



Draft Reviewed IDP

March 2016

TABLE OF CONTENTS

ACRONYMS AND ABBREVIATION	8
MAYOR'S FOREWORD	15
MUNICIPAL MANAGER'S FOREWORD	18
1. EXECUTIVE SUMMARY	20
1.1 ESTABLISHMENT AND TYPE	20
1.2 THE ENTITY'S DOMICILE	20
1.3 LOCATION AND KEY FEATURES	20
1.3.1 LOCATION OF MALETSWAI LOCAL MUNICIPALITY	20
1.3.2 ORIGIN OF THE NAME MALETSWAI	21
1.4 STRATEGIC INTENT OF THE MALETSWAI LOCAL MUNICIPALITY	21
1.4.1 OUR VISION	21
1.4.2 OUR MISSION	22
1.4.3 OUR VALUES	22
1.5 OUR OVERARCHING STRATEGY	24
2. BACKGROUND AND LEGISLATIVE CONTEXT	29
2.1 CONSTITUTION OF THE REPUBLIC OF SOUTH AFRICA	29
2.2 PLANNING CONTEXT FOR THE 2016/17 IDP	32
2.2.1 NATIONAL PLANNING CONTEXT	32
2.2.2 MILLENNIUM DEVELOPMENT GOALS	33
2.3 PROVINCIAL PLANNING CONTEXT	34
2.3.1 ALIGNMENT OF MLM STRATEGY	34
2.3.2 LOCAL PLANNING CONTEXT	36
2.4 IDP PLANNING PROCESS	36
2.4.1 PHASES OF THE IDP	36
2.4.2 INTERNAL INSTITUTIONAL ARRANGEMENTS FOR THE IDP PROCESS	37
2.5 PROCESS OVERVIEW: STEPS AND EVENTS	39
2.5.1 IDP/BUDGET/PMS PROCESS PLAN FOR 2016/17 IDP	39
2.6 IDP STRUCTURES FOR CONSULTATION AND PARTICIPATION	45
2.6.1 PUBLIC PARTICIPATION	45
2.6.2 IDP REPRESENTATIVE FORUM	46
2.6.3 PUBLIC PARTICIPATION PROGRAMS	48
2.6.4 INVOLVEMENT OF WARD COMMITTEES AND CDWS	49
2.6.5 THE COMMUNITY BASED PLANNING	59
2.6.6 IDP ASSESSMENT RESULTS FOR 2015/16	59
2.6.7 MEC COMMENTS	60

3	SITUATIONAL ANALYSIS	64
<hr/>		
3.1	INTRODUCTION	64
3.1.1	GEOGRAPHIC LOCATION	64
3.2	DEMOGRAPHIC ANALYSIS, STATISTICAL AND WARD DATA	65
3.2.1	RATIO MALES AND FEMALES IN MALETSWAI	68
3.2.2	BREAKDOWN IN EMPLOYMENT SECTOR (15-65 YRS) IN MALETSWAI	68
3.2.3	LITERACY (20 YRS. AND OLDER)	69
3.2.4	NO OF YOUTH AGED (15-35 YRS) IN RELATION TO TOTAL POPULATION	69
3.2.5	SOCIO-ECONOMIC PROFILE	69
3.2.6	POPULATION STRUCTURE AND KEY CHARACTERISTICS	71
3.2.7	HIV AND AIDS	72
3.2.8	EDUCATION AND SKILL	73
3.2.9	HOUSEHOLD INCOME VS POVERTY LINE	74
3.2.10	EMPLOYMENT AND UNEMPLOYMENT	77
3.2.11	MEDICAL FACILITIES	78
3.2.12	SPORTFIELDS, RECREATIONAL AND COMMUNITY FACILITIES	78
3.2.13	CRIME AND GENERAL SOCIAL ISSUES	79
3.2.14	MOBILITY	80
3.3	BIOPHYSICAL ENVIRONMENTAL ANALYSIS	80
3.3.1	TOPOGRAPHY	80
3.3.2	CLIMATE	81
3.3.3	RAINFALL	81
3.3.4	SOILS	82
3.3.5	LAND COVER	84
3.4	SYNTHESIS	85
KPA 1: SPATIAL DEVELOPMENT FRAMEWORK		86
<hr/>		
4.1	STATUS OF THE SPATIAL DEVELOPMENT FRAMEWORK	90
4.1.1	SDF AND IDP	90
4.1.2	IDP, PROVINCIAL GROWTH AND DEVELOPMENT STRATEGY (PGDS) AND NATIONAL SPATIAL DEVELOPMENT PERSPECTIVE	93
4.1.3	SDF AND LAND USE MANAGEMENT SYSTEMS	94
4.2	PRIORITY SPATIAL DEVELOPMENT ISSUES	97
4.3	IMPORTANT DEVELOPMENT NODES AND CORRIDORS	98
4.4	POTENTIAL AREAS FOR INVESTMENT	99
4.5	ENVIRONMENTAL PRINCIPLES	100
KPA 2: SERVICE DELIVERY		103
<hr/>		
5.1	INTRODUCTION	103
5.2	CAPACITY TO DELIVER INFRASTRUCTURE SERVICES	103

5.3	PROJECT MANAGEMENT PLAN	104
5.4	ENVIRONMENTAL IMPACT ASSESSMENT ON CAPITAL PROJECTS	105
5.5	SERVICE DELIVERY AND INFRASTRUCTURE	105
5.5.1	WATER PROVISION	105
5.5.2	SERVICE LEVEL AGREEMENT	105
5.5.3	SANITATION PROVISION	106
5.5.4	FREE BASIC UNITS	107
5.5.5	INDIGENT STEERING COMMITTEE	108
5.5.6	SUMMARY OF INDIGENT POLICY	108
5.5.7	INDIGENT REGISTER	108
5.5.8	ROADS AND STORM-WATER	108
5.5.9	ELECTRICITY AND ENERGY	111
5.5.10	FREE BASIC ENERGY	112
5.6	SERVICE DELIVERY AND COMMUNITY SERVICES	113
5.6.1	SOLID WASTE MANAGEMENT	113
5.6.2	WASTE MANAGEMENT FORUMS	115
5.6.3	COMMUNITY CAPACITY INITIATIVES	115
5.6.4	MUNICIPAL HEALTH	115
5.6.5	DISASTER MANAGEMENT	115
5.6.6	MANAGING HIGH RISK DEVELOPMENTS	116
5.6.7	FIRE SERVICES TARIFFS	116
5.6.8	VELD AND FOREST FIRES	116
5.6.9	ENVIRONMENT MANAGEMENT: AIR QUALITY MANAGEMENT	116
5.6.10	CLIMATE CHANGE STRATEGY	117
5.7	HUMAN SETTLEMENTS	117
5.8	CONTROL OF LAND INVASION	123
5.9	LAND CLAIMS	123
5.10	LAND REVITALIZATION	123
5.11	CREDIBLE LAND AUDIT	123
5.12	GIS	123
5.13	HOUSING DEMAND	123
KPA 3: LOCAL ECONOMIC DEVELOPMENT		124
6.1	PREAMBLE:	124
6.2	LONG-TERM ECONOMIC VISION FOR MALETSWAI	124
6.3	MALETSWAI ECONOMIC PROFILE	125
6.3.1	INTRODUCTION	125
6.3.2	OVERALL ECONOMIC PERFORMANCE	125
6.3.3	SECTOR CONTRIBUTION TO GGP	126
6.3.4	SECTOR PROFILE	126
6.3.5	SYNTHESIS	135
6.4	MALETSWAI ECONOMIC POTENTIAL ANALYSIS	135
6.4.1	INTRODUCTION	135

6.4.2	ECONOMIC POTENTIAL ANALYSIS	135
6.5	LOCAL ECONOMIC DEVELOPMENT IN MALETSWAI	137
6.5.1	MALETSWAI 5 YEAR LOCAL ECONOMIC DEVELOPMENT GOALS	137
6.5.2	STRATEGIC PROGRAMMES AND PROJECTS	139
6.5.3	MUNICIPAL LED INSTITUTIONAL ARRANGEMENTS	140
6.5.4	STAKEHOLDER INVOLVEMENT IN LED ACTIVITIES	140
6.6.	BUSINESS RETENTION AND EXPANSION (BR&E)	141
6.6	JOB CREATION MECHANISMS (EPWP AND CWP)	142
6.7	ENTERPRISE DEVELOPMENT SUPPORT	143
6.8	STRATEGIC PROJECTS WITH HIGH ECONOMIC IMPACT	143
6.9	PRIORITY PROGRAMS FOR 2016-2017	144
 KPA 4: GOOD GOVERNANCE AND PUBLIC PARTICIPATION		 145
<hr/>		
7.1	POLITICAL STRUCTURE	145
7.2	SETTING OBJECTIVES AND STRATEGIES IN TERMS OF THE KEY PERFORMANCE AREAS OF THE 5-YEAR LOCAL GOVERNMENT STRATEGIC AGENDA	147
7.3	MAINSTREAMING OF SPECIAL GROUPS	149
7.3.1	HIV AND AIDS	149
7.3.2	INTER-GOVERNMENTAL RELATIONS	150
7.3.3	INTER-MUNICIPAL PLANNING PROGRAMS	151
7.3.4	COMPLAINTS MANAGEMENT SYSTEM	151
7.3.5	SOCIAL COHESION	152
7.3.6	ANTI –FRAUD AND CORRUPTION STRATEGY	152
7.3.7	COMMUNICATION STRATEGY	152
7.3.8	SECTOR PLANS	153
7.4	COMMUNITY BASED PLANNING IN MALETSWAI	153
 KPA 5: FINANCIAL VIABILITY		 158
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8.1	SYNOPSIS	158
8.2	2 – 3 YEAR FORECAST	160
8.3	3 YEAR BUDGET TABLES	167
8.3.1	CASH FLOWS	172
8.4	FINANCIAL PERFORMANCE ALIGNMENT OF THE ANNUAL BUDGET WITH THE INTEGRATED DEVELOPMENT PLAN, PERFORMANCE OBJECTIVES AND FINANCIAL INDICATORS.	173
8.5	OVERVIEW OF BUDGET RELATED POLICIES	175
8.5.1	BY-LAWS PUBLISHED IN THE GOVERNMENT GAZETTE OF 31 OCTOBER 2008, No.1997	178
8.5.2	PROPERTY RATES	178
8.5.3	SUPPLY CHAIN MANAGEMENT	178
8.5.4	TURNOVER RATE OF THE CREDITORS AND PROCUREMENT	178
8.5.5	GRAP COMPLIANT ASSET REGISTER.	179
8.6	OVERVIEW OF BUDGET ASSUMPTIONS	179

8.7	OVERVIEW OF BUDGET FUNDING	184
8.7.1	FUNDING THE BUDGET	184
8.7.2	A CREDIBLE BUDGET	184
8.8	FISCAL OVERVIEW OF MALETSWAI MUNICIPALITY	185
8.8.1	LONG TERM FINANCIAL PLANNING	186
8.8.2	SOURCES OF FUNDING	186
8.5.3	CONTRIBUTIONS AND DONATIONS	186
8.5.4	SALE OF ASSETS	187
8.5.5	BORROWING	187
8.6	EXPENDITURE ON ALLOCATIONS AND GRANT PROGRAMMES	187
8.6.4	GRANT ALLOCATIONS	187
8.7	REVENUE ENHANCEMENT STRATEGY	195
8.7.1	PROPOSAL	197
8.7.2	INTERNAL CONTROL	198
8.7.3	AUDIT FILE AND FILING	198
8.7.4	ANTI-FRAUD AND CORRUPTION	198
8.7.5	RISK MANAGEMENT	198
8.7.6	MUNICIPAL PUBLIC ACCOUNT COMMITTEE (MPAC)	199
8.8	AUDIT	199
8.8.1	AUDIT COMMITTEE	199
8.8.2	AUDIT OPINIONS BY THE AUDITOR GENERAL	200
8.9	AUDIT ACTION PLAN 2014/ 15	201
8.10	FINANCIAL TURN AROUND PLAN/ FINANCIAL RECOVERY PLAN	215
 KPA 6: INSTITUTIONAL ANALYSIS		 226
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9.1	POWERS AND FUNCTIONS	226
9.1.1	THE FUNCTIONS OF THE MUNICIPALITY ARE LISTED IN THE TABLE BELOW	226
9.2	ADMINISTRATION OF MALETSWAI	228
9.3	CORPORATE ADMINISTRATION	228
9.3.1	MANAGEMENT STRUCTURES AND SYSTEMS	228
9.4	INSTITUTIONAL ANALYSIS	229
9.5	CASUAL OR CONTRACT WORKERS	230
9.6	INFORMATION TECHNOLOGY AND RECORD MANAGEMENT	232
9.7	HUMAN RESOURCE MANAGEMENT	232
9.7.1	HUMAN RESOURCE STRATEGY AND POLICIES	232
9.7.2	HUMAN RESOURCE POLICIES	232
9.8	CODE OF CONDUCT FOR EMPLOYEES	233
9.9	LOCAL LABOUR FORUMS	233
9.10	RECRUITMENT AND SELECTION POLICY AND PROCEDURE	234
9.11	EMPLOYEE ASSISTANCE PROGRAM	234
9.12	SUCCESSION PLANNING AND CAREER PATHING	234
9.13	EMPLOYMENT EQUITY PLAN	235
9.14	SKILLS DEVELOPMENT	235

9.15 CAPACITY CHALLENGES	236
9.15.1 TRAINING PLANS	236
ORGANISATIONAL PERFORMANCE MANAGEMENT SYSTEMS	237
10.1 SYNOPSIS	237
10.2 PERFORMANCE MANAGEMENT SYSTEMS	237
10.2.1 SCORECARDS	238
10.3 LEGISLATIVE FRAMEWORK FOR PERFORMANCE MANAGEMENT	239
10.4 MONITORING AND REVIEW	241
10.5 THE LEGAL CONTEXT FOR PERFORMANCE MANAGEMENT AND IDP ANNUAL REVIEW	244
10.6 MONITORING, EVALUATION AND REVIEW OF IDPS	247
11.1 PROJECT REGISTER AND IMPLEMENTATION	250
11.1.1 FUNDED PROJECT REGISTER: MUNICIPAL CAPITAL BUDGET	250
11.2 REGISTRATION OF EXTERNAL PROJECTS	252
12.1 STRATEGIC GOALS, OBJECTIVES AND PERFORMANCE INDICATORS	263
KPA 1: MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT	263
KPA 2: BASIC SERVICE DELIVERY	266
KPA 3: LOCAL ECONOMIC DEVELOPMENT	268
KPA 4: FINANCIAL MANAGEMENT AND VIABILITY	270
KPA 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION	273
12.2 ANNEXURES	277
1. ANNEXURE A - DEMAND FOR ECONOMIC & SOCIAL INFRASTRUCTURE	278
2. ANNEXURE B - PROJECT MANAGEMENT PLAN FOR MIG GRANT	278
3. ANNEXURE C - SERVICE LEVEL AGREEMENT	278
4. ANNEXURE D - ROADS MASTER PLAN	278
5. ANNEXURE E - ELECTRICITY MASTER PLAN	278
6. ANNEXURE F - PERMITS TO OPERATE LANDFILL SITES	278
7. ANNEXURE G - SUMMARY OF WARD BASED PLANS	278
8. ANNEXURE H - ORGANOGRAM 2015/16	278

ACRONYMS AND ABBREVIATION

A/A: Administrative Area

ABET: Adult Basic Education and Training

AG: Auditor General

ART: antiretroviral treatment

ARV: antiretroviral

AsgiSA: Accelerated and Shared Growth Initiative

BBBEE: Broad-based Black economic empowerment

CASP: Comprehensive Agricultural Support Programme

CBO: community-based organization

CBP: Community-Based Planning

CIDB: Construction Industries Development Board

CLARA: Community Land Rights Act

CLO: community liaison officer

CoGTA: Cooperative Governance and Traditional Affairs

CTO: Community Tourism Organisation

DEAET: Directorate of Economic Affairs Environment and Tourism

DEAT: Directorate of Environmental Affairs and Tourism

DEDEA: Directorate of Economic Development and Environmental Affairs

DLA: Directorate of Land Affairs

DHLGTA: Directorate of Housing, Local Government & Traditional Affairs

DM: District Municipality

DoA: Directorate of Agriculture

DoE: Directorate of Education

DORA: Division of Revenue Act

DoRT: Directorate of Roads and Transport

DPLG: Directorate of Provincial and Local Government

DME: Directorate of Minerals and Energy

DPW: Directorate of Public Works

DoSD: Directorate of Social Development

DSRAC: Directorate of Sports, Recreation, Arts & Culture

DTI: Directorate of Trade and Industry

DTO: District Tourism Organisation

DWAF: Directorate of Water Affairs and Forestry

ECDC: Eastern Cape Development Corporation

ECDoH: Eastern Cape Directorate of Health

ECSECC: Eastern Cape Socio Economic Consultative Council

ECTB: Eastern Cape Tourism Board

ECPB: Eastern Cape Parks Board

EIA: Environmental Impact Assessment

EPWP: Expanded Public Works Programme

ESTA: Extension of Security of Tenure Act

EU: European Union

GGP: Gross Geographic Product

GRAP: General Regulations on Accounting Practice

HCW: Health care worker

HDI: Human Development Index

HR: Human Resources

ICASA: Information & Communications

ICT: Information and Communication Technologies

IDP: Integrated Development Plan

IDT: Independent Development Trust

IGR: Intergovernmental Relations

IMATU: Trade Union

ISETT: Information Systems, Electronics and Telecommunications Technologies

ISRDP: Integrated and Sustainable Rural Development Programme

IWMP: Integrated Waste Management Plan

JIPSA: Joint Initiative on Skills Acquisition

JGDM: Joe Gqabi District Municipality

KPI: Key Performance Indicator

LED: Local Economic Development

LM: Local Municipality

LRAD: Land Redistribution and Agricultural Development

LUPO: Land-use planning ordinance

LTO: Local Tourism Organisation

MAFISA: Agriculture Microcredit Fund

M&E: Monitoring & Evaluation

MFMA: Municipal Finance & Management Act

MHS: Municipal Health Services

MIG: Municipal Infrastructure Grant

MLM: Maletswai Local Municipality

MPRA: Municipal Property Rates Act

MoU: Memorandum of Understanding

MTEF: Medium Term Expenditure Framework

NAFCOC: National African Federation of Chambers of Commerce

NEMA: National Environmental Management Act

NSDP: National Spatial Development Perspective

OTP: Office of the Premier

PDI: Previously Disadvantaged Individual

PGDP: Provincial Growth and Development Plan

PHC: Primary Healthcare

PIMSS: Planning and Implementation Management Support Service

PMS: Performance Management System

PMTCT: Prevention of Mother to Child Transmission

PPP: Public-Private Partnership

RDP: Reconstruction and Development Plan

RSS: Rapid Services Survey (conducted by Fort Hare for the Office of the Premier in 2006)

SACOB: South African Chamber of Business

SAHRA: South African Heritage Resources Agency

SALGA: South African Local Government Association

SAMAF: South African Microcredit Apex Fund

SANRA: South African National Roads Agency

SAPS: South African Police Services

SAWEN: South African Women's Entrepreneurship Network

SCM: Supply Chain Management

SDBIP: Service Delivery and Budget Implementation Plan

SDF: Spatial Development Framework

SEDA: Small Enterprises Development Agency

SETA: Sector Education and Training Authority

SLA: Service Level Agreement

SMME: Small, Medium & Micro Enterprises

SPU: Special Programmes Unit

TEP: Tourism Education Programme

TB: tuberculosis

THETA: Tourism & Hospitality Education & Training Authority

UFH: University of Fort Hare

UPE: Universal Primary Education

VCT: Voluntary Counselling & Testing

WSDP: Water Sector Development Plan

MAYOR'S FOREWORD



FOREWORD: CLLR N.S. MATHETHA, MAYOR

It gives me great pleasure to present the Draft Integrated Development Plan (IDP) for the 2016/17 financial year.

This particular IDP is more significant in nature in that it is the last one under Maletswai Local Municipality. In a few months we will be headed for Local Government Elections wherein leaders of the new municipality, Walter Sisulu Municipality, which will be realised through the amalgamation of Maletswai Local Municipality with Gariiep Local Municipality, will be elected.

As we conclude this chapter and bring to a close the 16-year lifespan of Maletswai Local Municipality, it is a bitter sweet moment. It is the former because it is always a challenge to let go of what you have gotten accustomed to. To let go of something you built from the ground up. However, it is also the latter because though it has not been easy sailing, we take comfort in knowing that we have accomplished our

mandate of bringing services closer to the people and that of continuously striving towards a better life for all.

This feat would not have been possible without the cooperation of the people of Maletswai and all stakeholders at large. In the same breath, this by no means alludes to us having fulfilled each and every one of the people's needs, but rather attests to the fact that although a lot still needs be done, a great deal has been achieved over the years of Maletswai's existence.

Integrated Development Planning is a central process in local government in that it drives processes to ensure service delivery to residents of municipalities. It has been developed as a consolidated Municipal-wide planning tool that provides a framework for the planning of future development in a municipality. Moreover, it ensures horizontal and vertical co-ordination and integration across the three spheres of government: National, Provincial and Local. In addition, Integrated Development Planning drives community participation in local planning processes.

The success and effectiveness of our IDP process over the years has been as a result of the unrelenting dedication the community of Maletswai Municipality and the stakeholders have shown by taking part in and advantage of the participatory government channels at their disposal. Their attendance of each Mayoral Imbizo, each stakeholder engagement and municipal outreaches did not go unnoticed, as well as their contribution to our other public participation initiatives.

As in our previous IDPs, we are again proud to announce that our IDP remains the strategic driver of both our budget and our performance management system. In this way, our strategy drives real development and civil society can measure us against targets that are based on strategic IDP programmes.

As we head towards a new era under a new municipal entity, which will cover a more vast area. I want to reassure our community that their needs will continue to be catered for in the same manner we have done over the years. Communities will continue to be consulted on their needs through the IDP process. In conclusion, I

hereby invite and encourage every resident, every business, every community and non-governmental organisation to take this opportunity to read and engage with and provide feedback to us on our IDP. Your feedback in this regard is highly anticipated and will be much appreciated.

Together moving South Africa forward!

Councillor N.S MATHETHA
Honourable Mayor

MUNICIPAL MANAGER'S FOREWORD



FOREWORD: M. P. NONJOLA, MUNICIPAL MANAGER

It is my pleasure once again on behalf of administration [as an accounting officer], to present the executive summary of the 2016/2017 Draft Integrated Development Plan to the public, communities and stakeholders.

The past five years of Council has been both challenging and a learning period for administration in relation to the processes of the IDP. It is our firm belief that our IDP is improving every year. For the past years, not only has the IDP received high rating but also the role and involvement of the ward committees in the affairs of the municipality has improved substantially. The 2015/16 IDP draws largely from the vision 2028 that the Council is currently fashioning. In the next 15 years the Council has prioritised development and enhancement of the capacity of the Human Capital, Revenue base expansion, infrastructure and economic growth and development.

We still affirm in line with the Constitution of the Republic of South Africa 1996, the Municipal System Act 2000 (Act 32 of 2000) and the Municipal Financial Management Act 2003 (Act 56 of 2003), that the IDP remains a strategic planning instrument that guides both the planning and budgeting in our municipality. We appeal to all officials to give due respect and commitment to the processes of the IDP, Budget and PMS in order to conform to the laws of our country. As

administration, we will continue to strive for alignment of the IDP, Budget and PMS in line with the relevant legislations and national expectations.

We are calling upon all officials to commit them in making sure that the priorities of Council and our people's dreams and aspirations are realized at the end of our financial year in June 2016.

We have therefore put more efforts during the Analysis Phase to ensure that more information is gathered about the current status quo within our municipality in order to respond correctly to the challenges we face. It is therefore our considered view that we will be able to deliver a much more improved, credible and final 2015/2016 IDP to our community.

M.P NONJOLA
MUNICIPAL MANAGER

CHAPTER 1

1. EXECUTIVE SUMMARY

1.1 ESTABLISHMENT AND TYPE

Maletswai Local Municipality is a third sphere of government established in terms of the following:

- Section 151 of the Constitution of the Republic of South Africa, 1996
- Chapter 2, section 12 of the Municipal Structures Act, 1998
- Eastern Cape Province Government Gazette Extraordinary General Notice 687, 2000.

1.2 THE ENTITY'S DOMICILE

Corner Barkly and Somerset Street

Private Bag x10111

Aliwal North

9750

1.3 LOCATION AND KEY FEATURES

1.3.1 Location of Maletswai Local Municipality

The Maletswai Local Municipality (M.L.M) is situated in the Joe Gqabi District of the Eastern Cape Province in the Republic of South Africa. It lies to South of the Free State Province and is bordered by Senqu Local Municipality to the East, Gariep Local Municipality to the West and the Chris Hani District Municipality to the South. The primary town in the District is Aliwal North which serves as the economic hub for both the Maletswai Local Municipality and the District as a whole. A second significant town in the L.M is Jamestown.

1.3.2 Origin of the name Maletswai

This area used to form part of what was known as Basotoland (Lesotho) before settlers arrived and King Moshoeshoe and his people were forced to move and settle in the area now called Lesotho. The areas of Queenstown, Aliwal North, Sterkspruit, Rouxville, Smithfield and Zastron were part of Basotholand under the management of Chief Komane (one of King Moshoeshoe's trusted lieutenants) and after whom the area of Komani (Queenstown) was named after. The name Maletswai (original wording being Mmaletswai) is derived from two (2) natural inspirations:

1. Salty waters (metsi a letswai) with medicinal properties found in a no man's land turned to a farm and later bought by the municipality in the late 1850's to develop the Aliwal Spa Holiday Resort in the early 1860's.
2. Red ants common to this area and salty when licked were named bo-Mmaletswai-tswai (salty salty ants) by indigenous settlers.

1.4 STRATEGIC INTENT OF THE MALETSWAI LOCAL MUNICIPALITY

1.4.1 Our Vision

A vision is a compelling picture of the future. It involves the heart and minds of the employees of the municipality and its people to motivate them towards co-operation to create a perfect picture. The municipality's vision is clear and it stipulates:

“To be a leading economic hub, tourist destination and an ideal place to live, work and play”

This vision is underpinned by the following pillars:

- Infrastructure Development
- Economic Development
- Integrated Planning
- Human Capital
- Revenue Enhancement

1.4.2 Our Mission

Our mission is “***to improve the quality of life for all Citizens.***”

As a municipality our mission is a practical expression of our vision and the articulation of our mandate as a local municipality. Maletswai municipality will give credence and effect to its Vision statement through the following outcomes- based commitments:

- Providing and maintaining quality services,
- Promoting socio-economic development,
- Maximizing stakeholders management and cooperation

1.4.3 Our Values

Values are acceptable standards, norms and behaviours that guide plans and actions of everybody in the municipality as an organisation and give it its identity and unique character. The municipality recognises that its success in realising Vision 2028 depends entirely in its ability to mobilise the entire family of the municipality to act as one and be inspired by solid values.

In all our work and engagements, we subscribe to the following values:

- **Passion**
- **Excellence and**
- **Partnership**

They are abbreviated as **PEP**.

Passion and a commitment to serve our stakeholders with distinction;

Our Councilor’s will become the ambassadors and the personification of the municipality’s commitment and dedication to serving. Through their interface with the community, the leadership and staff of the municipality, they will always demonstrate willingness to help and to go an extra mile in ensuring that all formers’ concerns are addressed enthusiastically and amicably;

Our management will inspire the staff and lead them through words and deeds in placing the interests of the public above everything;

Our staff in all of their myriad and varied duties will carry the flame of passion and dedication to all the corners of the municipality. They will answer questions enthusiastically, take responsibility for helping residents and customers by endeavoring to solve their problems and referring them to their colleagues where they can't and generally being helpful at all times.

The pursuit of **Excellence** in everything we do,

Our Council will live up to the expectation of being the legislative body of the municipality, the keepers of good governance and the ultimate accountable authority for all municipal business. This they will do by clearly understanding and distinguishing their roles and responsibilities from those of the administrator and carry them to the best of their abilities as well ensuring that quality, timeous and equitable services are delivered to all the wards and stakeholders of the municipality.

Our managers are catalysis for excellence, they will create all the condition necessary for the staff to thrive and reach their fullest potential in a high performing environment. Investment in the human capital of the municipality will be first and foremost in their minds and they will ensure that all the staff are exposed to equal opportunities for personal development;

Our staff will become an embodiment of excellence and everything it stands for. Whilst enjoying their work and environment, they will be expected to be productive, disciplined and professional in everything they do. It will be expected of them to be fully accountable for what they do and the results thereof.

A recognition that **Partnerships** with all the stakeholders in the broader municipality is a main driver of everything we plan and do and gives expressions to the objects of local government as expressed in the constitution of the Republic; section 152 subsection (1) (a) "to provide democratic and accountable government for local communities", and (e) "to encourage the involvement of communities and community organizations in the matters of local government"

Our Council, will take all the necessary steps to institutionalise partnerships (including through the creation of appropriate structures, policies and systems) with all our stakeholders within the municipalities and beyond. We will endeavor to take

full responsibility for our part in ensuring sound Inter-Governmental Relations (IGR) between the municipalities and its partners with other spheres of the government in the district, province and nationally. Our Councilors will be guided by policy as well by their intuition in their interaction with the members of the public and will always be informed by the spirit of Vision 2028;

Our managers will focus on building institutional capacity for the municipality's sustainable partnership building and provide strategic support services to the Council and Councilors in the course of their duties;

At the lowest level of service, will be a partnership between an individual employee of the municipality and a resident or customer wanting services from the municipality. This partnership will be a key to our success in building a caring municipality. As such, it will always be expected of all staff of the municipality to treat every encounter with residents and customers as a unique opportunity to extend our partnership with them.

The municipality realise that the success of these values will come with investing in on-going interaction and capacity building of all in the Maletswai Municipality family. That said it is important to underscore the fact that the municipality expects total alignment and the living of these values, from its all councilors, managers and employees.

Ultimately, our PEP values supports and are inspired by the Principles of ***Batho Pele*** with their emphasis on creating a caring and responsive government.

1.5 OUR OVERARCHING STRATEGY

To achieve our vision we believe that we should pursue five broad Strategic Pillars. The Maletswai strategic pillars are closely aligned with the Key Performance Areas (KPA's) of the Directorate of Cooperative Governance and Traditional Affairs (COGTA). COGTA has identified Key Performance Areas (KPA's) whereby the National Strategic Agenda can be implemented and monitored on a provincial level, as well as, on a local governmental level. Of the critical importance for the municipality will be to link its strategic plan to the Strategic Agenda of National Government. The strategic objectives of Maletswai Local Municipality are linked to

the five KPA's as stipulated by COGTA. The municipality has also managed to maintain a high level alignment and linkages between its programmes and those of the National and provincial government. The twelve (12) outcomes as well as the National Development Plan (2030) of government have also been taken into account.

Maletswai Strategic focus areas	Role of Maletswai local Municipality	12 Priority Outcomes	National Development Plan (2030)
Infrastructure development	<p>(i).The eradication of the current infrastructure maintenance backlogs including the rehabilitation of the bulk services infrastructure (water, sewer, storm water drainage, electricity) through the implementation of a qualitative and pro- active maintenance strategy.</p> <p>(ii).Surfacing (tar or paving) of all existing roads in all the six wards of the municipality by 2028.</p> <p>(iii).A massive upgrade of the municipality's bulk services (water, sewer and electricity) based on a new master plan to support Vision 2028.</p> <p>(iv).Through partnerships and strategic alliance we will facilitate the improvement of the transportation networks (including the revival of the rail system) throughout the district as a key element of investor attraction to the municipality and the district.</p>	<p>Outcome 6: An efficient, competitive and responsive economic infrastructure network.</p>	Expanding infrastructure

Maletswai Strategic focus areas	Role of Maletswai local Municipality	12 Priority Outcomes	National Development Plan (2030)
	<p>(v).To develops a strategic approach to the development and maintenance of the public amenities infrastructure to undo the structural imbalances of the past and ensure all residents of the municipality enjoy life within their neighbourhoods.</p>		
Economic Development	<p>(i).To develops the Maletswai L.M into a Regional Business Centre capable of serving the District, the neighbouring towns in the Eastern Cape and Free State Provinces by 2025.</p> <p>(ii).To attracts at least 10 local and international investments in the sectors of manufacturing, tourism, agriculture and their subsidiary sub-sectors by the year 2028.</p> <p>(iii).The restoration of Aliwal North as a tourist destination of choice capable of competing with the best in the country.</p> <p>(iv)To establish the municipality as Conference destination of choice.</p> <p>(v).To facilitates the revival of Agriculture as a key economic sector in the province.</p> <p>(vi).To reduces the level</p>	Outcome 4: Decent employment through inclusive economic growth	Creating jobs and livelihoods

Maletswai Strategic focus areas	Role of Maletswai local Municipality	12 Priority Outcomes	National Development Plan (2030)
	of unemployment by 90% by the year 2028.		
Integrated Planning	<p>(i).To creates a fully-fledged multidisciplinary planning capability within the municipality that will provide the much needed capacity for integrated planning by 2017.</p> <p>(ii).To develop an integrated master plan (complete with land use and spatial infrastructure plans) that is based on and strategically and holistically addresses all the municipality's long term development needs to deliver vision 2028.</p> <p>(iii).To acquires suitable land for Municipality's expansion based on a well-developed Master Plan to accommodate Vision 2028.</p> <p>(iv).To build solid partnerships and alliances with strategic partners in government, State Owned Enterprises (SOE) and the private sector to leverage the many possibilities that are available in the country and globally in pursuit of all our developmental goals and vision 2028.</p>	<p>Outcome 8: Sustainable human settlements and improved quality of household life.</p>	Transforming urban and rural spaces
Human Capital	(i).Through partnerships with other stakeholders we will strive towards the	Outcome 1: Improve Quality basic education	Improving education and training

Maletswai Strategic focus areas	Role of Maletswai local Municipality	12 Priority Outcomes	National Development Plan (2030)
	<p>existence of a world class tertiary institution focussed on addressing the scarce skills in key engineering sectors necessary to speed up the economic growth of our District.</p> <p>(ii).To improves the human capital inside Maletswai Municipality to world class level as precursor to realisation of vision 2028.</p>	<p>Outcome 5: Skilled and capable workforce to support an inclusive growth path</p>	
Revenue Enhancement	<p>(i).We will strive to improve the municipality's revenue generation efforts to cover 100% of the current budget by the year to the year 2019 and to ensure sustained revenue enhancement to support future development trajectory up to and beyond 2028.</p> <p>(ii).To ensures the municipality is 100% compliant with all governance and statutory requirements by 2019.</p>	<p>Outcome 9: A responsive, accountable, effective and efficient Local government system</p>	Fighting corruption and enhancing accountability

Table 1: Strategic Objectives and Key Performance Areas.

CHAPTER 2

2. BACKGROUND AND LEGISLATIVE CONTEXT

2.1 CONSTITUTION OF THE REPUBLIC OF SOUTH AFRICA

Section 151 of the Constitution of the Republic of South Africa provides a legal status of municipalities as thus:

- The local sphere of government consists of municipalities, which must be established for the whole of the Republic.
- The executive and legislative authority of a municipality is vested in the Municipal Council.
- A municipality has the right to govern, on its own initiative, the local government affairs of its community, subject to national and provincial legislation, as provided for in the Constitution.
- The national or a provincial government may not compromise or impede a municipality's ability or right to exercise its powers or perform its functions.

Section 152 also provides the objects of local government as thus:

- The objects of local government are –
 - to provide democratic and accountable government for local communities;
 - to ensure the provisions of services to communities in a sustainable manner;
 - to provide social and economic development;
 - to promote a safe and healthy environment; and
 - to encourage the involvement of communities and community organizations in matters of local government.

- A municipality must strive, within its financial and administrative capacity, to achieve the objects set out in subsection (1) of the Constitution of the Republic of South Africa.

Section 153 provides for developmental duties of municipalities as thus:

- Structure and manage its administrative and budgeting and planning processes to give priority to basic needs of the community, and to promote the social and economic development of the community; and
- Participate in national and provincial development programmes.

Other legislative guidelines for Developmental Local Government include:

- White Paper on Local Government, 1998
- Municipal Demarcation Act, 1998

- Municipal Structures Act, 1998 (Amendment, 2000)
- Municipal Systems Act, 2000 regulates core municipal systems
- National Environment Management Act, 1998
- Water Services Act, 1997
- Municipal Finance Management Act, 2003

2.2 Planning Context for the 2016/17 IDP

2.2.1 National Planning Context

Maletswai Local Municipality take cognisance of the essential challenges facing the country as a whole and the electoral mandate for the next coming years. In his State of the Nation Address, on 12 February 2016 the president of the Republic of South Africa identified the following five priority areas:

- Creation of decent work and sustainable livelihoods;
- Education;
- Health;
- Rural development, food security and Land Reform; and
- The fight against crime and corruption.

These 5 priorities of the ruling party were cascaded into a Medium Term Strategic Framework (MTSF) which is aimed at translating the electoral mandate into a clear and time-bound government delivery programme. The MTSF is a statement of intent identifying the developmental challenges facing the country and outlining the medium-term strategy for improvements. The MTSF identified 10 priorities which are as follows:

- Speed up economic growth and transform the economy to create decent work and sustainable livelihoods
- Massive programmes to build economic and social infrastructure
- A comprehensive rural development strategy linked to land and agrarian reform and food security
- Strengthen the skills and human resource base
- Improve the health profile of society
- Intensify the fight against crime and corruption

- Build cohesive, caring and sustainable communities
- Pursue regional development, African advancement and enhanced international cooperation
- Sustainable resource management and use
- Building a developmental state, including improving of public services and strengthening democratic institutions.

Alignment of national programmes and municipal plans becomes very paramount. Closer interaction and cooperation between the three spheres of government is critical during the planning processes.

2.2.2 Millennium Development Goals

The Millennium Declaration signed by world leaders of 189 countries in 2000, established 2015 as the deadline for achieving most of the millennium development goals. South Africa adopted vision 2014, which is derived directly from the United Nations Millennium Goals. Vision 2014 outlined the following:

- Reduce unemployment by half through new jobs, skills development, assistance to small businesses, opportunities for self-employment and sustainable community livelihoods.
- Reduce poverty by half through economic development, comprehensive social security, land reform and improved household and community assets.
- Provide the skills required by the economy, build capacity and provide resources across society to encourage self – employment with an education system that is geared for productive work, good citizenship and a caring society.
- Ensure that all South Africans, including, especially the poor and those at risk – children, youth, women, the aged and people with disabilities – are fully able to exercise their constitutional rights and enjoy the full dignity of freedom.
- Compassionate government services to the people, national, provincial and local public representatives who are accessible, and citizens who know their rights and insist on fair treatment and efficient service.
- Massively reduce the cases of TB, Diabetes, malnutrition and maternal deaths and turn the tide against HIV and AIDS, and working with the rest of Southern

Africa, strive to eliminate malaria, and improve services to achieve a better national health profile and reduction of preventable causes of death, including violent crime and road accidents.

- Significantly reduce the number of serious and priority crimes as well as cases awaiting trial, with a society that actively challenges crime and corruption, and with programmes that also address the social roots of criminality.
- Position South Africa strategically as an effective force in global relations, with vibrant and balanced trade and other relations with countries of the South and the North, and in an Africa that is growing, prosperous and benefiting all Africans, especially the poor.

2.3 Provincial Planning Context

After the April 2009 General elections, Eastern Cape Provincial embarked on a process to align the growth and development directions to conform to the objectives and priorities of the manifesto of the ruling party. The Provincial Strategic Framework (PSF) was endorsed by the Provincial Executive in June 2009. The PSF is a high level medium term strategic framework that responds to the provincial challenges by translating the electoral mandate into a government programmes – furthermore, it allows for the cascading of the current national MTSF into the province.

In the context of planning in the province, the PSF is a strategic framework that unpacks the strategic objectives, priorities of an electoral term. The PSF [also] have links to other planning instruments, which include the Provincial Growth and Development Plan (PGDP) and the Programme of Action. The PGDP is a blue-print which focuses on a longer term vision of the province. The PSF priorities are aligned with the Maletswai strategic pillars in the table that follows:

2.3.1 Alignment of MLM Strategy

7 Key Outputs of Outcome 9 (KNSPI)	Provincial Strategic Frame (PSF)	MLM Strategic Pillars
1. Implement a differentiated approach to	- Priority programme	2- Massive to build
		Strategic pillar 3 – Integrated Planning

7 Key Outputs of Outcome 9 (KNSPI)	Provincial Strategic Frame (PSF)	MLM Strategic Pillars
municipal financing, planning & support	social and economic infrastructure	
2.Improving access to basic services	-	Strategic Pillar 1 – Infrastructure development
3.Implementation of the Community Works Programme	-	-
4.Actions supportive of the human settlement outcomes	- Priority 8 – Building cohesive, caring and sustainable communities	-
5.Deepen democracy through a refined Ward Committee model	Priority 7 Build a developmental state and improving the public services, and strengthening democratic institutions	-
6.Administrative and financial capability	-	-Strategic Pillar 5 Revenue Enhancement
7.Single window of coordination	-	-
	-Priority 1 Speeding up growth and transforming the economy to create decent work and sustainable livelihoods.	-Strategic Pillar 2 Economic development
	-Priority 3 – Rural development, land and Agrarian Reform and food security.	
	-Priority 4 – Strengthen education, skills and human resource base.	Strategic Pillar 4 – Human capital
	-Priority 5 – Improving the Health profile of the Province.	
	-Priority 6- Intensifying the fight against crime and corruption.	

Table 3: Alignment of MLM Strategy

Consideration will have to be given to the above provincial strategic framework priorities throughout Maletswai Local Municipality's IDP Processes.

2.3.2 Local Planning Context

At local level, a number of fundamental issues impact on the planning process of the Maletswai Local Municipality. The National priorities, National Planning Commission (NPC), ASGISA, PSF, and District Growth and Development Summit are the key plans to be considered by the municipality in the process of planning. Community Based Planning (CBP) is also going to be very important tool towards enhancing community participation in the 2016/2017 IDP Process.

2.4 IDP PLANNING PROCESS

2.4.1 Phases of the IDP

PHASE 0: PLANNING
During Phase 0 of the IDP the municipality have to develop an IDP Process Plan that is in line with the District IDP Framework. All organisational arrangements for the development of the IDP should be put in place during this phase.
PHASE 1: ANALYSIS
The Analysis phase is aimed at establishing the current developmental status of the municipal area. This will be done by comparing community needs with statistical information that is available to be able to identify priority areas, jointly with community.
PHASE 2: STRATEGIES
During the Strategies phase the developmental priorities of identified priorities during the analysis are used as the basis for developing a vision and a mission for the municipality. Thereafter strategic objectives and strategies are developed to ensure that the vision is achieved.
PHASE 3: PROJECTS
During the Projects phase projects are identified in line with the strategies developed during phase 2. These projects have to be prioritised.
PHASE 4: INTEGRATION
During the integration phase all sector plans and programmes are developed e.g.

Spatial Development Framework, Housing Sector Plan *etc.* Only summaries of these plans are included in the IDP document.

PHASE 5: APPROVAL

During the approval phase of the IDP, the IDP document has to be advertised for 21days to enable all stakeholders and members of the public to give inputs – thereafter, the IDP has to be adopted by council before the commencement of the new financial year.

Table 4: Phases of the IDP

2.4.2 Internal Institutional Arrangements for the IDP Process

	Composition	Responsibilities
Council	All Councillors	<ul style="list-style-type: none"> - Final Decision Making in terms of approval - Approval of the Reviewed IDP/PMS and Budget - Consider and approve Process Plan - Approval of budget calendar - Ensure conclusion of management performance agreements
Mayor		<ul style="list-style-type: none"> - Ensure that IDP is reviewed annually, and that issues raised by communities find expression in the IDP and re given necessary attention and consideration
Municipal Manager		<ul style="list-style-type: none"> - Preparation of the Process plan - Undertaking the overall management and coordination of the planning process ensuring that (participation and involvement of all different role players; time frames are adhered to; conditions for participation are provided and results of the planning and IDP review process are documented)

	Composition	Responsibilities
		<ul style="list-style-type: none"> - Nominating persons in charge of different roles - Adjusting the IDP in according with proposals from the MEC for local Government and Traditional Affairs - Responding to comments on the draft IDP from the public and other spheres of Government to the satisfaction of the municipal Council - Chairing the IDP Steering Committee
IDP & PMS Coordinator		<ul style="list-style-type: none"> - Day to day management of the IDP and PMS Process - Ensure that the contents of the IDP and PMS satisfy the legal requirements and the requirement of the District Framework - Consolidate inputs from various stakeholders to the IDP
Managers and Heads of Directorates		<ul style="list-style-type: none"> - Managers, with the assistance of officials, will be responsible for coordination and submission of Directorate inputs for all phases of the IDP and PMS - Reporting progress with regard to project implementation - Provision of relevant technical and financial information for budget preparation
IDP/BUDGET/PMS Steering Committee	Municipal Manager (Chair); Corporate	<ul style="list-style-type: none"> - Serve a s working committee of the IDP, PMS and Budget - Ensure integration between the IDP, PMS and Budget by adhering to

	Composition	Responsibilities
	Services Manager; Community Services Manager; Chief Financial Officer; Technical Services Manager; Budget and Treasury Manager; Unit Manager Jamestown; LED Coordinator; IDP/PMS Coordinator; Council Support (Secretariat)	process Plan - Ensure alignment with Provincial Government and District Municipality Plans.

Table 5: Institutional Arrangements of the IDP

2.5 PROCESS OVERVIEW: STEPS AND EVENTS

2.5.1 IDP/Budget/PMS Process Plan for 2016/17 IDP

The municipality adopted a process plan on the 20 August 2016 in terms of Council. This process plan is in line with the District IDP Framework of Joe Gqabi Municipality.

