

# NKONKOBÉ LOCAL MUNICIPALITY



## INTERGRATED DEVELOPMENT PLAN

2012- 2017

(5 Years)

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## Foreword by the Mayor

Municipalities are entrusted with a responsibility to realise the objects of local government as enshrined in the constitution of the republic of South Africa. These are:

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

As Nkonkobe Municipalities we have to confront a myriad of challenges in order to realise the above objects. These include inter-alia, rural nature of our municipality, the thin revenue base & Implementation of by-laws.

Nonetheless the municipality has got numerous strengths and opportunities which include inter-alia the following, heritage sites, Institutions of higher learning such as Fort Hare University, Lovedale FET College and Fort Cox Agricultural College.

Local Economic Development is the cornerstone of integrated development plans in rural municipalities.

Nkonkobe Municipality has developed the LED Strategy and it will be part of the IDP. As a consequence Nkonkobe Municipality takes Rural Development seriously and to this end the municipality has established technical unit to construct roads in rural areas & build community halls in house to minimise use of contractors.

This initiative is in line with the government priority of job creation. Province plays a key role in supporting municipalities with the implementation of LED strategy.

Expanded Public Work Programmes (EPWP) is crucial to addressing poverty in rural areas .Poverty eradication is still one of the biggest challenges facing our country. In this context our municipality has committed itself to the resolutions of the expanded public works summit to eradicate poverty.

Nkonkobe Municipality pride itself for being listed among financially viable municipality for the first time in its history. The Municipality has made a major breakthrough after it has been receiving disclaimers since its establishment. It has now moved to qualified audit opinion. We must ensure that we strive for unqualified audit opinion in 2012.

I can safely say our IDP is a credible IDP and our budget is aligned to our IDP.

Mayor A. Ntsangani

## Executive Summary by the Municipal Manager

The executive Summary provides a background to the IDP process and experience and in so doing it explains why the Nkonkobe Municipality is preparing a five-year IDP, the lessons informing this process, and how this experience will inform future planning in terms of long –medium and short –term planning. It also outlines the strategic context in which the IDP is developed and further clarifies the link between the National and Provincial priorities and five-year IDP. The National regulatory legislation sets specific core components that Integrated Development Plan must incorporate. According to the Systems Act, an IDP must reflect the provisions contained in the section 26(a)-(i)

- a) The Municipal Council vision for the long term development of the Municipality with Special emphasis on the Municipality's most critical development and internal transformation needs;
- b) An assessment of the existing level of development in the Municipality, which must include an identification of communities which do not have access to basic Municipal Services;
- c) The Council's development priorities and objectives for its elected term, including its Local Economic Development aims and its internal transformation needs;
- d) The Council's development strategies which must be aligned with any National or Provincial sectoral plans and planning requirements binding on the Municipality in terms of legislation;
- e) A spatial development framework which must include the provision of basic guidelines for land use management system for the Municipality;
- f) The Council's operational strategies;
- g) Applicable disaster management plans;
- h) A financial plan, which must include a budget projection for at least the next three years;
- i) The key performance indicators and performance targets determined in terms of Section 41.

Prior to preparing the five –year IDP the Municipality looked at how best the five – year the Municipality looked at how best five -year IDP can be conceptualized and executed, focusing on the lessons learnt from the previous cycle. The assessment considered different case studies both Internationally and Nationally and provided recommendations on the best approach for the five year plan

The assessment focused on the:

- Relationship between the IDP and long-term strategy formulation and sector planning ;
- Co-ordination and integration of various sector plans and activities and services in the Municipality;
- Intergovernmental planning and alignment ;
- Public participation in the process of IDP preparation;

- Nature content and focus of the IDP review

Previous IDP assessment comments from the MEC for Local Government have affirmed that the Municipality has established a system that is successfully working in the Municipality's IDP formulation previous Provincial IDP assessments have also indicated that the Municipality has progressed each year in preparing better IDP.

In conclusion, the Municipality is blessed with a well- oiled human Capital .Margaret Mead stressed that "Never doubt that a small group of thoughtful, committed citizens can change the world .Indeed it is the only thing that ever has "

So let us not get tired of doing what is good .At just the right time we will reap a harvest of blessing if we do not give up.

K.C.MANELI

MUNICIPAL MANAGER

# CHAPTER 1: THE PLANNING PROCESS

## 1.1 INTRODUCTION

Nkonkobe Local Municipal Council is in the process of developing its Integrated Development Plan for a period of 5 years. The processes of developing an IDP are informed and guided by Local government legal documents. Integrated Development Planning is an approach to planning that involves the entire municipality and its citizens in finding the best solutions to achieve good and long-term development. It aims to coordinate the work of local and other spheres of government in a coherent plan to improve the quality of life for all the people in Nkonkobe Municipal area.

### LEGAL FRAMEWORK GUIDING THE IDP:

#### *CONSTITUTION OF THE REPUBLIC OF SOUTH AFRICA, SECTION 152- MANDATES LOCAL GOVERNMENT TO:*

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

#### *WHITE PAPER ON LOCAL GOVERNMENT:*

Introduced a notion of developmental local government:

“Defined as local government that is committed to working with citizens and groups within the community to find sustainable ways to meet their social, economic and material needs and improve quality of their lives”

#### *MUNICIPAL SYSTEMS ACT 32 OF 2000, as amended*

*Chapter 5, Section 25 states that:*

- Each Municipal Council must adopt a single, inclusive strategic plan
- The IDP must be 5 year plan that provides a road map for the municipality.
- The IDP must be reviewed annually to the extent that changing circumstances demands; and
- The IDP must identify all projects, plans and programs to be implemented within the municipality by any organ of state

- Taking into account provisions of Municipal Structures Act – powers and functions of municipality concerned vs capacity & resources at its disposal
- The plan should be aligned to national and provincial plans and also integrate various plans within municipality
- give the community at least 21 days to comment on the draft of its IDP before it is submitted to council for adoption; consider and approve any changes to the IDP by 31 May;

In terms of the Annual revision /reviewal of the IDP, Chapter 5, Section 34 states that:

A Municipal Council –

(a) must review its integrated development plan –

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

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

(b) may amend its integrated development plan in accordance with a prescribed process

***Municipal Systems Act chapter 6, section 38***

***PERFORMANCE MANAGEMENT***

Establishment of performance management system.—A municipality must—

- (a) establish a performance management system that is—
  - (i) commensurate with its resources;
  - (ii) best suited to its circumstances; and
  - (iii) in line with the priorities, objectives, indicators and targets contained in its integrated development plan;
- (b) promote a culture of performance management among its political structures, political office bearers and councillors and in its administration; and
- (c) administer its affairs in an economical, effective, efficient and accountable manner.

### ***Provincial IDP Assessment***

Section 32 of the Municipal Systems Act (Act 32 of 2000) compels municipalities to submit a copy of their Integrated Development Plan (IDP) to the MEC for Local Government to assess its credibility. After the adoption of the Draft IDP, the local municipalities are assessed against 6 Key Performance Areas (KPA) namely:

1. Spatial Considerations
2. Service Delivery and Infrastructure Planning
3. Financial Planning and Budgets
4. Local Economic Development
5. Good Governance: Public Participation, labour, IGR etc.
6. Institutional Arrangements

Nkonkobe Municipal IDP was assessed as one of the credible IDP in the Eastern Cape, Amatole District. The MEC in his comments encouraged the municipality to improve on three (3) KPAs namely Service Delivery, Good Governance and Institutional Arrangement.

Nkonkobe Municipality was rated as follows:

| KPA                                    | RATING 2009/10 | RATING 2010/11 | RATING 2011/12 |
|--|----------------|----------------|----------------|
| Spatial Development Framework          | Low            | Medium         | High           |
| Service Delivery                       | Medium         | Medium         | Medium         |
| Financial Viability                    | Low            | High           | High           |
| Local Economic Development             | Low            | Medium         | High           |
| Good Governance & Public Participation | Low            | Medium         | Medium         |
| Institutional Arrangements             | Low            | Medium         | Medium         |
| Overall Rating                         | Low            | Medium         | High           |

Nkonkobe Municipal Council within its powers and function commits to deliver better service to its community complying with all the legal requirements and also addressing the comments raised by the MEC and further develop an Action Plan to remedy the issues raised by Auditor General.

## **2. ORGANISATIONAL ARRANGEMENTS**

There are 4 structures guiding the IDP Processes within the Nkonkobe Municipal Area

- 2.1 IDP Steering Committees
- 2.2 IDP Representative Forums
- 2.3 IDP Cluster Teams
- 2.4 Inter Governmental Relations

### **2.1 IDP STEERING COMMITTEE**

An IDP Steering Committee functioning as a technical team consists of the following members:

- Municipal Manager
- Strategic Planning & LED Manager
- Chief Financial Officer
- Municipal Engineer
- Corporate Services Manager and
- Assistant Managers

The steering committee provides a technical support to the IDP Driver to ensure a smooth planning process. It guides the processes of the IDP and responsible for:

- Establishment of the Representative Forum
- Define criteria to choose members of the Forum
- Inform public about the establishment of the forum, request submissions of applications from stakeholders and communities (indicate objectives, activities and number of members)
- Identify additional stakeholders from unorganized groups, e.g. potential academics, advocates, doctors and resource persons.
- Submit proposed groups/ members to the Council for consideration.

## 2.2 IDP/BUDGET REPRESENTATIVE FORUM

In terms of ensuring a maximized participation of different interest groups and sectors, IDP Representative Forum established and an advert inviting all stakeholders to participate was also issued. The forum consist of Ward Councilors , PR Councilor's ,Ward committees ,Sector departments, municipal managers ,traditional leaders ,state entities, business fraternity , NGO's and other organized structures within the community. The rationale behind the establishment of this committee is to ensure that communication channels are kept smooth and efficiently.

## 2.3 CLUSTER TEAMS

Cluster Teams are a combination of IDP Steering Committees, councilors and government departments. The cluster teams are formulated as per the 5 Key Performance Areas (KPA).

The main brief of the Cluster Teams is to refine projects agreed upon and lift out the details to be captured in project templates that are supposed to be included in the IDP. The Cluster Teams undertake a pre-scooping work on projects that are due for implementation in the forthcoming planning cycle.

| CLUSTER                    | KEY PERFORMANCE AREA  |
|----------------------------|---|
| Local Economic Development | <ul style="list-style-type: none"><li>• Agriculture</li><li>• HIV/AIDS</li><li>• Unemployment</li><li>• IDP/PMS</li><li>• Tourism</li><li>• Small Medium Micro Enterprise (SMME) &amp; Cooperatives Development</li><li>• Environment</li><li>• Sport,</li><li>• , Arts and Culture</li><li>• Parks and open spaces</li><li>• Environment</li></ul> |

|   |   |
|---|---|
| <p><b>Basic Service Delivery &amp; Infrastructure Development</b></p> | <ul style="list-style-type: none"> <li>▪ Electricity</li> <li>• Roads</li> <li>• Community Amenities</li> <li>• Land and Human settlements</li> <li>• Water</li> <li>• Sanitation</li> <li>• Solid Waste</li> <li>• Cemeteries</li> </ul>   |
| <p><b>Municipal Financial Viability</b></p>                           | <ul style="list-style-type: none"> <li>• Expenditure Management</li> <li>• Debt Control and Revenue Management</li> <li>• Financial Reporting</li> <li>• Asset Management</li> <li>• Internal Audit</li> <li>• Supply chain Management</li> <li>• Risk Management</li> <li>• Free Basic Services</li> </ul> |

**Institutional Transformation , Organisational Development ,Good Governance and Public Participation**

- Capacity Building
- Land
- Information, Communication & Technology
- Law Enforcement
- Fleet Management
- Recruitment and Selection
- Public Participation
- Renovation of municipal buildings

### 3 .THE PLANNING PROCESS

On the 25 August 2011, Nkonkobe Municipal Council adopted an IDP/ Budget Process Plan for 2012/13-2016/17.The Process Plan was informed by the District's framework. After the adoption it was submitted to Amatole District Municipality and was afterwards advertised for public comments. The process plan was developed to outline all the activities that are to unfold during the development of the IDP. The Municipal Systems Act requires that the process be set out in writing and be adopted by the Municipal Council to guide, among other aspects, the IDP processes.

### 4. SCHEDULE OF MEETINGS

#### IDP Action Plan

| ACTIVITY  | DATES             | Responsible Dept.                        |
|---|-------------------|--|
| <b>1. Preparation Phase</b>   |                   |  |
| IDP / Budget steering committee meeting<br><br>• Prepare full IDP process | 15 August 2011    | Strategic Planning                       |
| 1.2 Presentation to the Executive Committee( Special)                     | 19 August 2011    | Mayor's Office                           |
| 1.3 Presentation to council for adoption(Special)                         | 25 August 2011    | Mayor's Office                           |
| 1.4 Submission to Amathole District Municipality                          | 31 August 2011    | Strategic planning                       |
| 1.5 Advertising for Public comments IDP/Budget Process Plan               | 05 September 2011 | Strategic planning                       |
| 1.6 IDP/ Budget Steering Committee Meeting                                | 12 September 2011 | Strategic Planning                       |
| 1.7 Quarter 1 Performance reporting (July-Sept)                           | 12 October 2011   | All HODs                                 |
| <b>2. Monitoring &amp; Evaluation –</b>                                   |                   |  |
| 2.1 Cluster Team Meetings   | 05-06 October 11  | Strategic Plan. and Cluster<br><br>Teams |
| 2.2 IDP/ Budget Steering Committee Meeting                                | 13 October 2011   | Strategic Planning /BTO                  |
| 2.3 Representative Forum Meeting  | 10 November 20 11 | Strategic Planning                       |

|   |                    |                                 |
|---|--------------------|---------------------------------|
| <b>3. Refined Objectives, Strategies, Projects and Scorecards</b>   |                    |                                 |
| 3.1 IDP / Budget Steering Committee Meeting   | 13 January 12      | Strategic Planning / BTO        |
| 3.2 Quarter 2 Performance reporting (October –Dec)  | 17 January 12      | All HODs                        |
| 3.3 Cluster Team Meetings   | 19 – 20 January 12 | Strategic plan. Cluster<br>Team |
| 3.4. Strategic Planning Session (IDP)   | 15-17 Feb 2012     | Strategic Planning              |
| 3.6. Steering Committee Meeting <ul style="list-style-type: none"> <li>Cluster Team Reports</li> <li>Agenda for the Rep Forum</li> </ul>  | 22 Feb.2012        | Strategic Planning              |
| 3.7 IDP Rep Forum <ul style="list-style-type: none"> <li>Draft Revised Analysis</li> <li>Draft Revised Objectives and Strategies</li> <li>Draft Projects and Programmes linked to budget</li> </ul>           | 06 March 2012      | Strategic Planning              |
| <b>4. Consolidate IDP and Budget</b>  |                    |                                 |
| 4.1 Steering Committee Meeting <ul style="list-style-type: none"> <li>Confirm contents of the IDP and Budget, and consider inputs from the Rep Forum</li> <li>Review Performance Management System</li> </ul> | 12 March 2012      | Strategic Planning/ BTO         |
| 4.2 Table Draft IDP/Budget to LED and Finance Standing committee  | 15 March 20 12     | Speaker's Office                |
| 4.3 Table Draft IDP/Budget to Exco  | 20 March 2012      | Mayor's Office                  |
| 4.4 Table Draft IDP/Budget Council  | 30 March 2012      | Mayor's Office                  |
| 4.5 Quarter 3: Performance Reporting (Jan-March)  | 02 April 2012      | All HODs                        |
| 4.6 Draft IDP and Draft Budget Published for Public Comments (21 Days)  | 02 April 2012      | Strategic Planning              |

|   |                   |                    |
|---|-------------------|--------------------|
| 4.6.IDP/Budget Public Hearings  | 10 -13 April 2012 | Strategic Planning |
| <b>5. Approval</b>  |                   |                    |
| 5.1 Review progress – Steering Committee <ul style="list-style-type: none"> <li>Public participation programme &amp; comments received</li> <li>Present final draft to be adopted by council</li> </ul> | 30 April 2012     | Strategic Planning |
| 5.2 IDP Rep Forum <ul style="list-style-type: none"> <li>Present Final IDP</li> </ul>   | 04 May 2012       | Strategic Planning |
| 5.3 Present IDP Review to LED and Finance Standing Committee  | 10 May 2012       | Speaker's Office   |
| 5.4. Present Final IDP/Budget to EXCO   | 18 May 2012       | Mayor's Office     |
| 5.4 Council adopts IDP Review 12/13 <ul style="list-style-type: none"> <li>Submit copy of IDP to ADM and to MEC (DHLG&amp;TA)</li> </ul>  | 31 May 2012       | Mayor's Office     |
| 6. Performance Management System  |                   |                    |
| 6.1 Drafting of Service Delivery and Budget Implementation Plan(SDBIP)  | 02 April 2012     | All HODs           |
| 6.2. Submit draft SDBIP within 14 days after approval of the Budget   | Jun 2012          | Strategic Planning |
| 6.3 Approval of SDBIP within 28 days After adoption of the Budget   | Jun 2012          | Mayor's Office     |
| 6.4 Signing of MM and Section 57 Managers Performance agreements  | Jun 2012          | Municipal Manger   |
| 6.5 Publicize SDBIP and Performance Agreements within 14 days after the approval  | 30 Jun 12         | Strategic planning |
| 6.6 Quarter 3: Performance Reporting (Jan-March)  | 30 Jun 12         | All HODs           |

## 5. OTHER RELEVANT DOCUMENTS

- ❖ IDP Guide Pack, with reference to Guide 3 & 6
- ❖ Nkonkobe IDP Process Plan 2012/13-2016/17
- ❖ Nkonkobe IDP Review 2011/12
- ❖ Spatial Development Framework
- ❖ Performance Management Framework
- ❖ Sector Plans
- ❖ Provincial Growth and Development Plan (2004-2014)

## 6. THE REPORT STRUCTURE

Nkonkobe IDP 2012-2013 is structured as follows:

|           |  |
|-----------|--|
| Chapter 1 | PLANNING PROCESS                               |
| Chapter 2 | SITUATIONAL ANALYSIS                           |
| Chapter 3 | CLUSTER OBJECTIVES, STRATEGIES & PROJECTS      |
| Chapter 4 | SUMMARY OF SECTOR PLANS                        |
| Chapter 5 | SUMMARY OF PERFORMANCE MANAGEMENT SYSTEM       |
| Chapter 6 | FINANCIAL PLAN                                 |
| Annexures | Annexure 01: Reviewed Organizational Structure |

## CHAPTER 2: SITUATIONAL ANALYSIS

### 1.1 INTRODUCTION

The Local Government Municipal Systems Act 32 of 2000, section 26 (b) states that:

An Integrated Development Plan must reflect –

(b) An assessment of the existing level of development in the municipality, which must include an identification of communities which do not have access to basic municipal service;

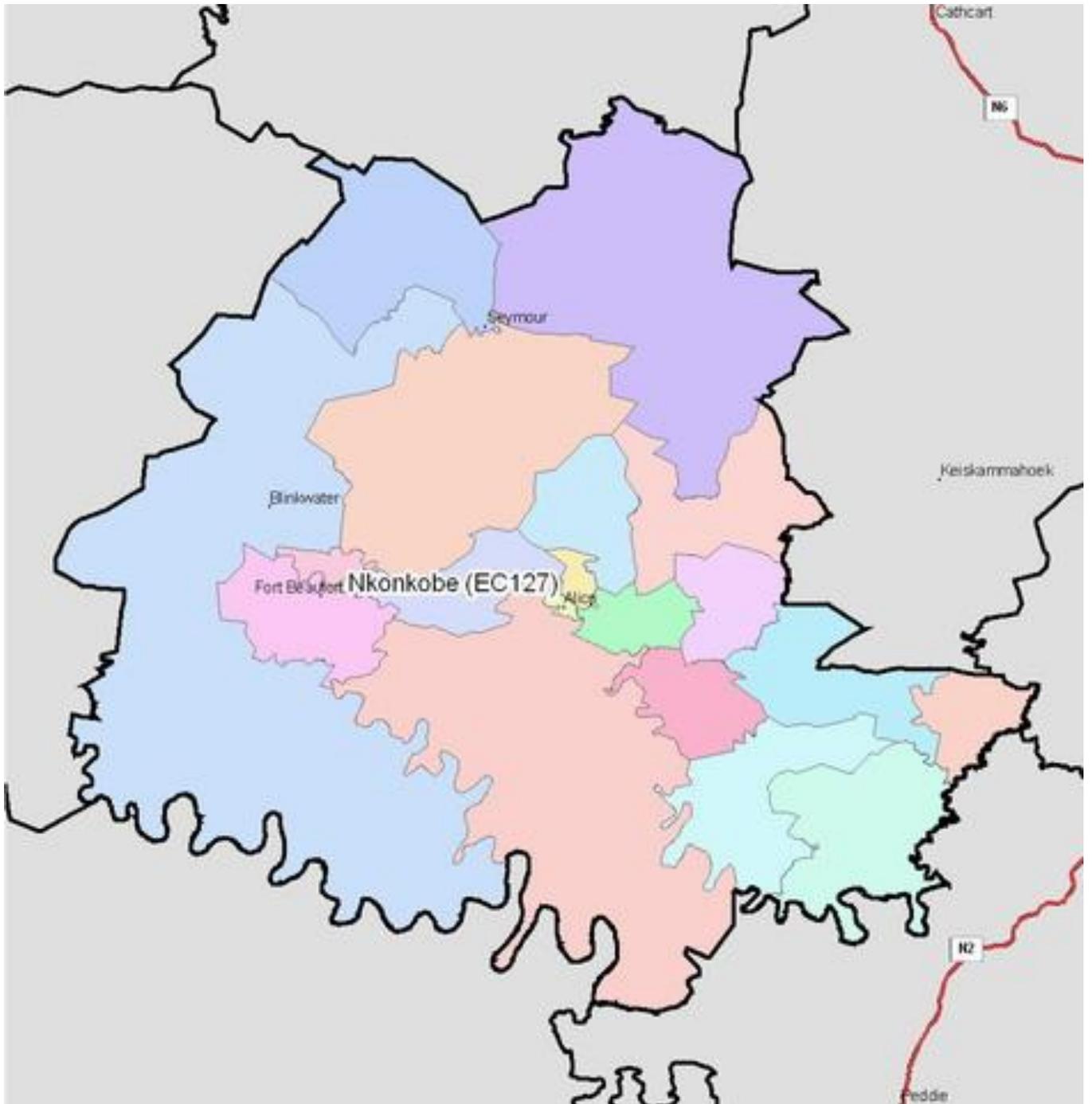
As mandated by the above mentioned piece of legislation, the municipality conducted a Baseline Community Survey within the wards with the support of the Ward Committees, CDW's and all structures with the community in order to get a true reflection of what is happening in the community. The report of the Baseline Community Survey confirmed many issues highlighted by Global Insight report.

This chapter provides an analysis of the socio-economic performance of Nkonkobe Municipality. The aim of this section is to give selected key indicators on demographics, economics, labour, development, household, infrastructure, tourism and crime that inform policy decisions in the municipality.

### 1.2 Situational Analysis

Nkonkobe Municipality was established in 2000 and is made of now disestablished TLCs i.e. Alice, Middledrift, Fort Beaufort, Hogsback and Seymour/Balfour. Alice is a legislative seat and Fort Beaufort is the administrative seat, the latter is situated about 140 km North West of East London on R63 and is approximately 200 km North East of Port Elizabeth. The municipality is the second largest local municipality covering 3 725 km<sup>2</sup>, and constituting 16% of the surface area of the Amatole District Municipality. Nkonkobe municipality is a countryside municipality that sits on the foot of the ever imposing and majestic mountain range of the Winterberg (liNtabazeNkonkobe).

Figure 1: Map of Nkonkobe Municipality



### 1.2.1 WARD BASED INFORMATION

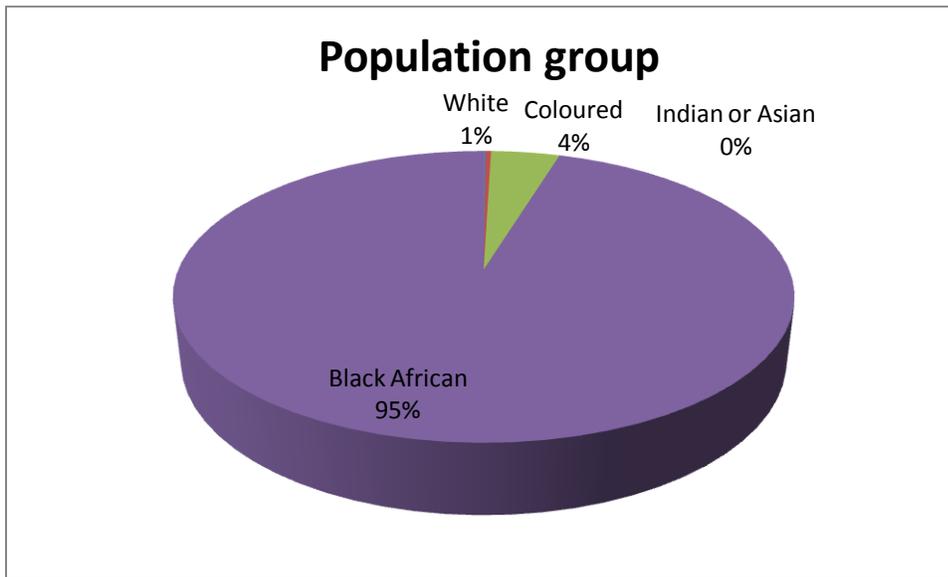
| Ward | Councillor       | Villages  |
|------|------------------|---|
| 1    | Cllr Kata        | Khulile, Qamdobowa, Mgxotyeni, Ndulini, Qhibirha, Zigodlo, Ndindwa, Zalaze, Quthubeni   |
| 2    | Cllr Ngcakaza    | Gaga, Nkobonkobo, Mavuso, Ngwabeni, Ngobe, Mgquba, Lenge, Roxeni, Meva.   |
| 3    | Cllr. Blackie    | Mxhelo, Ntlekisa/Tyoks, Chris Hani, Mpolweni 1, Mpolweni 2, Takalani, Memela, Skolweni, Sigingqini, Nkukwini  |
| 4    | Cllr Makeleni    | Jacaranda Drive/Kwepileni, Mlalandle, Ndaba, Ntoleni, Hillside, , Golf Course   |
| 5    | Cllr Nyangintaka | Dish, Gcado, Binfield, Upper Ncerha, Hopefield, Mdlankomo, Ndlovurha, Ngwangwane, Chamama, Komkhulu, Mdeni, Mkhobeni, Mkhuthukeni, Zixinene, Mazotshweni, Kwezana, Emachibini, Esiphingweni, Macfarlan, Mqhayise, Majwarheni, Krwakrwa              |
| 6    | Cllr Kganedi     | Hillcrest, Happy Rest, Town Central, Golf Course  |
| 7    | Cllr Matya       | Ngwevu, Tyatyorha, Platform, Buxton, Gonzana, Paradise, Upper Blinkwater, Ntilini, Mankazana, Nobanda, Lamyeni, Elukhanysweni, Ekuphumleni, Elundini, Khayelitsha, Rwantsana, Mabheleni, Stanley, Picardy, Fairbairn, Hertzog, Tambokiesflei        |
| 8    | Cllr Bantam      | Taba, Cimezile, Konkulu, Luzini, Skolweni, Mt Pleasant, Lower Blinkwater, Newtown, Kluklu Farm, Rietfontein, Emdeni, Sparkington Farm   |
| 9    | Cllr Mlamla      | Old location, Seymour, Joe Slovo, Marias, Ngqikana, Cains, Phakamisa, Peter, Dunedin, Votywiwe, Blackwoods, Balfour, Balfour Phola Park, Phillipton, Jurrieshoek, Maasdorp/Roma, Grafton, Katberg, Ekuphumleni, Readsdale, Tshokotshela, Chris Hani |
| 10   | Cllr Sixolo      | Nothenga, Gilton, Cartcathvale, Hala, Guquka, Mpundu, Hogsback, Sompondo, Gomoro, Makhuzeni, Khayaletu  |
| 11   | Cllr Ngaye       | Tukulu, Guburha, Lalini, Skweyiya, Fort Hare  |
| 12   | Cllr Ndevu       | Bergplaas, Lower Gqumashe, Ngcothoyi, Zingqayi, Magaleni, Skhutshwane, Melani, Woburn, Msobomvu, Taylor   |
| 13   | Cllr Tyibilika   | Lower Sheshegu, Joji, Xolani, Jim Farm, Gxwederha, Thembisa, , Phumlani, Bhalurha, Kwezana West, Nofingxane, Lokwe, Nomtayi, Joe, Khayamnandi, Khwali, Masakhane, Mpozisa   |
| 14   | Cllr Rawana      | Debe Marele, Njwaxa, Machibini Banzi, Mbizana, Phewuleni, Ngcabasa, Fama, Ngqolowa, Qhomfo, Dikidikana, Washington, Mbizana   |
| 15   | Cllr Rulashe     | Tyhali, Dyamala, Upper Gqumashe, Ntselamanzi, Jonini Frances, Lower Ncerha  |
| 16   | Cllr Mgengo      | Middledrift, Zibi, Ngqele 2, Cildara, Ngele, Tyutyuzza, Gugulethu, Mabheleni, Mfiki, Lower Regu, Upper Regu, Lugudwini  |
| 17   | Cllr Daniels     | Saki, Gqadushe, Njwarxa, Ngwenya, Sityi, Ngqele 1   |
| 18   | Cllr Xelelwa     | Qanda, Mxumbu, Chwaru, Trust No 2, James, Qawukeni, Annshaw, Tafeni, Perksdale, Farm B  |
| 19   | Cllr Matshaya    | Xhukwane, Zihlaheni, Debe Nek, Trust No 1, Nonaliti, Mayipase, Ntonga   |
| 20   | Cllr Papu        | Gomma Gomma, Zwelitsha, Gomma Gomma 2, Nkunkwini, Dubu, Town East, Town West  |
| 21   | Cllr Stofile     | Daweti 1, Daweti 2, Zwide, Kanana, Mike Valley, Kuwait, Gontsi, Group Five  |

### 1.3 Demographic indicators

#### 1.3.1. Total Population

According to ECSSEC, Nkonkobe Municipality has an estimated total population of 135,660. There are 21 wards within the Nkonkobe municipal area. Approximately 74% of people living within the Nkonkobe municipal area are indigent. The majority of the population of Nkonkobe (72%) resides in both villages and farms and 28% resides in urban settlements. Urbanisation is mainly concentrated in Alice and Fort Beaufort.

Figure 2. Total Population: 2011



Source: ECSSEC, 2011

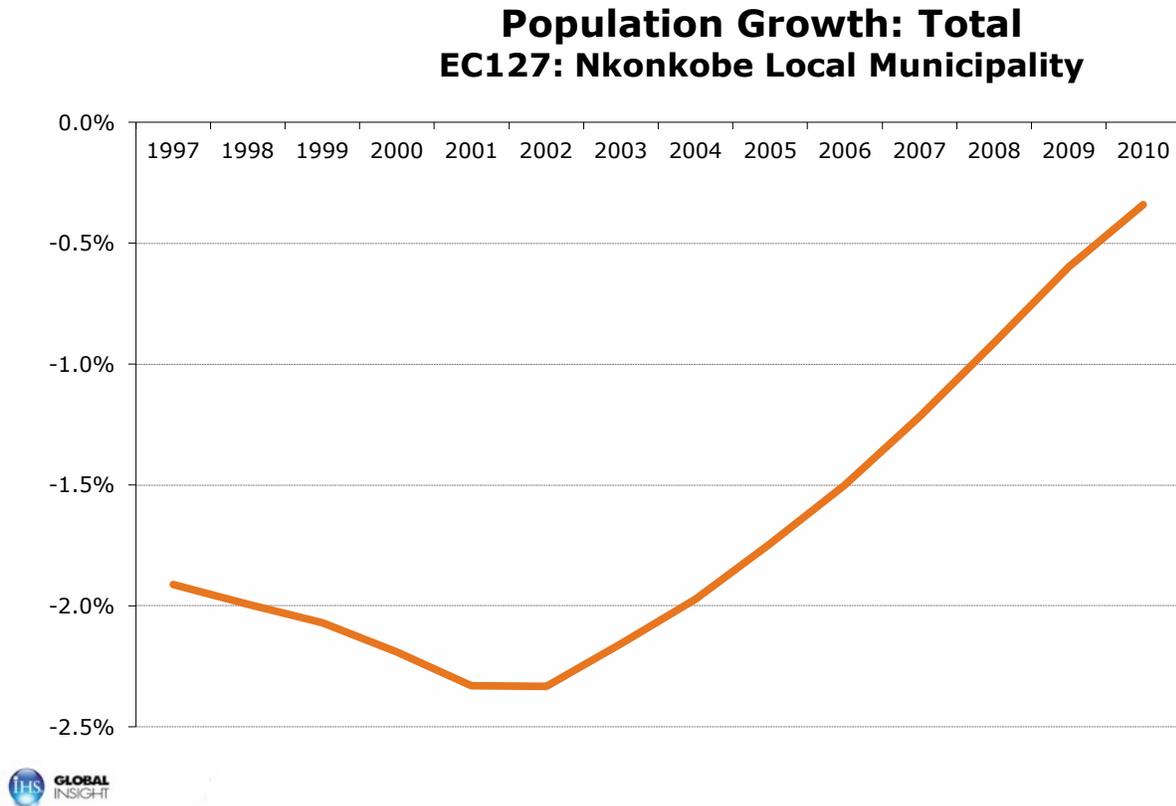
Figure 2 above shows that the population of Nkonkobe Municipality is dominated by black people as illustrated in the table below.

| Population group            |                  |             |            |
|-----------------------------|------------------|-------------|------------|
| Area                        | Population group | Number 2011 | Percentage |
| Nkonkobe Local Municipality | Indian or Asian  | 141         | 0%         |
|                             | White            | 476         | 1%         |
|                             | Coloured         | 5,805       | 4%         |
|                             | Black African    | 129,238     | 95%        |

### 1.3.2 Population Growth Rate

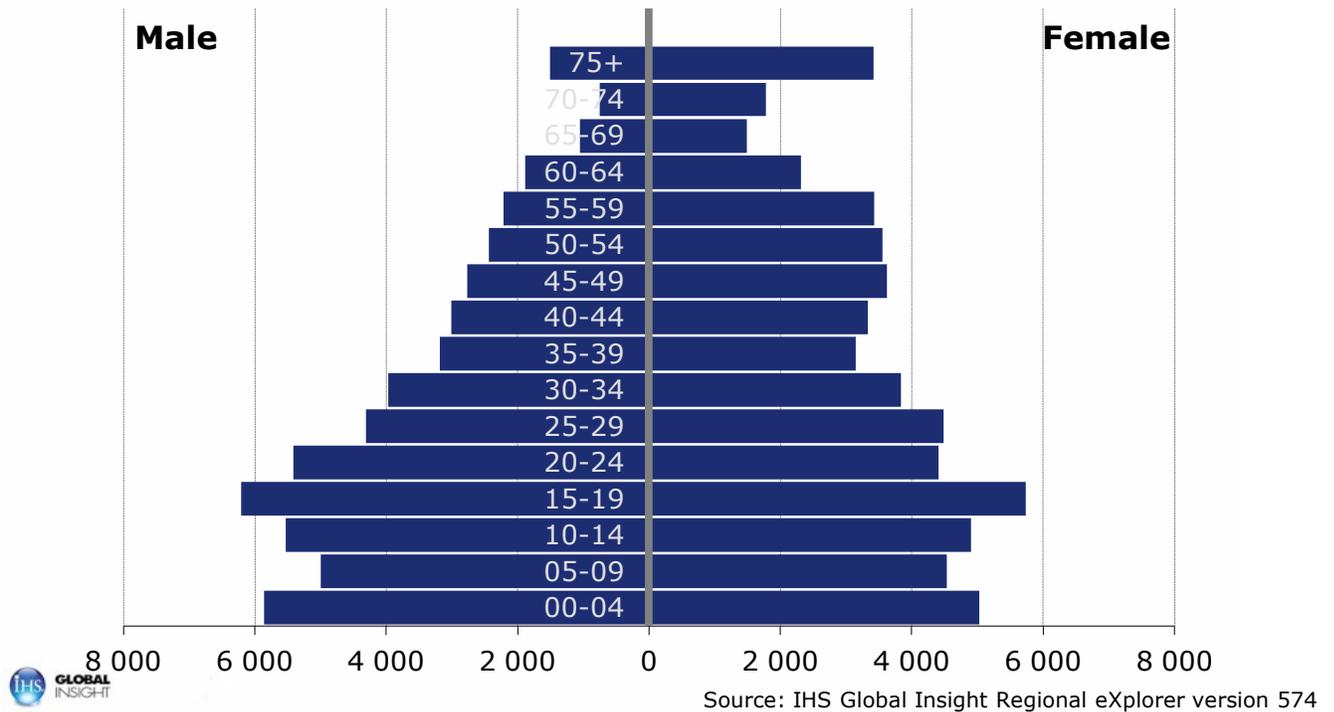
The population of Nkonkobe has moved from -2.0% in 1997 to -0.5% in 2010. This is according to Global Insight estimates for 2010 and is reflected in the graph below.

Graph 1: Population Growth Rate



### 1.3.3. Population Distribution by age and gender

## Population Pyramid, Total, 2010 EC127: Nkonkobe Local Municipality



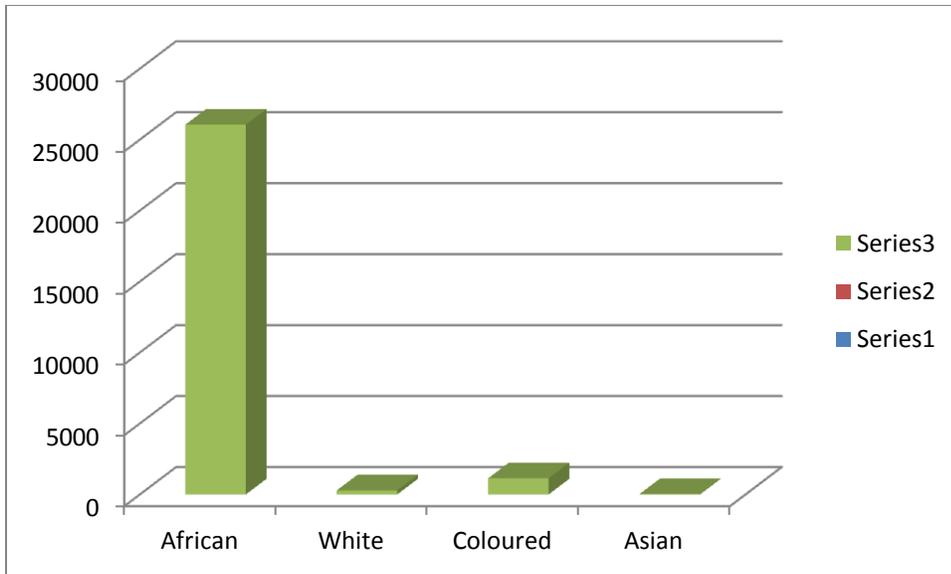
The table above indicates that the population of Nkonkobe is dominated by youth and women, ages from 15-34 are in the majority. The graph shows that the women live longer than men as there are more women at 75 than men.

### 1.3.4 Number of Households by Population group

According to Global insight, there are 27,716 households and are divided according to racial groups as follows, Africans with 25 866 households, Whites with 250 households, coloureds with 1114 households and Asians with 28 households.

|              |               |
|--------------|---------------|
| African      | 25 866        |
| White        | 250           |
| Coloured     | 1,114         |
| Asian        | 28            |
| <b>Total</b> | <b>27 716</b> |

Source: Global Insight 2010

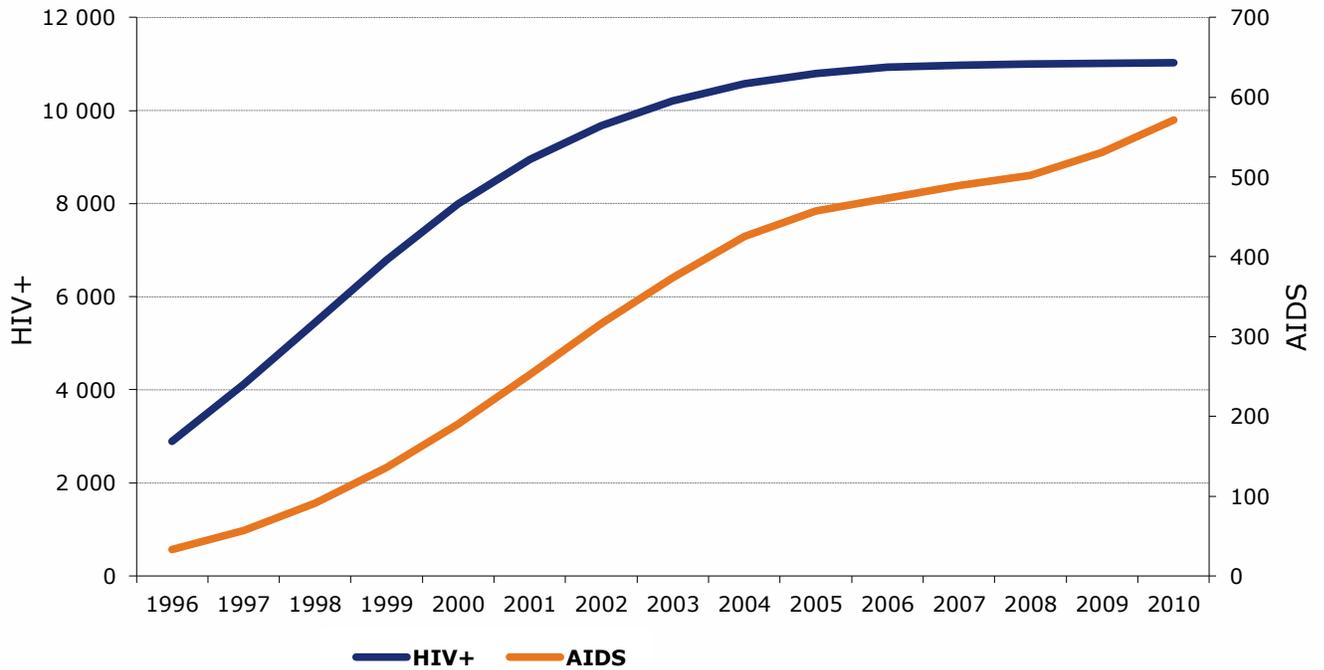


Source: Global Insight 2010

### 1.3.HIV/AIDS Estimates

The population of Nkonkobe is said to be declining and one of the contributors is suspected to be the HIV/AIDS pandemic but not conclusive. The Graph below shows that HIV infections are growing, however this growth is happening at a declining rate. Taking for instance the number of infected people from 1996 to 2010 it shows that the infection numbers are growing. On the other hand when we look at the rate of infections between the same years, it shows that the rates are declining.

## HIV+ /AIDS profile EC127: Nkonkobe Local Municipality



Source: IHS Global Insight Regional eXplorer version 574

### 1.4 Development

#### 1.4.1 Human Development Index(HDI)

HDI is a summary of composite index that measures a country's average achievements, in the three basic aspects of the human development: longevity, knowledge, and decent standard of living. Longevity is a measurement by a combination of adult literacy rate and the combined primary, secondary and tertiary gross enrolment ratio and the standard of living is measured by GDP per capita. The Human Development Index (HDI) reported in the HDI report of the United Nations is an indication of where a country is, in terms of development. The index can take value between 0 and 1, countries with an index over 0.800 are part of the high Human Development Group and countries between 0.500 and 0.800 are part of the medium and countries below 0.500 are part of the low HDI group. The human development for Nkonkobe Municipality is sitting at 0.60. This shows that the levels of human development are still very low.

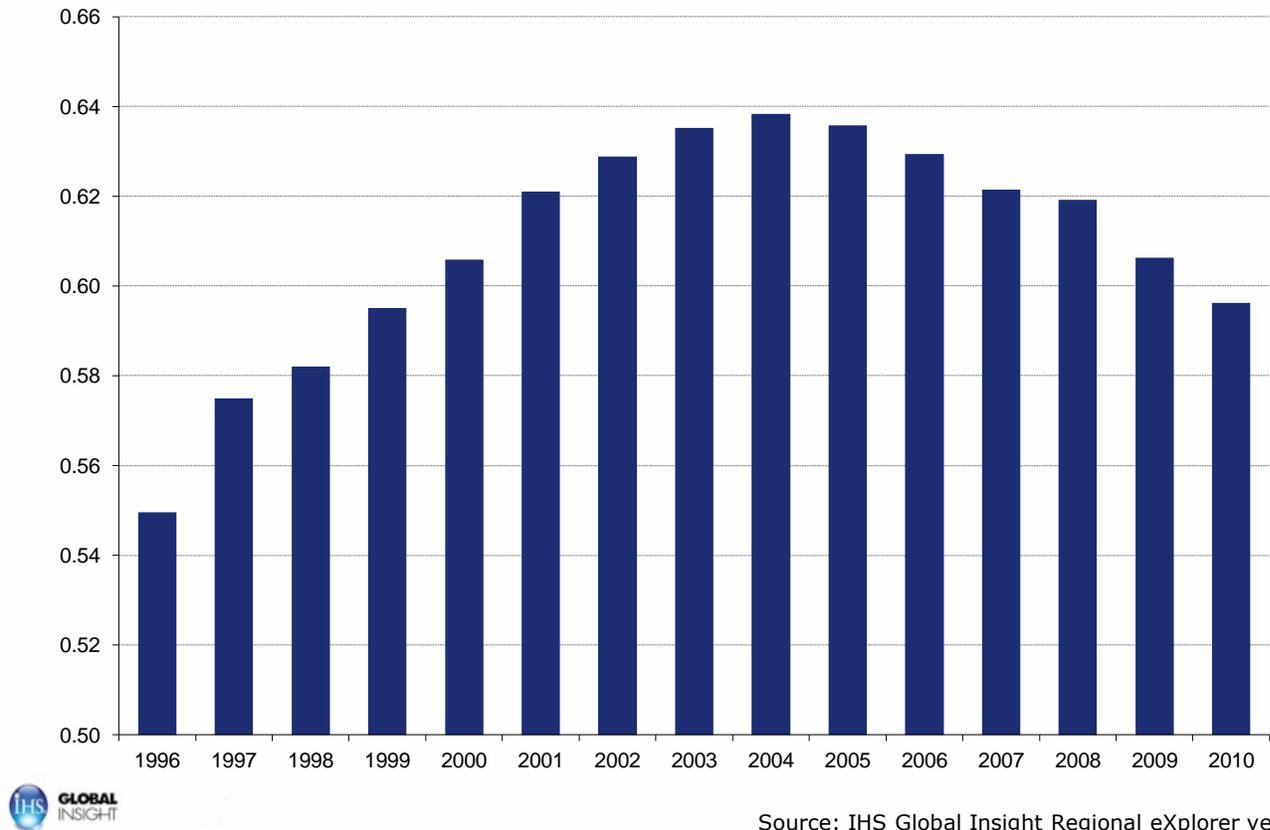
**TOTAL NUMBER OF HUMAN DEVELOPMENT INDEX**

| YEAR             | 2008 | 2009 | 2010 |
|------------------|------|------|------|
| TOTAL PERCENTAGE | 0.49 | 0.49 | 0.60 |

**1.4.2 Gini Coefficient**

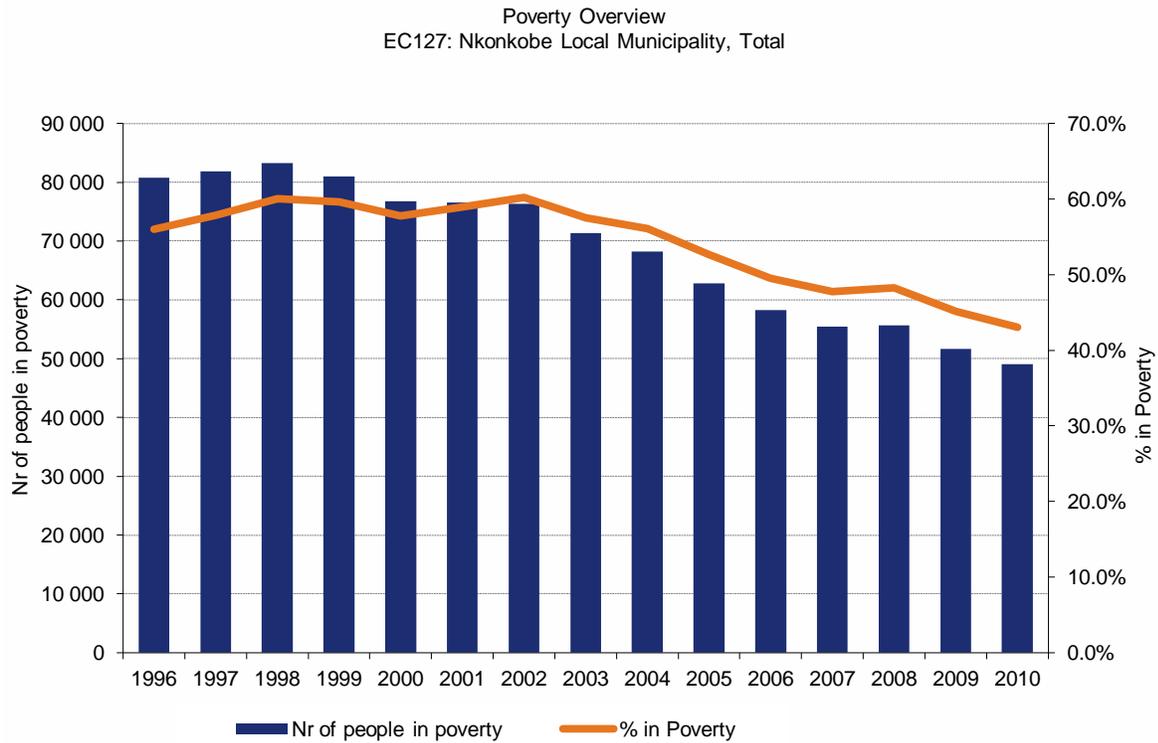
GiniCoefficient is the measure of the inequality of a distribution, a value of 0 expressing total equality and a value of 1 maximal inequality. It is commonly used as a measure of inequalities of income or wealth.

