

ENGCOBO LOCAL MUNICIPALITY

INTEGRATED DEVELOPMENT PLAN 2015/16



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GLOSSARY OF TERMS

ABET	Adult Based Education and Training
ABSA	Amalgamated Banks of South Africa
AIDS	Acquired Immune Deficiency Syndrome
ASGISA	Accelerated and Shared Growth Initiative for South Africa
BDS	Business Development Services
CASP	Comprehensive Agriculture Support Programme
CBO	Community Based Organization
CHARTO	Chris Hani Regional Tourism Organisation
CHDM	Chris Hani District Municipality
CPF	Community Policing Forum
CSIR	Council for Scientific and Industrial Research
DBSA	Development Bank of South Africa
DEAT	Department of Environment and Tourism (Also known as DEA)
DFA	Development Facilitation Act No 67 of 1995

DLA	Department of Land Affairs
DLG&TA	Department of Local Government and Traditional Affairs
DM	District Municipality
DME	Department of Mineral and Energy
DoRDAR	Department of Rural Development and Agrarian Reform
DoE	Department of Education
DoH	Department of Health
DH	Department of Human Settlements
DoSD	Department of Social Development
DoRT	Department of Roads and Transport
COGTA	Department of Corporative Government and Traditional Affairs
DPW	Department of Public Works
DSAC	Department of Sport, Arts & Culture
DWA	Department of Water Affairs
ECA	Environmental Conservation Act
EIA	Environmental Impact Assessment
ES	Equitable Share (grant)
FBS	Faith Basic Services
ECDC	Eastern Cape Development Corporation
ECPGDS	Eastern Cape Provincial Growth & Development Strategy
EXCO	Executive Committee
GP	Gross Geographic Product
GIS	Geographical Information System
GTZ	German Technical Cooperation
GVA	Gross Value Added
HDI	Human Development Index
HIV	Human Immune Deficiency Virus

HR	Human Resource
IDC	Independent Development Corporation
IDP	Integrated Development Plan
IDT	Independent Development Trust
IT	Information Technology
ITP	Integrated Transportation Plan
IWMP	Integrated Waste Management Plan
LDO	Land Development Objectives
LED	Local Economic Development
MEC	Member of the Executive Committee
MIG	Municipal Infrastructure Grant
MFMA	Municipal Finance Management Act
MSIG	Municipal Support & Institutional Grant
MSyA	Municipal Systems Act, 2000
MStA	Municipal Structures Act, 1998
NDC	National Development Corporation
NEMA	National Environmental Management Act
NER	National Electrification Regulator
NGO	Non-Governmental Organizations
NSS	National Sanitation Strategy
PATA	Promotion of Administrative Justice Act
PMS	Performance Management System
PPP	Public Private Partnership
RDP	Reconstruction and Development Programme
REDs	Regional Electricity Distributors
RTP	Responsible Tourism Planning
SMME	Small Medium and Micron Enterprises

SOE	State Owned Enterprises
SoR	State of Environment Report
SADC	Southern African Development Community
SALGA	South African Local Government Association
SANDF	South African National Defence Force
SAPS	South African Police Service
SGB	School Governing Body
STDs	Sexual Transmitted Diseases
TB	Tuberculosis
TLC	Transitional Local Council
TRC	Transitional Rural Council
USAID	United States Agency for International Development
UYF	Umsobomvu Youth Fund
VAT	Value Added Tax
VIP	Ventilated Improved Pit (sanitation facility)
WSDP	Water Services Development Plan

EXECUTIVE SUMMARY

Legislated Framework and Policy Framework

The development of the simplified IDP framework is based on various legislative and policy mandates for developmental local government. The Constitution of the Republic of South Africa mandates local government to:

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

Informed by the broad principles of the Constitution, the White Paper on Local Government introduced the notion of developmental local government. Developmental local government is defined as local government that is committed to working with citizens and groups within the community to find sustainable ways to meet their social, economic and material needs and improve the quality of their lives.

Considering the Constitutional mandate as well as the provisions of the White Paper, it can be summarized that the main function of local government is to provide **goods and services** that meets the **social, economic and material needs of the people**. Principles that underpin the manner in which these goods and services are provided should be **democratic, accountable, sustainable and public participative**.

In order to play this critical role, the municipalities are mandated to undertake a process of integrated development planning. The main objective of integrated development planning is to forge greater and better coordination and integration of development initiatives by the various development agencies within each local space.

The principal legislation in so far as the development of IDPs is concerned is the Municipal Systems Act 32 of 2000; section 25 of the act supra mandates each municipal council to adopt a single, inclusive and strategic plan for the development of the municipality. As a strategic plan of the municipality, the IDP should therefore provide a clear road map for the municipality that would take it from the current situation to its desired state in five years.

Introduction

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

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

- Basic Service Delivery-(infrastructure and Community Services);
- Local Economic Development;

- Municipal Transformation and Organizational Development;
- Municipal Financial Viability and Management.

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

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

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

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

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

Mayor's Foreword:



It's again an honor and a privilege for me as the Mayor of Engcobo Local Municipality to once again introduce this annual review of our Integrated Development Plan for 2015/2016 financial year as a product of public participation of all stakeholders and community members of Engcobo.

Developments and service delivery in the previous financial years have been taken into account and used as building blocks towards addressing the backlogs. No doubt much still needs to be done to alleviate poverty, to create an environment that is conducive to economic growth and to bring meaning and dignity to the lives of the diverse communities of Engcobo.

I must say that this process could not be where it is, if it was not for the active and maximum participation by communities, Ward Committees, Ward Councilors, Community Development Workers, the Office of the Speaker and IDP engagement forums that were held in setting the direction and pace of our development programs and strategies.

In this regard, our communities must be commended for heeding the call to come forward and take their rightful place and play a momentous role in becoming authors of their own development, in making direct input into the Integrated Development Plan of the municipality.

The IDP 2015/2016 shall set up a significant transformation agenda and forward thinking for Engcobo Local Municipality. In pursuit of an effective and efficient service delivery, the municipality undertakes to embark on a process of organizational re-alignment in order to create a conducive and a fulfilling environment for all involved to contribute and work.

We have a responsibility as far as ensuring extensive participation is concerned and we believe that as this sphere of government that is closest to the people, we carry an obligation to

respond directly, positively and immediately to the needs and frustrations of our communities as well as our internal stakeholders.

I thank you!

Councilor L. Jiyose | Mayor

DRAFT

Foreword from the Municipal Manager:



Engcobo Local Municipality is required by Section 34 of Municipal System Act of 2000 (Act 32 of 2000) to undertake a stakeholder driven process to review its IDP annually. The IDP under review will be tabled before Council on March 2014/2015 financial year and all the preceding IDP's were reviewed annually in terms of the Act.

The existing IDP is reviewed in order to set-up a service delivery and growth path for the next financial Year (2015-2016) as instructed by the Council. In keeping up with Section 34 of the Municipal Systems Act, the IDP will be reviewed annually in order to carry out continuous assessment and to give meaning and substance to our service delivery ambitions.

This document is the 4th review of the current IDP 2012/2017. It should be noted that the IDP is the superseding policy document for planning for the municipality, it is essential that the IDP is based on the real needs of the community which Engcobo Local Municipality is serving.

Therefore the fundamental principle and the overarching philosophy is that the IDP has to keep track of the changing priorities of the community. An extensive public participation process which involved all the stakeholders had been embarked on to determine those priority needs which are truly reflected within this document. The priority needs of the community have been used as a basis to inform the Municipal Budget Process for the 2015/2016 financial year.

I trust that this IDP Review will prove to be one more meaningful step towards paving a way that would enable Engcobo Local Municipality, a place where all of us can live fulfilling lives and achieve our full human potential within our existing capabilities.

Yours Faithfully,

S. Mahlasela | Municipal Manager

CHAPTER 1: SITUATIONAL ANALYSIS (GEOGRAPHIC, DEMOGRAPHIC AND SOCIO-ECONOMIC ANALYSIS)

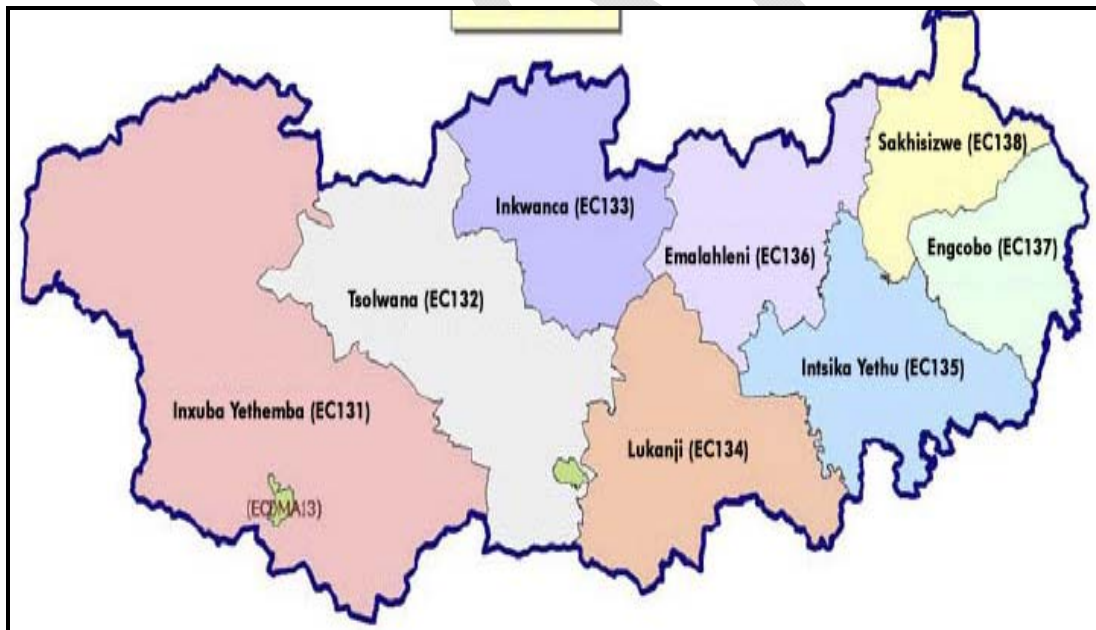
1.1. BACKGROUND

Engcobo Municipality is located in the Eastern Cape Province, the second largest province in terms of land coverage, on the south eastern sea board of South Africa.

The Eastern Cape Province has 6 District Municipalities, 2 Metros and 38 local municipalities covering towns and surrounding rural areas with Engcobo falling within the Chris Hani District Municipality.

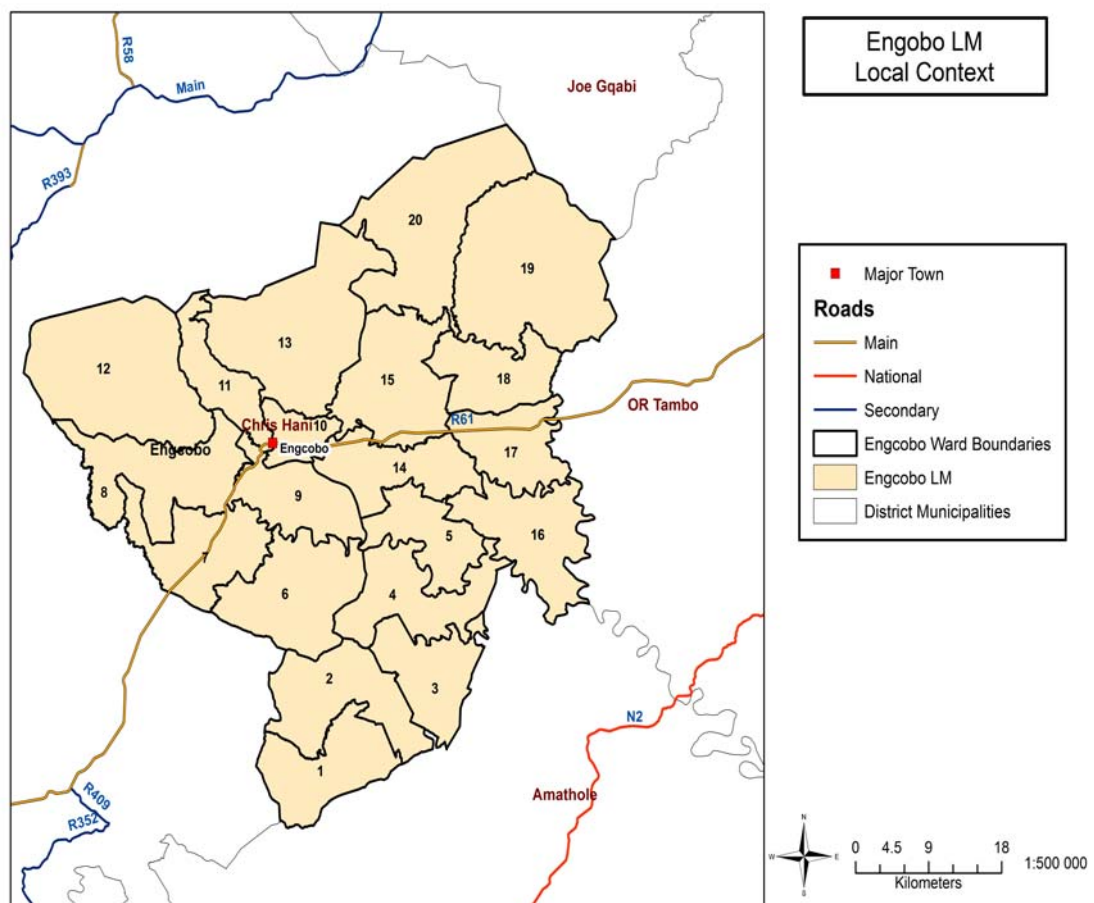
The Chris Hani District Municipality is located in the north-eastern side of the Eastern Cape Province. Neighbouring district municipalities within the Eastern Cape include the Joe Gqabi DM (to the North), Cadadu DM (to the south west), Amathole DM (to the south east), and OR Tambo (to the east).

The following graphic illustrates a Map of the local municipalities that make up the Chris Hani District Municipality;



The local municipalities are made up of the following urban nodes;

CHDM's Local Municipalities.		
#	Name of Municipality	Urban Nodes
1	Intsika Yethu LM	Cofimvaba and Tsomo
2	Lukhanji LM	Queenstown and Whittlesea
3	Engcobo LM	Engcobo
4	Sakhisizwe LM	Cala and Elliot
5	Emalahleni LM	Lady Frere, Dordrecht and Indwe
6	Tsolwana LM	Tarkastad and Hofmeyer
7	Inxuba Yethemba LM	Cradock and Middleburg
8	Inkwanca Local Municipality	Molteno and Sterkstroom



Engcobo consists of 20 wards, extends over 2258.78 KM² and has 40 councillors and 7 traditional leaders. The new leadership of Engcobo Municipality is acutely aware of the challenges confronting the municipality and has identified the provision of basic services and facilitation of socio-economic development of the area as key priorities supported by capable and modern infrastructure for social, economic and institutional development.

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

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

Other identified strengths and opportunities include:

- Local resources (natural, human and information);
- Potential for new businesses and community private-public partnership;
- Availability of local technical expertise;
- Non-political and resourced NGOs and CBOs that provide aftercare; and
- A taxi industry and route between Umtata and Queenstown.

The following is a list of wards and villages;

1) Ward 1 – Ward 4

Engcobo LM: Ward and Village Delineation			
Ward 1	Ward 2	Ward 3	Ward 4
Mandlaneni	Jingija	Kwa Hala	Sihlabeni
Toleni	Ngwaneni	Gotyibeni	Mtini
KwaSibonda	Komkhulu	Mazizini	eLalini
Jojweni	KuNgwevana	Qanguleni	Maloseni
Ndaba	Mmangweni	Qengqelesa	Endulini
Qabophezulu	Skolweni	Bekileni	Esikolwni
Manqoyi	Ntlakwevenkile	kwa Ndlangisa	KuNgcelelo
Bofolo	Ntlakwesikolo	Tora	Ntlakwevenkile
KuNgcataru	Maqamkazini	Mdeni	Ncityana
KwaTshatshu	Lubiza	Sokweba	eChibini
KwaNdungwane	Sigubudwini	Elalini	Ntabeni
Ngquthurha	eLalini		Singeni
Ematyabomvu	eNtlekiseni		Nqaphantsi
Nabileyo	Engasa		Ngqubusini

Ngxamangele	Engcotyeni		Mtshayelweni
Kunkani	eNtlakwesikolo		Chetyana
Manzini	eSikolweni		
Emamfeneni			
KwaMiya			

2) Ward 5 – Ward 8

Engcobo LM: Ward and Village Delineation			
Ward 5	Ward 6	Ward 7	Ward 8
Ngcacu	Komkhulu	Gibeni	Tshatshu
Tywina	Nyandeni	Fama	eJojweni
Cwane	Ntlambo	Bodini	Ndlela
Kusigidi	KuGxwalibomvu	Tshatshatsha	Qithi
KuNqezantsi	Dala	kwaSigubudo	kwaQithi
KwaMdaka	eMangweni	kwaDlomo	Mzangweni
Ncango	eSilevini	Drayini	Macubeni
Lower Xuka	Kumageza	Nkalweni	Sigangeni
Upper Xuka	Mpindweni	Ntwashini	Embo
Upper Ngqokotho	Kunene	kwaGxubane	Lucwecwe
Nqutwaneni	Nkaleni	Upper Beyele	Nongadlela
KwaSitulo	eNtwashini	eSgangani	eQolweni
Sidakeni	eKunene	Mafusini	Sgingqini
KwaNtondo	Kwelesha	KwaBhadi	Kunene
eQolweni	Eziqadini	Ntlakwendlela	Mtebele
Mbilini	eTalenj	Ndalasi	Maxesibeni
Komkhulu	eMmangweni	Mandaweni	Skobeni
KuHleke	Ngqayi	Ntshingeni	Jojweni
KuMalangazana	Goso	Nyongweni	Bojane
	Ngxebe	Lundini	Madladleni
	MaNdlaneni	Tshobane	Drayini
	kwaGandu	Magotsini	Gwetyubeni
	Sgoboti	Lower Beyele	Sigodlweni
	eMamfeneni	Nkonkobe	
	Jojweni		
	eHukwini		

3) Ward 9 – Ward 12

Engcobo LM: Ward and Village Delianation			
Ward 9	Ward 10	Ward 11	Ward 12
Miyeni	eNgcobo	Mkhenceni	Yakula
Mdeni	Zola	Madwaleni	Qolweni
Tsazo	Kole	Ngxingweni	KwaBinca
Upper Komkhulu	eDrayini	Machibini	Mthumeni
Luxeni	Gxojeni	Chefane	Nkwenkwezi
Sigangeni	Kalinyanga		Maqwathini
KwaBlaai	Mxesibe		Magqaqaleni
Mtshabela	All Saints Mission		Trust
Sikantini	Sdadeni		Mgwalana
Mgwali	Extention 5		Makhumeni
Manzana	Extention 6		Maxesibeni
Nduka	Extention 9		kuPahla
Enduku	Nkalweni		Gqutyini
Upper Nduku			Phesheya
Lower Nduku			Voyizana
Goboti			Mafusini
			Mkhanzi
			eMahlubini
			Mntuntloni
			Gotyibeni
			Mqobo
			Elithuthu
			Ziyekeni
			kuGxwalibomvu

4) Ward 13 – Ward 16

Engcobo LM: Ward and Village Delianation			
Ward 13	Ward 14	Ward 15	Ward 16
Bulawayo	Efameni	Mdeni	Kwanqinwayo
Rantswini	KwaGcina	Ngxangxasi	Tafeni
Ematyholwni	Ndungunyeni	Sigidi	Mhlophekazi
Esingeni	Sixholosi	Qolweni	Mampondweni
Zwelitsha	Mateni	KuNquduvane	Mangxingweni
Kuntaka	Mbombombo	Sigangeni	Mkunjana
eGxojeni	Ndungunyeni	Ntwashini	KuMandebe
eSkhungwini	Lower Ndungunyeni	Mangqolweni	Manuneni

kuZilithole	KuKanyi	Gulandoda	Luxini
eMkhalweni	Lower Nzolo	Msintsana	Mpindweni
Zigandleni	Upper Nzolo	Mampingeni	Mqwbedu
Xokonxa	Ntlelelengwane	KuNyoka	kwaMhaga
Mthwazi	Xuka	Makhumeni	Mbokothwana
kuGilandoda	Ngxabane	Nkobole	Mandlaneni
Lubisi	Lower Mangxongweni	KwaNdoobe	Ngqurhu
Ngquthurha	Ntwashini	Ntywenka	Ntseleni
Equthubeni	Luhewini	Caca	Clarkebury
Engqele	Kwavetyu	Mrhotshozweni	Tyeni
Lower Tsalaba	Esingeni	Madwaleni	
Komkhulu	Mhlontlo	Matyeni	
KwaBlangwe	Entabeni	Engxogi	
Gulandoda	Emafusini	KuNtaka	
Kwamqokoqo	Emadizeni	eChibini	
Eluqoloweni	eXuka	Kwanzolo	
Mayirheni	Mantlaneni	Kwantaka	
	eMantlwani	Rasmeni	
	KwaXoxo	Lalini	

5) Ward 17 – Ward 20

Engcobo LM: Ward and Village Delianation			
Ward 17	Ward 18	Ward 19	Ward 20
Mdeni	Mazimeni	Smit	Nqancule
Mpandeni	Emamvulaneni	Madwaleni	Sinqumeni
Estishini	Komkhulu	Mdeni	Eluxeni
Tembisa	Amamvala	Sigqumeni	Sigangeni
Lower Manyisane	KwaNzolo	Mncwasi	eLixeni
Nkondlo, Ngxabane	Amanzolo	Daligqili	Sidikidini
Kumanyisane	kwaYawa	Mboleni	Lixeni
Kumanzikanyi	KuNtlanzi	Sidindi	Matyeni
Macwerheni	Lower Gqobonco	Mkonkotha	Taleni
Mangxongweni	Tshapile	Nqala	KuManzimdaka
Kungcebengwana	KwaFane	Jalisa	Tywaba
Mamfengwini	Mthini	Bula	Nkanga
KwaNdimba, Gubenxa	Ntibaneni	Xhakonxa	Ngqayi
Ngwangwane, Qolo	Xhibeni	Ngwemnyama	Hlopekazi
Maqamkazeni	kwaZwelinzima	Lixeni	Sitshini
kwaMaya, Ntsinana	Sandile	KoMkhulu	Didiwayo
KuNgxabane	KwaKane	Gqaka	Ntsuba

Cwane, Mntukuma		Mahlahlane	Sigubudwini
Mission, Gcina, Didi		Bumbane	Sitishini
Mdaca, Mandlaneni		Ngaphezulu	Ludadeni
Upper Manyisane		Lwandlana	eMachibini
Ntibaneni, Xhebani		Kuchibi	KuHlaba
Ngxabane, Ngcongci		Lancede	kwaMngqondo
Mangqeleni, Maya		Kungubo	Elabafazi
Mpindweni		Ndlunkulu	Caba
Taleni, Mvala		Zuburha	KuMqhayi

Population Composition

Population Size, Growth and Density

Engcobo Local Municipality Population	
Population size (2011)	155 513
Population growth (2001-2011)	-0.42%
Population Density per square km	63.6
Household Density per square km	13.3
Number of Households	30 135
Average Household size	4.2

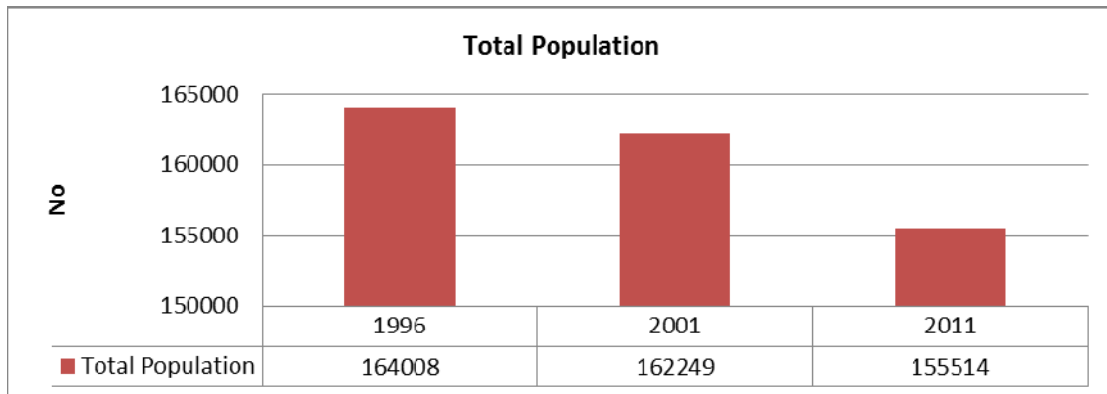
Engcobo population predominantly rural (96.1%) is home to a total population of approximately 155 513 people (recently released Statssa 2011 Census data). The population relatively decline when compared to previous years, which can either support the notion of rural-urban migration or can be explained by the re-demarcation of municipal boundaries. The table below summaries the population profile for Engcobo.

The general profile of the population by age illustrated in the figure left shows that Engcobo has a youthful population indicating the need to create more economic opportunities to create more jobs.

Age group	2007	2008	2009	2010	2011
0 to 4	20004	19500	18852	18033	17331
5 to 9	20267	19834	19096	20139	20269
10 to 14	23269	22082	21024	20121	19116
15 to 19	19400	18962	18623	18458	18244
20 to 24	11230	11228	11407	11629	11822
25 to 29	7886	8089	8426	8731	9050
30 to 34	7243	7490	7717	8008	8257
35 to 39	4615	4684	4711	4824	4947
40 to 44	4123	3951	3929	3997	4004
45 to 49	4436	4257	4099	3960	3808
50 to 54	5112	5294	5395	5415	5489
55 to 59	3730	3699	3735	3901	3847
60 to 64	3818	3866	3883	3828	3866
65 to 69	4133	4067	3957	3859	3753
70 to 74	2925	3042	3127	3168	3224
75 to 79	1771	1830	1908	2017	2105
80+	940	973	1019	1071	1119
Total	144962	142657	141707	141149	140329

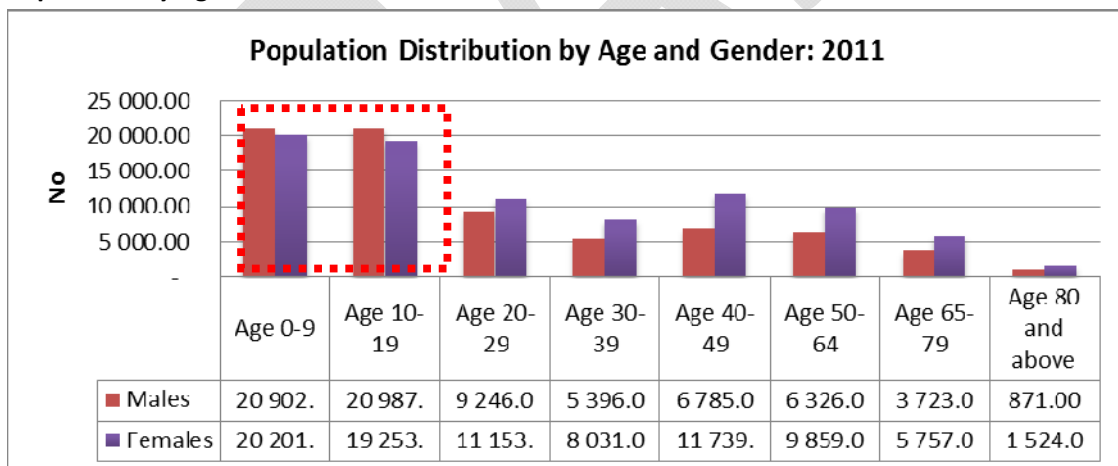
Table B1: The age group cohorts of the Engcobo municipal population (Source: Statssa Census 2011 and 2007)

Municipal Population



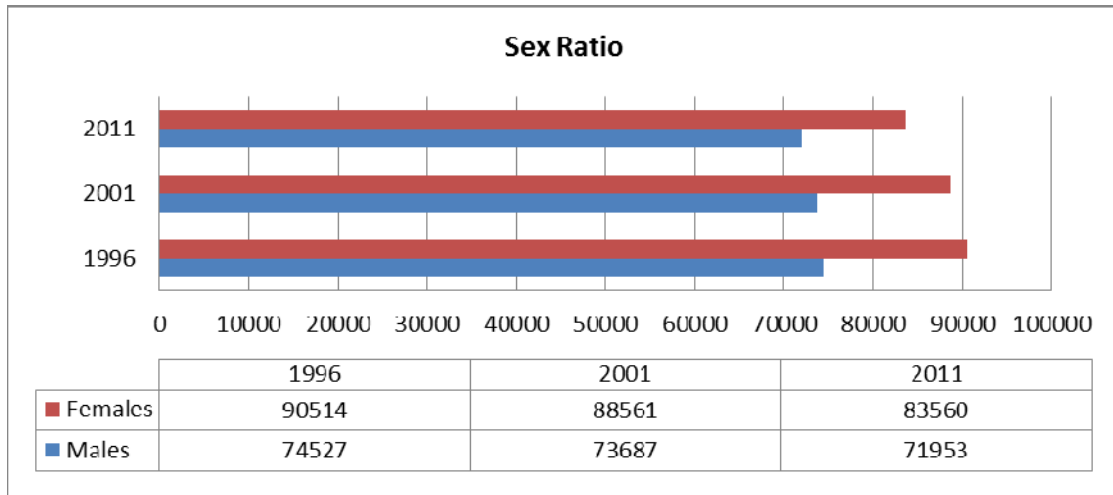
According to information supplied by Statistics SA from 2011 Population Census, Engcobo LM had a population of about 155,514 in 2011. Whilst the population has decreased by an average of 2% from 1996 to 2001, it is currently the second largest population in CHDM following Lukhanji LM. The population decline can be attributed to either a high death rate or low birth rate due effective family planning and other related variable for both variables. The other reason could be economic emigration to more affluent and developing economies in the country.

Population by Age and Gender



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

Population by Gender



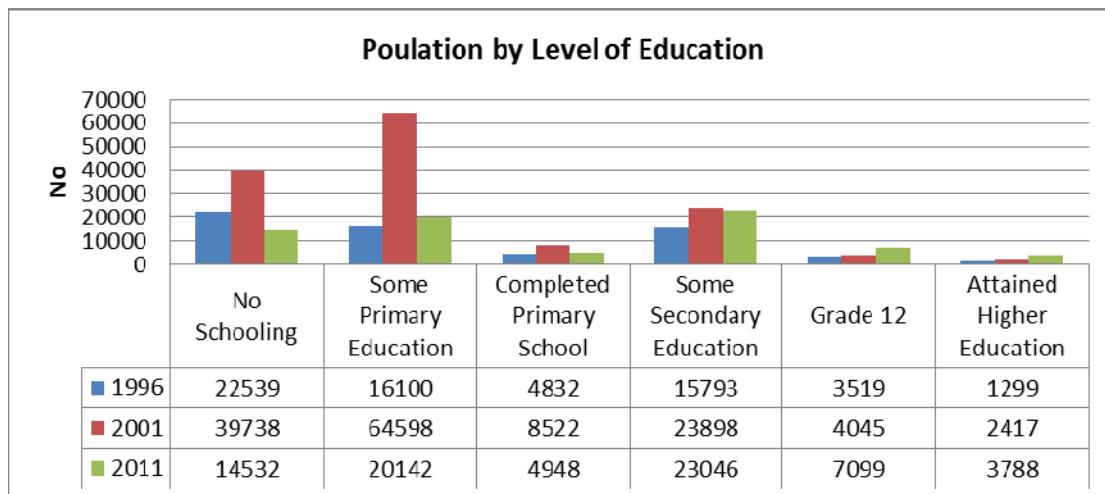
The population is predominantly female dominated at 56% with males constituting 44% of the population. There is a universal consensus that women have a longer life expectancy than males, therefore given the current male to female ratio, various programmes and campaigns need to be put in place by Engcobo LM in order to empower women in the short to medium term. The other fact is in society at large.

The situation as it stands suggests that there are more women-headed-households than the contrary owing to various human circumstances, thus the argument of women empowerment need to be started and intensified. Such empowerment, when properly conceived and implemented will further curb population growth, which is perceived as an outcome of women's lack of economic opportunities.

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

Population by Level of Education

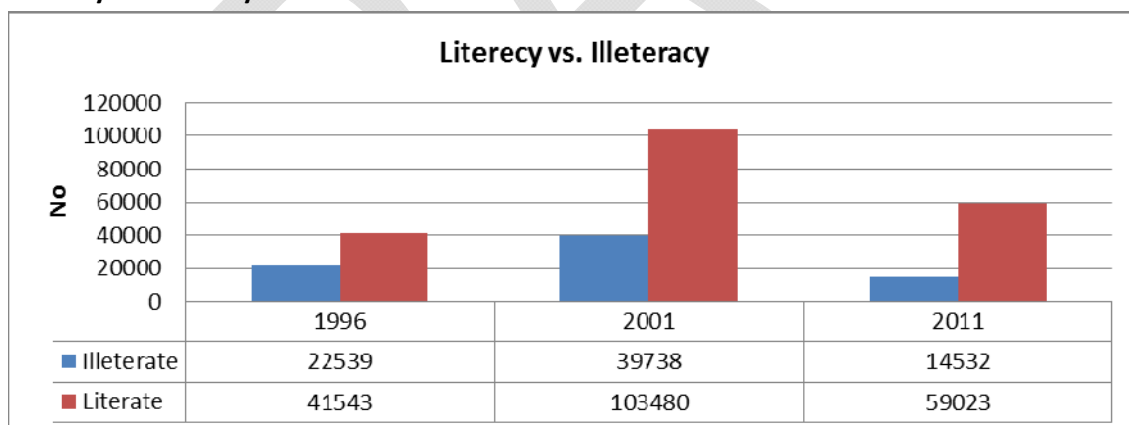
The number of people with less than Grade 12 has decreased by considerable margin from 1996 to 2011.



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

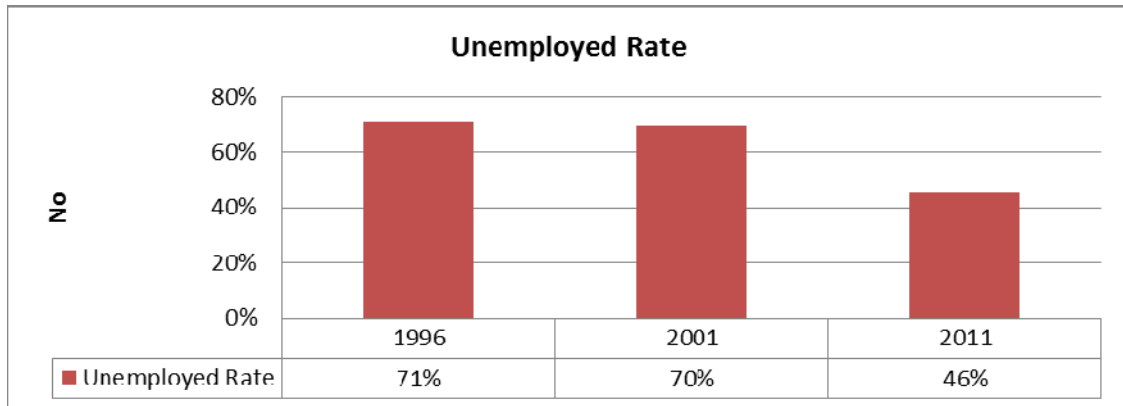
Grade 12 pass rates have seen a gradual increase Year-on-Year from 1996 to 2011 by a very small margin and this is far from the acceptable levels.

Literacy vs. Illiteracy



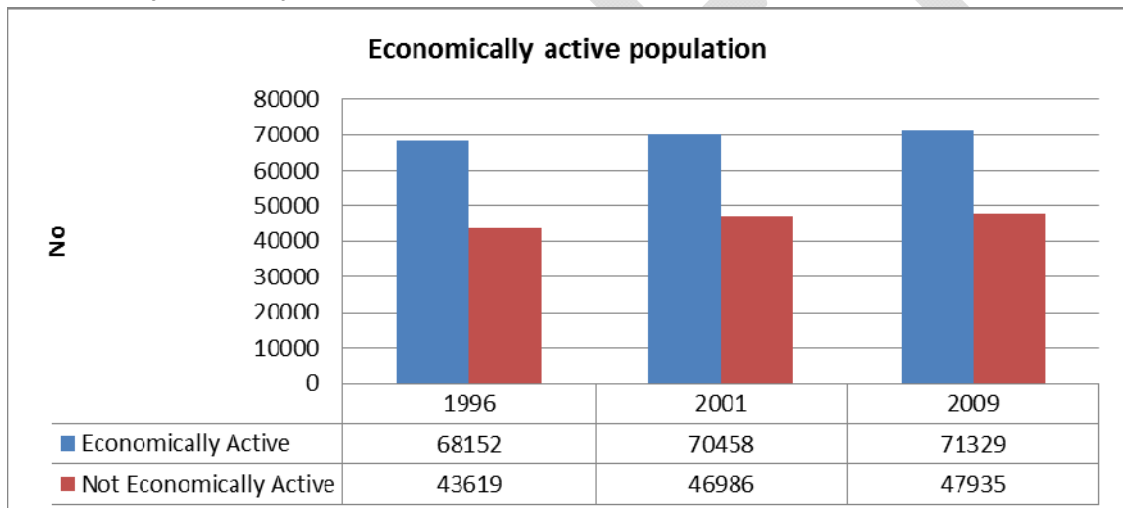
Literacy rate is fairly high amongst citizens whilst it has experienced decline between 2001 and 2011. The decrease in literacy rate will lead to lack of or poor comprehension of socio-economic variables.

Unemployment Rate



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

Economically Active Population

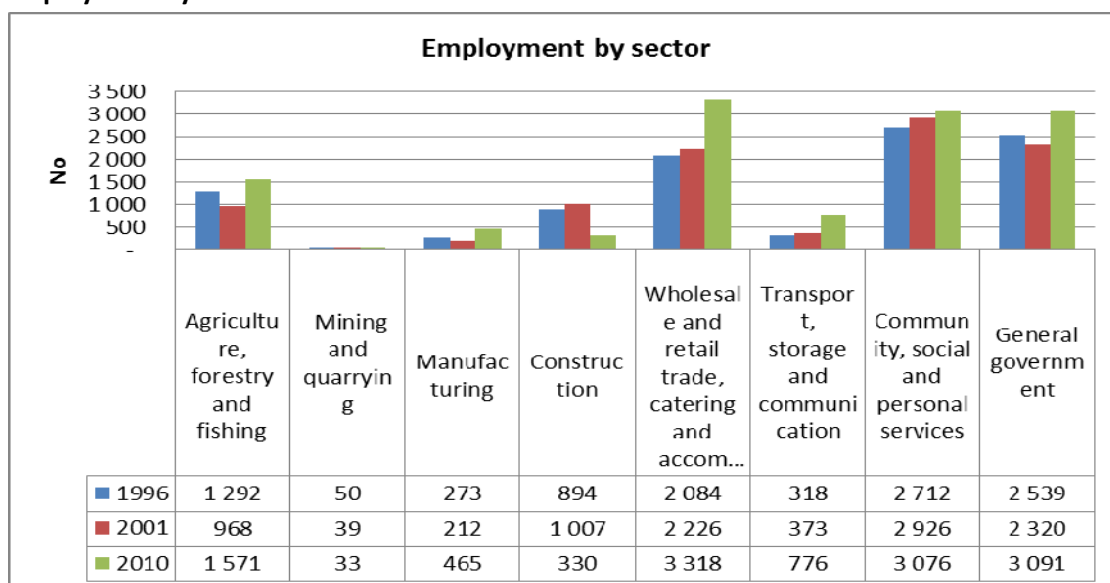


40% of the ELM population is not economically active and therefore depends on the 60% of the economically active population. Thus every working person at Engcobo supports a minimum of 4 people per household.

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Employment by Sector

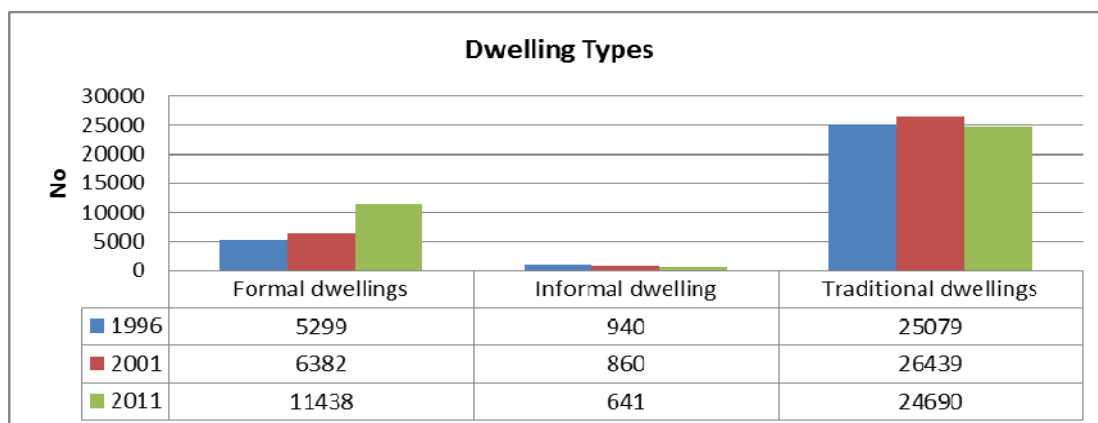


Despite it being generally a low wage sector, the trade sector shows a high labour absorption compared to the transport, business services and finance sector. This sector was followed by community, social and personal services as well as the general government sectors which accounted for more than 60%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

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

Dwelling Types

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

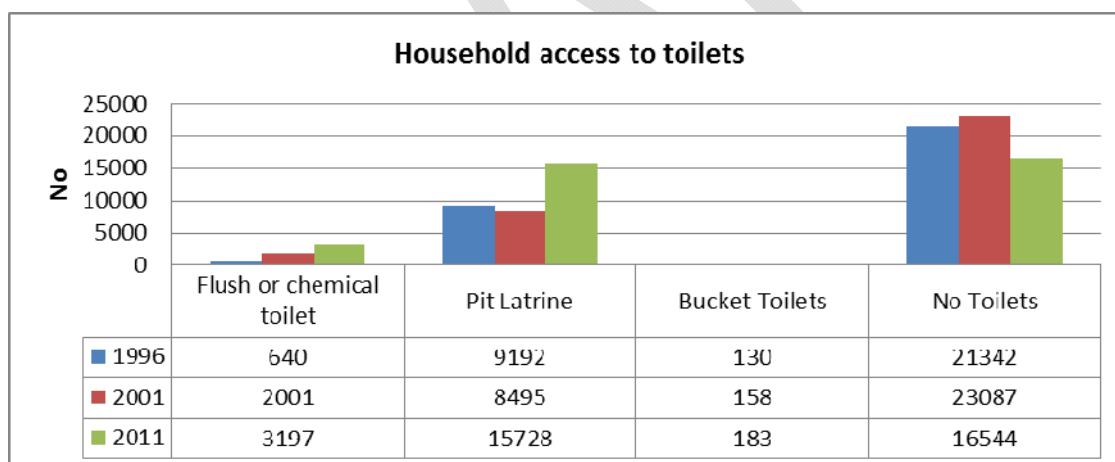


These traditional dwellings are characterized by the predominance of single-detached dwelling units.

Access to Services

Household access to toilets

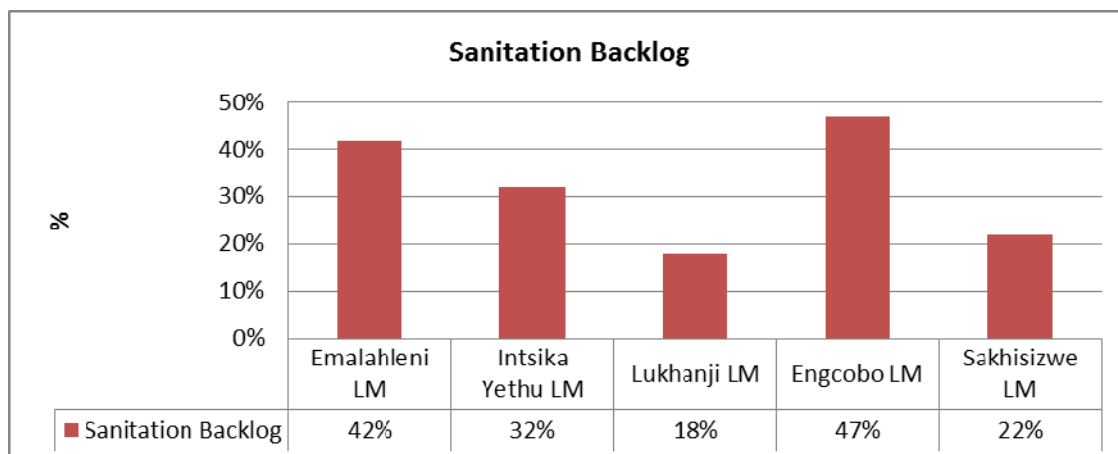
The municipality provides a supply of waterborne sanitation services through sewers provided that there are sufficient water resources and infrastructure to sustain such a service.



About 45% of the ELM population does not have access to either sanitation infrastructure or services. The consequence of lack of proper sanitation infrastructure and services will result in raw sewerage running on the streets, mixing with litter and garbage and contributing to environmental damage and spread of diseases.

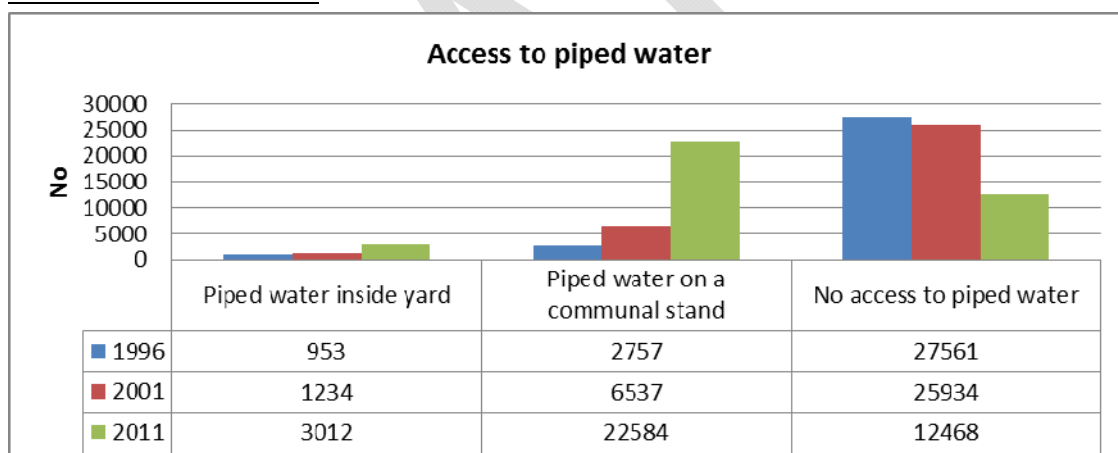
Sanitation Services Backlog

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



The biggest proportion of the CHDM population with a high share of sanitation services backlog resides at Engcobo LM followed by Emalahleni and Intsika Yethu LM respectively. This could be attributed to spatial size of these municipalities and the fact that they are highly rural in nature. This trend is similar to the water services backlog, which is highest in the same municipalities.

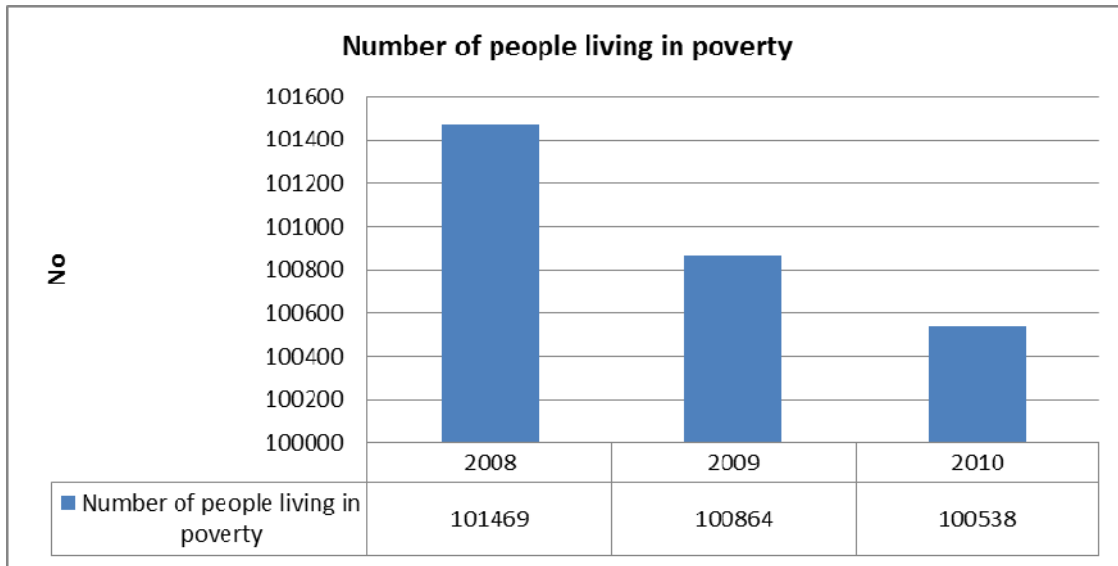
Household access to water



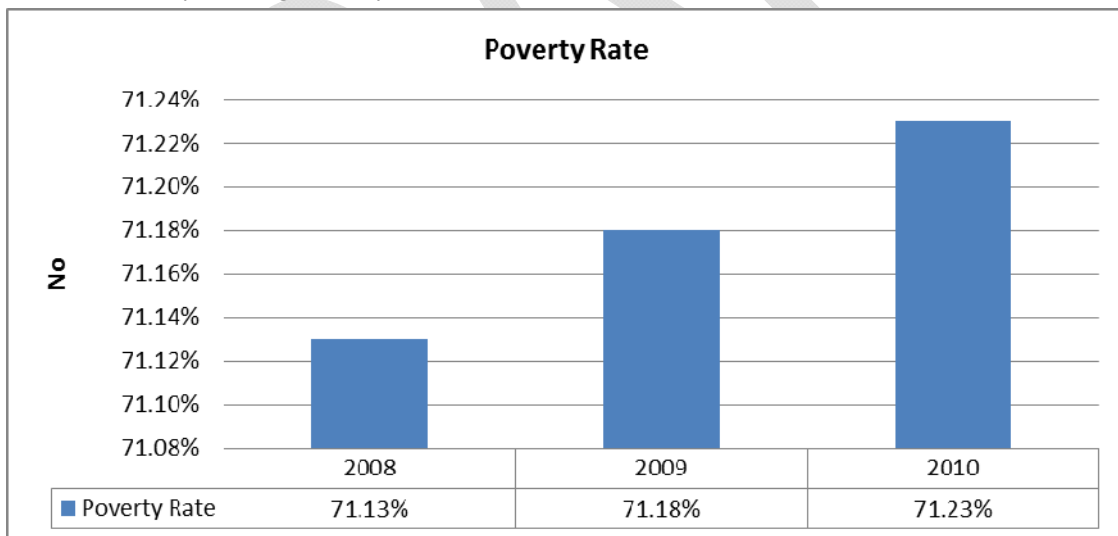
There is a considerable decrease in the number of people who do not have access to water. However about 5% of the ELM population still fetches water from dams and streams.

Poverty Indicators

Number of People Living Poverty



Number of People Living Poverty



1.2 ENVIRONMENTAL ANALYSIS

Engcobo Municipality's objective with regards to environmental management is to ensure conservation of natural resources that exist within its area of jurisdiction. Its function is derived and governed by a range of legislations including, but not limited to the Environmental

Management Act of 1998, Environmental Conservation Act of 1989, Development Facilitation Act of 1995 and Air Quality Act of 2004.

1.2.1 Physical attributes

Topography and Drainage

Engcobo municipal area is drained by four perennial rivers-Mbashe, Xuka, Mgwali and Qumanco. It is situated on the plains or plateaux, below the foothills of the Baziya Mountains. The municipal area has a rolling topography dominated by mountains in the north and the four rivers dissecting the area in a north to south direction.

Climate

The climate is mild with warm to hot wet summers and cool to cold dry winters. Almost all areas receives a mean annual rainfall in excess of 700 mm with the highest rainfall (1000 to 1400 mm) recorded in the higher lying mountains of the north east. Most of the southern half of the municipality record 700 to 800 mm. between 65% and 75% of the rainfall occurs in the summer months (November to April).

Most of the municipality experiences summer daily maximum temperatures average for January of 26 to 28°C. These temperatures are cooler at higher altitudes in the north (24 to 26°C) and warmer in the lowlands of the south (28 to 30°C). Winter daily minimum temperatures averaged for July are cool in the south to cold in the north, with most of the region recording temperatures of 4 to 6°C, dropping to 2 to 4°C in the north.

A significant part of the central and eastern areas record less than 6 dekads of frost with only isolated area in the east and north east being frost free. More frost occurs in the west (7 to 9 dekads). The central and southern areas (with some exceptions) have a relatively short frost season with first frost recorded from 1 to 10 June and last frosts at the end of July.

Springs are generally dry to windy making the areas vulnerable to veld fires. The long dry spells commonly experienced in spring are followed by heavy summer rains making the soils vulnerable to erosion because of flash flooding.

Vegetation

Vegetation types represent an integration of the climate, soil and biological factors in a region, and as such, are a useful basis for land use and conservation planning. There are five vegetation types found in the Engcobo LM. The distribution of these of these vegetation types is illustrated in the table below.

Drakensburg foothill moist grassland covers 43% of the Municipality followed by Mthatha moist grassland 37%. Mthatha moist grassland vegetation type is classified as endangered.

Name	Area (Hectares)	%
Drakensburg foothill moist grassland	96786.0	47
Eastern Valley Bushveld	1866.5	1
Mthatha moist grassland	84308.3	37
Southern Mistbelt Forest	5441.9	2
Tsomo Grasslands	37496.2	17
Total	225899.0	100

Soils, Erodibility and Arability

The relatively moist climate has resulted in the occurrence of some relatively deep loam apedal soils in some of the basins and on some plateaux. These are arable with relatively low erodibility. The surrounding broken topography (ridges, hills and sloping land) is covered with mostly shallow, somewhat erodible soils.

Clay content in the topsoil over the northern and western areas tends to be higher (>25%) while in the central, southern and eastern areas, lower clay content (15 to 25%).

The extent of Grasslands suggests that the Municipality has huge potential for livestock production, in particular sheep and cattle. It is important however that grazing is properly managed to prevent degradation and depletion of vegetation type. The good climatic conditions and soils in some of the basins and plateau allow for the potential in crop production.

Geology and Mining

The geological units occurring in the area are mainly alluvium, dolerite, mudstone and sandstone. The area is generally characterized by deep, solonchic soils with clay content. This gives way to shallow soils on red clay with poor drainage capabilities. Soils are generally characterized by high erodibility and low carrying capacities.

Mining (stone quarries and sand mining) is done illegally; needs permitting in terms of the Minerals and Petroleum Resources Development Act (stone, gravel, clay). Heavy mining (quarries and borrow pits); mining sites are left un-rehabilitated and this causes erosion and sedimentation of rivers. Mining sites are not licensed and therefore no one is obligated to rehabilitate the site. They pose a safety risk for local communities.

Engcobo LM (Eastern Cape Biodiversity Conversation Plan)

(Engcobo LM Eastern Cape Biodiversity Conversation Plan)

Engcobo LM has 24978 ha of Natural landscape (BLMC1) and 45670 ha of near Natural Landscape (BLM2). These land categories mostly occur in the northern section of the municipality. Extensive research should be conducted focusing on the availability of coal deposit areas such as Zadungeni and Gubenxa.

Areas of biodiversity conservation importance occur in the Northern section of the municipality and south of Ngcobo town.

1.2.2 Environmental Aspects and Endowments

Environmentally Sensitive Areas

In terms of the State of Environment Report of Chris Hani District Municipality, the following are priority environmental management issues:

- Qumanco wetland complex
- The high slope gradient in Engcobo, especially in the mountain areas in the north
- The consevation of indigenous forests
- The high occurence of degraded land(63662 Hectares)
- Sensitive Fauna: Birds such as the Cape Parrot which occur in patches of the Afro Montane Forest
- Sensitive Flora: The Maputoland-Pondoland region of floristicendemism where many endemics and near endemics occur, especially in grassland vegetation
- Grassland priority zone exist in the south east corner of Engcobo where many endemic flora occur.

Conservation Areas

There are no conserved areas in Engcobo. The IUCN recommendds that 10% of the area of Engcobo be conserved. It is proposed that the mountains in the north including 55 pockets of indigenous forests be preserved in a Nature Reserve and that a conservacy be established for the Grassland Priority Zone in the south, which will make up the required 10%.

Rivers

9 Perennial Rivers flow through Engcobo LM. They are the Nqancube, Mnyolo, Ntsuba, Mbashe, Xuka, Mgwali, Tora, Qumanco and Qitsi rivers. These rivers are all classified as vulnerable.