PLANNING PHASE

ACTIVITIES	TIMEFRAME	DEADLINE
Planning process for the next three year budget	July 2015	30 August

ACTIVITIES	TIMEFRAME	DEADLINE
		2015
Reviewal of previous year's budget process and complete Budget Evaluation Checklist (BEC)	October 2015	12 October 2015
Compile and table in council Schedule of Key deadlines for: <ul style="list-style-type: none"> ➤ Preparing, tabling & approving of the budget ➤ Reviewing the IDP ➤ Reviewing budget related policies ➤ Consultation processes 	August 2015	30 September 2014
Publish & make known simplified version of Schedule of Key Deadlines.	September 2015	07 October 2014
Identify, review options & contracts for Service Delivery agreements and entities	November 2015	02 November 2014
Identify & establish Committees & consultation forums for budget process	September 2015	31 October 2014
Publish & make known the composition of committees & consultation forums	November 2015	30 November 2014

STRATEGIES

ACTIVITIES	TIMEFRAME	DEADLINE
Review IDP to determine strategic objectives for service delivery and development for the next three years budgets	February 2016	28 February 2016
Review of provincial & national government sector & strategic plans	March 2016	12 May 2016
Review projections & proposed rates, taxes, tariffs & services charges	March 2016	30 March 2016
Review IDP to determine projects to meet objectives and strategies	September 2016	31 October 2016
Review Organogram to meet objectives and	March 2016	31 May 2016

ACTIVITIES	TIMEFRAME	DEADLINE
strategies		
Review delegations in terms of MFMA	May 2016	31May 2016
Review of: <ul style="list-style-type: none"> ➤ National & provincial policies & budget plans ➤ Potential price increases of bulk resources (ESCOM & DWAF). ➤ Potential salary increases 	March 2016	12 May 2016
Engage provincial & national sector Directorates on needs/ priorities already received. Consider further inputs.	February 2016	30 March 2016
Engage provincial & national sector Directorates to expose Directorates on needs/ priorities of council and community.	September/October 2015	February/March 2016
Consolidate & prepare proposed budget and plans for the three years taking into account previous years performances	February 2016	30 March 2016
Draft initial revenue allocations to functional Directorates	February 2016	30 March 2016
Draft operational expenditure per function / Directorate: <ul style="list-style-type: none"> ➤ Personnel expenditure ➤ General expenditure ➤ Repairs & maintenance ➤ Loan Commitments ➤ Contr. To Capital & IDP projects ➤ Contribution to funds 	February 2016	30 March 2016
Review budget-related policies	February 2016	31 March 2015
Review & draft initial changes to IDP	February 2016	31 March 2015

ACTIVITIES	TIMEFRAME	DEADLINE
Engage provincial & national sector Directorates on sector specific programmes for alignment with municipalities IDP	February 2016	31 March 2016
Engage community on proposed changes to IDP	February 2016	30 March 2016

PREPARATION PHASE

ACTIVITIES	TIMEFRAME	DEADLINE
Finalize Service Delivery Agreements and entities	February 2015	30 March 2015
Finalise Budget related policies for next financial year	March 2015	31 March 2015
Review proposed national & provincial allocations	March 2015	30 March 2015
Review District municipality allocations	March 2015	30 March 2015
Finalise & submit to Mayor proposed budget & plans taking into account: <ul style="list-style-type: none"> ➤ Mid-year review report 	March 2015	30 March 2015
Engage community on: <ul style="list-style-type: none"> ➤ Service delivery agreements ➤ Entities ➤ Budget related policies & tariffs increases; and ➤ Reviewed IDP ➤ Proposed budget & service delivery plans 	September/October	February/March 2015
Engage provincial & national sector Directorates on finalisation of their inputs in the municipality's IDP	February 2015	22 February 2015
Finalise Reviewed IDP (draft)	March 2015	30 March 2015

ACTIVITIES	TIMEFRAME	DEADLINE
Finalise Budget & Service Delivery Plans	March 2015	30 March 2015

TABLING PHASE

ACTIVITIES	TIMEFRAME	DEADLINE
Mayor tables: <ul style="list-style-type: none"> ➤ Draft Budget & Service Delivery Implementation Plan ➤ Resolutions ➤ Service delivery agreements ➤ Budget related policies & tariffs increase and reviewed draft IDP and invites local community comments 	March 2015	31 March 2015
Accounting Officer publishes draft Budget & Service Delivery Implementation Plans, Resolutions, Service delivery Agreements, Budget related policies & tariffs increases and Reviewed draft IDP and invites local community comments	April 2015	30 April 2015
Accounting officer submits to National & Provincial Treasury and others as prescribed for the Budget & Service Delivery plans, Resolutions, Service delivery agreements, budget related policies & tariff increases and reviewed IDP	April 2015	30 April 2015
Consultation with National & Provincial treasury	April 2015	30 April 2015
Revise Budget documentation in accordance with consultative processes & taking into account the results from the third quarter of the current year	April 2015	14 May 2015

APPROVAL PHASE

ACTIVITIES	TIMEFRAME	DEADLINE
Public hearings and council debate	May 2015	22 May 2015
Consider views of local community, national & provincial treasuries and other national &	May 2015	22 May 2015

ACTIVITIES	TIMEFRAME	DEADLINE
provincial organs of state		
Mayor to respond to submissions and table amendments for consideration	May 2015	31 May 2015
Accounting officer assist Mayor preparing final budget document taking into account consultative processes	May 2015	31 May 2015
Consider approval of budget documentation	May 2015	31 May 2015

FINALISATION PHASE

ACTIVITIES	TIMEFRAME	DEADLINE
Council must approves budget by resolution, setting taxes and tariffs, approving changes to IDP and budget related policies, approving measurable performance objectives for revenue by source and expenditure by vote before start of budget year	May 2015	10 June 2015
Accounting officer must submit to the Mayor no later than 14 days after approval of budget a draft of SDBIP and annual performance agreements	June 2015	12 July 2015
Mayor must approve SDBIP within 28 days after approval of the budget and ensure that annual performance contracts are concluded	June 2015	26 July 2015
Mayor to ensure that the annual performance agreements are linked to the measurable performance objectives approved with the budget and SDBIP	June 2015	26 July 2015
Mayor submits the approved SDBIP and performance agreements to council, MEC for Local government and makes public within 14 days after approval	July 2015	31 July 2015
Accounting Officers publishes adopted budget and plans	July 2015	31 July 2015

Table 7: IDP Process Plan

2.6 IDP STRUCTURES FOR CONSULTATION AND PARTICIPATION

2.6.1 Public Participation

Public participation is a meaningful way of involving people in decisions that affect their lives. Through the process of public participation the community will be empowered to a large extent. Maletswai Local Municipality has established appropriate mechanisms, processes and procedures to consult the local communities in terms of Chapter 4 of the Municipal Systems Act 32 of 2000. The municipality has set aside a separate budget for public participation of about R20 000 for this 2015/16 financial year.

Maletswai Local Municipality comprises a large geographical area with an official population figure of approximately 43 800. This situation requires that public participation be structured. The structure for public participation is through Public Participation Programmes (formerly – Imbizo's), Joint Ward Committee Meetings, Ward Committee Meetings, IDP Representative Forums, Community Based Planning, Local Economic Development Action team *etc.* As the people are kept abreast and fully participate in the development programmes within the municipal area there are no protest actions experienced over the past two years. In order to ensure that there is representation of the various organised and unorganised groups within our municipal area, the municipality makes use of the following approach:

- Placing adverts in our local newspaper(s), Aliwal Weekblad, in English which invites people and community based organisations to be part
- Making use of the Municipal Website to publish our notices
- In order to reach those parts of our community that do not read newspapers, the municipality makes use of the Community Radio Station
- Making use of other methods such as flyers, posters, ward councillors, announcements through church gatherings and community based organizations, *etc.*

Making an effort to reach unorganised groups and marginalised groups to ensure that their voices are heard. We will do this by approaching non-governmental organisations and community based organisations that represent the need of such groups.

CHALLENGES FOR PUBLIC PARTICIPATION

- Language barrier
- Poor communication infrastructure
- Geographic spread of the area

2.6.2 IDP Representative Forum

The IDP Representative Forum meets throughout the IDP process with most meetings being held in the first, second and third phases. Meetings of the IDP Representative Forum are [where possible], complemented with ward based meetings to collect people needs and identify project priority. In order for members of the IDP representative Forum to report to their constituencies, three weeks after each meeting will be allowed to make responses and comments on what is presented at the meeting, that is, should what is discussed at the meeting require a feedback. Inputs to the IDP Representative Forum were in the form of documentation, presentations and other forms.

The IDP Representative Forum is the organisational mechanism for discussion, negotiation and decision-making by stakeholders within our municipal area. It is envisaged that the following organizations and or stakeholders may be involved:

- Councillors
- Ward Committee Members (x2 per Ward)
- Community Development Workers
- Advocates of unorganised groups
- Government Directorates
- State Agencies in Maletswai Municipality

- Representative from Joe Gqabi District Municipality
- Representatives from Youth, Elderly and People with Disability
- Representative from Ikhala Further Education and Training
- Stakeholders from organised groups
- Representatives from religious formations
- Non-Governmental Organisations
- MALWEEP
- Empowerment Groups
- Small and Medium Enterprises
- Leaders of Political Parties
- Representatives of Farming Industry

Terms of Reference

The terms of reference for the IDP Representative Forum will be constituted as follows:

- Represent the interests of their constituents in the IDP process
- Provide an organizational mechanism for discussion, negotiation and decision-making between stakeholders including municipal government
- Ensure communication between all stakeholders including municipal government
- Monitor the performance of the planning and implementation process.

The IDP Representative Forum is chaired by Mayor or duly delegated councillor. Furthermore, the secretariat for the IDP Representative Forum shall be an official from the Corporate Services Directorate of the Municipality duly appointed by the manager.

Code of Conduct

The IDP Representative Forum needs to have a code of conduct which will regulate such issues as:

- Meeting schedule (frequency and attendance) based on phases of the IDP
- Agenda, facilitation and documentation of meetings
- Understanding by members of their role as representatives of their constituencies
- Feedback to their constituencies
- Resolution of disputes
- Conditions of attendance of meetings

2.6.3 Public Participation Programs

The Public Participation meetings were held as in compliance with the Municipal Systems Act preceded by Joint Ward Committee. The first round of the First Consultative meeting was on November – December 2015. In March 2016, the second round of Ward Consultation meetings [again] preceded by IDP Representative Forum and Joint Ward Committee meeting was held. Ward needs were well documented in all these engagements and were used in the prioritisation process. Within the context of the foregoing, it was agreed in the District Mayors Forum to embark on a joint public participation approach, whereby the District would attend selected Maletswai ward committee meetings, together with ward councillors, in support of local initiatives and outreaches. Indeed, this happened in November 2015, where the district took part in Ward Consultation meetings in Ward One and it took its Outreach in Joe Gqabi Community Hall on the of March 2015 where all people from six wards were invited to attend and raised their concerns. Second round of outreaches will be convened in April 2015 where communities were given opportunity to comment and confirmed priorities. The district outreach was convened in March 2016. Lastly, this approach has assisted with the flow of information between the Local and District municipality, and the registration of development

needs from Wards to the local municipality (Maletswai) and Joe Gqabi District Municipality (herein referred as JGDM).

2.6.4 Involvement of Ward Committees and CDWs

Ward committees are essential in this process as propounded [both] in the Local Government: Municipal Structures Act 117 of 1998 and the Local Government: Municipal Systems Act 32 of 2000. Ward committees represent the development aspirations and needs of the wards they represent and also form an information assimilation/dissemination mechanism between a municipal council and the community. The ward committees are paramount in the development, implementation, monitoring and evaluation of municipal performance on service delivery as espoused in the municipal IDPs.

Ward committees as one formal element of public representation in government affairs, in terms of the Structures Act of 1998, should be established in each ward. This will deepen the involvement of local communities in local governance processes such as Integrated Development Planning (IDP), the budget, performance management and service delivery. This applies in respect of implementation, monitoring and evaluation as well as planning. Thus, ward committee members and Ward Councillors should play a key role in mobilising the communities as well as in the identification of the developmental matters concerning the wards they are representing in the municipalities. The information provided below are ward prioritise provided by the ward committee to the rep forum. The issues raised by the ward committees are considered by the Municipal Council although they are not tackled all within one financial year due to financial constraints.

Issues Raised on Public Participation Programme held on November 2015

Priorities per Ward	Responsible Directorate	Progress to date
WARD 1 PRIORITIES		
a) Extension of Chris Hani Hall	Technical Services	To be considered in 2017/ 18
b) Development of Testing station	Financial Services	Financial constraint
c) Build houses for low, middle and High income earners	Department of Human Settlement	Feasibility Study Completed, Beneficiary Admin completed up to 250 approvals, Geotech Report Completed, EIA report is partially completed and a Draft Layout Plan has been done to accommodate 308 sites for low income earners to be presented to Local Municipality
d) Additional honey suckers be provided	District Municipality	Immediate attention by Joe Gqabi DM has been made
e) Multi-Purpose Youth centre	Planning & Economic Development	The Environmental education centre built in Dukathole accommodates multi-purpose centre
f) Upgrading of Recreational Park	Community Service & DSRAC	The Municipality has some funds to beautify a portion of the park as the rest is reserved for building a community library.
g) Storm water drainage system be attended to.	Technical Services	Completed
h) Fencing of cemeteries with palisade fence	Community Services	Cemeteries will be fenced with a suitable fence once funds become available
i) Takeover of electricity supply at Eskom – negotiations be continued	Financial Services	Eskom declined application for Maletswai
j) Additional ATM at Jamestown- First National Bank	Financial Services	Completed
k) Phahameng Primary School overcrowded	Department of Education	Additional site (Erf895) adjacent to the school has been donated

		to the school/ Public works.
l) Extension of the Masakhane Clinic	Department of Health	The department will attend to that
m) Car Entrance in paved streets	Technical Services	The municipality will attend that when funds available
n) Mzomhle and Lonwabo Street be paved	Technical Services	It will be attended in 2017/ 18
o) Youth Bed and Breakfast be redeveloped	Planning and Economic Development	The municipality has made available Veldewrede farm for the purpose Youth B&B in Jamestown
p) Closing time Taverns	Office of the Municipal Manager	The municipality considers applications for extension of trading hours when applications are submitted.
WARD 2 PRIORITIES		
a) Storm water drainage at the new paved road	Technical Services	The municipality will attend on availability of funds
b) Street lights not functioning some streets in Joe Gqabi	Technical Services	Maintenance of street lights ongoing
c) Provision of Mobile Police station	SAPS	SAPS has indicated that
d) Provision of Mobile Clinic	Department of Health	Department of Health will attend that
e) Fencing of the community Hall	Community Services	Completed
f) Provision of electricity at the temporary shelters be speeded up.	Technical Services	Completed
g) Provide additional toilets at the temporary shelters	District Municipality	The district will attend that under Provincial Treasury Grant in 2016/ 17
h) Building of a new Primary school in Joe Gqabi and High school	Department of Education	Department of Education convened a public meeting with the affected community. The Ward Councillor is collating statistics per grade and an application will be submitted before the cut-off date, which is

		August 2016. The application will be forwarded to the District Office for consideration and approval or decline. There were cases of learners who could not be admitted in existing high schools because of overcrowding.
i) Taxi shelters are not available at Joe Gqabi	Technical Services	Under new roads programme shelters will be provided in 2016/ 17
j) Issue of double sites is a concern a municipality shall look into the issue	Planning and Economic Development	The services of Surveyor General will be explored to determine the site boundaries.
k) Mobile SASSA office	SASSA	SASSA will attend that
l) Traffic patrol in R58 road must be visible as children are crossing that road.	Financial Services & Department of Roads and Transport	The Department of Public Works and SANRAL should erect a fence along the R58 road in the concerned area to control pupils to cross at one point. Local Traffic Officers are currently making visible patrols between 13h00 and 14h30 to safeguard pupils crossing R58 road. There will be a demarcated Scholar Patrol once the fence is erected
m) Joe Gqabi extension 4000 units	Department of Human Settlement	Feasibility study is underway on the available land of 100 hectares that has been already procured by Department for Maletswai Municipality. The confirmation of adequate bulk infrastructure in respect of sewer capacity is still outstanding from WSA.
n) Rectification of Houses in Joe Gqabi	Department of	Based on the current instruction from Minister to refrain

	Human Settlement	Provincial Office on doing rectification, avail only 10% allocation of Conditional Grant for the whole province. The project was escalated to NHBRC – assessment done and no action in place for 2016/17 Financial to address this project from NHBRC & Department. Regional Office has only budgeted 6 houses to be rectified under 2016/17 Business Plan.
o) Construction of New Library	Department of Sport & Recreational Art & Culture	Environmental Education Centre is constructed in next to Maletswai police station which will have Library facilities
p) Planting of the trees in Joe Gqabi Community Hall	Community Services	The municipality will plant trees in 2016/ 17
q) IGG confusion Maletswai & Joe Gqabi district municipality	Financial Services	The register was provided to the District Municipality to use as a comparative
r) Youth Issues Bed & Breakfast Tourism Centre Information & Rehabilitation Centre for Youth and Ex-offenders	Planning and Economic Development	The N6 B&B building has leased out to SAPS and awaiting for proposals from young people for B&B.
WARD 3 PRIORITIES		
a) Surveying of sites behind Joe Slovo Hall	Planning and Economic Development	Completed Layout Plan has been approved by Council with 67 Sites and 49 sites for in R58
b) Paving at Nkosana street must be completed speedily	Technical Services	Consultant closing 04 March 2016 for Dukathole Paving of streets project which include Nkosana street
c) Cutting of trees that pose danger to the houses (Community Services	Currently, there is no service provider who is willing to render

next to Maletswai police station)		the service partly because of the risks involved. A quotation could not be obtained from PG Bisson though it was requested.
d) Speed humps at Makhetha street next to the police station and Tsotsi Street	Technical Services	Completed Tsotsi Street speed hump will be constructed in 2016/ 17
e) Upgrading of the park next to the community hall	Community Services	The area has been developed into residential sites. 67 sites has been developed.
f) Additional Chairs in Joe Slovo Hall	Community Services	The municipality will budget for in 2016/17
g) Packing Area in Joe Slovo Hall	Planning and Economic Development	The boundaries of the hall has been identified for Technical Services.
h) Sidewalk Maletswai School to Omega	Technical Services	The will municipality construct sidewalk in 2016/ 17
i) Environmental Health Inspector to inspect shops in Wards	Joe Gqabi District Municipality	The district EHP has been engaged to identify the shops with Peace Officers
j) Water Taps and toilets in Cemeteries	Joe Gqabi District Municipality	Engagement s with district are ongoing
WARD 4 PRIORITIES		
a) Paving of streets Petunia and Johnson street	Technical Services	Paving will commence in 2016/ 17
b) Gravelling of streets in Pola Park	Technical Services	Gravelling of streets will done before end June 2016/ 17
c) Close big Hole under bridge at the entrance to Pola park	Technical Services	Done
d) Play grounds at area 3 & 4 and next to SAB Breweries need to be provided	Planning & Economic Development	The Land Administration Officer must identify site to be used for Playgrounds according to Town Planning Standards
e) Paving of streets area 3 and 4	Technical Services	Paving will commence in 2017/ 18

f) Provision of Gel and stoves and additional water taps	Technical Services	Gel stoves has been delivered distribution take place as required
g) Speed humps at Rose, Van der Stel and Dampier street	Technical Services	Speed humps in 2016/ 17 municipality will attend
h) Provision of people living with disabilities with wheelchairs and shoes	Department of Health	The department of Health and Social Development will attend that
i) Reseal potholes and fix street lights at Springs	Technical Services	Resealing of potholes is in progress and street lights are maintained continuously
j) Dumping site next to SA Breweries needs attention	Community Services	<p>The municipality cleans illegal dumping weekly in all areas on rotational basis. There are awareness campaigns conducted on Waste and environmental Management issues, however, communities continue to dump waste.</p> <p>The municipality requested and is awarded funding by DEDEA for a clean-up project for a period of 12 months which will focus on removal of illegal dumping and the creation of Recreational sites. Communities MUST assist by keeping their environment clean.</p>
k) Mobile Clinic Springs	Department of Health	The department of Health
l) Youth Centre	Technical Services	Maletswai will apply for funding of the centre that will accommodate the entire Maletswai Youth
m) Renovations of Flats in Springs	Technical Services	Renovations of flats has started in Protea flats then Springs will follow
WARD 5 PRIORITIES		
a) Surveying of Pola park	Planning &	Setplan has been appointed (29

	Economic Development	February 2016) to start with the planning and surveying of the area.
b) Electricity provision in each shack in Pola Park	Technical Services	It will be done after site have been surveyed by Surveyor General
c) Provision of water taps and toilets	Joe Gqabi DM	It will be attended by Joe Gqabi district municipality
d) Paving of streets Block A, Block C, Block G	Technical Services	Consultant closing 04 March 2016 for Dukathole Paving of streets project
e) Construction of Street lights : Block A, Block C & Block E & F	Technical Services	The municipality will construct street lights in 2016/ 17
f) Grass cutting at Phola Park	Community Services	Cutting of grass is an ongoing programme
g) Close storm water Meje Park	Technical Services	The municipality will accommodate in 2016/ 17
h) Speed humps Bantu streets and Block F in front of Creche, Broadway Street Entrance Pola Park, Infront of Greenslate Hall, Infront of Pelomosa School Gates, Baduza Street two schoolgates Ncafatso, and Pelomosa	Technical Services	The municipality will construct speed humps in 2016/ 17 At school entrances, a sign with a pedestrian crossing will be erected.
i) Maletswai sports fields and tennis courts be fixed	Technical Services	The Sport Complex as a social responsibility of the developer in Maletswai
j) IGG grant	Financial Services	Pensioners residing in Maletswai municipal jurisdiction automatically qualify for IGG renewal on annual basis
k) Provision of Gel Stoves	Technical Services	Gel stoves has been delivered, distribution will take place as and when requested by

		Councillors
l) Maintenance of Public Toilets	Joe Gqabi District Municipality	The district municipality will attend to the issue
m) Sewerage spillage at Block G, 1776	Joe Gqabi District Municipality	The district municipality will attend to the issue
n) Road Signs not clear	Financial Services & Department of Transport	The municipality will attend that
o) Fourway Stop Grey Street & Cathcart Barkly & Durban Street	Financial Services	The municipality will attend that
p) Street naming and signs in the location streets	Financial Services	The municipality will attend to that
WARD 6 PRIORITIES		
a) Paving of Mehlomakhulu and Mokoena Street	Technical Services	In progress
b) Flood light between the road from Chris Hanani to Brickfield	Technical Services	Installed
c) Storm Water behind the hall be covered its dangerous for children and community	Technical Services	The municipality will cover storm water in 2017/18
d) Surveying of Eggili Sites be speeded up	Planning & Economic Development	Done : Layout plans approved by Council 52 Eggili site and 31 sites behind public toilets
e) Youth Driver's License	Department of Transport, Office of the Premier	Premier's office requested 100 youth to be trained for code 14 licences advertisements were made on notice boards and newspapers
f) Water Taps & Toilets Provision	Joe Gqabi District Municipality	Engagements between district and the Maletswai are currently ongoing
g) Ward Committee Functioning	Office of the Mayor	The Office of the Mayor will make follow up
h) Municipal Vehicle used for political campaigns	Office of the Municipal Manager	The municipality will investigate the allegations.
i) Illegal Dumping site	Community	The municipality cleans illegal

	Services	<p>dumping weekly in all areas on rotational basis. There are awareness campaigns conducted on Waste and environmental Management issues, however, communities continue to dump waste.</p> <p>The municipality requested and is awarded funding by DEDEA for a clean-up project for a period of 12 months which will focus on removal of illegal dumping and the creation of Recreational sites. Communities MUST assist by keeping their environment clean.</p>
j) Provision of public toilets and water facilities Vulavala	Joe Gqabi District Municipality	Engagements between district and the Maletswai are currently ongoing
k) Upgrading of Aliwal North Stadium	Technical Services	Sauer Park is in progress but on hold
l) Sidewalks in paved road	Technical Services	The municipality will apply for funding through MIG 2017/ 18
m) House 212 Phola Park	Office of the Mayor	The municipality to investigate the issue.

Table: 8 Issues raised in imbizo's

The issues raised by the ward committees were considered by the Municipal Council and those that are not attended due to financial constraints were rescheduled or re-prioritized for the forthcoming financial years and there are still those that are in the implementation phase.

2.6.5 THE COMMUNITY BASED PLANNING

In the CBP the people are active and involved in managing their own development, in claiming their rights and in exercising their development responsibilities. This is in accordance with section 5 of the Municipal Systems Act, 2000. In Maletswai the CBP was conducted on November 2012 and some key projects and programmes were proposed. The Ward-based public participation for developing the 2014/15 IDP was more rigorous than previous years. Community Based Planning Workshops were held in all 6 Wards and a comprehensive CBP Report containing extensive data for each Ward was the final outcome. This in turn informed Municipal and Sector Directorates as to the Development Needs & Priorities of the Communities and assisted them in their project planning & design for 2014/15 and outer years.

2.6.6 IDP ASSESSMENT RESULTS FOR 2015/16

KPA	RATING 2010/11	RATING 2011/12	RATING 2012/13	RATING 2013/14	RATING 2014/ 15	RATING 2015/ 16
Spatial Development Framework	High	High	High	High	High	High
Service Delivery	Medium	Medium	Medium	High	High	High
Financial Viability	High	High	Medium	High	High	High
Local Economic Development	High	High	High	High	High	High

KPA	RATING 2010/11	RATING 2011/12	RATING 2012/13	RATING 2013/14	RATING 2014/ 15	RATING 2015/ 16
Good Governance & Public Participation	Medium	High	High	High	High	High
Institutional Arrangements	Medium	Medium	High	High	High	High
Overall Rating	High	High	High	High	High	High

Table 10: Assessment results 2015/16

2.6.7 MEC Comments

The table below reflects the comments and intervention by the Provincial MEC for Local Government and Traditional Affairs emanating from the IDP Assessment session held on the 20 August 2015 at Mpekweni Beach Resort.

MEC COMMENTS	RECOMMENDATION	Progress to date
KPA 1: SPATIAL RATIONALE		
Does the SDF cover all relevant environmental concerns and does it describe the environmental issues that must be managed.	To be reflected in next IDP/SDF	Yes
KPA 2: BASIC SERVICE DELIVERY AND INFRASTRUCTURE PLANNING		
Does the municipality have an IWMP as contemplated in section 11 of the NEMA: Waste Act 59 of 2008	There is a WMO in place and they are reporting on WIS. Recycling initiatives and Forums are in place.	The IWMP for Maletswai is not yet approved by the Council
Considering all the recent debate on climate change, elaborate on how the municipality has incorporated planning in responding to the (climate change response strategy)	There is just a mention of that the LM is using DM EMP and Provincial (DEDEAT) climate Change Response Strategy.	Using the climate change strategy for the DEDEAT
Is there a functional environmental unit/ environmental official in place to implement environmental plans	But there is an Environmental Officer.	Environmental officer is available

MEC COMMENTS	RECOMMENDATION	Progress to date
and programmes?		
Is there a plan to address land degradation and revitalization?	Where the Commission has left a blank space we regard such a question as not relevant to the Municipality	No due to financial constraints
Are there any environmental by-laws in place? How are they enforced?	There are no Environmental Bylaws.	There are waste management bylaws which are enforced by environmental officer and peace officers
Is there evidence indicating an attempt to develop environment planning tools such as SOER, EMFs, Coastal Management Plans, aquatic ecosystem, ecological infrastructure, wetlands bioregional plans and associated EMPs?	The LM is using the DM planning tools and there is no attempt to develop their own.	Using that of the District
Are emergency procurement measures stipulated in the disaster management plan?	Reflected in the DM plans	Reflected in the DM plans
Are funding arrangements specific in the plan?	Reflected in the DM plans	Reflected in the DM plans
Indicate whether there is FBS Unit and dedicated staff.	pg 209-dedicated staff from Finance Directorate v	Yes
Investigated alternative sources of renewable energy?	The municipality will investigate the alternatives	Feasibility study is conducted to convert Maletswai waste to Energy. Project funded by DOE, SALGA and GIZ.
Are there any provisions for the Municipality's use of alternative energies?	Subject to investigation	Feasibility study is being conducted
Is there a credible land audit report for the municipality, if not is there a plan conduct-one	Although the municipality mentions the existence of a land asset register, it needs to have a credible land audit report.	Indicated in the CBP and SDF
Has the Municipality got an operational land information	The municipality need to have	Financial constraints

MEC COMMENTS	RECOMMENDATION	Progress to date
system (GIS). if not are there plans to establish one. if yes what type of information that has been captured?	an operational GIS system in place.	
Is the IDP informal Settlements section aligned to the Migration Plan of the municipality?	The municipality need to develop Migration plan.	Financial constraints
Service Delivery Indicators (a) Agriculture (b) Baseline Information <ul style="list-style-type: none"> - What is the extent of land with an agricultural potential; <ul style="list-style-type: none"> o Arable Land o Grazing Land o Forestry 	Information to be incorporated in the document.	Waiting for DRDAR to provide with information
What is the extent and level of utilization of the: <ul style="list-style-type: none"> - Arable Land - Grazing land - Forestry 	Information to incorporated in the document	Waiting for DRDAR to provide with information
What are the livestock numbers in terms of: <ul style="list-style-type: none"> - Cattle - Sheep - Goats 	Information to be incorporated in the document	Waiting for DRDAR to provide with information
FINANCIAL VIABILITY		
Is there a financial recovery plan in place to address cash flow problems?	No indication of financial Recovery Plan.	Available
H) Does the municipality have AFS Process Plan?	Not indicated in document	Yes
What is the percentage of repairs and maintenance on total budget?	No indication in IDP document	Available
What is the debtors' turnover rate?	No indication in IDP document	
GOOD GOVERNANCE AND PUBLIC PARTICIPATION		
Were the recommendations of the previous years IDP assessments taken into account? <i>Also assessment results for past 3FYs to be indicated</i>	Not reflected in the document. Previous years IDP Assessment to be considered in the review	Yes

MEC COMMENTS	RECOMMENDATION	Progress to date
Is IDP Assessment Action Plan available? A summary of the plan to be given	Not reflected in the document	Yes
Complaints & Fraud Management - Is there an institutionalised complaint management system? <i>Provide the complaint management system used</i>	Not reflected in the document	Yes
Does the audit committee have a framework to regularly audit the implementation of the IDP?	Not reflected in the document	Yes
INSTITUTIONAL ARRANGEMENTS		
Does the IDP reflect on funded posts vacant for more than three months?		Yes

Table 11: MEC Comments

CHAPTER 3

3 SITUATIONAL ANALYSIS

3.1 INTRODUCTION

This chapter deals with the existing situational analysis of Maletswai Local Municipality. It considers the brief description of the study area, demographic indicators, socio-economic indicators, infrastructure, land use and related issues, institutional and the physical environment. Census 2007 statistics and Community Survey (2011) by Statistics South Africa are the main source of information that are analysed in this chapter pertaining to population, social, economic and institutional matters. The added value on the information that is provided is the comparative analysis that is provided with respect to information flowing from the 2007 Census Statistics and the information flowing from 2011 Census Statistics.

3.1.1 Geographic Location



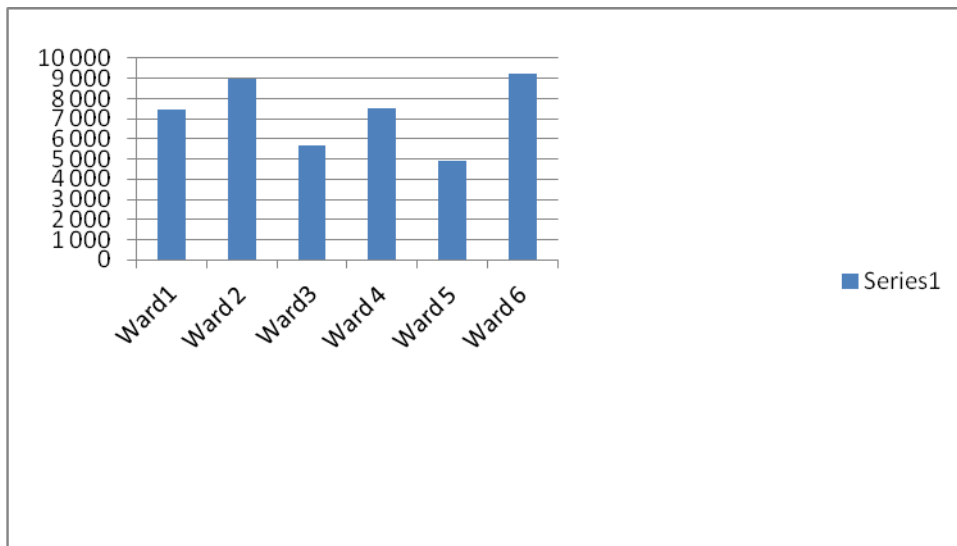
Maletswai Local Municipality has two towns namely, Aliwal North and Jamestown – and it is characterised by predominantly commercial farmland. The R58 runs through Venterstad, Burgersdorp and Aliwal North and the N6 runs from East London through Queenstown and Jamestown and Aliwal North to Bloemfontein in the Free State.

3.2 DEMOGRAPHIC ANALYSIS, STATISTICAL AND WARD DATA

A brief overview of the demographics of the Municipal area is addressed in this section. The primary source of information was Statistics South Africa 2011. According to Statistics South Africa Maletswai Municipality has a population size of 43,800 residents and has 12,105 homes/ dwellings. Judging from the number of houses built, the housing backlog and increasing demand for services during past years, the perception exists that, if anything, Maletswai population has increased and it is estimated that it should stand at approximately 55, 000 (at least). The Municipality is contemplating to plan and make decisions on the total population of about 55, 000. According to the survey conducted in 2011 the population distribution per wards in Maletswai is as follows:-

- Ward 1 : 7,435
- Ward 2 : 9,000
- Ward 3 : 5,695
- Ward 4 : 7,495
- Ward 5 : 4,936
- Ward 6 : 9,239

The graph below illustrates the distribution of the population in the wards of Maletswai Local Municipality.

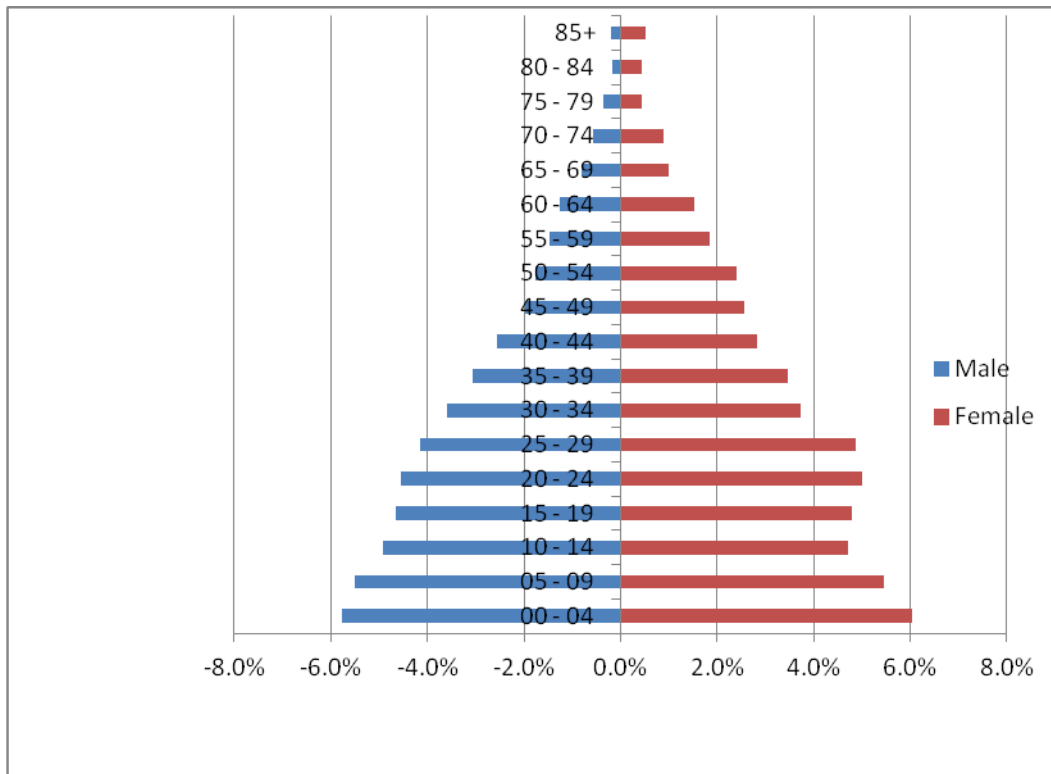


Graph 1: Wards population distribution

12. Age- Gender Group

Maletswai	Male	Female	Grand Total
00 – 04	2532	2646	5178
05 – 09	2406	2388	4794
10 – 14	2160	2064	4224
15 – 19	2043	2100	4143
20 – 24	1989	2187	4176
25 – 29	1821	2139	3960
30 – 34	1575	1632	3207
35 – 39	1344	1515	2859
40 – 44	1122	1236	2358
45 – 49	867	1119	1986
50 – 54	768	1053	1821
55 – 59	645	810	1455
60 – 64	546	675	1221
65 – 69	351	441	792
70 – 74	249	387	636
75 – 79	150	261	411
80 – 84	69	192	261
85+	87	228	315
	20724	23073	43797

Graph 02: Population Pyramid



A population pyramid also called an age pyramid or age picture diagram is a graphical illustration that shows the distribution of various age groups in a population, which forms the shape of a pyramid when the population is growing.

In Maletswai there are more females than males and between 65 and 85 the life expectancy of the females is higher than that of the males. The pyramid is bulging in the 10-19 years and this is suggesting a spurt of population growth over the next decade or two because the said age group will enter their child bearing years. It also suggests that more services such as schools, care homes, maternity services etc will be required.

3.2.1 RATIO MALES AND FEMALES IN MALETSWAI

Gender	Ward 1	Ward 2	Ward 3	Ward 4	Ward 5	Ward 6	Total
Male	3,689	4,296	2,663	3,486	2,256	4,344	20,735
Female	3,745	4,704	3,033	4,008	2,680	4,895	23,065
Total	7,435	9,000	5,695	7,495	4,936	9,239	43,800

Table: 13 Males & Females in Maletswai

3.2.2 BREAKDOWN IN EMPLOYMENT SECTOR (15-65 YRS) IN MALETSWAI

Official Employment Status	Ward 1	Ward 2	Ward 3	Ward 4	Ward 5	Ward 6	Total	Ave.%
Employed	1,848	2,230	1,255	2,140	1,554	1,622	10,647	24,3
Unemployed	518	661	607	644	473	975	3,877	8,8
Discouraged work-seeker	585	252	147	188	75	336	1,583	3,6
Not Applicable	2,777	3,537	2,112	2,787	1,695	3,704	16,613	37,9
Not economically active	1,707	2,321	1,575	1,737	1,138	2,602	11,080	25,2
Total	4,658	5,464	3,584	4,709	3,240	5,535	27186	100,0

Table 14: Breakdown in Employment sector

TOTAL EMPLOYABLE SECTOR IN RELATION TO TOTAL POPULATION 27,186
43,800 62%

Total Employed	10,647	24 %
Total Unemployed	3,877	8,8%
<u>Total Not Economically Active (NEA)</u>	<u>11,080</u>	<u>25,2%</u>

3.2.3 LITERACY (20 yrs. and older)

Average No. of person's illiterate (no schooling)	3,287
Average No. of person's semi-literate (primary)	15,213
Average No. of literate (secondary & higher)	19,402

Table 15: Literacy

3.2.4 NO OF YOUTH AGED (15-35 YRS) IN RELATION TO TOTAL POPULATION

No. of Youth aged (15-35 yrs.)	Total Population	%
15,487	43 800	35

Table 16: No. of youth aged (15-35) in Relation to total population

3.2.5 SOCIO-ECONOMIC PROFILE

The socio-economic characteristics of any localised population are fundamental to the overall performance, not only of the economy within which they are active, but also the larger regional economy. Characteristics associated with the socio-economic profile of a community include, but are not limited to, various indicators that have direct bearing on:

- Employability;
- Disposable Income;
- Access to amenities;

It is important to explore these indicators. Therefore, this section provides an overview of the socio-economic perspective of the Maletswai Municipality for the purposes of exploring the underlying fundamentals of the socio-economic and demographic characteristics of the population and integrating the identified issues into economic considerations. This section is discussed under the following sub-sections: Population Profile; HIV and AIDS; Education Profile; Occupation Profile;

Living Standards Measurement Profile; Household Wealth Profile; Provision of Free Basic Services; Synthesis.

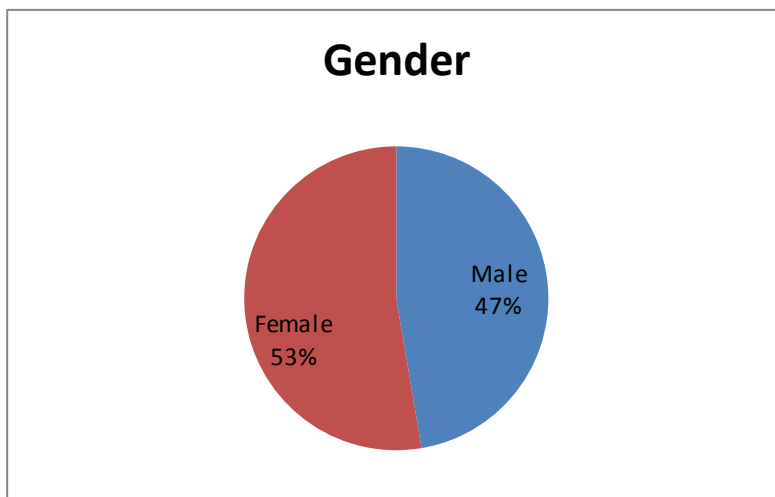
(a) POPULATION PROFILE

The current population of the MLM is approximately 43,800 persons and has 12,105 homes/ dwellings (Statistics SA’s 2011, Community Survey).

The largest proportion of the population in Maletswai Local Municipality is located in Ward 6 with approximately 9,239 people estimated to be residing within the area during 2011. The second largest proportion of people is based in Ward 2 with approximately 9,000 residing in the area.

(b) Gender Distribution

The Pie Chart below indicates that gender ratio in Maletswai Municipality is comprised of 47.3% males and 52.7% are females (STATSSA). In all the wards the females are dominating and this suggests a future population growth and more demand services from the municipality.



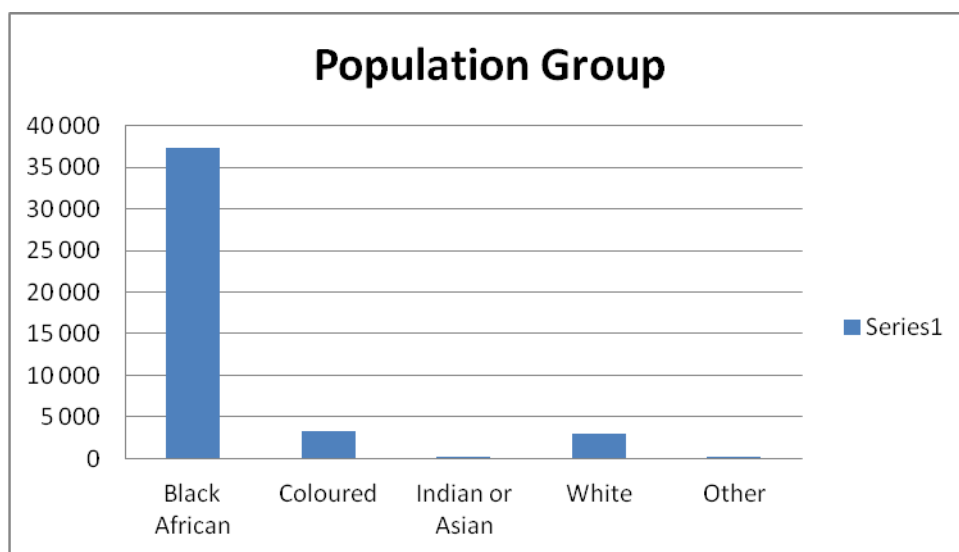
Graph 2: Gender distribution

(c). Racial Distribution

The results from the table (below) clearly indicate that Black Africans form majority of the total population in Maletswai Municipality (STASSA, 2011).

Black African	37,356
Coloured	3,244
Asian/ Indian	108
White	2,920
Other	172

Table 17: Racial Distribution



Graph 3: Population Group

3.2.6 POPULATION STRUCTURE and Key Characteristics

Approximately 32% of the population in Maletswai is younger than 15 years. Over 60% of the population is of working age (15-64 years old). The dependency levels in the community are relatively low with a youth dependency ratio of 0.55, *i.e.* every person of working age supports only 0.55 youth under 15 years. Adding the elderly (65+year olds), the overall dependency ratio remains low at 0.65. There has been an increase in the young adult population: 20 to 39 year olds.

(a). IMPLICATION FOR ECONOMIC GROWTH

Population growth is stagnant, which is indicative of people leaving the area of Maletswai. This could impact negatively on economic activity in the area as this could result in a reduction in labour supply. Currently the area has the benefit of a low dependency ratio and as the working age population does not have to support a large number of dependents. In addition, the area has experienced an increase in the working age proportions of the population this implies that there has been an increase in the current labour supply furthermore the increase in population could be directly linked to increase in employment opportunities causing migration into the area.

3.2.7 HIV and AIDS

Joe Gqabi District Municipality is rated twenty-two (22) out of the forty-four (44) district municipalities in the entire country in relation to the HIV prevalence. The HIV prevalence in the Joe Gqabi District municipality has shown an increase in the period between 2009(which was at 23.5%) and 2010(which was at 30.2%) which is an increase of 6.4%. in the period between 2010 and 2011 the HIV prevalence in Joe Gqabi District municipality registered a decrease of about 0.3%. This decrease can be attributed to a number of factors which include efforts and initiatives by the locally based organisations and government institutions.

(a). IMPLICATIONS FOR ECONOMIC GROWTH

It is clear that HIV/AIDS have numerous effects and a massive social and economic impact. One of these is that it will push up the dependency ratio. There are also reductions in efficiency and productivity as people that are HIV positive tend to be less economically active than those who are not. A study (Booyesen and Molelekoa, 2001) in KZN found that on average 27 days production are lost in a 2 year cycle due to sick leave, and visits to clinic and hospitals. There are also increased costs as a study found that the average cost per AIDS death in 2001 was approximately R44, 319.00 for an unskilled labourer, R70, 437.00 for a skilled labourer and R190, 877.00 for a highly skilled employee. There is also the implication of a loss of skills and experienced labour. Due to the shortage of highly skilled individuals in the economy, as well as the rampant demand for certain skills any losses of these individuals

including from HIV/AIDS will have a large effect and will see the economy constrained by a skills shortage as well as creating upward pressure on skilled wages.

3.2.8 EDUCATION AND SKILL

There is a general notion that there is a close link between education and development. It is argued that education enables people to access relevant information on how to improve them. The information may include essential aspects of production such as skills and know how, resources, technology, processes, products and market. Education is thus seen as a potentially powerful tool in the struggle against poverty, deprivation and underdevelopment. Therefore access to education is an important means of achieving human development.

A key dimension that directly influences the potential employability of community members is their educational background and level of skills that they possess. The level of education and skills within a region impacts on many factors, including: the productive efficiency of investments (e.g. health, capital), employment potential, the gender gap and productivity and income levels. Education is therefore acknowledged as being inextricably linked to the economic development of an area and to a growing middle class.

(a). HIGHEST LEVEL OF EDUCATION IN MALETSWAI

Source: Stats 2011

SCHOOL EDUCATION	TOTAL	%
No schooling	3 287	7,5
Primary School Education	15 213	34,7
Secondary School Education	16 703	38,1
FET Education	450	1,0
Tertiary Education	2 249	5,1

Table 18: education levels

- Currently 34, 7% of the population has some primary schooling, 7, 5 % has received no schooling.
- The proportion of the population in Maletswai Local Municipality with no schooling has dropped by 4, 5 % compared to 2007 survey.

- 38% of the population has a Grade 12/Matric education or higher education compared to 27% in 2007.
- There has been an overall improvement in the level of education in Maletswai from 2007 to 2011.

(b). IMPLICATION FOR ECONOMIC GROWTH

There has been a gradual improvement in the level of education in Maletswai and the population is relatively well educated compared with other municipal areas in the province, however overall education levels are still quite low. There is a large proportion of the population who are unable to be fully economically active members of the community due to their unemployability. This impacts on income levels of the community and reduces the potential for economic growth. This poor level of education could be due to lack of facilities as well the isolated nature of many people in the rural areas. Another is could be the lack of employment opportunities for more skilled workers, which reduces the incentives for further study. Skilled people are more likely to leave the area to look for work or higher paying work elsewhere, reducing the skills available in the area.