Gini coefficient  
EC127: Nkonkobe Local Municipality, Total



### 1.4.3 Poverty Indicators

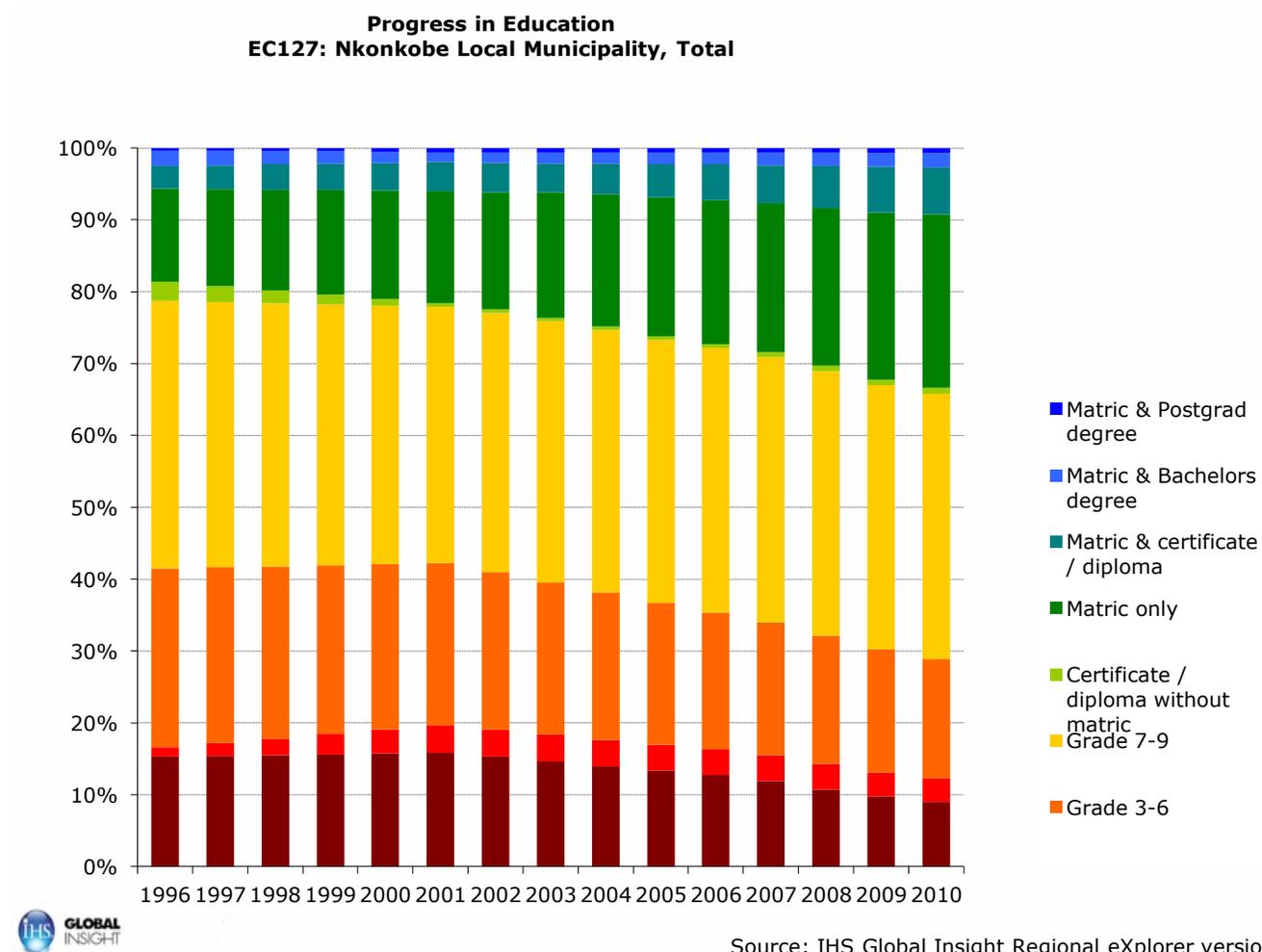
The graph below shows that the level of poverty in Nkonkobe is declining. The total number of people living in poverty is less than 40%. This may be attributed to many aspects. The social grants offered by national government, seasonal jobs offered in the citrus industry and even contributions done by the municipality in terms of infrastructure development



Source: IHS Global Insight Regional eXplorer version 574

### 1.4.4 Education

Nkonkobe municipality is showing great improvement in terms of education. This is reflected by the table below of highest levels of education of people at age 15+.



In terms of functional literacy, the municipality is also showing a great improvement. The total number of illiterate people as at 2010 is 21 293 and it was sitting at 19 541 in 2009. These people are at age 20 and have completed grade 7 or higher. Literate people are 50 017. In 2009 this number was sitting at 49 638. In terms of percentage, literacy is at 70.1%.

### 1.4.5 Population density

(number of people per km<sup>2</sup>)

|          | 2000  | 2009  | 2010  |
|----------|-------|-------|-------|
| African  | 33.84 | 28.83 | 28.96 |
| White    | 0.40  | 0.22  | 0.23  |
| Coloured | 1.25  | 1.40  | 1.42  |
| Asian    | 0.02  | 0.02  | 0.02  |
| Total    | 35.49 | 30.47 | 30.62 |

### 1.4.6 Development Diamond

#### Total Development Diamond EC127: Nkonkobe Local Municipality, 2010



Source: IHS Global Insight Regional eXplorer version 574

## 1.5 Household Infrastructure

### 1.5.1 Formal Housing

Out of 27 716 households, Nkonkobe municipality has various types of houses ranging from very formal, formal, informal, traditional and other dwellings.

The following table shows the number of households by type of dwelling

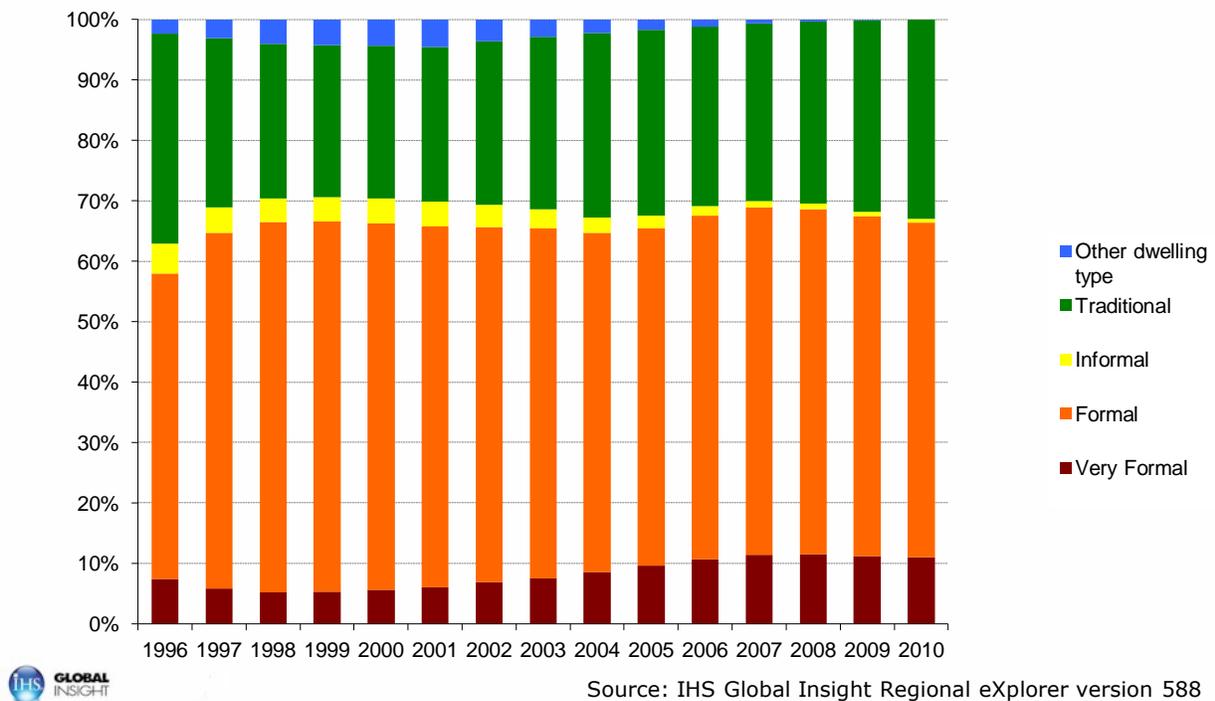
No of households by type of dwelling unit

| Very Formal | Formal | Informal | Traditional | Other | Total  |
|-------------|--------|----------|-------------|-------|--------|
| 3 048       | 15 352 | 182      | 9 119       | 15    | 27 716 |

Source: Global Insight, 2010

This puts 66.4% of households occupying formal dwellings in Nkonkobe municipality. The backlog of formal housing is estimated at 9 316.

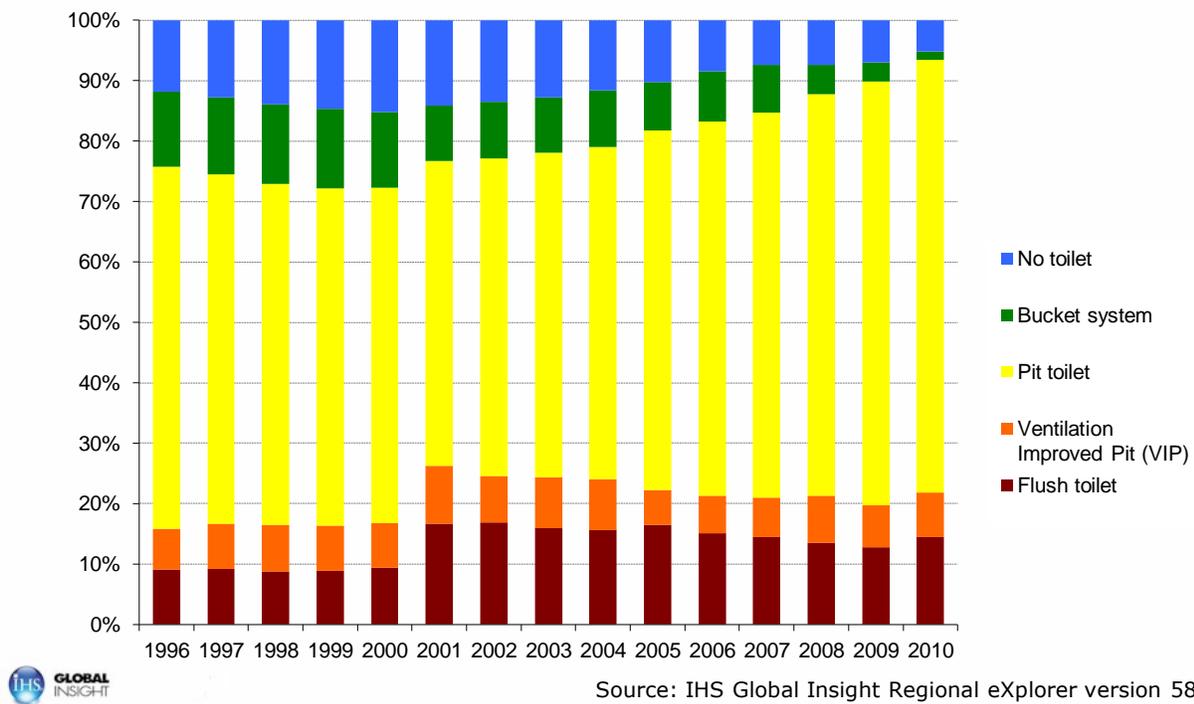
Households by dwelling type  
Nkonkobe Local Municipality (EC127)



### 1.5.2 Sanitation

The municipality has done a great job in terms of sanitation. Toilet facilities have improved since 1996. The municipality has various types of toilets, these include flush toilets, ventilation improved, pit toilets and there are still few bucket system toilets. There are also areas where there are no toilets. According to Global insight (2010), there are 3 999 households with flush toilets, 2063 households with ventilation improved, 19 827 households with pit toilets, 386 households with bucket system toilets and 1440 households have no toilet facilities at all. 21.1% percent households have hygienic toilets. There is backlog of 21 654 of households without hygienic toilets.

Households by toilet facilities  
Nkonkobe Local Municipality (EC127)



### 1.5.3 Water Infrastructure

The municipality has also done very well in terms of water infrastructure since 1996. The water infrastructure is divide into piped water inside dwelling, piped water in yard, communal piped water less than 200m( within the RDP standard), communal piped water above 200m (Below RDP standard). There are still areas that are without formal piped water though.

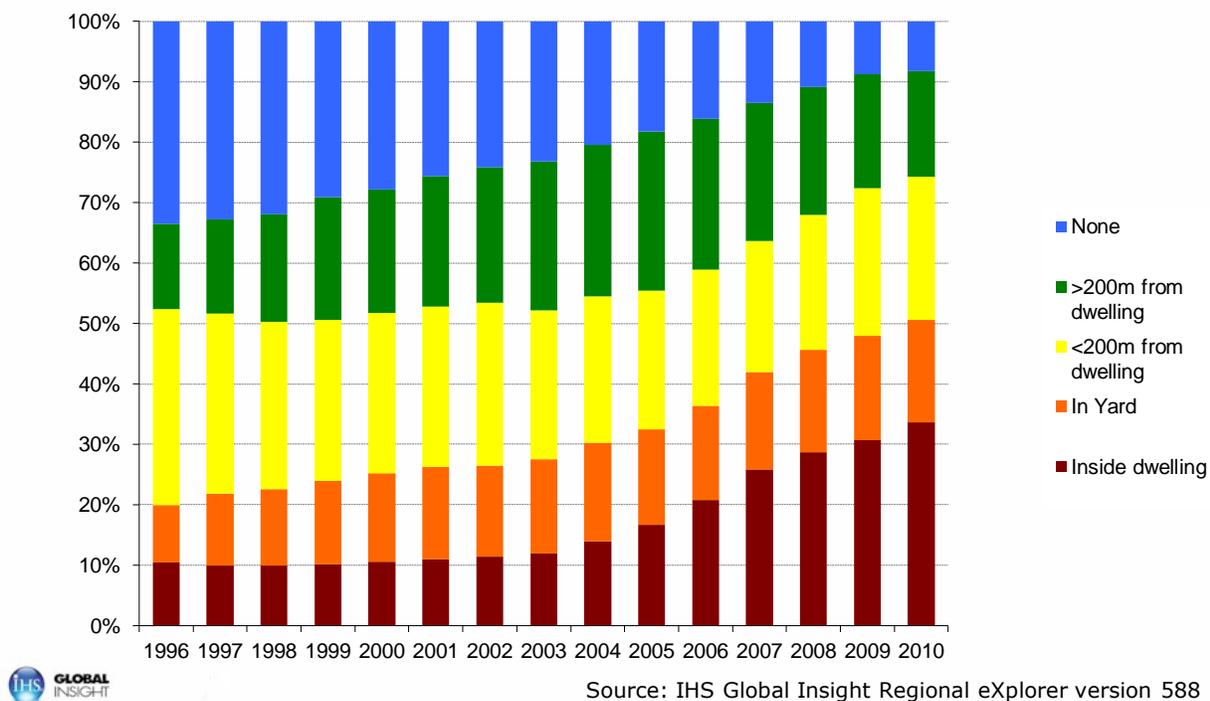
The table below shows the number of households with formal piped water

No of household by level of access to water

| Piped water inside dwelling | Piped water in yard | Communal piped water less than 200m | Communal piped water more than 200m | No formal piped water | Total house holds |
|-----------------------------|---------------------|-------------------------------------|-------------------------------------|-----------------------|-------------------|
| 9325                        | 4692                | 6570                                | 4855                                | 2274                  | 27 716            |

74.3 % Of households have access to water at or more than RDP standard in Nkonkobe municipality. The water backlog below RDP level is 7129 households.

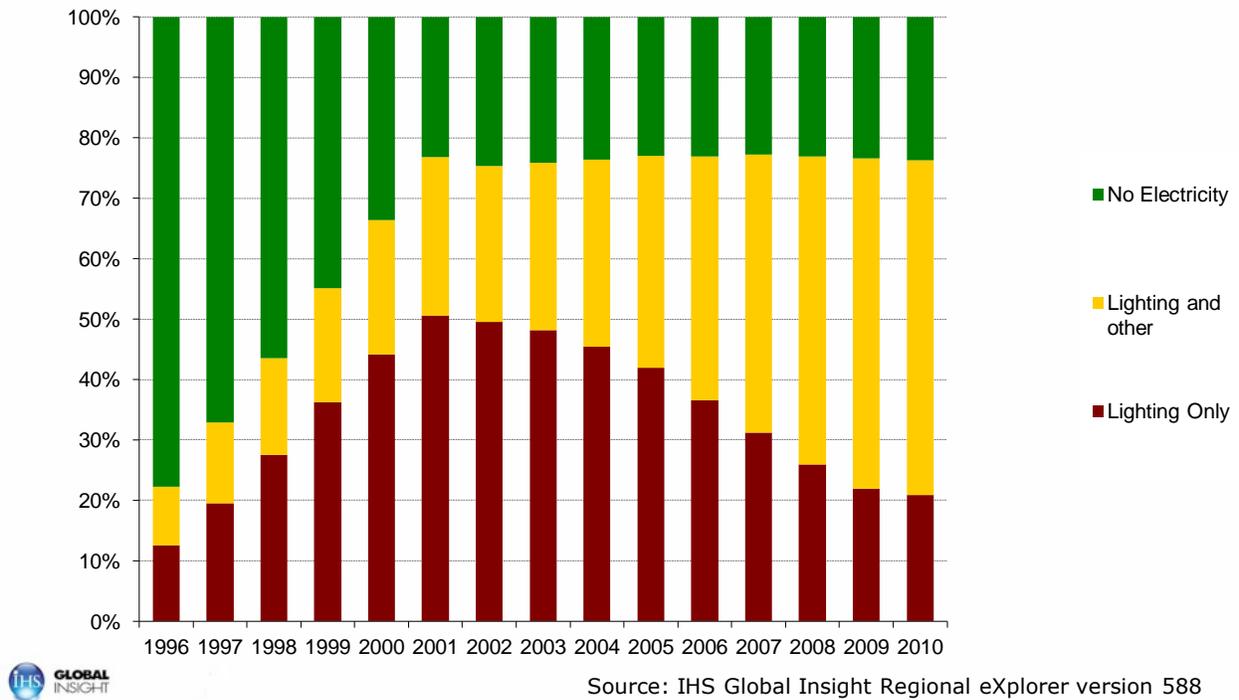
Households by water infrastructure  
Nkonkobe Local Municipality (EC127)



### 1.5.4 Electricity connections

Electricity connections in Nkonkobe municipality have shown great improvement. This is reflected in the estimates by Global Insight for 2010. Global insight suggests that 5 784 households have access to electricity and they use it only for lighting and 15 366 households also have access to electricity and use it for lighting and other purposes. 6 566 out of 27 716 households have no access to electricity.

Households by electrical connections  
Nkonkobe Local Municipality (EC127)



### 1.5.5 Refuse Removal

Nkonkobe municipality is rural in nature, however in terms of refuse removal it is still collecting in the urban areas. This is shown by the number of household with access to refuse removal as suggested by Global Insight. Global Insight has divided households according to the level in which they access refuse removal.

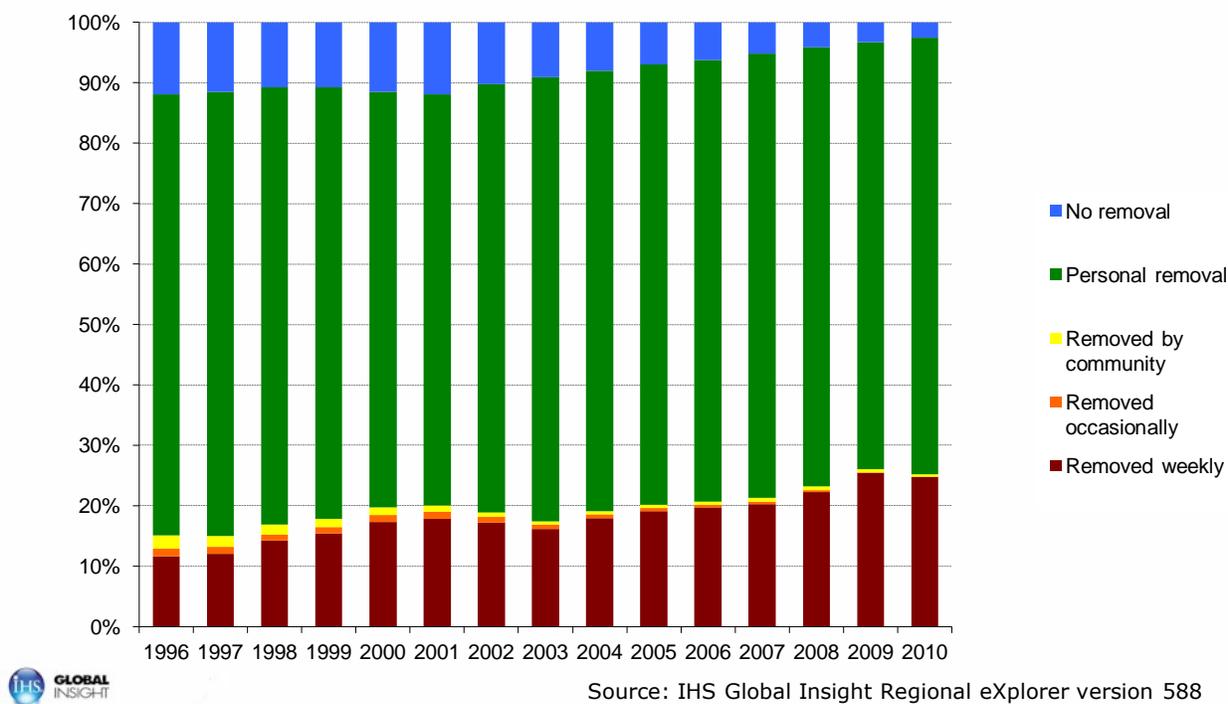
The table below depicts the situation in Nkonkobe municipality in terms of access to refuse removal.

No of household by access to refuse removal

| Removed weekly by the Municipality | Removed less often than weekly by the municipality | Removed by community members | Personal removal | No Refuse removal |
|------------------------------------|--|------------------------------|------------------|-------------------|
| 6871                               | 1  | 131                          | 20 031           | 719               |

Only 24.8 % percent have access to refuse removal in Nkonkobe municipality. About 20 881 households have no access to refuse removal.

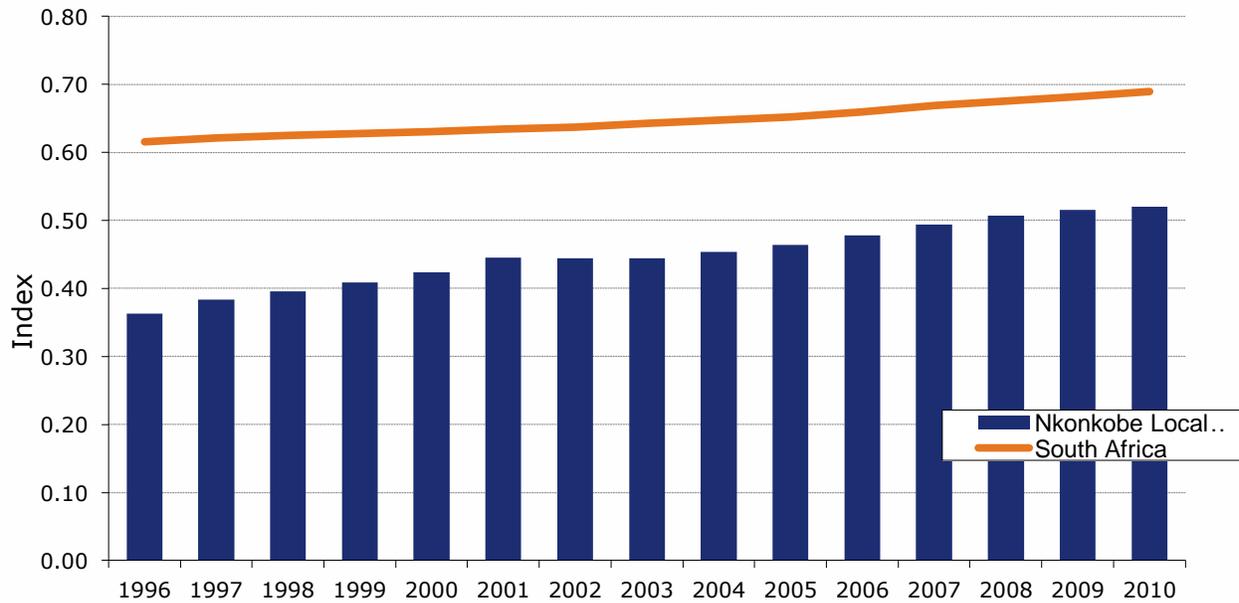
Households by type of refuse removal  
Nkonkobe Local Municipality (EC127)



### 1.5.6 Household Infrastructure Overview

This is an overview of the infrastructure development in Nkonkobe municipality as shown in the graph below compared to national. The graph shows that since 1996 Nkonkobe municipality has improved in terms of upgrading its household infrastructure. It is just below 0.50 index when compared to national.

## Household Infrastructure Overview Nkonkobe Local Municipality (EC127)



Source: IHS Global Insight Regional eXplorer version 588

### 1.6 Labour

#### 1.6.1 Economically Active Population (EAP)

Nkonkobe municipality has 25 692 economically active people as per the official definition (Global Insight, 2010). This represents 22.5% of the total population.

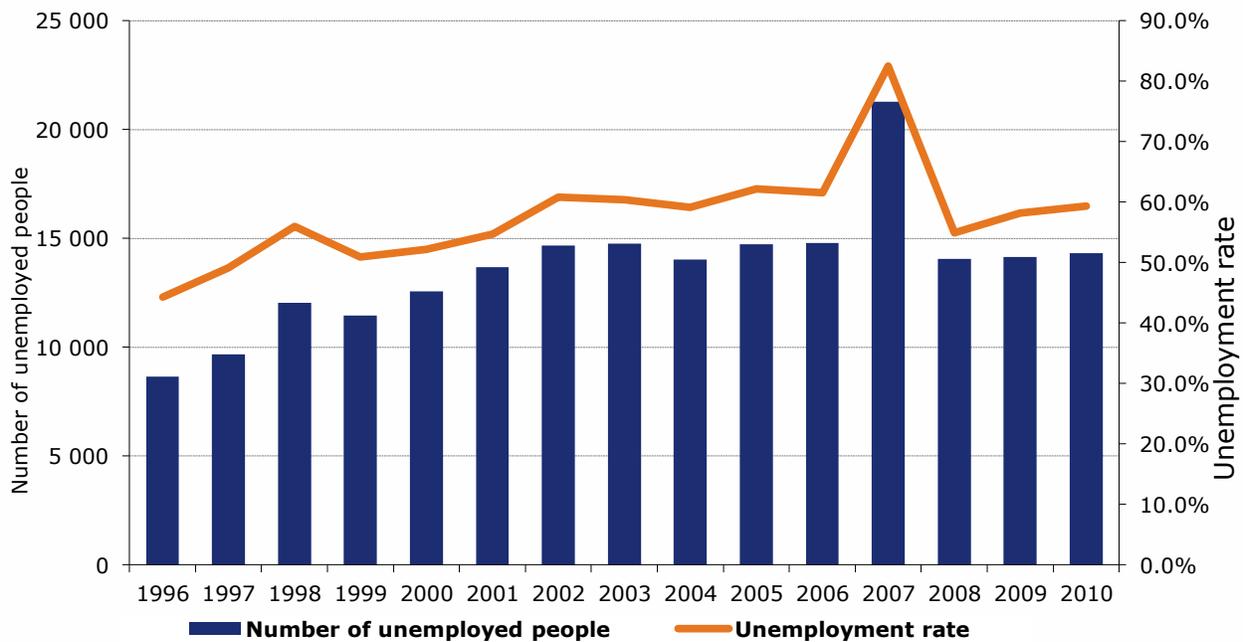
| YEAR       | 2007  | 2008  | 2009  | 2010   |
|------------|-------|-------|-------|--------|
| PERCENTAGE | 22.4% | 23.0% | 22.6% | 22.5 % |

### 1.6.2 Unemployment

Nkonkobe municipality still experiences high levels of unemployment. According to the official definition of unemployment, there are 14 848 unemployed people in the municipality. Unemployment rate is 57.8%.

| YEAR       | 2007  | 2008  | 2009  | 2010  |
|------------|-------|-------|-------|-------|
| PERCENTAGE | 57.2% | 55.6% | 57.5% | 57.8% |

**Unemployment rate, official definition (%)**  
**EC127: Nkonkobe Local Municipality, African - Total**

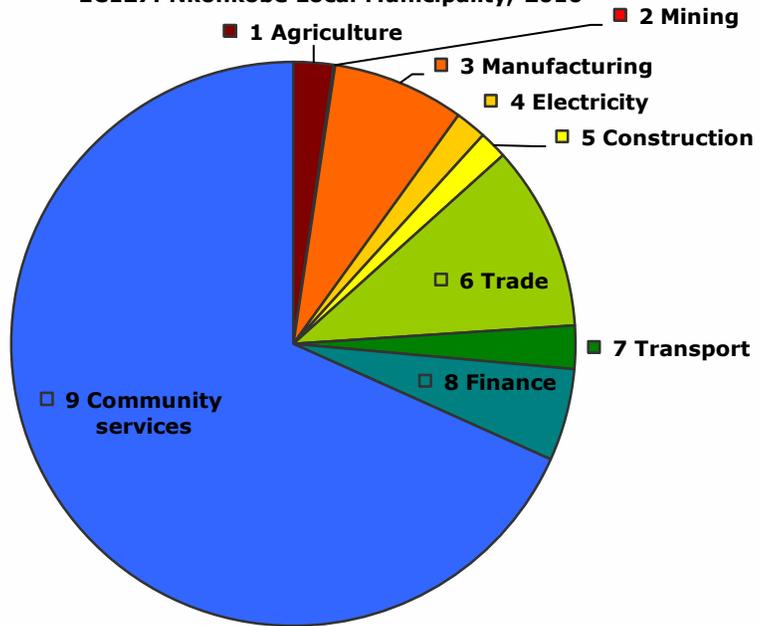


Source: IHS Global Insight Regional eXplorer version 574

### 1.6.3 Employment

Employment refers to people who are actively engaged in the production of goods and services. The total number of people employed in Nkonkobe Municipality is 7732 as per the official definition of employment (Formal Employment). The biggest employer is the community services at 4 874, followed by Households at 1006 and agriculture at 889. Other sectors employ less than 200 people. Total number of informal employment is 1732. This gives a total of 9 969 of employed people both formal and informal in Nkonkobe municipality.

**GVA-R Sectoral composition  
EC127: Nkonkobe Local Municipality, 2010**



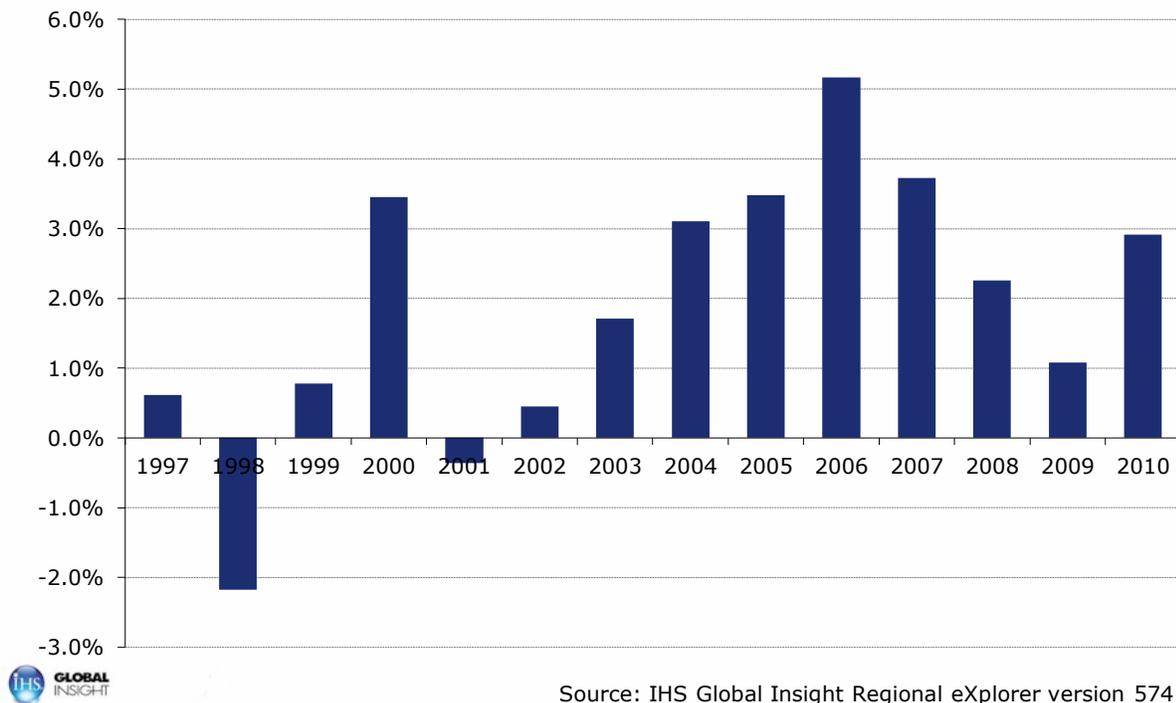
Source: IHS Global Insight Regional eXplorer version 574

## 1.7. Economic

### 1.7.1 Gross Value Added

Gross domestic production is the total market value of all goods and services produced within the political boundaries of an economy during a given period of time; usually one year .The Gross Domestic Product for Nkonkobe municipality is R2, 111,176

### GVA-R Total Growth EC127: Nkonkobe Local Municipality



### 1.7.2 Labor Remuneration

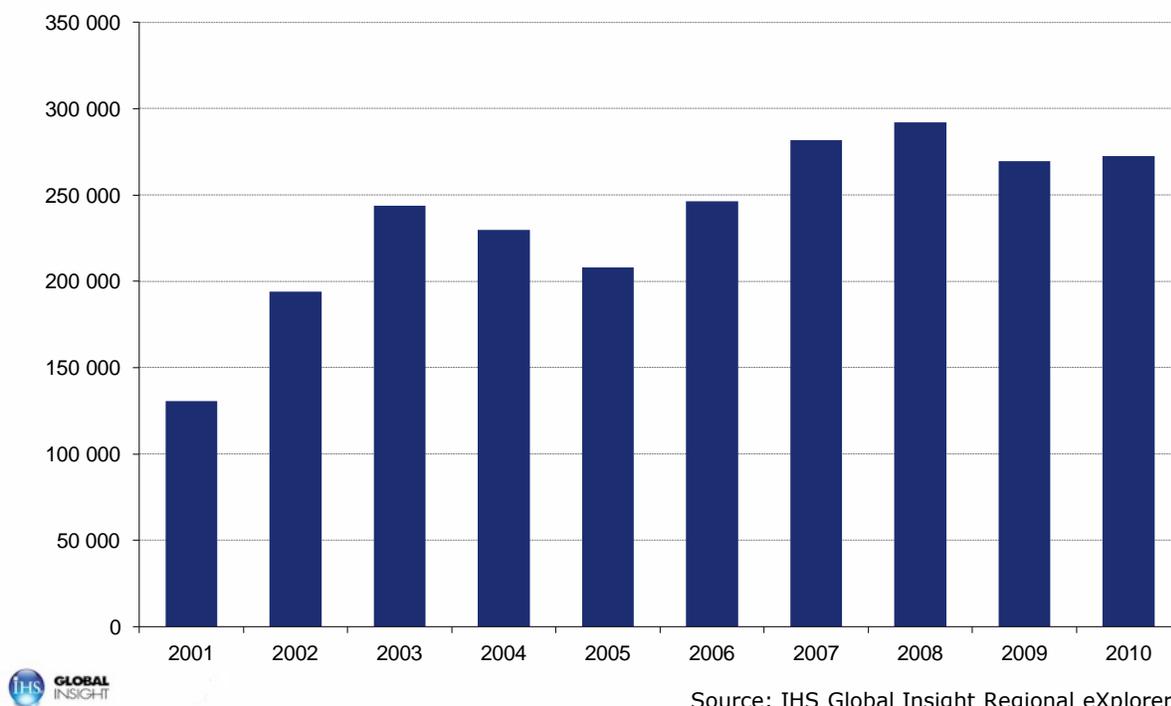
Labour remuneration stands at R1, 367,158 as per the three sectors (primary, secondary and tertiary)

| YEAR                | 2007     | 2008       | 2009       | 2010             |
|---------------------|----------|------------|------------|------------------|
| Labour remuneration | R973,653 | R1,089,733 | R1,227,486 | <b>1,367,158</b> |

### 1.7.3 Tourism

Tourism in Nkonkobe is one of the key sectors of economic growth .Nkonkobe is renowned of its rich heritage and history .It is the hometothe university of Fort Hare, Lovedale College, and Healdtown.This rich history and heritage however is not yet exploited. In terms of tourism growth, global insight says tourism spend in Nkonkobe municipality was just above R272 000 in 2010.

Total Tourism Spend (R 1000, Current prices)  
EC127: Nkonkobe Local Municipality



Source: IHS Global Insight Regional eXplorer version 574

### Growth in Tourism

#### Growth in Tourism (using bednights) by origin

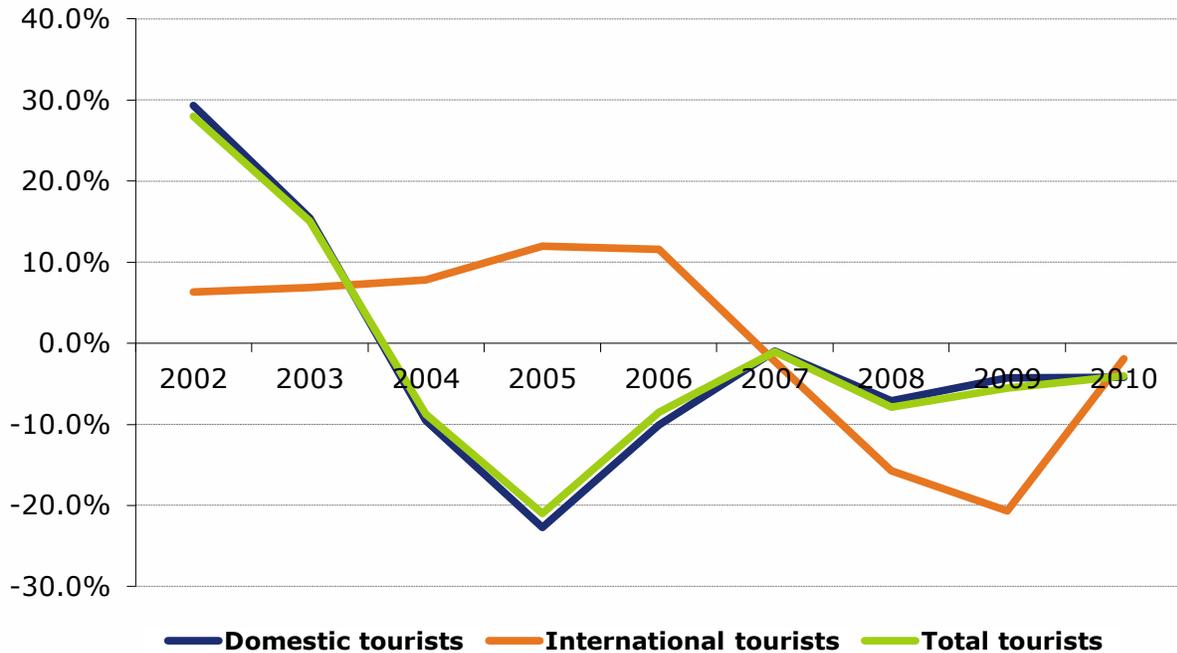
|                               | Eastern Cape | ADM   | Nkonkobe LM |
|-------------------------------|--------------|-------|-------------|
| <b>Domestic tourists</b>      |              |       |             |
| 2006                          | -3.9%        | -3.5% | -10.1%      |
| 2007                          | 7.4%         | 7.5%  | -0.9%       |
| 2008                          | 2.5%         | 2.8%  | -7.1%       |
| 2009                          | 4.8%         | 5.7%  | -4.2%       |
| 2010                          | 3.5%         | 3.9%  | -4.2%       |
| <b>International tourists</b> |              |       |             |
| 2006                          | 8.3%         | 8.7%  | 11.6%       |
| 2007                          | -0.6%        | 0.0%  | -2.2%       |
| 2008                          | -5.4%        | -3.5% | -15.7%      |
| 2009                          | -8.6%        | -7.1% | -20.7%      |
| 2010                          | 5.2%         | 5.2%  | -1.9%       |

**Total tourists**

|      |       |       |       |
|------|-------|-------|-------|
| 2006 | -2.7% | -2.5% | -8.5% |
| 2007 | 6.6%  | 6.8%  | -1.1% |
| 2008 | 1.7%  | 2.2%  | -7.9% |
| 2009 | 3.6%  | 4.6%  | -5.5% |
| 2010 | 3.7%  | 4.0%  | -4.0% |

The table above and the figure below show that the growth in tourism in Nkonkobe Municipality is rather declining. This has been as result of economic recession that the country as whole has witnessed in the past few years.

### Growth in Tourism EC127: Nkonkobe Local Municipality



Source: IHS Global Insight Regional eXplorer version 574

## **2.8 Crime**

Like all small towns, Nkonkobe municipality is affected by various forms of crime ranging from, rape, robbery, burglary and assault. For the purpose of this document, four types of crime happening in Nkonkobe area have been selected ,namely sexual crimes, common robbery ,burglary at residential premises and assault with the intent to inflict grievous bodily harm.

### **a) Sexual crimes**

Sexual crimes reported during 2010/11 were about 250 and thus puts the rate of crime at 250 .0 per 100 000 people as reflected in the graph above.

### **b) Common robbery**

Common robbery is as 180.0 per 100 000 people and 200 common robbery crime were reported during 2010/2011

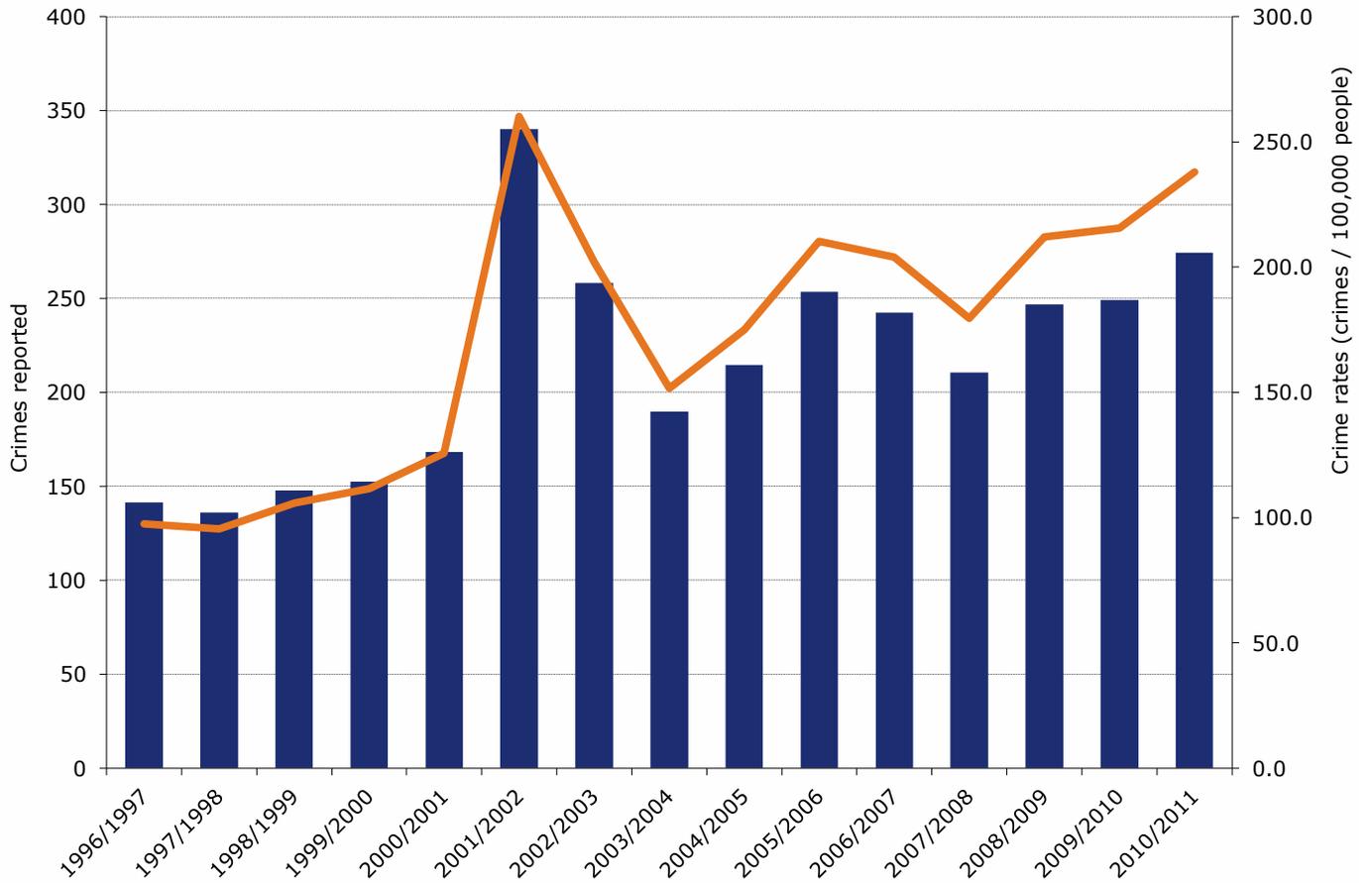
### **c) Burglary at residential premises**

Burglary at residential premises seem to be very high as more than 800 cases were reported and the rate is just below 800.0 per 100.000 people as the graph below shows

### **d) Assault with the intent to inflict**

Assault is the highest of the selected crimes. Crime of this nature reported were above 1000 and also the rate is also above 1000 per 100 000 people, see the graph below

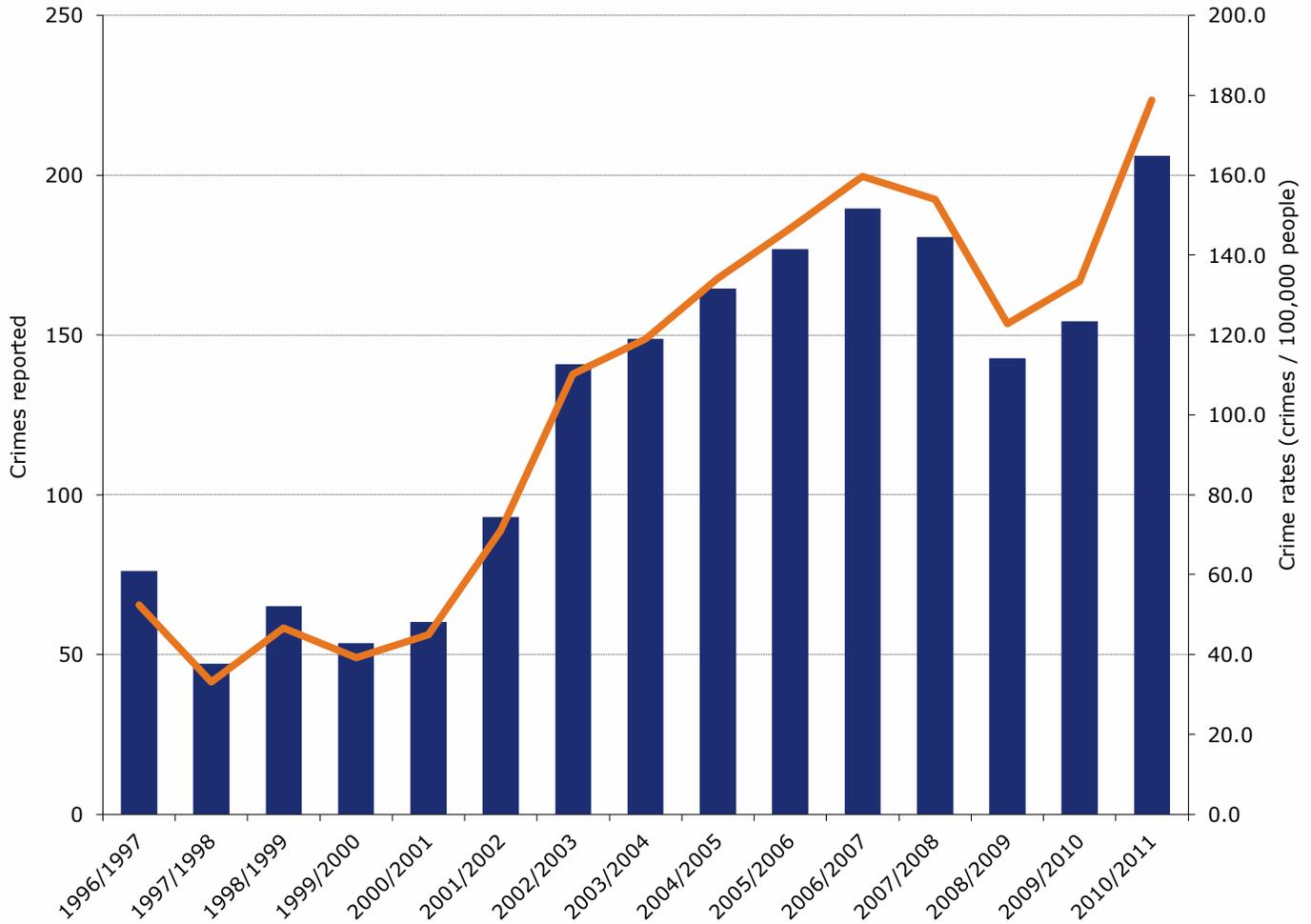
**Crime - Sexual crimes - Total  
Nkonkobe Local Municipality (EC127)**



■ Crimes reported    — Crime rate (crimes / 100,000 people)

Source: IHS Global Insight Regional eXplorer version 588

**Crime - Common robbery  
Nkonkobe Local Municipality (EC127)**

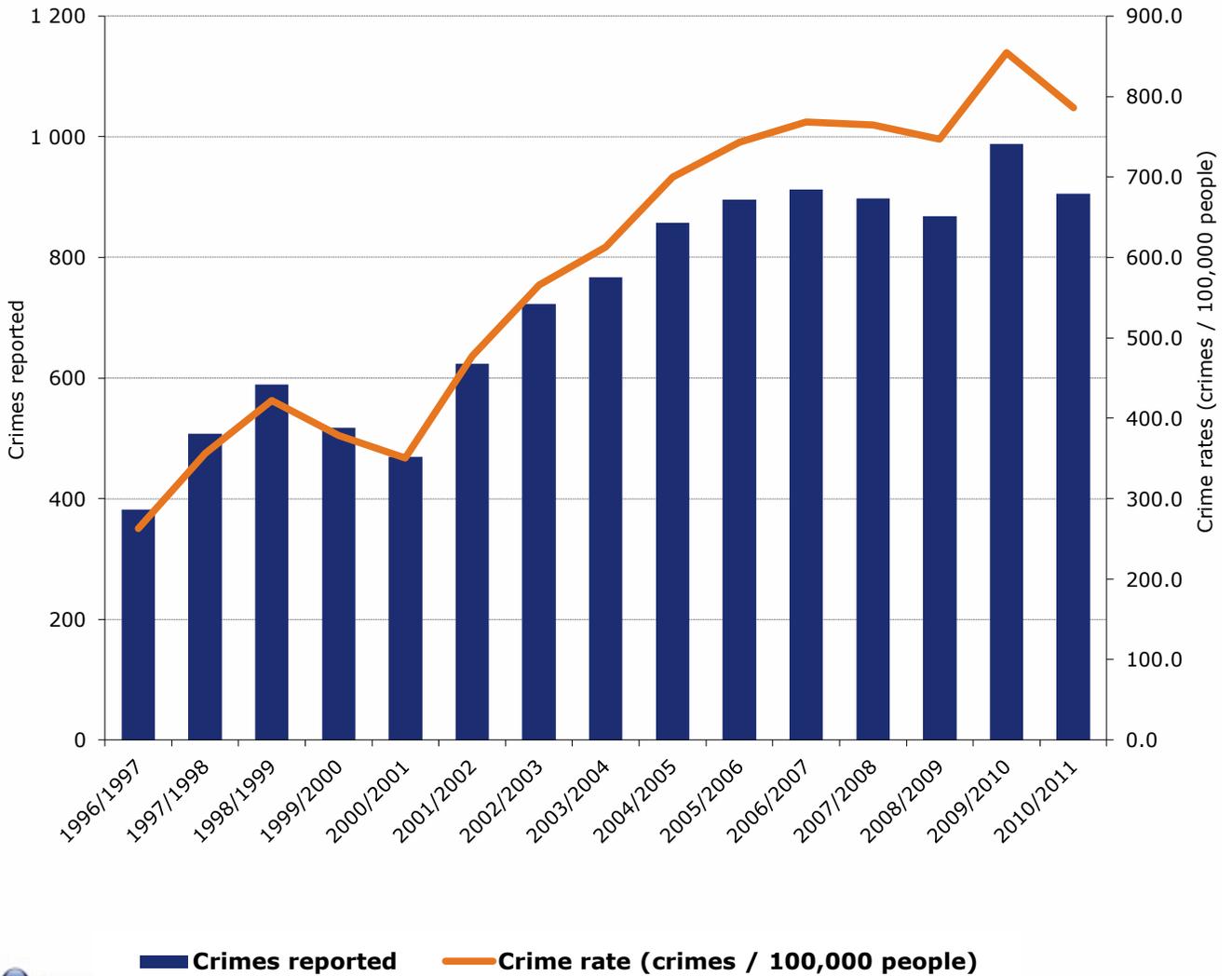


■ Crimes reported  
— Crime rate (crimes / 100,000 people)



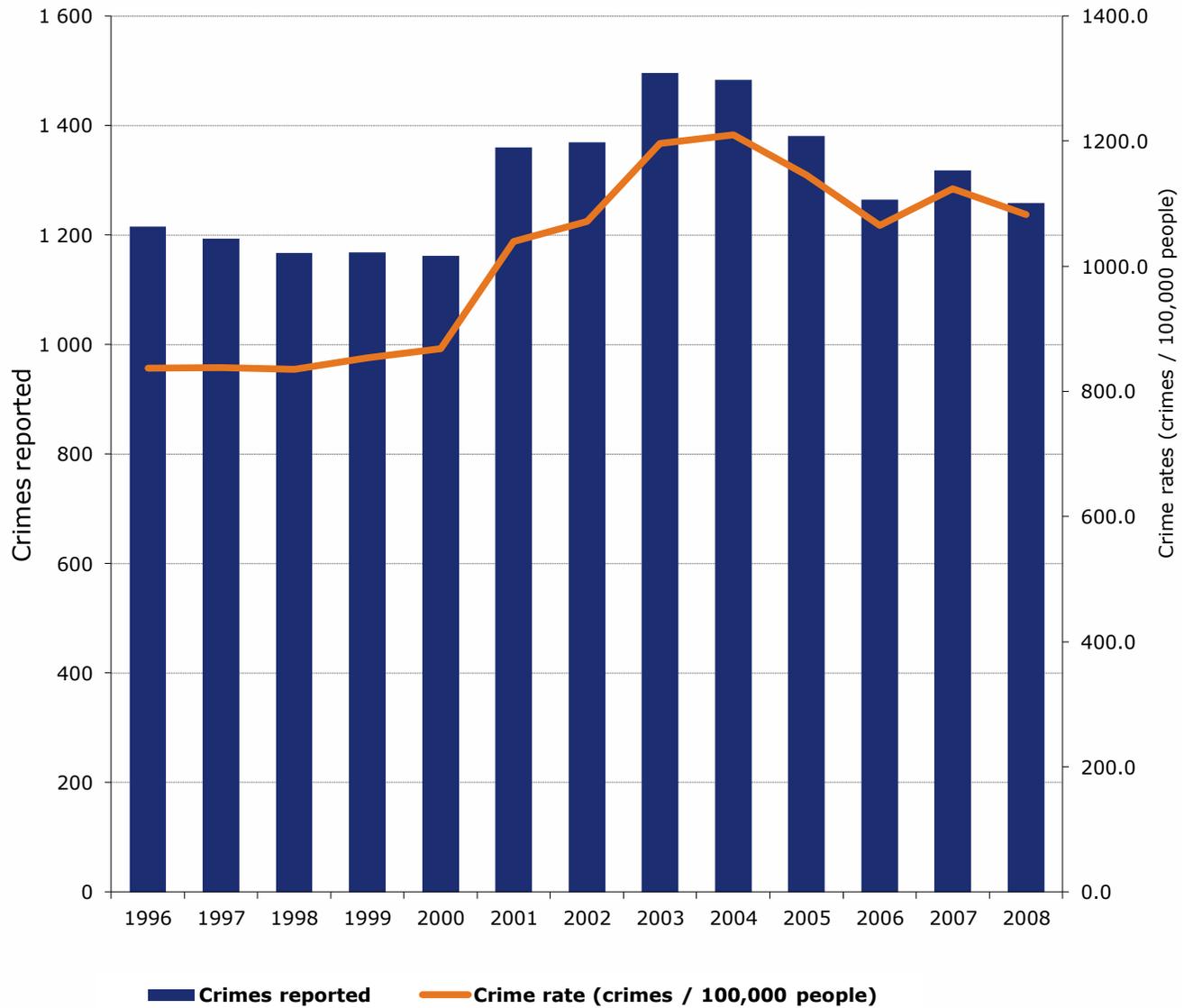
Source: IHS Global Insight Regional eXplorer version 588

**Crime - Burglary at residential premises  
Nkonkobe Local Municipality (EC127)**



Source: IHS Global Insight Regional eXplorer version 588

**Crime - Assault with the intent to inflict grievous bodily harm  
Nkonkobe Local Municipality (EC127)**



Source: IHS Global Insight Regional eXplorer version 588

## **2. LOCAL ECONOMIC DEVELOPMENT**

According to the World Bank, "Local Economic Development (LED) is the process by which public, business and non-governmental sector partners work collectively to create better conditions for economic growth and employment generation. The aim is to improve the quality of life for all."

