

CHAPTER 1

1 INTRODUCTION

The Umzimvubu Local Municipality IDP (2010/2011) will serve as a strategic guide within all spheres of development within the municipality . It will be based on the issues articulated by the stakeholders and will be aligned with the national and provincial development imperatives such as National Spatial Development Perspective (NSDP), Accelerated and Shared Growth Initiatives for South Africa (ASGISA) and the Eastern Cape Provincial Growth the Development Strategy (PGDS).

Integrated development planning may be defined as the strategic management process utilised by local government. It is a process through which municipalities prepare a strategic development plan (IDP), for a 5 year period. The IDP is the principal strategy planning instrument which guides and informs all planning, budgeting, management and decision-making processes in a municipality. Its objectives are as follows:

- To guide decision making in respect of service delivery and public sector investment.
- To inform budgets and Service delivery programs of various government departments and service agencies.
- To coordinate the activities of various service delivery agencies within Umzimvubu Local Municipality.
- To enable the Municipality to identify its priorities and develop a strategic development plan for the short, medium and long term.

Section 25 (1) of the Municipal Systems Act (MSA)(2000) states that Each municipal council must, within a prescribed period after the start of its elected term, adopt a single, all inclusive and strategic plan for the development of the municipality which:

- a) Links integrates and coordinates plans and takes into account proposals for the development of the municipality;
- b) Aligns the resources and capacity of the municipality with the implementation of the plan;
- c) Complies with the provisions of this Chapter (Chapter 5 of MSA); and
- d) Is compatible with national and provincial development plans and planning

The IDP is reviewed to reflect the impact of successes as well as corrective measures to address problem. The IDP has to be reviewed annually in order to ensure its relevance as the Municipality's Strategic Plan, to inform other components of the Municipal business process including institutional and financial planning and budgeting and to inform the cyclical inter-governmental planning and budgeting cycle. As a preparatory stage a local Municipality is required to prepare a process plan. In formulation of local Municipality needs to consider that in terms of the MSA of 2000, section 84 one of its functions includes integrated development planning for the local municipality as a whole including a framework for integrated development plans . In the review process changes to the IDP process and content may be required from three main sources:

- Comments from the MEC
- Amendments in response to changing circumstances and
- Improving the IDP process and content

While there are many areas that require “tightening up” in Umzimvubu Municipal IDP, there are a number of areas where particular areas where particular attention is required:

- Institutional issues
- Sector plan and associated spatial frame work
- IDP budget link and
- Updated list of projects

In accordance with a philosophy behind the Municipal structures act, 1998, section 84 (i) that states : A local Municipality has the following functions and powers:-

(a) Integrated Development Planning for its area of jurisdiction.

1.1 Objectives

- To draw up a process plan that would engender inclusively and transparency
- To encourage participation by all directorates within the municipality, other stakeholders and communities
- To solicit development priorities of the Umzimvubu Local Municipality.
- To enhance service delivery and development

1.2 Process Plan

The process plan will consist of the following:

- Organisational Arrangements for the IDP Process
- Action Programme with Timeframes and Resource Requirements
- Mechanisms and Procedures for Community and Stakeholder Participation
- Mechanism and Procedures for Alignment
- Binding Plans and Planning Requirements at Provincial and National Level
- Cost Estimates for the Planning Process

2. ORGANIZATIONAL ARRANGEMENTS

2.1 Role Players

The following Role Players will be involved in the IDP process:

- Council
- Task teams
- Executive Committee
- IDP officer
- Municipal Manager
- IDP Steering Committee
- IDP Representative Forum (residents, communities and other Stakeholders)
- District Municipality
- Provincial Government Departments in terms of their sector programmes

2.2 Roles and Responsibilities

Roles and Responsibilities are discussed below:

2.2.1 Council

The Council, as the political decision making body, will consider, adopt and approve the process plan and IDP.

2.2.2 Executive Committee

The Executive Committee, as a senior governing body, is legally responsible for the overall management, coordination and monitoring of the process and drafting of the IDP. According to the Systems Act, this responsibility has been assigned to the Municipal Manager. Umzimvubu Local Municipality has delegated the task of driving its IDP process to the Municipal Manager, Mr. G P T Nota who has appointed the IDP Mnanager to drive the process.

2.2.3 Municipal Manager

The Municipal Manager, Mr G.P.T. Nota, is responsible for managing the overall IDP process.

His terms of reference include:

- Preparing the process and action plan
- Undertaking the overall management and co-ordination of the planning process ensuring:
 - participation and involvement of all different role-players
 - that the timeframes are being adhered to
 - that the planning process is horizontally and vertically aligned and complies with national and provincial requirements
 - that conditions for participation are provided
 - ensure proper documentation of the results of the planning of the reviewed IDP document
 - the involvement of all relevant role players especially officials
- Nominating persons in charge of different roles
- Co-ordination of internal Directorates
- Responding to comments on the draft reviewed IDP from the public, horizontal alignment and other spheres of government to the satisfaction of the Council
- Adjusting the reviewed IDP in accordance with the MEC for Local Government's proposals
- Chairing the steering committee

2.2.4 IDP Steering Committee

The IDP Steering Committee will assist the Municipal Manager in guiding the IDP review process. The Municipal Manager will chair the Steering Committee. The secretary for this committee is the IDP admin officer. It is also a technical working team of dedicated officials who support the IDP manager to ensure that the planning process is being followed.

The IDP Steering Committee comprises the following members:

- ❖ Municipal Manager – Mr G.P.T. Nota
- ❖ Executive Committee Members
- ❖ Assistant Director IDP, IGR, Municipal Performance

Other members

- ❖ Manager: Corporate Services – Mrs. Kubone
- ❖ Manager: Budget and Treasury – Mr M Hloba
- ❖ Manager: Infrastructure and Planning – Mr S Ntonga
- ❖ Manager: LED, Tourism and Environmental Management – Ms P Vitshima
- ❖ Manager: Citizens & Community Services – Mr Sineke
- ❖ Manager: Mayoral Support Unit – Mr S Kulu

Umzimvubu IDP Steering Committee must consist of the IDP manager, heads of Department (HOD's). Senior and middle management and Councillors from the Executive Committee will provide political as well as technical assistance to the review process.

2.2.5 IDP Representative Forum

The IDP Representative Forum is the organizational mechanism for discussion, negotiation and decision-making between stakeholders within the municipal area.

It is envisaged that the following organizations could be involved:

- Councillors
- Ward Committee Members
- Stakeholder representatives of organized groups
- Community Representatives
- Non- Governmental Organisations
- Traditional Leaders
- Disabled groups.
- Youth Organisations

- Community Based Organisations
- Municipal Officials

The Representative Forum is chaired by the Mayor. The secretariat for this forum will be delegated by the Mayor.

2.2.6. The terms of reference for this structure includes:

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

2.2.8. Task Teams

There will be five task teams being:-

- (1) Budget and Treasury
- (2) Corporate Services
- (3) Infrastructure and Planning
- (4) Citizen & Community Services
- (5) Mayoral Support Unit
- (6) LED, Tourism and Environmental Management

Roles and Responsibilities

Task Teams

- Screening of project proposals
- Integrating (alignment) projects & programmes

- Assisting in monitoring & evaluation of implementation of projects

(1) Budget and Treasury

- **(chaired by Mr M Hloba)**

- Assessment of financial plan
- Alignment of Budget with IDP
- Financial Administration
- Financial Reform Programme

(2) Corporate Services

– **(Chaired by Mrs Kubone)**

Monitor and Evaluate the following :-

- Revision of an institutional plan
- Skills Developmental Programme
- Staff Transfer Plan
- Task Job Evaluation Programme
- Performance Management System
- Develop Comprehensive H.R. software

(3) Infrastructure and Planning

(Chaired by Mr. S.P. Ntonga)

- Construct and maintain Local Access Roads
- Construction of taxi/bus ranks
- Town planning and zoning
- Develop Spatial Development Framework plan and Land Use Management Systems
- Formulation and revision of a housing plan