There are no conservation areas in the municipality

There are however a number of areas that require environmental management these include:

- Topography where slopes have a gradient greater than 1:5.
- Rivers/water source
- Areas containing plants and vegetation of conservation of importance e.g. afro-montane forest and specific grassland areas,
- Wetland areas
- Other areas: the habitat of endangered animals and birds e.g. the wattle crane, cape parrot
- ***Environmental concern is the extent of the land degradation***

1.2.3 Environmental Elements

The Environment is a Dynamic System and therefore cannot be approached in a prescriptive manner. Environmental Guidelines and Principles must be outlined in order to facilitate responsible and environmentally sustainable development and highlight potential high-risk areas where further investigation (in the form of an EIA or scoping report) is required. The merit and desirability of each development needs to be individually assessed.

Legislation

The importance of the natural environment has been realized by the present government and over the past 10 years many new legislations, policies and laws have been adopted in order to better manage and conserve our environment. The following governmental legislation and policies are the key informants in the management and protection of the Environment.

- The Constitution Act 108 of 1996
- National Forest Act 84 of 1998 (NFA)
- Air Quality Act
- Biodiversity Act
- National Environmental Management Act (NEMA)
- Environment Conservation Act No. 73 of 1989 (ECA)
- Conservation of Agricultural Resources Act (CARA)
- National Water Act 36 of 1998 (NWA)
- Protected Areas Act

It is vital that Government Departments and Local Municipalities are familiar with the legislation in order to comply with and implement the legislation.

High risk Areas

The following are high-risk areas where development is discouraged.

- Topography: Slopes with a gradient greater than 1:5. This is due to the ecological impacts which may result e.g. soil erosion; slope failure etc.
- Rivers/ Water Source: Development within the 1:100 year flood line or within 100m of the high flood level. Development within 50m of riverbank; with 100m being the preferred distance.

- Vegetation: Afromontane Forest, Specific Grassland areas, Areas containing Plants and Vegetation of Conservation Importance
- Wetland Areas
- Heritage Sites: Rock Art Sites
- Other Areas: The habitat of endangers animals and birds e.g. the Wattle Crane and Cape Parrot
- Municipal Public Open Space.

Environmental Concerns/Issues

- Lack of Environmental Policy, Policing and Planning. There is a to lack of internal capacity and human resource skills provision in the Municipalities current structure and are unable to undertake important functions of environmental planning and monitoring..
- Flooding
- Drought
- Decaying urban aesthetics: due to poorly organized refuse collection and waste management programmes coupled with lack of enforcement of local by-laws for town planning, the Ngcobo CBD is characterized by litter and remains from burst water mains.
- Roaming animals: due to broken and sometimes non-existent fences along grazing areas and abutting villages to main roads. These animals are often responsible for motor accidents.
- Land degradation including soil erosion
- Depletion of natural resources and therefore the loss of habitat and biodiversity e.g. wetland areas.
- Lack of basic infrastructure leading to various environmental problems e.g. lack of sanitation facilities, formal waste removal etc.
- Water Pollution
- Alien and Invasive Plant Species
- Climate Change

1.2.4 Climate Change

Climate change is regarded by many as one of the most important environmental and developmental issues facing society. The scientific evidence for a rise in global temperature over the past century is unequivocal.

Globally and in the Eastern Cape, more energy is being used than ever before. This is causing the release of the highest quantities of Greenhouse Gasses ever, recorded. Greenhouse gasses lead to global warming, which in turn leads to climate change. Some impacts of climate change that scientists have predicted will affect Southern Africa, including the Eastern Cape, are:-

- More disasters related to severe weather events
- Longer and drier dry periods, leading to drought
- More runaway fires
- More intense flooding

- Sea-level rise
- Threats to food security and human health
- Loss of biodiversity
- Water supply problems
- Related economic impacts

There are two recognised ways of managing for a changing climate:

- Climate change mitigation (reducing the release of greenhouse gasses to the atmosphere. This is strongly linked to energy consumption and management efforts should focus on promoting energy efficiency, renewable energy, etc.)
- Climate change adaptation is a more reactionary approach to managing the effects of Climate Change (e.g. adapting to predict increases in climate change related disasters and adapting to changes in our environmental systems).

Municipalities in their policy planning can make meaningful contributions towards climate change mitigation and adaptation. The following notions are promoted through the objectives of SDFs, which have important implications for climate change:

- Spatial fragmentation has meant that transport distances (especially from home to work) are long and are therefore energy consuming;
- The lack of services (e.g. the absence of electricity) in certain areas forces communities to make use of more expensive and unsafe energy sources such as paraffin, fuel-wood, etc. Furthermore natural resources are in some cases being depleted for energy generation (e.g. fuel-wood);
- Higher density settlements are favourable in reducing transport distances;
- Promotion of public transport directly reduces energy consumption per capita;
- Avoiding settlement in potential disaster areas (such as floodlines; littoral active zones, etc.).

Climate Change Strategy

The municipality is in the process of developing a Climate Change Strategy; the strategy will be used as a planning document and is to be incorporated into all sector plans. The strategy will look at climatic trends of the area and add new climatic data to try and determine future climatic trends; thus will assist with planning purposes. Currently to manage climate change issues the municipality uses the district Environmental Plan and the Provincial Climate Change Strategy.

Projects that will emanate from the strategy will include developing educational posters to raise awareness about climate change both with staff and scholars throughout the area. The educational posters for schools will be developed for grades 10-12 as a supplementary education tool for teachers teaching subjects like natural sciences. Awareness campaigns will assist both with mitigation and adaptation to a phenomenon which will affect us and generation to come.

Air Quality

Air quality management in South Africa has recently undergone a major revision, with a shift from the source based air quality management approach under the Atmospheric Pollution Prevention Act (No. 45 of 1965) (APPA) to an ambient based approach under the National Environmental Management: Air Quality Act (No. 39 of 2004)(AQA). This change in air quality management approach has also seen a change in the responsibility for air quality management being devolved down from the national level to the local authority level (district and metropolitan municipalities).

Under the new Act each local authority is responsible for the development and implementation of an air quality management plan as part of their Integrated Development Plans (IDP). The terms of reference for the AQMP (JGDM) have already been developed.

Causes:

- The public transport sector (taxis, trucking, buses) are responsible for emitting pollutants in the form of exhaust fumes.
- Burning of waste in landfill sites.
- Uncontrolled, extensive and unnecessary burning of grasslands.
- Lack of public awareness of air quality issues and legislated pollution prevention.
- Lack of appropriately skilled monitoring and enforcement

Solid Waste Management

- Waste by laws
- Environmental by laws

1.3 SUMMARY OF POPULATION CONCERNS

Demographic Analysis	Socio-Economic Analysis	Relevant KPA
Population increase	Highest number of people is the youth and the economically active group of the society.	Good Governance and public participation
High unemployment levels	High indigence rate Low income housing	Infrastructure Development and Service Delivery; Financial Viability and Management
Low levels of income	Impoverishment and limited	Good Governance and public

	employment opportunities	participation
High levels of disability	Dependence on social grants	Good Governance and public participation
High numbers of people with no schooling	Low levels of knowledge High indigence rate Dependence on grants Low levels of economic growth in the area	Good Governance and Public Participation
High illiteracy rates	Leads to poor comprehension of socio-economic variables	Good Governance and Public Participation
Increased migration levels	Increased urbarnisation	Infrastructure and Service Delivery
High Service delivery backlogs	High number of rural households without electrification, water and sanitation	Infrastructure and Service Delivery

CHAPTER 2: VISION, MISSION AND OBJECTIVES

2.1 VISION

The following vision was adopted for the Engcobo Local Municipality:

“A result oriented and driven municipality, providing an environment that encourages stakeholder partnerships and citizen engagement in its quest to provide an improved service delivery to all its citizens using its available resources.”

2.2 MISSION STATEMENT

“To improve the quality of lives of the Engcobo Community by providing basic and affordable services whilst alleviating poverty through social and economic development of the area thereby creating a safe, healthy and secure environment.”

2.3 VALUES

In addition to the Batho Pele principles, our municipality commits itself to upholding the following set of values:

- Ensuring municipal wide good governance;
- Accountable and responsible local government;
- Maximum public participation;
- Focus on economic growth and human resource development;
- Honesty and integrity;
- Tolerance to the diverse nature of our clientele and communities;
- Acting responsible in our dealings;
- Safety and secure living for all residents
- Results orientation;
- Acceleration of service delivery;
- Effectiveness and efficiency in our approach; and
- Good governance, accountability, and public participation.

The values illustrated above are expected to serve as a guide in decision-making and operations of the municipality, more especially in relation to the following:

- Promote development which is in line with the Engcobo Spatial Development Framework.
- Protect the Engcobo Central Business District (CBD) as the primary node.
- Protect and promote public and private investment in the area.
- Preserve and protect natural resources and sensitive environmental areas.
- Support the socio-economic growth and development of the localities to the benefit of the entire Engcobo Local Municipality
- Promote physical, social and economic integration within the Engcobo Local Municipality.
- Ensure consistency in policies, strategies, land use management and by-laws.
- Promote gender equality and youth development.

The objectives, strategies and interventions forthcoming from the IDP support the vision and fundamentals. The Spatial Development Framework provides a spatial reflection of the vision, giving effect to the principles and fundamentals by guiding spatial development in the area.

2.4 STRATEGIC OBJECTIVES

The aim of the IDP for the Engcobo Local Municipality is to move away from the idea of the IDP being a mere wish list and move towards a strategic and focused development plan. In order to achieve this, a series of Strategic Objectives have been formulated with each objective supported by strategies or interventions, which are to be implemented through projects and actions requiring budgetary allocations in the budgetary process of the Engcobo Municipality which is to follow from the Integrated Development Plan.

The Key Broad Strategic Objectives that will guide programs of the Municipality over the next five years are:

- a) To create a conducive environment for Local Economic Development and thereby improving access to economic opportunities.
- b) To improve overall financial management by developing and implementing appropriate and relevant financial management policies, procedures and systems
- c) To eradicate backlogs to eventually improve access to services and ensure proper operations and maintenance of infrastructure services
- d) To provide basic services that are affordable and reliable to the people of Engcobo within the available resources of the municipality,
- e) To ensure that the municipality becomes a viable and sustainable entity that has a reputation of effectively managing its scarce resources through a responsible, clean and accountable administration,
- f) To ensure that the municipality becomes a people-centered institution that creates space and platforms for its community and critical role-players to play a meaningful role in the planning, monitoring and evaluation of the performance of the organization.

2.5 KEY PERFORMANCE PRIORITIES

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

- Enhance local economic development by creating a conducive environment & a sustainable approach to agriculture, tourism and small business development.
- Rezoning, re planning of townships, SDF review and planning by-laws
- Enhance skills development in line with the Skills Development Act No. 97 of 1998.
- Correct the mismatch between the Organogram & the prevailing workplace environment.
- Introduce job grading for correct remuneration structuring.
- Align the workplace practices paying particular attention on compliance with employment equity provisions as prescribed by the EEA No. 5 of 1998.
- Improve basic working conditions for employees, such as provision of adequate office and workspace as well as furniture.
- Enhance information management & operational efficiency through provision of IT support (hard-ware & software and internet connectivity).
- Improve labour relations by democratizing the workplace in line with the LRA.
- Create an enabling environment for the introduction & engagement with workplace forums & collective bargaining in line with the LRA.
- Introduce workplace grievance processes for dispute resolution.
- Address service backlogs (water & sanitation, roads & bridges, storm-water & solid waste, electricity) needs to be addressed.**
- Upgrading and maintenance of roads & stormwater, sewer and purification networks.**
- Public transportation (building of bus & taxi rank).

- Upgrading of the town precinct along the main road (to be done with SANRAL).
- Improve revenue collection & broaden revenue base.
- Enhance indigent provision.
- Building of new and upgrading of existing sports facilities.
- Introduce water loss management practices.
- Introduce better financial management practices for a better & improved audit outcome.
- Comply with the purpose & scope of the Occupational Health and Safety Act No. 85 of 1993.
- Mainstream all the SPU programmes.
- Improve internal governance structures such the functioning of the Audit Committee.
- Improve all public participation practices and mechanisms.

2.6 STRATEGIC FRAMEWORK

Objectives are the specific goals that have to be achieved in order to bring the current situation including identified community needs closer to the Vision. The Strategies are the actions and interventions required to implement the objectives and eventually culminate in a list of Projects. This culminated into a **strategic framework of Engcobo municipality** which articulates **the roadmap for the 2015/16 financial year**. The strategic framework is the output of the robust strategic planning session, which was anchored by rigorous SWOT analysis of departments. The strategic framework therefore represents the top layer of the performance planning and filters down to operations through the Service Delivery and Budget Implementation Plan (SDBIP), and this cascading of the strategic framework require accurate alignment between the two documents to ensure that the strategic thrust of the institution is not lost

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Key Performance Indicator: Municipal Transformation and Institutional Development									
Focus Areas	Strategic Objectives	Obj. Code	Strategy	Key Performance Indicator (KPI)	Unit of Measure	KPI Code	Activity/Project	Annual Target	Custodian
Organizational structure	To build capacity and maximize compliant and conducive utilization of ELM human capital for efficient and economical service delivery by 2017 and beyond	MTI 1	Effective human resource management in line with the IDP and legislation	Revised organizational structure adopted by council	adoption	MTI 1:1	Review of the organizational structure	Revised organizational structure adopted by council	Corporate Services
Human Resource Planning				Reviewed HR Plan adopted by Council	adoption	MTI 1:2	Reviewal of the HR Plan	Reviewed HR Plan adopted by Council	Corporate Services
Filling of vacant posts				% of vacant and budget posts filled (below section 56 managers)	Percentage	MTI 1:3	Filling of vacant and budgeted posts (below section 56 managers)	90% of vacant and budgeted posts filled (below section 56 managers)	Corporate Services
Job Evaluation				Job Evaluation report adopted by council		MTI 1:4	Evaluation and grading of jobs	Job Evaluation report adopted by council	Corporate Services
				% implementation of the job evaluation report		MTI 1:5	Implementation of the job evaluation report	100 % Implementation of the job evaluation report	Corporate Services

Training and Development				Date by which the WSP is submitted to LGSETA	date	MTI 1:6	Development and submission of the WSP to LGSETA	WSP submitted to LGSETA by 30 April 2015	Corporate Services
				% implementation of the approved WSP	Percentage	MTI 1:7	Implementation of the WSP	70% implementation of approved WSP	Corporate Services
				Number of workshops coordinated for councillors and employees	number	MTI 1:8	Coordinate 2 workshops for councilors and employee on determined upper limits (councilors) and policies and collective agreement (employee)	2 workshops coordinated for councilors and employees (1 councilors and 1 employees)	Corporate Services
	Labour Relations			Number of LLF meetings coordinated	number	MTI 1:9	Coordinate LLF meetings	12 LLF meetings coordinated	Corporate Services
	Employment Equity			Number of reports on return on earnings and EE submitted to department of Labour	number	MTI 1:10	Submission of the Return of Earnings & Employment Equity Reports to Department of Labour	1 report on Return of Earning and Employment Equity report submitted to department of Labour	Corporate Services

				Reviewed Employment Equity Plan adopted by Council	adoption	MTI 1:11	Review of the Employment Equity Plan	Reviewed Employment Equity Plan adopted by Council	Corporate Services
Employee Wellness				Number of wellness events coordinated	number	MTI 1:12	Coordinate employee wellness events (Sept and Dec)	2 wellness events coordinated	Corporate Services
				Number of OHS committee sittings coordinated	number	MTI 1:13	Functionality of the OHS committee (3 sittings of the OHS committee)	3 OHS committee sittings coordinated	Corporate Services
Occupational Health & Safety				Reviewal municipal policies adopted by council	adoption	MTI 2:1	Review of municipal policies	Reviewed municipal policies adopted by council	Corporate Services
Municipal Policies				Centralized registry function established	centralisation	MTI 2:2	Establishment of a centralized registry function	Centralized registry function established	Corporate Services
Registry	To continuously ensure effective, efficient and	MTI 2		% functionality of the off-site back-up facility	percentage	MTI 2:3	Functionality of the off-site back-up facility	100% functional off-site back-up facility	Corporate Services

Services	economical administration through systems and business processes that are aligned to organizational objectives			Turnaround time (in hours) for attending to computer queries	turnaround	MTI 2:4	Attend to computer queries	Computer queries attended to within 2 hours	Corporate Services
Information Communication Technology				Updated municipal website	percentage	MTI 2:5	Transfer website hosting to SITA	100% Updated municipal website	Corporate Services
Monitoring and Evaluation/Performance Reporting	To ensure effective coordination of integrated planning, implementation, monitoring and evaluation and credible reporting across Engcobo Municipality by 2015 and beyond.	MTI 3	Effective monitoring of employee performance	Number of employees below section 56 with signed service delivery agreements (Section heads/managers)	number	MTI 3:1	Facilitate signing of signed service delivery agreements by employees in the level below section 56 (Section heads/managers)	100% employees in the level below section 56 (Section heads/managers with signed Service Delivery Agreements signed)	Corporate Services
Key Performance Indicator: Basic Service Delivery and Infrastructure - Technical Services									

Solar Energy	To ensure adequate and sustainable access to basic infrastructure (including road network) and services by communities of Engcobo by 2015 and beyond	BSD 1	Effective, efficient and economical provision of adequate non-grid electricity services	Number of households with access to non-grid electricity in ward 19 and 20	Number	BSD 1:1	Provision of solar energy to households in ward 19 and 20	90 Households Supplied with access to solar energy	Technical Services
Roads and Storm water Infrastructure			Provision and maintenance of road infrastructure	% completion of construction of KwaDlomo-Gubenxa access Road (5 km) (ward 8)	Percentage	BSD 1:2	Construction of KwaDlomo-Gubenxa Access Road - 5 kms (ward 8)	100% completion of Construction of KwaDlomo-Gubenxa access road (5km)	Technical Services
				% completion of construction of Tribal-Zibute access Road (4.5km) (ward 18)	Percentage	BSD 1:3	Construction of Tribal –Zibute Access Road (4.5 km) (ward 18)	100% completion of construction of Tribal-Zibute Access road (4.5 km) (ward 18)	Technical Services
				% completion of construction of Caca Access Road (5.5Km) (ward 14)	Percentage	BSD 1:4	Construction of Caca Access Road (5.5Km) (ward 14)	100% of completion of construction of Caca Access Road (5.5Km) (ward 14)	Technical Services

				% completion of construction of Makhumeni-Nkwenkwezi Access Road (4.1km) (ward 12)	Percentage	BSD 1:5	Construction of Makhumeni-Nkwenkwezi Access Road)(4.1km) (ward 12)	100% completion of construction of Makhumeni-Nkwenkwezi Access Road (4.1km) (ward 12)	Technical Services
				% completion of construction of (Ntimeni-Roma-Komkhulu Access Road) (5km) (ward 1)	Percentage	BSD 1:6	Construction of Ntimeni –Roma – Komkhulu Access Road (5km) (ward 1)	100% completion of construction of (Ntimeni-Roma-Komkhulu Access Road) (5km) (ward 1)	Technical Services
				% completion of construction of Sigangeni Access Road (4km) (ward 9)	Percentage	BSD 1:7	Construction of Sigangeni Access Road (4km) (ward 9)	100% completion of construction of Sigangeni Access Road (4km) (ward 9)	Technical Services
				% completion of construction of (Nkalweni-Ntwashini Access Road) (km) in ward 7	Percentage	BSD 1:8	Construction of Nkalweni-Ntwashini Access Road – (km) in ward 7	100% completion of construction of (Nkalweni-Ntwashini Access Road) (km) in ward 7	Technical Services
				% completion of construction of (Lubisi-Nkencezi access road (5km) (ward 13)	Percentage	BSD 1:9	Construction of Lubisi-Nkencezi access road (5km) (ward 13)	100% completion of construction of (Lubisi-Nkencezi access road(5km) (ward 13)	Technical Services

				% completion of construction of Nkomponi via Mqonci JSS-Zweloxolo PJS Access Road (7km) (ward 2)	Percentage	BSD 1:10	Construction of Nkomponi via Mqonci JSS-Zweloxolo PJS Access Road (7km) (ward 2)	100% completion of construction of Nkomponi via Mqonci JSS-Zweloxolo PJS Access Road (7km) (ward 2)	Technical Services
				% completion of construction of Nqokoto – Ngacu School access road (4.5km) (ward 5)	%	BSD 1:11	Construction of Nqokoto –Ngacu School access road (4.5km) (ward 5)	100% completion of construction of Nqokoto –Ngacu School access road (4.5km) ward 5)	Technical Services
				% completion of construction o Madasa access road – (8km) (ward 4)	%	BSD 1:12	Construction of Madasa access road - 8kms (ward 4)	100% completion of construction o Madasa access road – (8km) ward 4)	Technical Services
				% completion of construction of Makhaleni Komkhulu access road (km) ward 11	%	BSD 1:13	Construction of Makhaleni Komkhulu access road (km) (ward 11)	100% completion of construction of Makhaleni Komkhulu access road (km)	Technical Services
				% completion of construction of Ngwemnyama Upper Gqaga access road (km)	Percentage	BSD 1:14	Construction of Ngwemnyama – Upper Gqaga access road (km) (ward 19)	100% completion of construction of Ngwemnyama Upper Gqaga access road (km)	Technical Services

				% completion of construction of Dlomo via Dabulingwe access road (km) ward 3	Percentage	BSD 1:15	Construction of Dlomo via Dabulingwe access road (km) (ward 3)	100% completion of construction of Dlomo via Dabulingwe access road (km) ward 3	Technical Services
				% completion of construction of Didi Evenkileni, Gubenxa Ntsinana access road (km) ward 17	Percentage	BSD 1:16	Construction of Didi Evenkileni Gubenxa Ntsinana access road (km) (ward 17)	100% completion of construction of Didi Evenkileni, Gubenxa Ntsinana access road (km) ward 17	Technical Services
				% completion of construction of Tafeni access road (km) ward 6	percentage	BSD 1:17	Construction of Tafeni access road (km) (ward 6)	100% completion of construction of Tafeni access road (km) ward 6	Technical Services
				% completion of construction of Tholweni – Mcinga access road (km) ward 10	Percentage	BSD 1:18	Construction of Tholweni – Mcinga access road (km) (ward 10)	100% completion of construction of Tholweni – Mcinga access road (km) ward	Technical Services
			Maximization of MIG funding for accelerated basic services and infrastructure	Number of business plans developed and submitted to Municipal Infrastructure Grant	number	BSD 1:19	Development and submission of business plans to MIG.	25 business plans developed and submitted to MIG.	Technical Services

Basic Service Delivery and Infrastructure – Community Services

Waste Management	To protect and preserve the environment of Engcobo through effective, efficient and economical methods of waste management by 2015 and beyond	BSD 2	Effective, efficient and economical waste management services	Number of times for collection of refuse at All Saints Hospital	number	BSD 2:1	Collection of refuse at the All Saints hospital	Refuse collected 12 times at All Saints hospital	Community Services
				Number of days per week for collection of Refuse in Town (ward 11)	number	BSD 2:2	Collection of refuse in town (ward 11)	Refuse collected 7 times per week in town	Community Services
				Number of times for collection of Refuse at Time housing (ward 11)	Number	BSD 2:3	Collection of refuse at Time-housing (ward 11)	Refuse collected 144 times at Time-housing	Community Services
				Number of times for collection of Refuse at Donville	Number	BSD 2:4	Collection of refuse at Donville	Refuse collected 144 times at Donville	Community Services
				Number of times for collection of Refuse at extension 5 & 9	Number	BSD 2:5	Collection of refuse at extension 5 & 9	Refuse collected 144 times at extension 5 & 9	Community Services
				Number of times for collection of Refuse at Masonwabe Clinic (11)	Number	BSD 2:6	Collection of refuse at Masonwabe Clinic (ward 11)	Refuse collected 48 times at Masonwabe Clinic	Community Services
				% compliance to service intervals per service book	Rand	BSD 2:7	Maintenance (servicing) of the Refuse Truck	100% compliance to service intervals per service book	Community Services
				Turnaround time (in hours) to repair refuse	turnaround time	BSD 2:8	Repairing of refuse trucks	Repairs to refuse trucks effected	Community Services

				trucks				within 72hrs	
Disaster Management	To continuously reduce the occurrence of disasters and related impacts to communities and other natural species by 2015 and beyond	BSD 3	Effective, efficient and economical disaster management services	Number of disaster awareness campaign conducted.	Number	BSD 3:1	Conduct disaster awareness campaigns	4 disaster awareness campaigns will be conducted	Community services
				Turnaround time (in hours) to respond to reported disaster incidents	turnaround time	BSD 3:2	Respond to reported disaster incidents within 24hrs	Reported disaster incidents responded to within 24hrs	Community services
				Turnaround time (in days) to provide relief to disaster victims	turnaround time	BSD 3:3	Provision of relief to disaster victims	Relief to disaster victims provided within 3 days	Community services
Management Paupers	To provide effective, efficient and economical social and community services to eNgcobo inhabitants by 2015 and beyond	BSD 4	Effective Social and Community services	Turnaround time (in days) for burring of paupers from date of receipt of application	turnaround time	BSD 4:1	Burring of paupers	Paupers buried within 6 days from date of receipt of application	Community services
Traffic Management	To continuously reduce road accidents and road carnages within ELM through promotion of road safely regulations by 2015 and beyond	BSD 5	Enhance and foster traffic safety within Engcobo community areas	Number of roadblocks conducted at entrance points into town (from Umthatha and from Cofimvaba)	Number	BSD 5:1	Conduct roadblocks at entrance points into Engcobo town (from Umthatha and from Cofimvaba)	4 roadblocks conducted at entrance points into town (from Umthatha and from Cofimvaba)	Community services
				Number of learners' license tests conducted.	Number	BSD 5:2	Conduct learners' license tests	150 learners' license tests conducted	Community services

				Number of drivers' license tests conducted	Number	BSD 5:3	Conduct drivers' license tests per annum	200 drivers' license tests conducted per annum	Community services
Library Management	To enhance improvement in literacy levels within communities by 2015 and beyond	BSD 6	Provision of effective, efficient and economical library services	No of Literacy awareness campaigns, Career Exhibitions, Holiday Programs and workbook day campaign coordinated	Number	BSD 6:1	Coordinate a literacy awareness campaign, Carrier Exhibition holiday program and work book day awareness campaign	1 literacy awareness campaign, 1 Carrier exhibition, 1 Holiday program and 1 work book day Campaign coordinated	Community services
HIV/AIDS Management	To contribute towards reduction of HIV/AIDS prevalence in Engcobo Municipality by 2015	BSD 7	Effective and efficient management of HIV/AIDS within Engcobo communities	Number of HIV/AIDS awareness campaigns conducted	Number	BSD 7:1	Conduct HIV& AIDS awareness campaigns	4 HIV/AIDS awareness campaign will be conducted	Community services
Key Performance Indicator: Local Economic Development									
Tourism Management	To enhance sound, effective and viable economic initiatives and activities aimed at increasing the local economy by 1% by 2015 through support of Small, Medium and Macro community projects for creation of sustainable jobs	LED 1	Effective and efficient management of heritage.	% completion of the memorial wall and Engravement of names of the Engcobo Heroes	Percentage	LED 1:1	Construction of the memorial wall and Engravement of names of the Ngcobo Heroes at the Heroes Park	100% Completion of the Construction of the memorial wall and Engravement of names of the Engcobo Heroes	IPED Manager
			Effective and efficient Tourism function	% completion of fencing of Qoba game reserve	Percentage	LED 1:2	Construction of fencing at Qoba game reserve	20% completion of fencing of Qoba game reserve	IPED Manager

				Number of trainings for Local Tourism organisations conducted.	Number	LED 1:3	Provide Training to Local Tourism Organization and	1 Training for Local Tourism Organization provided	IPED Manager
				Number of Local Tourism awareness Campaigns conducted	Number	LED 1:4	Conducting Awareness Campaigns	1 Local Tourism Awareness campaign conducted	IPED Manager
				Number of Cultural Festival for Local Tourism Organization coordinated	Number	LED 1:5	Coordinate Cultural Festival for Local Tourism Organization	1 Cultural Festival will be coordinated for Local Tourism organisations	IPED Manager
				% completion of the Research on History and Heritage	Percentage	LED 1:6	Conducted research on History and Heritage	100% completion of Research on History and Heritage (final draft research report)	IPED Manager
				Number of Tourism banners developed	Number	LED 1:7	Development of Tourism banners	4 Tourism banners developed	IPED Manager
				Number of trainings for Cultural groups	Number	LED	Provision of Training to Cultural groups	1 Training for Cultural groups	IPED Manager

				provided		1:8		provided	
				Number of Cultural groups supported with traditional wear	Number	LED 1:9	Support Cultural groups with Traditional wear	2 Cultural groups supported with traditional wear	IPED Manager
Agricultural Development		Effective, efficient and economical agricultural Development		No of bags of Fertilizers purchased	Number	LED 1:10	Procurement of Fertilizers	600 bags of Fertilizers purchased	IPED Manager
				Number of co-operatives assisted with ploughing inputs.	Number	LED 1:11	Assist co-operatives with ploughing inputs (Emgwali Maize Project and Siviwe Co-operative)	2 co-operatives assisted with ploughing inputs (Emgwali Maize Project and Siviwe Co-operative)	IPED Manager
				Number of Sewing Projects assisted with material, equipment and machinery	number	LED 1:12	Assist sewing projects (Silindini, Litha lethemba and Nkwenkwezi, Nozukile Cultural group) with material, equipment and upgrading of machinery	4 Sewing projects assisted with machinery, equipment and material for Sewing	IPED Manager
				Number of projects assisted with Training	Number	LED 1:13	Assist projects with Training (Goso Charcoal Project)	1 project assisted with training (Goso Charcoal Project)	IPED Manager

				Number of business plans developed for Goso Charcoal Project.	Number	LED 1:14	Development of business plans for the Goso Charcoal project	1 business plan developed for the Goso Charcoal project	IPED Manager
				% completion of construction of the Poultry value chain Production hall		LED 1:15	Construction of the Poultry value chain Production hall	30% completion of construction of the Poultry value chain Production hall	IPED Manager
				Number of Small Town Revitalization Project meetings coordinated	Number	LED 1:16	Coordinate Small Town Revitalization meetings	4 Small Town Revitalization Project meetings coordinated	IPED Manager
				Number of baking projects assisted with inputs, machinery, Trainings and infrastructure upgrading	Number	LED 1:17	Assist baking projects with inputs, machinery, Trainings and infrastructure upgrading (Thuthukani Clark bury and Masedle Uluntu)	2 baking projects assisted with inputs, machinery, Trainings and infrastructure upgrading (Thuthukani Clark bury and Masedle Uluntu)	IPED Manager
				Number of trainings on baking basic skills provided	Number	LED 1:18	Provision of training on baking basic skills	1 training on baking basic skills provided	IPED Manager

				Number of monitoring reports prepared on functionality of Clarkebury and Masondle Uluntu projects	Number	LED 1:19	Monitoring of 2 Projects (Clarkebury and Masondle Uluntu)	1 monitoring report prepared on functionality of Clarkebury and Masondle Uluntu projects	IPED Manager
				Number of hectares ploughed per demand	number	LED 1:20	Ploughing of hectors of land per demand from communities	Ploughed 100 hectares of land per ploughed demand	IPED Manager
				Number of Coops forum meetings attended	Number	LED 1:21	Attendance Coops forum meetings	4 Coops forum meetings attended	IPED Manager
				Number of Business forum meetings attended	Number	LED 1:22	Attendance Business forum meetings	4 Business forum meetings attended	IPED Manager
				Number of LTO forum meetings attended		LED 1:23	Attendance LTO forum meetings	4 LTO forum meetings attended	IPED Manager
				Number of LED forum meetings attended	Number	LED 1:24	for LED forum meetings attended	Attended 4 LED forum meetings attended.	IPED Manager
				Number of Spatial Planning Land Use Management Act (SPLUMA) awareness	Number	LED 1:25	Conduct a SPLUMA awareness campaign for	1 SPLUMA awareness campaign (for	IPED Manager

				campaigns conducted			Communities, Traditional Leaders, Councilors and Officials	Communities, Traditional Leaders, Councilors and Officials) conducted	
				Reviewed Spatial development framework adopted by council	adoption	LED 1:26	Spatial development framework review	Reviewed Spatial development framework adopted by council	IPED manager
				Detailed Concept plan developed for the light industrial Zone/ Residential Zone	Document	LED 1:27	Preparation of a detailed Concept plan for light Industrial/ Residential Zone	Detailed Concept plan developed for the light industrial Zone/ Residential Zone	IPED Manager
				Prioritised municipal properties Rezoned and sub-divided	rezoning	LED 1:28	Rezoning and sub-division of municipal properties	Prioritised municipal properties Rezoned and sub-divided	IPED Manager
				% completion of renovation of the ClarkburyHeritage site		LED 1:29	Renovation of the Clark bury Heritage Site	70% completion of renovation of the Heritage site	IPED Manager
Municipal Financial Viability									

Financial Management Planning and Reporting	To ensure effective, efficient, economical financial management processes culminating in sound financial viability by 2014 and beyond	MFV 1	Sound financial planning and accountable and compliant financial reporting	Date by which the draft and final Budgets are adopted by council	Date and adoption	MFV 1:1	Preparation of the 2015/16 annual budget	Draft budget adopted by council on 31 Mar 2015 and Final budget adopted by council on 31 May 2015	Chief Financial Officer
				No. of reconciliations prepared	Number	MFV 1:2	Prepare reconciliations (Vat, Revenue Debtors, Payroll, Creditors, Bank, Assets additions, Investments)	88 (22x4) reconciliations (Vat, Revenue Debtors, Payroll, Creditors, Bank, Assets additions, Investments) prepared	Chief Financial Officer
				No. of section 71 and 72 financial reports prepared	Number	MFV 1:3	Preparation of financial management reports	12 section 71 reports and 1 section 72 report prepared	Chief Financial Officer

				Turnaround time (in days) for submission of section 71 reports to Mayor and National and Provincial Treasury after month end	Turnaround time	MFV 1:4	Submission of section 71 and 72 reports to the Mayor and National and Provincial Treasury	Section 71 reports submitted to the Mayor, Provincial and National Treasury within 10 working days after month	Chief Financial Officer
				No. of monthly budget and expenditure reports prepared for each department	Number	MFV 1:5	Prepare 12 monthly budget/expenditure reports prepared for departments	12 monthly budget and expenditure reports prepared for departments	Chief Financial Officer
				Date by which 2013/14 financial statements are prepared	date	MFV 1:6	Preparation of 2013/14 financial statements	2013/14 financial statements prepared by 31 August 2014	Chief Financial Officer
				Date by which financial statements are submitted to AG	Date	MFV 1:7	Submission of credible financial statements to AG	Final financial statements submitted to AG by 31 August 2015	Chief Financial Officer
Supply Chain Management			Effective and compliant Supply Chain Management processes	% updated irregular expenditure register	Update	MFV 1:8	Maintenance of an updated irregular expenditure register	100% updated irregular expenditure register	Chief Financial Officer
				No. of times of per year of submission of irregular expenditure register to	times	MFV 1:9	Submission of the irregular expenditure	Irregular expenditure register	Chief Financial Officer

				council			register to council	submitted to council 4 times per year.	Officer
				Number of SCM Workshops conducted on policies and procedures	Number	MFV 1:10	Conduct a Workshop on SCM policy and procedures	1 SCM Workshop conducted on policies and procedures	Chief Financial Officer
				Number of financial management oversight trainings conducted for the Standing Committee members	No. of times	MFV 1:11	Conduct financial oversight training for the Finance standing committee members	1 financial management oversight training conducted for standing committee members.	Chief Financial Officer
				% update of the National Treasury database with bids above R30 000	Percentage	MFV 1:12	Update the National Treasury Database with bids above R30 000	100% updated National Treasury database with bids above R30 000	Chief Financial Officer
				% update of the contracts register	Percentage	MFV 1:13	Maintenance of an up to date contract register	100% updated contracts register	Chief Financial Officer
				Number of SCM reports submitted to council	Number	MFV 1:14	Prepare and submit SCM reports to council	4 SCM reports submitted to council	Chief Financial Officer
				Number of quarterly departmental procurement plans	Number	MFV 1:15	Development of quarterly department procurement plans	20 Departmental Procurement Plans Developed	All Hods

				developed.			based on their SDBIPs.		
				% implementation of the approved Procurement plan	Percentage	MFV 1:16	Implementation of the Procurement plan	50% implementation of the Procurement plan	All Hods
Revenue Management	To ensure effective, efficient, economical financial management processes culminating in sound financial viability by 2015 and beyond	MFV 3	Increase own revenue base by .03% % by 2015	Developed Revenue enhancement strategy adopted by council	Adoption	MFV 1:17	Development of Revenue Enhancement Strategy	Developed Revenue enhancement strategy adopted by council	Chief Financial Officer
				% increase in own revenue	percentage	MFV 1:18	Increase own revenue through collection of billed revenue and traffic fines	0.03% increase in own revenue	Chief Financial Officer/
				% increase in revenue from traffic fines	percentage	MFV 1:19	Collect revenue from traffic fines	4% increase in revenue from traffic fines	Community Services
Customer Management				Number of trainings on customer care satisfaction conducted	Number	MFV 1:20	Conduct training on Customer care / satisfaction	1 training on customer care satisfaction conducted	Chief Financial Officer
Asset Management			Effective, efficient, economical and compliant asset management	% GRAP compliant asset register	Percentage	MFV 1:21	Complete asset register	100% GRAP compliant asset register	Chief Financial Officer

Key Performance Indicator: Good Governance and Public Participation

Risk Management	To continuously ensure effective, efficient and economical municipal governance processes in pursuit for clean administration by 2015	GGP 1	Effective and efficient municipal governance processes	% implementation of the risk action plans	Percentage	GGP 1:1	Implementation of risk management action plans	100% implementation of risk action plans	All Hods
				% implementation of the internal audit action plans	%	GGP 1:2	Implementation of internal audit actions plans	100% implementation of internal audit action plans.	All Hods
Audit Opinion				% implementation of the AG audit action plans	percentage	GGP 1:3	Implementation of AG audit actions plans	100% implementation of AG audit action plans	All Hods
Monitoring and Evaluation				Number performance reports prepared and submitted to IPED	number	GGP 1:4	Preparation and submission of performance reports to IPED	4 Quarterly performance reports submitted to the IPED	All Hods
Risk Monitoring and Internal Audit				Number of Quarterly risk management status reports submitted to the audit committee	Number	GGP 1:5	Preparation and submission of 4 quarterly risk status report to the audit committee	4 quarterly risk management status reports submitted to the audit committee	Municipal Manager
				2015/16 Risk-based internal audit plan approved by the Audit committee	approval	GGP 1:6	Development of the 2015/16 risk-based internal audit plan	2015/16 Risk-based internal audit plan approved by the Audit committee	Municipal Manager

				Internal audit charter approved by the Audit committee	approval	GGP 1:7	Reviewal of the Internal audit charter 2015/16 by audit committee	Internal audit charter approved by the Audit committee	Municipal Manager
				Internal audit methodology approved by audit committee	approval	GGP 1:8	Reviewal of the internal audit methodology 2015/16	Internal audit methodology approved by audit committee	Municipal Manager
				Number of IA quarterly reports submitted to the audit committee	Number	GGP 1:9	Preparation and submission of quarterly internal audit reports to the audit committee	4 IA quarterly reports submitted to the audit committee	Municipal Manager
Audit Committee				Number of Audit committee meetings coordinated	Number	GGP 1:10	Coordinate 4 sittings of the Audit committee meetings	4 AC meetings coordinated	Municipal Manager
Municipal Public Accounts Committee				Number of MPAC meetings coordinated	Number	GGP 1:11	Coordinate MPAC meetings	4 MPAC meetings coordinated	Municipal Manager
Council Oversight				Number of council sittings coordinated	Number	GGP 1:12	Coordinate council meetings	4 council meetings coordinated	Municipal Manager
				Number of Executive committee sittings coordinated	Number	GGP 1:13	Coordinate Executive committee sittings	4 Executive committee sittings coordinated	Municipal Manager
				Number of standing committee sittings	Number	GGP	Coordinate Standing committee	24 standing committee sittings	Municipal

				coordinated		1:14	sittings	coordinated	Manager
Community Development Workers				% implementation of the signed CDW SLA	%	GGP 2:1	Facilitate implementation of the CDW SLA	100% implementation of the SLA	Municipal Manager
Public Participation	To ensure that the municipality is a people-centered institution that creates space and platform for its community and critical role players to play a meaningful role in the planning, monitoring and evaluation of the performance of the organisation by 2015 and beyond		Effective and compliant Public Participation and engagement in the municipal business	Number of ward committee meetings coordinated	Number	GGP 2:2	Coordinate 80 meeting of ward committees	80 ward committee meetings coordinated	Municipal Manager
				Number of reports prepared on % attendance of ward committee members (target in 100% attendance)	Number	GGP 2:3	Monitor and report on the attendance of meetings by ward committee members	4 quarterly reports prepared on % attendance of meeting by WCs (target 100% attendance)	Municipal Manager
				Turnaround time (in days) to respond to customer complaints	turnaround time	GGP 3:1	Respond to received customer complaints	Received customer complaints attended to within 4 days from date of receipt of the complaint	All HODs
				% achievement on attending to customer queries from the Presidential hotline	Percentage	GGP 3:2	Attend to customer queries from the Presidential hotline	90% achievement in attending to customer queries from the Presidential hotline	All HODS
				Number of designated group structures provided with financial and technical support	Number	GGP 4:1	Provision of financial and technical support to 4 structures of designated group	4 structures of designated groups provided with financial and	Municipal Manager

							structures	technical support	
				Number of meetings for designated groups coordinated	Number	GGP 4:2	Coordinate 16 meetings of designated groups (which ones?)	16 meetings of designated groups coordinate which ones?	Municipal Manager
				Number of events for designated groups coordinated	Number	GGP 4:3	Coordinate annual events for designated groups (Women's event, Older persons' event, Disability day, human rights, June 16 heritage Celebration)	6 events for designated groups coordinated	Municipal Manager
Integrated Development Planning	To ensure effective coordination of integrated planning, implementation, monitoring and evaluation and credible reporting across Engcobo Municipality by 2015 and beyond.	GGP 5	Integrated and compliant development planning in line with legislations	% compliance of IDP with legislation on assessment	Percentage	GGP 5:1	IDP compliant with legislation (assessment)	100% compliance of IDP with legislation on assessment	IPED Manager
				IDP Process Plan adopted by council	adoption	GGP 5:2	Preparation of the IDP process plan for the 2015/16 IDP	IDP Process Plan adopted by council	IPED Manager
				Number of IDP road shows coordinated	number	GGP 5:3	Coordinate IDP road shows	40 IDP road shows coordinated	IPED Manager
				Number of IDP Representative Forum meetings coordinated	number	GGP 5:4	Coordinate IDP representative forums meetings	4 IDP Representative Forum meetings coordinated	Municipal Manager

				Number performance reports submitted to the standing committee	number	GGP 5:5	Prepare and submit Performance reports to the standing committee	4 Quarterly performance reports submitted to the standing	IPED Manager
				Credible 2015/16 IDP adopted by council	adoption	GGP 5:6	Monitor preparation and adoption of a credible 2015/16 IDP	Credible 2015/16 IDP adopted by council	Municipal Manager
				Number of strategic planning workshops conducted	Number	GGP 5:7	Conduct a Strategic planning workshop	1 Strategic planning workshop conducted	IPED Managers
				% achieved on institutional performance	Percentage	GGP 5:8	Monitor institutional performance	80% performance rate achieve	Municipal Manager
				Date by which the 2013/14 annual report submitted to AG	Date	GGP 5:9	Preparation and submission of the 2013/14 annual report to AG	Annual report submitted to AG on 31 August 2014	Municipal Manager
				Dates by which the 2013/14 annual report is adopted by council	Date and adoption	GGP 5:10	Submission of the AR to council for adoption	Draft AR adopted by Council on 31 January and March 2015	Municipal Manager

ENGCOBO LOCAL MUNICIPALITY

INTEGRATED DEVELOPMENT PLAN 2015/16

CHAPTER 3: IDP REVIEW PROCESS

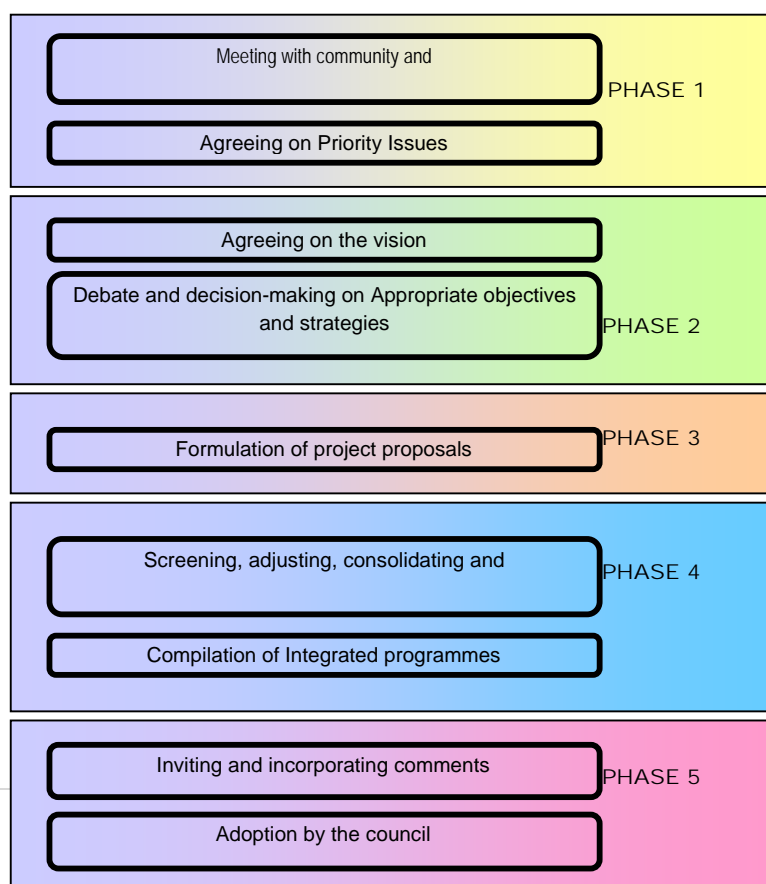
The IDP process is aimed at achieving faster and more effective service delivery and to provide a framework for economic and social development in Engcobo Municipality. The integrated context strives to create a planning environment that allows for the integration and alignment of government's strategic objectives and delivery priorities and is geared towards eliminating the development legacy of the past.

The Department of Provincial and Local Government IDP Guidelines summarized the purpose of the Integrated Development Planning Process as follows:

- Eradicating the development legacy of the past;
- Making the notion of developmental Local Government work;
- Laying the foundation for community building; and
- Fostering co-operative governance.

The methodology followed in the IDP process is based on the Department of Provincial Local Government (DPLG) model or approach which is staged over 5 phases: Analysis, Strategies, Project Formulation, Integration and Approval as illustrated in Figure 1.1 overleaf.

FIGURE 1.1: THE GENERIC IDP PROCESS



While the guide packs propose a systematic process of IDP preparation based on typical systems theories, the reality of planning in the Engcobo area is more similar to incremental planning and constant shaping of a concept, until consensus is reached. As such, the final approved IDP document is likely to change over subsequent years as external and internal factors impact and reshape strategic focus.

The Constitution provides the primary overarching framework within which Local Government planning must be understood. As has been mentioned earlier the Constitution gives Local Government a mandate to provide democratic and accountable Government for all communities; ensure the provision of services to communities in a sustainable manner; promote social and economic development; promote a safe and healthy environment and encourage the involvement of communities and community organizations in the matters of Local Government.

The under-mentioned Acts regulate the legal context within which all municipalities are expected to function:-

- Municipal Demarcation Act;
- Local Government: Municipal Structures Act, 1998 (Act No. 117 of 1998) as amended;
- Local Government: Municipal System Act, 2000 (Act No 32 of 2000) as amended;
- Municipal Planning and Performance Management Regulations, (Regulation No. R796, 24 August 2001); and
- Local Government: Municipal Finance Management Act, 2003 (No. 56 of 2003) as amended.

Annual Review and Amendment of the Integrated Development Plan

The Engcobo IDP for 2014/2015 is based on the following prescripts:-

A Municipal Council:

- Must review its Integrated Development Plan annually in accordance with an assessment of its performance measurements, and to the extent that changing circumstances so demand a review;
- May amend its Integrated Development Plan in accordance with a prescribed process (Local Government Municipal Systems Act, 2000, Section 34).

The Mayor of a municipality must co-ordinate the annual revision of the Integrated Development Plan in terms of Section 34 of the Municipal Systems Act, and determines how the Integrated Development Plan is to be taken into account or is to be revised for the purposes of preparing the annual budget. Section 53 (1) (b) of the Municipal Finance Management Act, 2003 (Act 56 of 2003) as amended

The Engcobo Municipality’s Integrated Development Plan under review for 2015/2016 is structured as follows:

Chapter 1	Situational Analysis
Chapter 2	Vision, Mission and Objectives
Chapter 3	IDP Review Process
Chapter 4	Strategic Alignment with Key National, Provincial and District Government
Chapter 5	Status Quo Assessment and Key Performance Areas <ul style="list-style-type: none"> <input type="checkbox"/> Institutional Development and Transformation <input type="checkbox"/> Service Delivery and Infrastructure Development <input type="checkbox"/> Local Economic Development <input type="checkbox"/> Financial Viability <input type="checkbox"/> Good Governance and Public Participation
Chapter 6	<ul style="list-style-type: none"> <input type="checkbox"/> Programmes and Projects <input type="checkbox"/> Unfunded Projects
Chapter 7	High Level Sector Plans

DRAFT

CHAPTER 4: STRATEGIC ALIGNMENT WITH KEY NATIONAL, PROVINCIAL AND DISTRICT GOVERNMENT

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

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

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

- The Constitution of the Republic of South Africa.
- Municipal Structures Act No 117 of 1998.
- Municipal Systems Act No. 32 of 2000.
- Municipal Finance Management Act No. 56 of 2003.
- Millennium Development Goals-2015.
- National Development Plan 2030
- Batho pele Principles 1998
- National Spatial Development Perspective.
- Accelerated Shared Growth Initiative for South Africa (ASGISA).
- Provincial Growth Development Strategy.
- Joint Initiative on Priority Skills Acquisition (JIPSA).
- IDP Guides and Spatial Development Framework (SDF).

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

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

- a) links, integrates and co-ordinates plans and takes into account proposals for the development of the municipality;*
- b) aligns the resources and capacity of the municipality with the implementation of the plan;*
- c) forms the policy framework and general basis on which annual budgets must be based;*
- d) complies with the provisions of this Chapter; and*

- e) *Is compatible with national and provincial development plans and planning requirements binding on the municipality in terms of legislation”.*

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

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

Section 36 furthermore stipulates that:

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

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

The MSA thus places a legislative duty on municipalities to adopt a single, inclusive and strategic plan (Integrated Development) for the development of the municipality which links; integrates an co-ordinates plans and takes into account proposals for the development of the municipality; aligns the resources and capacity of the municipality with the implementation of the plan; and forms the policy framework and general basis on which annual budgets must be based. The compilation of Integrated Development Plans by municipalities is regulated in terms of the Municipal Systems Act (Act 32 of 2000).

Moving from the premise that Engcobo municipality is an integral part of the South African developmental State, this chapter strives for synergy with the programmes of other organs of state, particularly at a strategic level.

This section lists the numerous Plans and Strategic initiatives that have informed and influenced the macro strategic direction followed by Engcobo municipality over the last few years. The democratization of Local Government demanded the crafting of new legislation, policies and strategies which have been tried and tested over the past ten to fourteen years. In retrospect some have worked very well and other held unintended consequences which necessitates continues redesign of policies and new approached to be tested. In this way some objectives and strategies at all levels of government have been modified over time to improve developmental effectiveness. Instilled in all these initiatives and objectives, old and emerging, is the welfare of South Africans citizens and for this reason Engcobo municipality will show the connectivity through to the Outcome 12 drive, in as far as it relates to local government.

4.1. MILLENIUM DEVELOPMENT GOALS

As a member state of the United Nations, South Africa is a signatory to the MDG agreement. South Africa has committed to eight global development priorities termed the Millennium Development Goals (MDGs). The eight MDGs are listed in their numerical order below:

- i. To eradicate extreme poverty and hunger
- ii. To achieve universal primary education
- iii. To promote gender equality and empower women
- iv. To reduce child mortality
- v. To improve maternal health
- vi. To combat HIV and AIDS, malaria and other diseases
- vii. To ensure environmental sustainability
- viii. To develop a global partnership for development

South Africa considers this global agenda as the single most important agenda for resolving its development challenges and has incorporated these eight MDGs into a national set of ten priorities.

4.2 SUMMARY OF THE NATIONAL DEVELOPMENT PLAN 2030

High-level objectives to be achieved by 2030

- Reduce the number of people who live in **households with a monthly income below R419 per person** (in 2009 prices) from 39 percent to zero.
- Reduce **inequality**, as measured by the [Gini coefficient](#), from 0.69 to 0.6.
- To make meaningful progress in eliminating poverty and reducing inequality, South Africa needs to write a new story. The National Planning Commission envisions a South Africa where **opportunity is determined not by birth, but by ability, education and hard work**.
- Above all, we need **to improve the quality of education and ensure that more people are working**. We need to make the most of all our people, their goodwill, skills and resources. This will spark a cycle of development that expand opportunities, builds capabilities and raises living standards. We cannot continue with business as usual. We need to change the way we do things; the sooner we do this, the better.

Enabling milestones

- Increase employment from 13 million in 2010 to 24 million in 2030.
- Raise per capita income from R50 000 in 2010 to R120 000 by 2030.

- ❑ Increase the share of national income of the bottom 40 percent from 6 percent to 10 percent.
- ❑ Establish a competitive base of infrastructure, human resources and regulatory frameworks.
- ❑ Ensure that skilled, technical, professional and managerial posts better reflect the country's racial, gender and disability makeup.
- ❑ Broaden ownership of assets to historically disadvantaged groups.
- ❑ Increase the quality of education so that all children have at least two years of preschool education and all children in grade 3 can read and write.
- ❑ Provide affordable access to quality health care while promoting health and wellbeing.
- ❑ Establish effective, safe and affordable public transport.
- ❑ Produce sufficient energy to support industry at competitive prices, ensuring access for poor households, while reducing carbon emissions per unit of power by about one-third.
- ❑ Ensure that all South Africans have access to clean running water in their homes.
- ❑ Make high-speed broadband internet universally available at competitive prices.
- ❑ Realize a food trade surplus, with one-third produced by small-scale farmers or households.
- ❑ Ensure household food and nutrition security.
- ❑ Entrench a social security system covering all working people, with social protection for the poor and other groups in need, such as children and people with disabilities.
- ❑ Realize a developmental, capable and ethical state that treats citizens with dignity.
- ❑ Ensure that all people live safely, with an independent and fair criminal justice system.
- ❑ Broaden social cohesion and unity while redressing the inequities of the past.
- ❑ Play a leading role in continental development, economic integration and human rights.

Critical actions

- ❑ A social compact to reduce poverty and inequality, and raise employment and investment.

- ❑ A strategy to address poverty and its impacts by broadening access to employment, strengthening the social wage, improving public transport and raising rural incomes.
- ❑ Steps by the state to professionalize the public service, strengthen accountability, improve coordination and prosecute corruption.
- ❑ Boost private investment in labor-intensive areas, competitiveness and exports, with adjustments to lower the risk of hiring younger workers.
- ❑ An education accountability chain, with lines of responsibility from state to classroom.
- ❑ Phase in national health insurance, with a focus on upgrading public health facilities, producing more health professionals and reducing the relative cost of private health care.
- ❑ Public infrastructure investment at 10 percent of gross domestic product (GDP), financed through tariffs, public-private partnerships, taxes and loans and focused on transport, energy and water.
- ❑ Interventions to ensure environmental sustainability and resilience to future shocks.
- ❑ New spatial norms and standards – densifying cities, improving transport, locating jobs where people live, upgrading informal settlements and fixing housing market gaps.
- ❑ Reduce crime by strengthening criminal justice and improving community environments.

Building a future for South Africa's Youth

South Africa has an urbanizing, youthful population. This presents an opportunity to boost economic growth, increase employment and reduce poverty. The Commission, recognizing that young people bear the brunt of unemployment, adopted a "youth lens" in preparing its proposals, which include:

- ❑ A nutrition intervention for pregnant women and young children
- ❑ Universal access to two years of early childhood development
- ❑ Improve the school system, including increasing the number of students achieving above 50 percent in literacy and mathematics, increasing learner retention rates to 90 percent and bolstering teacher training
- ❑ Strengthen youth service programmes and introduce new, community-based programmes to offer young people life-skills training, entrepreneurship training and opportunities to participate in community development programmes

- ❑ Strengthen and expand the number of further education and training (FET) colleges to increase the participation rate to 25 percent
- ❑ Increase the graduation rate of FET colleges to 75 percent
- ❑ Provide full funding assistance covering tuition, books, accommodation and living allowance to students from poor families
- ❑ Develop community safety centers to prevent crime and include youth in these initiatives
- ❑ A tax incentive to employers to reduce the initial cost of hiring young labor-market entrants
- ❑ A subsidy to the placement sector to identify, prepare and place matric graduates into work. The subsidy will be paid upon successful placement
- ❑ Expand learnerships and make training vouchers directly available to job seekers
- ❑ A formalized graduate recruitment scheme for the public service to attract highly skilled people
- ❑ Expand the role of state-owned enterprises in training artisans and technical professionals.