3.2.9 HOUSEHOLD INCOME VS POVERTY LINE

Household income is defined as the combined income of all members of a household. The determination of the income includes:

- Labour remuneration
- Income from property
- Transfers from government (including pensions)
- Transfers from incorporated businesses
- Transfers from other sources

These transfers and remunerations compose the buying power of the household. Census 2011 showed that of the estimated 12 105 households in Maletswai 68% earned below R800.00, whilst 32% of households had a higher income.

The poverty line income was defined as R800.00 per month per household. The Directorate of Social Welfare classifies a household as indigent and living below the poverty line if it has an income of up to R9, 600 per year, which is R800 per month.

ANNUAL HOUSEHOLD INCOME IN MALETSWAI

ANNUAL HOUSEHOLD	NUMBER OF HOUSEHOLDS
No income	1 323
R1- R4 800	521
R4 801- R9 600	932
R9 601- R19 600	2 640
R19 601- R38 200	2 576
R38 201- R76 400	1 559
R76 401- R153 800	1 182
R153 801- R307 600	789
R307 601- R614 400	406
R614 401- R1 228 800	102
R1 228 801- R2 457 600	37
R2 457 601 OR More	33
Unspecified	00
Total	12 100

Table 19: Annual household income

Currently in Maletswai Municipality, a household with a monthly income of less than the two state old pension grants combined therefore qualifies for subsidization through the Government Equitable Share contribution (commonly referred to as the IGG or Intergovernmental Grant) in terms of the Municipality’s indigent Policy.

Some Poverty Line Definitions

- *The level of annual income below which a household is defined to be living in poverty. This is defined differently by different governments and...*

- *A level of personal income defining the state of poverty...*
- *The minimal amount of weekly income needed by an income unit to avoid severe economic hardship.*

(a). IMPLICATIONS FOR ECONOMIC GROWTH

The low level of household income is to be expected given the low employment rate and that the majority of occupations are in unskilled work. In addition with low income levels people tend to spend what they earn right away on necessities. As a result there is little income available for improving their situation through education or investment and in addition not enough is saved for retirement increasing the dependency burden others. Expansion of welfare grants has had a tremendous impact on average household income throughout the region.

3.2.10 EMPLOYMENT AND UNEMPLOYMENT

The unemployment and employment levels within the Maletswai Local Municipality are important to investigate, because the income generated from employment is used to purchase goods and services. In addition, high levels of unemployment are generally associated with poor socio-economic conditions and poverty.

According to the 2011 National Census 8, 8% of our Employable Sector is unemployed and 25% is not economically active. Of the employable Sector (age group 15-65 years), 24% is employed, of those 16% work in the Formal Sector, 4 % in the informal Sector and 4% in private household.

Maletswai Employed and Unemployed Statistics released by Census 2011

Status based on 2011 Stats	Ward 1	Ward 2	Ward 3	Ward 4	Ward 5	Ward 6	Total
Employed	1,848	2,230	1,255	2,140	1,554	1,622	10647
Unemployed	518	661	607	644	473	975	3,877
Not economically active	1,707	2,321	1,575	1,737	1,138	2,602	11,080

Table 20: Employment & unemployment statistics

3.2.11 MEDICAL FACILITIES

According to the study conducted there is a dire need for 24 medical health facilities in Maletswai, given a ratio of one clinic to 500 homes. There are three hospitals at present. To constantly meet with the growing population, expansion is needed to the Jamestown hospital and additional capacity is needed in Aliwal North. An additional 6 nurses are needed for the Primary Health Care (PHC) programme per ward. More emphasis must be put on primary health care in the Wards, and wards must be serviced by at least one ambulance that is within 10 minutes' drive (20km) of each ward.

In view of the above, PHC service was provincialized as from 1st of January 2011. Critical staff and medical supply shortages are being experienced at some PHC clinics in Maletswai.

3.2.12 SPORTFIELDS, RECREATIONAL AND COMMUNITY FACILITIES

There is one athletic track, four tennis courts and one netball court in Jamestown [all in a dilapidating situation]. Sauer Park is located in Aliwal North – currently being upgraded - MIG funding 2015/16 financial year. Sarah Moorosi stadium is located in Jamestown – the first phase of upgrading is completed and the second phase will be done during the 2015/16 financial year.

There is a need for Community Halls in most of the wards according to the study conducted. Community halls contribute in encouraging community participation and play an important role in the development of sustainable human settlements.

The community halls in Maletswai Municipal area are indicated hereunder:-

Ward No.	Area based Current status	Need identified
Ward 2	Hilton	Has been renovated
Ward 2	Joe Gqabi	Fencing has been completed
Ward 5	Greenslade	Has been renovated

Ward No.	Area based Current status	Need identified
Ward 6	Mzingisi Bhilisho (Chris Hani section)	Pipes to be unblocked
Ward 1	Masakhane	Extension of hall
Ward 3	Joe Slovo	Additional chairs needed

Table 21: Community Halls

Some halls need furniture. Fencing and paving of community halls will be considered in the 2016/17 budget as well as budget for the ensuing year.

In Maletswai Municipality, there are two (2) libraries in both towns and (1) museum in Aliwal North – however, there is a consistent outcry from community members to have more libraries in the townships. The municipality will explore the issue of mobile library services, and also attaching library service to all community halls. Each of the libraries needs to have an internet/ computer facility.

3.2.13 CRIME AND GENERAL SOCIAL ISSUES

There is a need for more actively police patrols in the wards and residents wish to have a satellite police station in order to curb crime. There is a general feeling that crime will also be reduced if there are sport and recreational facilities as well as if more jobs were created in the wards.

During IDP Ward Consultations and Workshops held in recent years, it was repeatedly reported by the communities that they are gravely concerned about the ever-increasing drug and alcohol abuse in their areas, blaming ineffective policing, lax law-enforcement and poor land-use control for the problem, which has now spiraled out of control. Community Police Forums that are working with a safety plan have been established in all three towns, with varying degrees of functionality and affectivity. Currently there are four fully staffed and capacitated police stations in Jamestown and Aliwal North. The municipality has identified areas for parks, community halls, school, clinics and business zone and for future planned development.

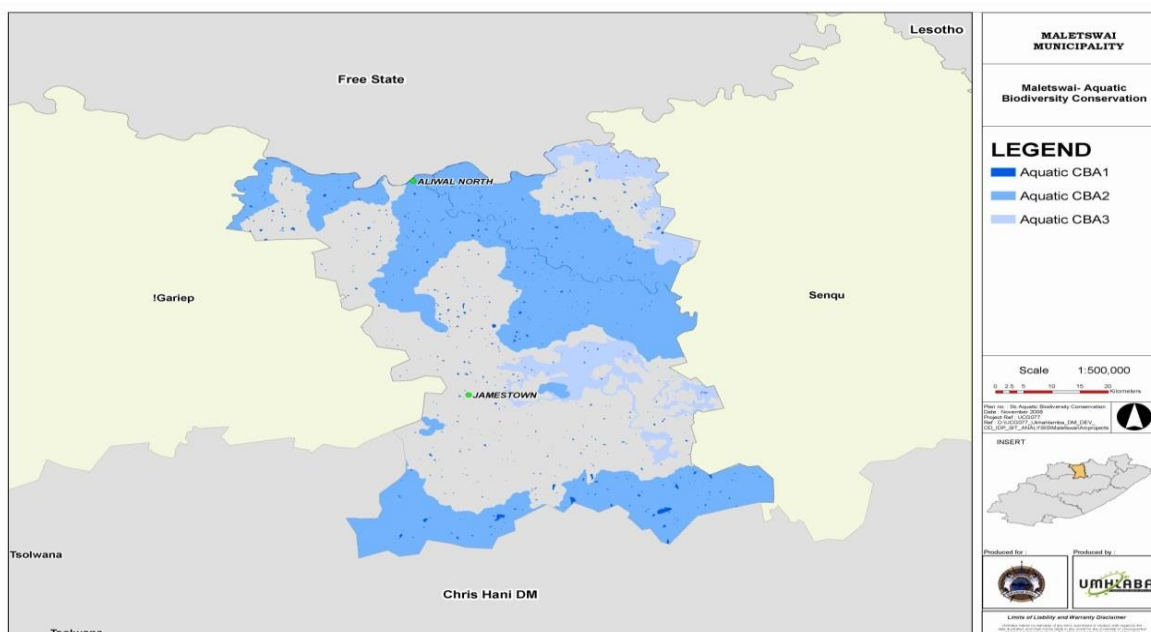
3.2.14 MOBILITY

The majority of people are travelling by taxi in order to reach their places of work. A lack of public transport is also a challenge for Maletswai L.M. There is a need to upgrade the existing central taxi rank with adequate seating, shelter, sanitation facility and trading area. A small business hub needs to be established next to the taxi rank.

3.3 BIOPHYSICAL ENVIRONMENTAL ANALYSIS

3.3.1 Topography

From Aliwal North westwards there are large flat plains of land that are interspersed with steep mountains and hills. Although very little land is suitable for cultivation, much land can be used for grazing. The scenery dictates / influences the type of land use activities that occur *i.e.* the type of agricultural activities. Agriculture is limited to specific land pockets. The Orange River is the most important source of water in the District, and the Orange River catchment area covers most of Gariiep, Maletswai and Senqu Municipalities. This catchment area drains towards the Atlantic Ocean. Relatively small dams provide the Municipality with water, both for agricultural purposes and human consumption. Dams have a secondary usage and potential for recreational and other economic purposes. Jamestown uses boreholes for all its water requirements. Many commercial irrigation ventures are fed from groundwater. The plan below indicates the areas of sensitive hydrology within Maletswai Municipality.



3.3.2 Climate

The region is well known for its temperature fluctuations - with temperatures ranging between 36°C and - 5°C. On average there are 100 days of frost during the year, usually between March and November and winter snow in the higher lying areas of Maletswai Local Municipality. The Municipality is affected by bristly frost and cold, which have adverse effects on agriculture. The table below illustrates the minimum summer temperature for Maletswai.

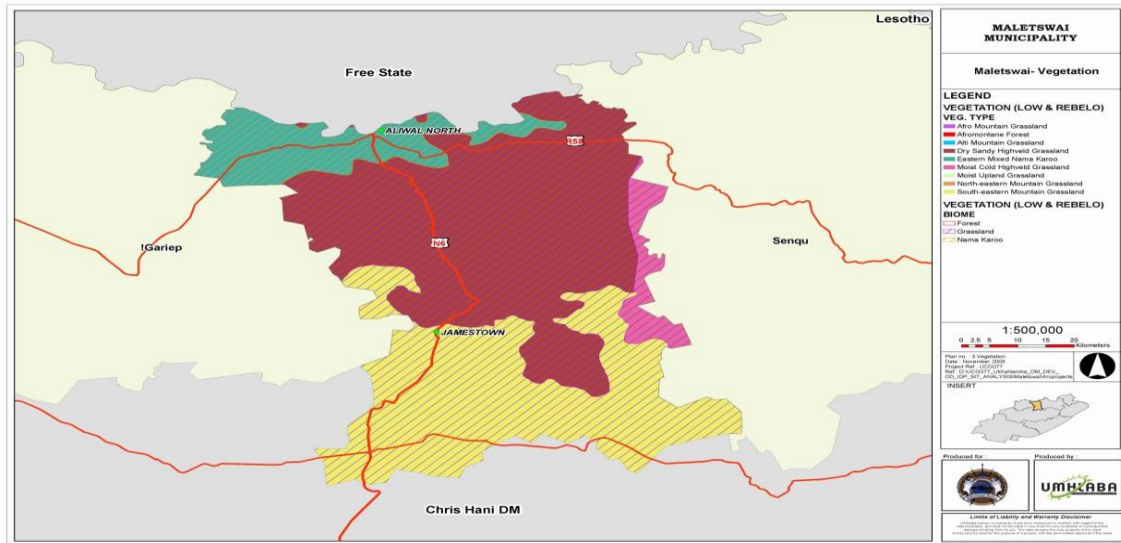
3.3.3 Rainfall

The Maletswai area has between 400mm and 600mm of rain per year. Half a metre of rain a year is regarded as the minimum amount required for sustainable (dry land) crop production. The rainfall for Maletswai is indicated in the diagram below.

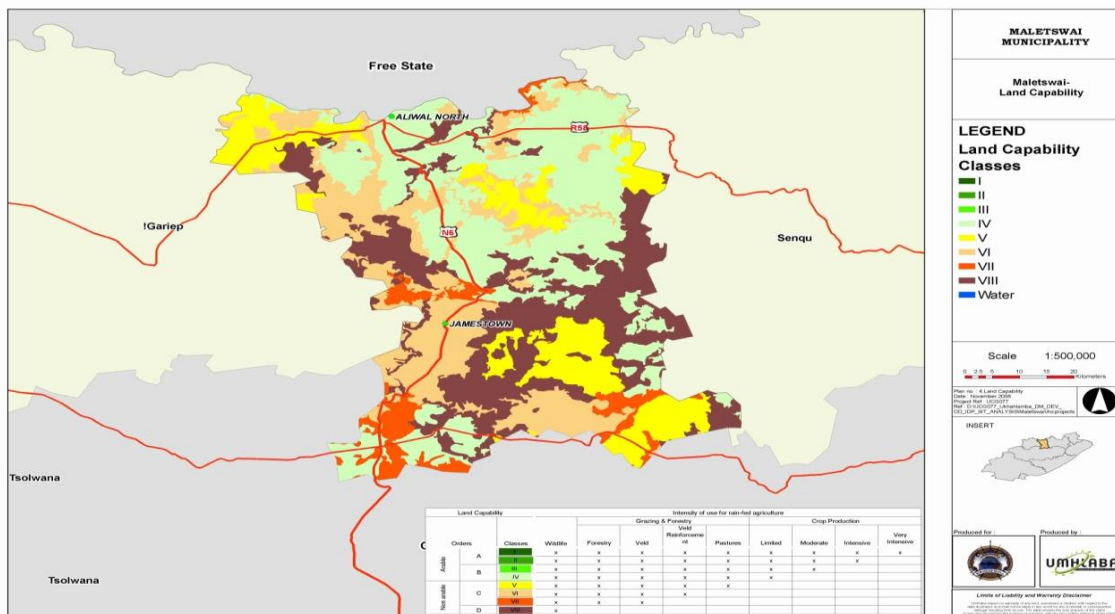


3.3.4 Soils

In Maletswai area, soil is generally shallow and weakly developed. Crop and horticultural production in most of Maletswai area is severely limited (even with irrigation) due to the dominant soil types. Vegetation types represent an integration of the climate, soils and biological factors in a region and as such are a useful basis for land use and conservation planning. There are four vegetation types found in the Maletswai Municipality, including Eastern Mixed Nama Karoo, Dry Sandy Highveld Grassland, South-eastern Mountain Grassland and Moist Cold Highveld Grassland. The Eastern Mixed Nama Karoo vegetation provided an interest for tourism development. The different biomes also have an impact on the type of agriculture practiced in the area. The vegetation types are indicated in the plan below.



Maletswai Local Municipality has the second highest percentage of arable land (with limitations) in its coverage (32.9%) after Elundini Local Municipality at 42.9%. The diagram (below) indicates the land capability in Maletswai Municipality, which foreshadows those areas which are suitable for cultivation and grazing, in accordance with the 8 standards categories of land capability.



Although the area is rich in Agriculture, there is limited land available that can sustain intensive agricultural practices. The municipal Spatial Development Framework also cautions that, residential and industrial development needs not to expand in these

areas. Land identified as prime and unique agricultural land should be presented for agricultural use in the order to enhance food security and therefore economic welfare.

Areas of biodiversity conservation are indicated on the illustration (below), including natural landscape, cultivated lands and plantations. A large portion of Maletswai Municipality has near natural landscape. The municipality has the following environmental opportunities:

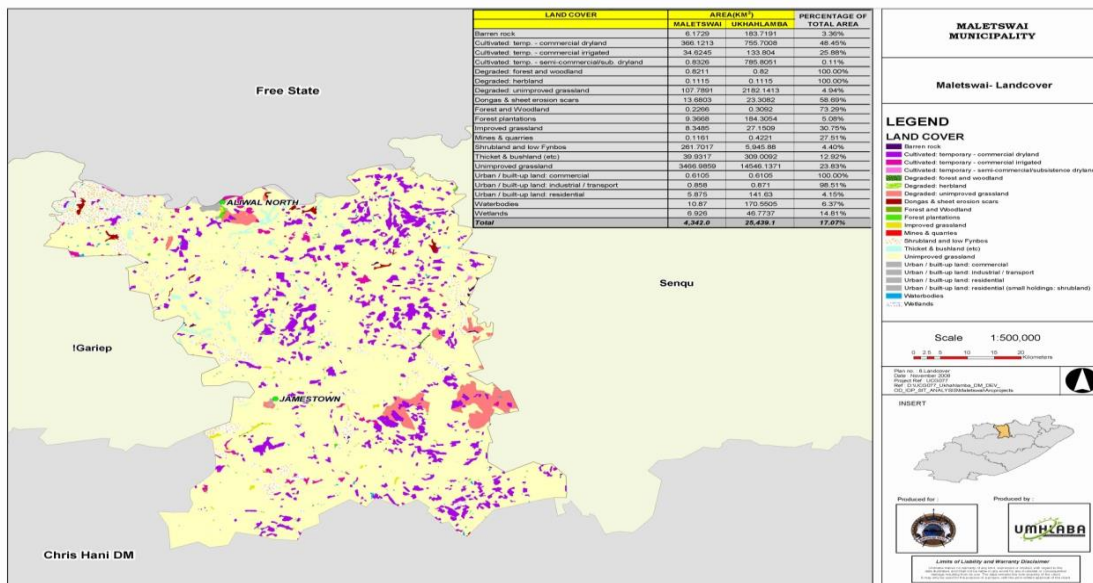
- Scenic beauty of the area;
- Areas for prioritized intervention;
- Increased land care;
- Increased awareness around better land management practices (especially in agriculture and urban management);
- Reduction in the number of sewerage spills;
- Reduction in the number of uncontrolled waste management sites;
- Improved disaster management systems;
- Increased investment in environmental protection and conservation; and
- Infrastructure maintenance especially roads should correlate to the climatic and topographic conditions of the area.

The municipality, in partnership with the district, is implementing on working with water and working on wetlands programme. The purpose of the programme is to preserve the wetland areas and eliminate alien species. The municipality also participates on national water week and the arbour day annually.

3.3.5 Land Cover

The land cover pattern is largely determined by topographical and climatic factors, however past political engineering, current tenure arrangements and population densities have impacted on the type of land cover. The diagram (below) illustrates the unimproved Grassland dominates the Municipality, followed by cultivated temporary commercial dry land and Shrub land and low Fynbos.

The plan below indicates the land cover for Maletswai Municipality.



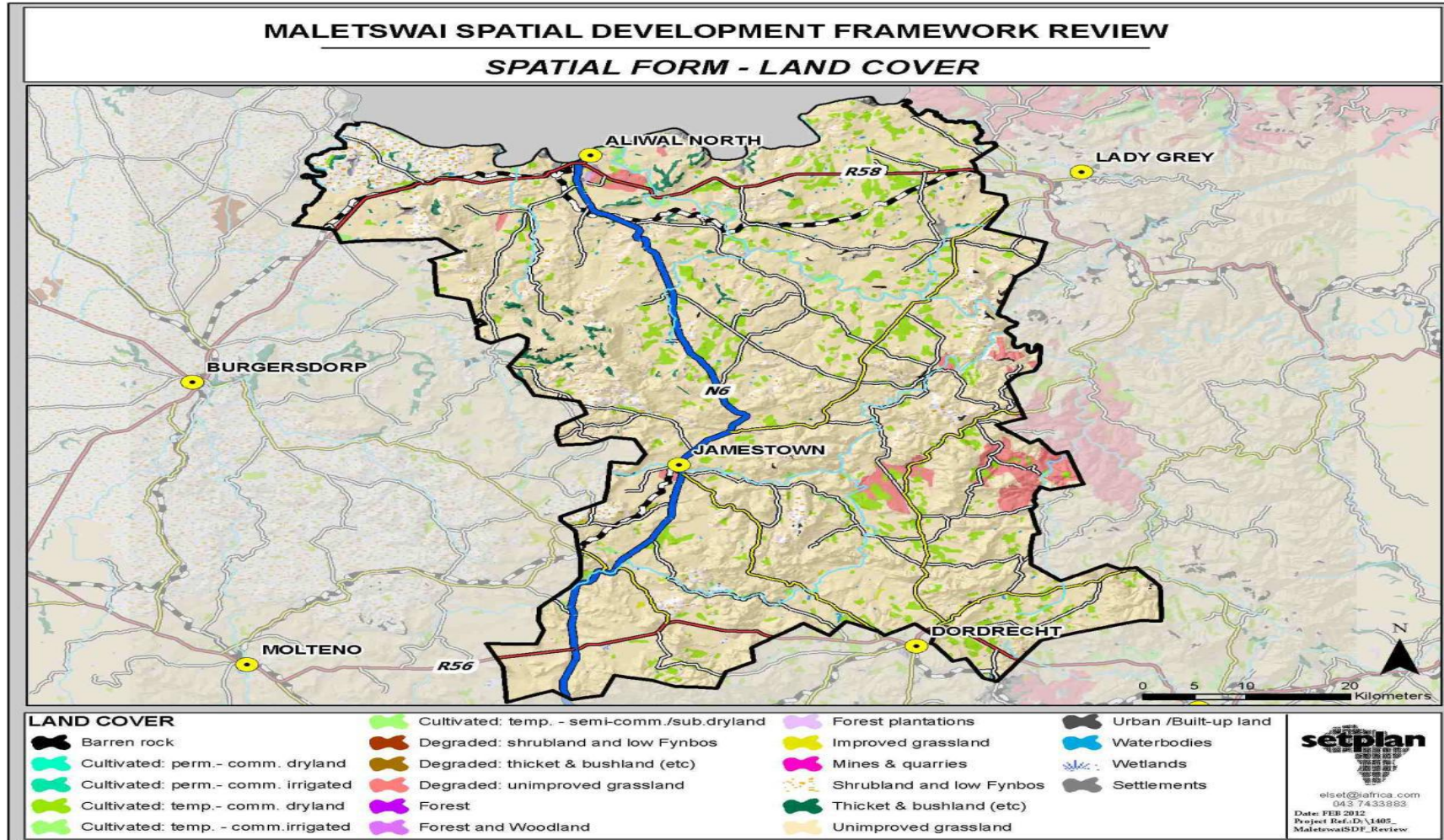
3.4 SYNTHESIS

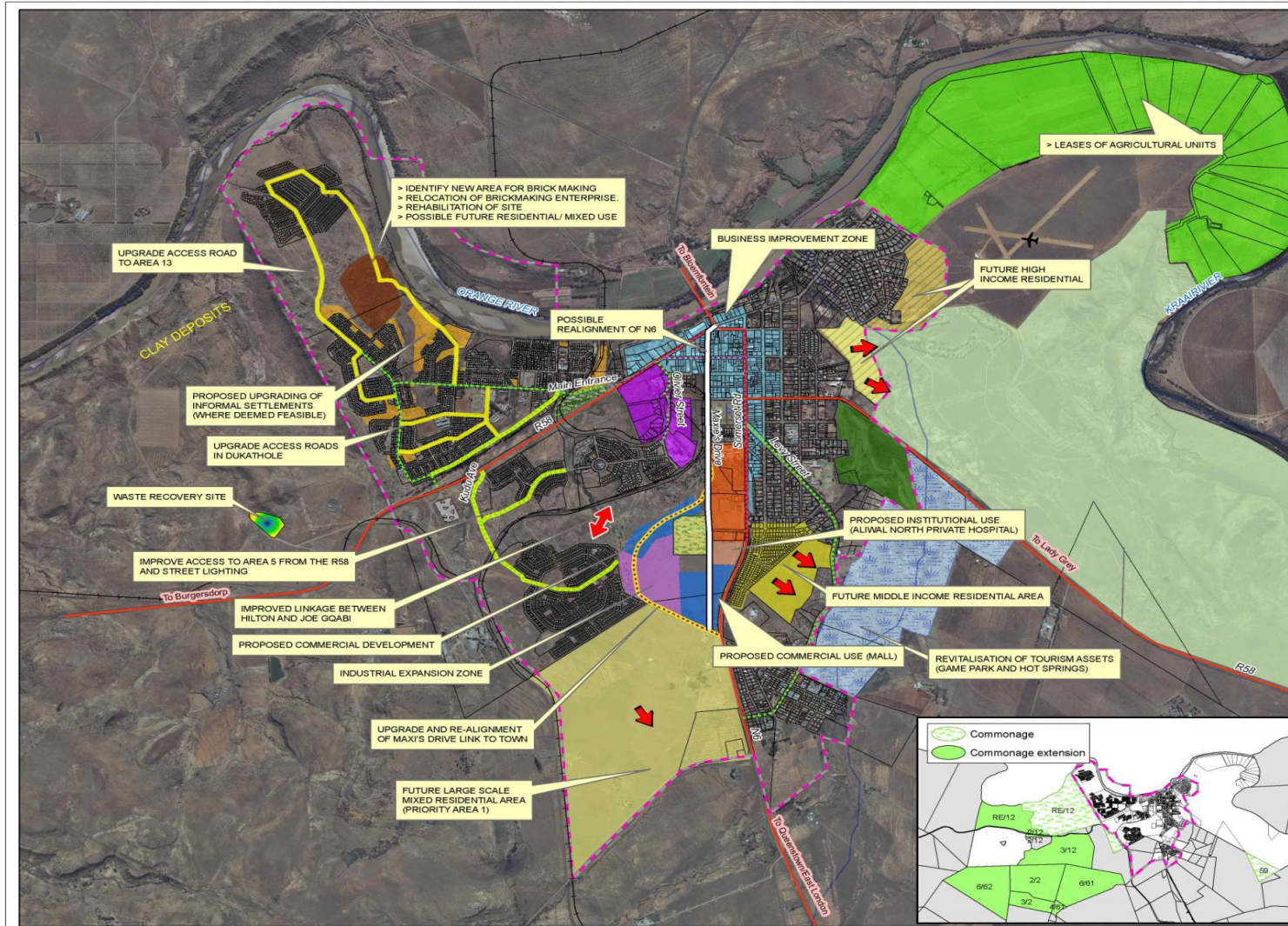
From the socio-economic assessment conducted in this chapter it is evident that the population is relatively better off than other households living in our district, however the local economy is unable to create enough jobs to absorb the working aged people. In addition to this although the population of Maletswai is relatively well educated (compared with other areas in the province) most employment is in unskilled, elementary occupations, which is indicative of low levels of income.

This further undermines the ability of the local economy to grow. Population growth in MLM is stagnant, which illustrates that many people leave the municipality in search of employment in other areas. This is a negative trend, particularly if higher skilled people are leaving the municipality. A positive trend is that most households have access to basic services and infrastructure, which means that the municipalities can focus on providing economic infrastructure and promoting economic development rather than budgeting for social infrastructure.

CHAPTER 4

KPA 1: SPATIAL DEVELOPMENT FRAMEWORK





MALETSWAI LOCAL MUNICIPALITY
Spatial Development Framework Review (2)
PLAN 1:
ALIWAL NORTH SDF PROPOSALS

- Airstrip
- Urban Edge
- Roads**
 - Activity Street
 - Major Linkage Road
 - Mobility Route
 - Road Upgrades
 - Proposed N6 realignment
 - River
- Spatial Proposals**
 - Proposed Low/Middle Income Res.
 - Proposed Middle/High Income Res.
 - Proposed High Income Res.
 - Business Improvement Zone
 - Proposed Commercial Zone
 - Industrial Expansion Zone
 - Proposed Hospital
 - Formalisation of Informal Areas
 - Golf Course Extension
 - Landscaped Memorial Garden
- Land Use**
 - Game Park
 - Intensive Agriculture
 - Present Industrial
 - Agricultural Development Centre
 - Brick Fields
 - Cemetery
 - Golf Course
 - Hot Springs
 - Institutional Zone
 - Taxi Rank

Date: Feb 2012
 Project Ref: 1405
 Ref: d/1405 Maletswai_SDF/

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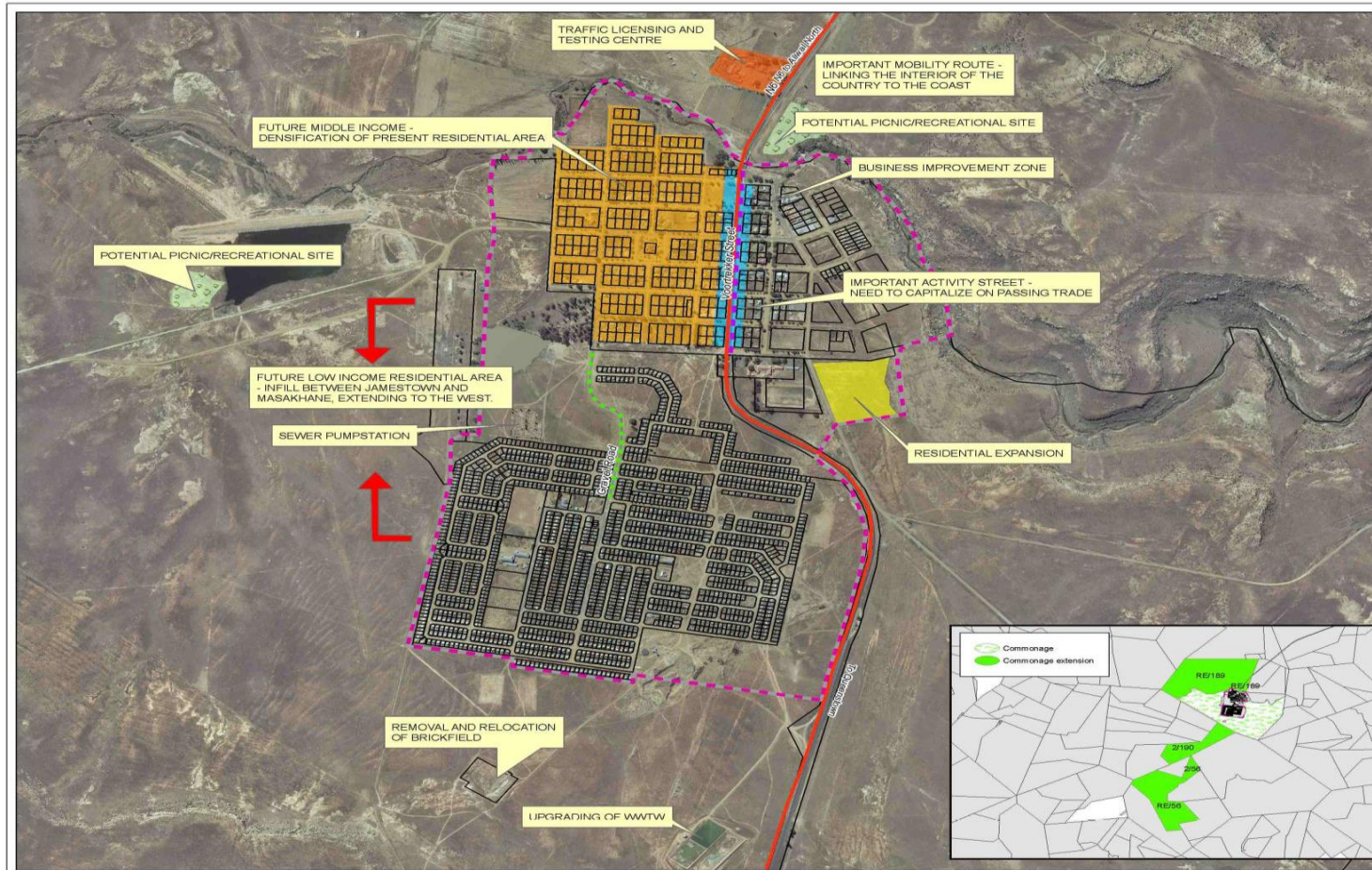
0 280 560 1,120 Meters

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MALETSWAI LOCAL MUNICIPALITY
Spatial Development Framework Review (2)

PLAN 2: JAMESTOWN SDF PROPOSALS

- Urban Edge
- Cadastrals
- Roads**
 - Activity Street
 - Linkage Road
 - Mobility Route
- Spatial Proposals**
 - Business Upgrade Zone
 - Densification of Residential Area
 - Picnic Site
 - Residential Expansion
 - Traffic License Testing

Date: Feb 2012
 Project Ref: 1405
 Ref: d:/1405 Maletswai_SDF/

1:12,000

0 105 210 420 Meters

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The formulation of the Spatial Development Framework is a legal requirement, in which, every municipality must adhere to as part of the integrated development planning processes [refer to section 26 Municipal Systems Act]. The current SDF has been reviewed in March 2012 but the municipality is planning to review it in 2016/ 17, and a wide range of consultations have been undertaken to the entire Council as well as to community based organisations and business formations *etc.* so that the document could meet the current developmental challenges.

The Maletswai Spatial Development Framework *applies to the whole area of jurisdiction of the Maletswai Municipality.* This area is characterised by a distinctive settlement and land use pattern, encompassing two urban settlements, and rural components mainly comprising of extensive land uses.

The area covered by the Maletswai Municipality is approximately 4,358 km² in extent and is made up of:

- The former Aliwal North Transitional Local Council;
- The former Jamestown Transitional Local Council;
- The whole or portions of areas administered by former Transitional Representative Councils (TRCs), including Aliwal North TRC (portion) and Jamestown TRC (whole).
- Political representation in the Maletswai area is based on 6 demarcated Wards.

The key identified nodes within the municipality are Aliwal North and Jamestown with Aliwal North as a key node and a gateway to the district. As far as the spatial investment within the municipality is concerned there is a need for improved bulk infrastructure investment in Aliwal North. In Jamestown (ward 1) key spatial investment consideration must include improving social services throughout. The development pressures in the townships such as Joe Gqabi require investment in reticulation and improving the capacity of bulk.

The district has committed itself to assist local municipality with bulk infrastructure for future development areas in housing development. As per Service level agreement between the municipality and the Department of Human Settlement, the department

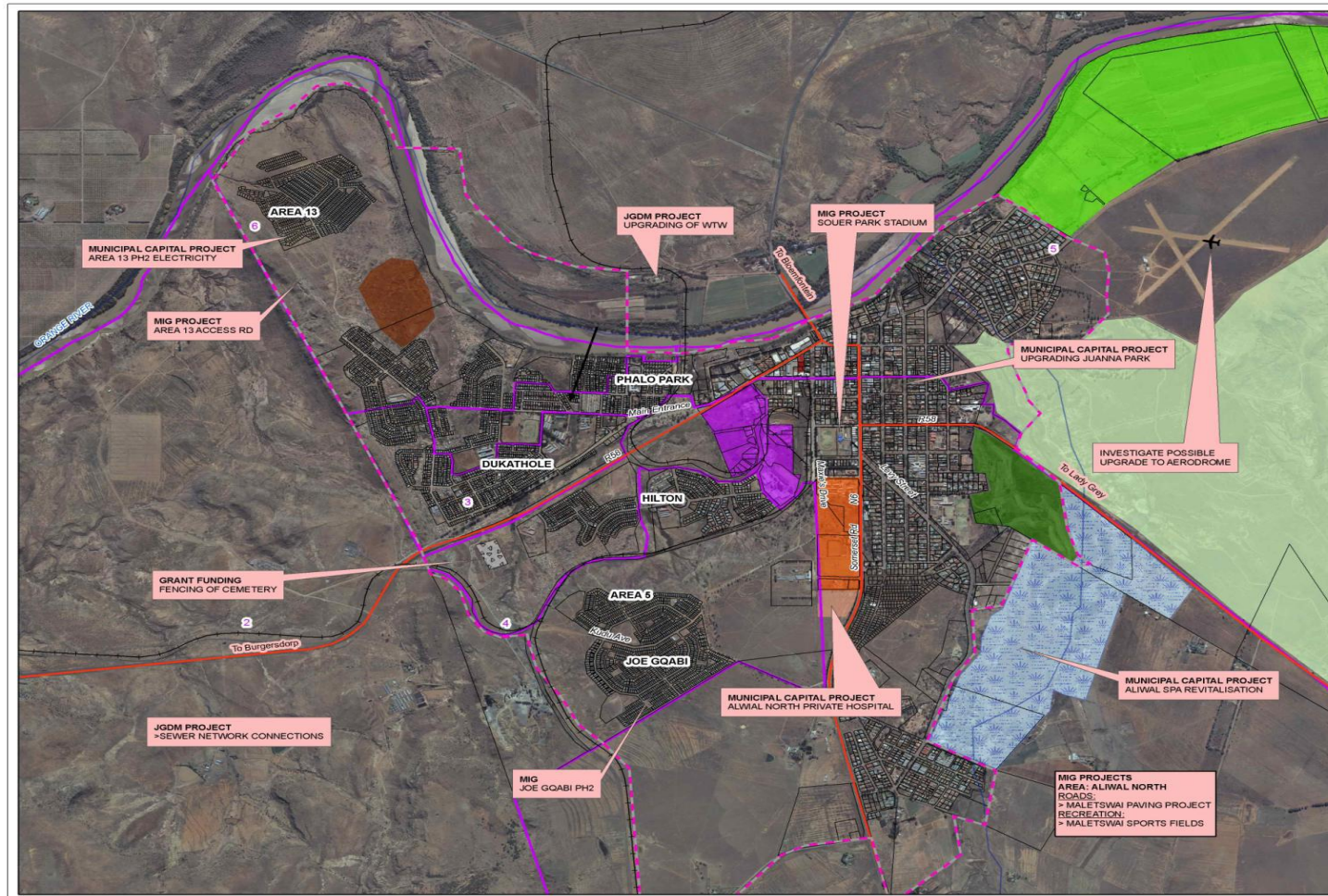
has committed to provide internal connections for water and sanitation. The municipality has made provision of electricity as per the Electrification Master Plan.

4.1 STATUS OF THE SPATIAL DEVELOPMENT FRAMEWORK

4.1.1 SDF and IDP

As embedded in Section 26 (e) of the Municipal Systems Act 32 of 2000, the Maletswai Municipality's Spatial Development Framework forms part of the municipality's Integrated Development Plan and is a key element in the integration of development processes across sectors. All development that affects the way land is used, or which has an effect on the built environment, must be guided by a coherent set of policies and guidelines. These policies and guidelines are embodied in the Spatial Development Framework of the municipality.

In light of the above, it is significant to note that, whilst the Maletswai Spatial Development Framework has statutory status and represents the approved vision for spatial development in the Maletswai area, it is, nevertheless, a 'normative' principle-led plan, which is symptomatic in intent and not prescriptive. In this, the Spatial Development Framework is in accordance with the concept of integrated development planning, which embraces planning as a municipal activity that encompasses both spatial and non-spatial developmental activities that are focused on facilitating or enabling socially, economically and environmentally sustainable outcomes. The maps below clearly depict how the priorities raised in the Mayoral Outreaches are documented in the Spatial Development framework as well as in the IDP:



MALETSWAI LOCAL MUNICIPALITY
Spatial Development Framework Review (2)
PLAN 3:
ALIWAAL NORTH PROJECTS / PRIORITIES

Legend

- Airstrip
- Urban Edge
- Mobility Route
- River
- Cadastrals
- Ward Boundaries
- Proposed Hospital

Land Use

- Game Park
- Intensive Agriculture
- Present Industrial
- Brick Fields
- Cemetery
- Golf Course
- Hot Springs
- Institutional Zone
- Taxi Rank

Date: Feb 2012
 Project Ref: 1405
 Ref. d:/1405 Maletswai_SDF/

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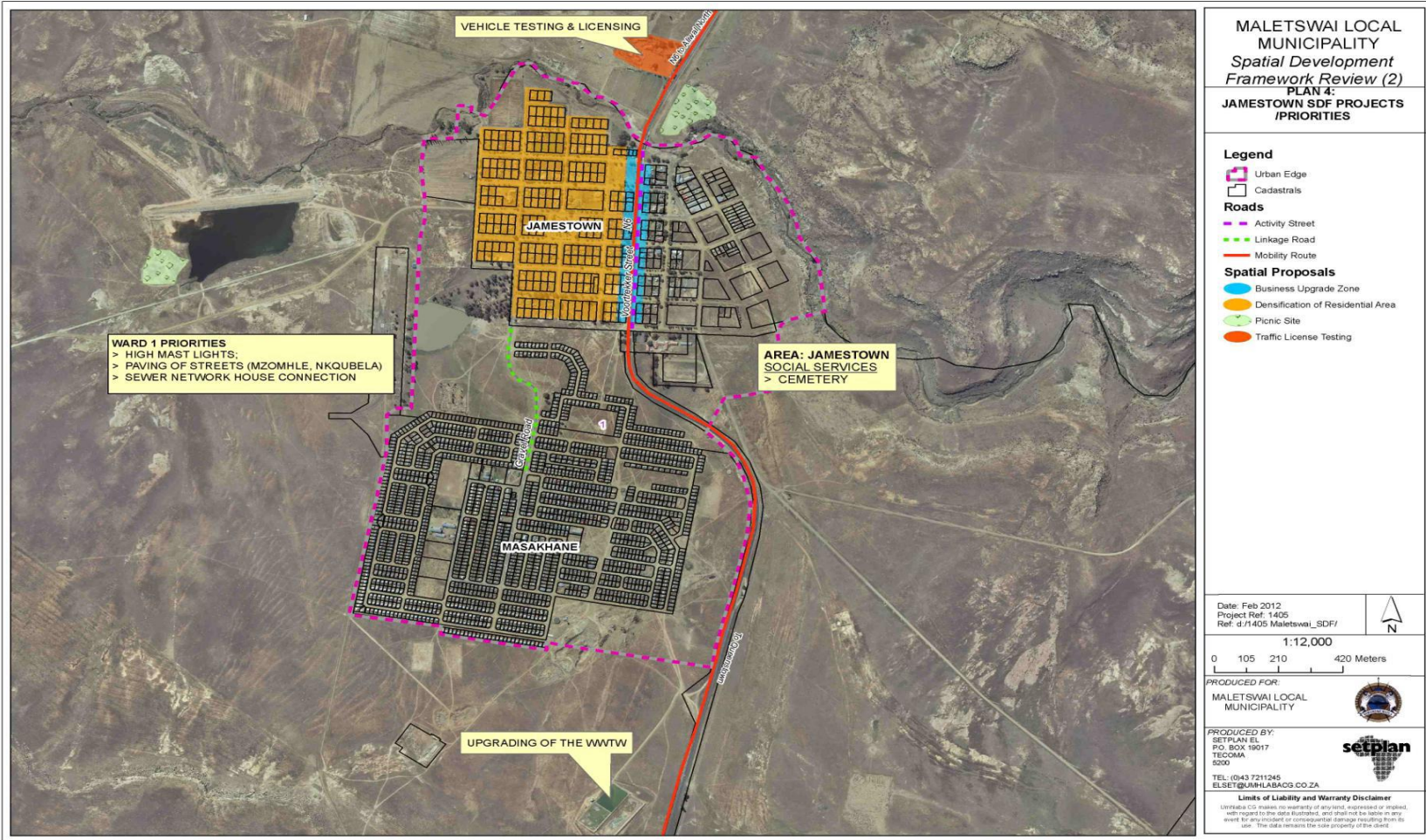
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4.1.2 IDP, Provincial Growth and Development Strategy (PGDS) and National Spatial Development Perspective

National Spatial Development Perspective (NSDP) is essential in determining the following spatial guidelines:

- Coordination of government action and alignment.
- Maximize overall social and economic impact of government development spending.
- Provide a rigorous base for interpreting strategic direction.

The NSDP further makes a number of assumptions to guide development decisions:

- Location is critical to the poor in order to exploit opportunities for growth.
- Poor communities that are concentrated around economic centres have a greater opportunity to gain from economic growth.
- Areas with demonstrated economic potential provide far greater protection due to greater diversity of income sources.
- Areas with demonstrated economic potential are most favorable for overcoming poverty
- The poor are making rational choices about relocating to areas of opportunity
- Government needs to ensure that the poor are able to benefit fully from growth and employment in these areas.

In view of the above, the NSDP therefore suggests that the different spheres of government should apply the following principles when making decision on infrastructure investment and development spending:

- Economic growth is a prerequisite for the achievement of other policy objectives, key among which would be poverty alleviation
- Government spending on fixed investment, beyond the constitutional obligation to provide basic services to all citizens (such as water, electricity, health and educational facilities) should thus be focused on localities of economic growth and/or potential. The reason being that private sector investment must be attracted and that sustainable economic activities and/or the creation of long – term employment opportunities must be stimulated.

- Efforts to address past and current social inequalities should focus on people not places. In areas where there are both high levels of poverty and development potential, more fixed capital to provide basic services will be needed to develop the potential of these areas. In areas with low development potential, government spending should focus on providing social transfers, human resource development and labour market intelligence. Consequently people will become more mobile and will be able to migrate to areas that are more likely to provide sustainable employment or other economic opportunities.
- In order to overcome the spatial distortions of apartheid, future settlement and economic development opportunities should be channeled into activity corridors and nodes that are adjacent to or link the main growth centers.

Development in Maletswai is aligned with the National Spatial Development Perspective. The municipality has resolved that major developments will take place in areas of high potential and focus will be areas where infrastructure already exists and also focus on the bulk infrastructural challenges that inhibit growth of the local economy. This decision to focus on areas with high potential and existing infrastructure implies the prioritisation of high potential and primary centres. Areas with low potential with high densities will still be provided with basic service delivery, skills and exposure to labour market opportunities

4.1.3 SDF and Land Use Management Systems

As required in Section 26 of the Municipal Systems Act, the Spatial Development Framework is to include guidelines that will inform the development of an appropriate Land Use Management System (LUMS), based on the different requirements (i.e. need for land use management or development control) of different areas within a Municipality. The inter-relationship between the IDP, the Spatial Development Framework and the Land Use Management System is illustrated in the diagram below:

(a). Land Use Management Programme

The Land Use Management Programme addresses the on-going need for the Maletswai to engage in proactive land use management in both urban and rural areas, in order to ensure that land development occurs in orderly and sustainable manner.

The proposed Key land use management projects are as follows:

Project Title	Reason for importance	Estimated Cost	2012/13	2013/2014
Relocation of Aliwal North Brick Making Enterprise (Maize field Area) and Rehabilitation of the site	To engage with brick making enterprises in the Maize field area and negotiate a cessation of brick making activities on the site to prevent further environmental degradation on the area and potentially permit the future development of the area for public-funded housing.	120,000	120,000	
Re-proclamation of Dukathole townships in terms of Less Formal Townships Establishment Act (Act No. 113 of 1991)	To bring the township establishment conditions of Dukathole into line with current norms and permit the issuing/upgrading of land rights to freehold.	100,000	100,000	

Table 22: Proposed Key Land Use Management Projects

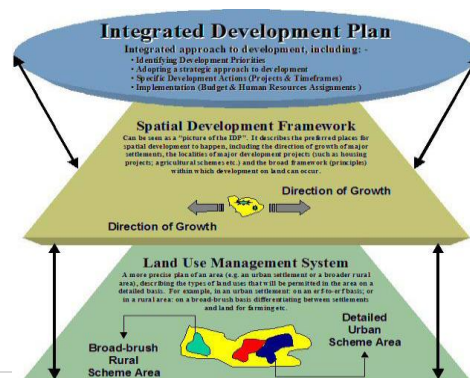
(b). The Settlement Planning & Land Reform Programme

The Settlement Planning & Land Reform Programme within the Spatial Development Framework is established to identify key projects relating to planning of new or existing settlements, and related land development needs.