(4) Community Services

- (Chaired by Mr. Sineke)

- Monitor and Evaluate Social Development Programme
- Prepare Environmental Management Plan, Integrated Waste management Plan
- Monitor and Evaluate HIV/AIDS Awareness Projects
- Develop Municipal Health Care Programme
- Development and revision of an environmental health plan
- Development and revision of disaster management plan

(4) Mayoral Support Unit

- (Chaired by Mr S Kulu)

- Develop Gender Equity Plan
- Develop a poverty reduction Programme
- Development of a communication plan or strategy
- Conduct a public relations exercise
- Establish a Municipal Support Forum & Traditional Leadership Partnership
- Develop Communications Programme

(6). LED, Tourism and Environmental Management

- (Chaired by Ms P Vitshima)

- Monitor and Develop LED Programme
- Evaluate and Monitor Poverty Relief Programme
- Report on ISRDP Projects
- Monitor Housing Development

2.3 Code of Conduct

The IDP Steering Committee and Representative Forum need to have a code of conduct which will regulate such issues as:

- meeting schedule
- agenda, facilitation and documentation of meetings
- understanding by members of their role as representatives of their constituencies
- feedback to constituents
- required majority for approval
- resolution of disputes
- conditions of meeting attendance

The above will be discussed and finalized at the first IDP Review Steering Committee and Representative Forum meetings.

2.4 Venue of meetings

It is envisaged that all meetings will be held at Umzimvubu Local Municipality, or alternatively, determined as and when need arises.

2.5 PIMSS

The Alfred Ndzo District Municipality PIMSS centre will be assisting the Municipality during each phase of the IDP. They will also assist in the following issues:

- Facilitating intergovernmental linkages between local and district municipal IDP review
- Providing information on national and provincial planning frameworks
- Provide support in the form of training, facilitation of workshops and documentation of results with regards to setting up a process plan and to prepare information in user-friendly way for workshops and council meetings.

3. MECHANISMS AND PROCEDURES FOR PUBLIC PARTICIPATION

Umzimvubu Local Municipality comprises of a large geographical area with many people. This context requires that public participation be structured. The IDP Representative Forum, in order to ensure that there is representation of the various organized and unorganised groups within its municipal area will utilize the following communication strategies:

Press : Daily Dispatch, Pondo news, Informer etc
Radio : Alfred Nzo Community Radio, Umhlobo Wenene, Ukhozi,
Other Methods: Flyers, Imbizo, announcements through churches and community based organizations, people's forums, posters, public debates through press, etc.

4. LEGALLY BINDING DOCUMENTS

Legally binding documents at a national and provincial level are included in the framework plan. In addition to national and provincial legislation, the following documents will be relevant to the formulation of the Umzimvubu Local Municipal IDP:

- Constitution
- Municipal demarcation Act of 1998
- Municipal Structures Act 117 of 1998
- Rural Economic Development Conference Report
- Water Services Act
- Coastal Management Policy
- White paper Waste Management
- Land Use Management Bill
- Housing Act 107 of 1997
- Municipal Systems Act 32 of 2000
- White paper on energy policy
- National Environment Management Act 107 of 1998
- Development Facilitation Act of 1995
- Physical Planning Act 125 of 1991

- Land Use Planning Ordinance No. 15 of 1985
- Townships Ordinance 33 of 1934

Sector plans and associated Spatial Framework

With reference to the comments of the MEC the sector plans can be regarded as adequate for IDP purposes. A number of plans should be improved and refined in future.

These sector plans could comprise of the following:

- Water Sector plans
- Spatial Development Framework Plan
- Environmental Management Strategy
- Waste Management Plan
- Housing Plan and or Housing Sector Plan
- Transport Plan (Integration)
- Disaster Management Plan
- Tourism Planning
- Communication Plan

5. MECHANISMS AND PROCEDURES FOR ALIGNMENT

Alignment Phases

<i>Phase</i>	Structures Involved	Activity
<i>Analysis</i>	Category B's and the District Municipality	<ul style="list-style-type: none"> • Re-defining priority issues • Incorporating aspects of sector information (assessing plans from relevant sectors) • Agree on parallel process
<i>Strategies</i>	Category B's and the District Municipality	<ul style="list-style-type: none"> • Vision, goals and objectives • Aligning strategies to the ISRDS, Social Plan etc.
<i>Projects</i>	Relevant Government Departments, Sector Specialists, Project Task Teams – Category B's and District	<ul style="list-style-type: none"> • Technical inputs by relevant sectors and governments • Relevant sector plans in order to align with project proposals accordingly • Business plans • Project proposals with budgets • Alignment of projects and plans with government department plans and budget
<i>Integration</i>	Category B's, District Municipality and Government departments – Technical Specialists	<ul style="list-style-type: none"> • Screening of project proposals and making the necessary adjustments • Developing integrated programmes
<i>Approval</i>	Category B's, District Municipality	Final comments and adjustments and approval by

		the Council.
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5. ACTION PLAN

	Activity	Time (Weeks)	Nature of Work & People/ Structures to be involved	Required resources (Professional)	Output
1.	Preparatory Stage		Distribution of process plans for comments	IDP office	
1.1.	Finalise draft process plan		Deskwork	Steering Committee	Draft process
1.2.	Advertise/notify for representative forum		Deskwork	Steering Committee	Adverts Announcements
2.	Council approve process plan		Council meeting		Approval by council
3.	Monitoring & Evaluation		Desk work Steering Committee	Directorates	Report from Directorates
4.	Analysis Stage				
	Integration of existing information		Desk work	IDP office	Report (facts & figures)
5.	Strategies				
	Re-definition of objectives & strategies		Representatives Forum Workshop	Facilitator (project task teams)	Documented proceedings of workshop (vision &

					objectives)
6.	Projects				
	Compiling new project list & re-prioritising the existing projects Alignment of budget with projects		Deskwork, Representative forum workshop	Technical specialist facilitator	Task Teams formed
7.	Integration				
	Integration of projects and programmes		Representative Forum	Specialist facilitator, Task team	Programmes
8.	Approval				
	Advertise for public comments Submit Draft IDP for approval to Council		Representative forum workshop, Council meeting	Technical Specialist Facilitator	IDP adopted by the Council

Action Plan

Each phase of the IDP review will be initiated by the Steering Committee meeting followed by the Representative Forum. Action plan with activities and proposed dates. requirements binding on the municipality in terms of legislation.