Progress

As a country, progress has been substantial and our history provides many examples of South African coming together to achieve amazing things: our democratic transition, our constitution and regular and credible elections.

We still have a lot to do if we are to move towards the inclusive and just society envisaged in our constitution by 2030. Fortunately the challenges that confront us are not insurmountable.

The success of this plan will be judged by its ability to change relationships among people, within families, between people and the state and within the state itself. The plan is about bringing transformation - to achieve a virtuous cycle of confidence and trust a growing economy and expanding opportunities.

To achieve our vision, each South African must make a contribution. Active citizenry requires showing inspirational leadership at all levels of society, Leaders should mobilize communities to take charge of their future, raise grievances and assume responsibility for ensuring outcomes achieved.

Elements of a decent standard of living

Income, through employment or social security, is critical to defining living standards, but human beings need more than income. ***They need adequate nutrition, they need transport to get to work, and they desire safe communities and clean neighbourhoods.*** These elements require action either from individuals, government, communities or the private sector.

The National Development Plan makes a firm commitment to achieving a minimum standard of living which can be progressively realized through a multi-pronged strategy. In the plan, we do not define that minimum standard of living but we do provide a framework for the adoption of a minimum standard of living by society. This approach is consistent with the Commission's view that the achievement of such a floor would require support and participation from all social partners and hence its definition is left for ongoing work of the Commission.

Going forward

In the remainder of its five-year term, the Commission will raise awareness of the plan among stakeholders, drive a long-term research agenda and advise government and society on the implementation of the plan. We will also work with the Department of Performance Monitoring and Evaluation to monitor the implementation of the plan.

4.3 COGTA: NATIONAL KEY PERFORMANCE AREAS FOR MUNICIPALITIES

Department of Cooperative Governance and Traditional Affairs (**CoGTA**) assess the progress made by municipalities against five Key Performance Areas (KPA) and cross-cutting interventions adopted in the 5-Year Local Government Strategic Agenda. The five KPAs that form the basis of the assessments are:

- KPA 1:** Municipal Transformation and Organizational Development;
- KPA 2:**Basic Service Delivery;
- KPA 3:**Local Economic Development (LED);
- KPA 4:**Municipal Financial Viability and Management; and
- KPA 5:** Good Governance and Public Participation.

The above allow CoGTA to determine how well each municipality is performing, compare its performance to targeted goals, create measures to improve performance, identify the municipalities that have under-performed and propose remedial action to improve performance of municipalities.

4.4 BATHO PELE PRINCIPLES (1998)

1. **CONSULTATION:** Citizens should be consulted about the level and quality of public service they receive, and where possible, should be given a choice about the services which are provided
2. **SERVICE STANDARDS:** Citizens should know what standards of service to expect
3. **ACCESS:** All citizens should have equal access to the services to which they are entitled
4. **COURTESY:** Citizens should be treated with courtesy and consideration
5. **INFORMATION:** Citizens should be given full and accurate information about the public services they are entitled to
6. **OPENNESS AND TRANSPARENCY:** Citizens should know how departments are run, how resources are spent, and who is in charge of particular services
7. **REDRESS:** If the promised standard of service is not delivered, citizens should be offered an apology, a full explanation, and a speedy and effective remedy, and when complaints are made, citizens should receive a sympathetic, positive response.

4.5 NATIONAL SPATIAL DEVELOPMENT PERSPECTIVE (NSDP)

The NSDP principles below suggest that a planning approach must take into account the economic development potential of areas where the public sector is to invest:-

- Rapid economic growth that is sustained and inclusive is a pre-requisite for the achievement of poverty alleviation;
- Government has a constitutional obligation to provide basic services to all citizens, wherever they reside;
- Government spending on fixed investment, should be focused on localities of economic growth and/or economic potential;
- Efforts to address past and current social inequalities should focus on people not places;
- Localities with high levels of poverty and low development potential, public spending should focus on human resource development.

4.6 AsgiSA/JIPSA

The main objectives of the Accelerated and Shared Growth Initiative (AsgiSA) and the Joint Initiative on Skills Acquisition (JIPSA) are:-

- Skills development
- Mainstreaming the second economy
- Infrastructure development

4.7 RURAL DEVELOPMENT STRATEGY (RDS)

The rural development strategy vision is “sustainable growth and development for improved quality of life. Strategy is based on two goals and six objectives which give rise to six pillars namely;

Goal 1: Socio-economic and ecological development and transformation of rural areas.

Objective 1: Implement agrarian reform programmes

Objective 2: Enabling institutional environment for rural development and increasing the rate of implementation of the land reform programme

Objective 3: Create decent jobs through farm and non-farm employment outside urban areas. The strategic priorities of this pillar are agro – processing, forestry, marine and aqua-culture tourism and LED and small scale industry

Objective 4: Fast track development of social and economic infrastructure

Objective 5: Growing the agricultural sector, ensure household food security for all and contribute significantly to national food security.

Implementation of the Rural Development Strategy

Engcobo Municipality consists of two dimensions, the one is urban in nature and the other is rural with large tracks of communal and farm lands.

4.8 EASTERN CAPE PROVINCIAL GROWTH AND DEVELOPMENT

The PGDP was designed to capture the following:

- A ten-year vision of sustainable growth and human development in the Province.
- A strategy plan, a set of feasible programmes and a fiscal framework designed to expedite achievement of the national goal of “a better life for all” and the Province’s then vision of an “Eastern Cape devoid of the imbalances and inequities of the past, with integrated and balanced development”.
- Growth and poverty reduction targets that inform a set of feasible and affordable programmes underpinned by broad-based consensus on the human development path to be followed by the Province.
- Programmes to address the short-term needs and crises of the Province, as well as communitybased human and income poverty reduction initiatives.

Programmes:

1. Programme Area: Agrarian Transformation and Food Security
2. Programme Area: Fighting Poverty
3. Programme Area: Public Sector Transformation
4. Programme Area: Infrastructure Development
5. Programme Area: Manufacturing Diversification and Tourism
6. Programme Area: Human Resource Development

4.9 LOCAL GOVERNMENT TURN AROUND STRATEGY (LGTAS)

The Department of Local Government and Traditional Affairs in the Eastern Cape, in collaboration with the Department of Cooperative Governance and Traditional Affairs (COGTA), introduced a new approach to assist municipalities towards improving service delivery, through the development of a Local Government Turn Around Strategy (LGTAS) which embraces, inter alia, the Municipal Capacity Assessment Tool (MUCAT). Both approaches are based on the principle that “One size fits all does not work”

The main objectives of the LGTAS are:

- to ensure that municipalities meet the basic needs of communities
- to build clean, effective, efficient, effective responsive and accountable local government
- to improve performance and professionalism in municipalities
- to improve national and provincial policy, oversight and support
- to strengthen partnerships between communities, civil society and local government

LGTA Implementation Framework

The LGTAS is ‘everybody’s business.’ This refers to each sphere of government, working both vertically and horizontally, and with key stakeholders, to realize the objectives of the LGTAS. This means that detailed intergovernmental reporting will be required for the immediate pre-2014 and post 2014 implementation.

The implementation will comprise of the following:

- A Short term focus up to June 2015
- A Medium term focus from June 2014 to 2015

IMMEDIATE: POST-2014

- a) Policies developed and implemented
- b) Positions advertised and filled (including critical ones such as of Section 56)
- c) Cascading of Performance Management System for Middle Managers
- d) Training of employees, Councilors and ward committees
- e) Development and implementation of all required strategies
- f) Conduct LLF meetings on monthly basis
- g) Timely submission of AFS, IDP, SDBIP, Budget and Annual report
- h) Ring fencing of conditional grant
- i) Conforming to Financial Management Systems and Supply Chain Processes
- j) Upscale community works program ward based communities
- l) Development of the Revenue Enhancement Plan
- m) Governance values communicated and “good citizenship” campaign initiated
- n) Fully functional risk committee and risk champion identified

It is clear looking at the sequencing of the strategies above that the approach is evolving. Phase 1 of the LGTAS was a basic high impact plan that has been absorbed into a more comprehensive and complex development strategy. Specific functions have been outlined for each of the three spheres with predetermined expected outputs and provides for interaction between departments and municipalities. Engcobo Municipality has strived to align the LGTAS into the IDP taking into account the MDG and Outcome 12 priorities. Therefore, in going forward the remaining LGTAS actions and new outcome 12 outputs will be reported upon during the mid-year and Annual Report for 2014/15

4.10 MEDIUM TERM STRATEGIC FRAMEWORK

Through a policy commitment to 'continuity of change', each successive administration built on the development successes achieved, as well as to take stock of on-going challenges and develop strategic responses to address these limitations to growth and development.

Toward this goal the Medium Term Strategic Framework (MTSF, 2009–2014) is the most important Policy instrument as it contains a statement of governments' development intent. It identifies the development challenges facing South Africa and outlines the medium-term strategy for improving living conditions of South Africans. It is meant to guide planning and resource allocation across all spheres of government. National and provincial departments in particular need to develop their five-year strategic plans and budget requirements, taking into account the medium-term imperatives. Similarly, informed by the MTSF and their 2006 mandates, municipalities are expected to adapt their integrated development plans in line with the national medium-term priorities.

The MTSF contain the following five development objectives:

- Halve poverty and unemployment by 2014;
- Ensure a more equitable distribution of the benefits of economic growth and reduce inequality;
- Improve the Nation's health profile and skills base and ensure universal access to basic services;
- Build a nation free of all forms of racism, sexism, tribalism and xenophobia; and
- Improve the safety of citizens by reducing incidents of crime and corruption.

4.11 OUTCOME 12

National Government has agreed on 12 outcomes as a key focus of work between now and 2014. These outcomes have been expanded into high-level outputs and activities, which in turn formed the basis of a series of performance agreements between the President and relevant Ministers.

Whilst all of the outcomes can to some extent be supported through the work of local government, **Outcome 9** (A responsive, accountable, effective and efficient local government system) and its 7 outputs are specifically directed at local government:

From the development focus of the MTSF the government has derived twelve outcome areas that set the guidelines for more results-driven performance. Cabinet has accordingly agreed on the following twelve key outcomes listed in their numerical order below:-

1. Improved quality of basic education;
2. A long and healthy life for all South Africans;

3. All people in South Africa are and feel safe;
4. Decent employment through inclusive economic growth;
5. A skilled and capable workforce to support and inclusive growth path;
6. An efficient, competitive and responsive economic infrastructure network;
7. Vibrant, equitable and sustainable rural communities with food security for all;
8. Sustainable human settlements and improved quality of household life;
9. A responsive, accountable, effective and efficient local government system;
10. Environmental assets and natural resources that is well protected and continually enhanced;
11. Create a better South Africa and contribute to a better and safer Africa and world;
12. An efficient, effective and development oriented public service and an empowered, fair and inclusive citizenship.

4.12 THE NEW GROWTH PATH

This National Policy Framework deals specifically with issues such as creating decent work, reducing inequality and defeating poverty through ***“a restructuring of the South African economy to improve its performance in terms of labour absorption as well as the composition and rate of growth”***. Important and of practical consequence to local government, are the specific job drivers that have been identified:

- Substantial public investment in infrastructure both to create employment directly, in construction, operation and maintenance as well as the production of inputs, and indirectly by improving efficiency across the economy;
- Targeting more labour-absorbing activities across the main economic sectors – the agricultural and mining value chains, manufacturing and services;
- Taking advantage of new opportunities in the knowledge and green economies;
- Leveraging social capital in the social economy and the public services; and
- Fostering rural development and regional integration.

CHAPTER 5: STATUS QUO ASSESSMENT PER KEY PERFORMANCE AREA

IDP thematic clusters are conducted in-depth within the analysis of the situation at Engcobo Local Municipality. The situation analysis has been categorized according to the five (5) Local Government Key Performance Areas namely:

Local Government Key Performance Areas (KPA's)		
KPA #	KPA	Definition
Key Performance Area 1	Municipal Transformation and Organisational Development	To provide an effective and efficient workforce by aligning institutional arrangements to our overall strategy in order to deliver quality services.
Key Performance Area 2	Infrastructure Development and Service Delivery	To ensure efficient infrastructure and service delivery for the improvement of quality of life for all citizens within Engcobo
Key Performance Area 3	Local Economic Development	To facilitate sustainable economic empowerment for all communities within Engcobo and enabling a viable and conducive economic environment through the development of related initiatives including conducive environment for job creation and skills development
Key Performance	Municipal Financial Viability and	To ensure the financial sustainability of the

Area 4	Management	municipality in order and to adhere to statutory requirements
Key Performance Area 5	Good Governance and Public Participation	To promote proper governance, accountability and public participation in municipal issues

5.1 KEY PERFORMANCE AREA 1: MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT

The legal framework guiding the institutional aspects of the IDP is contained in acts such as the Municipal Structures Act 117 of 1998, the Municipal Systems Act 32 of 2000, the Municipal Finance Management Act 56 of 2003, as well as the labor legislation applicable to workplaces in the Republic of South Africa.

The municipality has one administrative area being Engcobo municipality based in Engcobo town; all municipal offices are situated at Union Street No.58. The challenge the municipality is currently facing is shortage of office space; however the process of procuring a service provider to build municipal offices is in place.

5.1.1 Human Resource Plan

The municipality has developed a Human Resource Plan and was adopted by Council on 31st May 2014. The purpose of this plan is to guide the municipality in the management of its human resources, assist the planning for future service delivery needs and analyze the gap between the demand and supply which will eventually yield strategies for gap closure.

5.1.2 Municipal Powers and Functions

The Engcobo Local Municipality is a category B municipality mandated to perform those powers and functions vested in Engcobo area as contemplated in schedules 4 and 5 of the Constitution of the Republic of South Africa, Act 108 of 1996. In addition to these powers and functions as contemplated in the Act, the municipality is mandated to perform such functions and powers as determined by the MEC responsible for Local Government and as gazetted by the province. In relation to this, therefore, the core mandate is the supply of access road maintenance and construction, firefighting, municipal planning, tourism, local economic development and maintenance of electrification as per the agreement entered into between the municipality and Eskom. The table below further illustrates powers and functions vested in the district and those allocated to the various local municipalities within the district jurisdiction.

FUNCTION	CHRIS HANI DM	LUKHANJI LM	INTSIKAYETHULM	ENGCOBO LM	SAKHISIZWE LM	ELM	TSOLWANA LM	INKWANCA LM	INXUBAYETHEMBA LM
Air pollution	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Building	N/A	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes

regulations									
Child Care facilities	N/A	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Electricity reticulation	N/A								
Fire Fighting	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Local Tourism	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Municipal Planning	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Municipal Health Services	Yes	No	No	No	No	No	No	No	No
Municipal Public Transport	Regulation	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Storm water	N/A	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Trading regulations	N/A	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Water (potable)	Bulk supply	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Sanitation	Bulk supply	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Schedule 5 part b									
Billboards and the display of adverts in public places	N/A	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Cemeteries, Crematoria and funeral parlors	N/A	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Cleansing	N/A	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Control of public	N/A	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes

nuisances									
Control of undertakings that sell liquor to the public	N/A	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Fencing and fences	N/A	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Licensing and control of undertakings that sell food to the public	Yes	No	No	No	No	No	No	No	No
Local amenities	N/A	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Local sport facilities	N/A	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Markets	N/A	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Municipal abattoirs	N/A	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Municipal parks and recreational facilities	N/A	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Municipal roads	N/A	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Noise pollution	N/A	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Pounds	N/A	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Public places	N/A	Yes	Yes		Yes	Yes	Yes	Yes	Yes
Refuse removal, refuse dumps and solid waste disposal	Management of solid waste sites	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Street	N/A	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes

trading									
Street lighting	N/A	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Traffic and parking	N/A	Yes	Yes	yes	N/A	N/A	N/A	N/A	N/A
Licensing of vehicles	N/A	Yes	Yes	Yes	N/A	N/A	N/A	N/A	N/A
Road maintenance (Agent: DORT)	Yes	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Libraries	N/A	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes

5.1.2 Employee summary

All Section 56 positions have been filled except for Community Services Manager; the post was re-advertised due to unavailability of a suitable candidate and is an employment equity post.

There are two posts that are on contractual basis other than Section 56 posts, namely Troika Manager and Senior Accountant. The positions are on a five (5) year fixed term contract.

The municipality has adopted the code of conduct As stipulated in schedules 1 & 2 of the Municipal Systems Act. All Councilors and Employees have signed the code of conduct

TOTAL NUMBER OF EMPLOYEES	155	OF THE TOTAL NUMBER OF EMPLOYEES, HOW MANY ARE:			COUNCIL LORS	40	SECTION 56 & SECTION 57 EMPLOYEES			8	CONTRACT EMPLOYEES			2					
OFO CODE	OCCUPATION CATEGORY	FEMALE			MALE		TOTAL		AGE GROUPS			TOTAL			PWD		NON-SA		
		A	C	I	W	A	C	I	W	35 and below	35-55	>55	AGE	A	C	I	W		
1 – MANAGERS																			
11 – LEGISLATORS																			
111101	Executive Mayor						1			1		1		1					
111101	Speaker	1								1		1		1					
111101	Chief Whip						1			1		1		1					

111101	Member of Mayoral Committee	4				2				6	1	5		6					
111101	Ward Committee/PR Councillor	15					19			34	2	28	4	34					
111301	Traditional Leader (Paid by the Municipality)									0				0					
111301	Traditional Leader (Paid by The Provincial Dept)					72				72	3	60	9	72					
SUB-TOTAL : LEGISLATORS -		20	0	0	0	76	19	0	0	115	6	96	13	115	0	0	0	0	0
12 – MANAGERS																			
111203	Municipal Manager					1				1		1		1					
111203	Deputy City Manager	2				1				3	1	2		3					
111203	Chief Operating Officer									0				0					
111204	Spokesperson									0				0					
121101	Chief Financial Officer					1				1	1			1					
121102	Payroll Manager									0				0					
121103	Credit Manager									0				0					
121104	Internal Audit Manager									0				0					
121201	Personnel / Human Resources Manager									0				0					
121202	Training and Development Manager									0				0					
121203	Compensation and Benefits Manager									0				0					
121204	Recruitment Manager									0				0					
121205	Employee Wellness Manager									0				0					

121206	Health and Safety Manager								0				0				
121301	Policy and Planning Manager	1							1	1			1				
121902	Corporate Services Manager	1							1	1			1				
121903	Asset Manager								0				0				
121904	Contract Manager								0				0				
121905	Project Manager								0				0				
121908	Quality Systems Manager								0				0				
122103	Director of Marketing								0				0				
122201	Public Relations Manager								0				0				
122301	Research Manager								0				0				
132301	Construction Project Manager				1				1	1			1				
132401	Supply Chain Manager								0				0				
132405	Fleet Manager								0				0				
133101	Chief Information Officer								0				0				
133102	ICT Project Director								0				0				
133105	Information Technology Manager				1				1	1			1				
133106	Information Systems Director								0				0				
134203	Primary Health Organisation Manager								0				0				
134401	Social Services Manager								0				0				
134402	Community Development Manager								0				0				

134901	Environmental Manager											0				0					
134902	Laboratory Manager											0				0					
134904	Officer Manager											0				0					
134907	Archives Manager (Committee Manager)											0				0					
134908	Library Manager											0				0					
134909	Museum Manager											0				0					
134912	Commissioned Fire and Rescue Officer											0				0					
143104	Arts and Culture Manager											0				0					
143105	Sports Administrator											0				0					
143901	Facilities Manager											0				0					
143904	Security Services Manager											0				0					
143905	Call or Contact Centre Manager											0				0					
143906	Caravan Park and Camping Ground Manager											0				0					
134999	Disaster Management Manager											0				0					
SUB-TOTAL : MANAGERS -		4	0	0	0	5	0	0	0	9	3	6	0	9	0	0	0	0	0	0	0
2 - PROFESSIONALS																					
213301	Conservation Officer											0				0					
213302	Environmental Officer											0				0					
213305	Air Quality Technician											0				0					
213306	Water Quality Technician											0				0					

213307	Park Ranger														0						0									
214201	Civil Engineer														0							0								
214202	Civil Engineering Technologist														0							0								
215101	Electrical Engineer														0							0								
215102	Electrical Engineering Technologist														0							0								
216101	Architect														0							0								
216401	Urban and Regional Planner														0							0								
216402	Transport Analyst														0							0								
222104	Registered Nurse (Community Health)														0							0								
222116	Nurse Manager														0							0								
226301	Environmental Health Officer														0							0								
226302	Safety, Health, Environment and Quality (SHE&Q)														0							0								
241101	Accountant (General)	1													1		1					1								
241102	Management Accountant							1							1		1					1								
241103	Tax Practitioner/Consultant														0							0								
241107	Financial Accountant	1						1							2		2					2								
242102	Work Study Officer														0							0								
242202	Policy Analyst/Researcher														0							0								
242203	Company Secretary	1													1		1					1								
224901	Local Economic Development Officer/Coordinator	1													1		1					1								

	tor																	
224902	Liaison Officer					1						1	1					1
242207	Compliance Officer (Risk Officer)											0						0
242208	Organisational Risk Manager											0						0
242211	Internal Auditor					1						1	1					1
242302	Skills Development Facilitator/Practitioner					1						1	1					1
242303	Human Resource Officer					1						1	1					1
242304	Industrial Relations Officer											0						0
242307	Recreation Officer					1						1	1					1 1
242401	Training Officer											0						0
243201	Media Liaison Officer/Communication Coordinator											0						0
243203	Director Public Relations											0						0
243204	Protocol Officer											0						0
251101	ICT Specialist											0						0
251302	Web Developer											0						0
252101	Database Administrator											0						0
252201	Systems Administrator											0						0
252301	Systems Engineer											0						0
252902	ICT Support Services Manager											0						0
261102	Lawyer											0						0
262102	Gallery or Museum Curator											0						0
262201	Librarian	1										1	1					1

262202	Records Manager													0					0									
263101	Economist													0					0									
263510	Employee Assistance Practitioner	1												1	1				1									
264301	Interpreter													0					0									
264302	Translator													0					0									
331501	Property Valuer													0					0									
341110	Legal Advisor/Officer													0					0									
399999	Disaster Management Coordinator/Officer					1								1	1				1									
SUB-TOTAL : PROFESSIONALS -		6	0	0	0	8	0	0	0	14	5	9	0	14	1	0	0	0	0	0	0	0	0	0	0	0	0	0
3 - TECHNICIANS AND TRADE WORKERS																												
311101	Chemistry Technician													0					0									
311201	Civil Engineering Technician					2								2	2				2									
311203	Town Planning Technician	1												1	1				1									
311301	Electrical Engineering Technician													0					0									
311501	Mechanical Engineering Technician													0					0									
311801	Draughtsperson													0					0									
311904	Quantity Surveying Technician													0					0									
312301	Building Construction Supervisor													0					0									
313201	Water Plant Operator	6				6								12	10	2			12									
313202	Waste Materials Plant Operator													0					0									
314101	Microbiology Technician													0					0									

314102	Environmental Science Technician											0							0									
325701	Environmental and Occupational Health Inspector											0								0								
335913	Building Site Inspector											0								0								
343101	Photographer											0								0								
351301	Computer Network Technician					1						1	1							1								
351302	Geographic Information Systems Specialist/Technician											0								0								
351401	Website Administrator											0								0								
611302	Parks Caretaker /Groundskeeper											0								0								
611304	Horticulturist											0								0								
641201	Bricklayer											0								0								
641301	Stonemason											0								0								
642601	Plumber (General)					3						3	1	2						3								
642605	Plumbing Inspector											0								0								
653101	Automotive Motor Mechanic											0								0								
653303	Fitter (General)											0								0								
671101	Electrician (General)											0								0								
671202	Millwright (Electromechanic)											0								0								
671302	Technical Cable Joiner											0								0								
SUB-TOTAL : TECHNICIANS AND TRADE WORKERS -		7	0	0	0	12	0	0	0	0	19	1	4	0	19	0	0	0	0	0	0	0	0	0	0	0	0	0
4 - COMMUNITY AND PERSONAL SERVICE WORKERS																												

323102	Ancillary Health Care Worker										0					0					
325802	Paramedic										0					0					
341201	Community Development Worker										0					0					
342201	Sports Development Officer										0					0					
SUB-TOTAL : COMMUNITY AND PERSONAL SERVICE WORKERS -		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
5 - CLERICAL AND ADMINISTRATIVE WORKERS																					
331301	Finance Clerk/Administrator										1					1	1				1
332302	Procurement Clerk	1									1					2	2				2
333905	Supply Chain Practitioner										1					1	1				1
334101	Officer Supervisor															0					0
334102	Office Administrator	1														1	1				1
334201	Legal Secretary															0					0
334302	Executive Assistant															0					0
335401	Driver Licensing Examiner/Officer	1									1					2	2				2
411101	Administrative Assistant	3														5	2	3			5
412101	Secretary (General)	2														2	1	1			2
413101	Typist															0					0
413201	Data Capturer															0					0
422206	Call or Contact Centre Agent															0					0
422301	Switchboard Operator															0					0
422501	Client Liaison Officer															0					0

422601	Receptionist (General)	1								1	1			1					
431101	Accounting Clerk									0				0					
431103	Taxation Clerk									0				0					
431301	Payroll Clerk	1								1	1			1					
432101	Stock/Stores Officer	1								1	1			1					
441101	Library Assistant	1								1	1			1					
441501	Records Clerk / Coordinator	1								1	1			1					
441502	Office Machine Operator									0				0					
441601	Human Resource Clerk	1								1	1			1					
441602	Skills Development Administrator									0				0					
441902	Contract Administrator									0				0					
441903	Programme / Project Coordinator									0				0					
441905	Communication Officer / Assistant									0				0					
672206	Radio Operator									0				0					
SUB-TOTAL : CLERICAL AND ADMINISTRATIVE WORKERS -		14	0	0	0	6	0	0	0	20	10	0	0	20	0	0	0	0	0
6 - SALES AND SERVICE WORKERS																			
511301	Gallery / Museum Guide									0				0					
511302	Tour Guide									0				0					
515301	Caretaker				1					1			1	1					
516401	Animal Attendant									0				0					
516403	Zookeeper/Zoo attendant									0				0					
523102	Cashier	2			1					3	2	1		3					
541101	Fire Fighter				1					1	1			1					

541201	Traffic Officer	1				1				2	2		2						
541202	Police Officer									0			0						
541401	Security Officer					2				2		2	2						
541901	Lifeguard									0			0						
541902	Emergency Service and Rescue Official									0			0						
SUB-TOTAL : SALES AND SERVICE WORKERS -		3	0	0	0	6	0	0	0	9	2	4	3	9	0	0	0	0	0
7 - MACHINERY OPERATORS AND DRIVERS																			
732101	Driver					2				2	1	1		2					
732201	Chauffeur									0				0					
732203	Emergency Vehicle Driver									0				0					
733101	Bus Driver									0				0					
733201	Truck Driver (General)					10				10	5	5		10					
733209	Road Marker									0				0					
734201	Earthmoving Plant Operator									0				0					
734204	Excavator Operator									0				0					
734205	Grader Operator					1				1	1			1					
SUB-TOTAL : MACHINERY OPERATORS AND DRIVERS -		0	0	0	0	13	0	0	0	13	1	7	5	13	0	0	0	0	0
8 - ELEMENTARY WORKERS																			
811201	General Worker									0				0					
811203	Tea Attendant									0				0					
811204	Caretaker/cleaner	5								5	1	4		5					
812902	Swimming Pool Cleaner					1				1	1			1					
821401	Garden Worker					1				1	1			1					
831301	Builders Worker									0				0					
831302	Drainage, Sewerage and Storm Water					4				4	4			4					

	Worker																		
831303	Earthmoving Worker								0				0						
831304	Plumbers Assistant				2				2		2		2						
861101	Recycling / Rubbish Collector	14			24				38	4	23	11	38						
862202	Handyperson				1				1		1		1						
862301	Meter Reader				3				3		3		3						
862918	Electrical / Telecommunications Trades Assistant								0				0						
862919	Mechanics Assistant								0				0						
SUB-TOTAL : ELEMENTARY WORKERS -		19	0	0	0	36	0	0	0	55	5	39	11	55	0	0	0	0	0
TOTAL									254		TOTAL	254	1		0	0	0	0	

5.1.3 Organisational Structure

The municipality reviews organogram on annual basis; the 2014/15 organogram was reviewed and adopted by Council on the 31 May 2014. It has 254 total posts of which 163 are filled and 91 are unbudgeted for. The Municipality is in a process of reviewing the 2015/16 organogram.

All posts in the organizational structure have available job descriptions and they are in the process of being evaluated.

This section will deal with the following key focus areas:

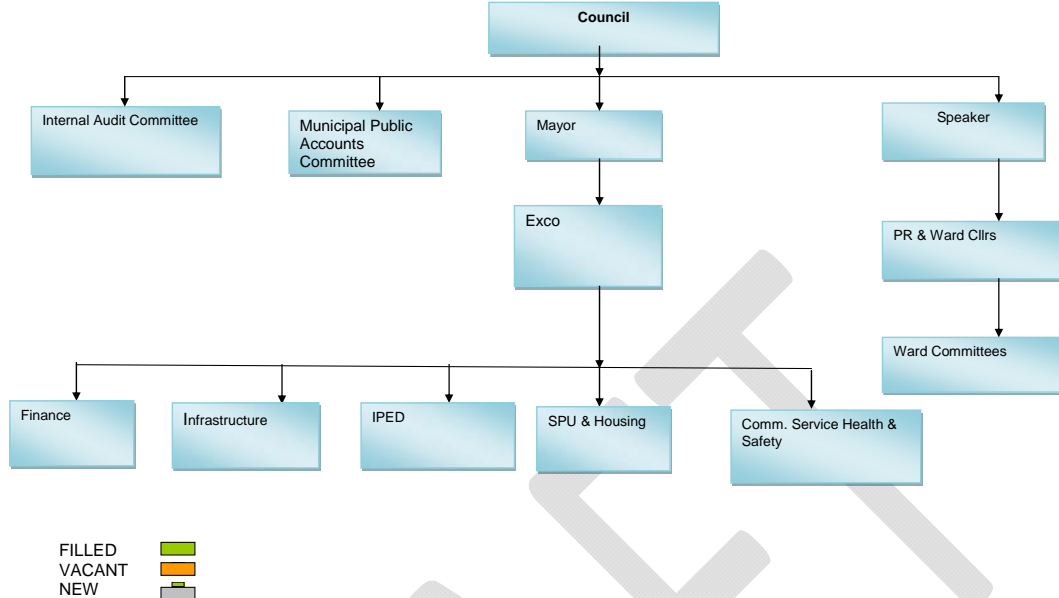
Organizational structure of Engcobo Local Municipality: Council Structure

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

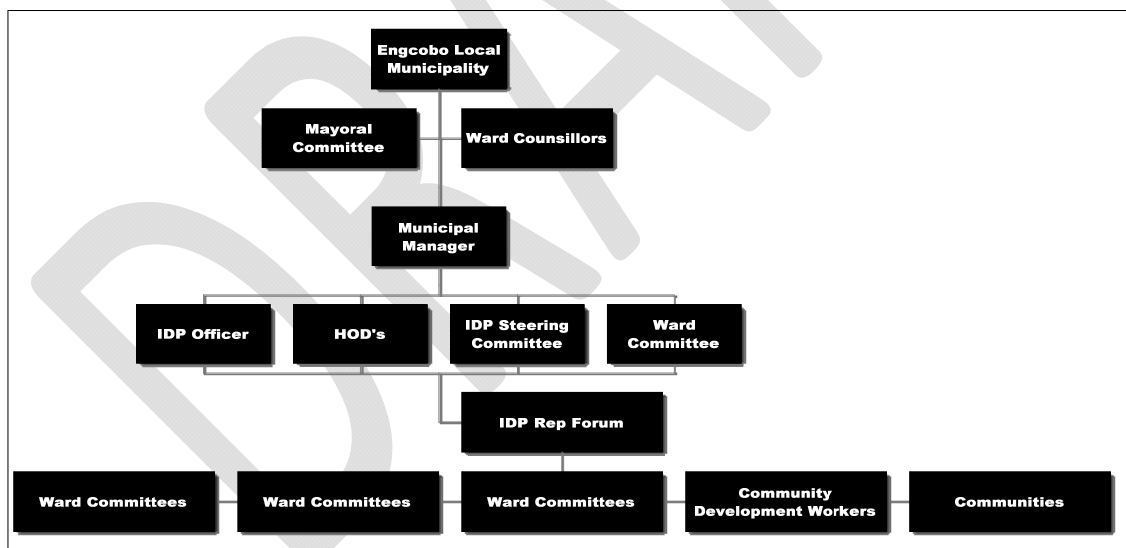
- Oversee the development and adoption of the IDP review;
- Adopt final Integrated Development Plan and Budget;

ENGCOBO MUNICIPALITY: ORGANISATIONAL STRUCTURE

FOR 2014/15 FINANCIAL YEAR

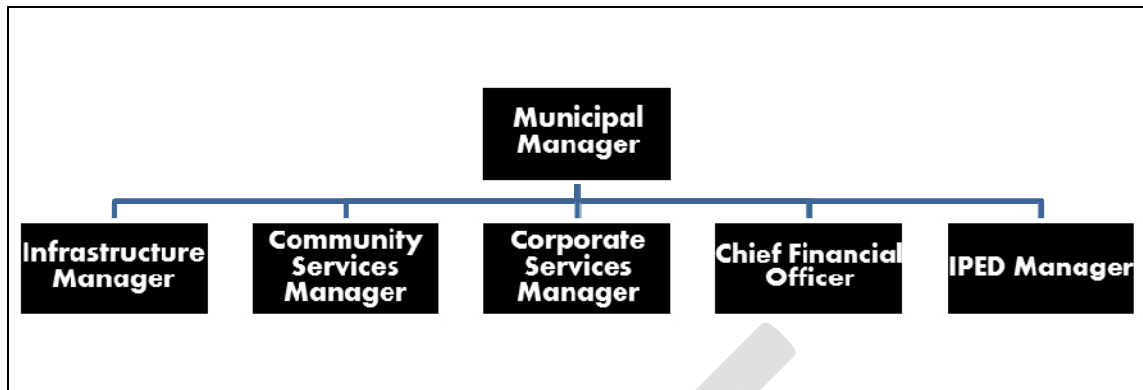


The roles and responsibilities of the various parties involved in the IDP Revision are listed below:



Engcobo Local Municipality has an organizational structure albeit it not aligned to the IDP. The organizational structure comprises of a total of 164 funded posts. However, the organizational structure in its current format requires a review as it is not process driven and limits upward mobility and job descriptions need to be compiled. Of these funded posts, 6 were vacant as at 30 December 2014. Engcobo Local Municipality has an office for the Municipal Manager and 5 Directorates.

The Senior Management structure of the municipality is illustrated by the Organogram;



5.1.4 Employment Equity Plan

Employment Equity Act (EEA) 55 of 1998 is meant to drive equality in the workplace through equitable representation of employees from designated groups to broadly reflect the national demographics of the Economically Active Population (*EAP*). The Act is intended to ensure that workplaces are free of discrimination and that employers take active steps to promote employment equity. Chapter 3 of the Act requires employers to take certain affirmative action measures to achieve employment equity. These are set out in an Employment Equity Plan.

Engcobo Local Municipality has developed a 5 year Employment Equity Plan, which was developed in 2010 and will expire in 2015; a preparation for the review is underway. The municipality is doing well in addressing employment equity in terms of gender and this will be alluded to in the paragraph below.

The municipality has six Senior Manager Positions including the Municipal Manager, three (3) of which are filled by males. Currently there are two (2) female Senior Managers (Section 56) and the municipality is currently looking for a third one. **The third female manager position will be filled in July 2015 to address employment equity plan.**

Persons appointed at top management level (0-1) are all from designated group, this is 100% in terms of race. 40% constitutes of females in top positions however there is still vacancy available which will be filled by a female to make 50% representation.

The females in the whole institution constitute 30.67% and there are still vacancies to be filled. Concerted efforts are in place to attract more; Engcobo Local Municipality therefore remains committed to attracting suitable qualified, dedicated personnel by endeavouring to achieve defined equity targets. There is still a room for improvement when it comes to meeting target of people with disabilities as they only constitute 1 % of the total workforce.

5.1.5 Delegation System

A system of Delegation, with a Delegation Matrix, is in place and utilised in guiding how the transfer of authority from the Municipal Manager to a delegated official takes place. This allows for consistent oversight and decision making in the daily administration of the municipality.

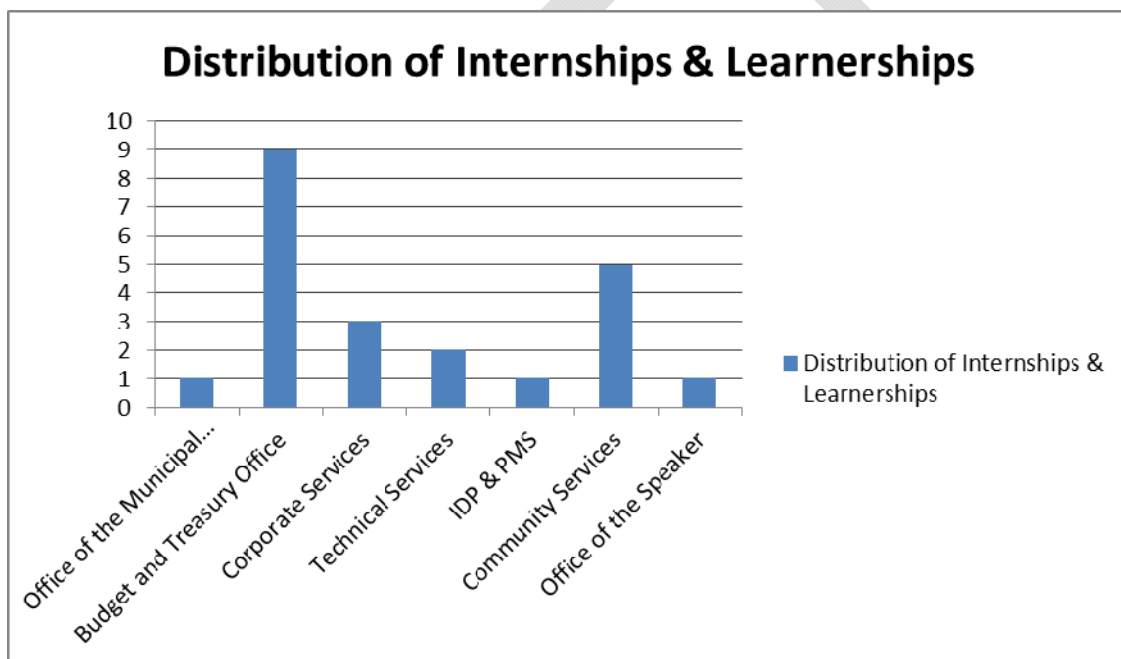
5.1.6 Human Capital and Skills Development

Skills Development

Skills development of human capital is one of Engcobo Local Municipality's priorities. To this effect, Engcobo Local Municipality annually develops a Workplace Skills Plan which sets out the training needs and plans for the financial year for Councillors and staff. The Employment Equity and Training Committee is in place and functional. Skills audit has been undertaken prior to the development of a Workplace Skills Plan. WSDP 2015/16 has been developed and will be submitted to LGSETA before April 30, 2015

At present, Engcobo Local Municipality has also implemented further human resources development initiatives such as Learnerships, internships and in-service training of students as well as bursaries to both members of the public and staff members.

The distribution of internships and Learnerships is illustrated in the following graphic;



The following are some of the challenges facing the Learnerships and internship programme;

- a) Confusion between Learnerships and internships.
- b) Limited capacity

The municipality has also offered bursaries to one (1) destitute qualifying student to pursue studies in Finance and apply their skills at the municipality upon graduating.

Employee Health and Wellness

Engcobo Local Municipality needs to comply with the requirements of the Occupational Health and Safety Act of 1993, and regulations, to provide for the Health and Safety of persons at work. All injuries must be investigated by Management in order to determine preventative measures and necessary action to rectify below standard work environment and employee behaviour.

The following are some of the challenges Occupational Health and Safety;

- a) The municipality for a long time had no Health and Safety Committee and thus could not keep track of any outstanding accident reports or outstanding accident prevention measures that need to be implemented; however the Committee has just been established.
- b) Safety committee structures are not in place in all Departments and Safety representatives and Committee members were never appointed.
- c) There is no Occupational Health Services currently, however this has been addressed as the post has been created in the organogram and adopted by the Council of the 28 March 2014.
- d) The OHS Policy is in a draft form and will be presented to Council before the end of June 2014

5.1.7 Performance Management

The municipality has a functional performance management system and is being fully implemented. Performance management is only limited to Section 56 and fully aligned with IDP. An attempt to cascade performance management system to managers below s56 was taken but to no avail. The case was handled by LLF and the Union; the decision has been made to refer it to this financial year.

5.1.8 Information and Communication Technology

Engcobo Local Municipality's Information Communication Technology (ICT) division is responsible for providing Information, Communication and Technology support services to its internal clients.

From time to time, the Municipality engages in various initiatives with the intention of enhancing Information and Communication Technologies services that are delivered to support its delivery objectives.

The municipality currently runs its operations on the following IT platforms;

A. Promun Financial System

A Linux based program integrated with the windows operating systems. It's mainly used by the finance and human resource departments and only relies on the technical part on the IT departments. It's not an internet based system which makes it highly secured as its server managed with the use of secured passwords renewed monthly and it's also assigned under the domain policies where you have to enter your password not more than three times before its locked.

B. Internet Services

Supplied by a contracted service provider by means of an ADSL solution 1MB every month. It has been programmed as a firewall for in and outgoing dials, VPN or remote access by means of a strong and guaranteed encrypted username and password.

C. Exchange Solution

This is the solution only based on electronic mail system. The municipality manages this solution and gets access to the outside by means of an ADSL solution with an anti-spam and firewall configured and encrypted for security reasons.

D. Integrated Service Access

Integrated Service Access (ISA), this solution is a server based solution which acts as a link between users and the web. It's a secured firewall that adds and removes unsecured websites for the purpose of dangerous web programs.

5.1.9 Processes and Procedures

Some processes and procedures were derived from policies that are currently outdated and are therefore also outdated and require review.

5.1.10 Municipal Facilities

Most municipal facilities such as buildings and offices are not in a good functioning state and do not support operational efficiency.

5.1.11 Local Labour Forum (LLF) Functionality

The municipality has a functional LLF that meets on monthly basis. The forum consists of two Managers, three Councillors and five members of labour union.

Nevertheless the challenge from the Union members who often do not attend the LLF meetings remains and leads to postponement of meetings. The last LLF meeting was on February 2014.

5.1.12 Attraction and Retention Strategy

The municipality has a Retention policy adopted in May 2013. The aim is to attract and retain scarce skills through benefits and skills development initiatives.

5.1.13 Succession Plan

The municipality has developed a succession plan and it has been adopted by Council on 30 May 2014. The purpose of the plan is to make the necessary arrangements to ensure that suitably

qualified people are recruited to fill relevant positions which will arise within any specific department over time and also to retain institutional memory.

5.1.14 EPWP Policy

The draft policy has been developed during the current financial year and will be adopted by Council before end of the financial year.

5.2 KEY PERFORMANCE AREA 2: INFRASTRUCTURE DEVELOPMENT AND SERVICE DELIVERY

5.2.1 Comprehensive Infrastructure Master Plan

This Master Plan has been developed in December 2014 for Engcobo Local Municipality for the following sectors:

- Roads and Stormwater
- Transport
- Electricity.

This Infrastructure Master Plan is intended to create a vision for Engcobo Local Municipality in order to guide decision making processes and provide a basis for a comprehensive planning framework relating to the roads and stormwater, transport and electricity infrastructure.

This Master Plan is for a 5 year horizon up to 2018. The Plan is aligned with Engcobo Local Municipality's IDP, SDF, the Eastern Cape Growth and Developments Plan (ECGDP) and other priorities of the National Government. The Infrastructure Master Plan should be reviewed and updated periodically to conform to any changes that may occur within the local municipality and adapted to suit those changes.

5.1.2 Energy and Electricity Efficiency

Eskom and Engcobo Local Municipality are responsible for providing electricity services. The LM is also responsible for street lighting and installation and maintenance of high mast lights. The level of service that is provided by Eskom is the basic level of service and upgrades to the households are done through the normal Eskom procedures.

The municipality currently does not have an electricity distribution license and thus energy efficiency is the function of Eskom; it is provided directly by Eskom to the municipality, local businesses, other government departments as well as residents. The provision is on both

prepaid and contract basis. Electricity infrastructure is being rolled out at different wards through grant funding from the Department of Energy.

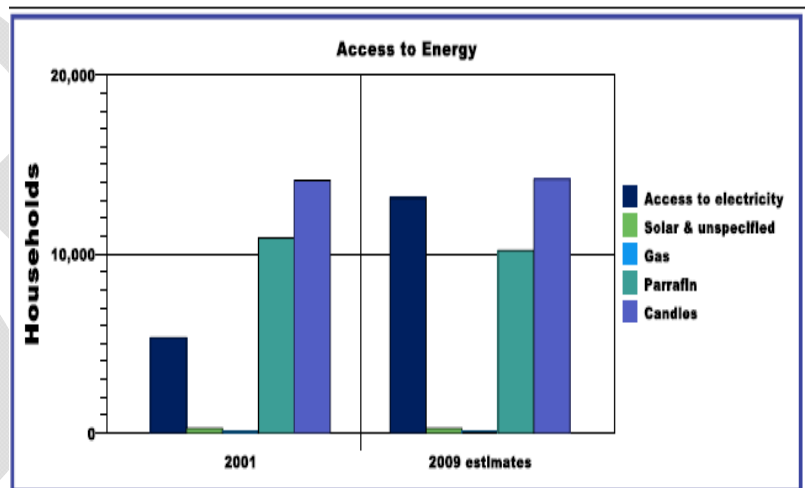
The majority of households are currently electrified. Out of a total of 37 215 households in the municipality a total 29 957 (80%) households have access to electricity. There is a current backlog of 7 258 households. The infrastructure which has been installed to service these mainly rural areas is fairly new and is in a good to fair condition.

Some key challenges related to electricity and electrification projects include density of the villages, terrain theft of copper cables and vandalism of Eskom installations. Prioritised capital, operational and maintenance projects for the period 2013/14 to 2017/18 are estimated at **R54 600 000**.

The municipality currently does not have an electricity distribution license and thus energy efficiency is the function of Eskom; it is provided directly by Eskom to the municipality, local businesses, other government departments as well as residents. The provision is on both prepaid and contract basis. Electricity infrastructure is being rolled out at different wards through grant funding from the Department of Energy.

Means of energy

In 2009 Eskom embarked on a rural electrification programme to include areas in the Engcobo. The number of households with access to electricity is increasing as every year there are new connections that are connected on to the Eskom grid. The project has seen increases in connections from 55% to 73% from 2009 to 2012. A total of about 3,000 households is expected to be energised before the end of 2014/15. The backlog for electrification is currently about 7258 households.



Source | ECSECC, Graphic | Executive Insights

	2001	2009 estimates
Access to electricity	5,351	13,135
Solar & unspecified	281	285
Gas	123	109
Paraffin	10,908	10,203
Candles	14,128	14,186

Current Electrification Projects

Project Name	Type of project (Households/Bulk infrastructure/Farm Worker Houses / Schools)	Allocation	Connections
ENGCOCO RURAL ELECTRIFICATION			
Sinqumeni and Sigangeni	Households		Capital
		529	Connections
Mkhonkoto (Nqala)	Households		Capital
		100	Connections
Gutyubeni (Mjanyana Quluqu)	Households		Capital
		155	Connections
Cobosi(Ngcelelo-Mjanyana Quluqu)	Households		Capital
		295	Connections
Silevini Komkhulu (Ward 4)	Households		Capital
		76	Connections
Mageza (Ward 4)	Households		Capital
		173	Connections
Tafeni (Ward 4)	Households		Capital
		135	Connections
Luhewini (Ward 4 Mjanyana)	Households		Capital
		140	Connections
Sitholeni Phase 2 (Mboleni, Bula, Kwandlana)	Households		Capital
		500	Connections
Cobosi (Cobosi, Phillipsdale)	Households		Capital
		400	Connections
Municipal Totals			Capital
		2731	Connections
Project Name	Type of project (Households/Bulk infrastructure/Farm Worker Houses / Schools)	Allocation	Connections
Kwadala	Households		
		243	Connections
Mafusini	Households		Capital
		62	Connections
Taleni	Households		Capital
		125	Connections
Mageza	Households		Capital
		291	Connections
Tafeni	Households		Capital
		70	Connections
Zabasa	Households		Capital

		195	Connections
Masimini	Households		Capital
		50	Connections
Handy Plaas	Households		Capital
		15	Connections
Ntsinga	Households		Capital
		145	Connections
Dulati	Households		Capital
		70	Connections
Kwaxoxo	Households		Capital
		275	Connections
Maqanda	Households		Capital
		55	Connections
Ngcacu	Households		Capital
		85	Connections
Ezantsi	Households		Capital
		45	Connections
Mwaca	Households		Capital
		290	Connections
Bekeleni	Households		Capital
		265	Connections
Qanguleni	Households		Capital
		250	Connections
Eqolweni	Households		Capital
		48	Connections
Mjikelwni	Households		Capital
		395	Connections
Quluqu	Households		Capital
		169	Connections
Dandazile	Households		Capital
		205	Connections
Municipal Totals			Capital
		3 348,00	Connections

The following table shows the 2015/16 financial year projects

Village Name	Households	Status
Mgudu	366	Planning
Lower Gqaga	404	Planning
Mhlahlana	80	Planning
Mkhonkoto	123	Planning
Mncayi	80	Planning
Hlopekazi	77	Planning

Qutubeni	39	Planning
Lower Qebe	187	Planning
New Rest	41	Planning
Upper Gqaga	27	Planning
Ngwemnyama	35	Planning
Khokonxa	30	Planning
Mjanyana	26	Planning
Mbabakazi	51	Planning
Matyeni	57	Planning
Mtambomvu	45	Planning
Total	1 684	

5.1.3 Roads and Storm water Infrastructure

Roads and Storm water

The total road network in Engcobo Local Municipality is 930.33 km long consisting of 111.68 km of surfaced roads and 818.65 km gravel roads. The entire road network of paved and unpaved

(gravel) roads in Engcobo Local Municipality are generally in a poor condition and thus in need of upgrading and maintenance.

Access across streams and watercourses is generally poor during rainstorms and a need therefore exists for the construction of appropriate causeways and bridges. There is a huge backlog within the municipality with regards to storm water infrastructure particularly in the rural areas. The existing stormwater drainage system is inadequate as evident from the number of roads with no drains and the resultant erosion problems.

There is a need to upgrade and improve the existing road and stormwater network. A phased approach over a number of years has to be adopted to upgrade and improve the existing network. Prioritised capital, operational and maintenance projects for the period 2013/14 to 2017/18 are estimated at **R402 950,000**.

The road network is one of the key components of the transportation system. The road network has a huge backlog and construction of access road does not meet the demand. At the same time the maintenance of road infrastructure is a challenge. The road network has not yet been classified as require by the legislation. The department of roads and public works has been request the assist as well as MISA.

Capital allocations are always insufficient and only a small percentage of the road network is adequately maintained or upgraded on an annual basis. The municipality has developed a Three (3) Year Capital Plan which reflects extensively on all roads that still need to be constructed. The capital plan was subjected to public participation during the 2014/2015 IDP review.

Storm water Infrastructure.

This infrastructure is provided and maintained regularly by Engcobo Local Municipality.

Roads and Transportation

Transport plays a critical role in economic development. Transport service has two levels. It includes public and physical transportation systems. The ELM's role in transport is largely focused on planning for movement of goods and people across our landscape. The municipality is not a transport authority and currently share the District Intergrated Transport Plan.

Due to the mainly rural nature of Engcobo local municipality, the public transport patterns are notably different from those in an urban environment. Road based public transport for local and long distance travel essentially consists of minibus taxis. There are also a few bus services.

People travel to places of employment and government departments and services such as healthcare, police and education, which can often only be accessed some distance from home. Other destinations to which there is demand to travel to include business and service clusters.

A study conducted for the CHDM indicated that most people in the larger Chris Hani District (including Engcobo) walk to work. Rural access was identified as a key issue affecting Engcobo Local Municipality mobility.

Key issues and challenges relating to transport in Engcobo Local Municipality relate to administration issues, lack of / inadequate facilities and poor services. Prioritised capital, and maintenance projects for the period 2013/14 to 2017/18 are estimated at **R20 400 000**.

However, it the ELM's intention to develop and adopt such a sector plan in order to guide how it intervene and play a role in facilitating public transport, mobilization of transportation infrastructure support and coordination of movement patterns in support of our economic development objectives.

The physical transportation systems are poorly linked and overly rely on road based network. The lack of established rail systems linked to the municipality's road based networks is a huge obstacle to realizing the existing potential in underperforming yet promising economic sectors like forestry, manufacturing and agriculture production.

The lack of established rail transport network coupled with poorly maintained road infrastructure contributes negatively to our competitive advantage. It makes it difficult for industries to have effective distribution networks necessary to link out local produce to markets.

Public transport is also uncoordinated and poorly planned. For example, there is no functional public transport interchange that offers well designed and planned public facilities. There are currently no public (bus and taxi) ranking facilities and the town centre is characterized by many small informal ranks in street corners, shop fronts and parking spaces.

Together with Engcobo the District municipality has financed a project towards the revitalisation of the town and its beautification; amongst others the construction of public facilities. The project was supposed to have taken off in January 2014 but due to community delays it will only begin on the first week of June 2015.

The municipality through working relations with the department of Roads and Public Works has established roads and transport for an assist in planning related matters; the seating occurs once a quarter. Matters of road maintenance, priority list for construction, road safety, etc are being discussed at these meetings.

Through the engagement of Municipal Infrastructure Support Agency (MISA) has appointed Mzansi Civils Consulting Agency to develop Infrastructure Master Plan and Intergrated Waste Management Plan. The Infrastructure Master Plan will include all infrastructural related service delivery components such a roads, electricity, and housing. Both plans will be adopted by Council in the beginning of 2014/15 financial year.

Infrastructure Projects (Three Year Capital Plan) (No EIA requirement)

Form ID No (if available)	Project Name	Ward		Component	Projects Category	FINANCIAL YEAR			Project Status	Comments
						2015-2016	2016-2017	2017-2018		
R/EC/7151/09/13	Upgrading	12		B	ACCESS ROADS	1 000 000				
	Ward 01 Nxamagele-Mandlaneni	1		B	ACCESS ROADS	200000				
	Ward 02 Cwecweni-Xonya	2		B	ACCESS ROADS	200000				
	Ward 03 Shushwane-Mazizini	3		B	ACCESS ROADS	200000				
	Ward 04 Mafilika-Lalini	4		B	ACCESS ROADS	200000				
	Ward 05 Malangazana-Maqanda	5		B	ACCESS ROADS	200000				
	Ward 06 Ngqaba-Ngxebe	6		B	ACCESS ROADS	100000				
	Ward 07 Qolweni-Zamxolo P.J.S	7		B	ACCESS ROADS	200000				
	Ward 08 Tshatshu-Emampingeni	8		B	ACCESS ROADS	200000				
	Ward 10 Mxesibe	10		B	ACCESS ROADS	150000				
	Ward 11 Sinaba-Chefane	11		B	ACCESS ROADS	100000				
	Ward 12 Maabo J.S.S-	12		B	ACCESS ROADS	100000				

	Diphini								
	Ward 13 Komkhulu Upper Sitholeni Via Lower Sitholeni	13		B	ACCESS ROADS	200000 0			
	Ward 14 Ndungunyeni- Farming	14		B	ACCESS ROADS	200000 0			
	Ward 16 Zihlangu- Mandlaneni	16		B	ACCESS ROADS	200000 0			
	Ward 17 Mbashe Bridge- Ndimamamfeneni	17		B	ACCESS ROADS	200000 0			
	Ward 18 Tshapile- Upper Gqobonco- Yawa	18		B	ACCESS ROADS	200000 0			
	Ward 19 Mgudu- Makhumeni	19		B	ACCESS ROADS	200000 0			
	Ward 09 Sgangani- Luxeni	9		B	ACCESS ROADS	250000 0			
	Ward 15 Gxojeni- Siphambukeni	15		B	ACCESS ROADS	200000 0			
	Ward 20 Zabegilana	20		B	ACCESS ROADS	200000 0			
	High Mast Lighting	11		P	STREET LIGHTING		1 200 000		
	Nxamagele PJS- Mandlaneni	1			ACCESS ROAD				

	Cwecweni-Mzwini	2			ACCESS ROAD					
	KwaDlomo-Bekileni	3			ACCESS ROAD					
	Ntshingeni	4			ACCESS ROAD					
	Mgwali-Ngqokoto	5			ACCESS ROAD					
	Ngqaba-Ngxebe	6			ACCESS ROAD					
	Qolweni-Zamuxolo	7			ACCESS ROAD					
	Mgudlwa-Mzangweni	8			ACCESS ROAD					
	Manzana- Tar road	9			ACCESS ROAD					
	New Town - Sdadeni	10			ACCESS ROAD					
	Nontwintwa-Dipini	11			ACCESS ROAD					
	Nombewu-Komkhulu	12			ACCESS ROAD					
	Qutubeni-Mdeni	13			ACCESS ROAD					
	Zwelidumile-Ndzukuma	14			ACCESS ROAD					
	T226 via Gingqi-mrhotshozweni	15			ACCESS ROAD					
	Bhashe school- Siviwe	16			ACCESS ROAD					
	Mandlaneni - Zwelilunghile	17			ACCESS ROAD					
	Ntlazi-Cekhwe	18			ACCESS					

				ROAD					
	Loyi-Nogqala eMkhonkoto	19		ACCESS ROAD					
	Nqancule	20		ACCESS ROAD					
	Community Halls	2	B	COMMUNITY HALLS		2 500 000.00			
	Community Halls	4	B	COMMUNITY HALLS			2 500 000.00		
	Community Halls	7	B	COMMUNITY HALLS			2 500 000.00		
	Ngcobo Land Fill		B			4 500 000			
	Community Halls	19	B	COMMUNITY HALLS			2 500 000.00		
	Extension 11 Access Road and Bridges	11	B	Access Road and Bridge		8 000 000			
	Sports Facility	3	B	SPORTS FACILITY		2 600 340.00			
	Sports Facility	5	B	SPORTS FACILITY			2 600 340.00		
	Sports Facility	8	B	SPORTS FACILITY		2 600 340.00			
	Sports Facility	20	B	SPORTS FACILITY			2 600 340.00		
	Yawa Bridge		B	BRIDGE			6 500		

								000		
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5.1.4 Infrastructure Capacity

The department responsible for infrastructure is fully flaged as per the municipal organogram. All projects to be implemented are funded and external contractors will be sourced to implement and municipal resources (personnel and equipment) will be used to maintain municipal roads and asserts. The municipality does not have a Project Monitoring Unit (PMU) and the department undertakes the duties inclusive of Project Initiation and ISD functions.

