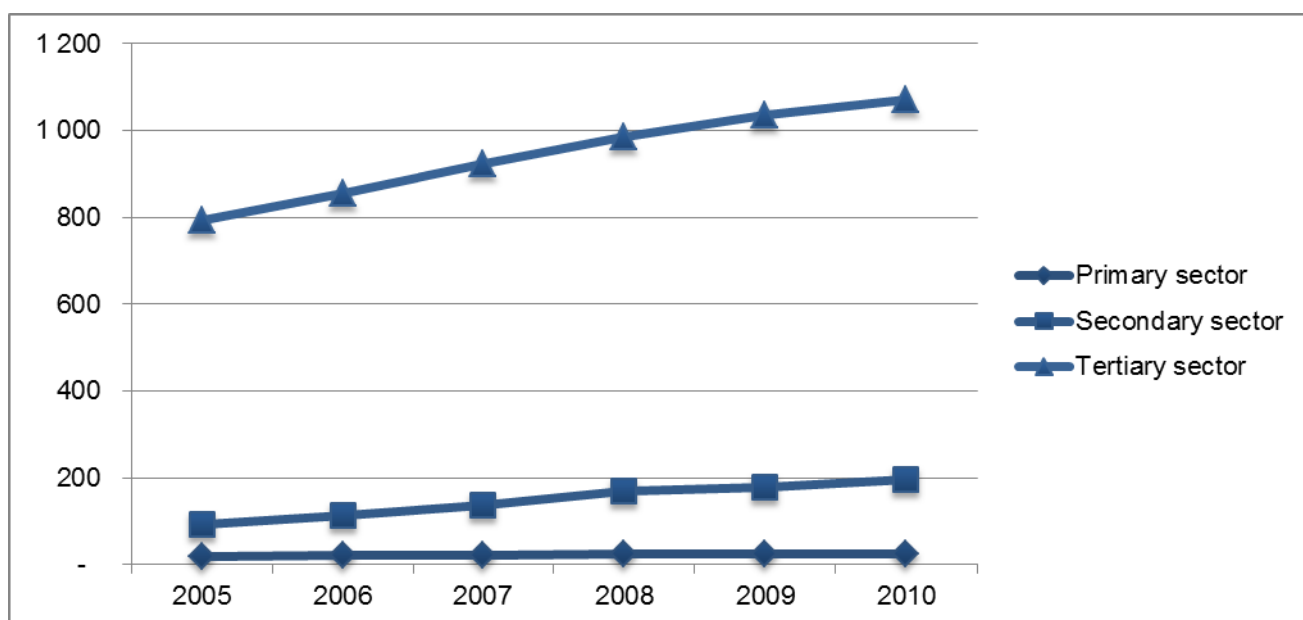
3.6 Economic Data

Chart 4: Gross Value Added contribution (2010) as a percentage per Local Municipality within Chris Hani District



Source: ECSECC, Statistics Database, 2011.

Chart 5: GVA contribution of IYLM across economic sectors



Source: ECSECC, Statistics Database, 2011.

The above graphs illustrate the Gross Value added (GVA) with regards to IYLM. GVA basically refers to the measure of the value of goods and services in a certain area. Chart 8 illustrates the GVA contribution of the different local municipalities to the CHDM whilst Chart 9 shows IYLM GVA across different economic sectors: namely primary, secondary and tertiary sectors. The primary sector of an economy includes all

economic activities that are concerned with extracting or harvesting products from the earth. In IYLM these products include primarily the following:

- Agriculture;
- Fishing and forestry; and
- Mining and quarrying.

The secondary sector of an economy includes all those activities concerned with manufacturing finished goods. Prominent IYLM secondary economic activities include the following:

- Food;
- Beverages and tobacco;
- Textiles;
- Clothing and leather goods;
- Wood;
- Paper;
- Publishing and printing;
- Petroleum products;
- Chemicals;
- Rubber and plastic;
- Metals, metal products;
- Machinery and equipment;
- Electrical machinery and apparatus, Radio and TV, instruments, watches and clocks;
- Transport equipment, Furniture and other manufacturing, Electricity;
- Water; and
- Construction.

The tertiary sector of the economy is concerned with providing services. The tertiary sector of IYLM includes the following:

- Wholesale and retail trade;
- Catering and accommodation services;
- Transport and storage;
- Communication;

- Finance and insurance;
- Business services;
- Community;
- Social and personal services; and
- General government.

Notably, Chart 9 illustrates that the tertiary sector is the primary contributor in terms of GVA of IYLM with the secondary and primary sectors contributing significantly less. Such a bias towards the tertiary sector hinders economic growth in an area such as IYLM because it is the primary and secondary sectors that should drive the growth of the local economy since they are far more labour intensive and have far greater capacity to stimulate beneficiation. This is not to say that the tertiary sector is not important however it is the primary and particularly the secondary sectors that can grow the economy.

3.7 Comparatives Advantages

An analysis of Intsika Yethu economy indicates that is high levels of concentration with high dependency on community services. This lack of diversification not only exposes the municipality but makes the municipality more vulnerable to external shocks and is one of the reasons for its inability to create jobs. There is a need therefore to ensure the diversification of the local economy.

To achieve this analysis of the local economy indicates that sectors with a comparative advantage at Intsika Yethu are community services, agriculture, trade and construction. These are the sectors the LED strategy has identified as key to unlocking the economic potential of the municipality which was adopted on the 20th of April in 2007 and with a long term vision, vision 2030. In addition to this tourism has been identified as having potential for growth economic.

(Part C) Spatial Orientation

4. Spatial Analysis and Rationale

This section necessitates that, the strategies, policy and maps reflect spatial implication with regard to ward investment in urban and rural setting. It is inherent therefore that, the principles of the National Spatial Development Planning (NSDP) and Provincial Spatial development Planning (PSDP) be applied to ensure sustainable planning e.g. densification, mixed use as well as mitigation and adaption strategies relating to climate change.

The Spatial Development Framework for IYLM has been reviewed and adopted by the Council on the 24 of June 2013. This is in response to requirements of Section 26 (e) of the Municipal Systems Act, 2000 (Act No 32 of 2000), that requires every municipality to formulate a spatial development framework (SDF) as part of the contents of its IDP to provide basic guidelines for a land use management systems of the municipality. This further necessitates that, the spatial analysis must consider the broad economic sectors and key structuring elements (nodes & corridors) since it is important that areas of need, potential (existing and latent) and decline are shown spatially. The IYLM's Reviewed SDF: 2009/2010 illustrates future development perspectives and desired growth, direction and pattern of spatial development and growth in the municipality.

There are two types of settlement patterns in IYLM, namely rural and urban, with urban centres in Cofimvaba and Tsomo. These urban centres possess a relative level of urban sprawl. Within IYLM there are approximately 213 rural settlements which are sparsely scattered all over the 21 wards within the municipal area with the largest concentration pockets found along the main access routes.

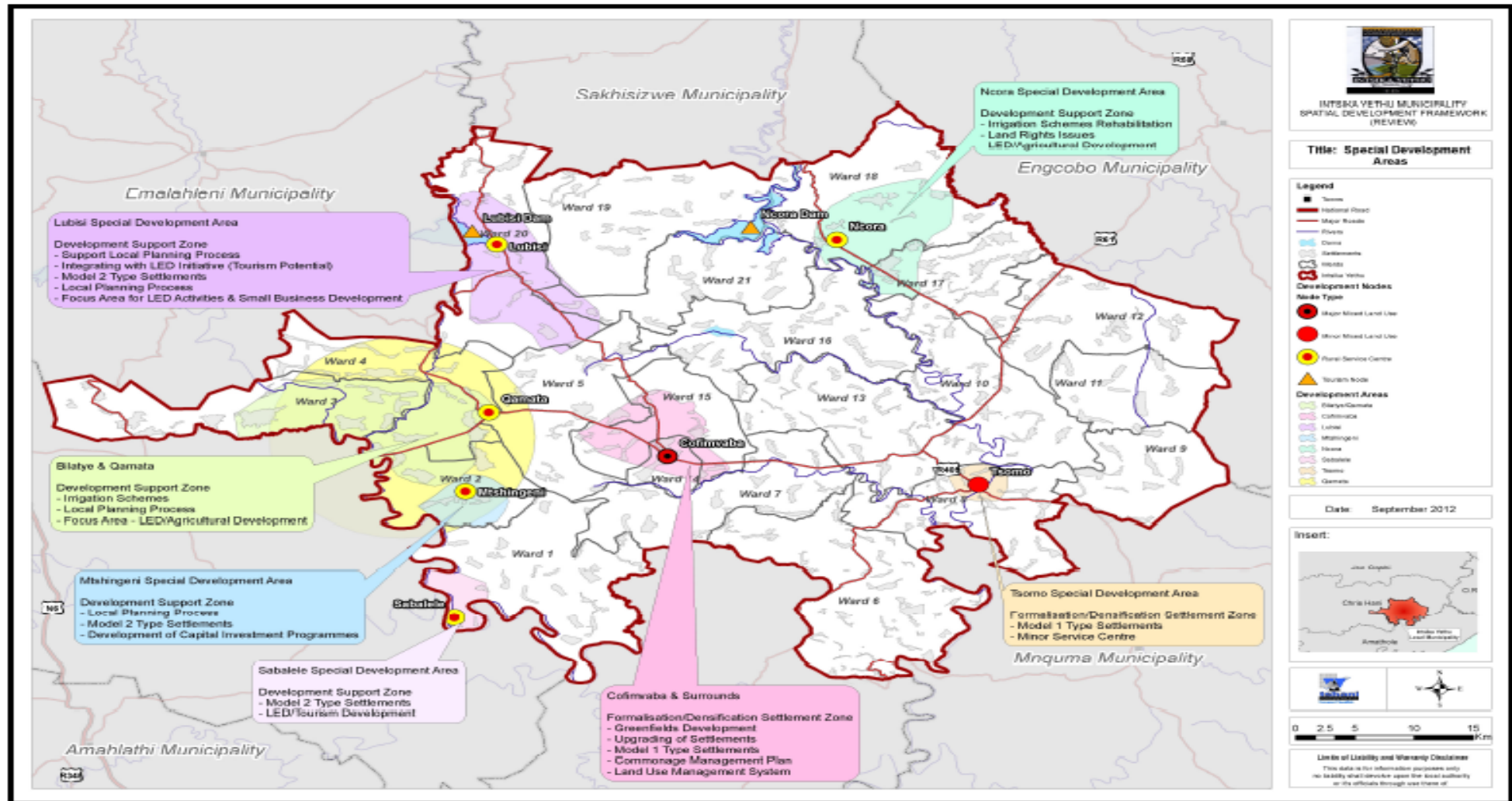
4.1 Spatial Overview

There are several issues that relate to IYLM with regard to spatial development, the following are regarded as key issues:

- Dispersed settlements patterns and pockets of development at urban centres surrounded by scattered underdeveloped rural villages, which implies great costs to achieve access to basic services and infrastructure;
- 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);
- Prioritisation of different levels of investment to ensure ongoing sustainable development and spin-off effects for continued economic growth in the IYLM area; and
- Limited economic activity outside of urban centres.

There is a 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.

Map 1: Spatial Priorities

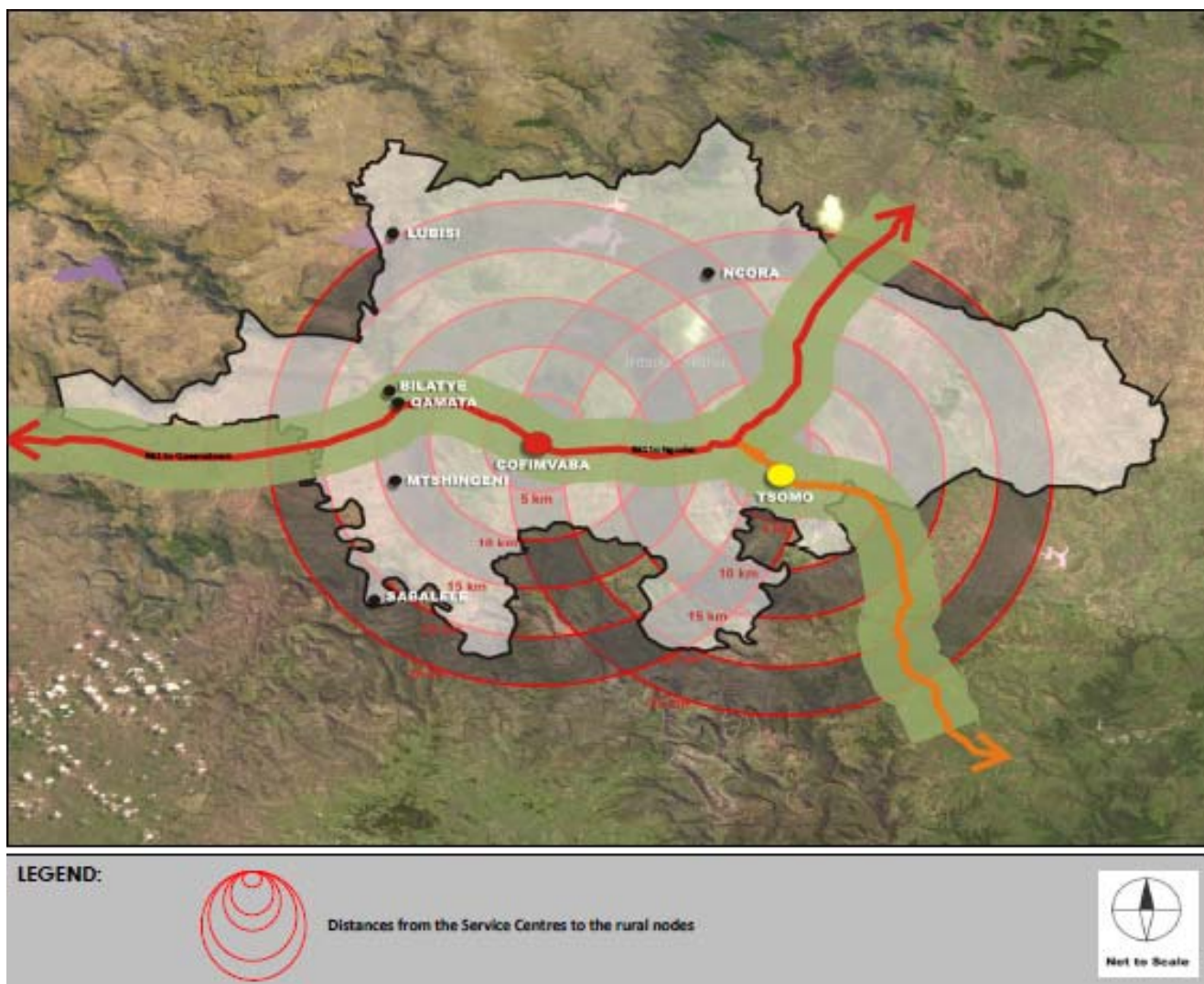


Source: IYLM Spatial Development Framework Review, 2012/13

4.2 Prioritized Secondary Nodes

IYLM has rural nodes that are the focus for development planning of the livelihoods support in agricultural development. These rural nodes are forming a key target area for land reform and rural housing development projects. It is reported that, the rural settlements were not formally planned and the need for rationalisation has been identified.

Map 2: Key nodes and corridors of IYLM



According to the IYLM the SDF identifies Cofimvaba and Tsomo as special development areas or most important development nodes that are to receive attention for development given their roles as service centres to 214 rural settlements within 21 wards. The two towns are to be complemented by prioritised secondary nodes spread across the local municipality. These are rural nodes, which will be the focus for promoting sustainable livelihoods; agricultural development, land reform and rural housing development.

Development issues identified in relation to the rural secondary nodes relate to the densification of these areas to create the economies that will make it possible to provide services in these areas. The economic sectors identified critical to stimulating economic development in these areas are agriculture and tourism.

Within proximity to Cofimvaba the following rural nodes have been identified: Qamata, Bilatye, Sabalele and Lubisi. These areas are within reasonable travelling distance from Cofimvaba, with Qamata and Bilatye being only 15 km away, Sabalele 20 km away and Lubisi 25 km away. Ncora is the only rural node identified in the SDF which is within 20 km from Tsomo and just more than 20 km from Cofimvaba.

The area is characterized by a gently sloping landscape and is encompassed by valleys. The incised hilltops and mountain found in the entire region are of similar altitude. The dominant geological types are volcanic intrusions and sandstone of the Clarens Group which is generally resistant to erosion. Below the sandstone are the red and purple mudstones together with shale. The soils in the area are categorized as shallow to moderately deep and highly weathered. Soil erosion has been caused by over grazing and dispersive soils in most areas in the Intsika Yethu. Most of the well-known forms of erosion including sheet, rill, gully, piping, head ward, stream-bankerosion, land and mudslides and piping all occur in the Intsika Yethu mainly due to poor land management practices. For more detailed information it is captured on the municipal SDF which is currently reviewed.

These include rivers, dams and wetlands.

Rivers

There are four primary drainage systems

Xonxa River

Ncora River

Lubisi River

Tsojana River

The area also has several perennial rivers and four dams, the major of the latter being the Xonxa, Tsojana, Ncora and Lubisi dams.

Dams

Three of the above listed rivers have been dammed to create large water impoundments suitable for large Scale irrigation schemes. These are;

Ncora Dam

Lubisi Dam

Tsojana Dam

Table 16: Prioritised Secondary Nodes

NCORA	QAMATA	BILATYE	SABALALE	LUBISI
<ul style="list-style-type: none"> ① The area has history of agricultural development ① There is a need for more funding of irrigation schemes to work to its potential. ① There is existing infrastructure which could be improved and utilized for training and development of skills for the nearby communities ① There is a need for funding to improve existing irrigation schemes ① Fish farming will have to be investigated 	<ul style="list-style-type: none"> ① The area has a lot of agricultural potential currently in a small scale and will be developed for maize production for commercial purposes ① Construction of shearing sheds ① Piggery ① Establish of community gardens ① The need for Environmental Impact Assessment as part of planning for all proposed developments which have potential to change the current land uses as well as upgrading of infrastructure ① Protection and preservation of natural vegetation is suggested ① There is also a need to investigate possibly of a game reserve coupled with proper management and fencing 	<ul style="list-style-type: none"> ① The area has been earmarked for wheat production and development of an agricultural village ① Other projects like construction of dipping tanks and piggery will add value to the livelihood of the community. The following has to be considered; <ul style="list-style-type: none"> Assessment of the available resources like dams and making proper use for the proposed development Investigations of possible land suitable for wheat production 	<ul style="list-style-type: none"> ① This area has a potential for tourism development but it needs to be improved through the proposed national Monument. ① Other tourist attractions areas will have to be identified and developed to ensure a holistic tourism route 	<ul style="list-style-type: none"> ① There provisions for all relevant environmental legislation would have to be complied with

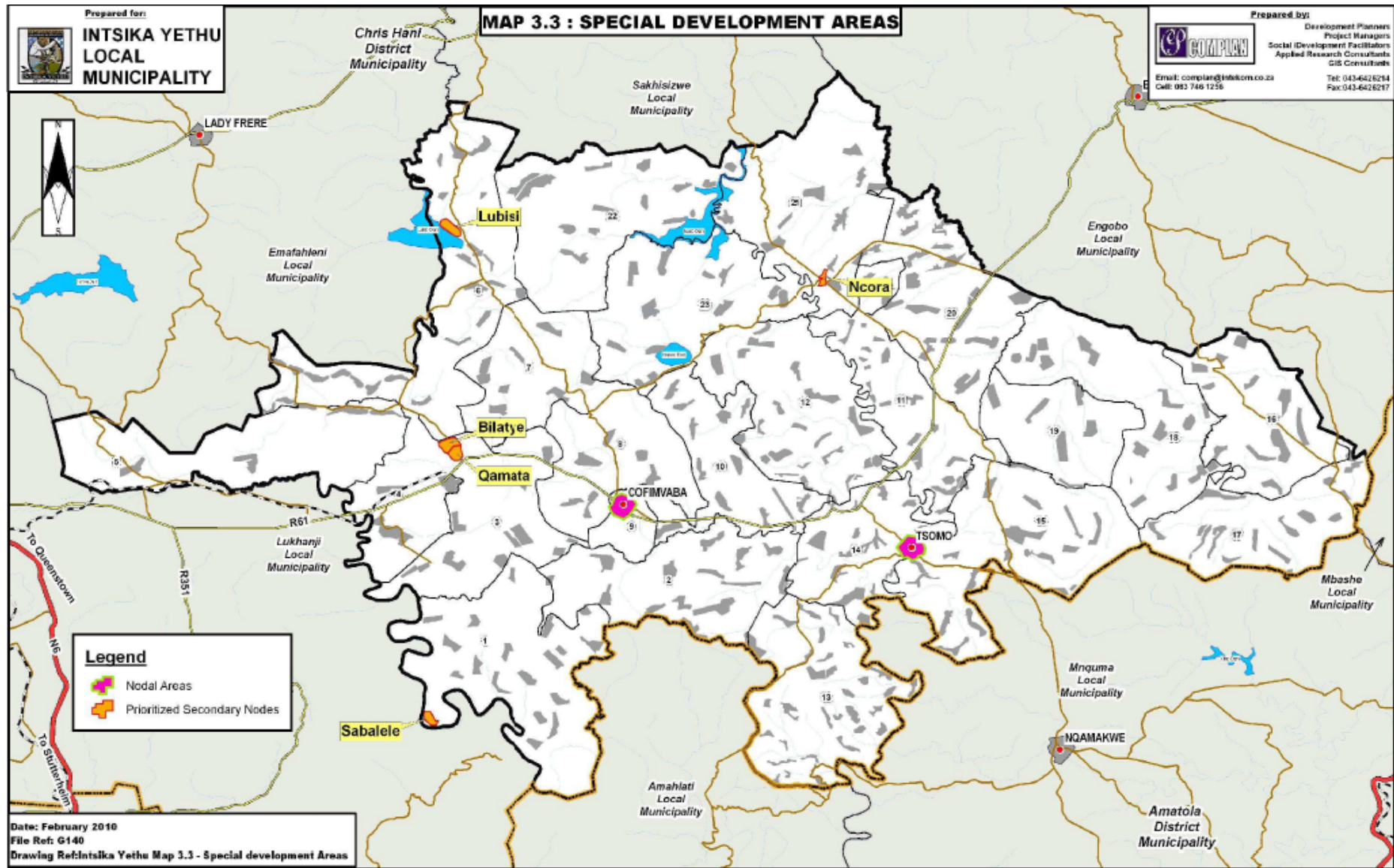
Source: IYLM Spatial Development Framework Review, 2010/11

4.3 Development Corridors

Development corridors are characterized by higher order ribbon-like development along routes that would otherwise be classified as movement corridors. Different types of corridors can be distinguished such as development corridors, movement corridors, and activity corridors. The R61 from Queenstown through Cofimvaba, Ngcobo to Mthatha has been identified as the East Corridor, one of the four major development corridors in the Chris Hani District SDF.

This section deals with the synopsis of key issues contained within the IYLM SDF. The municipality has resolved to make use of the cluster approach to the implement and facilitate the Integrated Development Plan, through the utilisation of the following clusters; Technical Service Cluster, Social Needs Cluster, Economic Development Cluster and Finance, Governance and Administration Cluster. The later cluster is cuts across all other clusters thus ensuring the effective and efficient operation over the cluster system. The development nodes approach links to the small towns' development strategy.

Map 3: Special Development Areas



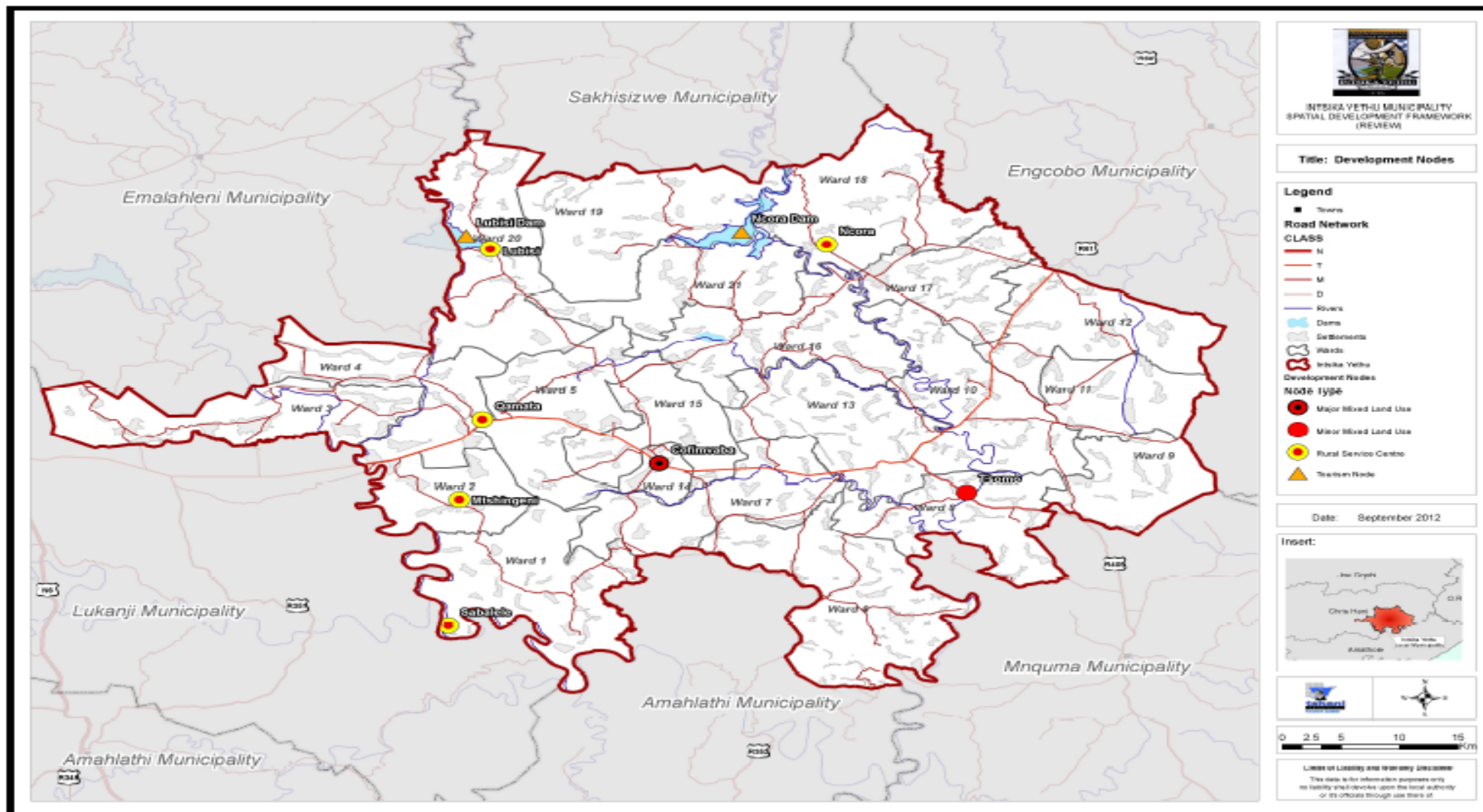
Source: IYLM Spatial Development Framework Review, 2010/11

IntsiKa Yethu final IDP 2015-2016

Table 17: Development Zones

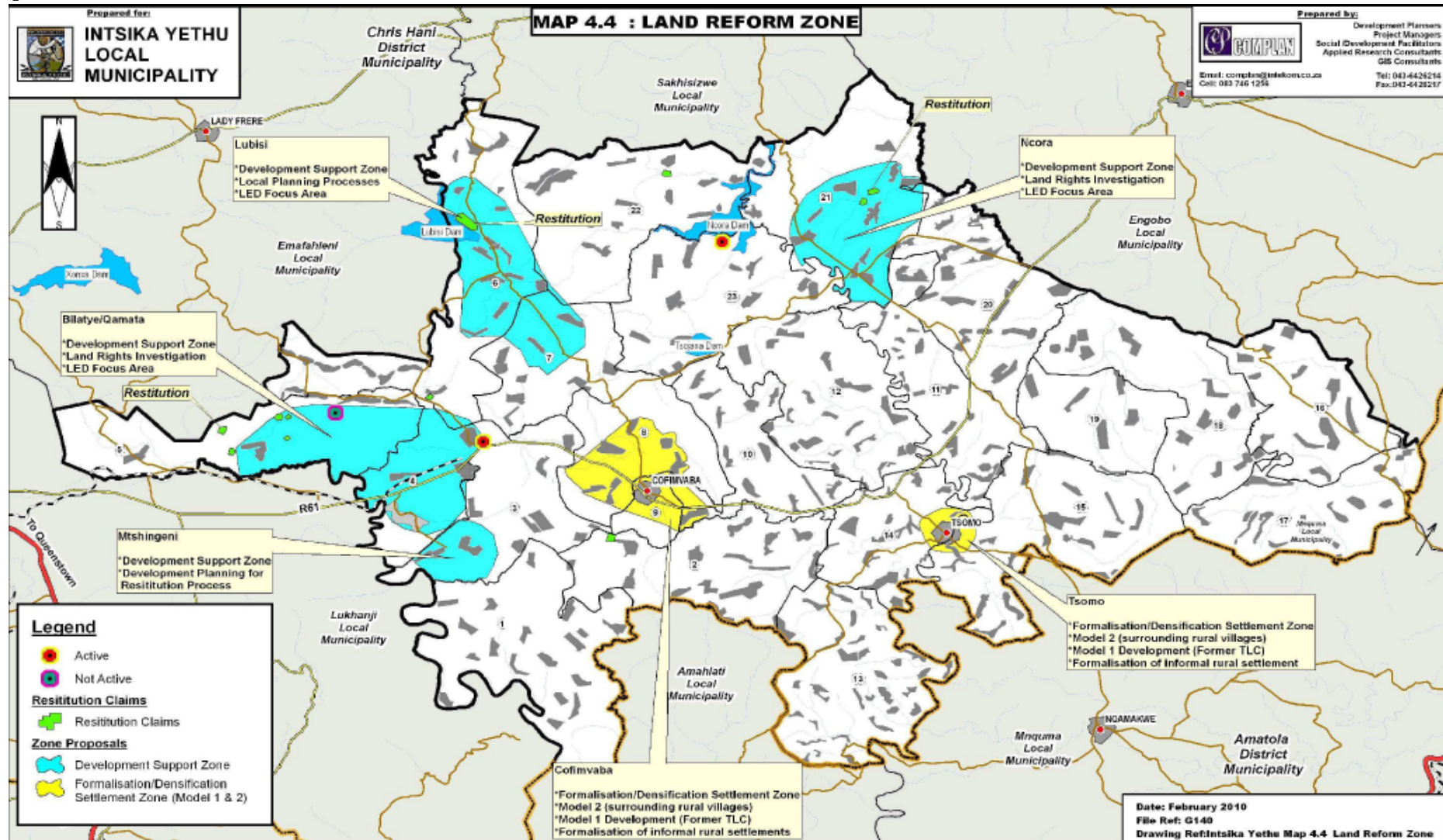
Settlement Zone Type	Locality and description	Rational for Zone Development	Key proposal
Cofimvaba and Surrounds (Formalisation/ Densification Settlement Zone)	Located at Cofimvaba town and surrounds, the area encompasses some 8 settlements including Cofimvaba town and houses about 16 000 people.	The zone is identified to emphasize the strategic objective of concentrating new settlement development in a planned and formalized fashion within the urban precincts of the existing town. Greenfields development as well as upgrading of informal settlements.	Formalisation and development of Model 1-type settlement in areas outwards from the central urban precincts of Cofimvaba as guided by the Municipal SDF. Local planning processes (formalization / institutional upgrade) are proposed to accommodate growing pressures and institute land use management system. Formulation of a Commonage Management Plan is prioritized.
Tsomo (Formalisation/ Densification Settlement Zone)	Located at Tsomo town.	Tsomo town is to provide a spatial indication that formal urban settlement should be prioritised in the existing urban centres. Note that little or no demand for residential units is registered at Tsomo town and the area should not be developed prior to efforts being concentrated at Cofimvaba in the short medium term (5-year planning period) unless a specific need arise.	Formalization and development of small-scale Model 1-type settlement in suitable areas outwards from the central urban precincts of Tsomo as guided by the Municipal SDF. Little pressure for growth is identified at Tsomo, therefore should continue as a minor service centre with no large scale housing development.
Mtshingeni Area (Development Support Zone)	Located at Mtshingeni area, which encompasses 2 rural settlements, accommodating about 4,000 people.	Area is identified as a Development Support Zone as it has been gazetted as a valid restitution claim.	Need for development planning to direct capital investment programmes for local development based on the gazetted land claim.

Settlement Zone Type	Locality and description	Rational for Zone Development	Key proposal
		<p>Zone identified to receive Local Planning Processes in collaboration RLCC for appropriate investment of development funds in the area.</p> <p>Area to support settlement, rural livelihood initiative, tourism and agricultural development.</p>	Local planning processes aimed at formalization and development of existing Model 2 type settlement.
Bilatye and Qamata (Development Support Zone)	Located in portions of Wards 4 and 5, in the irrigation scheme areas of Bilayte and Qamata and includes some 4 settlements with an estimated population of 13 000 people.	<p>Area is identified as a Development Support Zone because of the importance of the irrigation schemes of Bilatye and Qamata, which represent areas of significant investment in infrastructure over a period of time to realize commercial benefit from agriculture.</p> <p>Revitalisation of these irrigation schemes is a priority development initiative and the resolution of land rights issues in these areas is of great importance in achieving sustainable development outcomes.</p>	Local planning processes aimed at investigating land rights The area is a LED/agricultural development focus area and the realisation of the value of investments in infrastructure in the Zone is linked to the resolution of land rights issues in the local areas.
Lubisi “cluster” (Development Support Zone)	Portions of Wards 6 and 7, and encompassing the Lubisi Dam and some 13 settlements, which house 15 000 people.	<p>IYLM identified this area as where LED initiatives have been prioritized.</p> <p>Lubisi is identified to support Local Planning Processes in the area, aimed at integrating with LED initiatives (tourism potential) and enhancing development outcomes.</p>	Local planning processes aimed at the formalisation of Model 2- type settlements and the resolution of land rights issues The area has been identified by the LM as a focus area for LED activities, including Small Business Development.



Map 4: Development Zones

Map 5: Land Reform Zone



Source: IYLM Spatial Development Framework Review

(Part D) Service Delivery Profile

5. Service Delivery Profile and the Clusters

This section provides an analysis of the service delivery profile of IYLM with specific reference to the backlogs facing the municipality. The National government has set out the National target for eradication of service delivery backlogs. These targets are aligned to Millennium development goals (MDG's) and outcomes approach targets, hence a consistent effort should be made to achieving the targets. Access to social and economic services enables people to participate more meaningfully in their economy.

5.1 Cluster Model integration and coordination

The municipality has resolved to make use of the cluster approach to the implement and facilitate the Integrated Development Plan, through the utilisation of the following clusters; (1) Technical Service Cluster, (2) Social Needs Cluster, (3) Economic Development Cluster and (4) Finance, Governance and Administration Cluster. The latter cluster cuts across all other clusters thus ensuring the effective and efficient operation over the cluster system. It is recommended that all these clusters have a programme of action which culminates into the Performance Score Card and SDBIP. Cluster system can allow more involvement of (s57 Managers), Portfolio Committee Members of the municipality who are responsible for the availability of quality and relevance of information provided under their respective Key Performance Areas in the IDP. Consequently the cluster system allows the (s57 Managers) to prioritise the support to the IDP and increase efforts towards improving the quality of information and input to the IDP regarding their KPAs. It is through the improvement on individual KPAs that the quality of IDPs will improve and enhanced by the same commitment from Council Portfolio Committees. Such commitment should be present throughout the duration of the IDP-Cycle since the ultimate quality of forward planning (IDP) is best informed by the situational analysis which is the mirror of the municipality in as far as its existing conditions is concerned.

The cluster approach in this regard deals with the following issues:

Table 18: Cluster approach

Technical Service Cluster	Social Needs Cluster	Finance, Governance & Admin Cluster	Economic Development and Planning Cluster
Infrastructure Planning & Development Senior Manager	Community Service Senior Manager	Municipal Manager	Economic Development & Planning Senior Manger
<ul style="list-style-type: none"> • Planning and land use management • Electricity • Street lighting • Roads and Storm Water • Land Administration and Housing • Municipal Public 	<ul style="list-style-type: none"> • Education (early childhood & adult learning programmes) • Municipal Health (Health) & Hygiene promotion) • Special Programmes (including Aids, Disabled, Youth & Women) 	<ul style="list-style-type: none"> • Functional Administration/ Administration oversight • Intergovernmental Relations • Policies & By laws • Public Participation • Support to Council political leadership and CDWs 	<ul style="list-style-type: none"> • Local Economic Development (Agriculture, Forestry, Tourism, SMME's) • Poverty alleviation • Markets • Street trading • Local Tourism • Environmental Management • Municipal planning (IDP, PMS, SDBIP & LED)

Technical Service Cluster	Social Needs Cluster	Finance, Governance & Admin Cluster	Economic Development and Planning Cluster
<p>Works</p> <ul style="list-style-type: none"> • Facilitation of EPWP implementation 	<ul style="list-style-type: none"> • Public Safety & Traffic (Safety and Security) • Public space and Parks • Disaster Management-Fire fighting • Waste Management • Refuse Removal & transfer stations • Public Transport • Community Facilities • Cremation and Cemeteries • Cleansing • Pound Management • Licensing of liquor selling outlets • Licensing of dogs • Control and inspection of food & beverage outlets 	<ul style="list-style-type: none"> • Financial viability • Budgeting • Financial reporting and credit control • Property Valuation and billing systems • Risk & Asset Management Plan • Equity Plan and Transformation • Telecomm nation 	

5.2 Technical Service Cluster

5.2.1 Free Basic Services and Social Infrastructure

In the provision of basic services and social infrastructure IYLM has increased its capacity and staffing complement steadily over the years, expanding the breadth and depth of its service delivery. Currently IYM's Free Basic Unit has the following staff complement, Senior Indigent Coordinator, Assistant Free Basic Services Coordinator, Indigent Clerk Intern.

IYM provides Alternative Energy to 3000 households, Electricity to 5800 households, Water to 7000 households, Refuse removal and Sanitation to 16 households. There is a functional Free Basic Forum which oversees the updating of the Indigent Register. The Forum operates according to the guidelines outlined in the Indigent Policy. The local Free Basic Forum representatives attend both the district and provincial forums.

However, serious gaps remain in the integration of its infrastructure provision. At this time the municipality does not have an Integrated Service Delivery (ISD) Unit, nor does it have a Comprehensive Infrastructure Plan (CIP) outlining the institutional requirements and financial viability of service delivery at this time. However, it does have an Integrated Service Deliver Officer tasked with interfacing with the public around service delivery matters and it has initiated the process to engage a service provider to assist in the development of a CIP for the municipality. It is expected that such a plan will be adopted by Council over the new term. For the time being, IYLM takes an issue-to-issue approach to addressing its service delivery backlogs and challenges.

The following is an overview of the municipality's status quo in this regard.

Refusal Removal or disposal: The provision of the refuse removal is provided in the urban areas of Cofimvaba and Tsomo and the service has been extended to peri urban areas which include Mzomhle Location near Tsomo and Ekuphumleni nest to Cofimvaba and is collected according to the collection schedule developed by municipality. Seventy eight percent (78%) of households have access to weekly refuse removal services, and all businesses in both towns are serviced daily. About 60% in mostly rural areas burn their waste or dispose it within their yards.

The IYM has the following staff complement for Refuse.

1 Assitant Manager – Enviromental Management

1 Enviromental management Officer

2 x Supervisors (Tsomo & Cofimvaba)

5 x truck drivers (4 permanent and 1 on one year contract)

9 x general workers

30 x casual workers who work on a three month rotational basis

Refuse Equipment used is as follows:

1 x compactor truck

1 x cage truck

2 x tractors

15 skip bins for communal areas

80 refuse bins

Waste is disposed at a licensed landfill site in Cofimvaba. At the landfill site there are two cooperatives who conduct the sorting of waste on site and bail the reclaimed materials for selling to recycling market. There is a Transfer station at Tsomo which is also licensed.

The operations, maintenance and operations of the landfill site is done by the municipality. The refuse removal service is implemented through a Littering, Dumping and Waste Management By law. The municipality also subscribes to the Waste Information System on a monthly basis for waste data as the landfill site has a weighbridge. Awareness programmes are conducted with relevant stakeholders which include businesses in both Cofimvaba and Tsomo and communities in both towns. This programme is conducted with the assistance of awareness campaigners from Youth Jobs in Waste Programme which is funded by Department of Environmental Affairs. Currently there is a R7Million project funded by Department of Environmental Affairs which includes construction of Buy Back Centre in Cofimvaba Landfill site, refurbishment of the site and litter picking for the duration of a year.

The municipality also plans to implement other Waste Minimisation and Open Space Rehabilitation projects whose deliverables will include:

- Separation at source. The municipality has received 700 wheelie bins from Youth Jobs in Waste Program, 350 bins are yellow and 350 bins are green. The bins will be distributed to 350 households for sorting at source.
- Providing waste collection in high density and informal areas through Household Contractors.
- Clearing of illegal dump sites in both Cofimvaba and Tsomo.

The municipality is also supported by the Chris Hani District Municipality in various ways and worth mentioning is the development of the Integrated Waste Management Plan for 2011- 2012. The IYM is finalising the Environmental Sector Plan for 2014 -2015. The district will assist the municipality in establishing a Waste Forum in 2015-2016.

Roads and Transport: The Department of Roads and Transport of the Province of the Eastern Cape has made a strategic decision to assist Local and District Municipalities with the establishment of transport forums by making standard guidelines available for these authorities. In respect of the above, Intsika Yethu established its Road and Transport forum and is functional as we speak. It is comprised of the following stakeholders; SAPS, Dept. of Health, SASSA, Dept. of Public Works, Dept. of Home Affairs, Dept. of Correctional Services, and Public Transport Owners (Bus and Taxi Association. Meetings are held once a quarter and special meetings are convened when necessary. Currently there is a taxi rank at Cofimvaba town that accommodates Buses also and Tsomo town is under construction.

IYLM's road network is mainly made of gravel roads which need upgrading and maintenance services. Tarred roads are found along the R61 linking major Towns of Queenstown and Mthatha through Tsomo to the N2 in the East London direction. The municipality is also conscious of the number of citizens that rely on walking and has undertaken an expansion and upgrading of walkways throughout public areas and along certain public paths complete with the expansion of community lighting, as provided for under the Projects and Programmes section of this document. The municipality has developed its own Local Integrated Transport plan which will focus on Local on transportation (ITP) and Storm Water Management Plan and adopted by the council.