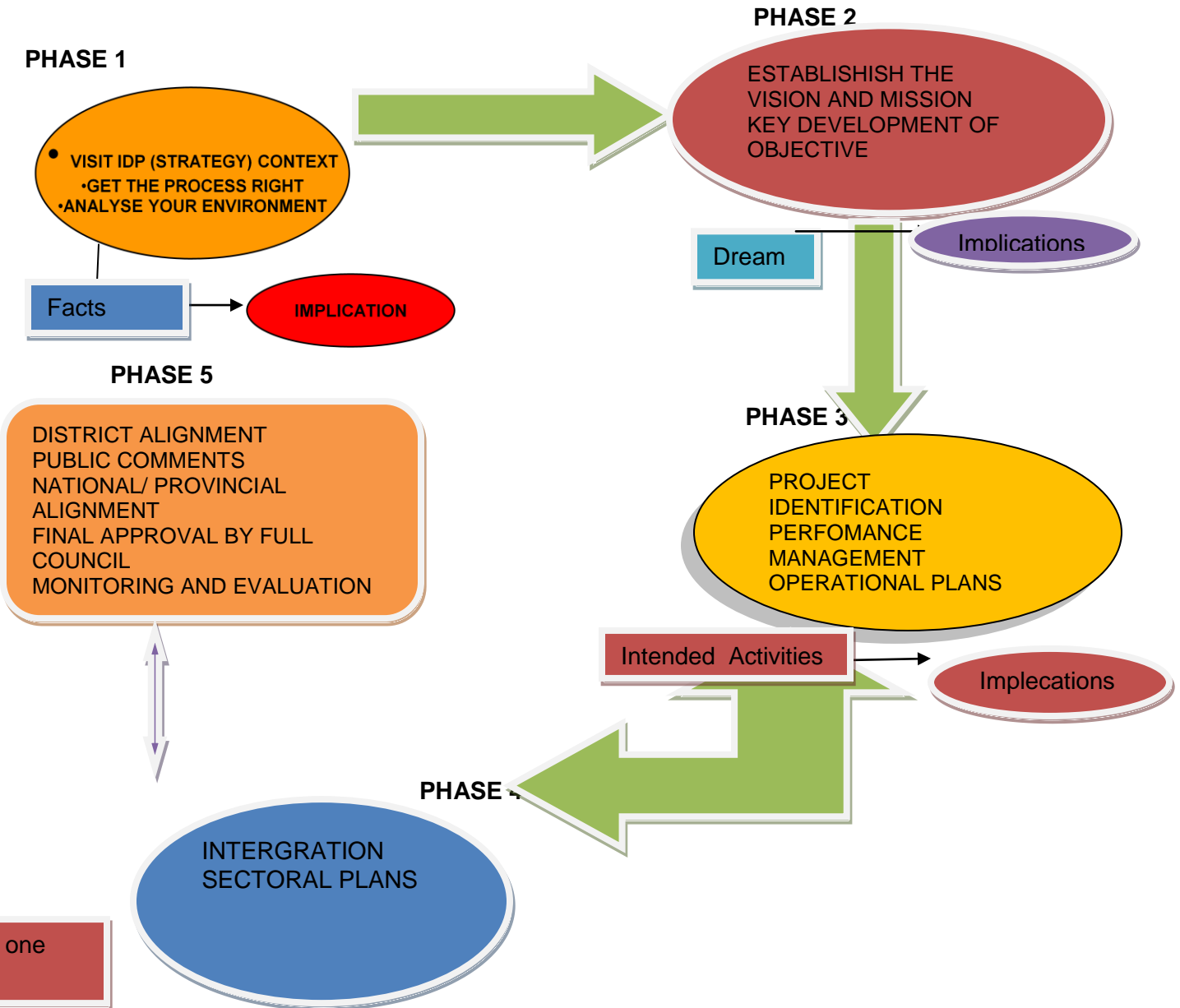
IDP's must be reviewed on an annual basis and adjusted and revised in accordance with the monitoring and evaluation of existing performance and changing circumstances.

The integrated development planning methodology comprises five interrelated phases namely;

- ⇒ Analysis
- ⇒ Strategies

- ⇒ Projects
- ⇒ Integration
- ⇒ Approval

These phases are illustrated graphically below:



The analysis phase aims to assess the existing level of development within the Municipality through analysis of the prevailing environment and impact of the prevailing environment on the inhabitants of the Municipality. The analysis process facilitates the identification and analysis of the environmental challenges facing the municipality and allows the municipality to accurately prioritise these challenges.

The ensuing phases of the integrated development planning process build on the analysis phase, and it is therefore imperative that the analysis phase be compiled accurately. Planning, budgeting, decision making and service delivery are largely informed by the existing environment and its inherent challenges. A plan that is not based on an accurate understanding of the current environment will lack credibility and efficacy.

This report will contain a comprehensive analysis of the Umzimvubu Local Municipality including the legislative and policy environment, the Municipal vision and mission, the geographic positioning and composition of the study area, and an environmental analysis in the broadest sense of the word that includes a demographic, socio economic, spatial and biophysical environmental analysis. An analysis will also be done of service provision including infrastructural services, community services and community facilities. Economic growth and development will be analysed with specific reference to current trends in terms of poverty, employment trends and the predominant sectors. An analysis of the institutional and governance environment as well as the financial viability of the Umzimvubu Local Municipality will also be done to ascertain its capacity to provide sustainable service delivery.

CHAPTER 2

2 LEGISLATIVE AND POLICY FRAMEWORK

Municipalities are subject to a myriad of policy and legislation. This section aims to provide an overview of legislation and policy that is directly relevant to the integrated development planning process. A brief overview will also be provided of other legislation and policy that Municipalities need to take cognisance of.

2.1 Republic of South Africa Constitution Act 108 of 1996

The Republic of South Africa Constitution Act provides a fundamental legal framework that Municipalities must adhere to and uphold. Section 239 of the Constitution defines an organ of state as any “department of state or administration in the National, Provincial or Local sphere of Government”. All references to organs of state in the Constitution therefore include the local sphere of government.

Chapter 2 of the Constitution contains the Bill of Rights. The Bill of Rights applies to all law and binds the legislature, the executive, the judiciary and all organs of state¹. The state has an obligation to respect, promote and fulfil the rights contained in the Bill of rights². Municipalities, being an organ of state must comply with these obligations.

Chapter 3 of the Constitution deals with the principle of co-operative governance. The Government of the Republic comprises a National, Provincial and Local sphere of Government which are distinctive interdependent and interrelated. This chapter sets out a number of principles which collectively provide the co-operative governance framework that all spheres of government must adhere to³.

Chapter 7 regulates the local sphere of government. Section 152 stipulates the local government objectives which a municipality must endeavour to achieve within the confines of its financial and administrative capacity. These objectives are:

- ⇒ “To provide democratic and accountable government to the communities
- ⇒ To ensure the sustainable provision of services to the community
- ⇒ To promote social and economic development

¹ Republic of South Africa Constitution Act 108 of 1996: (8)

² Republic of South Africa Constitution Act 108 of 1996: (7)(2)

³ Republic of South Africa Constitution Act 108 of 1996 (40 &41)

- ⇒ To promote a safe and healthy environment
- ⇒ To encourage communities and community organisations to get involved in local government matters”

Section 153 provides that municipalities have a developmental duty. This duty entails managing and structuring the budget, administration and planning processes of the municipality in a manner that prioritises the basic needs of the community while promoting the social and economic development of the community. Municipalities are required to participate in National and Provincial development programmes.

Section 154 expounds the role of municipalities within the cooperative governance framework by requiring national and provincial governments to support and strengthen the capacity of municipalities to manage their own affairs, exercise their powers and perform their functions.

2.2 MUNICIPAL LEGISLATION

The following paragraph gives an overview of municipal legislation that is most relevant to the IDP process; namely the Municipal Structures Act 1998, Municipal Systems Act 2000, the Municipal Performance Management and Planning Regulations 2001 and the Municipal Finance Management Act 2003.

2.2.1 Local Government Municipal Structures Act, 117 Of 1998

Chapter 3 deals with municipal councils. Section 19(1) reiterates the Constitutional obligation of municipalities to achieve the objectives of local government. Municipalities are required to review the needs and priorities of their communities on an annual basis. Municipalities must set priorities to enable them to meet the needs of their people, develop processes for involving the community in the determination of these needs and establish organisational and delivery mechanisms for meeting the needs of the community and evaluating their overall performance in achieving the objects of local government as required by the Constitution. Section 19(3) obliges a municipality to develop mechanisms to consult the community and community organisations in performing its functions and exercising its powers.

Chapter 4 deals with internal structures and functionaries. Section 73 provides for the establishment of Ward Committees. The duties of Ward Committees entail making recommendations on matters affecting their wards to the Ward Councillor or to the Executive

Mayor /Executive Committee or Municipal Council through the Ward Councillor. Ward Committees they are integral to the local IDP process.

Chapter 5 deals with functions and powers of municipalities. Section 84 regulates the division of powers and functions between local and district municipalities. Subsection (1)(a) provides that a district municipality must do integrated development planning for the district as a whole, which includes developing a framework for the integrated development plans of the local Municipalities who share a jurisdiction with the district municipality. District municipalities and the local municipalities within the area of a district municipality must co-operate with one another by assisting and supporting each other.⁴

2.2.2 Local Government Municipal Systems Act, 32 Of 2000

Chapter 2 regulates the legal nature, rights and duties of a municipality. Section 2 defines the legal nature of a municipality and provides that a municipality is composed of the political structures, administration and the community of the municipality. The emphasis of this provision is that the community form an integral part of the municipality.