The projects identified in this Programme relate to the identified needs to accommodate influx into the Aliwal North area, and to cater for the livelihood needs of the poorest residents in the area.

Key Settlement Planning & Land Reform Projects Project Title	Reason for Project's Importance	Est. Cost (ZAR)	20012/2013	2013/2014
Extension of Joe Gqabi: Settlement Planning Phase 1 (2,000 sites)	To accommodate lower income residents of Aliwal North currently residing in informal settlements in the area. The project requires a phased approach dealing with issues such as negotiating a Land Availability Agreement, conceptual layout and detailed layout planning, and the Housing Subsidy Application.	800,000	350,000	450,000
Aliwal North Commonage Management Plan	To ensure the appropriate use is made of all commonage land under the jurisdiction of the Maletswai Municipality in the towns of Aliwal North and Jamestown.	150,000	150,000	
Jamestown Commonage Management Plan	To ensure the appropriate use is made of all commonage land under the jurisdiction of the Maletswai Municipality in the towns of Aliwal North and Jamestown.	100,000	100,000	

Table 23: Settlement Planning and Land Reform Projects



4.2 PRIORITY SPATIAL DEVELOPMENT ISSUES

Priority Issues	Spatial Development Implication	Spatial Development Objectives	Budgeted amount (2014/15 FY)
Ensuring Urban Efficiency	This refers to the need to consider the inter relationship between the various development needs in order for the Urban centres (Aliwal North, Jamestown) to function with optimum efficiency.	Well structured, compact, efficient and sustainable urban centres, creating places where residents are able to realise their full potential.	
Land Development Needs (rapid urbanization)	This refers to the current problem of Informal settlement formation especially in Dukathole.	Appropriate land and services developed for communities requiring settlement assistance	R1,050,000.00 (Jamestown 250 units funded by Dept. of Human Settlements)
Development of Tourism potential	This refers to the need to target tourism projects and initiatives that have potential for growth and to generate economic spin-off	Aliwal North is a recognised and desirable tourism destination.	R15, 000.000 (Funded by DEA)
Environmental Management	This refers to the sustainable use of the natural	Sound environmental practices are followed and environmentally	R15, 000.000 (Funded by

Priority Issues	Spatial Development Implication	Spatial Development Objectives	Budgeted amount (2014/15 FY)
	environment and the protection/conservation of environmentally sensitive areas.	sensitive areas are protected.	DEA)

Table 24: Priority Spatial Development Issues

4.3 IMPORTANT DEVELOPMENT NODES AND CORRIDORS

The municipality's Spatial Development Framework takes into cognisance of the need to plan for Urban Efficiency, the optimum usage of limited resources and sustainability thereof, hence it considers the need to focus limited public resources in areas of greatest opportunity to create maximum impact. These areas that are identified are referred to as Nodes [which comprise of existing and proposed nodal points where mixed land uses and high intensity activities can or do take place] and Corridors [that can comprise of Activity Corridor, Activity Street and Mobility Route].

The reviewed Maletswai Municipality's SDF (2008) identifies points to guide future planning. The following classes of nodes and corridors, some of which are either in existence or proposed, have been identified for the municipality, as specific areas or geographic localities where the municipality needs to prioritise its spending, resources and investment.

Node Type	Geographic Area or Description of Locality
Central Business Districts (CBDs)	<ul style="list-style-type: none"> • Aliwal North • Jamestown
Entertainment Node	<ul style="list-style-type: none"> • Hot Springs/ Aliwal and Islands Spa area (Aliwal North)
Minor Mixed Land Use	<ul style="list-style-type: none"> • Taxi rank (Aliwal North)

Node Type	Geographic Area or Description of Locality
Nodes	<ul style="list-style-type: none"> • Future Commercial Development along Maxie's Drive near Joe Gqabi township

Table 25: Node Types

Node Type	Description of Locality
Activity Streets <i>(refer to Plans 1 –3)</i>	<ul style="list-style-type: none"> • Somerset Street (Aliwal North) • Robinson Road (Aliwal North) • Barkly Street (Aliwal North) • Maxie's Drive (Aliwal North) • Bantu Street (Dukathole) • Voortrekker Street (Jamestown)
Mobility Routes <i>(refer to Plans 1 – 3)</i>	<ul style="list-style-type: none"> • N6 East London-Jamestown- Aliwal North – Bloemfontein • R58 Burgersdorp – Aliwal North – Lady Grey
Major linkage roads <i>(refer to Plans 1 –3)</i> Aliwal North:	<ul style="list-style-type: none"> • Road from Brickworks to Town • Second access road to Dukathole • Main road in Dukathole • Road joining Maxie's Drive and R 58 Road from Aliwal North to Burgersdorp • Young Street

Table 26: Node Types and Description of Locality

Due to its strategic location, Aliwal North [which is the main town of Maletswai Local Municipality] is enormously position as the gateway and economic centre of the district municipality. This therefore places more attention to the municipality, henceforth; the Spatial Development Framework of Joe Gqabi District municipality positions Maletswai Municipality [Aliwal North in particular] as its primary node because of its economic potential.

4.4 POTENTIAL AREAS FOR INVESTMENT

The following are the areas that have a potential of attracting investment as noted in the Spatial Development Framework:-


- The primary node Aliwal north: Aliwal Spa,
- Jamestown
- Land for Commercial purposes
- Game reserve

4.5 ENVIRONMENTAL PRINCIPLES

In general, when considering applications for land development, the following environmental principles are considered:

- **Landscape quality:** All development proposals must be evaluated in terms of their effects on the landscape quality of the surrounding area. This must consider the visual absorption capacity of the surrounding land and the visual intrusion, which will result from the development.
- **Urban sprawl:** The development should not contribute to urban sprawl as a result of “leap-frogging” thereby promoting secondary development.
- **Carrying capacity:** New tourism developments outside of the urban edge must evaluate the impacts of the proposed influx of tourists on the immediate natural surrounding areas as well as neighbouring natural and urban areas. A value judgement may be required to determine if the development will exceed the ecological carrying capacity of the surrounding area. This should not promote secondary development (service station; shopping centres etc.) thus creating the need for new a development node.
- **Waste disposal and sanitation:** Any developments outside the urban edge must be self-sufficient and have a detailed plan for solid waste disposal and on-site sanitation. Developments outside of nodes must not be reliant on the municipal sewage systems as these are planned and designed to accommodate treatment volumes from the defined nodal development areas and may not have sufficient capacity to accommodate additional volumes. In all cases the environmental impacts associated with the waste disposal and sanitation systems will need to be assessed as part of the project Environmental Impact Assessment (EIA).
- **Infrastructure requirements:** The impacts on the natural environment from additional infrastructure requirements must be carefully considered and must be assessed as part of the project EIA.
- **Agriculture:** Developments should preferably not be permitted on land designated as “prime and unique” agriculture land or significantly reduce the area

of high value agriculture lands, thereby reducing the potential productivity of these areas

- **Biodiversity corridors:** Development must not impact significantly on biodiversity corridors.
 - **Pristine habitats:** Developments must not be situated adjacent to rivers designated as being pristine, near pristine or stressed. The National Environmental Management Act is one of the pieces of legislations applicable to Maletswai Local Municipality. Also, Joe Gqabi Environmental Management Plan (2003), Joe Gqabi Spatial Development Framework (2006) and Maletswai Spatial Development Framework are also documents considered and applicable to the municipality.
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CHAPTER 5

KPA 2: SERVICE DELIVERY

5.1 Introduction

President Jacob Zuma's State of the Nation Address placed the focus on an **Integrated Infrastructure Development Programme which aims to promote a shared, job-creating growth path for South Africa.** In his State of the Nation Address on 12 February 2016 President Jacob Zuma intensify his focus on the **National Development Plan (NDP) which aims to tackle the problems of poverty, inequality and unemployment.** He stated that the NDP is a roadmap to a South Africa where all will have water, electricity, sanitation, jobs, housing, public transport, adequate nutrition, education, social protection, quality healthcare, recreation and a clean environment. He urged all South Africans to work towards the realisation of NDP vision. The Maletswai Municipality will exhaust all its energy to ensure that it progress towards the realisation of providing services to all its citizens. The results of the empirical study conducted under the auspices of the Directorate of Local Government and Traditional Affairs (DLGTA) will also be used as a source. (Refer to attached **ANNEXURE "A"** on the **Demand for Economic and Social Infrastructure.** (i.e.. Aliwal North FET College, Joe Gqabi Mall, Special school, and future housing project). Maletswai Local Municipality does not have the Infrastructure Development Plan as yet.

5.2 CAPACITY TO DELIVER INFRASTRUCTURE SERVICES

The municipality's technical services Directorate have a capacity to deliver infrastructure services to the community of Maletswai. The table below illustrates the staff:-

Staff complement in the technical services

	Approved positions	Number of approved and budgeted posts per position	Filled posts	Vacant posts
1.	Director	1	0	1
2.	Assistant Manager	1	1	0
3.	Foremen	3	2	1
4.	Superintendent	1	1	0
5.	Tool men	4	4	0
6.	Linesman	1	1	0
7.	Shift workers	17	16	1
8.	Drivers	5	5	0
9.	Operators	2	2	0
Total		35	32	3

Table 27: Staff compliments

5.3 PROJECT MANAGEMENT PLAN

The Municipality has designed a business plan on Project Management Unit (PMU) to effectively and efficiently manage all MIG projects. (Refer to annexure B). The Municipality does not have the Institutional Social Development (ISD) officer, but its function is performed in the technical services Directorate. The Directorate performed the social facilitation role and community mobilisation in the implementation of all infrastructure projects. Among the responsibilities the Directorate plays are:

- Establishment of Project steering Committee
- Facilitation of employment on projects

- Ensure that projects implementation runs smooth

5.4 ENVIRONMENTAL IMPACT ASSESSMENT ON CAPITAL PROJECTS

The Environmental Impact Assessment (EIA) is conducted in all the development Capital projects that are taking place within the municipality before they commence. This is in compliance with the National Environmental Management Act. The projects earmarked for this financial (2016/17) do not need the EIA.

5.5 Service Delivery and Infrastructure

5.5.1 Water Provision

In terms of the adjustment of powers and function between district and local municipalities, Joe Gqabi District Municipality (JGDM) is the Water Services Authority (WSA) and this then translates that the provision of water and sanitation solely lies as a district function.

5.5.2 Service level agreement

Water service provision has been taken over by the District. The Joe Gqabi District Municipality has taken over the provision and billing of water and sanitation to all the local municipalities including Maletswai Local Municipality.

Water Service Backlogs in Joe Gqabi District Municipality.

<i>Local Municipality</i>	<i>Total Population</i>	<i>No access to piped water</i>	<i>Access to piped water</i>
Elundini	138 141	46,7%	53.3%
Senqu	134 150	18,9%	81.1%
Maletswai	43 800	1.9%	98.1%
Gariep	33 677	1.9%	98.1%
Total	349 768		

Table 28: Water Service Backlogs in Joe Gqabi District

In estimating these water backlogs, the following assumptions have been applied:

People sourcing water from springs, rainwater tanks, streams, rivers, dams or water vendors are deemed to be un-served; and people with piped and borehole water within 200m are deemed to be served.

(a). Water Challenges

A number of water related challenges exist, like insufficient storage capacity in Dukathole, Block H1, Area 13, Joe Gqabi, Hilton and Springs. Old infrastructure like reticulation pipes needing to be replaced, also limitation and capacity constraints at local level to provide water service. There is [also] a lack of sufficient contingency plans to accommodate new bulk infrastructure with old connecting infrastructure – the replacement costs are extremely high due to lack of sufficient budget on operational and maintenance. Moreover, the new housing developments, and private developments are placing an enormous strain on old and over utilised infrastructure. In a nutshell, the upgrading of the water reticulation system in Aliwal North is planned. The Rand Water was appointed by Joe Gqabi District Municipality and they have finalised the Water and Sanitation Master Plan for Aliwal North which depicts all problem areas in terms of water and sanitation provision.

(b). Water Infrastructure Maintenance

The 858 housing section in Jamestown is currently getting water from stand pipes since the completion of chemical purification plant and dam construction. House connections with meters will have to be provided during the construction of the water borne sewerage system, of which JGDM secured R38m (for both Water and Sanitation provision). The water purification works are manned by two general assistants. Water purification plant operator’s posts will have to be created on the organogram for Jamestown.

5.5.3 Sanitation Provision

Table 29: Sanitation Provision

L.M	Population	Flush toilet	Not Flushed toilet
Elundini	138 141	14,5	85,5

L.M	Population	Flush toilet	Not Flushed toilet
Senqu	134 150	16,2	83,8
Maletswai	43 800	85,5	14.5
Gariep	33 677	84.1	15.9
Total	349 768		

The following assumptions have been applied in estimating sanitation backlogs:

People with flush toilets, septic tanks, chemical toilets or VIP latrines are deemed to be served; and people using unventilated pit latrines, buckets or no infrastructure are deemed to be un-served.

(a). Sanitation Infrastructure Maintenance

The Sewer Treatment Works in Aliwal North was refurbished in 2002 and 2005. The critical challenges are experienced with regard to bulk sewer and reticulation, especially Dukathole, Springs and some areas in town. This is being observed on regular blockages noticed and experienced throughout the operation and maintenance. The Municipality has temporarily stopped additional sewer household's connection in Springs area and some sections of the Central Business District due to incapacity of pipes to carry the sewer flow even on off peaks. This process has negative impact on the economic growth of the town. The WSA has been notified about the Dukathole sewer challenges and registered a project on MIG as a result. The project is currently awaiting Directorate of Water Affairs approval on technical report, which was submitted to Maletswai Municipality for comments and we are confident that should funds be made available sewer crises would be substantially reduced. The Dukathole sewer reticulation is worse of that in one month the municipality experiences about 40 to 60 sewer blockages. This leaves us with an obvious fact that reticulation should be upgraded and this needs huge capital injection. The new housing development that is underway and other housing projects that are imminent will certainly exert more stress to the reticulation system.

5.5.4 Free Basic Units

The District Municipality is providing free basic water- 6 kilolitres of water per households. Maletswai is providing 50 kilowatts electricity for grid –based households. There is no FBS Unit but dedicated personnel from the finance Directorate.

There is an integration of plans between the district and municipality through the FBS steering committee.

5.5.5 INDIGENT STEERING COMMITTEE

This committee sits quarterly and is functional and it is chaired by portfolio head of finance.

5.5.6 SUMMARY OF INDIGENT POLICY

In compliance with the prescribed policy the municipality is providing free or subsidised basic service for many households who would normally struggle to pay their accounts. There is an Indigent Policy which is reviewed annually where qualifying applicants must register for FBS at the municipality or with their designated councillors (ward councillors). After lodging an application it will be assessed and approved. An income declaration or proof of registration as an unemployed person, support the indigent application. The policy was adopted by the Council on 5 October 2011 and reviewed on 27 March 2013. This summary is published for public consumption.

The table hereunder gives a reflection of the number of qualifying poor households and the actual financial implication.

No Indigents	Electricity/Alternative Energy	Refuse
4721	558 050	4 200

Table indicating number of qualifying poor households

5.5.7 INDIGENT REGISTER

The local Municipality has reviewed indigent register in 2015/16. It is credible and is updated annually.

5.5.8 Roads and Storm-water

The Roads Master plan (attached as ANNEXURE "D") for the Municipality was developed and endorsed by Council in 2008 and it is reviewed annually. The roads

master plan was derived from the district Integrated Transport Plan (ITP). It forms the basis for planning and resource allocation. The District Integrated Transport Plan (ITP) was developed and adopted in 2008 and reviewed in 2011. Storm water Master Plan was developed for Dukathole area plans for other areas are being considered. For the purpose of this document, Maletswai Municipality has divided roads into four (4) distinct categories, namely – National, Provincial, Access roads and Streets. This segment will seek to discuss each category in a concise manner. Furthermore, the municipality has a council approved Roads Master Plan which determines the needs for Roads in the municipality, furthermore, outlines the budget for operation and maintenance of public roads. During the development of these plans communities were effectively involved through the established IDP transport forums identified and all the stakeholders are also requested as when required.

(a). National Roads

National roads are the responsibility of South African National Roads Agency Limited (SANRAL). The “friendly” N6 is the only national road traversing the municipality and recent surveys carried out, clearly illustrate that its condition is generally good as it has been rehabilitated in recent past. The road between Jamestown and Aliwal North was recently upgraded by SANRAL and is completed. The Directorate of public works has committed funding for 2015/16 for road network at Maletswai which is approximately 770km, (595km is District Roads and 173.53 is National Roads).

(b). Provincial Roads

The provincial trunk road that links Aliwal North to Burgersdorp is in a fairly good condition; however certain sections of it still need improvement. The road linking Aliwal North, Lady Grey, Barkly East and Elliot is rapidly deteriorating from lack of regular maintenance, the only section that was upgraded through Maletswai Municipality initiative is Young Street, this road was done in December 2007 by a contractor appointed by the Municipality, but only ± 1km from N6 was done funded by Directorate of Roads and Transport. To aggravate the situation, this area has the second highest rainfall figures in the region and has had to have the road scraped in severe snow, and this has led to the deterioration of the road. This road forms an integral part of the

east-west linkage across the District and a key element of the Madiba Corridor, linking Port St John's, Mthatha (N2) through to the N1 at Colesburg. The provincial roads do have the grass cut at the sides of the roads and have had their crash barriers repaired in a number of places. Patching of potholes has however not been at the pace necessary to prevent accidents and unnecessary wear and tear on vehicles.

(c). Access Roads

Access Roads are maintained by municipalities in terms of the Municipal Structures Act 117 of 1998; however there is a significant challenge around capacity, knowledge, resources and magnitude of the backlogs for them to effectively implement such service. The Municipality bought a Grader and Tipper truck in 2008 with intentions of internally repairing roads that are mostly in residential areas. On the other hand, farm roads largely remain the responsibility of Joe Gqabi District Municipality. There are road maintenance teams based in different areas of the District repairing farm roads as standalone farm roads programme.

(d). Streets

Streets within towns are the responsibility of the relevant local authority. To improve streets upgrading service delivery, the Municipality bought 1 TLB in 2007, Grader and Tipper truck in 2008 particularly for streets upgrading and maintenance. In 2007 the Municipality embarked on the programme of resurfacing the Aliwal North Streets funded by DBSA through loan Maletswai Municipality made. The MIG funded some of the projects in Maletswai Municipality e.g. Dukathole taxi/bus route. Maletswa has one functional taxi rank in Aliwal North The district municipality is engaging the Directorate of Public Works to amend the current Service Level Agreement to include maintenance of municipal of streets.

(e).Areas for prioritized intervention covered by Roads Master Plan

- Significantly improve system of road maintenance of gravel roads
- Improved maintenance of key mobility corridors
- Resolution around road classification
- Source funding for improved road maintenance

It is important to note that, road maintenance can in some instances be labour intensive and this provides an opportunity for poverty alleviation. Furthermore, the maintenance of roads does have an economic impact both through the actual maintenance (where local contractors could be involved) through the spin-off of increase income for agriculture and tourism.

(f) Implementation of EPWP policy

The Municipality adopted EPWP policy in 2012 which is reviewed annually which seeks to ensure that all capital projects are implemented through labour intensive methods. The policy also aims to provide an enabling environment for the municipality to increase and expand the implementation of the EPWP to other sectors. The Directorate of Public Works has allocated funding in 2016/ 17 financial year period.

(g) Non-motorised transport

Provision is made for non-motorised transport and the Maletswai Municipality had upgraded the sidewalks in the entrance between Ward 4 and Ward 2. There is no budget for transport facilities in 2016 financial year.

(h)Transport Forum

The road transport forum is functional and it meets quarterly.

(i) Testing station

There is a vehicle testing station in Aliwal North which administers driving licences and road worthiness of vehicles. A vehicle identification unit is also functional.

5.5.9 Electricity and Energy

The Municipality developed Electricity Master Plan in 2007 and it has been reviewed in May 2013. All the electrical developments done were guided by the plan. The municipality has an electricity distribution licence for Aliwal North. However, Jamestown is distributed by Eskom. In an endeavour to develop the electrical network and substation, the Municipality have recently completed the construction of the sub-

station in Aliwal North to a tune of R 27m. This then resulted in the upgrading of the electricity capacity from 11kv to 22kv. The upgrading of the network reticulation however remains a challenge. The Directorate of Energy grand funding only focuses in universal access and not network upgrading. The Directorate has allocated R3 000 000 in 2015 / 16 for electrification program in Maletswai local municipality.

5.5.10 Free Basic Energy

As for Free Basic Energy, the Council approved for 100 households for an alternative energy to be piloted. This was followed by procurement of green gel and stoves – this project was completed at a cost of under R97 000.00. The Municipal electrical distributing equipment is old and dilapidated, like kiosks, mini-sub, and old types of cables which battles to manage with the demand especially during high demand seasons.

The following table represents the energy source for lighting at Maletswai Municipality:

Energy source	Ward 1	Ward 2	Ward 3	Ward 4	Ward 5	Ward 6	Total
Electricity	10,190	1,759	2,085	1,229	1,513	1,625	10,190
Gas	33	5	3	4	5	2	14
Paraffin	37	18	122	477	39	302	996
Candles	315	53	42	116	59	252	838
Solar	13	6	-	3	4	5	31
None	5	2	1	1	3	5	18
Total	2,134	2,167	1,398	2,115	1,733	2,557	12,105

Table 30: Energy Source

The household's electricity connections in Maletswai for 2011 are 84 % which is above the district average of 69, 0 % and provincial average of 75, 0 %.i.e. all people who reside in formal houses are connected to electricity except those with houses that are not 100% completed in terms of construction.

(a). Electrical Challenges

The challenges are predominantly on issues related to old infrastructure i.e. overhead lines, underground cables, small sized cables and mini-substation

(b). Electrical Opportunities

There are significant social and economic spin-offs from the improved supply of electricity to communities. All the nodes as identified in the Spatial Development Plan (rural and urban nodes) must be effectively supplied with an efficient service. Refer to ANNEXURE “E” for electricity master plan.

5.6 SERVICE DELIVERY AND COMMUNITY SERVICES

5.6.1 Solid Waste Management

Maletswai municipality utilises the Integrated Waste Management Plan (IWMP) of the District Municipality which was adopted in 2005 but is in the process of developing its own with the assistance of DEDEAT. Currently the municipality is collecting refuse from 12447 formal households, 92 business premises, and 1600 Informal households. Furthermore, the municipality is in possession of 3 refuse trucks for collections and 2 tractors with trailers for collection of garden refuse and illegal dumping.

All in all, waste management consists of collection, transportation and disposal of solid waste. In [both] Aliwal North and Jamestown, waste management services are rendered on a weekly basis to most residents in the urban areas. The municipality has three trucks, three tractors and three trailers used for refuse removal. Moreover, skip bins are located in strategic areas where illegal dumping is rife, as well as, in informal residential areas [for communal waste collection]. These are the elements of the IWMP of the District.

(a). Social Acceptability of waste management

The municipality manages two fully functional solid waste disposal sites – one is in Jamestown and the other is in Aliwal North. Both sites had permits and they are operational. Refer to ANNEXURE “F” for the permits.

(b). Compliance with legislation

The Aliwal North solid waste site does not fully comply with either its applicable permit conditions or national legislation or both, *e.g. the cells are filled with raw waste (not incinerated)*. The municipality has reviewed and effectively implemented the Integrated Waste Management by-laws that are compliant with the current National Environment Management Act (NEMA) of 2008. The waste management bylaws are enforced by the peace officers and environmental officer appointed by the municipality.

(c). Waste Challenges

Here are the waste related challenges experienced:

- Partial adherence to the permit conditions applicable to the waste disposal sites.
- Lack of capacity in terms of waste minimisation
- The design of the site does not stand up to the capacity of waste disposed on daily basis, and thus has negative implication on the life span of the site
- There is no weigh bridge to measure the weight of the waste that disposed as it is required by the National Waste Management Act 59 of 2008 (www.wastepolicy.co.za)
- The waste disposed is not incinerated as it is required by the permit.
- Scavengers are still a nuisance as they cut the fence.
- Increased quantities of waste

(d). Waste Opportunities

The management, collection, control and disposal of waste can be an economic activity with spin-offs for poverty alleviation and improved environmental management. This could be successfully done if there is separation at source *i.e.* reduce, reuse and recycle. In 2010 the DEDEA granted the municipality an amount of R4.760million for Solid Waste Recycling Project. This project is successfully operational as a cooperative in Maletswai [known as Maletswai Waste and Recycling Cooperative], managed by previously disadvantaged women in partnership with the municipality.

- The Municipality have two landfill sites and two licence for landfill and one license for re-cycling of waste. For compliance level refer to Annexure G.

- There is no leachate management plan; we are using the Joe Gqabi plan.
- Refuse are removed 100% from all households four times per month and daily from businesses.
- No Trade Effluent Policy

5.6.2 Waste Management Forums

The municipality is participating in the District waste management forums.

5.6.3 Community Capacity Initiatives

There is a public awareness programme through education that is carried by the Municipality in all wards, the mitigation of illegal dumping and training of personnel. Public education outreaches were conducted in all wards by the staff in collaboration with the councillors and the ward committees. The public education outreaches is yielding positive results, the training of staff is taking place and the illegal dumping is still a challenge.

5.6.4 Municipal Health

Municipal Health Services is a power and function of the district municipality in terms of the National Health Act, 61 of 2003. The municipality focuses on issuing business licences, cutting overgrown erven, enforcement of bylaws and related national legislation.

5.6.5 Disaster Management

Disaster Management is the function of the Joe Gqabi District Municipality. There is a Management Policy and Framework for the whole of Joe Gqabi District Municipality including Maletswai Local Municipality. There is a Disaster Management Satellite Operational centre which services Aliwal North, Jamestown and farm areas – and this centre caters for disaster management such as fire fighting. The centre operates on a full time basis. The chief fire officer was appointed at a District level. There is an agreement between the municipality and the Disaster Management unit of the District

Municipality and adjacent municipalities on fire fighting, and there is a constant interaction.

The district disaster management unit informs management of disasters within the municipality as per the district plan. The District Disaster Management Centre located in Maletswai municipality has developed strategies and programmes for vulnerable people and risks. With regard to disaster management bylaws the municipality utilises the district fire bylaw.

5.6.6 Managing high risk developments

The District Disaster management unit plays an advisory role through constant engagement with the affected parties, e.g. the use of landfill strip as well as Aliwal Spar. Although the municipality has not established a functional disaster management unit, risks assessments and awareness campaigns for both fires and national disasters are conducted. Local fire associations also assist in conducting risks assessments.

5.6.7 Fire services tariffs

Fire services tariffs were developed, adopted and implemented at the district level with the community fire safety bylaws.

5.6.8 Veld and forest fires

There is a plan of the district to address veld and forest fires and other kinds of the disasters (floods and oil spillages).

5.6.9 Environment Management: Air Quality Management

Maletswai municipality utilises the Environmental Management plan (EMP) of the District Municipality. The Local Municipality, Joe Gqabi District Municipality, DEDEAT, DEA work together to implement the IEP. The LM, DM, DEDEAT and DEA all address the projects for example the recycling project on waste management, EPWP project, Community Awareness etc.

The EMP details the state of the environmental report (SOER). The municipality is committed to ensure environmental sustainability through developing environmental planning tool such as the environmental framework, aquatic ecosystem, ecological infrastructure and wetlands bioregional plans.

5.6.10 Climate change strategy

The municipality uses the District Environmental and the Provincial climate change strategy to manage climate change.

5.7 Human Settlements

(a). Human Settlement Types

Statistics from South Africa's Community Survey 2011 provides data on the types of main dwellings in Maletswai Local Municipality. It is indicated that there are 9,511 households in Maletswai Municipality who live in a house or brick structure on a separate stand or yard.

Type of main dwelling – Maletswai Municipality

	Households	Ward 1	Ward 2	Ward 3	Ward 4	Ward 5	Ward 6
House or brick structure on a separate stand or yard	9,511	2,007	2,000	1,119	1,230	1,362	1,793
Traditional dwelling/hut/structure made of traditional materials	85	49	9	8	4	6	8
Flat in block of flats	371	7	50	22	196	76	20
Cluster house in complex	19	4	1	-	11	3	-
Townhouse (semi-detached house in a complex)	53	4	-	1	32	16	-
Semi-detached house	167	12	-	2	23	124	7
House/ flat/ room in backyard	218	1	22	28	61	66	40
Informal dwelling (shack, in backyard)	430	12	65	77	22	37	217
Informal dwelling (shack not in backyard e.g. in an informal or squatter settlement or on a farm)	1,180	22	14	137	524	20	463
Room/flatlet on a property or larger dwelling/ servants quarters/ granny flats	22	1	1	3	9	7	1
Caravan/ tent	1	-	-	-	1	-	-
Other	50	15	4	1	5	17	7
Total Households	12,105	2,134	2,167	1,398	2,115	1,733	2,557

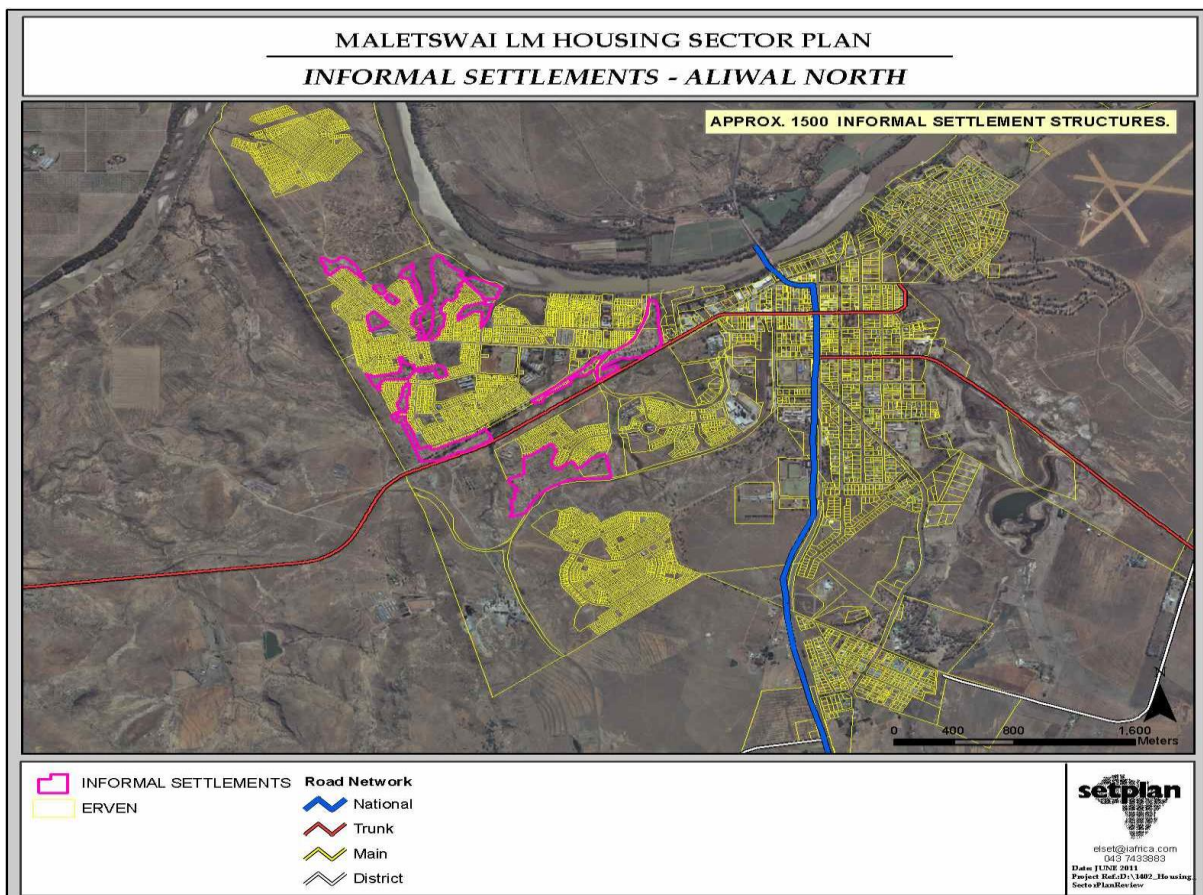
Table 31: Types of main dwelling

(b). Human Settlement Backlog

The demand for housing is increasing in Maletswai Municipal area, due to increased migration patterns from the farms, neighboring towns and other parts of the province and the decentralization of provincial and National government Directorates it is estimated that the municipality would need to provide 12 000 housing units in keeping up with the current demand.

(c). Informal settlements

The plan below indicates that there are approximately 1 500 informal settlement structures in Aliwal North and no informal structures in Jamestown. There are moves in place to address the whole housing backlogs in the municipality, and also, ensure that everyone is housed in a conducive place.



The following table presents a summary of all the spatial proposals:

Housing Type	Town	Location	Type of Project	Estimated No. of sites
Low Cost/ Subsidy Housing/ In Situ Upgrading / Formalisation	Aliwal North	Block H, Hilton, Phola Park and Chris Hani		550 infill sites
	Aliwal North	420 sites-(part of Area 13), 101 sites IDT	Subsidised housing	521 units
	Rectification of Consolidation(90+87)		Subsidised housing	146 units
	Area 13(26 non commissioned)	Area 13	Subsidised housing	26
	Jamestown	250	Subsidised,	250
	Aliwal North and Jamestown	172 Dukathole,140 Block B Hilton 94 and 244 Old Masakhane	Rectification	650
BNG	Aliwal North	Joe Gqabi Extension	BNG (Incl. middle to high)	4000
Middle to High Income residential	Aliwal North	Bird's Eye View	Private Developer	284 units
	Aliwal North	Arbor View	Private Developer	24 units
Emergency Houses	N/A	N/A	N/A	N/A

Table 32: Spatial Proposals/Housing Backlog

While some of the above projects are still at a conceptualisation phase while others having been in the early phases of planning – they have been identified by the IDP and Spatial Development Framework (SDF) of the municipality. The provision of houses remains the sole responsibility of the Dept. human settlements and

municipality only plays the facilitating role. The facilitation responsibilities of the municipality include but not limited to:-

- the identification of suitable land for housing development
- nature and type of service levels both bulk /internal through CIP
- engaging communities on suitable types of houses to be built
- compiling of beneficiary list and submission to the Dept. of human settlements for scanning and approval
- engaging other sector dept. for provision of other services.

The Multi-Year Housing Development Plan Data prepared by Urban Dynamics for Directorate of Human Settlements in 2003, indicates that Maletswai Local Municipality has the highest number of households still residing in informal dwellings.

ITEM	NUMBER OF HOUSEHOLDS
Households in formal dwellings Aliwal North	12219
Households informal dwellings Aliwal North	1500
Households in formal dwellings Jamestown	2,308
Households informal dwellings Jamestown	0

Table 33: Urban Dynamics

The following table represents the level of informal housing in Maletswai Local Municipality. This table only reflects informal housing in urban areas and does not take into account traditional houses in the townships and informal dwellings thereof.

Level of Informal housing in Maletswai		
	Census 2001	RSS 2006
	% households	% households
Eastern Cape	10.9	5.7
Joe Gqabi	6.9	5.0
Maletswai Local Municipality	30.5	19.6

Table 34: Level of Informal Housing in Maletswai

To deal with the massive migration of people from the farms to the towns and those who reside in the informal settlements due to housing shortage there is rental space in the town and those who do not qualify are put on the waiting list.

There are 9 housing projects, consisting of 3,450 units, have been approved to the value of R85, 684, 074.00 in the Maletswai area, only 7 have been completed.

The table below reflects the subsidies that were received by Maletswai municipality:

Project/Town	No. houses	Total amount	Balance at 31 Dec 2007	Comments
Aliwal North Area - 5 R/L 1 project no 425	1,220 units	R29,197,400	R27,799	Completed
Aliwal North: Hilton – R/L 2	89 units	R2,675,375	82,011	2 outstanding
Aliwal North: Dukathole project no. 040	330 units	5,958,072	366,070	Completed
Aliwal North: Dukathole Cons. Project no. 757	100 units	3,898,400	3,898,400	Completed
Aliwal North: Area 13.	300 units	10,546,437	135,000	Completed
Jamestown	359 units	6,141,780	365,048	Completed
Masakhane R/L 2 Project no. 509 -	858 units	25,109,6109	113,500	Completed

Project/Town	No. houses	Total amount	Balance at 31 Dec 2007	Comments
Dukathole	743 units			Under Construction

Table 35: Housing Projects in Maletswai

5.8 Control of land invasion

The municipality is in full control of land invasion and no new informal settlements are allowed. When a shack dweller acquires a formal house it is expected that the dweller dismantles the shacks and leaves the land vacant. The municipality is applying the Prevention of illegal Eviction from and Unlawful Occupation of Land Act 19 of 1998.

5.9 Land Claims

There are no land claims that may hinder housing development within municipal jurisdiction.

5.10 Land Revitalization

The municipality has stated a programme in this financial year which is funded by the Directorate of Environmental Affairs (DEA) with 15 million to rehabilitate the land degradation in Jamestown.

5.11 Credible land audit

There is an area based plan for all Municipalities designed in 2010 and in addition there is a land asset register which is audited annually.

5.12 GIS

The municipality is relying on the District to get Geographical information report on its data. The municipality is getting maps on environmental sensitive areas, geographical locations etc.

5.13 Housing demand

According to the study conducted there is an immediate demand of 1682 houses for Maletswai in all wards. (See annexure A)

CHAPTER 6

KPA 3: LOCAL ECONOMIC DEVELOPMENT

6.1 PREAMBLE:

In the face of historic levels of unemployment and widespread poverty, Local Economic Development (LED) has become a critical policy priority in South Africa generally and in the Eastern Cape. LED is a unique policy tool for government to build a more inclusive society and economy, to increase the numbers of people who are in sustainable economic activity, as well as to actively reduce levels of dependence, poverty and exclusion. It is designed to help build capacity of local institutions and communities – public and private – to work in common purpose with national and regional bodies to build strong, adaptable, confident, outward looking, cohesive and inclusive economies. Whereas other policies tend to work within their respective sectors – LED is cross-sectoral and integrative.

It is dedicated to making the connections where these are not in place – often enabling national and provincial sectoral programmes to be better targeted and relevant to local circumstances. It is thus able to deal with complex problems that cannot be reached by standard sectoral approaches because of its ability to draw on local intelligence, networks, and commitment – and its capacity to bring a range of perspectives to bear on the issues being addressed.

LED is also the framework which brings together all the relevant stake-holding interests into a cooperative arrangement as partners focussed on the development of *the local area*.

6.2 Long-term economic vision for Maletswai

“Maletswai will have a vibrant and sustainable economy by effectively using available resources and promoting investment opportunities and skills development, thereby reducing unemployment and poverty levels within its communities.”

6.3 MALETSWAI ECONOMIC PROFILE

6.3.1 INTRODUCTION

This analysis of the economic profile and trends in Maletswai forms the basis of identifying comparative and competitive advantages and potential economic growth opportunities that may be exploited by the Maletswai community (all economic players) to the benefit of local residents. This section presents an overview of the current trends in the local economy. The outcomes of this analysis will be to identify economic potential as well as the foundation for the identification of local economic development programmes and projects.

This sub-chapter is discussed under the following sub-sections:

- Overall Economic Performance
- Sector contribution to Gross Geographic Product
- Sector profile
- Synthesis

6.3.2 OVERALL ECONOMIC PERFORMANCE

Gross Geographic Product (GGP) is an important indicator of economic activity and comprises the value of all final goods and services, produced during one year, within the boundaries of a specific region and is commonly used to measure the level of economic activity in a specific area e.g. local municipality.

Maletswai Local Municipality had a total GGP of R629 million in 2007, up from R410 million in 1995 and currently it is estimated to be approximately R900 million. The municipality is an important contributor to district GGP, contributing 1/3 to the economy, but contributes minimally to the provincial economy. Higher growth in recent years indicates the overall economy is improving but it may have overheated due to structural constraints. Growth in Maletswai for period between 2008 and 2010 was constrained due to the global economic slowdown however it picked up in 2011 going forward.

6.3.3 SECTOR CONTRIBUTION TO GGP

The table below illustrates the relative sector contribution of each economic sector (as classified by the Standard Industrial Classification) to the overall GGP of Maletswai for 1996, 2001 and 2007.

6.3.4 SECTOR PROFILE

This section provides an overview of all 'productive' sectors in Maletswai, i.e. all sectors excluding the government and utilities sector.

(a).AGRICULTURE

The agricultural sector includes all activities related to growing crops, gardening and horticulture, farming with animals, agricultural husbandry services, hunting, trapping and game propagation, forestry and logging, fishing and operation of fish hatcheries and ocean and coastal fishing. The most predominant type of farming in Maletswai is stock farming namely, sheep, goat and cattle farming. Average commercial farm sizes range between 4,000 and 5,000ha, depending on the location and topography of the land.

There is limited crop farming in the area, with only an estimated 1% of farmers from Maletswai practising crop farming. This is a result of unsuitable climate conditions that currently prevails in the area.

The area is characteristic of extremely high temperatures in summer and large drops in temperatures in winter, these climate conditions therefore do not support crop farming in the area. The soil is of a light composition *i.e.* sandy loam or sandy clay with an average rainfall of 300mm per annum. The farmers from the area predominantly target both the local market and the national market, depending on the specific product. Wool is sold through agents to the wool exchange in Port Elizabeth; while meat is sold to various markets in the country. An estimated 50% of the agricultural produce from farmers in the area is sold through agents, with pricing based on the following variables: current market prices, quality of the produce and the weight of the produce.

There are currently about 70 (seventy) emerging farmers in Maletswai who predominantly farm in stock farming. Only 2 out of the total number of farmers engage on a small scale in a combination of crop and stock farming. The average size of a farm owned by an emerging farmer is estimated to be less than 800 ha in size, considerably smaller than commercial farms. Challenges facing farmers in the area include:

- Water storages
- Poor infrastructure more specifically roads which are in poor conditions. Most roads leading up to the farms are not maintained and are in bad conditions, this compromises connectivity and access to markets.
- Produce is on a large scale sold in its raw form as there is limited value adding that takes place locally.
- Stock theft
- Conflict within farmer's organisations & high cost of labour
- High costs of fuel and medicine for livestock
- Lack of capital to invest into start-ups

Tunnel farming has been identified as an opportunity for growth in the agricultural sector and an alternative to expanding crop farming given the climate conditions of Maletswai. Tunnel farming has been piloted in Maletswai and is being practised however on a small scale. Game farming has been identified as another potential opportunity in the agricultural sector of Maletswai which could positively impact on the growth of the agricultural and tourism sectors.

The agricultural sector is a labour intensive sector and therefore a decrease in the contribution of this sector towards employment can negatively impact on employment as a whole. The current agricultural sector is estimated to be contributing approximately R50.0 million towards GGP. The major volume of agricultural purchases is for the production of more mixed commodities namely, livestock (cattle, sheep, ostriches and dairy) while fodder crops and maize as well as wheat in very limited quantities are found.

Since 2001 there has been an overall decline in the contribution of agricultural sector towards GGP, from 6% to just more than 4%. Over 1,100 people were employed in the agricultural sector in 2007. Over the past 10 years, more than 20% of formal jobs in the Agricultural Sector have been lost. The sector currently contributes 15% to overall employment.

(b). MANUFACTURING

The manufacturing sector includes activities related to the manufacture of food products, beverages, textiles, clothing and leather goods, footwear, wood, refined petroleum and metals and machinery.

The following are key characteristics of the manufacturing sector in Maletswai:

- Production is mostly agro-processing, including maize meal, milk and juices, with key manufacturing/processing companies in Maletswai being in being Sasko Milling and Brakfontein Dairies.
- Products for key manufacturers located in Maletswai come from all surrounding areas i.e. north Eastern Cape areas, southern Free State, eastern Northern Cape, with final products destined for all national markets. The geographical distances from suppliers and to final markets make local manufacturing operations sensitive to fuel price changes given the percentage of goods using road freight.
- The poor maintenance of the local rail infrastructure has resulted in large percentage of produce being transported via road freight into Maletswai, negatively affecting the condition of the local roads, which increase indirect cost of manufacturing in the area.
- Key constraints to the industry include:
 - High labour costs
 - Scarce raw material
 - High fuel prices
 - Increasing electricity costs
 - General poor condition of infrastructure, in particular the poor condition of roads, which put additional costs to production and result in higher prices to producers,

- Poor level of service delivery from the municipality

The local stakeholders in manufacturing sector in Maletswai include local and national customers and suppliers, employees and the local community, provincial and local government. Currently, the manufacturing sector is estimated to be contributing R 220.0 million (25%) towards MLM GGP. The contribution of the manufacturing sector towards GGP over the past 10 years has been fairly stable between 19-22%.

There has been an overall decline in the number of people employed in the manufacturing sector and this sector employs approximately 2500 people and it contributes about 20% to overall employment.

(c). CONSTRUCTION

The construction sector includes activities related to site preparation, construction of buildings, building installations, building completion and the renting of construction equipment. The construction sector in Maletswai is currently being driven by demand for housing and office or business space. The largest government projects in the construction include the construction of low-income housing and infrastructure projects such as road upgrades and maintenance.

There are more than 30 emerging contractors in Maletswai and 6 well established contractors which are participants in the construction sector of the area. Challenges facing the construction sector are predominantly related to the level of skills. Scarce skills in the construction sector include but are not limited to:

- Management skills, more specifically project management skills are required to effectively operate and manage the business as a contractor.
- Linked to management skills but crucial to the survival of any business is financial management skills
- Technical skills predominantly refer to skills related to building.

Most opportunities in the construction emerge as a result of many construction projects being released to tender by municipality so that companies in the private sector may be able to participate.

In additional property development is also a new trend in the construction industry where most contractors purchase property and develop it for resale. Some of challenges facing contractors, more especially those participants in government projects, are the late receipt of payments for work completed on government projects.

This challenge poses financial and liquidity constraints for emerging contractors and threatens the sustainability of the businesses in the construction sector. There has been an increase in the contribution of the construction sector towards GGP over the past 10 years. The construction sector contributed R35.8 million (3.7%) towards GGP in 2007.

(d). TRADE

The trade sector includes activities related to wholesale and commission trade, retail trade and sale, maintenance and repair of motor vehicles and hotels and restaurants. The trade sector in Maletswai area is predominantly driven by the retail business activity, where most businesses in the trade sector are formal business (there are about 260 formal 100 'informal' locally owned businesses). The sector experiences some level of seasonality in that business activity tends to peak during holiday times. It predominantly focuses on local residents, tourists and trucks travelling on the N6.

Some larger retail businesses in the area are national chains and/or franchises, including Pick 'n Pay, Shoprite, Jet, Markham, Lewis, OK furnishers, and PEP, etc. Constraints identified for development of the trade sector include the small local market providing limited scope to expand the range of products offered and most local residents earn salaries resulting in monthly spikes in trading towards month end.

Other constraints are suitable infrastructure for business operation (stalls, rental space, etc.) and service delivery levels. Some of the businesses face specific challenges such as the lengthy and costly processes to acquire liquor licenses for operation or business unfriendly liquor by-laws enforcement.

Foreign nationals are controlling a considerable piece of the local business market, from liquor taverns, retail shops, vehicles repairs, electronic repairs, clothing shops to small convenient stores (spaza shops) and thus are causing damage to both medium and small locally owned businesses.