5.2.1.1 Summary of existing backlogs within IYLM circa 2010

Table 19: Progress against backlogs within IYLM

Type of backlog	Backlogs Census 2001	Backlogs eradicated up to 2014/2015	Remaining backlogs	Backlogs eradicated at the end of 2014/2015	Backlogs at the start of 2015/2016
Road infrastructure (incl. Storm Water)	1320 kms	370 kms	1014 kms	28	986 kms
Refuse Removal	21 Wards	2 Wards	19 Wards	0 Wards	19 Wards
Rural electrification	240 Villages	14 Villages	226 Villages	1 Village	225 Villages
Community facilities	56 buildings	12 buildings	44 buildings	0 buildings	44 buildings

The above table indicates the existing infrastructure backlogs within IYLM and considers a backlog to be any infrastructure needs.

Municipal service delivery on these issues is challenged by the low revenue base of the municipality from which it finances the provision of these services. At this time, approximately 20% of IYLM's own revenue is used to fund capital projects and infrastructure developments, with the remainder financed by government grants. However, given the backlogs detailed above, IYLM will need to expand its revenue base while increasing and effectively applying all government grants if it seeks to make a serious indent into the extensive backlogs it faces over the new term. At this time, the municipality does not have any other sources of infrastructure investment but the potential to pursue the possibility of public/private partnerships remains.

Table 20: Funding sources for addressing service delivery backlog

SOURCE OF FUNDING	2014/2015	2015/2016	2016/2017	TOTAL AVAILABLE	FUNDING REQUIRED	SHORTFALL/ Surplus
MIG	R 38,856,000	R40,362,000	R39,895,000	R 119,113,000	R 1,405,666,360	R 1,286,553,360
INEP	R 6,000,000	R 20,000,000	16,500,000	R 42,500,000	R 179,497,500	R 136,997,500
MUNICIPAL						
TOTAL	R 44,856,000	R 60,362,000	R 56,395,000	R 161,613,000	R 1,585,163,860	R 1,423,550,860

Electricity: IYLM receives the supply of electricity through Eskom; the major towns of Cofimvaba and Tsomo are served with electricity. The High Voltage (HV) Electrical Power line extends from Komani/Qamata 1132KV to Qolweni/Manzana 166KV. Another power line extends from Cala/Elliot 166kv to Butterworth/Noora 166kv. About 66% households have access to electricity. According to RSS (2006) surveys the electricity backlog amounted to 44% of total demand, which has subsequently declined. The municipality is challenged in this area in that it is not the authority, nor the provider, and therefore it remains reliant on Eskom for the provision of electricity rollout to villages. This is further challenged by a funding shortage to address the existing backlogs the municipality has facilitated to get funding from the Department of Minerals and Energy (DoE).

Housing: In terms of IYLM Housing Sector Plan (2008-2012) the area has municipal commonage land which is available for future housing developments. The sites are well located in relation to work opportunities and social services. IYLM is currently revising the existing Housing Sector Plan which will provide a more updated and comprehensive outline of the trajectory of the municipality in this regard. In particular, informal settlements were previously omitted from the Housing Sector Plan, but are now being duly considered along with the migratory patterns of the municipal area which has seen at worst, a considerable out-migration of young people, and at best, a stasis in population growth. A Migration Plan is also proposed for consideration as part of Annexure A to this document.

One of the bigger challenges in this regard is in the implementation of housing provision which IYLM does not have the power to do. Municipal capacity is said to be sufficient to support the provision and expansion of most bulk services in this regard, but the onus for actual implementation of housing provision rests with the Provincial Department of Human Settlements. For example, the municipality currently has plans for approximately 4302 households submitted to the provincial department (608 in Joe Slovo, 431 in Enyanisweni at Cofimvaba, 263 in Tsomo) constituting both rural and urban. It has made financial provision for the roll-out and extension of bulk services to these areas but remains reliant on approval from the Provincial Department in order to proceed. Another challenge is the issue of land claims around Cofimvaba town which hinders housing development plan. As the mitigating factor, the municipality is currently using a strategy of joint planning with communities involved, as much as Law requires no development in areas that have claims.

Housing Demand Data Base: IYM has the demand data Base programme although there are challenges in sustaining it due to the migration patterns, technical problems as well as the mortality rate. The migration plan on the IYM Housing sector will look at harnessing these migration patterns.

Land reform: The existence of communal and informal land ownership systems in some rural areas is a major challenge to development because it locks land which is needed for improving the lives of rural people. There is a commitment by the Department of Land Affairs to transform land tenure so that rural households living on traditional or communal lands can have access to land ownership.

Without a credible Land Asset Register IYLM has relied on its valuation roll to identify land potentially available for development throughout the municipal area. A recent valuation in July of 2011 and two subsequent supplementary valuations have provided a credible basis for which IYLM has been considering future land development. The imminent completion of a more updated SDF will further inform the municipality in this regard.

With regards to addressing land degradation and revitalisation, the municipality currently lacks an existing plan in this regard, but is undertaking work to address this issue. It has been prioritised and provided for as part of the high-level service delivery targets identified later in this document. Consideration is being given towards the development of a plan in this regard.

One of the challenges in this regard has been that of land invasion, of which the municipality has experienced at least one incident recently. Although IYLM does not have any formal mechanisms in place in the event of land invasions, its past experience has made it familiar with the process of approaching the Courts and following due process of the law prior to enforcing removals from illegally occupied land. As a result of this process IYLM has identified alternative housing but the relocation of households from invaded land to alternative accommodation has yet to be finalised.

In relation to Land Reform, Section 10 (1) (c) of Land and Assistance Act, 1993 (126 of 1993), as amended, provides that the Minister may, from money appropriated by parliament, on such conditions as she/he may determine, grant an advance or subsidy to municipalities to acquire land to be used as a commonage or extent an existing commonage.

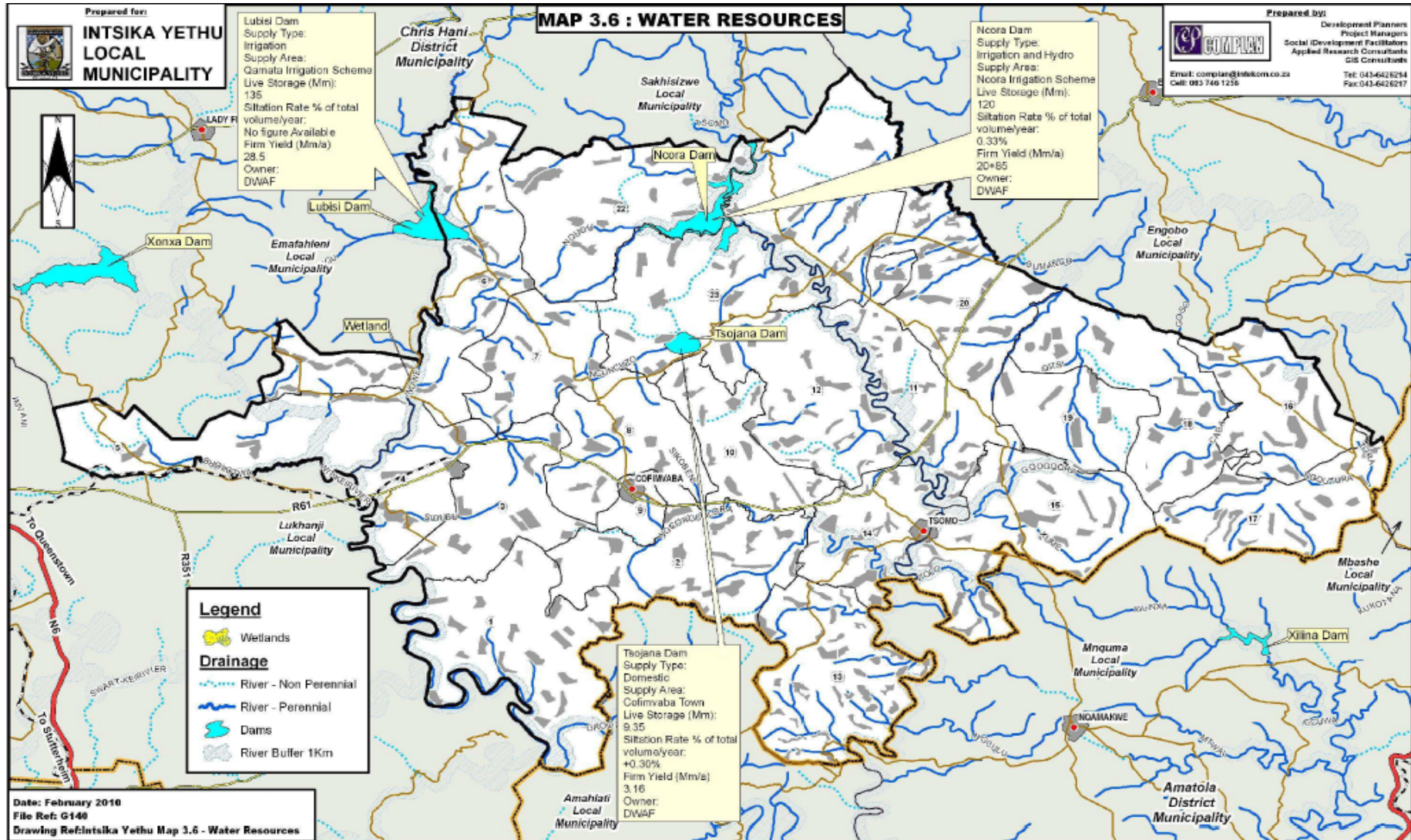
Following from the above background it is suggested that the municipality should consider the following issue:

- Identification and purchase of private agricultural land within the area of municipal jurisdiction for commonage purposes;
- Identification of all state land (SADT farms, RSA farms and National Government of SA farms) within the area of municipal jurisdiction for redistribution purposes;
- Creation of mechanisms through which both commonage and land reform (LRAD projects in particular) beneficiaries could access support such as provision of necessary farm infrastructure, training and capacity building, marketing and business development, and information and knowledge management; and
- Establishment of leasehold or freehold small family farms (as opposed to large farms) to enhance access and security of tenure to land for the majority of those who have interest in farming in order to ensure secured and increased household food production and production for local markets.

The Department of Rural Development and Land Reform (DRDLR) has also stated that, "In terms of the policy framework document for the Land Redistribution for Agriculture Development (LRAD), it is crucial that municipalities should create mechanisms within its programmes to allow rural communities to express their needs for land reform (LRAD in particular), and to respond to these demands. It further

provides that the local Department of Agriculture in collaboration with the District and Local Municipalities should ensure the congruence of LRAD projects with the IDPs. DRDA is expected to expand support services to emerging farmers who are mainly characterised as being resource poor farmers. The services that are rendered by the Department to farmers that are engaged primary in subsistence farming on communal land will also continue to receive attention. The communal lands of the Province contribute significantly to the social safety net in food security and village survival strategies.

Map 6: Water Resources



Source: IYLM Spatial Development Framework Review, 2010/11

The availability of services such as water, energy and transport allow people to become more profitable in their work, while communication establishes a vital link between people and the outside world. One of the Millennium Development Goals (MDG) is to halve the proportion of the population who have no sustainable access to safe drinking water and basic sanitation by 2015. IYLM has estimation between 500-900 mm of rainfall.

Table 21: Household access to water within IYLM

	Number of households	% Number of households
Piped (tap) water inside dwelling/institution	1 002	2.5
Piped (tap) water inside yard	2 834	7.0
Piped (tap) water on community stand: distance less than 200m from dwelling/institution	16 728	41.4
Piped (tap) water on community stand: distance between 200m and 500m from dwelling/institution	6 914	17.1
Piped (tap) water on community stand: distance between 500m and 1000m (1km) from dwelling /institution	2 070	5.1
Piped (tap) water on community stand: distance greater than 1000m (1km) from dwelling/institution	769	1.9
No access to piped (tap) water	10 131	25.0
Total	40 448	100.0

Source: Census, 2011.

Table 22 presents data regarding IYLM's resident's access to water according to census 2011. The data shows that the majority of IYLM with access to piped water as per RDP standard (water with 200m from the dwellings) is 41.4%. Only 25% of residents in the area had no access to piped water. Also according to the 2011 Census, almost 17.1%) of the households have access to piped water in their homes or on a community stand in the distance of between 200m and 500m. Those that have an access to piped water inside their dwellings is 2.5% whereas those that have piped water inside their yards is 7%. Only 1.9% of the residents has access at a distance of more than a kilometre.

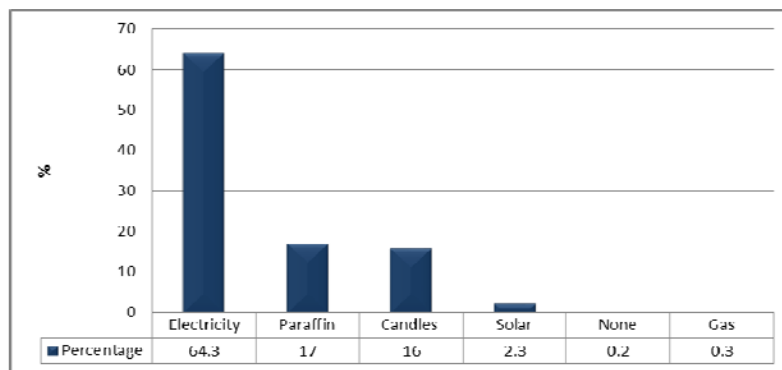
It is important to remember that it is the district and not IYLM which bears primary responsibility to ensure that people have access to water. In terms of the water supply arrangements in the Intsika Yethu the district has appointed rural water scheme maintenance contractor – Maluti GSM – to operate and maintain rural schemes while the DM provides on its own in the town areas of Cofimvaba and Tsomo.

Table 22: Household access to energy within IYLM

Household access to energy

	Number of households	Percentage
None	77	0.2
Electricity	25988	64.3
Gas	112	0.3
Paraffin	6862	17
Candles	6490	16
Solar	919	2.3
Total	40448	100

Chart: showing household access to energy



Source: Statistics, Census, 2011.

IYLM with regards to electrification, only 64.3 % of households were estimated to be using electrical as a source of energy for lighting in 2011. Paraffin is the second most used form of energy in IYLM with an estimated 17% of households using it for energy. It is also noteworthy that 16% of households use candles as a main source of lighting whereas 2.3% and 0.3% respectively use Solar and Gas as their source of energy.

Eskom is the only electricity provider in IYLM. In the table solar energy which is an alternative energy source supported by IYLM is categorized together with “unspecified” and “other” forms of energy. The municipality’s role is currently to facilitate the implementation and communicate with Eskom regarding areas of priority for connections. Backlogs in electricity connections remain high for most areas in the municipality.

Table 23: Household access to refuse removal within IYLM

	Number of households	Percentage
Removed by local authority/private company at least once a week	1151	2.8
Removed by local authority/private company less often	173	0.4
Communal refuse dump	557	1.4
Own refuse dump	25456	62.9
No rubbish disposal	11897	29.4
Other	1215	3
Total	40448	100

Source: Census, Statistics, 2011.

Table 24 shows that 62.9% of households in IYLM reported having to dump their refuse themselves instead of it being removed by authorities. 29.4% of households reported having no rubbish dumping facilities at all. Only 2.8% reported having their refuse removed on a weekly basis by a local authority. Such a situation has serious implications for the overall hygiene of residents in the area, especially because table 22 shows that almost 25% of the residents use other sources of water like rivers, dams and lakes etc. as their only source of water, therefore posing a great health risk since water which is used for drinking and cooking could become exposed to harmful substances associated with refuse.

IYLM is responsible for providing refuse removal services to its areas of jurisdiction. Since the establishment of IYLM municipality in 2000, this service has generally been provided to the urban areas of Cofimvaba and Tsomo only. Rural areas generally use a range of temporary mechanisms such as their own dumps within the yard, illegal dumping sites and mobile tankers.

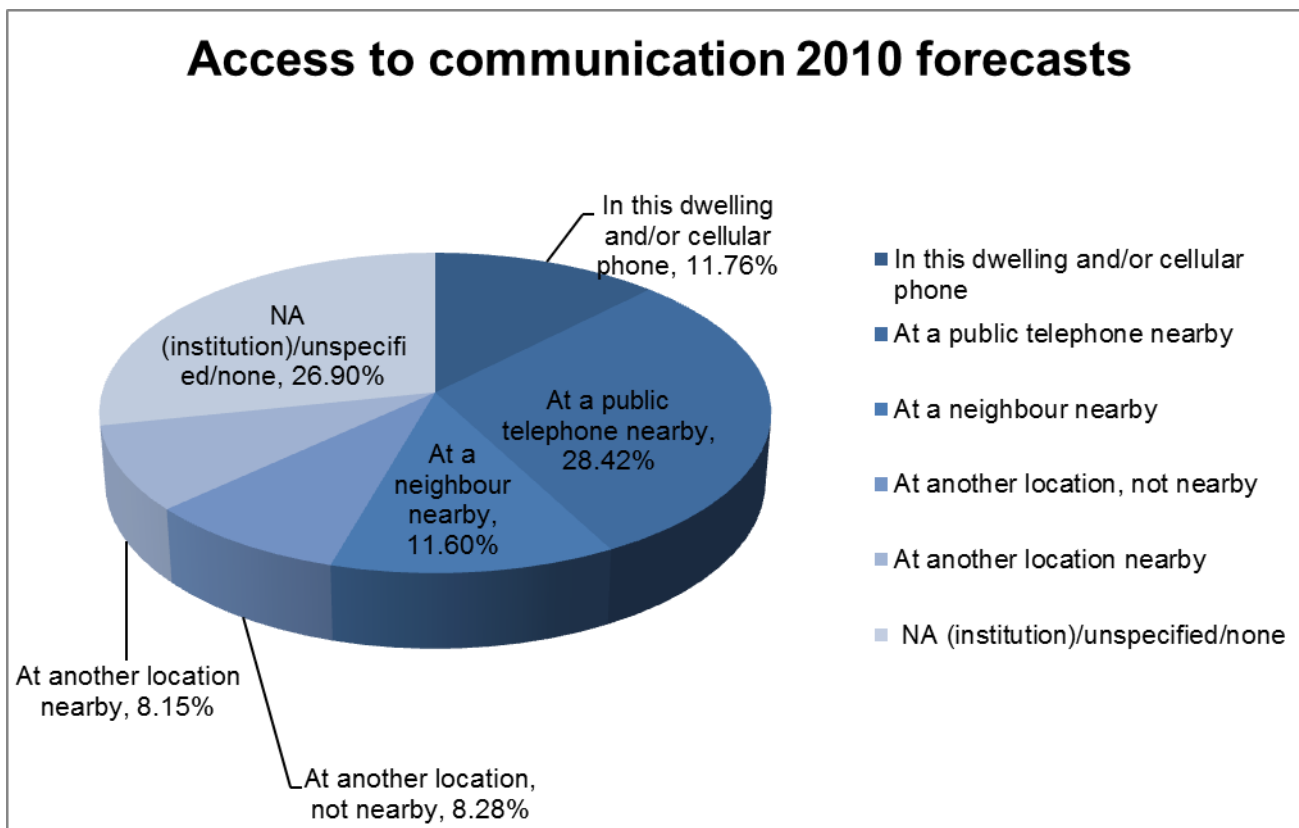
Table 24: Household access to sanitation in IYLM

	Number of households	Percentage
None	15018	37.1
Flush toilet (connected to sewerage system)	918	2.3
Flush toilet (with septic tank)	373	0.9
Chemical toilet	711	1.8
Pit toilet with ventilation (VIP)	9124	22.6
Pit toilet without ventilation	12410	30.7
Other	1894	4.7
Total	40448	100

Source: Census, Statistics, 2011.

The table above gives a breakdown of the situation in IYLM regarding sanitation. It reveals that 37.1% have no access to sanitation whereas 62.9% have access to various categories of sewage/ sanitation. Looking at the 2011 estimates we can see that the majority (30.7%) of households use pit toilets without ventilation and the second largest group is the pit latrine category which accounted for (22.7%). Chemical toilets and VIP toilets are mainly used in rural areas with chemical toilets account to almost 1.8% of the households. Only 2.3% of people were believed to be using flush with sewage system and 0.9% using flush toilets with septic tank. Only 4.7% according to the census are not using any of the above.

Chart 6: Access to Communication (2010 forecasts)



Source: ECSECC, Statistics Database, 2011

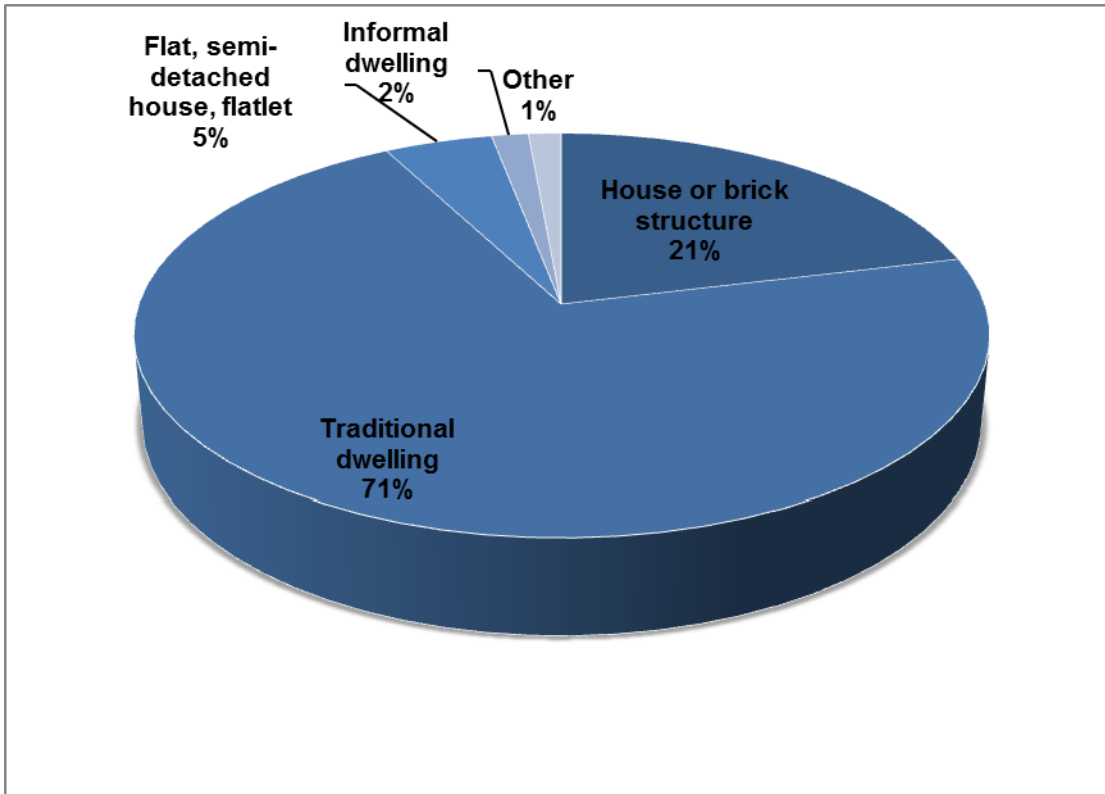
According to the ECSECC data, only 11% of residents in IYLM had access to a telephone in their own home or access to their own cell phone. The largest proportion of households in IYLM (28%), rely on using a nearby public phone for communication. Interestingly, 26% of households could only be categorised as “unspecified” or “not applicable”, meaning that there is no information on what mode of communication these households use. Either way what is striking about these statistics is the fact that an estimated 56% of households in IYLM were still believed to be leaving their houses in order to communicate with others far away because they have no other access within their houses e.g. cell phones, telephones etc.. Communication has become a vital part of life and business and a lack thereof easily impedes not only the quality of life but also inhibits the ability of entrepreneurs, students, and other working professionals to maximise opportunities that may come their way.

5.2.2 Human settlements

The Chart below illustrates that 71% of houses in IYLM are Traditional dwellings. Only 21% of houses in the municipality are brick structures. It is important to remember that many households in areas such as IYLM prefer traditional dwellings rather than formal brick structures for cultural reasons. The municipality maintains a formal housing waiting list which indicates that there are in excess of 2000 families which require housing in IYLM. Just what role the municipality will play in meeting the demand for housing is yet to be clarified since IYLM is not a housing authority. The municipality is yet to formalise Land Administration and Housing function.

Settlements in IYLM are typically clustered on ridges and along the roads with a variety of housing structures built out of mud brick, block and brick walls. Roofing varies from thatch to tiles or to corrugated iron. In the two towns of Tsomo and Cofimvaba, there are informal structures and back yard shacks behind larger houses built from brick and blocks.

Chart 7: Distribution of housing across IYLM



Source: ECSECC, Statistics Database, 2011.

5.3 Social Needs Cluster

5.3.1 Education levels

In terms of Stats SA (2001) National Census education IYLM fares very poorly in terms of education. About 36, 7% of the population has no formal education while 24% have some primary schooling and 7% have completed their primary schooling. About 23% are recorded to have secondary schooling and only 9% of the population have completed matric (Std.10 / Grade 12) and Higher education. There are a number of reasons for the low levels of education in IYLM which include:

- Parents lack the money to send children to school;
- Lack of scholar transport (which is critical in providing mobility to scholars to access their educational institutions) this results in poor scholar attendance and increased dropout rates in many remote rural areas;
- Regarding Scholar Transport Assistance, the policy guidelines from the Eastern Cape Provincial Department of Education stipulates that public school learners who stay 5km (grade 4-12) as well as 2,5km (grade R-3 and physically challenged learners) or more away from nearest and appropriate school should be provided with a subsidized transport to attend school, priority should be given to learners in the most disadvantaged communities; and
- Another dimension of the problem relates to inadequate School Nutrition program in rural schools and farm schools and possible expansion to cater for all needy learners. According to MEC's School Community Co-operative Ilima Programmes (SCCIP), "learners who are hungry do not have equal access to high quality education, and do not have access to opportunities for equal education achievement and will ultimately not have access to further education and employment opportunities that will change their social and economic circumstances".

It should be acknowledge that in terms of Schedule 4 Part A of the Constitution, education at all levels, excluding tertiary education falls under function areas of concurrent National and Provincial legislative competence. This implies that all education related issues in the CHDM are dealt with by the Eastern Cape Provincial Department of Education (EC-DoE). In recognising that education is a means of promoting good citizenship as well as preparing our people for needs of a modern economy and democratic society, the government must ensure progressive realisation of universal schooling, improving quality education and eliminating disparities and inequalities. This requires a major renewal of schooling and education system, by taking the following steps:

- Work together with educators, learners, parents, school governing bodies and other stakeholders, to make education the priority for all;
- Making education free and compulsory for all children as well as ensuring increase in no-fee schools particularly in impoverished areas;
- Introduce a sustainable Early Childhood Education system that spans both public and private sectors and gives children a head start on numeracy and literacy as well as strengthen support for crèches and pre-schools in rural villages and urban centres;
- Improve the quality of schooling, particularly performance in mathematics, science and technology and language development. Measures should include provision of incentives for mathematics and science teachers;

- Promote the status of teachers, ensuring the employment of adequate numbers, and improving their remuneration and training, as an important part of the drive to ensure that quality teaching becomes the norm;
- Increase graduate output in areas of skills shortages. This must include measure to streamline Sector Education and Training Authorities (SETAs), Further Education and Training (FET's) and other institutions to address existing and forecast skills shortages;
- Place Further Education and Training colleges at the centre of a popular drive to transfer skills;
- Encourage government to embark on the re-opening of teacher training colleges within the District or where appropriate in IYLM;
- Revive the role of state owned enterprises in skills development to support the economy;
- Extend School feeding schemes to all poor primary and high schools, particularly in the remote rural impoverished areas, provision of scholar transport and exemption of school fees to needy children;
- Conducting vigorous education and awareness programme to tackle the HIV and AIDS pandemic;
- Profile new education facilities in the growth points of the IYLM;
- Engage private sector to be more involved in ABET; and
- Strengthen safety and security at schools.

Judging from the above, it is clear that, lack of facilities and basic services at schools may have significant negative impact on the development of learners at schools, which could be partly manifest in low pass rates. Thus, for these challenges to be adequately addressed there needs to be greater alignment, coordination and support between Local Municipality, District and EC-DoE.

Chart 8: Educational levels of over-21 year olds

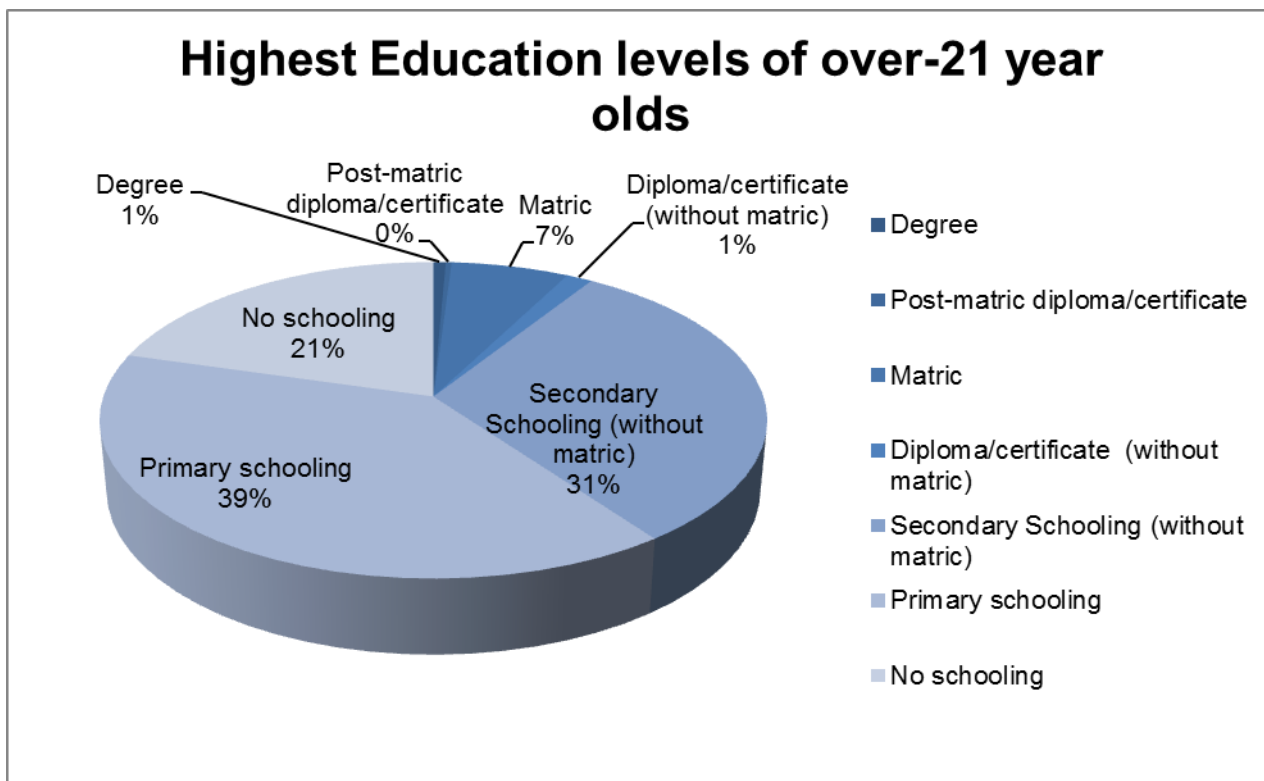


Chart 12 gives the percentage breakdown of the level of education of over 21 year olds. From the information we can see that the biggest portion (39%) of over-21 year olds in IYLM have gone only as far as primary school whilst 31% have gone as far as secondary school. 21 % of over 21 year olds have no formal schooling, these individuals together with those who have not completed primary school would be viewed as functionally illiterate (functional literacy in South Africa is often viewed as the ability to read and write in an everyday context, an ability that one usually obtains at grade 7 level under normal circumstances). The high levels of illiteracy and low levels of educational achievement in IYLM have an impact upon the kind and nature of employment that the potential workforce aims to find. Generally poorly educated and uneducated people will seek lower skilled jobs especially in the primary sector, this is problematic in an area such as IYLM where we have learnt from previous graphs that it is in fact the tertiary sector and not the primary sector which is offering the most jobs (these jobs tend to be higher skilled jobs).

Table 25: Educational qualification levels within IYLM

Qualification	Number of individuals
Degree	508
Post-matric diploma/certificate	242
Matric	4860
Diploma/certificate (without matric)	1078
Secondary Schooling (without matric)	22,818
Primary schooling	29164
No schooling	15160

Source: Gaffney's Local Government in South Africa Yearbook 2011-2013, p. M134

5.3.2 Health Care Issues

According to CHDM: IDP Review 2010/11 and in reference to Global Insight (2007), a graph depicting a population growth trends during 1996 to 2007 where population with and without HIV and AIDS reflects a decline in HIV/AIDS infection rate and anticipated mortality rates. The CHDM: IDP Review 2010/11 further provides that, the epidemiological analysis conducted reflects that, "Gastrointestinal diseases are most prevalent for which adult patients are admitted to hospitals, making up some 20% of the cases followed by respiratory conditions, which contribute 18%". In terms of health care capacity the National norm is one clinic per 10 000 people and the national average figure for nurses per 100 000 people is 12 nurses. Within IYLM there are 2.7 nurses per 100 000 people which is well below the adequate ratio. Furthermore the analysis of available beds per 1000 population indicates that IYLM (1:1482) is below the national average of 1:750. This indicates a low bed occupancy rate. Regarding the access to emergency services, IYLM experiences serious problems in transporting urgent patients, it is reported that it takes more than 3 hours to secure transport.

The area is adequately served with primary health care facilities as per RSS (2006) survey. 72.3% of the households have access to clinics. There are 37 clinics, 4 mobile service points supporting 86 points and a single district hospital. The main challenge is to improve the quality of specialist doctors and reliable supply of medication.

Irrespective of the above status quo, the government is determining to end the huge inequalities that exist in public and private sector by making sure that these sectors work together. It should be mentioned that, as promulgated in the Constitution, Schedule 4 Part A, and the health service is a functional area of National and Provincial legislative competence. In terms of Section 155 (6) (a) the Provincial government must provide for the monitoring and support of local government in the Province, this function can be assigned to a municipality in terms of Section 156 of the Constitution. The District municipalities have a function of rendering Municipal Health Services (MHS) (traditionally known as Environmental Health Services) in the areas of their jurisdiction as promulgated in the Municipal Structures Act of 1998 and National Health Act 2003. According to the CHDM IDP Review 2010/11, there is an uneven distribution of environmental health services in the District, this situation is expected to be addressed when the power and function of Municipal Health Service (MHS) becomes a District power and function. It is reported that, the MHS-devolution processes is currently under way in CHDM as envisaged by the Section 78 Investigation and the developed Strategic Plan in respect of the provision of the Municipal Health Services in the district will result into the transfer of the provincially employed Environmental Health Practitioners (EHP) to CHDM. The major challenge confronting South Africa, CHDM and IYLM, today is the scourge of HIV/AIDS epidemic, which is likely to pose a severe challenge for development for many years to come. In the on-going attempts to actively manage the HIV/AIDS pandemic, the CHDM has facilitated the support and strengthening of the Local AIDS Councils (LACs). IYLM should consider eliminating risks associated with their high water quality degradation in streams and rivers. This can constitute an influencing factor in the spread of cholera epidemic or infection hence sanitation and water projects should be augmented by Assessment studies of quality and condition. This brings us to the dire need to monitor the quality of both water and sewerage treatment works discharges to main water course.

Again the government has identified the following priorities that must inform a major improvement in the health care system:

- Reduce the impact of HIV/AIDS on individual, families, communities and society by expanding access to appropriate treatment, care and support;
- Strengthen fight against AIDS through collaboration with partners at all levels of society and accelerate implementation of HIV and AIDS and STI plans;

- Strengthen formal partnership against AIDS at all levels of our society including the strengthening the South African National AIDS Council (SANAC);
- Improve quality of health services and physical infrastructure revitalization; and
- Increase the employment of community health workers, which will be linked to improvement of the district health system.

In relation to health issues within IYLM it is evident that, in order to effectively and equitably provide the Municipal Health Services (MHS) the CHDM will have to sign Service Level Agreements (SLA) and Memorandum of Agreement (MoU) with the municipality and the Eastern Cape Department of Health (EC-DoH) in reference to the Section 78 investigation that is underway. In return the CHDM will also, have to find funding sources towards performing functions assigned to it, of which one of those functions will be the development, implementation and monitoring of MHS by-laws.

5.3.3 Community Facilities

According to IYLM SDF, IYLM has 16 community halls but the quality of some of the facilities needs to be improved and maintained. The Municipality intends to provide each ward with a community hall. Intsika Yethu has two Library facilities one in Cofimvaba and one in Tsomo. The functioning of Libraries is supported by DSRAC at an amount of R250 000. There are sports and recreation grounds in the Intsika Yethu and each sports and recreation grounds has a committee that is responsible for monitoring status of the grounds. Cofimvaba sports ground is being renovated as from 2014/15 financial year. Community halls provides local communities with recreational facilities and may be used as pension payouts, while libraries enables learners to access important information required for their studies. Sport and recreation facilities promote the health and welfare of the people living in an area.

5.3.4 Safety and Security

According to IYLM SDF, there are 4 police stations to look after the safety and security of the community. These are located in Bolotwa, Cofimvaba, Bridge Camp and Tsomo. The municipality participates in local Community Policing Forums aimed at mobilizing all affected stakeholders against incidences of crime. In terms of policing facilities there are four 4 police station in IYLM. The Municipality participates in a Safety Forum aimed at mobilising all affected stakeholders against incidents of crime. In order to maintain low levels of crime in IYLM, more safety and security services such as mobile police services need to be provided. In this regard the Eastern Cape Provincial Crime Prevention Strategy has a key focus area which is strengthening Communities against crime through community- based, primary prevention approaches: e.g. Innovative public education “messaging” strategies, community-based interventions programmes and community-based activities aimed at increasing the strength, capacity and resilience of individuals, families and communities in relation to the known risk factor for crime.

5.3.5 Cremation and Cemeteries

According to Intsika Yethu SDF: May 2010, There are a total of 146 unlicensed/ unregistered cemeteries distributed within the wards of the municipal area which need some improvement and re-organization to ensure effective delivery. It should be acknowledged that most of these cemeteries have not undergone geo-technical investigation to avoid the likelihood to underground water contamination.

5.3.6 Waste Management

Waste is an undesirable or superfluous by-product, emission, or residue of any process or activity, that has been discarded, accumulated or been stored for the purpose of discarding or processing. Waste products may be gaseous, liquid or solid or any combination thereof and may originate from domestic, commercial

or industrial activities and include sewages sludge, radioactive waste. In this regard the municipality must put measures in place to ensure that all the landfill sites are equipped with facilities such as weigh bridges and other data capturing equipment, security and other essentials, this is in compliance with the Department of Water and Forestry (DWAf) minimum standards. In relation to economic development through waste management a Waste Recycling projects has potential economic impact i.e. whilst reducing the amount of municipal solid waste generated and disposed of at the municipal waste disposal sites by encourage waste avoidance, minimizing reclamation and recycling.

According to IYLM's Integrated Waste Management Plan (2011) it was reported that waste generation growth estimates should be linked to economic growth, population wealth and population growth, thus population dynamics determines a waste generation growth patterns.

The table below indicates population growth trends in relation to Waste Generation Rate (Kgs per person) in IYLM. The Municipality is also considering the alignment of its Integrated Waste Management Plan and Waste Management Strategy with that of the CHDM, this is currently underway.

Table 26: IYLM Waste Generation Rates in relation to population growth trends

Expected population growth trends

Area	2006	2007	2008	2009	2010	2011
IYLM	184,308	185,211	185,843	186,044	185,934	186,031
Growth Rate (1.40%)	184,308	185,211	185,843	186,044	185,932	186,031

Expected waste generation rates in IYLM

Area	2006	2007	2008	2009	2010	2011
IYLM	147869.8	150087.8	152339.1	154624.2	156943.6	159297.7
Generation Rate (0.75%)	147869.8	150087.8	152339.1	154624.2	156943.6	159297.7
TOTAL	147870	150088	152339	154624	156944	5159298

Source: IYLM Integrated Waste Management Plan, 2005.

In light of the above reflection of waste generation trends, it is clear that IYLM needs to better differentiate its approach to waste management in order to provide information on the types of waste disposed and track the volumes of waste recycled in the area. The main challenge in this regard is the management of the illegal dumping activities and enforcement of by-laws. Currently IYLM is facilitating a waste recycling co-opt project in its attempt to minimize waste and stimulate local economic development.

The municipality is operating a licensed landfill site, licensed number: EC/CH/A/15/001-2011 located in Cofimvaba and used for waste disposal. The license of the landfill site was granted in terms of Section 49(1) (a) of the National Environmental Management: Waste Act, Act no. 59 of 2008. Furthermore, there are clear regulations regarding the kind waste which may not be accepted on the landfill site. IYLM has developed an environmental by-law relating to Dumping, Littering and Waste Collection. The by-law regulates all "waste-management activities," that involves the generation, reduction and minimisation of waste and waste handling. This includes the separation, storage, collection, and transfer of waste, and waste treatment. Waste treatment includes the recovery of waste, recovery being the recycling, reclamation and re-use of waste, and disposal of waste. The by-law further provides for the separation of

waste into different kinds determined by the nature of the waste. It also allows for charges to be made payable for the removal of waste from premises or dumping of waste at a disposal site under the control of the Municipality. The by-law further regulates potential illegal dumping through the control of all dumping, littering, and other pre-determined contraventions. The by-law provides various offences clauses which can result in financial penalties and in the most extreme instances, convictions. The by-law is further enhanced by the existence of the Peace Officers employed by the municipality in order to enforce it and ensure citizens act within the parameters of the law.

5.3.7 Disaster Management

Disaster Management remains a District Municipality function as per provision of the section 156, section 229 and the Municipal Structures Act (Act 117 of 1998), however IYLM is operating a disaster management function within the municipality.

At Intsika Yethu Municipality in terms of the structure we have one Disaster Management Officer, one disaster assistant and a receptionist. The disaster officials conduct assessments and compile incident report to Local Sector departments; District and Province participate in disaster awareness campaigns. They also form part of the disaster and emergency committee during planning of high profile events.

In terms of fire response we have a fire unit that consist of three permanently employed staff members. They respond to all types of fires ranging from domestic, veld and industrial fires. The municipality has benefited on Working on Fire Program, 22 people have been employed with advanced fire fighting. Lukhanji Local Municipality and Chris Hani District Municipality provide support when necessary.