Chapter 4 is devoted entirely to the regulation of community participation. A municipality is required to develop a culture of community participation by encouraging and creating conditions for the local community to participate in the municipality's affairs. Section 16(1) (a) stipulates certain activities of the municipality where public participation must be encouraged and includes the preparation, implementation and review of the integrated development plan.

Chapter 5 deals with the principle of integrated development planning. Integrated development planning is one of the core functions of a municipality in the context of its developmental mandate.

Section 24 requires municipalities to adopt an inclusive plan for the development of municipality which;

- ⇒ "Links, integrates and coordinates plans and takes into account proposals for the development of the municipality;
- ⇒ Aligns the resources and capacity of the municipality with the implementation of the plan;

⁴ Local Government Structures Act 117 of 1998: 88

- ⇒ Forms the policy framework and general basis on which annual budgets must be based; and
- ⇒ Is compatible with national and provincial development and planning requirements that are on the municipality in terms of legislation”

All municipalities are required to adopt an IDP which is the key strategic planning tool of the municipality. A municipality must give effect to its IDP and conduct its affairs in a manner consistent with its approved IDP⁵

The integrated development plan is defined as;

“the principal strategic planning instrument which guides and informs all planning and development, and all decisions with regard to planning, management and development in the municipality”.⁶

Municipalities are legally obliged to give effect to their integrated development plan and conduct their affairs in a manner which is consistent with their integrated development plan.⁷

An integrated development plan must be reviewed on an annual basis and adjusted and revised in accordance with the monitoring and evaluation of existing performance and changing circumstances. The development and review of an IDP must take place within the parameters of a prescribed process. Section 27 requires a district municipality to adopt a framework for integrated development planning in the area as a whole. Section 28 requires all municipalities to adopt a process plan that guides the planning, drafting, adoption and review of the integrated development plan.

Chapter 6 deals with performance management. It requires all municipalities to establish a performance management system that is in line with the priorities, objectives, indicators and targets as contained in its IDP. Municipalities must also create a culture of performance management within their administration, council, political structures and political office bearers. The performance of the municipality in relation to its achievement of the objectives as contained in the IDP must be monitored, reviewed and reported on annually.

⁵ Local Government Municipal Systems Act 32 of 2000 section 36

⁶ Local Government Municipal Systems Act 32 of 2000 section 35 (1)

⁷ Local Government Municipal Systems Act 32 of 2000 section 36

2.2.3 Local Government Municipal Planning And Performance Management Regulations, 2001

These regulations supplement the provisions of the Municipal Systems Act by outlining the requirements and core components of the performance management framework and integrated development plan.

2.2.4 Local Government Municipal Finance Management Act, 56 Of 2003

The Municipal Finance Management Act (MFMA) seeks to regulate financial planning and management in municipalities as public institutions. The object of this Act is to secure sound and sustainable management of the fiscal and financial affairs of municipalities and its entities by establishing norms and standards and other requirements for;

- ⇒ ensuring transparency, accountability and appropriate lines of responsibility in the fiscal and financial affairs of municipalities and municipal entities
- ⇒ the management of their revenues, expenditures, assets and liabilities and the handling of their financial dealings
- ⇒ budgetary and financial planning processes and the co-ordination of those processes with the processes of organs of state in other spheres of government
- ⇒ borrowing
- ⇒ the handling of financial problems in municipalities
- ⇒ supply chain management
- ⇒ Other financial matters.

Section 21(1) of the MFMA requires municipalities to coordinate the process of preparing the annual budget and revising the IDP to ensure that there is integration between the two. MFMA also provides for the drafting of a Service Delivery Budget Implementation Plan (SDBIP). The SDBIP is a detailed plan approved by the Mayor/Executive Mayor of the municipality for the implementation of service delivery in accordance with the annual budget. The SDBIP should include monthly revenue and expenditure projections, quarterly service delivery targets and performance indicators.

2.2.5 Inter-Governmental Relations framework, Act 13 of 2005

This Act supplements the provisions of Chapter 3 of the Constitution which regulates co-operative governance. The Act provides a framework to promote and facilitate functional horizontal and vertical relationships between the various departments of government, and the

various spheres of government. The Act also provides mechanisms and procedures to facilitate the settlement of inter-governmental disputes. The envisaged multi sector nature of the IDP is dependant on sound intergovernmental relationships

2.2.6 Development Facilitation Act, Act 65 Of 1995 (DFA)

Chapter 1 of the DFA sets out a number of principles, which apply to all land development. The following principles would apply to the formulation and content of a Spatial Development Framework:

- A. Policies, administrative practice and laws should:
 - i. Provide for urban and rural land development;
 - ii. Facilitate the development of formal and informal, existing and new settlements;
 - iii. Discourage the illegal occupation of land, with due recognition of informal land development processes;
 - iv. Promote speedy land development; and
 - v. Promote efficient and integrated land development in that they:
 - ⇒ Promote the integration of the social, economic, institutional and physical aspects of land development
 - ⇒ Promote integrated land development in rural and urban areas in support of each other;
 - ⇒ Promote the availability of residential and employment opportunities in close proximity to or integrated with each other;
 - ⇒ Optimize the use of existing resources including such resources relating to agriculture, land, minerals, bulk infrastructure, roads, transportation and social facilities;
 - ⇒ Promote a diverse combination of land uses, also at the level of individual erven or subdivisions of land;
 - ⇒ Discourage the phenomenon of “urban sprawl” in urban areas and contribute to the development of more compact towns and cities;
 - ⇒ contribute to the correction of the historically distorted spatial patterns of settlement in the Republic and to the optimum use of existing infrastructure in excess of current needs; and
 - ⇒ Encourage environmentally sustainable land development practices and processes.
- B. Members of communities affected by land development should actively participate in the process of land development.
- C. The Skills and capabilities of disadvantaged persons involved in land development should be developed
- D. Policy, administrative practice and laws should promote sustainable land development at the required scale in that they should:
 - i. Promote land development which is within the fiscal, institutional and administrative means of the Republic;
 - ii. Promote the establishment of viable communities;
 - iii. Promote sustained protection of the environment’
 - iv. Meet the basic needs of all citizens in an affordable way; and

- v. Ensure the safe utilization of land by taking into consideration factors such as geological formations and hazardous undermined areas
- E. Each proposed land development area should be judged on its own merits and no particular use of land, such as residential, commercial, conservational, industrial, community facility, mining, agricultural or public use, should in advance or in general be regarded as being less important or desirable than any other use of land.
 - F. Land development should result in security of tenure, provide for the widest possible range of tenure alternatives, including individual and communal tenure, and in cases where land development takes the form of upgrading an existing settlement, not deprive beneficial occupiers of homes or land or, where it is necessary for land or homes occupied by them to be utilized for other purposes, their interests in such land or homes should be reasonably accommodated in some other manner.
 - G. A competent authority at national, provincial and local government level should coordinate the interests of the various sectors involved in or affected by land development so as to minimize conflicting demands on scarce resources.
 - H. Policy, administrative practice and laws relating to land development should stimulate the effective functioning of a land development market based on open competition between suppliers of goods and services.

2.4 POLICY AND DEVELOPMENT INITIATIVES

The following paragraphs provide an overview of National and provincial policy frameworks most relevant to the IDP process

2.4.1 National Spatial Development Perspective (Nsdp)

The key priorities for the new Government were for the increase in economic growth and promote social inclusion. National Spatial Development Perspective (NSDP) is a critical instrument for policy coordination, with regard to the spatial implication of infrastructure programmes in national, provincial and local spheres of government.

NSDP has been approved as an indicative tool for development planning in government. In order to contribute to the growth and development policy objectives of the government, the NSDP puts forward a set of 5 normative principles:

Principle 1: Rapid economic growth that is sustained and inclusive is a pre-requisite for the achievement of other policy objectives, amongst which poverty alleviation is key.