Despite these challenges businesses are relatively confident about conducting business in the area. The poor level of skills is another major challenge to the trade sector in the area.

Development and upgrade of the Aliwal Spa Holiday Resort in Aliwal North has been identified as an opportunity not only to the tourism sector but to other sectors such as the trade and services sectors are anticipated to benefit from this development.

Additionally, the location of Maletswai along the N6 route has been identified as a great opportunity for trade sector. The trade sector is currently estimated to be contributing about R159.5 million or 16% towards GGP. There has been an increase in the overall contribution of the trade sector towards GGP since 2011.

(e). TRANSPORTATION & COMMUNICATION

The transportation and communication sector includes activities related to land, water and air transport, as well as post and telecommunications. The most predominant mode of transport in Maletswai population is the use of taxis. It is estimated that the taxi industry in the area, particularly between Dukathole, Aliwal North and Jamestown. A small proportion of long distance transportation to various destinations outside of Maletswai is also part of the sector and there are over 50 legal and registered taxi operators.

There are nine (8) petrol stations in Maletswai, six (6) are situated in Aliwal North and two (2) in Jamestown, servicing the local and transient market.

Challenges facing the transport industry include:

- The level of infrastructure, in particular the roads which are still in generally not in good condition despite the various upgrades taking place in the area, which impacts negatively on taxi operators

- Increased level government regulation of the industry, creating numerous inefficiencies for taxi operators, in particular the administrative processes often prevent taxi operators from operating and thus affecting their livelihoods.
- No enforcing the law to prevent illegal operators entering the industry, thus affecting the viability of legal operators and could easily lead to conflict, especially the poor allocation of routes and demarcated spots in which to operate.
- Fuel price and vehicle parts increases over the past few years.
- No linkages between the local transport sector and tourism establishments (tour operation).

The transport and communication sector is currently estimated to contribute R40.5 million or 3.2% towards MLM GGP.

Furthermore, there was an increase in the contribution of the transport sector to GGP and growth in the transport sector averaged over 10% per annum since 2010.

The transportation sub-sector is anticipated to rapidly grow, as the landing strip for Maletswai has been planned for development and upgrading.

(f). FINANCE & BUSINESS SERVICES

The finance and business services sector includes activities related to obtaining and redistributing funds, including for the purpose of insurance, real estate or commercial/business services. The following are characteristics of the finance and business services sector in Maletswai:

- The current situation is gloomy due to the little economic growth currently experienced in the area, households battling to make end meet and limited new job opportunities for the unemployed.
- There are 6 main banks in Maletswai namely, ABSA, First National Bank, Standard Bank, NEDBANK, CAPITEC and African Bank. In addition, there are formally registered micro-lenders. Most of these are actively involved in financial literacy amongst the youth, as well as using innovative approaches, including mobile banking, to bring financial services to rural and underserviced areas.

- The key market segments that the financial and business services in the area target are farmers and agricultural workers, low income earners, elderly, local businesses and the youth/student market.

Key challenges and constraints to the development of the finance and business services sector that were identified by local stakeholders include:

- Lack of parking in the CBD area of Aliwal North
- Poor national economic situation and relatively high interest rates places pressure on banks and their clients
- The business services sector is currently estimated to be contributing about R200 million or 18.7% towards GGP.
- The contribution of this sector towards GGP since 2000 has increased from 14% to nearly 19%.
- The growth in this sector averaged over 5% since 2001.

(g). TOURISM

It should be noted that the tourism sector is not classified as a sector according to the Standard Industrial Classification (SIC). However, it is recognised that tourism as a sub-sector is a significant sector of the economy in Maletswai in terms of GGP contribution, employment creation and it is important to understand salient features of tourism in Maletswai, so as to capitalise on opportunities within the municipal area. Therefore, the following section briefly summarises the major trends within the tourism sector. The following analysis of the tourism sector in Maletswai is presented based on the Maletswai Tourism Sector Plan (2007).

The product identification process for the Tourism Sector Plan identified 3 main tourism products that should be prioritised for the development in the area. These tourism products include:

- The redevelopment and revitalisation of the Aliwal Spa Holiday Resort, has received an R8 million funding from the National Directorate of Tourism and the Joe Gqabi Economic Development Agency (JoGEDA) is to facilitate private sector involvement in the project.
- Historical Tours

- Liberation Heritage Route Tours

According to the Maletswai Tourism Sector Plan, a large number of the tourism products are based in Aliwal North and there are minimal tourism products in the remainder of Maletswai. It is evident that there are many cultural/historical sites in the area. Other tourism products in the area include these listed below:

- Adventure activities, including:
 - Fishing
 - Bird watching
 - River Rafting
 - Hiking
- Events
- Education
- Business; and
- Sport

Out of identified tourism supply in the area the following tourism products are currently being sold in the area:

- Business stops
- Transit stops
- Visit to the Aliwal North Spa
- General interest tour stops

The following tourism products have been identified as having potential for the development in the study area:

- Historical experiences
- General nature experiences
- Adventure experiences
- Conferences

There are about 35(self-catering chalets, bed and breakfasts, guest houses, guest farms and a hotel) accommodation establishment which can offer approximately 600 beds. Tourism products currently sold in Maletswai are: business stop, transit stop,

general interest tours and visiting the Aliwal Spa. Most visitors are from Germany, Netherlands, Lesotho, Gauteng, Western and Eastern Cape.

6.3.5 SYNTHESIS

The Maletswai economy has been growing between 3-5% over the past years and is a relatively important contributor to the Joe Gqabi District economy. Aliwal North is the largest town in the district and the municipality therefore has relatively well developed tertiary sectors, although there is still a dependence on government for both employment and economic growth. The most productive sectors in Maletswai include finance and business service sector, the manufacturing sector and the trade sector. The Maletswai economy is relatively well established and shows potential for growth, particularly in the agriculture and agro-processing sectors and the tourism sector.

6.4 MALETSWAI ECONOMIC POTENTIAL ANALYSIS

6.4.1 INTRODUCTION

The purpose of this section is to identify potential local economic development opportunities in Maletswai Local Municipality, based on the current situation within the municipality, as detailed in the preceding situation analysis. An economic potential analysis will help create an understanding with regard to the development potential within the Maletswai area and is based on an understanding of the competitive and comparative advantages in the area.

6.4.2 ECONOMIC POTENTIAL ANALYSIS

Below we present the economic potential analysis conducted for Maletswai municipal area:

OPPORTUNITIES:

- Strategically located along the N6 (can capture transient market)
- Available land for development
- Relatively well established economy and good economic growth rate
- Stable manufacturing sector

- Good health care facilities
- Relatively good infrastructure/ access to services
- Focused on LED
- Government Directorates district offices are relocating to Aliwal North
- Vibrant trade (retail) sector
- Agricultural processing (dairy and milling)
- Aliwal North already a service center
- Game farming and tunnel farming
- Expansion of agriculture through support from DRDAR & DRDLR
- Value- adding of agricultural products
- Tourism (Revitalisation of the Aliwal Spa)
- Truck stops
- Skills development for builders/provide on-the-job training
- Open space that could be used for potential development (i.e. next to Orange River),
- Aesthetic value of the Orange River
- Presence of a Public FET institution in Aliwal North (Ikhala FET College)
- Develop incentives for investors
- “Gateway” to Eastern Cape.

CONSTRAINTS:

- Limited participation of the private sector in LED
- Local businesses are not well organized, limited coordinated activities take place,
- Lack of available credit and capital for small businesses
- Low level of skills
- Decline in agricultural sector
- Climatic conditions not conducive to crop production
- Investment opportunities not well marketed
- Events not well marketed (e.g. sports events)
- No substantial value adding happening locally
- HIV/AIDS
- Poor sewerage infrastructure
- Poverty and unemployment
- Leakage of income
- Stagnant population growth

During engagements with local stakeholders it became apparent that there are a number of local economic drivers and potential drivers, including the location of Aliwal North and Jamestown along the N6 freeway, existing position as a regional service center, and the revitalisation of the Aliwal Spa Holiday Resort and the re-location of government Directorates to Aliwal North. These viewed as the main opportunities for economic growth and development in Maletswai.

In terms of constraints most stakeholders believe that inadequate water and sewerage infrastructure and unreliable electricity supply are the main barriers to economic growth and development.

6.5 LOCAL ECONOMIC DEVELOPMENT IN MALETSWAI

A.H.J (Bert) Hemsing of the Institute of Social Studies (2001) defines local economic development (LED) as a “process in which partnerships between local governments, community-based groups and the private sector are established to manage existing resources to create jobs and stimulate the economy of a well-defined territory”.

It emphasises local control, using the potentials of human, institutional and physical resources. Local economic development initiatives mobilise actors, organisations and resources, develop new institutions and local systems through dialogue and strategic actions.

An inclusive and consultative process to develop a Local Economic Development Strategy in Maletswai was initiated in February 2008 and completed in October 2009. This blueprint was adopted by Council in May 2010; hence it is a sector plan of the IDP and a strategic document to coordinate local economic development in Maletswai. The strategy is due for review in the 2015/2016 financial year.

6.5.1 MALETSWAI 5 YEAR LOCAL ECONOMIC DEVELOPMENT GOALS

The setting of goals is based on the question: “What indicators need to be set to determine the extent to which the above economic vision has been achieved?” Our goals are linked to district, provincial and national goals (where appropriate) to ensure that our LED Strategy is aligned with other policies and strategies.

(a). Economic Development Strategic Goals in the Maletswai Development Plan:

- Reduce the level of unemployment by 90% by 2030 (at 6% per annum);
- Facilitate the revival of agriculture as a key economic sector in Maletswai;
- Restore Aliwal North as a tourist destination of choice capable competing with the best in the country by 2016 and a conferencing destination of choice by 2016;
- Attract and secure at least 10 new investments by 2030; and
- Maletswai is recognized as a regional service center of excellence by 2025.

(b). The goals of the Maletswai LED Strategy are based on the following rationale:

- The current unemployment level in Maletswai is 35% if the broad definition of unemployment is used. A reduction of 10% translates into the creation of approximately 2,200 jobs by end 2016, i.e. the creation of roughly 710 jobs per annum.
- The above implies that the workforce must expand by 50% of its current size within 5 years' time. This is slightly lower than goals set out in the PGDP, but are considered more realistic.
- The annual GGP (Gross Geographic Product) growth rate has varied from between 3 - 5.5% from 2004-2007, and was over 5% per annum from 2007 to date. The Provincial Growth and Development Plan (PGDP) prescribed provincial growth targets of between 5% and 8% per annum, over the period 2004 – 2014. Therefore, the economic growth targets for Maletswai Municipality are aligned with both provincial and national targets and are at the same time realistic given historical growth trends.
- MLM hopes to attract new investment (either through the expansion of existing businesses or attracting new businesses) to the area to contribute to economic growth and job creation. MLM will aim to achieve this by creating an enabling environment for investment; this includes things such as provision of infrastructure and basic services, ensuring safety and security, enforcing by-

laws, etc. Ideally the new investment would be significant in size, e.g. at least R1 million or more and create sustainable employment opportunities.

- Maletswai is already an important service node in the district and is strategically positioned between Queenstown and Bloemfontein. Many people from surrounding towns' access goods and services in Maletswai, and specifically Aliwal North, however more could be done to promote Maletswai as a center of excellence to reduce the flow of money out of the district and local economy.

6.5.2 STRATEGIC PROGRAMMES AND PROJECTS

Given the economic potential of Maletswai, in addition to the economic vision and goals described above, 5 key programmes have been identified, which if implemented in an integrated fashion, should stimulate economic growth development in the region, namely:

- Skills Development and Training
- Investment Promotion
- Tourism Development
- Agriculture and Agro-processing
- Economic Infrastructure

These programmes were identified based on the opportunities identified in the economic potential analysis (as indicated in the Maletswai LED Strategy), through stakeholder engagements and the three (3) ward level LED plans, so as to position the municipality to most effectively concentrate its resources to be able to exploit local economic development opportunities and mitigate threats.

Each of the five strategic programmes are subsequently discussed in more detail with a specific emphasis on the rationale for the identification of each as a strategic programme (in the LED Strategy document), following which the proposed projects within each programme are listed.

These strategic programs are in line with the National Development Plan, EC Provincial Development Plan and the Joe Gqabi District LED Strategy & Tourism

Master Plan. Its objectives are all based on the principle of people-centered development, job creation, growth and development strategies, skills development initiatives and service delivery.

6.5.3 MUNICIPAL LED INSTITUTIONAL ARRANGEMENTS

A structured mechanism to implement the LED strategy effectively has been created, a Local Economic Development Unit is placed in Planning and Economic Development Unit situated in the Office of the Municipal Manager (OTMM) and politically the unit reports its activities to Council through the Portfolio Committee on Community Services. It has been noted and understood that LED activities cut-across all municipal line directorates; hence the unit is housed in the OTMM.

The LED Unit is made functional by three (3) officials (LED Coordinator, LED Officer and Tourism and Marketing Officer) as indicated in the organogram, however in the 2015/2016 financial year there will be two (2) positions (the LED Coordinator and LED Officer).

There are 8 strategic projects facilitated by the LED Unit and all seeks to develop or improve public infrastructure, create jobs, skills development and labour intensive. The total value of these projects is R61 million and all of them are grant funded and subscribe to the EPWP principles.

The Joe Gqabi District Municipality's (JGDM) Socio-Economic Unit provides limited technical support to our LED Unit, when required. The Maletswai LED Unit is a founder and active core member of the Joe Gqabi District Support Team (DST) for LED, member of the Joe Gqabi District Agricultural Forum and a convener of the Joe Gqabi District Tourism Working Group.

6.5.4 STAKEHOLDER INVOLVEMENT IN LED ACTIVITIES

In line with the new trends in the province to revitalize local economic development, Maletswai LED Unit has in partnership with the following partners: Joe Gqabi District Municipality, Directorate of Economic Development, Environmental Affairs and Tourism (DEDEAT), Directorate of Rural Development and Agrarian Reform (DRDAR), Directorate of Local Government and Traditional Affairs (DLGTA), Small

Enterprise Development Agency (SEDA), the Eastern Cape Parks and Tourism Agency (ECPTA) and the Eastern Cape Development Corporation (ECDC), has re-establish a platform where all public sector stakeholders will engage and oversee economic development initiatives and opportunities.

A Local Action Team for Local Economic Development (LATLED), a technical team that advises and provides support local economic initiatives, was re-established and comprises of the above mentioned institutions and agreed to meet on quarterly basis, however it has been ineffective due to duplication of forums. LATLED is coordinated by the local municipality.

All support and actions are in place to revive the LED Roundtable, which will be a representative community stakeholder forum for all relevant stakeholders with a role in facilitating economic development in Maletswai.

The feasible approach adopted, is to conduct stakeholder consultations on economic development related matters on one-on-one basis, e.g. hawkers (hawker's development plan), liquor traders (by-laws), small scale farmers (access to commonages, district agriculture sector plan), local tourism organization (branding, visitor information centre, marketing and events), local business (business retention & expansion strategy, project generation, etc.), Councillors (standing committee meetings), ward committee's (on development of ward based economic development plans) and general public (ward general meetings, imbizo's, IDP forums).

6.6. Business Retention and Expansion (BR&E)

A Business Retention and Expansion programme to develop a Maletswai BR&E Strategy was initiative in July 2011 and completed in November 2012, with support from the Joe Gqabi District Municipality and Industrial Development Corporation (IDC).The overall goal of the Maletswai BR&E programme is to stimulate local economic development and create employment opportunities by retaining and expanding existing business. The following are key issues raised by the BR&E survey conducted in February/March 2012:

- Fast track the revitalisation of the Aliwal Spa Holiday Resort and local tourism development (marketing),

- Facilitating a single local business chamber,
- Developing a communication plan and platform for the local business and government engagements,
- Develop local skills,
- Transparent supply chain management (procurement) processes,
- Infrastructure development (land and services), and
- Development of an industrial park.

Six (6) task teams, representative of the municipality and the business, have been established and are functional, namely:

- Communication Plan
- Land Audit
- Strengthening of Business Forums (with an aim of creating a single business association)
- Aliwal Spa Revitalisation Project
- Technical Skills Development
- Business Investment Attraction

6.6 Job Creation Mechanisms (EPWP and CWP)

In its endeavours to fight poverty and unemployment, Maletswai Local Municipality has developed a mechanism to create labour intensive job opportunities in the infrastructure (roads, construction, etc.) and environment (refuse removal), and all these are EPWP accredited and incentive is received. EPWP is coordinated by the LED Unit and project monitoring and reporting is undertaken by a host municipal Directorate, e.g. Technical or Community Service Directorate.

Maletswai Job Creation Targets:

Currently there are 338 people (men, women, youth and people with physical disabilities) employed in 4 of our strategic projects and all are on a 12 months employment term that will pass to the new financial year. There will be 360 additional jobs to be created by 4 other projects into the 2015/2016 financial year.

There will be other jobs created through opportunities created by other government funded projects (DPRW, etc.) Maletswai Local Municipality is not yet accredited and/or approved to implement a Community Works Programme.

6.7 Enterprise Development Support

Maletswai LM understands that enterprise development and support is a competency of other government Directorates or state owned entities (ECDC, SEDA, the dti, DEDEAT, etc.) is therefore the mandate of a local municipality to provide such a service. Maletswai LM regards enterprise development, broad based black economic empowerment (BBBEE) and cooperative support, as mechanisms that will assist our people to fight poverty, promote entrepreneurial spirit, create sustainable job opportunities and grow our economy.

Municipal and general government procurement from local small and medium enterprises is a cornerstone of the local economy and financial and non-financial support to enterprises for the development and a technical competency of SEDA, ECDRA and ECDC. All what the municipality will do is to refer small enterprises to competent institutions with a mandate to support them.

6.8 Strategic Projects with High Economic Impact

The following projects are economic development strategic project.

PROJECT NAME	STATUS	FUNDER
Aliwal Spa Revitalisation	Implementation	National Directorate of Tourism
Joe Gqabi Shopping Complex	Preferred bidder appointed	Private Sector Consortium
Business Incubator	Business Plan development	JGDM and JoGEDA
Orange River Irrigation Scheme	Feasibility Study	DWA, JGDM, JoGEDA, DRDAR
Water & Sanitation Infrastructure	Implementation	Joe Gqabi District Municipality (JGDM)
Maletswai Waste Buy-Back Centre	Implementation	DEDEAT
Buffelspruit Nature Reserve	Implementation	DEA

Maletswai Composting	Implementation	DEA
Environmental Edu Centre	Implementation	DEA
Land Rehabilitation	Implementation	DEA
Maletswai Waste to Energy (Bio-Energy)	Feasibility Study	DoE, SALGA and GIZ
R58 Rehabilitation	Implementation	SANRAL and EC-DRPW
Middle to High Income Housing	Implementation	SKC & Partners
Low Income Housing	Implementation	Human Settlement

6.9 Priority Programs for 2016-2017

Our priority programmes as the LED Unit for the 2016/2017 financial year are:

- **Sourcing grant funding** for strategic projects aimed at improving or developing the local infrastructure supportive of economic development,
- Through our projects, **create a number of labour intensive (full time equivalent) job opportunities**,
- **Support local enterprise development and growth** through facilitating their sub-contracting by entities contracted to implement our projects, and
- Facilitate **training (skills development) opportunities** for people employed in our projects.



CHAPTER 7

KPA 4: GOOD GOVERNANCE AND PUBLIC PARTICIPATION



7.1 POLITICAL STRUCTURE

The Maletswai Local Municipal Council consists of 12 Councillors, including the Mayor, of the 12 councillors, 9 are from African National Congress (ANC), whilst two are representing Democratic Alliance (DA) and 1 from the United Residents Front (URF).

Within the context of the above, the Mayor holds office as a full time public office bearer; this enables him to provide political leadership and direction to the municipal bureaucrats. Whereas, the political and executive authority is vested in the council, where developmental decisions are made to meet the needs and improve the quality of life of the citizens living in Maletswai.

The Council meetings [with the exception of in-committee] are open to the members of the public. Ordinary Council meetings take place at least four times per annum, whereas, Special Council meetings are convened; when important issues arise that

require urgent attention of the council. On the other hand, the standing committees of council are established and being reviewed from time to time, to strengthen the oversight role of the council on the performance of the administration.

The Committees of council are constituted as follows:

Technical Services Committee

Cllr ZA Betana

Cllr Williams

Cllr GD Fourie

Cllr M. Mtshingana

Cllr M Mdumisa

Financial Services Committee

Cllr E. Mbana

Cllr H Du Preez

Cllr M Jan

Cllr K Lange

Corporate Services Committee

Cllr M. Mokhoabane

Cllr MM Tsolanku

Cllr P Williams

Cllr K Lange

Cllr GD Fourie

Community Services Committee

Cllr M.Mtshingana

Cllr Mdumisa

Cllr MM Tsolanku

Cllr ZA Beta

The municipal Council has 6 ward councillors whilst the other 6 [councillors] are on proportional representation. Both the political and the administrative seats are situated in Aliwal North. The municipality consists of six ward committees which are constituted by 10 ward committee members per ward – making it into 60 ward committee members, which significantly contribute to the participatory interface between the community and council. The Councillors, as part of their political mandate, ensure that the needs of the community are reflected in the IDP - and that these are prioritised and translated into strategic objectives and strategies, which inform the development projects for implementation in the Service Delivery and Budget Implementation Plan. The relations between the ward committee and ward community are cordial. Meetings are regularly held to tackle the problems that emanates.

7.2 SETTING OBJECTIVES AND STRATEGIES IN TERMS OF THE KEY PERFORMANCE AREAS OF THE 5-YEAR LOCAL GOVERNMENT STRATEGIC AGENDA

For the Maletswai Local Municipality to effectively address its priorities, it was decided that the strategic objectives and strategies would be structured and linked to programmes and projects in the format of the 5-year Local Government Strategic Agenda, also taking into considerations of the Outcome 9 outputs, and Local Government 10 point plan. The Key Performance Areas are listed as follows.

1. KPA 1: Spatial Development Framework;
2. KPA 2: Basic Service Delivery;
3. KPA 3: Local Economic Development;
4. KPA 4: Good Governance and Public Participation;
5. KPA 5: Financial Viability
6. KPA 6: Institutional Analysis and Organisational Transformation.

The Local Government 10 point plan, in which the municipality takes into consideration focuses on the following:

1. Improve the quantity and quality of municipal basic services to the people in the areas of access to water, sanitation, electricity, waste management, roads and disaster management.
2. Enhance the municipal contribution to job creation and sustainable livelihoods through Local Economic Development (LED).
3. Ensure the development & adoption of reliable and credible Integrated Development Plans (IDPs).
4. Deepen democracy through a refined Ward Committee model.
5. Build and strengthen the administrative, institutional and financial capabilities of municipalities.

6. Create a single window of coordination for the support, monitoring and intervention in municipalities.
7. Uproot fraud, corruption nepotism and all forms of maladministration affecting local government.
8. Develop a coherent and cohesive system of governance and a more equitable intergovernmental fiscal system.
9. Develop and strengthen a politically and administratively stable system of municipalities.
10. Restore the institutional integrity of municipalities.

In view of the foregoing, Outcome 9 [on the other hand] promotes a responsive, accountable, effective and efficient local government system. Moreover, outcome 9 arose from principles of the best performing municipality as envisaged in the Local Government Turn-Around Strategy (LGTAS). Amongst the key outputs of Outcome 9 are the following:

- Output 1: Implement a differentiated approach to municipal financing, planning and support
- Output 2: Improving access to basic services.
- Output 3: Implementation of the Community Work Programme
- Output 4: Actions supportive of the human settlement outcome
- Output 5: Deepen democracy through a refined Ward Committee model
- Output 6: Administrative and financial capability
- Output 7: Single window of coordination

In view of the above strategies, Maletswai Municipality, commits itself of serving with passion, and thus improving access to essential and basic service – furthermore, with limited resources but yet committed in removing infrastructure backlogs. Furthermore, the municipality is committed in partnering with [all] stakeholders, government Directorates, community and others in society in ensuring that an

integrated services is provided for the inhabitants of Maletswai thus minimising the cost of providing the service and investing in areas that have the economic potential.

7.3 Mainstreaming of Special Groups

There is a functional SPU Unit that exists in Maletswai. Youth, people with disabilities, women and elderly have been mainstreamed in the IDP of the municipality as a priority issue. The SPU forums are in place. A budget is allocated in the 2015/2016 financial year to ensure the implementation of programmes of the special groups.

7.3.1 HIV and AIDS

HIV and AIDS is a cross cutting issue with no boundaries, which has an impact on youth, women, elderly and local economic development. It has a serious global, national and regional social, economic and health impact, and it contributes to the deepening of poverty. The Eastern Cape Aids Council has adopted these five quantified goals as part of reducing the AIDS prevalence:-

- 1) Reduce HIV incidence in the EC by 50% (from 1, 14% to 0, 74%)

- 2) Reduce TB incidence by 50% and STI incidence by 50%

- 3) Initiate at least 80% of eligible patients on antiretroviral treatment, with 70% alive and on treatment five years after initiation.

- 4) Reduce the number of new TB infections, as well as the number of TB deaths, by 50% (from 62 865 in 2010 to 31 443 in 2016)

According to the available information, HIV prevalence in the Maletswai local municipal jurisdiction is estimated to be around ten percent (10%) with every forty (40) individuals presenting themselves to test for HIV, four (4) are positive. Over four thousand (4000) individuals are on antiretroviral treatment (ART).

The Maletswai local Municipality Integrated development Plan (IDP) has identified HIV and AIDS as one of the municipal priority areas. The IDP also recognizes the fact that the HIV pandemic has serious repercussions in the socio-economic development of the municipality. To combat its effect there is a Draft HIV and AIDS strategy which will be tabled to Council during the 2015/16 financial year.

The HIV / Aids awareness campaigns are conducted internally and externally. The municipality invest in its communities and its workplace through implementation of community and workplace HIV/ Aids programs. The Directorate of Health peer educators assist in identifying Directorate needs and implementation of Directorate HIV/ Aids programs. They also assist in condom distribution and monitoring of consumption of condoms. The prevention programmes are aimed at preventing new HIV, STI and TB infections and re-infections to those already infected.

Maletswai has functioning Local Aids Council that sits on quarterly which consist of all government Directorates and NGO's where stakeholders report on HIV / Aids programs. The role of the municipality is to coordinate HIV / Aids programs in the local area. The HIV/ Aids Strategy has been developed.

7.3.2 Inter-governmental relations

The working relations between the government Directorates and the municipality were always cordial. Whilst some Directorates attended the IDP Representative forum, others did not. Some of those who attended were represented by staff members who lacked the requisite authority to take decisions on behalf of their Directorates. This is an area that requires much attention. All in all, the Local Communications Forums (LCF's) consisting of the municipality's communicators, sector Directorates communicators serves as an inter-governmental relations structure, this is also supplemented by the IDP Representative forum.

7.3.3 Inter-municipal planning programs

The Council entered into a service level agreement with the Ikhala Public FET College on the placement of their students for experiential learning and sharing of resources and expertise in the area of Human resource management.

Furthermore, moves are already afoot to conclude a Service Level Agreement with the Joe Gqabi Economic Development Agency on the management of the Aliwal Spa and development of a private hospital in Aliwal North. The SLA with the Directorate of Roads and Transport on the provision of vehicle testing and driving license services is still operational. The Directorate of Sport, Recreation, Arts and Culture renewed its SLA with the municipality on the provision of library services to the communities.

7.3.4 Complaints management system

(a) Suggestion boxes and Website

There is a suggestion box in Jamestown and Aliwal North and the Municipality has a Website where people are encouraged to submit their complaints, suggestions and compliments on the performance of the municipality on service delivery and . There is a municipal official designated to open the boxes weekly and channel the comments/ complaints to the relevant Directorates for response.

(b) Presidential Hotline

The Presidential Hotline was launched by the President of the Republic of South Africa in 2009. It is instrumental in defining a government that understands the needs of its people and responds faster to those needs. The initiative does not ask if government will or is able to provide the services. It focuses on how government should improve the service by working faster and smarter. Members of the public are allowed to raise issues pertaining to delivery of services, fraud and corruption. This will obviously assist in unblocking services delivery matters. From June 2011 to date, the municipality has resolved 94.5% of the cases received.

7.3.5 Social cohesion

Social cohesion is about improving a way the community interacts – ensuring that all its members can participate in social activities and access services without suffering a sense of exclusion (united in their diversity) based on their ethnic background, faith, disability or age. It is a way that promotes interaction and understanding between different groups of people in society, and through this generates a sense of trust and community spirit. In Maletswai Local Municipality, there is a Mayoral Cup competition aimed at sports development for the youth, Gospel Competition that harnesses young people from all races, and a Christmas Party for the Elderly. These programmes contribute to Nation building.

7.3.6 Anti –fraud and corruption strategy

The council adopted anti-fraud and corruption strategy in 2008 as one way of strengthening its fight against fraud and corruption. The roll out plan was entailed in the strategy itself. As a build up to its adoption and a way of raising employees' awareness about the existence of such policies, a workshop was held comprising municipal officials and employees. The strategy and policy are being implemented. The strategy was reviewed during the last financial year. There is a Fraud and Corruption committee which meets on a quarterly basis. The strategy is successful as there are no reported cases of fraud and corruption recently.

7.3.7 Communication strategy

The Marketing and Communication strategy was developed in 2013/14 and it was last reviewed in 2014, however it is currently being reviewed for the 2016/17 financial year. Moreover, the municipality produces Internal newsletter and External newsletter both these newsletter are distributed. As guided by the strategy therefore the communication strategy is effective. The municipality developed a Public Participation policy in 2012 also serves as a stakeholder mobilisation strategy.

7.3.8 Sector plans

This IDP document is aligned with the following sector plans of the municipality as well as those of the Joe Gqabi District Municipality

- The LED strategy was developed and approved in 2010
- District Water Services Development Plan This strategy was prepared in 2005, and is currently under reviewed
- District Women Development Plan. This strategy was prepared in 2006
- District Aids Plan reviewed in 2011.
- Maletswai Skills Development Plan reviewed in 2015
- District Waste Management Plan was completed in 2007
- District Environmental Management Plan was completed in 2005
- Maletswai Spatial Development Framework 2012 - 2016
- Maletswai Housing Sector plan reviewed 2014
- Maletswai Local Economic Development Plan
- Roads Master Plan
- Electricity Master Plan
- Workplace Skills Plan
- Manual on Recruitment and Selection

7.4 Community Based Planning in Maletswai

In 2009, Maletswai Local Municipality participated in a public planning participatory model called Participatory Rural Appraisal (PRA) that was facilitated by the Directorate of Social Development. However, this pilot exercise left community leaders and members alike excited but confused as well.

The Municipal Systems Act, 2000, introduced the process of municipal planning for district and local municipalities and the Integrated Development Planning Process, through which Integrated Development Plans (IDPs) are developed. Community Based Planning (CBP) is a way of identifying locally defined (community) interventions which are able to contribute to the formulation of the IDP. Attempts at

participatory planning in the past have often focused on community members standing in a general meeting and list their problems (developmental needs), feasible or not. That practise did not allow for deeper analysis of the feasibility, the local contexts, the local strengths, nor mechanisms to action those needs.

The process of CBP allows for participatory planning, the objectives of which are to:

- Improve the quality of plans;
- Improve the quality of services;
- Improve the community's control over development;
- Increase community action and reduce dependency.

The developmental local government's challenge is to develop a credible Integrated Development Plan that will outline spatial planning, community needs and development priorities in a simpler, user friendly and implementable way.

The key concept of CBP is that people are active and involved in managing their own development, in claiming their rights and in exercising their developmental responsibilities. CBP linked to the local government system provides an opportunity to make this a reality.

The community-based planning approach is not a universal remedy however a critical intervention where it matters most in the ownership of development initiatives within a municipality, thus minimising protest by communities about what is to take place in their neighbourhoods, and maximising their opportunity to influence the IDP and the way municipal resources are allocated. CBP provides an opportunity for real partnerships between municipalities and communities to improve the quality of people's participation and control of their own development. We hope you find this methodology as valuable as it has proved to us.

Community Based Planning is a suitable mechanism for developing a municipal 5 (five) year strategic framework, an IDP. The below key principles of CBP justifies this statement:

- Poor people must be included in planning;

- The systems used to include people must be realistic and practical. In addition, the planning process must be implementable using available resources within the district/local government (and so must link in and integrate with existing processes, particularly local government planning);
- Planning must be linked to a legitimate structure (the ward and ward committee);
- Planning should not be a once off exercise, but should be part of an on-going process, with planning, implementation, M&E, and annual reviews;
- The plan must be people focused and empowering (and so the plan is based around the livelihoods of different groups, and the community produces their own plan with support from ward and municipal facilitators);
- We must build on strengths and opportunities not problems (which makes us more likely to succeed and not to be paralysed by the problems);
- Plans must be holistic and cover all sectors (and so address the reality of people's lives, and not the artificial sectorial distinctions of government);
- Planning should promote mutual accountability between community and officials; and
- There must be commitment by councillors and officials to both plan and implement, and there must be someone responsible to ensure it gets done (hence the commitments and preconditions the municipality needs to undertake).

To this effect, the Council of Maletswai official, in September 2012, adopted Community Based Planning as an approach that will inform the Maletswai IDP going forward. In putting this historic Council resolution in an implementation mode, the following activities were under taken:

- Orientation workshops for Councillors, Management and municipal officials,
- Orientation workshop for all (60) Ward Committee members,
- Identification and training of municipal CBP facilitators,
- Identification and training of ward CBP facilitators, and
- Establishment of a municipal CBP Facilitation Team (including Ward Co-ordinators).

A Maletswai Community Based Planning Project Steering Committee was established consisting of the following stakeholders:

Directorates of Local Government and Traditional Affairs (DLGTA), Rural Directorate and Agrarian Reform (DRDAR), Roads and Public Works (DRPW), Health (DoH), Social Development and Sport Recreation Arts & Culture (DSRAC).

Data Collection:

In earnest, the CBP work started in October 2012 with the following activities:

- Conducting desk top analysis (socio-economic status and municipal infrastructure)
- Training of ward based field researchers (24 ward committee members)
- Community survey (400 households)
- Business interviews (20 businesses)
- Agricultural sector interviews (40 farmers)
- Sector Directorates interviews (15 Directorates)

Ward Based Plans:

Maletswai Local Municipality has 6 (six) wards and the core of the Community Based Planning (ward community consultations) activities were done in November 2012, across all wards. The CBP informed the IDP. A consolidated summary of the Ward based plans is attached. (Refer to **ANNEXURE "G"**)

Public consultations were conducted in November until December 2014 for confirmations of community priorities. Community priorities find expression in the draft and final 2015/16 Maletswai Integrated Development Plan.

The findings reflect the critical communities' needs that require to be addressed by the following sectors:

- Local and District municipality (basic services),
- Directorate of Health (clinics, hospitals and related services)
- Directorates' of Rural Directorate and Agrarian Reform and Land Reform (land and animals for farming, extension services, etc.)

- Directorates of Basic Education & Higher Education and Training (FET College, additional classrooms and schools, education support services, etc.)
 - Directorate of Home Affairs (birth certificates & IDs)
 - Directorate of Labour (protection of labour rights & awareness)
 - Directorate of Police (need for police community service centres, poor police visibility, detection, crime prevention and abuse of human rights by police, etc.)
 - Directorate of Human Settlement (provision of adequate and quality houses)
 - Directorate of Social Development (child support grant and forms of grants, funding for projects, etc.)
 - Office of the Premier (provincial government communication, etc.)
- 

CHAPTER 8

KPA 5: FINANCIAL VIABILITY

8.1 SYNOPSIS

The Municipal Systems Act 32 of 2000 requires a municipality to include a financial plan, including a 3 year budget, in the annual Integrated Development Plan. In essence this financial plan is a medium term strategic framework on how the municipality plans to deliver services, within financial means. The Council's strategic objective of service delivery includes the persistence of the acceptable levels of service as well as the improvement in those areas where it lacks acceptable levels. The balancing act is to achieve these objectives with available financial resources, and to always consider the effect of tariff adjustments on the community at large, and specifically the poor. In addition, the municipality has not escaped the effect of the global economic downturn, as well as the recently announced tariff increases by ESKOM, and this makes the achievement of the service delivery objectives so much more difficult.

The forecasted expenditure can be summarised as follows: (R 000)

TYPE	2016/2017	2017/2018	2018/2019
Operating	160 506	186 426	198 737
Capital	11 300	11 600	11900
TOTAL	171 806	197 426	210 637

Table 44: Forecasted expenditure

The municipality does recognise the funding role of the National and Provincial Governments, with contributions from these spheres of governments through grants and subsidies being 28% of total expenditure or 26% of total revenue. An indication of the municipality's commitment is that, [it] grant rebates on service charges. In addition to these rebates and discounts, which provides for free basic services to the poor. This, together with the funding as mentioned above, are also symptomatic of the level of unemployment and poverty in the region, and Maletswai Municipality

assists in National – and Provincial programs aimed to improve the situation within the means of the Constitutional mandate.

All government spheres priorities for service delivery needs to be aligned and this is to a large degree achieved through the Integrated Development Planning process, whereby, communities give input into service needs and which is being incorporated into the IDP. The different spheres of government then allocate resources to these requirements – this however, prevails when pecuniary resources permits.

The municipality's infrastructure development objectives are to have services at acceptable levels to all, and for this purpose the budget for 2016/17 provides for road paving and storm water projects totalling R10 780 million which will also contribute to the national priority of safety. While the municipality recognises the need for the extension of services through infrastructure development, it has to also recognise the need for the maintenance of these infrastructures and to this end provide in the capital program for replacement of some of the ageing vehicles and equipment. However, to provide for the capital is probably not that problematic, but to find the funds to maintain infrastructure and other assets properly in the operating budget, without overburdening consumers and ratepayers, is the big concern. It is common knowledge that the first place where funds are cut when other expenditure items increase to such an extent that a reduction in expenditure is necessary, is on maintenance votes. In this budget, maintenance expenditure equates to 3.00% of operating expenditure, which is lower than the national average, but the pressure on this type of expenditure is increasing every year.

In view of the above, the effect of the ESKOM bulk tariff increases and the limitations set by NERSA on the electricity increases to be applied by the municipality - the ESKOM bulk tariff increases for the current year is set at 9,4%, while the increase allowed for the municipality is unknown%.

8.2 2 – 3 YEAR FORECAST

The budget is prepared in the format prescribed in the Budget Regulations and complies with the requirements of Generally Recognised Accounting Practises (GRAP). Full budgetary compliance in all aspects of the regulations and GRAP will take time, as systems, and especially obtaining statistical information, needs to be adapted, but already this year much more information is available and incorporated in to this budget. The annual financial statements process plan (roadmap) is attached)

(a). Effect of the annual budget

The budgets as presented here reflect comparative information.

	2015/2016	2016/2017	2017/2018	2018/2019
Subsidy District Municipality	Adjustment Budget	Budget	Budget	Budget
Water	0	0	0	0
Sewerage	0	0	0	0

Table 45: Effect of the Annual Budget

The water services function was taken over by the district municipality.

Graph 8: The projected forecasts for the MTREF are as follows: (R 000)

Type	2016/17	2017/18	2018/19
Revenue	181 103	186 426	
Expenditure	160 506	173 560	
Surplus/(Deficit)	8 956	12 867	
Less: Capital Grants	10 779	19 231	
Surplus/Deficit excluding Capital Grants	0.00	0.00	

Table 46: Operating Budget

CAPITAL BUDGET (R 000)

Type	2016/17	2017/18	2018/19
Governance and Admin	690	700	
Community and Safety Services	155	155	
Economic Services	10 530	10 850	
Trading Services	5 348	5 348	
Total	16 658	17 053	

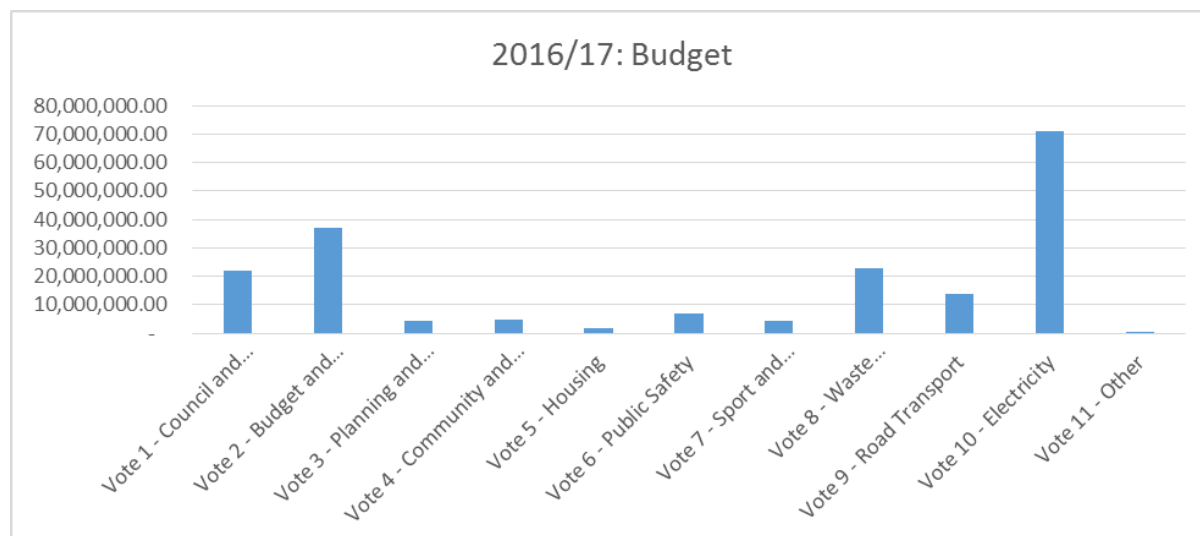
Table 47: Capital Budget

The projected funding of the capital budget is as follows: (R 000)

Type	2016/17	2017/18	2018/19
National Government	10 780	0	
Own Funds	690	0	
Total	11 470	0	

Table 48: Projected Funding of Capital Budget

Expenditure by Vote



Graph 9: Expenditure by Vote

The summarised results of the MTREF are as follows:

Description R thousand	2016/17 Medium Term Revenue & Expenditure Framework		
	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Revenue By Source			
Property rates	15,749	17,639	19,755
Property rates - penalties & collection charges			
Service charges - electricity revenue	75,293	80,578	86,079
Service charges - water revenue	-	-	-
Service charges - sanitation revenue	-	-	-
Service charges - refuse revenue	10,224	11,451	12,826
Service charges - other			
Rental of facilities and equipment	2,599	2,859	3,144
Interest earned - external investments	618	640	665
Interest earned - outstanding debtors	501	509	513
Dividends received			
Fines	341	375	413
Licences and permits	2,739	3,013	3,314
Agency services	2,490	2,739	3,013
Transfers recognised - operational	33,491	33,687	33,824
Other revenue	2,360	2,502	2,677
Gains on disposal of PPE	89	94	98
Total Revenue (excluding capital transfers and contributions)	146,494	156,083	166,320
Expenditure By Type			
Employee related costs	81,290	92,414	98,791

Remuneration of councillors	4,218	4,522	4,834
Debt impairment	368	386	405
Depreciation & asset impairment	1,500	1,575	1,654
Finance charges	679	691	698
Bulk purchases	55,824	62,522	71,276
Other materials			
Contracted services	–	–	–
Transfers and grants	12,465	13,957	15,777
Other expenditure	32,904	33,264	33,609
Loss on disposal of PPE			
Total Expenditure	189,248	209,332	227,044
Surplus/(Deficit)	(42,754)	(53,248)	(60,723)
Transfers recognised - capital	11,780	17,103	17,448
Contributions recognised - capital	–	–	–
Contributed assets			
Surplus/(Deficit) after capital transfers & contributions	(30,975)	(36,145)	(43,275)
Taxation			
Surplus/(Deficit) after taxation	(30,975)	(36,145)	(43,275)
Attributable to minorities			
Surplus/(Deficit) attributable to municipality	(30,975)	(36,145)	(43,275)
Share of surplus/ (deficit) of associate			
Surplus/(Deficit) for the year	(30,975)	(36,145)	(43,275)

Table 49: Summarised results of the MTREF

(a). CASH FLOWS

Budgeted cash flows are monitored by the municipality to ensure they are maintained at an acceptable level and ensure sufficient funds for future projects.

(b). TARIFFS

The major tariff adjustments are as follows:

Rates	10%
Refuse	14%
Electricity (Subject to NERSA Approval)	9.40%
Other (Sundry)	Variable %

Table 50: Major Tariff Adjustment

Payment levels is decreasing over the past few years, probably to a large degree as a result of the economic meltdown, and strict credit control, together with an understanding of the economic situation, is still paramount.

The Municipality's budget must be seen within the context of the policies and financial priorities of the National and Provincial government (s). In essence, the spheres of Government are partners in meeting the service delivery challenges faced in Maletswai. Maletswai Municipality alone, however, cannot meet these challenges. It requires support from the other spheres of Government through the direct allocation of resources as well as the achievement of their own policies.

(c). The National Context

South Africa has achieved considerable success in achieving macro-economic stability; however, the economy is still plagued with high levels of unemployment and poverty. The following table shows the allocations to Maletswai Municipality as set out in the National Budget Division of Revenue Bill in the MTREF period; and the Provincial allocations:

Description R thousand	2015/16 Medium Term Revenue & Expenditure Framework		
	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/18
National Government:			
MIG	10 779	0	0
MSIG	957	0	0
Finance Management Grant	1,878	0	0

EPWP	1,269	0	0
Equitable Share	25,908	0	0
Other grant providers:			
Library Fund	704	739	0
Total Operating Transfers and Grants	41,495	739	0
<u>Capital Transfers and Grants</u>			
National Government:			
Municipal Infrastructure (MIG)	11,233	0	0
Finance Management	1 878	0	0
MSIG	0	0	0
INEG	6,000	6,000	0
Total Capital Transfers and Grants	18,111	6,739	0
TOTAL RECEIPTS OF TRANSFERS & GRANTS	59,606	6,739	0

Table 51: The National Context (2016/17 MTREF)

(d). Assumptions used in the budget

Each year, National Treasury issues a circular to municipalities advising them of the budget parameters within which municipalities should work when preparing their budgets. The headline CPIX forecast for 2016/1 and 2017/18 are 6.6% and 6,2% respectively. However these figures can change very fast due to external factors as recently experienced. The current estimate for 2016/17 in the MFMA Circular is 5.4 percent.

These growth parameters apply to tariff increases for property rates, user and other charges raised by municipalities and municipal entities, to ensure that all spheres of government support the national macro-economic policies, unless it can be shown that external factors impact otherwise. Unfortunately, as explained earlier on, the effect of the ESKOM tariff adjustments *inter alia* forces the municipality to increase tariffs by much more than the CPIX forecasts.

There are no proposed material amendments to the budget related policies. The budget fully complies with the requirements of the municipality’s Funding and Reserves Policy. The major data and assumptions used in the preparation of the budget are as follows:

Increase in Employee related costs	7,60%
Increase in inflation parameters	6.60%
Average payment rate	85, 00%

Basic services are provided to a large degree to all the towns in the municipal boundaries, and there is an on-going effort in extending services. In a nutshell, budget is cash – funded while, at the same time, extending within financial means, service delivery and free basic services.

No Indigents	Electricity / Alternative Energy	Refuse
5,037	-6 706 700	-4 981 000

In total an amount of R11 687 700.00 was subsidized for the poor of the poorest. The Municipality is providing alternative energy to 350 households. The Local Municipality provides gel, stoves and lamps. An application has been submitted to the Directorate of Energy for solar geysers for the Indigent Households.