IYLM is not immune to emergencies and disasters and occasionally suffers the impact of various human-induced and natural hazards that have the potential to kill, injure, destroy and disrupt. In terms of Section 54 (1) b of the Disaster Management Act, “the council of Chris Hani District Municipality, acting after consultation with the relevant Local Municipality, is primarily responsible for the co-ordination and management of local disasters that occur in its area”. Furthermore, Section 54 (2) states that a District Municipality and the relevant Local Municipality may, despite subsection 54 (1) (b), agree that the Council of the Local Municipality assumes primary responsibility for the coordination and management of a local disaster that has occurred or may occur in the area of the Local Municipality”. Within the region, the primary responsibility of coordination rest with local municipalities.

Regarding a Disaster Management Centre, Section 43 of the Disaster Management Act of 2002 states that “each District municipality must establish in its administration a disaster management centre for its municipal area in consultation with and operate such a centre in partnership with local municipalities”. In this respect IYLM is reliant primarily on CHDM in the event of a disaster for managing the rollout of disaster relief and mitigation.

IYLM has Assistant Manager Community who performs the duties of Chief Firer officer and initiated the development of a Fire Response Plan and Fire and Emergency Guide Plan that will assist in the overall preparation and management of fires. Primarily, the plans aim:

- To prevent and combat veld, forest, mountain and chemical fires throughout the municipality;
- To minimize the impact of veld fires where occurrences cannot be prevented;
- To determine the various role players in cases of veld fires;
- Determine a practical approach to be adopted by the municipality in endeavour of minimizing fires through prevention, including early warning systems, mitigation and response strategies;

- To provide guidance on the provision of fire fighting services including fighting of specialized fires such as mountain, veld and chemical fires; and
- To provide a standard regulation through by-laws for the prevention, management and controlling of fires in the region.

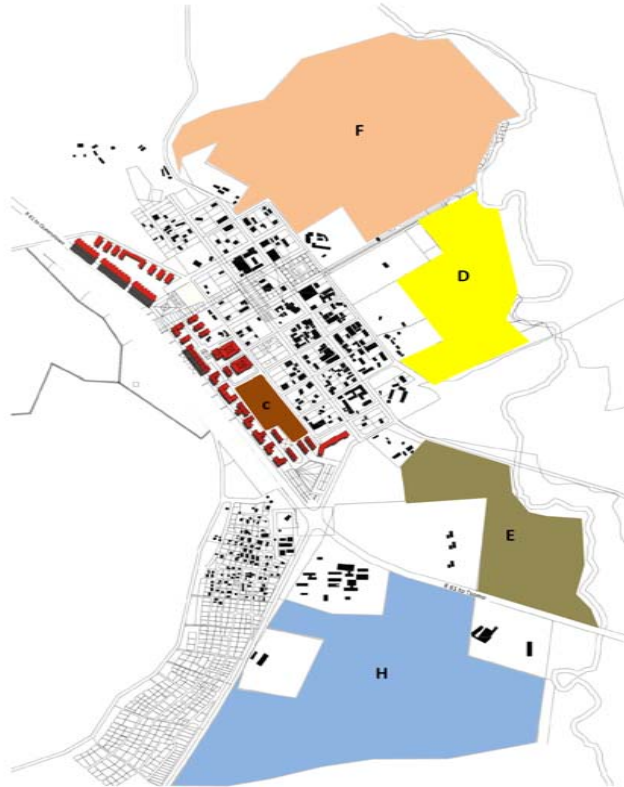
However, there are considerable impediments for IYLM in the total preparation for fire and emergency eventualities. These challenges include:

- Building sufficient fire fighting and rescue capacity;
- Improving the response time;
- Establishing a local Disaster Management Centre;
- Capacitating the Fire Protection Associations; and
- Identification of suitable land in the event of temporary or permanent relocations.

IYLM currently has a central database for the tracking of fires across locations, dates and times. The main challenge in this regard is the prevention and mitigation of veld fires as they remain the most serious threat in this regard.

Map 7: Overviews of empty land and flood lines within IYLM

Densification of Empty Land and Dilapidated Buildings



Strategic Density Increases:

- Densification and infill development at strategic points provide the opportunity of ensuring increased activity in the centre and ensure that necessary thresholds to support business activity is present in the centre.
- New developments of various income levels must therefore be promoted in area C,D and E.

Natural Environment and Flood Lines



Flood Line Protection:

- The protection of the flood line is critical for safety reasons and for protecting the river and maximising the tourism opportunities that can be realised for the rivers natural value.

5.3.8 Climate Change

Climate Change Forum exists in Chris Hani District Municipality and Intsika Yethu Municipality participates in that forum. Intsika Yethu Municipality does not have climate change forum of its own. A Climate Change Strategy has become a necessity in IDPs for the category A (Metros) and C (District Municipalities). It is however advisable that category B (Local Municipalities) also adopts the District Climate Change Strategy Framework and determines exactly how they integrate into the District's plans. Climate change is however defined in the National Climate Change Response Policy as an on-going trend of changes in the earth's general weather conditions because of an average rise in the temperature of the earth's surface often referred to as global warming. This rise in the average temperature is due, primarily, to the increased concentration of gases known as greenhouse gases (GHG) in the atmosphere that are emitted by human activities. These gases intensify a natural phenomenon called the "greenhouse effect" by forming an insulating layer in the atmosphere that reduces the amount of the sun's heat that radiates back into space and therefore has the effect of making the earth warmer. The district is in a process of adopting Climate Change Strategy.

5.3.9 Environmental Management

In addition to these specific initiatives, IYLM is also cognisant of the global issue of climate change which may have important implications on all climatic variables, especially temperature and rainfall. Although the direction and degree of climate change and its impact at municipal level is still unknown, it is expected that temperatures may increase and while rainfalls may become less frequent, yet more intense, leading to a greater frequency and intensity of draughts and floods. Given the rural nature of the municipality, climate change has a potentially serious impact on agricultural activities. IYLM's proactive role in local economic development thus means that drought resistant crops may need to be investigated in mitigation of the potential effects of climate change. Consequently a disaster management plan for the municipality will also have to respond to severe climate conditions e.g. thunder storms', lightning and hail.

The following is an overview of the municipality's status quo in regard to refuse removal and disposal.

Refusal Removal or disposal: The provision of the refuse removal is provided in the urban areas of Cofimvaba and Tsomo and the service has been extended to peri urban areas which include Mzomhle Location near Tsomo and Ekuphumleni nest to Cofimvaba and is collected according to the collection schedule developed by municipality. Seventy eight percent (78%) of households have access to weekly refuse removal services, and all businesses in both towns are serviced daily. About 60% in mostly rural areas burn their waste or dispose it within their yards.

The IYM has the following staff complement for Refuse.

1 Assitant Manager – Enviromental Management

1 Enviromental management Officer

2 x Supervisors (Tsomo & Cofimvaba)

5 x truck drivers (4 permanent and 1 on one year contract)

9 x general workers

30 x casual workers who work on a three month rotational basis

Refuse Equipment used is as follows:

1 x compactor truck

1 x cage truck

2 x tractors

15 skip bins for communal areas

80 refuse bins

Waste is disposed at a licensed landfill site in Cofimvaba. At the landfill site there are two cooperatives who conduct the sorting of waste on site and bail the reclaimed materials for selling to recycling market. There is a Transfer station at Tsomo which is also licensed.

The operations, maintenance and operations of the landfill site are done by the municipality. The refuse removal service is implemented through a Littering, Dumping and Waste Management By law. The municipality also subscribes to the Waste Information System on a monthly basis for waste data as the landfill site has a weighbridge. Awareness programmes are conducted with relevant stakeholders who include businesses in both Cofimvaba and Tsomo and communities in both towns. This programme is conducted with the assistance of awareness campaigners from Youth Jobs in Waste Programme which is funded by Department of Environmental Affairs. Currently there is a R7Million project funded by Department of Environmental Affairs which includes construction of Buy Back Centre in Cofimvaba Landfill site, refurbishment of the site and litter picking for the duration of a year.

The municipality also plans to implement other Waste Minimisation and Open Space Rehabilitation projects whose deliverables will include:

- Separation at source. The municipality has received 700 wheelie bins from Youth Jobs in Waste Program, 350 bins are yellow and 350 bins are green. The bins will be distributed to 350 households for sorting at source.
- Providing waste collection in high density and informal areas through Household Contractors.
- Clearing of illegal dump sites in both Cofimvaba and Tsomo.

The municipality is also supported by the Chris Hani District Municipality in various ways and worth mentioning is the development of the Integrated Waste Management Plan for 2011- 2012. The IYM has finalising the Environmental Sector Plan. The district will assist the municipality in establishing a Waste Forum in 2015-2016.

5.4 Economic Development and Planning Cluster

5.4.1 Local Economic Development

Local Economic development (LED) occurs when communities, government and the business sector act in partnership to engage in local activities to improve local social-economic conditions by making use of local resources and opportunities. In the MFMA Municipal Budget Circular No.58 for 2012/13, for the Medium Term Revenue and Expenditure Framework, it suggests that municipalities focus on maximizing their contribution to job creation by supporting labour intensive LED projects. This necessitates that, the municipality plays a critical role in creating an enabling environment for investments and other activities that lead to job creation: This can be obtained by;

- Ensuring that service providers use labour intensive approaches;

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

IYLM and all its stakeholders and civil society have commitment in creating an enabling environment for local economic; this is captured in the LED Strategy and Implementation Plan: 2020 has a Vision for the municipal area.

The Vision for LED:

'A vibrant developmental municipality that seeks to provide sound governance and ensure sustainable development of its economy and people in an effective and efficient manner.'

The following are the *strategic pillars* for driving economic development within IYLM:

- Coherent agrarian system that promotes agro-processing;
- Institutional innovation and good governance that is complimentary to economic growth and development;
- Promote SMME development biased towards rural industrialisation;
- Increased forestry productivity and creation of processing hubs; and
- Develop human capability through training and skills development.

The following are the Anchor Projects identified within the Local Economic Development Strategy for implementation within the Municipal area:

- High value crop production and processing;
- Livestock (Beef & sheep) Improvement and commercialisation;
- Fruit (Stone Fruit) production, processing and packaging;
- Facilitate afforestation;
- Promotion of cultural activities utilising available indigenous knowledge; and
- Develop and market tourist destinations.

5.4.2 Chris Hani Growth and Development Summit

As part of the National Growth and Development Summit Agreement provinces and district municipalities were tasked with convening inclusive district and provincial summits. CHDM was the first to hold its summit in the Eastern Cape Province. The CHDM identified six priority sectors, namely: a) *Agriculture and Agro-processing*; b) *Forestry and wood processing*; c) *Tourism*; d) *Construction*; e) *Manufacturing; Trade and Business Services*. These sectors are consistent with the sectors that the Intsika Yethu LED Strategy has identified.

The priority actions identified in the District Growth and Development Strategy (DGDS) include the following: Land and Agrarian Reform, Forestry, Timber and Wood Processing, Tourism Development,

5.4.3 Economic opportunities within IYLM

Beside the recommendations indicated in the Intsika Yethu LED Strategy 2020 concerning institutional arrangements, the municipality should explore the rich tourism potential by developing of priority tourism clusters, which could become the key journey components in the IYLM LED Strategy 2020 action plan.

5.4.4 Tourism

According to the White paper on Development and Promotion of Tourism in South Africa (1996), Local Municipality has the responsibility of planning, development and maintenance of Tourism product in their areas of Jurisdiction. In line with this principles, the Tourism plan for IYLM, Responsible Tourism Sector Plan (2008). The vision for tourism development in the IYLM area is:

Vision for Tourism

'A responsible and sustainable tourism destination of choice for historical and adventurous experiences in the Eastern Cape'

Mission for Tourism

'To become a responsible and sustainable tourism destination of choice in the Eastern Cape, providing historical and adventurous experiences by 2020 to benefit the local communities'

The focus of the strategy is on marketing, product development, infrastructure development, human resource development and an appropriate institutional framework that will support tourism development in the area. This is achieved through the following Strategic goals and objectives:

Goal 1: To develop new tourism products to grow the destination;

Goal 2: To increase the participation of Local Communities in the tourism industry of the IYLM;

Goal 3: To ensure a high quality visitor experience in the IYLM; and

Goal 4: To extensively market IYLM as a tourism destination.

The following table details the tourism offerings, location, and type to provide an overview of tourism within IYLM.

Table 27: Tourism Facilities in IYLM

Number	Facility Name	Town	Sector/Type of Product
1	St Marks Town Centre	Cofimvaba	Historical
2	Lumanyano Cultural Group	Cofimvaba	Cultural Group
3	Old St Marks Church	Cofimvaba	Old Church Building 152 years old
4	Lumanyano Sewing Project	Cofimvaba	Sewing Project
5	Mava's Pottery	Cofimvaba	Pottery Art & Design
6	Nobandla Gospel Group	Cofimvaba	Music Entertainment & Gospel music
7	Nomayisi Project	St Marks	Sewing, beading & clay pots
8	Sijongile Adult Project	Tsomo	Traditional Garments
9	Vuyisile Mini Youth Dev Forum	Tsomo	Woodwork, furniture manufacturing
10	Vukani Catering & Baking Co-op LTD	Qwili Location/Tsomo	Catering, cultural dancers, traditional healers, gospel choir
11	Sijongile Adult Project	Mtshabe/Tsomo	Cultural Group
12	Someleze Sewing Project	Tsomo	Cultural, Heritage, Historical
13	Mzamomhle Gospel Group	Tsomo	Gospel Group & Carpentry
14	St Joseph Apostolic Church of SA	Tsomo	Historical church
15	Qwili Ilitha Sewing Co-operative	Tsomo	Cultural &
16	Masizakhe Boomplas	Cofimvaba	Cultural
17	Qamata Irrigation Canals	Qamata	Agricultural
18	Zanoxolo	Bolotwa	Cultural
19	Zenzeleni Cultural Group	Bolotwa	Cultural
20	Siyavuya	Bolotwa	Cultural
21	Zimele Rural Development	Qamata	Cultural & Heritage
22	Ndungwana Vukani Arts & Craft	Qutsa	Cultural
23	Amigo Catering	Cofimvaba	Cultural
24	Cultural activities & moral regeneration	Komkhulu Location/Tsomo	Cultural
25	Qamata Tourism Centre	Cofimvaba	Historical
26	Qamata Traditional Council	Qamata	Cultural, heritage
27	Masakhane Project	Cofimvaba	Cultural
28	Nosilence Tonjeni	Tsomo	Cultural
29	Mr Zamile Nyeka	Tsomo	Cultural
30	Mpakamisi Kunene	Tsomo	Cultural
31	Nosimo Crafters	Tsomo	Cultural
32	Nothembile Mdlekeza	Tsomo	Cultural
33	Nothusile Jam-Jam	Tsomo	Cultural
34	Nothembile Sonyabashe	Tsomo	Heritage
35	Mateke Mazomba	Tsomo	Cultural
36	Mbulukweza Crafters	Tsomo	Cultural
37	Mncedi Kunene	Tsomo	Cultural
38	Qwili Junior Secondary School	Tsomo	Cultural, heritage
39	St Marks Town Centre	Cofimvaba	Historical
40	Lumanyano Cultural Group	Cofimvaba	Cultural Group

Source: IYLM TSP: 2008

5.4.4.1 Tourism sector SWOT analysis

This section discusses the strengths, weaknesses, opportunities and threats (SWOT) of the tourism sector of Intsika Yethu identified as critical in transforming the local economy. The information below has been extracted from the Responsible Tourism Sector Plan.

Table 28: Tabulation of strength, weaknesses, opportunities and threats

STRENGTHS	WEAKNESSES
<ul style="list-style-type: none"> • Heritage sites • Rich political history • Availability of human capacity • Government support 	<ul style="list-style-type: none"> • Poor marketing of the area • Lack of product development • Unavailability of tourism statistics • Lack of adequate infrastructure to promote sports and recreation • Lack of adequate skills for tourism management, tour guiding, tour operation, sport management and promotion of cultural activities • Limited Access to funds • Lack of Infrastructure • Lack of Co-ordination & Integration
OPPORTUNITIES	THREATS
<ul style="list-style-type: none"> • Hiking and horse trails • Events • Fishing opportunities in the major dams (Lubisi and Ncora) • Lubisi dam provide opportunities for development of water sports • R61 • Linkages with the liberation route 	<ul style="list-style-type: none"> • Crime levels poses a huge threat to potential tourists • Global change

The potential tourism cluster's to be identified in IYLM will be aimed at improving tourism spread within the area. The potential clusters are; Mining Cluster (show casing local mining activities & tours), Eco-Nature Cluster (enhancing Nature Reserve and surrounding s areas), Cultural, Historical & Political cluster and utilization of heritage sites: and Rural Conference facility Cluster (exploiting potential of conference market, team building exercise venues logistically positioned around Cofimvaba and Tsomo.

5.4.4.2 Tourism demand

The demand side of tourism focuses on those needs and motivations that drive individuals to become tourists, how these needs and motivations are shared by other people and how this becomes the basis for defining tourist segments and markets, and how these tourist segments ultimately drive the movements of tourists from one country and region to the next. Tourists take holidays in the hope that these holidays will satisfy, either partially or wholly, various needs and desires. It is the task of the marketer to transform needs into desires by making the individual aware of the various ways in which his or her needs can be satisfied.

The following diagram indicates the specific interests of international visitors to South Africa from Europe, Asia and the USA with regards to tourism.

Figure 7: Availability of activities within Provinces

Specific Interest In Activities In South Africa				Availability of Activities Within Provinces ¹								
Attribute / Activity	Europe	US	Asia	KZN	GP	FS	EC	NC	NP	NW	WC	MP
Natural beauty	●	●	●	✓	✓	✓	✓	✓	✓	✓	✓	✓
Exploring the culture	●	●	◐	✓	✓	✓	✓	✓	✓	✓	✓	✓
Viewing wildlife	●	◐	●	✓	✓	✓	✓	✓	✓	✓	✓	✓
Visiting the big cities	◐	◐	◐	✓	✓	✗	✗	✗	✗	✗	✓	✗
Going to the wine region	◐	◐	◐	✗	✗	✗	✗	✗	✗	✗	✓	✗
History of Apartheid	◐	◐	◐	✓	✓	✓	✓	✓	✓	✓	✓	✓
Visiting the mountains	●	○	◐	✓	✗	✗	✓	✗	✓	✗	✓	✗
Relaxing on the beach	◐	◐	◐	✓	✗	✗	✓	✗	✗	✗	✓	✗
Adventure sports	◐	◐	◐	✓	✓	✓	✓	✓	✓	✓	✓	✓
Shopping	◐	◐	○	✓	✓	✓	✓	✓	✓	✓	✓	✓

Existing tourism facilities are currently under-utilized and under-developed, the upgrading of the associated infrastructure, revitalization and expansion of tourism facilities, enhancing economic development with regional significance and relevance, especially for the previously disadvantaged community areas. This can be achieved through development of Tourism Belt- development as one of the anchor projects of the LED Strategy development aimed at unlocking the tourism development potential of the area. The following table indicates heritage tourism initiatives within IYLM.

Table 29: Heritage Tourism initiatives

Programme Name	Location (Ward & Village)	Nature of Activities
Lubisi Development Centre	Lubisi (Ward 20)	Accommodation Craft Youth Training
Sabalele Heritage	Sabalele (Ward 1)	Heritage Site Caves
Tsomo Old Prison St Marks Anglican Church	Tsomo Town St Marks	Tourist Centre
Ngcongcolorha Falls		
Chris Hani Memorial lane & Statue		

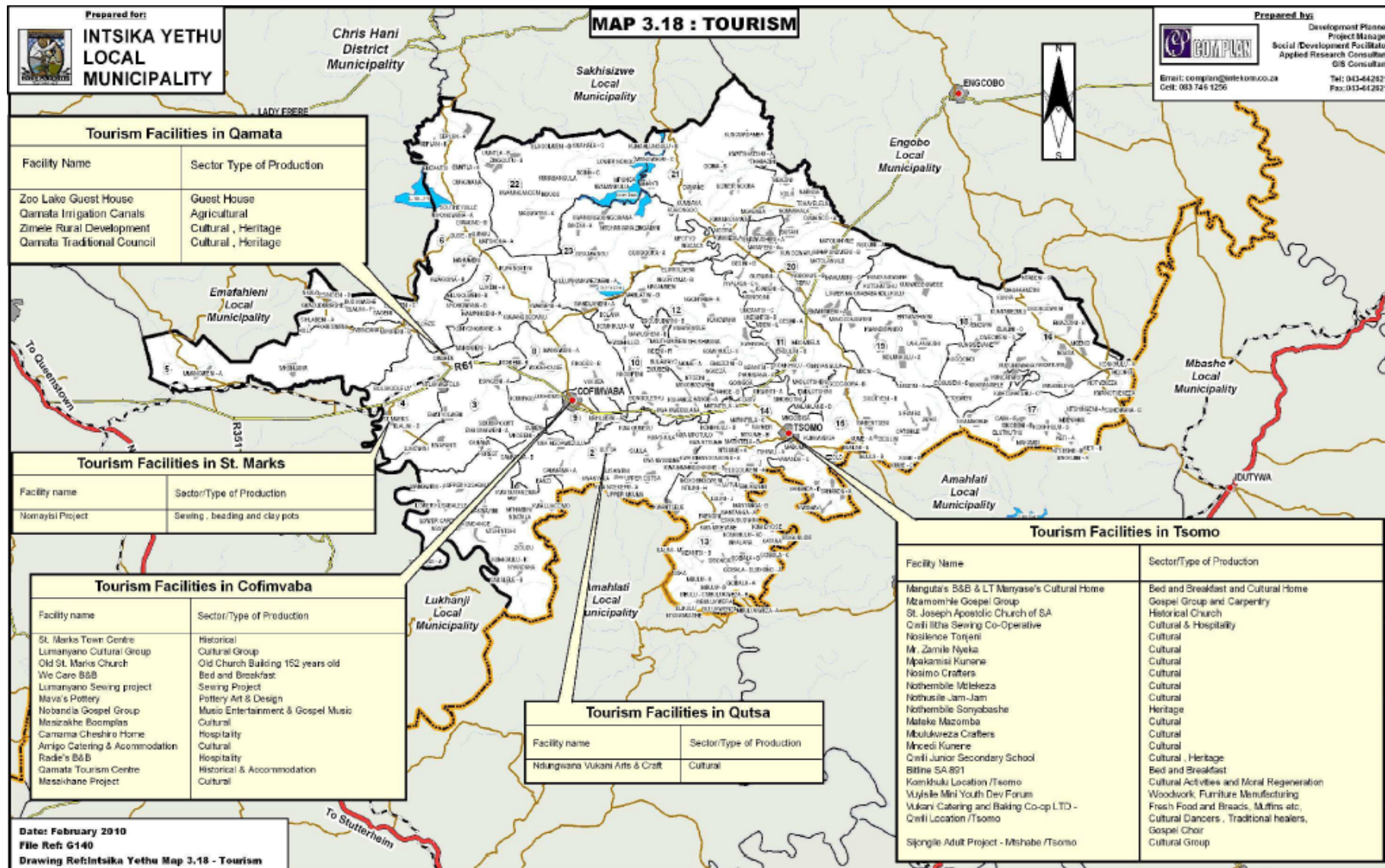
In addition to tourism initiatives, IYLM boasts a strong range of sports and recreational tournaments and events. The following table provides a brief overview of annual events and activities, including the infamous Mayor's Cup.

Table 30: Sports and Recreation

Programme Name	Location (Ward & Village)	Nature of Activities
Mayor's Cup	Wards 1 – 21	Netball Soccer
Sport Hubs	Magwala	All Codes
Traditional Dance & Music	All Wards	Traditional Dance Indigenous Traditional Music

The existing tourism initiatives have a potential in creating jobs, and can be seen as integral to the existing Tourism Strategy. The upgrading of the associated infrastructure has a potential to unlock the Small Medium and Micro Enterprise (SMMEs), which have a massive potential where cooperative formations are a form of economic emancipation.

Map 8: Tourism



Source: IYLM Spatial Development Framework Review, 2010/11

5.4.5 Agriculture

Agriculture is the largest industry within the primary sector in IYLM. However this industry remains small and underdeveloped when compared to the entire economy of the municipality. What is most notable about the Agricultural sector in IYLM is the fact that as an industry, agriculture is decreasing in terms of the absolute size that it contributes to the IYLM economic output. In 1996, The Agricultural sector contributed 18.6% to the local economy; this figure had fallen to 14.6 by 2005. Subsequently the Agriculture industry is also offering fewer employment opportunities in recent years. Currently only around 0.4% of employed individuals in IYLM are employed in the Agricultural industry.

Opportunities in the agricultural sector are prevalent despite the fact that the industry continues to perform poorly. As stated in the SWOT analysis, IYLM has good grazing land and soil which is suitable for intense commercial grazing. There are a number of projects that have been embarked upon by the IYLM with the intension of harnessing the potential of the agriculture industry. These include:

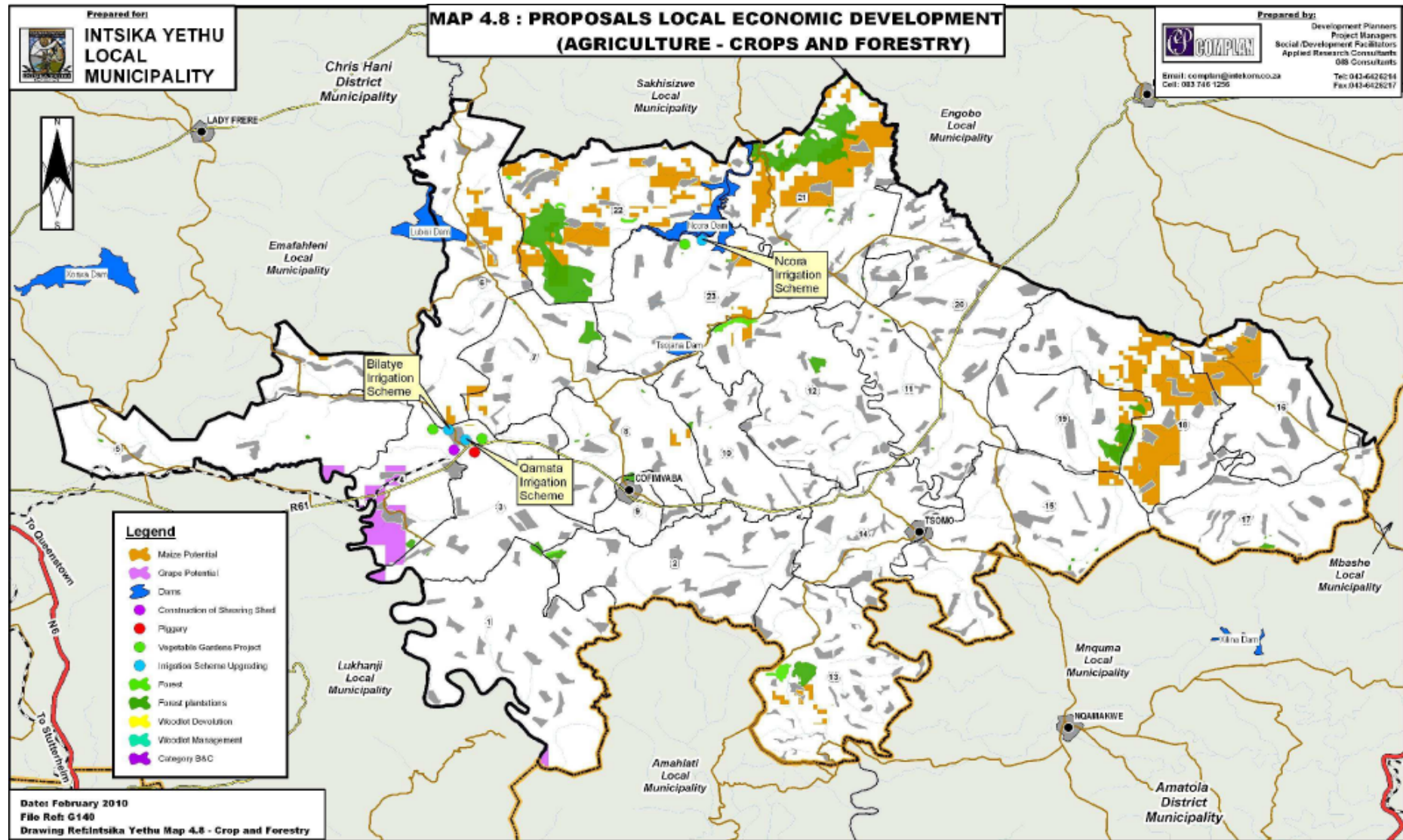
- Irrigation and agricultural projects from Lubisi to Ncora Dams; and
- Crop production in the entire municipality

Table 31: Agriculture SWOT Analysis

Strengths	Weaknesses
<ul style="list-style-type: none"> • Organised farmers union • Support System from government • Expertise within government and private sector • Availability of land for various agricultural commodities • Established irrigation infrastructure 	<ul style="list-style-type: none"> • Lack of Information • Lack of Integration towards agricultural development • Poor co-ordination amongst the various role players • Poor planning • Poor infrastructure
Opportunities	Threats
<ul style="list-style-type: none"> • High potential soils and grazing land for intensive commercial farming systems; • Value addition • Market Linkages • Job Creation • Partnerships (PPP) • Stone Fruit • Intensive Goat Production Programme 	<ul style="list-style-type: none"> • Natural disasters (Veld Fires, Storm, Dry spells);

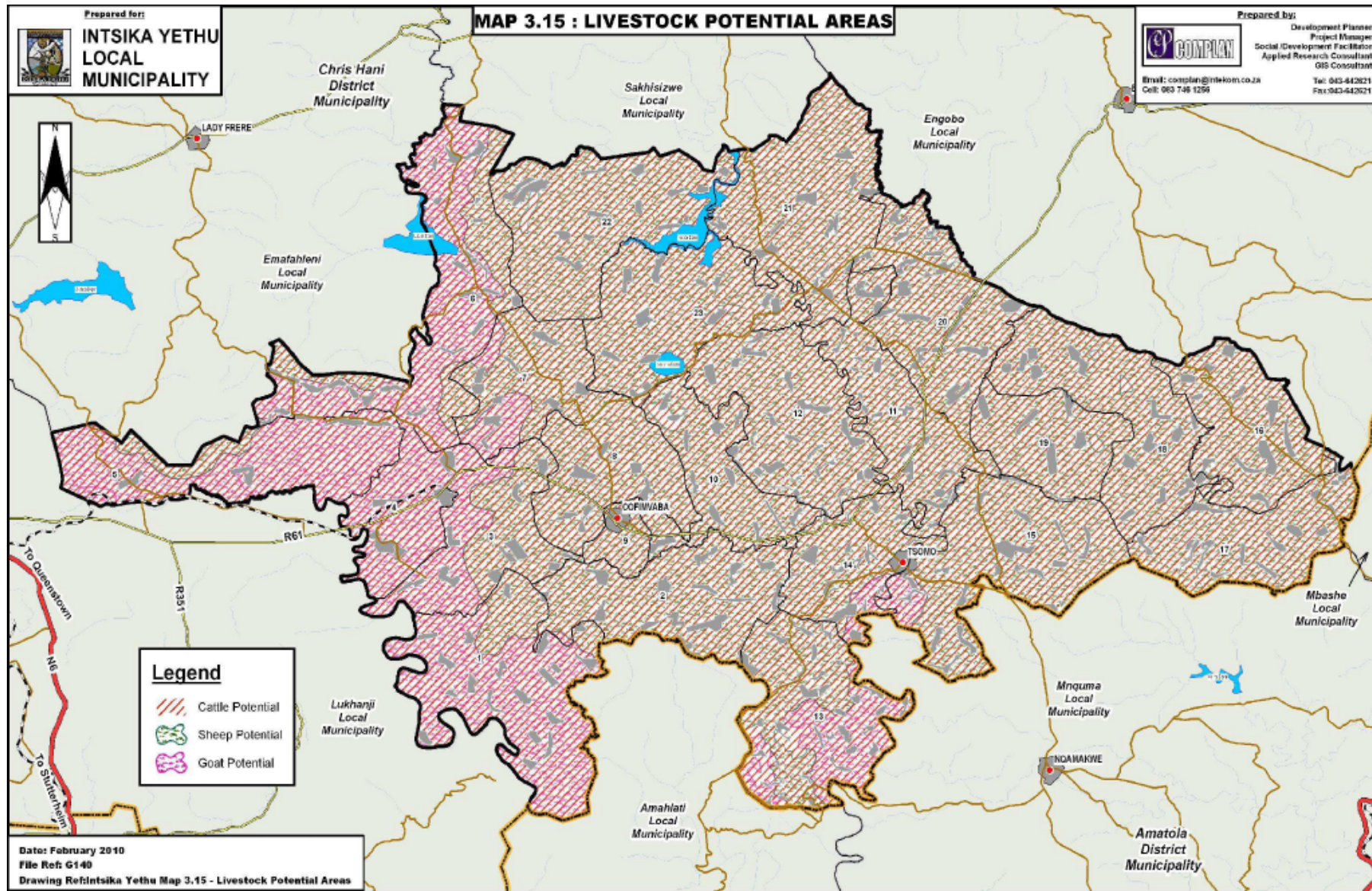
Source: IYLM 2020 LED Strategy and Implementation Plan, 2007

Map 9: Proposals Local Economic Development (Agriculture – Crops and Forestry)



Source: IYLM Spatial Development Framework Review, 2010/11

Map 10: Livestock Potential Areas



Source: IYLM Spatial Development Framework Review, 2010/11

5.4.6 Forestry

Forestry is the second largest industry within the primary sector after agriculture in IYLM. According to ECSECC data, forestry is an industry that has been declining over the past 10 years; this reflects a general trend of economic contraction within the primary sector. Just as with Agriculture, there is great potential within the forestry industry despite the fact that it continues to perform poorly in terms of economic output. IYLM has available natural forests which could be utilised for forestry. Furthermore there is also open land that could be used for expansion of current forests. As an industry, forestry has the potential to stimulate growth of secondary sector industries such as furniture manufacturing.

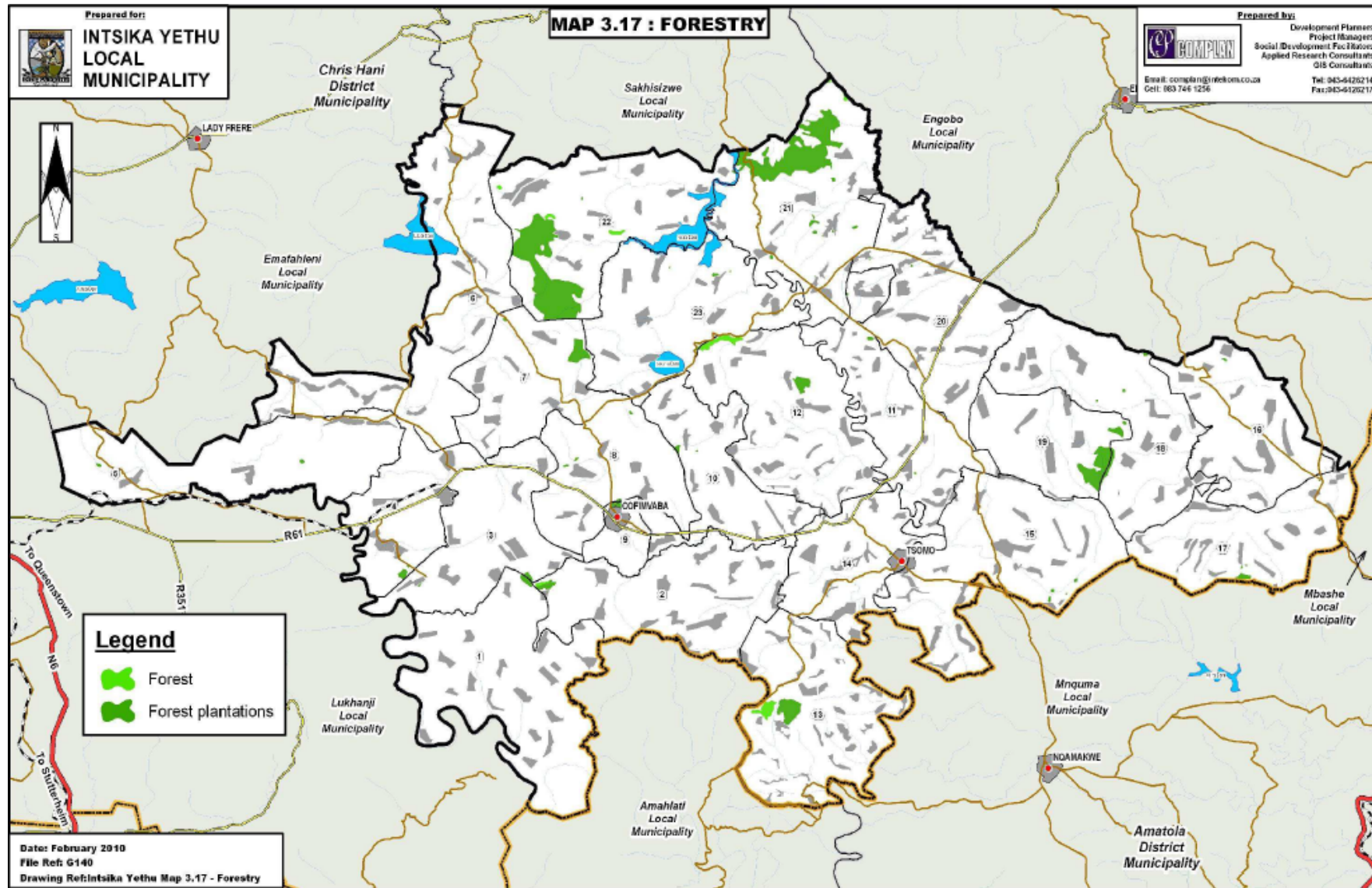
The potential of IYLM to develop a flourishing forestry industry is something which has been recognised not only by the local municipality, but also by the District Municipality. CHDM has categorised the growth of a forestry, timber and wood processing industry as one of its priorities in terms of the Growth and development summit. Forestry within IYLM features prominently within CHDM plans for the district, for example CHDM plans to establish medium size sawmill to benefit Intsika Yethu and Engcobo Municipalities. The district also plans to facilitate afforestation in IYLM among other areas.

Table 32: Forestry SWOT analysis

Strengths	Weaknesses
<ul style="list-style-type: none"> • Availability of Natural forests • Availability of land for forestry expansion purposes • Pro-poor biased government legislation and policies; • Availability of labour force • Private sector interest in partnering with communities 	<ul style="list-style-type: none"> • Lack of information and knowledge of government policy on forestry expansion, transfer of Category B and C plantations • No clearly defined role of the municipality in forestry development including woodlots and commercial plantations • Poor road network and other infrastructure; • Lack of funding to expand current production scale; • Shortage of appropriate skills; • Poor co-ordination resulting in lack of implementation • Poor leadership in forestry development by the municipality • Complex land tenure system
Opportunities	Threats
<ul style="list-style-type: none"> • Furniture manufacturing • DWAF programmes to support community afforestation initiatives • Willingness of well-established forestry companies to enter into partnerships and invest in community a forestation programmes • Integration of forestry development into agriculture • Increasing forestry market 	<ul style="list-style-type: none"> • Natural disasters • Manmade disasters such as fires, arson • Environment hazards • Complex tenure arrangements

Source: IYLM 2020 LED Strategy and Implementation Plan, 2007

Map 10: Forestry



Source: IYLM Spatial Development Framework Review, 2010/11

5.4.7 Environment Management

It is essential that, the District Municipality assist the municipality in both technical and financially to develop and implement the environmental management function, the state of air, water, waste, bio-diversity and land are some of the key elements in determining the state of environment. Linked to tourism potential of the area, endangered areas are even spread throughout the Municipality as the original ecosystem has been reduced and that the functioning or existence is under threat land cannot withstand loss of natural area through disturbance or development, as depicted on the municipal SDF .The following wards have been earmarked as some of endangered areas in IYLM: Ward; 1, 13, 14, 16, 17, and 18.

Environmental Sensitivity areas: IYLM has least areas covered by sensitive landscape compared with other local municipality in the District Municipality area. This results into priority environmental management issues within the municipal area to cover slope gradient, vegetation, conservation and degraded land. There are factors which identify the sensitivity of the environment as prescribed are (areas of with sheet erosion and gully erosion present, degraded land, wetlands (including dams), vegetation types sensitive to development (e.g. South Eastern Mountain Grassland and sub-arid Thorn Bushveld) . However the municipality has a draft environmental bylaw and currently the municipality has peace officers employed. The needs for development of environmental management policy are:

- To enhance a safe and healthy environment;
- To direct sustainability and responsible planning decision-making;
- To spearhead sustainable development;
- To improve environmental governance throughout the Municipality; and
- To create environmental awareness and commitment within the Municipality.

Chapter 3: Development Priorities, Strategic Objectives, Strategies and Projects

6. Vision, Mission, and Key Performance Areas

This chapter of the IDP provides an overview of the strategic intentions of IYLM and presents prioritised issues which the municipality seeks to address over the medium term. This section therefore systematically prioritizes all the issues that have surfaced from the situational analysis and community consultations and presents what the organisation seeks to achieve in relation to these issues over the next five years.

Although local government is the sphere closest to communities at the heart of government's development agenda, the Constitution requires that governance at the local level be subject to national and provincial legislation. Section 25 (1) (e) of the Municipal Systems Acts clearly states that an IDP adopted by a Municipal Council must be compatible with national and provincial development plans and planning requirements binding on the municipality in terms of legislation. The synergy, alignment and coordination between the various development plans and strategic imperatives of the three spheres of government (i.e. IDP, PGDP, NSDP, National Outcomes Approach, etc) is vital in order to achieve proper coordination and alignment of development initiatives within the region and locality.

In order to ensure that local government interventions drive the desired socio-economic changes in line with government's development agenda, integrated planning, monitoring and reporting of municipal initiatives is crucial. Government's emphasis upon an outcomes orientation for all interventions, inclusive of projects implemented by Sector Departments, necessitates that strategic considerations regarding the allocation of scarce resources are made to best address prioritised issues. This section contributes towards a shared understanding of the priority issues of communities, and how this has informed the broader strategic developmental trajectory of the municipality, ultimately in pursuit of better coordination, alignment of programmes and improved impact on the ground.

As the Council elected in May 2011 has sought to ensure direction and guidance in driving local development, it has produced a renewed Vision, Mission, and Values for the IYLM. But in order to ensure these strategic intentions translate into the achievement of outcomes on the ground for citizens, it needs to be clear how Council's political directions cascade through a clear organisational logic towards the realisation of IYLM's constitutional mandate of developmental local government.