### **Policy context for LED**

"A municipality must structure and manage its administration, budgeting and planning processes to give priority to the basic needs of the community, and to promote the social and economic development of the community."

South African Constitution (1996)

The White Paper on Local Government (1998) introduces the concept of 'developmental local government', which is defined as:

"Local government committed to working with citizens and groups within the community to find sustainable ways to meet their social, economic and material needs, and improve the quality of their lives."

### **Government's perspective on municipal LED role:**

"Local Government is not directly responsible for creating jobs. Rather, it is responsible for taking active steps to ensure that the overall economic and social conditions of the locality are conducive to the creation of employment opportunities"

Local Government White Paper (1998)

"Local Economic Development is not about municipalities or other public bodies financing small local projects from the public purse. Nor is it about Mayors, Councillors or municipal officials trying to run or manage these or even larger projects. All too frequently these have been initiated without real business plans or any serious notion of sustainability and they only last and provide temporary employment for as long as the public grant, which created them, lasts".

LED Guidelines (2005)

Nkonkobe Municipality has through many initiatives strived to strengthen the local economic development within the area as informed by the mentioned legislations. Nkonkobe local municipality has taken a decision to develop a Local Economic Development Strategy in an effort to streamline and accelerate service delivery. A draft socio economic profile has been developed and to be presented to the council.

## **2.1 Agriculture**

Local Government White Paper and the Constitution of the Republic of South Africa state that “No country today can effectively meet its challenges unless the components of government function as a cohesive whole. This involves:

- Collectively harnessing all public resources behind common goals and within a framework of mutual support.
- Developing a cohesive, multi-sectoral perspective on the interests of the country as a whole and respecting the discipline of national goals, policies and operating principles.
- Coordinating their activities to avoid wasteful competition and costly duplication
- Utilizing human resources effectively.
- Settling disputes constructively without resorting to costly and time-consuming litigation.
- Rationally and clearly dividing between them the roles and responsibilities of government, so as to minimize confusion and maximize effectiveness.

The municipality has been working very close with Government departments. The Department of Agriculture through its Agricultural programmes namely; Siyazondla, Comprehensive Agricultural Support Programme (CASP), Citrus Production and King Sandile Development Trust projects (KSDT) has played a big role on the development of the Nkonkobe Municipal area. A large number of communities in various wards of the municipality who were confronted by poverty and unemployment benefited from these projects. Siyazondla beneficiaries are able to consume fresh vegetables from their home gardens and also able to sell the surplus produce to the surrounding communities at low costs. The Siyazondla project slightly curbed the dependency syndrome where communities were in the past heavily dependent on government for continuous assistance. Siyazondla project a government initiative will expand to benefit more communities for as long as communities are able to sustain their projects.

### **2.1.1 Siyazondla 2010/11**

#### **Budget R325000.00**

The following villages(15households/village) benefited from our Siyazondla funding (Zixinene ,Nceraward 11, Ngqele, Zibi from ward 15,Nonaliti from ward 19,Washington ward 14,Msobomvu ward 12, Mxhelo,Gaga ward 20,Hopefield,Khayaletu ward 10, Balura,Phumlani ward 13,Alice town ward 5, Ncera ward 11,Mpolweni ward 3, Wezo, Lushington, Tyatyora, Healdtown ward 7, Tinisi ward 21, Balfour,Phillipton, Kolomane, Seymour 4-H,Katberg 4-H ward 9, Upper Blinkwater,Toll ward 8

## **Siyazondla 2011/12**

The following villages benefited this financial year (15 households/villages) Hala (ward10),Francis (ward15),Buxton and Picardy (ward 8),Mfiki (ward 16),Saki (ward 17),Mxumbu (ward 18) Qibira (ward 1),Lamyeni (ward 7),Mdeni(ward 8),Mpolweni(ward3),Ntilini (ward 8)

### **2.1.2 CASP**

The Comprehensive Agricultural support Programme (CASP) was also allocated a huge budget and prioritizations were more biased to Land Reform beneficiaries and also on the economic impact that the project will have to the beneficiaries. Old and new shearing sheds were renovated with woolgrowers gaining on their produce, which has improved to a large degree. A shearing shed at Sompondowasconstructed by Amathole District Municipality and more than 12600 sheep are shorne. Shearers and sorters have been trained. Farmers are organised and they have formed a structure: Nkonkobe Farmers Association .Kolomane woolgrowers are members of NWGA and they have benefited from the Ram Exchange programme. Department has terminated its contract on Ram Exchange Program with National Wool Growers Association and these services will be done inhouse.

### **CASP 2010/11: Budget R1, 5M**

Orders for construction of Windturnbines (Boreholes) have been issued to the contractor, work is due to start in November and be completed by end of March. The following are the villages to be assisted Ndindwa,Pewuleni, Sityi, Ngqele, Perksdale, Lamyeni, Khala, Msobomvu, Joe, Sheshegu, Kwezana West.

### **CASP 2011/12 – Budget R1, 375 000**

1. R1m- for fencing of LRAD Project (25km) inMxhelo.
2. R275000.00- for renovation of 2 Dipping in Middledrift and Njwaxa

### **2.1.3 Land Care 2010/11 –Budget R450 000.00**

The project focused on Land Reclamation, 46 people were employed for 3 months at a rate of R65.00 /person/day

### **Land Care 2011/12 -Budget R580000.00**

46 people employed to eradicate jointed Cactus,

### **2.1.4 Cattle Production Scheme**

There are five LRAD Projects fenced, with only one Communal project that is fenced, while the number of commonages stands at zero. The total km fenced is 60 km which was costing to R3 million. The only challenge with LRAD projects is that commonages are not fenced due financial constraint. This financial year 25km fence will be constructed at one of the LRAD farm in Mxhelo.

### **2.1.5 Citrus Production**

Revitalization of citrus in Nkonkobe is of essence, as Citrus is a major contributor in the economic development of the area and it employs workers that are permanent and seasonal base. A number of high value crops have been identified by numerous scientific studies that have been carried out in the Nkonkobe Municipal area namely paprika, olives and essential oils. Alice fresh produce market has been constructed for all the marketing of vegetables in the area. In 2006/07 the government started the process of revitalization, through infrastructural support. To date the National Minister has given an approval for farmers to be able to buy these farms taking in to consideration of lease payments that they have already paid, which means purchasing price less lease contributions and currently the lawyers are processing their title deeds. Total number of beneficiaries are 21 farmers, Total number of 520 hectares is to be revitalized ,240 hectares has been revitalized to date i.e. removal of old trees, soil preparations, replacement of old irrigation system with new, planting of new tree seedlings and 280 hectares are still outstanding.

Industrial Development Cooperation (IDC) has played a huge role in financing the 11 farmers and a community citrus business through loans. The farmers who are benefiting for now from IDC Funding are those who are mentored by Riverside. Battlesden citrus Business has received a loan of R2m this Financial year from IDC. Planting of new trees has begun during this month of October.

New Recapitalisation Program by National Department of Rural Development and Land Reform has been introduced to fully rehabilitate the farms giving priority the financially distressed farms. To date business plans of 2 citrus farms had been approved by Provincial Screening Committee to access R3m funding for next financial year. To date 2 citrus farmers have received title deeds whilst for the rest of the farms lawyers are finalizing the total transfers to the farmers.

### **2.1.6 Massive Food Production 2010/11**

#### **Budget R1000 000.00 (Production inputs & Chemicals)**

20 Citrus farmers who are members of Alice/Kat Citrus Thrust have benefited from the budget allocation, The production inputs were delivered to beneficiaries but arrived very late due to procumbent system.

This financial year 2011/12 an amount of R1m has also been allocated to 20 farmers for production inputs.

### **2.1.7 King Sandile Development Thrust Fund (KSDT)**

#### **Budget R365000.00**

A Lucerne Mower, Rake and Bailer had been purchased for the 2 Projects i.e.Katrivier Irrigation Scheme and HACCOP.

### **2.1.8 Indigenous poultry project Pilot**

Nkonkobe is one of the Municipalities in the province earmarked to pilot this project. The pilot is being coordinated by the Head Office inBisho and is being focused to Amagqunukhwebe area where 4 villages will be targeted and 40 households per village will benefit.

## 2.2 Community Based Planning

The municipality has funded 20 projects through Community Based Planning (CBP) in 2010/11 financial year. The following is the list of projects and beneficiaries:

| WARD NO | PROJECT  | LOCATION                    |
|---------|--|-----------------------------|
| 1       | Siyalinga Agricultural   | Zalaze                      |
| 2       | Gaga Poultry   | Gaga                        |
| 3       | Masizame Poultry   | Tyoks Valley                |
| 4       | Sokwakhana Co-op   | Ntoleni                     |
| 5       | Phuhlisani Poultry   | Chamama                     |
| 7       | Nomzamo Poultry  | Rwantsana                   |
| 8       | Cape Missionary Institute Primary Co-op<br>Thembalabantu Community Co-op | Newtown<br>Lower Blinkwater |
| 9       | Vukuzenzele<br>Masakhane Poultry   | Phillipton<br>Blackwoods    |
| 10      | Makhuzeni Youth  | Makhuzeni                   |
| 11      | Ncera Poultry  | Ncera                       |
| 12      | Masiphathisane   | Bergplaas                   |
| 13      | Sophumelela  | Gxwederha                   |
| 14      | Phuhlisa Poultry   | Qhomfo                      |
| 15      | Ithemba Clean & Green Co-op  | Ntselamanzi                 |
| 16      | Masimanyane Primary Co-op  | Ngele                       |
| 17      | Sakhi Poultry  | Saki                        |
| 18      | Khanyisa Poultry   | Mnqaba                      |
| 19      | Someleza Poultry   | Ntonga                      |

|    |              |            |
|----|--------------|------------|
| 20 | Elethullinge | Dorrington |
|----|--------------|------------|

### 2.3 Alice Fresh Produce Market

The market was meant to be utilized by all farmers within the area for selling of their produce. It was supposed to gain the support from the local businesses and hawkers within the area and beyond with a huge potential that was identified but it is not performing at its maximum best as expected

### 2.4 Tourism

Nkonkobe municipality prides itself for world - class tourist destinations namely; Hogsback, Katberg, Mpofu and the Double Drift Game Reserves to mention just a few, the battle fields of the Frontier wars, the battles of the Axe and Amalinda, It cuts across water streams of the AmaGqunukhwebe tribe and to the popular sites of our rich heritage like Lovedale College across the Thyume river and the University of Fort Hare in Alice which have both produced heroes and heroines, great sons and daughters of Africa in Dr.TengoJabavu, Prof. Z.K. Matthews, Nelson Mandela, Oliver Tambo, Julius Nyerere, Robert Mugabe, Seretse Kama, Robert Sobukwe, Thabo Mbeki (the list is long). In the local front, Nkonkobe Municipality has provided 3 past Premiers for the Eastern Cape in the late Raymond "Oom Ray" Mhlaba, MakhenkesiStofile and NosimoBalindlela.

The Tourism sector within Nkonkobe Municipal area is clustered according to accommodation, heritage, hiking trails, cultural villages, craft and tour guiding. The Tourism sector is not accounted for in the Census statistics in terms of performance. Many studies that have been undertaken in the Nkonkobe Municipal area reveals that the Tourism sector is one of the sectors that seems to possess a strong potential to regenerate the economy of the Nkonkobe Municipal area. A craft center and cultural villages in Ngcabasa was constructed.

#### 2.4.1. Tourism Supply

Nkonkobe Local Municipality has a small selection of accommodation available to the visitor. This includes country hotels, town-based guest houses and B&B's, guest farms (farm stays), guest cottages, game farms, lodges and facilities for camping / caravanning. In most categories, there is a relatively limited selection of different establishments. The majority (79%) of the establishments are located in and around Hogsback (53%) and Fort Beaufort (25%).

The number of accommodation establishments is shown in Table 5. The number of formal tourist beds in Nkonkobe Local Municipality and their measured average bed occupancies, divided into the categories of accommodation, is shown in Table 6.

**NKONKOBÉ LOCAL MUNICIPALITY TOURIST ACCOMODATION ESTABLISHMENT IN 2011**

| Accommodation Type            | Type Number of Establishments in Nkonkobe Total |          |               |           |          |          | Total Number of Establishments in Nkonkobe |
|-------------------------------|---|----------|---------------|-----------|----------|----------|--|
|                               | Alice   | Balfour  | Fort Beaufort | Hogsback  | Katberg  | Seymour  |  |
| Hotels                        | 0   | 0        | 2             | 3         | 1        | 0        | 6  |
| Bed & Breakfast               | 1   | 0        | 5             | 8         | 0        | 0        | 14   |
| Lodges                        | 0   | 4        | 0             | 0         | 0        | 0        | 4  |
| Guest Houses                  | 1   | 0        | 1             | 3         | 0        | 0        | 5  |
| Self-Catering                 | 8   | 0        | 10            | 26        | 0        | 1        | 45   |
| Country house                 | 0   | 0        | 1             | 0         | 0        | 0        | 1  |
| Backpacker & Hostelling       | 0   | 0        | 0             | 2         | 0        | 0        | 2  |
| Caravan parks & camping sites | 0   | 0        | 1             | 0         | 0        | 0        | 1  |
| <b>Total</b>                  | <b>10</b>                                       | <b>4</b> | <b>20</b>     | <b>42</b> | <b>1</b> | <b>1</b> | <b>78</b>                                  |

(Source: Kyle Business Projects, 2011)

**Table 5: The tourist accommodation establishments in the Nkonkobe municipal area.**

| Accommodation Type | Type Number of Establishments in Nkonkobe Total |         |               |          |         |         | Total Number of Establishments in Nkonkobe | Average bed occupancy rate |
|--------------------|---|---------|---------------|----------|---------|---------|--|----------------------------|
|                    | Alice   | Balfour | Fort Beaufort | Hogsback | Katberg | Seymour |  |                            |
| Hotels             | 0   | 0       | 48            | 132      | 192     | 0       | 372  | 20.00%                     |
| Bed & Breakfast    | 27  | 0       | 85            | 44       | 0       | 0       | 156  | 20.00%                     |
| Lodges             | 0   | 41      | 0             | 0        | 0       | 0       | 41   | 20.00%                     |
| Guest Houses       | 4   | 0       | 10            | 21       | 0       | 0       | 35   | 20.00%                     |

|                               |            |           |            |            |            |          |             |               |
|-------------------------------|------------|-----------|------------|------------|------------|----------|-------------|---------------|
| Self-Catering                 | 82         | 0         | 72         | 298        | 0          | 8        | 460         | 20.00%        |
| Country house                 | 0          | 0         | 8          | 0          | 0          | 0        | 8           | 20.00%        |
| Backpacker & Hostelling       | 0          | 0         | 0          | 191        | 0          | 0        | 191         | 20.00%        |
| Caravan parks & camping sites | 0          | 0         | 8          | 0          | 0          | 0        | 8           | 20.00%        |
| <b>Total</b>                  | <b>113</b> | <b>41</b> | <b>231</b> | <b>686</b> | <b>192</b> | <b>8</b> | <b>1271</b> | <b>20.00%</b> |

#### 2.4.2. Tourism Demand

Tourism demand in the Nkonkobe municipal area is measured through the average number of tourist bednights sold over the period of a year. This data, derived from the number of beds and the average occupancies, is shown in Table 7.

#### Nkonkobe Local Municipality tourist accommodation occupation & bednights sold

| Accommodation type            | Number of beds in Nkonkobe LM | Estimated average bed occupancy Nkonkobe LM | Bednight sold per annum 2010 |
|-------------------------------|-------------------------------|---|------------------------------|
| Hotels                        | 372                           | 20.00%                                      | 27,156                       |
| Bed & Breakfast               | 156                           | 20.00%                                      | 11,388                       |
| Lodges                        | 41                            | 20.00%                                      | 2,993                        |
| Guest Houses                  | 35                            | 20.00%                                      | 2,555                        |
| Self-Catering                 | 460                           | 20.00%                                      | 33,580                       |
| Country house                 | 8                             | 20.00%                                      | 584                          |
| Backpacker & Hostelling       | 191                           | 20.00%                                      | 13,943                       |
| Caravan parks & camping sites | 8                             | 20.00%                                      | 584                          |
| <b>Total</b>                  | <b>1,271</b>                  | <b>0.00%</b>                                | <b>92,783</b>                |

Table 7: The tourist accommodation number of beds, average occupancies and average bednights sold in the Nkonkobe municipal area.

Although the number of bednights sold is the real measure of the performance of the tourism sector in an area, as it is from overnight stays that the real economic benefit is derived, to evaluate the potential market for a tourist attraction it is more relevant to obtain a measure of the estimated number of visitors (foreign and local tourists, VFR and non-VFR) which visit an area. This is calculated in Table 8.

**NKONKOBE - ESTIMATED ANNUAL TOURIST VOLUMES 2010**

|                             |               |
|-----------------------------|---------------|
| <b>Total bednights sold</b> | <b>92 783</b> |
|-----------------------------|---------------|

| <b>NATURE BASED</b>  |                |
|--|----------------|
| <b>NAME</b>  | <b>AREA</b>    |
| Great Fish River Reserve   | Alice          |
| Hiking Trails at Katberg Forest  | Balfour        |
| Mpofu Game Reserve   | Balfour        |
| Fort Fordyce Nature Reserve  | Fort Beaufort  |
| Hiking Trails at Fort Fordyce Nature Reserve                                 | Fort Beaufort  |
| Oak Tree at Picnic Site  | Fort Beaufort  |
| Rock Climbing  | Fort Beaufort  |
| Hogsback Park  | Hogsback       |
| Hiking Trails  | Seymour        |
| Horse Trails   | Seymour        |
| Bednights sold to foreign tourists (10.06%)                                  | 9,334          |
| Bednights sold to local tourists (89.94%)                                    | 83,449         |
| <b>Total number of non VFR tourists</b>                                      | <b>51 ,051</b> |
| Total number non-VFR foreign (ave length of stay 1 night )                   | 9,334          |
| <b>Total number of non-VFT local tourists (ave length of stay 2 nights )</b> | 107,293        |

|   |                 |
|---|-----------------|
| Est total number of VFR (25.1% of foreign tourist ) | 3,128           |
| Est total number of VFR (71.4% of local tourist )   | 104, 165        |
| <b>Est Total Visitors</b>                           | 158, 352        |
| Est Total foreign visitors                          | 12 ,462         |
| Est Total local visitors                            | 145,890         |
| <b>Estimated Total number of visitors</b>           | <b>158 ,352</b> |

(Source: Kyle Business Projects, 2011)

**Table 8: The estimated annual tourist volumes in the Nkonkobe municipal area.**

The visitor attractions in the different areas in the Nkonkobe municipal area are identified and characterized as nature-based, arts and crafts, heritage & history, and other types of attraction, in table 9

| <b>ARTS &amp; CRAFT</b>        |               |
|--------------------------------|---------------|
| <b>NAME</b>                    | <b>AREA</b>   |
| Alice Crafters                 | Alice         |
| Lilliput Crafters              | Alice         |
| Lukhanyiso                     | Alice         |
| SiyagayaMakhosikazi            | Alice         |
| Siyavuka Project               | Alice         |
| Sophumelela Women's Project    | Fort Beaufort |
| Amathole Crafts                | Hogsback      |
| The Little Studio at Moonshine | Hogsback      |

(Source: Kyle Business Project)

| <b>HERITAGE &amp; HISTORY</b>                               |               |
|---|---------------|
| <b>NAME</b>   | <b>AREA</b>   |
| Doctor John Knox Bokwe Graves                               | Alice         |
| Fort Hare University  | Alice         |
| Fort Woburn   | Alice         |
| Galla Slave's Grave   | Alice         |
| Lovedale College  | Alice         |
| Nkonkobe Garden of Remembrance                              | Alice         |
| Place of Worship  | Alice         |
| Dutch Reformed Church                                       | Balfour       |
| Fort Armstrong  | Balfour       |
| Hertzog Church  | Balfour       |
| Maqoma' s Great Place                                       | Balfour       |
| Ntsikana's Grave  | Balfour       |
| Olive Shreiner's House                                      | Balfour       |
| Phillipton Mission  | Balfour       |
| AGS Church  | Fort Beaufort |
| Dutch Reformed Mission Church                               | Fort Beaufort |
| Emgwenyeni  | Fort Beaufort |
| Fort Beaufort Historical Musuem                             | Fort Beaufort |
| Fort Fordyce Fallen Site                                    | Fort Beaufort |
| Grave of the "Hottentot" victim of the war 1846             | Fort Beaufort |
| Graves of 3 British Soldiers at Fort Fordyce Nature Reserve | Fort Beaufort |
| Graves of 4 British Soldiers at Fort Fordyce Nature Reserve | Fort Beaufort |

|                             |               |
|-----------------------------|---------------|
| Holy Trinity Church         | Fort Beaufort |
| Independent Church          | Fort Beaufort |
| Infantry Barracks           | Fort Beaufort |
| Lakeman's Fort              | Fort Beaufort |
| Lord Charles Somerset House | Fort Beaufort |
| Masonic Lodge               | Fort Beaufort |
| Martello Tower 1837         | Fort Beaufort |
| Mater Hill 1860             | Fort Beaufort |
| Mfengo Position             | Fort Beaufort |
| Military Musuem 1837        | Fort Beaufort |
| Military Hospital           | Fort Beaufort |
| Officers' Quarters          | Fort Beaufort |
| Presbyterian Church         | Fort Beaufort |
| Rev.Williams' Grave         | Fort Beaufort |
| St John's Anglican Church   | Fort Beaufort |
| The Fort                    | Fort Beaufort |
| The Fossil                  | Fort Beaufort |
| Officers' Mess              | Fort Beaufort |
| Toposcope at Fort Fordyce   | Fort Beaufort |
| Victoria Bridge             | Fort Beaufort |
| Healdtown College           | Healdtown     |
| Ecology Shrine              | Hogsback      |
| Fort Michel                 | Hogsback      |
| Elands' Post                | Hogsback      |

|                                 |                |
|---------------------------------|----------------|
| The Residency Sundial           | Seymour        |
| Christmas Day Massacre Memorial | Woburn Village |
| Tyalis' Grave                   | Woburn Village |
| Woburn Post                     | Woburn Village |
| Dr Stuart Monument              | Woburn Village |
| Piet Retief House               |                |
| Piet Retief Memorial Stone      |                |
| Post Retief                     |                |

(Source: Kyle Business Project, 2011)

| <b>OTHER</b>                                 |               |
|--|---------------|
| <b>NAME</b>                                  | <b>AREA</b>   |
| Hobbiton Outdoor Education Centre            | Hogsback      |
| Labyrinth                                    | Hogsback      |
| BaddafordFarmstall                           | Fort Beaufort |
| Nkonkobe Publicity Association Fort Beaufort | Fort Beaufort |
| Fort Beaufort Golf Club/Course               | Fort Beaufort |
| Hogsback Bowling Green                       | Hogsback      |
| Hogsback Golf Driving Range                  | Hogsback      |
| Balfour Visitor Information Office           | Balfour       |
| Amathole Mountain Escape                     | Fort Beaufort |
| Hogsback Tourism Office                      | Hogsback      |
| Katberg Eco Golf Estate & Hotel              | Katberg       |
| Kattour Publicity Office                     | Fort Beaufort |

(Source: Kyle Business Projects, 2011)

| <b>Festival and Events in the Nkonkobe Local Municipality</b> |                   |              |
|---|-------------------|--------------|
| <b>Festival/Event</b>   | <b>Activities</b> | <b>Month</b> |
| Hogsback Arts Festival, Hogsback                              | Family            | September    |
| Hogsback Spring Festival                                      | Family            | September    |
| Christmas in July   | Family            | July         |

(Source: Kyle Business Projects, 2011)

#### **2.4.5. Nkonkobe Local Municipality Heritage Management**

Although the Nkonkobe Local Municipality has benefitted from funding for projects related to heritage, notably the Amathole Heritage Initiative and the Commonwealth Local Government Forum (through the Oxfordshire Twinning Project), the projects undertaken have not been sustainable due to the lack of suitably-qualified and dedicated resources within the Local Municipality to focus on the sector.

As part of the implementation of the Amathole Heritage Initiative, the Visitor Information Center in Alice was constructed, and established as a key point for the heritage route. Identified heritage sites on the Maqoma Route within the Local Municipality were rehabilitated.

The Oxfordshire twinning project resulted in the development of a database of heritage products and sites in the area, and incorporation of these into a GIS database to facilitate their development as a portfolio of heritage tourism products.

#### **Current Status of the Heritage Products in the Study Area**

- The bulk of the heritage sites / products date from the Frontier Wars / Wars of Dispossession era;
- The sites are mainly historical buildings and sites (forts, barracks, graves, battlefield sites etc) relating to the activities and sites of the settlers. The sites and activities of the Xhosa residents of the time are not yet adequately represented to provide a balanced and neutral view of the events;
- The focus of the heritage sites (i.e. the storyline at each site) is still biased towards the "Frontier Wars", and does not present an unbiased view of the events of the time. Visitors should be given the historical facts, and allowed to draw their own understanding and conclusions.
- Heritage structures are generally largely deteriorated due to lack of maintenance, and require significant remedial maintenance in order to be saved from complete destruction;
- Directional signage and interpretive signage, where it exists, is severely deteriorated. This includes site-specific interpretive signage installed as part of the Amathole Heritage Initiative in 2006;
- There is no visitor-accessible self-guided route through the heritage inventory of the area.

## **2.6 Visitor Information Centres**

Nkonkobe municipality has three operating visitors information centres, one in Alice, Hogsback and the other in Balfour. These were built as part of Amathole heritage route. The municipality is in the process of building another one in Debenek. The Arts and craft centre is in the process of being converted into Nkonkobe museum to house the heritage of this area. The Arts craft shop has been leased to the Arts and Craft group called Abantu Arts.

## **2.7 Local Tourism Organizations**

Nkonkobe Municipality has successfully established the Local Tourism Organisation that is a structure that will drive tourism within the Municipality. The structure is working hand in hand with the municipality and the way it is constructed it includes all sub sectors within the area. The structure is constituted by various Community Tourism Organisations that have products to offer in the sector except for Middledrift. Various initiatives are originating from the CTO's that will be implemented by the LTO those activities include the annual event by Hogsback CTO Christmas in July. The municipality has got to influence the event for the benefit of all product owners. The advantage of the event is that it already attracts people from all areas even beyond the municipal area, but the municipality needs to ensure that the event accommodates all.

## **2.8 LED Forum**

The municipality has established the LED forum for all stakeholders to participate in local economic development issues within the area. The LED forum is composed of sector departments, state institutions such as NEDA, local businesses, NGOs and Labour.

### **2.8.1 LED Strategy**

#### *Summary of Local Economic Development Strategy for Nkonkobe Local Municipality*

Nkonkobe Local Municipality has developed a Local Economic Development (LED) strategy in order to stimulate the local economy and therefore assist in providing a livelihood for the inhabitants of the municipality. Nkonkobe municipality has identified key areas which have potential to assist in the stimulation of economic activity as a starting point of their LED strategy. There are nine major economic sectors in the Nkonkobe municipality which include the following:

- Agriculture
- Mining and quarrying
- Manufacturing
- Electricity, gas and water supply
- Construction
- Wholesale and retail trade
- Transport, storage and communication

- Financial intermediation, insurance, real estate and business services
- Government and Community Services

The table beneath lists these nine major sectors together with other economic activities and the Gross Value Added (GVA) of each sector. Gross Value Add (GVA) is an important indicator of economic activity, since it communicates the value of all final goods and services, produced during one year, within the boundaries of a specific region.

## GVA per Sector

| Industry  | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 |
|---|------|------|------|------|------|------|------|------|------|------|
| Agriculture, forestry and fishing                 | 50   | 44   | 44   | 44   | 39   | 45   | 46   | 49   | 47   | 49   |
| Mining and quarrying                              | 1    | 2    | 2    | 2    | 2    | 3    | 3    | 3    | 3    | 3    |
| Food, beverages and tobacco                       | 8    | 7    | 6    | 6    | 6    | 6    | 6    | 5    | 5    | 5    |
| Textiles, clothing and leather goods              | 17   | 16   | 16   | 15   | 13   | 13   | 12   | 12   | 11   | 11   |
| Wood, paper, publishing and printing              | 23   | 22   | 20   | 18   | 17   | 15   | 14   | 13   | 11   | 11   |
| Petroleum products, chemicals, rubber and plastic | 8    | 7    | 7    | 7    | 7    | 7    | 7    | 6    | 6    | 6    |
| Other non-metal mineral products                  | 5    | 5    | 5    | 4    | 4    | 4    | 4    | 4    | 3    | 3    |
| Metals, metal products, machinery and equipment   | 13   | 13   | 13   | 13   | 13   | 13   | 12   | 13   | 10   | 10   |
| Electrical machinery and apparatus                | 1    | 1    | 1    | 1    | 1    | 1    | 1    | 1    | 1    | 1    |
| Transport equipment                               | 2    | 1    | 1    | 1    | 1    | 1    | 1    | 1    | 1    | 1    |
| Furniture and other manufacturing                 | 28   | 25   | 24   | 23   | 22   | 22   | 20   | 20   | 15   | 15   |
| Electricity                                       | 17   | 13   | 14   | 14   | 14   | 13   | 12   | 12   | 11   | 11   |
| Water   | 6    | 5    | 5    | 6    | 6    | 6    | 6    | 6    | 5    | 5    |
| Construction                                      | 23   | 20   | 26   | 28   | 31   | 35   | 40   | 45   | 50   | 53   |
| Wholesale and retail trade                        | 134  | 137  | 144  | 159  | 178  | 197  | 216  | 229  | 236  | 246  |
| Catering and accommodation services               | 15   | 17   | 18   | 20   | 22   | 24   | 26   | 27   | 28   | 29   |
| Transport and storage                             | 33   | 33   | 34   | 37   | 40   | 42   | 45   | 46   | 46   | 48   |
| Communication                                     | 7    | 7    | 7    | 7    | 8    | 10   | 10   | 11   | 12   | 13   |
| Finance and insurance                             | 74   | 74   | 81   | 90   | 102  | 119  | 138  | 163  | 168  | 182  |
| Business services                                 | 71   | 73   | 80   | 87   | 94   | 97   | 102  | 105  | 107  | 110  |
| Community, social and personal services           | 222  | 212  | 217  | 212  | 214  | 221  | 229  | 231  | 232  | 236  |
| General government                                | 430  | 407  | 400  | 394  | 403  | 406  | 411  | 420  | 426  | 429  |

Source: ECSECC Socio-economic Database, 2010

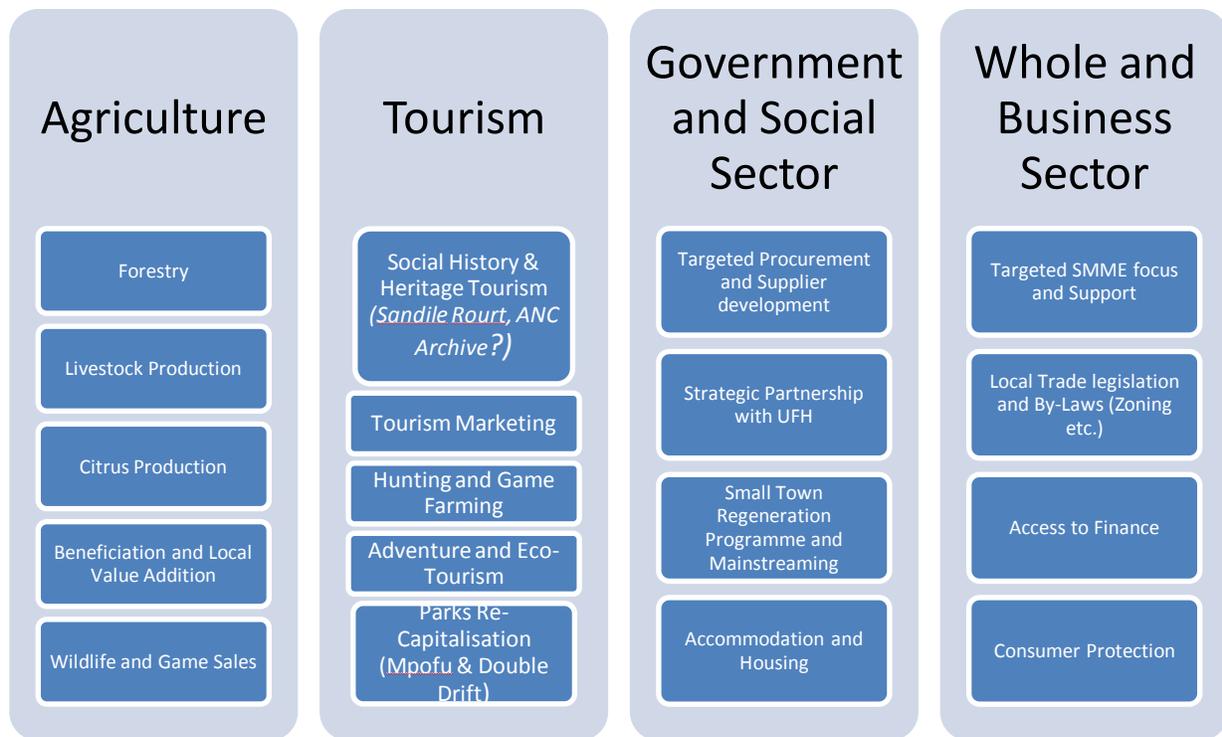
General government services dominate the local economy of Nkonkobe, followed by: wholesale and Retail Trade; Community, Social and Personal Services; Finance and Insurance; Business Services; and Construction. Agriculture, Forestry and Fishing appear to contribute minimally to the economy of the region in terms of GVA, however there are significant opportunities for this economic sector to contribute significantly to the LED strategy of the municipality.

**LED strategic Framework**

The diagram beneath depicts the overall strategic vision for the municipality in terms of implementing a viable LED strategy. From the diagram we can see that Nkonkobe municipality has identified four pillars which will underpin the strategy, namely: Agriculture, Tourism, Government and Social Sector and Whole business Sector. Each pillar has a number of relevant drivers/priority interventions which have been designated as areas which have the potential to stimulate the local economy.

In order for these sectors to be viable, the municipality has recognised the importance of a number cross-cutting issues depicted in the arrow figure beneath, namely: Infrastructure Development, Skills Development, Good Governance and responsive local government. These issues cut across all the pillars and economic activities and are therefore imperative for economic stimulation.

***Vision and Strategic Framework***



***1. Infrastructure Development / 2. Skills Development / 3. Good Governance and Responsive Local Government***

## **Implementation and Resource Management Plan**

The implementation and resource management plan contains all the strategic objectives and priority interventions that the municipality seeks to implement within its LED strategy. The strategic objectives and intervention priorities are categorised according to the strategic goals that they respond to. There are five strategic goals in the LED strategy which include the following:

1. A municipal area characterised by infrastructure and facilities that enables sustained economic development.
2. A thriving agricultural sector which facilitates agribusiness growth and development.
3. A preferred tourism destination within the Eastern Cape Province.
4. A self-sustainable community utilising local resources and services.
5. A skilled and learned community contributing to the development of Nkonkobe.

The implementation resource plan further lists the specific programmes and projects which speak to the fulfilment of the strategic objectives and goals and also elaborate upon how much funding will be made available for programmes and projects. Furthermore the plan outlines the source of the funding and the timelines associated with the projects.

## **Resource Mobilisation**

Nkonkobe's LED strategy shall also seek to mobilise resources from a number of different sources such as different government departments, this will require an Intergovernmental Strategy in order to harness the resources that could be made available by provincial and national departments. In addition, the LED strategy will also require the strengthening of existing partnerships and the completion of new ones. The Private sector and the academic sector are two examples of potential partnerships which could add great value to the LED strategy.

## **Institutionalisation of the LED**

The Nkonkobe municipality has made efforts to institutionalise the LED through holding workshops that encourage participation of various stakeholders in the formulation of the strategy. The stakeholders come from various sectors including local government, government departments, business, farming community, civil society, universities/colleges and the local community. This is in line with the Thina Sinako Guide for Developing a Local Economic Development Strategy which basically advises that the LED Strategy development process needs to be inclusive and encourage maximum participation.

## **Monitoring and Evaluation**

The Nkonkobe LED process makes provision for monitoring and evaluation in order to ensure that the process achieves the goals and objectives that it seeks to achieve and to also track the progress of the various programmes and projects. To this end the Implementation and resource management plan becomes very important as it details all the programmes and projects that the LED strategy seeks to implement. Nkonkobe already possess a monitoring and evaluation framework which will be applied to the LED strategy. In addition the municipality's Performance Management Strategy shall also inform the process of M&E with regards to the LED strategy.

## **2.9. Nkonkobe Economic Development Agency**

Nkonkobe Economic Development Agency hereinafter referred to as NEDA was established by Nkonkobe Municipality in the year 2002. It is registered as a Section 21 Company and with the advent of the Amendments to the Municipal Systems Act it is yet to be converted into a Pty (Ltd).

The Agency was established along the principles of Agency that are in operation in the world. The decision had to be made on whether it is going to be precinct-based agency or sector focused agency. The decision was made that the Agency will be neither of the two but it would rather be assuming the middle ground. The rationale behind that approach was the fact that the Agency has been expected to operate in a relatively small area. The implications of the space constraints to the Agency were mainly the bases on its ability to create a critical mass. It has thus looked into projects in all the sectors and geographic pockets of the Nkonkobe Municipal area.

However it should be noted that the Agency's area of operation has always been characterised by a strong dominance of rural inclined economic sectors. Agriculture has always been and it still is the lead sector. In an economic turnaround it is extremely important that a balance is struck between the long term agenda which must have strong sustainability elements and the short term agenda which is mainly characterised by quick win projects and catalytic projects.

Another important point of emphasis regarding the strategic outlook of the Nkonkobe Economic Development Agency has been the Municipality's appreciation of its limitations.

NEDA has recently completed an OPS1 Business Plan that provides a detailed account of how it has performed in the previous two phases. This seeks to ensure that the organic linkages between the different phases are clearly illustrated and there is a sense of continuity.

In terms of that outline it is quite evident as it was also affirmed by the Audit that NEDA performed exceptionally well during the Pre Establishment, hence the swift move for pre establishment phase into the establishment phase.

However, it is quite apparent that the Agency could not sustain the momentum from the Pre Establishment phase into the Establishment Phase. In terms of the business plan that was submitted for the Establishment Phase, it was envisaged that the milestone would be realised within a period of 12 months (May 2006 – March 2007). However it is quite apparent that such objectives were not realised and as a consequence thereof, the completion of the phase was done in a period of 24 months.

This has put a lot of challenges to Nkonkobe Economic Development Agency. This is particularly important if considerations are to be given to the fact that the Agency is treated as a going concern which is continually incurring cost. This is better expressed by the budget expenditure report for the Establishment phase of Nkonkobe Economic Development Agency.

Nkonkobe Economic Development Agency has envisaged that the following projects would be fully running and profitable as and when this business plan is being submitted to the IDC Agency Development Services division:

- i. Hogsback Mineral Water – the company with whom Nkonkobe Economic Development Agency concluded an agreement was made insolvent. Subsequently the project collapsed. However, there are strong prospect of reviving the project subject to the Agency securing an operational partner. The owner of the old company is prepared to work with the new company that would take over the operation.
- ii. Seymour Quarry – There was a preliminary funding commitment from IDC which was later withdrawn. The operation has since been struggling to secure funding. Further requests have been made to ECDC for the start-up capital.
- iii. Alice Fresh Produce Market – The operation went bankrupt due to operation related deficiencies such as fork lift, computers, and trolleys; we have since accessed funding from the ADM to buy those equipments. On the other hand, the resuscitation of the initiative is at an advanced stage. Independent operators with a sound understanding of the fresh produce markets are being identified to partner with Nkonkobe Economic Development Agency. The operation will be run on contract terms; a management contract is being developed by service provider.
- iv. Cotton Production – The project collapsed because of the withdrawal of investment by the Da Gamma Textile. The withdrawal has been largely due to the challenges that were facing the textile industry particularly regarding their inability to compete with economies like China.
- v. MiddledriftBlockyard – Start-up capital could not be secured for this project. We are still waiting for a management contract to be developed; a service provider has been appointed in this regard.
- vi. DEAT Funded Project – the name of the project is EC Nkonkobe Land and Wetland Rehabilitation. It is about removal of alien vegetation and gabions construction (8 gabions) in Lushington, beautification of entrances and exits in Alice, Fort Beaufort and Seymour as well as tree planting and land scaping.

Although the Agency has attempted vigorously to focus all its energies on the initiatives outlined above, it has however not been able to register any significant progress. It was envisaged that at the time of submitting the business plan for the Ops 1 Phase, a minimum of two initiatives would have been running and as such would have reached the breakeven point.

As reported that the Agency did establish system to ensure operational stability. It is these systems that have helped ensure that the Agency is enabled to withstand the challenges of the last phase i.e. establishment phase. As far back as the pre establishment phase the Development Agency had completed all the critical instruments which included:

- i. Financial Policies
- ii. Human Resource Policies

- iii. Asset Register
- iv. Procurement Policy
- v. NEDA By Law
- vi. Articles of Association and the Memorandum of Association – the agency is still required to convert the Agency from a Section 21 Company into Pty (Ltd).

The above are extremely important documents for the smooth operations and sound administration of Nkonkobe Economic Development Agency. It is on the basis of these documents and many other applicable pieces of legislations that compliance with corporate governance will be judged on the Agency. However during the establishment phase there has been numerous challenges pertaining to the implementation of these policies. There have been adverse issues that have been raised about audit undertaken on Nkonkobe Economic Development Agency by the Agency Development Services.

It is also important to note that the Agency has been moving from an extremely shaky financial footing with the Industrial Development Corporation's grant as the main source of its funding. A lot of variations on the budget have been due to this factor. Most importantly has been its failure to secure additional funding during this phase. However there have since been significant improvements ranging from the commitment by Nkonkobe Municipality into an agreement entered into with the Department of Environmental Affairs and Tourism to the total value of R 17 million. Despite the resource constraints that the Municipality as the principal entity has been seemingly faced with, with regard to the assistance of the Agency it has demonstrated an unequivocal support to the agency which guarantees its success

As part of the new phase herein after referred to the OPS 1 phase, Nkonkobe Economic Development Agency is expected to undertake a comprehensive review of the original projects planned and determine whether they are still relevant projects to pursue. Furthermore additional projects would be identified for full implementation.

## **2.10 SMME Development**

The Cooperative Act spells out how cooperatives should operate and as such the Municipality has assisted small business in the form of training and legal registration. Both DTI and ECDC has got funding for SMME development, auditing of SMME's is of essence to ensure that the municipality has statistical information of its SMME's. A need to develop an SMME strategy is still outstanding and has to be developed for sustainable projects. Registration forms for cooperatives are now available in the municipal offices. An advert for cooperatives and SMMEs to come and register in LED DATABASE was issued but response was received and this makes things difficult to know the number of these cooperatives and SMMEs that exist in the municipality and be able to assist.

### **Co-operative Development and Promotion**

According to chapter 7 of the Constitution of South Africa, the objectives of local government are; to promote social and economic development and it further the development duties of municipalities as to participate in national and provincial development programmes.

The co-operatives Act 14 of 2005 preamble recognizes the co-operatives values of promoting self-help, self-reliant, self-responsibility, democracy, equality and social responsibility . The government has a commitment to provide supportive legal environment to enable co-operatives to develop and flourish. Furthermore the act states that achieving the recognized factors of cooperatives development will result to a greater platform to support emerging co-operatives. Ensure that co-operatives principles are implemented in in the municipality and the Republic of South Africa at large.

As informed by the Constitution of the Republic of South Africa,Nkonkobe Local Municipality has in its Integrated Development Plan (IDP) “Co-operatives development and promotion” as one of the key objectives for economic development of the municipality. The municipality hosted its 1<sup>st</sup> Annual Co-operatives Indaba in August 2011. The intent for hosting the event was to strengthen co-operatives development and building stronger co-operative movement.

The key participants were:

- Ward Councillors
- Institute of Cooperatives Development
- Council of churches
- Department of Economic Development and Environment Affairs
- Amathole District Municipality
- Eastern Cape Rural Finance Corporation
- Eastern Cape Development Corporation
- Department of Trade and Industry
- Provincial Co-operatives Task Team (Premier's Office)
- South African National Co-operatives Organization
- National Co-operatives Association of South Africa
- Eastern Cape Socio-Economic Consultative Council
- Asgisa-EC
- Traditional Leaders
- Small Enterprise Development Agency
- Amathole C-operatives Forum
- Nkonkobe Co-operatives Forum

**The main objectives of the event were:**

- Stimulation of opportunities for co-operatives and SMME'S
- To exchange best practices with National, Provincial co-operatives champions as they will be participating in the event.
- To raise awareness of the co-operatives models, principles and methodologies on how their ability can assist to empower people so as to ensure better sustainable socio-economic stable livelihoods.
- To be informed on the impact of co-operatives on our country's GDP (National Economy)
- Promoting economic development through co-operatives in the local municipality's communities.

**2.11 Partnerships established**

The municipality has established two private public partnerships with MTN SA and Standard Bank of South Africa. The partnership with MTN is focusing on four areas viz, Arts and Craft, Education, health and Entrepreneurship. The partnership will culminate into the development of the business support centre managed by NEDA on behalf the municipality. MTN will transfer the money for appointment of two people to operate the center. An agreement between NEDA and MTN has been signed already to start the process. The standard bank partnership focuses on the support on small businesses especially those that cannot get start-up funding from the commercial banks. Businesses such as hawkers, welders and even spaza shops are the ones considered. The partnership has resulted into the establishment of loan committees from three towns, Alice, Fort Beaufort and Middledrift.

**2.12 Special Programmes**

The municipality established Special Programmes Unit (SPU) under the office of the Mayor as per the constitution of the Republic of South Africa.

The focus of the unit is the implementation of youth, disabled, women, elderly and children programme and projects. A policy on special programmes was adopted by the Council to manage issues related to designated groups. The vision of the municipality on special programmes.... Nkonkobe Municipality envisages a future for all designated groups which:

- Is free from discrimination
- Promotes enabling environment to build capacity amongst women, youth and people with disability to be active participate in the life of the Nkonkobe municipality with the view to fulfill their potential, hopes, and aspirations.

The policy identifies the following as the focal priority areas for the Special Programmers Unit:

1. Youth,
2. Women
3. HIV/AIDS,

4. People with disabilities,
5. Elderly
6. Children and
7. Sport

The principles and values of the policy are:

- I. Redressing imbalances
- II. Sustainability
- III. Empowering environment
- IV. Gender inclusion
- V. Mainstreaming designated group issues

The Special Programmes Unit (SPU) facilitates the integration and mainstreaming of the designated groups into the development of the Municipality by;

1. Creating the necessary / conducive environment both internal and external through establishment of structures that will promote participation of youth, Woman, Disabled, Children, Elderly and HIV/AIDS infected individuals in our local Municipality.
2. Developing Policies, strategies and plans for the above groups for integration, mainstreaming, and alignment of such policies, plan and strategies into the sector plans of the Local Municipality.
3. Maintaining a mutual relationship between stakeholders in an endeavor to share experiences, align programmes and plans harness resources for better implementation of policies, strategies and plans

The population demographics of the Nkonkobe Municipality show that youth is the dominant group. The municipality entered into partnership with the National Youth Development Agency wherein a Youth Advisory Center (YAC) was opened in the Municipality, subsequent to that partnership the office was then absorbed by the municipality for sustainability .The are two officers permanently employed responsible for the provision of services in the office. Their main focus is on career counselling and outreach programmers. Theoffice has the mandate of ensuring youth development in the community and the mandate is informed by the lack of skills, high unemployment rate, poverty and crime and scarcity of required resources. The office is located in Alice town one of the municipal units. The targeted group mainly are unemployed youth, entrepreneurs and upcoming entrepreneurs, in & out of school youth, skilled & unskilled and the disabled.

### **Objectives of the Office**

- Dissemination of information to young people on employment (finding work, job preparation, etc.), self-employment (starting your own business, financing, etc.), education and training (career planning, skills development, etc.), citizenship (lifeskills, rights, community work, etc.), and health and well-being (reproductive health, general health, mental health, etc.).
- Linking young people to entrepreneurship support services (business support and finance).
- Provision of basic career and business counseling and support to young people.
- Placement of young people into exit opportunities.
- Referral of young people to other specialized service providers for follow- up services.