5.1.5 Water and Sanitation Infrastructure

This infrastructure is provided by the District Municipality and maintained by the District Municipality as off the 1st July 2014.

Water and Sanitation Services and Customer Care

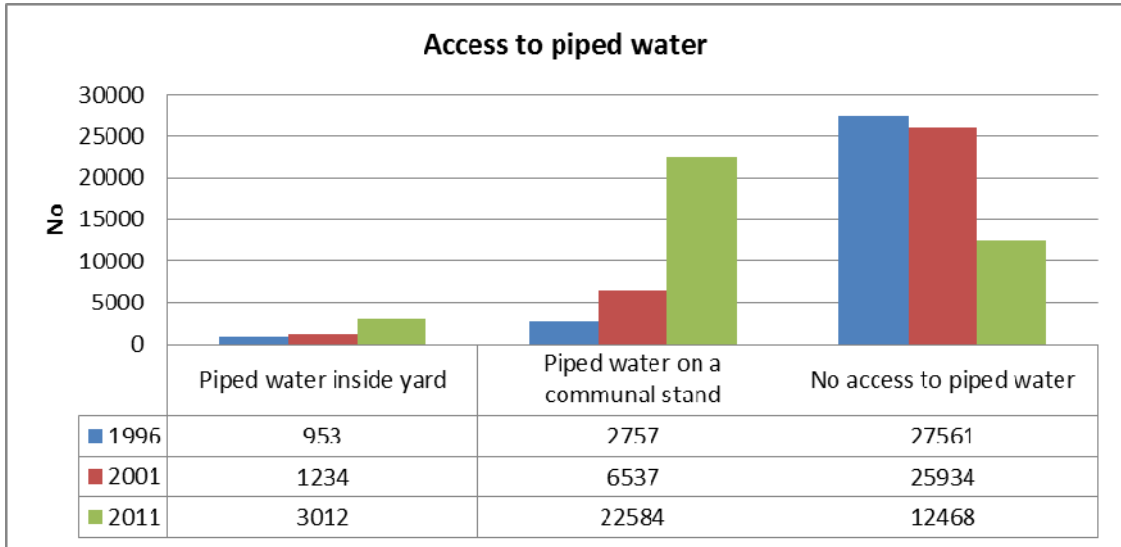
Water and Sanitation Services

Provision and governance of water and sanitation services in all our areas is a competence of the district municipality.

In order to achieve one of the Millennium Development Goals, (“**MDG**”), the water network and distribution has been extended to cover more than 20, 000 households in the area of Engcobo Local Municipality.

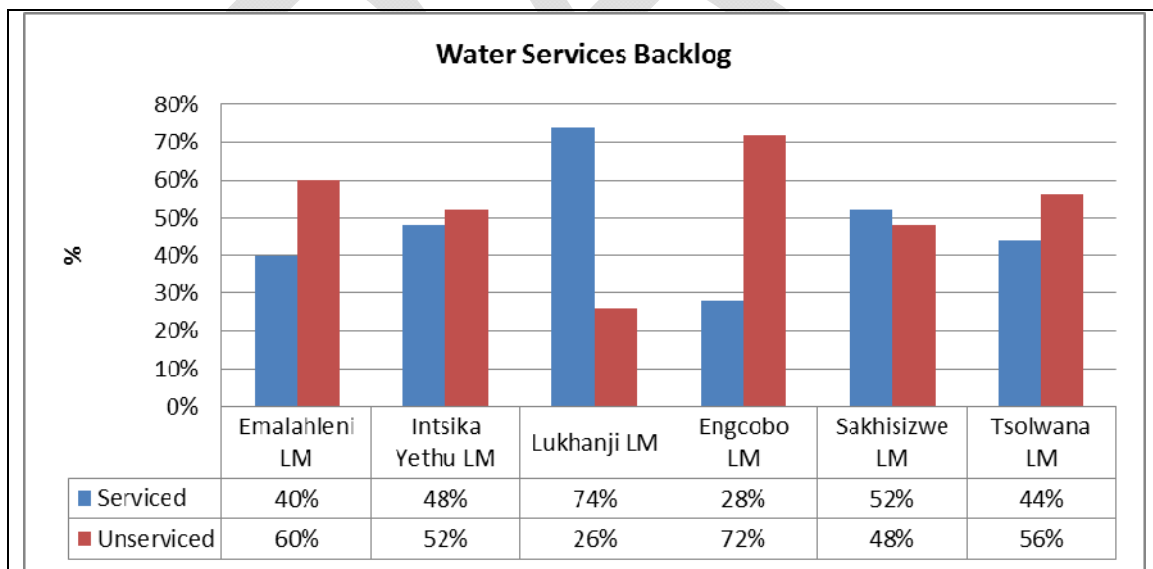
The figures below give a comparison of household access to different levels of service for water and sanitation:

Access to Water by household can be illustrated as follows:



The ELM uses the CHDM WSDP and is in the process of developing its own as the appointment of the service provider.

The following estimate of the extent of water service delivery backlogs has been derived from Chris Hani DM data on village service levels.



Source: Chris Hani DM Community Service Level Data 2007 escalated to 2012 estimated population levels and updated to incorporate projects completed since 2011 WSDP

Water Supply

The municipality currently sources its raw water from Xuka River, Chefane River, Ngcotyana River and boreholes and purifies it at its Water Treatment Works which also contains a storage back-up.

The CHDM has done a water provision plans and came up with the Cluster programme which will see different Water Augmentation Schemes being integrated.

Water Demand Management

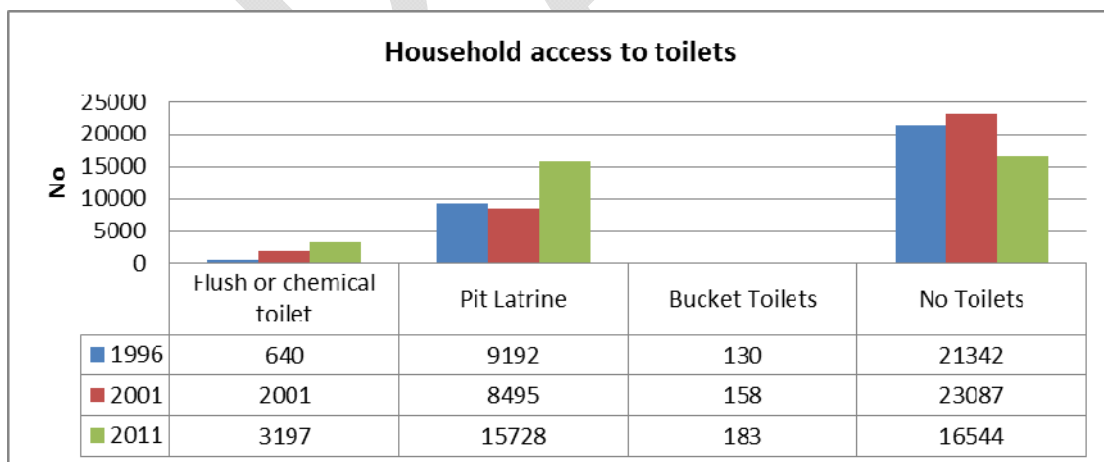
The municipality has had a relatively large incidence of ‘water loss’ or non-revenue water. This occurs either through physical losses (leaks etc.), billing inaccuracies, users who are not on the database or illegal connections and faulty water meters. The result is an unnecessary demand on water resources, wastage of water and loss of income.

Sanitation Services

The municipality uses Oxidation ponds and they are near capacity are currently being refurbished. There are plans underway for a new WWTW (waste water treatment works). There is no deferred maintenance on the sewer system and minimum maintenance done due to the new WWTW.

Access to Sanitation Services

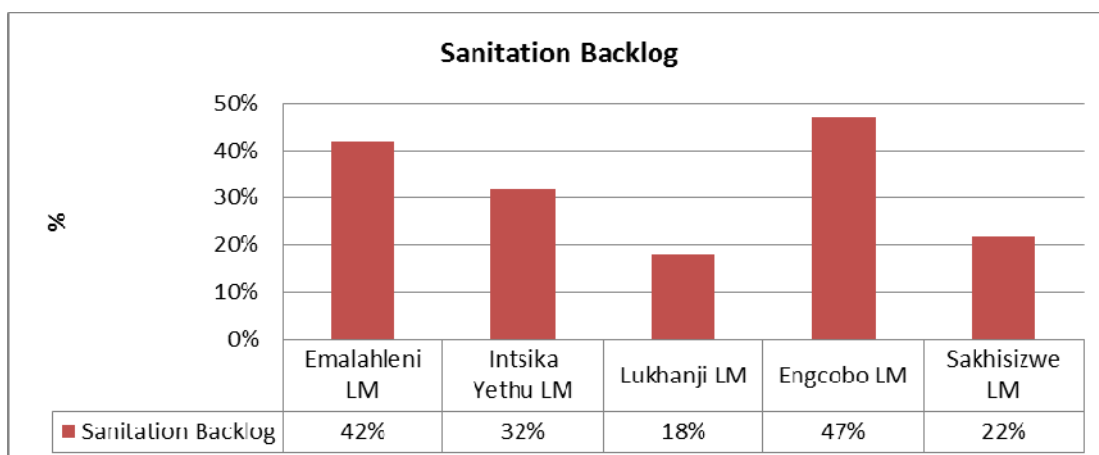
The municipality provides a supply of waterborne sanitation services through sewers provided that there are sufficient water resources and infrastructure to sustain such a service.



About 45% of the ELM population does not have access to either sanitation infrastructure or services. The consequence of lack of proper sanitation infrastructure and services will result in raw sewerage running on the streets, mixing with litter and garbage and contributing to environmental damage and spread of diseases.

Sanitation Services Backlog

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



The biggest proportion of the CHDM population with a high share of sanitation services backlog resides at Engcobo LM followed by Emalahleni and Intsika Yethu LM respectively. This could be attributed to spatial size of these municipalities and the fact that they are highly rural in nature. This trend is similar to the water services backlog, which is highest in the same municipalities.

Water and sanitation

The table below illustrates the extent of backlogs on the provision of water to households and also highlights the need for effective management of the current sources to ensure healthy households, especially in relation to the 25% of the population that relies on river streams and the 19% of the population that relies on spring water. (IDP, 2012 – 2017).

a. Water

Source	%
Water vendor	0
Rain water tanks	2
Other	0
Piped water inside dwelling	7
Piped water inside yard	4
Piped water from access point outside yard	41
Borehole	2
Spring	19
Dam / pool	0

River / stream	25	<i>Percentage of household water sources</i>
Total	100	

b. Sanitation

The backlog for sanitation is about 58%. The provision of sanitation services is illustrated in the following table:

Facility	2008		2009		2010		Year on year growth
	Number	%	Number	%	Number	%	%
Flush or chemical toilet	2163	6.9%	2245	7.1%	2327	7.3%	3.80%
Pit latrine	7620	24.4%	7575	24.1%	7530	23.8%	-0.60%
Bucket latrine	156	0.5%	158	0.5%	160	0.5%	1.30%
None	21274	68.1%	21463	68.2%	21652	68.3%	0.90%
Unspecified	37	0.1%	36	0.1%	34	0.1%	-4.10%
Total	31250	100.0%	31477	100.0%	31703	100.0%	0.70%

Percentage of sanitation provision services sources

❖ are likely to be linked to local economic development initiatives”.

Integrated Waste Management Plan (IWMP)

Engcobo Local Municipality's IWMP was developed and adopted in December 2014. The municipality will soon be experiencing major development pressures; these developments will place additional pressure on the existing landfill site. The success of this plan will not depend on municipal planning authorities only, but on the co-operation and involvement of all stakeholders including the general public. The plan indicates the requirements to be complied with to achieve goals that will improve or give better service to the community regarding waste management. It further sets a direction for waste management programs and provides a basis for budget planning.

The following methodology was adopted in developing the IWMP;

Status Quo Report

- Data collection and review of all available information, guidelines and development frameworks relating to Waste Management Practices within Engcobo Local Municipality.
- Conducting interviews with all key stakeholders including relevant Municipal officials.
- On-site verifications regarding infrastructure and waste management practices within the local municipality.

Feasibility Study

- Identifying the existing national, provincial and local acts, policies relating to waste management.
- Conducting a Gaps Analysis and Needs Assessments for waste management.
- Development of variants of potential solution.
- Evaluation of variants and recommending the most practical feasible solution.

Implementation Plan

- Identification of projects that will have to be undertaken for the recommended variants.
- Estimating the cost for the different projects identified.
- Developing an implementation program for the recommended waste management plan.

Cleaning and Waste Management

In Solid Waste the following services are being rendered:

- Street cleaning
- Refuse removal
- Landfills
- Transfer Stations
- Waste minimization

As per the National Domestic Standards, solid waste is collected from the CBD daily, residential areas Wednesdays, Thursday and Friday, All Saints Hospital Fridays.

The municipality has a refuse officer recruited in 2007; he is responsible for waste management and cleaning of town and the surrounding areas. The municipality has two refuse compacted trucks, 300 dustbins and black plastic bags being distributed to households.

Landfill Site Service Station

The municipality has a functional and operational Landfill Site. There is only one site which serves the town; it is used for general waste and all medical waste is disposed at commercial sites by the Department of Health. The site is fully functional and licenced.

The site is regularly maintained by the municipality. The municipality is continuously being evaluated by the DEAT with improvements to the facility.

Local Amenities and Public Places

This infrastructure is provided and maintained regularly by Engcobo Local Municipality.

Engcobo Local Municipality		
Municipal Amenities		
Strategic Pillar	Type of Amenity	Condition and Required Action
Infrastructure	Sports fields	Engcobo LM has two sports fields (Engcobo and Nkondlo) in good working condition
Infrastructure	Swimming pools	Engcobo LM has one swimming pool (Engcobo town) and a working condition but needs to be refurbished
Infrastructure	Cemeteries	Engcobo LM has one fenced cemetery. A new site will be required in the future following rezoning and land management
Infrastructure	Halls	Engcobo LM has fourteen halls in different wards. More halls are required as not all wards have halls

Audit of Community Facilities and Public Amenities

Community facilities and public amenities are monitored on monthly basis by the municipality and on annual basis an audit is undertaken to fulfill Grap requirements.

Customer Relations

Whilst customer complaints are handled as and when they are escalated; a documented and/or approved customer complaints management system in a form of a register placed at the town hall.

Building Regulations and Municipal Planning

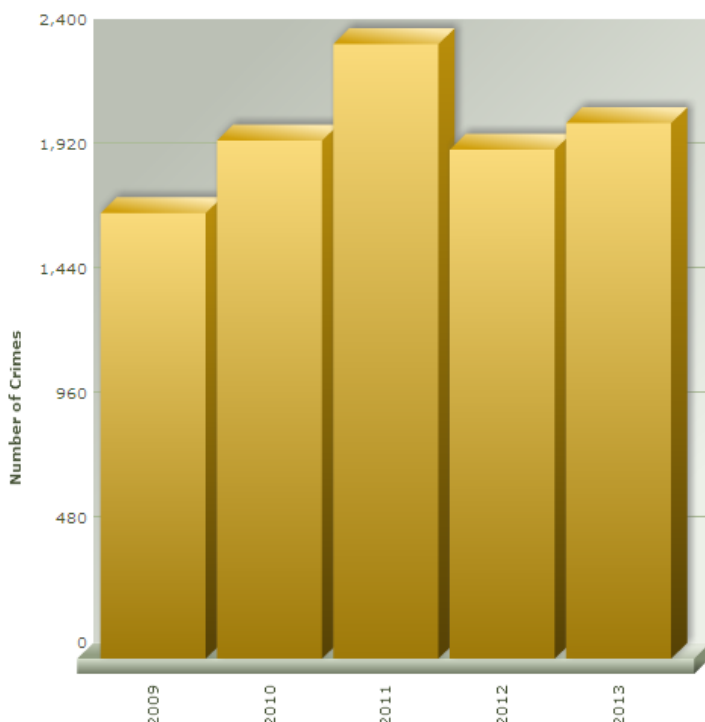
Building regulations are contained on gazetted by-laws.

5.1.6 Safety and Security

Crime and safety in Engcobo

Due to a number of social and economic factors, crime remains one of the major problems in Engcobo Local Municipality. From the graphs below, the total number of crimes in Engcobo has increased significantly from 2009 to 2013. Among the crimes that have increased in the municipality are murder and sexual crimes. Common crimes and robberies on the other hand have decreased over this period. Robbery with aggravating circumstances has also significantly increased from 2009 to 2013.

Total Number of Crimes



Traffic control

Engcobo municipality is responsible for enforcing compliance with traffic regulations and testing of vehicles as well as issuing of licences to its local people.

The main concerns about this service that need attention relates to:

- Need to improve capacity and efficiency of systems in licensing and vehicle testing.
- Lack of visible policing in the CBD leading to frequent traffic transgressions for parking, overtaking and driving over speed limit.

- Lack of clear signage on streets (poor road markings and invisible lines to guide motorists).
- Poorly designed and almost non-existent pedestrian integration systems. Pedestrian compete with hawkers for space on the pavements resolving to walk inside streets and causing traffic congestion. There are not demarcated areas to facilitate safe pedestrian crossings or speed limiting means like humps in busy points where school kids and pedestrians are concentrated.
- Increasing number of noticeably illegal vehicles on our roads.

Environmental management

Environmental management is a competency of Chris Hani District Municipality and Engcobo LM assists in cases of emergency where it has manpower and resources.

Disaster management

Disaster management is a competency of Chris Hani District Municipality and Engcobo LM assists in cases of emergency where it has manpower and resources. The municipality does conduct disaster awareness campaigns yearly.

Vulnerability and Risk Assessment on Disaster

The municipality is vulnerable to the following disasters

- Rural base
- Thatched and ancient houses
- Lightening
- Veld and house fires
- Hail storm
- Informal structures
- Over population and congestion

Firefighting services

Engcobo LM has a fully functioning Fire and Rescue Service. The services rendered to Engcobo communities include provision of Fire and Rescue service, fire safety inspections, internal & external (public) training and risk assessments. Fire and Rescue services response times are governed by the South African National Standards (SANS) Code 10090: Community Protection against Fire. Fire awareness campaigns are conducted on yearly basis.

Municipal by-law enforcement

The municipality does endeavour to enforce all Council approved and gazetted bylaws.

Parks and open spaces

Parks and open spaces are serviced regularly to acceptable operational standards.

Social and Community Development

The following are the key focus areas;

Sport and Recreation

Engcobo LM has two sport fields (Engcobo and Nkondlo) that accommodate various sporting codes that are in good working condition.

Libraries

The municipality has two libraries under its jurisdiction in the town and the other is a satellite one in Clarkbury. Both are fully functional and were funded by DSRAC. There are two mobile libraries under construction in Manzana and Qutubeni.

Cemeteries and Crematoria

Engcobo LM has one fully fenced cemetery. A new site will be required in the future.

Special Programmes (Gender, Elderly, Youth and Disabled)

Support to the vulnerable groups is mainstreamed. The unit has dedicated resources and capacity to support and mainstream groups and their needs. The amount of **R1, 2 m** has been put aside for 2015/16

Childcare Facilities

The municipality doesn't have childcare facilities under its control.

5.1.7 Spatial Development Framework

In terms of Section 26 (e) of the Municipal Systems Act (Act no. 32 of 2000), the Spatial Development Framework is a legally required component of the IDP. It therefore has the status of a statutory plan, and serves to guide and inform all decisions made by the Municipal Council on spatial development and land use management in the Engcobo Municipality. The Engcobo Spatial Development Framework was approved by council in 2010 and will be reviewed in 2014/2015.

The Spatial Development Framework for Engcobo Local Municipality aims to provide guidelines for settlement growth and development needs in the town of Ngcobo as well as providing guidance on where best to direct resources in upgrading the rural settlements. The Spatial Development framework also aims to highlights areas where strategic development intervention is required (areas of particular development potential and/or areas where current development activities represent a development opportunity).

The **Engcobo Spatial Development Framework** will apply to the whole area of jurisdiction of the Engcobo Local Municipality. This area is characterized by a composite settlement and land use pattern, incorporating urban, peri-urban and rural components, some of which were previously administered as separate local government entities.

The area covered by the Engcobo Municipality is approximately 22587 ha in extent. Political representation is based on 20 Wards within this area.

Key Informants of the Spatial Development Framework

For the Engcobo Spatial Development Framework, the key legislative and policy elements of this new approach to spatial planning are derived from:

- The Development Facilitation Act (Act 67 of 1995)
- The White Paper in Wise Land Use: Spatial Planning and Land Use Management (March 2001)
- The Draft Land Use Management Bill (July, 2002); and
- The White Paper on National Transport Policy (August 1996)

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

In addition, the SDF is materially informed by the outcomes of completed and ongoing Sector Planning processes within the ELM and the CHDM.

Key Spatial issues, objectives and strategies

Key Issue	Objective	SDF Strategies
Spatial Fragmentation and Management of Land Development	<ul style="list-style-type: none"> • A more efficient and integrated settlement pattern in Ngcobo and surrounding rural settlement areas • A coherent and accepted Land Use Management System addressing the needs of urban and rural environments 	<ul style="list-style-type: none"> • Promote densification and consolidation of urban and rural settlements wherever possible • Develop an Interim Land Use Management System based on local "Social Compacts"
Ensuring Ease of Access to Opportunities	<ul style="list-style-type: none"> • A well-structured road network system allowing for ease of movement 	<ul style="list-style-type: none"> • Prioritise improvement in linkages between identified development nodes, corridors and/or special development areas • Prioritise maintenance & upgrade of strategic link routes in partnership with relevant responsible authorities.

Improved Functioning of Ngcobo town	<ul style="list-style-type: none"> • A well-functioning Business Centre in Ngcobo • Improved integration between the different suburbs of Ngcobo • Increased density and intensity of land uses in Ngcobo (increased efficiency) 	<ul style="list-style-type: none"> • Local SDF (including Business Centre Improvement Plan) • Focus on attracting Social Housing Institutions to provide rental accommodation in town
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NODE	NAME	ROLE	SPATIAL DEVELOPMENT PRIORITIES
PRIMARY DEVELOPMENT NODE (Sub-District Service Centre)	NGCOBO	Ngcobo is a Retail and Service Centre to the surrounding rural settlements. It also has an administrative role as the Local Municipalities Headquarters. It also functions as an Industrial Node. Caters for permanent and temporary residents.	<ul style="list-style-type: none"> <input type="checkbox"/> Managed urban expansion and Public-funded Housing development <input type="checkbox"/> Infrastructure development to cater for expansion <input type="checkbox"/> Business Centre Management and focus on Urban Aesthetics <input type="checkbox"/> Improved pedestrian and vehicular linkages between suburbs in town <input type="checkbox"/> Social facilities (incl. cemeteries) <input type="checkbox"/> Environmental management
SECONDARY NODES (Sub-Local Centres)	MNYOLO, COGLAN/ NKONTLO, CLARKESBURY, MJANYANE, MANZANA	Commercial and Social Facilities serving surrounding rural areas	<ul style="list-style-type: none"> <input type="checkbox"/> Basic level of service extension <input type="checkbox"/> Local planning to maximise use of resources <input type="checkbox"/> Local land use schemes to be negotiated

Preferred Spatial Development outcome for Engcobo LM

Role and Description	Ngcobo is a Retail and Service Centre to the surrounding rural settlements. It also has an administrative role as the Local Municipality's Headquarters. The town caters for permanent and temporary residents.
Business Zone	<p>The <u>Business Improvement and Expansion District</u> comprises on the CBD and surrounding properties (as illustrated on plan). Rezoning to Business is to be permitted in this area and mixed land used promoted (including high density residential)</p> <p><u>CBD Upgrading</u></p> <p>There needs to be upgrading of the CBD with improved Taxi Ranks and Hawking facilities. The CBD is a retail centre with characteristics of emerging urbanization. The centre is a connectivity hub where public transport (including taxis) converges to ferry commuters. An LED capital project to augment the infrastructure in the CBD is critical to facilitating local economic development. The project should include the provision of ablution facilities, hawking facilities, space for the crafts industry to be practiced and space for the fresh produce market from the surrounding farming activities.</p>
Residential	<p>It is important that town remains integrated with the use of Infill and densification of the current residential areas to ensure the more efficient provision of services and facilities.</p> <p>There are a number of housing projects that are catering for the current demand for low income housing in the town. This include:</p> <p>Ext 11: 1900 sites for income group earning less than R3500</p> <p>Ext 5,6 and 9- This project is incomplete due to lack of funds</p> <p>It is also important that there are suitable forms of housing to attract residents; this includes the provision of a middle class suburb to attract skills.</p> <p>Ext 7 and Ext 10 are planned to cater for Middle Income residential demand however, ext. 7 needs to be re-planned with the aim being to permit the further development of the Ngcobo business centre southward.</p> <p>Other Possible Housing Projects included:</p> <ul style="list-style-type: none"> • 4 social housing schemes are being considered to be integrated in future to meet the demand for rental accommodation; • 5 special needs housing projects are being considered • 2 emergency projects are being considered
Future Residential	<p>Future residential expansion to the south of the town (ext. 12).</p> <p>Long-term expansion to the south and south east of the proposed ext. 12 area.</p>

Infrastructure	<p>Upgrade the Main Road (R61)</p> <p>Solid Waste site needs to be permitted and properly managed</p> <p>A new site for a cemetery needs to be identified</p> <p>Current Waste Water Treatment Works needs to be closed and relocated to an alternative site. A proposed site has been identified (co-ords)</p>
Industry	<p>Allowance must be made for a Light Industrial Area</p>
Mining	<p>There is potential for Dolerite Mining to the west of Ext. 11</p>
LED	<p>Revitalise the Plantation located on the commonage</p>
Environmental Aspects	<p>No development on areas with a gradient greater than 1:5.</p> <p>No development within 50m of a river course.</p> <p>A 1:100-Year flood-line study needs to be undertaken.</p> <p>The river course must be kept clear of invasive trees and plants.</p> <p>Development must not occur within wetlands and drainage lines</p>
Spatial Programmes/Projects/ Legislation	<p>Rates Policy to address “land bankers” – free up vacant land</p> <p>Formulation of a detailed Local Spatial Development Framework for Ngcobo:</p> <ul style="list-style-type: none"> • <i>Business Area regeneration</i> • <i>Address traffic congestion</i> • <i>Prioritise infrastructure upgrades (water services)</i> • <i>Implement appropriate Zoning Scheme Regulations</i>

Land Use Management.

The formulation of land use management guidelines is a legally required component of a Spatial Development Framework. In complying with this requirement, it is important to be clear on what is understood by the term “*land use management*”, and therefore, how this is translated into a set of usable guidelines, relevant to the Municipality and its assigned roles and functions.

The following excerpt from the White Paper on Spatial Planning and Land Use Management (Dept Land Affairs, 2001) provides a broad definition of what, *in essence*, a **Land Use Management System** is expected to achieve in the new spatial planning system in South Africa, and how this **differs from the development control approach** that was central to the old planning system in this country: -

“The term land use management includes the following activities:

- ✓ The regulation of land-use changes such as, for example, the rezoning of a property from residential to commercial use;
- ✓ The regulation of ‘green fields’ land development, i.e. the development of previously undeveloped land;
- ✓ The regulation of the subdivision and consolidation of land parcels;
- ✓ The regulation of the regularization and upgrading process of informal settlements, neglected city centres and other areas requiring such processes;
- ✓ The facilitation of land development through the more active participation of the municipality in the land development process, especially through public-private partnerships.

Land-use management has two main underlying rationales. The first is the widely felt resistance to the idea of uncontrolled land development and the second is the commonly expressed wish by particular sectors in society to promote various types of desirable land development.

The resistance to uncontrolled development is motivated by:

- ❖ **Environmental concerns:** uncontrolled development of land can have adverse effects on natural habitats, cultural landscapes and air and water quality.
- ❖ **Health and safety concerns:** uncontrolled development can lead to overcrowding and unsafe building construction. Certain land uses can also be detrimental to the health and safety of neighbors.
- ❖ **Efficiency of infrastructure provision and traffic management:** increasingly it has become clear that the where the granting of development permissions is not coupled with the provision of adequate infrastructure and traffic management the consequences can be severe. Similarly, where infrastructure is provided, generally at high financial cost, without taking into account likely and relevant land-use and settlement patterns the opportunity costs to society are very high.
- ❖ **Determination of property values for purposes of rating:** the market value of land is the basis on which property valuation is determined and the extent and nature of the development permitted on the land is a key factor in that determination.
- ❖ **Aesthetic concerns:** the control of land development enables government to prescribe certain design parameters for buildings.
- ❖ The wish to promote desirable development is also driven by a number of different concerns:
- ❖ **The land development needs of the market seldom match precisely the social and political needs of government:** government may well want to promote a type of land development in an area that the market neglects. It then has to take certain steps to facilitate that development or provide incentives.
- ❖ **Investment promotion:** changing the applicable land-use management instruments is often seen as a prerequisite for attracting certain types of investment to certain areas. This can take the form of both relaxing controls in those areas and increasing controls in other areas which might

be more favored by the market. These strategies are likely to be linked to local economic development initiatives”.

Land Use Management and Engcobo Local Municipality

In terms of the Land Use Regulation, Engcobo LM is a designated Land Use Regulator with a responsibility for Municipal Planning.

Current Legal Instruments Relevant To Land Use Management within Engcobo Local Municipality

- The area covered by the Engcobo Municipality is a complex, composite area comprising a variety of landscapes and land types ranging from formal, planned urban settlement (Engcobo town), formal and informal peri-urban and rural settlement (villages), and transformed, less impacted and almost pristine natural areas.
- In the main, land use management across this variety of land forms is not undertaken in terms of a coherent and overarching or integrated land use management system. In legal terms, land uses are subject to monitoring and regulation in terms of environmental laws that apply across the country as a whole but that are, in reality, only enforced in certain areas.
- This “unevenness” of land use management monitoring and enforcement is also the result of a historically complex and “splintered” application of legislation across the study area.
- The relevant legislation to be employed to carry out land use management is the Transkei Townships Ordinance (Ordinance 33 of 1934). It should be noted that, in the interim before new, integrated land use management legislation is promulgated, the Development Facilitation Act (No. 67 of 1995) may be utilized as a planning tool for statutory planning purposes.
- These pieces of legislation are used in conjunction with a suite of environmental legislation that also has bearing on land use management and should strictly speaking, also be applied in rural areas.

Land Reform

Land reform is a central factor to economic development and especially rural development. There are two dominant forms of tenure or means of land ownership in our jurisdictional areas, namely freehold (identified through a registered mortgage and issuance of a formal title deed to the landlord) and communal (often found in rural village settlements and not linked to a single landlord through issuance of a title deed).

Freehold ownership patterns are common in urban and peri-urban areas of Engcobo and Clarkebury while other forms are dominant in rural settlement areas. The common tendency and legacy inherited from past government is for communal land to be under the control and authority of traditional leaders while not always but commonly the local municipal authority tends to have more control and rule over formalized freehold urban tenure systems. The co-existence of these tenure systems often creates confusion and difficulties in implementing uniform planning regulations and by-laws to govern land use management and development. Hence, the choice for 2012/17 to focus on building strong relationships with traditional authorities and putting in place mechanisms for implementing effective joint planning and land use administration.

Rural areas have often lagged behind urban centers when comparing their share of benefits for development in our municipality. This has been caused by historic reasons wherein services were

delivered to areas with already developed networks and reticulated service distribution systems (e.g. waterborne sanitation, refuse collection and electricity connections). This has led to urban-rural inequalities. To deal with this challenge the municipality has identified rural development as a new development priority for 2012/17 with emphasis on the following:

- ❑ Planning for improved household access to basic services
- ❑ Leveraging of rural service infrastructure installation
- ❑ Facilitation and mobilization of resources to achieve integrated delivery of government services via one-stop service centres to rural areas
- ❑ Coordination of poverty alleviation interventions and livelihood support
- ❑ Integration of settlements to mainstream economic participation and contribution. Main focuses here being on agriculture, farming, cultural tourism and agro-processing initiatives.

Land and Property Management

In terms of the Municipal Finance Management Act municipalities are obliged to manage the assets under its control, section 78 of the Act specifically stipulates that senior management should take all reasonable steps within their respective areas of responsibility to ensure, inter alia, "that assets of the municipality are managed effectively and maintained to the extent necessary to derive maximum benefits from these assets both in providing basic infrastructure and generating revenue.

An immovable capital assets management and maintenance information system is in place and this is a comprehensive system which incorporates collection of all data related to municipal owned properties, verification of new and existing data, quality control and skills transfer. It also incorporate all property valuations that have obtained through the General Valuations as well as all maintenance and expenditure carried out on each municipal property.

The development of Corridor Clusters

The Forestry/Wood Cluster in the north by:-

- Providing new community forests especially near existing sawmills
- Providing new sawmills
- Establishing a wood manufacturing industry at Engcobo
- This project on forests is now handled by Chris Hani because local municipalities cannot afford to manage.

The Agricultural Clusters in the south by:-

- Developing new irrigation schemes
- Maximizing production at existing schemes Providing a market and agro-industrial at Ngcobo

The Tourism Cluster

- Conserve and develop bushman paintings and developing a bushman painting trail
- To develop the waterfalls for tourist visits i.e. parking area, ablution facilities etc.
- Develop dams for fishing and camping/overnight facilities
- A Tourism Centre within Hero's Park
- Tourism facilities and conference centre at Xuka
- Cultural village (horse and hiking trails, waterfalls and busmen painting)

- Partaking in Clarkbury (former Nelson Mandela school)

The Beef and Dairy Cluster

- Dairy production at Xuka
- Develop beef production at Xuka and other areas
- Dipping Tanks
- Stock Dams
- A beef auction and production facility at (Engcobo)

In terms of the draft Land Use Management Bill, it is anticipated that the Engcobo Local Municipality will be required to formulate an integrated Land Use Management System within the next 5-year planning period.

In the interim, the Municipality will focus on the following actions:-

- Establishing appropriate land use management procedures to deal with all formal land development procedures in the Urban Areas in terms of currently applicable Town Planning Schemes.
- Ensure the implementation of procedures in terms of the Environmental Conservation Act.

Spatial Development priorities

Engcobo therefore aligns itself and adopts the following spatial priorities;

#	Priority	Priority Description
1	Priority 1	Which highlights the need to realize the potential for maize production and the need to priorities sustainable homestead production.
2	Priority 3	Which highlights the need to priorities the provision of a basic level of infrastructure BUT, importantly, also rural infrastructure (e.g. fencing, agricultural support infrastructure and facilities);
3	Priority 4	Which highlights the need to prioritize land reform (specifically tenure and agrarian reform) in communal land areas to better secure the asset value of land;
4	Priority 11	Which is aimed at enhancing support and technical assistance to small-scale farmers as well as strengthening linkages to rural development and land reform initiatives.
5	Priority 12	Which is crucial to provide a strategic framework for the development of the rural settlement areas, where much development potential remains thwarted due to capacity constraints, lack of clarity on institutional responsibilities, land tenure and land administration complexities and significant infrastructure backlogs.

5.1.8 Housing

Housing is a national competence. It is a priority for our communities who have identified it during the broad consultation workshops as a critical need in short supply. Housing is also a basic need. The municipality has identified as part of this IDP's project list, a need to develop a sector plan for guiding our role in facilitating the implementation of sustainable housing and settlement development.

The municipality is not a developer, but a facilitator with current role encompassing facilitating and processing of applications for low cost housing, planning for new settlements and implementing RDP housing delivery programme on behalf of the provincial housing and development board or the department of human settlements.

No housing projects have been undertaken in the past few years by the municipality. However, the municipality does have several different urban and rural projects that are registered with the department.

The table below indicates the existing housing projects;

#	Project	Approved Scope	Approved Budget
1.	Engcobo EXT 11-1854	1854	R66,071,239.00
2.	Deberha Rural Pilot – 706	706	R317,700.00
3.	Mntutloni Rural -1000	1000	R5, 796,000.00
4.	Inkenkwezi Rural - 300	300	R1,159, 200.00
5.	Nkondlo Rural – 500	500	R1,932,000.00
6.	Goboti Rural – 300	300	R1,159,200.00
7.	All Saints – 700	700	R2,704,800.00
8.	Cefane Hook -350	350	R1,352,400.00
9.	Engcobo Consolidation 952-Water and Sewer Services	952	R29,678,600.00
10.	Engcobo Consolidation – 666 Houses	666	R58,129,146.00
11.	Engcobo Vulnerable/Destitutes	288	R32,312,160.00
12.	Chris Hani Emergency/Disaster	47+26	R5,418,380.47

Sustainable Human Settlements

Human settlements become sustainable when residents of the settlement have access to a variety of basic services, social services and housing.

Housing is the competency of the Provincial Department of Human Settlements, and Engcobo LM provides support in the form of land and bulk services through normal channels when requested to do so.

2015/16 Financed Linked Individual Programme Scheme (FLIPS) for Middle Income Earners

The department of human settlement in conjunction with Engcobo municipality is embarking on housing provision for middle income groups to close the gap market where earners between R3, 500 and R15, 000 are taken care of. Currently 500 applicants and more are submitting their applications and the municipality on the other side has dedicated suitable land in extension 7.

Community Rental Units (CRU)

The municipality has been assisted by the department of human settlement to develop community rental units. The plan is to accommodate 400 people earning between R800 and R3, 500 (low income earners). Currently 285 and more applications are being received.

RDP Extension 11 Project

In April 2015 the project infrastructure (access road, sewer line, water and sanitation) will take off; 1854 applications have been approved.

Rural Housing The analysis estimates the housing demand to be as follows:

The identified areas and analysis estimates on rural housing demand are as follows;

- ❑ Inkwenkwezi (300 houses)
- ❑ All Saints (700)
- ❑ Nkondlo (500)
- ❑ Goboti (300)
- ❑ Deberha (706)

Projects in the planning stage;

- ❑ Mntuntloni (1500)
- ❑ Cefane Hook (350)

Households with access to Basic Housing

Percentage of households with access to basic housing			
Year end	Total households (including in formal and informal settlements)	Households in formal settlements	Percentage of households in formal Settlements
2009	36910	1634	4.4%
2010	37047	1634	4.4%
2011	37214	1634	4.4%
2012	37214	1634	4.4%
2013	37214	1634	4.4%

KPA Challenges

- Infrastructure backlogs due to financial constraint
- Maintenance of roads infrastructure due to in house machinery and equipment
- Continuous water and sanitation operation and maintenance
- Inaccessibility of electrification for some villages
- Inaccessibility of schools and clinics due to limited access roads
- Limited capacity
- Limited equipment and machinery for waste and refuse
- Lack of professionals in waste and environment

5.3 KEY PERFORMANCE 3: LOCAL ECONOMIC DEVELOPMENT

Local Economic Development

In fulfilling the Local Economic Development Key Performance Area, Engcobo Local Municipality has developed a five year Local Economic Development Strategy (“LED”). The LED Strategy was developed in 2010 and has been reviewed in 2014.

It (“LED Strategy”) incorporates the following cross-cutting programmes;

- a) Small and Medium Enterprise Development including cooperatives.
- b) Agricultural Development

5.3.1 Local Economic Development (LED) Strategy

Background information

Engcobo Local Municipality (ELM) is predominantly rural and is characterised by a relatively low population density with more than 300 villages scattered across the municipality. Engcobo town being the only relatively densely populated, is the economic hub serving almost the entire municipal population. The municipality is faced with challenges relating to high prevalence of poverty, declining employment levels and concentration of employment in unskilled positions. In terms of the South African Constitution (1996), the Municipal Structures Act (2000) and the Municipal Systems Act Amended (2003), the local municipality is responsible for ensuring the development and implementation of Local Economic Development (LED) to facilitate employment creation and poverty eradication within its jurisdiction. Local Economic Development (LED) is essential in ensuring growth and stability of the economy. It is one of the most effective ways of ensuring that growth occurs on a sustainable basis while also assisting with the development of the PDI/HDI. The LED strategy serves as a tool with which the Engcobo Municipality can broaden the local economic base, increase sustainable growth and contribute to poverty alleviation in the area.

In order to fulfil the above mandate, in 2010 the Engcobo municipality procured the services of Laurie Shaw Consulting to review 2005 to 2010 LED Strategy leading to the current strategy. Apart from updating the baseline data, the 2010 review report addressed various issues including the lack of convergence in terms of determining priority projects resulting in the stating of the 3 Bankable projects: Upgrading the CBD with improved Taxi Ranks and Hawking facilities; Leveraging off of the agricultural, livestock (Poultry), water and forestry potential; and Recycling project. Furthermore, the review reduced the initial 15 objectives to just 5 objectives providing the strategy more scientific or strategic support. The objectives are: Develop LED department Institutionally; To strengthen and maintain partnerships and ensure intergovernmental alignment and cooperation; To mobilize resources and implement LED and Tourism programmes; To develop and sustain a research, monitoring and evaluation system; and Review the LED strategic Plan. Objective 5 aims to ensure that the strategic plan remains relevant.

However, the Engcobo LED strategy has not been reviewed since 2010. Hence, the Municipality assigned DCI Holdings to review, update and revise the existing LED strategy ensuring that it remains applicable and relevant to the changing socio-economic-political environment. Furthermore, the LED strategy review form part of the IDP process and is a critical steps towards achieving local economic

development within the Engcobo Local Municipal area. Determining what sectors, commodities and stakeholders are significant to the economic activity of Engcobo Local Municipality will enable identification of appropriate market interventions that will lead to economic development of the municipality.

LED Objectives

The objectives of this LED Strategy can be summarised as follows:

To improve the local Economic Growth – through improving access to economic opportunities that includes but not limited to:

- Strengthening the commercial and retail sector as well as farmer settlement support;
- Creating an enabling environment for the agricultural sector to establish sustainable agro-processing business and develop new products;
- identifying tourism potential and Increase tourism contribution to the area; and
- Diversified economy with contribution different areas through the optimisation of local market opportunities.

To improve Infrastructure Development – ensure improved access to services and ensure proper operations and maintenance of infrastructure services through the following;

- Reduce the housing backlog in the area;
- Electrical connections throughout the other towns of Engcobo Local Municipality;
- Constant, cost effective and quality supply of electricity to meet National Electricity Regulator (NER) Standards;
- Support the construction of new access roads and maintenance of the existing ones;
- Improve the image of Engcobo town through the town beautification and attract tourist and investors.

To ensure Business Development and Economic Environment – aimed at but not limited to the following:

- Promoting investment and employment opportunities;
- Empowering the people of Engcobo (particularly the large number of unemployed and poorly educated) to become economically active and to participate and contribute to the development of the area; and
- Increasing the number of entrepreneurs and ensure effective operation on the existing small business;
- Training and Capacity building;
- Development of trading by-law and law enforcement and
- Financial support services; and
- Development and Implementation of an Enterprise Development plan.

Institutional Framework – To ensure coordination between activities, and to establish an institutional organisation with sufficient capacity responsible for the implementation of the plan

5.3.2 Economic policy contexts

Since the early 1990s the government of South Africa has been actively engaged in policy development. Local economic development has been identified as the prime mechanism for: job creation, empowerment and local development. The following sub-sections provide a brief overview of the national, provincial, district and local economic development policies that are categorized according to the spheres of government. These policies provide a platform from which a summary is provided of their implications for the economic development within the Engcobo Municipal area.

Engcobo Spatial Development Framework

The Engcobo Spatial Development Framework was developed in alignment with the municipality's IDP as well as the Provincial Spatial Development Framework. The Spatial Planning and Land Use Management Act of 2013 require local municipalities to produce a Spatial Development Framework to ensure equitable and efficient spatial planning. With the regards to the municipality of Engcobo, the following planning informants have been used in creating the spatial development framework package:

- Provision of basic infrastructure
- Sustainability
- Land ownership and tenure
- Settlement patterns
- Identifying areas of greatest opportunity
- Urban development
- Environmental management
- Agriculture and Forestry

In other words, the spatial implications of the IDP development objectives are that the municipality aims to deal with spatial fragmentation and management of and development; ensuring ease of access to opportunities; and increasing the functioning of Ncgobo town.

Engcobo response to national and provincial policies

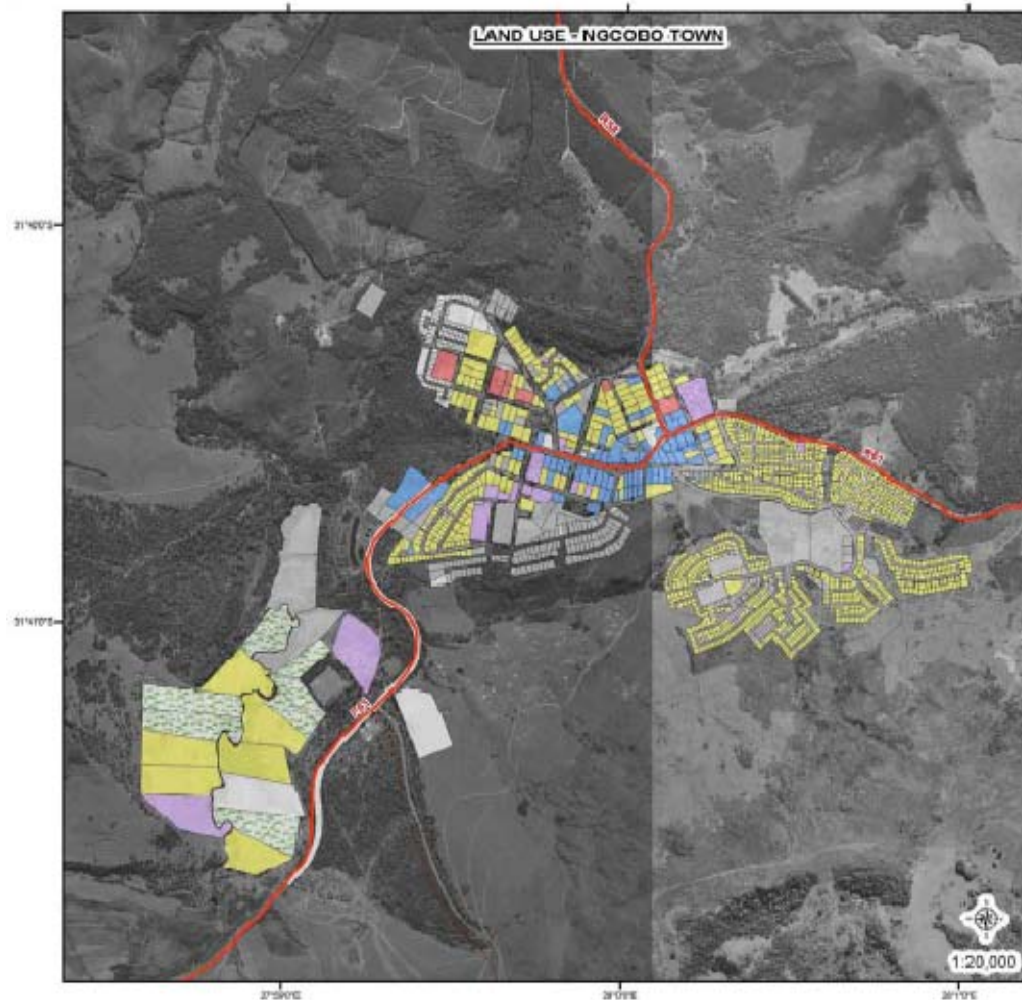
Engcobo's LED Strategy

The local municipality has very little economic regeneration with Ncgobo town being the Municipality's principal service centre and administrative node, future focus for economic growth and development. The objective is to provide a well-functioning town so as to enable and stimulate economic and job creation opportunities and a future sustained town. This will also assist in providing security of tenure and ownership of land which will act as a catalyst and provide investment opportunities in Engcobo town.

This will mostly assist in meeting the principles set by the Development Facilitation Act 1995, which is to create an enabling environment for development and investment, create opportunities for job creation and help to discourage land invasion by providing formal development for the poorer sector of the community, promoting efficient and Integrated Development.

Engcobo town (LED node)

Under the Small Town Revitalisation, Engcobo Local Municipality has identified the development of Engcobo town as a primary node of the municipality. The town is seen as a main hub of the economic activities, service centre and administrative node which will stimulate economic regeneration within the municipality.



Engcobo's Response to NSDP:

- Engcobo has embarked on Small Town Revitalisation;
- Capitalising the strategic position along the newly upgraded R61 connecting Queenstown and Mthatha;
- Focus on the industrial potential in Engcobo Municipality.

Alignment to National, Provincial and District's Objectives:

National Objectives	Engcobo LED Strategy: addresses the following
Sustainable Economic growth to reduced unemployment and poverty	<p>Set to ensure sustainable local Economic Growth – through improving access to economic opportunities that includes but not limited to;</p> <ul style="list-style-type: none"> • Strengthening the commercial and retail sector as well as farmer settlement support; • Creating an enabling environment for the agricultural sector to establish sustainable agro-processing business and develop new products along the value chain; • Co-ordinate, facilitate and mobilise key LED stakeholders; • Identifying tourism potential & Increase tourism contribution to the area – Engcobo town beautification under the Small town ; Revitalisation; and • Diversified economy with contribution different areas through the optimisation of local market opportunities.
Infrastructure Development to improve service delivery, - improve health, education and housing	<p>To improve Infrastructure Development – ensure improved access to services and ensure proper operations and maintenance of infrastructure services through the following;</p> <ul style="list-style-type: none"> • Reduce the housing backlog in the area; • connection throughout the other towns of Engcobo Local Municipality – Road upgrade; • Constant, cost effective and quality supply of electricity to meet National Electricity Regulator (NER) Standards; • Construction of new roads and new taxi rank and; • Town beautification
Inclusive Rural Economy	<ul style="list-style-type: none"> • Creating an enabling environment for the agricultural sector to establish sustainable agro-processing business and develop new value adding products; and • Create conducive environment for SMMEs.
Building a safer communities, a capable state, with Social protection, Education, training and innovation Fighting corruption and enhancing accountability	<ul style="list-style-type: none"> • Institutional Framework – To ensure coordination between activities, and to establish an institutional organisation with sufficient capacity responsible for the implementation of the plan.
Infrastructure Policy Action Plan (IPAP): to set the economy on a growth path that is value-adding, labour-intensive and environmentally sustainable	Construction of the taxi rank and the Town Beautification under the Revitalisation plan of Engcobo allows for growth that is value-adding and labour intensive
Infrastructure Development Bill: to provide for the facilitation and co-ordination of public infrastructure development which is of significant economic or social importance to the Republic	Construction of various infrastructures such as the taxi rank as well as the revitalisation of Engcobo. Construction of the mall
NSDP for small business: Alleviating poverty by making it possible for poor people to generate income to meet	The revitalisation allows for the creation of new jobs and improving conditions of the existing jobs as well as creating new businesses through formalisation of the street vendors

basic needs	(provision of stall);
BBBEE: Increasing the number of black people that manage, own and control enterprises and productive assets. Facilitating ownership and management of enterprises and productive assets by communities, workers, co-operatives and other collective enterprises	BBBEE allows for access to land, infrastructure and finance. It enables the people of Engcobo, who are primarily black and previously disadvantaged, to access land through the revitalisation and beautification

Provincial strategic framework	Engcobo LED Strategy: addresses the following
EC PGDP: strategic framework, sectoral strategies and programmes aimed at a rapid improvement in the quality of life for the poorest people of the Province	Job opportunities created as well as market access created through the development programmes introduced.
EC PIDS Building a coherent economic development support environment	Creating an enabling environment for the agricultural sector to establish sustainable agro-processing business and develop new products;
EC PIDS Economic transformation and revitalisation	To improve Infrastructure Development – ensure improved access to services and ensure proper operations and maintenance of infrastructure services through the following; <ul style="list-style-type: none"> • Reduce the housing backlog in the area; • connection throughout the other towns of Engcobo Local Municipality; • constant, cost effective and quality supply of electricity to meet National Electricity Regulator (NER) Standards; • Support the construction of new and maintenance of roads; and • Town beautification.

CHDM Objectives	Engcobo LED Strategy: addresses the following
CHDM IDP 20112-17: To consistently create an enabling environment for Economic Growth, Rural Development and Employment opportunities.	Improving the local Economic Growth – through improving access to economic opportunities that includes but not limited to: <ul style="list-style-type: none"> • Strengthening the commercial and retail sector as well as farmer settlement support; • Creating an enabling environment for the agricultural sector to establish sustainable agro-processing business and develop new value adding products; • Identifying tourism potential & Increase tourism

	<p>contribution to the area; and</p> <ul style="list-style-type: none"> • Diversified economy with contribution different areas through the optimisation of local market opportunities.
Ensuring provision of Basic Services in a well structured, efficient and integrated manner.	<p>To improve Infrastructure Development – ensure improved access to services and ensure proper operations and maintenance of infrastructure services through the following;</p> <ul style="list-style-type: none"> • Reduce the housing backlog in the area; • Connection throughout the other towns of Engcobo Local Municipality; • Constant, cost effective and quality supply of electricity to meet National Electricity Regulator (NER) Standards; • Support the construction of new and maintenance of roads; and • Town beautification
To encourage the involvement and collaboration of Communities and Stakeholders through working together to achieve good governance in an integrated manner.	The strategy gives room to ensure community and stakeholders collaboration.
To establish and maintain a skilled labour force guided by policies to function optimally towards the delivery of services to communities.	Programmes aimed at developing enterprises in area of Engcobo include provision of training of the communities. Furthermore, the strategy covers the need for training of officials as a way towards improving service delivery.

Implications for LED in Engcobo

Based on the preceding sections, it is evident that there are several pieces of legislation, strategies and policies in existence to address the issue of local economic development. LED involvement requires government intervention in the form of facilitation, support and funding. In Engcobo, national government, the district and local municipality all have an essential role to play in the successful implementation of local economic development initiatives. These institutions establish principles and provide a framework for the formulation of localized economic development strategies. They create a range of opportunities for funding, institutional development and initiatives for economic growth and development in Engcobo. Based on this, it is important that LED within Engcobo focuses on the following areas:

- Addressing local development needs, poverty crises and job creation requirements;
- A partnership between all key stakeholders – the local authority, communities, and the private sector. (Currently there is an existence of LED Forum in each town);
- Local leadership;
- Initiative and entrepreneurship;
- The use of local resources and skills;
- Appropriate external support , advice and facilitation; and
- Creating an environment that facilitates economic growth and diversification, and
- Stakeholder’s empowerment and capacitation.