Principle 2: Government has a constitutional obligation to provide basic services to all citizens (e.g. water, energy and education facilities) wherever they reside.

Principle 3: Government spending on fixed investment should be focused on localities of economic growth and/or economic potential in order to gear up private sector investment, stimulate sustainable economic activities and create long-term employment opportunities.

Principle 4: Efforts to address past and current social inequalities should focus on people, not places. In localities where there are both high levels of poverty and demonstrated economic potential, this could include fixed capital investment beyond basic services to exploit the potential of those localities. In localities with low demonstrated economic potential, government

should, beyond the provision of basic services, concentrate primarily human capital development by providing social transfers such as grants, education and training and poverty relief programmes and reducing migration cost by providing labour market intelligence so as to give people better information opportunities and capabilities to enable people to gravitate, if they chose to, to localities that are likely to provide sustainable employment and economic opportunities.

Principle 5: In order to overcome the spatial distortions of Apartheid, future settlement and economic development opportunities should be channeled into activity corridors and nodes that are adjacent or link to the main growth centres. Infrastructure investment should primarily support localities that will become major growth nodes in South Africa and the SADC region to create regional gateways to the global economy.

2.4.2 Provincial Growth And Development Plan (PGDP)

The provincial growth and development Plan (PGDP) for the decade 2004-2014 focuses on opportunities to rapidly improve the quality of life of the poor. The plan sees opportunities in:

- Natural resource development particularly in the former homelands of Ciskei and Transkei. The plan suggests irrigation of 32 000ha from under-used (sic) rivers as well as forestry schemes of 120 000ha. It also proposes the allocation of state and prime land to Community Public and Private Partnership (CPPPs) for the establishment of natural resource enterprise (e.g. onshore or inland fisheries, nature reserves, cultural sites, tourism) within the existing land tenure system. Rural enterprises are identified as small-scale irrigation, rainwater harvesting, home gardening, maize and mixed cropping, local mining, agro-forestry, dairy, small stock and poultry. The Transkei Rapid Impact programme (TRIP) is set to expand forestry production through support to small scale saw millers and 50 000ha of individual and community woodlots are planned for development.
- The plan is a strategic document that focuses on the exploitation of natural resources without due consideration of the limitation on the carrying capacity of the natural environment, or the impact of the proposed schemes.
- Industrial diversification. The plan proposes the expansion of agricultural production is set to support agro-processing industries such as food processing, leather goods, wood products, furniture production, wool and mohair clothing, crafts and tourism.

Tourism development

- The plan recognizes the eco-tourism potential of the province and acknowledges the challenges of protecting environmental assets while optimizing socio-economic benefits to local communities. The PGDP acknowledges constraints to development opportunities as presented by:
 - Poverty (defined as “a lack of access to opportunities for a sustainable livelihood”) particularly in the former Ciskei and Transkei regions;
 - Skewed income distribution and inequality in income generation;

- Low annual economic growth that is insufficient to address backlogs and increasing unemployment;
- Constraints on provincial expenditure resulting from a limited revenue base, static fiscal transfers from the National Government, lack of financial management capacity within the provincial government and municipalities and huge and increasing social and economic needs of the population co-existing with budget in the provincial treasury;
- Lack of development and social infrastructure in the former homelands of Ciskei and Transkei during the Apartheid era that has resulted in deep structural poverty in these areas and a low capacity for state delivery;
- Fragmentation in the labour market into the core consumer economy (manufacturing, government and other industries) and marginal modern sectors (commercial agriculture, domestic services and mining) together with a decline in formal employment opportunities has led to large numbers in the peripheral labour force (subsistence agriculture, informal sector and the unemployed);
- Under-development of agricultural potential in the province particularly in the former homelands; and
- The HIV/AIDS pandemic and its impact on economic growth

Implications for the Umzimvubu Local Municipality in as far as Umzimvubu Local Municipality is concerned, the implication of the PGDP is that the majority of the opportunities and constraints identified by the plan are in many ways applicable to Umzimvubu Local Municipality. However the implementation of projects and programmes which may be facilitated by the PGDP must be sustainable and must take into consideration recommendation of the SDF.

2.4.3 Eastern Cape Provincial Spatial Development Plan (Ecpsdp)

The Eastern Cape Provincial Spatial Development Plan (ECPSDP) gives guidance on the principle that should underpin the strategic approach to spatial development and management. The ECPSDP proposes a hierarchy of nodes and development areas based on a range of socio-economic indicators analysis of development potentials. The rationale is to reinforce nodes of existing development strength and areas of development potential to guide public investment in infrastructure and services.

Three levels of services are proposed:

1. **Basic Need to All** – whereby the provision of basic services based on constitutional rights are targeted at areas of highest need.
2. **Building Capacity** – whereby public sector investment, particularly economic infrastructure, is prioritized in areas of growth and opportunity
3. **Targeted Focus Area** – in which public investment is used to “crowd in” private sector investment in areas of high growth potential.

2.4.4 Accelerated And Shared Growth Initiative For South Africa (Asgisa)

ASGISA has economic and social objectives. Economically, it aims to achieve economic growth of four comma five percent (4, 5 %) in the first phase of development from 2005 to 2009. Also, economic growth of six percent (6%) should be reached by 2014. Social objectives on the other

hand include the improvement of the environment and opportunities for labour –absorbing and ensure that the fruits of growth are shared in such a way as to eventually eliminate poverty.

AsgiSA recognizes some of the binding constraints against which the policy operates. These include:

- The volatility and level of the currency.
- The cost, efficiency and capacity of the national logistics system.
- Shortage of suitably skilled labour amplified by the cost effects on labour of apartheid spatial patterns.
- Barriers to entry, limits to competition and limited new investment opportunities.
- Regulatory environment and the burden on small and medium businesses.
- Deficiencies in state organization, capacity and leadership.

Also, the policy highlights a series of interventions to counter these constraints. The following are the six categories into which the interventions were grouped:

- Macroeconomic issues;
- Infrastructure programmes;
- Sector investment strategies (or industrial strategies);
- Skills and education initiatives,
- Second economy interventions; and
- Public administration issues.

Other strategic interventions in the infrastructure arena include further development of the country's research and development infrastructure, and further improvement in the modalities for public-private-partnerships in the development and maintenance of public infrastructure. Public sector infrastructure spending has considerable potential spin-offs in terms of the generation or regeneration of domestic supply industries, small business development and empowerment. Government is seeking to maximize the positive impact of these spin-offs on the domestic economy.

In addition to the general infrastructure programmes, provinces were asked to propose special projects that would have a major impact on accelerating and sharing growth. A set of projects has been selected for finalization of implementation plans. Also, the policy introduced sector strategies that aim at promoting private sector investment. These are inclusive of the following:

- ***A broader National Industrial Policy framework:*** Two sectors were identified for special priority attention: business process outsourcing (BPO) and tourism, and a third which is at a less advanced stage of development, biofuels. What all of these industries have in common is that they are labour intensive, rapidly growing sectors world wide, suited to South African circumstances, and open to opportunities for Broad Based Black Economic Empowerment (BBBEE) and small business development.
- ***Education and skills development:*** For both the public infrastructure and the private investment programmes, the single greatest impediment is the shortage of skills—including professional skills such as engineers and scientists, managers such as financial, personnel and project managers; and skilled technical employees such as artisans and IT technicians. The shortfall is due to the policies of the apartheid era and the slowness of our education and skills development institutions to catch up with the current acceleration of economic growth.

- ***Eliminating the second economy:*** Without interventions directly addressed at reducing South Africa's historical inequalities, growth is unsustainable. Interventions to address deep-seated inequalities and that target the marginalized poor are interventions to bridge the gap with the second economy, ultimately eliminating the second economy.

Of importance with regards to the governance and institutional interventions, the framework for the planning and management of land use was highlighted as a key area for institutional reform. Many investment projects are unnecessarily held up by the weakness of local or provincial planning and zoning systems, or the cumbersome Environmental Impact Assessment system. The EIA system is being reformed so that it will reduce unnecessary delays, without sacrificing environmental standards. A complimentary activity must be improvements in the planning and zoning systems of provincial and local governments.