The figure below provides a visual representation of the logic that informs how the strategic direction of IYLM, as formulated by Council, finds expression from the Vision statement of the municipality, down to the Projects on the ground. The apex strategic statement is that of the Vision of IYLM, derived from the shared Values of its people and political leadership, and articulating a future in which the Priority Issues have been sufficiently addressed. Institutional purpose in relation to the stated Vision is expressed through the organisation's Mission, articulating what shall be done towards the realisation of that desired future. This Mission is then supported by a set of Goals, roughly aligned to the Key Performance Areas of local government. These Goals are unpacked and expressed at a lower level as Strategic Objective statements, identifying the intended benefits of IYLM's course of action over the medium term, as informed by the Priority Issues identified by communities, staff, Council, and through compilation of the Situational Analysis. These Priority Issues emanate from the ground up, and are addressed through all levels of the organisation's strategic intentions, although most directly at the Strategic Objectives level. How the Strategic Objectives are realised is thereby dependent upon the Strategies employed by the municipality, and specifically the Projects through which these Strategies are operationalized and implemented on the ground. In this manner, a clear logic of strategic intention flows from the top of the

organisation down, all along the way informed by other practical, legislated, and political imperatives ranging from broader policy positions to budget and financial considerations.

Figure 8: A visual representation of the hierarchy of strategic intent of IYLM



6.1 Vision and Mission

The Vision:

“A people centred, developmentally focused rural local municipality in which all of its inhabitants have access to quality service delivery and participate in vibrant and well-balanced social and economic development”.

The Mission:

“Endeavours to advance its developmental local government mandate through a sustained focus on sound and accountable governance, physical and social infrastructure appropriate for sustainable development in our Municipal area”.

6.2 Principles and Values of IYLM

IYLM adopts the “Batho Pele Principles”, together with other underlying principles aligned to this value framework, which include the following: Democracy, as realised through consultation, transparency, and accountability; Respect & Courtesy; Responsiveness; Quality Services; Redress; and Value for Money.

The IYLM in consultation with its local communities, as part of its Council and IDP representative processes, adopted the following set of values, in line with the above. These values are to guide how the

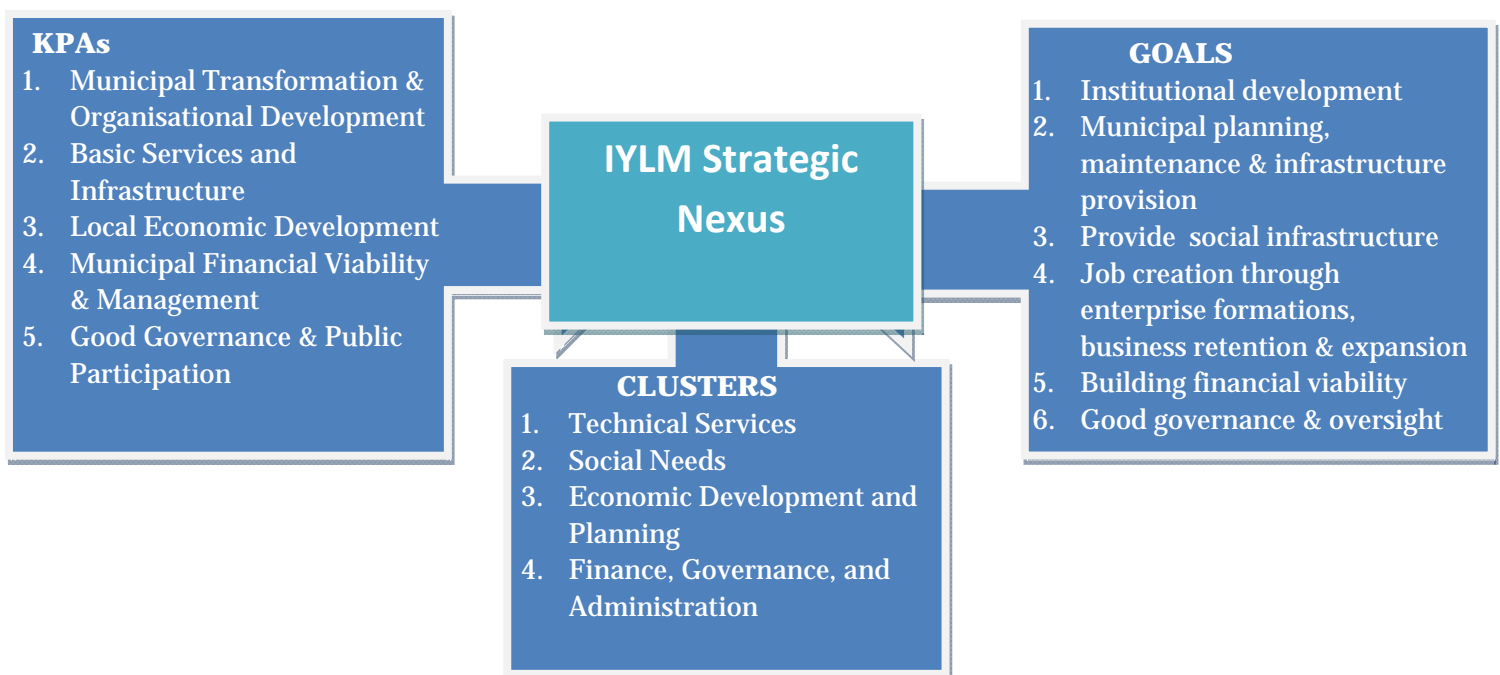
Municipality performs its mandate, as well as how it interacts with those who remain the owners of development (*i.e. its inhabitants as the beneficiaries of development and service delivery*).

- To be responsive to the needs of citizens and partner-local municipalities.
- To be transparent, accountable and participative in our dealings with each other and our partners.
- To cultivate a work ethic focused on performance, achievement and results.
- To promote and pursue key National, Provincial and local development goals.
- To ensure a representative organisation.
- To be democratic in the pursuance of our objectives.
- To show mutual respect, trust and ensure high levels of co-operation and discipline in our dealing with one another.

6.3 Key Performance Areas, Clusters, and Goals

The clustering within the Situational Analysis distinguished between external service provision across three clusters, that of Technical Services; Social Needs; and Economic Development and Planning. These externally oriented clusters are intersected by the fourth cross-cutting cluster, that of the Finance, Governance, and Administration Cluster, which has a more inward orientation. These clusters are consistent with the five Key Performance Areas of local government, with the caveats that Municipal Transformation, Finance, and Good Governance are within one cluster together, whereas Social Needs and Technical Services represent the separation of the Basic Service Delivery Key Performance Area into two distinct clusters.

Figure 9: The convergence of KPAs, Clusters, and Goals for the IDP 2012-2017



In terms of alignment and addressing priority issues identified across the five (5) KPAs and four (4) Clusters, IYLM set six (6) Goals consistent with each of its main administrative functions over the medium

term. These Goals are aligned to each of the 5 KPAs, except where Basic Services and Infrastructure is separated into two distinct Goals, one addressing Social Needs and the other addressing Infrastructure and Technical Services. Meanwhile, Finance, Governance and Administration all have their own respective Goals, within this single Cluster. IYLM therefore presents in subsequent sections of this chapter details of how its organisational Goals and Strategic Objectives will address Priority Issues through the implementation of specific Strategies and the tracking of progress via performance indicators. In order to focus on a developmental trajectory that will ensure progressive realization of the Vision of the Council as stated above, and derived from the institutional Mission, the Council has resolved to focus on six (6) Goals as follows:

- To provide effective and efficient human resource and administrative services within IYLM towards institutional development and good governance, supported by enhanced information and communication technology;
- To provide sound municipal planning, maintenance, and infrastructure provision that delivers for the needs and aspirations of IYLM citizens;
- To provide quality social services and social infrastructure for the communities of IYLM, while ensuring public safety, promoting improved public health, and supporting sustainable environmental management;
- To support enterprise formations, retention and expansion of businesses and initiatives that provides job opportunities and income to the people of IYLM;
- To build the financial viability of IYLM through integrated planning, management, and good governance for a clean administration; and
- To ensure good governance and effective oversight within IYLM.

6.4 Goals and Strategic Objectives

6.4.1 Institutional development

Goal- To provide effective and efficient human resource and administrative services within IYLM towards institutional development and good governance, supported by enhanced information and communications technology.

This Goal will be realised through the achievement of the following Strategic Objectives within the Key Performance Area of Municipal Transformation and Organisational Development and the Finance, Governance and Administration Cluster:

- To improve the skills sets of IYLM Council and staff in line with their Personal Development Plans (PDPs).
- To improve the well-being of IYLM staff and Council for better service delivery.
- To improve the institutional performance of IYLM through the cascading of the institutional performance management system.
- To improve access to information for Council, staff, and citizens of IYLM.
- To increase the satisfaction levels of citizens with regards to IYLM services.

- To enhance governance through application of standing rules and orders of IYLM.
- To increase the organisational capacity of IYLM in annual prioritised work areas.
- To achieve equitable representation of Municipal staff in line with organisation's transformation agenda.

6.4.2 Municipal planning, maintenance & infrastructure provision

Goal – To provide sound municipal planning, maintenance, and infrastructure provision that delivers for the needs and aspirations of IYLM citizens.

This Goal will be realised through the achievement of the following Strategic Objectives within the Key Performance Area of Basic Services & Infrastructure and the Technical Services Cluster:

- To improve road infrastructure networks within IYLM for greater mobility of people, goods, and services.
- To achieve integrated land-use for sustainable human settlements within IYLM.
- To improve access to basic water & sanitation to citizens of IYLM.
- To improve access to electricity to citizens of IYLM.

6.4.3 Provide social infrastructure and quality social services

Goal- To provide quality social services and social infrastructure for the communities of IYLM, while ensuring public safety, promoting improved public health, and supporting sustainable environmental management.

This Goal will be realised through the achievement of the following Strategic Objectives that fall with the Key Performance Area of Basic Services & Infrastructure and the Social Needs Cluster:

- To improve the well-being of vulnerable groups within IYLM.
- To reduce HIV/AIDS related mortalities within IYLM.
- To reduce the incidence of road accidents within IYLM.
- To increase household access to refuse removal services within IYLM.
- To limit the risk of fires and disasters to communities within IYLM.
- To improve the environmental sustainability of IYLM.
- To improve access to public amenities and recreational facilities for people within IYLM.
- To improve the security and care of all animals within IYLM.
- To reduce the incidence of crime within IYLM.

6.4.4 Job creation, enterprise formation, business retention and expansion

Goal- To support enterprise formations, retention and expansion of businesses and initiatives that provides job opportunities and income to the people of IYLM.

This Goal will be realised through the achievement of the following Strategic Objectives that fall within the Key Performance Area of Local Economic Development and the Economic Development and Planning Cluster:

- To improve the agricultural sector contribution to the local economy of IYLM.
- To improve the forestry sub-sector's contribution to the local economy of IYLM.
- To enhance tourism sector's contribution to the local economy of IYLM.
- To grow enterprises involved in beneficiation and value-addition within IYLM.
- To increase employment opportunities (temporal and permanent) within IY Municipal area.
- To contribute to the environment sustainability of Instika Yethu through prevention of soil erosion and removal of alien species.

6.4.5 Building financial viability

Goal- To build the financial viability of IYLM through integrated planning, management, and good governance for a clean administration.

This Goal will be realised through the achievement of the following Strategic Objectives that fall within the Key Performance Area of Financial Management and Viability and the Finance, Governance, and Administration Cluster:

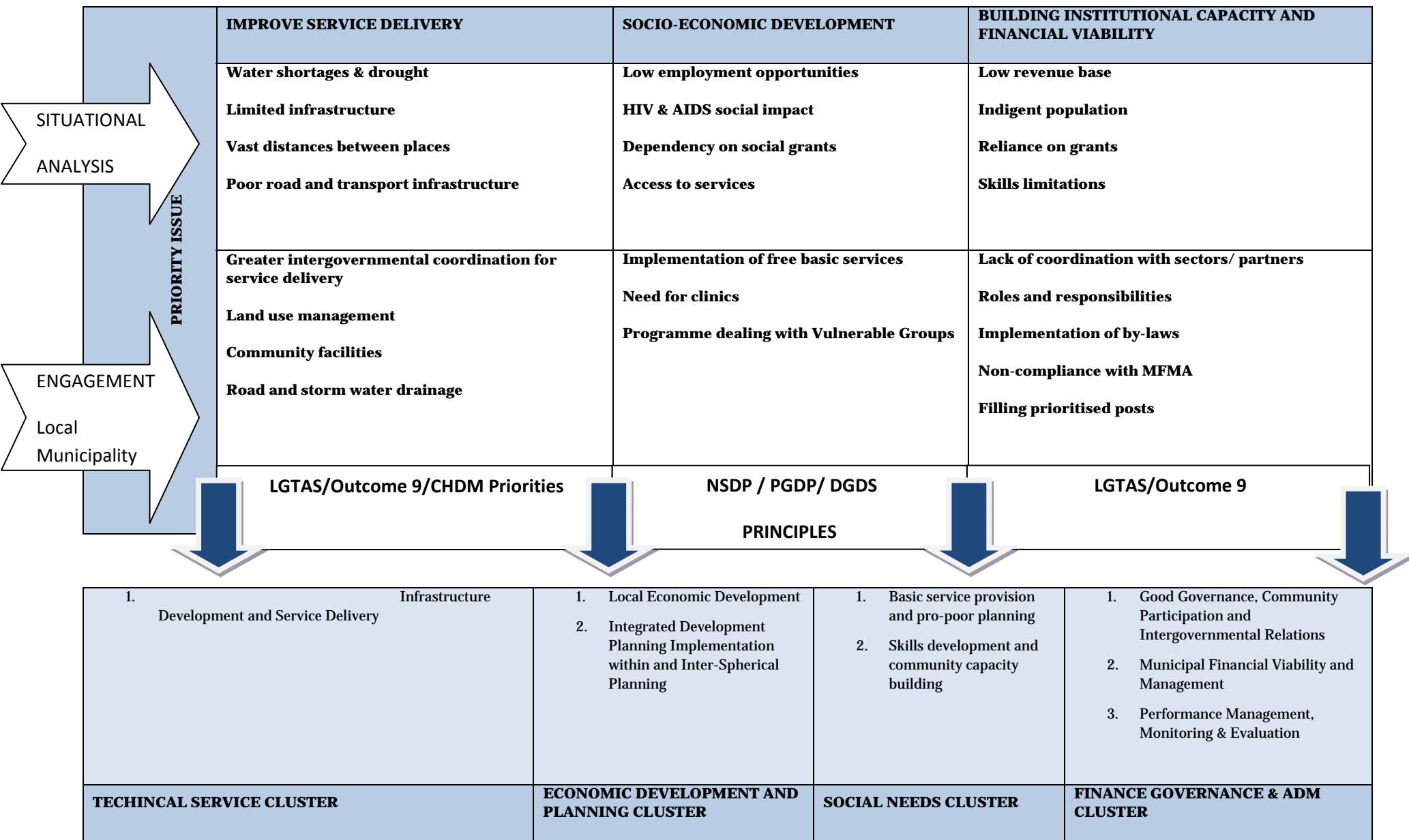
- To improve the accuracy of the IYLM's financial planning and reporting.
- To achieve best value for money through effective supply chain management within IYLM.
- To improve financial management capacity within IYLM.
- To strengthen the governance and control environment over all financial matters within IYLM.
- To achieve an unqualified audit opinion in the Municipality by 2014 and beyond.
- To increase revenue generation within IY Municipal area.

6.4.6 Good governance and oversight

Goal- To ensure good governance and oversight within IYLM.

This Goal will be realised through the achievement of the following Strategic Objectives within Good Governance and Public Participation Key Performance Area and the Finance, Governance and Administration Cluster:

- To strengthen the functionality of Ward Committees within IYLM.
- To improve communication within the IYLM.
- To improve Council Oversight and support to the political leadership within IYLM.
- To ensure codification, implementation of the by-laws, powers and functions.
- To ensure effective Integrated Development Planning within the Municipality.
- To ensure the participation of traditional leaders in service delivery.



6.5 The Three Year Implementation Plan

This section of the Integrated Development Plan outlines detailed Strategic Objectives, Strategies and Performance Indicators meant to track progress in addressing Priority Issues and realising the Goals across, and within, each of the Key Performance Areas over the next five years. The targets set over the medium term become the strategic basis for later cascading into the organisations Performance Management System (PMS). Furthermore, these indicators and their targets are specifically informed by existing District, Provincial, and National imperatives and considerations. Some of the indicators included are taken directly from the Local Government Performance Management Regulations, Schedule to the Municipal Systems Act. Also, note there is a distinction between the Technical Service Cluster and the Social Needs Cluster within the Basic Services & Infrastructure Key Performance Area, as both Clusters have their own respective Goals.

The three year Implementation Plan is then followed by the Projects and Programmes section, which provides a brief breakdown of the different projects and programmes planned for the Medium Term Expenditure Framework (MTEF). This section presents an integrated presentation of all of the scheduled projects and programmes to be implemented, including their spatial distribution, cost and source of funding, as well as duration over the next three years. In instances where funding was unavailable for some projects, but their potential to address an identified issue in line with organisational Goals and Strategic Objectives, these projects were included under the banner of 'Unfunded'. These project tables represent an attempt to integrate and align all planned initiatives within IYLM in terms of addressing the issues identified as part of the Situational Analysis, and emanating from the public participation

Annexure 1

KPA 1: Financial Management and Viability

Cluster: Finance, Governance and Administration

Strategic objective: To improve revenue collection

KPA	Strategy	KPI	Baseline indicator	Annual target		
				2016-2017	2017-2018	2018-2019
Revenue	By ensuring accurate billing.	Accurate billing	Incorrect categorisation of debtors within the billing system	12 accurate billing reports.	12 accurate billing reports.	12 accurate billing reports.
	By implementing revenue enhancement strategy	Implemented revenue enhancement strategy.	Reviewed revenue enhancement strategy which is currently sitting at 32% in terms of own revenue collection	60% own revenue collected by 30 June 2017	65 % own revenue collected by 30 June 2018	75 % own revenue collected by 30 June 2019
	By implementing credit control policy	Implemented credit control policy	credit control policy in place	Implementation of credit policy	Fully implementation	Fully implementation of

KPA	Strategy	KPI	Baseline indicator	Annual target		
				2016-2017	2017-2018	2018-2019
					of credit policy	credit policy

Strategic objective: To ensure that expenditure incurred is aligned to approved budget and IDP

KPA	Strategy	KPI	Baseline indicator	Annual target		
				2016-2017	2017-2018	2018-2019
Expenditure management	By spending according to votes	100% spending according to approved budget and IDP	Budget not spent according to approved budget and aligned to IDP.	Ensure that spending is within 5% over /under of the approved budget by 30 June 2018.	Ensure that spending is within 5% over /under of the approved budget by 30 June 2018.	Ensure that spending is within 5% over /under of the approved budget by 30 June 2019.

Strategic objective: To have an effective and efficient SCM and asset management processes

KPA	Strategy	KPI	Baseline indicator	Annual target		
				2016-2017	2017-2018	2018-2019
Supply Chain Management	By centralisation of SCM processes	Centralised SCM processes	Decentralised SCM processes	100% centralised SCM process by 30 June 2017.	100% centralised SCM process by 30 June 2018.	100% centralised SCM process by 30 June 2019.
	By safeguarding and ensuring accountability over assets	Credible assets register and general ledger	Not all assets are in both General ledger and asset register.	All assets are in both General ledger and asset register by 30 June 2017	All assets are in both General ledger and asset register by 30 June 2018	All assets are in both General ledger and asset register by 30 June 2019

Strategic objective: To ensure effective budget planning and reporting mechanisms

KPA	Strategy	KPI	Baseline indicator	Annual target		
				2016-2017	2017-2018	2018-2019
Budget Planning and Reporting	By ensuring that budget structure/ system enables accurate and reliable financial reporting.	Well cash backed budgeting	Currently, budget is not realistic and cash backed.	Budget according to the guaranteed Sources of revenue and spending according to the revenue received	Budget according to the guaranteed Sources of revenue and spending according to the revenue received	Budget according to the guaranteed Sources of revenue and spending according to the revenue received
		Monthly/Quarterly/Midterm and Annual financial reporting.	Currently the IYM Maintain accurate reporting	12 Signed accurate S71 reports, 1 accurate S72 reports and 4 quarterly accurate reports.	12 Signed accurate S71 reports, 1 accurate S72 reports and 4 quarterly accurate reports	12 Signed accurate S71 reports, 1 accurate S72 reports and 4 quarterly accurate reports

Strategic objective: To improve compliance to financial prescripts and internal controls

KPA	Strategy	KPI	Baseline indicator	Annual target		
				2016-2017	2017-2018	2018-2019
Legislative Compliance and Internal Control	By aligning all BTO policies to legislation and Implementing internal controls according to MFMA.	Aligned policies and documented internal controls	High degree of non-compliance to policies, financial prescripts and poor internal control Environment	Aligned, approved BTO policies and documented procedure manuals	Aligned, approved BTO policies and documented procedure manuals	Aligned, approved BTO policies and documented procedure manuals

Strategic objective: To obtain a clean audit opinion by 2018

KPA	Strategy	KPI	Baseline indicator	Annual target		
				2016-2017	2017-2018	2018-2019
Audit Outcomes Improvement	By monitoring internal controls, quarterly management accounts and ensure proper oversight	Unqualified audit report received by 2016	Unqualified Audit opinion received in 2014/15 financial year	Unqualified Audit Opinion by 30 June 2017	Clean Audit	Clean Audit
	By monitoring implementation of risk register	Completed and implemented risk register	Risk register in place	Mitigate risks identified in the risk register by 30 June 2017	Mitigate risks identified in the risk register by 30 June 2018	Mitigate risks identified in the risk register by 30 June 2019.
	By monitoring implementation of audit action plan	Completed and implemented audit action plan	Audit plan is in place	To clear 2015/16 audit findings by AG by 30 June 2017	To clear 2016/17 AG audit findings by 30 June 2018	To clear 2017/18 AG audit findings by 30 June 2019

Municipal Institutional development and Transformation

Cluster: Finance, Governance and Administration

Strategic objective: To ensure proper creation, maintenance, use, access and disposal of records at IYM

KPA	Strategy	KPI	Baseline indicator	Annual target		
				2016-2017	2017-2018	2018-2019
Records Management	By strengthening and implementing proper records classification systems.	Sound records classification system.	Misfiling of documents, no proper referencing and security for the records. Unauthorised access to records storage areas.	At least one records management workshop targeted for all departments.(Filing, referencing ,security and unauthorised access to records storage)	At least Two records management workshop targeted for all departments.	At least two records management workshop targeted for all departments.
	By following the proper procedures on the disposal of records	Records disposed -of	Records no longer in use not disposed- of	One successful disposal of records that are no longer in use	One successful disposal of records that are no longer in use	One successful disposal of records that are no longer in use.

KPA	Strategy	KPI	Baseline indicator	Annual target		
				2016-2017	2017-2018	2018-2019
	By ensuring that all outgoing and incoming correspondence is captured and referenced.	Controlled incoming and outgoing correspondence.	<p>All correspondence received is date stamped and registered.</p> <p>File movement register is in use.</p> <p>All received correspondence is registered.</p>	Recording of all incoming and outgoing correspondence.	Recording of all incoming and outgoing correspondence.	Recording of all incoming and outgoing correspondence.

KPA	Strategy	KPI	Baseline indicator	Annual target		
				2016-2017	2017-2018	2018-2019
	By following access to information procedure manual on documents requested.	Prompt reply/ response on information requests.	Turnaround time is at least one working day on information requested 2014/2015.	At least within 30 days turnaround time on information requested.	At least within 30 days turnaround time on information requested.	At least within 30 days turnaround time on information requested.

Strategic objective: To improve the skills development for councillors and staff of IYM.

KPA	Strategy	KPI	Baseline indicator	Annual target		
				2016-2017	2017-2018	2018-2019
Skills development	By implementing trainings and learnership programmes to councillors and staff according to work place	Number of trainings and learnerships programmes held for both councillors and staff according to WSP.	One learnership programme on fundamental literacy competency and One AET learner ship	The following trainings and learner ship programmes will be	Two learnership and six trainings targeted	Two learnership and six trainings targeted

	skills plan (WSP).		programme was conducted to employee in 2014/15.	undertaken by 30 June 2015: <ul style="list-style-type: none"> - Training of 18 EEP Forum members, - Learnership programme for 10 Cllrs - Skills Programme on fleet management and Transport for 8 employees - skills programme on basic cleaning conditions 		
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				for 10 employees – Five employees on records mgmnt learnership programme and – Ten employees for financial study assistance		
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Strategic objective: To provide effective administration service and support to council of IYM

KPA	Strategy	KPI	Baseline indicator	Annual target
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				2016-2017	2017-2018	2018-2019
Support to council and committee services	By ensuring standing rules and orders of the council are applied.	Compiled, signed council agendas and distributed seven days in advance.	Council agendas are still not distributed seven days in advance.	Ensure that all forty two councillors and eight traditional leaders sign for receipt of all Council agendas seven days in advance	At least four council agendas compiled and distributed council seven days in advance.	At least four council agendas compiled and distributed council seven days in advance.
	By ensuring councillor benefits are correctly implemented.	Councillor benefits that are implemented according to government gazette.	Councillor benefits are fully implemented according to the government gazette	All 42 councillors receive their benefits as stipulated in the government gazette	All 42 councillors receive their benefits as stipulated in the government gazette	All 42 councillors receive their benefits as stipulated in the government gazette

Strategic objective: To improve institutional performance of IYM

KPA	Strategy	KPI	Baseline indicator	Annual target		
				2015-2016	2016-2017	2017-2018
Performance Management System	By implementing performance management system.	Cascaded PMS to the level below senior managers.	PMS is implemented at the level of senior managers only.	Cascade PMS to the level of assistant managers, Project managers and other strategic officials.(work plans)	Cascade PMS to the level below assistance managers and Project managers.	Cascade PMS to all employees of IYM.
	By conducting employee satisfaction survey.	Conducted employee satisfaction survey and report.	One survey conducted and its recommendations implemented 2014/2015	At least one employee satisfaction survey conducted by 30 June 2016.	Impact assessment (last survey)	Conduct at least one employee satisfaction survey

KPA	Strategy	KPI	Baseline indicator	Annual target		
				2015-2016	2016-2017	2017-2018

Strategic objective: To ensure proper monitoring and management of all IYM fleet.

KPA	Strategy	KPI	Baseline indicator	Annual target		
				2016-2017	2017-2018	2018-2019
Fleet Management services	By implementing vehicle recovery and fleet monitoring system.	Developed and implementable fleet recovery and monitoring system.	Currently fleet management systems are in place but the objectives of fleet management not fully achieved.	Fully Implementation of vehicle recovery and fleet monitoring system	Implementation of vehicle recovery and fleet monitoring system	Implementation of vehicle recovery and fleet monitoring system

Strategic objective: To ensure compliance, equitable representation of municipal staff in line with organisation’s transformation agenda

KPA	Strategy	KPI	Baseline indicator	Annual target		
				2016-2017	2017-2018	2018-2019
Employment Equity	By implementing employment equity plan (EEP).	Implemented EEP.	Non-compliance to the EEP	Recruit according to the EEP to meet the target and goals by June 2016.	Recruit according to the EEP to meet the target and goals.	Recruit according to the EEP to meet the target and goals.
	By having functional and capacitated employment equity committee	Functional and capacitated Employment equity committee	Employment equity committee capacitated and functioning properly.	One training and one awareness workshop targeted for both councillors and staff (committee) on	Two training and two awareness workshop targeted for both councillors and staff on employment equity	Three training and three awareness workshop targeted for both councillors and staff on employment equity regulations by

KPA	Strategy	KPI	Baseline indicator	Annual target		
				2016-2017	2017-2018	2018-2019
				employment equity regulations by 30 June 2016. Four meetings targeted for 2015/16	regulations by 30 June 2016. Four meetings targeted for 2016/17	30 June 2017. Four meetings targeted for 2017/18

Strategic Objectives: To improve the well-being of staff and council of IYM

KPA	Strategy	KPI	Baseline indicator	Annual target		
				2016-2017	2017-2018	2018-2019
Employee assistance programme and occupational health and safety	By implementing health and wellness programmes.	Number of health and wellness programmes undertaken.	Two wellness programmes were undertaken in 2014/15.	Two wellness programmes targeted for implementation by 30 June 2016	Three wellness programmes.	Four wellness programmes.

Strategic Objectives: To motivate and sustain employees of IYM

KPA	Strategy	KPI	Baseline indicator	Annual target		
				2016-2017	2017-2018	2018-2019
Human resource management.	By providing employees with fringe benefits.	Fringe benefits provided to employees.	Medical Aid subsidy, pension subsidy, cell phone allowance, car allowance, 13th	Ensure provision of the following fringe benefits	Ensure provision of the following fringe benefits	Ensure provision of the following fringe benefits to employees:

KPA	Strategy	KPI	Baseline indicator	Annual target		
				2016-2017	2017-2018	2018-2019
			cheque, performance bonus and housing subsidy provided in 2014/15.	to employees: Medical Aid subsidy, cell phone allowance, 13 th cheque, performance bonus and housing subsidy.	to employees: Medical Aid subsidy, cell phone allowance, 13 th cheque, performance bonus and housing subsidy	Medical Aid subsidy, cell phone allowance, 13 th cheque, performance bonus and housing subsidy

Strategic Objectives: To set up functional and efficient administration systems

KPA	Strategy	KPI	Baseline indicator	Annual target		
				2016-2017	2018-2019	2018-2019
Organisational development (Leave	By implementing electronic system for monitoring work attendance of all	Uni - clock system in place and fully operational	Introduction of electronic system in 2014/15	Uni - clock system in place and fully operational by	Uni - clock system in place and fully	Uni - clock system in place and fully

KPA	Strategy	KPI	Baseline indicator	Annual target		
				2016-2017	2018-2019	2018-2019
management)	employees.		Usage of attendance registers.	30 June 2016.	operational.	operational
	Online application of leave	Online application of leaves	Usage of leave books.	On line leave applications by 30 June 2016.	On line application of leave.	On line application of leave.
(Employee management)	By safe keeping employee records.	Created employee files and updated information in all employee files.	Updated employee files	Update employee files on a monthly basis.	Update employee files on a monthly basis.	Update employee files on a monthly basis.

KPA	Strategy	KPI	Baseline indicator	Annual target		
				2016-2017	2018-2019	2018-2019
	By ensuring claims for S&T , overtimes, standby, sleep overs and shift allowance are calculated using the right formulas and in line with relevant policies.	Register for all claim forms received. Stamped and signed claim forms.	All claims are registered, calculated, signed and stamped.	Ensuring that Claims for S&T, overtimes, standby, sleep overs and shift allowance are calculated using the right formulas and in line with relevant policies on a monthly basis.	Ensuring that claims for S&T , overtimes, standby, sleep overs and shift allowance are calculated using the right formulas and in line with relevant policies on a monthly basis.	Ensuring that claims for S&T , overtimes, standby, sleep overs and shift allowance are calculated using the right formulas and in line with relevant policies on a monthly basis.

Strategic Objectives: To build capacity of the organisation through population of the organogram

KPA	Strategy	KPI	Baseline indicator	Annual target		
				2016-2017	2017-2018	2018-2019
Recruitment and selection	By ensuring open and transparent recruitment processes and procedures.	Advertised posts on notice boards, local and national newspapers.	22 Posts advertised and filled by 2014/2015	Advertising and filling of critical posts as per reviewed organogram	Advertising and filling of critical posts as per reviewed organogram	Advertising and filling of critical posts as per reviewed organogram
	By implementing agreed organogram	Filled position in the organogram in line with municipal needs and affordability	Reviewed organisational structure	Filling of funded vacant posts as per organogram and budget available	Filling of funded vacant posts as per organogram and budget available	Filling of funded vacant posts as per organogram and budget available

Strategic Objectives: To develop institutional policies and by-laws.

KPA	Strategy	KPI	Baseline indicator	Annual target		
				2016-2017	2017-2018	2018-2019
Policies and By- laws	By developing, implementing, reviewing municipal policies and facilitating Gazetting of municipal by – laws.	Developed, and reviewed municipal policies	Policies are reviewed on an annual basis.	Reviewal of all municipal policies by end of first quarter.	Reviewal of policy annually.	Reviewal of policy annually.
		Gazetted municipal By-laws	By –laws are gazetted on submission.	Gazette all submitted by- laws by 30 June 2017	Gazetting and publicizing by-laws for awareness and by in.	Gazetting and publicizing by-laws for awareness and by in.

KPA	Strategy	KPI	Baseline indicator	Annual target		
				2016-2017	2017-2018	2018-2019
	By conducting awareness workshops on HR Policies	Awareness workshops on HR policies conducted	Awareness workshop on HR policies done annually	One awareness workshop on HR policies to be conducted and each and every employee receive and sign Code of Conduct	One awareness workshop on HR policies to be conducted	One awareness workshop on HR policies to be conducted

Strategic objective: To promote and maintain sound employee relations

KPA	Strategy	KPI	Baseline indicator	Annual target		
				2016-2017	2017-2018	2018-2019
Employee relations	By having bilateral meetings with shop stewards on quarterly basis.	Number of bilateral meetings with shop stewards	No structured meetings in place with Shop stewards.	Four quarterly bilateral meetings with shop stewards by 30 June 2016.	Four quarterly bilateral meetings with shop stewards by 30 June 2017	Four quarterly bilateral meetings with shop stewards by 30 June 2018
	By having monthly LLF meetings.	Monthly LLF meetings.	Monthly LLF meeting 2014/2015.	Monthly LLF meetings(12) by 30 June 2016	Monthly LLF meetings(12) by 30 June 2017	Monthly LLF meetings(12) by 30 June 2018
	By capacitating employees, shop stewards on employees relations.	Training of employees, shop stewards on employee relations.	One training programme conducted 2014/2015.	One Training for Employees, shop steward and managers on employee relations and two awareness programmes	One Training for Employees, shop steward and managers on employees' relations.	One Training for Employees, shop steward and managers on employees' relations.

KPA	Strategy	KPI	Baseline indicator	Annual target		
				2016-2017	2017-2018	2018-2019
				by the end of June 2016		
	Promotion and maintenance of discipline to employees.	Number of conducted disciplinary hearings and awareness provided on disciplinary issues/procedures	Employees are aware of code of conduct.	One training on disciplinary skills for managers and supervisors and one awareness on disciplinary code of conduct to all employees by 30 June 2016	One training on disciplinary skills for managers and supervisors and one awareness on disciplinary code of conduct to all employees by 30 June 2017	One training on disciplinary skills for managers and supervisors and one awareness on disciplinary code of conduct to all employees by 30 June 2018

KPA 2: Good Governance and Public Participation

Cluster: Finance, Governance and Administration

Strategic objective: To strengthen the functioning of ward committees

KPA	Strategy	KPI	Baseline indicator	Annual target		
				2016-2017	2017-2018	2018-2019
Ward committee support	Through capacity building and provision of resources	Trained ward committees	1 training has been conducted on Local Economic Development 2015/2016 financial year	1 training of 210 ward committees by 30 June 2017	1 training of 210 ward committees by 30 June 2018	2 training of 210 ward committees by 30 June 2019
		Resourced ward committees	Limited resources for ward committees	All 210 ward committees to be provided with resources (cell phone, stipend, stationary)	All 210 ward committees to be provided with resources (cell phone, stipend, stationary	All 210 ward committees to be provided with resources (cell phone, stipend, stationary

Strategic objective: To have well informed communities that participates in the affairs of IYM

KPA	Strategy	KPI	Baseline indicator	Annual target		
				2016-2017	2017-2018	2018-2019
Good Governance	By capacitating public participation stakeholders forum	Capacitated Public participation stakeholder's forum	Public participation forum has been capacitated in 2015/2016 financial year	1 training targeted by 30 June 2017	1 training targeted by 30 June 2018	1 training targeted by 30 June 2019
	By conducting IGR meetings	Number of IGR meetings conducted	Four IGR meetings conducted in 2015/16.	Four IGR meeting convened on a quarterly basis	Four IGR meetings convened on a quarterly basis	Four IGR forums convened on a quarterly basis
	By strengthening communication with all IYM stakeholders	Adopted Annual report in compliance with relevant legislation.	2014/15 Annual report	One compiled Annual report: 2015/16	Annual report.	Annual report.

Strategic objective: To strengthen council support and oversight within IYM

KPA	Strategy	KPI	Baseline indicator	Annual target		
				2016-2017	2017-2018	2018-2019
Good Governance	Functional Audit committee that regularly report to the council	Audit committee reports and minutes submitted to the council.	Structured reporting to the council 2015/2016.	Four quarterly meetings and two Audit committee reports submitted to the council by June 2017.	Four quarterly meetings and two Audit committee reports submitted to the council by June 2018.	Four quarterly meetings and two Audit committee reports submitted to the council by June 2019.

KPA	Strategy	KPI	Baseline indicator	Annual target		
				2016-2017	2017-2018	2018-2019
	Functional risk and anti-fraud committee that regularly report to accounting officer and Audit committee	Documented and approved risk management framework and anti- fraud and corruption strategy	The Risk Management framework, Anti-fraud and corruption strategies reviewed in 2015/2016	Reviewed and approved risk management framework (Risk assessment reports) and anti- fraud and corruption strategy by 30 June 2017.	Reviewed and approved risk management framework (Risk assessment reports) and anti- fraud and corruption strategy by 30 June 2018.	Reviewed and approved risk management framework (Risk assessment reports) and anti- fraud and corruption strategy by 30 June 2019.
	By providing oversight on behalf of the Council	Adopted MPAC reports in compliance to relevant guidelines	Four quarterly reports submitted 2015/2016	Four quarterly MPAC reports by 30 June 2017	Four quarterly MPAC reports per annum by 30 June 2018	Four quarterly MPAC reports per annum by 30 June 2019

Strategic objective: To monitor and evaluate institutional performance including S56/S57 Managers

KPA	Strategy	KPI	Baseline indicator	Annual target		
				2016-2017	2017-2018	2018-2019
Monitoring and Evaluation	By developing performance agreement for s56/57 managers and conduct quarterly performance evaluation processes.	Conducted and developed Performance evaluation reports of s56/57 Managers	Only senior Mangers / directors are evaluated on PMS.	Two performance evaluation reports by 30 June 2017 (s56/s57 managers).	Two performance evaluation reports by 30 June 2018 (s56/s57 managers).	Two performance evaluation reports by 30 June 2019 (s56/s57 managers).
	By Monitoring the safe guarding and maintenance of asset management	Asset register must be GRAP compliant	Asset register is not fully compliant	Fully GRAP compliant asset register	Fully GRAP compliant asset register	Fully GRAP compliant asset register
	By conducting community satisfaction survey.	Conducted community satisfaction survey 2015/2016	One documented community satisfaction survey conducted by 30 June 2017	One documented community satisfaction survey conducted by 30 June 2017	One documented community satisfaction survey conducted by 30 June 2017	One documented community satisfaction survey conducted by 30 June 2017

KPA	Strategy	KPI	Baseline indicator	Annual target		
				2016-2017	2017-2018	2018-2019
				30 June 2017	30 June 2018	June 2019
	By Monitoring performance of all institutional contracts	Monitored institutional contracts	Institutional contracts are not properly monitored	Four Quarterly reports on the performance of institutional contracts by 30 June 2017	Four Quarterly reports on the performance of institutional contracts by 30 June 2018	Four Quarterly reports on the performance of institutional contracts by 30 June 2019

Strategic objective: To ensure effective communication internally and externally at IYM

KPA	Strategy	KPI	Baseline indicator	Annual target		
				2016-2017	2017-2018	2018-2019
Communication	Intensify implementation of communication strategy through workshops	Workshop conducted on communication strategy	Workshop conducted on communication strategy(both Cofimvaba & Tsomo)	Implementation of communication strategy	Implementation of communication strategy	Implementation of communication strategy
	By strengthening communication within the institution both internal and external	Well informed employees and communities	Continuous media briefings	Hold quarterly media briefings with both electronic and print media by 30 June 2017	Hold quarterly media briefings with both electronic and print media by 30 June 2018	Hold quarterly media briefings with both electronic and print media by 30 June 2019

KPA	Strategy	KPI	Baseline indicator	Annual target		
				2016-2017	2017-2018	2018-2019
			Two external newsletters and 12 internal newsletter	Two external newsletters and 12 internal newsletters by 30 June 2017	Two external newsletters and 12 internal newsletter by 30 June 2018	Two external newsletters and 12 internal newsletter by 30 June 2019
		Conducted staff meetings, distribution of notices, memo and update of website	Structured staff meetings, notices, memos, and website	Quarterly staff meetings , updated website	Quarterly staff meetings , updated website	Quarterly staff meetings , updated website

KPA	Strategy	KPI	Baseline indicator	Annual target		
				2016-2017	2017-2018	2018-2019
	By strengthening communication with communities through presidential hotline and complaint management system.	By responding to the complaints within 30days	Responded to complaints within 30 days as turnaround time.	Address and respond to all registered community complaints and suggestions	Address and respond to all registered community complaints and suggestions	Address and respond to all registered community complaints and suggestions

Strategic Objective: To establish well- secured and compliant information, communication technology systems

KPA	Strategy	KPI	Baseline indicator	Annual target		
				2016-2017	2017-2018	2018-2019
ICT	By maintaining and upgrading ICT systems.	Upgraded and maintained ICT systems	Continuous upgrading and maintenance of ICT systems	Maintenance and upgrade of ICT systems by 30 June 2017	Maintenance and upgrade of ICT systems by 30 June 2018.	Maintenance and upgrade of ICT systems by 30 June 2019
	Enforcement of ICT governance framework	Documented and approved ICT governance framework	Framework is in place	Implementation of ICT governance framework	Implementation of ICT governance framework	implementation of ICT governance framework

Strategic objective: To reduce HIV related mortalities within IYM

KPA	Strategy	KPI	Baseline indicator	Annual target		
				2016-2017	2017-2018	2018-2019
HIV/AIDS	By providing awareness campaigns and war room intervention to communities of IYM in HIV/ AIDS related issues.	Conducted awareness campaigns and war room intervention in all 21 wards.	1 Training and 1 awareness conducted in each quarter for all wards in the 2015/2016 financial year	1 awareness campaign in each ward (war room and community dialogues) by 30 June 2017	1 awareness campaign in each ward	1 awareness campaign in each ward
	By establishing and reviving HIV/ AIDS forums.	Established forums and revived HIV/AIDS forums	Ground diggers forum, NGO Forums, Support group	1 HIV /AIDS forum targeted by 30 June 2017	1 HIV /AIDS forum targeted by 30 June 2018	1 HIV /AIDS forum targeted by 30 June 2019
	By facilitating the implementation of food Security programme for vulnerable groups and HIV/AIDS in all IYM	Food gardens for people living with HIV/AIDS and vulnerable individuals	21 fully functional house Hold gardens in all wards for vulnerable and for people living with HIV / AIDS	Fully functional households gardens in 21 wards for	Fully functional households gardens in 21 wards for	Fully functional households gardens in all 21 wards for vulnerable and

KPA	Strategy	KPI	Baseline indicator	Annual target		
				2016-2017	2017-2018	2018-2019
	wards			vulnerable and HIV/AIDS individuals	vulnerable and HIV/AIDS individuals	HIV/AIDS individuals
	By conducting local AIDS council meeting	Number of meeting held	Functional quarterly meetings and conduct community dialogues	Four LAC meetings targeted by 30 June 2017	Four LAC meetings targeted by 30 June 2018	Four LAC meetings targeted by 30 June 2019
	Honouring of calendar events related to HIV/AIDS	Number of calendar events honoured	World Aids Day, 16 days of activism, candle light, STI/Condom week	Honoured anti- poverty programme, 16 days of activism, candle light memorial, STI/condom week and World Aids day	Honoured anti- poverty programme, 16 days of activism, candle light memorial, STI/condom week and World Aids day	Honoured anti- poverty programme, 16 days of activism, candle light memorial, STI/Condom week and World Aids Day

Strategic objective: To ensure integration and participation of all vulnerable groups within IYM

KPA	Strategy	KPI	Baseline indicator	Annual target		
				2016-2017	2017-2018	2018-2019
SPU	By mainstreaming SPU programme within the IYM.	Mainstreamed SPU programmes internally and externally	SPU programmes are mainstreamed internally and externally	Mainstream all SPU programmes within IYM by 30 June 2017.	Mainstream all SPU programmes within IYM by 30 June 2018.	Mainstream all SPU programmes within IYM by 30 June 2019
	By strengthening Youth development programmes	Participation in youth development programmes/initiatives	Youth in sport(Mayors cup) ,Youth in arts and culture , Youth development Learnship Programme	Youth development programmes	Youth development programmes	Youth development programmes

Strategic objective: To ensure the honouring of national calendar days

KPA	Strategy	KPI	Baseline indicator	Annual target		
				2016-2017	2017-2018	2018-2019
National days celebration	By celebrating all the national calendar days	National calendar events honoured.	Six national celebrations were honoured (youth month, Mandela day, women day, world Aids day Chris Hani month and disability month.	Honouring of National Calendar days: Youth month, Mandela day, Women day, Heritage day, Elderly day, Chris Hani Month, Disability and Men's sector	Honouring of National Calendar days: Youth month, Mandela day, Women day, Heritage day, Chris Hani Month, Elderly, disability and Men's sector	Honouring of National Calendar days: Youth month, Mandela day, Women day, Heritage day, Chris Hani Month, Elderly, Disability and Men's sector

Strategic objective: To promote inward investment in order to stimulate economic growth of IYM (MM's OFFICE)

KPA	Strategy	KPI	Baseline indicator	Annual target		
				2016-2017	2017-2018	2018-2019
Administration	By lobbying potential investors in IYM	Number of potential investors attracted.	Two investors attracted in the 2015/2016 financial year	Attract at least one potential investor in IYM by 30 June 2017	Attract at least one potential investor in IYM by 30 June 2018	Attract at least one potential investor in IYM by 30 June 2019

Strategic objective: To ensure sound financial Administration of the IYM (MM'S OFFICE)

KPA	Strategy	KPI	Baseline indicator	Annual target		
				2016-2017	2017-2018	2018-2019
Financial viability and Asset Management	By maintaining sound financial administration	Approved budget and signed financial reports (s71and s72).	Approved budget and signed financial reports.	Approved budget and Signed off s71 & s72 report submitted to treasury on legislated time.	Approved budget and Signed off s71 & s72 report submitted to treasury on legislated time.	Approved budget and Signed off s71 & s72 report submitted to treasury on legislated time.