8.3 3 YEAR BUDGET TABLES

The 3 year projection, which is a requirement of the Municipal Systems Act 32 of 2000, is set out below.

The Budget tables are:

Budget Summary

Budgeted Financial Performance (revenue and expenditure by municipal vote)

Budgeted Financial Performance (revenue and expenditure)

Budgeted Capital Expenditure by vote, standard classification and funding

Vote Description R thousand	2016/17 Medium Term Revenue & Expenditure Framework		
	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Revenue by Vote			
Council and Executive	2,271,125	2,206,448	2,250,577
Budget and Treasury	49,513,430	51,822,805	54,619,525
Planning and Development	384,500	402,770	426,964
Community and Social Services	1,248,148	1,326,124	1,390,522
Public Safety	5,434,210	5,977,623	6,575,378
Sport and Recreation	493,930	532,815	577,742
Waste Management	10,239,075	11,466,889	12,842,142
Road Transport	11,365,883	11,770,807	12,118,255
Electricity	76,915,247	87,239,668	92,489,396
Other	407,880	440,537	478,126
Total Revenue by Vote	158,273,428	173,186,484	183,768,627

Table 53: Expenditure by Vote

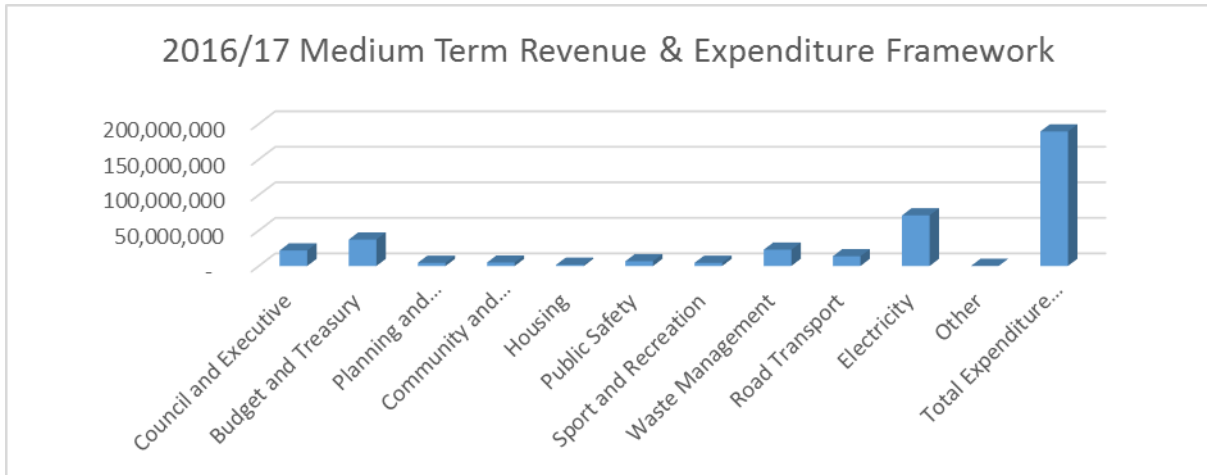
Expenditure by Vote

Vote Description R thousand	2016/17 Medium Term Revenue & Expenditure Framework		
	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Council and Executive	21,863,870	23,404,420	24,527,140
Budget and Treasury	37,236,452	40,770,571	42,995,565
Planning and Development	4,507,865	5,042,395	5,341,305
Community and Social Services	4,799,521	5,295,136	5,612,101
Housing	1,709,769	1,957,709	2,086,420
Public Safety	6,731,646	7,676,511	8,160,005
Sport and Recreation	4,398,228	4,902,865	5,196,059
Waste Management	22,858,739	25,755,318	27,722,851
Road Transport	13,661,210	14,778,567	15,433,691

Electricity	71,276,285	79,541,949	89,760,385
Other	204,435	206,382	208,329
Total Expenditure by Vote	189,248,022	209,331,823	227,043,850
Surplus/(Deficit) for the year	-30,974,594	-36,145,340	-43,275,223

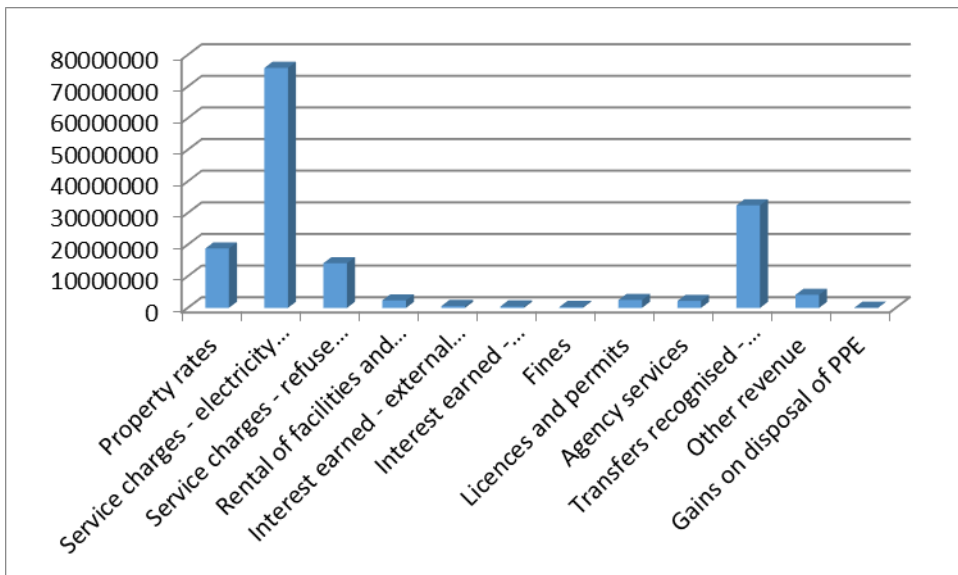
Table 54: Expenditure by Vote

Expenditure by Vote

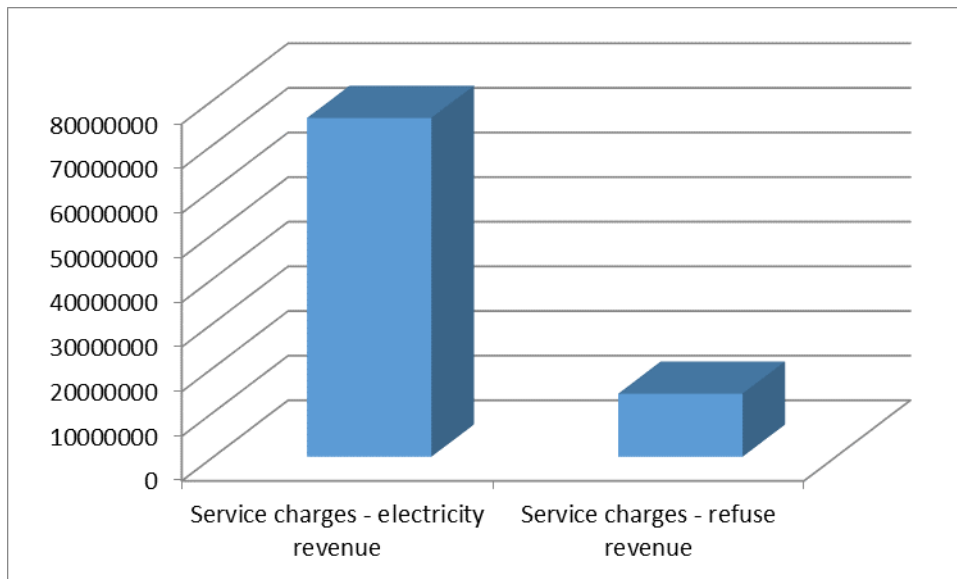


Graph 10: Expenditure by Vote

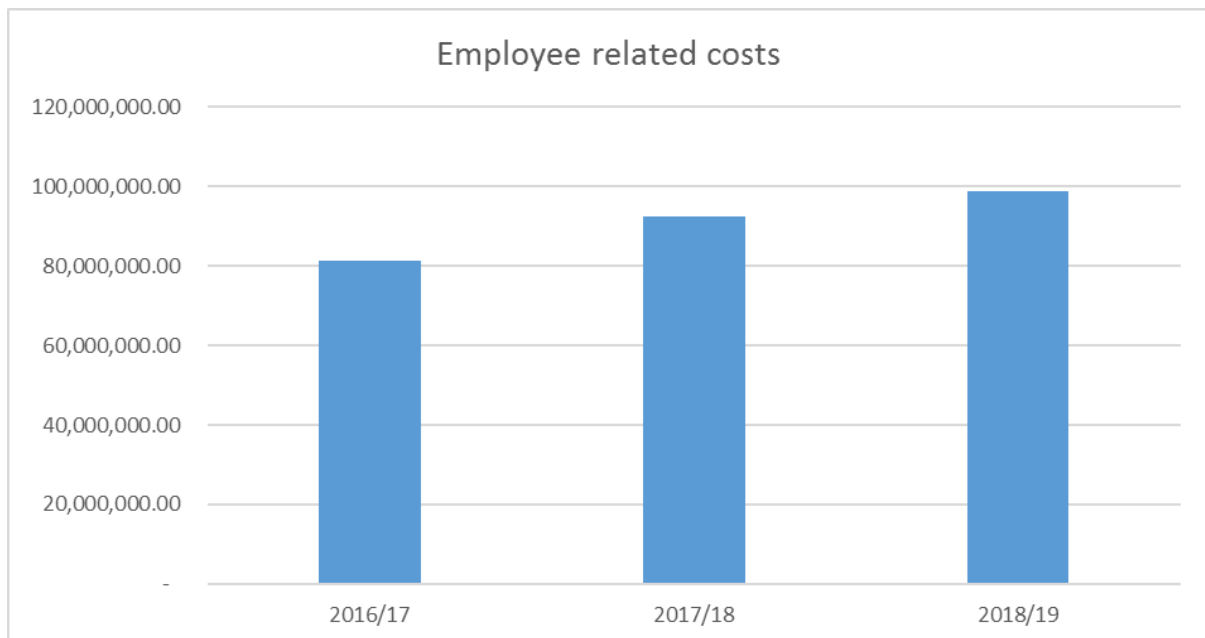
Table 55: Summary of Operating Revenue



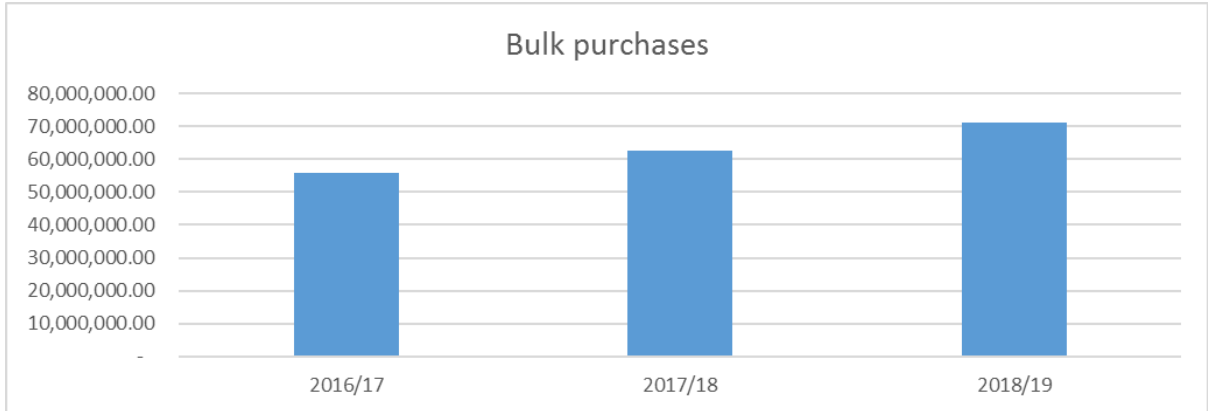
Service Charges



Employee Related Costs

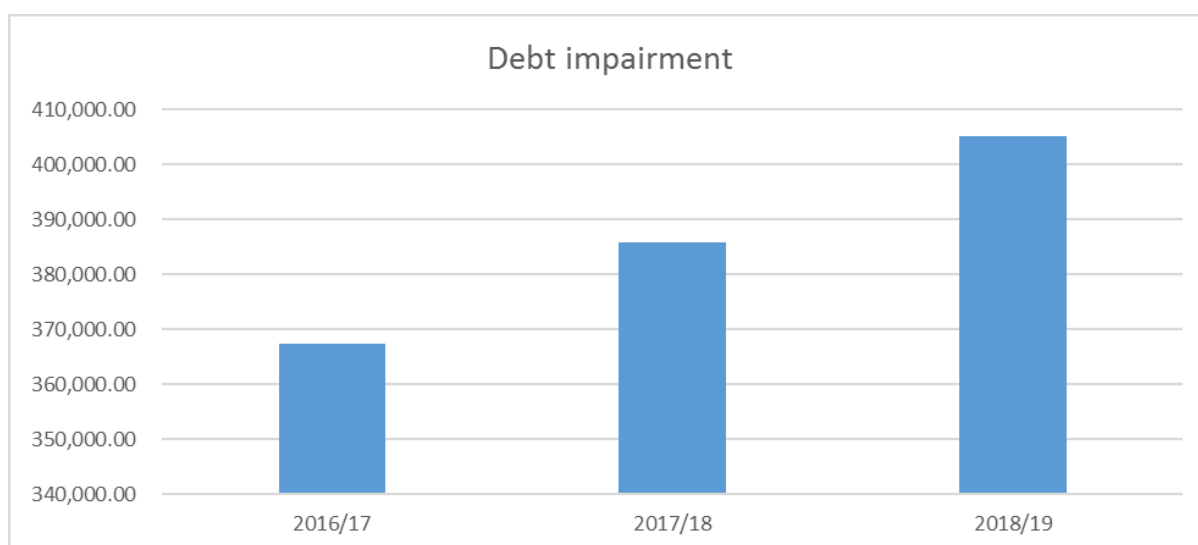


Graph 16: Employee Related Costs



Graph 17: Bulk Purchases

Graph 18: Debt impairment

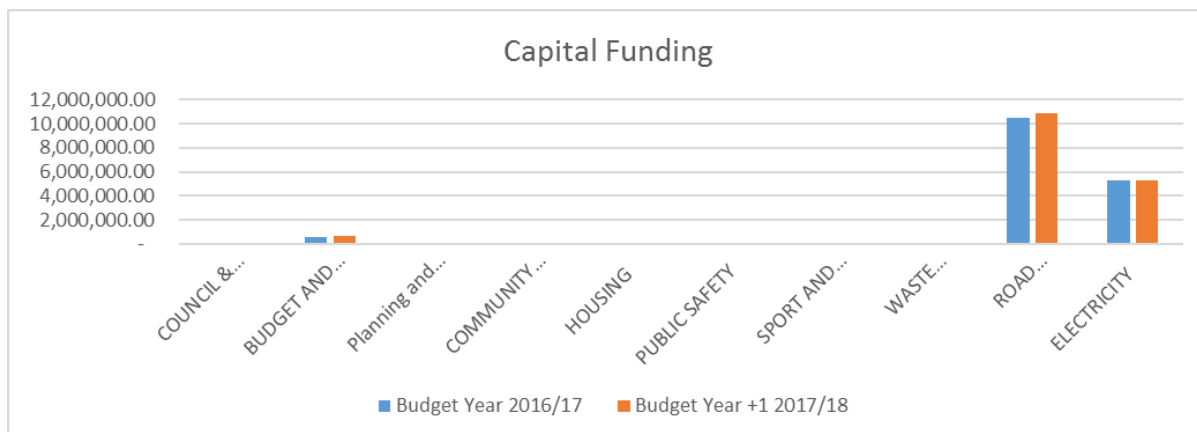


The debtor's turnover rate for electricity is 96%, rates 93% refuse 88% and other 88%

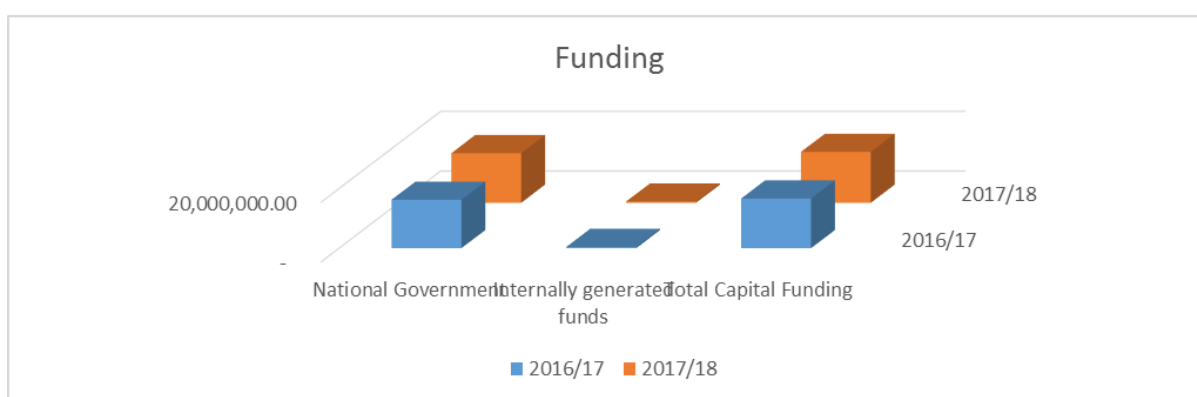
SUMMARY OF THE CAPITAL FUNDING AND EXPENDITURE 2015/16

	Budget Year 2016/17	Budget Year +1 2017/18
COUNCIL & EXECUTIVE	60,000.00	60,000.00
BUDGET AND TREASURY	565,000.00	640,000.00
Planning and Development	-	-
COMMUNITY AND SOCIAL SERVICES	60,000.00	60,000.00
HOUSING	30,000.00	30,000.00
PUBLIC SAFETY	30,000.00	30,000.00
SPORT AND RECREATION	35,000.00	35,000.00
WASTE MANAGEMENT	65,000.00	65,000.00
ROAD TRANSPORT	10,529,800.00	10,850,000.00
ELECTRICITY	5,283,200.00	5,283,200.00
Capital single-year expenditure sub-total	16,658,000.00	17,053,200.00

Table 56: Summary of Capital Funding and Expenditure 2015/2016



Capital Funding by Source



Graph 20: Capital funding by source

8.3.1 CASH FLOWS

Budgeted cash flows are monitored by the municipality to ensure they are maintained at an acceptable level and ensure sufficient funds for future projects.

R thousand	2016/17	2017/18	2018/19
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts			
Property rates, penalties & collection charges	12,655	13,921	15,313
Service charges	71,224	76,347	83,872
Other revenue	11,474	11,506	11,879
Government - operating	32,442	31,554	31,792
Government - capital	13,320	16,238	16,633
Interest	1,050	1,070	1,090
Dividends	–	–	–
Payments			
Suppliers and employees	(137,324)	(147,324)	(159,468)
Finance charges			

	(350)	(350)	(350)
Transfers and Grants	–	–	–
NET CASH FROM/(USED) OPERATING ACTIVITIES	4,491	2,962	761
CASH FLOWS FROM INVESTING ACTIVITIES			
Receipts			
Proceeds on disposal of PPE	70	72	72
Decrease (Increase) in non-current debtors	–	–	–
Decrease (increase) other non-current receivables	–	–	–
Decrease (increase) in non-current investments	410	410	410
Payments			
Capital assets	(13,750)	(16,658)	(17,053)
NET CASH FROM/(USED) INVESTING ACTIVITIES	(13,269)	(16,175)	(16,570)
CASH FLOWS FROM FINANCING ACTIVITIES			
Receipts			
Short term loans	–	–	–
Borrowing long term/refinancing	–	–	–
Increase (decrease) in consumer deposits	100	100	100
Payments			
Repayment of borrowing	(1,397)	(1,490)	(1,590)
NET CASH FROM/(USED) FINANCING ACTIVITIES	(1,297)	(1,390)	(1,490)
NET INCREASE/ (DECREASE) IN CASH HELD	(10,075)	(14,603)	(17,299)
Cash/cash equivalents at the year begin:	–	(10,075)	(24,678)
Cash/cash equivalents at the year-end:	(10,075)	(24,678)	(41,978)

8.4 Financial Performance Alignment of the annual budget with the Integrated Development Plan, Performance Objectives and Financial Indicators.

The IDP process aims to on a continuing basis, address service delivery needs by identifying needs or areas of improvement. It is, however, also known fact that the needs identified by far exceeds the resources and in particular financial resources available. The alignment of the budget with the objectives set in the IDP is as follows:

Strategic Objective	Goal	2016/17 Medium Term Revenue & Expenditure Framework		
		Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
R thousand	Operating Expenditure			
Good Governance	To build an institution capable of effective delivery with sound administration and good governance practices	17,278	18,335	19,129
Sustainable Infrastructure Development	Provide Sustainable Infrastructure Development by improving and reconstructing access roads, other streets and storm water.	10,434	9,832	10,386
Sustainable Basic Services	To provide adequate sustainable basic services for improved quality of life for our communities by eradicating service delivery backlogs and providing sustainable electricity.	57,783	64,705	72,337
	To provide adequate sustainable basic services for improved quality of life for our communities by eradicating service delivery backlogs and providing sustainable quality water.	-	-	-
	To provide adequate sustainable basic services for improved quality of life for our communities by eradicating service delivery backlogs and providing high quality sewerage and sanitation services.	-	-	-
	To provide adequate sustainable basic services for improved quality of life for our communities by eradicating service delivery backlogs and providing high quality waste management services.	11,308	11,741	12,424
	Provide support services to all departments and contribute to the delivery of sustainable basic service delivery	195	175	187
Housing	The allocation of sufficient funds to provide housing within the municipal area	1,085	1,121	1,185
Social Development	To create a healthy and sustainable environment by improving social services and the maintenance of public facilities and buildings.	3,158	3,350	3,573
	To create and maintain public areas, sports fields and resorts for the benefit of the community.	2,928	3,037	3,222
Financial Viability	To create an environment of effective, accountable and viable financial management with reliable information technology and accurate database by fully implementing all MFMA regulations and reforms	26,402	27,989	29,570
	To create an environment of effective, accountable and viable financial management with reliable information technology and accurate database by fully implementing all MFMA regulations and reforms	2,700	2,819	2,970
Safety & Security	To create a safe and secure environment by providing traffic and related services.	4,402	4,571	4,837
Allocations to other priorities				
Total Expenditure		137,674	147,674	159,818

Table 50: Financial Performance/Alignment IDP and Budget

Strategic Objective	Goal			
		Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
R thousand	Capital Expenditure			
Good Governance	To build an institution capable of effective delivery with sound administration and good governance practices	60	60	60
Sustainable Infrastructure Development	Provide Sustainable Infrastructure Development by improving and reconstructing access roads, other streets and storm water.	10,268	10,530	10,850
Sustainable Basic Services	To provide adequate sustainable basic services for improved quality of life for our communities by eradicating service delivery backlogs and providing sustainable electricity.	2,662	5,283	5,283
	To provide adequate sustainable basic services for improved quality of life for our communities by eradicating service delivery backlogs and providing sustainable quality water.			
	To provide adequate sustainable basic services for improved quality of life for our communities by eradicating service delivery backlogs and providing high quality sewerage and sanitation services.			
	To provide adequate sustainable basic services for improved quality of life for our communities by eradicating service delivery backlogs and providing high quality waste management services.	65	65	65

	Provide support services to all departments and contribute to the delivery of sustainable basic service delivery			
Housing	The allocation of sufficient funds to provide housing within the municipal area	30	30	30
Social Development	To create a healthy and sustainable environment by improving social services and the maintenance of public facilities and buildings.	60	60	60
	To create and maintain public areas, sports fields and resorts for the benefit of the community.	35	35	35
Financial Viability	To create an environment of effective, accountable and viable financial management with reliable information technology and accurate database by fully implementing all MFMA regulations and reforms	540	565	640
	To create an environment of effective, accountable and viable financial management with reliable information technology and accurate database by fully implementing all MFMA regulations and reforms			
Safety & Security	To create a safe and secure environment by providing traffic and related services.	30	30	30
Allocations to other priorities				
Total Capital Expenditure		13,750	16,658	17,053

Table 58: Financial Performance/Alignment IDP and Budget

8.5 Overview of budget related policies

The detailed policies are not included in this budget documentation. However they are available at the Council offices in the town hall Somerset Streets, for viewing as well as on the Internet at www.maletswai.gov.za.

Name of Policy	Type	Date of Council adoption (if already done)	Purpose / Basic areas covered by Policy	Summary of changes	Responsible Manager

Name of Policy	Type	Date of Council adoption (if already done)	Purpose / Basic areas covered by Policy	Summary of changes	Responsible Manager
REVENUE RELATED					
Tariff	Unchanged	May 2010 (with previous budget)	Setting criteria for establishing service tariffs	N/A	CFO
Rates	Unchanged	May 2010 (with previous budget)	Setting criteria for establishing rates tariffs	N/A	CFO
Credit control	Unchanged	August 2011	Principles and guidelines to be followed with respect to arrear consumer debt control	N/A	CFO
BUDGET AND EXPENDITURE					
Investment	Unchanged	May 2010 (with previous budget)	Guideline of procedures to be followed when investing or lending money	N/A	CFO
Borrowing and Raising of Debt	Unchanged	May 2010 (with previous budget)	To ensure that the Municipality's borrowing practices at all times comply with the relevant laws and best practices.	N/A	CFO
Cash Management and Payment	Unchanged	May 2010 (with previous budget)	To ensure that the Municipality has a sound cash management and	N/A	CFO

Name of Policy	Type	Date of Council adoption (if already done)	Purpose / Basic areas covered by Policy	Summary of changes	Responsible Manager
of Creditors			payment system		
Supply chain management	Amended	March 2012 (with budget)	Dictates procedures for the procurement of goods and services	BBBEE Points and cut off of 80/20 increased from R500000 to R1mill	CFO
Funding and Reserves Policy	New	May 2010 (with previous budget)	Sets guidelines for budgeting	New	CFO
Virement Policy	New	March 2012 (with budget)	Authorize transfers between votes	New	CFO
Unauthorised, fruitless and wasteful expenditure	New	March 2012 (with budget)	Reporting of Unauthorised, fruitless and wasteful expenditure and action to be taken	New	CFO

Table 59: Overview of Budget Related Policies

These policies are reviewed annually, promulgated into bylaws and gazetted. The budget related policies were reviewed in May 2015.

8.5.1 By-laws published in the Government Gazette of 31 October 2008, No.1997

By-law no	Name	Page no
111	Customer Care and Revenue Management	3
112	Electricity Supply	38
113	Encroachment on Municipal Property	53
114	Funeral Parlours, Cemeteries & Crematoria	71
115	Liquor (Trading hours)	99
116	Outdoor signs (Advertising and Other)	107
117	Prevention of Public Nuisance and Keeping of Animals	135
118	Public Amenities	148
119	Stormwater management	165

Table 60: Published By-laws

8.5.2 Property Rates

Approval was obtained from the Hon.MEC: Local Government and Traditional Affairs to extend the validity of the 2009 General Valuation Roll in terms of the Local Government Municipal Property Rates Act 2004 (MPRA).

The Maletswai Local Municipality does two supplementary valuations per annum. The processes are followed as stipulated in the MPRA. The tariffs of the property rates were published in the Government Gazette.

8.5.3 Supply Chain Management

The Municipality has a functional Supply Chain Unit in compliance with the National standards in terms of Bid Committees; they are the specification committee, valuation committee and the adjudication committee. Minutes of each committee is kept for audit purposes.

8.5.4 Turnover rate of the creditors and procurement

The payment is made by the Municipality within 30 days as soon as the statement from the creditors is submitted. The procurement also does not exceed 30 days.

8.5.5 GRAP compliant Asset Register.

The Municipality has a GRAP compliant infrastructure and land asset register. The Asset register has been audited and updates are done monthly.

8.6 Overview of budget assumptions

(a). Budget Assumptions

Budgets are prepared in an environment of uncertainty. To prepare meaningful budgets, assumptions need to be made about internal and external factors that could influence the budget. This section provides a comprehensive summary of the assumptions used in preparing the budget.

(b). External Factors

There is no real growth in the municipal area, with the number of people, as well as the number of households, remaining fairly consistent. Job opportunities are limited, and the National budget identified employment creation as a priority and suggests that municipal capital and maintenance projects should seek to assist in this manner, by implementing labour intensive projects within financial means.

(c). General inflation outlook and its impact on the municipal activities

General inflation (CPIX) is estimated at 6.6% for the 2016/17 financial year. This of course lends to expectations that municipal tariffs should increase by more or less the same percentage, which is impossible due to a wage increase settlement at national level of CPX plus 1% as well as the increase in bulk electricity charges from ESCOM, and of course the full implementation of GRAP requirements such as depreciation charges and Non – current Employee Benefits and other provisions. This budget and the proposed tariff increases therefore exceed the inflation outlook for these reasons.

	2016/17	2017/18	2018/19
General inflation	6,6%	6.2%	5.9%

Interest rates for borrowing and investment of funds

The following assumptions are built into the MTREF

	2015/16	2016/17	2017/18
Average Interest Rate – New Borrowing	10.50%	10.50%	10.50%
Average Interest Rate – Investments	6%	6%	6%

Table 61: Interest Rates –New Borrowing and Investments

Rates, tariffs, charges and timing of revenue collection

The rates, tariffs and charges for the 2016/17 budget are included in annexure 2.

The following table shows the assumed average percentage increases built into the MTREF for rates, tariffs and charges;

	2016/17	2017/18
Rates	10.00%	10.00%
Refuse	14%	14%
Electricity – monthly consumption tariff	unknown%	unknown%

Table 62: Rates, Tariffs charges and timing of Revenue Collection

The monthly cash flow statement in annexure 1 shows when rates and tariffs are expected to be collected over the financial year. In general terms, the timing of rates, tariffs and charges is based on the following;

Rates and annual charges	Annual and monthly billing in July. Interim billing throughout the year as required. Revenue foregone recognised in July.
Consumption Tariffs	Monthly billing. On-going prepayment meters. Seasonal fluctuations.
Charges	Generally steady state throughout the financial year with seasonal fluctuations.

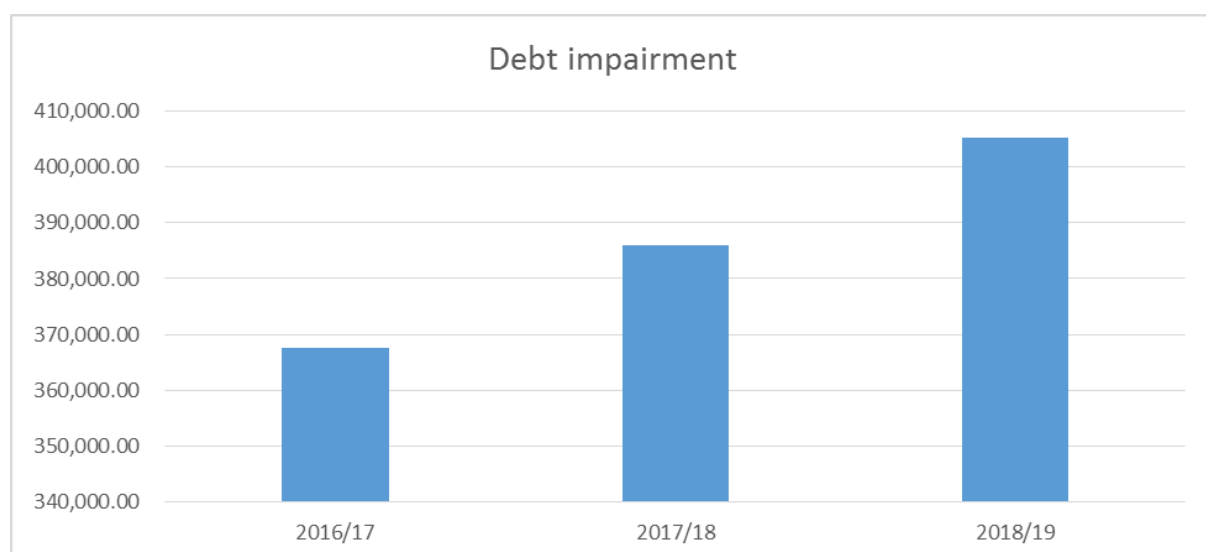
Collection rates for each revenue source and customer type

Furthermore, its policy on indigent support and social rebates means that many households who would normally struggle to pay their accounts receive free or

subsidised basic services thereby keeping them free of the burden of municipal debt. Nevertheless, there will always be an element of the total amount billed that will remain uncollected. The Municipality is the same as any other business in this regard. Adequate provision has to be made in the budget for any bad debts based on assumptions on collection rates. The bad debt contribution also increases substantially against prior budgets due to the re-incorporation of the water and sanitation functions. This additional shortfall in cash collected is, however, being refunded by the Joe Gqabi District Municipality through the payment of the service delivery budgets.

The following bad debt provisions and collection rates are assumed in the MTREF for rates and tariffs.

R '000	2015/16	2016/17	2017/18
Provision for bad and doubtful debts	367,500.00	385,875.00	405,168.75
Assumed collection rate (service charges)	85%	85%	85%
Assumed collection rate (assessment rates)	85%	85%	85%



Price movements on specific items

The bulk purchases from Eskom 2014/15 – R45, 016m):

R '000	2015/16	2016/17	2017/18
Eskom	55, 823, 647	62, 522, 485	71, 275, 633

Table 63: Bulk Purchase from Eskom

Average salary increases

The MTREF includes the following average percentage increases in salaries and wages and for Councillors' allowances:

	2016/17	2017/18	2018/19
Councillors	7.60%	7.60%	7.60%
Senior Managers	6.6%	6.6%	6.6%
Administrative, professional, technical, clerical & manual	6.6%	6.6%	6.6%
Medical aid contributions	9%	9%	8%

Average Salary Increases

Industrial relations climate, reorganisation and capacity building

The ability of the Municipality to deliver quality services is dependent on its staff and the ability to provide services to the Maletswai population at a viable level. Failure by the Municipality to invest in its staff to ensure that the capacity and skills exist to meet the challenges being faced by Maletswai will ultimately mean a failure to deliver services.

The Municipality has made the following amounts available for training over the MTREF period:

R '000	2016/17	2017/18	2018/19
Training Budget	396	399	403

Changing demand characteristics (demand for services)

Maletswai has to respond to changing demand for services that can occur through a number of reasons such as population migration, changing demographic profile, technological changes, and major infrastructure development. The introduction of wireless technology in Maletswai has made the internet available to many more people making on-line interaction with the Municipality possible, including the payment of municipal accounts. The selling of prepaid electricity by all outside vendors assisted consumers to purchase prepaid electricity after hours and over weekends by means of the Syntel system. The growth of formal housing in prior years has impacted on the demand for services and challenges the Municipality in how services are delivered.

Trends in demand for free or subsidised basic services

Maletswai Municipality's criteria for supporting free or subsidised basic services are set out in the indigent support policy. The Government allocates revenue via the Division of Revenue Act (DORA) in the form of the Equitable Share Grant with the primary aim of assisting municipalities with the costs of providing free or subsidised basic services.

No Indigents	Electricity/Alternative Energy	Refuse
5610	-5 706 700	-4 981 000

In total an amount of R15 423 000 was subsidized for the poor of the poorest.

Impact of national, provincial and local policies

Maletswai sees itself as working in partnership with national, provincial and district municipality spheres of Government in meeting the priority service needs of its people.

Implications of restructuring and other major events into the future

The budget does not include any provision for the establishment of a Regional Electricity Distributor for Maletswai as there is still considerable uncertainty as to how and when this would operate.

Funding compliance

The budget is cash – funded which is first indicator of a “credible” budget. Funding levels are unacceptable at 2 months cash – resources, which is an indication of these economic times, and is insufficient to cover all requirements of the funding and reserves policy. There is a huge increase in tariffs above the CPIX forecast, mainly as a result of the effect of the electricity increases. Other increases, set at about 10%, is in order not to reduce maintenance programs, but even these programs are affected negatively due to the increase in bulk charges and the cap on an increase in electricity tariffs set by NERSA. Revenue from grants exceeds 100% of current grant receipts due to unspent grants still being implemented and carried forward.

8.7 Overview of budget funding

8.7.1 Funding the Budget

Section 18(1) of the MFMA states that an annual budget may only be funded from:

- Realistically anticipated revenues to be collected;
- Cash backed accumulated funds from previous years' surpluses not committed for other purposes; and
- Borrowed funds, but only for the capital budget referred to in section 17.

Achievement of this requirement in totality effectively means that a Council has 'balanced' its budget by ensuring that budgeted outflows will be offset by a combination of planned inflows.

8.7.2 A Credible Budget

Amongst other things, a credible budget is a budget that:

- Funds only activities consistent with the revised IDP and vice versa ensuring the IDP is realistically achievable given the financial constraints of the municipality;
- Is achievable in terms of agreed service delivery and performance targets;

- Contains revenue and expenditure projections that are consistent with current and on past performance and supported by documented evidence of future assumptions;
- Does not jeopardise the financial viability of the municipality (ensures that the financial position is maintained within generally accepted prudential limits and that obligations can be met in the short, medium and long term); and
- Provides managers with appropriate levels of delegation sufficient to meet their financial management responsibilities.
- All budget related policies were reviewed for example:, tariff policy, rates policy, indigent policy, credit control and debt collection policy, customer care policy and GRAP related policies – cash and banking policy, risk management policy, asset management policy etc.,

A budget sets out certain service delivery levels and associated financial implications. Therefore the community should realistically expect to receive these promised service delivery levels and understand the associated financial implications. Major under spending due to under collection of revenue or poor planning is a clear example of a budget that is not credible and unrealistic. Furthermore, budgets tabled for consultation at least 90 days prior to the start of the budget year should already be credible and fairly close to the final approved budget.

8.8 Fiscal Overview of Maletswai Municipality

Over the past financial years via sound and strong financial management, Maletswai Municipality has moved internally to a position of relative financial stability. There is also a high level of compliance with the Municipal Finance Management Act and other legislation directly affecting financial management.

The full implementation of GRAP, particularly the unbundling of directive 4 has had huge ramifications not least amongst the professional staffing at the local government level. Maletswai municipality cannot afford the salaries that are a prerequisite to GRAP. There is already a dearth of qualified accountants in South Africa and the complexities that are GRAP in local government are such that outside

of the metropolitan areas it is highly unlikely that qualified accountants are going to be available to work at the salaries on offer internally and Maletswai has therefore taken steps to manage the situation externally.

8.8.1 Long term financial planning

The municipality’s financial position is sound and this budget further ensures that it stays sound. Long-term borrowing is limited and the cash position is strong. The municipality plans to continue exercising strict financial management and ensuring a cash flow which meets the requirements. Due to the fact that the majority of capital expenditure from own sources be funded by way of own cash, the municipality must ensure that the principle of “the user pays for the use of the assets” be applied in its long –term financial strategy. It is for this reason that the municipality provided for cash – backed reserves, which consist of Employee Benefits provisions, the cost of replacing the existing valuation roll and contributions to the Capital Replacement Reserve with the idea being a contribution at least equal to the depreciation charges on those assets being used.

8.8.2 Sources of funding

Interest earned from investments is applied to the income and expenditure account to help fund the operating budget. The following tables summarises the budgeted interest over the MTREF;

R ‘000	2015/16	2016/17	2017/18	2018/19
Investment Interest received	600	610	620	
Loan interest paid	580	518	476	

8.5.3 Contributions and donations

The Municipality can receive contributions from developers to provide infrastructure and other works as part of the conditions of agreeing planning permission.

8.5.4 Sale of assets

The Municipality is in the process of reviewing its land and asset holdings as part of its longer term financial strategy. Major asset sales are therefore, excluded from the MTREF at this stage.

8.5.5 Borrowing

The MFMA prescribes the conditions within which municipalities may borrow through either short or long term debt. The Act stipulates that short term debt can be used to meet immediate cash flow needs but that it must be fully repaid within the financial year in which it was incurred. Long term debt can only be incurred for capital expenditure or to re-finance existing long term debt. Proposals to incur long term debt must go through a public consultation process. The cash flow projections will determine the likely need to borrow short term. It is not projected that any short term borrowing will be required over the MTREF period. The ratios as set out in the Cash and Management Investment policy are used to establish prudential levels of borrowing in terms of affordability and the overall indebtedness of the Municipality. Based on these measures of affordability, the Municipality make provisions for new borrowing for capital expenditure over the MTREF.

8.6 Expenditure on allocations and grant programmes

8.6.4 Grant allocations

National and Provincial Governments provide funding to assist the municipality to achieve its developmental and service delivery goals. In addition, the Constitution of the Republic of South Africa 1996 requires all spheres of government to assist each other to achieve goals set at National or Provincial level. Local economic development and employment opportunities are high on the agenda of the national government, and the municipality, again within financial means, as well as revenue from government grants, aims to assist as far as possible in achieving these goals.

Details of each grant are shown in the schedule that follows:

National and Provincial Grant Allocations 2015/16 to 2017/18							
Name of Grant	Operating / Capital	Allocating Authority / Directorate	Amount 2015/16 R'000	Indicative 2016/17 R'000	Indicative 2017/18 R'000	Purpose of the Grant	
Library Services	Operating	Province/ Cultural Affairs and Sport	704	704	739	To enable public libraries to render an improved service by addressing staffing shortages.	
Local Government Financial Management Grant (FMG)	Operating	National / National Treasury (National Vote 7)	1 550	1 550	1 550	To promote and support reforms in financial management by building the capacity in municipalities to implement the Municipal Finance Management Act.	
Local Government Financial Management Grant (FMG)	Capital	National / National Treasury (National Vote 7)	250	275	350	To promote and support reforms in financial management by building the capacity in municipalities to implement the Municipal Finance Management Act.	

Municipal Systems Improvement Programme Grant (MSIG)	Operating	National / Provincial and Local Government (National Vote 29)	730	757	833	To assist municipalities in building in-house capacity to perform their functions and stabilise institutional and governance systems.
Municipal Systems Improvement Programme Grant (MSIG)	Capital	National / Provincial and Local Government (National Vote 29)	200	200	200	To assist municipalities in building in-house capacity to perform their functions and stabilise institutional and governance systems
Equitable Share	Operating	National	27 487	27 646	27 673	The equitable share of National Revenue in accordance with the requirements of the Constitution
Integrated National Electrification Programme	Capital	National / Provincial and Local Government (National Vote 29)	3000	6000	6000	To assist the municipality with the electrification of impoverished areas within the region.

	EPWP Incentive Grant	Operating	National	1 085	-	-	Assist in creating employment opportunities on extended public works projects
	MIG	Operating	National	509	520	620	PMU Operational Grant
	MIG	Capital	National	11 671	11 970	12 335	Capital projects on roads

Table 64: National and Provincial Grant Allocation

Grants expenditure

	2012-2013				2013-2014			
	Grants Received	Operating Expenditure during the year	Capital Expenditure during the year	Spent %	Grants Received	Operating Expenditure during the year	Capital Expenditure during the year	Spent
								%
Finance Management Act.	1,500,000	1,500,000		100%	1,650,000	1,631,790	18,210	100%
MSIG Funds	800,000	721,743	78,257	100%	890,000	780,129	109,871	100%
MIG Funds	15,300,000	2,545,239	12,870,184	101%	14,526,000	1,787,600	7,596,511	65%
DME Electricity Reticulation Fund					2,000,000	228,382	1,809,708	102%
Expanded Public Works Program	1,000,000	1,604,000	-	160%	1,000,000	1,000,000	-	100%

Capital expenditure

	2012-2013			2013-2014		
	Final adjustments budget	Actual Outcome	Spent %	Final adjustments budget	Actual Outcome	Spent %
Executive and council	110,000	23,019	21%	35,000	127,355	364%
Budget and Treasury Office	404,600	215,671	53%	260,000	343,698	132%

Community and Social Services	63,000	2,404	4%	40,000	10,449	26%
Sport and Recreation	1,717,800	1,191,729	69%	35,000	307	1%
Public Safety	80,000	15,959	20%	20,000	2,307	12%
Housing	15,000	2,947	20%	20,000	6,577	33%
Health				0		
Planning and Development	3,703,000	21,921	1%	0	0	
Road Transport	12,238,579	11,635,668	95%	13,819,700	8,607,005	62%
Electricity	1,285,000	118,948	9%	3,420,000	2,091,902	61%
Water				0		
Waste Water Management				0		
Waste Management	2,420,000	3,480,083	144%	1,640,000	300,965	18%
Other		2,392		0	0	
Total Capital	22,036,979	16,710,740	76%	19,289,700	11,490,564	60%

Operating expenditure

	2012-2013			2013-2014		
	Final adjustments budget	Actual Outcome	Spent %	Final adjustments budget	Actual Outcome	Spent %
Executive and council	14,158,769	17,424,754	123%	15,192,650	15,315,504	101%
Budget and Treasury Office	26,224,729	27,579,025	105%	22,737,700	30,670,461	135%
Community and Social Services	3,373,358	3,552,648	105%	3,464,310	3,074,130	89%
Sport and Recreation	3,424,171	2,836,885	83%	2,953,670	3,070,619	104%
Public Safety		3,732,590		3,987,910	3,758,444	94%
Housing	1,270,949	1,422,194	112%	1,367,820	1,461,711	107%
Health						
Planning and Development	2,680,478	1,429,899	53%	1,747,830	1,382,633	79%
Road Transport	17,412,156	15,989,797	92%	8,914,480	14,194,874	159%
Electricity	48,029,948	50,381,438	105%	49,443,890	53,613,544	108%
Water						
Waste Water Management						
Waste Management	9,373,421	9,271,629	99%	10,259,600	9,931,918	97%
Other	209,090	118,614	57%	136,190	111,025	82%
Total Operating Expenditure	126,157,069	133,739,471	106%	120,206,050	136,584,863	114%

Revenue by source

	2012-2013			2013-2014		
	Final adjustments budget	Actual Outcome	Spent %	Final adjustments budget	Actual Outcome	Spent %
Property rates	9,900,000	9,555,067	97%	13,675,391	11,455,176	84%
Property rates - penalties & collection charges		0	0%	0	0	
Service charges	59,623,670	49,621,679	83%	60,897,908	55,821,408	92%
Rental of facilities and equipment	1,929,000	1,830,326	95%	1,708,923	2,071,520	121%
Interest earned - external investments	230,000	153,641	67%	159,615	478,002	299%
Interest earned - outstanding debtors	950,000	259,772	27%	3,306,762	346,949	10%
Dividends received	0			0		
Fines	320,600	253,817	79%	198,425	246,348	124%
Licences and permits	2,770,000	2,357,808	85%	2,551,187	2,073,733	81%
Agency services	3,861,384	4,563,206	118%	1,529,853	4,705,050	308%
Transfers recognised - operational	29,120,120	30,981,749	106%	29,942,100	30,499,360	102%
Other revenue	3,982,420	3,157,583	79%	7,212,600	7,333,331	102%
Gains on disposal of PPE	60,000	29,001	48%	64,800	170,352	263%
Total Revenue	112,747,194	102,763,649	91%	121,247,563	115,201,228	95%

8.7 Revenue Enhancement Strategy

Key issues and focus areas covered in the Revenue enhancement strategy are the following:

- Municipal Strategic direction , to align municipal Key Performance Areas (KPA) and Financial Viability
- Situational analysis, to establish the current situation and key observation
- A SWOT analysis, to provide a strategic perspective
- A problem tree analysis to indicate problems, causes and effects of inadequate revenue
- Challenges identified
- Revenue enhancement strategic framework and plan to indicate proposed strategic direction and high level implementation thereof.
- Key process steps to direct implementation

The recommendations of strategic interventions contained in this strategy were informed by the following:

- extensive literature review
- observations of the current situation
- lessons learned from other Municipalities
- comparisons with best practices in the Municipal environment

The strategy also proposes interventions to address the following detrimental effects that arose as a result of insufficient revenue:

- Slow progress in achieving SDBIP targets

- Declining revenue is negatively impacting on service delivery to the community
- Budget not sustainable and credible
- Low success rate in reducing debt older than 90 days
- Low payment rates by business, government Directorates and households
- Inability to pay clients/suppliers promptly
- Low consumer satisfaction

Various opportunities and strengths were identified on which the Municipality can capitalise on and enhance revenue collection. It also highlights weaknesses and threats which need to be managed and improved for the benefit of the Municipality.