### **Achievements and impacts of the SPU**

- The has managed to establish relationships with certain institutions like MSC-College, Lovedale College, University of Fort Hare, FortCox College, Government Department, Government Communications, First National Bank, The Business Place, ECDC, SEDA, SARS, Rhodes University SMME Business Solutions, Eastern Cape Youth Commission, Ilitha College of Nursing World Vision, and the Office of The Premier.
- ▲ Establishment of Older Persons Forum, Children Advisory Council, Women's Forum and Nkonkobe Disabled Forum
- ▲ Assistance on Cooperatives workshops and trainings
- ▲ Facilitation of National Rural Youth Service Corp. (learnership)
- ▲ Career Exhibitions
- ▲ Youth Business Seminar
- ▲ Sport Development
- ▲ Back to School Campaign
- ▲ Awareness Campaigns
- ▲ Outreach Programmes

The municipality in its three year Capital Plan has put aside a dedicated budget of R620,000 for 2011/12, R656 580 for 2012/13 and R702 541 for 2013/2014 for Special programmes. The budget might not be enough to cater for all the challenges facing the Special Programmes Unit, however the municipality is taking the issue seriously.

## **2.13 Unused properties for economic development**

There are a number of underutilized specific economic immovable assets in the municipal area that can be effectively utilized for local economic development namely; SMME incubation, Tourism etc. These are public owned properties and as such government has already paid money on them, to transform these properties to productive assets will be of benefit to the municipality. Threat, other people are already illegally occupying these buildings for private gain,

It is positive to take the existing properties as it is a costs benefit analysis points to a positive result if it means taking the existing structures than constructing new ones. ECDC has committed herself in releasing her properties to the municipality and an agreement has been signed between the two parties after the council agreed on the terms set by ECDC. The only thing left is the official hand over of the properties. A process is underway to get Public works to release all the properties to the municipality. A disposal plan has been developed and approved by the council and were are waiting public works to release the properties.

## **2.14 Alice Regeneration Programme**

The Alice Regeneration Programme initially started as the Alice Rejuvenation Project by local stakeholders and Fort Hare Alumni in the early 2000's. This has evolved with Aspire, NEDA, Nkonkobe Municipality and Amathole District Municipality playing more prominent roles in formulating the strategy for the regeneration of this forum, in alignment with Aspire's small towns Regeneration Model.

### **Interventions identified**

Two catalytic interventions have been identified, which will have the maximum impact in moving Alice from its current position towards its vision. Focusing attention in these interventions is seen as something that will unlock opportunities and encourage further investments into Alice, whilst also providing tools towards the spatial integration of Alice and University of Fort Hare (UFH).

These two catalytic interventions are middle-income residential developments for students and middle-upper income earners and upgrading of the CBD and creation of a civic core.

However there are other key interventions that are suggested as part of Alice Regeneration Programme and they are as follows:

- I. ICT Development
- II. Heritage Preservation and Tourism
- III. Promotion and Development of Agriculture value chain

### **Strategic focus areas**

The Strategic Priorities are to encourage investment, unlock economic and job opportunities and to integrate UFH and Alice. These are further developed into Strategic Focus Areas which include;

- Release of state owned land.

- Upgrading of urban infrastructure.
- Unlocking of the value of the property in Alice.
- Development of the Agriculture sector and agricultural value chain.
- Preservation and development of Alice's heritage to unlock the tourism potential
- Attracting student, lecturers and professionals that work in Alice to also reside in Alice.
- Spatial and social integration of Alice, UFH and Lovedale by developing more used neighbourhoods to create an integrated African University town.
- Specification and qualification of complementary interventions such as the AgriPark extension, development of ICT infrastructure and industry.
- Creation of partnership among key stakeholders.

#### **Achievements**

- I. Alice regeneration strategy has been developed and approved by Council.
- II. Final LSDF (Alice Local Spatial Development Framework) has been developed and approved by council
- III. High level feasibility assessment report has been compiled.
- IV. Alice Heritage Assessment report was also done
- V. Business Plan for the infrastructural development was submitted to National Treasury by Aspire in May 2011.

#### **2.15 Educational Level**

Nkonkobe Municipality enjoys a high literacy rate of 61.0%, which makes the illiteracy rate 39%. There are 249 schools excluding tertiary institutions namely; the University of Fort Hare, and colleges such as MSC, Lovedale, Fortcox and Healdtown within Nkonkobe municipal area.

It has been identified in some of the areas that children are traveling long distances from where they live to the schools and that put their lives at risk. Because the municipality is rural in nature it is difficult to provide proper accommodation to teachers and schools do not have libraries in order for children to study during breaks if they want. Due to the quality of education that is provided in our schools, children are migrating to better schools like model c schools. Lastly it has been identified that there is a lack of commitment from some teachers and learners.

A number of challenges have been identified in this sector, those challenges include:

- The high rate of failure amongst students and that is caused by poverty and unemployment.
- Teachers for vital subjects are scarce from the area

- Learners are migrating to urban areas
- Infrastructure – shortage of buildings
- Teacher overload – teachers are reduced by staff establishment yet the number of subjects remain the same
- School needs teaching equipment to enhance teaching and learning
- Scholar transport – limited funds to cover more schools
- Quintile contestants- there are 4 primary schools that are not in the National School Nutrition Programme( NSNP) due to wrong quintile
- NSNP – 44 Post Primary Schools are benefiting from the programme
- Roads infrastructure affects scholar transport.

The remedial actions proposed for some of the challenges mentioned above are: The department needs to improve the level of education provided in schools, re-skilling of teachers and introduce attractive programmes in schools like sport and recreation. Teachers need to be motivated by provision of workshops, improving working relations and rewarding or issuing of incentives

## **2.16 Health Services**

There is a total of thirty - two (32) clinics in the entire Nkonkobe Municipal area. Twenty- seven (27) clinics are run by the Provincial Department of Health for Nkonkobe communities. There are four (4) hospitals in the Nkonkobe Municipal area and one (1) Health centre, namely:

- Provincial Hospital
- Tower Hospital in Fort Beaufort
- Winterberg SANTA Hospital in Fort Beaufort
- Victoria Hospital in Alice
- Middledrift Health Centre

Three of these hospitals are in Fort Beaufort and the fourth one is situated in Alice.

500m access road to the Middledrift centre needs to be tarred. A need for health posts was identified; these should be established more especially in areas like Hogsback and Cangca, due to the financial constraints of the Department these areas are being serviced by Mobile clinics. This sector has got challenges that need to be addressed as a matter of urgency, shortage of staff has been identified and the solution to that challenge was a need to appoint an administrative staff to assist nurses. There is a need to aggressively recruit and train young people to be nurses especially locally based ones. A need to use retired nurses to assist in clinics and hospitals as some of the retired nurses are still interested in serving their communities and an increase of salaries for nurses to prevent them living the country for better salaries. Accommodation is also a challenge for the staff.

The Department of Health has currently sent two (2) candidates to Cuba to be trained as Doctors and also twelve (12) candidates are currently being trained at Lilitha College of Nursing in different categories of Nursing .Eleven (11) Community Health Workers have been trained are back to work as Assistant nurses now .The Department is also in a process of sending retired Nurses for training and enrolled Nurses for training.

### **Government Structures**

Out of the 32 Clinics that are at Nkonkobe Municipal area only twenty nine (29) clinics that having functional Clinic Committees.

Local Aids Council is not established and is Councillor driven, Sub District HIV /AIDS coordinator has contacted Councillors to assist in establishment and functionality of this structure.

### **Outreach Programmes**

Cervical cancer screening and HIV Counselling and Testing (HCT) campaigns are conducted in our areas and Clinic committees' serves as link to notify Communities on dates of visits.

### **2.17 Local Sport Facilities**

The municipality has listed the upgrading of sport facilities in the IDP as one of the development objectives and strategy projects. It is important for the municipality to facilitate the provision of sport facilities so as to uplift the standard of living but due to financial constraints the municipality find it difficult to establish the sport fields and maintain the existing ones, which therefore leads to vandalism.

The following are the existing sport facilities and some of them need attention as their condition is not good.

- Chris Hani in Debe Nek,
- Wilton Mkwazi Stadium for cricket in Middledrift
- Alice grounds rugby field and are also utilized for soccer.
- Ntselamanzi Cricket grounds owned by Alice Cricket Board
- Victoria East Rugby Union fields in Alice
- Happy Rest Cricket Fields in Alice
- Zwelitsha Stadium in Fort Beaufort
- Gontsi in Fort Beaufort
- Newtown multipurpose fields - condition not good
- Ngumbela park in partnership with Healdtown Cricket Board
- Old Country Club multipurpose fields in Fort Beaufort

- Seymour sport field for rugby and soccer – condition bad

## **2.18 Libraries**

Library service is the function of the Department of Sports, Recreation, Arts and Culture in terms of Schedule 5 of the Constitution of South Africa 1996. Nkonkobe Municipality is performing this service with Service Level Agreement. This service is performed in the following areas:

- Fort Beaufort Public Library- Fort Beaufort Town
- Washington Bongco Public Library- Bhofolo location
- Newtown Public Library- Fort Beaufort, Newtown
- Alice Public Library- Alice

The Fort Beaufort Public Library is manned by two Librarians (one from the Municipality and one from the Department of Sports, Recreation, Arts and Culture) and one cleaner, Newtown Public Library is manned by one Librarian and one cleaner, Alice by two Librarians, one Library assistant and one cleaner and Washington Bongco is manned by one Librarian from the Department of Sports, Recreation, Arts and Culture and one cleaner.

Libraries offer the following services:

- Assist community members by registering them to become members of the library
- Internet access free to all library members
- Give out books and other library material available to all members of the library.
- Provide information services for the benefit of use by the community.
- Promote and encourage the informal self-education of the community people.
- Offer supplementary information to those pursuing formal educational courses.
- Conserve books and other library material.
- Meet the recreational and educational needs of the community and encourage sound use leisure time.
- Design various outreach programs targeted at communities that surrounds the library

### **3. Municipal Financial Viability**

#### **3.1 Revenue**

The year has seen the credit crunch loom large [critical situation], and increasing signs of an undecided economic factors that also had an impact on the municipalities cash flow and collection rates. Against this backdrop the municipality partially has done well in terms of collection and has sustained a firm cash flow.

The section mainly deals with collection & management of the municipal revenue, section 64 MFMA clearly states that the municipality must have a revenue collection systems in place consistent with section 95 of the MSA and the municipality's credit control and debt collection policy.

Considerable amount of municipal revenue is obtained from levying services in order for the municipality to determine its stability, efficiency and capacity to finance municipal services into the future.

In order to remain financially viable and sustainable, the municipality must generate sufficient resources. As limited scope exists to generate alternative revenue, it is necessary to increase rates and tariffs annually. The determining of tariffs is the responsibility of Council, as per the provision of the Local Government Municipal Systems Act. Affordability is an important factor when considering the rates and tariff increases. Consideration was also given to the alignment between there sources of the municipality, level of service and customer expectations. Below is the classification service

#### **3.2Property rates**

The levying of rates in terms of the Municipal Property Rates Act has had an impact on the rates individual property owners were charged with effect from 1July 2009, Properties were assessed based on the market value (which had substantial gains in value); however, the gains in terms of rates revenue were limited owing to the increase in various rebates to the different classes of ratepayers. The cent in the rand (rand age) was adjusted downward to compensate for the higher values. In addition, the impact on the indigent, pensioners, disability grantees and lower and middle-income ratepayers was not considered to ensure a limited impact. As it is a major source of municipal revenue All relief measures were projected for the previous financial year as it reflects in the budget as income on the revenue side on rates but the item had remain with low figures collected in relation to the prior year's performance. [2008] A contributing factor and challenge that the municipality is facing, is the information enclosed in the valuation roll which was never reconciled with the old valuation roll that the municipality had, and that affected the financial billing system. E.g. profitable government properties not listed namely in the new GV [General Valuation Roll] Cape College and Thubalethu High School, Fort Hare.

Farm Sites in Alice were valued to R3500 per site, also Chapter 2 of the MPRA part2 of Section (8) subsection (2) criteria set for different categories of rateable property was not clearly stated on GV, e.g. coding of residential government properties were incorrectly classified as normal residence that affected revenue in terms of imposing correct tariff set for state owned properties all properties were charged at the lower of rate for residence.

### **3.3 Electricity**

The electricity tariffs increased by 20.38 %, which was much higher than that of previous years mainly due to the above average increase by Eskom as approved by the National Electricity Regulator. These above average increases are expected to continue in the medium term, as it is the service that is measurable and can be distributed to an individual consumer. The challenge of the municipality is that it does not have enough and competent electricians that partly hamper electricity revenue with the followings

- Disconnections / 10 Day check for cost recovery on arrear service of electricity was not done for the under reviewed year
- The focus of ensuring that disconnection of services for non-payment of accounts is done immediately and effectively and immediate follow up on those customers that have been disconnected and have not made any arrangements to pay electricity debt.
- Late submission of monthly readings for billing which resulted to late payments
- Identification of tempering or illegal connections as it was identified in last year audit report 08/09 that the service is being run at loss
- Also to be assisted with the project on conversion of business to prepaid metering systems, so as for the business to buy electricity on cash basis.
- Monitoring of electricity usage on municipal premises and street lighting that are always on during the day also contributed in the loss.

### **3.4 Refuse Removal**

The municipality is providing this service to all urban areas of its jurisdiction, and also the municipality is in a process of enhancing its capacity to perform this function like for instance the institution has acquired relevant equipment and establishment of cooperatives in 2009/ 2010.

To domestic and businesses it is also the service that can be measured or determined with reasonable accuracy and distributed to an individual consumer. During the period of implementing Credit Control Policy, it was reported by lot consumers that the service is lacking and most of the time they end up taking it to the dumping site by themselves or burning it. E.g. Thubalethu high school it was reported that it was never being taken, Katco factory is not taken as per the agreement, Shaddei Flats requested a yellow bin which was never made available , and champs is taking its refuse agreement was not honoured. The revenue budgeted was affected versus monthly rising of debt that resulted to low collection.

### 3.5 Social package / FBS

Furthermore, the cost of the basic social package is granted in order to provide a social welfare to indigent's debtors who cannot afford to pay municipal services and provided with free electricity. The cost of the social package was funded from the equitable share allocated to Council by National Treasury in terms of the Division of Revenue Act.

The total expenditure for Free Basic Service as at April 2012 is R7 036 226.32

Total number of Refuse is 3371 and amount is R1 781 453.87

Total number of Electricity Eskom is 9870 and total amount is R3 370 884.83

Total number of Electricity municipal beneficiaries 4042 and total amount is R1 883 887.62

#### COMPARISON OF CONSUMER DEBTORS AS AT JULY 2011& 2012

|                    | DEBT AS AT JULY 2011 | DEBT AS AT APRIL 2012 | VARIANCE             |
|--------------------|----------------------|-----------------------|----------------------|
| <b>ELECTRICITY</b> | 14 961 635.97        | 4 486 672.66          | 10 474 963.31        |
| <b>REFUSE</b>      | 3 979 526.05         | 7 754 589.52          | 3 775 063.47         |
| <b>RATES</b>       | 20 590 246.33        | 16 170 896.37         | 4 419 349.96         |
|                    |                      |                       |                      |
| <b>TOTAL</b>       | <b>39 531 408.35</b> | <b>28 412 158.55</b>  | <b>18 669 376.74</b> |

### 3.6 Government debt

- There have been no successes in recovering outstanding debts, however there is still a number of unresolved payments which are not reimbursed to the municipality
- One of the most relevant issues is the debt that has accumulated over a period of 2 years.
- Discussions still continue to resolve this matter for the outstanding rates 08/09 and 09/10
- Also the government department are not paying in good time

Currently the municipality collects more revenue in Fort Beaufort area, reason being, the municipality distributes electricity in the area, therefore it is simple to implement credit control policy to defaulters e.g. blocking of electricity is exercised

For other areas where Eskom is a distributor the municipality is unable to do proper debt collection in case of defaulters, it is still a challenge for the following towns, Seymour, Alice, Middelrift, Hogsback

- Valuation roll that is currently in use is still having some gaps.
- The financial year of 2010/2011 was closed with the balance of R32, 817,244.09
- ADM still owe the Municipality huge amount of money for pump stations.
- Also during the period of conversion to prepaid electricity there are still outstanding balances that were not collected, only conversion cost were considered, these balances were left unattended.

### 3.7 Revenue collected by source for 2011/2012

| REVENUE BY SOURCE                         | BUDGET     | ACTUAL COLLECTION | VARIANCE       |
|---|------------|-------------------|----------------|
| ASSESSMENT RATES                          | 13 000 000 | 17 986 318.00     | (4 986 318.00) |
| SERVICE CHARGES –<br>ELCTRICITY           | 35 150 000 | 17 139 674        | 18 010 326     |
| SERVICE CHARGES –<br>REFUSE REMOVAL       | 6 000 000  | 1 781 989.00      | 4 218 011.00   |
| RENT FACILITIES &<br>EQUIPMENT            | 364 194    | 185 028           | 179 166        |
| INTEREST EARNED –<br>EXTERNAL INVESTMENTS | 1 200 000  | 5 572 324.00      | 4 372 324.00   |
| INTEREST EARNED –<br>OUTSTANDING DEBTORS  | 11 000 000 | 1 068 141.00      | 9 931 859.00   |
|   |            |                   |                |

|                                    |              |              |             |
|------------------------------------|--------------|--------------|-------------|
| <b>FINES</b>                       | 300 000.00   | 64 880.00    | 235 120.00  |
| <b>REVENUE FOR AGENCY SERVICES</b> | 2 100 000.00 | 1 843 064.00 | 256 936.00  |
| <b>OTHER REVENUE</b>               | 620 400      | 6 085 927.00 | (5 465 506) |

### **3.8 Reasons for reduction in collection rate**

#### **3.8.1 Implementation of municipal property rates act**

The implementation of MPRA had a substantial negative impact in the collection rates of our debtors and the budget was over estimated, e.g. indigent debtors were not excluded from the valuation roll and that affected the budget's estimates.

Secondly newly rated farmers also did not pay for rates because accounts were not sent out.

#### **3.8.2 Implementation of credit control policy**

As per the table the main sources of municipal income is from property rates, refuse removal and the sale of electricity. Credit control policy was and is not yet fully implemented as the information in our valuation roll is not correct which is having a negative impact on billing.

#### **3.8.3 Recession & national credit act.**

Recession had a negative impact on the collection of outstanding debts, customers could not afford to pay outstanding amounts, and certain consumers were granted extended terms to pay because of the National Credit Act. The banks requirements for granting loans became inflexible and that had a huge impact in recovering outstanding amounts.

### 3.8.4 Grants RECEIVED 2011/2012

| REVENUE BY SOURCE | BUDGET             | ACTUAL             | VARIANCE |
|-------------------|--------------------|--------------------|----------|
| EQUITABLE SHARE   | 76 099.00.00       | 76 099.00.00       | 0        |
| MIG               | 21 693 000.00      | 21 693 000.00      | 0        |
| FMG               | 1 450 000.00       | 1 450 000.00       | 0        |
| MSIG              | 790 000.00         | 790 000.00         | 0        |
| DEPT OF SPORTS    | 1 469 000          | 1 469 000          | 0        |
| <b>TOTAL</b>      | <b>101 501 000</b> | <b>101 501 000</b> | <b>0</b> |

### 3.9 Asset management

The Nkonkobe Municipality adopted the Asset Management Policy in July 2007.

The municipality owns both movable and immovable assets. The municipality managed to have a GRAP compliant asset register through the assistance of ADM who appointed a service provider to execute the job. All the additions for the 10/11 financial year have been updated.

### 3.10 Directive for Accounting Standards.

Asset management is now controlled under BTO department through the office of supply chain. The municipality is utilizing directive 4 Accounting Standard that give the municipality a grace period of three years before depreciation will be considered, therefore it is currently utilizing the straight line method. Municipalities are not required to measure intangible assets for reporting periods beginning on or after a date within three years following the date of initial adoption of the standards of GRAP. Standards of GRAP set out the recognition, measurement, presentation and disclosure requirements for financial reporting in the public sector. However the municipality is required to fully comply with GRAP 17 by 12/13 Financial year and is thus in the process of procuring competent service provider to do a fully GRAP compliant asset register. This will include componentization, values, lives of assets, depreciation rates etc.

Section 63 of the MFMA No. 56 of 2003 stipulates that "the Accounting officer is responsible for the management of:-

- (a) The assets of the municipality, including the safeguarding and the maintenance of those assets
- (b) Ensure that the municipality has and maintains a management, accounting and information system that accounts for the assets and liabilities of the municipality
- (c) That the assets and liabilities are valued in accordance with standards of GRAP

(d) That the municipality has and maintains a system of internal control of assets and liabilities including an asset and liabilities register, as may be prescribed”.

- This then means that the municipality does not have a choice but to make means that will ensure the smooth running of asset management.
- There is a high demand for a more controlled environment by Auditor General. Asset management can be a nightmare if not managed properly. Currently the municipality appointed an Asset Management officer who manages the assets of the municipality.
- Total value of asset additions of the 10/11 financial year as at 30 June 2011 is **R 46 817 478**.

### **3.11 SUPPLY CHAIN MANAGEMENT.**

Nkonkobe Municipality's Supply Chain Management (SCM) Policy seeks to promote an innovative form of targeted procurement, which will encourage socio-economic transformation within its locality. The SCM will empower the Nkonkobe Municipality to continue to redress the skewed distribution of wealth. The SCM also assist in achieving the goals of poverty alleviation and job creation within its locality.

The SCM will achieve the above by providing employment opportunities to Historically Disadvantaged Individuals [HDI's] and disadvantaged communities, enabling socio-economic transformation objectives to be linked to fair, transparent, equitable, competitive and cost effective procurement practices. The SCM unit reports to National Treasury, Provincial treasury all contracts above R100 000 on a monthly basis.

#### **Functions of the SCM Unit**

- To manage the tender processes of the Municipality.
- Manages, acquires and compiles databases of Professional Service Providers (PSP), General Service Providers (GSP) and Contractors for the Municipality.
- Manages possible procurement risks by verifying and scrutinising submission of information from tenderers and service providers.
- Manages the disposal of municipal goods no longer needed and/or are redundant.
- Manages the Municipality's Stores.
- Develop and continuously review the SCM Policy of Nkonkobe Municipality.
- Ensuring that all additions of assets a correctly accounted for and updated on the asset register

- Effectively and efficiently overseeing the constant flow of units into and out of an existing inventory of the municipality.
- This process usually involves controlling the transfer in of goods in order to prevent the inventory from becoming too high, or dwindling to levels that could put the operation of the municipality into jeopardy.

### 3.12 Expenditure management.

This section contains the level of spending for the whole Institution, its detailing expenditure levels versus budget.

#### 3.12.1 OPERATING EXPENDITURE.

| DESCRIPTION  | BUDGET/ OPEN<br>BAL | YTD MOVEMENT   | BALANCE       | %    |
|--|---------------------|----------------|---------------|------|
| <b>EMPLOYMENT SALARIES<br/>&amp; CONTRIBUTIONS</b> | 67 303 314          | 49 033 678.78  | 18 269 635.22 | 73%  |
| <b>REPAIRS &amp; MAINT-MUN<br/>ASSETS</b>          | 7 337 814           | 4 025 138.81   | 3 312 675.19  | 55%  |
| <b>INT EXP-EXT BORROWINGS</b>                      | 3,654,000.00        | 3,653 011.59   | 988           | 100% |
| <b>GENERAL EXPENCES-OTHER</b>                      | 67 300 876          | 50 926 851.01  | 16 374 024.99 | 76%  |
| <b>TOTAL</b>                                       | 145 596 004         | 107 638 680.19 | 37 957 323.81 | 74%  |

#### Salaries

Expenditure on salaries is currently standing at 73% this can be attributed to vacant posts which have not been filled, and resignations over the past 8 months.

#### Repairs & Maintenance

Expenditure on repairs and maintenance is currently at 55%, this can be attributed to the fact that some expenditure is still at commitment stage.

### External Borrowings

Expenditure on external borrowings is reflecting 100%, this is due to the fact that the loan has been fully settled.

### General expenses

Expenditure on general expenses is currently at 74%, most of the expenditures are sitting at commitment stage.

### Capital Expenditure

| .VOTE NUMBER      | DESCRIPTION               | BUDGET            | YTD MOVEMENT         | BALANCE              |
|-------------------|---------------------------|-------------------|----------------------|----------------------|
| 1000/00/5/02/9992 | MIG: GRANT & SUBS<br>NEW  | 21 693 000        | 13 926 430.37        | 7 766 569.63         |
| 1000/00/5/01/9992 | REVENUE FUNDED<br>CAPITAL | 22 921 105        | 7 863 696.74         | 15 057 408.26        |
| <b>TOTAL</b>      |                           | <b>44 614 105</b> | <b>21 790 127.11</b> | <b>22 823 977.89</b> |

Capital related expenses is currently sitting at 41% for MIG and 23% for own revenue funded capital. Expenditure is expected to pick up in the last quarter as most of the expenditure is currently sitting on commitment stage.

### 3.12.2 RESOLVING THE OUTSTANDING MATTERS RAISED BY THE AUDITOR GENERAL

The Audit Report for the financial year 2010/2011 has been issued by Auditor General wherein Nkonkobe Municipality received a qualified audit opinion on a number of issues namely, comparatives, Irregular expenditure due to trading with suppliers employed in the organ of state, trade and other receivables, journals amounting to R5mil that could not be substantiated with sufficient and appropriate evidence as these balances are prior period errors, debt impairment not included in this financial statements, etc. Although the municipality has a number of qualification matters, it has put considerable efforts to resolve the problems encountered by the implementation of actions planned. Establishment of Performance Audit Committee. Capacitating Internal Audit through co-sourcing of the function has.

The Auditor General presented the report to the council commending the municipality from putting governance structures in place e.g. Audit Committee and internal audit unit. The audit report stipulated the following:

**TABLE 1: Audit outcomes**

|                    | 2008/09    | 2009/10    | 2010/11 (Consolidated AFS) |
|--------------------|------------|------------|----------------------------|
| Opinion            | DISCLAIMER | DISCLAIMER | Qualified audit Report     |
| Qualifications     | 15         | 25         | 3                          |
| Emphasis of matter | 3          | 3          | 6                          |
| Other matters      | 23         | 23         | 26                         |

Table 2 below shows the areas that lead to qualifications over the two financial years, whilst there are still challenges with regard to revenue, trade payables and infrastructure assets.

|                                | 2009/2010 – GRAP AFS | 2010/2011- Consolidated AFS |
|--------------------------------|----------------------|-----------------------------|
| Comparatives                   | yes                  | yes                         |
| Cash and cash equivalent       | no                   | Yes-prior period error      |
| Revenue and receivables        | yes                  | yes                         |
| Vat receivable                 | no                   | yes                         |
| Other receivables              | yes                  | yes                         |
| Trade and other payables       | yes                  | No                          |
| Property , plant and equipment | yes                  | No                          |
| Unspent conditional grants     | no                   | yes                         |
| Other loans                    | yes                  | No                          |
| Suspense account               | yes                  | No                          |
| Government grant and subsidies | yes                  | No                          |
| Revenue                        | yes                  | No                          |
| Interest received              | no                   | No                          |
| General expenditure            | yes                  | yes                         |
| Commitments                    | no                   | No                          |
| Irregular expenditure          | yes                  | yes                         |
| Post-retirement benefits       | no                   | Yes- long service award     |
| Contingencies                  | no                   | No                          |
| Related parties                | no                   | No                          |
| Subsequent events              | no                   | No                          |

|                          |     |     |
|--------------------------|-----|-----|
| Accumulated surplus      | no  | No  |
| Cash flow                | no  | No  |
| Unauthorized expenditure | yes | yes |
| Going concern            | no  | No  |
| Employee cost            | yes | No  |
| Provisions               | yes | yes |
| Investments              | yes | No  |
| Deviations               | No  | yes |
| IT Control Deficiency    | No  | yes |

Steps have been taken to rectify the valuation roll which is aligned to the billing system in Venus through supplementary rolls, exception are drawn from the system and discrepancies followed up by Revenue Manager. Letters of demand and orders for disconnection have been issued to consumers for the implementation of credit control policy. Capacitating of IT, SCM and GRAP 17 compliant Asset register has been one of the priorities going forward.

#### Internal control environment

The key issue is to always improve on controls so that the control environment is not compromised up to the extent of breakdown in controls. Basic controls such as reconciliations and supervision are critical as they not only safeguard accuracy of information but also promote regular and consistent improvement in performance therefore prevent unbecoming behaviour of staff. Although the issue of reconciliation has been raised by AG, it must be noted that major reconciliation such as the following:

- Asset register to general ledger are being performed
- Creditors reconciliation
- Bank reconciliation
- Debtors reconciliation ( done on debtors control account)
- Payroll reconciliation, all of which are done monthly on the system , reviewed by the CFO on a monthly basis

## **Reporting on performance information**

Although an audit opinion is not expressed on performance information as yet, the national treasury has indicated that performance information will be audited in the near future and an opinion expressed. The Auditor General has raised the following issues with regard to performance information

The municipality needs to:

- Put more effort on streamlining its performance information so that reported indicators are reliable and underperformance is addressed
- Ensure indicators are measurable and time bound
- PMS policy needs to be fully implemented and Sec 57 performance reviewed
- Maintain supporting source of information corroborate the achieved targets
- Internal Audit to review the performance reports before submitted to council and advise on areas of under achievement as required by Sec 14 of MPPR.

An Audit Action Plan has been developed and tabled to council to address issues raised on performance and a service provider appointed to assist the municipality to craft objectives and indicators that Measurable, Time bound and Specific. Care should be taken to ensure that recommendations made in the internal audit reports are implemented by council and management.

TABLE BELOW HIGHLIGHTS ALL THE ISSUES RAISED BY AUDIT GENERAL AND THE CORRECTIVE MEASURE TO BE TAKEN BY THE MUNICIPALITY THEREOF:

| No | Department | Item                     | Finding  | Risk Level  | Root cause  | Remedial Actions/Corrective Measures.   | Responsible person (Entity) | Validation of information  | Due date                   |
|----|------------|--------------------------|--|-------------|---|---|-----------------------------|----------------------------|----------------------------|
| 1  | SCM        | Unauthorised expenditure | As disclosed in note 30.1 to the consolidated and separate financial statements, an amount of <b>R14 778 699</b> relating to unauthorised expenditure was incurred during 2010/2011 due to overspending of the budget. | <b>High</b> | Write off of debtors that was done in the current year, which relates to debtors that had been outstanding in previous years, caused an overspending on some votes. | 1) All departments should participate in budget process and monitoring thereof.<br>2) In addition to the current monitoring of budget tool, the municipality will include the Treasury template to ensure that unauthorised expenditure per component is avoided. | Mr Nokwe                    | Mr Makedama/Internal Audit | On-going / Monthly reviews |
| 2  | SCM        | Irregular expenditure    | As disclosed in note 30.3 to the consolidated and separate financial statements, an amount   | <b>High</b> | 1) Irregular expenditure was incurred as a result of transacting with   | 1) Appoint more staff members to strengthen the unit.<br>2) Perform vendor  | Mr Pantsi                   | Mr Makedama                | On-going / Monthly reviews |

|   |                                  |   |   |             |   |   |   |                                      |                               |
|---|----------------------------------|---|---|-------------|---|---|---|--------------------------------------|-------------------------------|
|   |                                  |   | of R5 129 471 relating to irregular expenditure was incurred during 2011 as the municipality diverted from the Municipal Supply Chain Regulations GNR 868 of 30 May 2005.   |             | suppliers who had no tax clearance.<br>2) Lack of resources (human resources)   | vetting regularly   |   |                                      |                               |
| 3 | Community Services and Strategic | Material under-spending of the conditional grants | As disclosed in note 9.1 to the consolidated and separate financial statements, the municipality/municipal entity has materially under-spent the conditional grants by R3 202 275. As a consequence, the municipality/municipal entity has not fully achieved all of its objectives regarding the purposes for which the grants were received | <b>High</b> | 1) Lack of proper planning.<br>2) Grant was allocated late, scm procedures took longer thereby delaying implementation.<br>3) Ineffective inter-governmental forums | 1) Strengthening of IGR<br>2) Strengthening of internal controls, and proper planning | 1) LED-Mr Matiwane<br>2) Dept of Sports- Mr Matiwane<br>3) FMG/MSIG-Mr Makedama<br>4) MIG-Mr Njokweni | Municipal Manager/<br>Internal Audit | On-going /<br>Monthly reviews |

|   |                       |                                |  |             |  |  |            |             |                 |
|---|-----------------------|--------------------------------|--|-------------|--|--|------------|-------------|-----------------|
| 4 | Revenue               | Material losses and impairment | As disclosed in note 2 and note 3 to the consolidated and separate financial statements, the municipality has written off unrecoverable debts for the amount of R113 191 956   | <b>High</b> | 1) Lack of implementation of credit control policy               | 1) Proper monitoring of debtors through implementation of credit control<br>2) Develop and implement a Revenue enhancement strategy  | Ms Mdlalo  | Mr Makedama | Monthly         |
| 5 | Revenue + Engineering |                                | As disclosed in note 24 to the consolidated and separate financial statements, the municipality purchased electricity at a cost of R18 163 361. As disclosed in note 14 to the consolidated and separate financial statements, the municipality sold this electricity for R9 231 427. The municipality has incurred distribution losses amounting to R8 931 934 mainly caused by | <b>High</b> | 1) Lack of human resources<br>2) Outdated and old infrastructure | 1) Hire a service provider to perform meter audits<br>2) Awareness campaigns<br>3) Strengthen the unit by hiring more staff members<br>4) Re-address by laws<br>5) Re-look the "per unit" cost of electricity<br>6) Consider handing the electricity function to Eskom<br>7) Identify bulk | Mr Channon | Mr Njokweni | End of February |

|   |           |                           |  |             |  |  |            |              |                         |
|---|-----------|---------------------------|--|-------------|--|--|------------|--------------|-------------------------|
|   |           |                           | tampering and illegal connections.   |             |  | electricity meter users. Meter installation in area where there are none, bill accordingly.  |            |              |                         |
| 6 | ALL       | Assets Valuation          | The exemption provided by Directive 4 will no longer apply when reporting for the 2011/2012 financial year. This will be especially relevant for Property, plant and equipment which will now have to be valued and measured in accordance with GRAP 17. Comparative figures (2010/2011) will also need to be treated in the same way. | <b>High</b> |  | 1) Resolution of a meeting held on 07/02/2011 was that the appointed service provider was given a week to give a report back to the municipality, including timelines. |            |              |                         |
| 7 | Strategic | Pre-determined Objectives | Measures taken to improve performance were not explained in the annual   | <b>High</b> | Reporting template was not designed to | Reporting template will adjusted to reflect measures to  | Ms. Hanabe | Mr. Matiwane | Second quarterly report |

|    |           |   |  |      |  |  |            |              |                 |
|----|-----------|---|--|------|--|--|------------|--------------|-----------------|
|    |           |   | performance report.  |      | reflect on that                                | be taken   |            |              |                 |
| 8  | Strategic | Reported performance indicators were not consistent or not complete when compared with planned indicators.    | Twenty-one percent of the total number of performance indicators included in the annual performance report were not consistent with the planned indicators | High | <b>Alignment of reports with IDP and SDBIP</b> | A service provider has been appointed to assist the municipality with regard to alignment issues | Ms.Hanabe  | Mr. Matiwane | Already working |
| 9  | Strategic | Reported performance targets were not consistent or not complete when compared with planned targets           | Fifty-four percent of the total number of performance targets included in the annual performance report were not consistent with the planned targets.      | High | <b>Alignment of reports with IDP and SDBIP</b> | A service provider has been appointed to assist the municipality with regard to alignment issues | Ms. Hanabe | Mr. Matiwane | Already working |
| 10 | Strategic | Planned development priorities/objectives were changed but not adequately explained in the annual performance | For selected programmes, all of the development priorities/objectives that were changed were not adequately explained in the annual performance report.    | High | <b>Lack of monitoring of reports</b>           | A service provider will assist the municipality in the monitoring and validation of reports      | Ms. Hanabe | Mr. Matiwane | Already working |

|    |           |  |   |      |  |  |            |              |                 |
|----|-----------|--|---|------|--|--|------------|--------------|-----------------|
|    |           | report.  |   |      |  |  |            |              |                 |
| 11 | Strategic | Planned and reported performance indicators are not well defined.        | For selected programmes, 77% of the selected indicators for testing were not clear and well defined.  | High | Lack of good interpretation of good indicators | A service provider is already assisting the municipality to craft new indicators           | Ms. Hanabe | Mr. Matiwane | already working |
| 12 | Strategic | Planned and reported performance indicators/measures are not verifiable. | For selected objectives valid performance management processes and systems that produce actual performance against the planned performance indicators do not exist for 48% of the indicators. | High | Lack of good interpretation of good indicators | A service provider is already on site assisting the municipality to set verifiable targets | Ms. Hanabe | Mr. Matiwane | Already working |
| 13 | Strategic | Planned and reported performance   | For selected programmes, 52% of the planned and   | High | Lack of good setting of targets                | A service provider is already on site assisting the  | Ms. Hanabe | Mr. matiwane | Already working |

|    |           |  |  |               |  |   |                   |              |                              |
|----|-----------|--|--|---------------|--|---|-------------------|--------------|------------------------------|
|    |           | targets are not specific.                                    | reported targets tested were not specific.   |               |  | municipality to set measurable targets  |                   |              |                              |
| 14 | Strategic | Planned and reported performance targets are not measurable. | For selected programmes, 57% of the targets tested were not measurable.  | <b>High</b>   | <b>Lack of setting of measurable targets</b>     | A service provider has been appointed to assist the municipality with regard to alignment issues  | Ms. Hanabe        | Mr. matiwane | Already working              |
| 15 | Strategic | Planned and reported performance targets are not time bound. | For selected programmes, all of the targets tested were not time bound.  | <b>High</b>   | <b>Lack setting time frames for our targets</b>  | A service provider is already on site set time bounds for the targets   | Ms. Hanabe        | Mr. matiwane | Already working              |
| 16 | MM        | Audit Committee  | The municipality did not appoint and budget for a performance audit committee, nor was the audit committee utilised as the performance audit committee as required by regulation 14(2)(a) of the Municipal Planning and Performance Management | <b>Medium</b> | Challenges on the then appointed audit committee | 1) The audit committee terms of reference has been amended to include performance audit functions, and approved by the council.<br>2) The council has also appointed a chairperson for the performance audit. | Municipal Manager |              | Quartely reports to council. |

|    |     |                                     |  |             |  |  |           |             |           |
|----|-----|-------------------------------------|--|-------------|--|--|-----------|-------------|-----------|
|    |     |                                     | Regulations, 2001.   |             |  |  |           |             |           |
| 18 | SCM | Procurement and contract management | Valid reasons for deviating from obtaining written price quotations from at least three different prospective providers as per the requirements of Supply Chain Management Regulation 17(a) and (c) were obtained and approved for procuring goods and services with a transaction value of between R10 000 and R200 000. However these deviations were not reported at council/board meetings nor disclosed in notes to the consolidated and separate financial statements as per the | <b>High</b> | 1) Lack of awareness<br>2) The absence of a compliance officer/ risk officer in the institution. | 1) SCM deviation reports will be presented to council for condonment quarterly.<br>2) The municipality is in the process of appointing a compliance officer. | Mr Pantsi | Mr Makedama | Quarterly |

|    |  |  |  |             |   |  |           |             |                            |
|----|--|--|--|-------------|---|--|-----------|-------------|----------------------------|
|    |  |  | requirements of Supply Chain Regulation 36(2).   |             |   |  |           |             |                            |
| 19 |  |  | Awards were made to suppliers who did not submit a declaration on their employment by the state or their relationship to a person employed by the state as per the requirements of Municipal Supply Chain Management Regulation 13(c). | <b>High</b> | 1) Lack of awareness by suppliers on legal implication of false declaration | 1) The SCM unit will engage dept of local government and Treasury so as to identify suppliers who are in service of the state.<br>2) The municipality will implement a declaration form, whereby all directors of all suppliers will be requested to declare.<br>3. Indaba for Suppliers on regulations and their impact | Mr Pantsi | Mr Makedama | On-going / Monthly reviews |

|    |    |                  |   |               |   |   |           |             |                            |
|----|----|------------------|---|---------------|---|---|-----------|-------------|----------------------------|
| 20 |    |                  | Awards were made to providers who are persons in service of other state institutions in contravention of the requirements of Supply Chain Management Regulation 44.                                 | <b>High</b>   | <b>1. the declaration form for suppliers did not provide for all directors to declare</b> | 1)amend the declaration form to provide for all directors will be circulated to suppliers   | Mr Pantsi | Mr Makedama | On-going / Monthly reviews |
| 21 |    |                  | No risk assessment was performed for the supply chain management system which is in contravention of the requirements of Supply Chain Management Regulation 41.                                     | <b>High</b>   | 1) Lack of awareness  | 1) Risk assessment has been done and will be table at a concil meeting to be held in March. | Ms Msauli | Mr Maneli   | Mar-12                     |
| 22 | MM | Oversight report | The municipal council did not adopt an oversight report containing the council's comments on the annual report within two months from the date on which the 2009/10 annual report was tabled in the | <b>Medium</b> | 1) Lack of awareness  | 1) Annual report will be adopted.   | Mr Maneli |             | Mar-12                     |

|    |           |                          |  |               |                      |  |           |  |        |
|----|-----------|--------------------------|--|---------------|----------------------|--|-----------|--|--------|
|    |           |                          | council as required by section 129(1) of the Municipal Finance Management Act  |               |                      |  |           |  |        |
| 23 |           |                          | The accounting officer did not make public the council's oversight report on the 2009/10 annual report within seven days of its adoption, as required by section 129(3) of the Municipal Finance Management Act.   | <b>Medium</b> | 1) Lack of awareness | 1) Oversight report will be made public as per requirement of the relevant legislation | Mr Maneli |  | Mar-12 |
| 24 | Strategic | Predetermined objectives | The accounting officer of the municipality did not submit the results of the assessment on the performance of the municipality during the first half of the financial year to the mayor of the municipality, the National Treasury, and the provincial treasury as required by section 72(1)(b) of the | <b>High</b>   |                      |  |           |  |        |

|    |    |   |  |             |  |  |             |           |        |
|----|----|---|--|-------------|--|--|-------------|-----------|--------|
|    |    |   | Municipal Finance Management Act.  |             |  |  |             |           |        |
| 25 | HR | Effective human resource management         | Inadequate controls on HR  | <b>High</b> | 1) Lack of HR strategy.                            | 1) Approach ADM to assist in implementing the HR strategy OR Appoint a service provider to design and implement an HR Strategy.  | Mrs Malinzi | Mr Maneli | Mar-12 |
| 26 | IT | Establishment of an IT governance framework | Numerous IT deficiencies were identified which include inter alia that project management policies are not in place for the management of IT projects. IT service performance was not measured. There is no IT risk and control framework in place. There is no IT strategy, steering committee or | <b>High</b> | 1) Lack of human resources<br>2. Lack of awareness | 1) Co-sourced IT services to address issues raised by Auditor General.<br>2) Back-up of financial information both offside & onside.<br>3. Continued training of IT staff on new systems | Mrs Malinzi | Mr Maneli | Mar-12 |

|    |           |                                 |   |             |  |  |             |           |          |
|----|-----------|---------------------------------|---|-------------|--|--|-------------|-----------|----------|
|    |           |                                 | governance framework in place. A 'User Account Management' policy and procedure are not in place and there is no disaster recovery plan in place at the municipality  |             |  |  |             |           |          |
| 27 | Strategic | Status of oversight resolutions | There was inadequate action taken to address prior audit findings, especially with regards to reporting against predetermined objectives and compliance with laws and regulations. This has resulted in a number of recurring audit findings. | <b>High</b> |  | 1) Appointed the service provider to assist the municipality on performance information. | Mr Matiwane | Mr Maneli | Quartely |
| 29 | MM        | Audit committee                 | The audit committee did not function effectively throughout the year. Consequently while it is noted that there is an approved internal audit plan this   | <b>High</b> | 1) Other members of the audit committee resigned during the year.<br>Appointment of full committee | 1) Audit committee to submit quarterly reports to council and meet regularly             | Mr.Qupe     | Mr Maneli | Quartely |

|    |     |   |   |             |   |  |           |             |          |
|----|-----|---|---|-------------|---|--|-----------|-------------|----------|
|    |     |   | was not effectively implemented during 2010-2011.   |             | members was done later during the year. |  |           |             |          |
| 30 | SCM | Deviation not reported at council meeting | Three quotations were not obtained from different suppliers and reasons were recorded, however the reasons for deviations were not reported by the accounting officer at any of the council meetings nor were they disclosed in notes to the financial statements | <b>High</b> | Lack of awareness                       | Reports to be presented to council   | Mr Pantsi | Mr Makedama | Quartely |
| 33 | MM  | Internal audit unit incapacitated         | 1. It was identified that the internal audit unit was not capacitated in order to effectively fulfil its responsibilities during the period under review due to a shortage of staff and skills.   | <b>High</b> | Lack of human resources                 | 1) Internal audit will capacited with 1) Internal Auditor - Risk and Audit clerk and the Internal Auditor- performance, a service provider appointed these | Ms.Msauli | Mr Maneli   | Mar-12   |

|    |                  |  |   |             |  |   |  |  |  |
|----|------------------|--|---|-------------|--|---|--|--|--|
|    |                  |  | <p>2. In addition there was no evidence that the internal audit manager is subscribed to a professional body for 2010-2011 and has received the necessary training to enhance skills and technical competence.</p>  |             |  | <p>positions were already budgeted and approved to commenced in March ,as for the co-sourced services looking at 75% implementation of the Internal Audit Plan and transfer of skill and training..</p> |  |  |  |
| 34 | Strategic / AOPO | <p>Objectives,indicat or and target in the annual performance report not consistent with objectives,indicat or and target on IDP</p> | <p>Priority areas, objectives, performance indicators and performance targets reported in the Annual Performance Report for the current year under review were not consistent with those in the Integrated Developmental Plan. There were objectives that were reported on the Annual Performance Report,</p> | <b>High</b> |  |   |  |  |  |

|    |         |   |  |             |                                |   |             |           |           |
|----|---------|---|--|-------------|--------------------------------|---|-------------|-----------|-----------|
|    |         |   | but were not included in the IDP. The changes in the priority areas, objectives, indicators and targets were not adequately explained in the Annual Performance Report. Certain changed objectives could not be linked to the budget |             |                                |   |             |           |           |
| 35 | AFS     | Material misstatements corrected(Section 2: Part A of Management report)        |  | <b>High</b> | Lack of review of AFS          | 1) Service provider to be appointed, to assist the municipality on accounting work.<br>2) Audit committee to review the AFS.  | Mr Makedama | Mr Maneli | 30-Jun-12 |
| 36 | Revenue | Indigent corrective suspense and under and over banking-<br>Limitation of scope | Adequate explanations and/or supporting documentation could not be obtained for Journals   | <b>High</b> | 1) Lack of review of journals. | 1) The municipality will restrict users of the system. Only certain individuals will have a right to pass journals on the system.<br>2) All journals will be reviewed by Mr | Mr Koikoi   |           | Daily     |

|    |     |   |   |             |  |   |             |             |        |
|----|-----|---|---|-------------|--|---|-------------|-------------|--------|
|    |     |   |   |             |  | Koikoi prior approval to ensure that they are adequately supported.             |             |             |        |
| 38 | AFS | Provision for long service awards-<br>Limitation of scope | The following matters could not be adequately reviewed/tested for the finalisation process of the audit: Provision for long service awards: Reasons/supporting documentation to explain/substantiate differences between amounts calculated by the auditors and amounts disclosed in the AFS could not be provided. | <b>High</b> | 1) Lack of review of work performed by service provider. | 1) Local government schedule will be used to calculation of long-services award | Mr Makedama | Mr Makedama | Mar-12 |

|    |     |                         |  |               |                             |   |             |           |        |
|----|-----|-------------------------|--|---------------|-----------------------------|---|-------------|-----------|--------|
| 39 | ALL | Policies and procedures | <p>The following policies and procedures inter alia were not obtained/fully implemented for the 2010/2011 financial year:</p> <ul style="list-style-type: none"> <li>• Disaster management, business continuity plans and backup policy;</li> <li>• Performance management (i.e. policies and procedures to guide the recording of performance information processes and related controls) (Draft Approved 29 March 2011)</li> <li>• Finance policy and procedure (This includes best practice for finance related processes) (Banking &amp; investment management policy was approved 29</li> </ul> | <b>Medium</b> | Policies were approved late | <p>1) Policies have been adopted</p> <p>2) The IT department will be co-sourced so as to assist in dealing with all IT related deficiencies.</p> <p>3. Develop procedure manual for implementation of these policies</p> <p>4. workshop of staff on procedure manuals</p> <p>5. policies put on municipal website for easy access</p> | Mr Makedama | Mr Maneli | Mar-12 |
|----|-----|-------------------------|--|---------------|-----------------------------|---|-------------|-----------|--------|

|    |     |                               |   |             |  |  |           |  |        |
|----|-----|-------------------------------|---|-------------|--|--|-----------|--|--------|
|    |     |                               | <p>March 2011)</p> <ul style="list-style-type: none"> <li>• Delegation policy and procedure. (Approved 29 March 2011)</li> </ul>  |             |  |  |           |  |        |
| 40 | ALL | Internal control deficiencies | <p>The following internal control deficiencies, relevant to the entity's preparation and fair presentation of the financial statements, report on predetermined objectives and compliance with laws and regulations, were identified:</p> <ol style="list-style-type: none"> <li>1. Management did not assess/measure the performance of staff and remunerate them accordingly.</li> <li>2. There does not</li> </ol> | <b>High</b> | <ol style="list-style-type: none"> <li>1) Lack of implementation of PMS</li> </ol> | <ol style="list-style-type: none"> <li>1) Implementation of PMS.</li> <li>2) PMS to be implemented to lower level employees.</li> <li>3) Action plan to be fully developed and implemented.</li> </ol> | Mr Maneli |  | Mar-12 |

|    |             |   |   |               |  |   |               |             |      |
|----|-------------|---|---|---------------|--|---|---------------|-------------|------|
|    |             |   | <p>appear to be a management strategy which provides for routine feedback and monitoring of performance and control objectives.</p> <p>3. Management does not take appropriate follow-up action on the recommendations provided by the external auditors.</p> |               |  |   |               |             |      |
| 41 | Expenditure | Expenditure payment supporting documentation not marked as PAID and invoices not stamped to confirm date of receipt | It was identified that invoices were not marked or stamped "PAID/PROCESSED" after the payment was processed.  | <b>Medium</b> | 1) The municipality was using a "cancelled for re-used" stamp which served the same purpose. | 1) Corrected. "PAID" stamp is now being used. | Mrs Sontshaka | Mr Makedama | Done |

|    |     |  |   |               |                   |  |             |                      |          |
|----|-----|--|---|---------------|-------------------|--|-------------|----------------------|----------|
| 42 | SCM | A report for implementation of the SCM policy was not submitted to the mayor or council                        | No evidence could be found that the accounting officer, within 30 days of the end of each financial year, and 10 days after the end of each quarter, submitted a report on the implementation of the SCM policy to the council or mayor of the municipality.                  | <b>Medium</b> | Lack of awareness | 1) Reports will be submitted as required by the applicable legislation | Mr Makedama | MM/INTERNAL<br>AUDIT | Quartely |
| 44 | SCM | Monthly report with regards to dispute, objections and complaints were not submitted to the accounting officer | The SCM policy does not address the monthly reports to be submitted to the accounting officer with regards to disputes, objections and complaints. There was no evidence that monthly reports relating to disputes, objections and complaints regarding SCM were submitted to | <b>Medium</b> | Lack of awareness | 1) Reports will be submitted as required by the applicable legislation | Mr Makedama | MM/INTERNAL<br>AUDIT | Quartely |

|    |     |   |   |               |   |   |           |             |       |
|----|-----|---|---|---------------|---|---|-----------|-------------|-------|
|    |     |   | the accounting officer.   |               |   |   |           |             |       |
| 45 | SCM | Insufficient controls to prevent abuse of SCM system              | It was noted that the municipality does not have a whistle blowing mechanism and/or fraud hotline to ensure that any alleged cases can be reported and acted upon. There is also no complaints register maintained at the municipality. | <b>High</b>   | Absence of a unit that deals with corruption matters. | 1) Anti-fraud and anti - corruption committee has been established.<br>2. Terms of Reference for the Committee to be approved by council<br>3. the Committe to meet quarterly to look at emerging fraud areas | Mr Maneli |             | Done  |
| 46 | SCM | Inadequate control over additions/removals from supplier database | The database is maintained on Excel which does not have an audit trail, and consequently suppliers can be added or deleted without a trail of such transactions.  | <b>Medium</b> | No software/system in place for supplier database.    | 1) Purchases of SCM system  | Mr Pantsi | Mr Makedama | March |