KPA 1: Basic Service & Infrastructure

Cluster: Social Needs Cluster

Strategic objective: To Reduce Road Traffic accidents through intensified law enforcement.

KPA	Strategy	KPI	Baseline indicator	Annual target		
				2016-2017	2017-2018	2018-2019
Traffic Safety	By conducting massive traffic operations in collaboration with other law enforcement agencies	No of Road blocks, traffic inspections conducted	13 massive operations and daily traffic inspections conducted in 2015/2016 financial year	12 massive operations and daily traffic inspections conducted	14 massive operations and daily traffic inspections conducted	14 massive operations and daily traffic inspections conducted
	By conducting traffic education programs to road users and schools	Number of traffic education programs conducted to road users and schools	10 traffic education programs conducted in 2015/2016	10 traffic education programs conducted for road users and schools	10 traffic education programs conducted for road users and schools	10 traffic education programs conducted for road users and schools

KPA	Strategy	KPI	Baseline indicator	Annual target		
				2016-2017	2017-2018	2018-2019
Licensing	By complying with national standards and regulations of Dept of Transport regarding the issue of licenses	Number of reports from DoT confirming adherence of IYM to National Standards and Regulations of Dept. of Transport.	One query with regard to issues of compliance in 2015/2016 financial year	Four reports issued by DoT confirming compliance with National Road Traffic act	Four reports issued by DoT confirming compliance with National Road Traffic act	Four reports issued by DoT confirming compliance with National Road Traffic act

Strategic objective: To ensure compliance to traffic regulations within IYM

KPA	Strategy	KPI	Baseline indicator	Annual target		
				2016-2017	2017-2018	2018-2019
Licensing	By issuing licences to all road users and vehicles	Number of registered and licensed motor vehicles, issued learners and driving licence(s).	<u>registration and licensing of motor vehicles, 1375 tested learners , 1264 driving licence in 2015/2016</u>	Registration and licensing of motor vehicles, learners and driving licence, renewals of driving licences	Registration and licensing of motor vehicles, learners and driving licence, renewals of driving licences	Registration and licensing of motor vehicles, learners and driving licence, renewals of driving licences

Strategic objective: To provide security for all municipal assets

KPA	Strategy	KPI	Baseline indicator	Annual target		
				2016-2017	2017-2018	2018-2019
Security Services	By providing security to all municipal premises	Security services in all municipal assets	Limited security services	Provision of security system in all municipal premises	Provision of security system in all municipal premises	Provision of security system in all municipal premises

Strategic objective: To provide support to indigent households within IYM

KPA	Strategy	KPI	Baseline indicator	Annual target		
				2016-2017	2017-2018	2018-2019
Indigent households support	By registration and verification of indigent households in all 21 wards	Indigent register	Indigent register available for 2015/2016	6500 indigent households to be included in 2016/17 indigent register.	6 100 indigent households to be included in 2017/18 indigent register.	6300 indigent households to be included in 2018/19 indigent register
	By conducting awareness campaigns to	Number of awareness	21 awareness campaigns in all wards	1 awareness campaign in 21	1 awareness campaign in	1 awareness campaign in

	communities of IYM with regard to registration in 21 wards	campaign's conducted	conducted 2015/2016	wards	each ward	each ward
	By having meetings with indigent steering committee in 21 wards	Number of steering committee meetings held.	1 Indigent Steering committee established in each ward	1X Indigent Steering Committee meeting in 21 wards by 30 June 2017	1X Indigent Steering Committee meeting in 21 wards by 30 June 2017	Revival of indigent steering committee in all 21wards by 30 June 2019

Strategic objective: To ensure provision of waste management services to residences within IYM

KPA	Strategy	KPI	Baseline indicator	Annual target		
				2016-2017	2017-2018	2018-2019
Waste Management	Increase the number of households receiving waste management service and clean daily both towns.	Number of households receiving waste management service.	1996 households receiving waste management service	2229 households to receive waste management service by 30 June 2017	Provide 30 waste bins and clean daily in order to have a good aesthetic town throughout the year	Provide 30 waste bins and clean daily in order to have a good aesthetic town throughout the year
	Strengthening of waste management cooperation by doing awareness campaign to community of IYM	Awareness campaigns conducted	Improved cooperation by business and communities of IYM on waste collection schedule.	Quarterly awareness campaigns and enforcement of waste management bylaw	Quarterly awareness campaigns and enforcement of waste management bylaw	Quarterly awareness campaigns and enforcement of waste management bylaw

Strategic objective: To ensure environmental sustainability in IYM

KPA	Strategy	KPI	Baseline indicator	Annual target		
				2016-2017	2017-2018	2018-2019
Environmental Management	By complying with environmental legislation , National Environmental Management: Waste Act (NEM: WA)	Compliant Landfill site and transfer station.	There is compliance with Landfill site and transfer station permits. Environmental sector plan.	Maintained compliance with landfill site and transfer station permits through quarterly reports from CHDM one annual inspection from DEDEAT.	Maintained compliance with landfill site and transfer station permits through quarterly reports from CHDM one annual inspection from DEDEAT	Maintained compliance with landfill site and transfer station permits through quarterly reports from CHDM one annual inspection from DEDEAT

Strategic objective: To minimise the risk of fires and disaster incidents in all communities of IYM

KPA	Strategy	KPI	Baseline indicator	Annual target		
				2016-2017	2018-2017	2018-2019
Fire fighting and disaster management	Conduct awareness campaign and meeting with fire committees	Number of awareness campaigns conducted and meetings with fire committees.	Ignorance by communities with regard to fire prevention.	1 Awareness campaign and fire committee meeting conducted in each ward by 2015/2016	1 Awareness campaign and fire committee meeting conducted in each ward by 2016/2017	1 Awareness campaigns and fire committee meeting conducted in each ward by 2017/2018
				Implementation of international strategy on disaster reduction (schools awareness campaigns)	Implementation of international strategy on disaster reduction (schools awareness campaigns	Implementation of international strategy on disaster reduction (schools awareness campaigns)

Strategic objective: To improve security and care of all impounded animals within IYM

KPA	Strategy	KPI	Baseline indicator	Annual target		
				2016-2017	2017-2018	2018-2019
Pound Management (livestock and animal care)	By complying with the set standards of national animal care	Well cared animals	Currently impound are cared and monitoring visits are conducted by SPCA.	Feeding of all impounded animals and vaccination when arises	Vaccination and feeding of animals impounded.	Vaccination and feeding of animals impounded.

Strategic objective: To ensure functional and secured public amenities and recreation facilities within IYM

KPA	Strategy	KPI	Baseline indicator	Annual target		
				2016-2017	2017-2018	2018-2019
Public Amenities	By providing access and security to public amenities.	Improved access and well secured public amenities.	Improved access to public amenities and well established hall committees	Provide security in all public amenities and revive stadium committees by 30 June 2017	Provide security by 30 June 2018	Provide security by 30 June 2019

Strategic objective: To have functional community safety forum at IYM

KPA	Strategy	KPI	Baseline indicator	Annual target		
				2016-2017	2017-2018	2018-2019
Public Safety	By coordinating and facilitating community safety forum	Number of community safety forums coordinated and facilitated	4 meetings held in 2015/2016	Four quarterly community safety forum meetings targeted	Four community safety forums meetings targeted	Four community safety forums meetings targeted

Basic Service Delivery and Infrastructure development

Cluster: Technical Service Cluster

Strategic Objective: To improve road and transport infrastructure networks within IYM for greater mobility of people, goods and services.

KPA	Strategy	KPI	Baseline indicator	Annual target		
				2016-2017	2017-2018	2018-2019
Road and Transport planning	Through our Integrated transport plan and storm water management plan we will construct and maintain road, transport and stormwater infrastructure network by:	No of Km's constructed	14.2 km's constructed in 2015//2016 financial year	Maintainance of Ngxwashu access road and storm water drainage	Maintainance of Ngxwashu access road and storm water drainage	Maintainance of Ngxwashu access road and storm water drainage
				Maintenance of Mthwaku access road and storm water drainage	Maintenance of Mthwaku access road and storm water drainage	Maintenance of Mthwaku access road and storm water drainage
	- Utilising our in-house construction and maintenance unit.				Construction of Qhumanco access road (0.8 km) with associated storm water drainage	Maintenance of Qhumanco access road and storm water drainage

KPA	Strategy	KPI	Baseline indicator	Annual target		
				2016-2017	2017-2018	2018-2019
	- External resources			Maintenance of Forty to Mawusheni access road and storm water drainage	Maintenance of Forty to Mawusheni access road and storm water drainage	Maintenance of forty to Mawusheni access road and storm water drainage
				Construction of Xhume to Nobhokwe access road (2.5 km) with associated storm water drainage	Construction of Xhume to Nobhokwe (5.5km) access road and storm water drainage	Maintenance of Xhume to Nobhokwe access road and storm water drainage
		No of km maintained	45 km maintained in 2015/2016	45 km maintained.	45 km maintained	45 km maintained.

KPA	Strategy	KPI	Baseline indicator	Annual target		
				2016-2017	2017-2018	2018-2019
		No of km constructed(surface/blacktop)	Upgrading of Cofimvaba streets to surfaced standards	Upgrading of Cofimvaba streets to surface standards phase 2 By 30 th June 2017	Upgrading of Cofimvaba streets to surface standards phase 2 By 30 th June 2018	Upgrading of Cofimvaba streets to surface standards phase 2 By 30 th June 2019
		No of km constructed(surface/blacktop)	Upgrading of Tsomo streets to surfaced standards	Upgrading of Tsomo streets to surface standards phase 2 By 30 th June 2017	Maintenance of Tsomo street to surface standards phase 2 by 30 June 2018	Maintenance of Tsomo street to surface standards phase 2 by 30 June 2019
		ITP and Storm water management plan developed and adopted by Council	ITP and Storm water management plan has been developed and adopted by Council in 2014/2015	Reviewal and update of ITP and Storm water management by 30 June 2016.	Reviewal and update of ITP and Storm water management	Reviewal and update of ITP and Storm water management

KPA	Strategy	KPI	Baseline indicator	Annual target		
				2016-2017	2017-2018	2018-2019
		No. of intermodal facilities that are prioritised and completed	One intermodal facility in place (Cofimvaba)	One intermodal facility to be completed (Tsomo)	One intermodal facility to be completed	Two intermodal facility to be completed
		Certified vehicle testing station constructed.	No vehicle testing station in place currently	Vehicle testing station constructed by June 2017	Maintenance of vehicle testing station	Maintenance of vehicle testing station
		Constructed Integrated Energy Centre access road.	There is no leC access road in IYM	Upgrade of 150m to surfaced road by 30 June 2017	Maintenance of leC	Maintenance of leC

Strategic Objective: Improvement of municipal infrastructure and amenities

KPA	Strategy	KPI	Baseline indicator	Annual target		
				2016-2017	2017-2018	2018-2019
Municipal public works	By utilising our maintenance plan , we will keep condition of our infrastructure in good/acceptable condition by: <ul style="list-style-type: none"> - Utilising our in-house construction and maintenance unit - External resources - Small towns development plan 	Number of infrastructure/assets maintained and constructed	Construction and Completed Wellness centre (building)	Construction of Cofimvaba public toilets by 30 June 2016.	Construction of Tsomo public toilets by 30 June 2017.	Upgrade of Tsomo sport field, Council Chambers, Server room and Registry will be
			Construction and Completed Wellness centre (building)	Construction of Cofimvaba wellness centre phase2	Construction of Cofimvaba wellness centre phase2	Construction of Cofimvaba wellness centre phase2

KPA	Strategy	KPI	Baseline indicator	Annual target		
				2016-2017	2017-2018	2018-2019
		No. of infrastructure/assets maintained and constructed	Planning of 6 additional Lubisi chalets by 30 June 2015.	Detailed designs and registration of the project to MIG	Actual construction of chalets	Chalets operational
		No. of infrastructure/assets maintained and constructed	One fully functioning land fill site in Cofimvaba and one Transfer station (Tsomo)	Construction of one cell in Cofimvaba by 30 th June 2016	Maintenance of landfill site	Maintenance of landfill site
		No. of infrastructure/assets maintained and constructed	Seven and fifteen high masts in Tsomo and Cofimvaba respectively.	Construction of 160 Cofimvaba street lights phase 3	Maintenance of Cofimvaba street lights	Maintenance of Cofimvaba street lights
			Seven and fifteen high masts in Tsomo and Cofimvaba respectively	Construction of sixty Tsomo street lights and three high must phase 2	Maintenance of Tsomo street lights	Maintenance of Tsomo street lights

KPA	Strategy	KPI	Baseline indicator	Annual target		
				2016-2017	2017-2018	2018-2019
		Well maintained municipality amenities (landscaping and greening)	Small Towns Development Plan in place	Maintenance and landscaping of amenities: Entrance gardens (Tsomo and Cofimvaba) Parks (Tsomo and Cofimvaba) Sports fields (Tsomo and Cofimvaba)	Maintenance and landscaping of amenities: Entrance gardens (Tsomo and Cofimvaba) Parks (Tsomo and Cofimvaba) Sports fields (Tsomo and Cofimvaba)	Maintenance and landscaping of amenities: Entrance gardens (Tsomo and Cofimvaba) Parks (Tsomo and Cofimvaba) Sports fields (Tsomo and Cofimvaba)

Strategic Objective: To achieve integrated land use planning for sustainable human settlements within IYM

KPA	Strategy	KPI	Baseline indicator	Annual target		
				2016-2017	2017-2018	2018-2019
Land use planning, Building control and human settlements	By utilising our SDF,Housing sector plan ,Small towns Development Plan and building control bylaws we will establish and Guide: <ul style="list-style-type: none"> - Building control - Mixed use settlements(towns hips) - Guidance of land use plans - Beneficiary Admin - SPLUMA - Integrated land management urban and rural 	No. of formalised settlements.	Thabo village township, infill applications were established in 2013/14	Formalisation of the following townships: <ul style="list-style-type: none"> - Mandela View - Section C - Extension 4 - Nkanini. - Extension of Polly Township (Approval of township establishment and submitting to survey general’s office) <ul style="list-style-type: none"> - Pegging 	Formalisation of the following townships: <ul style="list-style-type: none"> - Mandela View - Section C - Extension 4 - Nkanini. - Extension of Polly Township Formalisation of Ekuphumleni Township, Re of Erf 186 (Approval of submissions to COGTA, Pegging)	Formalisation of Ekuphumleni Township, section C/ Extension 4
				Land Imbizo	No land imbizo held	Annual Land imbizo

KPA	Strategy	KPI	Baseline indicator	Annual target		
				2016-2017	2017-2018	2018-2019
		Developed wall to wall scheme in line with SPLUMA	Outdated Transkei town planning scheme	Planning and data collection	Draft town planning scheme	Final town planning scheme
		Formalised and planned cemeteries in place	Cemetery site has reached its burial capacity	Formalisation of cemetery site (Approval of environmental studies)	Formalisation of cemetery site (Approval of SG diagrams)	New sites functional
		Number of coordinated meetings with Department of Human Settlements in all IYM Projects	Four meetings coordinated in 2015/16	Facilitating 4 sessions (1per quarter) for the establishment of following housing project(s) at <ul style="list-style-type: none"> - Nyanisweni Ext 500 (Erf 186) - Magwala - Mandela View - Nkanini - destitute/emergency - Lubisi 1000 	Facilitating 4 sessions (1per quarter) for the establishment of the following housing projects at Nyanisweni Ext 500 (Erf 186) <ul style="list-style-type: none"> - Magwala - Mandela View - Nkanini - 170 destitute 	Facilitating 4 sessions (1per quarter) for the establishment of the following housing project at Nyanisweni Ext 500 (Erf 186) <ul style="list-style-type: none"> - Magwala - Mandela View - Nkanini - 170 destitute - 170

KPA	Strategy	KPI	Baseline indicator	Annual target		
				2016-2017	2017-2018	2018-2019
				<ul style="list-style-type: none"> - Ntsongeni 130 - Vuyisile 1000 - Chris Hani 1000 - Joe Slovo 150 - Nyanisweni 150 - Tsomo Ext 2 (262) - Ntsongeni 870 - Hala Anti poverty project 1000 - Ward 9 rural 1000 - Ward 11 rural 1000 - Ntsongeni MPCC - St Marks MPCC 	<ul style="list-style-type: none"> - 170 emergency - Lubisi 1000 - Ntsongeni 130 - Vuyisile 1000 - Chris Hani 1000 - Joe Slovo 150 - Nyanisweni 150 - Tsomo Ext 2 (262) - Tsomo Ext 4(700) - Ntsongeni 870 - Hala Anti poverty Project 1000 - Ward 9 rural 1000 - Ward 11 rural 1000 	<ul style="list-style-type: none"> emergency - Lubisi 1000 - Ntsongeni 130 - Vuyisile 1000 - Chris Hani 1000 - Joe Slovo 150 - Nyanisweni 150 - Tsomo Ext 2 (262) - Tsomo Ext 4(700) - Ntsongeni 870 - St Marks MPCC - Ward 9 rural 1000 - Ward 11 rural 1000 - Ntsongeni MPCC

KPA	Strategy	KPI	Baseline indicator	Annual target		
				2016-2017	2017-2018	2018-2019
					<ul style="list-style-type: none"> - Chris Hani Ext - Ntsongeni MPCC - St Marks MPCC 	<ul style="list-style-type: none"> - Hala Anti Poverty Project 1000
		Minimum land invasions and illegal building constructions.	High number of land invasions and illegal building constructions	Implement the municipal building by-law to control land invasions and illegal building constructions by 30 June 2017.	Implement the municipal building by-law to control land invasions and illegal building constructions by 30 June 2018.	Implement the municipal building by-law to control land invasions and illegal building constructions by 30 June 2019.

Strategic Objective: To improve access to electricity to citizens of IYM

KPA	Strategy	KPI	Baseline indicator	Annual target		
				2015-2016	2016-2017	2017-2018
Electricity	By utilising INEP grant for municipalities to do house connections.	Number of households connected to Grid.	Electrification of 126 households in 2014/15	1050 household to be electrified and connected under Tsomo 3A and Tsomo 3B by 30 th June 2016 (INEP)	263 households to be electrified and connected.	263 households to be electrified and connected.
	Lobbing of Eskom through meetings	Number of facilitated meetings	Huge backlogs on electricity provision	Facilitation of four meetings one per quarter with Eskom by 30 th June 2016	Facilitation of four meetings one per quarter with Eskom by 30 th June 2017	Facilitation of four meetings one per quarter with Eskom by 30 th June 2018

KPA 1: Local Economic Development

Cluster: Economic Development and Planning

Strategic Objective: To resuscitate primary agricultural production and unlock the latent potential in IYM.

KPA	Strategy	KPI	Baseline indicator	Annual target		
				2016-2017	2017-2018	2018-2019
		Consistent cattle intakes into the custom feeding pens	175 cattle were taken in at Gxwalubomvu and Ncora custom feeding for the 2014/2015 financial year	Attend to snag list at Gxwalubomvu (plastering of feed troughs, construction of two rows wall and renovations of shed at Ncora Custom Feeding b 30 June 2017	Two operating custom feeding projects with animals all the year round.	Two operating custom feeding projects with animals all the year round.

Strategic Objective: To assist formal and informal businesses involved in job creation activities and value - addition within IYM

KPA	Strategy	KPI	Baseline indicator	Annual target		
				2016-2017	2017-2018	2018-2019
SMME Development	By strengthening and capacitating business associations/fora in IYM.	Provided capacity building programmes to business associations/ fora	IYM business structures not fully capacitated.	Two capacity building workshops targeted for organised business structures by 30 June 2017	Three capacity building workshops for business structures by 30 June 2018	Four capacity building workshops for business structures by 30 June 2019
	By promoting and give support the development of informal trading	Hawkers and informal traders site developed	No Hawkets and informal traders supported in 2015/2016 financial year	10 hawkers and informal traders targeted in the 2016/2016	To have regulated and coordinated formal and informal trading by 30 June 2018	To have regulated and coordinated formal and informal trading by 30 June 2018

KPA	Strategy	KPI	Baseline indicator	Annual target		
				2016-2017	2017-2018	2018-2019
	Enhance the growth and development of hawkers and informal traders by placing them in a coordinated manner	Developed site for hawkers and informal traders placed in a coordinated space	Undeveloped space and un coordinated hawkers and informal traders within IYM	Develop an informal trading and implementation plan	Implementation of an informal trading plan	Implementation of an informal trading plan

Strategic Objective: To market culture, heritage and develop tourism at IYM

KPA	Strategy	KPI	Baseline indicator	Annual target		
				2016-2017	2017-2018	2018-2019
Tourism and heritage development	By marketing culture and heritage tourism products of IYM.	Number of events /shows attended and hosted to market, culture and heritage tourism products	Attended three tourism marketing shows and hosted 1 event in 2014/15 to showcase our products	Attend atleast two marketing/ trade shows to showcase our products.	Source funds for the tourism and heritage.	Source funds for the tourism and heritage products.
	By supporting LTO as well as tourism businesses.	Supported LTO structure and tourism businesses	Currently LTO not operating to its full capacity.	Have a revived and functional Local Tourism Organisation	Attend at least three marketing/ trade shows Source funding for the implementation of business plan.	Attend at least three marketing/ trade shows Source funding for the implementation of business plan

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Strategic Objective: To facilitate creation of job opportunities within IYM

KPA	Strategy	KPI	Baseline indicator	Annual target		
				2015-2016	2016-2017	2017-2018
Job creation	By lobbying funding for job creation programmes through CWP and EPWP programmes	Facilitated funding and number of jobs created.	1342 jobs created in both EPWP and CWP 2014/15	Facilitate creation of at least 1000 jobs through CWP and EPWP programmes.	1600 jobs to be created	1800 jobs to be created

Strategic Objective: To develop a credible IDP and SDBIP in IYM

KPA	Strategy	KPI	Baseline indicator	Annual target		
				2015-2016	2016-2017	2017-2018
Municipal Planning (IDP & SDBIP)	By reviewing, updating and ensuring compliance of IDP and SDBIP with statutory requirements.	Reviewed and adopted IDP and SDBIP within the legislated time.	IDP and SDBIP are reviewed annually according to legislation	Credible IDP with the high rating and credible SDBIP for 2015/16 financial year	Credible IDP with the high rating and credible SDBIP for 2016/17 financial year	Credible IDP with the high rating and credible SDBIP for 2017/18 financial year

Projects and Programmes

The projects and programmes provided below are planned initiatives that will be undertaken within the municipal area within the MTEF. They represent the vehicles which will drive the progress towards those service delivery targets set in the previous section, as well as give a clear indication of which Provincial Departments plan to implement programmes or projects within the area. Financial allocations and budgets for the MTEF are provided for those projects that have been prioritised and identified for IYLM.

KPA 1: Municipal Transformation and Organisational Development:

Corporate services

KPA	Programme/Project description	Ward	Source of funding	Funding years		
				2015-2016	2016-2017	2017-2018
Skills development	Training expenses		Equitable share	R 350 000.00	R 378 000.00	R 415 800.00
	Interns training and CPMD Programme		FMG	R516 245.80	R546 704.30	R 576 773.04
Staff Well being	Occupational Health & Safety Programme (OHS)		Equitable share	R327 000.00	R346 293.00	R365 339.12
	Employee Assistance Programme (EAP)		Equitable Share	R 218 000.00	R230 862.00	R243 559.41
Fleet Management	Motor Vehicle monitoring		Equitable Share	R216 157.50	R228 910.80	R241 500.89

Municipal Managers and Speakers Office

KPA	Programme/Project description	Ward	Source of funding	Funding years		
				2015-2016	2016-2017	2017-2018
Ward committee Support	Advance Councillor Training	All	Equitable Share	R327 000.00	R346 293.00	R365 339.12
Public Participation	Public Participation	All	Equitable Share	R206 218.18	R218 385.05	R230 396.23
Mayors Cup	Mayors Cup	All	Equitable Share	R732 084.44	R775 277.42	R817 917.68
Ward committees	Corporate Identity	All	Equitable Share	R126 563.57	R134 030.82	R141 402.52
Imbizo	Imbizo	All	Equitable Share	R225 797.42	R239 119.47	R252 271.04
EPWP	EPWP	All	Equitable Share	R2542 000.00	R2 691 978.00	R2840 036.79
National day celebration	National day Celebration	All	Equitable Share	R229 773.71	R243 330.36	R256 713.52
SPU	SPU	All	Equitable Share	R 509 885.43	R539 968.67	R569 666.95
Performance Management System	PMS		Equitable Share	R529 000.00	R 560 211.00	R591 022.61
Communications	Corporate Identity	All	Equitable Share	R109 000.00	R115 431.00	R121 779.71
ICT	Licence & Registration ICT (Software)	All	Equitable Share	R542 267.32	R574 261.09	R605 845.45
	Microsoft Volume Licensing - Outright Purchase	All	Own revenue funded programmes	R1 070 127.06	R1 133 264.55	R1 195 594.10

KPA 2: Basic Services and Infrastructure

KPA	Programme/Project description	Ward	Source of funding	Funding years		
				2015-2016	2016-2017	2017-2018
Electricity	Jwayi		INEP	R4 081 000.00	R21 180 000.00	R22 344 900.00
	Sodom		INEP	R4 331 250.00		
	Ncatsheni		INEP	R2 887 500.00		
	Ntwashini		INEP	R5 409 250.00		
	Besi		INEP	R1 713 250.00		
	Ntabeni		INEP	R1 577 750.00		
	MCAMBALALA/BHOLOTWA 2a 15/16		ESKOM	R 9 000 000 .00	R 10 260 000 .00	
	Cofimvaba Extension 15/16		ESKOM	R 8 800 000 .00	R 10 032 000 .00	
	MCAMBALALA/BHOLOTWA Ph B 15/16		ESKOM	R 4 000 000 .00	R 4 560 000 .00	
	Tsomo Rural Extensions		ESKOM	R 3 600 000 .00	R 4 104 000 .00	
	Cofimvaba Type1; 2 & 3 Infills		ESKOM	R 3 775 000 .00	R 4 303 500 .00	
	Cofimvaba Extension 15/16 Link Line		ESKOM	R 2 500 000 .00	R 2 850 000 .00	
	MCAMBALALA/BHOLOTWA 2a 15/16 Link Line		ESKOM	R 2 200 000.00	R 2 508 000 .00	
Road and Transport Planning	(MIG Committed Projects) Fourty to Mawusheni Access Road		MIG	R1 180 000.00	R1 249 620.00	R1 318 349.10
	Ngqwura to Zwelioxlie Access Road		MIG	R 1 770 000.00	R1 874 430.00	R1 977 523.65

KPA	Programme/Project description	Ward	Source of funding	Funding years		
				2015-2016	2016-2017	2017-2018
	Mtwaku Access Road		MIG	R1 770 000.00	R1 874 430.00	R1 977 523.65
	Ngxwashu Access Road		MIG	R1 770 000.00	R1 874 430.00	R1 977 523.65
	Qumanco Access Road		MIG	R1 910 000.00	R 2 022 690.00	R2 133 937.95
	Xume to Nobhokwe Access Road		MIG	R1 770 000.00	R1 874 430.00	R1 977 523.65
	Upgrading gravel to surface (Tsomo Road and Storm water		MIG	R4 471 085.26	R 4 734 879.29	R4 995 297.65
	Traffic Testing station		MIG	R12 626 875.04	R13 371 860.67	R14 107 313.00
	Cofimvaba Lighting &High Mast phase 3		MIG	R7 812 953.70	R8 273 917.97	R8 728 983.46
	Tsomo street lights& high Mast Phase 2		MIG	R 5 032 986.00	R5 329 932.17	R5 623 078.44
	Lubisi Development centre chalets	20	Own revenue funded programmes	R1 635 000.00	R1 731 465.00	R1 826 695.58
	Qamata IEC		Equitable Share	R 1 700 000.00	R1 800 300.00	R1 899 316.50
	Road Maintenance (Routen)		Equitable Share	R3 276 500.00	R3 469 813.50	R3 660 653.24
	Landfill (Construction of a Cell)		Equitable Share	R1 122 700.00	R 1 188 939.30	R1 254 330.96
	PMU		MIG	R2 018 100.00	R2 137 167.90	R2 254 712.13
Land use planning and human settlements	Town Planning and Land Use/ Land Survey		Equitable Share	R848 982.37	R 899 072.33	R948 521.31

	Cleanest Town and Small town Revitalisation		DEDEA	R1m		
Human Settlement	Tsomo Ext 2(263)	8	Human Settlement	R450 000.00		
	Chris Hani Heritage 1000		Human Settlement	R7 800 000.00		
	Ntsongeni 130 rural		Human Settlement	R1 250 000.00		
	Lubisi 1000		Human Settlement	R2 140 000.00		
Cofimvaba Sewer (Bulk line and treat works)	Cofimvaba – Water Ratification Phase 2	15	CHDM	R500 000.00	R2 000 000.00	R2 000 000.00
	Sanitation	8	CHDM	R3 000 000.00	R5 000 000.00	R5 000 000.00
	Sanitation	3	CHDM	R3 500 000.00	R7 000 000.00	R7 000 000.00
	Phase3	7	CHDM	-	R7 000 000.00	R7 000 000.00
	Phase 3	1	CHDM	-	R5000 000.00	R5 000 000.00
	Phase 3	2	CHDM	-	R2 000 000.00	R2 000 000.00
	Qamata water Project (877)		CHDM	R14 831 999.80	R1000 000 00	R1 590 117.33
	Intsika Yethu Sanitation- Amanzabantu		CHDM	R4 000 000.00	R2 000.000.00	R2 000 000.00
	Cofimvaba Water reticulation		CHDM	R5 000 000 .00	-	-
	Cluster 8 Sanitation(Wards 15,16,17,18,19)		CHDM	R7 000 000.00	R12 000.000.00	R12 000 000.00
	Cluster 4Ncora Zone A Village		CHDM	R12 000 0000	R1 590 117.33	-
	Cluster 9 water backlog (ward 13)		CHDM	R88 000 000.00	R90 000 000.00	-

	Cluster 4 Water Backlog		CHDM	R65 000 000.00	R58 000 000.00	

Basic Services and Infrastructure (Social Needs Cluster)

KPA	Programme/Project description	Ward	Source of funding	Funding years		
				2015-2016	2016-2017	2017-2018
Indigent households support	Free Basic services		Equitable Share	R4 680 000.00	R4 956 120.00	R5 228 706.60

Department of Social Development

KPA	Programme/Project description	Ward	Source of funding	Funding years		
				2015-2016	2016-2017	2017-2018
Community development	Household Food Gardens (Zidulini)	Ward 09	DoS	R125 000		
	Diphini	Ward 16	DoS	R100 000		
	Community Nutrition Dev. Centre (Maqwathini)	Ward 19	DoS	R116 000		

Department of Health Infrastructure

KPA	Programme/Project description	Ward	Source of funding	Funding years		
				2015-2016	2016-2017	2017-2018
Department of Health	Sikhoba Clinic Replacement		DoH	R100 000.00		

KPA 3: Local Economic Development

Local Economic Development and planning

KPA	Programme/Project description	Ward	Source of funding	Funding years		
				2015-2016	2016-2017	2017-2018
Agricultural Development (Livestock Improvement Programme)	Sheep Shearing Shed		Equitable Share	R 1 900 000.00	R 2 012 100.00	R2 122 765.50
	Dry land crop production		Equitable Share	R2 000 000.00	R2118 000.00	R2234 490.00
	Construction of dipping tanks		Equitable Share	R850 000.00	R900 150 .00	R949 658.25
	Custom feeding programme		Equitable Share	R886 672.73	R938 986. 42	R990 630.62
	Refurbishment of Dipping tanks		Equitable Share	R271 200.63	R287 201.00	R302 997.58
SMME Development	SMME Support Initiates	All	Equitable Share	R141 700.00	R150 060.30	R158 313.62
Income Generating Enterprise	Intsika Yethu Egg Producers	All	Equitable Share	R163 500.00	R173 146.50	R182 669.56
Business Management	Business Plan Development		Equitable Share	R545 000.00	R 577 155.00	R608 898.53
Tourism & Heritage development	Tourism development and Marketing	All	Equitable share			
IDP/ SDBIP	IDP Documents		Equitable Share	R104 478.09	R110 642.30	R116 727.63
Qamata Feed Mill	Rural Industries		CHDM	R30 000 000.00		
Ulibo Primary Co- operative	Fencing		CHDM	R350 000.00		
Lulwando Co- operative	Fencing Poultry structure		CHDM	R500 000.00		
Ndisalinga Co-operative	Fencing		CHDM	R300 00.00		
Kwakhanya Co-operative	Fencing		CHDM	R280 000.00		
Laphuma Langa Sawmill	Storage shed, operational factory facility			R1 500.000.00		

KPA	Programme/Project description	Ward	Source of funding	Funding years		
				2015-2016	2016-2017	2017-2018
Fallow Field Multi- Purpose	Fencing of arable land			R1000 000.00		
Infrastructure	6 Dipping Tanks Renovations		DRDAR	R390 000.00		

Eastern Cape Department of Rural Development and Agrarian Reform

KPA	Programme/Project name and description: CASP	Ward	Source of funding	Funding years		
				2015-2016	2016-2017	2017-2018
Siyazondla	Vegetables	7	DRDAR			
	Vegetables	9	DRDAR			
	Vegetables	6	DRDAR			
	Vegetables	8	DRDAR			
	Vegetables	10	DRDAR			
	Vegetables	16	DRDAR			
	Vegetables	14	DRDAR			
	Vegetables	20	DRDAR			
	Vegetables	4	DRDAR			
	Vegetables	17	DRDAR			
			DRDAR			
			DRDAR			

KPA	Programme/Project name and description: CASP	Ward	Source of funding	Funding years		
				2015-2016	2016-2017	2017-2018
			DRDAR			
	Irrigation Production		DRDAR			
	Irrigation Production		DRDAR			
	Irrigation Production		DRDAR			
	Irrigation Production		DRDAR			
	Irrigation Production		DRDAR			
	Irrigation Production		DRDAR			
	Irrigation Production		DRDAR			
	Irrigation Production		DRDAR			
	Irrigation Production		DRDAR			
	Irrigation Production		DRDAR			
	Irrigation Production		DRDAR			
	Irrigation Production		DRDAR			

6.7 Unfunded Projects and Programmes

The following section provides a breakdown of those proposed projects and their locations currently without budget allocations or secured funding. Despite the absence of funding, these projects represent an expressed interest and possible project for inclusion and funding in the outer years of the MTEF.

6.7.1 KPA 1: Municipal Transformation & Organisational Development

KPA: Municipal Transformation & Organisational Development

Dept.	Issue	Project/Programme	Ward/ Locations	Staff Responsible
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IYLM Corporate Services

Performance Management

Cascading of PMS and capacity building to lower levels (performance recognition and rewards)	N/A	Dir. Corp Services
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Access to information

Development of Master System plan	N/A	Dir. Corp Services
Archive centre	N/A	Dir. Corp Services
Electronic document management system	N/A	Dir. Corp Services

Organisational capacity

Job description reviews and job evaluations	N/A	Dir. Corp Services
Recruitment of staff	N/A	Dir. Corp Services
Attraction and retention strategy to draw diverse staff to IYLM	N/A	Dir. Corp Services

Skills development

Organisational development plan implementation (training etc.)	N/A	Dir. Corp Services
Skills audit	N/A	Dir. Corp Services

Staff well-being

Wellness centre	N/A	Dir. Corp Services
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IYLM Municipal Manager's Office

Customer care and satisfaction

Customer care survey (asses the satisfaction of the customers)	N/A	MM & Dir. Corp Services
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6.7.2 KPA 2: Basic Services and Infrastructure

KPA: Basic Services and Infrastructure (Technical Cluster)

Dept.	Issue	Project/Programme	Ward/ Locations	Staff Responsible
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IYLM Planning and Infrastructure

Road construction submissions

Upgrading Gravel Roads to Surface	Nyanisweni and Nyanisweni Ext; Ext 2; Polly; Thabo Village; Ext 1; Tsomo Ext 2; Mzomhle Bridge; Tsomo Town; Main Street to Landfill Site (Cofimvaba); Tsomo Internal Facilities; Bholility Access Road/Bridge; From 40 to Mawusheni; Mthwaku Bridge; Rehabilitation of Stormwater Infrastructure; Mdlokolo to Sijugongolweni	Dir. Plan. & Infra.
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Building Control and Municipal Public Works

Tsomo Offices	N/A	Dir. Plan. & Infra.
Paving of Urban Centres	N/A	Dir. Plan. & Infra.
Restoration of Cofimvaba Community Hall	N/A	Dir. Plan. & Infra.
Provision of Community Halls	N/A	Dir. Plan. & Infra.
St. Marks Community Lighting	N/A	Dir. Plan. & Infra.

Housing and Estate

Nyanisweni Extension Lighting	N/A	Dir. Plan. & Infra.
Thabo Village Community Lighting	N/A	Dir. Plan. & Infra.
Street Lights along R61 (Traffic Dep to Town)	N/A	Dir. Plan. & Infra.

KPA: Basic Services and Infrastructure (Technical Cluster)

Dept.	Issue	Project/Programme	Ward/ Locations	Staff Responsible
		Nyanisweni Extension and Nyanisweni	N/A	Dir. Plan. & Infra.
		Joe Slovo	N/A	Dir. Plan. & Infra.
		Ext 7 (Cofimvaba)	N/A	Dir. Plan. & Infra.
		Land Fill Site	N/A	Dir. Plan. & Infra.
		Ext 4 & Section C	N/A	Dir. Plan. & Infra.

Town Planning and Land Use

		Rural Housing (Voucher)	N/A	Dir. Plan. & Infra.
		Rural Housing (Veteran)	N/A	Dir. Plan. & Infra.
		Planning and Survey Rural Roads	N/A	Dir. Plan. & Infra.
		Emergency Housing	N/A	Dir. Plan. & Infra.
		Project Management Unit	N/A	Dir. Plan. & Infra.

Water & Sanitation

		Ext 4 & Section C (Water & Sewer)	N/A	Dir. Plan. & Infra.
		Upgrading Sewer Plant (Cofimvaba & Tsomo)	N/A	Dir. Plan. & Infra.
		Nyanisweni Ext Internal Services (Water & Sewer)	N/A	Dir. Plan. & Infra.
		Extension 7	N/A	Dir. Plan. & Infra.
		Thabo Village Sewer Reticulation	N/A	Dir. Plan. & Infra.
		Augmentation of Water & Sewer from Landfill Site to Water Reticulation Cofimvaba	N/A	Dir. Plan. & Infra.
		Alternative Waterline from Tsjoana to Cofimvaba Town	N/A	Dir. Plan. & Infra.
		Tsomo (Mzomhle Water & Sewer) Reticulation	N/A	Dir. Plan. & Infra.
		Tsomo Ext 2 to Tsomo Town (Bulk Line)	N/A	Dir. Plan. & Infra.
		Rehabilitation of Road to Tsojana Water Treatment Plant	N/A	Dir. Plan. & Infra.
		Surfacing of Raod from Town to Water Treatment Plant	N/A	Dir. Plan. & Infra.