Revenue collection determines the going concern status of a municipality. A healthy cash flow is critical to ensure sustainable service delivery, infrastructure development and maintenance. Contributions to revenue generating interventions are primarily the competency of all functional Directorates in the Municipality.

Maletswai is a low capacity municipality established in 2000 following the re-demarcation of municipal boundaries and subsequent municipal elections. In its first IDP in 2002 various organisational challenges were highlighted including key financial planning milestones, which have been partially achieved to date. Most of which were again identified as strategic issues requiring high level interventions by the Municipal Manager at the Council's Strategic Planning Sessions including the IDP review.

In these planning sessions the following finance issues requiring attention were emphasised:

- Improving the level of non-payment of services and the increase in the payment rate.
- Gaining access to capital to increase the budget for infrastructural development
- Improving the billing system
- Broadening the revenue base
- Ensuring timely payment of creditors
- Collection of old debt, i.e. debt beyond 90 days.

The strategy development process took into account issues prescribed in terms of Section 64 of the Municipal Finance Management Act (Revenue Management), relevant Treasury guidelines, and requirements of the Municipal Systems Act 32 of 2000 and the Municipal Structures Act.

8.7.1 Proposal

- Marketing of facilities such as the Aliwal Spa Conference Centre, Arrange weekend drive for game viewing
- Improved service delivery
- Revenue Enhancement Committee to review revenue strategies and outcome on a quarterly basis.
- Propose high level interventions to support the strategy.
- Tariffs/bills between 11%-15% of household income are considered to be affordable
- Purchase of meter man readers
- Repair of faulty meters
- Oversight responsibilities through the revenue enhancement committee.

8.7.2 Internal control

To deal with the internal control system, the municipality has adopted policies and procedures manuals for all financial and performance functions. These policies provide reviews by senior personnel. All high risk areas have been identified and the audit unit reviews these high risks areas, including all finance functions on a frequent basis.

8.7.3 Audit file and filing

The Municipality has an audit file and is prepared according to the National Treasury guidelines. All filing is administered centrally through the registry function of the municipality. The archives are locked and secured for future reference.

8.7.4 Anti-Fraud and Corruption

The Municipal Manager has appointed an Anti-Fraud and Corruption Committee that meets quarterly and all cases are reported to the Municipal Manager and losses are recovered. This is the action of the Municipal Manager to minimise risk.

8.7.5 Risk management

The municipality has established a risk management Committee (RMC) constituted by all heads of Directorates and other staff members appointed by the municipal manager and has also adopted the risk management policy. The municipality has developed a Risk Management Strategy in the 2014/15 and it is reviewed annually. The RMC sits quarterly and functions within the municipality's Risk Management Charter that further provides terms of reference for the Risk Management committee. The municipality also has also developed a risk register where it clarifies its risks and then develops mitigating factors to deal with the identified risks. The municipality conducts risk assessment at least annually.

8.7.6 Municipal Public Account Committee (MPAC)

The MPAC exist and it meets quartley, various training initiatives were implemented during the past financial year to enable the MPAC to play its oversight role. The MPAC is being supported by the internal audit unit. The MPAC responded to the Audit Report by assessing all the relevant issues that were included in the management letter of the Auditor General's Report.

8.8 Audit

8.8.1 Audit Committee

The council has an independent audit committee which consist of skilled individuals who serve on the Audit Committee. This independent audit committee fulfils a vital role in corporate governance and operates with an Audit Charter. Furthermore, this committee was established in terms of Section 165 of the Municipal Finance Management Act 56 of 2003 – and it also fulfils a vital mandate of being a Performance Management Audit Committee. It [also] has a vital role to, amongst other things, ensure the integrity of reporting and internal financial controls and identify and manage financial risks. The audit committee sits quarterly and is constituted by the following skilled individuals:-

- (a) Mr. G Du Plessis (contract expiring 30 August 2016)
- (b) Mr. A. F. Bothma (contract expiring 30 August 2016);-**Chairperson** and
- (c) Ms. F. Sephton (contract expiring 30 August 2016)

8.8.2 Audit opinions by the Auditor General

2012/13	2013/14	2014/15
Qualified	Unqualified	Unqualified

In year 2013/ 14 the Municipality received an unqualified audit opinion from Auditor General. In comparison to other municipalities in the District – Senqu Municipality has received a clean audit opinion, whereas, the District Municipality (Joe Gqabi) and Elundini Local Municipality have received an unqualified audit opinion. Gariep Local Municipality has consistently received qualified audit opinion. It can therefore be said that the municipality is indeed performing satisfactory in comparison with other local municipalities in the district. The Municipality has taken the necessary strategic steps in addressing pertinent issues that were raised by the Auditor General through the following Audit Action Plan for the 2014/15 year:

8.9 Audit Action Plan 2014/ 15

#	Audit Finding	Classification	Solution to the problem	Responsible Person	Due Date
1.	<p>EX.7 - Planning: Internal audit: Effectiveness of the internal audit function</p> <p>The following deficiencies were noted during the assessment :</p> <ol style="list-style-type: none"> 1) There is no evidence that a new Internal Audit Charter was in place for the 2014/15 financial year as the charter submitted for audit purposes was last approved on 23 August 2011. 2) No evidence that quarterly performance reports for quarters 1, 2, and 3 were submitted to the municipal manager and audit committee by internal audit in due time. 3) The new outsourced internal auditors, A2A Kopano were appointed in April 2014, however have not submitted any reports for work done during the 14/15 period to date (March 2015); 4) The 2014/15 internal audit plan has only been approved in audit committee meeting dated 18 March 2015; 5) Predetermined objectives should have been an internal audit focus area, owing to the qualification on usefulness and the disclaimer on reliability of performance information, however insufficient work has been done by internal audit to address this matter; 6) Most of the audit work indicated in the audit plan has commenced during the 3rd quarter only. 	Risk and Governance	All documentation required for the municipality to obtain the maximum benefit from the appointment of the internal audit function should be finalised and approved and monitored for compliance particularly the internal audit charter and plan otherwise the benefit of having such a structure in place will not be realised.	Internal Audit Manager	Quarterly
2.	<p>EX.47 - Non-compliance of section 32 of the MFMA</p> <p>During the testing performed on disclosure of Unauthorised, Irregular, Fruitless and Wasteful Expenditure in the financial statements and the testing of compliance</p>		Implement an effective consequence management policy with includes at a minimum, the following:	Municipal Manager	On going

	<p>with consequence management, the following was noted:</p> <ol style="list-style-type: none"> 1. Authorisation of Unauthorised expenditure was not done through an adjustment budget, as required by section 32(2)(a)(i) of the Municipal Financial Management Act. 2. No evidence exists that Unauthorised, Irregular, Fruitless and Wasteful expenditure incurred by the municipality was not investigated to determine if any person is liable for the expenditure, as required by section 32(2)(a)(ii) of the Municipal Finance Management Act. 3. Since the Unauthorised, Irregular, Fruitless and Wasteful expenditure was not reported to council through the quarterly SCM reports, the accounting officer did not promptly inform the mayor, the MEC for local government in the province and the Auditor-General, in writing, of— <ol style="list-style-type: none"> (a) any unauthorised, irregular or fruitless and wasteful expenditure incurred by the municipality; (b) whether any person is responsible or under investigation for such unauthorised, irregular or fruitless and wasteful expenditure; and (c) the steps that have been taken— <ol style="list-style-type: none"> (i) to recover or rectify such expenditure; and (ii) to prevent a recurrence of such expenditure. (iii) to prevent a recurrence of such expenditure. 		<ol style="list-style-type: none"> 1. What constitutes Unauthorised, Irregular, Fruitless and Wasteful Expenditure? 2. What steps will be taken to investigate such expenditure and steps to identify a liable person. In addition to this, the investigating committee should be independent. 3. Internal Audit or an equivalent committee should review the investigation to ensure that it has been performed in accordance with the policy and the relevant legislation. 4. Actions against the liable person should be clearly documented in the policy. 5. At the end of the investigation, a formal report should be presented to formally document the investigation and the outcome of such investigation (i.e. who has been held liable and what actions will be instituted against such persons). The 		
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			<p>report should be signed by the relevant persons.</p> <p>Section 32(4):</p> <p>Management report the Unauthorised, Irregular, Fruitless and Wasteful expenditure on a quarterly basis as part of the SCM quarterly reports.</p>		
3.	<p>EX.53 - Compliance: Non-compliance on the evaluation of the performance of municipal and senior managers.</p> <p>The performance evaluation for the municipal and senior managers was not performed for the 2014/2015 financial year.</p>		<p>1. Annual performance evaluations of the municipal manager and the senior managers is performed on a quarterly basis; and</p> <p>2. All managers are held accountable for targets not met, in a timely manner.</p>	Municipal Manager	Quarterly
4.	<p>EX.54 - Compliance: Non-compliance with Municipal Regulations on competency Levels for</p>		<p>Management should perform regular reviews of the applicable legislation and</p>	Corporate Services Director/CFO	June 2016

	<p>Unit standards for Middle management</p> <p>Per the Municipal Regulations on Competency Levels for Unit Standards, it was noted that the individuals in the following positions had not attained the required financial management competency levels:</p> <ol style="list-style-type: none"> 1. Financial officials at middle management: <ol style="list-style-type: none"> a. Assistant Manager Financial Services; and b. Accountant Financial Management; and 2. Supply Chain Manager 3. Budget and Treasury Officer 		<p>ensure that the Municipality complies with all the relevant legislation.</p>		
5.	<p>Planning: No performance review on non s57 employees</p> <p>Although employees sign performance contracts for each financial year, no performance appraisals are conducted to monitor their performance or give them</p>	<p>Employee Costs</p>	<p>Management should ensure that staff performance appraisals are conducted on a regular basis to evaluate staff performance, and ensure efficiency in execution of job descriptions; and</p> <p>The audit committee should evaluate</p>	<p>Corporate Services Director</p>	

	<p>feedback in determining whether the official is performing at the required level.</p> <p>Furthermore, there is no evidence to indicate that the audit committee evaluates the competencies of individuals in key reporting roles (e.g. CFO).</p>		<p>the competencies of individuals in key reporting roles on an annual basis.</p>		
6.	<p>EX.2 - Planning: No evidence of reviews of salary earnings schedules</p> <p>Inspected the earnings schedule/monthly reports and noted that there is no evidence of reviews of this schedule from November 2014 until February 2015.</p>		<p>Random checks must be done by finance to ensure that controls are being adhered to and functioning throughout the period. The checks are there to ensure that the quality of the information being maintained is accurate, valid and complete and therefore any deficiencies will suggest otherwise therefore it is important for these controls to be adhered to. In addition, leadership (Council, MPAC) should also be checking to ensure that these controls are being adhered to by inspecting a sample of documents.</p>	<p>Accountant Expenditure</p>	<p>Monthly</p>
7.	<p>EX.11 - Performance Evaluations not done</p> <p>There is no evidence that the performance reviews for first quarter and mid-year for Director of Corporate</p>		<p>The performance assessment of all Directors/Managers reporting directly to the Municipal Manager was performed and concluded in 2014/15 financial year. It was</p>	<p>Municipal Manager</p>	<p>Quarterly</p>

	Services (Mr ZE Pungwani) have been done.		tabled in Council for approval.		
8.	<p>EX.26 - Employee Costs: Payroll not reconciling to General Ledger</p> <p>The reconciliation between the payroll and general ledger resulted in a unreconciled difference of R110 919.72</p> <p>The above finding is caused by management not performing appropriate reconciliations of the payroll to the general ledger.</p>		Management should ensure that adequate reconciliations are performed between the general ledger and payroll and that differences are cleared on a timely basis.	Accountant Expenditure	Monthly
9.	<p>EX.27 - Employee Costs : Appointments and Terminations listing not updated</p> <p>A complete and accurate list of appointments and terminations was not readily available.</p>		Management should implement controls in order to keep the terminations and appointments listing complete and accurate throughout the year.	Human Resources Officer	Monthly
10.	<p>EX.4 - Planning: Insufficient risk assessment processes performed by the management for 14/15</p> <p>The risk assessment performed by the municipality to date, is found to be deficient. This is also a recurring weakness from prior periods</p>		Risk assessments should be performed early on in the period and be assessed on an ongoing basis (preferably quarterly) to ensure that the action plans to address the risks are being implemented and found to	All	January 2016

			<p>be adequate to address the risk unless the risk is inherent and nothing can be done. Furthermore, risks should be aligned to the municipality's strategic objectives and not be generic in nature. Management should therefore ensure that it drafts a document specific to the needs to the entity and to its control environment.</p>		
11.	<p>EX.5 - Planning: Monitoring oversight</p> <p>During the review of monitoring of internal controls, the following weaknesses were identified</p> <p>1. No evidence could be found that operating personnel are required to sign-off on their accuracy of their department's performance reports and are held accountable if errors are discovered; and</p> <p>2. Computer Aided Auditing Techniques (CAATs) are not used by management to help obtain assurance that is complete and accurate.</p>		<p>CAAT's can assist management in identifying anomalies in financial data and therefore should be considered especially in decision making and risk assessment processes.</p>	<p>Manager: Economic Development & Planning</p>	<p>Quarterly</p>
12.	<p>EX.16 - Planning: Inadequate budgeting process in place</p>		<p>Municipality should identify those invoices that will create delays in payment and look to alternatives to resolve the matter (such</p>	<p>BTO Manager/CFO</p>	<p>Monthly</p>

	<p>Expenditure was incurred in excess of the limits of the amounts provided for in the votes of the approved budget, in contravention of section 15 of the MFMA.</p> <p>The total unavoidable expenditure incurred exceeded R15 million, in contravention of Municipal Budget and Reporting Regulation 72.</p> <p>The budget is not appropriately prepared by taking into account non-cash items. This has resulted in municipality incurring unauthorised expenditure in the prior period.</p>		<p>as entering in payment agreements with suppliers).</p> <p>The municipality will need to stick to payment arrangements made between themselves and Eskom to avoid incurring interest. The municipality will need to re-negotiate the terms of their arrangement with Eskom as an attempt to avoid incurring fruitless and wasteful expenditure.</p> <p>Implement a strict debt collection strategy to collect revenue needed so that the burden of payment does not only fall on the municipality</p>		
13.	<p>EX.6 - Planning: Fruitless and wasteful expenditure incurred on overdue Eskom accounts</p> <p>Money owed by the municipality to creditors was not always paid within 30 days, as required by section 65(2)(e) of the MFMA</p>		<p>The municipality will need to stick to payment arrangements made between themselves and Eskom to avoid incurring interest.</p>	<p>Chief Financial Officer</p>	<p>monthly</p>
14.	<p>EX.3 - Audit committee: Non-compliance</p>		<p>The effectiveness of the audit committee</p>	<p>Audit Committee Chairperson</p>	<p>Quarterly</p>

	<p>The audit committee did not submit, at least twice during the financial year, an audit report on the review of the performance management system to the council, as required by Municipal planning and performance management regulation 14(4)(a)(iii).</p> <p>The audit committee did review the performance management system during the period, however some compliance issues were not adhered to:</p> <ol style="list-style-type: none"> 1. The audit committee did not review all the quarterly internal audit reports on performance measurement. Internal audit did not prepare all reports on performance information for the period and therefore these reports could not be reviewed within the required timeframes. 2. The audit committee did not submit, at least twice during the financial year, an audit report on the review of the performance management system to the council 		<p>needs to be enhanced by holding internal audit accountable to prepare and submit required reports, assessments and plans regularly during the year and by holding management accountable to implement the recommendations made by the audit committee and internal audit.</p>		
15.	EX.9 - Corresponding errors: Restatement of prior period figures		No adjustment was done and matter was resolved	Chief Financial Officer	30 June 2016

16.	<p>EX.37 - PPE: Infrastructure asset register not adequately updated for additions</p> <ol style="list-style-type: none"> 1. Brick Paving of Streets in Maletswai 2. Dukathole Block H1&H2 MV/LV Electrification <p>The existence of these assets were satisfactorily verified through physical verification, site maps and drawings, however there is still a need to ensure that the infrastructure assets register is fully updated before submission for audit with the relevant details such as:</p> <ol style="list-style-type: none"> 1. Physical location of asset (GPS, Street addresses, Latitude and Longitude etc); 2. Fixed asset unique number or serial number where applicable; 3. Physical condition of the asset. 		<p>Management should update the location of the asset as and when the asset is being contracted unless this is impractical, the infrastructure asset register should ideally not only be updated at year end. Management should take control of the process through review of the register before it is submitted for audit to ensure that it has all relevant details</p>	Assets Clerk	Monthly
17.	<p>EX.13 - Planning: PPE: Asset reconciliations accounts not performed</p> <p>No reconciliations between the general ledger and asset register has been performed to date (March 2015). The asset policy is silent as to the timing of</p>		<ol style="list-style-type: none"> 1. The municipality must conduct/perform count of its assets at least two times a year and this count has to be documented and approved by the CFO. 	Assets Clerk	Monthly

	<p>reconciliations, however generally reconciliations should be performed on a monthly basis so that discrepancies between the asset register and general ledger can be detected and corrected within a reasonable period.</p> <p>In addition, physical verification or counting of assets is supposed to be performed twice a year but no verifications have been conducted to date.</p>		<p>2. The municipality must prepare monthly reconciliations of assets between the fixed assets register and the Sebata system; these reconciliations must be reviewed and approved by the CFO.</p>		
18.	<p>EX.20 - Operating Expenditure : Exceptions relating to expenditure and procurement</p> <p>Documents were not signed as proof that the goods or services were delivered in good order:</p> <p>During the testing performed on <u>Procurement and Contract Management</u>, the following exceptions were noted:</p> <ol style="list-style-type: none"> 1. Although SCM officials are aware of the SCM policies and procedures and understand their individual roles and responsibilities pertaining to internal control in the acquisition of goods/ services process; internal control weaknesses were still noted and this has resulted in the recognition of irregular expenditure during the year. 3. A register of bids received on time was 		<ol style="list-style-type: none"> 1. Management should communicate the policies and procedures on an annual basis and perform regular checks on whether the policies and procedures are being followed. 2. Formal training should be implemented for SCM personnel where the roles and responsibilities for each individual throughout the process is clearly set out so that no steps are missed. 3. A checklist of the actions that are required throughout the process should be 	Accountant Expenditure	Monthly

	<p>not published on the website of the municipality. This reduces the transparency of the procurement procedures.</p> <p>4. A risk assessment of the SCM system was not performed during the year. As a result, the auditors could not assess the reasonableness of the risk assessment and whether the actions taken to mitigate the risks were sufficient given the nature of the risks.</p> <p>5. As a result of the lack of risk assessment performed in relation to the SCM processes, the internal audit function has not discharged their duties sufficiently during the year and there is no evidence that they have evaluated the controls, processes and compliance with laws and regulations regarding SCM.</p> <p>6. 7. As a result of the infrequency of the evaluation performed by the internal audit function, the audit committee could not sufficiently carry out their duties to review the municipality's compliance with laws and regulations, including compliance with laws and regulations relating to SCM.</p>		<p>printed and either attached to each expenditure voucher or it should be on hand throughout the procurement process to ensure that the employees are aware of the internal control requirements.</p>		
19.	<p>EX.21 - Internal Control: Expenditure not paid within 30 days</p> <p>The impact of the exception is that late payment could result in interest being charged on overdue accounts which could have been avoided had the municipality paid more attention to the timely payment of suppliers.</p>		<p>Management should communicate the policies and procedures on an annual basis and performed regular checks on whether the policies and procedures are being followed.</p>	Accountant Expenditure	Monthly
20.	<p>EX.39 - Late payment of payables</p> <p>Payments of creditors is not always paid within the 30 day period.</p>		<p>All payments to creditors should be made within 30 days to avoid penalties in the form of interest.</p>	Accountant Expenditure	Monthly

21.	<p>EX.40 - Suspense account not cleared</p> <p>The suspense account 7030/AD47/0000, Suspense account sundries (R144, 474.04), has not been cleared on a timely basis. An adjustment was processed in the current year for a journal which was processed into the account 4 years ago. Adjustments from last year which, not removed timeously, were not cleared in the 2014/15 financial year and there is an opening balance on 2013/14 which relates to even further back.</p>		<p>All suspense accounts should be reviewed on a monthly basis and cleared for all items which have been in the account for over a month. When the items get put into the account, a sufficient, detailed explanation should be provided with the journal entry to explain the reason for the amount to be processed into the suspense account that no further explanation should be required from management for understanding. A similarly detailed explanation should be provided when this amount is subsequently processed out of the suspense account</p>	<p>Accountant Expenditure</p>	<p>Monthly</p>
22.	<p>EX.25 - Adjust : Exchange revenue: Free electricity</p> <p>The cause is the sales statistics report from Syntell, used to create the journal, does not agree to the detailed report per debtor, also generated from Syntell, and no review is performed to ensure the reports agree.</p>		<p>When creating the journal for the free electricity purchased, agree the system generated detailed listing to that of the summary to ensure the amount has been recorded accurately.</p>	<p>Revenue Accountant</p>	<p>Monthly</p>
23.	<p>EX.50 - Value Added Tax: Non-compliance regarding payment terms.</p> <p>All payments owing to SARS in respect of VAT for the year were not paid by the Municipality by the 25th</p>		<p>It is recommended that management ensures that all payments to SARS are made within the required time as set out by the VAT act</p>	<p>BTO Manager</p>	<p>Monthly</p>

	of the next month.				
24.	<p>EX.51 - Bad debts: Incorrect accounting for VAT on impairment of debtors</p> <p>It was noted that the Municipality incorrectly accounted for VAT on debt impairment, resulting in the actual write-off amount being understated by R35 626 and the VAT suspense account being overstated by the same amount.</p>		perform a proper review of the calculations for impairment of debtors for the year	BTO Manager	Monthly
25.	<p>EX.52 - Bad debts: VAT on outstanding debtors understated</p> <p>It was noted that VAT on outstanding debtors (R10 845 348 – related to electricity, refuse and other arrears as per the Provision for Doubtful Debts calculation) has been overstated by R74 172.</p>		Management should perform a proper review of the calculations for VAT for the year.	BTO Manager	Monthly
26.	<p>EX.12 - Planning: Indigent debtors: Indigent Policy not complied with</p> <p>The indigent committee did not have the quarterly meetings as per the requirement of the municipality's indigent policy.</p>		The indigent debtors committee should sit regularly as per the policy to discuss (amongst other issues) the impact that the growing number of indigent applicants might have on revenue generation and look to ways to combat this before it significantly impacts the municipality's cash flow and going concern.	CFO	Monthly

8.10 FINANCIAL TURN AROUND PLAN/ FINANCIAL RECOVERY PLAN

KEY RESULT AREA	STATUS QUO	REQUIRED ACTION/S	TIMELINE	OFFICIAL RESPONSIBLE
Financial Management				
Budget planning and monitoring	<p>The projected revenue on which the previous and current budgets were based, were unrealistic resulting in the budget being over-expended and surplus, if there is any, not cash-backed.</p> <p>Budget steering committee meets once a quarter.</p> <p>Cash flow projections are based on projected figures of revenue and expenditure; and the average monthly expenditure exceeds revenue by more than R2million.</p>	<p>Adjust 2012/13 budget based on the actual revenue collected during the first 8 months and prior year.</p> <p>2013 budget to be based on the actual revenue collected in 2012/13 financial year.</p> <p>Budget Steering committee meeting to convene monthly to monitor budget expenditure.</p> <p>Budget monitoring to form a standing item of the Top</p>	Immediately	Chief Financial Officer

KEY RESULT AREA	STATUS QUO	REQUIRED ACTION/S	TIMELINE	OFFICIAL RESPONSIBLE
		<p>Management Meetings Agendas.</p> <p>Monthly cash flow projections must be based on actual revenue collected and monthly expenditure must be kept in line with the revenue.</p>		
Tariffs setting	The current tariffs are not cost driven and no scientific method is employed to determine them thus resulting in some services being overcharged whilst others are undercharged.	<p>Use the model adopted from P3 project as a basis to determine a tariff for each of the services rendered by the municipality.</p> <p>Identify and determine tariffs for other services that are rendered by the municipality but no tariff exist for</p>	During the preparation of the 2013/14 budget	Chief Financial Officer

KEY RESULT AREA	STATUS QUO	REQUIRED ACTION/S	TIMELINE	OFFICIAL RESPONSIBLE
		them		
Debt Collection	<p>The debtors account in February 2013 stood at R12 million comprising R4m owed by Jamestown residents and R8m spread across other categories of consumers. The collection rate was 96% during the month of February (R5.5m was billed and R5.2m was collected. The success of debt collection efforts is largely predicated on accurate, complete and timely meter readings and billing.</p> <p>Meter readers experience challenges in so far as their mobility is concerned as they do not have car to ferry them from one point to the other. Consequently, they take much longer period to complete meter readings.</p>	<p>Increase the number of staff compliment in the debt collection unit. Reshuffle the staff where necessary to achieve maximum impact.</p> <p>Develop payment incentive scheme for the consumers whose accounts are up to date and those in arrears.</p> <p>Provide transport to the meter readers to improve the speed with which meter readings are undertaken.</p> <p>Self-meter reading should be</p>	30 March 2013	Chief Financial Officer

KEY RESULT AREA	STATUS QUO	REQUIRED ACTION/S	TIMELINE	OFFICIAL RESPONSIBLE
	<p>Currently, there are 90 consumers who do self-meter reading and it is difficult to establish accuracy of the readings provided by them.</p> <p>Some of the consumers who owe the municipality are government employees working for provincial and national governments.</p>	<p>discontinued and a by-law must be amended to achieve the same.</p> <p>A letter should be written to the individuals to arrange for municipal staff to take readings.</p> <p>Constant reminders to be sent to the consumers whose accounts are overdue via sms.</p> <p>Explore the possibility of stop orders with government employees for the payment of municipal services.</p> <p>Bill accurately all consumers and strive to collect all accounts billed.</p>	<p>Immediately and ongoing.</p>	

KEY RESULT AREA	STATUS QUO	REQUIRED ACTION/S	TIMELINE	OFFICIAL RESPONSIBLE
		<p>Data cleansing must be undertaken reconciling valuation roll- Map-Billing System and Deeds records.</p> <p>Explore the usefulness of the PAY AT system. Arrange a presentation with the service provider before Mid-April.</p>	5 April 2013	
Expenditure management	The current measures are inadequate to extricate the council out of the financial morass it is experiencing. Extra-ordinary measures are required to deal with the immensity of the financial crisis the municipality finds itself in.	Develop circular outlining measures to be taken to curb expenditure and minimise waste of municipal resources and duplication of effort.	15 March 2013	Municipal Manager
Personnel related costs	<p>The personnel expenditure accounts for 40% of the total municipal expenditure against a national norm of 32%.</p> <p>The 2010/11 report by the Municipal</p>	<p>Freeze non-critical/non-essential posts and fill only critical positions.</p> <p>Staff transfers should be considered where possible instead of appointing new staff.</p>	30 June 2013	All Managers

KEY RESULT AREA	STATUS QUO	REQUIRED ACTION/S	TIMELINE	OFFICIAL RESPONSIBLE
	<p>Demarcation Board revealed that Maletswai is more favourably staffed than its counterparts elsewhere in the country e.g the total number of staff employed is 359 against an average of 269 ; 35% of the staff exited due to retirement; have no professionally qualified engineers and planners; have 4.2% professionally qualified staff against an average of 15.4%;</p> <p>The overtime is sky-rocketing in spite of the control measures put in place.</p> <p>In 2011/12 financial year R1.6 million was spent on overtime, with Technical Services Directorate being the biggest contributor by about R921 000. In some cases the</p>	<p>Convert overtime to day off /Leave In lieu of Overtime - when there is absolute necessity to approve overtime.</p> <p>Use own personnel for capital projects instead of appointing an external contractor.</p> <p>Scale down on the use of consultants for example in the preparation of Annual Financial statements.</p> <p>Payment for the studies of councillors and officials be suspended until the financial situation improves except for the</p>		

KEY RESULT AREA	STATUS QUO	REQUIRED ACTION/S	TIMELINE	OFFICIAL RESPONSIBLE
	<p>amount of overtime paid is incongruent with the expected quality of output.</p> <p>Audit fees incurred are as follows: 2011: R1 117 417.29; 2012: R2 010 897. Included in the 2012 audit fees is an amount of R309 000 relating to the delays on submission of audit information.</p>	<p>officials required by the MFMA to meet particular competency levels.</p> <p>The management of overtime be dealt with in terms of the measures in circular 01/2013.</p> <p>Catering in meetings must be stopped immediately.</p> <p>Encourage staff older than 55 years to consider taking early retirement.</p> <p>Intensify the implementation of performance management on the</p>		

KEY RESULT AREA	STATUS QUO	REQUIRED ACTION/S	TIMELINE	OFFICIAL RESPONSIBLE
		<p>part of the staff. Action to be taken against poor performers and late comers.</p> <p>Supervisor should meet field employees at their place of work for the signing of the attendance register e.g those based in the township such as Dukathole, Hilton. Every manager and supervisor to take the responsibility to exercise control of staff regardless of the Directorate or section in which the employee is located.</p> <p>Reduce audit fees charged by AGSA by ensuring complete and timely submission of audit information and file.</p>		
Electricity supply and demand management	Electricity losses over a period of three years were as follows: 2010 R3.6 million; 2011 R2.6 million and 2012 R3.5 million.	Purchase fault cable locator to minimise the exorbitant costs currently being spent on the service provider based in Bloemfontein.	30 June 2013 or 2013/14 Budget	Technical Services Manager/CFO

KEY RESULT AREA	STATUS QUO	REQUIRED ACTION/S	TIMELINE	OFFICIAL RESPONSIBLE
	<p>Exceeding maximum demand especially in winter coupled with higher tariffs for winter results in municipality having to pay excessive accounts and penalties to ESKOM.</p> <p>An average ESKOM account is about R6.9 million in winter as against R2.2million for summer. The average excess network access charge incurred per month is approximately R96 740 and thus leading to estimated projection R1.1 million per annum.</p> <p>To arrest this problem an application needs to be made to ESKOM to increase demand</p>	Audit electricity meters to identify and curb power losses owing to theft and malfunctioning of meters.	April 2013	Technical Services Manager
		Installlocks to all meter boxes and kiosk to avoid tempering and possible electrocution of children-an act that may result in the municipality being sued for exorbitant sums of money.	On-going	Technical Services Manager
		Remove trees that temper with electricity lines to avoid unnecessary power outages which necessitate electricians to work overtime especially if it occurs after work.	On-going	Technical Services Manager
		Encourage and install energy efficiency lights and bulbs on the streets and municipal buildings to reduce power usage by the municipality.	On-going	Technical Services Manager/Eskom

KEY RESULT AREA	STATUS QUO	REQUIRED ACTION/S	TIMELINE	OFFICIAL RESPONSIBLE
	capacity from 12MVA to 15 MVA.	Apply for upgrading from 12MVA to 15MVA to avoid penalties meted by ESKOM for exceeding maximum demand load.	Done	Technical Services Manager
		Install prepaid meters in municipal flats to determine electricity consumption by tenants and levy charges accordingly.		
		Facilitate the installation of the solar water geysers in the municipal are so as to ease out pressure on the demand load of the municipality.	On-going	Technical Services Manager
		Explore the possibility of using the old generator of the municipality to supply electricity to some parts of town in Aliwal North and Dukathole.	Immediately	Technical Services Manager
Maximum utilisation of available resources to generate revenue	There are some of the Council's assets that may be employed to generate some revenue which currently are underutilised. These range from the Municipal plant and	Leasing of municipal plant and equipment to contractors when appropriate to do so e.g. leasing water truck to the contractors' currently on site and to the Joe	On-going	Technical Services Manager

KEY RESULT AREA	STATUS QUO	REQUIRED ACTION/S	TIMELINE	OFFICIAL RESPONSIBLE
	equipment to the Municipal flats. The newly-acquired water truck is currently under-utilised and may be used to generate revenue for the municipality.	Gqabi District Municipality.		
	The Council owns 45 flats from which 37 are occupied and from which monthly revenue of R85 309 is derived. Revenue foregone on the 8 unoccupied flats amounts to R15 784 per month. A total of 5 residences or houses owned by the municipality, which are fully occupied contribute R16 535 to the monthly revenue of the municipality.	Charging the JGDM on work performed on their behalf such as burst pipes.	On-going	Technical Services Manager/CFO
		Fix all the inhabitable municipal flats so that they can be leased out immediately.	On-going	Community Services Manager
		Tighten control over the usage of the municipal vehicles by ensuring that trip authorities and log books are properly maintained. Usage of intranet for efficient information dissemination within the municipality.	On-going	Technical Services Manager

CHAPTER 9

KPA 6: INSTITUTIONAL ANALYSIS

9.1 POWERS AND FUNCTIONS

According to the Constitution of the Republic of South Africa (1996) the Local Municipalities are obliged to execute these objects that are assigned to them:-

- To promote democratic and accountable government for local communities
- To ensure the provision of services to communities in a sustainable manner
- To promote social and economic development
- To promote a safe and healthy environment and
- To encourage the involvement of communities and community organisations in the matters of local government.
- Within this Constitutional mandate, powers and functions have been defined in terms of the Local Government Municipal Structures Act 117 of 1998 as amended.

9.1.1 The functions of the municipality are listed in the table below

Function	District Municipality	Local Municipality
Air pollution	X	
Building regulations		X
Child Care facilities		X
Electricity reticulation		X
Fire Fighting	X as per regulations	
Local Tourism	X as per white paper	X
Municipal airports	X	
Municipal Planning	X	X
Municipal Health Services	X	

Function	District Municipality	Local Municipality
Municipal Public Transport		X
Pontoons and Ferries		X
Storm water		X
Trading regulations		X
Water (potable)	X	
Sanitation	X	
Schedule 5 part b		X
Beaches and amusement facilities		X
Billboards and the display of adverts in public places		X
Cemeteries, Crematoria and funeral parlours		X
Cleansing		X
Control of public nuisances		X
Control of undertakings that sell liquor to the public		X
Facilities for the accommodation, care and burial of animals		X
Fencing and fences		X
Licensing of dogs		X
Licensing and control of undertakings that sell food to the public		X
Local amenities		X
Local sport facilities		X
Markets		X
Municipal abattoirs		X
Municipal parks and recreation		X
Municipal roads		X
Noise pollution		X
Pounds		X

Function	District Municipality	Local Municipality
Public places		X
Refuse removal, refuse dumps and solid waste disposal		X
Street trading		X
Street lighting		X
Traffic and parking		X
Additional agency functions performed		
Licensing of vehicles		X
Road maintenance	X	X

9.2 ADMINISTRATION OF MALETSWAI

The offices of Maletswai Municipality are located in Aliwal North in the corner of Barkly and Somerset .The five Directorates are located in Aliwal North and there is a satellite centre in Jamestown. Its administration is headed by a Municipal Manager, appointed as an Accounting Officer. An Annual Performance Agreement in respect of the Municipal Manager will be aligned to the reviewed 2016/17 IDP and submitted to the Mayor together with annual SDBIP for approval.

9.3 CORPORATE ADMINISTRATION

Corporate administration of municipalities can be divided into management systems and structure, human resource management (including organisational structures, union relationships, management structures, discipline), legal services, communication, council support services and auxiliary services (including building management, pool car management)

9.3.1 Management Structures and Systems

Maletswai Municipal Council consists of 12 councillors The Council has the following standing committees:

- Financial Services Standing Committee;

- Community Services Standing Committee;
- Corporate Services Standing Committee; and
- Technical Services Standing Committee.

9.4 INSTITUTIONAL ANALYSIS

The Local Government: Municipal Planning and Performance Management Regulation (R796 of 2001) sets out the following minimum requirements for an IDP:

“That an institutional framework is required for implementation of the IDP and to address the municipality’s internal transformation”

In view of the above, Maletswai Local Municipality’s Organogram is reviewed annually to respond to the material demands of the institution. (Refer to ANNEXURE H for Organogram) It was reviewed and approved in July 2015. Resolution number:

The organogram makes provision for five (5) Section 56 posts, which are heads of Directorates and the Municipal Manager. These Heads of Directorates report directly to the Municipal Manager. Four Section 56 Managers are appointed, (3 male and 1 female) in terms of the Systems Act and have signed five year Employment Contracts. One section 56 position is vacant. Annually, the municipal manager and the section 56 managers sign performance agreements against which are aligned with the objectives of the IDP. All the employees have clearly defined job descriptions.

Designation – Section 56 Managers	Gender	No. Vacant/filled
Municipal Manager	Male	1 filled
Corporate Services Director	Male	1 filled
Community Services Director	Female	1 filled
Financial Services Director	Male	1 filled
Technical Services Director	Vacant	Vacant
Total vacant posts	1	1

Designation – Section 56 Managers	Gender	No. Vacant/filled
Total filled posts including the above.	210 Male 102 Female	306 total filled Vacant

Table 65: Institutional Analysis Staff Breakdown

Table 65: Staff Breakdown

Full time African Males	149
Full time African Females	79
Grand total staff	228
Full time Whites Male	6
Casuals/ Contract workers	78
Full time White Females	0
Coloured Male	7
Coloured Females	7

9.5 CASUAL OR CONTRACT WORKERS

There are 78 contract workers that are employed by the municipality in the Expanded Public Works Programme (Cleaning Campaign) and their contract is renewed annually. Depicted below is the summary of the Maletswai Municipality employees. All the positions have clearly defined job descriptions.

Full time staff complement: MM/Section 57 and Line Managers

	Approved positions	Number of approved and budgeted posts per Dept.	Filled posts	Vacant posts	Period Vacant
1	Municipal Manager	1	1	-	N/a
2	Senior Managers S 56	4	4	-	N/a
3	Managers	4	3	1	>3 Months
4	Sectional Heads/ Line Managers	15	15	-	N/a
	Total	24	23	1	N/a

9.6 INFORMATION TECHNOLOGY AND RECORD MANAGEMENT

The Information and communications Technology is functional and provides support to the municipality. The municipality has a fully functional and centralized record management unit which operates in line with approved Records Management Policy.

9.7 HUMAN RESOURCE MANAGEMENT

9.7.1 Human Resource Strategy and Policies

The municipality has developed a Human Resource Strategy and policies and they were last reviewed in March 2015 (Resolution number: 147/03/2015/CSC19/03/15). The HR Development strategy has been developed to support a holistic approach to human resource training and development in Maletswai Local Municipality.

The HRD strategy aims at regulating the development of competencies of staff through education, training and development. All in all, the strategy seeks to address the institutional requirements and challenges in the short, medium and long term.

9.7.2 Human Resource Policies

The human resource policies provide the municipality with a mechanism to manage risk by staying up to date with current trends in employment standards and legislation. The policies are framed in a manner that the municipality's vision and the human resource is helping the municipality to achieve it or work towards its objective realisation at all levels benefited and at the same time not deviated from their main objective.

HR policies allow an organisation to be clear with employees on:

- The nature of the organisation
- What they should expect from the organisation
- What the organisation expects of them
- How policies and procedures work
- What is acceptable and unacceptable behaviour

- The consequences of unacceptable behaviour

The establishment of policies helps the municipality to demonstrate, both internally and externally, that it meets requirements for diversity, ethics and training as well as its commitments in relation to regulation and corporate governance. Human resource policies are effectively supporting and building the desired institutional culture. The municipality has a Recruitment and Selection Manual which guides around the issues around staffing and a number of policies (*i.e.* standby allowance policy, absenteeism policy, code of conduct, employee assistance programme, motor vehicle allowance policy *etc.*)

The human resource plan of the municipality was developed and will respond to the long term development needs by including them in the Workplace Skills Place, recruitment, train and the retention policy.

9.8 CODE OF CONDUCT FOR EMPLOYEES

The municipality adheres to the code of conduct for municipal officials and Councillors. It also implements the disciplinary code of practise as defined by the South African Local Government Bargaining Council to ensure that all employees behave ethically. These codes of conduct are signed by new employees and placed in their personal files. The following cases were resolved in the past financial years.

Case	Case no	Status	Outcome
Failure to report for duty 2014/15	6/7/6	Formal hearing	Dismissal
Theft of municipal asset 2014/ 15	ECD 061410	Formal hearing	Dismissal
Gross dishonesty/ Fraud 2014/ 15	6/7/6	Formal hearing	Dismissal

9.9 Local Labour Forums

The Local Labour Forum meet on quarterly basis and there are sound working relations between employer and trade unions as the meetings are sitting as per their schedule.

9.10 Recruitment and Selection Policy and Procedure

Maletswai Local Municipality has a Council approved Recruitment and Selection policy which is reviewed annually. The aim of this policy is to guide appointment process, also to attract, obtain and retain people with required competencies at minimum cost in order to satisfy the Human Resource needs of the Council. Lastly, the policy's aimed at giving effect to the Affirmative Action Policy Principles and adheres to the Employment Equity Act and the Labour Relations Act 66 of 1995. The policy covers fair and equitable recruitment, recruitment processes, recruitment procedure, selection and appointment processes, as well as screening. New appointments were made in the previous financial year 2015/16.

9.11 Employee Assistance Program

Maletswai Local Municipality recognises that staff's well-being plays an important role in meeting its objectives and that personal problems interfere with job performance. Regardless of how disruptive such problems may be in the life of an employee, external motivation is almost always needed before an employee can make necessary changes or seek professional assistance. The municipality as an employer is committed to look after the physical, emotional, psychological and social well-being of its employees. To this end, an Employee Assistance Programme was established in the Human Resource Section to provide support to employees. The municipality observes wellness day events wherein employer and employees participate in a wellness day activities. Although this function is mainly outsourced due to unavailability of skilled personnel to pursue this function, the key objective of the programme is to promote the well-being, morale and productivity of all employees; coordinate counselling services and refer employees for professional and specialised services.

9.12 Succession Planning and Career Pathing

In Maletswai, succession planning simply means making the necessary arrangements to ensure that suitably qualified people are available to fill posts which will arise within any specific Directorate over forthcoming years and therefore mentoring is relatively done. The purpose of this policy is to mitigate disruption of

services rendered by the municipality when employees resign by appointing suitably trained staff in key posts.

9.13 Employment Equity Plan

The plan has been developed and adopted for the period 2012 - 2017 and it is was reviewed in October 2014 for 2015/16 financial year. This plan serves as a guideline in filling of vacancies in the municipality. Before its adoption a wide range of consultation has been done with various stakeholders and Council. In its reviewal the municipality is contemplating to employ and set targets for more Coloureds, Whites, Indians and the Disabled to be absorbed in all its Directorates, to ensure that there is parity in all races and different groups of people within the institution.

Race	Achievements	Targets	Shortfalls
Black	186.25%	75.4%	No
Whites	2.94%	10.5%	No
Coloureds	10.79%	13.2%	No
Indians	0%	0.8%	No
Disabled	1.6%	5%	No

9.14 Skills Development

The Workplace Skills Plan was reviewed in May 2015 by the Employment and Skills Development Committee and subsequently submitted to Local Government SETA for 2015/16 financial year. This plan is operational and the municipality has a Skills Development Facilitator and a functional Skills Training Committee. The municipality has planned to train sixty ward committee members in partnership with the Joe Gqabi District municipality. Furthermore, a learnership programme of Driving Licence targeting 100 youth members and this programme will be implemented in partnership with the Office of the Premier in 2015/16 financial year. The municipality has budgeted R100 000.00 for training of Councillors and R377 000.00 for training of staff in 2015/16 financial year.

The skills audit conducted annually from employees is used to develop the training plans which is expressed in the institutional Workplace Skills Plan.

9.15 CAPACITY CHALLENGES

Council's financial constraints impedes succession plans and population of an ideal and functional organogram in certain directorates of the municipality.

9.15.1 TRAINING PLANS

The municipality conducts capacity building programs through training plan which is reviewed per year.

Councillors and Staff

COUNCILLORS		STAFF	
TRAINED 2015/16 F/Y	COMPLETED 2015/16 F/Y	TRAINED 2015/16 F/Y	COMPLETED 2015/16 F/Y
08 ND Local Government Law & Administration		52	52

2015/16 FY Councillors		2015/16 FY Staff	
Budget		Budget	
R100 000.00	N/A	R377 000.00	N/A



CHAPTER 10

ORGANISATIONAL PERFORMANCE MANAGEMENT SYSTEMS

10.1 Synopsis

In the local government context, a comprehensive and elaborate system of monitoring performance of municipalities has been legislated. This system is intended to continuously monitor the performance of municipalities in fulfilling their developmental mandate. Central to this is the development of key performance indicators as instruments to assess performance. These indicators help to translate complex socio-economic development challenges into quantifiable and measurable output. They are crucial to improving the quality of life for all.

Maletswai Local Municipality believes that the principles of performance management should:

- Drive change and improve the performance of the organization;
- Focus the municipality's work on priorities;
- Measure the municipalities overall performance against set objectives;
- Align strategic objectives and priorities with individual work plans;
- Identify success as well as failure; and
- Identify good practice and learning from others successes.

10.2 PERFORMANCE MANAGEMENT SYSTEMS

The Performance Management System (PMS) is one of the key mechanisms through which the municipality aims to improve organisational performance [and that of its individuals] to enhance service delivery. The municipality has a Performance Management Systems Policy Framework adopted in 2012 and reviewed on an annual basis aimed at:

- improving performance against municipality's goals by establishing performance culture;

- improving individual officials awareness, understanding of their work objectives & performance standards expected of them;
- ensuring individuals knows how their performance against these standards is perceived;
- improving communication between supervisors and their staff;
- evaluating performance fairly and objectively;
- providing opportunities to identify individual development needs and to devise, in conjunction with supervisors, plans to address those needs;
- facilitating the effective management of unsatisfactory performance; and
- providing a basis for decisions on possible rewards.

Currently, in Maletswai Local Municipality, PMS has been cascaded to levels lower than s56 managers; there is on-going dialogue in the Local Labour Forum undertaken by management negotiating with Unions on cascading performance management. There has been a cordial concord by managers to at least [in the interim] cascade to sectional heads – but that still needs further engagements.

10.2.1 Scorecards

The municipality intends on implementing three (3) levels of the scorecard. This is the Institutional Scorecard, Directorate Scorecard, and Sectional Scorecards. Each of these levels is briefly described below:

Institutional Scorecard

The IDP is aligned with the strategic objectives, output targets and outcomes. The Institutional Scorecard will be used to measure performance of the municipality in terms of implementation of the Maletswai Service Delivery and Budget Implementation Plan. The institutional scorecard will provide overall picture of performance of Council as a whole, reflecting performance on its strategic priorities thereby giving effect to the implementation and monitoring of objectives, key performance indicators and targets as delineated on the budget and IDP. The IDP is linked with the SDBIP as well as key performance indicators and targets. Lastly, the Municipal Manager will utilise Institutional Scorecard as a basis for reporting to the Mayor, Council and most importantly to the Public through quarterly reports, Mid-Year assessments, Annual Report and performance assessment.