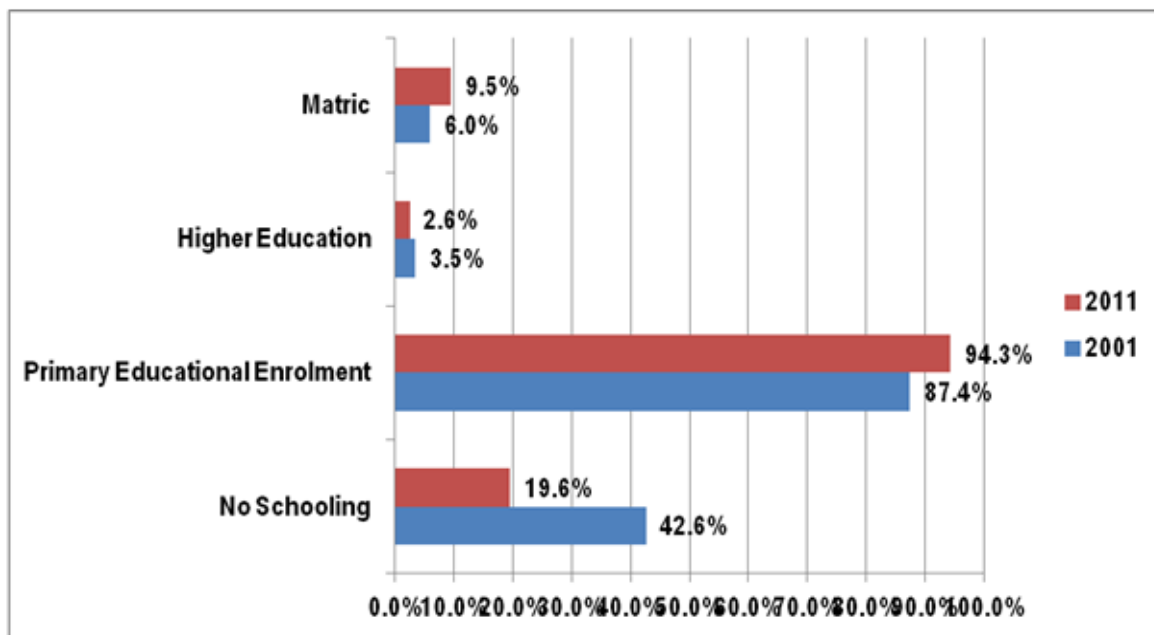
5.3.3 Socio - Economic Assessment of Engcobo Local Municipality

The aim of this section is to provide a detailed account of the current social and demographic situation in Engcobo. By so doing, it will be possible to ascertain those areas in which economic development potential exists.

Economic Analysis of Engcobo Local Municipality

Educational level

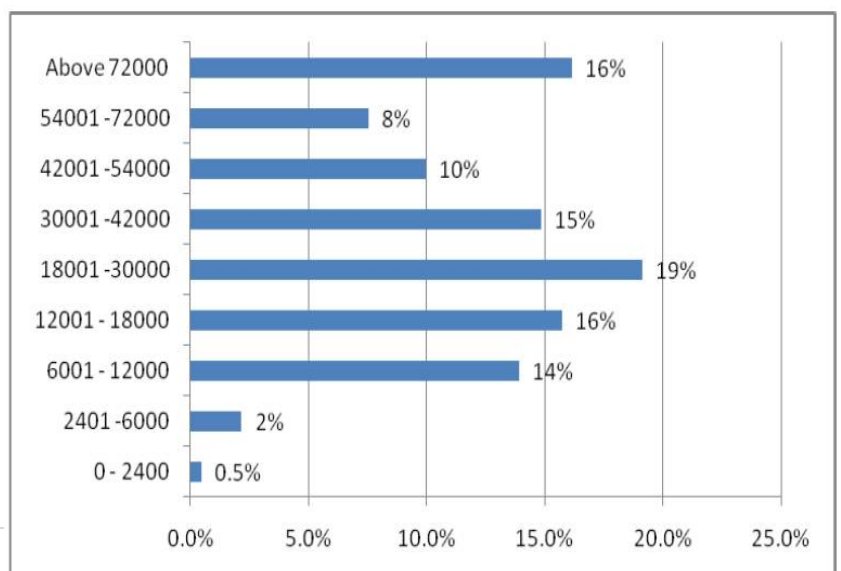
The level of education amongst the people of the Engcobo Local Municipality is fairly low despite significant decline in the number of people with no schooling.



Source: ECSECC, 2012

Income

The majority of Engcobo's residents are low-income earners. This is exacerbated by the fact that the unemployment rate is very high. Engcobo has a Gini Coefficient of 0.61 which means that the income levels are relatively equitable. A large percentage (32%) of households in Engcobo is indigent with incomes of

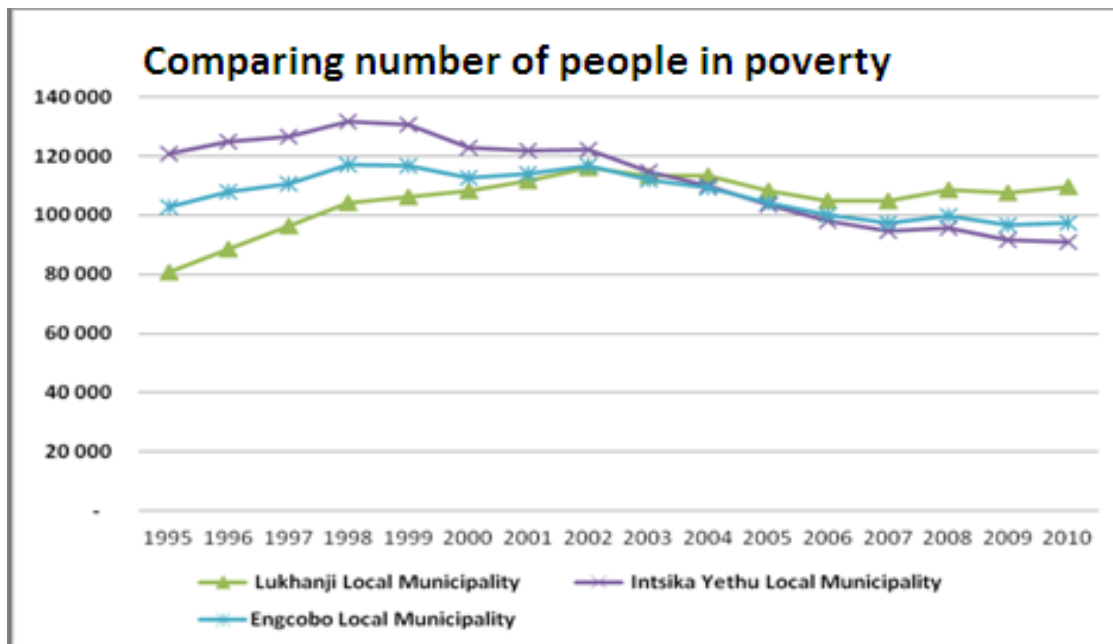


less than the sum of two state pensions (R3000) or a monthly gross income of R1500. This spurs on the need for low income housing to cater for these people. The figure below shows a comparative distribution of households by income category using annual figures.

Statssa: Census 2011

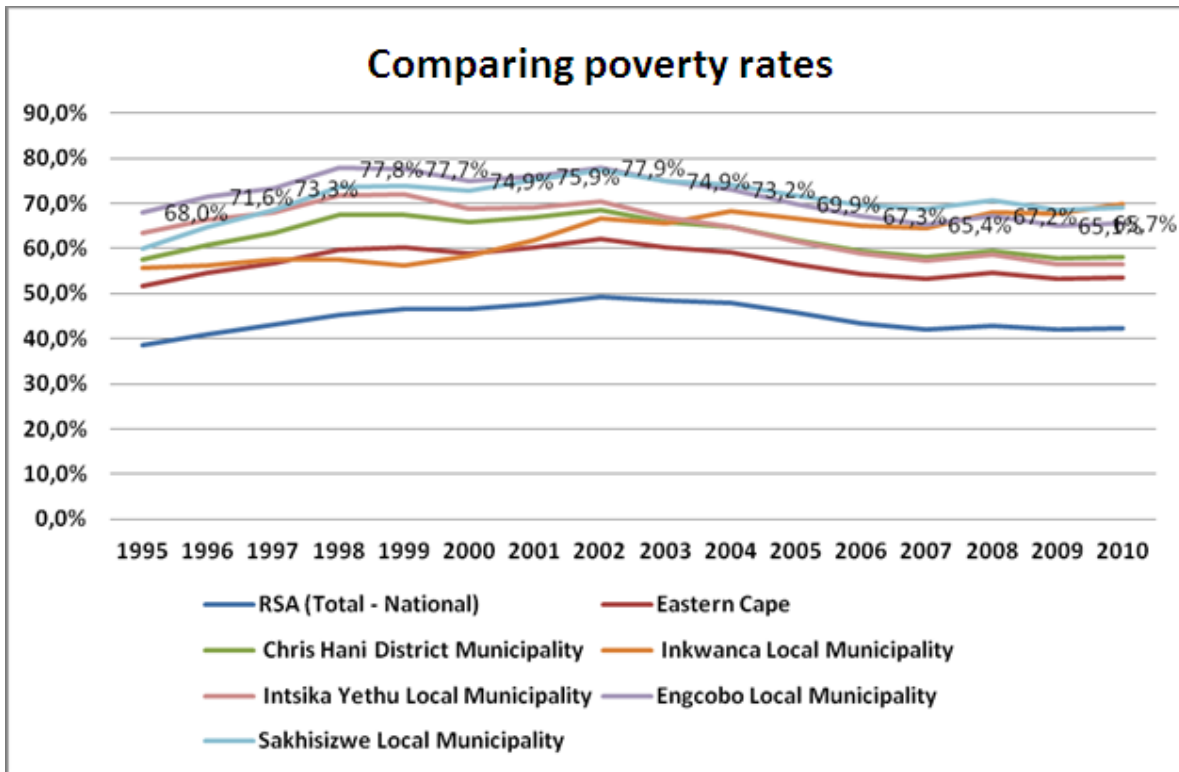
Poverty

When compared to the other local municipalities with Chris Hani District Municipality, Engcobo recorded highest number of people in poverty 1995 to 2003. However, since then the situation has



improved significantly. **Source: ECSECC, 2012**

Comparing the poverty rates, Engcobo recorded the higher percentages than the national, provincial as well as district with the highest rate 77.9% recorded in 2002/3.

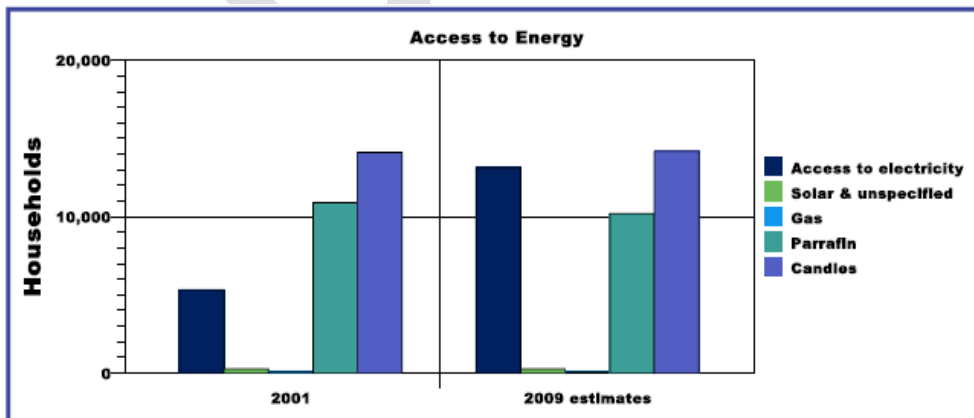


Source: ECSECC, 2012

Means of energy

In 2009 Eskom embarked on a rural electrification programme to include areas in the Engcobo. The number of households with access to electricity is increasing as every year there are new connections that are connected on to the Eskom grid. The project has seen increases in connections from 55% to 73% from 2009 to 2012.

Water and sanitation



Source | ECSECC, Graphic | Executive Insights

	2001	2009 estimates
Access to electricity	5,351	13,135
Solar & unspecified	281	285
Gas	123	109
Paraffin	10,908	10,203
Candles	14,128	14,186

a. Water

The table illustrates the extent of backlogs on the provision of water to households and also highlights the need for effective management

of the current sources to ensure healthy households, especially in relation to the 25% of the population that relies on river streams and the 19% of the population that relies on spring water.

Percentage of household water sources

Water Sources	%
Water vendor	0
Rain water tanks	2
Other	0
Piped water inside dwelling	7
Piped water inside yard	4
Piped water from access point outside yard	41
Borehole	2
Spring	19
Dam / pool	0
River / stream	25

Engcobo Small Town Revitalisation strategy, 2013

Sanitation

The backlog for sanitation is about 58%. The provision of sanitation services is illustrated in the following table:

Number and Percentage of sanitation provision services sources

Facility	2008		2009		2010		Year on year growth
	Number	%	Number	%	Number	%	%
Flush or chemical toilet	2163	6.9%	2245	7.1%	2327	7.3%	3.80%
Pit latrine	7620	24.4%	7575	24.1%	7530	23.8%	-0.60%
Bucket latrine	156	0.5%	158	0.5%	160	0.5%	1.30%
None	21274	68.1%	21463	68.2%	21652	68.3%	0.90%
Unspecified	37	0.1%	36	0.1%	34	0.1%	-4.10%
Total	31250	100.0%	31477	100.0%	31703	100.0%	0.70%

Engcobo Small Town Revitalisation strategy, 2013

The high proportion of households who have no access to flush/chemical toilet, pit latrine or bucket latrine is a cause of concern, especially given the health risks posed by this situation coupled with issues around human dignity. The provision of the flush/chemical toilet system has not seen significant growth over the three years between 2008 and 2010. The increase in the number of households with no facilities exceeded the number of households that obtained one or another form of sanitation during this period.

Housing

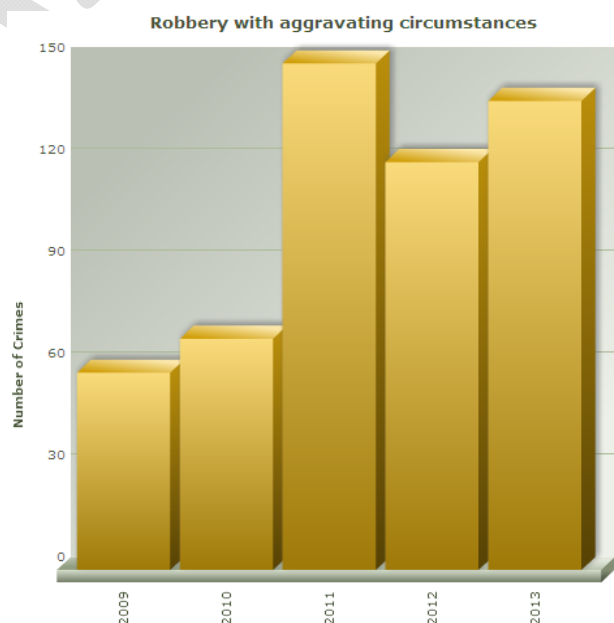
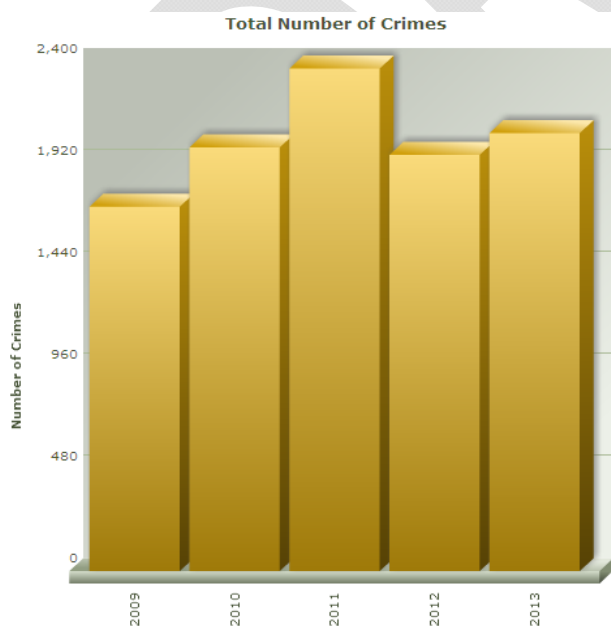
It is the responsibility of Engcobo Municipality to provide housing for the community of Engcobo through the Department of Human Settlements. No housing projects have been undertaken in the past few years by the municipality. However, the municipality does have several different urban and rural projects that are registered with the department.

Percentage of households with access to basic housing			
Year end	Total households (including in formal and informal settlements)	Households in formal settlements	Percentage of households in formal Settlements
2009	36910	1634	4.4%
2010	37047	1634	4.4%
2011	37214	1634	4.4%
2012	37214	1634	4.4%
2013	37214	1634	4.4%

Engcobo Small Town Revitalisation strategy, 2013

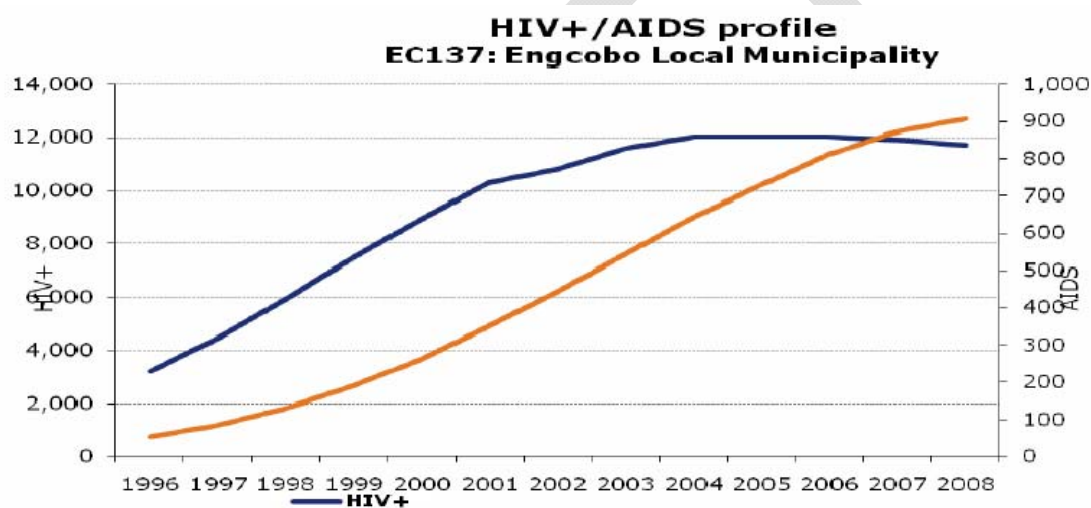
Crime and safety in Engcobo

Due to a number of social and economic factors, crime remains one of the major problems in Engcobo Local Municipality. From the graphs below, the total number of crimes in Engcobo has increased significantly from 2009 to 2013. Among the crimes that have increased in the municipality are murder and sexual crimes. Common crimes and robberies on the other hand have decreased over this period. Robbery with aggravating circumstances has also significantly increased from 2009 to 2013.



HIV/AIDS

HIV/AIDS continues to be an epidemic in South Africa as well as in the district in which Engcobo Local Municipality is located, that is, Chris Hani District Municipality. The eradication of HIV has been viewed as a priority outcome of the municipality. Statistics show that approximately one quarter of the population in the district is HIV positive. The rate has fluctuated between 20% and 27% in the past decade. This has socio-economic consequences in the long term. It is estimated that over 900 people in the municipality are HIV positive based on the Global Insight Report from 2008. The HIV/AIDS trends from 1996 to 2008 are shown in the figure below.



Source: IHS Global Insight Regional explorer version 459

Social implications

Based on the preceding analysis, there are a number of implications with regard to development within the Engcobo Local Municipality which can be summarised:

The demographic profile for Engcobo presents a hurdle for economic growth of the municipality, as growth must occur fast enough to create job opportunities for the youth. With over half the population being females, this suggests a need for co-operatives targeting women, youth and people with disabilities in the area. An important aspect of this profile is that it reflects an age cohort that is more vulnerable to HIV/AIDS, crime and violence.

The education profile for Engcobo shows a high level of illiteracy with corresponding high levels of unemployment and poverty. The low levels of income reflect a situation of impoverishment and limited employment opportunities. The current paints a bleak picture in terms of the ability of a large proportion of the Engcobo population to meet their basic needs and improve their quality of

life. Therefore, the key challenges for the municipality are to improve the literacy level, so that people are equipped to search for suitable employment. In addition to this, greater focus is required on skills development and training in order to empower individuals and promote SMMEs within the area. The need for facilities across the education spectrum as a means to prepare the youth to play a meaningful role in building the economy of Engcobo should be prioritised.

The demographic and migration patterns raise a number of broad policy questions that need to be addressed. Firstly, the fact that a large number of population is emigrating, raises the issues as to whether the municipality should continuously plough infrastructure projects in the poor areas where people are leaving or should it concentrate on human capital development programmes that seek to enhance the potential of local residents to lead decent lives in major towns and thus increase remittances flowing into the area. Broadly speaking though, it also raises questions about the municipality's ability to stop the nature of urbanization processes.

In terms of the National Spatial Development Perspective (NSDP) Framework, the fact that the majority of local population outside is illiterate, highly dependent on social grants, lacking economic potential and searching for employment opportunities outside the area means that the municipality should consider the following:

- Improve on its labour market intelligence and human resources development programmes aimed at equipping locals, especially youth, with skills that will help them find employment in their migration destination points of Bloemfontein and Johannesburg.
- Working together with the Department of Social Development to enhance the effectiveness of social welfare and security programmes in the area. This will also help to strengthen the poverty alleviation programmes of the municipality.
- Working together with the Department of Water Affairs and Fisheries to enhance the effectiveness of the Department in the area. This will help in the projects of Aquaculture and Water Harvesting.

Spatial Profile

This sub-section summarise the spatial profile of Engcobo, namely the Development Corridors and the Development Nodes of Engcobo critical role in the growth and development of the municipality.

Development Corridors

Development Corridors are defined as roads of significance at Municipal Level that:

- Facilitate movement of people and goods to and from an area
- Link places in the Municipal area to other places of significance (i.e. markets, places of work or social/economic opportunity)
- Create a focus for activity

Engcobo local municipality's spatial framework has the following significant corridors namely:

- Primary movement corridor (R61), - the East Corridor of importance to both the municipality and district linking the Engcobo to Queenstown and Mthatha.
- Secondary movement corridors (R58 Elliot – Ngcobo & R408 Engcobo – N2 –Dutywa). These routes carry passing traffic and provide access between local areas in Engcobo and other centres.
- Link corridors - Access Roads linking Ngcobo (R61) to the Secondary Nodes of Mnyolo, Coglan, Clarkesbury, Mjanyane and Hala. Linking areas of development potential to Movement Corridors and Ngcobo.

Development Nodes

The municipality has Ngcobo town as its primary node with five other secondary nodes:

Node	Name	Role
Primary	Ngcobo	Ngcobo is the economic hub of the municipality; the Retail and Service Centre to the surrounding rural settlements. It also has an administrative role as the Local Municipalities Headquarters. It also functions as an Industrial Node. Caters for permanent and temporary residents.
Secondary	Mnyolo, Coglan/ Nkontlo, Clarkesbury, Mjanyane, Manzana, Hala	Commercial and Social Facilities serving surrounding rural areas.

Engcobo Competitive and Comparative Advantage

Key Elements	Competitive Assessment
Infrastructure and Services	<ul style="list-style-type: none"> • Engcobo’s Communications (transport and telecommunications) infrastructure is underdeveloped, with no rail, air or water port facilities coupled with very limited surfacing of all roads (8.79%) and low percentage (16.65%) of direct access to telephones by the local population. • Engcobo has favourable cellular network coverage and is situated close to Umtata, but is some distance from the Provincial secondary economy of East London. • On Quality of Life, Engcobo fares poorly with low measures of access to all basic services (water, electricity, sanitation, and refuse removal) but adequate shelter, and with low access to schools. Access to health care facilities is comparable to the Provincial average, but below District average. • Poor television reception limited to SABC 1 and 2, implying that families will have to buy DSTV to access more channels • Economic infrastructure is poorly represented, with few commercial banks,

	post offices with banking capability and ECDC properties.
Institutional Environment	<ul style="list-style-type: none"> • The overwhelming majority (95.07%) of the population is resident on tribal land and more than half (55.24%) of all households own their properties, of which the majority (93.85%) are fully paid up owners. • The coverage of police stations relative to geographical area and population size is lower than for the Eastern Cape, yet the crime rate stands at less than half (15.36 crimes per 1000 people) of the Provincial rate. However, Engcobo is one of the few municipalities in the Province to experience a growth (0.05%pa) in crime over the past three years. The prevalence of livestock and business-directed crime is roughly equivalent. • The local economy is highly concentrated, dominated by the Community Services sector in terms of both GVA and employment. The cost of doing business in the area is relatively high, principally on the basis of transaction costs arising through distance, and travel time, to a major economic centre (East London), while expenditure on transport, communication and finance is moderate. • Further considerations are the absence of a Telkom service branch, poorly developed municipal regulatory capacity and limited access to business service providers and development and financial support institutions. However, various economic development structures are represented in the area, including a business chamber and LED forum.
Economic Indicators	<ul style="list-style-type: none"> • Engcobo claims the most youthful as well as the highest rates of poverty and unemployment in district, coupled with a high dependency ratio. An indication of the depth of poverty in the area is revealed by the Municipality's share of the Provincial poverty gap (3.79%), which is substantially higher than its share of the Provincial population (2.65%). • The Municipality has low Productivity score which points to the low GDP per worker (formal and informal), a relative shortage of skills available to the economy, and low growth in value creation relative to labour remuneration and especially employment. • Engcobo's low Formal Economy Performance reflects particularly on the concentrated local economy, relatively high financial grant dependence and GDP performance, but is bolstered by positive employment growth performance. • Engcobo emerges as a leading economy, both nationally and provincially, in respect of formal employment growth performance and has experienced a positive shift in share of employment, but a negative shift in share for GDP contribution. • Economic Absorption Capacity is fairly low considering the negative income-expenditure balance against a higher than average employment multiplier as well as moderate informal sector capacity, total disposable income and buying power. • The local economy claims a comparative advantage, for both GDP and employment, in Community Services (dominated at 26.51% of GVA and 33.47% of employment).

	<ul style="list-style-type: none"> • Further comparative advantages, in terms of GDP contribution, are reflected for Agriculture – centred on Forestry and Logging (5.94%); Construction (2.83%) and Trade – centred on the Retail sub-sector (12.32%). A further employment advantage emerges as the Households sector (18.46%). • The Municipality claims a range of leading products, including sheep, goats, cattle, sunflowers and maize, where the latter is identified as having very high potential. • Dry land potential exists for maize and beans, and the area is identified as suitable for forestry. • Potential exists for further expansion of goat (Boer) production, while the high number of sheep in the area presents opportunities for expansion of the wool industry and the relatively large local market presents meat processing opportunities. • Engcobo falls into both the “Friendly N6” and Wild Coast tourism regions, with attractions centred on the natural environment and related outdoor activities.
Capacity	<ul style="list-style-type: none"> • Low Resident Participation Capacity in Engcobo as seen in the low HDI (0.42), below average access to education and health professionals, and a comparatively high proportion of child-headed households in the Eastern Cape. • Functional literacy (45.32%) is low, as is the qualification rate (4.92%) and the proportion of residents that have gained at least a matric (11.26%). • Women’s Economic Participation is marginal, where women account for 54.27% of the population yet constitute 48.87% of the EAP and face substantially higher unemployment (83.27%) and rate of growth in unemployment (5.79%pa) than men. • Engcobo reflects poor Municipal Capacity considering the very low ratio of municipal employees to population, moderate managerial experience and limited number of functions performed with capacity.

5.3.4 Economic Overview of Engcobo Local Municipality

This section is set to provide an analysis on the key economic trends for Engcobo Local Municipality and identify key sectors of economic activity and potential growth in comparison to other districts. The aim is to provide insight about the economic environment of the area, thereby setting the need for the LED strategy. The economic profile will be reviewed under the following sub-headings:

- GDP output
- GVA output per sector
- Sector contribution towards employment

Engcobo town is the most significant economic node in the Engcobo Local Municipality. The town is host to all retail and consumer outlets in the municipality. Almost all formal and informal trade takes

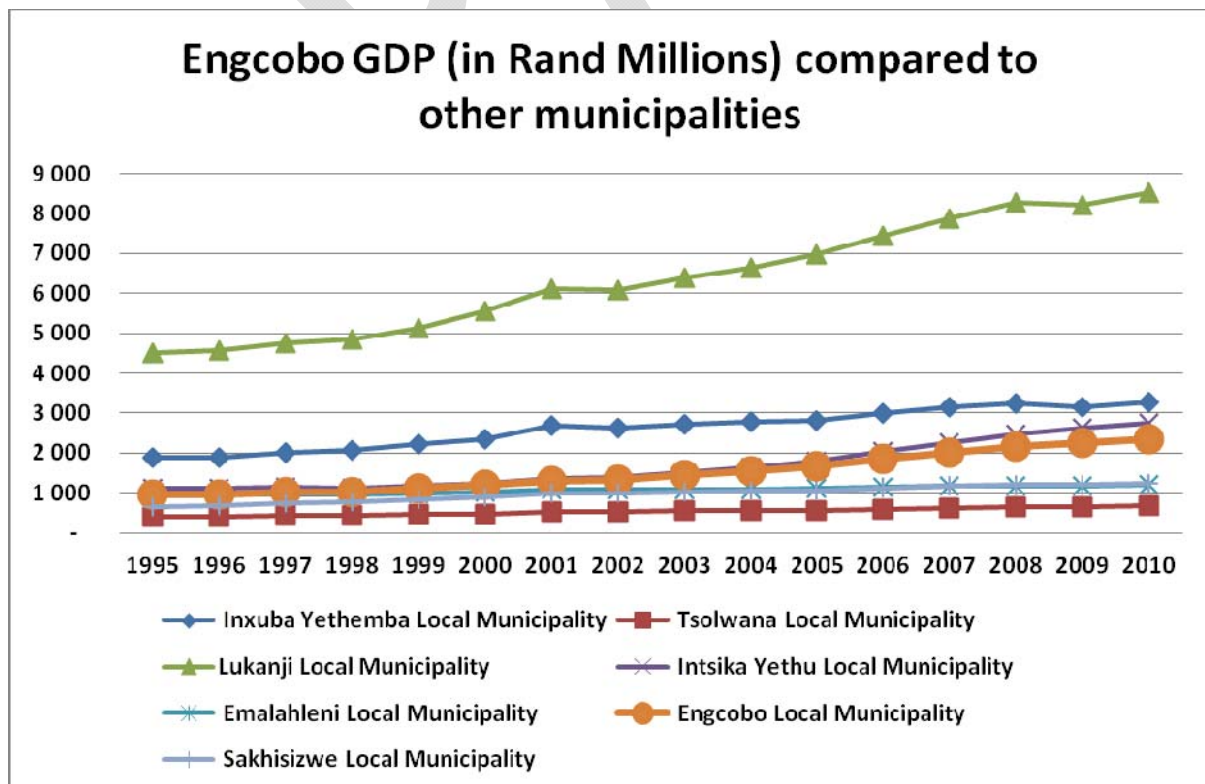
place in the town. Furthermore, the town is home to banking outlets as well as all the municipality offices. There are few peri-urban nodes that include; All Saints, Cochlan, Clarkesbury and Mjanyane outside of Engcobo town. The main activity within the peri-urban areas is informal trade such as catering for traffic to and from hospitals and clinics. The rest of Engcobo is made up of more than 300 villages scattered across the entire municipality. These villages usually consist of a few dozen households and contain no formal businesses, banks or public services such as police stations, post offices or libraries. This implies that Engcobo town is vital in terms of access to goods and services by the Engcobo residents.

It should be noted that the economic statistics used in this section do not account for the informal sectors and reflect only the formal economy.

This sub-section provides an analysis of the key economic trends for Engcobo Local Municipality identifying key sectors, potential growth areas and highlights on the areas of competitive as well as comparative advantage. The aim is to provide insight about the economic environment of the area, thereby setting a platform for economic planning, potential future developments and investment prospects.

Economic growth: Gross Domestic Product Output & Gross Value Added

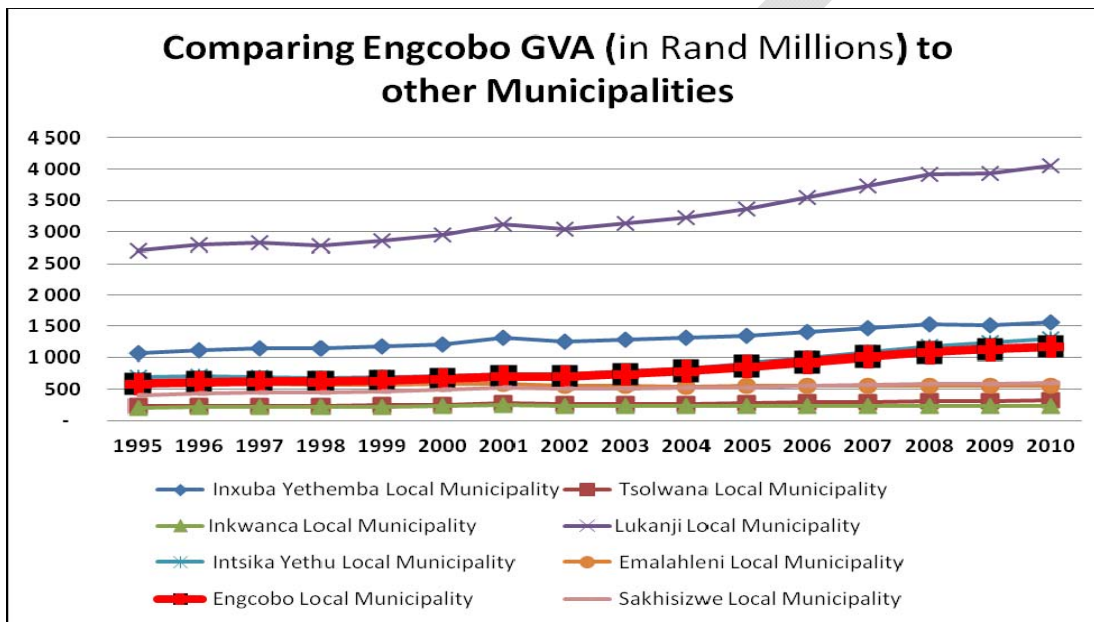
Based on a comparison of Engcobo’s GDP (1995-2010) to the rest of the other municipalities within the District the municipality can be placed in the 3rd position following Lukhanji, Inxuba Yethemba and Intsika Yethu respectively. The figure below set illustrates the Engcobo’s GDP performance (1995 to 2010) in comparison to the rest of other municipalities.



Engcobo Gross Domestic Product (Source: Global Insights, Annual GDP output) (2011)

The Engcobo Infrastructure Master Plan, 2012 reported GDP of R1 215 million for the local municipality. The economy has grown at an average growth rate of 1.03% between 1996 and 2010. There has been steady growth since 2007. This is attributed by the fact that the economy is dependent on government and community services.

Ngcobo town being the hub of the local economy, more than half of the GVA takes place in the town, the municipality is place 3rd when the GVA is compared to the other municipalities within the district. See figure below.

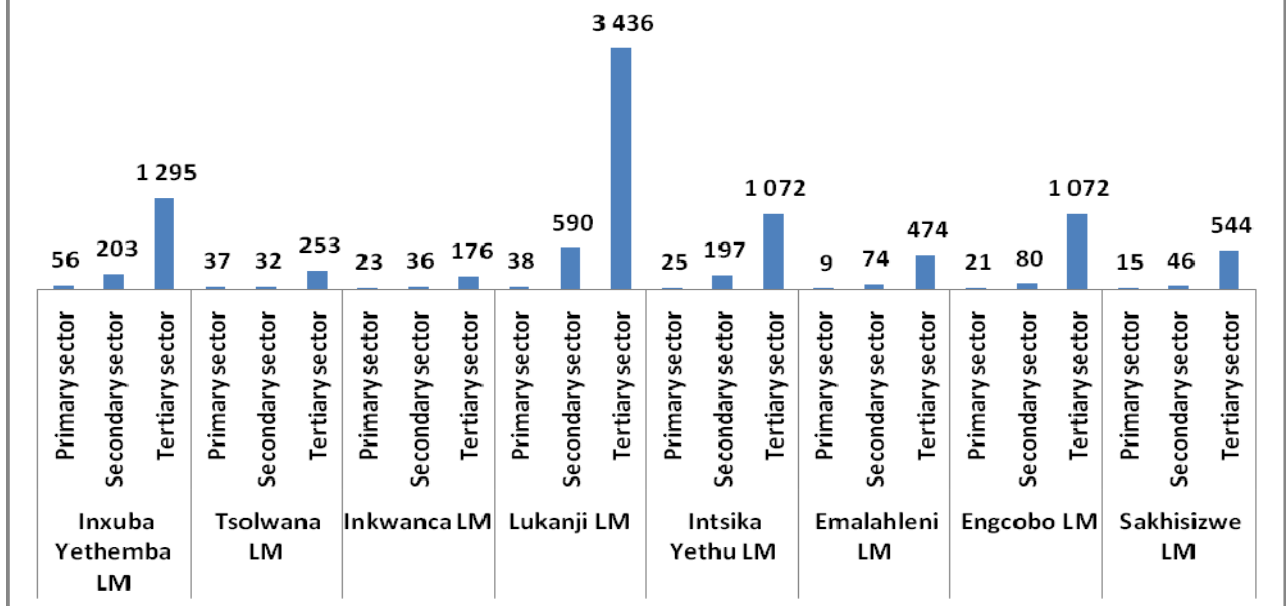


Source: ECSECC, 2012

Sector Contribution Economic Growth

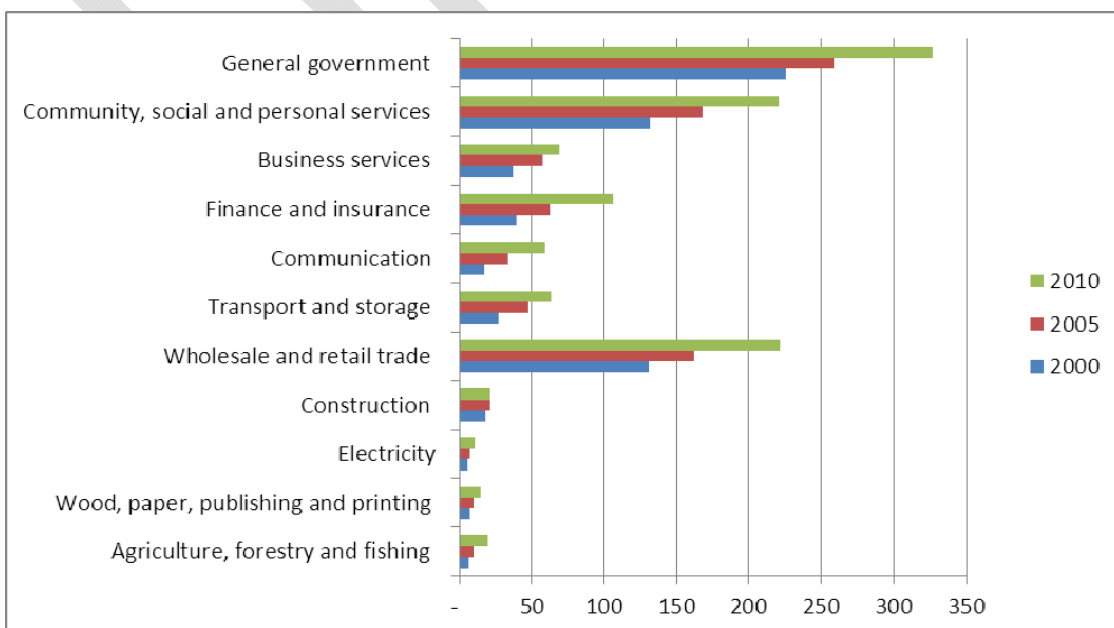
In terms of sector contribution to economic growth, it is clear the tertiary sector dominates in all the municipalities' economy. Engcobo's tertiary sector contribution to GVA (R1 072 million) is placed 3rd following Lukhanji (R3 436 million) and Inxuba Yethemba (R1 295 million). In terms of secondary sectors, Engcobo is placed 4th (R80 million) following Lukhanji (R590 million), Inxuba Yethemba and Intsika Yethu. Engcobo's primary sector contributes (R21 million) to the municipal GVA compared to highest Inxuba Yethemba.

Comparing Engcobo's GVA (Rand Million) sector contribution to other municipalities



Source: ECSECC, 2012

Zooming in to Engcobo’s tertiary sector, it is clear that general government and community services are the greatest contributors to the GVA. This indicates that Engcobo LM lacks diversity. Wholesale and Retail Trade are the second contributor to the economy and 68% of the activities occur in Engcobo town (see figure below). In addition, Engcobo town is the hub to commercial, financial and manufacturing sector. Therefore, it is vital to develop and maintain the infrastructures and links to Engcobo town. The graph below show the profile of sectors with significant contribution to the GVA (Rands – millions):



Source: ECSECC, 2012

With reference to the above Sector Contribution table the following is noted:

- Clearly high dependency on government spending through social grants and constantly increasing since 2000.
- The Finance and Business Services sector has experienced steady growth between 2000 and 2010. This is an indication of the growing professional and business market in Engcobo.
- The Agricultural sector's contribution towards GVA is very small (approximately 2%). This is largely due to the sector being dominated by subsistence farming which does not contribute towards the formal economy and it is an under-developed sector.
- Output by sectors indicates growth though this growth is both uneven and the output is low in areas that should present significant competitive advantage for the municipality (e.g. agriculture and trade, both retail and wholesale).

Sector Contribution - Employment

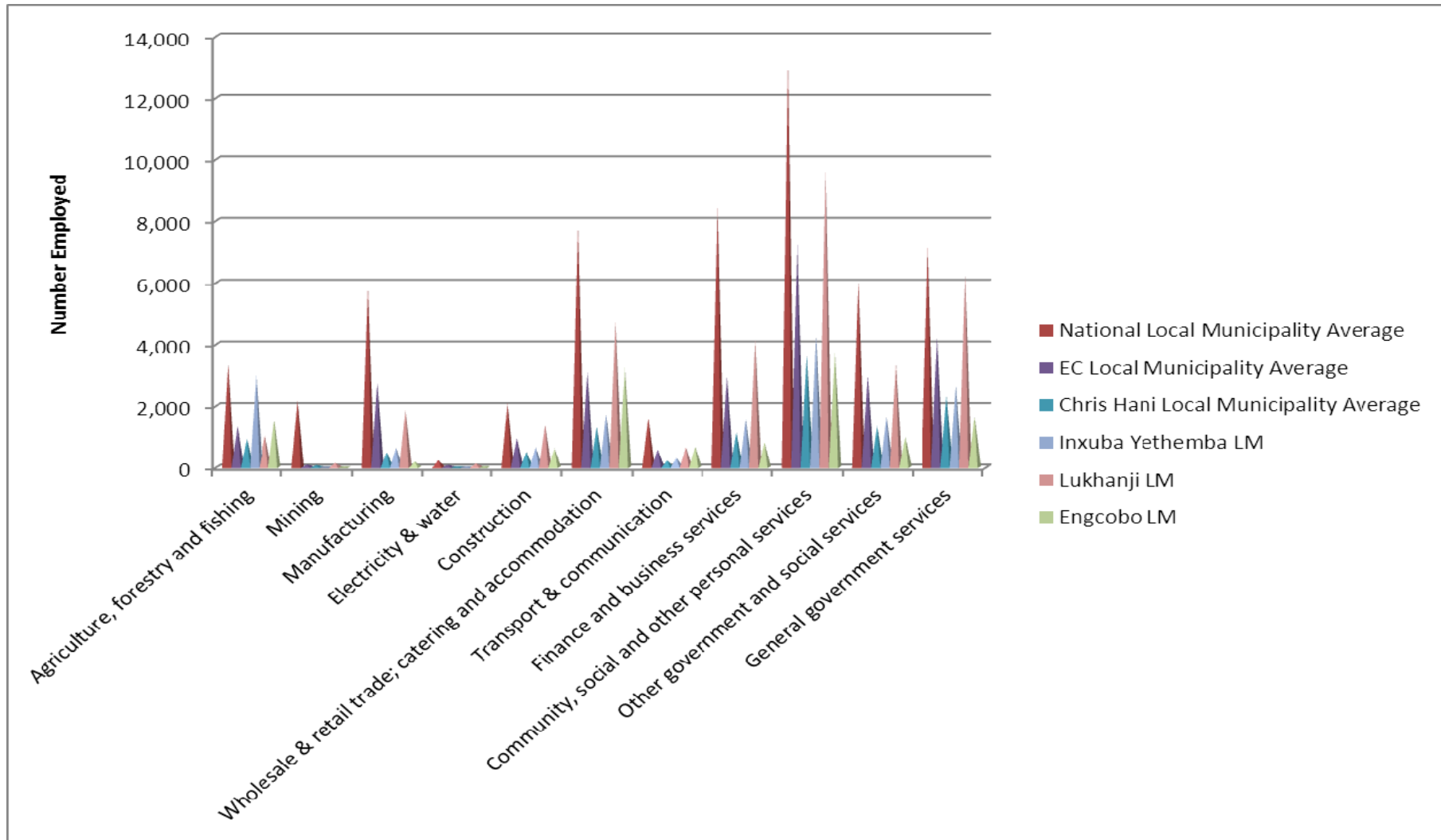
The general trend across the four levels shows that Community, social and other personal services is the highest contributor to employment. When compared to the other municipalities within Chris Hani district, Engcobo's contribution in terms of employment is less than that of Lukhanji and Inxuba Yethemba at National, Provincial and District level.

Interesting to note that Engcobo's wholesale and retail sector contribute significantly toward employment at all spheres.

Sector Contribution to formal employment comparison at National, Provincial, District and municipal level below (ECSECC 2012)

Sectors	National Local Municipality Average	EC Local Municipality Average	Chris Hani Local Municipality Average	Inxuba Yethemba LM	Lukhanji LM	Engcobo LM
Agriculture, forestry and fishing	3,348	1,325	933	2,988	1,035	1,536
Mining	2,165	91	70	14	145	29
Manufacturing	5,844	2,768	495	632	1,858	183
Electricity & water	227	79	36	35	131	40
Construction	2,075	935	503	655	1,366	620
Wholesale & retail trade; catering and accommodation	7,855	3,107	1,319	1,737	4,728	3,232
Transport & communication	1,604	583	212	297	660	672
Finance and business services	8,413	2,970	1,124	1,574	4,135	811
Community, social and other personal services	13,186	7,225	3,664	4,296	9,670	3,735
Other government and social services	6,053	2,987	1,334	1,642	3,373	1,000
General government services	7,133	4,238	2,330	2,654	6,297	1,660

Sector Contribution to formal employment comparison at National, Provincial, District and municipal level (In a pyramid form)



In terms of labour absorption, the following can be noticed for Engcobo Local Municipality:

- The Government and Community Services sector is the largest employer, providing employment to approximately 49% of employed people in Engcobo LM. Again this is an indication of the population's dependency on the public sector for income.
- Although the Agricultural sector GVA contribution is small, the sector has employed a significant population (approximately 11%). This more evidence to show that the Agriculture sector of Engcobo is relatively unproductive.
- Trade is employing a significant proportion (25%) of Engcobo population.

Employment

In the following table the number of people employed the different sectors of the economy is illustrated:

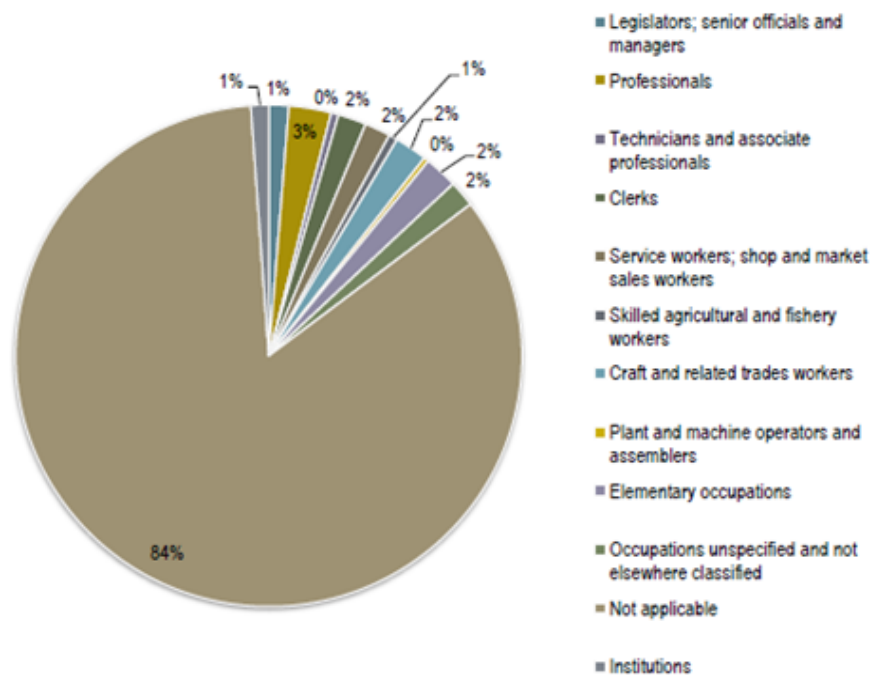
Sector	Employment within sectors during:					% Growth Y on Y
	2006	2007	2008	2009	2010	
Primary	1501	1608	1715	1795	1565	1.05
% Primary Sector	12%	12%	13%	13%	12%	
Agricultural, forestry and fishing	1468	1575	1682	1764	1536	1.12
Mining and quarrying	33	33	33	31	29	-3.18
Secondary	1254	1186	1055	928	1112	-2.96
% Secondary Sector	10%	9%	8%	7%	8%	
Food beverages and tobacco	12	13	15	18	14	3.9
Textiles, clothing and leather goods	107	121	123	133	118	2.5
Wood, paper, publishing and printing	166	191	209	192	195	13.8
Petroleum products, chemicals, rubber and plastic	10	11	13	15	11	2.4
Other non-metal mineral products	35	39	42	39	34	-0.7
Metals, metal products, machinery and equipment	50	58	64	76	60	4.7
Electrical machinery and apparatus	0	0	0	0	0	0
Radio, TV, instruments, watches and clocks	0	0	0	0	0	0
Transport equipment	0	0	0	0	0	0
Furniture and other manufacturing	16	19	19	22	20	5.7
Electricity	22	21	21	17	24	2.2
Water	13	17	13	10	16	5.3
Construction	823	696	536	406	620	-6.8
Tertiary Sector	9790	10247	10797	11082	10616	2.05
% Tertiary Sector	78%	79%	80%	80%	80%	
Wholesale and retail trade	2882	3006	3101	3170	3137	2.1
Catering and accommodation service	117	117	114	117	95	-5.1
Transport and storage	457	507	602	648	584	6.3
Communication	74	79	88	98	88	4.4
Finance and insurance	167	169	181	183	163	-0.6
Business services	511	570	640	634	648	6.1
Community, social and personal service	3044	3143	3257	3288	3241	1.6
General Government	2538	2656	2814	2944	2660	1.2
Total	12545	13041	13567	13805	13293	1.46

Source: ECSECC, 2012

Constant growth was only represented in the wholesale and retail trade within the tertiary sector whilst the largest growth took place within wood, paper, publishing and printing within the secondary sector.

The unemployment rate of Engcobo is estimated to be 77, 2%. This situation is compounded by the lack of efficiencies in the employment industries and sectors of the economy.

The skills levels of the labour force have a direct correlation to the household income, quality of work and productivity. There is a notable high number of semi-skilled to unskilled labour across all sectors. The profile of occupation levels can be illustrated as follows:

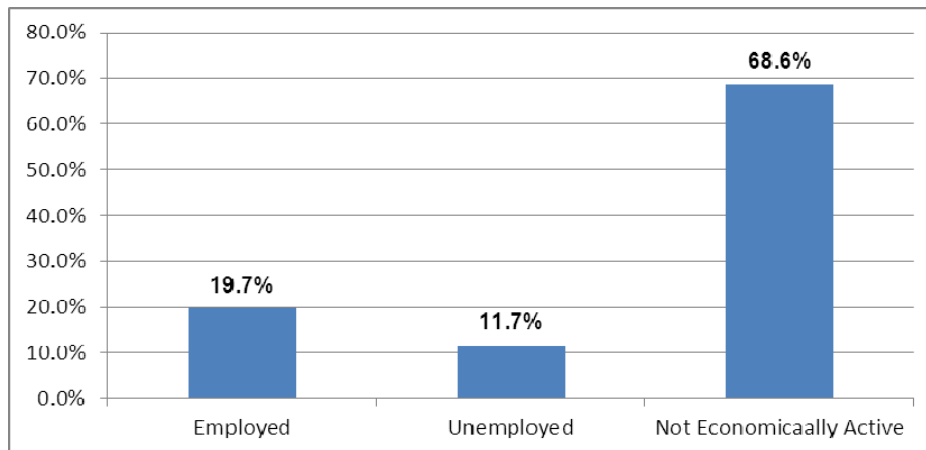


Occupational levels for the Engcobo residents

The number of highly skilled and skilled employees is relatively low though this is a critical element and pillar of any effective local economic development; the municipality will have to develop programs this challenge in its local economic development planning.

Engcobo has a large informal sector and it is likely that a significant percentage of the unemployed and not economic active have find employment in the informal sector; however due to the nature of the informal sector it is not possible to acquire statistics on employment for the informal sector. (Engcobo Infrastructure Master Plan, 2012)

While education levels have a direct impact on employability of the community members, employment in turn has an impact on income levels and the economic structure of the area.

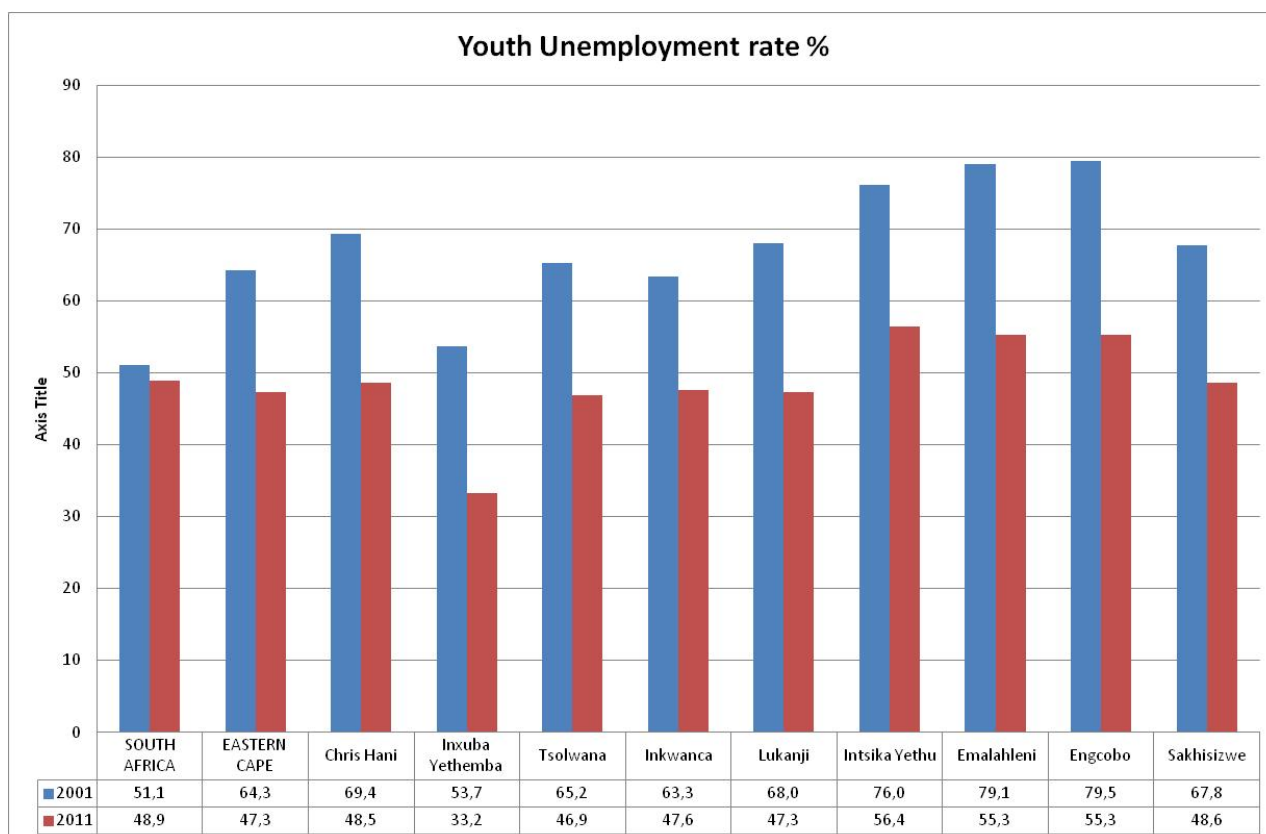


Employment profile (Source: Statssa Census 2011)

- Based on the Graph above, the important employment elements in the Engcobo can be summarised as follows:
- Only 19.7% of the economic active people in Engcobo local municipality are employed. This clearly indicates that there is a low supply of job opportunities within municipality.
- Approximately 68.6% of the population in the municipality is not economically active. This can be the effect of the following aspects:
 - limited employment opportunities,
 - lack of skill,
 - low education levels

Despite a decrease in the rate of unemployment from 69.9% (2001) to 45.7% (2011), the current rate is of unemployment of concern for Engcobo. According to Statssa Census 2011 the youth unemployment rate (55.3%) for Engcobo is still very high even though it decreased from 79.5% in 2001. This is a clear indication that more employment opportunities need to be created in the Municipality, particularly within the youth age groups.

A comparison of youth unemployment rate in the figure below shows that Engcobo's rate of youth unemployment (55.3%) is above national, provincial and district rate. This implies that more initiatives towards employment creations are required in Engcobo.