KPA: Basic Services and Infrastructure (Technical Cluster)

Dept.	Issue	Project/Programme	Ward/ Locations	Staff Responsible
		Tshacana Water Scheme	N/A	Dir. Plan. & Infra.
		Mtingweni Water Scheme	N/A	Dir. Plan. & Infra.
		Eradication of Backlog Sanitation & Water	N/A	Dir. Plan. & Infra.

Electrification

Electrification of Wards	Ward 3; Ward 9; Ward 11; Ward 19; Ward 20; Ward 21; Ward 8; Ward 6; Ward 14	Dir. Plan. & Infra.
Electrification Extensions	All Wards	Dir. Plan. & Infra.

Clinics

Tsomo Town	Ward 8	Dir. Plan. & Infra.
Qwili	Ward 11	Dir. Plan. & Infra.
Mhlahlane	Ward 10	Dir. Plan. & Infra.

Road construction submissions

Ward 1 (6 km)	Ngxwashu=3km; Mmnqweni/Banzi=3km	Dir. Plan. & Infra.
Ward 2 (11km)	Bolokoldlela=4km; Nompimgelo to Mpomvane= 4km; Mr Samfumfu to Graveyard= 3km	Dir. Plan. & Infra.
Ward 3 (13km)	Mtwaku= 3km; Bolotwa=5km; Bilatye= 5km	Dir. Plan. & Infra.
Ward 4 (14km)	Ntlonze= 3km; Holi= 11km	Dir. Plan. & Infra.
Ward 5 (30km)	Deckets Hills to Cube=8km; Qamata Basin to Mampingweni=10km; Jarha Access Road=12km	Dir. Plan. & Infra.
Ward 6 (13km)	Mbulukweza Clinic to J.S.S.=3km; Mphathiswa Shop to Emarahleni= 5km; Pagel Shop to Mtshanyane	Dir. Plan. & Infra.
Ward 7 (7km)	Lower Qutsa to Mdenne=3km; Kwebulana from Tar Road via Clinic to Kwebulana J.S.S.=3km; Camama Ceshire Home=1km	Dir. Plan. & Infra.
Ward 8 (19km)	Maduma to Frystad= 16km; Miya Access Road= 3km	Dir. Plan. & Infra.

KPA: Basic Services and Infrastructure (Technical Cluster)

Dept.	Issue	Project/Programme	Ward/ Locations	Staff Responsible
		Ward 9 (38,5km)	Xume to Mobhokwe=19,5km; Catshile to Diphini=19km;	Dir. Plan. & Infra.
		Ward 10 (63km)	Nomfenazana to Bolitye=20km; Mnyangule to Mfihlaneni=20km; Ngozini=4km; From Tar Road to Bishop Mboniswa=19km	Dir. Plan. & Infra.
		Ward 11 (22km)	Somawala via Sgubudinini to Ntabeni=4km' Ndwamkulu via Khekhe to Mdibaniso=3km; Makwababa to Kose=15km	Dir. Plan. & Infra.
		Ward 12 (13km)	Ngqwara to Zwelixelile=3km; Barrini to Kose Bridge=7km; Ephikweni to Malalane= 3km	Dir. Plan. & Infra.
		Ward 13 (45km)	Zicubeni Access Road=4km; Nkomfeni Access Road=4km; From forty to Mawusheni then Branch Turn-off to Lukhanyisweni S.S.S.=30km; Hange to Chiteka= 7km	Dir. Plan. & Infra.
		Ward 14 (7km)	Ezintlanti=1km; Polly=3km; Nyanisweni=3km	Dir. Plan. & Infra.
		Ward 15 (12km)	Isikhoba=5km; Cube=4km; Qolweni=3km	Dir. Plan. & Infra.
		Ward 16 (45km)	Ncunguzo S.S.S. & J.S.S.=3km; Mahlatini Access Road= 3km; Nqcaza Access Road=4km; From T255 Tsojana to R61 Qombolo=30km; Ngonyama= 5km	Dir. Plan. & Infra.
		Ward 17 (13km)	Qumanco Access Road=4km; Sgangezi Access Road=3km; Matafeni to Ndenna= 6km	Dir. Plan. & Infra.
		Ward 18 (13km)	Ndmanambe Access Road=5km; Lower Neora Access Road=4km; Kulongqayi Access Road=4km	Dir. Plan. & Infra.
		Ward 19 (19km)	Mission Access Road=8km; Dikeni Access Road=6km; Mnqanqeni Access Road=5km	Dir. Plan. & Infra.

KPA: Basic Services and Infrastructure (Technical Cluster)

Dept.	Issue	Project/Programme	Ward/ Locations	Staff Responsible
		Ward 20 (16km);	Mtetuvumile Access Road=7km; Lower Seplan to Emhlonyaneni=5km; Lubisi to Mampondweni=4km	Dir. Plan. & Infra.
		Ward 21 (55km)	Mcambalala Access Road=15km; Nxelesa to Mtshanyane= 10km; Ngxabangu to Nongqongwana=5km; Hoyana Access Road=5km	Dir. Plan. & Infra.

KPA: Basic Services and Infrastructure (Social Needs Cluster)

Dept.	Issue	Project/Programme	Ward/ Locations	Staff Responsible
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IYLM Community Services

Vulnerable Groups

Public-private partnerships	N/A	Dir. Com Services
Food Security Projects	N/A	Dir. Com Services

Traffic Safety

Traffic Equipment	N/A	Dir. Com Services
Vehicle Pound	N/A	Dir. Com Services
Traffic learning centre	N/A	Dir. Com Services
Vehicle Testing Centre	N/A	Dir. Com Services
By-law development	N/A	Dir. Com Services
Properly marked signs and roads	N/A	Dir. Com Services

Waste management

Establish a buy-back centre	N/A	Dir. Com Services
Upgrade waste disposal site infrastructure	N/A	Dir. Com Services
Waste processing plant	N/A	Dir. Com Services

Environmental management & municipal health

KPA: Basic Services and Infrastructure (Social Needs Cluster)

Dept.	Issue	Project/Programme	Ward/ Locations	Staff Responsible
		Regular checks and sampling of businesses	N/A	Dir. Com Services
		SLA with the District	N/A	Dir. Com Services

Fire and Disaster Risk Management

		Fire committee capacity building	N/A	Dir. Com Services
		Acquire new fire and disaster resources	N/A	Dir. Com Services
		Establishment of a satellite disaster and fire station	N/A	Dir. Com Services

Public amenities

		Community and Sport Committee briefings and for a	N/A	Dir. Com Services
		Upgrade existing halls	N/A	Dir. Com Services
		ECD Centres	N/A	Dir. Com Services
		New sports facilities	N/A	Dir. Com Services
		Upgrade public amenities	N/A	Dir. Com Services
		Clean and Green Cofimvaba	N/A	Dir. Com Services

Public safety

		Functional Community Safety Forums	N/A	Dir. Com Services
		Street lighting in urban areas	N/A	Dir. Com Services
		Fully equipped security and response unit	N/A	Dir. Com Services
		By-law development	N/A	Dir. Com Services

Animal care

		Outreach	N/A	Dir. Com Services
		New sites and re-location of existing Pounds	N/A	Dir. Com Services
		Place of safety for stray animals	N/A	Dir. Com Services

Eastern Cape Department of Health

Community facilities

KPA: Basic Services and Infrastructure (Social Needs Cluster)

Dept.	Issue	Project/Programme	Ward/ Locations	Staff Responsible
		Community Hospitals (2)	Ncora & Tsomo	N/A
		Clinics (3)	Mahlubini; Ntshingeni; Ngxabanyu	N/A

6.7.3 KPA 3: Local Economic Development

KPA: Local Economic Development

IYLM Local Economic Development

Agriculture

Expansion of Nguni Beef Production Programme	N/A	Dir. LED
Goat Improvement Project	N/A	Dir. LED
Support to poultry and piggery projects with processing potential	N/A	Dir. LED
Feedlot establishments and marketing/auction pans	N/A	Dir. LED
High Value Crop Production Programmes (at Qamata, Ncora, Bilatye)	Qamata, Ncor, and Bilatye	Dir. LED
Massive Food Production Programmes(Maize and Sorghum in almost all wards)	N/A	Dir. LED
Intensive Cash Crop Production Programme under dryland conditions(e.g Potatoes, Butternuts, Pumpkins, Beans)	N/A	Dir. LED
Establishment of the Fruit Cluster(Stone Fruit) with processing and Packaging plants.	N/A	Dir. LED

KPA: Local Economic Development

Related Value-adding Programmes for all the above i.e Agro-processing plants (Milling Plants, Wool processing plants, etc)	N/A	Dir. LED
Farmer's Day	N/A	Dir. LED

Eastern Cape Department of Rural Development and Agrarian Reform

KPA	Programme/Project name and description: CASP	Ward	Source of funding	Staff responsible
	Mthingwevu Shearing shed	19	DRDAR	Dir LED
	Mawusheni Shearing shed	13	DRDAR	Dir LED
	Nyongwana Shearing shed	5	DRDAR	Dir LED
	Luthuli Shearing shed	7	DRDAR	Dir LED
	Mcambalala Shearing shed	20	DRDAR	Dir LED
	Mhlahlane Shearing shed	10	DRDAR	Dir LED
	Dlakavu Shearing shed	3	DRDAR	Dir LED
	Mkwinti Shearing shed	13	DRDAR	Dir LED
	Singeni Dipping Tank	4	DRDAR	Dir LED
	Nomadabambe Dipping Tank	18	DRDAR	Dir LED
	Lubisi Dipping Tank	20	DRDAR	Dir LED
	Mtshabe Dipping Tank	10	DRDAR	Dir LED
	Xume Dipping Tank	9	DRDAR	Dir LED
	Ngudle Dipping Tank	13	DRDAR	Dir LED
Crop production	Noncedo Maize Project: Gcibhala	6	DRDAR	Dir LED

KPA: Local Economic Development

Programme: Siyakhula (Inputs, Mechanisation & Chemicals)	Lukhozi Maize Project: Mhlahlane	10	DRDAR	Dir LED
	Ntlutha Yethu Maize Project: Luthuli	6	DRDAR	Dir LED
	Mcuncuzo Maize Project: Hoyana	16	DRDAR	Dir LED
	Nyoka Maize Project: Nyoka	7	DRDAR	Dir LED
	Mgxobhozweni Maize project: Mgxobhozweni	13	DRDAR	Dir LED
	Mtyamde Maize Project: Mtyamde	16	DRDAR	Dir LED
	Qombolo Maize Project: Zanendyebo	7	DRDAR	Dir LED
	Ngojini Maize Project: Lower Tsojana	10	DRDAR	Dir LED
	Lower Makhwababa Maize Project: Kwatshatshu	12	DRDAR	Dir LED
	Nqumakala Maize Project: Nqumakala	18	DRDAR	Dir LED
	Chamama Maize Project : Chamama	7	DRDAR	Dir LED
	Ndlangisa Maize Project: Kwandlangisa	7	DRDAR	Dir LED
	Sgubudu Maize Project: Sgubudu	6	DRDAR	Dir LED
	Ncora Flats Maize Project: Ncora	17	DRDAR	Dir LED
	Ndenxa Maize Project: Sigangeni	17	DRDAR	Dir LED
	Botani Maize Project: Maqomeni	17	DRDAR	Dir LED
	Emathafeni Maize Project: Kwajumba	17	DRDAR	Dir LED
	Nongqayi Maize Project: Chocho	18	DRDAR	Dir LED
	Nomadambi Maize Project : Nomadambe	18	DRDAR	Dir LED
	Lower Ncora Maize Project: Jojweni	18	DRDAR	Dir LED
	Damane Maize Project: Damane	18	DRDAR	Dir LED
	Fameni Maize Project: Fameni	18	DRDAR	Dir LED
	Ngcacha Maize Project: Ngcacha	18	DRDAR	Dir LED
	Section 1 Maize Project:	4	DRDAR	Dir LED

KPA: Local Economic Development

Qamata			
Section 2 Maize Project: Qamata	4	DRDAR	Dir LED
Section 3Maize Project: Qamata	4	DRDAR	Dir LED
Section 4 Maize Project : Qamata	4	DRDAR	Dir LED
Section5 Maize Project: Qamata	4	DRDAR	Dir LED

SMME and Cooperative Support

SMMEs and Cooperative Information and Support Programme	N/A	Dir. LED
Business Information Centre	N/A	Dir. LED
Feasibility Study and Development of an Incubator and/or Local Industrial Park	N/A	Dir. LED
Refurbishment and proper management of former TRANSIDO Units	N/A	Dir. LED
Develop a Small Mining Support programme in partnership with DME	N/A	Dir. LED
Magwala Development – Retail centre, Hotel with conference facility and a filling station.	15/ Magwala AA	Dir. LED
Market development for various goods and services produced at Intsika Yethu.	N/A	Dir. LED

Tourism

Tourism information centre	N/A	Dir. LED
Craft development	N/A	Dir. LED
Mbulu waterfalls	N/A	Dir. LED

Forestry Development

Dissemination of information to communities on Forestry Protocols	N/A	Dir. LED
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KPA: Local Economic Development

Mapping of potential areas and issuing of licenses to communities	N/A	Dir. LED
Facilitate funding and partnerships for forestry development	N/A	Dir. LED
Facilitate transfer of Categories B & C Plantations	N/A	Dir. LED
Development of forestry value adding activities:	N/A	Dir. LED
Charcoal Production	N/A	Dir. LED
Small scale furniture making ventures	N/A	Dir. LED

6.7.4 KPA 4: Financial Management and Viability

KPA: Financial Management and Viability

Dept.	Issue	Project/Programme	Ward/ Locations	Staff Responsible
IYLM Finance				
Revenue generation				
	Lease review		N/A	CFO
	VAT Review		N/A	CFO
Customer care and service				
	Data cleansing		N/A	CFO
Supply Chain Management				
	Credible Supplier Database		N/A	CFO
	Suppliers Training		N/A	CFO
Legislative compliance				
	Review and Document Internal Controls		N/A	CFO
	Review of all finance and related policies for MFMA and GRAP 17 alignment		N/A	CFO
	Development of a procedure manual		N/A	CFO

6.7.5 KPA 5: Good Governance and Public Participation

KPA: Good Governance and Public Participation

Dept.	Issue	Project/Programme	Ward/ Locations	Staff Responsible
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IYLM Corporate Services

Council committees and support

	Reviewal of standing rules and standing rules of order	N/A	Dir. Corp Services
	Reviewal of all workshops and by-laws	N/A	Dir. Corp Services
	Councillor workshops on policies	N/A	Dir. Corp Services

IYLM Finance

Audit outcomes

	Operation Clean Audit	N/A	CFO
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IYLM Municipal Manager's Office

Heritage

	Vulnerable Groups Project	N/A	SPU Head & Com. Serv
	Media Management and Liaising	N/A	MM

Chapter 4: Performance Management System

7. Introduction

According to the Municipal Planning and Performance Management Regulations (2001), a Performance Management System (PMS):

“entails a framework that describes and represents how the municipality's cycle and processes of performance planning, monitoring, measurement, review, reporting and improvement will be conducted, organised and managed, including determining the roles of the different role-players”.

PMS is therefore integral to the realisation of the IDP's strategic objectives since it elaborates upon the level of performance that will be required in order for the municipality to reach its objectives. In addition to this, the PMS also inculcates better performance into the organisation. The practice of using performance information to identify shortcomings in a municipality's strategy and doing regular and continual reporting becomes central to the municipal functioning when done regularly and comprehensively. A PMS therefore has other positive spin-offs such as promoting a culture of performance management among the municipality's office bearers and councillors and in its administration of affairs in a manner that is economical, efficient, effective and accountable (this according to Section 38 of the Municipal Systems Act). This chapter seeks to give a broad overview of the performance management framework currently in place in IYLM.

Some of the issues that will be covered in this chapter include different roles and responsibilities of the council and the municipal manager in terms of the PMS. The chapter shall also look at the various core components of the PMS which include institutional performance management framework on the one hand and individual performance model on the other. The chapter shall also cover key concepts relating to PMS such as performance indicators and targets and expand on why these concepts are so important to a comprehensive PMS. Possibly the most important aspect that this chapter will cover will be the link between PMS and the IDP. This chapter will demonstrate how the PMS in IYLM will help to better realise the strategic objectives and goals that have been discussed in other chapters of this IDP.

It is important that the reader notes the fact that IYLM has plans to have reviewed its PMS that was developed in 2008/9. The new PMS is an improvement on the current performance management framework which emerges from the Performance Management Policy of 2008/09.

Before presenting IYLM performance management framework it is important that the reader gains a sense of the importance of PMS for all municipalities. This shall be done by briefly giving a legislative background to PMS which is the foundation upon which performance management within local government rests.

7.1 Legislative background

The importance of PMS related legislation making it part and parcel of governance at the local level. The two main pieces of legislation that shall be presented in this regard are the:

- Municipal Systems Act No 32 of 2000; and
- The Municipal Planning and Performance Management Regulations of 2001 (Schedule to the MSA).

These two pieces of legislation are what informs IYLM performance management framework from which the new PMS will eventually emerge. Throughout this chapter reference will be made to these two pieces of legislation in order to motivate IYLM's stance on PMS. In addition to legislation, IYLM has just reviewed its Performance Management Policy it adopted in 2008/09 which in itself references the two aforementioned legislation as a source of opinion.

In accordance with section 38 of the Municipal Systems Act 32 of 2000, "A municipality must establish a Performance Management System". Section 39 dictates further that "The executive committee or executive mayor of a municipality must:

- a) Manage the development of the municipality's Performance Management System;
- b) Assign responsibilities in this regard to the municipal manager; and
- c) Submit the proposed system to the municipal council for adoption.

In order to monitor its PMS, a municipality should implement a number of activities. The Municipal Systems Act sets out a number of activities that would assist the municipality in achieving this end. These activities are referred to as core components and are located in section 49 of the act. Beneath is a summary of these core components.

IYLM is expected to set appropriate key performance indicators as a yardstick for measuring performance, including outcomes and impact, with regard to the municipality's development priorities and objectives set out in its IDP.

- a) Set measurable performance targets with regards to each of those development priorities and objectives;
- b) Monitor performance, and measure and review performance at least once a year;
- c) Take steps to improve performance with regards to those priorities and objectives where performance targets are not met; and
- d) Establish a process of reporting.

The Municipal Planning and Performance Management Regulations of 2001 elaborate on the details of what the Performance Management System should entail. According to these regulations "A municipality's performance management system entails a framework that describes and represents how the municipality's cycle and processes of performance planning, monitoring, measurement, review, reporting and improvement will be conducted, organised and managed, including determining the roles of the different role-players".

The Municipal Planning and Performance Management Regulations provide for the following requirements that a Performance Management System should meet in order for it to be credible. The following are listed as primary requirements of the regulations:

- a) PMS complies with all the requirements set out in the Act
- b) Demonstrates how it is to operate and be managed from the planning stage up to the stages of performance and reporting;

- c) Clarifies the roles and responsibilities of each role-player, including the local community, in the functioning of the system;
- d) Clarifies the processes of implementing the system within the framework of the Integrated Development Planning process;
- e) Determines the frequency of reporting and the lines of accountability for performance;
- f) Relates to the municipality's employee performance management processes; and
- g) Provides for the procedure by which the system is linked to the municipality's integrated development planning processes.

7.2 IYLM's Performance Management System

IYLM has an existing Performance Management System policy which was developed in the 2008/09 and has just been reviewed in 2012/13 financial year and it is that policy that will inform the PMS that will be used by the institution going forward. As already indicated this is how our PMS will unfold:

7.2.1 Role of the Council

In line with the Municipal Systems Act (Act No. 32 of 2000), the Municipal Council commits to participating in the development of its performance management system through the Executive Committee and shall:

- a) Oversee the development of the municipality's performance management system.
- b) Assign responsibilities in this regard to the Municipal Manager who shall submit the proposed system to the Municipal Council for adoption, and establish mechanisms to monitor and review the performance management system.

Through the development of the new PMS, the Municipal council will set out clear roles and responsibilities with regard to the key elements of a sound PMS which are planning, monitoring, measurement, review, and reporting and performance assessment. The council, The Municipal Manager, section 57 managers and the audit committee shall all have distinct roles in terms of the key elements given above.

7.2.2 Role of the community

In addition to developing distinct responsibilities for officials, IYLM also envisages a key role for the community to play in terms of the development process of the PMS. Measures shall be put in place in order to allow the community to have a role in terms of setting performance indicators and targets. Community involvement is in keeping with section 42 of the Municipal Systems Act which stipulates the following:

"A municipality, through appropriate mechanisms, processes and procedures established in terms of Chapter 4, must involve the local community in the development, implementation and review of the municipality's performance, management system. 30 and, in particular, allow the community to

participate in the setting of appropriate key performance indicators and performance targets for the municipality.”

The table beneath aims to give a broad outline of what a more comprehensive take on role and responsibilities would look like.

Table 33: Comprehensive table displaying the different roles in the PMS process

Actor	Roles and Responsibilities
Role of the council	Participates in strategic planning and agenda setting, endorses targets, and reviews reports.
Role of the Municipal manager	Plans, monitors, review, reports, and ensure effective performance assessments.
Role of the s57 managers	Plans, sets targets, signs agreements, implements, reports, and assessed, learning from the review.
Role of the Audit Committee	Quality assures and monitors the planning, reporting, verification, and assessments.
Role of the community	Contributes to identification of issues and receives reports back on progress made.

The table above thus presents a broad framework for the manner in which roles and responsibilities will be organised to operationalize our PMS.

7.2.3 Performance Indicators

The regulations inform us that performance indicators should be set by the council within the PMS. These indicators should be derived from the priorities and objectives of the municipality as stated in the IDP. The performance indicators in question should be measurable, relevant, objective and precise. The council shall ensure that the performance indicators apply to all its units and all service providers that it enters into a service delivery agreement with. As mentioned earlier the council also has a responsibility to ensure that the performance indicators used shall also reflect the input of the community. The council shall comply with all these requirements stated above in accordance with section 9 of the Municipal Planning and Performance Management Regulations, 2001. Section 9 goes further to inform us that all municipalities should be cognisant of the General Key indicators which apply to all municipalities, they are listed beneath:

The following general key performance indicators are prescribed in terms of Municipal Planning and performance management Regulation (796, August 2001) read with Chapter 3 of MSA.

- a) The percentage of households with access to basic level of water, sanitation, electricity and solid waste removal.

Water

- At Intsika Yethu Municipality the 2011 Census shows that the coverage as per RDP standard (i.e. piped water within 200m) is 75% and only 25% of the households do not have. And out of the 75% with access to water:

- 41.4% of the households have access to piped water in the distance of less than 200m from the dwellings.
- 17.1% have an access in the distance between 200m and 500m from the dwellings.
- 7% have access inside the yards.
- 2.5% have access inside their dwellings and
- Only 1% have got an access at the distance of greater than 1km.

Sanitation

- The Census 2011 reveals that the overall coverage by sanitary latrines at Intsika Yethu is 62.9% whilst 39.1 have none. The breakdown of the sanitation access is as follows:
 - Flashed toilets (connected to sewerage system) is 2.3%
 - Flashed toilets (with septic tank) is 0.9%
 - Chemical toilets – 1.8%
 - Pit toilet with ventilation (VIP) – 22.6%
 - Pit toilet without ventilation – 30.7%
 - Other – 4.7%

Electricity

- Current coverage(basic use of electricity for lighting) at Intsika Yethu Municipality with regards to electricity according to census 2011, is estimated at 64.3:
 - Households that uses paraffin as a source of energy is 17%
 - Household that uses candles as a source of energy is 16%
 - Households that uses solar as a source of energy is 2.3%
 - Households that uses gas as a source of energy is 0.3%
 - Households that have none is 0.2%

Solid Waste Removal

- According to 2011 census 62.9% of households remove their own refuse instead of it being by authorities. The distribution of households by mode of refuse removal is as follows:
 - Removed by local authority at least weekly is 2.8%
 - Removed by local authority less often is 0.4%
 - Communal refuse dump is 1.4%
 - Own refuse dump is 62%
 - No rubbish disposal is 29.4%
 - Other is 3%
- b) The percentage of households earning less than R1100 per month with access to free basic services according to IYM indigent registrar is 8%%.
- c) The percentage of a municipality's capital budget actually spent on capital projects identified for a 2012/2013 financial year in terms of the municipality's integrated development plan is 1.15%.
- d) The number of jobs created through municipality's local economic development initiatives including capital projects is 3658
- e) The number of people from employment equity target groups employed in the three highest levels of management in compliance with a municipality's approved employment equity plan is 325.
- f) The percentage of a municipality's budget actually spent on implementing its workplace skills plan is 0.99%; and

g) Financial viability as expressed by the following ratios:

(i)
Where-

$$A = \frac{B-C}{D}$$

'A' represents debt coverage

'B' represents total operating revenue received

'C' represents operating grants

'D' represents debt service payments (i.e. interest + redemption) due within the financial year

(ii)

Where- $A = \frac{B}{C}$

'A' represents outstanding service debtors to revenue

'B' represents total outstanding service debtors

'C' represents annual revenue actually received for services

(iii)

Where- $A = \frac{B+C}{D}$

'A' represents cost coverage

'B' represents all available cash at a particular time

'C' represents investments

'D' represents monthly fixed operating expenditure.

After considering the general performance indicators as stated above, the council shall formulate a number of performance indicators for its PMS based on inputs that they have received from the community regarding issues which are of paramount importance to them. Performance indicators shall be reviewed on an annual basis.

7.2.4 Performance Targets

After developing a set of performance indicators, the council shall develop relevant targets for those indicators. Performance targets should have the following qualities according to section 12 of the Municipal Planning and Performance Management Regulations, 2001:

- (a) Be practical and realistic;
- (b) Measure the efficiency, effectiveness, quality and impact of the performance of the municipality, administrative component, structure, body or person for whom a target has been set;

- (c) Be commensurate with available resources;
- (d) Be commensurate with the municipality's capacity; and
- (e) Be consistent with the municipality's development priorities and objectives set out in its integrated development.

The setting of targets shall assist the municipality in terms of measuring performance because these targets shall be audited annually as part of the municipality's internal auditing processes determined by the Auditor-General.

7.2.5 Publishing of Performance Reports and the Annual Reports

IYLM acknowledges the importance of publishing the results of its performance to the broader public. This is not only a democratic imperative but also a healthy tool for performance management since it facilitates accountability and builds a culture of performance drives work into the organisation. A number of different platforms shall be used in order to bring performance management closer to the broader community. Publicising performance information is also a legal requirement and is clearly stated in the Municipal Systems act section 41 (e), which stipulates:

A Municipality must-establish a process of regular reporting to:

- a) The council, other political structures, political office bearers and staff of the municipality; and
- b) The public and appropriate organs of state.

An annual report of PMS should also be compiled and made available to the general public. The annual report should include a detailed report of the municipality's performance and the performance of any service provider that was contracted to the municipality during the financial period under scrutiny. The annual report also gives details regarding performance indicators to be set for the following year. Lastly the annual report will highlight all those areas in which the municipality is in need of improvement. In addition to the annual report are quarterly reports which IYLM compiles and releases which support the findings of the annual report. These key documents ensure that continuous monitoring of performance is taking place. Ideally the annual report which reflects performance management should not stand alone but should rather form part of the overall municipal annual report so that it may gain centrality and be seen as crucial to the municipality's strategy.

7.2.6 The PMS in relation to the IDP

Any credible PMS should be based on the IDP of that same municipality. As mentioned before, the performance indicators that are formulated within a municipality's PMS should be based on the priorities and objectives that emerge from that same municipality's IDP or SDBIP. Thus the council's PMS shall be informed by the IDP. In other words, if the IDP fulfils the planning role, then the PMS fulfils implementation and monitoring role.

The table beneath is an example of how Key Priority Areas have been classified in IYLM's IDP we can see from the table that from each priority emerges an objective and a strategy to achieve that objective. From the objectives emerge indicators which are given details in terms of time and amount under the targets. The indicators and targets are the responsibility of the accounting officer whose duties it is to ensure that the targets are met. The table therefore demonstrates the link between the IDP and the PMS. This link is created through the progression from the key elements of integrated planning i.e. prioritising, strategic objectives, and setting strategies to the key elements of performance management i.e. indicators, measurement, performance targets and detailing roles and responsibilities.

Table 34: Integration of the strategic planning with the PMS

STRATEGIC PLANNING (IDP)		PERFORMANCE MANAGEMENT (PMS)			
Strategic Objective	Strategic Objective is a statement of intention that seeks to identify the intended benefit and beneficiaries within IYLM in relation to the organisation's functions and provision of services.				
Priority Issue	Strategy	Indicator	Baseline	Annual Targets	Staff responsible
				2012/13	
				2013/14	
				2014/15	
				2015/16	
2016/17					
The Priority Issues are those issues identified through the Situational Analysis and community consultations to ensure responsive planning that provides a common basis for action.	The strategy represents how the municipality is going to achieve the objective in relation to the identified priority.	The measurement of performance that is used to track progress towards achieving an objective.	Refers to the status quo of the given indicator, prior to the beginning of the new IDP cycle, usually an approximation for the financial year 2011/2012 or most recent available data.	This is the expression of the specific level of performance that an institution or individual aims to achieve on a year by year basis, and can be further broken down into quarterly targets within a given financial year.	The post responsible for ensuring that the performance indicators are tracked and the targets are achieved.

7.3 Institutional Performance Management

At the beginning of every financial year IYLM shall compile a balanced scorecard which will be specifically meant for assessing the performance of the municipality as an organisation. The balanced scorecard shall be reviewed by the municipality's Balanced Scored Card Review Forum/Structure. This structure shall sit quarterly to assess the progress of the municipality in terms of reaching its targets. The institutional performance management approach is important because it allows for an overall picture of the municipality and how managers are working together as an organisation in order to reach their targets. The challenge for IYLM is to develop a comprehensive mechanism that will allow for the entire institution to be properly assessed on a continuous basis in a manner that will provide credible information that can be used to improve the municipality's all-round performance. At present the municipality uses a method that ranks the municipality's performance according to three levels. As seen from the table beneath municipal performance can fall under the "RED" bracket which represents poor performance that needs urgent attention; The "AMBER" bracket which represents delivery that is only just meets the needs of the municipality and is therefore close to poor performance; or the green bracket which bracket represents satisfactory performance.

One should bear in mind that the table in question is a simplification of the actual process which in reality would involve the assessment of many indicators and targets based on the municipality's strategic objectives and KPA's.

Table 35: Institution Performance Achievement Rating

KEY ROBOT LIGHT	ACHIEVEMENT PERCENTAGE	PERFORMANCE DESCRIPTION
RED	50% and Lower	Problem Area - Delivery below par (Needs urgent attention)
AMBER	Lower than 100% but Higher than 50%	Delivery borders on danger area - If performance does not improve will turn red
GREEN	100% and Above	Delivery levels acceptable - keep momentum, sustain and improve where there is room

7.4 Individual Performance Management

Assessing individual performance is an integral part of performance managements as it presents details about a municipality's performance that may not necessarily be visible from an institutional perspective. Individual performance management elucidates upon specific areas of excellence, competence and shortfalls within the municipality. IYLM uses a performance agreement to document the agreement between the employee of the municipality and the manager on behalf of the municipality. The performance agreement document possesses the details of what exactly is expected of the employee for the financial year in question. It is also an opportunity for the strategic objectives and goals as stated in the IDP of the municipality to be cascaded into the actual work of officials and managers.

The core components of a performance agreement include the following:

- **Output Plan:** details the outputs which the employee has to deliver upon. Targets are crafted in relation to the performance indicators that will demonstrate the employees progress in terms of achieving his/her outputs.
- **Competency plan:** this refers to the skills and knowledge that an employee should acquire in order to achieve the outputs as set out in the output plan.
- **Personal Development plan:** these are the interventions that are needed to reduce or eliminate the shortfall between the skills and knowledge that the employee possesses and the skills and knowledge needed to dispense his/her duties in such a way that the outputs of the position in question are met.

7.4.1 The Performance Assessment process

This section highlights the current performance process which is being utilised within the IYLM institution. The current process should be seen as a benchmark for the planned comprehensive PMS that is going to be realised in the coming term.

According to the Performance management policy, quarterly performance appraisals are conducted for all contracted staff of the municipality. The table beneath is a representation of the schedule of when the appraisals take place throughout the year. The table shows us that the appraisal schedule will be set in accordance with schedule that the municipality uses. Appraisals shall be conducted for all staff members by their immediate superiors, and will be based on the performance indicators as explained in the output plan of the employee.

Table 36: Appraisal schedule of the IYLM PMS

INTERVAL	PERIOD	EVALUATION DEADLINE
First quarter	(July – September)	2 nd week of October
*Second quarter	(October – December)	2 nd week of January
Third quarter	(January – March)	2 nd week of April
*Fourth (last) quarter	(April – June)	2 nd week of July

A rating scale is used to show the employees performance in terms of the indicators. The table beneath is an example of how an employee would be rated.

Table 37: Performance Rating Scale of the IYLM PMS

PERFORMANCE RATING SCALE (score)	Rating (%)	Rating Definition
1	0 – 49	Unacceptable Performance
2	50 – 99	Performance NOT fully effective
3	100 – 149	Fully Effective
4	150 – 199	Performance Significantly above expectation
5	200 +	Outstanding Performance

The table demonstrates how an employee is rated on a score of 1 to 5. A score of 1 is the lowest score and thus is categorised as unacceptable performance on the part of the employee. This indicates that the employee has failed to satisfy the requirements for his or her duties as outlined by the indicators attached to the performance agreement which the employee signed. In most cases managers will have to take action to try and motivate the employee to improve performance because it is well below an acceptable standard.

A score of 5 is indicative of outstanding or excellent performance. As a percentage this score is represented by 200% which is well above what is expected from the employee. Technically speaking a score of 5 means that the employee went beyond what was expected of him or her in terms of the Performance Agreement. In such cases managers will usually reward the employee for such outstanding performance in order to incentivise the sustenance of the high work standards that the employee has demonstrated.

7.4.2 Rewarding and correcting good and poor performance

This is an important step in terms of maintaining good performance on the one hand and eliminating poor performance on the other. Currently, IYLM has a number of performance incentives for good performance. A performance bonus ranging from 5% to 14% of the all-inclusive remuneration package may be paid to a Municipal Manager and Managers directly accountable to him or her. The breakdown according to performance is as follows:

- A score of 130% to 149% shall be awarded a performance bonus ranging from 5% to 9%.
- A score of 150% and above shall be awarded a performance bonus ranging from 10% to 14%.

In terms of poor performance the council will usually implement training in order to get the employees performance to the necessary levels, assistance shall be given to the employee with the intention of imparting the necessary skills and knowledge so that the employee could be able to meet the objectives as set out in his or her performance agreement. Where performance is consistently poor to the point of being unacceptable, council will have to take stronger measures. These actions may include, invoking an incapacity clause against the employee which could result in the employee being relieved of some duties or in the total termination of contract.

7.5 Performance Audit

After completing the performance measurements (both institutional and individual), the results should be audited. IYLM will do an internal audit of the results and also avail the results to the Auditor-General to review on an annual basis as this is in keeping with the Municipal Systems Act which states the following in section 45:

“The results of performance measurements in must be audited-
(a) As part of the municipality’s internal auditing process: and
(b) Annually by the Auditor-General”

Service Delivery Budget Implementation Plan (SDBIP)

The SDBIP is an important tool as IYLM moves from conceptualising the strategic delivery of services to the application of those ideas and intentions in the tangible development of communities. In line with MFMA Circular 13, this first draft of the SDBIP takes a high level approach and includes only the first three of five components of the SDBIP. These include: monthly projections of revenue to be collected from each source; monthly projections of expenditure for each vote; and quarterly projections of service delivery targets and performance indicators for each vote.

This information is still in an early stage of development and therefore still lacks: the ward information for expenditure and service delivery; as well as a detailed capital works plan broken down over three years. Furthermore, the performance information component only addresses quarterly projections for the annual targets derived from the 5 Year Implementation Plan, and does not provide for allocations per vote yet.

Nevertheless, the SDBIP is a vital tool for IYLM in monitoring in year performance and reporting. Crucially, it represents a draft of the contract between the Mayor, Councillors, IYLM administration, and the broader community that will be developed and finalised within a month of the approval of the budget. The following is a credible first draft of the expected revenue, expenditure, and service delivery targets. This first draft will form the basis for further refinement and development of the SDBIP 2014/2015.