Directorate Scorecard

The Directorate Scorecard will measure and monitor performance of the line Directorates. This constitutes the scorecard of the Directorate manager by providing a comprehensive picture on the implementation and evaluation of the Directorate's actions and projects, which are directly linked to the objectives, indicators and targets derived from the institutional scorecard. Performance reporting in the form of quarterly reports will be presented to the Municipal Manager, Standing Committees of Council and Council.

Sectional Scorecards

The Sectional Scorecard will measure and monitor performance of Directorate Sections. This will constitute the scorecard of the sectional heads. Sectional heads are reporting to the Directorate Manager. Compilation and report on the sectional scorecards will be considered at monthly and quarterly sectional meetings as well as Directorate meetings constituted by the Manager and respective Sectional Heads.

10.3 LEGISLATIVE FRAMEWORK FOR PERFORMANCE MANAGEMENT

Legislation that governs performance management in local government includes the Municipal Systems Act, 32 of 2000 (MSA), the Municipal Planning and Performance Management Regulations, 2001 (MPPMR), the Municipal Finance Management Act, 53 of 2003 (MFMA) and the Municipal Performance Regulations for Municipal Managers and Managers Directly Accountable to Municipal Managers, 2006.

Municipal Systems Act, 32 of 2000

The MSA requires all municipalities to promote a culture of performance through the establishment of a PMS, which must set key performance indicators and targets, as well as monitor, review and report on municipal performance, based on indicators linked to the Integrated Development Plan (IDP), including the national indicators prescribed by the Minister responsible for Local Government.

Municipal Planning and Performance Management Regulations, 2001

In 2001, the Minister of Provincial and Local Government published the MPPMR, which require a municipality to ensure that its PMS complies with the requirements of

the MSA, demonstrate the operation and management of the PMS, clarify roles and responsibilities, as well as ensure alignment with employee performance management and the IDP processes.

Municipal Finance Management Act, 56 of 2003 (MFMA)

The MFMA requires the Mayor to ensure that the performance agreements of Section 57 employees comply with the requirements of the MSA to promote sound financial management and are linked to measurable performance objectives, approved with the budget and included in the Service Delivery and Budget Implementation Plan (SDBIP).

10.4 MONITORING AND REVIEW

Why Performance Management and IDP

The main purpose of the Integrated Development Plan is to ensure that the resources available to the Municipality are directed at the delivery of projects and programmes that meet agreed development priorities and objectives. When the municipality commenced on implementing the IDP it had to check that:

- The delivery is implemented in the planned manner.
- The Municipality is using its resources most efficiently.
- It is producing the quality of delivery envisaged.
- The delivery is having the planned effect on the lives of the people in the Municipality.

To achieve this it is necessary to monitor and evaluate measure and review the performance of Municipalities against indicators and targets set in their IDPs. Performance management will assist Municipalities:

- To make immediate, appropriate changes in delivery and management of resources
- Identify and overcome major or systematic blockages
- Guide future planning on developmental objectives and resource use

In achieving this, requires a pro-active development of a performance management system and undertaking an annual review of the IDP. However, clarity needs to be

outlined on what is meant by Monitoring and Evaluation, Performance Management, the Annual IDP Review and a number of related concepts.

What Is Performance Management, Monitoring and Evaluation and the Annual IDP?

Sometimes the different names given to various approaches to monitoring and evaluation in organisations can cause much heated debate and often great confusion. It is not intended to heighten the confusion or engage in the debate but rather to define the way in which these concepts are dealt with within the IDP methodology and more broadly within the Municipal environment in South Africa.

Performance Management, Monitoring and Evaluation and the Annual IDP

<p>Monitoring and Evaluation</p>	<p>The system for monitoring the implementation programme with the specific intention of evaluating the delivery is to ensure that the planned delivery happens and that the Municipality can make relevant adjustments to its planning and resource use in implementation.</p> <p>Monitoring and evaluation are also used as two (2) separate but interrelated concepts in performance management and it is useful to understand their meaning in such usage:</p> <p>Monitoring <i>(collecting the relevant information)</i></p> <p>The gathering of the information used to track the progress of delivery against the key objectives, indicators and targets of the implementation plan.</p> <p>Evaluation <i>(Making sense of what is happening)</i></p> <p>Analysing and evaluating the meaning of the information and applying the understanding to improve delivery and its impact on the people in the Municipality.</p>
<p>Performance Management</p>	<p>The Performance Management is a process whereby Municipalities continuously seek to improve their functioning and accountability. It is also a management approach that provides strategic direction for managers and politicians to manage performance within organisations.</p>
<p>Employee Performance</p>	<p>Refers to the management of the performance of</p>

Management	<p>individuals in the organisation in terms of their individual performance contracts/key result documents and the contribution they are expected to make towards the collective achievement of organisational objectives.</p> <p>The employee performance management system is an important element of the performance management system.</p>
Annual IDP Review	<p>A specific process legally required of Municipalities is to review the achievements of the implementation of the IDP and to make any necessary changes to the IDP Plan and feed into the budget for the following financial year.</p>
Implementation/Project Management	<p>This is the management approach of the Municipality's internal resources and external linkages to ensure that the appropriate delivery happens in the most efficient way. In managing the daily implementation it provides crucial management information for organisational performance management. In turn it is given improved form from the feedback from the organisational management process of the Municipality.</p>
Information Management Systems	<p>The organisation information from various sources that is used in immediate management and in longer term assessment planning and changes to the management of implementation.</p>

Table 66: IDP, PM, M&E

To understand the relationship between IDP and performance management, consider the following quotation from the ***Performance Management Guide for Municipalities, DPLG, 2001*** (draft2, page 16):

“The Integrated Development Planning Process and the Performance Management Process should appear to be seamlessly integrated. Integrated development planning fulfils the planning stage of performance management. Performance management fulfils the implementation management, monitoring and evaluation of the IDP process”.

10.5 THE LEGAL CONTEXT FOR PERFORMANCE MANAGEMENT AND IDP ANNUAL REVIEW

The purpose of this sub-section is to provide [detailed] insight into key legislation concerning the Performance Management System and the Annual Review of the IDP. Additionally, to the requirement for every Municipality to compile an Integrated Development Plan (IDP) the ***Municipal Systems Act, 32 of 2000*** (MSA) also requires that the IDP is implemented, and that the Municipality monitors and evaluates its performance.

Section 34 of the Municipal Systems Act deals with the review and amendment of the IDP:

“Annual review of the Integrated Development Plan a Municipal council:

(a) must review its integrated development plan

(i) annually in accordance with an assessment of its performance measurements in terms of section 41; and

(ii) to the extent that changing circumstances so demand;

(b) May amend its integrated development plan in accordance with a prescribed process”.

Every Municipality is also required to develop and implement a **performance management system** in terms of Chapter 6 of the Municipal Systems Act. This performance management system must contain certain core components (section 41 of the Municipal Systems Act):

- Key performance indicators are “a yardstick for measuring performance, including outcomes and impact, with regard to the Municipality’s development priorities and objectives set out in its Integrated Development Plan”.
- Measurable performance targets for each of the development priorities and objectives.

The **Local Government: Municipal Planning and Performance Management Regulations, 2001** describes the role for the performance management system in monitoring, evaluation and review:

“ (1) A Municipality’s performance management system entails a framework that describes and represents how the Municipality’s cycle and processes of performance planning, monitoring, measurement, review, reporting and improvement will be conducted, organised and managed ...”

The review and amendment process must also adhere to the requirements for public participation as set out in Chapter 4 of the Municipal Systems Act. This will involve establishing processes and structures for public participation, as was required for the process of drafting the IDP.

The Municipal Systems Act (section 37 (d) and (e) permits the Minister to make regulations and guidelines on certain matters regarding the review and amendment of the IDP. As is the case when formulating the IDP, sector requirements have to be considered in monitoring, evaluation and review to ensure sector alignment. These requirements may be in the form of process time frames, reporting procedures and formats, as well as review of existing plans/programmes and adoption of new plans/programmes.

As a general rule, when the IDP is reviewed, it means that all the integrated plans and programmes forming part of the IDP are reviewed as well. For certain sectors, monitoring, evaluation and review may have to occur at prescribed intervals that are more or less frequent than the annual IDP review.

In the review process, sector requirements regarding adherence to principles (e.g. **National Environmental Management Act**, 107 of 1998, and the **Development Facilitation Act**, of 1995) have to be taken into consideration. Performance/Implementation should be evaluated in terms of such principles and inform the review process.

There are some of the key aspects of relevant legislation and regulations. It is important to note any additional legislation, or regulations and other requirements that

spheres of government might institute in the future that require incorporation in the monitoring and evaluation and review process of our Municipality's IDP.

In nutshell, the Maletswai Municipality has formulated its performance management policy framework and adopted it in line with the IDP scorecard cluster system which is used as appropriate institutional model and balanced approach in measuring IDP implementation and institutional performance.

PMS CHALLENGES

- There is still a challenge around the understanding of the purpose of PMS in the municipalities
- There is still a challenge of cascading PMS to employees below section 57 Managers.
- Incentives related to PMS especially for section heads and the rest of the municipality have not been resolved

PMS PRIORITISED AREAS FOR INTERVENTION:

- Effective reporting on the state of performance in our municipalities.
- Legal compliance with legislation around performance management.

The Key Performance Indicators (KPIs) and Targets of the Municipal Manager and Section 57 Managers are based on and linked to the Integrated Development Plan (IDP) and reflect the objectives of the municipality derived from community inputs and arrived at through community consultation. Moreover, these KPIs include the performance indicators, i.e. baseline, input, output and outcomes, that are legally prescribed and are measurable in terms of time, cost and quality/quantity as provided for in the indicators and targets set for each KPI. These KPIs and Targets are also an integral part of the performance agreements of the Municipal Manager and Section 57 Managers and as such form the basis of their annual performance appraisals. Based thereon the Municipality was in the past able to measure and appraise the performance of Section 56 appointees with success and will be able to do so for the future.

The Municipality recognized the legal prescriptions in as far as community consultation is concerned. In essence, the three processes necessitating synergised community consultation were identified as the IDP process, the Budgeting process and the Performance Management implementation process. The PMS policy firstly aims to ensure a link between these processes and, as a second step, works towards synergising these processes to ensure adequate, affordable and transparent community consultation. The Municipality, through this policy formally adopted the IDP-Budget-PMS Integration Model on the understanding that the model will in future require modification as the processes become more synergistic.

It must be noted though that we, as the municipality, we have not as yet established a formal performance audit committee, something that needs to be considered as a matter of urgency. We have also implemented the Performance Management System, have performance based contracts for Section 57 Managers and have performance agreements with all Section Heads and will be doing quarterly, half year and yearly performance assessments.

10.6 MONITORING, EVALUATION AND REVIEW OF IDPS

The IDP is not stagnant and represents an ever-changing policy and strategy that must grow and evolve with the municipality, its stakeholders and its community. The IDP stipulates definite objectives, projects indicators and programmes that must be achieved within the planning period. Monitoring, evaluation and review make up a system to assess the performance of the municipal area.

Monitoring and evaluation is critical to:

- Ensure the implementation of plans
- Measure their development impact
- Ensure the efficient use of resources
- Measure Council's success

Monitoring, evaluation and review mechanisms are to be implemented as an on-going or cyclical activity and are built into the annual planning and budgeting cycle. The Contract based: Performance Management System of the Municipality fulfils

only part of this role, and there is a need to still develop a full Municipal area based institutional performance management system that can safely and effectively monitor the implementation of this integrated plan.

MONITORING

Monitoring is a continuous activity to measure indicators with regard to the short term outputs or outputs of the planning process. Amongst other things, it provides project information to management, in order to keep the project on track with the right results being achieved on time and within budget. Monitoring includes systematically collecting and using information about each project to enable management to proceeding as it should and that the beneficiaries are satisfied.

Monitoring will be done on a quarterly basis. All stakeholders will be required to provide written reports showing progress towards the achievement of the key performance indicators. Political leaders will also undertake outreaches into the district area to monitor the implementation of programmes identified in the IDP.

Reports prepared through the monitoring of the implementation of IDP programmes will be reported on to the Executive Mayor of the District Municipality on a quarterly basis via quarterly performance reports and to the Premier and Presidency on a half yearly basis (October and April) via the Lekgotla Reports. On a yearly basis performance reports are submitted to the MEC for Housing Local Government and Traditional Affairs as well as the Minister of Provincial and Local Government and National Treasury.

EVALUATION

Evaluation is a less frequent activity, which is designed to measure whether, and to what degree the development objectives are being achieved through the implementation of the Integrated Development Plan. It measures the medium term impact and outcomes of the planning process. This provides the information required to reappraise the development objectives and indicators and whether the strategies and policies still hold good and whether they need to be amended or adjusted, and why. Evaluation will take place on a yearly basis linked to the need to review the IDP. This will take place in the form of discussion based on the

monitoring. Every two years a more in-depth evaluation of the IDP implementation will take place.

REVIEW

Review is making adjustments and revision based on monitoring or evaluation information. The results of monitoring provide adjustments and corrective actions that are fed back into the planning process, to re-inform project planning, design and implementation. These results re-inform the development priorities, goals and strategies. Review will take place between June and December of any given year during the implementation of this programme. Review will be undertaken by the Representative Forum meetings.

PERFORMANCE REPORT ON SDBIP 2015/16

The Annual Performance Report for the financial year ended June 30, 2016, demonstrates the Municipality's ability to report on all aspects of performance for the aforementioned period and serves as a key record revealing the continuation of service delivery and performance of the Maletswai Local Municipality. The Municipality continues to conduct its business in an open, transparent and accountable manner. Under the year reviewed, most of the Municipality's Capital Budget was spent and this is a clear indication of services rendered to our community. This can also be attributed to the dynamic political leadership, dedicated teamwork of the senior personnel and hard work from the competent and skilled officials made progress and performance in the municipality possible.

CHAPTER 11

11.1 PROJECT REGISTER AND IMPLEMENTATION

11.1.1 FUNDED PROJECT REGISTER: MUNICIPAL CAPITAL BUDGET

The Project Register appearing in the 2016 - 2017 was prepared as a result of a situation analysis, public participation and the identification of capital needs. This register informed the Municipality's 2016/17 Capital Budget and there has been proper alignment. It will be updated and amended during the subsequent annual IDP Reviews.

MUNICIPAL CAPITAL PROGRAMME: 2016- 17

DEVELOPMENT PRIORITY1		Infrastructure Development						
STRATEGIC OBJECTIVES		<ul style="list-style-type: none"> ➤ The eradication of the current infrastructure maintenance backlogs including the rehabilitation of the bulk infrastructure (storm water drainage, electricity) through the implementation of a qualitative and pro-active maintenance strategy ➤ Surfacing (tar or paving) of all existing roads in all the six wards of the Municipality by 2028. ➤ A massive upgrade of the Municipality's bulk services (electricity) based on a new master plan to support Vision 2028 ➤ Through partnerships and strategic alliance we will facilitate the improvement of the transportation networks (including the revival of the rail system) throughout the district as a key element of the investor attraction to the municipality and the district. ➤ To develop a strategic approach to the development and maintenance of the public amenities infrastructure to undo the structural imbalances of the past and ensure all residents of the municipality enjoy life within their neighborhoods. 						
PROJECTS		The following projects have been identified:-						
IDP NUMBER	PROJECT NAME/ DISCRPTION	WARD OR LOCALITY	RESPONSIBLE DEPT., MANAGER OR AGENT	.PHASED .ONGOING .PERIODIC	FUNDING SOURCE	MUNICIPAL CAPITAL BUDGET		
						2015/16	2016/17	2017/18
	Equitable share	All	Financial Services	Ongoing	NT	R 27 487 000	R 26 816 940	-
	Maletswai Paving project	All	Technical Services	Ongoing	MIG	R 14 526 000	R 11 346 983	-
	FMG	All	Financial Services	Ongoing	NT	R 1 800 000	R 1 893 162	-
	MSIG		Financial Services	Ongoing	NT	R 930 000	R 159 500	-
	EPWP	All	Technical	Ongoing	DRPW	0	-	-

			Services					
	INEP	All	Technical Services	Ongoing	DOE	R 3 000 000	R 6 000 000	R 6 000 000
	Library	All	Community Services	Ongoing	DSRAC	R 704 000	R 704 000	R 739 000
BSD	Fencing of Public Amenities	All	Community Services	Planned	JGDM	Lobby funding	-	-
	Construction of Parks		Community Services	Planned	MLM & JGDM	Lobby funding	-	-
	Construction of New Library		Community Services	Planned	DSRAC	Lobby funding	-	-
	Cleaning & Beautification	All	Community Services	Planned	DEDEAT	-	R 1000 000.00 (to be transferred)	-
TOTAL COST ESTIMATE/ PROVISION:						R 46 482 000	46 920 585	R6 739 000

11.2 REGISTRATION OF EXTERNAL PROJECTS

GOVERNMENT DIRECTORATES, OTHER INSTITUTIONS OR PRIVATE SECTOR

FUNDED/ UNFUNDED/ COMMITTED FOR 2015/16 AND OUTER YEAR

Several non- Municipal programmes and projects are being implemented that can influence socio- economic development within the Maletswai area.

National and Provincial Government (Sector Directorates) Registration of Projects.

DIRECTORATE:	RURAL DEVELOPMENT & AGRARIAN REFORM
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PROJECT OR PROGRAMME NAME/ DESCRIPTION	WARD OR LOCALITY	RESPONSIBLE DEPT., MANAGER OR AGENT	.PHASED .ONGOING .PERIODIC	PROGRAMME	BUDGET		
					2015/16	2016/17	2017/18
Fonteinkloof	1	DRDAR	Periodic	Stockwater system	R 400 000	-	-
Tubela Farm	1	DRDAR	Periodic	Animal handling facilities	R 700 000	-	-
Food Security (Siyazondla)	1-6	DRDAR	Periodic	Garden Tools and seeds	R 350 000	-	-
TOTAL COST ESTIMATE/ PROVISION:					R1, 450 000	-	-

DIRECTORATE:		HUMAN SETTLEMENTS					
PROJECT OR PROGRAMME NAME/ DESCRIPTION	WARD OR LOCALITY	RESPONSIBLE DEPT., MANAGER OR AGENT	.PHASED .ONGOING .PERIODIC	PROGRAMME	BUDGET		
					2016/17	2017/18	
Aliwal North Dukathole 188			Phased	Rectification	R10 200 000		
Aliwal Dukathole 172			Periodic	Rectification	R5 610 000		
Hilton 94 Housing Project			Periodic	Rectification	R3 200 000		
Aliwal North 550			Periodic	Rectification	R1 500 000		
Military Veterans			Periodic	Planning			
Jamestown 250 (100 units)	1	Human Settlements	Periodic	Construction	R2 000 000	-	

Maletswai Housing Project 550	5	Human Settlements	Ongoing	Planning	-	-
Joe Gqabi Extension 4000	2	Human Settlements	Ongoing	Construction	-	-
TOTAL COST ESTIMATE/ PROVISION:					R22 510 000	

DIRECTORATE:		HOME AFFAIRS					
PROJECT OR PROGRAMME NAME/ DESCRIPTION	WARD OR LOCALITY	RESPONSIBLE DEPT., MANAGER OR AGENT	.PHASED .ONGOING .PERIODIC	PROGRAMME	BUDGET		
					2015/16	2016/17	2017/18
16 Yrs. I.D Registration	Maletswai	M.P Tembani	Ongoing	School Project	-	-	-
Foreign Owned Business	Maletswai	M.P Tembani	Ongoing	Inspections	-	-	-
Late Registration Birth	Maletswai	M.P Tembani	Phased	Late Birth Registration	-		
TOTAL COST ESTIMATE/ PROVISION:					-	-	-

DIRECTORATE:		South African Police					
PROJECT OR PROGRAMME NAME/ DESCRIPTION	WARD OR LOCALITY	RESPONSIBLE DEPT., MANAGER OR AGENT	.PHASED .ONGOING .PERIODIC	PROGRAMME	BUDGET		
					2015/16	2016/17	2017/18
Sector Crime Forum Neighborhood Watch	Ward 4&2 (Sector 2)	SAPS Social Crime Prevention CPF/ Youth structure Local Government	Phased	Name Tags Reflectors Jackets Walkie Talkies	Name Tags = R100.00 Jackets = R2120.00 Torches =	Ongoing	Ongoing

					R2250.00 Total = R4470.00		
Campaigns to assist Crimes Against Woman & Children 16 Days of Activism	Ward 4&2	SAPS Social Crime Prevention Local Government	Phased	High Mass Lightning between Hilton & JG Hilton & Dukathole	Safety of Local Government	Ongoing	Ongoing
"Greed" Surveillance Cameras	CBD Sector	SAPS/ Local Government/ Business Sector/ CPF	Phased	Surveillance Cameras to curb Crime in CBD area	Camera 1 R51 000.00	Ongoing	Ongoing

DIRECTORATE:		ROADS & PUBLIC WORKS					
PROJECT OR PROGRAMME NAME/ DESCRIPTION	WARD OR LOCALITY	RESPONSIBLE DEPT., MANAGER OR AGENT	.PHASED .ONGOING .PERIODIC	PROGRAMME	BUDGET		
					2014/15	2015/16	2016/17
Jamestown in HHC 151& 3 overseers	1	Mr Solani	Ongoing	EPWP		-	-
Aliwal North HHC 523 & 11 overseers	W2- 108 W3- 108 W4- 105 W5- 102 W6- 100	Mr Solani	Ongoing	EPWP	R 5, 497, 208	-	-
New District offices for DRPW & DRDAR	Aliwal North	Mr Solani	Ongoing	Construction	R 98 000 000	-	-

NYS Jamestown 9 & Aliwal North 39	All	Mr Solani	Ongoing	18 Security 7 Data collection 14 Admin Office	R921 600		
				Total	R6 418 808		

DIRECTORATE:		SAFETY AND LIASON					
PROJECT OR PROGRAMME NAME/ DESCRIPTION	WARD OR LOCALITY	RESPONSIBLE DEPT., MANAGER OR AGENT	.PHASED .ONGOING .PERIODIC	PROGRAMME	BUDGET		
					2015/16	2016/17	2017/18
Capacitation of CPF's -newly elected members	Aliwal North Floukraal Maletswai Jamestown	Dept of Safety & Liaison	Ongoing	Capacitation of CPF's	R 5 000		
Social crime prevention programmes	Floukraal	Dept of Safety & Liaison	Ongoing	Crime prevention awareness campaign	R10 000		
Maletswai Community Safety Forum	Maletswai Localities (Aliwal North Floukraal Jamestown)	Dept of Safety & Liaison	Ongoing	Integration of local crime prevention programmes	R25 000		
TOTAL COST ESTIMATE/ PROVISION					R40 000	-	-

DIRECTORATE:		SOCIAL DEVELOPMENT AND SPECIAL PROGRAMMES					
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PROJECT OR PROGRAMME NAME/ DESCRIPTION	WARD OR LOCALITY	RESPONSIBLE DEPT., MANAGER OR AGENT	.PHASED .ONGOING .PERIODIC	PROGRAMME	BUDGET		
					2015/16	2016/17	2017/18
Huis Van Der Horst Old Age Home	4	Dept. of Social Dev.	Planning	Old Age Home	R1 326 000	-	-
Ikhwezi Mphahlalatsane Service Centre	5	Dept. of Social Dev.	Planning	Service Centre	R120 000	-	-
Sonwabile Pensioners	3	Dept. of Social Dev.	Planning	Service Centre	R72 000	-	-
Masakhane Old Age Service Centre	1	Dept. of Social Dev.	Planning	Service Centre	R 96 000	-	-
Living Waters HCBC	5	Dept of Social Dev.	Planning	HIV& Aids	R 262 500		
Noncedo CBO	1	Dept of Social Dev.	Planning	HIV & Aids	R 262 500		
CRM Aliwal North	4	Dept of Social Dev.	Planning	ECDC	R 680 772		
Badisa Aliwal North	2	Dept of Social Dev.	Planning	ECDC	R 223 915		
St Paul Hilton Preschool	2	Dept of Social Dev.	Planning	ECDC	R 86 850		
Masibulule Preschool	1	Dept of Social Dev.	Planning	ECDC	R 173 700		
Fezeka Creche	1	Dept of Social Dev.	Planning	ECDC	R 173 700		
Khulani Creche	1	Dept of Social Dev.	Planning	ECDC	R 57 900		
Good Tree Educare Centre	5	Dept of Social Dev.	Planning	Day Care	R 167 910		
St Martin De Porres Preschool	2	Dept of Social Dev.	Planning	ECDC	R 173 700		
Sacred Heart Community Centre	3	Dept of Social Dev.	Planning	Day Care	R 144 750		
Joan Oberholzer Creche	2	Dept of Social Dev.	Planning	Day Care	R 57 900		
Luthando Crech	3	Dept of Social Dev.	Planning	Day Care	R 173 700		

St Franchis	2	Dept of Social Dev.	Planning	Day Care	R 167 910		
Immanuel Day School	2	Dept of Social Dev.	Planning	Day Care	R 86 850		
Siyakhula	2	Dept of Social Dev.	Planning	Day Care Centre	R 57 900		
Goodwill Safety Shelter	4	Dept of Social Dev.	Planning	Child Youth Care Centre	R 578 140		
Aliwal North Victim Support Centre	2	Dept of Social Dev.	Planning	Victim Empowerment	R 280 000		
Maletswai One Stop Shop	2	Dept of Social Dev.	Planning	Victim Empowerment	R 1 000 000		
Maletswai Victim Support Centre	1	Dept of Social Dev.	Planning	Victim Empowerment	R 280 000		
Man Against Crime	2	Dept of Social Dev.	Planning	Victim Empowerment	R 350 000		
Aliwal North Teenagers Against Drug Abuse	All Wards	Dept of Social Dev.	Planning	Substance Abuse Prevention and Rehabilitation	R 135 000		
Siyazondla Food Security	3	Dept of Social Dev.	Planning	Garden	R 25 000		
TOTAL COST ESTIMATE/ PROVISION:							

DIRECTORATE:		SPORTS, RECREATION, ARTS AND CULTURE					
PROJECT OR PROGRAMME NAME/ DESCRIPTION	WARD OR LOCALITY	RESPONSIBLE DEPT., MANAGER OR AGENT	.PHASED .ONGOING .PERIODIC	PROGRAMME	BUDGET		
					2015/16	2016/17	2017/18
District Wordfest Arts &	Aliwal North	Mrs Msi	Periodic	District		-	-

Culture				Wordfest			
JG district structures support	All LM	Mrs Msi	Periodic			-	-
Joe Gqabi Choral Festival	Aliwal North	Mrs Msi	Periodic	Choral Festival		-	-
Visual Art and Craft and Product development workshop	Aliwal North	Mrs Msi	Periodic	Product development workshop		-	-
Sondela Youth Festival	Aliwal North	Mrs Msi	Periodic	Youth Festival		+R1 mil	-
N.A.F. Festival Exhibition Visual Art, Craft & Sondela	Aliwal North	Mrs Msi	Periodic	Exhibition Craft & Visual Art		-	-
Libraries	All LM	Mrs Msi	Periodic	Libraries		R3,651 mil	
Museums & Heritage	All LM	Mrs Msi	Periodic	Museum & Heritage		R345 000	
Mini Olympics (District Tournament)	Aliwal North	Mrs Msi	Periodic	Sport Development		-	
Public Sector Sport League & Aerobics	Aliwal North	Mrs Msi	Periodic	Recreational development		-	
'TOTAL COST ESTIMATE/ PROVISION:							

DIRECTORATE:

ECONOMIC DEVELOPMENT AND ENVIRONMENTAL AFFAIRS

PROJECT OR PROGRAMME NAME/ DESCRIPTION	WARD OR LOCALITY	RESPONSIBLE DEPT., MANAGER OR AGENT	.PHASED .ONGOING .PERIODIC	PROGRAMME	BUDGET		
					2015/16	2016/17	2017/18
EC- Maletswai Land Rehabilitation and Restoration		DEA	Ongoing	Planning / implementation	R14 235 000	-	-
EC Buy Back Center		DEA	Ongoing	Planning	R6 720 000	-	-
EC Batho Batsho Bakopane Composting		DEA	Ongoing	Planning	R5 000 000	-	-
EC- Buffelspruit nature Reserve Revitalisation		DEA	Ongoing	Planning	R15 000 000	-	-
EC Tshirelletso ya Tikoloho		DEA	Ongoing	Planning	R9 490 000		
TOTAL COST ESTIMATE/ PROVISION:					R50 445 000	-	-

DIRECTORATE:		TRANSPORT					
PROJECT OR PROGRAMME NAME/ DESCRIPTION	WARD OR LOCALITY	RESPONSIBLE DEPT., MANAGER OR AGENT	.PHASED .ONGOING .PERIODIC	PROGRAMME	BUDGET		
					2015/16	2016/17	2017/18
40 Learners Licence	All	DOT	Phased	Skills development	R14 000	-	-
20 CRSC	All	DOT	Ongoing	CRSC	R 262 000	-	-

75 Learners transported	All	DOT	Ongoing	Scholar Transport	-	-	-
Interns 11 Learners 7	All	DOT	Phased	Internship & Learnership	-	-	-

DIRECTORATE:		Joe Gqabi District Municipality					
PROJECT OR PROGRAMME NAME/ DESCRIPTION	WARD OR LOCALITY	RESPONSIBLE DEPT., MANAGER OR AGENT	.PHASED .ONGOING .PERIODIC	PROGRAMME	BUDGET		
					2016/17	2017/18	2018/19
Jamestown sanitation Phase 2	All	JGDM	Phased	Tender	R 10 000 000	R 15 000 000	R 15 000 000
Aliwal North - Upgrade of the Springs-Nursery Sewer Pump station and Abberview – Nursery Pumpstation outfall sewers	4	JGDM	Ongoing	Planning	R 0	R 0	R 0
Aliwal North - Upgrade of the Nursery Pumpstation	5	JGDM	Ongoing	Planning	R 0	R 0	R 0
Aliwal North - Upgrade of the Nursery pumpstation to Polar Park Sewer Pumpstation sewer	5	JGDM	Phased	Planning	R 0	R 0	R 0

pumping line							
Aliwal North - Upgrade of the Polar Park Sewer Pumpstation pumping capacity	5	JGDM		Planning	R 0	R 0	R 0
Aliwal North - Upgrade of the sewer gravity line from Polar Park to Waste Water Treatment Works	5	JGDM		Planning	R 0	R 0	R 0

CHAPTER 12

12.1 STRATEGIC GOALS, OBJECTIVES AND PERFORMANCE INDICATORS

KPA 1: MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT

Objective	Strategy	KPI NO	Key Performance Indicator	Baseline (June 2015)	Annual Target	QUARTERLY				Audit Evidence	Verification	Resp. Person
						Q1	Q2	Q3	Q4			
To build and enhance the human resource capacity of the municipality	Effectively empower and develop the council's workforce	MTOD16/001	Number of people from employment equity target groups employed in the three highest levels of management in compliance with Employment Equity Plan (outcome)	1:1	1:1	No target	No target	No target	1:1	Advert	Council Resolution	Director Corporate Services

Ensure smooth functioning of council meetings, standing committees, ward committees, and Local Labour Fora	Council Support	MTOD16/002	Number of Ordinary Council meetings held (output)	4	4	1	1	3	1	Attendance registers 2. Council Minutes	Approved Council minutes	Director Corporate Services
Ensure smooth functioning of council meetings, standing committees, ward committees, and Local Labour Fora	Council Support	MTOD16/003	No. of LLF meetings held (output)	4	4 quarterly meetings	1	1	1	1	Attendance Registers &	Attendance Register & Minutes	Director Corporate Services
Strategically utilise ICT to improve government efficiency	Continuously develop and strategically utilise Information Communication Technology, legal services and other internal services to provide more efficient government	MTOD16/004	IT Governance Framework developed and approved by Council (Output)	No framework	IT Governance Framework developed and tabled before Council	Draft IT Governance Framework developed and approved by Council	0	Final IT Governance Framework developed and tabled before Council	0	Approved IT Maletswai Governance Framework	Council Resolution	Director Corporate Services

Management of a healthy financial position in accordance with relevant legislations (MFMA) (old objective) Effectively empower and develop the Council's workforce (New)	Effectively empower and develop the council's workforce	MTOD16/005	% of Councillors actually trained as per the training programme (Output)	83%	100%	No target	No target	No target	100 %	Signed WSP & Report to Corporate Services Standing Committee	Attendance Register & Results	Director Corporate Services
To build and enhance the human resource capacity of the municipality	Effectively empower and develop the Council's workforce	MTOD16/006	% of staff actually trained as per the WSP(Output)	13%	100%	No target	No target	No target	100 %	Signed WSP & Report to Corporate Services Standing Committee	Attendance Register & Results	Director Corporate Services
To build and enhance the human resource capacity of the municipality	Effectively empower and develop the Council's workforce	MTOD16/007	Number of performance agreements signed by Section 56 Managers	5 Performance agreements signed	5 Performance agreements signed	5 Performance agreements signed				Signed Contracts	Signed Contracts	Director Corporate Services
Ensure smooth functioning of council meetings, standing committees, ward committees, and Local Labour Fora	Council support	MTOD16/008	Number of Occupational Health and Safety meetings held	4 meetings held	4 meetings held	1	1	1	1	Attendance Register & Minutes	Attendance Register & Minutes	Director Corporate Services

KPA 2: Basic Service Delivery

Objective	Strategy	KPI NO.	Key Performance Indicator	Baseline (June 2015)	Annual Target	QUARTERLY				Audit Evidence	Verification	Resp Person
						Q1	Q2	Q3	Q4			
To increase the household access to electricity connections by 100% in 2016	Electrify all new completed houses	BSD16/001	% of households with access to basic level of Electricity (Outcome)	100%	100%	100%	100%	100%	100%	Proof	Completion certificates	Director Technical Services
To upgrade and maintain Municipal Roads	Upgrading of Roads	BSD 16/002	No of kilometers of roads paved (Outcome)	3 km	4 km	2 km	2 km	-	-	1. Report to Technical Services Standing Committee. 2. Completion Certificate	1. Standing Committee minutes 2. Before and after picture	Director Technical Services
To increase the electricity network capacity	Build functional electricity network	BSD 16/003	No of reticulated transformer zones completed (Outcome)	Provided bulk for 20 houses at Bird's eye view area	4 transformer zones	1	1	1	1	Completion Certificate	Connection advises	Director Technical Services

Manage and Implement building control regulation	Building Inspectorate	BSD/16/004	Ratio of building plans approved within prescribed times (Output)	72.5%	01:01	01:01	01:01	01:01	01:01	Building plan register		Director Technical Services
maintenance of buildings to be in proper conditions	Maintenance of buildings	BSD/16/005	Number of Municipal flats and community halls maintained (Output)	4 community halls maintained	10 Municipal flats and 4 community halls maintained	2 municipal flats &	2 community halls	5 municipal flats	2 community halls	1. Inspection Report and completion certificate	Completion certificate	Director Technical Services
To ensure a safe, eco-friendly and clean environment	Waste Management/ Environmental Management	BSD 16/006	% of Households with access to basic level of Refuse Removal (Outcome)	100%	100% of 8000 households	100%	100%	100%	100%	Weekly refuse removal plan and log book	Refuse removal Register	Director Community Services
To ensure efficient and sustainable library services	LIBRARIES/ Library management	BSD 16/007	Library Services Service level Agreement signed with the DSRAC (output)	Library Services Service Level Agreement signed	Library Services Level Agreement signed	No target	No target	Library Services Service Level Agreement signed	No target	Signed Library Services Service Level Agreement	Acknowledgment of receipt	Director Community Services

Improve service delivery , quality (cost effectiveness and efficiency by updating the indigent register annually for free basic services	Universal access to free basic services	BSD 16/008	% of households earning less than R1100 per month with access to free basic services (outcome)	100%	100%	100%	100%	100%	100%	100%	Indigent register	Service accounts and approved applications	Director Financial Services
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KPA 3: LOCAL ECONOMIC DEVELOPMENT

Objective	Strategy	KPI NO	Key Performance Indicator	Baseline (June 2015)	Annual Target	QUARTERLY				Audit Evidence	Verification	Resp. Person
						Q1	Q2	Q3	Q4			
Coordinate mechanisms for creating job opportunities	Expanded Public Works Program	LED16/001	Number of jobs created through municipality's local, economic development initiatives including capital projects (outcome)	127 employment jobs created	200	50	-	75	75	Employment contracts and employment registers	Employments registers	Manager Planning Economic Development

Coordinate small business access to financial and non-financial services.	Enterprise Development	LED/16/002	Number of funding applications for Small businesses submitted to potential funders (Output)	10 applications	10	2	2	3	3	Funding Applications and proof of receipt	Business Plans	Manager Planning & Economic Development
Facilitate the review of the Maletswai LED Strategy	Strategy Development	LED/16003	LED Strategy reviewed and approved by Council (Input)	Led strategy due for review	LED Strategy reviewed and approved by Council	No target	Draft presented before Council	No target	Led strategy approved	Led Strategy	Council resolution	Manager Planning & Economic Development

KPA 4: FINANCIAL MANAGEMENT AND VIABILITY

Objective	Programme /Strategy	KPI NO.	Key Performance Indicator (KPI)	Baseline	Annual Target	QUARTERLY				Audit Evidence	Verification	Resp. Person
						Q1	Q2	Q3	Q4			
Expand and protect the revenue base of the municipality	Debt Collection	FV16/001	% increase of debt collection rate (Outcome)	100%	100%	25%	25%	25%	25%	Monthly statements	Council resolution	Director Financial Services
	Ensure full compliance with financial Legislations and	FV16/002	% of the municipality's capital budget actually spent on capital projects identified for a particular financial year in terms of the municipality's IDP (Output)	55%	100%	25%	50%	75%	100%	S71 Reports	Invoices	Director Financial Services

Eff ective management of a healthy financial position in accordance with relevant legislations (MFMA)	regulations	FV16/003	Debt Coverage Ratio (Total Borrowings) (Output)	6%	10%	10%	10%	10%	10%	Revenue and Loans reports	S71 reports	Director Financial Services
		FV16/004	Cost Coverage Ratio (Output)	1 month	1 -3 Months	1month	1month	1month	1month	Operating expenditur e reports	S71 reports	Director Financial Services
		FV16/005	% of a municipality's operating budget actual spent(Output)	113%	100%	25%	50% (accumul ative)	75% (accumul ative)	100% (accum ulative)	Operating expenditur e reports	S71 reports	Director Financial Services
		FV16/006	% of tenders concluded in accordance with (tender validity timeframe) (Output)	100%	100%	100%	100%	100%	100%	SCM Quarterly Reports	Council Resoluti on	Director Financial Services
Compliance with prescribed legislative framework and accounting standards (legislative requirements of the	CLEAN AUDIT	FV16/007	Irregular, Fruitless and Wasteful and Unauthorized Expenditure as a % of Total Operating Expenditure (Outcome)	15%	0%	0%	0%	0%	0%	Expenditur e reports and budget	Council resoluti on	Director Financial Services

MFMA) compliance with Supply Chain Management Policy and Regulations	FV16/008	Number of days taken to pay creditors after receipt of valid invoice(Output)	45 days	30 days	30 days	30 days	30 days	30 days	30 days	Expenditure reports and budget	Council resolution	Director Financial Services
	FV16/009	% of expenditure on repairs and maintenance against the budget (Output)	4%	4%	4%	4%	4%	4%	4%	Expenditure reports and budget	Council resolution	Director Financial Services
Improve financial and administrative capacity of the municipality	FV16/010	% of budget actually spent on implementing workplace skills plan (Output)	100%	100%	No target	No target	No target	100%	100%	Remittance Advice	Attendance Register	Director Corporate Services

KPA 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION

Objective	Strategy		Key Performance Indicator (KPI)	Baseline	Annual Target	QUARTERLY				Audit Evidence	Verification	Resp. Person
						Q1	Q2	Q3	Q4			
To ensure good governance		GG&PP16/001	Number of Audit Committee meetings held (Output)	4	4	1	1	1	1	Audit Committee minutes and attendance register	Audit Committee Resolutions	Planning and Economic Development Manager
		GG&PP16/002	Number of risk assessments conducted (Output)	1	4	1	1	1	1	Risks assessment reports and attendance register	Council resolution	Planning and Economic Development Manager
		GG&PP16/003	Number of Municipal Public Accounts Committee meetings held	0	4	1	1	1	1	MPAC Minutes and Attendance Register	MPAC Resolutions	Planning and Economic Development Manager
To inform the community about the services rendered by the Municipality		GG&PP16/004	Number of newsletters published and distributed (Output)	1000 newsletters distributed	1 200 newsletters distributed	300	300	300	300	1. Newsletter 2. Distribution register	Contact details and signature on register	Planning and Economic Development Manager
Ensuring Public Participation		GG&PP16/005	Number of Stakeholder Engagement Sessions held (Output)	3	4	1	1	1	1	Minutes and attendance register	Minutes of Community Engagements	Planning & Economic Development Manager

		GG&PP16/006	Number of ward committee meetings held (Output)	72	72	18	18	18	18	Minutes and Attendance register	Minutes	Planning & Economic Development Manager
		GG&PP16/007	Number of CDW meetings held (Output)	3	4	1	1	1	1	Minutes and attendance register	Minutes	Planning & Economic Development Manager
To conduct customer satisfaction surveys		GG&PP16/008	Number of Customer Satisfaction Survey Conducted	2	2	No target	1	No target	1	Survey Report and completed questionnaires	Distribution register	Planning & Economic Development Manager
To ensure integrated planning and performance management		GG&PP16/009	2017/ 18IDP reviewed and approved by council	Approved 2016/17 IDP	2017/ 18 IDP Approved by council	No target	Draft IDP tabled before Council	No target	2017/ 18 IDP Approved by council	Approved IDP and Council Resolution	Council Resolution	Planning and Economic Development
		GG&PP16/010	2017/ 18 SDBIP developed and approved by Mayor	Approved 2016/ 17 SDBIP	2017/ 18 SDBIP Approved by Mayor	No target	No target	No target	2017/ 18 SDBIP Approved by Mayor	Approved SDBIP by the Mayor	Approved SDBIP by the Mayor	Planning and Economic Development Manager

		GG&PP16/011	2015/ 16 Annual Report approved by Council	2014/ 15 Annual Report approved by Council	2015/16 Annual Report approved by Council	Draft 2015/ 16 Annual Report tabled before Council	No target	2015/ 16 Draft Annual Report approved by Council	No target	2015/ 16 Annual Report approved by Council and Council Resolution	Approved Annual Report	Planning and Economic Development Manager
Contribute to the fight against HIV/ Aids		GG&PP16/012	HIV / Aids Strategy approved by Council	Draft HIV/ Aids Strategy	HIV/ Aids Strategy approved by Council	Draft HIV / Aids Strategy tabled before Council	0	HIV/ Aids Strategy approved by Council	0	Council Resolution and HIV/ Aids Strategy	HIV/ Aids Strategy	Planning and Economic Development Manager
		GG&PP16/013	Number of local HIV/ Aids Council meetings convened	? LAC meeting held	4 LAC meetings held	1	1	1	1	Attendance Register	Attendance Register	Planning and Economic Development Manager
		GG&PP16/014	SPU Strategy approved by Council	No Strategy	SPU Strategy approved by Council	Draft SPU Strategy tabled before Council	No target	SPU Strategy approved by Council	No target	Council Resolution and SPU Strategy	SPU Strategy	Planning Economic Development Manager

12.2 ANNEXURES

- 1. Annexure A - Demand for Economic & Social Infrastructure**
- 2. Annexure B - Project Management Plan for MIG Grant**
- 3. Annexure C - Service Level Agreement**
- 4. Annexure D - Roads Master Plan**
- 5. Annexure E - Electricity Master Plan**
- 6. Annexure F - Permits to Operate Landfill Sites**
- 7. Annexure G - Summary of Ward Based Plans**
- 8. Annexure H - Organogram 2015/16**

Demand

Ward	Ward 1	Ward 2	Ward 3	Ward 4	Ward 5	Ward 6	Maletswai LM
New Demand in 2017 (50% of current 10-14 age group)	592	864	511	638	373	891	3870
Employable persons above age 15 at present	4658	5463	3583	4708	3241	5535	27188
Total demand in 2017 (Job creation needed)	3402	4098	2840	3207	2059	4804	20411
Small Business Manufacturing Centre – welding, carpentry etc	7	8	5	6	4	9	39
Small Business Repair Centre – Cars and electrical appliances	7	8	5	6	4	9	39
Small Business Retail Centre	7	8	5	6	4	9	39
Small Business AGriProcessing Centre – Food processing related units	7	8	5	6	4	9	39
Education:	Ward 1	Ward 2	Ward 3	Ward 4	Ward 5	Ward 6	
Persons with no education	851	716	294	405	158	863	3287
Facility to educate persons with no education	1	1	0	1	0	1	4
No of classrooms for new facility	28	24	10	14	5	29	110
Maintenance of existing schools	9	1	6	4	2	1	23
ECD (Grade R) demand	3	3	2	1	2	4	15
GET (Grade 1-7) demand	0	1	0	0	0	1	2
Secondary School demand	0	1	0	1	0	1	3
Special School demand	0	0	0	1	0	0	1
FET Campus demand	0	0	0	0	0	0	0
FET College demand/expansion to include all courses	0	0	0	1	0	0	1
University demand	0	0	0	0	0	0	0
Nursing college campus demand	0	0	0	1	0	0	1
Health:	Ward 1	Ward 2	Ward 3	Ward 4	Ward 5	Ward 6	0
Clinic	0	1	0	0	0	1	2
Maintenance of existing clinic	1	0	1	2	0	0	4
Mobile clinic	0	1	1	1	1	1	5
Hospital	0	0	0	1	1	0	2
Extension of existing hospital	1	0	0	0	0	0	1
Maintenance of existing hospital	1	0	0	1	1	0	3
Public transportation:	Ward 1	Ward 2	Ward 3	Ward 4	Ward 5	Ward 6	0
Major taxi rank	0	0	0	0	0	0	0
Small taxi rank	1	2	2	2	1	1	9
Collection facility at entrances to each settlement	2	3	3	4	2	2	16
Parking area	0	0	0	1	0	0	1
Refuse Collection:	Ward 1	Ward 2	Ward 3	Ward 4	Ward 5	Ward 6	0
Demand for refuse collection	2817	1350	432	1462	222	1251	7534
Community awareness programs on littering and waste management	2	3	3	3	3	3	17
Construction of central waste transfer station fully fenced in main settlement	1	1	1	1	1	1	6
Concrete litter bins with signage	40	40	40	40	40	40	240
Cemeteries and Crematoria:	Ward 1	Ward 2	Ward 3	Ward 4	Ward 5	Ward 6	0
Regional Municipal Cemetery	0	0	0	0	0	0	0
Municipal Cemetery	0	1	0	0	0	0	1
Crematorium	0	0	0	0	0	0	0
Fencing of existing cemeteries	0	0	0	0	0	0	0

ANNEXURE - B

ANNEXURE - C

ANNEXURE - D

ANNEXURE - E

ANNEXURE - F

ANNEXURE - G

ANNEXURE - H