|    |    |   |   |      |                         |  |  |           |        |
|----|----|---|---|------|-------------------------|--|--|-----------|--------|
| 47 | IT | No IT Strategy steering committee or governance framework | Numerous IT deficiencies were identified which include inter alia that project management policies are not in place for the management of IT projects. IT service performance was not measured. There is no IT risk and control framework in place. There is no | High | Lack of human resources | 1) Co-sourcing of IT function to assist with the requirement |  | Mr Maneli | Mar-12 |
|    |    | IT Organisational structure weaknesses                    |   |      |                         | 1) Co-sourcing of IT function to assist with the requirement |  |           |        |
|    |    | IT risk and control deficiencies                          |   |      |                         | 1) Co-sourcing of IT function to assist with the requirement |  |           |        |
|    |    | IT Service performance not measured                       |   |      |                         | 1) Co-sourcing of IT function to assist with the requirement |  |           |        |
|    |    | No project management policies                            |   |      |                         | 1) Co-sourcing of IT function to assist with the requirement |  |           |        |
|    |    | IT Security policy not in place                           |   |      |                         | 1) Co-sourcing of IT function to assist with the requirement |  |           |        |

|  |  |   |  |  |  |  |             |  |  |
|--|--|---|--|--|--|--|-------------|--|--|
|  |  | User Account management policies and procedure not in place |  |  |  | 1) Co-sourcing of IT function to assist with the requirement |             |  |  |
|  |  | User Account management policies and procedure not in place |  |  |  | 1) Co-sourcing of IT function to assist with the requirement | Mrs Malinzi |  |  |
|  |  | User access rights and activities not reviewed              |  |  |  | 1) Co-sourcing of IT function to assist with the requirement |             |  |  |
|  |  | Non-expiring passwords for payday system                    |  |  |  | 1) Co-sourcing of IT function to assist with the requirement |             |  |  |
|  |  | No IT change management process in place                    |  |  |  | 1) Co-sourcing of IT function to assist with the requirement |             |  |  |
|  |  | Environmental control deficiencies                          |  |  |  | 1) Co-sourcing of IT function to assist with the             |             |  |  |

|    |    |   |  |             |                   |  |           |  |          |
|----|----|---|--|-------------|-------------------|--|-----------|--|----------|
|    |    |   |  |             |                   | requirement  |           |  |          |
|    |    | No access logs to the server room           |  |             |                   | 1) Co-sourcing of IT function to assist with the requirement |           |  |          |
|    |    | Data centre operation weaknesses            |  |             |                   | 1) Co-sourcing of IT function to assist with the requirement |           |  |          |
|    |    | No disaster recovery plan in place          |  |             |                   | 1) Co-sourcing of IT function to assist with the requirement |           |  |          |
|    |    | Offsite backup facilities                   |  |             |                   | 1) Co-sourcing of IT function to assist with the requirement |           |  |          |
| 48 | MM | Reports not submitted by accounting officer | There was no evidence that reports with regards to fruitless and wasteful expenditure and irregular expenditure from the Accounting Officer to | <b>High</b> | Lack of awareness | 1) Reports will be sent to AG and MEC                        | Mr Maneli |  | 1-Apr-12 |

|    |         |   |  |               |  |  |           |                   |                 |
|----|---------|---|--|---------------|--|--|-----------|-------------------|-----------------|
|    |         |   | the Mayor, MEC of Local Government and Auditor-General were prepared or provided.  |               |  |  |           |                   |                 |
| 49 | AFS     | Accounting policy not disclosed in the consolidated financial statements  | There was no accounting policy for commitments disclosed in the Summary of Significant Accounting Policies in the financial statements.  | <b>Medium</b> | lack of review of the AFS  | 1) Financial statement will be reviewed by the audit committee                       | Mr.Qupe   | Municipal Manager | Aug-12          |
| 50 | Revenue | Correspondence between national energy regulator(NER) and municipality not obtained for the supply of electricity | Through inspection of correspondence between NERSA and the municipality dated 07 July 2010, it was noted that NERSA could not analyse the financial status of the municipality and the application for a tariff increase. Furthermore based on the above correspondence, NERSA still regarded the municipality as not having submitted the | <b>High</b>   | Forms were submitted to NERSA. However, some parts of submitted forms could not be filled as they could not be determined by the municipality. | 1) Request assistance from NERSA, in assessing the viability of sale of electricity. | Ms Mdlalo | Mr Makedama       | End of February |

|    |         |   |   |               |  |  |           |             |                  |
|----|---------|---|---|---------------|--|--|-----------|-------------|------------------|
|    |         |   | application for the tariff increase. The correspondence also indicated that the distribution losses submitted by the municipality were not accurate. (-0.65%) |               |  |  |           |             |                  |
| 51 | Revenue | Service income-action for long outstanding accounts   | The municipality does not cut-off services for debtors who have not paid their accounts and does not hand over long outstanding debtors to attorneys.         | <b>Medium</b> | Credit control policy not fully implemented.   | 1) Implementation of credit control policy, (cut off)              | Ms Mdlalo | Mr Makedama | Monthly cut offs |
| 52 | Revenue | Traffic income received from learners and driving testing and traffic income does not agree to the general ledger | The traffic income received from learners and driving testing as per eNatis system do not agree with general ledger   | <b>High</b>   | Daily banking was centralised. It was therefore difficult to trace traffic revenue deposits, to be able to identify under banking timeously. | 1) Traffic department is now doing the direct deposit to the bank. | Ms Mdlalo | Mr Makedama | Daily            |

|    |             |   |   |               |   |  |               |             |         |
|----|-------------|---|---|---------------|---|--|---------------|-------------|---------|
| 53 | Revenue     | Interest on investments as per investment register does not agree to consolidated and separate financial statements | The investment register does not agree to the general ledger and annual financial statements.   | <b>Medium</b> | Too many votes were used for capturing interest, eventually resulting in a missallocation of R8000.00 | 1) Interest on all bank accounts will now be posted to one vote on the system to avoid missallocations | Mrs Sontshaka | Mr Makedama | Monthly |
| 54 | Expenditure | Suspense account not cleared on a timely basis  | The Nkonkobe Municipality's Best Practice Finance Procedures Manual and Internal Controls do not address receipts received from insurance claims and the clearing of suspense accounts on a timely basis. | <b>High</b>   | Insufficient vote numbers to capture all types of revenue and expenditure                             | 1) Suspence account will be cleared monthly.<br>2) BCX will be asked to open new votes                 | Kgotla        | Mr Makedama | Monthly |
| 55 | BTO         | Neither budgets nor performance assessments were published on the website   | There was no evidence that the accounting officer published either the budgets or the mid year performance report on the website of the municipality.   | <b>Medium</b> | The website of the entity was not functioning   | 1) Documents will be loaded timeously, and monitored.  | Cynthia       | Mrs Malinzi | Monthly |

|    |    |  |   |        |                                   |   |             |             |         |
|----|----|--|---|--------|-----------------------------------|---|-------------|-------------|---------|
| 56 | HR | Official approved own leave                          | A senior manager signed and approved his own leave form for leave   | Medium | Lack of close monitoring of leave | 1) Leave books have since been moved from departments, and taken to HR. Every staff member has to sign a leave form at HR. All leaves are approved by seniors prior to capturing by HR.                           | Mrs Malinzi |             | Monthly |
| 57 | HR | Minimum compulsory leave days not taken by employees | Section 7.2 of the South African Local Government Bargaining Council Collective Agreement (SALGBC) on Conditions of Service states that an employee, who is a five day worker, is required to take leave within each leave cycle to a minimum of sixteen (16) days. | High   | Lack of close monitoring of leave | 1) HR will communicate leave balances of all employees on a monthly basis.<br>2) Sectional heads are charged with a responsibility of ensuring that staff members do take the minimum leave as required by SALGBC | All         | Mrs Malinzi | Monthly |

|    |             |   |   |        |  |   |               |               |         |
|----|-------------|---|---|--------|--|---|---------------|---------------|---------|
| 58 | Expenditure | No fringe benefit tax paid by employee for rental benefit | Employees did not have tax calculated on the fringe benefit of below marketrelated rental of municipal houses.  | High   | Lack of awareness  | 1) The municipality is aming at recovering the outstanding rental fees from affected employees, and pay over to SARS the fringe benefit tax part. | Mrs Sontshaka |               | Monthly |
| 59 | Expenditure | Manual salary register inadequate                         | The municipality does not maintain a proper manual salary register. (a register kept is for all manual payments)  | Medium | Manual salaries are seldom made. The municipality did keep a register of all cheques issued, and not a separate register for manual salaries | 1) Manual salaries register will be implemented.  | Ms Botha      | Mrs Sontshaka | Monthly |
| 61 | SCM         | Assets not complete                                       | Assets could not be traced to the fixed asset register from the sample selected (It is noted that asset counts are performed annually at the municipality). | High   |  |   | CFO           |               |         |

|    |           |                      |   |      |  |  |  |  |  |
|----|-----------|----------------------|---|------|--|--|--|--|--|
| 62 | Strategic | Control deficiencies | <p>Auditor General raised 21 findings on control deficiencies. Concern is expressed that there is a lack of commitment by management with regard to internal controls surrounding predetermined objectives. There are insufficient monitoring processes within the municipality to ensure reliability of the performance report. The above findings were raised in the prior financial year and some of the recommendations were not implemented by the municipality for the current year under review. However it is noted that the timing of IDP and budget approval for the 2010/11 period did not</p> | High |  |  |  |  |  |
|----|-----------|----------------------|---|------|--|--|--|--|--|

|    |             |                                   |   |             |   |   |             |                 |
|----|-------------|-----------------------------------|---|-------------|---|---|-------------|-----------------|
|    |             |                                   | allow for such implementation as the auditors recommendations were received subsequent to these processes.  |             |   |   |             |                 |
| 63 | Expenditure | Journal not sequentially numbered | General journals of the Nkonkobe municipality did not follow a particular sequence. Nkonkobe municipality's Best Practice Finance Procedures Manual & Internal Controls does not address the process to be followed with regard to issuing journals and ensuring that they are numbered sequentially. | <b>High</b> | <b>Lack of procedure manual to guide journal processes.</b> | 1) Measures are being put in place to ensure the municipality's journals are sequentially numbered<br>2) Nkonkobe's best practice finance procedure manual will be amended to include controls over passing and approval of journals. | Mr Makedama | End of February |
| 64 | Expenditure | Invoice amount overstated         | Payments for inaccurate invoices were made. Consequently, expenditure is  | <b>High</b> | <b>Human error.</b>   | 1) All projects will be monitored.<br>2) Raise a debtor. Ensure that before any payments are  |             |                 |

|    |              |  |   |             |   |  |           |             |         |
|----|--------------|--|---|-------------|---|--|-----------|-------------|---------|
|    |              |  | overstated.   |             |   | made to the supplier concerned the debt is paid up. (offset)   |           |             |         |
| 65 | Revenue      | Control environment:<br>other receivables<br>suspense accounts not cleared at year end | The balances for the following suspense accounts of other debtors were not cleared as at year end.  | <b>High</b> | <b>Lack of follow up on transactions posted to suspense accounts.</b> | 1) A senior official at finance department has been appointed to draw a report on a monthly basis of all suspense accounts, and follow up on their clearance.  | Mr Koikoi | Mr Makedama | Monthly |
| 66 | Finance/ AFS | Control Environment:<br>Journal: Control deficiencies                                  | a) Adequate supporting documentation was not always attached to the journal.<br>b) The detail in the description of the journal and the account number was not always the same. (They did not always agree)<br>c) Narrations indicating the reasons for the | <b>High</b> | 1) Lack of review of journals.  | 1) The municipality will restrict users of the system. Only certain individuals will have a right to pass journals on the system.<br>2) All journals will be reviewed by Mr Koikoi prior approval to ensure that they are adequately | Mr Koikoi | Mr Makedama | Daily   |

|    |     |  |   |               |                                  |  |                       |             |       |
|----|-----|--|---|---------------|----------------------------------|--|-----------------------|-------------|-------|
|    |     |  | <p>journals were also not clear/adequate in all instances.</p> <p>d) Bulk journals were processed that were not clear e) Numerous corrections of journals occurred, indicating that the original journal was not adequately reviewed.</p> |               |                                  | supported.   |                       |             |       |
| 67 | SCM | SCM policy not in line with legislation regarding listing criteria               | The SCM policy does not specify the listing criteria for accredited prospective providers and the criteria is only included on the contractors database application form.   | <b>Medium</b> | Inefficiencies of the SCM policy | 1) SCM policy will be reviewed.  | Mr Pantsi             | Mr Makedama | March |
| 68 | SCM | Register of bids received in time is not published on the municipality's website | The register of bids received in time was not published on the municipality website, but the bid results were published on the website. In terms of section 26(d) of the  | <b>Medium</b> | lack of awareness                | 1) The municipality's website is currently running and bids will be loaded | Mr Pantsi/<br>Cynthia | Mr Makedama | March |

|    |                |  |  |             |   |   |             |             |                 |
|----|----------------|--|--|-------------|---|---|-------------|-------------|-----------------|
|    |                |  | Nkonkobe SCM Policy.   |             |   |   |             |             |                 |
| 69 | Legal Services | Leases not in the lease register                   | It was identified from inspection of the leases that the following leases were not included in the lease register  | <b>High</b> | lack of monitoring                          | 1) Lease register to be maintained and updated regularly  | Mr Britz    |             |                 |
| 70 | HR/MM          | Clocking system not utilised                       | The municipality acquired an electronic clocking system in 2009-2010. However it was confirmed that the device has not yet been fully implemented to date. | <b>High</b> | Disagreements with labour unions            | Management in a process of implementing the system.   | Mrs Malinzi | Mr Maneli   |                 |
| 71 | Revenue        | VAT output not correctly programmed on the system. | VAT output not correctly programmed on the system. VAT is deducted on all receipts regardless of whether the supplies are exempt, zero rated               | <b>High</b> | <b>Venus system incorrectly programmed.</b> | 1) Re-check the billing programme of the system.<br>2) Transfer of skills<br>3) Visit a municipality that uses the same system and has no | Mr Koikoi   | Mr Makedama | End of February |

|  |  |  |                 |  |  |  |  |  |  |
|--|--|--|-----------------|--|--|--|--|--|--|
|  |  |  | or non taxable. |  |  | issues with VAT,<br>so as to observe<br>how VAT is<br>deducted by their<br>system. |  |  |  |
|--|--|--|-----------------|--|--|--|--|--|--|

#### **4. INSTITUTIONAL TRANSFORMATION , ORGANISATIONAL DEVELOPMENT,GOOD GOVERNANCE AND PUBLIC PARTICIPATION**

The cluster focuses on the following:

- Political Structure
- Finance
- Human Resources
- Information technology
- Institutional issues
- Intergovernmental Relations Forum
- Public Relations Office
- Legal Services
- Fleet
- Public Participation
- Internal Audit
- Law enforcement, Safety and Security
- Housing

##### **4.1 Institutional Structure of Nkonkobe Municipality**

The institutional structure of Nkonkobe Municipality is divided into two levels, namely, Political and administrative structures. The administrative structure is accountable to the Political structure.

##### **Political Structure of Nkonkobe Municipality**

The principal-ship of Nkonkobe Municipality lies with Council, which operates a number of committees. The Committees listed below are established in terms of Sections 79 and 80 of Local Government Municipal Structures Act (Act no 117 of 1998).

Listed below are the committees that assist Council in carrying out its Political responsibilities:

1. Executive Committee
2. Rules Committee
3. Remuneration Committee
4. Audit Committee
5. Advisory Committee
6. MPAC

**Oversight Committee & Audit Committee**

- Both the Audit and MPAC are operational.

**Standing Committees:**

- a) Engineering Services
- b) Corporate Services
- c) Economic Development and Environment
- d) Budget & Treasury

**4.2 Administrative Structure of Nkonkobe Municipality**

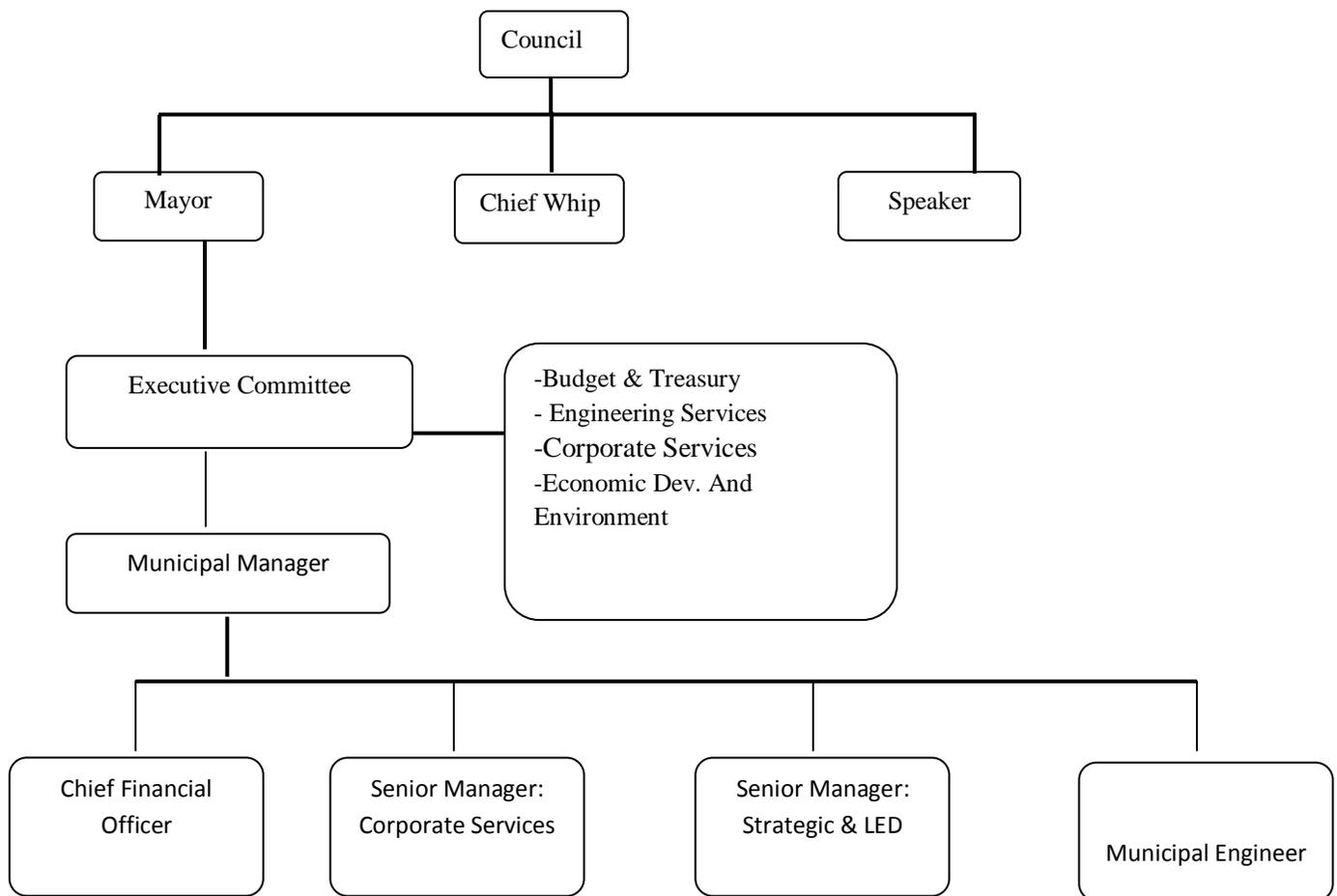
The principal-ship of the Nkonkobe Municipality's administrative structure lies with the Municipal Manager who administers the Institution with departments and various units reporting directly to him/her. Functions of the Municipal Manager include:

- The management of the Municipality;
- The rendering of Nkonkobe Municipality's administrative Services to the Municipality;
- The rendering of Financial Services to the Municipality;
- The rendering of Corporate Services to the Municipality;
- The rendering of Protection Services;
- The rendering of Engineering Services;
- The rendering of support to the Office of the Mayor.
- The rendering of support to the Office of the Speaker

Of the functions identified five (5) departments were established to perform the functions, these being:

- Municipal Manager's Office
- Corporate Services
- Budget & Treasury Office
- Strategic Planning & LED
- Engineering Services

Illustration of the Institutional Structure of Nkonkobe Municipality is as follows:



a) A BREAK DOWN OF POSTS PER DEPARTMENT AND DIVISIONS

| Department                 | No of Posts per Division | Total | Filled |
|----------------------------|--------------------------|-------|--------|
| <b>Office of the Mayor</b> | Personal Assistant       | 1     | 0      |
|                            | Executive Secretary      | 2     | 2      |
|                            | Mayoral Driver           | 1     | 1      |
|                            | TOTAL                    | 4     | 3      |

|                                 |                          |   |   |
|---------------------------------|--------------------------|---|---|
| <b>Office of the Speaker</b>    | Manager: Speakers Office | 1 | 1 |
|                                 | Executive Secretary      | 1 | 1 |
|                                 | Administrator            | 1 | 0 |
|                                 | TOTAL                    | 3 | 2 |
| <b>Office of the Chief Whip</b> | Secretary                | 1 | 0 |
|                                 | TOTAL                    | 1 | 0 |

|                                   |                         |   |   |
|-----------------------------------|-------------------------|---|---|
| <b>Municipal Manager's Office</b> | Municipal Manager       | 1 | 1 |
|                                   | Executive Secretary     | 1 | 0 |
|                                   | Manager: Internal Audit | 1 | 1 |
|                                   | Performance Auditor     | 1 | 0 |
|                                   | Risk Management Auditor | 1 | 1 |
|                                   | Audit Clerk             | 1 | 1 |
|                                   | IT Technician           | 1 | 1 |
|                                   | Systems Administrator   | 1 | 0 |
| TOTAL                             |                         | 8 | 5 |

|   |  |   |                 |
|---|--|---|-----------------|
| <b>Strategic Planning &amp;LED</b><br><br><b>Special Programmes</b> | Snr Manager: Strategic Planning & LED  | 1 | 1               |
|   | Secretary                              | 1 | 0               |
|   | Local Economic Development Officer     | 1 | 1               |
|   | Local Economic Development Clerk       | 1 | 0( on contract) |
|   | Community Facilitator                  | 1 | 1               |
|   | IDP Officer                            | 1 | 0               |
|   | IDP Clerk                              | 1 | 1               |
|   | PMS Clerk                              | 1 | 0               |
|   | Rural Dev. Officer                     | 1 | 1               |
|   | Tourism Officer                        | 1 | 1               |
|   | Heritage Officer                       | 1 | 0               |
|   | Development Practitioners              | 3 | 0               |
|   | Division: Social Needs Manager         | 1 | 0               |
|   | Division: Library Services: Librarians | 4 | 3               |
|   | GA (Bev Attendant)                     | 4 | 3               |
|   | Caretakers (library)                   | 4 | 0               |
|   | Sport Officer                          | 1 | 1               |
|   | Caretakers ( Sportsfield)              | 4 | 0               |
|   | GA (Parks)                             | 9 | 0               |
|   | Division: Special Programme Officer    | 1 | 1               |

|  |                   |    |    |
|--|-------------------|----|----|
|  | Outreach Officer  | 1  | 1  |
|  | Career Counsellor | 1  | 1  |
|  | <b>TOTAL</b>      | 44 | 16 |

|                           |  |    |   |
|---------------------------|--|----|---|
| <b>Corporate Services</b> | Senior Manager                                 | 1  | 1 |
|                           | Secretary: Senior Manager                      | 1  | 0 |
|                           | Division: Senior Committee Officer             | 1  | 1 |
|                           | Principal Clerk: Committees                    | 1  | 1 |
|                           | Senior Clerk: Committees                       | 4  | 4 |
|                           | Driver/ Messenger                              | 2  | 1 |
|                           | Division: Administration – Manager             | 1  | 1 |
|                           | Admin Officer                                  | 4  | 0 |
|                           | Admin Clerk                                    | 1  | 0 |
|                           | Clerk (Records)                                | 1  | 1 |
|                           | Switchboard Operator                           | 1  | 1 |
|                           | GA (Messenger/Cleaner)                         | 4  | 4 |
|                           | General Assistant (Halls)                      | 5  | 5 |
|                           | General Assistant (Beverage Attendant/Cleaner) | 15 | 9 |
|                           | Division: Manager (Human Resources)            | 1  | 1 |
|                           | Labour Relations Officer                       | 1  | 1 |
| Human Resource Officer    | 4  | 2  |   |

|   |    |    |
|---|----|----|
| Personnel Clerk   | 1  | 0  |
| EAP Practitioner  | 1  | 0  |
| Skills Development<br>Facilitator                         | 1  | 0  |
| Division: Public Relations<br>Officer<br>PRO              | 1  | 0  |
| Communication Officer                                     | 1  | 1  |
| Division: Fleet Management:<br>Superintendent (Workshops) | 1  | 0  |
| Transport Officer   | 1  | 1  |
| Office Assistant  | 4  | 3  |
| Sen. Handyman Mechanical                                  | 1  | 0  |
| Sen. Artisan Mechanic                                     | 1  | 1  |
| Artisan (Mechanic)  | 1  | 1  |
| Gen Assistant (Mechanic)                                  | 1  | 0  |
| Division: Legal Services:<br>Manager                      | 1  | 1  |
| Snr Peace Officer   | 1  | 0  |
| Peace Officers  | 20 | 10 |
| Division: Traffic Section:<br>Chief Traffic Officer       | 1  | 1  |
| Traffic Officers  | 8  | 4  |
| Senior Natis Clerk<br>(Licensing)                         | 1  | 1  |
| Senior Clerk (Licensing)                                  | 5  | 5  |
| Division: Protection Services:<br>Security Officer        | 1  | 0  |

|  |                                    |            |           |
|--|------------------------------------|------------|-----------|
|  | Security Guard                     | 4          | 4         |
|  | General Assistant (Security)       | 29         | 21        |
|  | Division: Housing: Housing Manager | 1          | 1         |
|  | Town Planner                       | 1          | 0         |
|  | Building Inspectors                | 2          | 1         |
|  | Sen. Housing Officer               | 1          | 0         |
|  | Housing Officers                   | 3          | 2         |
|  | <b>TOTAL</b>                       | <b>142</b> | <b>90</b> |

|                             |  |   |   |
|-----------------------------|--|---|---|
| <b>Engineering Services</b> | Engineering Manager                                      | 1 | 0 |
|                             | Secretary: Municipal Engineer                            | 1 | 1 |
|                             | Division: Electrical Services: Superintendent Electrical | 1 | 1 |
|                             | Sen. Clerk (Electrical services)                         | 1 | 0 |
|                             | Senior Artisan (Electricians)                            | 2 | 1 |
|                             | Artisan (Electricians)                                   | 2 | 2 |
|                             | Electrical Assistant                                     | 8 | 8 |
|                             | Meter Reader   | 2 | 0 |
|                             | Division: PMU Manager                                    | 1 | 0 |
|                             | PMU Technician   | 2 | 2 |
|                             | Data capturer  | 1 | 1 |
|                             | Division: Technical unit: General Works Foreman          | 1 | 1 |

|  |   |    |    |
|--|---|----|----|
|  | Sen. Supervisor<br>(maintenance)                  | 1  | 1  |
|  | Supervisor (Driver)                               | 1  | 0  |
|  | Driver operators                                  | 10 | 3  |
|  | Artisan (Bricklayer)                              | 2  | 2  |
|  | Plumber   | 2  | 1  |
|  | Carpenter   | 2  | 2  |
|  | General Workers (Civil<br>Works)                  | 10 | 6  |
|  | Section: Fire & Rescue:<br><br>Chief Fire Fighter | 1  | 0  |
|  | Fire Fighters                                     | 6  | 1  |
|  | Disaster Officer                                  | 1  | 0  |
|  | Division: Cleansing Services:<br>Manager          | 1  | 1  |
|  | Officer : cemeteries                              | 1  | 0  |
|  | Supervisors                                       | 5  | 5  |
|  | Foreman   | 1  | 0  |
|  | Driver Operator                                   | 8  | 8  |
|  | General<br>Assistants(maintenance)                | 13 | 10 |
|  | Driver Operators                                  | 8  | 6  |
|  | Tractor driver                                    | 3  | 2  |

|                                     |   |     |     |
|-------------------------------------|---|-----|-----|
|                                     | Gen Worker (level II)<br>Refuse Collectors) | 36  | 31  |
|                                     | G Assist (Maintenance)                      | 13  | 8   |
|                                     | Gen Worker (Level I)<br>(Loaders)           | 9   | 9   |
|                                     | GA (Grass cutting)                          | 9   | 7   |
|                                     | Gen Worker (disposal sites)                 | 5   | 0   |
|                                     | Sites Guards                                | 2   | 0   |
| TOTAL                               |   | 171 | 120 |
| <b>Budget &amp; Treasury Office</b> | Chief Financial Officer                     | 1   | 1   |
|                                     | Senior Accountant                           | 1   | 1   |
|                                     | Secretary: Chief Financial<br>Officer       | 1   | 1   |
|                                     | Division: Manager :<br>Revenue (Income)     | 1   | 1   |
|                                     | Accountant Revenue                          | 1   | 0   |
|                                     | Principal Clerk (Income)                    | 1   | 1   |
|                                     | Senior Clerk (Income)                       | 5   | 4   |
|                                     | Credit Controller                           | 1   | 0   |
|                                     | FBS Coordinator                             | 1   | 1   |
|                                     | Cashiers                                    | 6   | 4   |
|                                     | Clerk (Records)                             | 1   | 1   |
|                                     | Division: Controller<br>(Expenditure)       | 1   | 1   |
|                                     | Accountant Expenditure                      | 1   | 0   |

|                                       |    |    |
|---------------------------------------|----|----|
| Payroll Officer                       | 1  | 1  |
| Principal Clerk (Expenditure)         | 1  | 1  |
| Senior Clerk (Expenditure)            | 2  | 1  |
| Payroll clerk                         | 1  | 0  |
| Division: Manager (Budget & Treasury) | 1  | 1  |
| BTO Accountant                        | 1  | 0  |
| Division: Supply Chain Manager        | 1  | 0  |
| Supply Chain Management Practitioner  | 1  | 1  |
| Procurement Officers                  | 2  | 0  |
| Supply Chain Management Clerk         | 1  | 1  |
| Principal Clerk: Stores               | 1  | 1  |
| Store man                             | 1  | 1  |
| Asset Management Officer              | 1  | 1  |
| TOTAL                                 | 37 | 25 |

**FORMULATION AND IMPLEMENTATION OF HR POLICIES, EMPLOYMENT EQUITY AND SKILLS DEVELOPMENT PLAN**

| No | Key Initiatives   | <i>Key successes</i>  |
|----|---|---|
| 1. | <p><u>Employment Policies:</u></p> <p>Employee Provisioning,</p>  | <ul style="list-style-type: none"> <li>• Motivation for filling vacant posts is done according to the Employee Provisioning Policy</li> <li>• Council approves the filling of vacant posts</li> <li>• Short listing and interviewing committees are constituted according to the Employee Provisioning Policy to ensure transparency and accountability</li> <li>• Relevant competency tests have been used as and when necessary.</li> </ul>   |
| 2. | <p><u>Employee Health &amp; Safety policies:</u></p> <p>Substance Abuse &amp; HIV/Aids</p> <p>Telephone Usage</p> | <p><b>The following policies were adopted by council:</b></p> <ol style="list-style-type: none"> <li>a. Employee Provisioning Policy</li> <li>b. Cell-phone Policy</li> <li>c. Sexual Harassment Policy</li> <li>d. Smoking Policy</li> <li>e. Dress Code</li> <li>f. Telephone Usage Policy</li> <li>g. Vehicle Usage Policy</li> <li>h. Bereavement Policy</li> </ol> <ul style="list-style-type: none"> <li>• No EAP Unit</li> <li>• The policy of HIV/Aids was adopted by Council.</li> </ul> <p><b>The purpose of the policy:</b></p> <ul style="list-style-type: none"> <li>• To ensure the effective and efficient use of municipal telephones</li> <li>• To curb the abuse of municipal telephones by officials and councillors</li> <li>• To reduce the telephone costs</li> </ul> |

|    |   |   |
|----|---|---|
|    | Vehicle Usage policies  | <ul style="list-style-type: none"> <li>To prevent unauthorised access</li> </ul> <p>Policy is assisting but implementation needs to be tightened. Policy needs to be annually reviewed to close gaps.</p>   |
| 3. | <u>Employee Capacity</u><br><u>Building &amp; Productivity</u><br><u>Enhancement Policies:</u><br>Training &Development<br>Policy.<br>Induction and Retention<br>Policy | <p>Councillors were trained in computer literacy, local government law, administration, labour law, IDP processes and project management. Training of officials conducted in CPMD, SAICA, risk management, OD –ETDP learnership ,MIDP and LED learnership ,project management, labour law and grader operating and maintenance.</p> <p>Policy approved by Council</p> <p>Policy approved by Council</p> |
| 4  | Property valuation policy   | Reviewed by Council in July 2011  |

### Summary of an Employment Equity Plan

**Legislation:** Employment Equity Act (Act 55 of 1998)

**Purpose:** The plan seeks to achieve reasonable progress towards Employment Equity in the workforce.

After the analysis of the existing employee profile of Nkonkobe Municipality it was discovered that Nkonkobe Municipality race is no longer a problem but the main challenges are the:

1. Under-representation of females.
2. Gross under representation of people with disabilities.

The EE plan for the period July 2010 until end June 2013 concentrates on addressing the two identified problems.

The following table is an illustration of the status quo as at 30 September 2011. Nkonkobe Employee Profile including people with disabilities as at 30 September 2011.

Total number of employees (including employees with disabilities) in each of the following occupational levels: Note: A=Africans, C=Coloureds, I=Indians and W=Whites

| Occupational Levels  | Male |    |   |    | Female |    |   |   | Foreign Nationals |        | Total |
|--|------|----|---|----|--------|----|---|---|-------------------|--------|-------|
|  | A    | C  | I | W  | A      | C  | I | W | Male              | Female |       |
| Top management   | 1    | 0  | 0 | 0  | 0      | 0  | 0 | 0 | 0                 | 0      | 1     |
| Senior management  | 3    | 0  | 0 | 0  | 2      | 0  | 0 | 0 | 0                 | 0      | 5     |
| Professionally qualified and experienced specialists and mid-management  | 7    | 3  | 0 | 4  | 8      | 1  |   | 1 | 0                 | 0      | 24    |
| Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents | 88   | 6  | 0 | 7  | 15     | 7  |   | 5 | 0                 | 0      | 128   |
| Semi-skilled and discretionary decision making   | 41   | 0  | 0 | 6  | 47     | 5  | 0 | 5 | 0                 | 0      | 104   |
| Unskilled and defined decision making  | 32   | 14 | 0 | 2  | 11     | 3  | 0 | 7 | 0                 | 0      | 69    |
| TOTAL PERMANENT  | 150  | 16 | 0 | 4  | 68     | 5  | 0 | 0 | 0                 | 0      | 243   |
| Temporary employees  | 502  | 7  | 0 | 11 | 462    | 6  |   | 2 | 0                 | 0      | 990   |
| GRAND TOTAL  | 652  | 23 | 0 | 15 | 530    | 11 | 0 | 2 | 0                 | 0      | 1232  |

Total number of employees with disabilities only in each of the following occupational levels: Note: A=Africans, C=Coloureds, I=Indians and W=Whites

| Occupational Levels  | Male |   |   |   | Female |   |   |   | Foreign Nationals |        | Total |
|--|------|---|---|---|--------|---|---|---|-------------------|--------|-------|
|  | A    | C | I | W | A      | C | I | W | Male              | Female |       |
| Top management   | 0    | 0 | 0 | 0 | 0      | 0 | 0 | 0 | 0                 | 0      | 0     |
| Senior management  | 0    | 0 | 0 | 0 | 0      | 0 | 0 | 0 | 0                 | 0      | 0     |
| Professionally qualified and experienced specialists and mid-management  | 0    | 0 | 0 | 0 | 0      | 0 | 0 | 0 | 0                 | 0      | 0     |
| Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents | 0    | 0 | 0 | 0 | 0      | 0 | 0 | 0 | 0                 | 0      | 0     |
| Semi-skilled and discretionary decision making   | 0    | 0 | 0 | 0 | 0      | 0 | 0 | 0 | 0                 | 0      | 0     |
| Unskilled and defined decision making  | 0    | 0 | 0 | 0 | 0      | 0 | 0 | 0 | 0                 | 0      | 0     |
| TOTAL PERMANENT  | 0    | 0 | 0 | 0 | 0      | 0 | 0 | 0 | 0                 | 0      | 0     |
| Temporary employees  | 0    | 0 | 0 | 0 | 0      | 0 | 0 | 0 | 0                 | 0      | 0     |
| GRAND TOTAL  | 0    | 0 | 0 | 0 | 0      | 0 | 0 | 0 | 0                 | 0      | 0     |

#### LIMITATIONS TOWARDS ACHIEVING GOALS

During the development of the EE Plan the following barrier may hinder Nkonkobe Municipality in achieving its goals.

- Labour turnover- Care should be given to ensuring skill retention through structures on –job learning and/or succession plans.

## **OPPORTUNITIES/ENABLES**

Opportunities that were identified include the following:

- Embarking on eliminating the identified barrier,
- In service-training,
- To ensure that all Managers participating in Nkonkobe Municipality selection panels are sensitive to EE issues and always discuss it in their selection sessions.

### **Summary of Workplace Skills Plan (WSP)**

According to Government Gazette of June 2005, all employers are expected to submit their Workplace Skills Plan and Annual Training Report to their respective SETA's by the 30 June of each financial year. Employers are also expected to prepare monitoring reports on any training that has taken place as per the submitted WSP and submit to LGSETA on quarterly basis. The following programs are reflected in Nkonkobe Municipality Workplace Skills Plan (WSP).

#### Training of officials and Councillors

Training is currently being conducted in line with the Council approved Annual Training Programme and an allocated budget of a total amount of R1 00 000 was earmarked for training in 2011/12 and currently being utilized for both Councillors and officials. The following training interventions were conducted:

- Diploma in Local Government Law & Admin
- Advanced Certificate in Local Government Law & Admin
- Certificate in Local Government Law & Admin
- Diploma in Labour Law
- Tax Reconciliation - 2012
- Code 14 Drivers Licence
- Examiner of Drivers Licence
- Trade Test-Electrical
- Local Government Accounting Certificate
- CPMD
- Fire Fighter Level One
- Traffic Officers Diploma

- Assets Accounting
- Annual Employee Benefits Conference
- Learning and Development Function
- Peace Officer's Training Course
- Financial Accounting on Bank Reconciliation

Other trainings conducted by other institutions:

- Venus Training on Bank Reconciliation
- Venus Training on Creditors Reconciliation
- New Venture Creation Learnership for unemployed learners with disabilities.
- Local Labour Forum-Skills Development Workshop
- Leases & Inventories Training
- Basic Computer Skills

#### **Fire Rescue Level 1**

The Municipality applied for discretionary grant funding with LGSETA for employed and unemployed learners for Fire and Rescue Training and other trainings and the Municipality successful met the requirements for discretionary grant funding for those training and Fire and Rescue was one of those trainings.

- 3 employed and 6 unemployed learners were selected for the Fire Rescue Level 1. Buffalo City Municipality was appointed as the Service Provider and the classes commenced on September end in December. All learners passed except one unemployed learner that absconded.

#### **Experiential Training**

A total number of candidates were exposed to the field of work in this financial year.

Adult Basic Education and Training (ABET)

ABET Directorate deployed 6 educators to assist Nkonkobe Municipality on ABET. The Programme was rolled out in March 2011.

The classes are conducted from Mondays to Thursday at 15H00 to 17h00. All employees are encouraged to take part in this Programme at Nkonkobe Municipality. The following levels are attended by Municipal employees

1. ABET LEVEL 1 – Those who cannot read and write/had basic read and write skills
  - Learners enrolled in but one learner passed away leaving only 3 learners at this level.

Learning Areas Offered:

- LLC (English)
- Numeracy
- Integrated Studies

2. ABET LEVEL 4

- 18 learners are registered for this programme.

The following Learning Areas are offered:

A. FUNDAMENTALS (COMPULSORY)

LLC (English)

Maths Literacy

B. CORE (COMPULSORY)

Life Orientation

C. VOCATIONAL LEARNING AREAS

Travel and Tourism

D. ACADEMIC LEARNING AREAS

Economic and Management Sciences

Minimum Competency Level Training in line with National Treasury Guidelines.

Government Gazette 29967 pronounced on National Treasury's "Minimum Competency Levels" Training which certain levels of municipal employees need to have by June 2013. All Nkonkobe Municipality Managers are earmarked by Municipality as targeted candidates for the programme by 2013.

- 9 candidates have taken part in the programme thus far and more candidates are envisaged to take part in programme as soon as possible.

### **4.3 Financial Information on Medical Aid and Pension Funds**

In-kind Benefits

The Mayor, Speaker, Portfolio Heads of HR, Strategic Planning & LED, Engineering Services and Budget & Treasury Office are full time. Each is provided with an office and both the Mayor and the Speaker are provided with secretarial support at the cost of the Council. The Mayor is entitled to a council vehicle for official duties and has one full-time driver/bodyguard. The Council offers 5 accredited Medical Aid Schemes, namely Hosmed, LA Health, SAMWU Med, Bonitas and Key Health Medical Scheme.

### **4.4 Interaction between Council, Staff and Community**

#### **4.4.1 Website**

A service provider was appointed to develop the municipal website. The website is now fully functional and the communications section is responsible for content updates.

#### **4.4.2 Newsletter**

The municipal newsletter "Umhlali" is supposed to be printed quarterly. The municipality works with the University of Fort Hare to assist in the interpretation of the newsletter to Xhosa. There have been challenges however with the quality of the paper used by printers but this has been addressed.

#### **4.4.3 Local Communicators Forum (LCF)**

The main purpose for the establishment of the LCF was to close the information gap between the municipality and its communities and to ensure the co-ordination of a local level information management system advising the council and government on issues affecting the communication environment at local level.

The strategy that the municipality has adopted is to include ward committees as part of the LCF to ensure that information reaches communities.

#### **4.4.4 Intergovernmental Relations Forum (IGR)**

Non-attendance by sector departments was reported to the office of the Premier as resolved by Council. The office of the Premier advised that all non-cooperative departments should be reported to MEC's responsible for such departments as their political principals if it means to.

#### **4.4.5 Public Participation**

The municipality developed a Public Participation and Ward Committee development programme in order to ensure effective lines of communication with its community. The programme was adopted and reviewed by the council.

The programme is developed in order to ensure :

- a) that the Nkonkobe Municipality works in partnership with communities for improved service delivery and sustainable development;

- b) that there is consensus between communities and the Council on the needs and strategic interventions necessary for development;
- c) that communities know what is happening in the municipality at all times in line with the principle of transparent and
- d) that communities have a platform to engage with the municipality and thereby hold it accountable for improved governance and service delivery.

In accordance with the Local Government Municipal Systems Act, the Nkonkobe Municipality holds regular Integrated Development Plan (IDP) Representative Forum meetings in drafting its IDP. At the beginning of the planning cycle, advertisements are placed in the local newspaper, notices and radio announcements calling for interested parties to contact the Nkonkobe Municipality.

The office of the Speaker also engages with Traditional Leaders in matters of Public Participation where there are Traditional Councils. The Municipality signed a memorandum of understanding with Traditional Leaders, this was done in 2006 with the assistance of Fort Hare University.

The Nkonkobe Municipality collaborates with Amathole District Municipality in hosting National Imbizo Events. The dates for the National Imbizo Focus Weeks are set by Cabinet and provide an opportunity for all spheres of government to go out and meet the local communities and to talk about government services that are available for the public. These meetings also provide the local communities with an opportunity to meet their political leaders and to voice their comments needs, and issues in an unmediated fashion.

In addition, once the IDP and budget has been drafted, the Nkonkobe Municipality embarks upon an IDP and Budget public hearings to the communities. The ward councilors mobilize the ward committee members and community members to attend the meetings. The Draft IDP is summarized and presented to communities in English and presented in isiXhosa for comment and discussion. Records of these meetings are kept. Once all the comments and discussions have been taken into consideration towards an amended IDP and Budget, the above process is followed up by ward committees meeting before it goes to an IDP Representative Forum, where the amended/Draft IDP and Budget is again presented for the last time before they are submitted to Council for adoption. It is difficult though for the municipality to implement all the projects raised by communities due to budget constraints of council.

The Nkonkobe Municipality also engages volunteers within the community in a wide range of activities, including community health care, disaster management, community policing forums etc.

#### **4.4.6 Ward Committees**

Ward Committees are playing a huge role in the municipality's IDP and budget processes including Community Based Plans. The municipality has 210 ward committees in 21 wards. The meetings do sit quarterly and ward committees are given a monthly allowance of R1000 and ongoing capacity building is conducted to enhance their performance.

#### **4.4.7 Community Development Workers**

The Department of Local Government and Traditional Affairs appointed 21 Community Development Workers to assist the municipality in enhancing public participation by ensuring that communities are consulted and their problems are communicated through all government departments.

#### **4.4.8 Administration Services Section under Corporate Services Division**

The goal of the Administration Services Section is to provide an efficient auxiliary services function to both internal and external departments by providing the following services:

- Switchboard operations
- Tea serving and cleaning/housekeeping
- Office accommodation
- Office automation
- Registry / Archives management
- Insurance services
- Property Evaluations

#### **4.4.9 Document Management**

The Nkonkobe Municipality's document management system is divided into two namely:

- Index System
- MunADMIN

Council has compiled and adopted the Promotion of Access to Information Manual. The Filing system of the Nkonkobe Municipality has been registered. MunAdmin has been upgraded and it's operational. Training of all Secretaries and end users was done. System need to be used by officials.

#### **4.5 Fleet**

The Nkonkobe Municipality's has improved substantially due to the fact that 13 new vehicles were purchased and a total of 53 fitted with the tracking system.

#### Composition of the fleet

| Type of vehicle    | Total number |
|--------------------|--------------|
| Sedan              | 5            |
| Trucks             | 10           |
| MPV's              | 5            |
| Tractors           | 5            |
| Trailers           | 3            |
| Graders            | 3            |
| TLB'S              | 2            |
| Fire fighting      | 2            |
| LDV's              | 18           |
| Landfill compactor | 1            |
| Roller             | 1            |
| <b>TOTAL</b>       | <b>54</b>    |

#### 4.6 Housing Developments

The Municipality facilitates the housing projects with the Department of Human Settlements. There is a rectification project currently underway and the following projects have been rectified:

- Seymour
- Middledrift

There is a plan to rectify the following projects:

- Seymour - 232
- Kanana - 300
- Hillside phase 2 - 500

The list for rectification is as follows:

- Newtown Housing project 662
- Hillside Phase 2 500
- Bhofolo Phase 1 300
- GommaGomma 18
- Middledrift Phase 2 311

Further 5 new projects were identified and applications were submitted to Provincial Dept. of Housing for approval. These projects were approved as follows:

;

- Bhofolo Phase 2 : 1000 units,
- Lower Blinkwater :1 500 units,
- Daweti : 260 units,
- Joji : 300 units
- Khayelitsha (emaplangezi Alice): 260 units.

Nkonkobe municipality has requested the Provincial Department of Housing to proceed with procurement process for these newly approved projects. Nkonkobe Municipality is still waiting for a report from the Provincial Dept. of Housing around Procurement processes for these newly approved projects so that they can be implemented.

There are projects that are being implemented by Amathole District Municipality on behalf of the Municipality. These projects are Hogsback settlement and Victoria Post settlement. The housing project in Mt. Pleasant is under implementation and the Katberg Settlement is waiting for the transfer of land from Land Affairs to the Municipality. There are also rural Housing Projects that the provincial department of Housing is implementing in our area. These are Roxeni, Mcfallen and Nkobonkobo.

#### **4.7 Land Administration**

As in most local authorities within the ADM area, the reorganization of local authority boundaries has highlighted the uncertainty of land administration roles between the municipality and the traditional leaders. The allocation of sites particularly in rural areas is effected through the department of Agriculture on request by the Residence Associations. This creates problems when it comes to planning particularly in rural areas because these allocations are not reflected in the IDP. Land Use guidelines are followed in urban areas but the problem revolves around the lack of town planning schemes in some areas particularly former Ciskei areas. Only one area in the whole Nkonkobe Municipality has a town-planning scheme to control development and it becomes difficult to control development in areas where there is no town-planning scheme. The absence of town planning schemes is hampering development. Nkonkobe municipality has request ADM, and Dept of Land Affairs to assist in formulating town planning schemes in

areas where there are no such control tools. There is a potential of developing Debe Nek area but challenges are that: the land is owned by the Dept of Land Affairs secondly, part of Debe Nek falls under the jurisdiction of both Amahlathi and Nkonkobe Municipality and as such any development will have positive/negative spin offs to that municipality. The municipality should request ownership of the land to the Dept of Land Affairs for developing the area and Amahlathi Municipality should be consulted. The farms that Nkonkobe Municipality has requested for the development of Debenek from Department of Land Affairs are 1623, 1624, 1625 and 1626. The following properties were planned and surveyed for development: Happy Rest (Alice), Group 5, and ERF 202 (Fort Beaufort), ERF 72 Middledrift (in ERF 202(Fort Beaufort) the municipality needs to cancel the contract with the previously appointed contractor and appoint another developer, this is the case with group 5. For both Happy Rest and Middledrift the outstanding issue is the identification of a developer.

#### **4.8 Land Productivity and Rural Livelihoods**

There is a strong feeling among community leadership that land needs to be made productive. Most residents who own arable plots do not utilize such land effectively and as such do not want to lease it to those who can put the arable land in good use. The most unfortunate part around this issue is that those who have means to utilize the arable land do not have access in such land, meaning they do not own it. Some leasing of arable plots does occur, but often this is for limited periods to ensure that the lessee does not end up being the owner or is perceived as having any rights. Other limiting factors to rural livelihood development were identified as:

- Lack of interest in farming by the youth (and a perspective that farming is a lower status occupation).
- Older residents who may not have the abilities to carry out the hard work largely hold to the "dream" of rural development but do not effectively utilize the land
- The inability to attract industry to the rural areas / small towns.
- The lack of services / service centres, capital, infrastructure and equipment to enhance farming.
- The existing tenure patterns of large arable fields far away from the homestead were seen to inhibit production.

Other Issues:

- A large number of restitution claims that had not been settled were highlighted.

The delays were causing resentment among the claimants and in one case the claimants had begun invading the claimed land.

- Redistribution initiatives were underway which was meeting the demand of emerging farming.

However problems that caused failure of these projects were highlighted namely; group dynamics and a lack of commitment from the beneficiaries. The Land Reform and Development planning process needs to focus on identifying committed farmers, and screen out those who are just interested in owning land and/or seeking grant.

#### **4.9 Safety and Security**

There are Nine (9) police stations in the municipal area namely in; Alice, Fort Beaufort, Seymour, Hogsback, Headtown/Ntoleni, Balfour, Middledrift, Dorrinklof and Debe Nek / Chungwa. The municipality has two (2) prisons namely; a maximum prison in Middledrift and a smaller one in Fort Beaufort. Nkonkobe Policing Forum is in place with the aim of combating crime in the municipal area of jurisdiction. Stock theft is a major problem in rural areas. The high unemployment levels in the area were also attributed as a contributing factor of most criminal acts performed. Main contributing factors on crime were reported to be:

- Assault and Grievance bodily Harm (GBH) as a result of liquor intake
- Domestic violence and contact assault is reported to be the most common crime
- Dark areas without streetlights
- Bad road conditions
- Stock theft
- House breaking (Businesses and Residential areas)
- Rape of elderly people and young children (vulnerable group)
- Murder
- Drink and driving

The Nkonkobe Safety Forum (NSF) (Alice Cluster CPF Board) is in place and its mandate is to improve service delivery of Criminal Justice System and create a sound foundation from which to implement social crime prevention in the municipal jurisdiction. Safety Forums are not yet fully functionally in all units. Presently NSF is developing a plan of establishing Safety Forums at ward level for all 21 wards in the municipal area. The aim of establishing Ward Forums is for the community to benefit on:

- ✓ Community Crime Prevention projects and Plan; and a safer community
- ✓ A better functioning Criminal Justice System. Improved facilities and better service
- ✓ Improve access to justice and an opportunity to interact with wide range of government departments
- ✓ A coordinated approach and joint problem solving
- ✓ Integrated and transparent programmes

There is a need to establish mobile police stations and construction of more police stations since crime rate in the area is high. There is a lack of committed staff within the police sector and a need to introduce a management tool, a need of capacitating police officers on communication and writing skills due to the fact that they take and write statements wrong and that has an impact on the public or to complainants. Community policing forum needs to be capacitated with skills and terms of reference needs to be developed so that they could be monitored for delivery as expected of them.