EC135 Intsika Yethu - Supporting Table SA25 Budgeted monthly revenue and expenditure

Description	Ref	Budget Year 2016/17												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Revenue By Source																
Property rates		301	301	301	301	301	301	301	301	301	301	301	301	3 609	3 833	4 059
Property rates - penalties & collection charges		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - electricity revenue		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - water revenue		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - refuse revenue		58	58	58	58	58	58	58	58	58	58	58	58	692	735	778
Service charges - other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment		62	62	62	62	62	62	62	62	62	62	62	62	747	793	840
Interest earned - external investments		26	26	26	26	26	26	26	26	26	26	26	26	309	328	348
Interest earned - outstanding debtors		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dividends received		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines		27	27	27	27	27	27	27	27	27	27	27	27	321	341	361
Licences and permits		80	80	80	80	80	80	80	80	80	80	80	80	964	1 024	1 084
Agency services		38	38	38	38	38	38	38	38	38	38	38	38	450	478	506
Transfers recognised - operational		56 185	-	-	-	54 375	-	-	54 375	-	-	-	-	164 935	175 161	185 495
Other revenue		3 972	3 972	3 972	3 972	3 972	3 972	3 972	3 972	3 972	3 972	3 972	3 972	47 668	50 623	53 610
Gains on disposal of PPE		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		60 748	4 563	4 563	4 563	58 938	4 563	4 563	4 563	58 938	4 563	4 563	4 563	219 695	233 316	247 081
Expenditure By Type																
Employee related costs		8 616	8 616	8 616	8 616	8 616	8 616	8 616	8 616	8 616	8 616	8 616	8 616	103 388	109 798	116 276
Remuneration of councillors		1 205	1 205	1 205	1 205	1 205	1 205	1 205	1 205	1 205	1 205	1 205	1 205	14 464	15 361	16 267
Debt impairment		151	151	151	151	151	151	151	151	151	151	151	151	1 809	1 921	2 035
Depreciation & asset impairment		30 070	-	-	-	-	-	-	-	-	-	-	-	30 070	31 935	33 819
Finance charges		3	3	3	3	3	3	3	3	3	3	3	3	38	40	43
Bulk purchases		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other materials		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Contracted services		88	88	88	88	88	88	88	88	88	88	88	88	1 055	1 120	1 186
Transfers and grants		340	340	340	340	340	340	340	340	340	340	340	340	4 080	4 333	4 589
Other expenditure		8 056	8 056	8 056	8 056	8 056	8 056	8 056	8 056	8 056	8 056	8 056	8 056	96 670	102 663	108 720
Loss on disposal of PPE		-	0	0	0	0	0	0	0	0	0	0	(0)	-	-	-
Total Expenditure		48 529	18 459	18 459	18 459	18 459	18 459	18 459	18 459	18 459	18 459	18 459	18 459	251 574	267 171	282 935
Surplus/(Deficit)																
Transfers recognised - capital		12 219	(13 895)	(13 895)	(13 895)	40 480	(13 895)	(13 895)	(13 895)	40 480	(13 895)	(13 895)	(13 896)	(31 879)	(33 856)	(35 853)
Contributions recognised - capital		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Contributed assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		12 219	(13 895)	(13 895)	(13 895)	40 480	(13 895)	(13 895)	(13 895)	40 480	(13 895)	(13 895)	(13 896)	(31 879)	(33 856)	(35 853)
Taxation		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Attributable to minorities		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share of surplus/ (deficit) of associate		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) of Intsika Yethu IDP 2016-2017	1	12 219	(13 895)	(13 895)	(13 895)	40 480	(13 895)	(13 895)	(13 895)	40 480	(13 895)	(13 895)	(13 896)	(31 879)	(33 856)	(35 853)

EC135 Intsika Yethu - Supporting Table SA26 Budgeted monthly revenue and expenditure (municipal vote)

Description	Ref	Budget Year 2016/17												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Revenue by Vote																
Vote 1 - Exco and Council														-	-	-
Vote 2 - Municipal Manager Office														-	-	-
Vote 3 - Corporate Services Office														-	-	-
Vote 4 - Infrastructure Planning and Development Office		19 478				19 478				19 478				-	58 434	62 057
Vote 5 - Community Services		206	206	206	206	206	206	206	206	206	206	206	206	206	2 467	2 620
Vote 6 - Budget and Treasury Office		56 552				51 121				51 121				0	158 794	168 640
Vote 7 - Local Economic Development														-	-	-
Vote 8 - [NAME OF VOTE 8]														-	-	-
Vote 9 - [NAME OF VOTE 9]														-	-	-
Vote 10 - [NAME OF VOTE 10]														-	-	-
Vote 11 - [NAME OF VOTE 11]														-	-	-
Vote 12 - [NAME OF VOTE 12]														-	-	-
Vote 13 - [NAME OF VOTE 13]														-	-	-
Vote 14 - [NAME OF VOTE 14]														-	-	-
Vote 15 - [NAME OF VOTE 15]														-	-	-
Total Revenue by Vote		76 236	206	206	206	70 805	206	206	206	70 805	206	206	206	219 695	233 317	247 082
Expenditure by Vote to be appropriated																
Vote 1 - Exco and Council		1 494	1 494	1 494	1 494	1 494	1 494	1 494	1 494	1 494	1 494	1 494	1 494	1 494	17 931	19 043
Vote 2 - Municipal Manager Office		1 512	1 512	1 512	1 512	1 512	1 512	1 512	1 512	1 512	1 512	1 512	1 512	1 512	18 148	19 273
Vote 3 - Corporate Services Office		2 055	2 055	2 055	2 055	2 055	2 055	2 055	2 055	2 055	2 055	2 055	2 055	2 055	24 663	26 192
Vote 4 - Infrastructure Planning and Development Office		6 847	6 847	6 847	6 847	6 847	6 847	6 847	6 847	6 847	6 847	6 847	6 847	6 847	82 169	87 264
Vote 5 - Community Services		2 565	2 565	2 565	2 565	2 565	2 565	2 565	2 565	2 565	2 565	2 565	2 565	2 565	30 778	32 686
Vote 6 - Budget and Treasury Office		5 972	5 972	5 972	5 972	5 972	5 972	5 972	5 972	5 972	5 972	5 972	5 972	5 972	71 659	76 102
Vote 7 - Local Economic Development		519	519	519	519	519	519	519	519	519	519	519	519	519	6 226	6 612
Vote 8 - [NAME OF VOTE 8]														-	-	-
Vote 9 - [NAME OF VOTE 9]														-	-	-
Vote 10 - [NAME OF VOTE 10]														-	-	-
Vote 11 - [NAME OF VOTE 11]														-	-	-
Vote 12 - [NAME OF VOTE 12]														-	-	-
Vote 13 - [NAME OF VOTE 13]														-	-	-
Vote 14 - [NAME OF VOTE 14]														-	-	-
Vote 15 - [NAME OF VOTE 15]														-	-	-
Total Expenditure by Vote		20 965	20 965	20 965	20 965	20 965	20 965	20 965	20 965	20 965	20 965	20 965	20 965	251 574	267 172	282 935
Surplus/(Deficit) before assoc.		55 271	(20 759)	(20 759)	(20 759)	49 840	(20 759)	(20 759)	(20 759)	49 840	(20 759)	(20 759)	(20 759)	(31 879)	(33 855)	(35 853)
Taxation														-	-	-
Attributable to minorities														-	-	-
Share of surplus/ (deficit) of associate														-	-	-
Surplus/(Deficit)	1	55 271	(20 759)	(20 759)	(20 759)	49 840	(20 759)	(20 759)	(20 759)	49 840	(20 759)	(20 759)	(20 759)	(31 879)	(33 855)	(35 853)

EC135 Intsika Yethu - Supporting Table SA27 Budgeted monthly revenue and expenditure (standard classification)

Description	Ref	Budget Year 2016/17												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Revenue - Standard																
<i>Governance and administration</i>		56 552	-	-	-	51 121	-	-	-	51 121	-	-	0	158 794	168 640	178 589
Executive and council													-	-	-	-
Budget and treasury office		56 552				51 121				51 121			0	158 794	168 640	178 589
Corporate services													-	-	-	-
<i>Community and public safety</i>		206	206	206	206	206	206	206	206	206	206	206	206	2 467	2 620	2 775
Community and social services		206	206	206	206	206	206	206	206	206	206	206	206	2 467	2 620	2 775
Sport and recreation													-	-	-	-
Public safety													-	-	-	-
Housing													-	-	-	-
Health													-	-	-	-
<i>Economic and environmental services</i>		19 478	-	-	-	19 478	-	-	-	19 478	-	-	-	58 434	62 057	65 718
Planning and development													-	-	-	-
Road transport		19 478				19 478				19 478			-	58 434	62 057	65 718
Environmental protection													-	-	-	-
<i>Trading services</i>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Electricity													-	-	-	-
Water													-	-	-	-
Waste water management													-	-	-	-
Waste management													-	-	-	-
<i>Other</i>													-	-	-	-
Total Revenue - Standard		76 236	206	206	206	70 805	206	206	206	70 805	206	206	206	219 695	233 317	247 082
Expenditure - Standard																
<i>Governance and administration</i>		11 033	11 033	11 033	11 033	11 033	11 033	11 033	11 033	11 033	11 033	11 033	11 033	132 401	140 610	148 906
Executive and council		3 007	3 007	3 007	3 007	3 007	3 007	3 007	3 007	3 007	3 007	3 007	3 006	36 079	38 316	40 576
Budget and treasury office		5 972	5 972	5 972	5 972	5 972	5 972	5 972	5 972	5 972	5 972	5 972	5 971	71 659	76 102	80 592
Corporate services		2 055	2 055	2 055	2 055	2 055	2 055	2 055	2 055	2 055	2 055	2 055	2 055	24 663	26 192	27 738
<i>Community and public safety</i>		2 565	2 565	2 565	2 565	2 565	2 565	2 565	2 565	2 565	2 565	2 565	2 565	30 778	32 686	34 615
Community and social services		2 565	2 565	2 565	2 565	2 565	2 565	2 565	2 565	2 565	2 565	2 565	2 565	30 778	32 686	34 615
Sport and recreation													-	-	-	-
Public safety													-	-	-	-
Housing													-	-	-	-
Health													-	-	-	-
<i>Economic and environmental services</i>		7 366	7 366	7 366	7 366	7 366	7 366	7 366	7 366	7 366	7 366	7 366	7 367	88 395	93 876	99 414
Planning and development		519	519	519	519	519	519	519	519	519	519	519	519	6 226	6 612	7 002
Road transport		6 847	6 847	6 847	6 847	6 847	6 847	6 847	6 847	6 847	6 847	6 847	6 848	82 169	87 264	92 412
Environmental protection													-	-	-	-
<i>Trading services</i>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Electricity													-	-	-	-
Water													-	-	-	-
Waste water management													-	-	-	-
Waste management													-	-	-	-
<i>Other</i>													-	-	-	-
Total Expenditure - Standard		20 965	20 965	20 965	20 965	20 965	20 965	20 965	20 965	20 965	20 965	20 965	20 965	251 574	267 172	282 935
Surplus/(Deficit) before assoc.		55 271	(20 759)	(20 759)	(20 759)	49 840	(20 759)	(20 759)	(20 759)	49 840	(20 759)	(20 759)	(20 759)	(31 879)	(33 855)	(35 853)
Share of surplus/ (deficit) of associate													-	-	-	-
Surplus/(Deficit)	1	55 271	(20 759)	(20 759)	(20 759)	49 840	(20 759)	(20 759)	(20 759)	49 840	(20 759)	(20 759)	(20 759)	(31 879)	(33 855)	(35 853)

EC135 Intsika Yethu - Supporting Table SA29 Budgeted monthly capital expenditure (standard classification)

Description	Ref	Budget Year 2016/17												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Capital Expenditure - Standard	1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Governance and administration</i>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Executive and council		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Budget and treasury office		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Corporate services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Community and social services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sport and recreation		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Planning and development		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Road transport		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Environmental protection		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Trading services</i>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Electricity		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Water		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Waste management		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Other</i>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Standard	2	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Funded by:																
National Government		3 325	3 325	3 325	3 325	3 325	3 325	3 325	3 325	3 325	3 325	3 325	1 330	37 900	40 250	42 625
Provincial Government		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
District Municipality		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other transfers and grants		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers recognised - capital		3 325	3 325	3 325	3 325	3 325	3 325	3 325	3 325	3 325	3 325	3 325	1 330	37 900	40 250	42 625
Public contributions & donations		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Borrowing		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Internally generated funds		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Capital Funding		3 325	3 325	3 325	3 325	3 325	3 325	3 325	3 325	3 325	3 325	3 325	1 330	37 900	40 250	42 625

EC135 Intsika Yethu - Supporting Table SA28 Budgeted monthly capital expenditure (municipal vote)

Description	Ref	Budget Year 2016/17												Medium Term Revenue and Expenditure Framework			
		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19	
Multi-year expenditure to be appropriated	1																
Vote 1 - Exco and Council														-	-	-	-
Vote 2 - Municipal Manager Office														-	-	-	-
Vote 3 - Corporate Services Office														-	-	-	-
Vote 4 - Infrastructure Planning and Development Office														-	-	-	-
Vote 5 - Community Services														-	-	-	-
Vote 6 - Budget and Treasury Office														-	-	-	-
Vote 7 - Local Economic Development														-	-	-	-
Vote 8 - [NAME OF VOTE 8]														-	-	-	-
Vote 9 - [NAME OF VOTE 9]														-	-	-	-
Vote 10 - [NAME OF VOTE 10]														-	-	-	-
Vote 11 - [NAME OF VOTE 11]														-	-	-	-
Vote 12 - [NAME OF VOTE 12]														-	-	-	-
Vote 13 - [NAME OF VOTE 13]														-	-	-	-
Vote 14 - [NAME OF VOTE 14]														-	-	-	-
Vote 15 - [NAME OF VOTE 15]														-	-	-	-
Capital multi-year expenditure sub-total	2	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Single-year expenditure to be appropriated																	
Vote 1 - Exco and Council														-	-	-	-
Vote 2 - Municipal Manager Office														-	-	-	-
Vote 3 - Corporate Services Office														-	-	-	-
Vote 4 - Infrastructure Planning and Development Office		3 158	3 158	3 158	3 158	3 158	3 158	3 158	3 158	3 158	3 158	3 158	3 158	37 900	40 250	42 625	
Vote 5 - Community Services														-	-	-	-
Vote 6 - Budget and Treasury Office														-	-	-	-
Vote 7 - Local Economic Development														-	-	-	-
Vote 8 - [NAME OF VOTE 8]														-	-	-	-
Vote 9 - [NAME OF VOTE 9]														-	-	-	-
Vote 10 - [NAME OF VOTE 10]														-	-	-	-
Vote 11 - [NAME OF VOTE 11]														-	-	-	-
Vote 12 - [NAME OF VOTE 12]														-	-	-	-
Vote 13 - [NAME OF VOTE 13]														-	-	-	-
Vote 14 - [NAME OF VOTE 14]														-	-	-	-
Vote 15 - [NAME OF VOTE 15]														-	-	-	-
Capital single-year expenditure sub-total	2	3 158	3 158	3 158	3 158	3 158	3 158	3 158	3 158	3 158	3 158	3 158	3 158	37 900	40 250	42 625	
Total Capital Expenditure	2	3 158	3 158	3 158	3 158	3 158	3 158	3 158	3 158	3 158	3 158	3 158	3 158	37 900	40 250	42 625	

EC135 Intsika Yethu - Supporting Table SA29 Budgeted monthly capital expenditure (standard classification)

Description	Ref	Budget Year 2016/17												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Capital Expenditure - Standard	1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Governance and administration</i>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Executive and council		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Budget and treasury office		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Corporate services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Community and social services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sport and recreation		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Planning and development		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Road transport		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Environmental protection		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Trading services</i>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Electricity		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Water		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Waste management		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Other</i>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Standard	2	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Funded by:																
National Government		3 325	3 325	3 325	3 325	3 325	3 325	3 325	3 325	3 325	3 325	3 325	1 330	37 900	40 250	42 625
Provincial Government		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
District Municipality		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other transfers and grants		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers recognised - capital		3 325	3 325	3 325	3 325	3 325	3 325	3 325	3 325	3 325	3 325	3 325	1 330	37 900	40 250	42 625
Public contributions & donations		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Borrowing		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Internally generated funds		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Capital Funding		3 325	3 325	3 325	3 325	3 325	3 325	3 325	3 325	3 325	3 325	3 325	1 330	37 900	40 250	42 625

EC135 Intsika Yethu - Supporting Table SA30 Budgeted monthly cash flow

MONTHLY CASH FLOWS	Budget Year 2016/17												Medium Term Revenue and Expenditure Framework			
	R thousand	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Cash Receipts By Source													1			
Property rates	301	301	301	301	301	301	301	301	301	301	301	301	3 609	3 833	4 059	
Property rates - penalties & collection charges													-	-	-	
Service charges - refuse revenue	58	58	58	58	58	58	58	58	58	58	58	58	692	735	778	
Service charges - other													-	-	-	
Rental of facilities and equipment	62	62	62	62	62	62	62	62	62	62	62	62	747	793	840	
Interest earned - external investments	26	26	26	26	26	26	26	26	26	26	26	26	309	328	348	
Interest earned - outstanding debtors													-	-	-	
Dividends received													-	-	-	
Fines	27	27	27	27	27	27	27	27	27	27	27	27	321	341	361	
Licences and permits	80	80	80	80	80	80	80	80	80	80	80	80	964	1 024	1 084	
Agency services	38	38	38	38	38	38	38	38	38	38	38	38	450	478	506	
Transfer receipts - operational	56 185				54 375				54 375				-	164 935	175 161	185 495
Other revenue	3 972	3 972	3 972	3 972	3 972	3 972	3 972	3 972	3 972	3 972	3 972	(35 923)	7 773	8 255	8 742	
Cash Receipts by Source	60 748	4 563	4 563	4 563	58 938	4 563	4 563	4 563	58 938	4 563	4 563	(35 332)	179 800	190 947	202 213	
Other Cash Flows by Source																
Transfer receipts - capital	13 298				13 298				13 298				-	39 895	42 368	44 868
Contributions recognised - capital & Contributed assets													-	-	-	
Proceeds on disposal of PPE													-	-	-	
Decrease (increase) in non-current investments													-	-	-	
Total Cash Receipts by Source	74 047	4 563	4 563	4 563	72 237	4 563	4 563	4 563	72 237	4 563	4 563	(35 332)	219 695	233 316	247 081	
Cash Payments by Type																
Employee related costs	8 616	8 616	8 616	8 616	8 616	8 616	8 616	8 616	8 616	8 616	8 616	8 616	103 388	109 798	116 276	
Remuneration of councillors	1 205	1 205	1 205	1 205	1 205	1 205	1 205	1 205	1 205	1 205	1 205	1 205	14 464	15 361	16 267	
Finance charges	151	151	151	151	151	151	151	151	151	151	151	151	1 809	1 921	2 035	
Bulk purchases - Electricity	30 070	-	-	-	-	-	-	-	-	-	-	-	30 070	31 935	33 819	
Bulk purchases - Water & Sewer	3	3	3	3	3	3	3	3	3	3	3	3	38	40	43	
Other materials	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Contracted services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Transfers and grants - other municipalities	88	88	88	88	88	88	88	88	88	88	88	88	1 055	1 120	1 186	
Transfers and grants - other	340	340	340	340	340	340	340	340	340	340	340	340	4 080	4 333	4 589	
Other expenditure	8 056	8 056	8 056	8 056	8 056	8 056	8 056	8 056	8 056	8 056	8 056	(31 644)	56 970	60 502	64 071	
Cash Payments by Type	48 529	18 459	18 459	18 459	18 459	18 459	18 459	18 459	18 459	18 459	18 459	(21 241)	211 874	225 010	238 286	
Other Cash Flows/Payments by Type																
Capital assets												39 700	39 700	42 161	44 649	
Repayment of borrowing													-	-	-	
Other Cash Flows/Payments													-	-	-	
Total Cash Payments by Type	48 529	18 459	18 459	18 459	18 459	18 459	18 459	18 459	18 459	18 459	18 459	18 459	251 574	267 171	282 935	
NET INCREASE/(DECREASE) IN CASH HELD	25 518	(13 895)	(13 895)	(13 895)	53 778	(13 895)	(13 895)	(13 895)	53 778	(13 895)	(13 895)	(53 791)	(31 879)	(33 856)	(35 853)	
Cash/cash equivalents at the month/year begin:		25 518	11 622	(2 273)	(16 168)	37 610	23 715	9 819	(4 076)	49 702	35 807	21 911	-	(31 879)	(65 735)	
Cash/cash equivalents at the month/year end:	25 518	11 622	(2 273)	(16 168)	37 610	23 715	9 819	(4 076)	49 702	35 807	21 911	(31 879)	(31 879)	(65 735)	(101 588)	

Chapter 5: Financial Plan and Budget

8. Financial Viability

In accordance with the outcomes of the latest assessment conducted on the financial position, the IYLM remains financially sustainable and is able to meet its financial commitments.

Significant reforms within the adoption of new accounting standards, being Generally recognised Accounting Practice (GRAP), coupled with significant reforms within Municipal Budgeting and Reporting Regulations has significantly enhanced the credibility, sustainability, transparency, accuracy and reliability of financial planning, management and reporting within the IYLM

In meeting the demands associated with modernised practices towards sustaining and enhancing financial viability; and addressing the specific needs of Intsika Yethu LM within the context of limited resources and mounting service delivery expectations, has necessitated that a comprehensive integrated approach towards financial sustainability be developed.

In terms of the approach adopted, the report will clearly define financial risks which have been identified as being a financial threat to the long termed sustainability of the organisation, linked to key challenges, with a detailed focus on effective strategies employed to mitigate against financial threats and weaknesses, concluded by a detailed analysis of the service delivery package and associated financial implications on the operations, statement of financial position and cash flows for the MTREF 2014/2015- 2016/2017 which collectively aim to position Intsika Yethu LM on a sustainable approach to service delivery.

8.1 Financial risks

In order to maintain and improve on the financial efficiencies and position of Intsika Yethu LM, certain risks need to be managed, while financial management practices need to be continuously improved.

The key financial risks confronting the Municipality can be summarised as follows:

- Limitation on Revenue Raising Capacity due to high poverty indices;
- Growth within Debt Composition associated with Low level Service Offerings;
- Financial Distress- ratio analysis- specific on Working capital elements;
- Containment of personnel costs within set benchmarks as established within the budget process;
- Governance and Administration costs as a percentage of own revenue;
- Increases associated with deferred maintenance and backlog eradication.

8.2 Key Challenges

- Achieving an unqualified audit report;
- Affordability of a desired Organisational Structure;
- The need to improve customer care;

- The need to ensure legal compliance through all procedures and programmes.

8.3 Financial Strategies

The Financial Strategy has been formulated to ensure that the IYLM maximises all available opportunities that would enhance Councils financial strength especially considering the cost-shift environment that has been created with the implementation of assigned powers and functions.

Council's overall Financial Strategy is structured into the following core components to allow for a clearer understanding of the overall task:

- Revenue enhancement and maximisation Strategies;
- Asset Management strategies;
- Financial Management Strategies;
- Capital Financing Strategies;
- Operational Financing Strategies;
- Strategies to Enhance Cost-effectiveness; and
- Free Basic Services and indigent Support.

These segments are intended to provide operational guidance to staff to assist them in achieving identified objectives and goals.

Importantly the Strategies formulated are deemed to be primary mitigating tool against the financial risks identified, and giving effect to the objectives of the Integrated Development Plan, through ensuring that the performance targets as per the Budget underlying the IDP are achieved.

The strategies are premised on ensuring compliance with adopted financial policies, modelled on modernised reform practices applicable to Local Government.

8.3.1 Revenue Enhancement and Maximisation Strategy

The purpose of this strategy is to ensure that all possible avenues are explored to maximise the receipt of any monies available to Council by way of intergovernmental transfers and Grants or Donations, including expanding the billing database and maximising income opportunities on every registered serviced site within the LM's jurisdiction.

The second component of this strategy focuses on strengthening and building capacity within credit control and debt management practices and processes of Council, ensuring the attainment and exceeding of collection rates in line with key budgetary requirements.

The third component of the strategy focuses on maximising the registration of households eligible for participation within the Free Basic Services (FBS) programme of Council, this component is aimed at arresting spiralling debts associated with this user group, and limiting consumption of services in line with the FBS allocation threshold.

In line with the strategy employed, Council has formalised the appointment of a debt collection agency on a contingency arrangement over the next three years to undertake revenue enhancement and debt reduction, with a special focus on skills transfer to a dedicated internal unit.

A comprehensive revenue enhancement strategy is undertaken and it includes:

- Cleaning of the debtor database to ensure that all consumers are levied for all services received at the correct tariff for such service.
- Reviewing and formalising an indigent policy for the municipality.
- Ensuring that all consumers that qualify in respect of such approved indigent policy are registered.
- Implementing credit control measures to significantly improve payment levels and ensure that consumers that can pay do so.
- Reviewing Council's tariff policy in respect of the subsidy of free basic services and to ensure that the actual cost of services is recovered through the respective tariffs.
- Restructuring of the operational budget to ensure that the budget is cash funded and that it reflects actual payment levels in respect of bad debt provision.
- Investigating distribution losses in respect of electricity and water to ensure that electricity and water purchased is billed
- Appointment of a debt collection agency to assist in collecting outstanding debt

8.3.2 Subsidies and Grants

In order for Intsika Yethu LM to obtain maximum benefit from external monies available, a policy laying out the relevant procedures has been put in place within the Institution to ensure that all grants, donations and subsidies are investigated, applied for and received at the appropriate times. The policy will ensure that Council receives maximum benefit from external funding available.

8.3.3 Credit Control and Debt Collection Policy

The Policy sets out to control and manage the recovery of outstanding debt due to Council. This policy is in place and is subject to regular updates. The policy lays down the basis for distribution of accounts, collection procedures, interest and penalties to be charged in the event of non-payment, with strong focus on management reporting requirements pursuant of key legislative requirements and performance management.

Giving effect to the administration of this policy, Council through the appointment of a revenue accountant has invested in a Revenue Management and Debt collection System fully compliant with Municipal Bylaws and objects of the policy framework, the system effects have result in macro approach to debt management and collection being effected, in an effective and efficient manner, maximise the return on investment and per household.

The Municipality currently bills all its debtors on a monthly basis as per the norms and standards of revenue management. The Municipality has an updated Valuation roll which is currently being used to bill the Municipal debtors, and the supplementary valuation roll is conducted annual as prescribed by the standards. The Municipality has developed and implemented the Revenue Enhancement Strategy.

8.3.4 Tariff Policy

This policy sets key guidelines on what should be considered when pricing services and guiding principles for the compilation of water, sanitation, solid waste and other services. This policy is subject to constant review, given significant reforms within the water sectors, which impact on the price cost of services rendered, and ultimately on the sustainability of trading services.

8.4 Asset Management

8.4.1 Asset Management Strategies

The purpose of the strategy is to optimise the use of all assets under the control of IYLM, given the financial exposure and the revenue streams earned by the Municipality in the rendering of services to the community.

8.4.2 Asset Management Policy

This policy is deemed necessary in order to facilitate the effective management, control and maintenance of the assets. The policy is in place and is subject to regular review. The prime objectives of the policy are to ensure that the assets of Intsika Yethu are properly managed and accounted for by:

- Ensuring the accurate recording of asset information;
- The accurate recording of asset movements;
- Exercising strict control over all assets;
- Providing correct and meaningful management information;
- Compliance with Council's Insurance Policy and Payment Procedure;
- Effecting adequate insurance of all assets; and
- Maintenance of Council's Assets.

The implication of this policy on the administration and planning of assets has been profound, in that the organisation has a comprehensive understanding of all assets under the Management Control of the Municipality, has an acute understanding of the conditions and remaining lifespan etc of the asset base, all of which are aimed at ensuring that sound financial planning occurs, especially around investment choices and reserve creation to safe guard against ageing infrastructure; the Funding and Reserves policy is directly influenced through the outcomes of the annualised conditional assessment on all infrastructural assets.

It is envisaged that strict adherence to policy framework will continue to be applied in order to protect the resource of the community, and ensure the continued viability of the Municipality.

8.4.3 Asset Movement System

At the time of commissioning a GRAP compliant Asset Register, an asset tracking system using bar-coded discs and scanners was put in place. With the completion of the Asset Register, the asset tracking system is now fully operational.

The system allow for regular audits of all assets to be completed in a shorter time frame and therefore allowing for more regular updates of the register.

8.5 Financial Management Strategies

The purpose of this strategy is to ensure that the Financial Systems in place at IYLM are of such quality to allow for the generation of accurate and timely reporting at all times.

The Strategy has culminated in the institution being able to effectively make informed decisions around service delivery, identify financial risks and impeding financial problems, through having an acute understanding of the financial affairs of the Municipality, through a simplified qualitative analysis being provided based on the in year reports focusing on budgeted performance(revenue, expenditure, capital); impact of the trading activity on the financial position and cash flows within the Organisation, this is in compliance with international standards on in year reporting.

8.5.1 Budget and Finance Reform

A considerable amount of time and effort has been expended on ensuring that IYLM has the capacity to deliver on the finance and budget reporting requirements as prescribed by National Treasury. The institution has reaffirmed its commitment to the development of capacity to service local government interest within financial management and administration and as such has invested huge amount towards this program over the 2014/2015- 2016/2017 MTREF.

The process is being overseen by a Finance Standing committee and significant progress has been made in some areas. Specific tasks being performed are:

- Employment of interns and short term contract workers;
- Reconciliation of assets;
- Training;
- Supply Chain Management;
- Liability Management;
- Revenue Management; and
- Financial Systems Reporting.

8.5.2 Operational Financing Strategies

The purpose of this strategy is to assess the viability (IA) of any association or alliance or partnership that may arise from time to time. IYLM has been assigned various functions and authorities by the MEC for Local Government, Housing and Traditional Affairs or Structures Act.

8.5.3 Strategies to Enhance Cost Effectiveness

The purpose of this strategy is to ensure that IYLM employs the most cost effective operating practices.

Importantly, this strategy is driven on the principles enshrined within the Costing policy, which amongst other things advocates that the sustainability of IYLM is not primarily driven on resource generation capacity, rather a combination of effective resource utilisation, premised on cost conscious decision making practices and processes.

8.5.4 Benchmarking and Performance Indicators

A set of performance indicators will be developed and implemented to test the effectiveness and efficiency of the Municipality. Benchmarking these against similar organisations will allow for regular internal assessment and upgrading.

These bench mark indicators will supplement the battery of indicators that have been developed as part of the new budget reporting formats and regulations, aimed at gauging the efficacy of financial performance and management.

8.5.6 Training and Development of Staff

Training sessions and courses are continually being planned to ensure that all financial as well as non-financial, senior staff and councillors will be in a better position to evaluate the financial position of the Municipality. The Council also has an approved skills development plan, which is being implemented and is used to guide training of both Councillors and Officials.

8.5.7 Cost Effectiveness

All departments of the IYLM are challenged continually with identifying the most cost effective means of operating by employing the methods commonly associated with BOP (Best Operating Practices).

8.6 Free Basic Services

8.6.1 The indigent support policy

The basic principles of this policy are captured by indicating that the policy is to ensure that poor households are not denied their constitutional right of access to services, the Intsika Yethu LM is required to implement an indigent support policy that makes adequate financial provision to ensure the provision of efficient and sustainable services to all residents within the area of jurisdiction.

The indigent support policy is available and has been adopted by the council it is an integral part of the Intsika Yethu's tariff policy that is developed and implemented in a transparent manner to ensure the sustainability of local public services to all of its citizens at an affordable cost.

The indigent policy is intended to provide poor households ongoing access to a specified level of service.

The subsidies contained in the policy should not compromise the quality or efficiency of service delivery.

Critically as part of Intsika Yethu LM commitment to improve continued access to service and provide a basket of free services as part of the poverty alleviation programme.

8.7 Actual expenditure and revenue for 2014/2015

The following tables provide an overview of IYLM's actual expenditure and revenue over the last financial year audited, 2014/2015. From the tables provided it is clear that IYLM's challenges remain with the cost of employing staff. Unlike in previous years, the municipality has been particularly effective in utilizing the grants allocated to it for infrastructure development. Furthermore, it has also managed to collect more revenue than was originally planned. Percentage spent on capital budget for the financial year 2014/15 is 100%

EC135 Intsika Yethu - Table A4 Budgeted Financial Performance (revenue and expenditure)

Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16				2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Revenue By Source											
Property rates	2	8 987	3 186	3 327	3 919	3 919	3 919	-	3 609	3 833	4 059
Property rates - penalties & collection charges											
Service charges - electricity revenue	2	-	-	-	-	-	-	-	-	-	-
Service charges - water revenue	2	-	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue	2	-	-	-	-	-	-	-	-	-	-
Service charges - refuse revenue	2	488	-	-	-	-	-	-	692	735	778
Service charges - other											
Rental of facilities and equipment		1 171	1 162						747	793	840
Interest earned - external investments		840	1 799						309	328	348
Interest earned - outstanding debtors											
Dividends received											
Fines		398	408	224					321	341	361
Licences and permits		1 638	1 843						964	1 024	1 084
Agency services									450	478	506
Transfers recognised - operational		97 803	117 795	167 510					164 935	175 161	185 495
Other revenue	2	176 767	123 684	135 191	224 497	224 388	224 497	-	47 668	50 623	53 610
Gains on disposal of PPE		385									
Total Revenue (excluding capital transfers and contributions)		288 478	249 876	306 252	228 417	228 307	228 417	-	219 695	233 316	247 081
Expenditure By Type											
Employee related costs	2	75 975	69 421	78 300	63 839	63 839	63 839	-	103 388	109 798	116 276
Remuneration of councillors		11 539	12 729	13 028	14 167		14 167		14 464	15 361	16 267
Debt impairment	3	3 676	1 502	4 670	1 799		1 799		1 809	1 921	2 035
Depreciation & asset impairment	2	146 040	32 870	30 070	37 030	-	37 030	-	30 070	31 935	33 819
Finance charges		497	541	538	1 058		1 058		38	40	43
Bulk purchases	2	-	-	-	-		-		-	-	-
Other materials	8	926	2 302	1 197							
Contracted services		-	-	-	-		-		1 055	1 120	1 186
Transfers and grants		5 424	-	301	4 680	-	4 680	-	4 080	4 333	4 589
Other expenditure	4, 5	52 790	48 831	61 364	203 296	203 296	204 245	-	96 670	102 663	108 720
Loss on disposal of PPE			483								
Total Expenditure		296 867	168 680	189 468	325 869	267 135	326 818	-	251 574	267 171	282 935
Surplus/(Deficit)		(8 390)	81 196	116 783	(97 452)	(38 829)	(98 402)	-	(31 879)	(33 856)	(35 853)
Transfers recognised - capital		46 997	55 506	301							
Contributions recognised - capital	6	78 113	-	164 335	71 589	71 589	71 589	-	-	-	-
Contributed assets											
Surplus/(Deficit) after capital transfers & contributions		116 721	136 701	281 419	(25 863)	32 761	(26 812)	-	(31 879)	(33 856)	(35 853)
Taxation											
Surplus/(Deficit) after taxation		116 721	136 701	281 419	(25 863)	32 761	(26 812)	-	(31 879)	(33 856)	(35 853)
Attributable to minorities											
Surplus/(Deficit) attributable to municipality		116 721	136 701	281 419	(25 863)	32 761	(26 812)	-	(31 879)	(33 856)	(35 853)
Share of surplus/ (deficit) of associate	7										
Surplus/(Deficit) for the year		116 721	136 701	281 419	(25 863)	32 761	(26 812)	-	(31 879)	(33 856)	(35 853)

REVENUE BUDGET	Budget 2013/14	Actual 2013/2014 Audited	Percentage
EQUITABLE SHARE	99 780 000	99780000	100.00%
MIG	36043000	3604300	100%
WATER SERVICES	27203988	26627374	97.88%
FMG	1550000	1550000	100.00%
INEP	11000000	11000000	100%
MSIG	890 000	890000	100.00%
OTHER INCOME	25863081	23344865	90.26%
TOTAL REVENUE	202330069	199235239	101.60%

IYLM Capital budget versus Operational budget

Table 38: IYLM budgeted expenditure versus actual expenditure 2014/2015

	Budget 2014/15	Actual 2014/2015 Audited	Percentage
PERSONNEL COSTS	75,158,322.88	78,299,504	104,1%
Employee costs-Salaries			
Executive Committee and Council costs-Salaries	14,167,029.38	13,027,569	91,9%
SUB-TOTAL			
	89,325,352.26	91,327,073	102,2%
GENERAL EXPENDITURE			
Repairs and maintenance of infrastructure	8,699,818.58	1,196,924	1,3%
OTHER EXPENDITURE	68,391,954.31	91,736,012	134,13%
CAPITAL PROJECTS	70,589,492.01	71,941,859	101,91%
TOTAL EXPENDITURE	228,306,798.59		

There is a positive performance of budget over the actual in the year under review, which is an improvement on the management of budget. Salary budget to Operational expenditure is 58,16%; Repairs on total budget is 2%.

Percentage of Expenditure on Grants Usage for the financial year 2014/15

Municipal Infrastructure Grant (MIG)----100%

Municipal Systems Improvement Grant –100%

Integrated National Energy Program----100%

Finance Management Grant-----100%

Expanded Public Works Program—100%

Table 42: IYLM Government Grants and Subsidies Allocation

TRANSFERS AND GRANTS

EC135 Intsika Yethu - Supporting Table SA18 Transfers and grant receipts

Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
RECEIPTS:										
Operating Transfers and Grants										
National Government:		108 514	122 682	125 903	169 850	-	169 850	164 935	181 070	193 437
Local Government Equitable Share		88 676	99 780	115 520	145 974		145 974	145 314	153 925	161 037
EPWP Incentive		1 000	1 000	1 849	1 271		1 271	1 311		
Finance Management		1 500	1 550	1 600	1 675		1 675	1 810	2 145	2 400
Municipal Systems Improvement		800	890	934	930		930			
Integrated National Electrification Programme		16 538	19 462	6 000	20 000		20 000	16 500	25 000	30 000
Other transfers/grants [insert description]										
Provincial Government:		-	-	-	-	-	-	-	-	-
Other transfers/grants [insert description]										
District Municipality:		5 187	13 698	2 596	-	-	-	-	-	-
Water services grant										
CHDM GRANT		5 187	13 698	2 596						
LED PROJECTS										
Other grant providers:		640	877	182	-	-	-	-	-	-
LG SETA		640	877	182						
Total Operating Transfers and Grants	5	114 341	137 257	128 680	169 850	-	169 850	164 935	181 070	193 437
Capital Transfers and Grants										
National Government:		30 460	36 043	38 856	40 632	-	40 632	39 895	44 003	46 420
Municipal Infrastructure Grant (MIG)		30 460	36 043	38 856	40 632		40 632	39 895	44 003	46 420
Other capital transfers/grants [insert desc]										
Provincial Government:		-	-	-	-	-	-	-	-	-
Other capital transfers/grants [insert description]										
District Municipality:		-	-	-	-	-	-	-	-	-
Water services grant										
Other grant providers:		-	-	-	-	-	-	-	-	-
LG SETA										
Total Capital Transfers and Grants	5	30 460	36 043	38 856	40 632	-	40 632	39 895	44 003	46 420
TOTAL RECEIPTS OF TRANSFERS & GRANTS		144 801	173 300	167 536	210 482	-	210 482	204 830	225 073	239 857

EC135 Intsika Yethu - Table A4 Budgeted Financial Performance (revenue and expenditure)

Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16				2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Revenue By Source											
Property rates	2	8 987	3 186	3 327	3 919	3 919	3 919	-	3 609	3 833	4 059
Property rates - penalties & collection charges											
Service charges - electricity revenue	2	-	-	-	-	-	-	-	-	-	-
Service charges - water revenue	2	-	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue	2	-	-	-	-	-	-	-	-	-	-
Service charges - refuse revenue	2	488	-	-	-	-	-	-	692	735	778
Service charges - other											
Rental of facilities and equipment		1 171	1 162						747	793	840
Interest earned - external investments		840	1 799						309	328	348
Interest earned - outstanding debtors											
Dividends received											
Fines		398	408	224					321	341	361
Licences and permits		1 638	1 843						964	1 024	1 084
Agency services									450	478	506
Transfers recognised - operational		97 803	117 795	167 510					164 935	175 161	185 495
Other revenue	2	176 767	123 684	135 191	224 497	224 388	224 497	-	47 668	50 623	53 610
Gains on disposal of PPE		385									
Total Revenue (excluding capital transfers and contributions)		288 478	249 876	306 252	228 417	228 307	228 417	-	219 695	233 316	247 081
Expenditure By Type											
Employee related costs	2	75 975	69 421	78 300	63 839	63 839	63 839	-	103 388	109 798	116 276
Remuneration of councillors		11 539	12 729	13 028	14 167		14 167		14 464	15 361	16 267
Debt impairment	3	3 676	1 502	4 670	1 799		1 799		1 809	1 921	2 035
Depreciation & asset impairment	2	146 040	32 870	30 070	37 030	-	37 030	-	30 070	31 935	33 819
Finance charges		497	541	538	1 058		1 058		38	40	43
Bulk purchases	2	-	-	-	-		-		-	-	-
Other materials	8	926	2 302	1 197							
Contracted services		-	-	-	-		-		1 055	1 120	1 186
Transfers and grants		5 424	-	301	4 680	-	4 680	-	4 080	4 333	4 589
Other expenditure	4, 5	52 790	48 831	61 364	203 296	203 296	204 245	-	96 670	102 663	108 720
Loss on disposal of PPE			483								
Total Expenditure		296 867	168 680	189 468	325 869	267 135	326 818	-	251 574	267 171	282 935
Surplus/(Deficit)		(8 390)	81 196	116 783	(97 452)	(38 829)	(98 402)	-	(31 879)	(33 856)	(35 853)
Transfers recognised - capital		46 997	55 506	301							
Contributions recognised - capital	6	78 113	-	164 335	71 589	71 589	71 589	-	-	-	-
Contributed assets											
Surplus/(Deficit) after capital transfers & contributions		116 721	136 701	281 419	(25 863)	32 761	(26 812)	-	(31 879)	(33 856)	(35 853)
Taxation											
Surplus/(Deficit) after taxation		116 721	136 701	281 419	(25 863)	32 761	(26 812)	-	(31 879)	(33 856)	(35 853)
Attributable to minorities											
Surplus/(Deficit) attributable to municipality		116 721	136 701	281 419	(25 863)	32 761	(26 812)	-	(31 879)	(33 856)	(35 853)
Share of surplus/ (deficit) of associate	7										
Surplus/(Deficit) for the year		116 721	136 701	281 419	(25 863)	32 761	(26 812)	-	(31 879)	(33 856)	(35 853)

8.8 Financial Plan and Budget Statement

This plan is prepared in terms of Section 26 (h) of the *Local Government: Municipal Systems Act*, as amended, which stipulates that a financial plan must be prepared as part of the Integrated Development Plan.

The three year financial plan includes an Operating Budget and Capital Budget informed by the IDP priorities. It takes into account the key performance areas of the IDP. All programmes contained in the budget are reflected in the IDP. The review of the Municipality's IDP has a ripple effect on the budget.

In addition to being informed by the IDP, the municipal fiscal environment is influenced by a variety of macro-economic control measures. National Treasury determines the ceiling of year-on-year increases in

the total Operating Budget. Various government departments also affect municipal service delivery through the level of grants and subsidies.