Source: Statssa Census 2011

Summary Analysis: Social and Economic Overview

Social Attributes	Status
Population	Approximately 155,513 in 2011 census. The population declined slightly (-42% 2001-2011) when compared to the previous years
Young (0-14)	Engcobo has a young 39,5% when compared to the other municipality
Working Age (15-64)	A significant proportion 52,9% of the population is labour force
Elderly (65+)	7,6%
Dependency ratio	Dependency ratio 89,2 is considered very high if compared to the District averages
Population density	63 persons/km ²
Unemployment rate	45,7% is highest within the district
Youth unemployment rate	55,3% is the highest within the district
No schooling aged 20+	Recorded highest percentage (19,7%) of people with no schooling within the district.
Higher education aged 20+	Placed 5th in the district on percentage of people with higher education (5,2%)
Matric aged 20+	Only 9,6% of the people with matric 20 years and above, and its placed last in the district.
Number of households	37,214, placed 3rd in the district
Number of Agricultural households	22,187 live on agricultures
Average household size	4, is the highest within district
Female headed households	Majority 57,7% of the households are female headed, the highest in the district.

Formal dwellings	Only 30,7% of the household have formal dwelling, the lowest in the district 61%.
Housing owned/paying off	A significant percentage (63,8%) of household with housing owned/paying off, placed 3rd within the district.
Flush toilet connected to sewerage	Only 3,8% reported flush toilet connected to sewerage
Weekly refuse removal	Only 2,9% reported weekly refuse removal
Piped water inside dwelling	Only 3% reported piped water inside dwelling
Electricity for lighting	About 50,9% have electricity for lighting, the lowest in the district
Economic Attributes	Status
Economic growth: Gross Domestic Product	Steady increase since 1995 but below the District GDP average rate,
Productivity	Low Productivity contributing to the low GDP per worker (formal and informal), which can be derived to a shortage of skills, and low growth in value creation relative to labour remuneration and especially employment.
GVA contribution by sector	Tertiary sector (Wholesale & Retail, General Government & Community, social and personal services) contributes the most to Engcobo GVA. Significant contribution for the secondary sector mainly construction wood, paper, publishing and print. The primary sector mainly Agriculture, forestry and fishing is the least contributor to the Engcobo GVA. Economy heavily reliant on the government support services
Sector contribution on employment	Government & Community service are the largest employers followed by Trade Industry. Agriculture contributes significantly to employment.
Employment	Employment shortage to accommodate the youthful population of Engcobo. The local economy is currently under-performing with very limited capacity and performance in job creation and expansion.
Labour and skills availability	High number of semi-skilled to unskilled labour across all sectors
Sectors with potential identified	Forestry sector, Agriculture sector, Tourism sector and Retail/trade sector

Identified Sectors

Based on the IDP 2014-2015 and the situational analysis above the economic development potential of the Municipality lies within the following sectors:

- Agriculture and Forestry Sector;
- Tourism Sector; and
- Retail/Trade Sector.

Agriculture and Forestry Sector

If supported, the agriculture and forestry sectors in Engcobo are considered to have potential to improve the municipality's economy. Currently the sectors contribute approximately only 9.22% to the district's agriculture and forestry sectors compared to the highest contributor Inxuba Yethemba (25.56%). However, the sectors only contribute approximately 0.73% and 0.05% to the Provincial and National respectively. The agriculture and forestry sectors at district level contribute only 7.87% and 0.5% to the provincial and national respectively. The percentage contribution at district level can be enhanced by unlocking the potential that lies in Engcobo's agriculture and forestry sectors.

	SA	EC Province	Chris Hani	Inxuba Yethemba	Tsolwana	Inkwanca	Lukhanji	Intsika Ye	Engcobo	Emalahleni
Total Agric & Forestry GVA	41 244	2 746	216	55	36	22	36	25	20	8
% contribution District Agric & Forestry				25,56	16,53	10,33	16,78	11,37	9,22	3,54
% contribution Province Agric & Forestry			7,87	2,01	1,30	0,81	1,32	0,89	0,73	0,28
% contribution National Agric & Forestry		6,66	0,52	0,13	0,09	0,05	0,09	0,06	0,05	0,02

Source: ECSECC, 2012

The sectors contribute significantly (11.36%) to employment in Engcobo. Approximately 20.58% of the employment from agriculture and forestry at district level is from Engcobo and it is higher than the 3.10% contribution from Lukhanji. This shows that Engcobo agriculture and forestry contributes significantly towards employment in agriculture and forestry sectors if compared to other municipalities within the district.

Engcobo Agriculture and Forestry sector contribution to employment

Sectors	South Africa	Eastern Cape	Chris Hani	Inxuba Yethemba	Lukanji	Engcobo
Agriculture, forestry and fishing	756591,75	51685,21429	7462,178571	2988,25	1034,85714	1536
% Contribution Agriculture and Forestry Engcobo				18,09	3,10	11,36
% contribution to District Agriculture & forestry				40,05	13,87	20,58
% contribution provincial				5,78	2,00	2,97
% contribution national				0,39	0,14	0,20

Source: ECSECC, 2012

The Agriculture Sector

As indicated above, forestry and agriculture sectors are considered to have potential of being the primary active sectors in the local economy. However this potential is not adequately utilised. Most households focus on subsistence farming with the most commonly kept livestock being cattle, sheep, goats, horses and donkeys. There are several irrigation schemes underutilised in areas such as: Clarkebury, Gqutyini and Mhlophekazi.

Agriculture sector SWOT Analysis

Strengths	Weakness
<ul style="list-style-type: none"> Climate: Engcobo has got climatic weather that favours agricultural crops - fields and cash crops Rainfall: Average Rainfall Temperature : is conducive for most agricultural crop Soils: Engcobo has soils suitable for arable agricultural forestry Land is available for further agricultural activities including Agro-Processing 	<ul style="list-style-type: none"> Lack of Human Capital (skill for farming, agricultural economics expertise) Shortage of equipment Inadequate marketing of agricultural product Lack of financial resources.
Opportunities	Threats
<ul style="list-style-type: none"> Aqua-cultural activities/projects 	<ul style="list-style-type: none"> Infrastructure, e.g. electricity, roads , water supply Means of communication Shortage of sustainable market

The Engcobo IDP 2013/14 identified forestry as a potential sector to become one of the most productive sectors in the local economy with approximately 5,455ha of forests. The Integrated Sustainable Rural Development Programme looks at the development of a vibrant wood cluster.

The main type of wood found in the local plantations is soft wood commonly from pine trees. The existing types and names of forest plantations and indigenous forests in the municipal area can be summarised as follows:

Commercial Plantations cover approximately 3, 733ha and is common in following areas:

- Ngcobo
- Manina
- Mntuntloni
- Nkobongo
- Mbeni, Mboleni, Qulunqu

Indigenous Forests cover approximately 1,722 ha and is commonly found in areas such as:

- Mxikixwa
- Gulandoda
- Ngqongqotha
- Mjanyane, Nkobongo, Mqabu
- Mkhonkotho, Mhlahlane, Khovoti
- Mngcozo, Waca, Dumba, Eliphakathi, Ntsunguzi
- Ngquku, Nkcoyi
- Haba

Sawmills have various sizes and are commonly found in the following areas:

- Transkei Timber
- Maqwathini
- Dyampi
- Javi

The types of forestry plantations and their numbers in Engcobo Local Municipality are represented in the following table according to the Department of Forestry and Fisheries. As mentioned previously, Pine is the most common type of wood.

Type	Area	Pine	Eucalyptus	Wattle	Other	TU	Total
Commercial	Ngcobo	82	24		5	110	222
	Manina	508	161	23	5	169	865
	Mtuntloni	154	16		2	321	493
	Nkobongo	160	65	10		51	286
Woodlot	Buswayo		20				20
	Mngcozo		77				77
	Mnyolo		28	15		7	50

The following table shows the forestry potential of local municipalities within the Chris Hani District Municipality. The figures are presented in terms of hectares. As seen from the table below, Engcobo has the largest amount of land with potential for forestry in the district.

District	Local Municipality	Forestry Potential (hectares)		
		Good	Moderate	Total
Chris Hani	Emalahleni	3,656	27,869	30,925
	Engcobo	21,181	63,697	84,878
	Inkwanca		1,401	1,401
	Intsika Yethu	1,271	23,740	25,011
	Lukanji	79	3,250	3,329
	Sakhisizwe	987	56,494	57,481
	Tsolwana		71	71
	Total	27,174	175,923	203,097

Tertiary Sector

Within the tertiary sector, apart from the government services, wholesale and retail industry is considered a significant contributor to the sector's growth. This section compares the wholesale and retail industry's performance and potential against that of the other surrounding municipalities with the district.

Wholesale and Retail industry

The Engcobo's wholesale and retail sector is currently considered the main contributor to the municipality's GVA. The sector contributes approximately only 15.71% to the district's wholesale and retail sectors compared to the highest contributor Lukhanji (48.13%). The sector only contributes approximately 1.36 and 0.11% to the Provincial and National respectively. At district level, wholesale and retail sector only contributes 8.63% and 0.69% to the same sector at provincial and national level respectively. The district's wholesale and retail contribution can therefore be enhanced by unlocking the potential that lies within Engcobo's wholesale and retail sector.

	SA	EC Provin	Chris Hani	Inxuba Yethemba	Tsolwana	Inkwanca	Lukhanji	Intsika Yethu	Emalahleni	Engcobo
Total Wholesale & Retail GVA	204 967	16 346	1 410	148	14	38	679	147	121	222
% contribution District Wholesale & Retail				10,46	1,02	2,71	48,13	10,39	8,54	15,71
% contribution Province Wholesale & Retail			8,63	0,90	0,09	0,23	4,15	0,90	0,74	1,36
% contribution National Wholesale & Retail		7,97	0,69	0,07	0,01	0,02	0,33	0,07	0,06	0,11

Source: ECSECC, 2012

As indicated above, Engcobo's retail and wholesale sector collectively contribute the highest amount of GDP to the economy of Engcobo. Due to this fact, it has been the main focus of development objectives through the Small Town Revitalisation Strategy of Engcobo as well as the proposed establishment of a taxi rank to ensure connectivity. Business support services have also been seen as a key area that needs support to enhance this sector.

Tourism, catering and accommodation industry

Research conducted by the World Travel and Tourism Council has identified tourism as the world's largest generator of jobs. South Africa is already observing this trend, however, the White Paper released in 1995 by the Department of Trade and Industry states that tourism should be properly organised and focused in order to create jobs within a short period of time. The Tourism industry should be looked at a broader view as it influences other sectors of the economy.

For Engcobo, the local tourism development is a competence of local municipal sphere but currently there is no comprehensive strategy to drive the interventions in this sector of the economy. The sector has potential but remains under-utilized contributing only R5million toward GVA compared to that of Lukhanji R23 million (ECSECC, 2012). Tourism Sector Plan that drives all tourism activities was developed and adopted by the Council in 2008 remained in application until its review in 2013.

The tourism potential exists in the following areas for Engcobo:

- Heritage Sites such as the Walter Sisulu Historic Centre;
- Rock Art and Caves such as the Sinqumeni rock art and Dyobashe Rock Art;
- Natural Tourism which include, Amakhosa traditional activities and Qutubeni Cultural Village

Strengths	Weakness
<ul style="list-style-type: none"> • Upgraded R61 easy access to the municipality • Arts and Craft Centres 	<ul style="list-style-type: none"> • Human Capital • No financial Resources, • Unavailability of tourism shows and exhibition centres.
Opportunities	Threats
<ul style="list-style-type: none"> • Town Beautification under the Small Town Revitalisation programme; • Back up from Chris Hani District Municipality 	<ul style="list-style-type: none"> • Aging Infrastructure • Roads poor • Means of communication • Few accommodation facilities; • Few social facilities; • Few health facilities

Infrastructure

The R61 road is connecting Engcobo to two towns namely Queenstown and Mthatha being upgraded is regarded as source of growth potential for the municipality through the Corridor development. Nevertheless, the road network in Engcobo local municipality has a huge backlog and construction of access road does not meet the demand (Engcobo IDP 2014/15). At the same time the maintenance of road infrastructure is a challenge.

The Engcobo IDP 2014/15 states that R185 million is required for rehabilitation of surfaced roads so as to extend their life for the next two financial years. The municipality developed a Three (3) Year Capital Plan which reflects extensively on all roads that still need to be constructed. The following infrastructure is provided and maintained regularly by the municipality: Storm water, water and sanitation infrastructure, landfill sites service station, local amenities and public places. The following table shows the types of amenities and the conditions and required action for the

municipality. Electricity is being rolled out at different wards through grant funding from the Department of Energy.

Challenges facing LED

During the social and economic profile analysis the following issues were raised and were regarded as key challenges to economic development in Engcobo that need to be addressed in order to ensure sustainability economic development and growth occur in the area:

- Heavy reliance on government support grant;
- Lack of funding;
- Lack of infrastructure / infrastructure that is aging;
- High unemployment rates;
- Lack of skills;
- Poor access to support services;
- Limited production/ service delivery
- Access to markets

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5.3.5 LED Implementation plan

Project/Programme	Objectives	Responsible person/Funder	Budget	Output	Outcome	Timeframe
Small Town Revitalisation - Construction of the Main Taxi rank	To facilitate smooth flow of public transport while creating a connectivity hub where public transport converges to ferry commuters to and from local and regional destinations	<ul style="list-style-type: none"> ✓ CHDM ✓ Engcobo LM ✓ Government Departments ✓ NGOs ✓ Private Sector 	R8million	<ul style="list-style-type: none"> • Increased parking; • Proper taxi rank; • Stalls for vendors; • Greening; • Paved streets ways; • Enterprise opportunities; • Number of new businesses created; • Number of people employed 	<ul style="list-style-type: none"> • Improved traffic flows; • Attracted investments; • New businesses created; • Improved living standard of the beneficiaries ; • Improvement in the tourism sector 	July 2016
Small Town Revitalisation – Town Beautification	To increase business activity in the town through urban development					July 2016
Mall Construction	To increase business and retail activities in Ngcobo town to increase economic activities in the municipality with the town as the centre	<ul style="list-style-type: none"> ✓ Private Sector 	Unknown	<ul style="list-style-type: none"> • Enterprise opportunities; • Number of new businesses created; • Number of people employed 	<ul style="list-style-type: none"> • Improvements in the wholesale & retail; • Improved living standards of people in Engcobo; • Improved unemployment levels 	July 2017
Local Economic Development	LED Forum	<ul style="list-style-type: none"> ✓ ELM 	Opex	<ul style="list-style-type: none"> • Number of workshop & training; 	<ul style="list-style-type: none"> • Improved local economic development; • Reduced poverty levels; 	On-going

					<ul style="list-style-type: none"> • Reduced unemployment 	
	Renovation of Trancido 30 flats	<ul style="list-style-type: none"> ✓ ELM ✓ DPLGTA 	R700,000	<ul style="list-style-type: none"> • Number of the renovated flats; • Number of beneficiaries 	<ul style="list-style-type: none"> • Improved living environment 	June 2016
	Poultry value chain	<ul style="list-style-type: none"> ✓ Engcobo LM 	R1million	<ul style="list-style-type: none"> • Number of beneficiaries from the project; 	<ul style="list-style-type: none"> • Improved living standards; • Reduced unemployment; • Reduced poverty 	On-going
	LED - SMME Projects	<ul style="list-style-type: none"> ✓ Engcobo LM ✓ DRDAR ✓ DEDEA ✓ ECDC ✓ CHDM ✓ SEDA ✓ ECRDA 	R900,000	<ul style="list-style-type: none"> • Number of new SMME created; • Number of LED SMME projects; • Number of beneficiaries 	<ul style="list-style-type: none"> • Improved living standards; • Reduced unemployment 	On-going
Agricultural and job development programmes. Farmer support and development	Farmers Support services to reduce the levels of unemployment while increasing agricultural output	<ul style="list-style-type: none"> ✓ CHDM ✓ Engcobo LM ✓ Government Departments ✓ NGOs ✓ Private Sector 	R3million	<ul style="list-style-type: none"> • Number of projects created; • Number of jobs created; • Number of farmers supported 	<ul style="list-style-type: none"> • Improved agricultural sector for Engcobo; • Improved living standards from agriculture 	January 2015
Agro-processing	To create an enabling environment for the agricultural sector to establish sustainable agro- processing business and develop new products.	<ul style="list-style-type: none"> ✓ CHDM ✓ Engcobo LM ✓ Government Departments ✓ NGOs ✓ Private Sector 	R2million	<ul style="list-style-type: none"> • Number of new value adding projects created; • Number of jobs created; • Number of farmers 	<ul style="list-style-type: none"> • Improved agricultural sector for Engcobo; • Improved living standards from agriculture 	July 2015

				supported		
				<ul style="list-style-type: none"> Number of sustainable agro-processing project. 		
Crop production	Number of hectares cultivated for maize, soya beans & seasonal vegetables (2 wards)	<ul style="list-style-type: none"> ✓ Engcobo LM ✓ DRDAR ✓ CHDM ✓ ECRDA ✓ ECDC ✓ CDC 	R4million	<ul style="list-style-type: none"> Number of hectares cultivated; 	<ul style="list-style-type: none"> Improved living standards from crop production 	On-going
Biomass production	Turnaround of the charcoal producing projects to become self-sustainable & financially viable	<ul style="list-style-type: none"> ✓ Engcobo LM ✓ CHDM ✓ ECDC ✓ CSIR 	R2million	<ul style="list-style-type: none"> Number of beneficiaries; Number of sustainable projects 	<ul style="list-style-type: none"> Improved living standards from crop production 	On-going
	Turnaround of the Nursery Project to become self-sustainable & financially viable	<ul style="list-style-type: none"> ✓ Engcobo LM ✓ CHDM 	R2million	<ul style="list-style-type: none"> Number of beneficiaries; Number of sustainable projects 	<ul style="list-style-type: none"> Improved living standards from crop production 	On-going
	Production & processing of soya beans	<ul style="list-style-type: none"> ✓ Engcobo LM ✓ DRDAR ✓ CHDM ✓ ECRDA ✓ ECDC 	R1.5million	<ul style="list-style-type: none"> Number of beneficiaries; Number of sustainable projects 	<ul style="list-style-type: none"> Improved living standards from crop production 	On-going
Tourism	Engcobo Beatification	<ul style="list-style-type: none"> ✓ DEAT ✓ DSRAC ✓ Engcobo LM 	R6million R1,9million R250,000	<ul style="list-style-type: none"> Number of tourists attracted annually; Number of beneficiaries; Number of people employed 	<ul style="list-style-type: none"> Improved tourist sector; Improved living standards for the people ; 	On-going
	Renovation of a monument and Chief Ngubengcuka's grave & upgrading of historical buildings	<ul style="list-style-type: none"> ✓ Clarkbury ✓ IDSC ✓ DSRAC 				

		<ul style="list-style-type: none"> ✓ ECTPA ✓ NHC 				
	Tourism Sector Plan Review	✓ Engcobo LM	R300,000			
	Development of Tourism Sign Boards; Banners and upgrading of Tourism brochures	✓ Engcobo LM	R150,000			
	Operationalisation of the LTO	<ul style="list-style-type: none"> ✓ Engcobo LM ✓ CHDM 	<ul style="list-style-type: none"> R50,000 R120,000 			
	Fencing of Qoba Game Reserve	<ul style="list-style-type: none"> ✓ Engcobo LM ✓ DSRAC ✓ ECTB ✓ ECDC 	R400,000			
Livestock Improvement Programme	Breeding of high quality cross and pure-breed sheep	<ul style="list-style-type: none"> ✓ ELM ✓ DRDAR ✓ CHDM ✓ ECRDA ✓ CDC 	R3million	<ul style="list-style-type: none"> • Number of animals; • Number of projects; • Number employed; 	<ul style="list-style-type: none"> • Improved agricultural sector; • Improved living standards in Engcobo 	On-going
	Breeding of Nguni Cattle at Mjanyana	<ul style="list-style-type: none"> ✓ Engcobo LM ✓ DRDAR ✓ CHDM ✓ ECRDA 	R2million			
Rural development	Creation of conducive environment for job creation	✓ CHDM	Opex	<ul style="list-style-type: none"> • Number of new jobs created; • Number of projects; • Number of beneficiaries 	<ul style="list-style-type: none"> • Employment provided; • Improved food security; • Improved living standard 	On-going
	Afforestation Programme	✓ CHDM	EPWP fund			
	Food Security	✓ CHDM	R3,488,158			
	Comprehensive Rural Development Plan	✓ Engcobo LM	R250,000			
Spatial planning	Spatial Development Framework	✓ Engcobo LM	R500,000	<ul style="list-style-type: none"> • Number of new projects • Number of land audited 	<ul style="list-style-type: none"> • Improvements in the spatial development; 	On-going
	Land Audit	✓ DRDLR	R500,000			

Engcobo Enterprises Profiling

Categories	Characteristics	Examples	Challenges	Possible solutions
Survivalist enterprises/ Vendors	<ul style="list-style-type: none"> Operate in the informal sector of the economy; Mainly undertaken by the unemployed as a source of income; Income generating below poverty line; Little capital invested; Opportunities for growing the business are very small and the is little or no training; No business skills 	<ul style="list-style-type: none"> Barber Car wash CD/DVD Pirates Chicken vendors Clothing, shoes and caps Crafts – curios and doilies, etc. Food vendor – e.g. fast food Leather goods – belts, etc. Phone accessories and repairs Phone shop Plastic container vendor Reed mat vendor Shoe repair Snack vendors Tyre repair Vegetable and fruit vendors 	<ul style="list-style-type: none"> Street vendors lack social protection and unemployment as result many are driven to street vending. Street vending thus becomes more of a refuge occupation for the unemployed to provide subsistence income; With low or no barriers to market entry implies high competition – small profits; Victimisation in environments with no proper by-laws (vendors can be easily negatively viewed by the municipal authorities); Lack of business skills, education and training; Lack of infrastructure i.e. permanent business locations; Lack of support from the authorities. Bad weather conditions Theft of products; and Hygiene and health environment conditions. 	<ul style="list-style-type: none"> Establish by-laws Entrepreneurial development Business Support Services Provision of Business Support Services Establishing safe and secure vending stalls; Business registration
Micro enterprises	<ul style="list-style-type: none"> Informal – no licence, tax registration, formal business premises or compliance with labour legislation; Turnover is below the VAT registration level; Basic skills and training; Potential to make transition to a viable small business; 	<ul style="list-style-type: none"> Barbershop Hair salon Gas store Printing, lamination, and photocopy services Internet café Take Away – tuck shop Tours/Taxi Car wash Computer training Dry cleaning 	<ul style="list-style-type: none"> Inability to compete with well-established bigger enterprises who can afford sell goods at cheaper prices due to economies of scale (bulk buying); Lack of access to credit facilities; Low clientele particularly those in the services sector; Limited resources and development skills; Limited business related information; High competition; 	<ul style="list-style-type: none"> Business Support Services Lending facilities Town revitalisation Entrepreneurial development Town expansion Taxi Rank Road expansion Managerial and technical training;

		<ul style="list-style-type: none"> • Motor spares 	<ul style="list-style-type: none"> • Insufficient physical and institutional support infrastructure; • Limited profits due to high competition; • Lack managerial and technical skills required to operate a business resulting cash flow management and financial controls problems; • Lack of a taxi rank as well as parking; • Theft. 	<ul style="list-style-type: none"> • Business registration
Small and Medium enterprises	<ul style="list-style-type: none"> • Employs less than 100 employees; • More formalised and registered with fixed business premises (or operate out of rented premises); • Owner-managed; • Can be franchises of a national or international business. 	<ul style="list-style-type: none"> • Business Consultants • Cash loans • Funeral services • Furniture and hardware • Insurance • Legal practitioners • Liquor store • Supermarket 	<ul style="list-style-type: none"> • Competition from micro and survivalist enterprises – smaller competitors may sell similar products right outside the premises where the small enterprises operate; • Limited clientele due to the small size of the town; • Lack of qualified workforce to avoid paying competitive salaries as well as the lack of such personnel in the area – this however results in a sub-standard product or service. • Small rental spaces • Theft • Parking spaces for deliveries • Traffic congestion • Limited routes 	<ul style="list-style-type: none"> • Employee/Skills development • Entrepreneurial development • Increased security • Alternative transport routes to be established • Road upgrade • Increased parking • Establishing a shopping mall/ complex
Large enterprises	<ul style="list-style-type: none"> • Employs less than 250 employees • Formalised and registered • Fixed business premises • Hired management • Can be franchises of a national or international business. • Community sponsor 	<ul style="list-style-type: none"> • Business Consultants • Furniture and hardware • Insurance • Legal practitioners • Large Supermarket/ Wholesaler 	<ul style="list-style-type: none"> • Competition from SMMEs • Limited clientele due to the small size of the town; • Lack of qualified workforce • Theft • Traffic congestion • Parking spaces for deliveries 	<ul style="list-style-type: none"> • Increased security • Employee/Skills Development • Parking lot/ spaces • Alternative routes • Road upgrades

Mining	Quarry development for Crush Stone	<ul style="list-style-type: none"> ✓ SANDRAL ✓ ELM 	Unknown	<ul style="list-style-type: none"> • Number of projects 	<ul style="list-style-type: none"> • Improved living standards; 	On-going
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Instruments to advance small-business development

A range of instruments are available to support the SMMEs are summarised in the table below:

Type of the instrument	Example
Policy frameworks with relevance to SMMEs	<ul style="list-style-type: none"> - LED Strategy; - Small Town Revitalisation strategy - Enterprise Development Strategy - Business reform, BBBEE, - provincial growth and development strategies, etc.
Legislation	<ul style="list-style-type: none"> - National Small Business Act - Co-operatives Act - Companies Act
Regulations and administrative Procedures	<ul style="list-style-type: none"> - Company regulations - Tax regulations - By laws - Procurement regulations - Trade administration
Advisory structures	<ul style="list-style-type: none"> - Small enterprise Advisory Agencies
Co-ordination mechanisms	<ul style="list-style-type: none"> - Provincial and local co-ordination structures - Co-ordination structures across delivery partners, including private sector, NGO and international assistance
Research	<ul style="list-style-type: none"> - Baseline sector and area research
Information and advice via institutions, mass media, networks, etc.	<ul style="list-style-type: none"> - Industry and market information - Information about support services - Information channelled
Monitoring and evaluation	<ul style="list-style-type: none"> - Development of indicators, monitoring systems, evaluation systems and feedback mechanisms
Institutional capacity building	<ul style="list-style-type: none"> - Enhancement of small-enterprise specialist institutions - Alignment of related institutions dealing with small-enterprise issues
Leadership and promotion of SMME concerns	<ul style="list-style-type: none"> - Public leadership, providing direction - Catalytic projects - Piloting of initiatives - Interest promotion
Training and capacity building	<ul style="list-style-type: none"> - Specialist small-enterprise training - Sector-based training - Entrepreneurship training
Networking organisations	<ul style="list-style-type: none"> - Chamber structures - Sector associations - BBBEE structures - Supply chain and cluster networks
Provision of finance	<ul style="list-style-type: none"> - Grants - Loans - Venture capital - Sureties and guarantees
Access to infrastructure and utilities	<ul style="list-style-type: none"> - Transport and traffic management - Utilities: water, electricity, waste - Information and telecommunications

	<ul style="list-style-type: none">- Security- Street lighting
Targeted projects	<ul style="list-style-type: none">- Sector-specific projects- Competitiveness projects- Technology-enhancement projects- Small-business incubators

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5.3.6. Implementation Plan on Small and Medium Enterprises

Programme	Objectives	Funder/ Sponsor	Budget	Action	Outputs	Outcome	Timeframes
Develop trading by-laws	To regulate the trading affairs and the services the municipality provides in its area of jurisdiction.	Local Government, CHDM; ELM, LGTA, etc.	Unfunded	<ul style="list-style-type: none"> ✓ Promoting a safer and orderly municipality ✓ Registration of the different types of enterprises with the municipality ✓ Providing guidelines on the do's and don'ts in street trading, etc. ✓ Guidelines on dealing with contraventions 	<ul style="list-style-type: none"> ✓ Monthly workshops with stakeholders; ✓ Training ✓ Publishing by-laws ✓ Facilitation ✓ Law enforcement 	<ul style="list-style-type: none"> ✓ Registration of enterprises with municipality ✓ Increase in orderliness of vending ✓ Increase in control of activities and monitoring 	2015/2016
Build a conducive business environment	To promote investment and employment opportunities.	SEDA; SETA; etc.	Unfunded	<ul style="list-style-type: none"> ✓ Provision of appropriate infrastructure, technological capabilities, availability of investment capital, and human resources ✓ Accessing DTI offerings and other government incentives vital towards creating an inflow of capital of development within Engcobo ✓ Create a system to interact with other important departments on support for LED. ✓ Identify and source all government incentive funding and programmes available 	<ul style="list-style-type: none"> ✓ Monthly workshops with stakeholders; ✓ Training ✓ Facilitation 	<ul style="list-style-type: none"> ✓ Increase in the competitiveness of SMMEs ✓ % of businesses increasing in each sector ✓ % of women businesses 	On-going

Capacity Building and Training	To empower the people of Engcobo (particularly the large number of unemployed and poorly educated) to become economically active and to participate and contribute to the development of the area	SEDA; SETA; etc.	Unfunded	<ul style="list-style-type: none"> ✓ Provide people with a wide range of technical, vocational and entrepreneurial training programmes; ✓ Linkages with the Sector Education and Training Authorities (SETAs), will allow training of individuals in all sectors of the economy in order to broaden the skills base of the municipality. 	<ul style="list-style-type: none"> ✓ Monthly workshops with stakeholders; ✓ Training ✓ Facilitation 	<ul style="list-style-type: none"> ✓ Improvement in the number of those who are economically active in the business environment ✓ Significant % increase in competitiveness; ✓ Increased efficiency within the enterprises 	On-going
Incubation, Business Support and Advice	Increase the number of entrepreneurs and ensure effective operation on the existing small businesses	SEDA; SETA; etc.	Unfunded	<ul style="list-style-type: none"> ✓ Establishment of Business Support Centre in Engcobo; ✓ Small business incubation centre ✓ Linking this initiative to the SEDA programme 	<ul style="list-style-type: none"> ✓ Monthly workshops with stakeholders; ✓ Training ✓ Advisory services ✓ Facilitation 	<ul style="list-style-type: none"> ✓ Encourage business development ✓ % increase in entrepreneurs; ✓ Increased Employment 	On-going
Financial sustainability	To ensure the number of enterprises are financially healthy and able to self-sustain	Khula; SEFA; etc.	Unfunded	<ul style="list-style-type: none"> ✓ Establishment of Financial skills and financial control practices ✓ Creating funding in the form of short-term and long-term lending schemes 	<ul style="list-style-type: none"> ✓ Monthly workshops with stakeholders; ✓ Financial training ✓ Facilitation 	<ul style="list-style-type: none"> ✓ Service delivery by Financial sponsors through ✓ Giving access to financial resources; ✓ Training on methods of ensuring financial 	On-going

						sustainability	
Enhancing management capabilities	Increasing managerial skills of owners and managerial employees as well as at municipal officials dealing with enterprise development	SEDA; SETA; Government Departments promoting enterprise development etc.	Unfunded	<ul style="list-style-type: none"> ✓ Building effective management and supervisory skills that can help enterprises succeed even in challenging economic times ✓ Provision of self-motivation, change management, business analysis and process monitoring management methods ✓ Training of the municipal official on enterprise development 	<ul style="list-style-type: none"> ✓ Monthly workshops with stakeholders; ✓ Training ✓ Facilitation 	<ul style="list-style-type: none"> ✓ Improved efficiency on the enterprises; ✓ Expansion on the existing enterprises; ✓ Improved Sustainable businesses in Engcobo 	On-going

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5.4 KEY PERFORMANCE 4: FINANCIAL VIABILITY AND MANAGEMENT

Municipal Financial Viability and Management

A detailed situational analysis of the financial sustainability of the Municipality is contained below:

5.4.1 Financial Plan

This section deals with financial related key focus areas such as:

Capital Expenditure

Capital expenditure is budgeted per department and the HOD's monitors their budgets and also Budget and treasury do monitor the budget. Capital expenditure is guided by Asset management Policy and expenditure policy. Capital expenditure includes Movable assets, Intangible assets and Infrastructure Assets. These fall under Property Plant and equipment on the Financial Statements. All capital projects are fully funded and grants relating to capital assets are ring fenced.

Expenditure and Cost Management

The expenditure is guided by the supply chain management and expenditure policy. Monitoring is done on a daily basis to ensure that all payments are in accordance with SCM Policy. There is Segregation of duties in this section. Expenditure is guided by the budget approved by the council. Irregular expenditure register is updated on a monthly basis. Controls are in place to ensure that there is no Unauthorised expenditure.

Expenditure Plan

Table 1: Operational Expenditure

EXPENDITURE	PY2 2012/13			PY1 2013/14			CY 2014/15		
	Budget R'000	Actuals R'000	% spent	Budget R'000	Actuals R'000	% spent	Budget R'000	Actuals R'000	% spent
Salaries	39 124 167	27 683 086	25	40 404 097	47 394 174		56 043 862	25 959 123	
Remuneration of councillors	12 226 279	9 131 017		11 540 941	11 039 901		12 041 238	7 470 131	
General Expenses	49 007 616	73 353 132		88 502 572	76 270 929		57 106 312	41 199 013	
Repairs	11 122 605	7 642 593		12 613 804	6 030 003		6 227 843	3 018 697	
TOTALS	111 480 667	117 809 828		153 061 414	140 735 007		131 419 255	77 646 964	

Table 2: Grant Expenditure

Description	PY2 2012/13			PY1 2013/14			CY 2014/15	
	Budget R'000	Actuals R'000	% spent	Budget R'000	Actuals R'000	% spent	Budget R'000	Actuals R'000
Finance Management	1 500	1 569	104.59	1 550	1 554	100.24	1 600	1 281
Municipal Systems Improvement	800	800	100.00	890	890	100.00	930	929
Epwp Incentive	1 000	1 000	100.00	1 000	1 000	100.00	1 051	827
Small Town Revalitasation	2 273	2 093	92.07	31 257	36 435	116.57	7 000	1 331
Chdm Grant	22 558	21 926	97.20	20 501	21 133	103.08	29 074	-
Electrification	30 000	34 024	113.41	4 000	26 571	664.27	8 000	8 000
Municipal Infrastructure Grant	26 227	28 826	109.91	31 257	36 435	116.57	35 830	18 999
TOTALS	84 357	90 238	106.97	31 257	124 018	396.77	31 257	31 366

Revenue Management

Debt and credit control policy is in place, billing is done on a monthly basis as per norms and standards, statements are sent to debtors on a monthly basis. A debtor which shows no movements are handed over to attorneys for collection. Revenue management is affected by poor payment of services by rate payers. Reconciliations are done on daily and monthly basis. Readings are done on a monthly basis. The municipality has a general and an updated supplementary valuation roll which is implemented for billing.

Table 2: Grant Expenditure

Revenue Category	PY2 2012/13			PY1 2013/14			CY 2014/15		
	Budget R'000	Actuals R'000	% spent	Budget R'000	Actuals R'000	% spent	Budget R'000	Actuals R'000	% spent
Property rates	1 544	2 866	185.68	3 800	2 773	72.96	4 000	2 074	51.86
Service charges - water revenue	834	1 227	147.14	1 544	1 156	74.88	0.00	0.00	0.00
Service charges - sanitation revenue	643	748	116.39	834	775	92.96	0.00	0.00	0.00
Service charges - refuse revenue	643	700	108.87	700	679	97.01	1 000	470	46.95
Rental of facilities and equipment	126	177	141.04	194	270	139.11	204	166	81.62
Interest earned - external investments	1 650	2 267	137.41	1 700	2 881	169.50	1 787	1 875	104.93
Fines	30	35	116.57	100	12	12.05	105	11	10.09
Licences and permits	3 150	2 465	78.27	3 400	3 938	115.83	3 573	2 572	71.99
Transfers recognised - operational	162 240	159 840	98.52	184 854	180 479	97.63	181 090	109 938	60.71
Other revenue	596	433	72.61	94	2 343	2 492.34	99	10 764	895.09
Total Revenue (excluding capital transfers and contributions)	171 455	170 758	99.59	197 220	195 306	99.03	191 858	127 870	66.65

Table 3: Ratios

Description	PY2 2012/13 Audited	PY1 2013/14 Audited	CY 2014/15 Actual
Debtors' turnover	360 days	23 days	188 days
Creditors' turnover	36 days	6 days	15 days

Supply Chain Management

Supply chain management policy is in place and is inline with the Treasury Regulations. Process manuals have been developed which gives guidece to the process to be followed. A checklist was developed/ documented / implemented to ensure that the policy has been implemented accordingly. The SCM unit is fully functional. All bidding documents (MBDs) are in accordance with those prescribed by the National Treasury. Contract register is in place and is updated on monthly basis. All tender committes are in place.

Tenders awarded are registered on treasury data base. Monthly and quarterly reports are in place. All prescribed bid committees are in place. The turnaround time for awarding quotations is approximately 3 days. Tenders are awarded on average 2 months after the closing date. We have also developed a procurement plan, which is updated on a quarterly basis. The annual procurement plan is developed from the IDP and SDBIP.

Contract Management Unit

Due to the size of the municipality, a formal contract management unit has not been established. However, compensating controls and procedures have been developed in the municipality to mitigate the risks of not having a contract management unit:

- All tenders are signed/awarded by the municipal manager.
- A legal advisor has been appointed and he reviews all contracts for approval by the Municipal Manager.
- A conracts register is maintained and updated on a daily basis. It is approved by the CFO.
- The performance of suppliers is monitored on a monthly basis.
- There were no audit findings relating to contract management in the prior financial year (2013/14)

Internal Controls and Procedure Manuals

Internal controls and procedure manuals have been developed / documented / and implemented for all the major business cycles. Procedure manuals are as follows:

No.	Description of Procedure Liability
1	Contingent Liability
2	Expenditure Management
3	Monthly / Year-end Creditors
4	Monthly and Year End Payroll
5	Leave Management
6	Investments Management
7	Leases
8	Risk Management
9	Fraud Management
10	Subsequent Events
11	Conditional Grants
12	Virement
13	Overtime
14	Daily Attendance
15	Inventory Count
16	Revenue Management
17	Petty Cash

Risk Management

A Risk Officer was appointed during the year under review. The Risk Officer works closely with the Finance Department and assisting to mitigate risks where applicable. A risk register is updated and maintained on a quarterly basis. The Risk Officer is also a member of the audit committee and prepares quarterly risk management reports for the audit committee. A risk management workshop for officials and councillors is planned to be conducted, with the assistance of the Provincial Treasury, in quarter 3. A formal risk assessment is done on an annual basis. Refer to Annexure B for Risk Register.

Filing system and Audit file

The municipality maintains a very good archiving system. Records management and archives post have been filled to ensure that all municipal documents are archived in accordance with the National Minimum Information Requirements Act. All audit requests for information have been responded to timeously. The municipality has no finding for a limitation of scope (none submission of documentation.) However, the municipality recognises that more effort need to be put in for the improvement of the filing of performance management systems information.

Audit Opinion (three past years)

2011/12 – Qualification

2012/13 – Unqualified opinion

2013/14 - Unqualified opinion

Progress on issues raised in Audit report

The municipality has maintained an unqualified audit opinion over the last 2 financial periods. It is aiming for a clean audit in 2014/15. An audit action plan was developed and is tracked and updated on a monthly basis. Refer to Annexure A for the Audit Action Plan.

Asset Management

Asset management policy is in place and approved by the council and is inline with the GRAP Assets standards. Assets counts are done on a quarterly basis and all exceptions are followed up and corrected. Asset register is updated on a yearly basis but additions are updated on a monthly basis. It is GRAP compliant. Acquisitions are first approved by the HOD and CFO and then captured by the asset clerk. Year end count is done in June. Movements of assets are

monitored by HOD's and asset clerk. Infrastructure assets are monitored with the assistance of consultants.

Financial Reporting

The following reports are in place:

- Monthly budget reports
- Monthly Section 71 reports
- Monthly and quarterly Revenue Reports
- Monthly and quarterly Supply Chain Reports
- Section 72 report
- Quarterly Asset management reports

Annual Financial Statements Process Plan

The municipality has developed / documented / implemented an AFS process plan in order to ensure that it meets legislated AFS submission deadline. The process is briefly outlined in the attached Annexure C1 and C2.

Budgeting

Budget process is done as outlined in the MFMA and is approved by the councils as per requirement. Budget is monitored on a daily basis through controls that have been implemented. Monthly Budget reports are prepared and submitted to the HODs and the Municipal Manager and submitted on a quarterly basis to the council. The section is under resource as it has only one personnel. The draft budget for 2015-16 financial year has been finalised and will be presented to Council on the 31 March 2015 before it is submitted to the Treasury. Refer to Annexure D for the draft budget.

Turnover rate of the Procurement process

Internal Controls and Procedure Manuals

Contract Management Unit

Risk Management

Filing system and Audit file

Audit Opinion (three past years)

Progress on issues raised in Audit report

Budgeted Financial Performance (revenue and expenditure)

EC137 Engcobo - Table A4 Budgeted Financial Performance (revenue and expenditure)

Description	Ref	Current Year 2012/13				2013/14 Medium Term Revenue & Expenditure Framework		
		Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
R thousand	1							
<u>Revenue By Source</u>								
Property rates	2	3 680	3 680	3 680	3 680	3 800	3 994	4 189
Property rates - penalties & collection charges								
Service charges - electricity revenue	2	-	-	-	-	-	-	-
Service charges - water revenue	2	1 544	1 544	1 544	1 544	1 544	1 622	1 702
Service charges - sanitation revenue	2	834	834	834	834	834	876	919
Service charges - refuse revenue	2	643	643	643	643	700	736	772
Service charges - other								
Rental of facilities and equipment		126	126	126	126	194	204	214
Interest earned - external investments		1 650	1 650	1 650	1 650	1 700	1 787	1 874
Interest earned - outstanding debtors								
Dividends received								
Fines		30	30	30	30	100	105	110
Licences and permits		3 150	3 150	3 150	3 150	3 400	3 573	3 748
Agency services						18 978	19 736	20 703
Transfers recognised - operational		103 494	85 482	85	85 482	90 982	108 676	139 816
Other revenue	2	280	280	280	280	333	560	587
Gains on disposal of PPE								
Total Revenue (excluding capital transfers and contributions)		115 430	97 417	97 417	97 417	122 564	141 869	174 636
<u>Expenditure By Type</u>	-			31				
Employee related costs	2	34 757	31 048	31 048	31 048	36 373	37 913	39 771
Remuneration of councillors		9 438	10 303	10 303	10 303	10 041	10 593	11 155
Debt impairment	3	909	909	909	909	600	631	662
Depreciation & asset impairment	2	20 500	5 000	5 000	5 000	10 000	10 510	11 025
Finance charges								
Bulk purchases	2	-	-	-	-	-	-	-
Other materials	8	12 968	8 954	8 954	8 954	11 481	12 066	12 657
Contracted services		-	-	-	-	-	-	-
Transfers and grants		1 568	2 168	2 168	2 168	3 000	3 153	3 307
Other expenditure	4, 5	41 884	49 008	49 008	49 008	42 308	44 769	46 942
Loss on disposal of PPE								
Total Expenditure		122 024	107 390	107 390	107 390	113 803	119 635	125 520

Surplus/(Deficit)		(6 595)	(9 973)	(9 973)	(9 973)	8 762	22 234	49 116
Transfers recognised - capital		62 169	67 675	675	67 675	38 909	63 873	66 900
Contributions recognised - capital	6	-	-	-	-	-	-	-
Contributed assets								
Surplus/(Deficit) after--- capital transfers & contributions		55 575	57 702	57 702	57 702	47 671	86 106	116 015
Taxation								
Surplus/(Deficit) after taxation		55 575	57 702	57 702	57 702	47 671	86 106	116 015
Attributable to minorities								
Surplus/(Deficit) attributable to municipality		55 575	57 702	57 702	57 702	47 671	86 106	116 015
Share of surplus/ (deficit) of associate	7							
Surplus/(Deficit) for the year		55 575	57 702	57 702	57 702	47 671	86 106	116 015

Funding

The municipality has a low funding base and relies on MIG for capital expenditure and Equitable Share for operational expenditure.

Basic Service Delivery and Infrastructure Development

Is responsible for the following activities;

- a) Infrastructure development and construction
- b) Service delivery maintenance
- c) Addressing service backlogs
- d) Development and implementation of capital projects

Economic Growth and Development

The Economic Development cluster mandate is to create an enabling environment for economy, derived from the following legislations:

- a) Constitution of the Republic of South Africa, 1996;
- b) Municipal Systems Act, 32 of 2000;
- c) National Local Economic Development Framework;

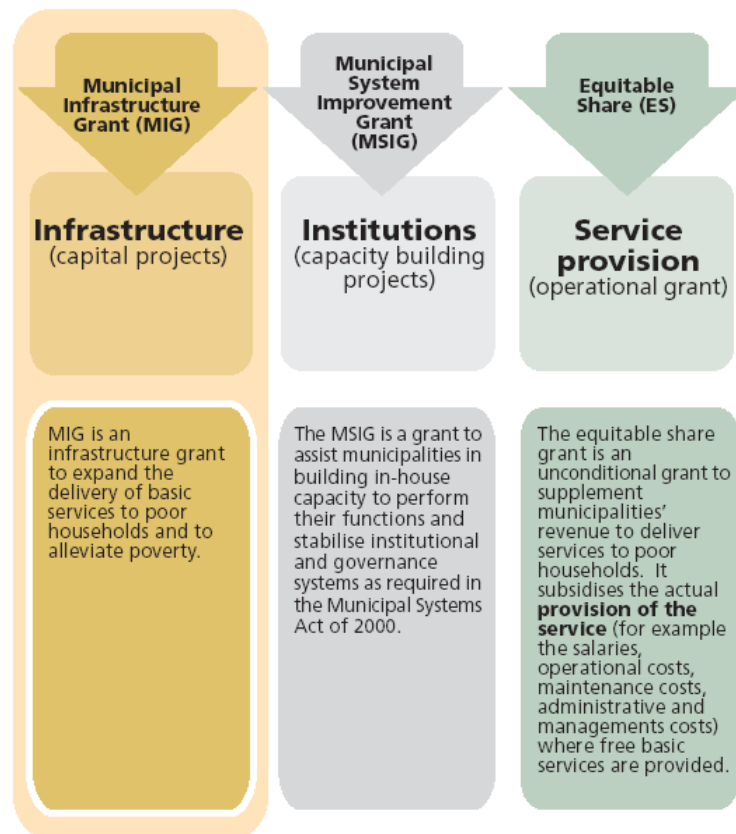
Various interventions have been implemented in support of the Engcobo LM's economy; however the economic recession, macro and micro environmental challenges had a negative impact on economic growth in Engcobo Local Municipality.

Some of the undesirable consequences include, but not limited to the following:

- a) Job losses through retrenchments.
- b) Limited investment attraction.
- c) Declining economy.
- d) Business closures.
- e) Increasing numbers of unemployment.

Grants Allocated for Service Delivery

The figure below indicate the different types of grants which are available to Municipalities, however such grants are subject to business plans being submitted to National DPLG and the approved from the NDPLG (MIG).



The Financial Plan forms the cornerstone of any planning and financial strategy of Council. The principle within such a financial plan is depending on the resources available to the Council.

Revenue Base

The municipality's revenue base relies on the following;

- Assessment rates and taxes;

- Refuse removal;
- Motor vehicle licensing and traffic fines,
- Water sales;
- Sanitation
- Hire of halls
- Tender fees
- Learners license and Driver's license fees
- System reticulation
- Toilet fees
- Lease Rentals
- Rental of facilities and equipment
- Cemetery fees
- Agricultural fees

Funding Streams

As a municipality with low revenue levels, we depend almost entirely on national grants for all our operations. This situation is not sustainable, however we are acknowledging that the solution lies in turning around our local economy's performance and hence our resolve to make LED one of the top-10 priorities of the municipality.

Our current activities are funded through the following mechanisms:

- **Equitable Share:** which we utilise largely to fund our operations
- **MIG:** which is a conditional grant for funding all our infrastructure development programmes
- **MSIG:** which is a grant to fund institutional development and installation of systems and governance plans
- **FMG:** grant aimed at funding the building of capacity in the financial management and system procurement
- **DM Transfers:** moneys received from the district to carry-out planning and implementation of functions that we undertake on their behalf with a service level agreement
- **Extended Public works program:** Grant aimed at poverty alleviation through short term job creation.

- **Electrification Grant:** Grant aimed at electrification of previously disadvantaged rural areas
- **Small Town Revitalization grant:** the grant used to revitalize town
- **Other:** moneys that are not received every year but on an ad-hoc basis from various national departments for activities relating to their functions or specific projects that they've asked the municipality to deliver on their behalf.

Application of Funds

The municipality has a 3 year operating budget as a guide on what resources are available or required over the next three years in order to deliver on its mandates. The council adopted a budget for 2012/17 in May of 2012 and also adopted a budget process plan for the review and adjustment of that budget later in the same year. In May 2014, the council adopted a review IDP and budget for 2014/15 implementation. We have so far managed to put in place key institutional systems and processes including:

- a 3 year capital budget and operational budget
- an SDBIP
- review and completion of our finance policies
- an Indigent Policy , credit control, rates policy & debt collection an Internal audit function

Internal Sources of funding

Internal sources of income are expected to contribute as follows to overall income of the municipality:

In May 2013, the council adopted a review IDP and budget for 2013/114 implementation.. We have so far managed to put in place key institutional systems and processes including:

- a 3 year capital budget and operational budget
- an SDBIP
- review and completion of our finance policies
- an Indigent Policy , credit control & debt collection an Internal audit function

Internal Sources of funding

internal sources of income are expected to contribute as follows to overall income of the municipality:

	2014/2015	2015/2016	2016/2017
Budgeted Income from internal sources of funding	13,369,750	14,192,900	14,962,312

Rates and Service Charges DETAILS	2013/14	2014/15	2015/16
Assessment Rates : General	3,000,000	3,162,000	3,332,748
Refuse Service Charges	1,000,000	1,054,000.00	1,110,916
Sewerage Fees	1,000,000	1,054,000	1,110,916.00
Water	1,054,000.00	1,054,000.00	1,110,916
TOTAL	6,054,000	6,324,000	6,665,496

Other Revenue DETAILS	2014/15	2015/16	2016/17
Approval Of building Plans	45,000	47,430	49,991
Agency Fees - Water Services	0	0	0
Blocked Drains	10,000	10,540.00	11,109.16
Cemetery fees	3,000	3,162.00	3,332.75
Connection Fees	5,000	5,270.00	5,554.58
DLTC & VTS Fees	3,000,000	3,162,000	3,332,748
Interest on Investments	3,000,000	3,162,000	3,332,748
Pound Fees	50,000		

		52,700.00	55,545
Reconnection Fees	20,000	21,080	22,218
Registration & Licence Fees	1,000,000	1,054,000	1,110,916.00
Rental : Eskom	6000	6324	6665
Rental : Halls	120000	126480	133309
Rental : Leasehold	72 000.00	75 672.00	79 379.93
Septic Tanks	5250	5533	5832
Swimming Pool	1500	1581	1666
Tender Fees - Projects	150 000.00	158100	166637
Toilets	10000	10540	11109
Traffic Fines	40000	42160	44436
TOTAL INCOME	7,315,750	7,868,900	8,293,816

External Sources of Funding

CAPITAL FUNDING BY SOURCE

DETAILS	2013/14	ACTUAL	%	2014/15	2014/16	2016/17
Municipal Infrastructure Grant	32,553,022.00	23,663,959.00	72.69	35,804,000	37,639,000	39,214,000
CHDM Grant	74,263,677.00	3,537,676.00	4.76	36,076,648	30,643,624	32,298,380
Electrification	0			8,000,000	20,000,000	30,000,000
Own Revenue				122,338,824	151,722,677	145,219,911
TOTAL	106,816,699.00	27,201,635.00	25.47	106,816,699.00	106,816,699.00	106,816,699.00

Expenditure by Vote

DETAILS	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17
Electrification Project	44000000	30000000	0	8000000	20 000 000	30000 000
Equitable Share	66179000	76102485	86604000	103995000	134274000	135782000
Finance Management Grant (MFMA Grant)	1450000	1500000	1550000	1600000	1650000	1700000

CHDM Grant	28267336	22557664	10109947	29073648	30643624	32298380
EPWP	951000	1000000	1000000	1687000	1778098	1874115
Library fees	0	588000	0	0	0	0
Municipal Infrastructure Grant (5% for PMU)	21621000	26227000	31257000	35804000	37639000	39214000
Small Town Revitalisation	1483930	1088267		7000000	0	0
Systems Improvement Grant	790000	800000	890000	930000	961000	1019000
LG Sita			94000	0	0	0
TOTAL INCOME	164742266	159863416	131504947	148 764 589.00	206945722	211887495

Expenditure by Vote for the MTERF Period can be tabulated as follows: Department	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Executive & Council	17,741,238	18,414,685	19,409,078
2.1 - Accounting officer Admin	6,131,459	6,462,558	6,811,536
2.2 - Local economic development	21,594,973	22,761,102	23,990,201
Corporate Services	14,166,474	14,931,464	15,737,763
Community services	16,740,421	17,644,403	18,597,201
Financial Services	62,070,138	65,385,525	68,877,244
Infrastructure	51,952,380	54,599,709	57,548,093
Total Expenditure by Vote	186.927.083	197,021,145	207,660,287

In order to support the financial plan various policies were developed, reviewed and adopted on the 30 May 2013 by Council.

Free Basic Service Unit

Indigent policy is in place and approved by the council May 2014; the unit is undercapacitated as it has only one employee. The register is updated on an annual basis where all awareness campaigns are conducted in all wards of the municipality. The unit is embarking on an alternative energy (Solar) with the assistance of the Department of Energy where all wards will benefit; the programme will start at the beginning of 2014/15 financial year. The unit work

hand in hand with sector departments to ensure that the program runs smoothly. Training are being organised to ensure the employees are well equipped.

Indigent Register (Updated)

Attached

5.4.2 Financial Policies

The policies listed below are reviewed on annual basis and promulgated into gazetted by-laws:

Revenue enhancement and Collection Policy

The Local Government Municipal Systems Act no. 32 of 2000, Section 96, rules as follows:

- a) must collect all money that is due and payable to it, subject to this Act and any other applicable legislation; and
- b) for this purpose, must adopt, maintain and implement a credit control and debt collection policy which is consistent with its rates and tariff policies and complies with the provisions of this Act.”

Engcobo Local Municipality has adopted a Credit Control and Indigent Policy that ensure full compliance to relevant legislation. The principles and objectives of the above are as follows:

- a) Provide for indigents as determined in SALGA guidelines. Council’s policy is very sensitive towards these households.
- b) Ensure that all monies due are collected.
- c) Provide for credit control procedures and mechanisms for debt collection.
- d) Ensure that By-Laws as developed are enforced by officials and public.

The current projections in our budget are realistic and are based on projected revenue for the current financial year based on the collection levels to-date and actual revenue collected in previous financial years.

Banking and Investment Policy

The Council has adopted a policy to ensure that monies received by Council are accounted for as required by Section 64 (b) – (e) of MFMA no. 56 of 2003.

- a) that revenue due to the municipality is calculated on a monthly basis;
- b) that accounts for municipal tax and charges for municipal services are prepared on a monthly basis, or less often as may be prescribed where monthly accounts are uneconomical;

- c) that all money received is promptly deposited in accordance with this Act into the municipality's primary and other bank accounts;
- d) that the municipality has and maintains a management, accounting and information system which-
 - i. recognises revenue when it is earned;
 - ii. accounts for debtors; and
 - iii. accounts for receipts of revenue;"

Where surplus funds realise or grants are received, Council invests these funds as determined in the investment policy to ensure that minimum risk is realised on these funds.

Supply Chain Management Policy

Council has developed a policy as required by chapter 11 of MFMA no. 56 of 2003. The municipality has established the following Supply Chain Management Committees:

- Specifications Committee
- Evaluation Committee
- Adjudication Committee

Asset Management Policy

The Generally Accepted Municipal Accounting Principles [GAMAP] requirement indicates that it will no longer be good enough merely to have an entry in the financial statement reflecting the value of assets. The requirement is for an asset register substantiating the financial entry. The municipality has a GRAP compliant Asset Register.

Section 35[g] of the Local Government: Municipal Finance Management Bill, 2000 defines one of the responsibilities of the Municipal Manager as being responsible for the management of:

- The assets of the municipality, including the safeguarding and the maintenance of those assets; and
- The liabilities of the municipality.

Council has already adopted a Fixed Asset management Policy. Such a policy mainly incorporates and defines the following concepts:

- Definition of a fixed asset.
- Role of the Municipal Manager and the Chief Financial Officer.

- Format and classification of the fixed asset register.
- Recognition of heritage and donated assets.
- Identification and safekeeping of fixed assets.
- Procedure for loss, theft, destruction, or impairment of fixed assets.
- Capital criteria: Material value, Intangible items: Reinstatement and maintenance expenses.
- Maintenance Plans, Deferred maintenance, General maintenance.
- Depreciation: Rate, Method, Alternative methods.
- Amendment of asset lives.
- Creation of Non-Distributable Reserves.
- Carrying values and Revaluation of fixed assets.
- Verification, Alienation and Write offs of fixed assets.
- Insurance of fixed assets and Replacement norms.