Community Policing Forums conducted convoys and roadblocks in the entire municipal area to reduce crime levels, this effort was commended by SAPS as this assisted to a large degree in curbing crime. Commitment on SAPS caused by police officers placement in area for longer periods. Sector policing is not in place in all areas due to lack of human and financial resources. A satellite police station in Kwezana East is not operational due to staff shortage and as a result of non-functional it was vulnerable to vandalism.

#### **Achievements**

- Thirty eight (38) student constables fresh from the training institution Bisho SAPS Academy are distributed in this area of jurisdiction.
- Highway Patrol squad are patrolling the R63 from Seymour to DebeNek 24hrs a day to curb theft of motor vehicles in this area.
- Established task team for Detectives in Alice cluster .These Detectives are focusing on serious crimes like Murder ,Arm robbery ,business robbery, FCS unit (Family offences ,Children, and Sexual offences unit) This FCS unit deals with rape cases ,Child abuse cases and Sexual assault cases which is based at Chungwa Police Station
- There is a victim support centre at Alice which is responsible for the counselling of the rape victims (Isibane Victim Support centre at Fort Beaufort which under the guidance of Department of Social Development).
- SAPS are also intending to have victim support centres to each and every Station in this Municipal jurisdiction

#### **5. BASIC SERVICE DELIVERY &INFRASTRUCTURE DEVELOPMENT**

Engineering department has the following sections:

- Electricity
- Civil works
- Project Management Unit
- Cemeteries
- Waste management
- Cleansing
- Fire
- Disaster Management and Rescue

The department is responsible for all the infrastructural projects within Nkonkobe Municipality and also to liaise with other spheres of government that deal with infrastructure

## 5.1 Electricity

The supply of electricity in the Nkonkobe Municipality is provided by two suppliers, i.e Eskom and Nkonkobe Municipality.

Nkonkobe Municipality is only supplying electricity in Fort Beaufort town and its surrounding townships. Electricity on the other four administrative units of Alice, Middeldrift, Hogsback, Seymour and all rural villages is supplied by Eskom. The current status in Fort Beaufort in terms of electricity supply is 98% with the backlog of only 2%. The backlog of 2% in Fort Beaufort comprises houses in Bofolo and houses in GommaGomma. The municipality has completed the connection of houses in Hillside.

In areas supplied by Eskom it is estimated that electricity provision is at 85% with the backlog of 15%. This may change as new townships are established and villages extended and it takes time for Eskom to provide electricity in these areas. The backlog of 15% may increase as more developments are undertaken.

### PRIORITY LIST FOR ELECTRIFICATION OF NKONKOB

| NO | WARD NO | LOCATION   |
|----|---------|--|
| 1  | 6       | All connected  |
| 2  | 7       | Lundini, Elukhanyisweni, Ekuphumleni, Khayelitsha, Hertzog, Tambokiesfle, Tallhotel, Aucdine, White Tennis Court, Hernest, Mankazana, Ngquthu, Platform, Ferban, Upper Blink Water, Buxton |
| 3  | 20      | Goma-Goma  |
| 4  | 3       | Chris Hani   |
| 5  | 10      | Cathcart vallyely, (pheshakomfula), Gwadana, Dukathole, Gilton.  |
| 6  |         | Limbede village  |
| 7  | 8       | Lower Blink Water, , Mt Pleasant, Witney Farm(Spaklington)   |
| 8  | 16      | Cilidara extension   |
| 9  | 12      | Magaleni, Bergplaas and Worbun   |
| 10 | 9       | Roma (maasdorp), Katberg, Jureshoek, Fingin (Ekuphumleni) Rietsdale, Blackwood, Filipton, Kolomane (Seven areas).  |
| 11 | 4       | All connected  |
| 12 | 13      | Nkobonkobo, Rwanyeni, Hopefield  |
| 13 | 1       | Khulile, Qamdobowa, Zigodlo, Qhibira, Ndulini, Ndindwa, Mgxotyeni these are all extensions   |
| 14 | 18      | Mxumbu, Trust no. 1, Cwaru, Tafeni all extensions  |

|    |    |   |
|----|----|---|
| 15 | 14 | Ngcabasa, Ngqolowa, Dikidikana, Pewuleni, Peksdale, all are extensions.                                     |
| 16 | 11 | Binfield, Hopefield   |
| 17 | 19 | Nonaliti, Zihlahleni extensions   |
| 18 | 17 | Sityi extension, Saki extension, Mbizana extension, Njwaxa extension, Ngwenya extension, Gqadushe extension |
| 19 | 15 | All have electricity  |
| 20 | 2  | All have electricity  |
| 21 | 20 | All have electricity  |

## 5.2 Roads and storm water management

According to Amatole District Municipality, Nkonkobe has 192.82km of paved roads and 1424.63 unpaved roads. The main tarred routes run in a north-south direction through Seymour and Fort Beaufort, and an east-west direction through Fort Beaufort, Alice and Middledrift. These routes are of strategic importance because they link places of economic activities. Most of the roads linking the rural settlements are generally in poor conditions. The backlog in terms of roads in Nkonkobe municipal area stands at 88%. To address this backlog the municipality relies on funding allocation from MIG as well as assistance from the Department of Roads and Transport.

Upon the redetermination of powers and functions, the roads function is being determined to be the responsibility of the Category B Municipalities which would include Nkonkobe Municipality. The Department of Roads and Transport is responsible for the provincial roads whilst the municipality is responsible for the internal streets within the villages.

### Roads:

Some roads were constructed using the MIG funds and these roads include Alice internal streets, Newtown internal streets, Bofolo internal streets, Ntselamanzi internal streets, Gomoro internal street, and Nontetha gravel road.

In terms of storm water management, this is provided in the towns and townships of the Nkonkobe areas. The Municipality has prioritized storm water and storm water management needs to be taken seriously as it becomes very difficult for the communities to access their properties where storm water drainage is not attended. The technical team has been established to attend to these issues.

## 5.3 Boundary Disputes

This issue relates to disputes on the following levels: Between traditional leaders concerning their area of jurisdiction. This has impacts on support for projects and land allocations. The real challenge is to provide institutional stability in local government.

According to the municipal demarcation board the area of upper Cathcart will have to be removed from the area of Nkonkobe to the Amahlathi municipality, the area of around cairns village to be removed from Lukhanji to the area of Nkonkobe and exclude the area of Anta Traditional Authority from Nkonkobe and be included in the area of Amahlathi.

#### **5.4 Status of Refuse Removal**

No refuse removal is currently being done in rural areas as refuse disposal sites are situated only in the urban areas. Refuse removal service is currently done in urban areas due to the following reasons:

- Non readiness of community members
- Long distances to and from the waste sites
- Shortage & ageing transport system.

Black bags /bins kerbside collection is done once per week in households. Four (4) refuse bags are distributed to each household per month. As an attempt to improve the standard of service; the municipality procured brand new compactor and skip trucks.

The municipality took a resolution on piloting waste management cooperatives in three areas namely: Alice Golf Course; Newtown as well as Bhofolo location; to which only two are currently implemented (Alice Golf Course and Newtown). The cooperatives are intended to render the following services: refuse collection; litter picking; street sweeping; removal of illegal dumpings and conduct environmental and waste awareness campaigns. The cooperatives were involved to achieve the following:

- render refuse removal service where the municipal cannot
- assist in job creation
- capacity building in communities
- create a sense of ownership among the citizens
- increase awareness on waste related issues

Illegal dumping is a serious challenge in residential areas; as an attempt to address this; the municipality is in process of constructing refuse drop off points. In order to prevent illegal dumping of refuse, the municipality has appointed peace officers that have to implement refuse by - laws.

#### **5.5.1 Status of Solid waste sites**

Nkonkobe municipality has five solid waste sites and one refuse transfer station. They are located in all administrative units (Middledrift; Hogsback; Alice; Seymour and Fort Beaufort). Three of the sites are operating without permits (Hogsback; Seymour and Fort Beaufort and the other three has permits though they are not operated as per conditions of the permits.

The municipality is in the process of addressing the issue of non-permitted sites and poor operations. Through a service provider; it has compiled landfills lifespan assessment; rehabilitation and post closure monitoring of waste disposal sites. Concurrent to that the

municipality is also in the process of constructing two refuse transfer stations in Seymour and Hogsback; EIA is underway to that effect.

### **Development of Integrated Waste Management Plan (IWMP)**

As a mandate by The National Environmental Management: Waste Act of 2008 that all municipalities develop their own Integrated Waste Management Plans (IWMP). Nkonkobe municipality has appointed a service provider who is currently busy with the development of Nkonkobe Municipality IWMP. The primary objective of the IWMP is to integrate and optimize waste management services; thereby maximizing efficiency and improving the quality of the all the citizens

#### **The IWMP incorporates the following:**

- Reviewing the existing baseline situation
- Making projections of future requirements
- Setting objectives
- Identify system components
- Identify and evaluating alternative methods/ approaches for meeting requirements
- Developing and implementing IWMP
- Evaluating and reviewing the plan to ensure the objectives are met

The Nkonkobe Municipality draft IWMP as of today contains the following:

- Status quo assessment on waste management
- Gap analysis and needs assessment report
- Development options and alternatives assessment report

### **5.6 Fire fighting**

Nkonkobe Municipality does not have fire stations but using the municipal buildings as fire stations. These buildings do not have necessary equipment / resources so that will enable fire fighters to operate effectively and efficiently, however Nkonkobe Municipality has budgeted for R1m for the construction of fire station but it was discovered that the budgeted funding is insufficient to expedite and accomplish the project and therefore the Council is in a process of sourcing external top up funding from Municipal Infrastructure Grant ( MIG).

Nkonkobe Municipality has employed 2 permanent fire fighters however Amathole District Municipality has sent 9 additional fire fighters to fire and rescue training for a period of 3 months. Out of 9 volunteers 6 are from unemployed members of Nkonkobe Municipality community and 3 are the existing employees of Nkonkobe Municipality.

## **6. Community Based Planning**

### **6.1 WARD BASED COMMUNITY ISSUES**

**Section 152 of the Constitution stipulates the roles of local government:**

- a. To provide democratic and accountable government for local communities
- b. To ensure the provision of services to communities in a sustainable manner
- c. To promote social and economic development
- d. To promote a safe and healthy environment
- e. To encourage the involvement of communities and community organisations in the matters of local government

#### **The Municipal Systems Act (Act 32 of 2000)**

**Section 16. (1)** “a municipality must develop a culture of municipal governance that complements formal representative government with a system of participatory governance, and must for this purpose-

- (a) Encourage, and create conditions for, the local community to participate in the affairs of the municipality, including in
  - i. the preparation, implementation and review of its Integrated Development Plan in terms of Chapter 5;
  - vii. the preparation of its budget; and
  - viii. Strategic decisions relating to the provision of municipal services in terms of Chapter 8;

As informed by the above pieces of legislation the municipality embarked on conducting a Ward based planning programme to identify the key needs of the community. The following represents the various community development issues identified during the ward based planning programme. The identified key issues form the basis of the budget and development priorities of the municipality. Ward Councilors, Ward Committee, Traditional leaders, Chairpersons in the community and Representatives from organized structures in the community.

| <b>Ward 1</b>            |                        |  |
|--------------------------|------------------------|--|
| <b>Ward Clr : M Kata</b> |                        |  |
| <b>No</b>                | <b>Community Issue</b> | <b>Description</b>   |
| <b>1</b>                 | Electricity            | Electrification of new extensions : Qamdobowa, Zigodlo, Qutubeni, Ndulini, Zalaze, Mgxotyeni, Khulile, Qibira, Drain                     |
|                          |                        | Provision of Free Basic Electricity  |
| <b>2</b>                 | Roads                  | Regravelling and upgrading of Roads in all villages  |
|                          |                        | Installation of bridge in the following areas:<br><br>Middledrift River, Ndulwini & Seko, Qibira & Ndulini, Qutubeni, Qamdobowa & Zalaze |
| <b>3</b>                 | Community Amenities    | Construction of a multipurpose centre: Qibira  |
|                          |                        | Construction of community hall:<br>Qibira, Ndulini, Zalaze, Ndindwa, Qutubeni, Mgxotyeni, Ezigodlo                                       |
|                          |                        | Fencing of Qamdobowa community hall  |
|                          |                        | Construction of sportfield   |
| <b>4</b>                 | SMME                   | Training on skills development programmes ( Cotton, candle making, juice making, brick making and soap production )                      |
| <b>5</b>                 | Agriculture            | Revive irrigation scheme : Qamdobowa, Zalaze   |
|                          |                        | Fencing of grazing lands   |
|                          |                        | Dam scooping –all villages   |
| <b>6</b>                 | Education              | Scholar transport  |

|   |                    |   |
|---|--------------------|---|
|   |                    | Renovation of all schools                               |
| 7 | Health             | Building of clinic- Mgxotyeni                           |
|   |                    | Renovation of clinic : Zigodlo&Qibira                   |
| 8 | Safety & Security  | Erection of Satellite Police Station : Zigidlo&Xhukwana |
|   |                    | Revival and strengthening of CPF                        |
| 9 | Water & Sanitation | Installation of VIP toilets in all village              |
|   |                    | Installation of taps                                    |

| <b>Ward 2</b>                   |                     |  |
|---------------------------------|---------------------|--|
| <b>Ward Cllr : J.N Ngcakaza</b> |                     |  |
| No                              | Community Issue     | Description  |
| 1                               | Electricity         | Free Basic Electricity- Skolweni   |
|                                 |                     | Electrification of new extensions  |
| 3                               | Roads               | -Regravelling and upgrading of roads – All wards                                       |
|                                 |                     | -Resurfacing and compacting of roads-Roads Maintenance Plan                            |
| 4                               | Community Amenities | Construction of a Multi –purpose centre – Lenge  |
|                                 |                     | Construction of Community Hall : Mgquba,Ngwabeni,Meva,Roxeni,                          |
| 5                               | SMME                | Processing of African potatoes, Aloe, Ashore   |
| 6                               | Agriculture         | Dam Scooping in all villages   |
|                                 |                     | Revival of Irrigation Scheme at Ngobe,   |
|                                 |                     | Livestock farming  |
|                                 |                     | Fencing of ploughing fields, Tractor and Supply of seedlings, and repair of boreholes. |

|   |           |  |
|---|-----------|--|
| 7 | Education | Improvement of food nutrition in all schools<br><br>Extension of food nutrition from Grade R to Grade 12 |
| 8 | Health    | Renovation of clinics at Ngwabeni,   |
|   |           | HIV/AIDS awareness campaign  |
|   |           | ARV rollout in clinics and hospitals   |
|   |           | Training on home based care giver  |

|                                     |                        |  |
|-------------------------------------|------------------------|--|
| <b>Ward 3</b>                       |                        |  |
| <b>Ward Cllr : N Sango -Blackie</b> |                        |  |
| <b>No</b>                           | <b>Community Issue</b> | <b>Description</b>   |
| 1                                   | Electricity            | Electrification of new extensions  |
|                                     |                        | Provision of Free Basic Electricity  |
| 2                                   | Roads                  | Upgrading of roads /paving of internal streets   |
|                                     |                        | Bush clearing from the location to Magaleni  |
|                                     |                        | Installation of speed humps ( Morris area, Mpolweni main road, next to the Mpolweni crèche |
| 3                                   | Community Amenities    | Renovation of Old age hall   |
| 4                                   | Tourism                | Construction of memorial stone/garden in remembrance of the Heroes of Fort Beaufort        |
|                                     |                        | Development of a Tourism center /sites in Eskolweni-Mxhelo                                 |
| 5                                   | Land                   | Extension of Sites   |
| 6                                   | SMME                   | Poultry project, Purchasing of washing machines for women project                          |
|                                     |                        | Skills development : Car wash, art & craft   |

|    |                   |  |
|----|-------------------|--|
|    |                   | Construction of a mini market for hawkers            |
| 7  | Agriculture       | Camp for Livestock farming                           |
| 8  | Health            | Availability of needed medicine in the clinics       |
|    |                   | Training of home based care givers                   |
| 9  | Safety & Security | Availability of safety officers in all schools       |
|    |                   | Erection of satellite /mobile police station         |
| 10 | Water             | More dams and tanks for the provision of water       |
| 11 | Education         | Renovation of Mxhelo primary school                  |
|    |                   | Improvement of food nutrition in all schools         |
|    |                   | Extension of food nutrition from Grade R to Grade 12 |

|                              |                        |   |
|------------------------------|------------------------|---|
| <b>Ward 4</b>                |                        |   |
| <b>Ward Clr : M Makeleni</b> |                        |   |
| <b>No</b>                    | <b>Community Issue</b> | <b>Description</b>  |
| 1                            | Electricity            | Electric supply   |
|                              |                        | Provision of Free Basic Electricity                                   |
|                              |                        | Installation of High Mast   |
| 2                            | Roads                  | Regravelling of internal streets                                      |
|                              |                        | Tarring of the entrance road around magaleni to Ntoleni and mlalandle |
| 3                            | Community Facilities   | Construction of an Abbotoir   |
|                              |                        | Construction of Kwepileni and Golf course hall                        |
|                              |                        | Renovation of : Ndaba community Hall & Hillside Community Hall        |
| 4                            | SMME                   | Projects for the reduction of high unemployment rate in the           |

|   |                    |  |
|---|--------------------|--|
|   |                    | ward   |
| 5 | Agriculture        | Dam scooping ,reparation of windmill, dipping tank in Ntoleni    |
|   |                    | Renovation of a dam at Magaleni                                  |
|   |                    | Fencing of grazing camps   |
| 6 | Education          | Renovation of primary school in Mlalandle and Ndaba (Manzo&Qaka) |
|   |                    | Construction of a daycare Mlalandle                              |
| 7 | Water & Sanitation | Water & Sanitation of households                                 |

| <b>Ward 05</b>                    |                     |  |
|-----------------------------------|---------------------|--|
| <b>Ward Cllr : MC Nyangintaka</b> |                     |  |
| No                                | Community Issue     | Description  |
| 1                                 | Electricity         | Electric supply for houses   |
|                                   |                     | Installation of High Mast Lights   |
| 2                                 | Telecommunication   | Installation of public phones in all villages –  |
| 3                                 | Roads               | <ul style="list-style-type: none"> <li>• -Upgrading of all bridges –</li> <li>• -Regravelling and upgrading of roads –</li> </ul>  |
| 4                                 | Community Amenities | Building of community halls in 14 villages -Dish, Mdlankomo, Hopefield, Upper Ncerha,BinfieldKhwezana, MdeniNgwangwane, Mkhuthukeni,Zixinene,Ndlovurha,Spingweni,,Chamama,, Fencing of cemetery: Khwezana, Ngwangwane,Zixinene, Mdeni, Gcatao, Krwakrwa,,Mkhobeni, Spingweni, Mqayise, |
|                                   |                     | Renovations of a community hall,   |

|    |                   |  |
|----|-------------------|--|
|    |                   | Building of creche in Dish, Mkhobeni, Majwareni, Khwezana ,<br>Gcato,Ngwangwane,Mkhuthukeni, Zixenene, Mqhayise,<br>Ndlovurha, Sphingweni, Chamamama,<br><br>Binfield, |
| 5  | Tourism           | Rehabilitation of tourist sites in all villages  |
| 6  | SMME              | Community Development and Resource Centre  |
|    |                   | Skills development (Cotton, candle making, juice making,<br>brick making, soap production, financial & project<br>management Piggery, poultry, bakery, beadwork, etc.) |
| 7  | Agriculture       | Establishment of irrigation scheme: ( Phuhlisana Poultry<br>Project) Dam scooping, fencing of ploughing fields and<br>grazing camps in all villages                    |
| 8  | Education         | Ensure there are safety officers in schools  |
|    |                   | Renovation of all schools in<br><br>Gcado,Hopefield, Mdlankomo Primary, Machibini Primary,<br>Mhlambiso High School – Ward 11  |
| 9  | Health            | Training of Home Based Care givers   |
|    |                   | HIV/AIDS awareness campaign  |
|    |                   | Weekly mobile clinic   |
|    |                   | Building of clinic at Mkhobeni ,<br>Mdlankomo,Hopefield,Binfield,Mkhuthukeni,, Machibini,  |
| 10 | Safety & Security | Erection of Satellite Police Station   |

| <b>Ward 6</b>                  |                                |  |
|--------------------------------|--------------------------------|--|
| <b>Ward Cllr : R.A Kganedi</b> |                                |  |
| <b>No</b>                      | <b>Community Issue</b>         | <b>Description</b>   |
| 1                              | Electricity                    | <ul style="list-style-type: none"> <li>• Upgrade electrical reticulation and supply</li> </ul>   |
| 2                              | Roads                          | <ul style="list-style-type: none"> <li>• -Purchase roads construction equipment</li> <li>• -Regravelling and upgrading of roads –</li> <li>• -Maintenance of all roads</li> </ul>                |
| 3                              | Community Amenities            | Construction of quality houses   |
| 4                              | Agriculture                    | <p>Processing of African potatoes, Aloe, Ashore</p> <p>Training on skills development (cotton, candle making, juice making, brick making, soap production, financial and project management)</p> |
| 5                              | Amathole District Municipality | Provide shelter at the taxi rank in Alice  |

| <b>Ward 7</b>             |                        |   |
|---------------------------|------------------------|---|
| <b>Ward Cllr : T Matu</b> |                        |   |
| <b>No</b>                 | <b>Community Issue</b> | <b>Description</b>                            |
| 1                         | Electricity            | Provision of FBE                              |
| 2                         | Roads                  | Regravelling and upgrading of roads all areas |
|                           |                        | Maintenance of roads all villages             |
| 3                         | Community Amenities    | Renovation of Community Halls :Lushington     |
|                           |                        | Construction of a library                     |

|   |             |   |
|---|-------------|---|
|   |             | Construction of recreation facilities /play grounds : Nobanda, and Rwantana   |
|   |             | Construction of sportsfields: Hertzog   |
|   |             | Fencing of cemeteries : Ekuphumleni, Elundini, Rwantana and White,  |
|   |             | Provision of Mail Boxes : Elundini and Hertzog  |
| 4 | SMME        | Skills development (cotton,candlemaking,juice making ,brick making,soap production and piggery project,poultry project, bakery and beadwork |
| 5 | Agriculture | Upgrading of citrus farms- Farms  |
|   |             | Fencing of grazing camps all villages   |
|   |             | Processing of African potatoes ,aloe and land care  |
|   |             | Reviving and establishment of dipping tanks in all villages   |
|   |             | Reparation of windmills in all villages   |
| 6 | Health      | Building of clinic at Lushngton and Mankazana   |
| 7 | Education   | Construction of a crèche/ Educarecentre : Mabheleni   |
| 8 | Cleansing   | Grass cutting and Bush clearing   |

|                      |                        |   |
|----------------------|------------------------|---|
| <b>Ward 8</b>        |                        |   |
| Ward Cllr : E Bantam |                        |   |
| <b>No</b>            | <b>Community Issue</b> | <b>Description</b>  |
| 1                    | Electricity            | Electricity supply: Lowerblink water, Platform, Mt Pleasant and farm areas. |
|                      |                        | Installation of high mast lights  |
|                      |                        | Provision of FBE: Teba/Cimezile   |
| 2                    | Roads                  | Regravelling and upgrading all villages                                     |

|    |                     |   |
|----|---------------------|---|
|    |                     | Maintenance of all roads in Newtown   |
|    |                     | Reparation of bridges   |
|    |                     | Road construction and maintenance : Teba /Cimezile and Mt Pleasant  |
|    |                     | Reparation of bridges: Teba/Cimezile & Dan  |
|    |                     | Installation of pedestrian crossing signs at Lowerblink water   |
| 3  | Community Amenities | Maintenance of community hall : Lowerblink Water and Mt Pleasant  |
|    |                     | Renovations of community hall & library in Newtown  |
|    |                     | Installation of an alarm system in Newtown hall   |
|    |                     | Construction of recreational facilities : Skolweni ,komkhulu/ Luzini  |
| 4  | Land                | Land transfer from the private owners to the community members  |
| 5  | Tourism             | Construction of a BnB in Mt Pleasant  |
| 6  | SMME                | Skills development : ( cotton ,candle making, juice making ,brick making ,soap production ,piggery project ,bakery and beadwork |
| 7  | Agriculture         | Dam scooping : ,Lowerblinkwater ,Mdeni and Cimezile   |
|    |                     | Dipping tanks :Mt Pleasant ,Teba/Cimezile   |
| 8  | Education           | Scholar Transport all villages and farms Rietfontein& Sparks  |
| 9  | Health              | Construction of health centre : Lowerblink water  |
|    |                     | Training of homebased care givers   |
| 10 | Safety & Security   | Fencing along the road  |
| 11 | Cleansing           | Grass cutting and Bush Clearing : Teba /Cimezile  |
| 12 | Water & Sanitation  | Mt pleasant ,Teba/Cimezile ,Rietfontein and Splarklington   |

| Ward 9                 |                     |  |
|------------------------|---------------------|--|
| Ward Cllr : N.P Mlamla |                     |  |
| No                     | Community Issue     | Description  |
| 1                      | Electricity         | <ul style="list-style-type: none"> <li>-Electrification of hall and houses- Maasdorp, Dyala and 14 villages without electricity</li> </ul> |
|                        |                     | <ul style="list-style-type: none"> <li>-Installation of Street lights/High mast –Ward: 9</li> </ul>  |
| 2                      | Roads               | <ul style="list-style-type: none"> <li>-Regravelling and upgrading of roads – All villages</li> </ul>                                      |
|                        |                     | <ul style="list-style-type: none"> <li>-Maintenance of all roads</li> </ul>  |
| 3                      | Community Amenities | <ul style="list-style-type: none"> <li>Renovation of unused building for multi-purpose centre and VIC-Seymour</li> </ul>                   |
|                        |                     | Renovations of halls – Kolomane and Ekuphumleni  |
|                        |                     | Construction of Balfour stadium and Sportfield: Seymour, Lowerblink Water and Balfour.   |
|                        |                     | Construction of Sportfield: Seymour and Balfour.   |
| 4                      | Land                | Land for grazing and for cemeteries  |
| 5                      | Tourism             | Funding for establishing a game reserve  |
|                        |                     | Training on skills development (cotton, candle making, juice making, brick making, soap production, financial and project management)      |
| 7                      | Agriculture         | Processing of African potatoes, Pelargonium ( Mvendale),Aloe, Ashore   |
|                        |                     | Funding for Ikhala Co-operatives Projects-Seymour  |
| 8                      | Education           | Intensive training of SGB in all schools   |
|                        |                     | Improvement of food nutrition in all schools   |
|                        |                     | Extension of food nutrition from Grade R to Grade 12   |
| 9                      | Health              | Training on home based care giver  |

|    |                   |   |
|----|-------------------|---|
|    |                   | ARV rollout in clinics and hospitals<br><br>Health Centre (Day Hospital) to operate 24 hours a day. |
| 10 | Safety & Security | Fencing along the road side   |
| 11 | Eskom             | Installation of High Mast Lights  |
| 12 | Waste Management  | Establish Solid waste site in Seymour   |

|                             |                        |   |
|-----------------------------|------------------------|---|
| <b>Ward 10</b>              |                        |   |
| <b>Ward Cllr : P Sixoli</b> |                        |   |
| <b>No</b>                   | <b>Community Issue</b> | <b>Description</b>  |
| 1                           | Electricity            | Upgrade electrical reticulation and supply  |
| 2                           | Roads                  | <ul style="list-style-type: none"> <li>• Purchase roads construction equipment</li> <li>• -Regravelling and upgrading of roads – All wards</li> </ul>   |
| 3                           | Community Amenities    | <ul style="list-style-type: none"> <li>• Construction of centre for processing natural resources</li> <li>• Installation and upgrading of dipping tanks at Makhuzeni, Nothenga, Sompondo, Gilton and Khayaletu (Ward 10)</li> </ul> |
| 4                           | Land                   |   |
| 5                           | Tourism                | Establishment of new tourist sites in Hogsback  |
| 6                           | SMME                   | Processing of spring water in Hogsback (Ward 10)<br><br>Skills development (Cotton, candle making, juice making, brick making, soap production, financial & project management Piggery, poultry, bakery, beadwork, etc.)            |
| 7                           | Agriculture            | Fencing along the road side –all wards<br><br>Scooping and fencing of all dams  |
| 8                           | Education              | Improvement of food nutrition in all schools  |

|    |                                |  |
|----|--------------------------------|--|
|    |                                | Extension of food nutrition from Grade R to Grade 12                             |
| 9  | Health                         | HIV/AIDS awareness campaign<br>ARV rollout in clinics and hospitals              |
| 10 | Safety & Security              | Erection of Satellite Police Station   |
| 11 | Eskom                          | Installation of High Mast Lights<br>Installation of electricity : new extensions |
| 12 | Amathole District Municipality | Construction of community halls  |
| 13 | Sport & Recreation             | Upgrading sport facilities Ward 10 (Makhuzeni)                                   |

|                          |                        |   |
|--------------------------|------------------------|---|
| <b>Ward 11</b>           |                        |   |
| <b>Ward Cllr : Ngaye</b> |                        |   |
| <b>No</b>                | <b>Community Issue</b> | <b>Description</b>  |
| 1                        | Electricity            | Electric supply for houses  |
|                          |                        | Installation of High Mast Lights  |
| 2                        | Telecommunication      | Installation of public phones in all villages – Ward 11   |
| 3                        | Roads                  | <ul style="list-style-type: none"> <li>• -Upgrading of all bridges –</li> <li>• -Regravelling and upgrading of roads – All wards</li> </ul> |
| 4                        | Community Amenities    | Multi –purpose centre – (Ward 11)<br>Construction of a community hall   |
| 5                        | SMME                   | Community Development and Resource Centre (Ward 11)   |

|   |                   |  |
|---|-------------------|--|
|   |                   | Skills development (Cotton, candle making, juice making, brick making, soap production, financial & project management Piggery, poultry, bakery, beadwork, etc.) |
| 6 | Agriculture       | Establishment of irrigation schemes  |
| 7 | Health            | Training of Home Based Care givers   |
|   |                   | HIV/AIDS awareness campaign  |
|   |                   | Weekly mobile clinic   |
| 8 | Safety & Security | Erection of Satellite Police Station   |

| <b>Ward 12</b>           |                        |   |
|--------------------------|------------------------|---|
| <b>Ward Cllr : Ndevu</b> |                        |   |
| <b>No</b>                | <b>Community Issue</b> | <b>Description</b>  |
| 1                        | Electricity            | Electric supply at Woburn, Taylor, Skhutshwana, Melani, Magaleni and for new extensions in Magaleni, Bergplaas&Gqumashe |
|                          |                        | Provision of Free Basic Electricity   |
| 2                        | Roads                  | Regravelling and upgrading of roads – All villages  |
|                          |                        | Construction of crossing bridges in   |
|                          |                        | Msobomvu, Taylor, Melani&Skhutshwana  |
| 3                        | Community Amenities    | Renovation of community halls – in Msobomvu, Magaleni, Melani   |
|                          |                        | Furniture and Chairs for Bergplaas Community Hall   |
|                          |                        | Construction of sports field in:Ward 12   |

|    |                   |   |
|----|-------------------|---|
| 4  | SMME              | Construction of B&B in Lower Gqumashe   |
|    |                   | Brickmaking at Gqumashe and<br><br>Fishing project at Magaleni, Guqawe, Lower Gqumashe, Skhutshwane   |
|    |                   | Skills development (Cotton, candle making, juice making, brick making, soap production, financial & project management Piggery, poultry, bakery, beadwork, etc.)<br><br>Electricity and Manufacturing material for Mdeni Bakery |
| 7  | Agriculture       | Resuscitation of citrus farms – Woburn, Taylor  |
|    |                   | Alien species (tree) removal project – (Ngcothoyi ,Magaleni, Bergplaas and Msobomvu)  |
|    |                   | Processing of African potatoes, Aloe, Ashore  |
|    |                   | Provision of bulls and Goat project   |
| 8  | Education         | Renovation of Msobomvu Primary and High.  |
|    |                   | Construction of Day Care Centers in Ward 12   |
|    |                   | Intensive training of SGB in all schools in Ward 12   |
|    |                   | Improvement of food nutrition in all schools  |
|    |                   | Extension of food nutrition from Grade R to Grade 12  |
| 9  | Health            | Training on home based care giver   |
|    |                   | HIV/AIDS awareness  |
| 10 | Safety & Security | Appointment of camp rangers   |

| Ward 13                   |                     |  |
|---------------------------|---------------------|--|
| Ward Cllr : T.E Tyibilika |                     |  |
| No                        | Community Issue     | Description  |
| 1                         | Electricity         | Electric supply  |
|                           |                     | Free basic electricity   |
|                           |                     | Installation of High Mast Lights   |
| 2                         | Roads               | <ul style="list-style-type: none"> <li>-Regravelling and upgrading of roads – All villages</li> </ul>                                      |
|                           |                     | <ul style="list-style-type: none"> <li>-Building of bridge in Sheshegu,Phumlani,Bulura/Masakhane,Xolani, Gxwederha and Thembisa</li> </ul> |
| 3                         | Community Amenities | Construction of hall – Ward 13   |
|                           |                     | Fencing of cemeteries in Sheshegu, Pumlani, Balurha, Thembisa, Smith, Xolani, Skolweni, Gxwederha,Nkobonkobo                               |
|                           |                     | Construction of sport and recreational facilities  |
|                           |                     | Fencing of cemeteries  |
| 7                         | Agriculture         | Fencing of grazing camps, Dam scooping, and Reparation of windmills  |
| 8                         | Education           | Renovation of all schools in   |
|                           |                     | Improvement of food nutrition in all schools   |
|                           |                     | Extension of food nutrition from Grade R to Grade 12   |
| 9                         | Health              | Extension of clinics at Sheshegu   |
|                           |                     | Weekly mobile clinic   |
|                           |                     | HIV/AIDS awareness campaign  |
|                           |                     | ARV rollout in clinics and hospitals   |
|                           |                     | Training of Home Based Care givers   |

|    |                      |   |
|----|----------------------|---|
| 10 | Safety & Security    | Erection of Satellite Police Station<br><br>a. Lower Sheshegu |
| 11 | Water and Sanitation | Construction of toilets in all villages                       |
|    |                      | Provision of water to all villages                            |

| <b>Ward 14</b>         |                     |   |
|------------------------|---------------------|---|
| Ward Cllr : M O Rawana |                     |   |
| No                     | Community Issue     | Description   |
| 1                      | Electricity         | Electric supply for new extensions in Pewuleni, Ngqolowa  |
|                        |                     | -Upgrading of electrical infrastructure   |
|                        |                     | Electrification of Pewuleni Community Hall (wiring and tubing already done).  |
|                        |                     | Installation of High Mast Lights  |
|                        |                     | Provision of Free Basic Electricity.  |
| 2                      | Telecommunication   | Public phones are needed in all the villages.   |
| 3                      | Roads               | <ul style="list-style-type: none"> <li>Regravelling and upgrading of roads – All villages</li> </ul>  |
|                        |                     | <ul style="list-style-type: none"> <li>Bridge crossing colberts for Dikidikana, DebeMarele, Farm B to QhibirhaNdulini and Ngqolowa via Ngcabasa.</li> </ul> |
| 4                      | Community Amenities | Upgrading sport facilities.   |
|                        |                     | -Construction of Hall in Qhomfo.  |
|                        |                     | -Fencing and grassing of sportsfields   |
|                        |                     | -Rural housing projects   |

|    |                   |  |
|----|-------------------|--|
| 5  | Land              | -Small scale farmers have identified land for grazing camps near Double drift.                                       |
| 6  | Tourism           | Tarring of access roads to Double drift game reserve to enhance tourism.   |
| 7  | SMME              | Funding for women's coops and SMME,  |
|    |                   | Market for poultry and crop production in Dikidikana, Fama, Pewuleni and Qhomfo.                                     |
|    |                   | Awareness campaigns on funding of cooperatives, SMME, market opportunities and training in business skills.          |
| 8  | Agriculture       | Dam scooping, shearing shed, dipping tanks,  |
|    |                   | Fencing of grazing camps, repair of windmills and Siyazondla for Ngqolowa, Qhomfo, Pewuleni, Ngcabasa and Dikidikana |
| 9  | Education         | Renovation of all schools :<br><br>-Jose Marele  |
|    |                   | Construction of Zwelimjongile, Ngqolowa Primary and Junior Secondary School, Pewuleni Pre-School                     |
|    |                   | Improvement of food nutrition in all schools<br><br>Extension of food nutrition from Grade R to Grade 12             |
| 10 | Health            | Training on home based care giver  |
|    |                   | HIV/AIDS awareness campaign  |
|    |                   | ARV rollout in clinics and hospitals   |
|    |                   | Building of Clinic in Qhomfo village   |
| 11 | Safety & Security | Erection of Satellite Police Station   |

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|  |                      | Ngqolowa and Pewuleni  |
|  | Water and Sanitation | Household connection of water stand pipes and building of toilets in all the villages of Ward 14 |

| <b>Ward 15</b>        |                     |  |
|-----------------------|---------------------|--|
| Ward Cllr : N Rulashe |                     |  |
| No                    | Community Issue     | Description  |
| 1                     | Electricity         | Installation of Street lights/High mast  |
|                       |                     | -Free basic electricity-not all people receive it but have filled the indigent forms.  |
|                       |                     | Installation of High Mast Lights in Ward 15  |
| 3                     | Roads               | -Regravelling and upgrading of roads – All villages  |
| 4                     | Community Amenities | Construction of Community Hall and Skills development centre   |
|                       |                     | Construction of quality houses in Ward 15  |
| 7                     | SMME                | Skills development (Cotton, candle making, juice making, brick making, soap production, financial & project management Piggery, poultry, bakery, beadwork, etc.) |
| 8                     | Agriculture         | Dam scooping, Reparation of Wind-mills and dipping tanks   |
|                       |                     | Fencing of ploughing fields  |
|                       |                     | Processing of African potatoes, Aloe, Ashore   |
| 9                     | Education           | Renovation of school and Creche  |
|                       |                     | Improvement of food nutrition in all schools   |
|                       |                     | Extension of food nutrition from Grade R to Grade 12   |
| 10                    | Health              | Strengthen of Ikhwezi Resource Centre at Dyamala –   |

|  |  |  |
|--|--|--|
|  |  | Weekly mobile clinic at Dyamala, Upper Gqumashe, Francis, Jonini – Ward 15 |
|  |  | Construction of a clinic   |

| <b>Ward 16</b>         |                     |  |
|------------------------|---------------------|--|
| Ward Cllr : M.E Mgengo |                     |  |
| No                     | Community Issue     | Description  |
| 1                      | Electricity         | Electrification of Ngele Community hall  |
|                        |                     | Electrification of hall and houses- Gugulethu Phase 1 houses and new extensions    |
|                        |                     | Installation of Street lights/High mast –Ward16                                    |
| 3                      | Roads               | -Upgrading of all bridges –<br>-Regravelling and upgrading of roads – All villages |
| 4                      | Community Amenities | Construction of a library  |
|                        |                     | Construction of community hall in Zibi, Lugudwini, Cildara, Upperregu and Ngqele 2 |
| 5                      | Land                | Land Care –ward 16   |
| 6                      | Tourism             | Construction of a garden of remembrance  |
| 7                      | SMME                | Construction of Abattoir Middledrift town – Ward 16                                |
|                        |                     | Development /construction of poultry project structures                            |
| 8                      | Agriculture         | Establish New Irrigation Scheme  |
|                        |                     | Dam scooping all villages  |
|                        |                     | Renovation of dipping tanks : Ngele and Mfiki                                      |
| 9                      | Education           | Renovation of Day Care Centres in Ward 16  |
|                        |                     | Improvement of food nutrition in all schools                                       |

|    |                    |   |
|----|--------------------|---|
|    |                    | Extension of food nutrition from Grade R to Grade 12                          |
|    |                    | Provision of furniture in schools: Mfiki, Upper Regu, Town – Ward 16          |
| 10 | Health             | Renovation of clinics at<br>Middledrift Health Centre – Ward 16 (and fencing) |
|    |                    | HIV/AIDS awareness campaign   |
|    |                    | ARV rollout in clinics and hospitals  |
|    |                    | Training of Home Based Care givers  |
| 11 | Water & Sanitation | Construction of toilets   |

|                                |                        |   |
|--------------------------------|------------------------|---|
| <b>Ward 17</b>                 |                        |   |
| <b>Ward Cllr : C.N Daniels</b> |                        |   |
| <b>No</b>                      | <b>Community Issue</b> | <b>Description</b>  |
| 1                              | Electricity            | Electrification of new extension :Sityi   |
|                                |                        | Installation of High Mast Lights  |
|                                |                        | Provision of FBE  |
| 2                              | Telecommunication      | Installation of public  |
| 3                              | Roads                  | Purchase roads construction equipment<br>-Regravelling and upgrading of roads – All wards |
| 4                              | Community Amenities    | Cleaning of cemeteries  |
|                                |                        | Construction of a Sportsfield   |
|                                |                        | Construction Community Halls in Gqadushe and Sityi  |
| 5                              | Tourism                | Rehabilitation /development of Eliweni jointly with Maqoma caves                          |

|    |                      |  |
|----|----------------------|--|
| 6  | SMME                 | Skills development (Cotton, candle making, juice making, brick making, soap production, financial & project management Piggery, poultry, bakery, beadwork, etc.) |
| 7  | Agriculture          | Construction of centre for processing natural resources  |
|    |                      | Renovations of dipping tanks at Gqadushe, Ngwenya, Sityi   |
|    |                      | Revival of Irrigation Scheme of Gqadushe, Sityi  |
|    |                      | Support for Vegetable gardens  |
| 8  | Education            | Renovation of schools in Sityi, Saki, Gqadushe, Ngwenya  |
|    |                      | Improvement of food nutrition in all schools   |
|    |                      | Extension of food nutrition from Grade R to Grade 12   |
|    |                      | Building of Basic Adult Education Centre in Ngwenya, Saki, Gqadushe  |
| 9  | Health               | HIV/AIDS awareness campaign  |
|    |                      | ARV rollout in clinics and hospitals   |
|    |                      | Training of Home Based Care givers   |
| 10 | Water and sanitation | Construction of toilets  |

|                              |                        |   |
|------------------------------|------------------------|---|
| <b>Ward 18</b>               |                        |   |
| <b>Ward Cllr : H Xelelwa</b> |                        |   |
| <b>No</b>                    | <b>Community Issue</b> | <b>Description</b>                                  |
| 1                            | Electricity            | - Electrification of houses                         |
|                              |                        | Provision of free basic electricity                 |
| 3                            | Roads                  | -Regravelling and upgrading of roads – All villages |
| 4                            | Community Amenities    |   |

|   |                    |   |
|---|--------------------|---|
|   |                    | - Renovation of Sports field's gates and grassing of grounds  |
|   |                    | -Renovations of halls – Trust No 2  |
|   |                    | Construction of hall at Thafeni   |
| 5 | Water & Sanitation | No toilets in most village and Water connection to new extensions.  |
| 6 | SMME               | Training on skills development (cotton, candle making, juice making, brick making, soap production, financial and project management) |
| 7 | Agriculture        | Revival and establishment of dipping tanks  |
|   |                    | Dam Scooping in Tafeni, Qaukeni, Trust No.1   |
|   |                    | Revival of Irrigation Schemes.  |
| 8 | Education          | Renovation of all schools in Mngqaba,   |
|   |                    | Improvement of food nutrition in all schools  |
|   |                    | Extension of food nutrition from Grade R to Grade 12  |
| 9 | Health             | Training of home based care giver   |
|   |                    | Building of clinics at Qanda&Mxumbu   |
|   |                    | Weekly mobile clinic in Mxumbu&Qanda  |
|   |                    | Extend clinic operating time from 8hrs -24hrs   |

| Ward 19              |                     |  |
|----------------------|---------------------|--|
| Ward Clr :M Matshaya |                     |  |
| No                   | Community Issue     | Description  |
| 1                    | Electricity         | Electrification of hall and new extensions -   |
|                      |                     | Installation of High Mast Lights   |
| 3                    | Roads               | -Regravelling and upgrading of roads – All villages  |
| 4                    | Community Amenities | Construction of hall –Ntonga   |
|                      |                     | Renovations of halls –   |
|                      |                     | Construction of sports field in Mayipase, Nonaliti-Ward 19   |
| 5                    | SMME                | Skills development (Cotton, candle making, juice making, brick making, soap production, financial & project management Piggery, poultry, bakery, beadwork, etc.) |
| 6                    | Agriculture         | Processing of African potatoes, Aloe, Ashore   |
|                      |                     | Establish cotton project in Xhukwana – Ward19  |
| 7                    | Health              | Training on home based care giver  |
|                      |                     | Renovation of clinics at Nonaliti, Zihlahleni – Ward 19  |
|                      |                     | Weekly mobile clinic at Ward 19  |
|                      |                     | HIV/AIDS awareness campaign  |
|                      |                     | ARV rollout in clinics and hospitals   |
|                      | Water & Sanitation  | Installation of VIP toilets in all villages  |

| <b>Ward 20</b>            |                        |  |
|---------------------------|------------------------|--|
| <b>Ward Cllr : L Papu</b> |                        |  |
| <b>No</b>                 | <b>Community Issue</b> | <b>Description</b>   |
| 1                         | Electricity            | Free Basic Electricity   |
| 2                         | Roads                  | -Regravelling and upgrading of roads –                                 |
|                           |                        | -Resurfacing and compacting of roads-Roads Maintenance Plan            |
| 3                         | SMME                   | Processing of African potatoes, Aloe, Ashore                           |
| 4                         | Agriculture            | Livestock farming  |
| 5                         | Education              | Renovation of Schools  |
|                           |                        | Improvement of food nutrition in all schools                           |
|                           |                        | Extension of food nutrition from Grade R to Grade 12                   |
| 6                         | Health                 | HIV/AIDS awareness campaign  |
|                           |                        | Training on home based care giver                                      |
| 7                         | Cleansing              | Cleaning of an area between Sakhuleka and Municipal Traffic Department |
| 8                         | Community amenities    | Construction of a park at Mchatho                                      |

| Ward 21              |                     |   |
|----------------------|---------------------|---|
| Ward Cllr :A Stofile |                     |   |
| No                   | Community Issue     | Description   |
| 1                    | Electricity         | -Faulty electrical transformers   |
|                      |                     | -Reparation of High Mast and Installation of new high mast lights.  |
| 2                    | Telecommunication   | Installation of public phones   |
| 3                    | Roads               | Regravelling and upgrading of roads   |
|                      |                     | Paving of internal roads  |
|                      |                     | Stormwater drainage in Mama street, Matikinca street, GommaGomma and Lande street.  |
| 4                    | Community Amenities | Access to Indoor Sports /Games in Tinissportfield   |
|                      |                     | Recreational facilities for children in open spaces   |
|                      |                     | High Mast lights for sport fields.  |
|                      |                     | Renovation of Municipal buildings for community use such (SANCO BUILDING), Old police barracks, SMME building next to Dr.Mbethe's surgery, Mbewu street.                        |
|                      |                     | Construction of swimming pools, access to cape college stadium, gymnasium and tennis courts, grand stands, grassing and irrigation of sport fields, caretakers for sportsfields |
|                      |                     | Construction of sports field in Ward 21   |
| 5                    | Land                | Land for grazing livestock &ploughing   |
| 6                    | Tourism             | Military Fort, Old Tower, Healdtown and FB Museum to use for  |

|    |                      |   |
|----|----------------------|---|
|    |                      | tourism purposes  |
| 7  | SMME                 | Citrus Processing into downstream products  |
|    |                      | Skills development (Cotton, candle making, juice making, brick making, soap production, financial & project management Piggery, poultry, bakery, beadwork, etc.)  |
|    |                      | Training of youth in electrical related matters   |
| 8  | Agriculture          | Camp for grazing livestock- Speed up the process of Mdala farm.   |
|    |                      | Pound and Rangers to control stray animals  |
| 9  | Education            | Renovation of Tinis, Eyabantu, Maqoma.  |
|    |                      | Collection of refuse and installation of rubbish bins in school.  |
|    |                      | Renovation of Day Care Centres at Ward 21,<br>Improvement of food nutrition in all schools<br>Extension of food nutrition from Grade R to Grade 12<br>Building of laboratories at all schools in Ward 21 (high schools) |
| 10 | Health               | Change ThozamileMadakana clinic into a Day Hospital (Health Centre operating 24 hours a day) installation of electricity and ablution facilities.   |
|    |                      | Shortage of ambulances and staff.   |
|    |                      | HIV/AIDS awareness campaign   |
|    |                      | ARV rollout in clinics and hospitals  |
|    |                      | Training of nursing staff and volunteers – Ward 21  |
| 11 | Safety & Security    | Anti-crime campaigns.   |
|    |                      | Shortage of police vehicles, staff and re- introduction of municipal police   |
| 12 | Water and Sanitation | - Infrastructure challenges.  |

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|--|--|--|
|  |  | <ul style="list-style-type: none"><li>-shortage of trucks</li><li>-waterborne sewerage system is not functioning well.</li><li>-Some households still using bucket system.</li><li>-Improve communication and customer care at FB ADM Offices.</li><li>Connection of sewerage and electricity in schools</li></ul> |
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## 6.2 IDP /BUDGET ROADSHOW

During the month of April 2012, the Honorable Mayor: Cllr A.W Ntsangani, the Executive Committee together with the Municipal Management and Sector departments took rounds within the municipal area presenting IDP and Budget in order to get the inputs and comments from the public in preparation for the final adoption of the IDP and Budget 2012-2017 financial year.