2..4.5 Framework Guide For Credible IDP's

The National Department: Provincial and Local Government (DPLG) prepared an Evaluation Framework for credible IDPs. This Evaluation Framework is intended to serve as a tool to guide the assessment of a credible IDP and the core criteria to demonstrate municipal strategy, vision and compliance with both legislative and policy intent have been crafted to assist the assessors during the analysis process. This framework is not intended to serve the purpose of a performance measurement tool, but rather a reference tool or guideline towards establishing the quality of a credible IDP. In this 2006-2012 Umzimvubu Local Municipality IDP process took due cognisance of the Credible IDP Evaluation Framework as a guide to formulating and adopting a credible IDP. The following aspects are considered to be relevant in respect of the preparation of the credible IDP:

- Consciousness by the Umzimvubu Local Municipality of its constitutional and policy mandate for developmental local government, including its powers and functions;
- Awareness by Umzimvubu Municipality of its role and place in the local, regional, provincial and national context and economy;
- Awareness by Umzimvubu Municipality of its own intrinsic characteristics and criteria for success;
- Comprehensive description of the Umzimvubu Municipal Area in terms of the environment and the spatial characteristics;
- A clear strategy, based on local developmental needs;
- Insights into the trade-offs and commitments that are being made regarding economic choices, establishment of Sustainable Human Settlements, integrated service delivery, etc.;
- The key deliverables for the next five (5) years;
- Clear measurable budget and implementation plans aligned to the SDBIP
- A monitoring system;
- Determining the capacity and capability of Umzimvubu Local Municipality;
- Communication, participatory and decision making mechanisms;
- The degree of intergovernmental action and alignment to government wide priorities.

The framework outlines six key focus areas namely;

- ⇒ Spatial Development Framework
- ⇒ Service Delivery
- ⇒ Sustainable Economic Growth and Development and LED

- ⇒ Financial Viability
- ⇒ Institutional Arrangements
- ⇒ Governance and Organisational Development

2.5 Other relevant legislation

There is a myriad of other legislation making that municipalities need to take cognisance of during their planning. The following table provides an overview of these statutes and their purpose. This is not an all inclusive list.

Table 1: Legislative overview

Legislation	Overview
<i>Legislation giving effect to Constitutional rights</i>	
Promotion of Access to Information Act, 2000	To control and regulate the right of all persons to access to information in terms of the Constitution of the Republic of South Africa 1996
Promotion of Fair Administrative Justice Act, 2000	To give effect to the right to administrative action that is lawful, reasonable, and procedurally fair in terms of the Constitution of the Republic of South Africa 1996
Promotion of Equality and Prevention of Unfair Discrimination Act, 2000	To promote equality and to eliminate unfair discrimination and to prevent and prohibit hate speech and to provide for matters connected therewith in terms of the Constitution of the Republic of South Africa 1996
<i>Municipal legislation</i>	
Local Government: Municipal Demarcation Act, 1998	To provide for the demarcation of boundaries of municipalities for the establishment of new municipalities
Organised Local Government Act, 1997	To provide for the recognition of National and Provincial organisations representing the different categories of municipalities and the designation of representatives to participate in the National Council of Provinces.
Promotion of Local Government Affairs Act, 1983	To provide for the co-ordination of functions of general interest to local authorities and of those functions of local authorities which should be co-ordinated in national interest
Local Government Property Rates Act 6 , 2004	To regulate general property valuation and collection of rates
Municipal Accountants' Act, 1988	To provide for the establishment of a Board for Municipal Accountants, registration of Municipal Accountants and the control of their profession

Legislation	Overview
<i>Legislation that applies to all organs of state</i>	
Development Facilitation Act, 1995	To provide for Integrated Development Plans, reflecting current planning and to institutionalise development tribunals for evaluating applications
Electoral Act, 1998	To manage and regulate elections on national, provincial and local government level
Division of Revenue Act	To provide for a fair division of revenue to be collected nationally between national, provincial and local government spheres for each financial year and for matters connected therewith
National Environmental Management Act, 1998	To provide for co-operative environmental governance by establishing principles for decision making on matters affecting the environment and to provide for matters connected therewith
National Building Regulations and Building Standards Act, 1977	To provide for the promotion of uniformity in the law relating to the erection of buildings in the areas of jurisdiction of local authorities and for the prescribing of building standards
National Water Act, 1998	To provide for fundamental reform of the laws relating to water resources
Water Services Act, 1997	To provide for the rights of access to basic water supply and sanitation, national standards and norms for tariffs and services development plans
Electricity Act, 1987	To provide for and regulate the supply of electricity and matters connected thereto
Disaster Management Act, 2002	To provide for an integrated, coordinated and common approach to disaster management by all spheres of government and related matters
Fire Brigade Services Act, 1987	To provide for the rendering of fire brigade services and certain conditions to the rendering of the service
Gatherings and Demonstration Act, 1993	To control public gatherings and procession of marches
Prevention of Illegal Eviction from and Unlawful Occupation of Land Act, 1998	To provide for the eviction of unlawful occupants of land and the protection of the rights of such occupants under certain conditions
South African Police Service Act, 1995	To provide, inter alia, for a municipal (city) police and Community Police Forums

Legislation	Overview
Health Act, 1977	To provide for the promotion of the health of the inhabitants of the Republic, for the rendering of health services, to define the duties, powers and responsibilities of certain authorities which render such services and for the co-ordination of the services
National Road Traffic Act, 1996	To regulate traffic on public roads, the registration and licensing of motor vehicles and drivers, including fitness requirements and incidental matters
National Housing Act 107,1999	To facilitate a sustainable housing development process; establish general principles of housing development in all spheres of government and define the functions of national provincial and local governments in housing delivery
<i>Employment and labour relations</i>	
Occupational Health and Safety Act, 1993	To provide for occupational health and safety in the work place and the protection of persons outside the work place against hazards to health and safety arising from activities of persons at the work place
Employment Equity Act, 1998	To promote the constitutional right of equality and the exercise of true democracy To eliminate unfair discrimination in employment To redress the effect of unfair discrimination in the work place to achieve a workforce representative of the population
Basic Conditions of Employment Act, 1997	To give effect to the right to fair labour practice To provide for the regulation of basic conditions of employment
Compensation of Occupational Injuries and Diseases Act, 1993	To regulate the categories of persons entitled to compensation for occupational injuries and diseases, and to determine the degree of disabled employees
Labour Relations Act, 1995	To regulate the organisational rights of trade unions, the right to strike and lock-outs, to promote and facilitate collective bargaining and employee participation in decision making and to provide simple procedures for labour disputes
Skills Development Act, 1998	To provide for the implementation of strategies to develop and improve the skills of the South African workforce, to provide for learnerships, the regulation of employment services and the financing of skills development
Skills Development Levies Act, 1999	To provide for the imposition of a skills development levy and for matters connected therewith

Legislation	Overview
South African Qualifications Authority Act, 1995	To provide for the establishment of a National Qualifications Framework and the registration of National Standards Bodies and Standards Generating Bodies and the financing thereof
Unemployment Insurance Act, 1966	To provide for the payment of benefits to certain persons and the dependants of certain deceased persons and to provide for the combating of unemployment

CHAPTER 3

3 SITUATION ANALYSIS

Analysis of the current situation or status quo within the study area forms an integral and important part of strategic planning exercise. Situation analysis ensures that decisions and recommendations are based on knowledge of availability and accessibility to resources that influence development within the municipal area as well as priorities as identified by the communities.

The status quo analysis will address the following:

- a. Study area
- b. Settlement patterns
- c. Demographics
- d. Socio economic
- e. Infrastructure
- f. Environment
- g. Local Economic Development
- h. Institutional Development and Transformation
- i. Financial Viability

3.1 The Study Area

The study area shall be the Umzimvubu Local Municipality (EC4420). The municipality is one of the two local municipalities situated within the Alfred Nzo District Municipality (DC44). The municipality is located in the Eastern part of the Eastern Cape Province. The municipal area covers an area approximately 2506 km² with a total population of about 220 636 of which 10% of the total population live in the urban area. The municipal area accommodates a significant rural/traditional population, both community-based and communal farming.