Indigent policy

Council adopted its indigent policy in 2009 in order to guide how it plans to manage the subsidization of services to households who are poor and defined indigents. This policy forms a foundational element of our comprehensive billing operations. The main challenge for effective implementation of the indigent policy is the costly administration process of continuous updating and verification of the register.

Tariff policy

Tariffs are revised annually as we review and adopt a new budget and in accordance with necessary changes linked to CPIX (CONSUMER PRICE INDEX) and inflation adjustments. Our current policy has been revised to ensure compliance with the new valuation roll (Property Rates Act -2003) requirements. Changes have had to be made in determining rates to the indigent as well as to the generally billed properties. Additionally, changes were effected on the services and municipal facilities that are often rented or provided for a fee.

Auditor General Concerns.

The audit outcome for the financial year 2012/2013 has improved from Disclaimer to Qualified Audit Opinion. Auditor general has raised some issues that are concerns in our current approach to accounting and reporting. A large number of these relate to Receivables as well as internal control in supply chain processes.

We have since developed and adopted a management response plan to these issues which will be coordinated and led by the CFO. However, each manager is expected to commit a plan of

action towards resolving key concerns in the AG report relating to his/her function or processes then report regularly in the management meeting on how he/she is progressing on resolving those items.

The council remains focused in its intention to achieve a clean audit outcome within 2 years and would continue to build necessary capacity in our internal audit, risk management and financial reporting operations. In order for this to happen, efforts will be emphasized on:

- Need for full compliance with all aspects of the MFMA (GRAP compliant statement) and Property Rates Act (tariff policy linkages to the updated Valuation Roll)
- Improvement of asset management policy and register
- Improvement of revenue and billing turnovers / performance
- Improvement of supply chain management policy compliance
- Improvement of in year reporting in terms of section 71 and 72 of the MFMA in order to be able to compile year-end report.

5.4.3 Financial Recovery Plan – to address cash flow problems

Revenue enhance strategy has been developed and has been submitted to Council for approval. A 3 year implementation plan is in the process of being developed.

5.4.4 Audit Action Plan

ISSUES RAISED	PLAN OF ACTION	TIME FRAME	RESPONSIBLE OFFICIAL	COMMENTS ON PROGRESS TO DATE
1. Annual financial statements, performance and annual report				
1. The oversight report, containing comments on the annual report, was not adopted by council within 2 months from the date on which the 2012/2013 annual report was tabled, as required by section 129(1) of the MFMA.	The 2013/14 Oversight report with comments will be tabled to Council 2 months after the annual report has been adopted by council.	31 March 2015	IPED MANAGER MUNICIPAL MANAGER	<i>Draft annual report prepared and will be tabled in the 11 December 2014 Council meeting.</i> <i>Circular 67 of the MFMA has made a supposition for municipalities to</i>

				<i>table annual report in December 2014. It will therefore be tabled in December 11, 2014.</i>
2. The financial statements submitted for auditing were not prepared in all material respects in accordance with the requirements of section 122 of the MFMA.	<p>1. The IA unit is being capacitated well.</p> <p>2. Prior to the AFS being submitted to the auditors, the AFS and accounting file will go through a stringent review process namely:</p> <ul style="list-style-type: none"> - AFS will be reconciled to the accounting file by management. - AFS and accounting file will be reviewed by the Internal Auditors, Audit Committee and a competent official independent of the preparation process. - Disclosure checklist will be completed. 	30 July 2015	<p>CFO</p> <p>ACCOUNTANT</p> <p>MUNICIPAL MANAGER</p> <p>INTERNAL AUDIT MANAGER</p>	<p><i>The municipality is in the process of appointing an Internal Audit Manager. The IA unit will be trained on a continuous basis to ensure that the unit obtains the required technical competencies.</i></p> <p><i>To be finalised during the AFS preparation period but we have confidence that the financial statements to be submitted for auditing will be prepared in all material respects in accordance with the requirements of section 122 of the MFMA.</i></p> <p><i>The process needs to be initiated a little bit earlier this year.</i></p>
3. Material misstatements identified by the auditors relating to expenditure and other disclosure items in	SEE COMMENTS ABOVE	30 July 2015	<p>CFO</p> <p>ACCOUNTANT</p>	<i>The Internal Unit will be required to perform a comprehensive review</i>

the submitted financial statements were subsequently corrected, which resulted in the financial statements receiving an unqualified audit opinion.			MUNICIPAL MANAGER INTERNAL AUDIT MANAGER	
2. Revenue management				
1. Interest was not charged on all accounts in arrears as, required by section 64(2)(g) of the Municipal Finance and Management Act.	Processes are in progress to charge interest on long outstanding debtors. R-DATA has been engaged to ensure that this is up and running on our system.	31 March 2015	CFO REVENUE MANAGER	<i>Data cleansing process has been initiated.</i> <i>R-DATA has been consultant.</i>
3. Consequence management				
1. Unauthorised expenditure, irregular expenditure, and fruitless and wasteful expenditure was not recovered from the liable person, as required by section 32(2) of the MFMA.	It is still under investigation and the way forward will be determined once that process has been finalised.	31 January 2015	LEGAL ADVISOR MUNICIPAL MANAGER	<i>Still under investigation</i>
2. Unauthorised and irregular expenditure incurred by the municipality was not investigated to determine if the person is liable for the expenditure, as required by section 32(2)(a)(ii) of the MFMA.	SEE COMMENTS ABOVE	31 January 2015	LEGAL ADVISOR MUNICIPAL MANAGER	<i>Still under investigation</i>
4. Asset management				
1. An effective system of internal	An effective system	MONTHLY /	ACCOUNTANT	<i>Still in the process</i>

control for assets (including an asset register) was not in place, as required by section 63(2)(c) of the Municipal Finance Management Act.	is in place but requires constant monitoring.	QUARTLY	CFO	<i>of performing a zero based count. Thereafter, on a monthly basis the asset register will be updated and reconciled to the GL and a quarterly count done.</i>
5. Human resource management				
1. Bonuses were awarded to the municipal manager and/or senior managers directly accountable to the municipal manager before the annual report was tabled and adopted by the municipal council, in contravention of regulation 8(1) of the Municipal performance regulations (GNR 805)	Performance bonuses will be paid after the 2013/14 annual report has been tabled and adopted by the Council 28 February 2015	28 February 2015	CORPORATE SERVICES MANAGER MUNICIPAL MANAGER	<i>Performance evaluations done and presented to Exco.</i>
6. Leadership				
1. Oversight responsibilities regarding the mentoring of internal controls over financial reporting and compliance with the applicable laws and regulations were not adequately performed. This resulted in material misstatements in the annual financial statements that were submitted for audit, non-	Compliance checklist developed. Can be used by the IA unit to check and monitor compliance.	28 FEBRUARY 2015	ALL SENIOR MANAGERS LEGAL ADVISOR INTERNAL AUDIT MUNICIPAL MANAGER	<i>Checklist ready to be rolled out.</i>

compliance with the applicable laws and regulations as well as information presented in the report for predetermined objectives not being valid, accurate and complete.				
2. Proper consequence management in respect of supply chain management transgressions that occurred in the prior years was not implemented since the transgressions were not investigated to determine whether any official is liable for the expenditure.	Processes are in place. It is still under investigation and the way forward will be determined once that process has been finalised.	31 January 2015	LEGAL ADVISOR MUNICIPAL MANAGER	<i>Still under investigation</i>
7. Financial and performance management				
1. The municipality continued to make use of consultants to perform certain financial administration and reporting functions that should be performed by the staff employed by the municipality. This is due to lack of skills in key positions. A poor control environment over financial reporting exists as manual	The municipality has advertised and filled some key positions so that less reliance can be placed on consultants. The municipality does not rely heavily on consultant to perform routine admin and reporting functions. Reconciliations are done on a monthly basis and are up to	Monthly	CFO ACCOUNTANT EXPENDITURE / BTO / ASSETS OFFICER EXPENDITURE CLERKS	<i>Infrastructure fixed asset register is a specialised field and will continue to require the assistance of a consultant in the future.</i>

<p>reconciliations of accounting records and supporting schedules are required to be performed at year end as these controls are not implemented on a regular basis throughout the year. Should adequate monitoring, supervision and controls be implemented, misstatements would be identified and corrected by management in a timely manner.</p>	<p>date as at end of November 2014.</p>			
<p>2. The financial statements submitted for audit contained material misstatements related to expenditure and other disclosure items. Furthermore, errors between the financial statements, general ledger and underlying supporting documents were identified. This is as a result of a lack of adequate review of the financial statements and supporting documentation prior to submission of the</p>	<p>SEE COMMENTS IN SECTION 1 ABOVE</p>		<p>SEE COMMENTS IN SECTION 1 ABOVE</p>	<p>SEE COMMENTS IN SECTION 1 ABOVE</p>

annual financial statements for audit purposes.				
3. The systems or processes for the preparation and reporting of performance against pre-determined objectives were not adequate or sufficient as the municipality did not comply with the reporting requirements as prescribed by National Treasury.	Systems and processed have been developed to ensure that the municipality will comply with the reporting requirements as prescribed by National Treasury.	On-going	<p>IPED Manager</p> <p>IDP & PMS Manager</p> <p>MM</p>	<p><i>A consultant has been appointment to assist the municipality with the implementation of the PMS policy.</i></p> <p><i>Comparing the current and prior year audit reports, our performance reporting has improved remarkably.</i></p>
4. The municipality has not implemented adequate review mechanisms to ensure that the report on predetermined objectives is reviewed for accuracy and completeness prior to submission for audit.	The municipality has developed / implemented adequate review mechanisms to ensure that the report on predetermined objectives is reviewed for accuracy and completeness prior to submission for audit.	QUARTERLY	<p>IPED Manager</p> <p>IDP & PMS Manager</p> <p>MUNICIPAL MANAGER</p>	<p><i>A consultant has been appointment to assist the municipality with the implementation of the PMS policy.</i></p> <p><i>Comparing the current and prior year audit reports, our performance reporting has improved remarkably.</i></p>
8. Governance				

<p>1. The risks relating to financial, performance objectives and compliance with the laws and regulations have not been adequately addressed during the year under review.</p>	<p>A risk officer has been employed. A risk register and also a detailed / low level action plan has been developed for the institution.</p> <p>The risk register and action plans will be monitored on a quarterly basis.</p>	<p>QUARTERLY</p>	<p>ALL SENIOR MANAGERS</p> <p>INTERNAL AUDIT</p> <p>RISK OFFICER</p> <p>MUNICIPAL MANAGER</p>	<p><i>Risk management plan / strategy submitted to the audit committee for review and approval.</i></p>
<p>2. Internal audit did not properly review the financial and performance reports prior to submission to the audit committee and the external auditors and also did not adequately review compliance with laws and regulations. The position of Chief Internal Auditor was vacant throughout the year and up to the date of this report and this impacted negatively on the performance of the internal audit unit.</p>	<p>The IA unit is being capacitated to ensure that the unit is fully functional. An internal audit manager will be appointed.</p>	<p>30 July 2015</p>	<p>CFO</p> <p>ACCOUNTANT</p> <p>MUNICIPAL MANAGER</p> <p>INTERNAL AUDIT MANAGER</p>	<p><i>The municipality is in the process of appointing an Internal Audit Manager. The IA unit will be trained on a continuous basis to ensure that the unit obtains the required technical competencies.</i></p> <p><i>To be finalised during the AFS preparation period but we have confidence that the financial statements to be submitted for auditing will be prepared in all material respects in accordance with the requirements of section 122 of the MFMA.</i></p> <p><i>The process needs to be initiated a little bit earlier this year.</i></p>

<p>1. <u>Predetermined Objectives: Usefulness of information - The reported objectives not consistent with planned objectives</u></p> <p>Section 41(c) of the Municipal Systems Act requires the IDP to form the basis for the annual report, therefore requiring consistency of objectives, indicators and targets between planning and reporting documents.</p> <p>A total of 30% of the reported objectives were not consistent with those in the approved IDP. This is due to the lack of review and monitoring by management resulting to inconsistency between the IDP, SDBIP and Annual performance Report.</p>	<p>Management will review and monitoring inconsistency between the IDP, SDBIP and Annual performance Report</p> <p>Management review and monitor on a monthly/quarterly basis to ensure consistency is maintained between the performance documents.</p>	<p>31 January 2015</p>	<p>IPED Manager</p> <p>IDP & PMS Manager</p>	<p><i>In Progress</i></p>
<p>2. <u>Reliability of information: Validity and Accuracy - Reported performance not valid or accurate:</u></p> <p>The National Treasury FMPPi requires that processes and systems which produce the indicator should be verifiable, and that the indicators be accurate</p>	<p>The indicators will be accurate enough for its intended use and respond to changes in the level of performance.</p>	<p>31 January 2015</p>	<p>IPED Manager</p> <p>IDP & PMS Manager</p>	<p><i>Alignment between SDBIP and IDP has been completed</i></p>

<p>enough for its intended use and respond to changes in the level of performance.</p> <p>A total of 22.8% of the actual reported performance relevant to basic infrastructure and service delivery was not valid, accurate and complete when compared to the evidence provided.</p> <p>This was due to a lack of monitoring by senior management, an inadequate review process as well as a lack of standard operating procedures that are in line with the requirements of the FMPPI for the recording of actual achievements.</p>				
<p>10. Compliance with laws and regulations:</p>				
<p><u>Strategic planning and performance management:</u></p> <p>1. The performance management system and its related controls were inadequate as it did not describe and represent the processes of the performance (planning, monitoring, measurement, review, reporting and improvement) and how it is</p>	<p>The performance management system and its related controls will be adequate enough to describe and represent the processes of the performance (planning, monitoring, measurement, review, reporting and improvement)</p>	<p>31 January 2015</p>	<p>IPED Manager</p> <p>IDP & PMS Manager</p>	<p><i>In Progress</i></p>

conducted, organised and managed, as required by sections 38 of the Municipal Systems Act and regulation 7 of the Municipal Planning and Performance Management Regulations (MPPMR).				
2. Measurable performance targets for the financial year with regard to each of the objectives and key performance indicators were not set in the IDP, as required by section 41(1)(b) of the Municipal Systems Act, 2000 and regulation 12(1) and 12(2)(e) of Government Gazette 22605 of 2001.	Measurable performance targets for the financial year with regard to each of the objectives and key performance indicators will be set in the IDP, as required by section 41(1)(b) of the Municipal Systems Act,	31 January 2015	IPED Manager IDP & PMS Manager	<i>In Progress</i>

5.5 KEY PERFORMANCE 5: PUBLIC PARTICIPATION AND GOOD GOVERNANCE

5.5.1 IDP Manager

The IDP is legislated as the role residing with Municipal Manager's office who has in turn delegated IDP responsibilities to the IDP Manager. In terms of the process the IDP Manager is tasked to:

- Ensure that the Process Plan is drafted and adopted by the Municipal Council;
- Manage the local municipal IDP by ensuring that all daily planning activities are performed within an efficient and effective consideration of available time, financial and human resources;
- Encourage an inclusive participatory planning process and compliance with action programme;
- Facilitate the horizontal and vertical alignment of the various internal and external departmental programmes;
- Ensure that the planning process outcomes are properly documented;

- Manage service providers engaged in the municipal IDP process;
- Chair the IDP Steering Committee;
- Nominate persons in charge of different roles.
- Responds to comments on the draft reviewed IDP from the public.
- Adjusts the IDP in accordance with the comments of the MEC for local Government.
- The Municipal IDP Officer will coordinate with various government departments and other HODs to ensure that all the projects, strategies and objectives of the local municipality are shared and distributed amongst government departments so that they might incorporate them in their planning process and vice versa

5.5.2 Process plan

SCHEDULE	ITEM DESCRIPTION	DUE DATE	RESPONSIBLE PERSON
Phases	JULY AND AUGUST 2014		
	Review the 2014/2015 IDP/ Budget Process	1-30 July 14	Chief Financial Officer/Myeko
	IDP/PMS/Budget Steering Committee meeting	30 July 14	IPED Manager/Municipal Manager
Pre- planning	Advertise the Council Meeting	07 August 14	IDP Manager
	IGR Meeting	06 August 14	IPED Manager/Municipal Manager
	CHDM Technical IGR Meeting	15 August 14	
	Presentation of Draft IDP Process Plan to IPED Steering Committee	15 August 14	
	Establish process and timetable for the 2014/2015 to 2015/16 Budget Development.	30 August 14	Mayor,
	COUNCIL MEETING: IDP/Budget Process Plan 2014/15 Schedule to be tabled to the Council	28 August 14	Mayor
	2013/14 Financial Statements submitted to Auditor-General	30 August 14	Chief Financial Officer
	Submission of annual performance information to	31/08/14	

	standing committee, Exco and council and to the provincial and national treasury		
	SEPTEMBER-OCTOBER 2014		
Analysis	MAYORAL/ BUDGET STEERING COMMITTEE MEETING: executive committee to meet and identify strategies and guidelines for the development of the 2014/15 to 2015/16 Budgets. Committee should adopt the 'Budget Preparation and Financial Guidelines' proposed.	03 September 14	Chief Financial Officer
	Present process plan to IGR MEETING	03 September 14	
	STEERING COMMITTEE MEETING: - review progress and budget assumptions	06 September 14	
	IDP/Budget Rep forum meeting	05 September 14	Chief Financial Officer
	IDP/Budget road shows	17-26 September 14	Mayor
	CHDM Technical IGR Meeting	18 September 14	
	CHDM IDP/PMS/Budget Rep Forum	19 September 14	
	MEETING WITH DIRECTORS AND MANAGERS: Directorates to be provided with the current Baseline Operating Medium Term Expenditure Forecasts (MTEF) 2014/15 thru 2015/16 that are to be used as a basis for the development of new Operating Medium Term Expenditure	27 September 14	Chief Financial Officer
	Check with National, Provincial Governments and District Municipality for any adjustments to projected allocations for the next three	27 September 14	Chief Financial Officer

	years.		
	IDP/Budget Rep forum meeting	08 October 14	Mayor
KEY DEADLINES FOR BUDGET PREPARATION SCHEDULE			
	Item description	Due Date	Responsible Person
	OCTOBER 2014		
	/ STEERING COMMITTEE MEETING: - review progress and baseline operating budget.	9 October 14	Chief Financial Officer
	Quarterly Reports July-Sept	10 October 14	
	Schedule individual meetings with Directorate to review baseline budget and work progress for completion of changes and supplemental requests	11 October 14	Chief Financial Officer
	IDP/Budget Steering committee	22 October 14	Myeko
	Analysis phase completed	22 October 14	Mahlasela
	Review current tariffs, receive requested changes from directorates and prepare options for consideration	31 October 14	Chief Financial Officer , Accountant
	SUBMISSION OF BASELINE BUDGETS AND SUPPLEMENTAL REQUESTS FROM DIRECTORATES: Final date for submission of all Baseline Operating Budgets, Capital Budgets and Operational plans by Directorates to the budget office.	31 October 14	Directorates
STRATEGIES	NOVEMBER 2014		
	Draft report on proposed tariff changes for review to IDP/PMS/ Budget Steering Committee and review Implementation progress and report on gaps identified during the analysis phase	06 November 14	Chief Financial Officer, Accountant
	IGR Meeting	5 November 14	

	CHDM Technical IGR Meeting	14 November 14	
	CHDM IDP/PMS/Budget Rep Forum	28 November 14	
	IDP/Budget Rep Forum	29 November 14	
	Review of organizational structure		Mayor, Corporate Service Manager
	Prepare first draft of operating and capital medium term budget based on baseline operating budgets submitted by directorates	28 November 14	Chief Financial Officer
	Receive audited Financial Statements and Audit report from the Auditor-General for the 2012/13 financial year	29 November 14	Auditor-General
PROJECTS	DECEMBER 2014		
	MAYORAL / STEERING COMMITTEE MEETING: - review progress, baseline budget report AND DRAFT TARRIFS and prepare for project phase	04 December 14	Chief Financial Officer
	Ordinary Council meeting	11 December 14	Speaker
	JANUARY 2014		
	Sections and directorate meet to discuss strategies and objectives	07-10 January 2015	Managers
	2 nd quarterly Reports (Oct-Dec)	03 January 15	IPED Manager
	STEERING COMMITTEE MEETING: - review progress and DRAFT BUDGET	14 January 15	
	MAYORAL COMMITTEE MEETING: PRESENT MIDYEAR PERFORMANCE REPORT TO MAYORAL COMMITTEE: Final review of 2013/14 operating and capital budget for midyear adjustments to mayoral committee for approval to council and submission to the provincial and national treasury	21 January 15	Municipal Manager
	SUBMISSION OF CAPITAL	20 January 15	All Managers

	BUDGET REQUESTS FROM DIRECTORATES: Final date for submission of all Capital Budget plans by Directorates to the budget office.		
	Departmental Strategic Planning Sessions	27-28-January 15	
	Council Meeting for Budget adjustment and SDBIP review	31 January 15	

KEY DEADLINES FOR BUDGET PREPARATION SCHEDULE			
	Item description	Due Date	Responsible Person
ALIGNMENT AND ADOPTION	FEBRUARY 2015		
	STEERING COMMITTEE MEETING: - review progress and the DRAFT BUDGET.	03 February 15	
	IGR Meeting	04 February 15	
	IDP/Budget Rep Forum	05 February 15	
	Mid-Year Performance Report by Audit Committee	6 February 15	
	IDP Strategic planning workshop	24,25,26 &27 February 15	
	MARCH 2015		
	STEERING COMMITTEE MEETING: - review progress and DRAFT BUDGET.	06 March 15	
	IGR Meeting	04 March 15	Municipal Manager
	SDBIP performance indicators workshop and service delivery targets for 2014/15 for review.	11 March 15	
	MPAC Hearings on	12-13 March 15	Directorates

	Annual Report		
	CHDM IDP Rep Forum	14 March 15	
	/ STEERING COMMITTEE MEETING: final draft operating and capital budget presented to Mayoral committee for review	19 March 15	Chief Financial Officer
	Executive committee meeting	20 March 15	
	COUNCIL MEETING: Council (after consideration of the 2013/2014 Annual Report) to adopt an Oversight Report.	25 March 2015	Oversight Committee
	COUNCIL MEETING: Operating and Capital draft budget and IDP tabled to Council for consultation with the community	25 March 2015	Mayor
	Submit to National Treasury, Provincial Treasury and the MEC responsible for Local Government the Annual Financial Statements, the 2012/13 annual and audit report and any corrective action taken in response to the findings of the audit report.	28 March 2015	
	CHDM Draft IDP and Draft Budget published. Advertise for public comment (21days)	31 March 15	Administrative Director
	IDP/Budget roadshows - public hearings	7-16 March 15	
	Quarter 3 Performance reporting (Jan - March))	3 March 15	

	Quarter 3 Performance reporting assessment (Jan - March))	10-11 April 15	
	Submit draft budgets in required form to NT, Provincial Treasury	10 April 15	Chief Financial Officer

KEY DEADLINES FOR BUDGET PREPARATION SCHEDULE			
	Item description	Due Date	Responsible Person
	April 2015		
	IGR Meeting	8 April 15	
	Check with National, Provincial Governments and District Municipality for any adjustments to projected allocations for the next three years.	16 April 15	Chief Financial Officer
	Directorates are to provide a list of Capital Projects to be rolled over for inclusion in the 2014/15 Budget to the budget office and cash balances forward for grant projects.	30 April 15	Directorates
	Public meetings and consultation on IDP/ Budget	15- 29 April 2015	Speaker and Mayor
	MAY 2015		
	IGR Meeting	6 May 2015	
	MAYORAL IMBIZO	9 May 2015	MAYOR
	Final Budgets prepared taking into consideration submissions made during consultation process	13 May 15	
	MEETING OF MAYORAL / STEERING COMMITTEE: Approval of FINAL operating and capital budget for presentation to the full council	14 May 2015	
	CHDM Technical IGR	15 May 15	Chief Financial Officer

	CHDM IDP Rep Forum	19 May 15	
	Council Workshop on the Final IDP prior Adoption	21 May 15	
	COUNCIL MEETING: IDP & Budgets for 2014/15 thru 2015/16 adopted by Council along with the Mayor's budget address	30 May 15	Mayor, Finance MM
	JUNE 2015		
	The Service Delivery and Budget Implementation Plans (SDBIP) along with the annual performance agreements for the Municipal Manager and all managers directly responsible to the MM (based on the operational plans and IDP) is to be issued to the Mayor by the MM	13 June 15	Municipal Manager
	IDP & Annual Budget reports to National, Provincial Treasury and the District municipality.	13 June 15	Chief Financial Officer / IDP/PMS Manager
	MAYORAL TO APPROVE SDBIP AND PERFORMANCE	26 June 2015	MAYOR
	AGREEMENTS within 14 days after receiving them.	4 July 15	
	Quarter 4 Performance reporting (April - June)	10-11 July 15	
	Quarter 4 Performance reporting (April - June)		

5.5.3 Action Plan on MEC Comments

#	MEC Comment	Engcobo Response
1.	IDP Planning process should be prioritised by S56 Managers and Portfolio Committees in their Oversight responsibility to ensure quality information provided. Clear synergy of issues raised in the IDP to ensure that IDP respond directly to needs of communities	The IDP processes are being prioritised by S56 Managers and Portfolio Committees in their Oversight responsibility. Each Manager reports to a Standing Comiittee on IDP processes per quarter
2.	Issues of sector departments continues to remain a challenge and commitment of all management in IDP proceses is critical	Sector departments are invited and phoned 7 days before the meeting but often they send junior officials who do not submit required information
3.	Cognisance should be taken of all powers and functions that are performed as well as SLA and MOU that exists	Powers and functions of the municipality are included in the IDP
4.	Aderehce to the process of legislated time-frames regarding the commencement and completion of the IDP processes	Process plan is adopted by Council and Managers align

IDP Rating

KPA	Rating 2008/09	Rating 2009/10	Rating 2010/11	Rating 2011/12	Rating 2012/13	Rating 2013/14	Rating 2014/15
Spatial Development	Low	Low	Medium	High	High	High	High
Institutional Transformation and Organisational Development	Medium	Medium	Medium	High	Medium	Medium	High
Infrastructure and Sevice Delivery	Low	Low	Medium	Medium	Medium	Medium	High
Financial Viability and Management	Low	Low	Low	High	Medium	High	Medium

Local Economic Development	Low	Low	Low	High	High	High	High
Good Governance and Public Participation	Low	Low	Medium	Low	Medium	High	High
Overall Rating	Low	Low	Medium	High	High	High	High

MPAC Oversight

Section 79 of the Municipal Structures Act of 2000 provides for the establishment of Municipal Public Accounts within the municipality and Report to the Council. The MPAC is consists of (8) eight members including the Chairperson and meets monthly as per its terms of reference.

The responsibility of MPAC is to assist the municipality in attending the matters affecting the performance monitoring on financial administration, risk management, internal and external auditing. It strives to achieve this by operating within its terms of reference/Charter which was adopted by the Council in 2012.

Public Participation Process

The goal of the Engcobo LM on Good Governance and Public Participation is to realize a viable and caring institution that will promote and support a consultative and participatory local government. Good governance is in the main a participatory, transparent, democratic and accountable system of governance.

Developmental local government legislation put in place mechanisms for community interface so as to create enablers to realize good governance within a municipality. The key focal area within good governance is that good governance is a responsibility of all service delivery directorates/units and as such must find a concrete expression in their operational plans. The strategic intent of good governance and public participation is to ensure that Engcobo LM is accessible to its citizens.

Public Participation forms an integral part of the Engcobo Local Municipality IDP process. The IDP process is a continuous process and therefore the process of public participation. During the 2013/2014 Engcobo Local Municipality IDP process, public meetings were conducted with each ward, chaired by the Ward Councillor and assisted by the Ward Committees.

The People's Assembly, comprising of, *inter alia*, 10 Ward Committees, Government Structures, parastatals and service providers, were held during 2013/2014 IDP process plan, where the projects and programmes, SDF and Ward IDP's were presented and inputs were improved.

IDP Steering Committee

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

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

IDP Representatives Forum

This forum is a combination of all major stakeholders in the Municipal area; it is chaired by the Mayor and is composed of representatives from the following institutions or interest groups:

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

The task of the representative forum shall be to:

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

Roles and Responsibility of Stakeholders

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

Needs Identification and Project Prioritisation

After all the needs were collected, the projects/programmes were updated and finalized by the end of February 2014. The prioritization of projects was included in the Budget process.

Community Participation

All stakeholder and public participation engagements were undertaken through the guidance provided by the Public Participation Policy which was adopted by Council.

PHASE	PARTICIPATION MECHANISM & PLANNING EVENTS
Analysis	<ul style="list-style-type: none"> ▪ Use of workshops to verify data on community priorities ▪ Use of ward Committees to verify data
Strategy	<ul style="list-style-type: none"> ▪ Use of IDP representative and LED Forum meetings
Projects	<ul style="list-style-type: none"> ▪ Use of workshops to verify data on community priorities ▪ Use of ward Committees to verify data
Approval	<ul style="list-style-type: none"> ▪ Use of workshops to verify data on community priorities ▪ Use of ward Committees to verify data
Monitoring ⁴	<ul style="list-style-type: none"> ▪ Assessment and Reporting

5.5.4 Mechanisms for Public Participation

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

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

Appropriate Language Usage

Formal documentation and communication will be done in English but in meetings, participants would be encouraged to use their own language where this would enhance communication and participation. In some instances, interpreters may be used to facilitate smooth communication. Facilitators of meetings would be encouraged to make use of simple language in explaining

concepts so that people can understand the process and become empowered to participate in the IDP process.

Logistics Arrangements

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

Service Level Agreements

SLA	Duration
WSP	10 years
DSRAC	2 years
CHDM	2 years
DEADEAT	2 years
Treasury	2 years
SITA	5 years
Comofin	50 years

Social Cohesion

Traditional Dance Championships

Background

Traditional Dance Championships is designed to promote Arts, Culture, Entertainment, Recreation, tourism and social cohesion in the Community of Engcobo Municipality and is an annual event that started as the festival in 2007 the initiative gives a platform to performers to showcase their talents, whilst competition among each other. The concept is an opportunity to

enjoy and benefit from the rich and diverse Arts and Culture the Nation through participation in various Arts and Culture activities. The event normally is hosted in Heritage month.

Cultural groups compete at ward level then the outstanding group will compete with other groups from other wards at the main event date which is normally hosted in town.

Crafters are given platform to showcase the art work they produce through by displaying in stalls on the day of the event.

The outstanding groups are given prizes by the municipality, for support the prize vary from cash to vouchers for purchasing of traditional material they wear as attire/costumes when performing.

Aims and Objectives

- The Championships aims to foster the development of diverse, vibrant, flourish arts and culture in the district.
- Building a sense of involvement, encouraging multicultural understanding whilst developing talent.
- To afford the artists an opportunity to attract resources and share experiences in and culture
- To raise the level of cultural awareness and pride in the municipal area.
- To promote and encourage mass participation inn arts and culture.

Benefits

Benefits for Community

- A regular high Arts and Culture Festival in their doorstep.
- An opportunity to high home grown talent festival for the benefit of the whole Engcobo
- An opportunity to build the project to greater heights through constructive participation.

Benefits to Groups and Artists

Whilst the objective to empower the artists in particular around the Engcobo, it must be accepted that this process will have a starting point and then cascade to other people during its duration. It is a fact that artists have benefited from the training programmes ran by the municipality.

Mayoral Cup

Municipal programme for youth (men and women) and it is conducted on yearly basis. The aim is to reduce crime, health society, talent search, reduce ill activities and so forth. The youth are put together to play different sporting codes such as netball and soccer.

The municipality invites sector departments in the preparations and attendance of the occasion; all 20 wards participate. All sporting code teams receive sport kit at the end of the games and the talent searches become enhanced.

5.5.5 Community Based Planning for 2015/2016

In addition to the existing ongoing projects and programs identified during the 2012/2017 IDP process, a large number of additional projects will be identified during the respective ward meetings and are included in the 2015/2016 IDP.

WARDS	NEEDS	CHALLENGES
WARD 01 17/10/2014	Access Roads	Ntimeni access road a slab from Nabileyo Maintenance of Ngqutura to Nabileyo access road
	Electricity	Electricity for the areas that have not been Electrified (The community was not specific as to which exactly are those areas)
	SANITTION	Supply and installation of Ablution facilities to the whole ward
	WATER	Installation of water taps to the following areas: Ntimeni, Mabheleni, Lunda, Jowweni and Qolweni
	BRIDGE	Requesting a bridge from Ngqutura access road

WARD	NEEDS	CHALLENGES
Ward 2 15/10/2014	PROJECTS	Construction of a Poultry project at Xonya/Ntabeni
	ACCESS ROADS	Access road from Maqamkazini to Xonya Nkomponi
WARD	NEEDS	CHALLENGES
Ward 3 17/10/2014	ACCESS ROADS	access roads in the following areas: Shushwane to Mazizini, Mqonci to Mjanyana, Bekileni to Kwadila (priority)
	WATER	Installation of water taps at Mdeni and Qengqeleka
	RDP HOUSES	Construction of RDP Houses in the whole ward
	DAM	construction of a Dam at Caca A/A
	PROJECT	Mjikkweleni project is requesting financial assistance
	DIPPING TANK	Revamping of an existing dipping tank at Bekileni and Ntsimba
WARD	NEEDS	CHALLENGES
Ward 4 17/10/2014	WATER	Extention of water taps in the following areas Ntlalukana Gotyibeni Cobosi

		Quluqu
	ACCESS ROADS	5 star to Mandlaneni Chibini to Xhibeni Mfihlo to Sihlabeni Manuneni to Thembeke
	SANITATION	Installation of ablution facilities at the following schools Mizamoyethu Senior Secondary School and Ntlalukana Junior Secondary School
	BRIDGE	Construction of a bridge in the following areas: Nkwenkwana and Quluqu
WARD	NEEDS	CHALLENGES
Ward 5 21/10/2014	PROJECTS	Community Proposing Fencing of the Grazing Fields
	ACCESS ROADS	Anglican Church access road(Maqanda)
	WATER	Installation of water taps at Mdaca only area without water in the Ward
	BRIDGES	Proposing Mdaca Bridge
WARD	NEEDS	CHALLENGES
	ACCESS ROADS	Mageza to Mjanyane, Ngqaba to Ngxebe(School) Emkhwezweni

		Bulelani Shop, Malawini and Qhitsi Tafeni Mpindweni
	WATER	Goso Phezulu Emamfeneni Mageza Thaleni Mbekeni Pshesheya Dala
	BRIDGES	Mpindweni Bridge Nodyasana Bridge Goso Bridge
	RDP HOUSES	Construction of RDP houses
WARD	NEEDS	CHALLENGES
Ward 7 17/10/2014	WATER	Installation of water taps at Gubenxa
	RIVER CROSSING	river crossing at Blokweni to Folo
	SHEARING SHED	shearing shed at Tshatshatsha A/A, Gubenxa, Ndalasi and Qoba
	SPORT GROUND	Sport ground at Fama A/A is levelled and fenced
WARD	NEEDS	CHALLENGES
Ward 8 21/10/2014	WATER	Installation of water taps for the following areas: Skobeni, Bojane, Madladleni
	CLINIC	The community requested a clinic at Mkanzi village
	ACCESS ROADS	Access road from Mkanzi to Ngaphesheya. And also request maintenance Maqanda

		access roads Stoleni Access Road need maintenance. Request for blading of Sgadleni
	DIPPING TANK	Dipping tank at Lucwecwe
	BRIDGE	Construction a Bridge from Lahlangubo to School
	RDP HOUSES	RDP Houses for the whole ward
	BRIDGE	
WARD	NEEDS	CHALLENGES
Ward 9 21/10/2014	ELECTRICITY	Electricity at Ntsunguzini village
	WATER	water pipe maintenance at Goboti
	DAM	dam at sigangeni village and also renovation of the dam
	HALL	Community Hall at Msawawa
WARD	NEEDS	CHALLENGES
Ward 10 10/10/2014	ACCESS ROADS	The community requested an access road from Masonwabe
	ELECTRICITY	The community requested Apolo lights at All saints and Masonwabe
	WATER	The community requested water and also suggested that water must pumps at the mountains and the Anglican Cathedral request water sewerage at Masonwabe and Nyanga
WARD	NEEDS	CHALLENGES
Ward 11 10/10/2014	SANITATION	Construction of Ablution facilities at Ndlovu community
	WATER	water taps at Apile village
	CLINIC	clinic at Gqutyini village
	RDP HOUSES	RDP Houses at Nkanini and kwa Ndlovu
	FIRE STATION	Fire station equipment to be upgraded
	DUST BINS	dust bins in the school wards

WARD	NEEDS	CHALLENGES
Ward 12 10/10/2014	ROAD	access roads: mntuntloni to Pholile ,mhlangwini to Pholile. maintenance of Gqutyini to Zadungeni access road Re-gravelling from Mgwalana to Gotyubeni
	WATER	water taps in the following areas: Gubenxa Didwayo And Nkanga
	DIPPING TANK	dipping tank at Gqutyini to Tribal for sheep
	BRIDGE	requested a bridge at Mgwalana
WARD	NEEDS	CHALLENGES
Ward 13 15/10/2014	PROJECT	construction of a Poultry project at Xonya/Ntabeni
	ACCESS ROADS	Access road from Maqamkazini to Xonya Nkomponi
WARD	NEEDS	CHALLENGES
Ward 14 14/10/2014	PROJECTS	fencing for grazing lands in ward 14 Tractor for ward 14 Ploughing Equipment
	ACCESS ROADS	Smith Ntlakwevenkile access roads Khalinyanga-Qhaziyana access road
	WATER	Installation of water taps at Cefane and Mchobololo

	SCHOOL	Noxolo school Completed Ntlelelengwane Under construction
WARD	NEEDS	CHALLENGES
Ward 15 14/10/2014	ACCESS ROADS	(Mbutuma) to Ngxangxasini. Maintenance at sigangeni,Gcabalata Maintenance at Sentube
WARD	NEEDS	CHALLENGES
Ward 16 15/10/2014	ROAD	Lumkwana Access road is not completed, Tarring of Coughlan to Dutywa road
	SANITATION	Installation of Ablution facilities in the whole ward
	WATER	Installation of water taps in the whole ward
	RDP HOUSES	1500 RDP houses for the whole ward
	DAM	construction of a Dam at Caca A/A
WARD	NEEDS	CHALLENGES
Ward 17 15/10/2014	PROJECTS	The department of Agriculture presented 2 programs/ projects, Siyazondla and Siyakhula Siyakhulu- a person contributes about R1800.00 Siyazondla- competition for women in Agriculture Old age home Youth Skill empowerment on Sewing, roofing and painting and must be accredited

WARD	NEEDS	CHALLENGES
Ward 18 16/10/2014	ACCESS ROADS	access roads for the whole ward
	WATER	The community requested maintenance of water taps extension of water pipes at Majija, Slab at Majija
	FENCING	The community requested fencing of 7 JOJO tanks at Bokleni shearing shed
	BRIDGE	bridge at Yawa
WARD	NEEDS	CHALLENGES
Ward 19 16/10/2014	ROAD MAINTANANCE	They request the maintenance of the following access roads <ul style="list-style-type: none"> • Mnyolo to Mboleni • Ndlunkulu to T28 • Zabasa to Madwaleni • Lower Gqaka via Skolweni to Tshali • Smith Shop to Daligqili JPS The following access roads Zangcethe Daligqili to Slindini must be given priority
	RIVER CROSSING	They request a river crossing in the following areas <ul style="list-style-type: none"> • Kwelabafazi • Kwelikaboyi
	LAND CARE	Filling of Dongas is done at Mhlahlane
	BRIDGE	construction of Mnyolo Bridge
WARD	NEEDS	CHALLENGES
Ward 20 16/10/2014	ROAD	The community requested access roads from Emagiqweni to Emapoliseni, Mandeweni to Komkhulu
	WATER	requested additional water tanks at Didwayo and Nkanga

	SPORT GROUND	The community requested sport ground at Hlopekazi
	BRIDGE	The community requested a bridge at Hloba and Ngxasana
	ELECTRICITY	The community requested electricity with the infill's at Gubenxa ,Manzimdaka and Entsuba,Electricity at Singqumeni not energised and also request electricity at Dolopini S.S.S

Communication Plan

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

Communication for internal staff

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

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

Communication with unions

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

Communication for the community

The general public or the community is usually given information through their monthly bills. Notice boards are used to notify the public regarding vacancies available. The local newspaper is another media tool used to advertise vacancies, Council resolutions or any other important notice. The Council Website is operational, which is a major information source to the members of the public.

Traditional Leaders

The municipality has 7 traditional leaders who are part of the Municipal Council and participate in municipal decision making processes. The traditional leaders participate in all forum meetings, Council meetings, performance standing committee meetings and so forth. The 2015/16 budget is **R350 000**

Ward Committees

Ward Committees are operational and Ward Committee meetings are being held on monthly basis. The municipality has 20 wards where ward committees assist Councillors on ward issues, minutes and alignment from municipal decisions. The budget for for this financial year is **R3 000 000.00**

Audit Committee

This is a shared service with the District municipality; the committee is chaired by local residents with public involvement. This committee has as its function by monthly and quarterly monitoring of the PMS and tender management.

Corporate Governance and Structures

Corporate governance is comprised of Risk Management and Fraud Mitigation, Internal Audit/ Audit Committee, Compliance Services, Legal Services, Communication and Development Cooperation, Public Participation and Special Programmes, Knowledge Management, Research and Policy.

The preamble to the Local Government: Municipal Systems Act provides inter alia for the “core principles, mechanisms and processes that are necessary to enable municipalities to move progressively towards the social and economic upliftment of local communities, to define the legal nature of a municipality as including the local community ... working in partnership with the municipality’s political and administrative structures; to provide for the manner in which municipal powers and functions are exercised and performed; to provide for community participation; to establish a[n] ... enabling framework for the core processes of planning, performance management, resource mobilization and organizational change which underpin the notion of developmental local government; to provide a framework for local public administration and human resource development to put in place service tariffs and credit control policies by providing a framework for the provision of services, service delivery agreements to provide for credit control and debt collection; and to provide for matters incidental thereto”.

The importance of good governance is widely recognized. Good corporate governance generates the goodwill necessary to enable sustainable value creation.

Other pieces of the legislative framework impact on the activities of the Municipality and for the purpose of this cluster the King III Report is considered important. The introduction of the King III Report on Corporate Governance necessitates increased attention being paid to compliance issues. This covers activities such as Internal Audit, Fraud and Risk Management as well as

Information Technology. In addition the implications of the introduction of a Municipal Public Accounts Committee should also be considered.

Within this overall framework fall activities such as risk and fraud management, internal audit, legal and compliance, knowledge management as well as public participation.

The sections set out hereunder all exhibit similar constraints. As a result, material backlogs in dealing with core governance issues develop, resulting in adverse findings by regulatory and oversight bodies. In all instances, backlogs cannot be quantified as the outcomes from this sector relate more to qualitative than quantitative issues.

Risk and Fraud Mitigation

Risk Management within the Municipality is considered to be in a developmental stage. It has not reached the level of being embedded within the Municipality. A Risk Management Framework is not in place and risk identification processes are not conducted. There is a need to identify dedicated resources for this activity and resource capacity constraints hinder implementation of this strategy.

While risk assessments within specific activities are conducted, there is no overall co-ordination of the activity. This compromises the ranking and prioritization of risks.

A similar situation exists with Fraud Mitigation. There is a need to identify dedicated resources for this activity and resource capacity constraints hinder implementation of this strategy. The number of detected cases of fraud and related irregularities within the Municipality is cause for concern. The resources required for implementation will require to be considered during future budgetary cycles.

Policies and Procedures

Policies and procedures are updated as and when they expire. All finance policies have expired and will be reviewed before the end of the financial year.

By-laws

Various bylaws have been developed and gazetted by provincial government.

Monitoring and Evaluation

Performance Management fulfils the implementation of the Integrated Development Plan. The performance of an organization is integrally linked to that of its staff. It is critical and important for any organization to periodically review its own performance as well as that of its employees. In order to comply with legislation and to improve on good governance and service delivery it is essential for municipality to adopt a policy on Institutional and individual performance management.

In 2010/2011, Council approved a Framework for Institutional Performance Management. The Framework contains an annual work plan with processes to be followed in developing and implementing Performance Management.

Performance Management is a strategic approach through which the performance objectives of the Municipality are identified, defined, translated into business plans and cascaded into individual scorecards allowing for regular planning, monitoring, evaluating and reviewing of performance at both organizational and individual levels, effectively responding to inadequate performance and recognizing outstanding performance.

Inter-Governmental Relations

Engcobo LM has a responsibility of forging relations with other spheres of government. The aim is to integrate planning, resource utilization and mobilization to maximize service delivery. Our multi-sphere engagements strive to comply with Act No 13. of 2005 of IGR Framework Act.

The concerns of the national and provincial government are also concerns of the municipality. Therefore going forward as metro concerted and coordinated efforts will be required so that Engcobo LM works with and leverages of all of government, parastatals, the private sector and civil society partners. It would also align the organization, strategy, budget and implementation programmes so that resources are used optimally and to enhancing service delivery.

Internal and External Communication

The municipality has a communication strategy in place and uses it in its process of stakeholder communication and engagement.

Internal Audit Committee

Engcobo LM Municipality has an established Internal Audit Unit which operates in accordance with an approved Internal Audit Charter. The Unit's mandate is spelled out in the Local Government Municipal Finance Management Act. This includes providing advice to the accounting officer and audit committee on matters relating to internal audits, internal controls, accounting procedures and practices, risk and risk management, performance management, loss control, and compliance with applicable legislation.

The unit is under capacitated, with two full-time employee. Consequently, not all activities can be subjected to audit, e.g. Fraud and Information Technical. This compromises the overall control environment within the Municipality. The Unit does not undertake investigations of fraud which is the responsibility of line management.

The Unit reports to the Audit Committee on its operations and administratively to the Accounting Officer.

The Municipality has a functioning Audit Committee in place. This Committee operates in accordance with an approved Audit Committee Charter and meets on a regular basis. The Committee reports quarterly in writing to the Audit Committee.

The mandate of the Committee covers matters such as advising the council, political office-bearers, accounting officer and management of the municipality, on matters relating to internal financial control and internal audits, risk management, accounting policies, adequacy, reliability and accuracy of financial reporting and information, performance management, effective governance, compliance with applicable legislation, etc.

In addition, the Committee reviews the annual financial statements and responds to the Council on issues raised by the Auditor-General in the audit report through its Chairperson.

Compliance

Compliance is audited internally by the Audit Unit and there is no specific committee set-up to deal with this matter.

Legal

The municipality does not have an internal unit dealing with legal issues nor a person with legal expertise to deal with internal legal issues. All legal issues including litigation and drafting of legal instruments are outsourced to external legal expertise.

Challenges Facing Corporate Governance

- a) Failure by management to respond to internal audit issues raised on the Internal Audit report which has a negative effect on the seating of Audit Committee meetings.

Special Programmes

Engcobo LM must ensure that the MGDs are integrated/mainstreamed both internally as an employer and externally as a provider of service, so as to address the needs of the vulnerable and marginalized groups.

Within this IDP the following are termed cross-cutting issues;

- a) HIV and AIDS
- b) Local Agenda 21
- c) Poverty
- d) Gender

- e) Disability
- f) Older Persons
- g) Youth and Children
- h) Public Participation

Each of the Special Programmes Focal Areas namely HIV and AIDS, Youth and Children, Gender, Disability and Older Persons have dedicated Engcobo LM Strategies.

Institutional Challenges Facing Integrated Development Planning and Performance Management System

- a) No up-to-date performance management framework and system.
- b) Performance management not cascaded to levels lower than Section 56/57 Managers.
- c) The municipality does not have capacity to monitor performance, with regard to each of those development priorities and objectives and against the key performance indicators and targets set;

Customer Relationship

Successful customer relationship management (CRM) starts with a business strategy, which drives change in the organization and work processes, enabled by technology. It needs to be recognized as a cross cutting function whose main purpose is to see to the implementation of CRM initiatives in a consistent way across the political, corporate and functional dimensions of the organization.

Matters for consideration by Engcobo LM would include capacity, skills and resource constraints which remain a problem in the municipal environment. Internal streamlining will also need to be aligned as it provides a major stumbling block in providing adequate service delivery. Furthermore, blockages need to be removed, processes need to be streamlined and systems need to be put in place to avoid bottlenecks and misinformation. Customer relationship management can provide immense opportunity for turning negative perceptions into a positive image of the municipality.

CHAPTER 6: PROGRAMMES AND PROJECTS

6.1 KEY PERFORMANCE AREA 1 – INSTITUTIONAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT

Strategic Objective	To ensure Institutional Transformation and Organisational Development				Budget				Funding Source	
	Description of Capital Projects Programmes and Activities	Key Performance Indicators (KPI's)	Responsible Dept	Annual Baseline	Annual Target	15/16	16/17	17/18	Opex	Internal
Organizational Structure	Review of the organisational structure	Revised org. structured discussed internally &	Corp.Serv	1	1	1	N/A	N/A	Opex	Internal

		approved by Council								
Organizational Structure	Additional staff recruitment and vetting	% of vacancies filled & % of new staff vetted.	Corp.Serv	None	All new employees	All new employees	All new employees	All new employees	Opex	Internal
Human Resource Development	Implementation of WSP (computer Training for employees)	No of employees trained on Microsoft Office	Corp.Serv	None	50 employees	30	10	10	Opex	Internal
Human Resources	Budgeted posts to be filled within three months	Posts to be filled within 3 months	Corp.Serv	None	3 months	3 months	N/A	N/A	Opex	Internal
Occupational Health and Safety	Development of OHS risk register	Risk assessment report adopted by Council	Corp.Serv	None	Council Resolution	Council Resolution	N/A	N/A	Opex	Internal
Information Technology	Upgrading of IT server room by June 2016	Raised floor installed at server room	Corp.Serv	None	IT upgrading report	IT upgraded	Provision of IT workshop	N/A	Opex	Internal
Information Technology	IT Registry	Electronic document management system	Corp.Serv	None	Electronic document management	Electronic document management	Electronic document management	Electronic document management	Opex	Internal

		introduced			system implemented by June 2016	system introduced	system introduced	system introduced		
Information Technology	Website Upgrading	Website administration rights transferred to municipality	Corp.Serv	None	Website upgrade by June 2016	Website upgraded	Website upgraded	Website upgraded	Opex	Internal
Information Technology	Installation of Intranet	Installation of intranet by June 2016	Corp.Serv	None	Installation of intranet by June 2016	Intranet functionality report	Intranet functionality report	Intranet functionality report	Opex	Internal
Provision of Office Space/ Furniture	Allocation of office accommodation	Office Space allocated for Portfolio Heads, Councilors and SPU unit	Corp.Serv	None	Office space allocated	Office space allocated	N/A	N/A	Opex	Internal
Establishment of Council Committees	Council Support	Women's Caucus Rules Committee Whipperry Committee	Corp.Serv	None	Women's Committee established	Women's Caucus Rules Committee Whipperry Committee	Women's Caucus Rules Committee Whipperry Committee	N/A	Opex	Internal
Human Capital Development	Development of a training plan	Developed & approved training	Corp.Serv	None	Reviewed Training Plan	Reviewed Training Plan	Reviewed Training Plan	Reviewed Training Plan	Opex	Internal

		plan								
Human Capital Development	Conduct awareness campaigns	% of people with disabilities employed	Corp.Serv	None	1.5% of people with disability employed by June 2016	% of people with disabilities employed	% of people with disabilities employed	% of people with disabilities employed	Opex	Internal
Performance Management	Cascading of performance management for positions below S56	Number of Managers	Corp.Serv	None	7 Managers below S56 Managers	7	7	7	Opex	Internal
Performance Management	Develop performance plans and conduct performance assessments	% of employees with performance plans assessed	Corp.Serv	None	100%	100%	100%	100%	Opex	Internal
Performance Management	Conduct Mid-term and Annual Assessments	Performance assessments carried out mid-term & annually	Corp.Serv	None	Performance assessments carried out mid-term & annually	Performance assessments carried out mid-term & annually	Performance assessments carried out mid-term & annually	Performance assessments carried out mid-term & annually	Opex	Internal
Records Management	Separation of Registry	Stand alone Registry	Corp.Serv	None	Registry move	Stand alone Regist	Stand alone Regist	Stand alone Regist	Opex	Internal

	from the reception	facility			d from the reception to water services office	ry facility	ry facility	ry facility		
Office Space	Provision of office space for corporate services personnel	Purchasing of Park home	Corp.Serv	None	Parkhome purchased by December 2015	Parkhome purchased	Parkhome purchased	Parkhome purchased	Opex	Internal
Municipal Facilities	Renovation of Municipal buildings	Renovation of Municipal buildings	Corp.Serv	None	Number of municipal buildings renovated	Municipal buildings renovated	Municipal buildings renovated	Municipal buildings renovated	Opex	Internal

6.2 KEY PERFORMANCE AREA 2 – INFRASTRUCTURE DEVELOPMENT AND SERVICE DELIVERY

Strategic Objective	To ensure well maintained infrastructure and efficient use of electricity, water, sanitation and refuse				Targets						Budget	Funding Source
	Description of Capital Projects, Programmes and Activities	Key Performance Indicators (KPI's)	Ward	Responsible Dept	Annual Baseline	Annual Target	15/16	16/17	17/18	18/19	Opex	Internal
Electricity Infrastructure	Electricity Backlog Eradication Plan	Develop Electricity Backlog Eradication Plan	All	Infrastructure	1	Electricity Backlog Eradication Plan adopted and implemented	80% implementation of Electricity Backlog Eradication Plan	80% implementation of Electricity Backlog Eradication Plan	80% implementation of Electricity Backlog Eradication Plan	N/A	Opex	Internal

						d							
Infrastructure	Bussines plans full implem entated	Informe d budgets by bussines s plans	All	Infrast ructur e	1	MTEF Budge t adopt ed by Counc il	Credib le Budge ts	Credible Budgets	Credible Budgets	N/A	Opex	Internal	
Infrastructure	Communi cation within the departm ent	Workpla ns signed	All	Infrast ructur e	0	Numb er of depart menta l meeti ngs held	100% imple menta tion of depart menta l plans	100% implem entation of departm ental plans	100% implem entation of departm ental plans	N/A	Opex	Internal	
Infrastructure	Environ mental Impact Assessm ents	EIA conduct ed a year prior to project start	All	Infrast ructur e	0	Numb er of EIAs condu cted	100% imple menta tion of capital budge t	100% implem entation of capital budget	100% implem entation of capital budget	N/A	Opex	MIG/Int ernal	
Infrastructure	Human Settlem ent	Implem entation of Housing delivery implem entation plan	All	Infrast ructur e	0	80% imple menta tion of housin g delive ry plan	Quart erly meeti ngs held with huma n settle ment and other depart ments	Quarterly meeting s held with human settle ment and other departm ents	Quarterly meeting s held with human settle ment and other departm ents	N/A	Opex	Interna/ Sector Depart ments/ Human Settlem ent	
Infrastructure	Adoptio n of Infrastru cture Master Plan and Investm ent Plan	Funding collation for infrastru cture program mes	All	Infrast ructur e	1	Counc il Resolu tion	100% imple menta tion of an Infrast ructur e	100% implem entation of an Infrastru cture Master Plan and	100% implem entation of an Infrastru cture Master Plan and	N/A	Opex	Internal /MIG	