The following are the list of comments and inputs:

| DATE     | TIME  | WARD      | COUNCILLOR                                     | DEPLOYMENT        | VENUE           | Comments /inputs  |
|----------|-------|-----------|--|-------------------|-----------------|---|
| 10/04/12 | 10H00 | 6,11 & 15 | Cllr Kganedi ,<br>Cllr Rulashe &<br>Cllr Ngaye | EXCO & Management | Alice Town hall | <ul style="list-style-type: none"> <li>• Installation of highmast lights in Golf Course</li> <li>• Construction of houses in Hillcrest (phase 02 )</li> <li>• Regravelling of roads to Hillcrest</li> <li>• Rugby fields in Hillcrest not complete</li> <li>• Installation of Street Lights in Hillcrest</li> <li>• Fencing of Alice cemeteries</li> <li>• Regravelling Road from Golf Course via Mavuso to Nkobonkobo</li> <li>• Construction of Dyamala Community Hall</li> <li>• Construction of Tyhali Community Hall</li> <li>• Reparation of a Bridge in Tyhali .</li> <li>• Regravelling of roads</li> <li>• Construction of a Clinic</li> <li>• Construction of Upper Gqumashe Community Hall</li> <li>• Reparation /regravelling of access road near Victoria Hospital to Ntselamanzi</li> </ul> |

|       |               |  |                   |                          |  |  |
|-------|---------------|--|-------------------|--------------------------|--|--|
|       |               |  |                   |                          |  | <ul style="list-style-type: none"> <li>• Reparation of High Mast Lights Ntselamanzi</li> <li>• Electrification of RDP Houses in Ntselamnzi</li> <li>• Construction of Lower Ncerha Community Hall.</li> <li>• Regravelling of Roads in Lower Ncerha</li> <li>• Fencing of cemeteries in Lower Ncerha</li> <li>• Construction of RDP Houses in Maplangeni (Ntselamanzi</li> <li>• Construction of Ncerha Community Hall</li> <li>• Day Care Centre to be built between Ward 11 and 5</li> </ul> |
| 10H00 | 5,10, &<br>12 | Cllr<br>Nyangintaka ,<br>Cllr Sixolo &<br>Cllr Ndevu | EXCO & Management | Melani Community<br>hall | <ul style="list-style-type: none"> <li>• Construction of sportsfield and maintenance of the existing.</li> <li>• How is the public participation measured if wards are clusters?</li> <li>• Budget allocation for roads is not enough</li> <li>• No clear approach of how to address the problems of roads</li> <li>• Construction of the brigde :Duka Thole and Cathcartville and<br/>Reparation of small bridge</li> <li>• Employment of security guards for sportsfield</li> <li>• Request for the municipality to redirect funds for paraffin to free<br/>basic electricity.</li> <li>• Construction of low cost houses and toilets :ward10</li> </ul> |  |

|          |       |         |                               |                   |                               |  |
|----------|-------|---------|-------------------------------|-------------------|-------------------------------|--|
| 11/04/12 | 10H00 | 16 & 17 | Cllr Mgengo &<br>Cllr Daniels | EXCO & Management | Middledrift<br>Community Hall | <ul style="list-style-type: none"> <li>• Upgrading of roads</li> <li>• Construction of houses</li> <li>• Employment opportunities</li> <li>• Revival of irrigation schemes</li> <li>• Furniture for the halls</li> <li>• Construction of a hall at Zibi</li> <li>• Fencing of cementeries</li> <li>• Construction of Public toilets</li> <li>• Unavailability/scarcity of water</li> <li>• Construction of Community Hall: Ngqele 2</li> <li>• Assistance for: Sophakama Poultry Project Phumelela Poultry Project, Sihlangene Old Age Centre, Siyakha Garden Project and Nomzamo Garden Project at Ngqele 2</li> <li>• Renovation of crèche at Ngqele 2</li> <li>• Construction of a Sportsfield</li> <li>• Fencing of cemeteries</li> <li>• Fencing of dams</li> </ul> |
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|  | 10H00 | 1& 14 | Cllr Kata &<br>Cllr Rawana | EXCO & Management | Ndindwa<br>Community Hall | <ul style="list-style-type: none"> <li>○ Construction of small bridges: Between Ward 1 and Ward 14 (Quthubeni and Fama), Ngcabasa and Fama.</li> <li>○ Regravelling of roads</li> <li>○ Construction of Njwaxa (Machibini)Community Hall</li> <li>○ Installation of a bridge for the road between Njwaxa and Machibini.</li> <li>○ The municipality must priorities roads and stormwater drainage for villages</li> <li>○ Regravelling of roads: from Qamdobowa via Ngcabasa to Zalaze</li> <li>○ Construction of Sportfields per ward</li> <li>○ Construction of toilets for all villages</li> <li>○ Fencing of grazing and ploughing fields</li> <li>○ Construction of Quthubeni Community Hall</li> <li>○ Installation of culverts Qhibirha (Ndulini)</li> </ul> |
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|  | 14H00 | 18 & 19 | Cllr Xelelwa,<br>Cllr Matshaya | ALL | Mnxumbu<br>Community Hall | <ul style="list-style-type: none"> <li>○ Construction of a community hall at Qaukeni</li> <li>○ 6 houses without electricity.</li> <li>○ Regravelling of roads and land care project.</li> <li>○ Construction of a bridge at James (Mnqaba) Bridge,</li> <li>○ Construction of a sportsfield (incomplete )</li> <li>○ Renovation of Nonaliti shearing shed.</li> <li>○ Construction of toilets at Xhukwana</li> <li>○ Construction of a bridge at Qanda-Mxumbu and</li> <li>○ Construction of clinic.</li> <li>○ Provision of Free Basic electricity.</li> <li>○ Construction of houses in rural areas</li> <li>○ Regravelling of roads</li> <li>○ Fencing of grazing and ploughing fields</li> <li>○ Construction of a filling station at Debe Nek .</li> <li>○ Water connection or taps</li> <li>○ Regravelling of road/ internal streets</li> <li>○ Renovation of Zihlaleneni Community Hall</li> <li>○ Construction of a community hall at Trust no1</li> </ul> |
|--|-------|---------|--------------------------------|-----|---------------------------|---|

|          |       |           |  |                   |                            |  |
|----------|-------|-----------|--|-------------------|----------------------------|--|
| 12/04/12 | 10H00 | 20,21 & 3 | ,Cllr Stofile,Cllr<br>Papu & Cllr<br>Blackie | EXCO & Management | Fort Beaufort Town<br>Hall | <ul style="list-style-type: none"> <li>○ Criteria used for awarding tender (incompetence in consultants appointed)</li> <li>○ Lack of monitoring of projects and consultants.</li> <li>○ The municipality has to ensure that the appointed consultants transfer skills to the relevant people</li> <li>○ Establishment of more partnerships for the sustainability of Alice Park.</li> <li>○ Effective implementation of municipal bi-laws concerning the operating car wash businesses in open spaces.</li> <li>○ Development of the municipality must include job creation opportunities and economic development.</li> <li>○ Creation of sustainable programmes for the betterment of the community.</li> <li>○ There is no value for money (rate payers not satisfied about the services rendered by the municipality).</li> <li>○ Provision of houses.</li> <li>○ Reparation of Getyezayo.</li> <li>○ Reparation and maintenance of roads.</li> <li>○ Budget for maintenance and reparation needs to be revised.</li> <li>○ The municipality should consider capacitating people responsible for electricity instead of outsourcing.</li> <li>○ Regular cleaning of cemeteries</li> </ul> |
|----------|-------|-----------|--|-------------------|----------------------------|--|

|  |       |       |                             |                   |                           |  |
|--|-------|-------|-----------------------------|-------------------|---------------------------|--|
|  | 10H00 | 7 & 9 | Cllr Matya &<br>Cllr Mlamla | EXCO & Management | Balfour<br>Community Hall | <ul style="list-style-type: none"> <li>○ Seymour town hall renovations are incomplete.</li> <li>○ Stormwater drainage and parking bays incomplete.</li> <li>○ Surfacing of internal streets</li> <li>○ No land for cemeteries</li> <li>○ Construction of Sportsfield in complete</li> <li>○ Water and Sanitation for Zinyoka Township</li> <li>○ Construction of Zinyoka Community Hall</li> <li>○ Installation of High mast lights for Zinyoka</li> <li>○ Library : Lack of material, equipment and staff</li> <li>○ Water and Sanitation:Hetzorg</li> <li>○ Revival of irrigation schemes</li> <li>○ Electrification of houses and settlement plans</li> <li>○ Regravelling of roads and installation of culverts</li> <li>○ Construction of Toilets and Community hall at Phillipton</li> <li>○ Construction of a daycare centre in dyala and other areas</li> <li>○ Renovation of Oakdene Community Hall (Leaking)</li> <li>○ Water and sanitation</li> <li>○ Fencing of cemeteries</li> <li>○ Kolomane: Access roads</li> <li>○ Renovation of community hall at kolomani.</li> <li>○ Maasdorp : Fencing of grazing and ploughing fields,<br/>electricity</li> <li>○ Maintenance of community hall</li> <li>○ Fencing of dams</li> <li>○ Installation of water stand pipes / taps</li> </ul> |
|--|-------|-------|-----------------------------|-------------------|---------------------------|--|

|          |       |     |                               |                   |                           |   |
|----------|-------|-----|-------------------------------|-------------------|---------------------------|---|
|          | 15H00 | 4&8 | Cllr Makeleni,<br>Cllr Bantam | ALL               | Newtown<br>Community Hall | <ul style="list-style-type: none"> <li>○ Reparation of RDP Houses</li> <li>○ Installation of High mast lights for both Newtown and Hillside</li> <li>○ Fencing of dams in Hillside</li> <li>○ Regravelling and paving of roads in villages and townships</li> <li>○ Eradication of Bucket system in Newtown</li> <li>○ Construction of Toilets</li> <li>○ Empowerment of emerging contractors in paving of roads</li> <li>○ Construction of RDP Houses</li> </ul>   |
| 13/04/12 | 10H00 | 2   | Cllr Ngcakaza                 | EXCO & Management | Gaga Community<br>Hall    | <ul style="list-style-type: none"> <li>○ Water and Sanitation for all villages.</li> <li>○ Construction of RDP Houses for all villages</li> <li>○ Creation of youth development projects</li> <li>○ Installation of highmast lights</li> <li>○ Regravelling and paving of roads from Mavuso to Gaga</li> <li>○ Reparation of Roxeni bridge</li> <li>○ Creation of job opportunities</li> <li>○ Construction of Shelter in the sportsfields</li> <li>○ Construction of computer training centre for youth in Gaga</li> </ul> |

|          |       |   |                   |                   |                               |   |
|----------|-------|---|-------------------|-------------------|-------------------------------|---|
|          | 10H00 | 13  | Cllr Tyibilika    | EXCO & Management | Khayamnandi<br>Community Hall | <ul style="list-style-type: none"> <li>○ Fencing of community hall.</li> <li>○ Fencing of grazing lands &amp; mielies fields</li> <li>○ Fencing of dams</li> <li>○ Construction of a shelter and toilets for the taxi rank</li> <li>○ Construction of RDP houses.</li> <li>○ Construction of toilets.</li> <li>○ Installation of highmast lights.</li> <li>○ Construction of sportsfield.</li> <li>○ Job creation opportunities</li> <li>○ The municipality to capacitate people that will do<br/>regravelling of roads within the ward.</li> <li>○ Renovate / Upgrade Alice grounds</li> <li>○ Reparation of a bridge ( damaged by the storm)</li> <li>○ Regravelling / Tarring of a road linking Alice and<br/>Peddie</li> <li>○ Renovation of a shearing shed at Kwezani incomplete</li> </ul> |
| 04/05/12 | 12h30 | NGO's,<br>CBO's<br>and<br>organised<br>structures | EXCO & MANAGEMENT |                   | TRC HALL                      | <ul style="list-style-type: none"> <li>○ Culture &amp; Heritage progammes should be budgeted.</li> <li>○ Budget for sports development.</li> <li>○ Assistance for centers around Nkonkobe</li> <li>○ Bursaries and leanerships for youth</li> <li>○ Assistance for carwash in Alice</li> </ul>  |

## CHAPTER 3: DEVELOPMENTAL OBJECTIVES AND STRATEGIES

The objectives and strategies are developed in response to the key priority areas lifted from the situational analysis, Chapter 2 of this document.

Situational Analysis provides information on the status of the municipality. This chapter seeks to address and prioritize all the issues raised inline with National priorities, Provincial priorities, Local Government Turn Around Strategy and the national outcomes in order to develop strategic initiatives for the community. More integration of the local government turn around strategies have been integrated within each KPA objectives below.

*Strategic alignment :*

| <b>Municipal Strategic Objectives / Key Performance Area</b>  | <b>Municipal priority areas</b>  | <b>10 National Priorities</b>  | <b>8 provincial priorities</b>  | <b>12 National outcomes</b>   | <b>Local government Turnaround Strategy</b>   |
|---|--|--|---|---|---|
| <p><b>Local Economic Development :</b></p> <p>To promote economic development and job creation.</p> | <ul style="list-style-type: none"> <li>• IDP/PMS</li> <li>• HIV/AIDS</li> <li>• Unemployment</li> <li>• Agriculture</li> <li>• Tourism</li> <li>• SMME &amp; Cooperative development</li> <li>• Environment</li> <li>• Parks and open spaces</li> <li>• Sport and</li> <li>• Arts &amp; Culture</li> </ul> | <p>1. Speeding up growth and transforming the economy to create decent work and sustainable livelihood.</p> <p>2. Massive programmes to build social and economic infrastructure</p> <p>5. Improve the health profile of society</p> | <p>1. Speeding up growth and transforming the economy to create decent work and sustainable livelihood</p> <p>5. Improving the health profile of the province</p> | <p>2. A long and healthy life for all South African</p> <p>4. Decent employment through economic growth</p> <p>10. Protect and enhance our environment assets and natural resources</p> | <p>vi. Through the municipal Spatial Development Frameworks, each municipality is aware of and is able to guide the land use activity on every square meter and kilometer in its area of jurisdiction</p> |

|   |   |   |   |  |  |
|---|---|---|---|--|--|
| <p><b>Institutional Transformation and Development:</b></p> <p>To improve institutional capacity and ensure institutional effectiveness.</p> <p><b>Good governance &amp; Public Participation :</b></p> <p>To promote good governance and public participation.</p> | <ul style="list-style-type: none"> <li>• Capacity Building</li> <li>• Land</li> <li>• Information, Communication &amp; Technology</li> <li>• Law Enforcement</li> <li>• Fleet Management</li> <li>• Recruitment and Selection</li> <li>• Public Participation</li> <li>• Renovation of municipal buildings</li> </ul> | <p>4.Strengthen education, skills and human resource base</p> <p>6.Intensify the fight against crime and corruption</p> | <p>3. All people in S.A are and feel safe</p> <p>4.Strengthen education, skills and human resource base</p> | <p>5.Skilled and capable workforce to support an inclusive growth path</p> <p>12. An efficient ,effective and development orientated public service and an empowered ,fair and inclusive citizenship</p> | <p>iii. Professional administration that supports the political vision contained in the electoral mandate</p> <p>ix. Improved public participation and communication including effective complaint management and feedback systems</p> |
| <p><b>Service Delivery &amp; Infrastructure Development :</b></p> <p>To ensure efficient and effective service delivery to all communities.</p>   | <ul style="list-style-type: none"> <li>▪ Electricity</li> <li>• Roads</li> <li>• Community Amenities</li> <li>• Land and Human settlements</li> <li>• Water</li> <li>• Sanitation</li> <li>• Solid Waste</li> <li>• Cemeteries</li> </ul>   |   |   | <p>8.Sustainable human settlement and improvement in quality of house holds</p>  | <p>v. Provision of basic services and ensuring every cent spent is well considered and accounted for – ‘value for money</p>  |
| <p><b>Financial Viability :</b></p> <p>To improve financial management of the institution.</p>  | <ul style="list-style-type: none"> <li>• Expenditure Management</li> <li>• Debt Control and Revenue Management</li> </ul>   | <p>6.Intensify the fight against crime and corruption</p>   |   |  | <p>vii. Optimised revenue collection and improved billing, customer care, indigent and credit control policies – ‘balance the books</p>  |

|  |  |  |  |  |  |
|--|--|--|--|--|--|
|  | <ul style="list-style-type: none"> <li>• Financial Reporting</li> <li>• Asset Management</li> <li>• Internal Audit</li> <li>• Supply chain Management</li> <li>• Risk Management</li> <li>• Free Basic Services</li> </ul> |  |  |  |  |
|--|--|--|--|--|--|

**MUNICIPAL VISION:**

To be a self-sufficient municipality that is responsive to the needs of the people

**MUNICIPAL MISSION:**

By providing sustainable basic services and promoting socio- economic development through partnerships.

**VALUES:**

- Transparency
- Honesty
- Integrity
- Accountability
- Value for money and
- Dignity

**5 YEAR IDP STRATEGIC SCORED CARD: OBJECTIVES, STRATEGIES, INDICATORS AND TARGETS 2013-2017**

| LOCAL ECONOMIC DEVELOPMENT |  |  |   |   |   |  |                                      |                                      |                                      |                                      |                                      |                         |
|----------------------------|--|--|---|---|---|--|--------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|-------------------------|
| Priority Area              | Strategic Objective (5 year)   | Strategy   | KPI   | Measurement Source                            | Baseline 2011/12                                    | Total Target 2016/17                                     | Annual Targets                       |                                      |                                      |                                      |                                      | Person Responsible      |
|                            |  |  |   |   |   |  | 2012/13                              | 2013/14                              | 2014/15                              | 2015/16                              | 2016/17                              |                         |
| IDP AND PMS                | To ensure an effective developmental planning by 2017                                    | Review IDP in line with the legislative requirements                     | Develop and review credible IDP for five years  | Signed five IDP                               | Previous five year IDP                              | Five year deliverable plan                               | Reviewed IDP                         | STRAT. PLAN & LED MNGER |
|                            | Ensure effective performance monitoring and evaluation of municipal plans and programmes | Development of performance management, monitoring and evaluation system  | Implementation of performance management system | Annual performance reports                    | Performance management policy and framework reports | Legislative compliance and effective of service delivery | Continuous monitoring and evaluation | STRAT. PLAN & LED MNGER |
| HIV and AIDS               | To facilitate the reduction of HIV infection by 2017                                     | By establishing an HIV/AIDS council that will drive HIV /AIDS programmes | Established HIV/AIDS council                    | Resolutions establishing the HIV/AIDS council | Nil   | Developed HIV/AIDS programme                             | Develop HIV/AIDS programme           | Implementation of programmes         | Implementation of programmes         | Implementation of programmes         | Implementation of programmes         | STRAT. PLAN & LED MNGER |
|                            |  |  | No of awareness campaigns conducted             | Annual HIV Stats reports                      | Nil   | 10 awareness campaigns                                   | 2 awareness campaigns                | 2 awareness campaigns                | 2 awareness campaigns                | 2 awareness campaigns                | 2 awareness campaigns                | STRAT. PLAN & LED MNGER |

| Priority Area       | Strategic Objective (5 year)                           | Strategy   | KPI   | Measurement Source                                    | Baseline 2011/12                        | Total Target 2016/17                        | Annual Targets                 |                                 |                                |                                 |                                 | Person Responsible                 |
|---------------------|--|--|---|---|---|---|--------------------------------|---------------------------------|--------------------------------|---------------------------------|---------------------------------|------------------------------------|
|                     |  |  |   |   |   |   | 2012/13                        | 2013/14                         | 2014/15                        | 2015/16                         | 2016/17                         |                                    |
| <b>Unemployment</b> | To reduce unemployment by 750 by 2017                  | By creating 700 temporal jobs and 50 permanent jobs through LED initiatives and capital projects | No of jobs created through LED initiatives    | Annual Reports on jobs created                        | 9969 (both temporal and permanent )     | 700 temporal jobs and 50 permanent jobs     | 150 temporal and 10 permanent  | 150 temporal and 10 permanent   | 150 temporal and 10 permanent  | 150 temporal and 10 permanent   | 150 temporal and 10 permanent   | <b>STRAT. PLAN &amp; LED MNGER</b> |
| <b>Agriculture</b>  | To improve support to agricultural enterprises by 2017 | By providing resources to previously disadvantaged communities                                   | No of resources provided /purchased           | Purchased resources and expenditure reports           | 2 tractors and fencing of grazing lands | 10 tractors, 100 hectors to be fenced       | 2 tractors & 20 hectors        | 2 tractors & 20 hectors         | 2 tractors & 20 hectors        | 2 tractors & 20 hectors         | 2 tractor s & 20 hector s       | <b>STRAT. PLAN &amp; LED MNGER</b> |
|                     |  | By facilitating and coordinating agricultural development  | No of initiatives facilitated and coordinated | Annual Reports of coordinated initiatives             | Nil                                     | Improved support to agricultural enterprise | Facilitation and coordinatio n | Facilitati on and coordin ation | Facilitation and coordinati on | Facilitati on and coordin ation | Facilit ation and coordi nation | <b>STRAT. PLAN &amp; LED MNGER</b> |
|                     |  | By capacitating emerging farmers   | No of training conducted                      | Attendance register and report on trainings conducted | Nil                                     | 10 trainings                                | 2 trainings                    | 2 trainings                     | 2 trainings                    | 2 trainings                     | 2 trainings                     | 2 trainin gs                       |

|  |   |   |   |                                       |                          |                               |                             |                             |                             |                             |                             |                                    |                                    |
|--|---|---|---|---------------------------------------|--------------------------|-------------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|------------------------------------|------------------------------------|
| <b>Tourism</b>                           | To promote Nkonkobe as a leading tourism destination in the Amathole Region by 2017 | By developing tourism master plan   | Tourism master plan developed                     | Resolution adopting master plan       | Nil                      | Tourism master plan developed | Develop tourism master plan | Implementation and reviewal | Implementation and reviewal | Implementation and reviewal | Implementation and reviewal | <b>STRAT. PLAN &amp; LED MNGER</b> |                                    |
|  |   | By facilitating the development of tourism and package tourism products including community related enterprises | No of tourism products facilitated                | Reports of the products facilitated   | Nil                      | 20 tourism products           | 4 tourism products          | 4 tourism products          | 4 tourism products          | 4 tourism products          | 4 tourism products          | 4 tourism products                 | <b>STRAT. PLAN &amp; LED MNGER</b> |
|  |   | By strengthening Local Tourism Organization's   | No of LTO meetings held                           | Minutes of the meeting held quarterly | LTO structure            | Fully function structure      | Revival of LTO Structure    |                             |                             |                             |                             |                                    | <b>STRAT. PLAN &amp; LED MNGER</b> |
| <b>SMME and Cooperatives development</b> | To support and promote SMME and Cooperative development by 2017                     | By formalizing, emerging and aspiring SMME's  | No of emerging and aspiring businesses formalised | Copy of registration certificates     | 23 Formalized businesses | 25 Formalized businesses      | 5 Formalized businesses     | 5 Formalized businesses     | 5 Formalized businesses     | 5 Formalized businesses     | 5 Formalized businesses     | <b>STRAT. PLAN &amp; LED MNGER</b> |                                    |
|  |   | By facilitating capacity building   | No of capacity building programmes                | Proof of programmes and attendance    |                          | 10 programmes                 | 2 programmes                | 2 programmes                | 2 programmes                | 2 programmes                | 2 programmes                | 2 programmes                       | <b>STRAT. PLAN &amp; LED MNGER</b> |

|  |  |  |  |   |         |                             |                            |                                   |                            |                            |                            |                                    |
|--|--|--|--|---|---------|-----------------------------|----------------------------|-----------------------------------|----------------------------|----------------------------|----------------------------|------------------------------------|
|  |  | programs for SMME's and Coops                                  | facilitated  | registers                                   |         |                             |                            |                                   |                            |                            |                            |                                    |
|  |  | By facilitating access to finance by SMMEs and Coops           | No of SMMEs and COOP with access to finance                | Proof of funding or finance accessed        |         | 20 SMME's & COOP's finances | 4 SMME's & COOP's finances | 4 SMME's & COOP's finances        | 4 SMME's & COOP's finances | 4 SMME's & COOP's finances | 4 SMME's & COOP's finances | <b>STRAT. PLAN &amp; LED MNGER</b> |
|  |  | By developing small business strategy                          | Small Business strategy developed                          | Council resolution approving the strategy   | NIL     | Business strategy in place  |                            | Small business strategy developed |                            |                            |                            | <b>STRAT. PLAN &amp; LED MNGER</b> |
|  |  | By developing strategic partnerships with stakeholders         | No of partnerships established                             | MOA signed with strategic partners          | 1 (MTN) | 5 established partnerships  | 1 established partnerships | 1 established partnerships        | 1 established partnerships | 1 established partnerships | 1 established partnerships | <b>STRAT. PLAN &amp; LED MNGER</b> |
|  |  | By encouraging local procurement in line with new supply chain | No of local businesses benefited through local procurement | List of tenders awarded to local businesses |         | 100 local businesses        | 20 local businesses        | 20 local businesses               | 20 local businesses        | 20 local businesses        | 20 local businesses        | <b>STRAT. PLAN &amp; LED MNGER</b> |

|               |   | regulations                                     |   |  |                  |   |                |                                       |                                 |             |             |                    |                         |
|---------------|---|---|---|--|------------------|---|----------------|---------------------------------------|---------------------------------|-------------|-------------|--------------------|-------------------------|
| Priority Area | Strategic Objective (5 year)  | Strategy  | KPI   | Measurement Source                                 | Baseline 2011/12 | Total Target 2016/17                    | Annual Targets |                                       |                                 |             |             | Person Responsible |                         |
|               |   |   |   |  |                  |   | 2012/13        | 2013/14                               | 2014/15                         | 2015/16     | 2016/17     |                    |                         |
| Environment   | To conserve and improve ecological integrity of natural resources by 2017 | By developing Environment management plan       | Environment management plan developed       | Resolution approving environmental management plan | Nil              | Environmental management plan developed |                | Develop environmental management plan |                                 |             |             |                    | STRAT. PLAN & LED MNGER |
|               |   | By conducting environmental awareness campaigns | environmental awareness campaigns conducted | Annual Reports of awareness campaigns conducted    | Nil              | 5 campaigns                             | 1 campaigns    | 1 campaigns                           | 1 campaigns                     | 1 campaigns | 1 campaigns |                    | STRAT. PLAN & LED MNGER |
|               |   | By developing a climate change strategy         | developed climate change strategy           | Resolution approving climate change strategy       | Nil              | Climate strategy developed              |                |                                       | Develop climate change strategy |             |             |                    |                         |

|                              |  |   |                                 |  |                            |                                       |                        |                                     |                                     |                                     |                                     |                                    |                                    |
|------------------------------|--|---|---------------------------------|--|----------------------------|---------------------------------------|------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|------------------------------------|------------------------------------|
| <b>PARKS AND OPEN SPACES</b> | To improve the image and standard of municipality parks and open spaces in order to attract tourists by 2017 | By establishing new and maintaining existing parks                        | No of new parks established     | Reports on completion of work                      | Nil                        | 2 new parks established               | 1 new park established |                                     | 1 new park established              |                                     |                                     | <b>STRAT. PLAN &amp; LED MNGER</b> |                                    |
|                              |  | in partnership with private partners                                      | no of existing parks maintained | Reports on completion of work                      | 4 existing parks           | 4 existing parks                      | 4 existing parks       | 4 existing parks                    | 4 existing parks                    | 4 existing parks                    | 4 existing parks                    | 4 existing parks                   | <b>STRAT. PLAN &amp; LED MNGER</b> |
|                              |  | By promoting clean, green and healthy environment                         | No of trees planted             | Proof of trees planted                             | Nil                        | 200 trees                             | 40 trees               | 40 trees                            | 40 trees                            | 40 trees                            | 40 trees                            | 40 trees                           |                                    |
| <b>SPORT</b>                 | To encourage sport participation by all communities in Nkonkobe by 2017                                      | By facilitating establishment of sport council to drive sports programmes | Sport council established       | Resolutions of AGM for sport council               | Interim structure in place | Developed sports programmes           | Develop a programme s  | Implementation of sports programmes | <b>STRAT. PLAN &amp; LED MNGER</b> |                                    |
|                              |  | By building new sport facilities  | No of new sport field built     | Physical structures of sport fields built          | Nil                        | 3 new sport facilities                | 2 sport facility       |                                     | 1 sport facility                    |                                     |                                     | <b>STRAT. PLAN &amp; LED MNGER</b> |                                    |
|                              |  | By maintaining existing sport facilities                                  | No of sport fields maintained   | Proof of maintenance(payment vouchers & pictures ) | 8 sportsfields             | All municipal sport fields maintained | 8 sportsfields         | 8 sportsfields                      | 8 sportsfields                      | 8 sportsfields                      | 8 sportsfields                      | 8 sportsfields                     | <b>STRAT. PLAN &amp; LED MNGER</b> |
| <b>ARTS AND CULTURE</b>      | To promote traditional and   | By facilitating arts and culture  | No of arts and culture          | Activities report                                  | Cultural week              | 5 activities facilitated              | 1 activity             | 1 activity                          | 1 activity                          | 1 activity                          | 1 activity                          | <b>STRAT. PLAN &amp; LED MNGER</b> |                                    |

|  | ubuntu culture by 2017   | activities  | activities facilitated     |                                    |                  |                            |                            |                |                |                |                |                    |                               |
|--|--|---|----------------------------|------------------------------------|------------------|----------------------------|----------------------------|----------------|----------------|----------------|----------------|--------------------|-------------------------------|
| <b>SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT</b> |  |   |                            |                                    |                  |                            |                            |                |                |                |                |                    |                               |
| PRIORITY AREA  | STRATEGIC OBJECTIVE (5 YEAR)   | STRATEGY  | KPI                        | MEASUREMENT SOURCE AND FREQUENCY   | BASELINE 2011/12 | TOTAL TARGET 2016/17       | ANNUAL TARGET              |                |                |                |                | Person Responsible |                               |
|  |  |   |                            |                                    |                  |                            | 2012/13                    | 2013/14        | 2014/15        | 2015/16        | 2016/17        |                    |                               |
| <b>ROADS</b>   | To ensure that communities have access to services through the road network by 2017. | By concluding a Service Level Agreement with the DoRT | Approved SLA               | Signed SLA                         | Nil              | Signed SLA                 | Consultation process       | Approved SLA   |                |                |                |                    | <b>INFRASTRUCTURE MANAGER</b> |
|  |  | By paving streets/roads                               | No of km paved             | Certificate of completion Annually | 1 km             | 10 km's                    | 2 km's                     | 2 km's         | 2 km's         | 2 km's         | 2 km's         | 2 km's             | <b>INFRASTRUCTURE MANAGER</b> |
|  |  | By surfacing streets/roads                            | No of km surfaced          | Certificate of completion Annually | 8.15 km's        | 47 km's                    | 7 km's                     | 8 km's         | 9 km's         | 11 km's        | 12 km's        | 12 km's            | <b>INFRASTRUCTURE MANAGER</b> |
|  |  | By regraveling streets/roads                          | No of km regravelled       | Certificate of completion          | 2,5 km's         | 69 km's                    | 10 km's                    | 12 km's        | 14 km's        | 15 km's        | 18 km's        | 18 km's            | <b>INFRASTRUCTURE MANAGER</b> |
|  |  | By developing a maintenance plan                      | Developed maintenance plan | Maintenance plan                   | nil              | Maintenance plan developed | Maintenance plan developed | Implementation | Implementation | Implementation | Implementation | Implementation     | <b>INFRASTRUCTURE MANAGER</b> |

| PRIORITY AREA              | STRATEGIC OBJECTIVE (5 YEAR)                                      | STRATEGY   | KPI   | MEASUREMENT SOURCE AND FREQUENCY                      | BASELINE 2011/12                   | TOTAL TARGET 2016/17                        | ANNUAL TARGET                                    |   |   |   |   | PERSON RESPONSIBLE                            |                        |
|----------------------------|---|--|---|---|------------------------------------|---|--|---|---|---|---|---|------------------------|
|                            |   |  |   |   |                                    |   | 2012/13  | 2013/14                                       | 2014/15                                       | 2015/16                                       | 2016/17                                       |   |                        |
| ELECTRICITY                | To facilitate electrification of all households by 2017           | By facilitating the electrification of new extensions and existing areas | No of extensions and existing areas electrified       | Reports on electrification of areas                   | 2 extension(Hillside and Gomagoma) |   | 2 Extensions                                     |   |   |   |   |   | INFRASTRUCTURE MANAGER |
|                            |   | By developing an electricity infrastructure maintenance plan             | Electricity infrastructure maintenance plan developed | Approved maintenance plan                             | Maintenance plan in place          | Implementation of maintenance plan          | Reviewal of maintenance plan                     | Reviewal of maintenance plan                  | Reviewal of maintenance plan                  | Reviewal of maintenance plan                  | Reviewal of maintenance plan                  | Reviewal of maintenance plan                  | INFRASTRUCTURE MANAGER |
|                            |   | By developing a comprehensive infrastructure plan ( first strategy)      | Comprehensive infrastructure plan developed           | Council approving the infrastructure development plan | Nil                                | Comprehensive infrastructure plan developed | Development of comprehensive infrastructure plan | Reviewal of comprehensive infrastructure plan | INFRASTRUCTURE MANAGER |
| LAND AND HUMAN SETTLEMENTS | To facilitate access to land and proper human settlements by 2017 | By facilitating the provision of human settlements                       | No of meetings held                                   | Minutes and reports with resolutions taken            | 6859 houses                        | 4 meeting per year                          | 4 Meeting  | 4 Meeting                                     | 4 Meeting                                     | 4 Meeting                                     | 4 Meeting                                     | INFRASTRUCTURE MANAGER                        |                        |
|                            |   | By facilitating access of land with Dept of Rural Dev                    | No of meetings held                                   | Minutes and reports with resolutions taken            | 3 parcels of land                  | 4 meeting per year                          | 4 Meeting  | 4 Meeting                                     | 4 Meeting                                     | 4 Meeting                                     | 4 Meeting                                     | INFRASTRUCTURE MANAGER                        |                        |

|                    |  | By developing a land policy                           | Land policy developed                        | Council resolution approving the policy        | Nil                               | Land policy developed                      | Develop a land policy                       | Implementation of a land policy | Implementation of a land policy | Implementation of a land policy | Implementation of a land policy | <b>INFRASTRUCTURE MANAGER</b> |                               |
|--------------------|--|---|--|--|-----------------------------------|--|---|---------------------------------|---------------------------------|---------------------------------|---------------------------------|-------------------------------|-------------------------------|
| PRIORITY AREA      | STRATEGIC OBJECTIVE (5 YEAR)   | STRATEGY  | KPI  | MEASUREMENT SOURCE AND FREQUENCY               | BASELINE 2011/12                  | TOTAL TARGET 2016/17                       | ANNUAL TARGET                               |                                 |                                 |                                 |                                 | PERSON RESPONSIBLE            |                               |
|                    |  |   |  |  |                                   |  | 2012/13                                     | 2013/14                         | 2014/15                         | 2015/16                         | 2016/17                         |                               |                               |
| <b>SANITATION</b>  | To facilitate that all households have access to basic sanitation services by 2014 | By concluding a Service Level Agreement with ADM      | Service Level Agreement with ADM concluded   | Approved SLA                                   | Nil                               | Service Level Agreement with ADM concluded | Conclude a Service Level Agreement with ADM |                                 |                                 |                                 |                                 | <b>INFRASTRUCTURE MANAGER</b> |                               |
| <b>SOLID WASTE</b> | To ensure access to an improved solid waste services by 2017                       | By implementing Integrated Waste Management Plan      | Integrated Waste Management Plan implemented | Annual report                                  | An implementable IWMP is in place | Implementation of IWMP                     | Implementation of IWMP                      | Implementation of IWMP          | Review of the IWMP              | Implementation of IWMP          | Implementation of IWMP          | <b>INFRASTRUCTURE MANAGER</b> |                               |
|                    |  | By conducting community awareness on waste management | Awareness campaigns conducted                | Annual report on awareness campaigns conducted | 20 awareness campaign             | 20 awareness campaign                      | 4 awareness campaign                        | 4 awareness campaign            | 4 awareness campaign            | 4 awareness campaign            | 4 awareness campaign            | 4 awareness campaign          | <b>INFRASTRUCTURE MANAGER</b> |
|                    |  | By facilitating the                                   | No of landfill                               | Licenses/ permits                              | 3 landfill                        |  | 2 landfill                                  |                                 |                                 |                                 |                                 |                               | <b>INFRASTRUCTURE</b>         |

|                   |  |  |   |  |                    |                      |                                |                 |                    |                 |                    |                               |
|-------------------|--|--|---|--|--------------------|----------------------|--------------------------------|-----------------|--------------------|-----------------|--------------------|-------------------------------|
|                   |  | application of landfill sites/ refuse transfer stations licences/permits | sites licensed                                    | for landfill sites/ refuse transfer stations | sites              |                      | sites                          |                 |                    |                 |                    | <b>MANAGER</b>                |
|                   |  | By providing sustainable refuse bins at strategic points                 | No of refuse bins provided                        | Refuse bins installed                        | 400 refuse bins    | 500 refuse bins      | 100 refuse bins                | 100 refuse bins | 100 refuse bins    | 100 refuse bins | 100 refuse bins    | <b>INFRASTRUCTURE MANAGER</b> |
|                   |  | By promoting and supporting recycling activities                         | No of recycling activities promoted and supported | Recycling initiatives in place               | Nil                | 3 recycle activities | 1 recycle activity             |                 | 1 recycle activity |                 | 1 recycle activity | <b>INFRASTRUCTURE MANAGER</b> |
| <b>CEMETERIES</b> | To ensure all communities (households) have access to cemeteries by 2017 | By conducting audit of remaining space in all urban cemeteries           | Audit report                                      | Audit report                                 | nil                | 8 urban cemeteries   | Auditing of 8 urban cemeteries |                 |                    |                 |                    | <b>INFRASTRUCTURE MANAGER</b> |
|                   |  | By providing land for establishment of new cemeteries                    | New cemeteries established                        | Report on newly established cemeteries       | 8 urban cemeteries |                      | 3 new urban cemeteries         |                 |                    |                 |                    | <b>INFRASTRUCTURE MANAGER</b> |

|   |   | By fencing existing cemeteries  | No of cemeteries fenced                      | Cemeteries fenced                             | 34 cemeteries    | 105 cemeteries                       | 21 cemeteries                                   | 21 cemeteries                        | 21 cemeteries  | 21 cemeteries  | 21 cemeteries  | INFRASTRUCTURE MANAGER            |
|---|---|---|--|---|------------------|--------------------------------------|---|--------------------------------------|----------------|----------------|----------------|-----------------------------------|
|   |   | By developing a cemetery management system  | Cemetery management system developed         | Approved cemetery management system           | Nil              | Cemetery management system developed | Develop a cemetery management register (manual) | Develop a cemetery management system | Implementation | Implementation | Implementation | INFRASTRUCTURE MANAGER            |
| <b>COMMUNITY FACILITIES</b>   | To provide community facilities to all nkonkobe communities by 2017     | By building community halls, child care facilities and other community facilities needed by communities | No of community facilities built             | Certificate of completion                     |                  |                                      | 2   | 12                                   |                |                |                | INFRASTRUCTURE MANAGER            |
| <b>INSTITUTIONAL TRANSFORMATION ,ORGANIZATIONAL DEVELOPMENT ,GOOD GOVERNANCE AND PUBLIC PARTICIPATION</b> |   |   |  |   |                  |                                      |   |                                      |                |                |                |                                   |
| PRIORITY AREA   | STRATEGIC OBJECTIVE (5 YEAR)  | STRATEGY  | KPI  | MEASUREMENT SOURCE AND FREQUENCY              | BASELINE 2011/12 | TOTAL TARGET 2016/17                 | ANNUAL TARGET                                   |                                      |                |                |                | PERSON RESPONSIBLE                |
|   |   |   |  |   |                  |                                      | 2012/13   | 2013/14                              | 2014/15        | 2015/16        | 2016/17        |                                   |
| <b>LAND</b>   | To establish land ownership within the jurisdiction of Nkonkobe by 2017 | By conducting land audit and land use plan  | Approved land audit report and land use plan | Developed land audit report and land use plan | Valuation Roll   | A five year land use plan in place   | Land audit                                      | Land use plan                        |                |                |                | <b>CORPORATE SERVICES MANAGER</b> |

| <b>CAPACITY BUILDING</b>                           | To ensure all employees, councillors and ward committees acquire the necessary skills to perform their duties by 2017 | By conducting skills audit and develop a work place skills plan        | Developed WSP                              | Approved WSP                              | WSP                     | 150 employees and councillors                     | 30 employees and councillors             | 30 employees and councillors                 | 30 employees and councillors                 | 30 employees and councillors                 | 30 employees and councillors                 | <b>CORPORATE SERVICES MANAGER</b> |
|--|---|--|--|---|-------------------------|---|--|--|--|--|--|-----------------------------------|
| <b>PRIORITY AREA</b>                               | <b>STRATEGIC OBJECTIVE (5 YEAR)</b>   | <b>STRATEGY</b>  | <b>KPI</b>                                 | <b>MEASUREMENT SOURCE AND FREQUENCY</b>   | <b>BASELINE 2011/12</b> | <b>TOTAL TARGET 2016/17</b>                       | <b>ANNUAL TARGET</b>                     |  |  |  |  | <b>PERSON RESPONSIBLE</b>         |
|  |   |  |  |   |                         |   | <b>2012/13</b>                           | <b>2013/14</b>                               | <b>2014/15</b>                               | <b>2015/16</b>                               | <b>2016/17</b>                               |                                   |
| <b>INFORMATION, COMMUNICATION &amp; TECHNOLOGY</b> | To rebrand and communicate effectively with stakeholders by 2017  | By developing communication and media strategy                         | Developed communication and media strategy | Approved communication and media strategy | Nil                     | Developed communication and media strategy        | Develop communication and media strategy | Reviewal of communication and media strategy | <b>CORPORATE SERVICES MANAGER</b> |
|  |   | By putting in place an effective IT system and develop an IT strategy. | Developed IT strategy                      | Approved IT strategy                      | IT Policy               | Fully functional IT system and developed strategy | Develop IT Strategy                      | Reviewal of an IT strategy                   | Reviewal of an IT strategy                   | Reviewal of an IT strategy                   | Reviewal of an IT strategy                   | <b>CORPORATE SERVICES MANAGER</b> |
| <b>LAW ENFORCEMENT</b>                             | To ensure effective law   | By ensuring effective  | Number of peace                            | Appointment letters and signed            | 4 peace officers        | 30 peace officer                                  | 10 peace officer                         | 10 peace officer                             | 10 peace officer                             |  |  | <b>CORPORATE SERVICES</b>         |

|                               |   |   |   |   |  |   |   |  |  |   |  |  |                                   |
|-------------------------------|---|---|---|---|--|---|---|--|--|---|--|--|-----------------------------------|
| <b>NT</b>                     | enforcement by 2017                                       | implementation of By- Laws by appointing and training peace officers    | officers appointed and trained                    | contract of employment                                |  |   |   |  |  |   |  |  | <b>MANAGER</b>                    |
|                               |   | By recruiting more traffic and security officers                        | Number of traffic and security officers recruited | Appointment letters and signed contract of employment | 25 security officers<br>4 traffic officers | 40 security officers, 10 traffic officers | 10 security officers and 3 traffic officers | 2 traffic officers<br>10 security officers | 3 traffic officers<br>10 security officers | 10 security officers and 2 traffic officers |  |  | <b>CORPORATE SERVICES MANAGER</b> |
| <b>FLEET MANAGEMEN<br/>NT</b> | To ensure effective management of municipal fleet by 2017 | By reviewal and effective implementation of the Fleet Management Policy | Reviewed and implemented Fleet Management Policy  | Approved policy and monthly reports                   | Fleet management policy                    | Reviewed and implemented policy           | Reviewal of the fleet management policy     | Reviewal of the fleet management policy    | Reviewal of the fleet management policy    | Review al of the fleet management policy    | Review al of the fleet management policy |  | <b>CORPORATE SERVICES MANAGER</b> |
|                               |   | By ensuring effective and efficient control system of municipal fleet   | Tracking system reports                           | System generated report                               | Tracking system                            | Effectiveness of municipal fleet system   | Fleet controller appointed                  | Car tyres branded                          | System updated                             | System updated                              | System updated                           |  | <b>CORPORATE SERVICES MANAGER</b> |

|  |   |  |   |   |                                  |                                       |                                       |                                       |                                       |  |  |                                   |
|--|---|--|---|---|----------------------------------|---------------------------------------|---------------------------------------|---------------------------------------|---------------------------------------|--|--|-----------------------------------|
| <b>Recruitment and Selection</b>         | To ensure sound and effective recruitment and selection system by 2017                      | By reviewal and effective implementation of the Employee Provisioning Policy   | Reviewed and implemented Employee Provisioning Policy | Quarterly report on recruitment and selection, Approved , Reviewed Employee Provisioning Policy | Employee Provisioning policy     | Reviewed Employee Provision Policy    | Reviewal of Employee Provision Policy | Reviewal of Employee Provision Policy | Reviewal of Employee Provision Policy | Review al of Employee Provision Policy | Review al of Employee Provision Policy | <b>CORPORATE SERVICES MANAGER</b> |
|  |   | By developing of an HR Strategy  | Developed HR Strategy                                 | Approved HR Strategy  | Nil                              | Developed HR Strategy                 | Develop HR Strategy                   | Review HR Strategy                    | ReviewHR Strategy                     | Review HR Strateg y                    | Review HR Strateg y                    | <b>CORPORATE SERVICES MANAGER</b> |
| <b>Public Participation</b>              | To ensure involvement and effective participation of communities in decision making by 2017 | By conducting ward committee meetings and public hearings for all stakeholders | Number of meetings held                               | Minutes and attendance register   | 4 annual meeting and the Minutes | 20 meeting                            | 4 meetings                            | 4 meetings                            | 4 meetings                            | 4 meetings                             | 4 meetings                             | <b>CORPORATE SERVICES MANAGER</b> |
| <b>Renovation of municipal buildings</b> | To ensure proper maintenance of municipal buildings by 2017                                 | By assessing all municipal buildings   | No of municipal buildings assessed                    | Assessment report   | Nil                              | Assessment of all municipal buildings | All municipal buildings               | Implement assessme nt report          | Impleme nt assessm ent report         | Implem ent assess ment report          | Implem ent assess ment report          | <b>CORPORATE SERVICES MANAGER</b> |

|  |  |                                |                            |                           |     |                            |                                 |                                    |                                    |                                    |                                    |                                   |
|--|--|--------------------------------|----------------------------|---------------------------|-----|----------------------------|---------------------------------|------------------------------------|------------------------------------|------------------------------------|------------------------------------|-----------------------------------|
|  |  | By developing maintenance plan | Maintenance plan developed | Approved maintenance plan | Nil | Maintenance plan developed | Development of maintenance plan | Implementation of maintenance plan | <b>CORPORATE SERVICES MANAGER</b> |
|--|--|--------------------------------|----------------------------|---------------------------|-----|----------------------------|---------------------------------|------------------------------------|------------------------------------|------------------------------------|------------------------------------|-----------------------------------|

**FINANCIAL VIABILITY**

| PRIORITY AREA                 | STRATEGIC OBJECTIVE (5 YEAR)   | STRATEGY                       | KPI                        | MEASUREMENT SOURCE AND FREQUENCY | BASELINE 2011/12   | TOTAL TARGET 2016/17                      | ANNUAL REPORTS                           |  |  |  |  | PERSON RESPONSIBLE |
|-------------------------------|--|--------------------------------|----------------------------|----------------------------------|--|---|--|--|--|--|--|--------------------|
|                               |  |                                |                            |                                  |  |   | 2012/13                                  | 2013/14                                  | 2014/15                                  | 2015/16                                  | 2016/17                                  |                    |
| <b>Expenditure Management</b> | To ensure sound and effective expenditure management system by 2017. | By improving internal controls | Improved internal controls | Monthly expenditure reports      | Financial management system, creditors reconciliation and withdrawal quarterly reports | An improved expenditure management system | Conduct 4 workshops on procedure manuals | <b>CFO</b>         |

|  |   |  |  |                                       |                                |   |   |   |   |   |   |            |
|--|---|--|--|---------------------------------------|--------------------------------|---|---|---|---|---|---|------------|
|  |   |  |  |                                       |                                |   |   |   |   |   |   |            |
| <b>Debt Control and Revenue Management</b> | Ensure optimum revenue collection by 2017 | By developing revenue enhancement strategy.                  | Developed enhancement strategy                           | Approved revenue enhancement strategy | Nil                            | Development of the revenue enhancement strategy               | Reviewal of revenue enhancement the strategy                  | Reviewal of revenue enhancement the strategy                  | Reviewal of revenue enhancement the strategy                  | Reviewal of revenue enhancement the strategy                  | Reviewal of revenue enhancement the strategy                  | <b>CFO</b> |
|  |   | By reviewing and implementing debt and credit control policy | Reviewed and implemented debt and credit control policy, | Approved reviewed policy              | Debt and credit control policy | Reviewal and implementation of debt and credit control policy | Reviewal and implementation of debt and credit control policy | Reviewal and implementation of debt and credit control policy | Reviewal and implementation of debt and credit control policy | Reviewal and implementation of debt and credit control policy | Reviewal and implementation of debt and credit control policy | <b>CFO</b> |

|                            |  |   |   |   |  |  |  |  |  |  |  |            |
|----------------------------|--|---|---|---|--|--|--|--|--|--|--|------------|
| <b>Free Basic Services</b> | To ensure all indigent households within Nkonkobe area are registered                              | By developing and reviewing indigent register and policy.                     | Approved indigent policy                          | Approved indigent policy and updated indigent register as well as Monthly Indigent Reports. | Indigent Register and Monthly Indigent Reports     | Updated Indigent register                          | <b>CFO</b> |
|                            | for free basic services by 2017  | By ensuring all households who are indigent have access to free basic service | % of household with access to free basic services | Monthly indigents reports   | 52.6% indigent                                     | 100% indigents                                     | 20%  | 20%  | 20%  | 20%  | 20%  | <b>CFO</b> |
| <b>Financial Reporting</b> | To ensure timeous financial reporting and compliance with the legislation and treasury regulations | By developing a compliance check list   | Developed check list                              | Signed compliance checklist   | Submitted reports                                  | <b>CFO</b> |
|                            |  | By holding regular meetings to check compliance                               | Number of meetings held                           | Monthly, quarterly, bi-annually and annual reports  | Monthly, quarterly, bi-annually and annual reports | Monthly, quarterly, bi-annually and annual reports | Monthly, quarterly, bi-annually and annual reports | Monthly, quarterly, bi-annually and annual reports | Monthly, quarterly, bi-annually and annual reports | Monthly, quarterly, bi-annually and annual reports | Monthly, quarterly, bi-annually and annual reports | <b>CFO</b> |

|                                |  |   |  |   |  |  |   |   |   |   |   |            |
|--------------------------------|--|---|--|---|--|--|---|---|---|---|---|------------|
| <b>Supply Chain Management</b> | Ensure effective implementation of SCM policy and regulations. | By reviewing , adopting the policy and ensure adherence to SCM regulations                          | Reviewed and adopted policy, full implementation of SCM policy and procedures. | Reviewed SCM policy and SCM implementation reports. Consistently submission of reports. | Reviewed SCM policy, procedures and SCM reports. | Updated SCM policy in line with current regulations. SCM reports continuously. | Updated SCM policy in line with current regulations | Updated SCM policy in line with current regulations | Updated SCM policy in line with current regulations | Updated SCM policy in line with current regulations | Updated SCM policy in line with current regulations | <b>CFO</b> |
|                                |  | By aligning procurement plans to IDP and Budget   | Developed and adopted procurement plan.  | Aligned procurement plan  | Procurement plan                                 | Fully aligned procurement plan   | Aligned procurement plan                            | Aligned procurement plan                            | Aligned procurement plan                            | Aligned procurement plan                            | Aligned procurement plan                            | <b>CFO</b> |
|                                |  | By facilitating staffing and training of SCM officials so as to ensure proper segregation of duties | Centralization of SCM activities.  | Fully fledged SCM unit  | No of filled SCM posts                           | Fully fledged SCM unit   | Key posts filled                                    | <b>CFO</b> |
|                                |  | By regular submission of bid committee reports  | Monthly and quarterly submission of bid  | Monthly and quarterly reports   | Monthly and quarterly reports                    | Timeous submission of monthly and quarterly reports                            | Timeous submission of monthly and quarterly reports | Timeous submission of monthly and quarterly reports | Timeous submission of monthly and quarterly reports | Timeous submission of monthly and quarterly reports | Timeous submission of monthly and quarterly reports | <b>CFO</b> |

|                         |  |   |  |  |   |   |   |   |   |   |   |            |
|-------------------------|--|---|--|--|---|---|---|---|---|---|---|------------|
|                         |  |   | committee reports.   |  |   |   |   | quarterly reports                           | quarterly reports                           | quarterly reports                           | and quarterly reports                       |            |
| <b>Asset Management</b> | Effective control of municipal assets                | By developing GRAP compliant asset register     | Developed asset register                                     | Monthly reconciliation of assets   | Monthly reports   | Fully compliant asset register with GRAP 17 | <b>CFO</b> |
| <b>Internal Audit</b>   | To ensure effective internal audit unit by 2017      | By developing Annual Internal Audit assignments | Preparation and submission of regular Internal audit reports | Approved Audit Methodology and Procedure Manual, Internal Audit reports submitted on set targets and Approved Internal Audit reports | Signed audit assignments  | 64 audit assignments                        | 16 audit assignments                        | 12 audit assignments                        | 12 audit assignments                        | 12 audit assignments                        | 12 audit assignments                        | <b>CFO</b> |
| <b>Risk management</b>  | To ensure effective risk management strategy by 2017 | By developing a municipal risk register         | Developed municipal risk registers                           | Approved municipal risk register   | Strategic risk register<br>SCM risk register<br>Adopted risk Management | Municipal risk register developed           | Develop 4 departmental risk registers       | <b>CFO</b> |

|  |  |                                   |                     |                              |          |                     |                                    |                                 |                                 |                                 |                                 |            |
|--|--|-----------------------------------|---------------------|------------------------------|----------|---------------------|------------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|------------|
|  |  |                                   |                     |                              | strategy |                     |                                    |                                 |                                 |                                 | register<br>s                   |            |
|  |  | By developing fraud risk register | Fraud risk register | Approved fraud risk register | Nil      | Fraud risk register | Development of fraud risk register | Reviewal of fraud risk register | <b>CFO</b> |