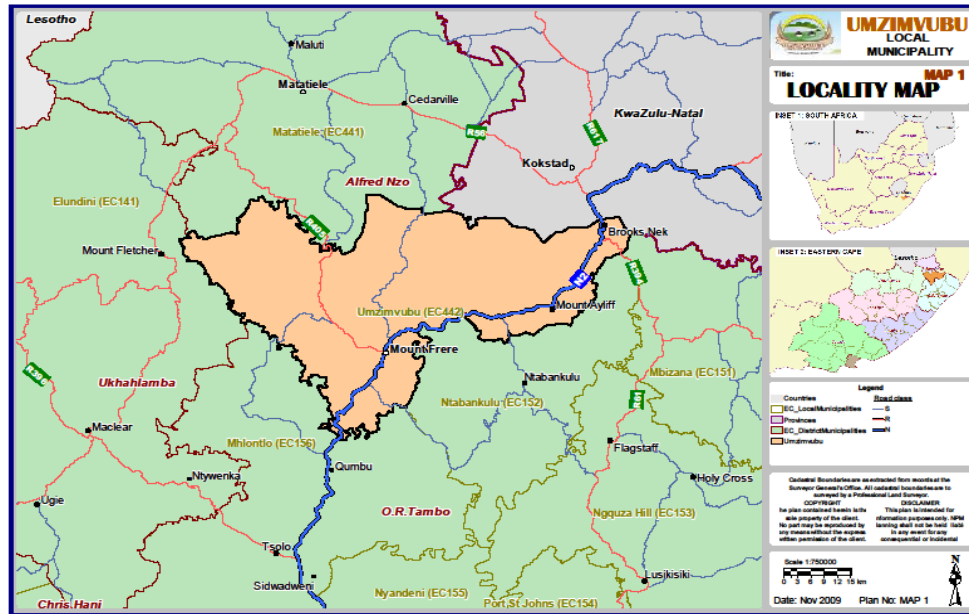
The municipal area comprise of 24 administrative wards and two main urban centers known as Mount Frere and Mount Ayliff. The municipality is bordered by the Matatiele and Greater Kokstad municipality to the north, Mhlontlo Municipality to the south, Elundini Municipality to the west and Ntabankulu Municipality to the east.

The climate in the summer rainfall ranges from very pleasant warm summers to mild winters. Annual rainfall ranges between 650mm to 1100mm with thunderstorms and hail being a common feature in summer. The municipality is a malaria free area.

The National Road (N2) passes through the municipal area and is a gateway to the Kwazulu Natal Province. This is an opportunity for economic (corridor) development of this area. The study area is located in the grassland biome, with limited forest. The perennial streams in the area converge to form the primary tributaries of the upper Umzimvubu catchment. The stream valleys are steep with good ground cover.

Mount Frere and Mount Ayliff are the only administrative centers of the municipal area. The economy/fiscal system is not adequately encouraged and there is a need for a major resources and capital investment.

Map 1 Locality Map



3.2 SETTLEMENT PATTERNS

There are two levels of settlement of hierarchy identified in Umzimvubu Local Municipality viz. urban and rural settlement. The urban settlements are the main service centers i.e. Mount Frere and Mount Ayliff. A broad appraisal of land use and settlement patterns within Umzimvubu Local Municipality indicates that the urban settlement is dominated by the residential settlement with the secondary urban area being central business district (CBD).

Non urban land within the municipality is characterized by either distinctive enclaves of rural settlement where rural and peri-urban settlements accommodate over 90% of the total municipal population. The rural settlement comprises of at least 250 villages throughout the municipal area. Each village consists of between 50 and 250 homestead. The remainder of land is owned and utilized communally for grazing and subsistence farming.

The municipality comprises of only the primary and secondary nodes, namely. These are areas where economic potential currently exist. We will elaborate more on these in the following chapter.

Primary Node:

- Mount Frere, and
- Mount Ayliff

Secondary Node:

- Pakade, and

- Phuti Junction

3.2.1 Mount Frere

Mount Frere is known as a service center providing a range of land uses from residential through institution to business, health and educational facilities. Therefore Mount Frere town is classified as a primary node.

3.2.2 Mount Ayliffy

Mount Ayliff is known as a service center providing a range of land uses from residential through institution to business, health and educational facilities. Therefore Mount Ayliff town is classified as a primary nod

3.2.3 Rural Area

The municipal area is characterized by rural areas in which a large number of the population resides. At least 90% of the municipal population resides in these areas with inadequate resources and very poor infrastructure. The rural areas encompasses dispersed settlements and free-range grazing, however these areas are increasingly gaining access to potable water, electricity. The households here are constructed from the local resources such as mud blocks, poles and thatch, alongside cement blocks and corrugated iron roofing.

3.3 LAND OWNERSHIP

According to the Statistics South Africa Community Survey 2007, 50.9% of the Umzimvubu population owns their homes. This is under par with the District norm of 60% and the Provincial norm of 63%.

The Umzimvubu Municipality faces numerous challenges in terms of security of tenure. The traditional settlements that constitute the majority of the district are primarily subject to traditional forms of tenure such as PTOs (Permission To Occupy Certificates), 99 year leases and quitrent arrangements. These provide little in the form of secure tenure as it is understood in urban centres, where ownership by title deed is the norm. However, the traditional laws and community structures ensure that each household has recognized membership of the community and has the right to obtain access to household and arable land. Widows do not lose their homes and arable lands upon the death of their husbands.

There is a high prevalence of rural community land claims which are being processed very slowly due to the complexity of the history and current socio-political relationships prevalent

amongst land claimant groups. Another factor is that there is a dire shortage of alternative land near enough to claimant communities as almost all land has land right allocations in place, some of them of very long standing. The prevalence of land claims has a crippling effect on the development opportunities and economic opportunities in the area and hampers housing delivery. This is, in part, due to the land restitution legislation that makes it very difficult, if not impossible, to legally undertake developments on land under claim.

The Provincial Land Reform Office of the National Department of Land Affairs has recently completed the Area Based Planning Project that has identified the distribution of state land, land under claim and other forms of tenure. This information will soon be available to the District and Local Municipalities for use in planning.

3.4 URBANISATION

Urbanisation trends are led by migration of people from their rural to urban areas to seek better education, better jobs and better life style. This urbanisation leads to increase in informal houses on available vacant land adjacent to the town. The Municipality has not been able to respond adequately to this challenge in terms of adopting a land development programme that would avail serviced sites to those who want to construct their own houses and a housing development programme that would cater for low- income and middle income groups.