							Master Plan and Investment Plan	Investment Plan	Investment Plan			
Roads Infrastructure	Effective road maintenance plan	Maintenance plan developed, adopted and implemented	All	Infrastructure	0	Maintenance plan adopted and implemented	100% implementation of roads maintenance plan	100% implementation of roads maintenance plan	100% implementation of roads maintenance plan	N/A	Opex	Internal
Roads Infrastructure	Preparation of a three year capital plan	Review of the outer year of the three year capital plan	All	Infrastructure	1	100% implementation of Three Year Capital Plan	Three year plan prepared and adopted.	Three year plan implemented	Three year plan implemented	N/A	Opex	Internal
Infrastructure	Water and Sanitation Provision	Water and Sanitation backlogs	All	Infrastructure	None	Quarterly meetings held with the CHDM	Quarterly report	Quarterly report	Quarterly report	N/A	Opex	Internal /CHDM
COMMUNITY SERVICES												
Strategic Objective	To provide sustainable and affordable services, effective and efficient service delivery					Targets					Budget	Funding source
	Description of Capital Projects , Program	Key Performance Indicators (KPI's)	Wards	Department	Annual Baseline	5 Year Target	13/14	14/15	15/16	16/17	Opex	ELM

	mes and Activities											
Infrastructure	Waste and Refuse	Construction of public toilets and revamping of existing toilets	11	Infrastructure	1	9 Public toilets constructed and 10 existing ones revamped	9 Public toilets constructed and 10 existing ones revamped	9 Public toilets constructed and 10 existing ones revamped	N/A	N/A	Opex	Internal
Safety and Security	Municipal Building security	Installation of fencing, CCTV and cameras	All	Community Sev/Infrastructure	1	Number of CCTV and cameras installed	Number of CCTV and cameras installed	Number of CCTV and cameras installed	Number of CCTV and cameras installed	N/A	Opex	Internal
Safety and Security	Traffic Safety Services	Purchase of traffic equipment	All	Community Sev/Infrastructure	1	% of revenue increase from traffic fines	Parking meters and traffic speed trap purchased	Parking meters and traffic speed trap installed	Parking meters and traffic speed trap installed	N/A	Opex	Internal
Safety and Security	Occupational Health and Safety	Implementation of the OHS Act	11	Community Sev/Infrastructure	0	100% compliance with the OHS Act	OHS requirements implemented	OHS requirements implemented	OHS requirements implemented	N/A	Opex	Internal
Safety and Security	By-laws	Effective implementation/enforcement of by-laws	All	Community Sev/Infrastructure	1	Four reports on by-laws implementation	Quarterly report on by-laws	Quarterly report on by-laws	Quarterly report on by-laws	N/A	Opex	Internal

						tion						
Safety and Security	Social needs	Establishment of war rooms	All	Community Sev/Infrastructure	0	20 war rooms established in 20 wards	20 war rooms established in 20 wards	20 war rooms established in 20 wards	20 war rooms established in 20 wards	N/A	Opex	Internal
Safety and Security	Awareness Campaigns	Disaster Awareness Campaigns conducted	All	Community Sev/Infrastructure	0	Two disaster awareness campaigns conducted for Ward Committees	Ward Committees educated on social needs, waste, refuse and skills development	Ward Committees educated on social needs, waste, refuse and skills development	Ward Committees educated on social needs, waste, refuse and skills development	N/A	Opex	Internal
Security and Safety	Pauper Burial	Development of pauper burial policy	All	Community Sev/Infrastructure	0	Pauper burial policy adopted by Council	100% Pauper policy implemented	100% Pauper policy implemented	100% Pauper policy implemented	N/A	Opex	Internal
Refuse and Waste	Social needs	Purchasing of traffic and waste refuse bakkie and dozers	All	Community Sev/Infrastructure	0	Number of waste bakkies and traffic vehicles purchased	1 traffic vehicle purchased	1 waste refuse purchased	N/A	N/A	Opex	Internal
Refuse and Waste	Street vendors	Enforcement and implementation of	All	Community Sev/Infrastructure	None	Number of street vendors and shops	Weekly visit	Weekly visit	Weekly visit	N/A	Opex	Internal

		Street Vendors By-laws				conducted per week						
Refuse and Waste	Stray animals	Pound Management	All	Community Sev/Infrastructure	1	Policy and By-laws developed and adopted	Pound re-allocated from R61 road	Number of flood lights installed at the pound	Security measures installed at the pound	4 tons of truck purchased	Opex	Internal
Refuse and Waste	Public facilities	Implementation of Public Facilities Maintenance Plan	All	Community Sev/Infrastructure	1	Number of inspections conducted and by-laws/policies adopted	Turn-around time to attend to reported faults	Reported faults attended to within 72 hours	Inspections conducted twice per month	N/A	Opex	Internal
Infrastructure	Forestry management and security	All	All	Community Sev/Infrastructure	0	Number of forest fenced and secured	Forestry tariffs developed	Forestry policy and by-laws developed	N/A	N/A	Opex	ELM

6.3 KEY PERFORMANCE AREA 3 – LOCAL ECONOMIC DEVELOPMENT

Strategic Objective	To provide sustainable and affordable services, effective and efficient service delivery				Targets						Budget	Funding source
					Annual Baseline	Annual Target	15/16	16/17	17/18	18/19		
	Description of Capital Projects, Programmes and Activities	Key Performance Indicators (KPI's)	Wards	Department								
Spatial Planning and Land Development	Land Management	Land Audit	9,10,11	IPED	0	Land Audit conducted by June 2016	Service Provider appointed	N/A	N/A	N/A	R 500 000	External
Spatial Planning and Land Development	Land Management	Site development and access	9,10,11	IPED	0	Sites identified and developed	Service Provider appointed	N/A	N/A	N/A	R 500 000	DRDLR

						by June 2016	ted					
Local Economic Development	LED Forum	LED Forum Conducted	All	IPED	4	Quarterly LED Forum meetings held	Quarterly LED Forum meetings held	Quarterly LED Forum meetings held	Quarterly LED Forum meetings held	Quarterly LED Forum meetings held	Opex	ELM
Local Economic Development	Small Town Revitalization Programme	Construction of the Taxi Rank	11	IPED	Advanced Preparations	Taxi Rank constructed by June 2016	Taxi Rank constructed	Taxi Rank constructed	Taxi Rank constructed	Taxi Rank constructed	R11m	Internal/ CHDM/ Sandral
Local Economic Development	SMME Development Transido	Expansion of 10 extra flats	All	IPED	Service Provider on site	Transido renovated and fully functional	10 flats constructed	Transido fully operational	Transido fully operational	Transido fully operational	R 1m	Internal/ DPLGTA
Local Economic Development	Poultry	Value Chain Poultry	All	IPED	None	Infrastructure preparations and investigations completed by June 2016	1000 Laying chickens, 500 bags feed procured	10 Jobs Created	30 jobs created	50 jobs created	R2m	ELM/ External/ CHDA
Agriculture	Crop and vegetable production	Cultivation of 1000 ha	All	IPED/ CHDM /Department of Agricu	500 ha	1000ha a cultivate by June 2016	1000 ha	1000 ha	1000 ha	1000 ha	R1m	ELM/DRD AR/CHDM /ECRDA/E CDC/CDC

				lture								
Agriculture	Biomass Production	Turnaround of the charcoal producing projects to become self-sustainable & financially viable	6	CHDM	None	None	Turnaround of the charcoal producing projects to become self-sustainable & financially viable	Support & monitor charcoal projects	Support & monitor charcoal projects	Support & monitor charcoal projects	R2m	ELM/CHDM/ECDC/CSIR
Agriculture	Livestock Farming	Focus on cattle, sheep and goats	All	IPED	None	Fund Lobbying; market searched; dipping tanks established; dam constructed; shearing shed and storage established by June 2017	Livestock farming in Ward 6, 16 and 20	Livestock farming in Ward 6, 16 and 20	Livestock farming in Ward 6, 16 and 20	Livestock farming in Ward 6, 16 and 20	R2m	ELM/CHDM
Agriculture	Tractors	Tractor Auction and purchase	All	IPED	10	5 tractors	5 new tractor purchase	N/A	N/A	N/A	R1.5m	Internal

		e				ned and 5 tractors purchased by June 2016	ased					
Agriculture	Fertilizers	Purchase of fertilisers	All	IPED	600	30 fertiliser bags distributed to each ward through municipal ward	Ward Councilors responsible for distribution	Ward Councilors responsible for distribution	Ward Councilors responsible for distribution	Ward Councilors responsible for distribution	R30,000	Internal
Tourism Development	Mall development, Hero's Park and Corridor development (Nkondlo, Mqonci, Clarkbury)	Heritage research and profiling ; PPP;; funds lobbying and market access	11	IPED	The Park is being maintained on daily basis	Funds lobbied, heritage researched and profiled, Conference centre constructed by June 2016	100%	100%	100%	100%	R6m/R9m/R20m R250,000	DEAT/DSRAC/Internal/Developers
Tourism Development	Qoba Game Reserve	Fencing of Qoba Game Reserve	7	IPED	Service provider on Feasibility Study and	Qoba Game Reserve fenced and	Bussiness plan submitted to DEDEA	Qoba Game Reserve fully operatio	Qoba Game Reserve fully operatio	Qoba Game Reserve fully operatio	R 500 000	ELM/DSRAC/ECTB/ECDC

					Bussines Plan did not produce a final report	beneficiaries trained	T for procurement of wild animals	nal	nal	nal		
Tourism Development	Street Naming	Identification of Engcobo streets	7,8,9, 10,11	IPED	All street names identified and named in consultation with Councilors by June 2016	Street naming	Street naming	N/A	N/A	N/A	Opex	Internal
Rural Development	Creation of conducive environment for job creation	1000 jobs created	All	IPED	4	1,240	1000 jobs created	1200 jobs created	1400 jobs created	1500 jobs created	Opex	ELM/CHDM/Sector Depts.
Rural Development	Mining	Sand and charcoal mining; Quarry development	3,4, 2, 6	IPED	None	EIA conducted and licence application by June 2016	EIA conducted and licence application	Infrastructure Constructed	N/A	N/A	Unknown	Internal/External

6.4 KEY PERFORMANCE 4 – FINANCIAL VIABILITY AND MANAGEMENT

Strategic Objective	To ensure Financial Sustainability, Management and Viability				Targets						Budget	Funding Source
	Description of Capital Projects, Programmes and Activities	Key Performance Indicators (KPI's)	Department	Ward	Annual Baseline	5 Year Target	14/15	15/16	16/17	17/18		
Procurement Plans	Adequate Planning	Procurement Plans developed and approved by the Municipal Manager	BTO		100%	100% implementation of procurement plans	100%	100%	100%	N/A	Opex	Internal
Supply Chain	Capital budget expenditure	Trainings conducted	BTO	N/A	1	100% personnel trained on SCM, finance, expenditure, asset, communication and HR skills	100%	100%	100%	N/A	Opex	Internal
Finance	Team work	Construction of municipal building	BTO	N/A	0	30% construction completion	30%	40%	N/A	N/A	Opex	Internal

						stage						
Revenue	Implementation of Revenue Enhancement Plan	Reduction of low revenue base status	BTO	N/A	0	100% implementation of current year targets	100%	100%	N/A	N/A	Opex	Internal
Fraud Prevention	Fraud Policy Awareness	Workshops on fraud prevention	BTO	All	0	Number of workshops and roadshows conducted	1 workshop and 20 roadshows held	1 workshop and 20 roadshows held	N/A	N/A	Opex	Internal
Supply Chain	Supply Chain Bid Committes	Pre-set Monthly meetings	BTO	N/A	1	Number of pre-set monthly meetings	12 pre-set monthly meetings	12 pre-set monthly meetings	N/A	N/A	Opex	Internal
Competition for talent	Implementation of Skills and Retention Strategy	Staff turnover ratio	BTO	All	1	100% conducive work environment provided	100% implementation of Skills and Retention Strategy	100%	N/A	N/A	Opex	Internal
Compliance	Unqualified Audit Opinion	Continuous monitoring of financial internal controls and dashboard report	BTO	N/A	1	Monthly reconciliations signed	100%	100%	N/A	N/A	Opex	Internal

Effective Communication	Strengthening of communication within the departments	Monitoring of procurement Plans	BTO	All	1	Number of monthly meetings held	Monthly meetings	Monthly meetings	N/A	N/A	Opex	Internal
Effective Communication	Strengthened communication based on the newsletter, website, media briefings with radio, facebook and other means		BTO	All	1	Number of meetings held; number of website updates ; number of newsletter publications	Quarterly newsletter; 5 media briefings held	Quarterly newsletter; 5 media briefings held	N/A	N/A	Opex	Internal
Supply Chain	SMME hub development	Facilitation of SMME training	BTO	All	0	Number of SMME training held	1 SMME training held	1 SMME training held	N/A	N/A		
Service Providers /Consultants	Skills Transfer	Enforcement of skills transfer through a motivation prior to appointment	BTO	All	0	Number of reports on skills transfer	4 skills transfer reports	4 skills transfer reports	N/A	N/A	Opex	Internal

6.5 KEY PERFORMANCE 5 – GOOD GOVERNANCE AND PUBLIC PARTICIPATION

Strategic Objective	To ensure good governance and stakeholder/public participation			Targets						Budget	Funding Source
				Description of Capital Projects, Programmes and activities	KPI	Department	Annual Baseline	5 Year Target	15/16		
Human Resources	Review of Organogram	Number of vacant posts filled	Municipal Manager	1	Reviewed organogram adopted by Council	Mpac Clerk, Internal Auditor Officer, Internal Auditor Executive and war committee coordinator filled	N/A	N/A	N/A	Opex	Internal
Human Resource	Office Space	Provision of office space and furniture	Municipal Manager	None	Office space and furniture allocated to Portfolio heads, Councilors and SPU	100%	100%	N/A	N/A	Opex	Internal

Council Support	Establishment of Council Committees	Women's Caucus Rules Committee Whippy established	Municipal Manager	1	Women's Caucus Rules Committee Whippy established	100%	100%	N/A	N/A	Opex	Internal
Human Resources	Capacity Building	Skills development for SPU, ward committees, Councillors and in-service	Municipal Manager	1	SPU, Councilors, ward committees and staff trained by June 2016	100%	100%	N/A	N/A	Opex	Internal
Stakeholder Participation	Public Participation	Financial support to the public through the Moral Regeneration Movement (MRM)	Municipal Manager	None	The Council of Churches supported by June 2016	100%	100%	N/A	N/A	Opex	Internal
Council Support	Advertising of all statutory meeting	copies of newspaper adverts for advertised meetings	municipal manager	All newspaper adverts	Copies of newspaper adverts for advertised meetings	Copies of newspaper adverts for advertised meetings	Copies of newspaper adverts for advertised meetings	Copies of newspaper adverts for advertised meetings	Copies of newspaper adverts for advertised meetings	Opex	Internal
Stakeholder Participation	Council support	IGR	Municipal Manager	None	Monthly meetings held; war rooms	Monthly meetings held; war rooms	Monthly meetings held; war rooms	N/A	N/A	Opex	DPLGTA

					inducted and monthly meetings held by June 2016	inducted and monthly meetings held	inducted and monthly meetings held				
Risk Management	Effective risk management	Development of risk registers	Municipal Manager	1	Three risk register developed	Three risk register developed	Three risk register developed	N/A	N/A	Opex	Internal
Performance Management System	Departmental SDBIPs	% Departmental SDBIP targets achieved	Municipal Manager	100%	Alignment workshop on PMS conducted for Councilors and officials	100%	100%	100%	100%	Opex	Internal
Performance Management System	Cascading of performance management system	% cascading of departmental targets	Municipal Manager	None	7 Managers below s56 signed PMS contracts	100% cascading	100% cascading	100% cascading	100% cascading	Opex	Internal
Public Participation	Council support	IGR	Municipal Manager	1	Quarterly IGR meetings held, war rooms inducted and IGR workshop held by June 2016	Quarterly IGR meetings held, war rooms inducted and IGR workshop held	Quarterly IGR meetings held, war rooms inducted and IGR workshop held	Quarterly IGR meetings held, war rooms inducted and IGR workshop held	Quarterly IGR meetings held, war rooms inducted and IGR workshop held	Opex	Internal

Planning	Communication	Institutional Calendar	Municipal Manager	1	Municipal operational and statutory calendar developed	1 calendar	1 calendar	1 calendar	1 calendar	Opex	Internal
Social Cohesion	Council Support	Promotion of sport, traditional dance groups, human rights	Municipal Manager	1	Sport activities, traditional dance groups, human rights day, youth month, Mandela month and heritage month celebrated by June 2016	100%	100%	100%	100%	Opex	Internal

6.7 UNFUNDED PROGRAMMES AND PROJECTS

Strategic Objective	UNFUNDED PROJECTS					Targets					Budget	Funding Source
	Description of Capital Projects, Programmes and Activities	Key Performance Indicators (KPI's)	Type of Indicator {Input (I), Output (O), Outcome (OC), I (M)}	Wards	Department	Annual Base line	3 Year Target	15/16	16/17	17/18		
LED	Mining	Quarry development for crush stone	2,3,11,12.	All								External
Infrastructure	Comprehensive Integrated Transportation Network Plan with Road & Stormwater Management System			Ward 1.2.3,4,5								External
Infrastructure/LED	Fuel/Filling Station + Offices + v) Residential Units (CRU) + GAP/FLISP Houses + Block of flats) Nkobongo Mountain/Forest + + Plant Water			Ward 1.2.3,4,5								External

	Bottle: Natural Water Bottled from Emchatha Spring (Ntsimba Sub-Village) and Natural Water from Nkobongo Mountain (Deberha Area)											
	Industrial Developme nt and Associated Engineering Services Including Bulk Services			3							External	External
Infrastruct ure/LED	Establishe ment of brick and block making firm			War d 1.2.3 ,4,5								External
LED	Preparation of an Agricultural and Farming Developme nt Plan + General Agriculture and Farming Developme nts_ A holistic Comprehen sive Developme nt			All								External

	Programme											
Education	Construction of a private senior secondary boarding school that commence from grade 7 to grade 12 which will accommodate at least 1000 students in both classes and boarding accommodation			Ward 1.2.3,4,5								External
DEDEAT	Hotel and all associated											External
Community Sev/Infrastructure	Construction of Community Halls in each centre of each Administrative Area (Community Hall x 9No of AA)			Ward 1.2.3,4,5								External
	Construction of a new police station with holding cells at Mqonci/Ngquthurha Developme			Ward 1.2.3,4,5								External

	ntal Area											
SAPS	Constructio n of a new clinic at Mqonci/Ng quthurha Developme ntal Area			War d 1.2.3 ,4,5								External
Health	Upgrading of Mjanyana hospital			War d 1.2.3 ,4,5								External
Education	Upgrading of Nosimo Technical School and Provision Necessary Resources			War d 1.2.3 ,4,5								External
Education	Constructio n of Bazindlovu Junior Secondary School which will accommoda te at least 800 students in both classes and a hall and a staff room			War d 1.2.3 ,4,5								External
	Constructio n of Ntlalukane Junior Secondary School which will accommoda te at least 800 students in			War d 1.2.3 ,4,5								External

	both classes and a hall and a staff room											
Infrastructure	Upgrading and/or construction of the existing gravel access roads into surface standard (120x20km/village)			Ward 1.2.3,4,5								External
Infrastructure	Upgrading of the existing major gravel road network to surfaced standard			Ward 1.2.3,4,5								External
Infrastructure	Upgrading and/or construction of the existing gravel internal loop roads in the villages (120x20km/village)			Ward 1.2.3,4,5								External
Infrastructure	Upgrade and/or construction of new bridges _ 14No.			Ward 1.2.3,4,5								External
Infrastructure	14 new pedestrian Bridges			Ward 1.2.3								External

				,4,5								
Infrastruct ure	Holding Dam			War d 1.2.3 ,4,5								External
Infrastruct ure	Constructio n of a new water treatment plant, service reservoirs and reticulation to the communitie s			War d 1.2.3 ,4,5								External
Infrastruct ure	Sanitation – Septic Tanks System for all households (Average household per village is 300HH, total number of villages is 90 villages)			War d 1.2.3 ,4,5								CHDM/EL M
LED	Constructio n Cultural Village			War d 1.2.3 ,4,5								DEDEAT
Hala Trust	Constructio n of Hala Traditional Council			War d 1.2.3 ,4,5								Hala Consortiu m
Health	Constructio n of 12 clinics + All Engineering Services			War d 1.2.3 ,4,5								Public Works

Community Sev/Infrastructure	Construction of descent sport centres in each centre of each administrative area of 9 administrative areas to accommodate Soccer, Rugby, Netball, Cricket, Baseball, Athletics, Recreation, Arts and Culture			Ward 1.2.3,4,5								DSRAC
	Upgrading of Bekileni Junior Secondary School			Ward 1.2.3,4,5								
Education	Upgrading of Nkala Junior Secondary School			Ward 1.2.3,4,5								
Education	Upgrading of Nkala Junior Secondary School			Ward 1.2.3,4,5								
Education	Upgrading of Qengqeleka Junior Secondary School			Ward 1.2.3,4,5								
Education	Upgrading of Sobuza Junior Secondary			Ward 1.2.3,4,5								

	School											
Education	Upgrading of Tora Junior Secondary School			Ward 1.2.3,4,5								
Education	Upgrading of Kidstone Junior Secondary School			Ward 1.2.3,4,5								
Education	Upgrading of Quluqu Junior Secondary School			Ward 1.2.3,4,5								
Education	Construction of Laphethuka Junior Secondary Schools			Ward 1.2.3,4,5								
Education	Upgrading of Zama-zama Senior Secondary School			Ward 1.2.3,4,5								
Education	Upgrading of Dabulingwe Junior Secondary School			Ward 1.2.3,4,5								
Education	Upgrading of Zwelihle Senior Secondary School			Ward 1.2.3,4,5								
Education	Establishment of 200 computer laboratory at Zwelihle			Ward 1.2.3,4,5								

	High School											
Education	Establishment of 200 computer laboratory at Bekileni J.S.S.			Ward 1.2.3,4,5								
Education	Establishment of 200 computer laboratory at Bekileni J.S.S.			Ward 1.2.3,4,5								
Education	Establishment of 200 computer laboratory at Nosimo S.S.S.			Ward 1.2.3,4,5								
Education	Establishment of 200 computer laboratory at Qengqeleka J.S.S.			Ward 1.2.3,4,5								
Education	Construction of Silimela Primary School which will accommodate at least 800 students in both classes and a hall and a staff room			Ward 1.2.3,4,5								
Education	Establishment of 200 computer laboratory at Sobuza			Ward 1.2.3,4,5								

	J.S.S.											
Education	Establishment of 200 computer laboratory at Tora J.S.S.			Ward 1.2.3,4,5								
Education	Establishment of 200 computer laboratory at Quluqu J.S.S.			Ward 1.2.3,4,5								
Education	Establishment of 200 computer laboratory at Kidstone J.S.S.			Ward 1.2.3,4,5								
Education	Establishment of 200 computer laboratory at Laphethuka J.S.S.			Ward 1.2.3,4,5								
Education	Establishment of 200 computer laboratory at Zama-zama S.S.S.			Ward 1.2.3,4,5								
Education	Establishment of 200 computer laboratory at Silimela Primery School			Ward 1.2.3,4,5								
Education	Establishment of 200 computer laboratory at			Ward 1.2.3,4,5								

	Bazindlovu S.S.S.											
DSRAC/Community Sev/Infrastructure	Construction of acceptable play grounds in each sub-village of Hala Area to accommodate Soccer, Rugby, Netball, Cricket, Baseball, Athletics, Recreation, Arts and Culture (111 sub-villages)			Ward 1.2.3,4,5								
Community Sev/Infrastructure	Community Hall x 81No.			Ward 1.2.3,4,5								

Social Development Projects

PROG	NAME OF SUB-PROGRAMME	NAME OF PROJECT	NO OF BENEFICIARIES	WARD	AMOUNT
2	2.2 SERVICES TO OLDER PERSONS	1. Zola Older Persons Center	50	11	R120 000.00
		2. Masivukeni Qumanco Older Persons Center	50	7	R120 000.00
		3. Masiphakameni Badala Older Person Center	50	13	R 96 000.00
		4. Siyazama Older Persons Center	50	4	R 98 000.00
		5. Mqonci Service Center	50	2	R120 000.00
		6. Dalubuhle Service Center	50	20	R120 000.00
2	2.4 HIV/AIDS	1. Imbumba HCBC	10	12	R463 800.00
		2. Ilinge Lethu HCBC	10	05	R450 800.00
		3. Thandisizwe HCBC	10	19	R214 000.00
		4. Yolisa HCBC	15	02	R625 800.00
2	2.5 SOCIAL RELIEF	Social relief	600	ALL WARDS	
3	3.2 CARE AND SERVICE TO FAMILIES	Family preservation programme	130	11	R100 000.00
	3.3 ECD AND PARTIAL CARE	1. Sincedenathi pre-school	27	15	R153 648.00
		2. Makukhanye Beyele Pre-school		07	RR139 224.00
		1. ESIGANGENI	26	09	R110 880.00
		2. EYETHU	40	18	R158 400.00
		3.GREENLANDS	25	09	R80 000.00
		4. IKAMVALETHU	40	16	R170 280.00
		5.JONGABANTU	37	15	R162 360.00
		6. KANYISO	53	19	R194 040.00
		7. KUBEKI	30	20	R118 800.00
		8.KUYASA	38	13	R103 248.00
		9.LOWER MSINTSANA	25	15	R138 738.00
		10. LUKHANYO	58	06	R124 752.00
		11.MAKUKHANYE BEYELE	40	02	R139 224.00
		12.MAKUKANYE XONYA	29	07	R180 000.00
		13.MALANGAZANA	51	05	R118 800.00
		14.MASANDE	30	19	R178 200.00
		15.MASIBAMBANE 59	43	03	R130 680.00
		16.MASIBAMBANE 67		18	R267 600.00
		17.MASIBONISANE	30	01	R166 320.00
		18. MASIKHULENATHI	49	14	R114 840.00
		19.MASIZAKHE	42	16	R166 320.00

		20.MHLOPHEKAZI	44	16	R174 240.00
		21.MITHI	30	18	R178 200.00
		22.NALEDI	36	04	R186 120.00
		23.NCEDOLWETHU	55	02	R174 240.00
		24.NCEDULUNTU	30	11	R178 200.00
		25.NOBUHLE	34	02	R118 800.00
		26. NOLUTHANDO	36	17	R138 600.00
		27.NOMZAMO	57	18	R221 760.00
		28.NONKQUBELA	39	16	R166 320.00
		29.NOSAPHO	40	03	R170 280.00
		30.NOZOLILE	40	03	R160 608.00
		31.NYANGILIZWE	30	19	R110 880.00
		32.PHAKAMISANISIZ WE	32	18	R130 680.00
		33.SILINDINI	30	13	Rr118 800.00
		34.SINCEDENATHI	27	15	R153 648.00
		35.SIZANANI	58	09	R163 008.00
		36.TALENI	40	08	R237 600.00
		37.THEMBELIHLE	30	06	R237 060.00
		38.TSALABA	54	13	R118 800.00
		39.TYENI	35	16	R138 600.00
		40.VUKANI	37	20	R146 520.00
		41.ZANEBANDLA	38	19	R153 648.00
		42.ZANONCEDO	20	01	R 79 200.00
		43.ZIZAMELE	25	19	R117 648.00
		44.ZWELITSHA	40	11 & 12	R138 000.00
		45.KUYAKHANYA	30	11&12	R118 800.00
		46.PHAKAMANI	30	13	R167 760.00
		48.MASIMANYANE	30	04	R132 000.00
		47.Ngcobo TADA	22		R332 900.00
5.	5.4 SUSTAINABLE LIVELIHOODS	1. SILINDINI HOUSEHOLD FOOD GARGEN PROGRAMME	40	13	R500 000.00
	5.4 SUSTAINABLE LIVELIHOODS	LOWER QEBE HOUSEHOLD FOOD GARDEN PROGRAMME	40	13	R500 000.00
	5.4 SUSTAINABLE LIVELIHOODS	COBOSI HOUSEHOLD FOOD GARDEN	30	4	R500 000.00

		PROGRAMME			
	5.7 WOMEN DEVELOPMENT	SILINDINI HOUSEHOLD POULTRY PROGRAMME	20	13	R325 000.00
	5.7 WOMEN DEVELOPMENT	LOWER QEBE HOUSEHOLD POULTRY PROGRAMME	20	13	R325 000.00

Department of Rural Development and Agrarian Reform

- Land care project at Sidindi and Mhlahlane
- Shearing shed at Jojweni- Gubenxa
- Shearing shed at Mnyolo-
- Dipping tank at Manzimdaka
- Sinqumeni Dohne Merino breeding centre at Sinqumeni

CHAPTER 7: HIGH LEVEL SECTOR PLANS AND BY-LAWS

7.1 THE LEGISLATED PLANS AND SERVICE

The oriented plans are indicated in the table below;

Sector Plan/Strategy	Status Quo	Strategic Intervention
Public Participation 2011	Available	N/A
<p>Overview -The Strategy encourages and create conditions for the local community to participate in the affairs of the Municipality amongst others the preparation, implementation and review of the Municipality's Integrated Development Plan (IDP), the establishment, implementation, and review of the Municipality's Performance Management System, the monitoring and review of the Municipality's performance, including the outcome and impact of such performance, consideration of draft by – laws, the preparation of the Municipality's budget and consideration of the Municipality's Tariffs and Debt Collection policies.</p>		
HIV and AIDS Mainstreaming	Shared with CHDM	Being mainstreamed at department level
<p>Overview – The municipal goal is the creation of a community that is well educated and aware of HIV and AIDS that strives for reduction of the infection rate by 50; have access to educational, prevention programmes and is mobilized against the stigma and discrimination of the infected and affected.</p>		
Special Programmes (Youth, Women, People with disability)	Unavailable	N/A
Integrated Transport Plan (ITP) 2010	Shared with CHDM	N/A
Area Based Plan 2010	Shared with CHDM	Funds and technical support for implementation
Water and Sanitation Development Plan 2011	Shared with CHDM	N/A

Environmental Management Plan	Shared with CHDM	N/A
		N/A
Integrated Waste Management Plan	Shared with CHDM	N/A
Disaster Management Plan	Shared with CHDM	N/A
Climate Change Strategy (new)	Unavailable	CHDM is in the process of developing the Strategy to be shared by the local municipalities
Storm Water Management Plan	Available	N/A
Spatial Development Framework 2010	Available	To be reviewed in 2014/15
<p>Overview -The Engcobo SDF was adopted by Council during August 2010 SDF is crucial in unlocking the land development potential to achieve the following key issues; basic needs and Spatial Fragmentation; linkages and Access; land Use and environmental Management; coordination of Integrated capacity & Planning System; and sustainable socio-economic and infrastructure development. It identifies nodal points to guide future planning, this is Central Business District (CBD)</p>		
Integrated Human Settlement Strategy	Shared with DoHS	N/A
Electricity Master Plan 2010	Available	Funds for implementations and maintenance
Overview		
Infrastructure Investment Plan 2011	Available	
Overview		
Land Use Management Plan	Unavailable	Continuous lobby for technical and financial support from relevant sector departments
Local Economic Development (LED)	Available	Currently being reviewed with the assistance of LGTA
<p>Overview - The Engcobo LED Plan was developed and approved by council in November 2010. In terms of the National LED Framework, it seeks to achieve the following; provide direction to the LED unit; emphasize the role of the entire municipality and other stakeholders in terms of LED; set LED targets that are aligned to national and provincial priorities; coordinate efforts of private and public sector stakeholders in LED; inform the municipalities IDP (as the LED Plan is a sector plan of the IDP)</p> <p>The objective of the LED Plan is therefore to identify economic potential in the Engcobo Local Municipality and develop a plan of action to exploit these opportunities.</p>		
Information Technology Policy 2011	Available	Currently being implemented
<p>Overview-Information Technology policy was adopted by Council in November 2011; it serves to outline management's expectations of IT systems and employees as far as securing information is concerned. All information security, any related activities and personnel are required to abide by the policy, any deviations will be authorized by senior management or the information security officer.</p> <p>The objective of this Policy is to define and propagate an environment that will ensure that the municipality's information assets are properly protected, these include data stored electronically, data transmitted across networks, data transmitted by fax, printed or written on paper, or unwritten data and through meetings and telephonically.</p>		
Workplace Skills Development Plan 2012	Available	N/A

Performance Management System (PMS) Framework 2012	Available	Cascading to lower levels
Overview -The PMS framework was reviewed in September 2012 for performance alignment on IDP, SDBIP and balanced scorecards. The implementation and institutionalization of an Integrated PMS within Engcobo requires that performance management and assessment occurs at two levels. It requires that performance is managed both at an institutional level and at an individual level. The Municipal Manager and s57 Managers have all signed performance agreements. Quarterly reports mid-year and annual reports are developed and submitted.		
Succession Plan	Available	N/A
Attraction and Retention Strategy 2012	Available	N/A
Municipal By – laws 2012	Available	26 by-laws have been gazetted
Comprehensive Infrastructure Plan (CIP) 2012	Available	Funds for implementation
Overview - In collaboration with DLGTA the municipality appointed a service provider to assist in preparing a comprehensive infrastructure plan, it was adopted 2012.		
Draft Risk Management Plan 2013	Available	In a draft form awaiting Council Resolution
Communication Strategy 2012	Available	N/A
Overview - The purpose of the Communications Strategy is to ensure that all communications initiatives in Engcobo Local Municipality are well coordinated, integrated and focused. The strategy is being designed at the end of the Financial Year. It is going through all the Council processes to be adopted. The intention is to budget for a Communications Unit as one of the mere existences of Council is based on the mandate by the communities. They must at all times be informed about the activities of the municipality.		
Anti-Corruption Strategy 2013	Available	N/A
Overview - Policy has been developed and approved by Council in 2013. Awareness workshops are still to be conducted and the procedure manual for the policy is yet to be finalized.		
Financial Management Policies 2013	Available	Funds for implementation
Employment Equity Plan 2013	Available	N/A
Overview -The Employment Equity Plan has been developed for a 5 year period, namely from 2013 to 2018. It reflects the collective vision of the staff of the Municipality and the EE Consultative Forum comprises representatives from across the Municipality as well as employee organizations and will be the structure to assist the Municipal Manager and the Council in monitoring progress on the implementation of the Plan.		
Financial Policies 2013	Available	Funds for implementation
Overview -The policies aim at enhancing smooth service delivery through policy guidelines on the understanding, use and control of resources and the extent of their availability. The policies include the following; budget policy; asset management; credit control; indigent policy; rates policy, cash receipts and banking policy.		
Human Resources and Institutional Development Policies 2013	Available	Funds for implementation
Overview -The comprehensive Human Resources policy contains the human resources policies and procedures of the Municipality. The purpose of this Human Resources Policy is to ensure that service delivery is enhanced within an environment characterized by employment justice, cultural diversity and transparency. It further provides a set of processes, procedures, rules and regulations for the consistent interpretation and application of collective agreements and legislation governing human resources management.		

7.2 ENGCOBO LOCAL MUNICIPALITY: ADOPTED BY- LAWS AND POLICIES

NO:	BY-LAW – ADOPTED NOVEMBER 2014
1.	Credit Control and Debt Collection by-law
2.	Indigent by-law
3.	Caravans and mobile homes
4.	Parking Attendants
5.	Cemeteries
6.	Accommodation Establishments
7.	Swimming Pool
8.	Lease of Municipal Halls
9.	Ward Committees
10.	Street Trading
11.	Advertising Signs
12.	Advertising Signs
13.	Use of Liquor
14.	Control of Stray Animals
15.	Keeping of dogs
16.	Slaughtering of Animals
17.	Keeping of wild animals
18.	Nuisance by-law
19.	Roads and traffic
20.	Storm water management in built-up areas
21.	Impoundment of animals
22.	Animals birds and domestic pets
23.	Advertising signs and displacement of the frontages of streets

24.	Prevention of nuisances
25.	Keeping of animals
NO:	HUMAN RESOURCE POLICIES – ADOPTED NOVEMBER 2014
1.	Acting and Acting Allowance Policy
2.	Disciplinary procedure policy
3.	Leave Policy
4.	Code of Conduct
5.	Night Work and Shift Allowance Policy
6.	Overtime and Work on Sundays and Public Holidays Policy
7.	Recruitment, Selection and Placement Policy
8.	Attraction and Retention Policy and Strategy
9.	Smoking Policy
10.	Standby Policy
11.	Integrated Telephone Usage and Cell phone Policy
12.	Transport and Vehicle Usage Policy
13.	Motor Vehicle Acquisition Policy
14.	Performance Management System Policy
NO	FINANCE POLICIES - ADOPTED NOVEMBER 2014
1.	Cash and investment management
2.	Budget control
3.	Credit control and debt collection
4.	Fraud management
5.	Subsequent event
6.	Risk

7.	Tariff
8.	Expenditure
9.	Asset Management
10.	Provision for bad debts
11.	Contingency liability
12.	Subsistence and Travelling (SNT)
13.	Petty Cash
14.	Supply Chain Management Policy
15.	Indigent
16.	Delegation

Annexure A: PERFORMANCE MANANGEMENT FRAMEWORK

Working Definition

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

PMS CYCLIC PROCESS

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

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

- developing performance scorecards (two levels - Strategic and Departmental)

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

Policy Context for Municipal PMS

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

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

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

- e) **Information**:- Citizens should be given full and accurate information regarding public services they are entitled to receive.
- f) **Openness and transparency**:- Citizens should know how departments are run, how resources are spent, and who is in charge of particular services.
- g) **Redress**:- If the promised standard of service is not delivered, citizens should be offered an apology, a full explanation and a speedy and effective remedy; and when complaints are made citizens should receive a sympathetic, positive response.
- h) **Value-for-money**:- Public services should be provided economically and efficiently in order to give citizens the best possible value-for-money.

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

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

Legal Context for Municipal PMS

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

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

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

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

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

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

- a) the percentage of households with access to basic level of water, sanitation, electricity and solid waste removal;
- b) the percentage of households earning less than R1200 per month with access to free basic services;
- c) the percentage of a municipality's capital budget actually spent on capital projects identified for a particular financial year in terms of the municipality's integrated development plan;
- d) the number of jobs created through municipality's local economic development initiatives including capital projects
- e) the number of people from employment equity target groups employed in the three highest levels of management in compliance with a municipality's approved employment equity plan;

- f) the percentage of a municipality's budget actually spent on implementing its workplace skills plan; and
- g) financial viability as expressed by the following ratios:

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

Where - "A" represents debt coverage

"B" represents total operating revenue received

"C" represents operating grants

"D" represents debt service payments (i.e. interest plus redemption) due within the financial year;

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

Where - "A" represents outstanding service debtors to revenue

"B" represents total outstanding service debtors

"C" represents annual revenue actually received for services;

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

Where - "A" represents cost coverage

"B" represents all available cash at a particular time

"C" represents investments

"D" represents monthly fixed operating expenditure.

In terms of section 53 of the Municipal Finance Management Act (MFMA) 2003, the mayor of a municipality must take reasonable steps to ensure that the annual performance agreements of the municipal manager and all senior managers are linked to the measurable performance

objectives approved with the budget and to the service delivery and budget implementation plan; and are concluded in accordance with section 57(2j) of the Municipal Systems Act.

Coupled with the MSA: 2000, the MFMA: 2003 provide for the development of a mid-term budget and performance assessment of the municipality. The development of the mid-year budget and performance assessment report should give an indication on the progress made by the municipality for the past six months. The MFMA requires that the accounting officer of the municipality take into account the performance of the municipality against the performance expectations set by senior managers and their departments.

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

Other Benefits for Establishing PMS

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

Increased accountability

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

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

Learning and improvement

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

Early warning signals

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

Effective decision-making

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

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

Principles Guiding PMS Implementation

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

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

Institutional Arrangements

PMS Co-ordination.

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

- Facilitate PMS communication

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

PMS Audit function.

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

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

Public participation

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

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

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

Stakeholder Roles and Responsibilities

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

PMS Model for Engcobo Local Municipality

What is a model?

A model for performance management provides simplified mechanisms for understanding how better to organise and roll-out the various aspects of performance that should be measured, reported on and managed. It also provides a useful tool to predict and project future scenarios so that current decision-making could influence the desired future.

Why is a model important for PM?

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

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

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

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

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

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

However, with recent developments in performance measurement literature in both the public and private sector, it has become well accepted that in order to assess an organisation's

performance, a balanced view is required, incorporating a multi-perspective assessment of how the organisation is performing as seen by differing categories of stakeholders.

The Municipal Scorecard model

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

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

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

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

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

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

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

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

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

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

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

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

Definition of concepts used in the scorecards

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

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

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

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

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

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

Criteria adopted to guide selection of suitable indicators

<p>Focused and Specific: Is the indicator selected clear, focused and not stated in an ambiguous way?</p> <p>Measurable: Does the indicator have defined unit of measurement? Note that this unit must also be used in determining the target.</p> <p>Valid and Relevant: Validity is the degree to which an indicator measures what it is intended to be measured. Is the indicator relevant to the objective of the performance being measured?</p> <p>Reliable: Reliability is the degree to which repeated measures, under exactly the same conditions will produce the same result. How reliable is your indicator?</p> <p>Simple: Good indicators will be simple, easy to communicate. A composite indicator would try to measure a series of performance dimensions at the same time, this may confuse. Where possible avoid using complex or composite indicators.</p> <p>Minimise perverse consequences: Poorly chosen indicators, while they may have noble intentions, can have perverse consequences in the behaviours it incentivises. Choose indicators that will incentivise behaviour that is desired and not unintended results.</p> <p>Data Availability: Good indicators will also rely on data that is, or intended to be, available on a regular basis. Be careful of choosing indicators that will not have data to be measured against.</p>

Levels of scorecards in a municipal scorecard model

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

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

Service Scorecards: The service scorecards will capture the performance of each defined service (can be a directorate or department line-function). Unlike the strategic scorecard, which reflects on the strategic priorities of the municipality, a service scorecard will provide a comprehensive picture of the performance of that service. It will consist of objectives, indicators and targets

derived from the service plan and service strategies. It will be crucial that service scorecards should not duplicate current reporting, but be integrated to form a core component and simplify all regular reporting from departments to the Municipal Manager and Standing Committees.

Service Scorecards will be comprised of the following components:

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

Performance in the form of a service scorecard will be reported to the Municipal Manager and relevant Standing Committee for review. The policy provides for the reporting in terms of this level of scorecard to be undertaken at least monthly. The policy assumes that the reporting on this level scorecard will be preceded by internal departmental reporting (reports from unit managers and supervisors to be consolidated by the head of departments) which is expected to happen more regularly than monthly intervals and would ideally inform the monthly management reports.

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

Monitoring and Measurement of Indicators

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

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

Municipal-wide outcome indicators and satisfaction surveys may need to be co-ordinated centrally. It is recommendable that the PMS coordinator be tasked with this responsibility. An

effort should also be made to undertake regular (annually) surveys in order to provide data for indicators organisationally and for the different service scorecards:

Performance Reporting and Auditing

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

Performance reporting: As indicated in the above diagram reporting will commence from the internal department (weekly and chaired by HoD) then cascade to management (receive monthly management reports and chaired by municipal manager), thereafter, a bi-monthly report will be tabled to Exco by management. This report will move be consolidated with comments of Exco into a quarterly report to be tabled to council. At least two six-monthly reports will be forwarded for auditing by the audit committee during January and June of each year.

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

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

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

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

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

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

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

Performance Reviews

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

It will also be useful to provide an overall analysis of municipal performance with respect to the strategic scorecards and department scorecards, at least for quarterly and annual reviews. Such an analysis could pick up trends in performance over time and over all departments. It is proposed that the Performance Management Coordinator be responsible for this.

How should reviews be conducted?

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

FIGURE 1: THE REVIEW PROCESS GUIDELINE

The review process should involve the following guideline steps:

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

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

- Confirm what is expected of employee / department being reviewed

- Encourage those reviewed to feel comfortable and create conducive atmosphere for discussing issues frankly and fairly
- Fairly and equitably measure performance of individual / department.
- Agree on the final determination of performance achieved
- Identify strengths and areas of improvement
- Give feedback in terms of the reward/ recognition of good performance / excellence or the steps to be taken to address poor performance
- Align individual performance behaviour with organizational performance goals (IDP vision)
- Incorporate lessons of the previous year's performance into the following year's performance (Learning curve) by jointly developing a Performance Improvement Plan with the manager concerned
- Agree on a performance improvement plan

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

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

Suggested levels of reviews

Section 57 Management Reviews: It is intended that a review committee comprising of the municipal manager, a standing committee councilor of that department and an independent

auditor who must be a member of the audit committee review their performance of a section 57 manager at least every second month, using his/her personal contract scorecard. Managers will be reviewed on their overall annual performance during the period 01 July and 30 July of every year to conclude the year ended 30 June and to determine salary progression moves and bonuses.

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

Management Team Reviews: Departments have to report on their performance in the department scorecard format to the Municipal Manager and the Managers of departments every month. These reviews must also provide for section 57 managers to report on their individual scorecards to the municipal manager. In order to avoid duplication of reporting efforts the SDBIPs must also be reported at these platforms. Additional indicators that occur in the departmental scorecard & SDBIP should also be reviewed. The formulation of the process of review will be co-ordinated by the proposed performance management coordinator.

The Management Team will need to reflect on whether targets are being achieved, what are the reasons for targets not being achieved where applicable and corrective action that may be necessary. Where targets need to be changed, the Management Team can endorse these, for approval by the relevant standing Committee. The Management Team can delegate tasks to the performance management coordinator in developing an analysis of performance prior to Management Team reviews.

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

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

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

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

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

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

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

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

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

- Ward committees would be reported to (once systems are developed fully) and submit their review of the municipality to council. The performance management team should be used to summarise this input.

- Various forms of media including radio, newspapers and billboards would be used to convey the citizens' report. The public should be invited to submit comment via telephone, fax, email and public hearings to be held in a variety of locations.

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

EVALUATION AND IMPROVEMENT OF THE MUNICIPAL PMS

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

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

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

Performance Management Framework

Working Definition

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

ANNEXURE B: AUDIT ACTION PLAN

ISSUES RAISED	PLAN OF ACTION	TIME FRAME	RESPONSIBLE OFFICIAL	COMMENTS ON PROGRESS TO DATE
2. Annual financial statements, performance and annual report				
3. The oversight report, containing comments on the annual report, was not adopted by council within 2 months from the date on which the 2012/2013 annual report was tabled, as required by section 129(1) of the MFMA.	The 2013/14 Oversight report with comments will be tabled to Council 2 months after the annual report has been adopted by council.	31 March 2015	<p>IPED MANAGER</p> <p>MUNICIPAL MANAGER</p>	<p><i>Draft annual report prepared and will be tabled in the 11 December 2014 Council meeting.</i></p> <p><i>Circular 67 of the MFMA has made a supposition for municipalities to table annual report in December 2014. It will therefore be tabled in December</i></p>

				11, 2014.
4. The financial statements submitted for auditing were not prepared in all material respects in accordance with the requirements of section 122 of the MFMA.	<p>4. The IA unit is being capacitated well.</p> <p>5. Prior to the AFS being submitted to the auditors, the AFS and accounting file will go through a stringent review process namely:</p> <ul style="list-style-type: none"> - AFS will be reconciled to the accounting file by management. - AFS and accounting file will be reviewed by the Internal Auditors, Audit Committee and a competent official independent of the preparation process. - Disclosure checklist will be completed. 	30 July 2015	<p>CFO</p> <p>ACCOUNTANT</p> <p>MUNICIPAL MANAGER</p> <p>INTERNAL AUDIT MANAGER</p>	<p><i>The municipality is in the process of appointing an Internal Audit Manager. The IA unit will be trained on a continuous basis to ensure that the unit obtains the required technical competencies.</i></p> <p><i>To be finalised during the AFS preparation period but we have confidence that the financial statements to be submitted for auditing will be prepared in all material respects in accordance with the requirements of section 122 of the MFMA.</i></p> <p><i>The process needs to be initiated a little bit earlier this year.</i></p>
6. Material misstatements identified by the auditors relating to expenditure and other disclosure items in the submitted financial statements were subsequently	SEE COMMENTS ABOVE	30 July 2015	<p>CFO</p> <p>ACCOUNTANT</p> <p>MUNICIPAL MANAGER</p>	<i>The Internal Unit will be required to perform a comprehensive review</i>

corrected, which resulted in the financial statements receiving and unqualified audit opinion.			INTERNAL AUDIT MANAGER	
2. Revenue management				
2. Interest was not charged on all accounts in arrears as, required by section 64(2)(g) of the Municipal Finance and Management Act.	Processes are in progress to charge interest on long outstanding debtors. R-DATA has been engaged to ensure that this is up and running on our system.	31 March 2015	CFO REVENUE MANAGER	<i>Data cleansing process has been initiated.</i> <i>R-DATA has been consultant.</i>
3. Consequence management				
3. Unauthorised expenditure, irregular expenditure, and fruitless and wasteful expenditure was not recovered from the liable person, as required by section 32(2) of the MFMA.	It is still under investigation and the way forward will be determined once that process has been finalised.	31 January 2015	LEGAL ADVISOR MUNICIPAL MANAGER	<i>Still under investigation</i>
4. Unauthorised and irregular expenditure incurred by the municipality was not investigated to determine if the person is liable for the expenditure, as required by section 32(2)(a)(ii) of the MFMA.	SEE COMMENTS ABOVE	31 January 2015	LEGAL ADVISOR MUNICIPAL MANAGER	<i>Still under investigation</i>
4. Asset management				

<p>2. An effective system of internal control for assets (including an asset register) was not in place, as required by section 63(2)(c) of the Municipal Finance Management Act.</p>	<p>An effective system is in place but requires constant monitoring.</p>	<p>MONTHLY / QUARTLY</p>	<p>ACCOUNTANT CFO</p>	<p><i>Still in the process of performing a zero based count. Thereafter, on a monthly basis the asset register will be updated and reconciled to the GL and a quarterly count done.</i></p>
<p>5. Human resource management</p>				
<p>2. Bonuses were awarded to the municipal manager and/or senior managers directly accountable to the municipal manager before the annual report was tabled and adopted by the municipal council, in contravention of regulation 8(1) of the Municipal performance regulations (GNR 805)</p>	<p>Performance bonuses will be paid after the 2013/14 annual report has been tabled and adopted by the Council 28 February 2015</p>	<p>28 February 2015</p>	<p>CORPORATE SERVICES MANAGER MUNICIPAL MANAGER</p>	<p><i>Performance evaluations done and presented to Exco.</i></p>
<p>6. Leadership</p>				
<p>3. Oversight responsibilities regarding the mentoring of internal controls over</p>	<p>Compliance checklist developed. Can be used by the IA unit to check and monitor compliance.</p>	<p>28 FEBRUARY 2015</p>	<p>ALL SENIOR MANAGERS</p>	<p><i>Checklist ready to be rolled out.</i></p>

<p>financial reporting and compliance with the applicable laws and regulations were not adequately performed. This resulted in material misstatements in the annual financial statements that were submitted for audit, non-compliance with the applicable laws and regulations as well as information presented in the report for predetermined objectives not being valid, accurate and complete.</p>			<p>LEGAL ADVISOR</p> <p>INTERNAL AUDIT</p> <p>MUNICIPAL MANAGER</p>	
<p>4. Proper consequence management in respect of supply chain management transgressions that occurred in the prior years was not implemented since the transgressions were not investigated to determine whether any official is liable for the expenditure.</p>	<p>Processes are in place.</p> <p>It is still under investigation and the way forward will be determined once that process has been finalised.</p>	<p>31 January 2015</p>	<p>LEGAL ADVISOR</p> <p>MUNICIPAL MANAGER</p>	<p><i>Still under investigation</i></p>
<p>7. Financial and performance management</p>				
<p>5. The municipality continued to</p>	<p>The municipality has advertised and filled</p>	<p>Monthly</p>	<p>CFO</p>	<p><i>Infrastructure fixed asset register is a</i></p>

<p>make use of consultants to perform certain financial administration and reporting functions that should be performed by the staff employed by the municipality. This is due to lack of skills in key positions.</p> <p>A poor control environment over financial reporting exists as manual reconciliations of accounting records and supporting schedules are required to be performed at year end as these controls are not implemented on a regular basis throughout the year. Should adequate monitoring, supervision and controls be implemented, misstatements would be identified and corrected by management in a timely manner.</p>	<p>some key positions so that less reliance can be placed on consultants. The municipality does not rely heavily on consultant to perform routine admin and reporting functions.</p> <p>Reconciliations are done on a monthly basis and are up to date as at end of November 2014.</p>		<p>ACCOUNTANT</p> <p>EXPENDITURE / BTO / ASSETS OFFICER</p> <p>EXPENDITURE CLERKS</p>	<p><i>specialised field and will continue to require the assistance of a consultant in the future.</i></p>
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<p>6. The financial statements submitted for audit contained material misstatements related to expenditure and other disclosure items. Furthermore, errors between the financial statements, general ledger and underlying supporting documents were identified. This is as a result of a lack of adequate review of the financial statements and supporting documentation prior to submission of the annual financial statements for audit purposes.</p>	<p>SEE COMMENTS IN SECTION 1 ABOVE</p>		<p>SEE COMMENTS IN SECTION 1 ABOVE</p>	<p>SEE COMMENTS IN SECTION 1 ABOVE</p>
<p>7. The systems or processes for the preparation and reporting of performance against pre-determined objectives were not adequate or sufficient as the municipality did not comply with the reporting requirements as prescribed by National Treasury.</p>	<p>Systems and processed have been developed to ensure that the municipality will comply with the reporting requirements as prescribed by National Treasury.</p>	<p>On-going</p>	<p>IPED Manager IDP & PMS Manager MM</p>	<p><i>A consultant has been appointment to assist the municipality with the implementation of the PMS policy.</i></p> <p><i>Comparing the current and prior year audit reports, our performance reporting has improved remarkably.</i></p>

<p>8. The municipality has not implemented adequate review mechanisms to ensure that the report on predetermined objectives is reviewed for accuracy and completeness prior to submission for audit.</p>	<p>The municipality has developed / implemented adequate review mechanisms to ensure that the report on predetermined objectives is reviewed for accuracy and completeness prior to submission for audit.</p>	<p>QUARTERLY</p>	<p>IPED Manager</p> <p>IDP & PMS Manager</p> <p>MUNICIPAL MANAGER</p>	<p><i>A consultant has been appointment to assist the municipality with the implementation of the PMS policy.</i></p> <p><i>Comparing the current and prior year audit reports, our performance reporting has improved remarkably.</i></p>
<p>8. Governance</p>				
<p>3. The risks relating to financial, performance objectives and compliance with the laws and regulations have not been adequately addressed during the year under review.</p>	<p>A risk officer has been employed. A risk register and also a detailed / low level action plan has been developed for the institution.</p> <p>The risk register and action plans will be monitored on a quarterly basis.</p>	<p>QUARTERLY</p>	<p>ALL SENIOR MANAGERS</p> <p>INTERNAL AUDIT</p> <p>RISK OFFICER</p> <p>MUNICIPAL MANAGER</p>	<p><i>Risk management plan / strategy submitted to the audit committee for review and approval.</i></p>
<p>4. Internal audit did not properly review the financial and performance reports prior to submission to the audit committee and the external auditors and also did not adequately</p>	<p>The IA unit is being capacitated to ensure that the unit is fully functional. An internal audit manager will be appointed.</p>	<p>30 July 2015</p>	<p>CFO</p> <p>ACCOUNTANT</p> <p>MUNICIPAL MANAGER</p>	<p><i>The municipality is in the process of appointing an Internal Audit Manager. The IA unit will be trained on a continuous basis to ensure that the unit obtains the required technical</i></p>

<p>review compliance with laws and regulations. The position of Chief Internal Auditor was vacant throughout the year and up to the date of this report and this impacted negatively on the performance of the internal audit unit.</p>			<p>INTERNAL AUDIT MANAGER</p>	<p><i>competencies.</i></p> <p><i>To be finalised during the AFS preparation period but we have confidence that the financial statements to be submitted for auditing will be prepared in all material respects in accordance with the requirements of section 122 of the MFMA.</i></p> <p><i>The process needs to be initiated a little bit earlier this year.</i></p>
<p>3. <u>Predetermined Objectives: Usefulness of information - The reported objectives not consistent with planned objectives</u></p> <p>Section 41(c) of the Municipal Systems Act requires the IDP to form the basis for the annual report, therefore requiring consistency of objectives, indicators and targets between planning and reporting documents.</p> <p>A total of 30% of the reported objectives were not consistent with those in the approved IDP. This is</p>	<p>Management will review and monitoring inconsistency between the IDP, SDBIP and Annual performance Report</p> <p>Management review and monitor on a monthly/quarterly basis to ensure consistency is maintained between the performance documents.</p>	<p>31 January 2015</p>	<p>IPED Manager</p> <p>IDP & PMS Manager</p>	<p><i>In Progress</i></p>

<p>due to the lack of review and monitoring by management resulting to inconsistency between the IDP, SDBIP and Annual performance Report.</p>				
<p>4. <u>Reliability of information: Validity and Accuracy - Reported performance not valid or accurate:</u></p> <p>The National Treasury FMPPI requires that processes and systems which produce the indicator should be verifiable, and that the indicators be accurate enough for its intended use and respond to changes in the level of performance.</p> <p>A total of 22.8% of the actual reported performance relevant to basic infrastructure and service delivery was not valid, accurate and complete when compared to the evidence provided.</p> <p>This was due to a lack of monitoring by senior management, an inadequate</p>	<p>The indicators will be accurate enough for its intended use and respond to changes in the level of performance.</p>	<p>31 January 2015</p>	<p>IPED Manager</p> <p>IDP & PMS Manager</p>	<p><i>Alignment between SDBIP and IDP has been completed</i></p>

review process as well as a lack of standard operating procedures that are in line with the requirements of the FMPPi for the recording of actual achievements.				
10. Compliance with laws and regulations:				
<p><u>Strategic planning and performance management:</u></p> <p>3. The performance management system and its related controls were inadequate as it did not describe and represent the processes of the performance (planning, monitoring, measurement, review, reporting and improvement) and how it is conducted, organised and managed, as required by sections 38 of the Municipal Systems Act and regulation 7 of the Municipal Planning and Performance Management Regulations (MPPMR).</p>	<p>The performance management system and its related controls will be adequate enough to describe and represent the processes of the performance (planning, monitoring, measurement, review, reporting and improvement)</p>	<p>31 January 2015</p>	<p>IPED Manager</p> <p>IDP & PMS Manager</p>	<p><i>In Progress</i></p>
4. Measurable performance targets for the	Measurable performance targets for the financial year	31 January 2015	IPED Manager	<i>In Progress</i>

<p>financial year with regard to each of the objectives and key performance indicators were not set in the IDP, as required by section 41(1)(b) of the Municipal Systems Act, 2000 and regulation 12(1) and 12(2)(e) of Government Gazette 22605 of 2001.</p>	<p>with regard to each of the objectives and key performance indicators will be set in the IDP, as required by section 41(1)(b) of the Municipal Systems Act,</p>		<p>IDP & PMS Manager</p>	
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Attachment

Risk Register

Indigent Register