Table 39: Indicative 3 Year MTEF Final Budget for IYLM

INTSIKA YETHU MUNICIPALITY DRAFT BUDGET FOR THE FINANCIAL YEAR 2016/17					
Function	Item	Fund	2016/17 Medium Term Revenue & Expenditure Framework		
			Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
	RATES & TAXES				
BUDGET AND TREASURY	0200/0210/019/0191 (Property Rates/Rates B.T.O)	RATES & TAXES	-3 609 379.59	-3 833 161.12	-4 059 317.63
	SERVICE CHARGES				
COMMUNITY SERVICES	0400/0410/05/0504 (Cemetery/Cemeteries and Crematoriums)	SERVICE CHARGES	-4 905.00	-5 209.11	-5 516.45
INFRASTRUCTURE PLANING & DEV	0400/0420/11/1101 (Plan Approval Fees/Roads)	SERVICE CHARGES	-87 320.00	-92 733.84	-98 205.14
COMMUNITY SERVICES	0400/0430/05/0504 (Refuse Receipt/Cemeteries-Community Services)	SERVICE CHARGES	-691 921.08	-734 820.19	-778 174.58
INFRASTRUCTURE PLANING & DEV	0700/0710/11/1101 (Plant Hire/Roads)	SERVICE CHARGES	-20 000.00	-21 240.00	-22 493.16
BUDGET AND TREASURY	0700/0720/019/0191 (Rental of property Buildings/Budget and Treasury)	SERVICE CHARGES	-746 761.20	-793 060.39	-839 850.96
COMMUNITY SERVICES	0700/0730/05/0504 (Town Hall Hire Receipt/Community Services -(Cemeteries))	SERVICE CHARGES	-35 360.00	-37 552.32	-39 767.91
BUDGET AND TREASURY	0700/0740/019/0191/OPEN (Chair Hirerent Of Facilities & Equip)	SERVICE CHARGES	-3 500.00	-3 717.00	-3 936.30
BUDGET AND TREASURY	0700/0750/019/0191/OPEN (Equipment Hireother Revenue)	SERVICE CHARGES			
BUDGET AND TREASURY	0700/0760/019/0191 (Rent Of Facilities AndEquipment/Rent Containers)	SERVICE CHARGES			
BUDGET AND TREASURY	0700/0770/019/0191 (Rate Charged to tenants/Budgetand Treasury Office)	SERVICE CHARGES			
BUDGET AND TREASURY	0800/0810/019/0191 (Interest Received/Budget and Treasury)	SERVICE CHARGES	-309 000.00	-328 158.00	-347 519.32
BUDGET AND TREASURY	1000/1100/019/0191 (Interest on Rates/Budget andTreasury)	SERVICE CHARGES			
COMMUNITY SERVICES	1300/1310/05/0504 (Traffic Fines/Community Services-(Cemeteries))	FINES	-320 800.00	-340 689.60	-360 790.29
COMMUNITY SERVICES	1400/1430/05/0504/OPEN (Learners LicenceotherRevenue)	LICENCES	-964 000.00	-1 023 768.00	-1 084 170.31
COMMUNITY SERVICES	1500/1510/05/0504 (Receipt of Licences&Reg Agency Fees/Cemeteries-Community Servi	LICENCES	-450 000.00	-477 900.00	-506 096.10
	TRANSFERS AND SUBSIDIES -OPERATIONAL				
BUDGET AND TREASURY	1600/1602/019/0191 (Tranfers and subsidies Operational-Equitable share))	LGES	-145 314 000.00	-153 925 000.00	-161 037 000.00
BUDGET AND TREASURY	1600/1603/019/0191 (Transfers and Subsidies Operational- FMG/Budget and Treasury)	FMG	-1 810 000.00	-2 145 000.00	-2 400 000.00
BUDGET AND TREASURY	1600/1606/019/0191 (Transfers and subsidies Operational MSIG/Budget and Treasury)	MSIG	-		
INFRASTRUCTURE PLANING & DEV	1610/4332/11/1101 (Transfers and Subsidies Operational -INEP/Road transport)	Department of Energy	-16 500 000.00	-25 000 000.00	-30 000 000.00
LOCAL ECONOMIC DEVELOPMENT	1600/1615/03/0301/CHM (Chris Hani - Grant 2/Planning and Development)	District Municipality	-		
INFRASTRUCTURE PLANING & DEV	1600/1619/11/1101 (Transfers and Subsidies Operational -EPWP Roads)	Public Works	-1 311 000.00		
	1610/1616 (Chris Hani - Library Funds)	Other	-		
	TRANSFERS AND SUBSIDIES -CAPITAL				
INFRASTRUCTURE PLANING & DEV	1600/1605/11/1101 (Transfers and Subsidies Capital-MIG)	MIG	-39 895 000.00	-44 003 000.00	-46 420 000.00
BUDGET AND TREASURY	1700/1750/019/0191 (Tender Receipt/Budget and Treasury)	SERVICE CHARGES	-32 840.00	-34 876.08	-36 933.77
BUDGET AND TREASURY	1700/1765/019/0191 (Telecentre/Budget and TreasuryOffice/Budget and Treasury)	SERVICE CHARGES	-35 200.00	-37 382.40	-39 587.96
INFRASTRUCTURE PLANING & DEV	1700/1780/11/1101 (Land Sale/Roads)	SERVICE CHARGES	-600 000.00	-637 200.00	-674 794.80
BUDGET AND TREASURY	1700/1785/019/0191/OPEN (IndemnityFee rent Facilities&Equip)	SERVICE CHARGES	-		
BUDGET AND TREASURY	1700/1790/019/0191/OPEN (Toilet Feesother Revenue)	SERVICE CHARGES	-		
BUDGET AND TREASURY	1700/1795/019/0191/OPEN (VAT Refund Revenueother Revenue)	SERVICE CHARGES	-6 925 701.75	-7 355 095.26	-7 789 045.88
BUDGET AND TREASURY	1700/1799/019/0191 (Miscellaneous Income/Budget and Treasury Office)	SERVICE CHARGES	-8 000.00	-8 496.00	-8 997.26
INFRASTRUCTURE PLANING & DEV	1700/1805/11/1101 (Establishment of Boundries/Roadtransport/Infrastructure (Roads)-(Tech))	SERVICE CHARGES	-20 000.00	-21 240.00	-22 493.16
TOTAL ANTICIPATED REVENUE			-219 694 688.62	-240 859 299.31	-256 574 690.97

PERSONNEL COSTS		2016/17 Medium Term Revenue & Expenditure Framework			
FUNCTION	ITEM	FUND	Budget Year 2016/17	Budget Year +1	Budget Year +2
MUNICIPAL MANAGER'S OFFICE	3000/3004/01/0102 (Annual Bonus/Municipal manager)	LGES	565 271.60	600 318.44	635 737.23
BUDGET AND TREASURY	3000/3004/019/0191 (Annual Bonus/Budget and Treasury)	LGES	480 848.83	510 661.46	540 790.48
CORPORATE SERVICES	3000/3004/02/0205 (Annual Bonus/Other admin)	LGES	1 111 857.74	1 180 792.92	1 250 459.71
LOCAL ECONOMIC DEVELOPMENT	3000/3004/03/0301 (Annual Bonus/Economic Development)	LGES	96 131.41	102 091.56	108 114.96
COMMUNITY SERVICES	3000/3004/05/0504 (Annual Bonus/Cemetries and Crematoriums)	LGES	821 647.35	872 589.49	924 072.27
INFRASTRUCTURE PLANING & DEV	3000/3004/11/1101 (Annual Bonus/Roads)	LGES	1 037 463.71	1 101 786.46	1 166 791.86
MUNICIPAL MANAGER'S OFFICE	3000/3007/01/0102 (Total Package- Senior Managers/Municipal manager)	LGES	1 485 603.90	1 577 711.34	1 670 796.31
BUDGET AND TREASURY	3000/3007/019/0191 (Total Package- Senior Managers/Budget and Treasury)	LGES	1 405 698.49	1 492 851.79	1 580 930.05
CORPORATE SERVICES	3000/3007/02/0205 (Total Package- Senior Managers/Other admin)	LGES	1 405 698.49	1 492 851.79	1 580 930.05
LOCAL ECONOMIC DEVELOPMENT	3000/3007/03/0301 (Total Package- Senior Managers/Economic Development)	LGES	1 405 698.49	1 492 851.79	1 580 930.05
COMMUNITY SERVICES	3000/3007/05/0504 (Total Package- Senior Managers/Cemetries-Community Services)	LGES	1 405 698.49	1 492 851.79	1 580 930.05
INFRASTRUCTURE PLANING & DEV	3000/3007/11/1101 (Total Package- Senior Managers/Roads)	LGES	1 405 698.49	1 492 851.79	1 580 930.05
MUNICIPAL MANAGER'S OFFICE	3000/3008/01/0102 (Basic Salary Employees/Municipal manager)	LGES	7 450 542.02	7 912 475.62	8 379 311.68
BUDGET AND TREASURY	3000/3008/019/0191 (Basic Salary Employees/Budget and Treasury)	LGES	6 624 377.79	7 035 089.21	7 450 159.47
CORPORATE SERVICES	3000/3008/02/0205 (Basic Salary Employees/Other admin)	LGES	10 000 737.39	10 620 783.11	11 247 409.31
LOCAL ECONOMIC DEVELOPMENT	3000/3008/03/0301 (Basic Salary Employees/Economic Development)	LGES	2 040 531.10	2 167 044.03	2 294 899.62
COMMUNITY SERVICES	3000/3008/05/0504 (Basic Salary Employees/Cemetries and Crematoriums)	LGES	14 858 384.95	15 779 604.81	16 710 601.50
INFRASTRUCTURE PLANING & DEV	3000/3008/11/1101 (Basic Salary Employees/Roads)	LGES	17 097 361.45	18 157 397.86	19 228 684.33
MUNICIPAL MANAGER'S OFFICE	3000/3012/01/0102 (Cellphone Allowance employees/Municipal manager)	LGES	112 334.16	119 298.88	126 337.51
BUDGET AND TREASURY	3000/3012/019/0191 (Cellphone Allowance employees/Budget and Treasury)	LGES	62 407.32	66 276.57	70 186.89
CORPORATE SERVICES	3000/3012/02/0205 (Cellphone Allowance employees/Other admin)	LGES	138 643.44	147 239.33	155 926.45
LOCAL ECONOMIC DEVELOPMENT	3000/3012/03/0301 (Cellphone Allowance employees/Economic Development)	LGES	24 963.12	26 510.83	28 074.97
COMMUNITY SERVICES	3000/3012/05/0504 (Cellphone Allowance employees/Cemetries and Crematoriums)	LGES	121 694.64	129 239.71	136 864.85
INFRASTRUCTURE PLANING & DEV	3000/3012/11/1101 (Cellphone Allowance employees/Roads)	LGES	106 080.60	112 657.60	119 304.40
MUNICIPAL MANAGER'S OFFICE	3000/3016/01/0102 (Housing Subsidy/Municipal manager)	LGES	8 400.00	8 920.80	9 447.13
BUDGET AND TREASURY	3000/3016/019/0191 (Housing Subsidy/Budget and Treasury)	LGES	8 400.00	8 920.80	9 447.13
CORPORATE SERVICES	3000/3016/02/0205 (Housing Subsidy/Other admin)	LGES	8 400.00	8 920.80	9 447.13
LOCAL ECONOMIC DEVELOPMENT	3000/3016/03/0301 (Housing Subsidy/Economic Development)	LGES	8 400.00	8 920.80	9 447.13
COMMUNITY SERVICES	3000/3016/05/0504 (Housing Subsidy/Cemetries and Crematoriums)	LGES	8 400.00	8 920.80	9 447.13
INFRASTRUCTURE PLANING & DEV	3000/3016/11/1101 (Housing Subsidy/Roads)	LGES	8 400.00	8 920.80	9 447.13
COMMUNITY SERVICES	3000/3028/05/0504 (Night Shift Allowance/Cemetries and Crematoriums)	LGES	464 977.52	493 806.13	522 940.69
INFRASTRUCTURE PLANING & DEV	3000/3028/11/1101 (Night Shift Allowance/Roads)	LGES	13 687.65	14 536.28	15 393.92
MUNICIPAL MANAGER'S OFFICE	3000/3036/01/0102 (Perfomance Bonus/Municipal manager)	LGES	64 960.46	68 988.01	73 058.30
BUDGET AND TREASURY	3000/3036/019/0191 (Emp Rel Sal - Perfomance Bonus :	LGES	57 470.90	61 034.10	64 635.11
CORPORATE SERVICES	3000/3036/02/0205 (Perfomance Bonus/Other admin)	LGES	80 459.25	85 447.72	90 489.14
LOCAL ECONOMIC DEVELOPMENT	3000/3036/03/0301 (Perfomance Bonus/Economic Development)	LGES	80 459.25	85 447.72	90 489.14
COMMUNITY SERVICES	3000/3036/05/0504 (Perfomance Bonus/Cemetries and Crematoriums)	LGES	48 510.12	51 517.75	54 557.29
INFRASTRUCTURE PLANING & DEV	3000/3036/11/1101 (Perfomance Bonus/Roads)	LGES	86 205.35	91 550.08	96 951.54
MUNICIPAL MANAGER'S OFFICE	3000/3056/01/0102 (Vehicle allowance/Municipal manager)	LGES	1 460 400.53	1 550 945.36	1 642 451.13
BUDGET AND TREASURY	3000/3056/019/0191 (Vehicle allowance/Budget and Treasury)	LGES	784 272.46	832 897.36	882 038.30
CORPORATE SERVICES	3000/3056/02/0205 (Vehicle allowance/Other admin)	LGES	1 148 538.00	1 219 747.36	1 291 712.45
LOCAL ECONOMIC DEVELOPMENT	3000/3056/03/0301 (Vehicle allowance/Economic Development)	LGES	277 108.41	294 289.13	311 652.19
COMMUNITY SERVICES	3000/3056/05/0504 (Vehicle allowance/Cemetries and Crematoriums)	LGES	854 692.35	907 683.28	961 236.59
INFRASTRUCTURE PLANING & DEV	3000/3056/11/1101 (Vehicle allowance/Roads)	LGES	1 008 602.06	1 071 135.39	1 134 332.37
MUNICIPAL MANAGER'S OFFICE	3100/3110/01/0102 (Bargaining Council Levies/Municipal manager)	LGES	3 645.41	3 871.42	4 099.84
BUDGET AND TREASURY	3100/3110/019/0191 (Bargaining Council Levies/Budget and Treasury)	LGES	4 279.39	4 544.71	4 812.85
CORPORATE SERVICES	3100/3110/02/0205 (Bargaining Council Levies/Other admin)	LGES	9 668.26	10 267.69	10 873.48
LOCAL ECONOMIC DEVELOPMENT	3100/3110/03/0301 (Bargaining Council Levies/Economic Development)	LGES	1 901.95	2 019.87	2 139.05
COMMUNITY SERVICES	3100/3110/05/0504 (Bargaining Council Levies/Cemetries and Crematoriums)	LGES	16 800.58	17 842.21	18 894.90
INFRASTRUCTURE PLANING & DEV	3100/3110/11/1101 (Bargaining Council Levies/Roads)	LGES	9 723.12	10 325.95	10 935.18
MUNICIPAL MANAGER'S OFFICE	3100/3120/01/0102 (Medical Aid Employees/Municipal manager)	LGES	415 947.84	441 736.61	467 799.07
BUDGET AND TREASURY	3100/3120/019/0191 (Medical Aid Employees/Budget and Treasury)	LGES	355 058.40	377 072.03	399 319.27
CORPORATE SERVICES	3100/3120/02/0205 (Medical Aid Employees/Other admin)	LGES	908 922.00	965 275.16	1 022 226.40
LOCAL ECONOMIC DEVELOPMENT	3100/3120/03/0301 (Medical Aid Employees/Economic Development)	LGES	133 495.20	141 771.90	150 136.44
COMMUNITY SERVICES	3100/3120/05/0504 (Medical Aid Employees/Cemetries and Crematoriums)	LGES	1 203 628.44	1 278 253.40	1 353 670.35
INFRASTRUCTURE PLANING & DEV	3100/3120/11/1101 (Medical Aid Employees/Roads)	LGES	1 184 508.48	1 257 948.01	1 332 166.94
MUNICIPAL MANAGER'S OFFICE	3100/3130/01/0102 (Pension Fund employees/Municipal manager)	LGES	1 195 511.08	1 269 632.77	1 344 541.10
BUDGET AND TREASURY	3100/3130/019/0191 (Pension Fund employees/Budget and Treasury)	LGES	973 408.23	1 033 759.54	1 094 751.35
CORPORATE SERVICES	3100/3130/02/0205 (Pension Fund employees/Other admin)	LGES	1 609 982.25	1 709 801.15	1 810 679.41
LOCAL ECONOMIC DEVELOPMENT	3100/3130/03/0301 (Pension Fund employees/Economic Development)	LGES	207 643.84	220 517.76	233 528.31
COMMUNITY SERVICES	3100/3130/05/0504 (Pension Fund employees/Cemetries and Crematoriums)	LGES	2 309 812.43	2 453 020.80	2 597 749.03

OPERATING EXPENDITURE BUDGET			2016/17 Medium Term Revenue & Expenditure Framework		
FUNCTION	ITEM	FUND	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
EXCO & COUNCIL	3100/3140/01/0102 (SALGA Levies/Municipal manager)	LGES	1 178 516.77	1 251 584.81	1 325 428.32
INFRASTRUCTURE PLANING & DEV	4300/1607/11/1101/ELEC/4700/INEP/INEP (Grants and Subsidies/INEP /Roads)	Department of Energy	16 500 000.00	25 000 000.00	30 000 000.00
BUDGET AND TREASURY	4300/4310/019/0191/IITS (FMG/Budget and Treasury/Integrated IT System eVenus)	FMG	1 151 357.50	1 445 521.66	1 659 252.44
BUDGET AND TREASURY	4300/4310/019/0191/INTE (FMG/Budget and Treasury/Interns 3 Training and appointment)	FMG	658 642.50	699 478.34	740 747.56
LOCAL ECONOMIC DEVELOPMENT	4400/1320/03/0301 (/IDP & SDBIP Document/Planning and Development)	LGES	335 000.00	355 770.00	376 760.43
COMMUNITY SERVICES	4400/3033/05/0504 (Traffic Cards/Community and social services/Community Service)	LGES	100 000.00	106 200.00	112 465.80
EXCO & COUNCIL	4400/3176/01/0101 (MPAC - Expenditure/Executive and council/Mayor and Council)	LGES	100 000.00	106 200.00	112 465.80
MUNICIPAL MANAGER'S OFFICE	4400/4401/01/0102 (Accommodation & Meals/Municipal manager)	LGES	200 000.00	212 400.00	224 931.60
BUDGET AND TREASURY	4400/4401/019/0191 (Accommodation & Meals/Budget and Treasury)	LGES	50 000.00	53 100.00	56 232.90
CORPORATE SERVICES	4400/4401/02/0205 (Accommodation & Meals/Other admin)	LGES	50 000.00	53 100.00	56 232.90
LOCAL ECONOMIC DEVELOPMENT	4400/4401/03/0301 (Accommodation & Meals/Economic Development)	LGES	50 000.00	53 100.00	56 232.90
COMMUNITY SERVICES	4400/4401/05/0504 (Accommodation & Meals/Cemeteries and Crematoriums)	LGES	100 000.00	106 200.00	112 465.80
INFRASTRUCTURE PLANING & DEV	4400/4401/11/1101 (Accommodation & Meals/Roads)	LGES	50 000.00	53 100.00	56 232.90
MUNICIPAL MANAGER'S OFFICE	4400/4402/01/0102 (Advertising Fees/Municipal manager)	LGES	300 000.00	318 600.00	337 397.40
MUNICIPAL MANAGER'S OFFICE	4400/4403/01/0102 (Annual Audit Committee fee/Municipal manager)	LGES	150 000.00	159 300.00	168 698.70
MUNICIPAL MANAGER'S OFFICE	4400/4404/01/0102 (Annual Report/Municipal manager)	LGES	100 000.00	106 200.00	112 465.80
MUNICIPAL MANAGER'S OFFICE	4400/4405/01/0102 (Audit Fees/Municipal manager)	-	-	-	-
BUDGET AND TREASURY	4400/4405/019/0191 (Audit Fees/Budget and Treasury)	LGES	2 486 000.00	2 640 132.00	2 795 899.79
BUDGET AND TREASURY	4400/4406/019/0191 (Bank Charges/Budget and Treasury)	LGES	38 000.00	40 356.00	42 737.00
MUNICIPAL MANAGER'S OFFICE	4400/4417/01/0102 (Catering/Municipal manager)	LGES	100 020.00	106 221.24	112 488.29
CORPORATE SERVICES	4400/4419/02/0205 (Cleaning Material/Other admin)	LGES	67 483.32	71 667.29	75 895.66
MUNICIPAL MANAGER'S OFFICE	4400/4420/01/0102 (Conference Fees Strat Plan/Municipal manager)	LGES	100 000.00	106 200.00	112 465.80
CORPORATE SERVICES	4400/4425/02/0205 (Employee satisfactory survey/Corporate Service -)	LGES	205 000.00	217 710.00	230 554.89
BUDGET AND TREASURY	4400/4429/019/0191 (Electricity/Budget and Treasury)	LGES	1 586 556.12	1 684 922.60	1 784 333.03
COMMUNITY SERVICES	4400/4431/05/0504 (Free basic electricity/Cemeteries and Crematoriums)	LGES	4 080 000.00	4 332 960.00	4 588 604.64
CORPORATE SERVICES	4400/4433/02/0205 (Fuel & Oil Motor Vehicles/Corporate Services -(Other Admin))	LGES	2 000 000.00	2 124 000.00	2 249 316.00
MUNICIPAL MANAGER'S OFFICE	4400/4437/01/0102 (HIV/AIDS/Municipal Manager)	LGES	100 000.00	106 200.00	112 465.80
MUNICIPAL MANAGER'S OFFICE	4400/4438/01/0102 (ICT Networks/Municipal Manager)	LGES	700 000.00	743 400.00	787 260.60
BUDGET AND TREASURY	4400/4439/019/0191 (Insurance/Budget and Treasury)	LGES	300 000.00	318 600.00	337 397.40
MUNICIPAL MANAGER'S OFFICE	4400/4443/01/0102 (Legal Fees/Municipal manager)	LGES	800 000.00	849 600.00	899 726.40
MUNICIPAL MANAGER'S OFFICE	4400/4444/01/0102 (ICT Licence & Registration/Municipal Manager)	LGES	350 000.00	371 700.00	393 630.30
CORPORATE SERVICES	4400/4444/02/0205 (Licence & Registration/Other admin-Corporate Services)	LGES	100 000.00	106 200.00	112 465.80
CORPORATE SERVICES	4400/4445/02/0205 (Study Assistance/Corporate services/Other admin)	LGES	120 000.00	127 440.00	134 958.96
EXCO & COUNCIL	4400/4449/01/0101/MAYC (Mayoral Political Fund/Mayor and council/Mayor's Cup)	LGES	800 000.00	849 600.00	899 726.40
EXCO & COUNCIL	4400/4449/01/0101/NATI (Mayoral Political Fund/Mayor and council/National day Ce)	LGES	100 000.00	106 200.00	112 465.80
EXCO & COUNCIL	4400/4449/01/0101/OFFI (Mayoral Political Fund/Mayor and council/Official Activit)	-	-	-	-
EXCO & COUNCIL	4400/4449/01/0101/PAUP (Mayoral Political Fund/Mayor and council/Pauper Burial)	LGES	10 000.00	10 620.00	11 246.58
EXCO & COUNCIL	4400/4449/01/0101/SPU (Mayoral Political Fund/Mayor and council/SPU)	LGES	100 000.00	106 200.00	112 465.80
CORPORATE SERVICES	4400/4451/02/0205 (Office Equipment Rental Leased equipment/Coporate services/Ot	LGES	804 756.96	854 651.89	905 076.35
MUNICIPAL MANAGER'S OFFICE	4400/4455/01/0102 (Performance Man.System/Municipal manager)	LGES	160 000.00	169 920.00	179 945.28
INFRASTRUCTURE PLANING & DEV	4400/4456/11/1101 (PMU 5%/Roads)	MIG	1 994 750.00	2 118 424.50	2 243 411.55
CORPORATE SERVICES	4400/4458/02/0205 (Postage/Other admin)	LGES	2 000.00	2 124.00	2 249.32
CORPORATE SERVICES	4400/4459/02/0205 (Printing & Stationery/Other admin)	LGES	150 000.00	159 300.00	168 698.70
COMMUNITY SERVICES	4400/4460/05/0504 (Protective Clothing/Cemeteries and Crematoriums)	LGES	200 000.00	212 400.00	224 931.60
INFRASTRUCTURE PLANING & DEV	4400/4460/11/1101 (Protective Clothing/Corporate Services -(Other Admin))	LGES	200 000.00	212 400.00	224 931.60
BUDGET AND TREASURY	4400/4461/019/0191 (Provision for Bad Debts/Budget and Treasury)	LGES	1 809 228.00	1 921 400.14	2 034 762.74
BUDGET AND TREASURY	4400/4462/019/0191 (Provision for Depreciation of Assets/Budget and Treasury)	LGES	30 070 377.00	31 934 740.37	33 818 890.06
LOCAL ECONOMIC DEVELOPMENT	4400/4463/03/0301 (Public Participation IDP & BUDGET/Economic Development)	-	-	-	-
INFRASTRUCTURE PLANING & DEV	4400/4464/11/1101 (Repairs & Maintenance Buildings/Roads)	LGES	250 000.00	265 500.00	281 164.50
BUDGET AND TREASURY	4400/4465/019/0191 (Security Services/System/Budget and Treasury)	LGES	132 000.00	140 184.00	148 454.86
BUDGET AND TREASURY	4400/4470/019/0191 (Telephone/Budget and Treasury)	LGES	300 000.00	318 600.00	337 397.40
EXCO & COUNCIL	4400/4472/01/0101/CAPA (Speaker's Political Fund/Mayor and council/Capacity Buil	LGES	200 000.00	212 400.00	224 931.60
EXCO & COUNCIL	4400/4472/01/0101/WARD (Speaker's Political Fund/Mayor and council/Ward Committe	LGES	2 000 000.00	2 124 000.00	2 249 316.00
INFRASTRUCTURE PLANING & DEV	4400/4478/11/1101 (Vehicle Repairs & Maintenance/Roads)	LGES	250 000.00	265 500.00	281 164.50
INFRASTRUCTURE PLANING & DEV	4400/4481/11/1101 (Spatial Development Framework/Roads)	LGES	100 000.00	106 200.00	112 465.80
LOCAL ECONOMIC DEVELOPMENT	4400/4483/03/0301 (SMME support initiatives/Economic Development)	LGES	100 000.00	106 200.00	112 465.80
BUDGET AND TREASURY	4400/4498/019/0191 (VAT Recovery-Consultants GenExp-Other)	LGES	1 312 678.00	1 394 064.04	1 476 313.81
BUDGET AND TREASURY	4401/4598/019/0191 (Financial Statement/Budget and Treasury)	LGES	2 000 000.00	2 124 000.00	2 249 316.00
COMMUNITY SERVICES	Land fill site	LGES	100 000.00	106 200.00	112 465.80
COMMUNITY SERVICES	Cleaning material	LGES	120 000.00	127 440.00	134 958.96
CORPORATE SERVICES	Labour	LGES	300 000.00	318 600.00	337 397.40
CORPORATE SERVICES	Social policy implementation	LGES	50 000.00	53 100.00	56 232.90
MUNICIPAL MANAGER'S OFFICE	Office furniture	LGES	200 000.00	212 400.00	224 931.60
LOCAL ECONOMIC DEVELOPMENT	Custom feeding	LGES	500 000.00	531 000.00	562 329.00
	Accruals	LGES	17 000 000.00	18 054 000.00	19 119 186.00
TOTAL OPERATING EXPENDITURE			95 522 366.17	101 444 752.88	107 429 993.30
CAPITAL EXPENDITURE BUDGET			2016/17 Medium Term Revenue & Expenditure Framework		
FUNCTION	ITEM	FUND	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
INTERNALLY GENERATED FUNDS					
COMMUNITY SERVICES	8200/8300/05/0504 (TRAFFIC MANAGEMENT SYSTEM /Community Services -(Cemeteries))	LGES	100 000.00	106 200.00	112 465.80
CORPORATE SERVICES	8200/8240/02/0205 (P. P. E - Tracking system)	LGES	200 000.00	212 400.00	224 931.60
FUNDED BY NATIONAL GOVERNMENT					
INFRASTRUCTURE PLANING & DEV	8200/8010/11/1101/ADDV1000/INTERN/LANDFI (P. P. E	MIG	4 317 539.31	4 585 226.75	4 855 755.13
INFRASTRUCTURE PLANING & DEV	8200/8010/11/1101/ADDI/0300/MIG/COFST (CAPEX-MIG- Cofimvaba Stormwater)	MIG	16 020 811.39	17 014 101.70	18 017 933.70
INFRASTRUCTURE PLANING & DEV	8200/8010/11/1101/ADDI/0500/INTERN/INTERM (CAPEX- Cofimvaba Toilets)	MIG	1 735 043.04	1 842 615.71	1 951 330.04
INFRASTRUCTURE PLANING & DEV	8200/8233/11/1101 (Fixed Assets/Tsomo Taxi Rank/Road transport/Roads)	MIG	2 711 000.00	2 879 082.00	3 048 947.84
INFRASTRUCTURE PLANING & DEV	8200/8240/11/1101/ADDI/3200/MIG/STADIUM (Fixed Assets/Cof Stadium (Roads))	MIG	3 545 600.60	3 765 427.84	3 987 588.08
INFRASTRUCTURE PLANING & DEV	8200/8245/11/1101/ADDI/0300/MIG/FMAR (MIG/40 TO MAWUSHENI ACCESS RD)	MIG	2 823 071.98	2 998 102.44	3 174 990.49
INFRASTRUCTURE PLANING & DEV	8200/8245/11/1101/ADDI/0300/MIG/Qumanco(MIG/Qumanco acces road)	MIG	450 000.00	477 900.00	506 096.10
INFRASTRUCTURE PLANING & DEV	8200/8245/11/1101/ADDI/MIG (Xume Access Roads/MIG)	MIG	1 445 784.05	1 535 422.66	1 626 012.60
INFRASTRUCTURE PLANING & DEV	Upgrading of gravel roads to surfaced roads in extension 1 Cofimvaba Phase 2	MIG	4 851 399.63	5 152 186.41	5 456 165.41
TOTAL CAPEX			38 200 250.00	40 568 665.50	42 962 216.76
TOTAL OPERATING EXPENDITURE			181 494 438.62	192 747 093.82	204 119 172.35
NON CASH ITEMS			31 879 605.00	33 856 140.51	35 853 652.80
TOTAL BUDGETED EXPENDITURE			38 200 250.00	40 568 665.50	42 962 216.76
TOTAL BUDGETED EXPENDITURE EXCLUDING NON CASH ITEMS			219 694 688.62	233 315 759.32	247 081 389.12
TOTAL BUDGETED EXPENDITURE INCLUDING NON CASH ITEMS			251 574 293.62	267 171 899.83	282 935 041.92

8.9 Financial Recovery Plan

The Municipality has not uncounted any financial difficulties for the past 3 years, but to deal with such instances in the near unforeseeable future, the Municipality has developed policies in the form of Borrowing and Financing policy including our interactive corporation with organs of state (e.g. Treasury and Local Government) to close any gaps before they transpire.

8.10 Summarized Financial Statements

It is the responsibility of the accounting officer to make sure that the annual financial statements are prepared based on the prescribed format and submitted to Auditor General on time as prescribed by the MFMA. The Financial Statements listed below relate to the last 2 years of audited financial information 2012/2013 financial years. Municipality has also developed a process plan for Annual Financial Statements

Intsika Yethu Municipality

Financial Statement for the year ended 30 June 2015

Statement of Financial Position as at 30 June 2015

Figures in Rand	Notes	2015	2014 Restated*
Assets			
Current Assets			
Inventories	3	52 384 631	52 059 652
Receivables from exchange transactions	4	679 642	5 348 332
Receivables from non-exchange transactions	5	1 129 586	1 927 328
VAT receivable	6	4 744 100	1 386 673
Other receivables	7	1 812 524	-
Cash and cash equivalents	8	1 690 009	15 503 080
		62 440 492	76 225 065
Non-Current Assets			
Investment property	9	71 941 859	73 306 000
Property, plant and equipment	10	451 154 314	433 392 094
Intangible assets	11	244 931	287 662
		523 341 104	506 985 756
Non-Current Assets		523 341 104	506 985 756
Current Assets		62 440 492	76 225 065
Total Assets		585 781 596	583 210 821
Liabilities			
Current Liabilities			
Payables from exchange transactions	12	37 507 024	27 917 899
Unspent conditional grants and receipts	13	26 430	-
Provisions	14	3 913 305	3 208 227
Other financial liabilities	15	424 997	512 186
		41 871 756	31 638 312
Non-Current Liabilities			
Other financial liabilities	15	7 646 211	7 971 834
Non-Current Liabilities		7 646 211	7 971 834
Current Liabilities		41 871 756	31 638 312
Total Liabilities		49 517 967	39 610 146
Assets		585 781 596	583 210 821
Liabilities		(49 517 967)	(39 610 146)
Net Assets		536 263 629	543 600 675
Accumulated surplus		536 263 629	543 600 675

Intsika Yethu Municipality

Financial Statement for the year ended 30 June 2015

Statement of Financial Performance

Figures in Rand

	Notes	2015	2014 Restated*
Revenue			
Revenue from exchange transactions			
Service charges		588 326	516 624
Rental of facilities and equipment		2 304 927	1 367 281
Interest received		2 192 575	1 798 900
Licences and permits		2 173 032	1 843 170
Pound fees		192 078	104 369
Recoveries		16 062	165 786
Other revenue	17	2 515 165	477 532
Total revenue from exchange transactions		9 982 165	6 273 662
Revenue from non-exchange transactions			
Taxation revenue			
Property rates	18	3 327 344	3 185 593
Transfer revenue			
Government grants and subsidies	19	167 509 731	172 508 631
Fines		223 700	407 506
Total revenue from non-exchange transactions		171 060 775	176 101 730
		9 982 165	6 273 662
		171 060 775	176 101 730
Total revenue		181 042 940	182 375 392
Expenditure			
Personnel costs	20	(78 299 504)	(69 420 651)
Remuneration of councillors	21	(13 027 569)	(12 515 132)
Depreciation and amortisation	22	(30 070 378)	(32 870 106)
Finance costs	23	(538 292)	(546 354)
Debt Impairment	24	(4 670 140)	397 874
Transfer of assets	25	(301 200)	-
Repairs and maintenance		(1 196 924)	(3 059 582)
General expenses	26	(54 959 078)	(43 013 052)
Total expenditure		(183 063 085)	(161 027 003)
		-	-
Total revenue		181 042 940	182 375 392
Total expenditure		(183 063 085)	(161 027 003)
Operating (deficit) surplus		(2 020 145)	21 348 389
Loss on disposal of assets and liabilities		(734 571)	(1 107 088)
		(2 754 716)	20 241 301
(Deficit) surplus before taxation		(2 754 716)	20 241 301
Taxation		-	-
Discontinued operations		(2 754 716)	20 241 301
Discontinued operations	27	(4 582 330)	2 217 762
(Deficit) surplus for the year		(7 337 046)	22 459 063

Intsika Yethu Municipality

Financial Statement for the year ended 30 June 2015

Statement of Changes in Net Assets

Figures in Rand	Accumulated surplus	Total net assets
Opening balance as previously reported	525 985 295	525 985 295
Prior year adjustments	(4 843 683)	(4 843 683)
Balance at 01 July 2013 as restated*	521 141 612	521 141 612
Surplus for the year	22 459 063	22 459 063
Total changes	<u>22 459 063</u>	<u>22 459 063</u>
Balance at 01 July 2014 as restated*	543 600 675	543 600 675
Deficit for the year	(7 337 046)	(7 337 046)
Total changes	<u>(7 337 046)</u>	<u>(7 337 046)</u>
Balance at 30 June 2015	<u>536 263 629</u>	<u>536 263 629</u>

Intsika Yethu Municipality

Financial Statement for the year ended 30 June 2015

Cash Flow Statement

Figures in Rand

	Notes	2015	2014 Restated*
Cash flows from operating activities			
Receipts			
Grants		167 536 161	163 044 857
Interest income		2 192 575	1 798 900
Other receipts		6 439 948	6 061 694
Cash generated by discontinued operations		-	27 472 235
		176 168 684	198 377 686
Payments			
Employee costs		(88 515 454)	(77 300 182)
Finance costs		(129 425)	(108 959)
Cash paid to suppliers		(49 140 990)	(46 427 767)
Cash utilised by discontinued operations		-	(25 960 225)
		(137 785 869)	(149 797 133)
Total receipts		176 168 684	198 377 686
Total payments		(137 785 869)	(149 797 133)
Net cash flows from operating activities	28	38 382 815	48 580 553
Cash flows from investing activities			
Purchase of property, plant and equipment	10	(51 213 811)	(40 325 997)
Proceeds on disposal of investment property	9	-	13 625
Proceeds from disposal of inventory		-	62 209
Purchase of other intangible assets	11	(160 400)	(39 100)
Net cash flows from investing activities		(51 374 211)	(40 289 263)
Cash flows from financing activities			
Repayment of borrowings		(821 675)	(694 130)
Net increase in cash and cash equivalents		(13 813 071)	7 597 160
Cash and cash equivalents at the beginning of the year		15 503 080	7 905 920
Cash and cash equivalents at the end of the year	8	1 690 009	15 503 080

8.11 Recurring AGs reporting issues

The Municipality has documented an Audit Action plan to ensure that issues that have been reported on the audit report do not resurface. Listed below is the list of recurring issues that were reported by the office of the Auditor General.

No	Financial statement item	Finding	Occurred in prior year ("Yes/ "No")
1.	Trade receivables from exchange transactions	A journal was passed correcting the prior year figures which were disclaimed but no supporting documentation was submitted for audit purposes.	Yes
2.	Investments	A journal was passed correcting the prior year figures which were disclaimed but no supporting documentation was submitted for audit purposes.	Yes
3.	Property, Plant & Equipment	A journal was passed correcting the prior year figures which were disclaimed but no supporting documentation was submitted for audit purposes.	Yes
4.	Payables from exchange transactions	A journal was passed correcting the prior year figures which were disclaimed but no supporting documentation was submitted for audit purposes.	Yes
5.	Other NDR	A journal was passed correcting the prior year figures which were disclaimed but no supporting documentation was submitted for audit purposes.	Yes
6.	Government grants	A journal was passed correcting the prior year figures which were disclaimed but no supporting documentation was submitted for audit purposes.	Yes
7.	Other Receipts	A journal was passed correcting the prior year figures which were disclaimed but no supporting documentation was submitted for audit purposes.	Yes
8.	Bad debts	A journal was passed correcting the prior year figures which were disclaimed but no supporting documentation was submitted for audit purposes.	Yes
9.	Depreciation	A journal was passed correcting the prior year figures which were disclaimed but no supporting documentation was submitted for audit purposes.	Yes
10.	Cash flow statement- Net cash flows from investing activities	A journal was passed correcting the prior year figures which were disclaimed but no supporting documentation was submitted for audit purposes.	Yes
11.	Cash flow statement- Net cash flows from	A journal was passed correcting the prior year figures which were disclaimed but no supporting documentation	Yes

No	Financial statement item	Finding	Occurred in prior year ("Yes/ "No")
	operating activities	was submitted for audit purposes.	
12.	Cash & cash equivalent	Comparative figure that was disclaimed in the prior year not corrected and no supporting documentation was provided for audit purposes.	Yes
13.	Cash and Bank equivalents	No supporting documentation submitted	Yes
14.	Cash and Bank	TB does not agree to the balance disclosed in the AFS	Yes
15.	Cash and Bank	Reconciling items and bank reconciliation not cleared timorously	Yes
16.	Immovable assets	Infrastructure assets not on the register and not verified	Yes
17.	Movable assets	Depreciation not correctly calculated	Yes
18.	Operational expenditure	Amounts recorded do not agree to supporting documentation	Yes
19.	Payables	Trade payables with credit balances	Yes
20.	SCM	Request for quotation not advertised for at least 7 days	Yes
21.	Provisions	Supporting documentation for landfill site still in a draft format	Yes
22.	Receivables	Interest not levied or incorrectly levied on debtors account	Yes
23.	Reserves	Limitation of scope on non-distributable reserves movements	Yes
24.	Revenue	New connections not billed for water	Yes
25.	Unauthorised expenditure	Overspending not recognised as unauthorised expenditure	Yes
26.	Vat	Vat disclosed on cash basis instead of accrual basis	Yes

8.12 Internal Controls

The Municipality has a functional Audit Committee that reports to the Council on a quarterly basis. This committee with the assistance of the Internal Audit unit ensures that the municipality has effective internal controls in place, these controls are tested on a regular basis to ensure that they are effective.

There is a Risk Manager, which is a new post that has recently been created within the Municipality, there has been a risk management framework and risk policy that has recently been documented and communicated to the staff members. Risk assessment/ management is the responsibility of management and management ensures that this assessment is conducted on a yearly basis.

Every year during the preparation of the Financial Statement the Municipality prepares an accounting file which is in line with the treasury regulations as to the format of the file and all the contents that are to be on the file are documented and filed

9.1 Financial Policies

9.1 Amendments to Budget Related Policies

The MFMA and the Budget and Reporting Regulations require budget related policies to be reviewed, and where applicable, be updated on an annual basis.

A review of the existing budget related policies indicated that significant changes are required at this stage. The following amended budget related policies are submitted herewith for final adoption:

- Rates Policy
- Supply Chain Management Policy
- Cash and Investment Policy
- Fleet Management Policy

9.2 New Policies proposed

- Borrowing Policy
- Funding and Reserves Policy
- Policy related to long term financial plan
- Policy relating to infrastructural investment and capital projects

- Budget Implementation Plan
- Policies related to Management of losses
- Policy on Pauper Burials
- Policy on Lease of Property
- Policy on Unauthorized/irregular and wasteful expenditure
- Policy on Contingent Liabilities
- Policy on Related Party Disclosures
- Policy on VAT
- Policy on delegation of authority
- Policy on catering
- Policy on GRAP Disclosures
- Policy on Journal Entries
- Policy on Capital Commitments

9.3 History of Audit Reports

- Qualification 2008/2009
- Disclaimer 2009/2010
- Disclaimer 2010/2011
- Disclaimer 2011/2012
- Adverse 2012/2013
- Qualified 2013/2014

IYLM has developed an action plan to address all the audit queries and has strengthened the internal audit unit for the better monitoring of the implementation of this plan.

10. Supply Chain Management and Contract Management

10.1 Supply Chain Management Processes and Procedures

Supply Chain Management Policy is in place for financial year under review and is due for review for the next financial year 2014/2015. Supply Chain Management Processes and Procedures are in place and were communicated to all departments through workshops.

10.2 Bid Committees

There are three bid committees: bid specification, bid evaluation and bid adjudication committee. When the municipality contracts for goods or services, it makes use of competitive bidding / a public call for tenders for contracts over R200 000 as well as for long term contracts. A competitive bidding process generally consists of different stages, for example, compiling bid specifications, advertising the bid, the receipt and evaluation of bids, and the award and implementation of the contract. The Municipal Supply Chain Management Regulations require a municipality's Supply Chain Management Policy to provide for a committee system to oversee the different stages. Bid committee system consists of a bid specification committee, a bid evaluation committee and a bid adjudication committee. The challenge pertaining to the implementation of the committee system is the lack of training of bid committee members to clearly understand the roles of responsibilities.

Recommendation

To build capacity of bid committee members who serve on bid specification, bid evaluation and bid adjudication committees so that all members are equipped with elements of scm model that apply to bid committee system. Training will help them apply knowledge of applicable regulatory framework to ensure compliance and will educate them about the importance of ethical conduct at all stages of bid committee process.

10.3 Contract management

Contract management is the proactive monitoring, review and management of contractual terms secured through the procurement process to ensure that what is agreed is actually delivered by suppliers or partners. Contract Register is maintained and updated regularly.

Currently SCM does not have contract management officer and propose to have a staff dedicated to contract management as this function is very key in ensuring compliance with the terms and conditions agreed and documenting and agreeing any changes or amendments that may arise during contract implementation or execution

Chapter 6: Approval

This DRFAT IDP Review 2016/17 was tabled to council for adoption on the 30 March 2016 and thereafter, comments will be invited from affected and interested parties via an advert in local papers. This period is expected to take about 21 working days from the date of advert.

Following receipt of comments from various interests groups and local communities via ward consultative engagements and mayoral Imbizos, inputs will be considered and drafted into a FINAL document.

A separate sector departmental engagement workshop will be organised during this comments period in order to invite and discuss their comments on our draft and inputs in terms of their planned 2016/17 commitments in our municipality.

Thereafter, the drafting team will produce a FINAL IDP review 2016/17 document which must be tabled to council together with budget for adoption and implementation with effect from 01 July 2016.

The final document will be reproduced and marketed to all relevant audiences to ensure continuous buy-in and support for IDP Review 2016/17 implementation.

Copies will also be forwarded to relevant authorities such as MEC for local government in the province, the District and other development agencies that will be lobbied to contribute to the development agenda of municipality.

DECLARATION OF ADOPTION

Council resolution date for adoption of the 2016/2017 IDP document:

.....30/03/2016.....

SIGNATURES

.....

Z. Shasha

MUNICIPAL MANAGER

.....

K. Vimbayo

MAYOR

.....

DATE

.....

DATE

Annexure A: Strategy and Sector Plan Overview

The following provides an overview of plans and strategies currently in existence with IYLM and indicates the year in which they were adopted. Where plans and strategies are in existence.

Table 1: Existing Strategies and Plans

Existing Strategies and Plans	
Title	Financial Year Adopted
Human Resource Strategy	2009/2010
Fire Response Plan	2008/2009
Fraud and Prevention Plan	2009/2010
HIV/AIDS Strategy	2009/2010
Tourism Strategy	2008/2009
LED Strategy	2007/2008
Small Towns Development Plan	2010/2011
Spatial Development Framework	2012/2013
Workplace Skills Plan	2008/2009
Employment Equity Plan	2008/2009
Audit Turnaround Plan	2011/2012 (March)
Integrated Transport Plan	2014/2015
Waste Management Plan	2011/2012
Ward AIDS Council Plan	2011/2012
Communication Strategy	2014/2015 (19 th Dec)

The table below gives an overview of those plans or strategies currently under development within IYLM or currently in existence with the District Municipality. Where a document is in progress, it could not be said to have an influence on the content of the document, whereas plans that were with CHDM were implicitly considered in the compilation of the IDP.

Table 2: Current Plans with CHDM or Reviews in Progress

Current Plans with CHDM or Reviews in Progress	
Title	Status
Housing Sector Plan	In progress
Waste Water Treatment Plan	CHDM
Sanitation Implementation Plan	CHDM
Water Services Development Plan	CHDM
Storm Water Management Plan	In progress
Environmental Management Plan	In Progress
Fire and Disaster Management Framework	CHDM

The table below provides an overview of all the potential strategies and plans currently under consideration by IYLM for the new term of Council. Of priority in this regard are the Comprehensive Infrastructure Plan and the Road Master Plan as these are crucial to effective and efficient service delivery within the municipal area. Review and consideration of the implications of plans and strategies on these issues is a useful point of departure for the municipality going forward.

Table 3: Additional Strategies and Plans for consideration

Additional Strategies and Plans for consideration in 2012-2017	
Title	
Stakeholder Mobilisation Strategy	
Complaints Management System	
Traditional Leadership Strategy	
Community Safety Plan	
Air Quality Management Plan	
Trade Effluent Policy	
Leachate Management Plan	

Additional Strategies and Plans for consideration in 2012-2017

Title

Roads Master Plan

Migration Plan

Land Degradation and Revitalisation Plan

Land Asset Register

Comprehensive Infrastructure Plan