3 YEAR CAPITAL PROJECTS: 2012/13, 2013/14 and 2014/15

SERVICE DELIVERY & INFRASTRUCTURE DEVELOPMENT: 2012/2013 Financial year

| PROJECT NO | PROJECT NAME                           | PROJECT DESCRIPTION  | BUDGET ALLOCATED | PROJECT FUNDER                 |
|------------|--|--|------------------|--------------------------------|
| 1          | Multi-purpose- Middledrift             | Construction of multi-purpose- Middledrift                           | R 6,000,000.00   | Municipal Infrastructure Grant |
| 2          | DLTC - Fort Beaufort                   | Construction of Drivers Licence testing Centre - Fort Beaufort       | R 1,450,000.00   | Municipal Infrastructure Grant |
| 3          | Chicken Abattoir -Middledrift          | Construction of Chicken Abattoir                                     | R 800,000.00     | Municipal Infrastructure Grant |
| 4          | Alice park- phase 1                    | Construction of a Park in Alice                                      | R 1,000,000.00   | Municipal Infrastructure Grant |
| 5          | Balfour internal streets               | Paving and greening around Post Office and Police Station in Balfour | R 1,000,000.00   | Municipal Infrastructure Grant |
| 6          | Paving,Greening & Regravelling inAlice | Paving and greening in Chris Hani / Recreation Street                | R1000 000        | Municipal Infrastructure Grant |
|            |  | Paving and greening in Gqumashe                                      | R1000 000        |                                |
|            |  | Paving and greening in Montago street                                | R700 000         |                                |
|            |  | Surfacing in Temlet street   | R1000 000        |                                |
|            |  | Paving and greening Ntselamanzi                                      | R1000 000        |                                |
|            |  | Regravelling in Msobomvu   | R1000 000        |                                |

|    |  |   |                |                                |
|----|--|---|----------------|--------------------------------|
| 7  | Debeneck   | Paving and greening in Debeneck   | R1 200 000     | Municipal Infrastructure Grant |
| 7  | Grade A testing centre (motor vehicle testing)-Fort Beaufort | Construction of Grade A testing centre  | R 1,000,000.00 | Municipal Infrastructure Grant |
| 8  | Surfacing of Fort Beaufort town                              | Surfacing of Durban street  | R2 478 786     | Municipal Infrastructure Grant |
|    |  | Paving and greening in Somerset street  | R2 000 000     |                                |
|    |  | Paving and greening in Jacaranda Street   | R1 000 000     |                                |
| 9  | Ngqolowa sport field   | Construction Ngqolowa sport field   | R 1,190,464.00 | Municipal Infrastructure Grant |
| 10 | Community hall : dyamala                                     | Construction of a hall  | R750 000.00    | Municipal budget               |
| 11 | Community hall :Balfour/Massdorp                             | Construction of a hall  | R750 000.00    | Municipal budget               |
| 12 | EPWP   | Regravelling of access road to the following community halls :<br><ul style="list-style-type: none"> <li>• Ndindwa</li> <li>• Ngcothoyi</li> <li>• Dikidikana</li> <li>• Debemarele</li> </ul>  | R3 000 000     | Municipal budget               |
|    |  | Regravelling,Culverts /Bridge<br><ul style="list-style-type: none"> <li>• Kwezana</li> <li>• Zalaze</li> <li>• Kolomane</li> <li>• Qanda</li> <li>• Sheshegu</li> <li>• Ward 05</li> <li>• Tyali</li> <li>• Zibi and Ngele</li> </ul> |                |                                |

|    |              |  |            |                  |
|----|--------------|--|------------|------------------|
|    |              | <ul style="list-style-type: none"> <li>• Trust No1</li> <li>• Oakdene</li> </ul> |            |                  |
| 13 | LED Projects | MxheloBakery Project   | R120 000   | Municipal budget |
|    |              | Golf course Project  | R500 000   |                  |
|    |              | LED projetcs : Fort Beaufort   | R430 000   |                  |
| 14 | CBP Projects | Siyazama Ndindwa (Ward1)   | R1 050 000 | Municipal budget |
|    |              | Isisele sika lamani (ward 16)  |            |                  |
|    |              | Elifu (ward 07)  |            |                  |
|    |              | Lakhitha youth project (ward 03)   |            |                  |
|    |              | Masiphumelele poutry (ward 04)   |            |                  |
|    |              | Zanakhanyo goat project (ward 08)  |            |                  |
|    |              | Ncera Poultry (Ward 11)  |            |                  |
|    |              | Masphumelele poutry (ward 14)  |            |                  |
|    |              | Masiphilisane (ward 09)  |            |                  |

|  |  |                                  |  |  |
|--|--|----------------------------------|--|--|
|  |  | Somgxada food security (ward 15) |  |  |
|  |  | Takalani Internet Café(Ward 21)  |  |  |

**SERVICE DELIVERY & INFRASTRUCTURE DEVELOPMENT: 2013/2014 Financial year**

| PROJECT NO           | PROJECT NAME                                  | PROJECT DESCRIPTION                     | BUDGET ALLOCATED | PROJECT FUNDER                 |
|----------------------|---|---|------------------|--------------------------------|
| <b>ALICE CLUSTER</b> |   |   |                  |                                |
| 1                    | Paving streets                                | Paving streets                          | 2,000,000.00     | Municipal Infrastructure Grant |
| 2                    | Culverts and regravelling                     | Culverts and regravelling               | 1,800,000.00     | Municipal Infrastructure Grant |
| 3                    | Alice Park Phase 2                            | Construction of Alice Park Phase 2      | 3,000,000.00     | Municipal Infrastructure Grant |
| 4                    | Makhuzeni Sport field                         | Construction of Makhuzeni Sport field   | 762,200.00       | Municipal Infrastructure Grant |
| 5                    | Community Hall Binfield                       | Construction of Community Hall Binfield | 1,000,000.00     | Municipal Infrastructure Grant |
| 6                    | Child care facility (educare center) kwa Meva | Construction of Child care facility     | 250,000.00       | Municipal Infrastructure Grant |

| FORT BEAUFORT CLUSTER |  |   |                   |                                |
|-----------------------|--|---|-------------------|--------------------------------|
| PROJECT NO            | PROJECT NAME                             | PROJECT DESCRIPTION                       | BUDGET ALLOCATION | PROJECT FUNDER                 |
| 1                     | High mast lights (F. B.)                 | Installation High mast lights (F. B.)     | 4,100,000.00      | Municipal Infrastructure Grant |
| 2                     | Community Hall Hertzog                   | Construction of Community Hall Hertzog    | 1,500,000.00      | Municipal Infrastructure Grant |
| 3                     | Hawker Stalls                            | Construction of Hawker Stalls             | 712,200.00        | Municipal Infrastructure Grant |
| 4                     | Sport Complex -Phase 1                   | Construction of Sport Complex - Phase 1   | 2,500,000.00      | Municipal Infrastructure Grant |
| 5                     | Paving and regraveling in F.B            | Paving and regraveling                    | 2 000 000.00      | Municipal budget               |
| MIDDLEDRIFT CLUSTER   |  |   |                   |                                |
| PROJECT NO            | PROJECT NAME                             | PROJECT DESCRIPTION                       | BUDGET ALLOCATION | PROJECT FUNDER                 |
| 1                     | Community Hall - khulile                 | Construction of Community Hall - khulile  | 800,000.00        | Municipal Infrastructure Grant |
| 2                     | community Hall - Ntonga                  | Construction of Community Hall - Ntonga   | 800,000.00        | Municipal Infrastructure Grant |
| 3                     | Regraveling of gravel roads and culverts | Regraveling of gravel roads and culverts  | 2,832,906.00      | Municipal Infrastructure Grant |
| 4                     | Paving                                   | Paving                                    | 2,000,000.00      | Municipal Infrastructure Grant |
| 5                     | Chicken Abattoir (phase 2)               | Construction of Chicken Abattoir          | 1,420,967.25      | Municipal Infrastructure Grant |
| 6                     | Fencing of Dams                          | Fencing of Dams                           | 132,183.00        | Municipal Infrastructure Grant |
| 7                     | Day care centre (Ward 11)                | Construction of Day care centre (Ward 11) | 165,228.75        | Municipal Infrastructure Grant |

|    |                                     |   |            |                                |
|----|-------------------------------------|---|------------|--------------------------------|
| 8  | Day care centre (Ward 1)            | Construction of Day care centre (Ward 1)            | 165,228.75 | Municipal Infrastructure Grant |
| 9  | Day care centre (Ward 16) Lugudwini | Construction of Day care centre (Ward 16) Lugudwini | 165,228.75 | Municipal Infrastructure Grant |
| 10 | Day care centre (Ward 19) Xhukwana  | Construction of Day care centre (Ward 19) Xhukwana  | 165,228.75 | Municipal Infrastructure Grant |
| 11 | Day care centre (Ward 17) Sityi     | Construction of Day care centre (Ward 17) Sityi     | 165,228.75 | Municipal Infrastructure Grant |
| 12 | Sityi Community Hall                | Construction of a hall                              | 800 000 00 | Municipal budget               |
| 13 | Thafeni Community Hall              | Construction of a hall                              | 800 000 00 | Municipal budget               |

**SERVICE DELIVERY & INFRASTRUCTURE DEVELOPMENT: 2014/2015 Financial year**

| PROJECT NO                   | PROJECT NAME                | PROJECT DESCRIPTION                         | BUDGET ALLOCATED | PROJECT FUNDER                 |
|------------------------------|-----------------------------|---|------------------|--------------------------------|
| <b>ALICE CLUSTER</b>         |                             |   |                  |                                |
| 1                            | Paving streets              | Paving streets                              | 2,000,000.00     | Municipal Infrastructure Grant |
| 2                            | Culverts and regravelling   | Construction of Culverts and regravelling   | 2,267,567.00     | Municipal Infrastructure Grant |
| 3                            | Alice Park Phase 3          | Construction of Alice Park Phase 3          | 3,000,000.00     | Municipal Infrastructure Grant |
| 4                            | High mast and street lights | Installation of High mast and street lights | 2,000,000.00     | Municipal Infrastructure Grant |
| PROJECT NO                   | PROJECT NAME                | PROJECT DESCRIPTION                         | BUDGET ALLOCATED | PROJECT FUNDER                 |
| <b>FORT BEAUFORT CLUSTER</b> |                             |   |                  |                                |
| 1                            | Paving                      | Paving                                      | 2,000,000.00     | Municipal Infrastructure Grant |

|                            |  |  |                         |                                |
|----------------------------|--|--|-------------------------|--------------------------------|
| 2                          | Regraveling and culverts                       | Regraveling and culverts                                       | 2,267,567.00            | Municipal Infrastructure Grant |
| 3                          | Sport Complex -Phase 2                         | Construction of Sport Complex - Phase 2                        | 5,000,000.00            | Municipal Infrastructure Grant |
| <b>PROJECT NO</b>          | <b>PROJECT NAME</b>                            | <b>PROJECT DESCRIPTION</b>                                     | <b>BUDGET ALLOCATED</b> | <b>PROJECT FUNDER</b>          |
| <b>MIDDLEDRIFT CLUSTER</b> |  |  |                         |                                |
| 1                          | Chicken Abattoir                               | Purchasing of equipment Chicken Abattoir                       | 1,000,000.00            | Municipal Infrastructure Grant |
| 2                          | Sport field (Mxumbu)                           | Construction of Sport field (Mxumbu)                           | 2,500,000.00            | Municipal Infrastructure Grant |
| 3                          | Paving   | Paving   | 2,000,000.00            | Municipal Infrastructure Grant |
| 4                          | Regravelling                                   | Regravelling   | 3,000,000.00            | Municipal Infrastructure Grant |
| 5                          | Recreational Facility(Horse Racing- Debe neck) | Construction of Recreational Facility(Horse Racing- Debe neck) | 767,567.00              | Municipal Infrastructure Grant |

**PROJECT FUNDED BY OTHER INSTITUTIONS: 2012/2013 FINANCIAL YEAR**

| Project No | Project Name                        | Ward /Location | Project Description   | Budget   | Funder              |
|------------|-------------------------------------|----------------|---|----------|---------------------|
| 1          | Masiphathisane Women Support Centre | Mdt town       | Empowering victims and survivors of domestic violence           | R80 000  | Dept Of Soc Dev &SP |
| 2          | FBT skills Development Programme    | Mdt town       | Skills Development for children in conflict the law and at risk | R150 000 | Dept Of Soc Dev &SP |
| 3          | Crime Prevention programme          | Mdt town       | Preventative prorammes  | R100 000 | Dept Of Soc Dev &SP |

|    |                                    |                                |   |             |                          |
|----|------------------------------------|--------------------------------|---|-------------|--------------------------|
|    |                                    |                                | against crime   |             |                          |
| 4  | FBT Family Resource Center         | F.B,Tinis<br>Location          | Empowering Victims and survivors of domestic violence   | R150 000    | Dept Of Soc Dev &SP      |
| 5  | Sikhanyisele HCBC Project          | F.B,Mdeni<br>Location          | Caring for infected and affected people,OVC,child headed families   | R 269 298   | Dept Of Soc Dev &SP      |
| 6  | Isibane Victim empowerment Center  | F.B,Provincial<br>Hospital     | Empowering Victims and survivors of domestic violence   | R80 000     | Dept Of Soc Dev &SP      |
| 7  | Alice VEP                          | Alice Town                     | Empowering Victims and survivors of domestic violence   | R100 000    | Dept Of Soc Dev &SP      |
| 8  | TADA                               | Alice                          | Teenagers preventative programmes against drugs abuse   | R122 000    | Dept Of Soc Dev &SP      |
| 9  | Thixo Ovayo Family Resource Centre | Seymour                        | Care and support to families  | R190 000    | Dept Of Soc Dev &SP      |
| 10 | Ethembeni HCBC                     | Balfour                        | Caring for infected and affected people, OVC ,child headed families   | R269 298    | Dept Of Soc Dev &SP      |
| 11 | St Buchanan HCBC                   | Middledrift<br>,Qanda location | Caring for infected and affected people, OVC ,child headed families   | R269 298    | Dept Of Soc Dev &SP      |
| 12 | Mthonsi Lodge                      | Mt. Pleasant                   | Construction of Mthonsi lodge   | R30 000 000 | National Dept of Tourism |
| 13 | Nkonkobe Wetland & Rehabilitation  |                                | Removal of alien vegetation, rehabilitation of wetland by removing alien species and gabions construction, landscaping, signage at the entrances, beautification of gateways and tree planting. | R16,100,000 | Dept of Enviro.Affairs   |

| 14                                  | Rehabilitation of Eco systems at Fort Fodyce Nature Reserve | Fort Fordyce          | Rehabilitation of eco system at Fort Fordyce Nature Reserve                                | R14,820,000    | Dept of Enviro.Affairs   |
|-------------------------------------|---|-----------------------|--|----------------|--------------------------|
| <b>ALICE REGENERATION PROGRAMME</b> |   |                       |  |                |                          |
| <b>Project No</b>                   | <b>Project Name</b>   | <b>Ward /Location</b> | <b>Project Description</b>   | <b>Budget</b>  | <b>Funder</b>            |
| 15                                  | Public transpot hub upgrade                                 | Alice                 | Construction of the taxi rank, informal trader stalls, etc                                 | R18 175 500    | Aspire/National Treasury |
| 16                                  | CBD upgrade   | Alice                 | Landscaping, roads and storm water, sidewalks, garden of remembrance, central park         | R17 237 000    | Aspire/National Treasury |
| 17                                  | Tyme pedestrian Bridge                                      | Alice                 | Fort Hare and the Alice town   | R2 100 000 000 | Aspire/National Treasury |
| 18                                  | Ghagha river bridge   | Alice                 | Alice Lovedale, Victoria Hospital and Ntselamanzi  |                |                          |
| 19                                  | Alice Sports precinct                                       | Alice                 | Upgrades to the Alice sports fields, and integration of Alice Primary and Davidson Primary |                |                          |

**ESKOM ELECTRIFICATION PLAN FOR 2012/2013**

| <b>PROJECT</b>            | <b>CONNECTIONS</b> | <b>BUDGET</b>         |
|---------------------------|--------------------|-----------------------|
| Alice Housing Development | 533                | R 5 596 500.00        |
| Mpofu Extensions          | 200                | R 3 200 000.00        |
| Farm worker dwellings     | 2                  | R 14 035.00           |
| <b>TOTAL</b>              | <b>735</b>         | <b>R 8 810 535.00</b> |

| ADM FUNDED PROJECTS                                |                    |
|--|--------------------|
| PROJECTS FOR 2012/13                               |                    |
| Project Name and Description                       | Amount             |
| West Victoria East (Roxeni) Water Supply (Phase 3) | 7,000,000          |
| Ekuphumleni & 9 Villages Water Supply (Phase 4)    | 5,000,000          |
| Nkonkobe Area Wide Sanitation Programme            | 5,000,000          |
| Bhofolo & Newtown BEP (Phase 5)                    | 4,000,000          |
| PROPOSED MIG PROJECTS (to be registered)           |                    |
| Gaga-Tyume Valley Region Water Supply ( Phase 5)   | 1,000,000          |
| Kolomane Bulk Water Supply (Phase 3)               | 6,000,000          |
| Newtown upgrade bulk water supply                  | 1,000,000          |
| Hogsback Water Treatment Works and New Reservoir   | 1,000,000          |
| Fort Beaufort Bulk Water Services Upgrading        | 8,000,000          |
| Hogsback Settlement                                | 500,000            |
| <b>Sub Total</b>                                   | <b>38, 500,000</b> |

## CHAPTER 4: SECTOR PLANS

### INTRODUCTION

This Chapter outlines the list of sector plans which guides the implementation of projects and programmes by the municipality .The following is the list of all available and outstanding Sector Plans:

#### 4.1 List of adopted Sector Plans

- Housing Sector Plan
- Spatial Development Framework
- Disaster Management Plan
- Workplace Skills Plan
- Employment equity plan
- Alice LSDF
- Middledrift/Debeneck LSDF
- Recruitment & Retention strategy
- Draft LED strategy

#### 4.2 List of outstanding Sector Plans

- HR Strategy
- Integrated Transport plan
- Infrastructure Plan

**STATUS OF SECTOR PLANS /POLICIES**

| DEPARTMENT  | FOCUS  | STATUS        |                                     | KEY ISSUES  |
|-------------|--|---------------|-------------------------------------|---|
|             |  | ADOPTION YEAR | REVIEWAL YEAR                       |   |
| Engineering | <ul style="list-style-type: none"> <li>Housing Sector Plan</li> </ul>                | 2009          | 30 March 2012 (Draft )              | <ul style="list-style-type: none"> <li>Difficulty in tracing beneficiaries regarding registration</li> <li>Municipality not engaged by Provincial departments on development projects</li> <li>A low pace by Provincial Department of Housing in approving new housing projects as well as in their supply chain management.</li> <li>Electrification of new houses.</li> </ul> |
|             | <ul style="list-style-type: none"> <li>Disaster Management Plan</li> </ul>           | 2010          |                                     |   |
|             | <ul style="list-style-type: none"> <li>Integrated Waste Management Plan :</li> </ul> | Draft         |                                     |   |
| LED         | <ul style="list-style-type: none"> <li>Spatial Development Framework</li> </ul>      | 2004          | 2010 reviewed and adopted ( May 31) | <ul style="list-style-type: none"> <li>Areas of development</li> <li>Environmental sensitive areas</li> </ul>   |
|             | <ul style="list-style-type: none"> <li>LED Strategy</li> </ul>                       | 2012 (Draft)  | 30 March 2012                       |   |

|                           |   |                         |                      |  |
|---------------------------|---|-------------------------|----------------------|--|
|                           | <ul style="list-style-type: none"> <li>• Alice LSDF</li> </ul>                  | <b>2011</b>             |                      | sector and wholesale and retail  |
|                           | <ul style="list-style-type: none"> <li>• Middledrift / Debeneck LSDF</li> </ul> | <b>2012</b>             | <b>30 March 2012</b> | <ul style="list-style-type: none"> <li>• Proposals on land capability, classification of land and spatial proposals</li> </ul>   |
| <b>Corporate Services</b> | <ul style="list-style-type: none"> <li>• Workplace Skills Plan</li> </ul>       | <b>Developed yearly</b> |                      |  |
|                           | <ul style="list-style-type: none"> <li>• Equity Plan</li> </ul>                 | <b>2011</b>             |                      |  |
| <b>Finance</b>            | <ul style="list-style-type: none"> <li>• Financial Plan</li> </ul>              |                         |                      | <ul style="list-style-type: none"> <li>• Revenue Enhancement Strategies</li> <li>• Asset Management strategies</li> <li>• Financial Management Strategies</li> <li>• Capital Financing Strategies</li> <li>• Strategies to Enhance Cost-effectiveness.</li> <li>• Free Basic Services</li> </ul> |

## CHAPTER 5: SPATIAL DEVELOPMENT FRAMEWORK

Local government Municipal Planning and Performance Management Regulations, 2001 Chapter 2 requires that :

- (4) A spatial development framework reflected in a municipality's integrated development plan must-
- (b) set out objectives that reflect the desired spatial form of the municipality;
  - (c) contain strategies and policies regarding the manner in which to achieve the objectives referred to in paragraph (b), which strategies and policies must-
    - (i) indicate desired patterns of land use within the municipality;
    - (ii) address the spatial reconstruction of the municipality; and
    - (iii) provide strategic guidance in respect of the location and nature of development within the municipality;
  - (d) set out basic guidelines for a land use management system in the municipality;
  - (e) set out a capital investment framework for the municipality's development programs;
  - (g) identify programs and projects for the development of land within the municipality;
  - (i) provide a visual representation of the desired spatial form of the municipality, which representation-
    - (i) must indicate where public and private land development and infrastructure investment should take place;
    - (ii) must indicate desired or undesired utilisation of space in a particular area;
    - (iii) may delineate the urban edge;
    - (iv) must identify areas where strategic intervention is required; and
    - (v) must indicate areas where priority spending is required.

The Spatial Development Framework of Nkonkobe Municipality was formulated in a participatory manner and guided by the Local Government Municipal Planning and Performance Management Regulations of 2001 .The current Spatial Development Framework was adopted on the 31 May 2010 by the council. The document will be reviewed during the 2013/2014 financial year. The Nkonkobe municipality SDF addresses various issues, for example:

- Settlement
- Natural environment
- Environmental issues
- Land use analysis
- Spatial development proposals

Under Settlement, the SDF looks at the settlement pattern of the municipality which talks about the urban areas and rural areas of the municipality. It also shows settlement growth trends within Nkonkobe. The SDF defines the types of natural environment that characterizes Nkonkobe municipality in terms of topography, soil and geology, water resources climate and vegetation. On environmental issues, the document indicates biodiversity and conservation areas, environmental sensitive areas and ecosystem status. Under land use analysis, the SDF analyses the dominant land uses in Nkonkobe which are Settlement, agriculture and

Forestry and conservation. It also identifies the types of land classifications that are found in the municipality. There following classes of land are not found in Nkonkobe, Class 1, Class 11 and class v, all other classes of land can be found.

Spatial structuring elements of nkonkobe municipality are clustered into the following main components, namely:

- Development Nodes
- Development Corridors
- Special development Areas
- Environmental management systems

All of these are shown by means of maps within the Spatial Development Framework. The municipality is now focusing on developing local spatial development frameworks for its small towns in line with the broader SDF of the municipality. For example the municipality in partnership with various stakeholders has managed to develop Alice Local spatial development framework and was adopted by council in 2011. The municipality has also completed another LSDF for Middledrift and Debenek area which is due for adoption.

## 5.1 Middledrift/ Debenek LSDF

### 1. Background and Introduction

The Nkonkobe Local Municipality has embarked on the Middledrift/ Debenek Area LSDF in order to define the current space in order to work towards a desired spatial structure as well as to ensure that land use is managed efficiently.

### 2. Key Issues and Objectives

A Summary of the Key Issues as identified in the Status Quo Analysis Phase and objectives is reflected hereunder:

| No. | Key Performance Area   | Key Spatial Issue   | Objective   |
|-----|--|---|---|
| 1   | Basic Service Delivery – Infrastructure Development Framework                      | Poor access to basic infrastructure due to unmanaged development                                      | Efficient, integrated spatial development of infrastructure and transport systems with limited impact on climate change                               |
| 2   | Basic Service Delivery – Social Development and Human Settlement Spatial Framework | Lack of access to social infrastructure linked to unmanaged development and spatial fragmentation     | manage development of compact and sustainable human settlements with appropriate infrastructure, amenities and socio-economic opportunities           |
| 3   | Basic Service Delivery – Environmental spatial framework                           | Neglect of the natural environment and lack of conservation that results in environmental degradation | Protection of the core-bio-diversity areas, natural resources and the ecological system through adhering to the recommendations of the bio- diversity |

|   |  |  |   |
|---|--|--|---|
|   |  |  | land management class (BLMC) map  |
| 4 | Local Economic Development – Economic Spatial Framework                                    | Lack of integration of rural communities into the local economy  | Equal spatial distribution of economic activity that will lead to improved livelihoods  |
| 5 | Local Economic Development – Economic Spatial Framework                                    | Lack of integration of rural communities into the local economy  | Fast-tracking of land reform projects in order to improve rural livelihoods   |
| 6 | Municipal transformation and institutional development – human resources spatial framework | Lack of institutional capacity to implement Spatial Planning and development<br><br>Lack of enforcement of spatial planning and land administration policies and by-laws | To ensure that the local spatial development framework is implemented and its progress monitored and evaluated by dedicated officials<br><br>Creation of an awareness of policies and by-laws |

### 3. The Strategic Development Framework

The Strategic Development Framework is based on the guidelines contained in the Provincial Spatial Development Plan (PSDP, October 2003) document. The PSDP suggests that policies of investment and management should be applied at three levels, namely;

- Investment should seek to address basic needs;
- Strengthen local capacity by building on existing strengths; and
- Target development zones that have the potential to attract private sector investment.

Based on the above, nodes identified are:

- Primary Node : Middledrift
- Secondary Node : Debenek
- Primary Development Corridor : R63
- Secondary Development Corridor : Refer to Map - Proposed Nodal Areas Map
- Special Development Areas : Agriculture: Areas with suitability in maize and Citrus production.  
Infrastructure or Transport Network: All the collector/distributor roads and access roads to important tourism or agricultural activities within the study area .  
Tourism Node: Towards the north of the study area (Ward 5)
- Rural Nodes :All rural villages – Maps indicating the desired direction of growth and the identification of suitable land for agricultural and future settlement purposes.

### 5.3 Alice LSDF

Nkonkobe Municipality adopted its Spatial Development Framework in 2010. It then embarked on a process of developing an Alice Local Spatial Development Framework.

The Alice LSDF covers the following areas:

- Egolfini
- Alice South (Happy Rest)
- Alice East (Hillcrest)
- Ntselamanzi
- Lovedale
- University of Fort Hare

The main features of the Alice Local Spatial Development Framework is:

- Direction of growth
- Major movement routes
- Special Development areas
- Conservation: Built & natural environment
- Areas of intensity of land use

The Alice LPDF proposes a clear implementation framework which focuses on the disposal of state land, funding and partnerships. It lists projects that can be implemented as part of the Regeneration of Alice. The projects are identified as short/Medium and long term.

## CHAPTER 6: PERFORMANCE MANAGEMENT SYSTEM

### 6.1 INTRODUCTION

In terms of establishing Performance Management, Municipal Systems Act, no 32 of 2002 states that,

—A municipality must—

- (a) establish a performance management system that is—
  - (i) commensurate with its resources
  - (ii) best suited to its circumstances; and
  - (iii) in line with the priorities, objectives, indicators and targets contained in its integrated development plan;
- (b) promote a culture of performance management among its political structures, office bearers and councillors and in its administration; and
- (c) administer its affairs in an economical, effective, efficient and accountable manner.

Performance Management system is a tool of monitoring and evaluating the performance of the Nkonkobe Municipality in relations to Integrated Development Plan.

### 6.2 THE PERFORMANCE MANAGEMENT FRAMEWORK.

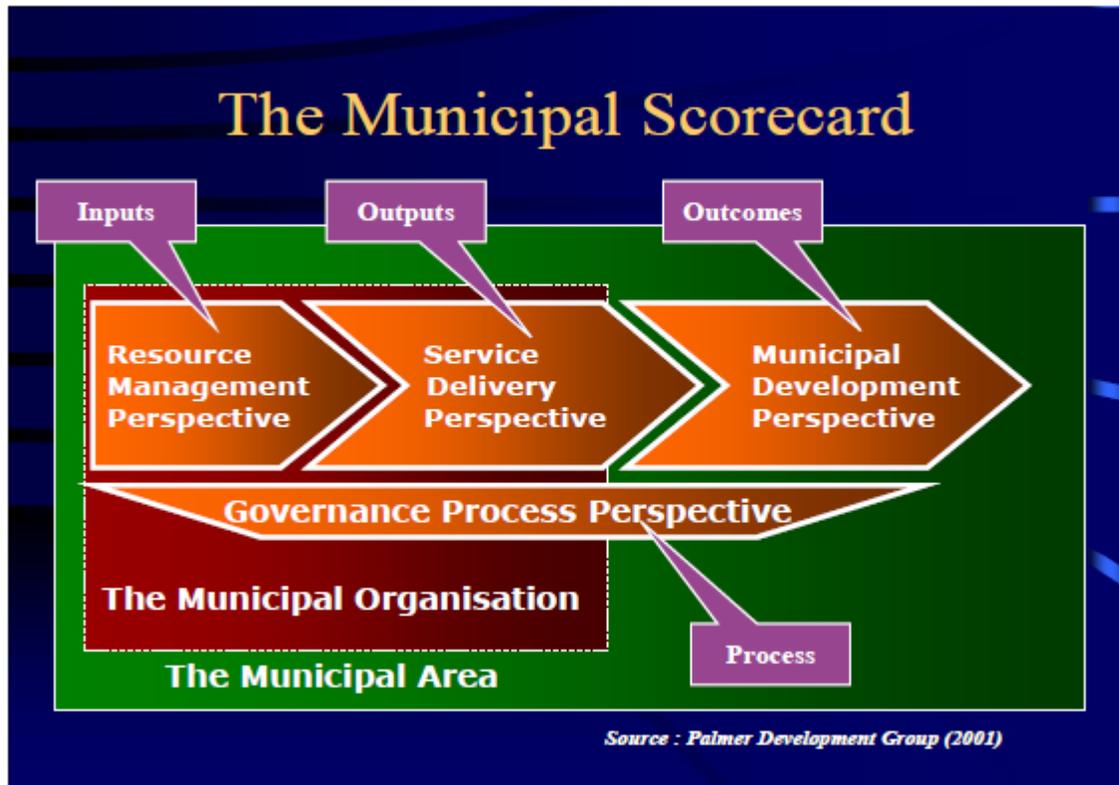
The performance management framework is a guiding document that defines the municipal performance management system including how it operates. The framework sets out the following:

- Development and maintaining the Performance Management System
- Measuring performance
- Monitoring and evaluation
- Reporting on performance
- Reviewing institutional and individual performance
- Reviewing the Performance Management System
- Institutional arrangement and
- Roles and Responsibilities

The Nkonkobe Municipality Performance Management Framework as adopted by the council is a documented record of the PMS as it will be implemented. The PMS Framework of Nkonkobe Municipality is in line with the requirements of the Municipal Systems Act (Act 32 of 2000)

### 6.3 The Nkonkobe Municipal Scorecard

Nkonkobe Municipality has chosen the municipal scorecard as its preferred performance management model. In this model all indicators are grouped together into four perspectives as depicted in the figure below e.g. inputs, processes, outputs and outcomes.



The municipality scorecard is based on two levels of scorecards and embodies five key performance areas. These key performance areas relate directly to the IDP.

#### THE MUNICIPAL SCORECARD MODEL IS:

- Strictly aligned to the Strategic Planning and IDP Processes.
- Directly in line with the principles of developmental local government
- A balance view of performance based on municipal inputs, outputs and processes.
- Compliant with the requirement of the relevant regulations.
- Based on the 5 year local government strategic agenda

#### FIVE (5) KEY PERFORMANCE AREAS (KPA'S)

1. Municipal Transformation and Organizational development
2. Infrastructure and Service Delivery
3. Local Economic Development
4. Municipal financial viability and management
5. Good Governance

### **The Municipal Development Perspective**

In this perspective, the municipality will assess whether the desired developmental impact in the municipal area is being achieved.

This incorporates social, environmental and economic developmental aspects.

### **The service delivery perspective**

The perspective will assess the performance with regard to the delivery of basic services. This specifically relates to the output of the municipality.

### **The institutional development perspective**

This perspective will assess performance with respect to the management of municipal resources.

- Human Resources
- Information and Communication
- Organizational infrastructure
- Fleet Management

This relates to the inputs of the municipality

### **The financial viability perspective**

This perspective will assess performance with respect to financial management and viability including:

- The financial viability indicators
- Operating income vs operating expenditure
- Financing of infrastructure investment vs capital expenditure performance
- Financial management performance.

### **Governance Process Perspective**

The perspective will assess performance with respect to engagement and relationship with its stakeholders. This will include the following:

- Public Participation
- Functionality and impact of municipal governance of municipal governance structure
- Access to information
- Intergovernmental relations: This relates to the governance process within the municipality

## **THE TWO LEVELS OF SCORECARDS**

### **The organizational level score card**

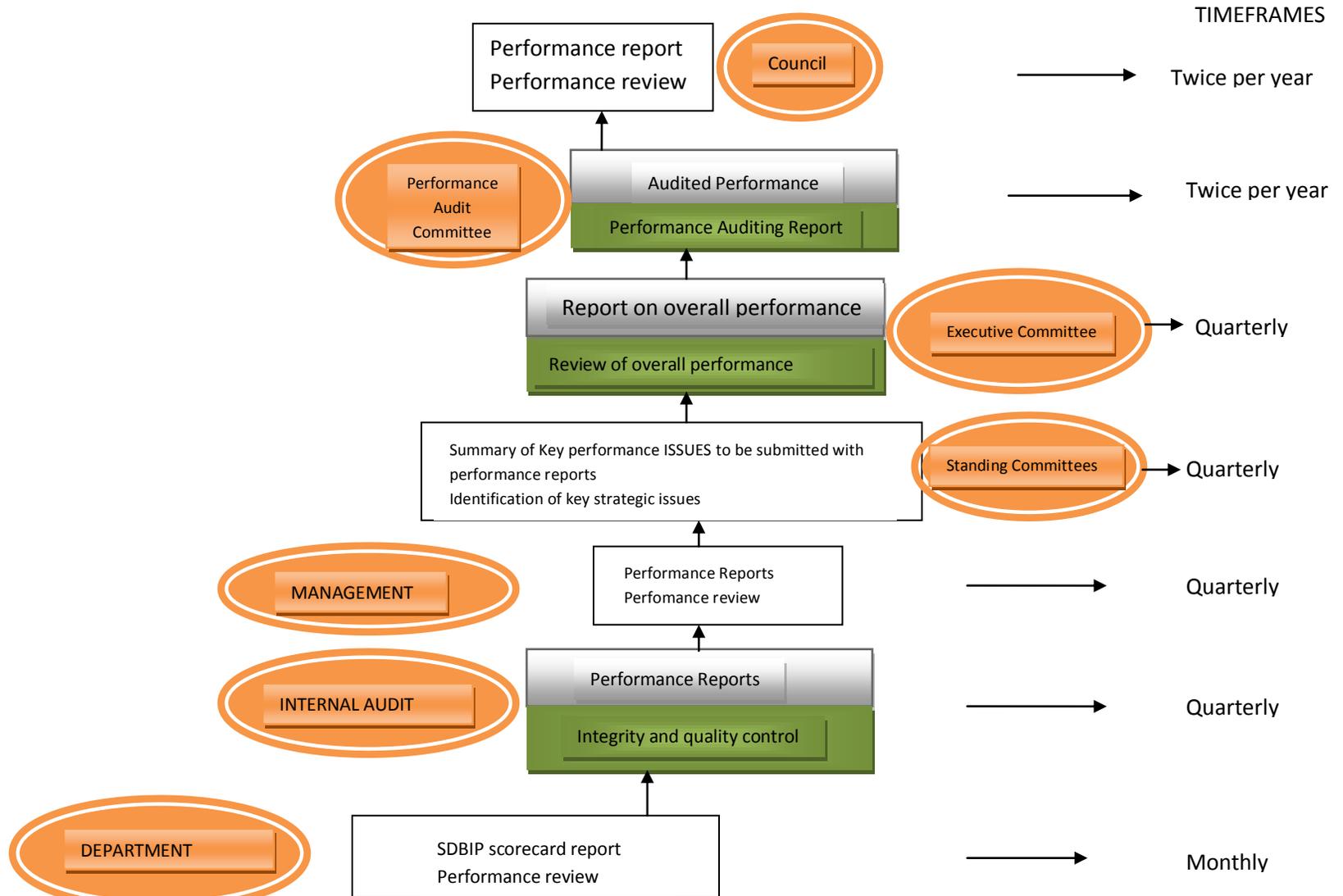
The organizational scorecard will provide an account of performance for the Nkonkobe Municipality towards the development of its area. At this level the IDP forms the levels of Performance Management .The institutional scorecard is set in the IDP as the high level of SDBIP.

### **Operational level /SDBIP scorecard**

The SDBIP scorecard will capture the performance of each municipal department .The SDBIP at operational level forms the basis for Performance Management

# Performance reporting and reviews

## Annual process of reporting and reviews



## CHAPTER 7: FINANCIAL PLAN

### 1. Financial Strategies

Council's overall Financial Strategy is broken into the following segments to allow for a clearer understanding of the overall task.

- a. **Revenue Enhancement Strategies**
- b. **Asset Management strategies**
- c. **Financial Management Strategies**
- d. **Capital Financing Strategies**
- e. **Strategies to Enhance Cost-effectiveness.**
- f. **Free Basic Services**

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

The strategy conforms to Council's financial policies in place and recognizes the requirements of current and future legislation.

The multiyear budget process being implemented currently has changed Council's financial focus. Instead of only reflecting on what Council is to receive in revenue in a year and how much Council intends procuring in a year, the focus has changed in that Council requires a total financial plan over a 3yr period. In order for Council to achieve this Council must align all its financial policies and plans into a single document.

The Financial Strategy has been formulated to ensure that the Nkonkobe Municipality maximizes on opportunities that would enhance Council's financial strength especially considering the cost-shift environment that has been created with the implementation of assigned powers and functions.

#### a) Revenue Enhancement Strategies

The changing of budgetary emphases and accounting has led the municipality to consider other avenue of revenue rather than depending on Grants and Donations. Though the Nkonkobe Municipality is categorized or classified as rural municipality, the change in focus of government that encourages the rural development in all levels has since encouraged and gave the municipality no option but to take revenue enhancement as the core project the viable financial viability.

#### b) **Alternate Funding**

In relation to other services that are revenue base, Nkonkobe municipality has no chance to explore due to powers and functions. The existence and functioning of Nkonkobe Economic Development Agency can play the role of alternative funding in proceeds of the agency in particular. In trying to address some national priorities and infrastructure challenges, the municipality has appointed services providers to source funds for the municipality.

## **1.2 Subsidies and Grants**

In order for Nkonkobe Municipality to obtain maximum benefit from external monies available, a policy is awaiting council approval that intends laying out the relevant procedures needed to be put in place with the Strategic Manager's Office to ensure that all grants, donations and subsidies are investigated, applied for and received at the appropriate times. The policy will ensure that Council receives maximum benefit from external funding available in the form of interests accumulated.

## **1.3 Administration Fee Policy**

The Administration Fee Policy has been updated to address the needs of Council with regards to administration of contracts on behalf of third parties.

## **1.4 Credit Control Policy**

The Policy sets out to control and manage the recovery of outstanding debt due to Council. This policy is in place and is subject to regular updates. The policy has subsequently being gazette in order to become an official By-law.

The policy lays down the basis for distribution of accounts, collection procedures, interest and penalties to be charged in the event of non-payment.

The Policy (By-Law) also captures the approach to Indigent Household subsidy and methodology of treating with arrear debt.

## **1.5 Tariff Policy**

The policy in this regards is in place and is reviewed every year as part of budgeting for the municipality.

## **2. Asset Management Strategies**

The purpose of the strategy is to optimize the use of all assets under the control of Nkonkobe Municipality.

### **2.1 Asset Management Policy**

The Nkonkobe Municipality Asset policy facilitates the effective management, control and maintenance of the assets.

The prime objectives of the policy are to ensure that the assets of Nkonkobe Municipality are properly managed and accounted for by:

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

### **2.3 Asset Movement System**

At the same time as commissioning a new Asset Register, an asset tracking system using bar-coded discs and scanners was put in place utilizing Service Providers, which were funded by the DPLG's MSP Programme.

With the completion of the Asset Register, the asset tracking system is fully operational.

### **3. Financial Management Strategies and Financial Viability**

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

Statistics South Africa and other relevant reports clearly describe Nkonkobe municipal area as one with economic development challenges and that includes the municipality itself and the most contributing sector in the economy of the area is the public sector and that suggest that it is vital that the municipal finances are managed in a sustainable manner to create the enabling environment so that the reality of going concern can be non questionable.

There are number of programs to be funded currently and in the future and the funding sources of these programs range from; external, little internal and grant funding. Both these programs will have to be undertaken within the financial and organizational capacity as required by the constitution of the country.

Financial viability can only be achieved with the positive financial attitude including the following:

- Continual monitoring of staffing costs.
- Identifying efficiencies and reduce unnecessary spending.
- Increase revenue collection and explore more avenues to maximize revenue.
- Implementing capital budget with the affordability levels as outlined in the MTREF

#### **3.1 Budget and Finance Reform**

A considerable amount of time and effort has been expended on ensuring that Nkonkobe Municipality has the capacity to deliver the finance and budget reporting requirements as prescribed by National Treasury.

Nkonkobe Municipality is one of the pilot sites for the Budget and Finance Reform process sponsored by National Treasury. Due to this status, money has been channeled from National Treasury to Council.

The Chief Financial Officer is overseeing the process and significant progress has been made in some areas. Specific tasks being performed are:

- Establishment of a BTO Section
- Employment of interns and short term contract workers (5 of them)
- Implementation and continuous monitoring of GRAAP compliance.
- Establishment of SCM unit to comply with MFMA Chapter 11.

### **4. Capital Financing Strategies**

The purpose of this strategy is to address the capital plans and aspirations of the Integrated Development Plan for Nkonkobe Municipality. This will be reviewed yearly depending on the municipal needs and should be aligned with the new regulations on budgeting.

#### **4.1 Policy for Accessing Donor Funds**

Due to the large number of projects that are being requested from the community, it has become necessary for the formulation of a policy, which will create a framework for accessing funds both locally and internationally.

The proposed policy intends to outline the type of donors available and the conditions related to the donations. All procedures and special conditions attributable to the different donors will be catalogued in the policy to ensure the smoothest approach to these donors when the occasion arises. This policy implementation lies with the Strategic Manager's Office as an extension of the Subsidies and Grants Policy.

### **5. Strategies to Enhance Cost-Effectiveness**

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

#### **5.1 Benchmarking and Performance Indicators**

A set of performance indicators will be developed and implemented to test the effectiveness and efficiency of the Municipality.

Benchmarking these against similar organizations will allow for regular internal assessment and upgrading.

#### **5.2 Training and Development of Staff**

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

#### **5.3 Cost-Effectiveness**

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

#### **5.4 Post Retirement Benefits**

There is reason to be concerned about the possibility of an undisclosed liability that Council may be facing with regard to post retirement benefits due to staff.

An actuary will be appointed, to evaluate the full extent of Council's liability in this regard. Funding for such an exercise is presently being sourced from external funders, as the Municipality does not have its own resources to undertake such exercise.

### **6. Free Basic Services**

Council during the course of the previous financial year developed policy relating to free basic services. The following policies were developed with a brief content listing:

#### **6.1 The indigence support policy:**

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

The indigent support policy should complement and be an integral part of the Nkonkobe Municipal tariff policy that is presently being developed. The implementation of the indigent policy should be in a transparent manner to ensure the sustainability of local public services to all of its citizens at an affordable cost.

The indigent policy is intended to provide poor households ongoing access to a minimum, nationally specified level of service. The subsidies contained in the policy should not compromise the quality or efficiency of service delivery.

**THREE YEAR CAPITAL PROGRAMME FOR 2012/13, 2013/14 & 2014/15**

| FUNDER  | MUNICIPAL INFRASTRUCTURE GRANT |                |           | MUNICIPAL BUDGET |           |           |
|---|--------------------------------|----------------|-----------|------------------|-----------|-----------|
|   | 2012/2013                      | 2013/2014      | 2014/2015 | 2012/2013        | 2013/2014 | 2014/2015 |
| PROJECT IMPLEMENTED                             |                                |                |           |                  |           |           |
| MULTI-PURPOSE-MIDDLEDRIFT                       | R 6,000,000.00                 |                |           |                  |           |           |
| DLTC - FORT BEAUFORT                            | R 1,450,000.00                 |                |           |                  |           |           |
| CHICKEN ABBATTOIR:MIDDLEDRIFT                   | R 800,000.00                   |                |           |                  |           |           |
| PARKS IN ALICE                                  | R 1,000,000.00                 |                |           |                  |           |           |
| BALFOUR INTERNAL STREETS                        | R 1,000,000.00                 |                |           |                  |           |           |
| PAVING ,REGRAVELLING AND CULVERTS IN ALICE      | R 5,700,000.00                 |                |           |                  |           |           |
| GRADE A TESTING CENTRE (MOTOR TESTING) IN FB    | R 1,000,000.00                 |                |           |                  |           |           |
| SURFACING OF FORT BEAUFORT TOWN                 | R 5,478,786.00                 |                |           |                  |           |           |
| NGQOLOWA SPORT FIELD                            | R 1,190,464.00                 |                |           |                  |           |           |
| COMMUNITY HALL : DYAMALA                        |                                |                |           | R750 000         |           |           |
| COMMUNITY HALL BALFOUR/ MASSDORP                |                                |                |           | R750 000         |           |           |
| CBP   |                                |                |           | R1 050 000       |           |           |
| LED PROJECT                                     |                                |                |           | R1 050 000       |           |           |
| EPWP  |                                |                |           | R3000 000        |           |           |
| DEBENECK :PAVING & GREENING                     | R1 200 000                     |                |           |                  |           |           |
| PAVING AND GREENING STREETS                     |                                | R 2,000,000.00 |           |                  |           |           |
| CULVERTS AND REGRAVELLING                       |                                | R1,800,000.00  |           |                  |           |           |
| ALICE PARK PHASE 2                              |                                | R3,000,000.00  |           |                  |           |           |
| MAKHUZENI SPORT FIELD                           |                                | R 762,200.00   |           |                  |           |           |
| COMMUNITY HALL BINFIELD                         |                                | R1,000,000.00  |           |                  |           |           |
| CHILD CARE FACILITY (EDUCARE CENTRE)<br>KWAMEVA |                                | R 250,000.00   |           |                  |           |           |
| HIGH MAST LIGHTS (F. B.)                        |                                | R4,100,000.00  |           |                  |           |           |
| COMMUNITY HALL HERTZOG                          |                                | R1,500,000.00  |           |                  |           |           |

|   |  |               |                |  |             |
|---|--|---------------|----------------|--|-------------|
| HAWKER STALLS                             |  | R712,200.00   |                |  |             |
| SPORT COMPLEX -PHASE 1                    |  | R2,500,000.00 |                |  |             |
| PAVING AND REGRAVELING F.B                |  | R2 000 000.00 |                |  |             |
| COMMUNITY HALL - KHULILE                  |  | R800,000.00   |                |  |             |
| COMMUNITY HALL - NTONGA                   |  | R800,000.00   |                |  |             |
| REGRAVELLING OF GRAVEL ROADS AND CULVERTS |  | R2,832,906.00 |                |  |             |
| PAVING                                    |  | R2,000,000.00 |                |  |             |
| CHICKEN ABBATTOIR                         |  | R1,420,967.25 |                |  |             |
| FENCING OF DAMS                           |  | R 132,183.00  |                |  |             |
| DAY CARE CENTRE (WARD 11)                 |  | R165,228.75   |                |  |             |
| DAY CARE CENTRE (WARD 1)                  |  | R165,228.75   |                |  |             |
| DAY CARE CENTRE (WARD 16) LUGUDWINI       |  | R165,228.75   |                |  |             |
| DAY CARE CENTRE (WARD 19) XHUKWANA        |  | R165,228.75   |                |  |             |
| DAY CARE CENTRE (WARD 17) SITYI           |  | R165,228.75   |                |  |             |
| SITYI COOMUNITY HALL                      |  |               |                |  | R800 000 00 |
| THAFENI COMMUNITY HALL                    |  |               |                |  | R800 000 00 |
| PAVING STREETS                            |  |               | R 2,000,000.00 |  |             |
| CULVERTS AND REGRAVELLING                 |  |               | R2,267,567.00  |  |             |
| ALICE PARK PHASE 3                        |  |               | R3,000,000.00  |  |             |
| HIGH MAST AND STREET LIGHTS               |  |               | R2,000,000.00  |  |             |
| PAVING                                    |  |               | R2,000,000.00  |  |             |
| REGRAVELING AND CULVERTS                  |  |               | R2,267,567.00  |  |             |
| SPORT COMPLEX -PHASE 2                    |  |               | R5,000,000.00  |  |             |
| CHICKEN ABBATTOIR                         |  |               | R 1,000,000.00 |  |             |
| SPORT FIELD (MXUMBU)                      |  |               | R2,500,000.00  |  |             |
| PAVING                                    |  |               | R2,000,000.00  |  |             |
| REGRAVELLING                              |  |               | R3,000,000.00  |  |             |

|   |  |  |             |  |  |  |
|---|--|--|-------------|--|--|--|
| RECREATIONAL FACILITY(HORSE RACING- DEBE<br>NECK) |  |  | R767,567.00 |  |  |  |
|---|--|--|-------------|--|--|--|

**BUDGET STATEMENT FOR  
2012/13 TO 2014/2015**



|  | 2012/2013              | 2013/2014              | 2014/2015              |
|--|------------------------|------------------------|------------------------|
| -  |                        |                        |                        |
| EXPENDITURE                                    |                        |                        |                        |
| Salaries and Wages                             | 54,364,246.00          | 57,626,101.00          | 61,662,668.00          |
| Remuneration for councillors                   | 12,785,909.00          | 13,553,064.00          | 14,501,778.00          |
| EPWP   | 4,000,000.00           | 4,240,000.00           | 4,536,800.00           |
| Repairs and Maintenance                        | 8,000,000.00           | 8,480,000.00           | 9,073,000.00           |
| General expenses and other                     | 73,923,550.00          | 78,358,963.00          | 83,841,950.00          |
| Capital Expenditure                            | 45,149,250.00          | 47,858,205.00          | 51,206,159.00          |
| <b>TOTAL EXPENDITURE</b>                       | <b>198,222,955.00</b>  | <b>210,116,333.00</b>  | <b>224,822,355.00</b>  |
| INCOME   |                        |                        |                        |
| Rent of Facility and Equipment                 | -382,404.00            | -405,348.00            | -433,722.00            |
| Interest earned-EXT Investment                 | -1,655,000.00          | -1,754,300.00          | -1,877,101.00          |
| Other income                                   | -57,838,551.00         | -60,128,924.00         | -62,635,389.00         |
| <b>SUB-TOTAL</b>                               | <b>-59,875,955.00</b>  | <b>-62,288,572.00</b>  | <b>-64,946,212.00</b>  |
| <i>GRANTS AND SUBSIDIES:<br/>OPERATING</i>     |                        |                        |                        |
| Equitable share                                | -86,351,000.00         | -92,780,000.00         | -100,812,000.00        |
| FMG Funding                                    | -1,500,000.00          | -1,500,000.00          | -1,750,000.00          |
| MSIG Funding                                   | -800,000.00            | -870,000.00            | -950,000.00            |
| EPWP   | -1,181,000.00          | -1,251,860.00          | -1,339,490.00          |
| Subsidies                                      | -3,365,750.00          | -3,567,695.00          | -3,818,494.00          |
| <b>TOTAL: GRANTS OPERATING</b>                 | <b>-93,197,750.00</b>  | <b>-99,969,555.00</b>  | <b>-108,669,984.00</b> |
| <i>GRANTS, CAPITAL &amp; OTHER<br/>FUNDING</i> |                        |                        |                        |
| MIG Funding                                    | -26,315,000.00         | -27,760,000.00         | -29,846,473.00         |
| Internal Capital Contribution                  | -20,150,000.00         | -21,359,000.00         | -22,852,010.00         |
| Total Capital Funding                          | -45,149,250.00         | -47,858,205.00         | -51,206,159.00         |
| <b>TOTAL FUNDING</b>                           | <b>-198,222,955.00</b> | <b>-210,116,332.00</b> | <b>-224,822,355.00</b> |