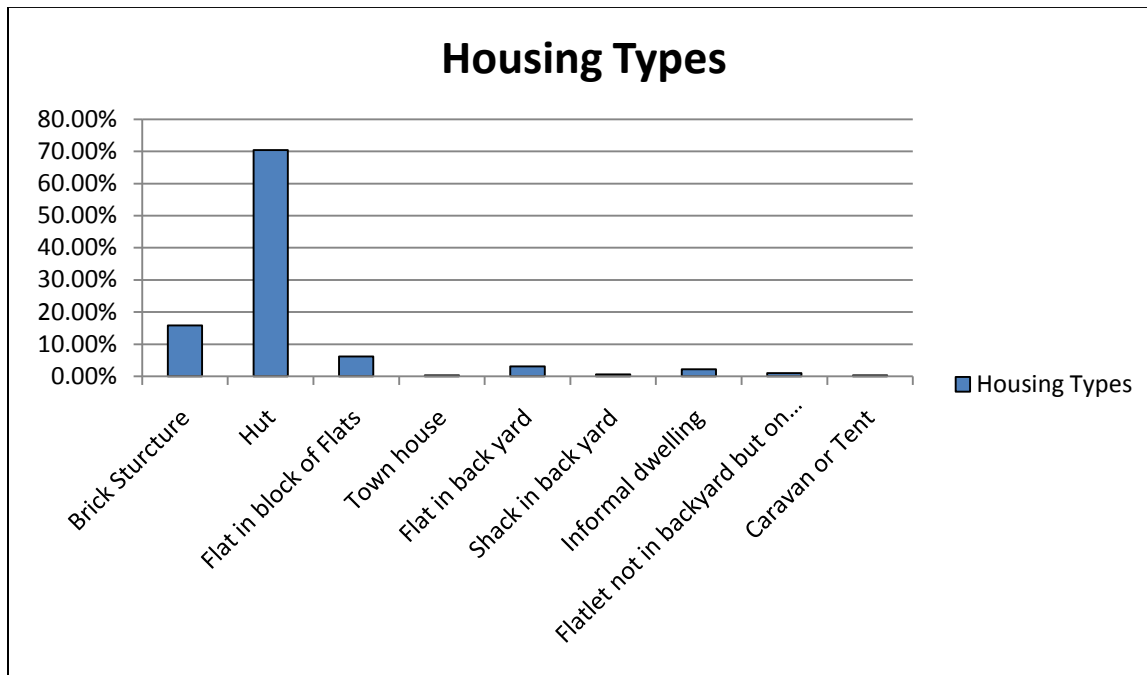
3.5 HOUSING

The Umzimvubu Housing Sector Plans 2008 has the most recent information regarding the housing development in the municipal area. Figure 4.11 illustrates the type of dwelling units found in the municipal area. The information is derived from the Census 2001. It appears that 70% of the household live in traditional hut/mud structures. These are houses that are built of substandard material.

Urbanization has seen more people being drawn into the town centers of Umzimvubu. People are coming into towns' centers for economic reasons. The Housing Sector Plans reflects the municipality has a backlog of 2000 low income housing within the urban areas and 45 000 rural housing units.

The shortage of proper housing in the urban area has resulted in increase in informal settlements. Some of the land that was earmarked for housing is held up with the result of unresolved land claims.

The municipality is currently running a large number of rural housing projects to address the shortage of housing and evict the mud structures and also cater for low-income units



The above figure illustrates the different housing categories in the households in the municipality. Seventy seven percent (77 %) reside in the traditional dwelling, eighteen percent (18%) in formal dwellings four percent (4 %) and one percent (1%) resides in informal and backyard dwellings respectively.

Further, housing in rural areas is still based on old system that uses Permission to Occupy as type of ownership, and this type of agreement is mostly issued over communal land. The infrastructure in rural areas is poor hence this people do not have access of bulk infrastructure services such as water and sanitation, this led to inability to provide subsidised houses in rural areas. According to Stats SA census, backlogs in terms of housing delivery are estimated to be well in the range of seventy nine comma two zero percent (79,2 %).

4. DEMOGRAPHIC

There are various estimates for the population of the Umzimvubu Municipal area. For the purpose of the situation analysis the official community survey 2007 will be used and these figures are widely used within all spheres of government.

4.1.1 Population Estimates

Umzimvubu Local Municipality has a total population of approximately 220 630 people on 2506 square kilometers area, 99.8% are Africans and the remaining 0.2% of the population includes the Coloureds, Asians and whites. The average population density of umzimvubu municipality is 88 people per square kilometers which is higher than the district average of 70 people per square kilometers but is relatively low.

The table below reflects the approximate densities between the two urban centers and the rural area of the municipal area. Notably the rural area has the largest population residents.

Area	Population	%
Mount Frere	15 444.1	7
Mount Ayliff	6 618.9	3
Rural	198 567	90
Total	220 630	100

Table: Population Estimates

4.1.2 Estimated Population Growth (2009 – 2019)

The South Africa's population growth rate is 0.828% and is applicable to Umzimvubu Municipality. The projected population growth for Umzimvubu Local Municipality by the year 2019 is estimated to be 2 526 355 as indicated in the table below. Calculating accurate and precise growth projections is a difficult task as there are a number of changing variables that have to be taken into account such as;

- HIV/AIDS
- Migration, etc

Year	Urban	Rural	Total
2009	22 063	198 567	220 630
2010	22 239	200 155	222 394
2011	22 417	201 756	224 173
2012	22 596	203 370	225 966
2013	22 777	204 996	227 773
2014	22 959	206 636	229 595
2015	23 143	208 289	231 432
2016	23 328	209 955	233 283

2017	23 515	211 635	235 150
2018	23 703	213 328	237 031
2019	23 893	215 035	238 928

Table 4.4 Estimated Population Growth

4.1.3 Age and Gender Profile

The age profile for age groups 0 - 14, 15 - 65 and 65 and up is reflected in the table format below. These categories represent infants and school going age category, school leaving and economically active category and retired category, respectively. The municipality comprises of 54% female and 46% male of the total population.

Age	Male	Female	Total	%
0 – 14	47 924	45 803	93 727	42
15 – 65	48 811	62 886	111 697	51
65 and up	4 992	10 214	15 206	7
Total	101 727	118 903	220 630	100

Table 4.5 Age and Gender profile

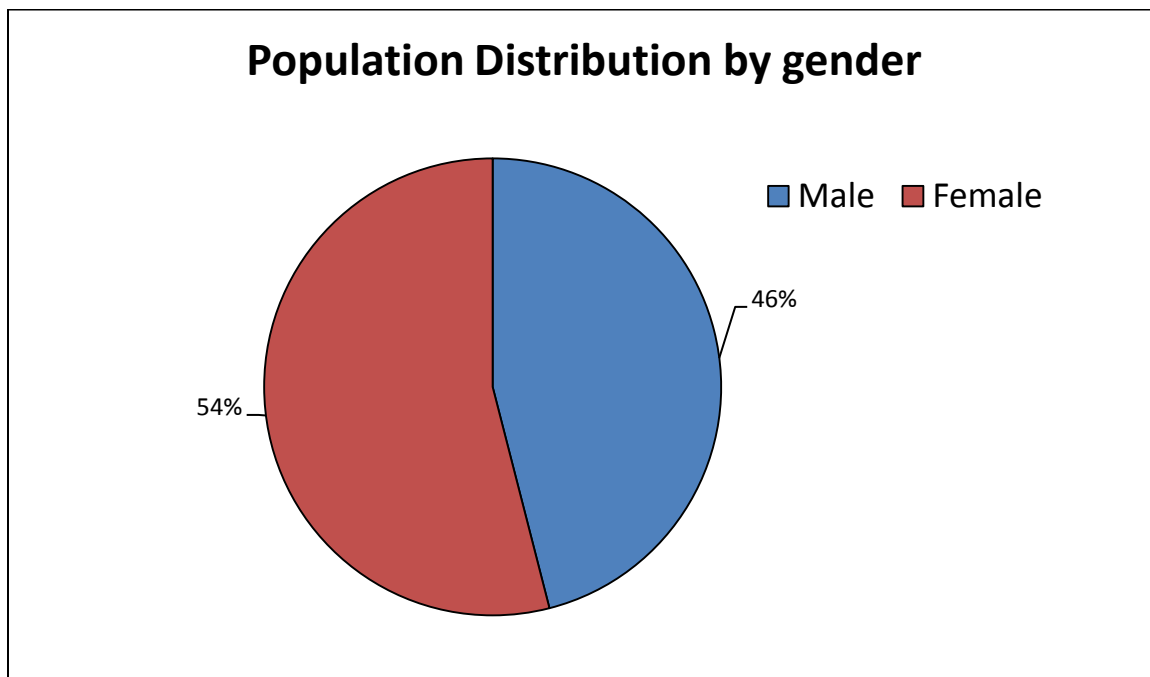


Figure 4.1 Population Distribution by Gender

4.1.4 Racial Profile

The population of Umzimvubu municipal areas is predominantly African. African people constitute 99.8% of the population. The table below reflects the overall race breakdown of the population in the municipal area.

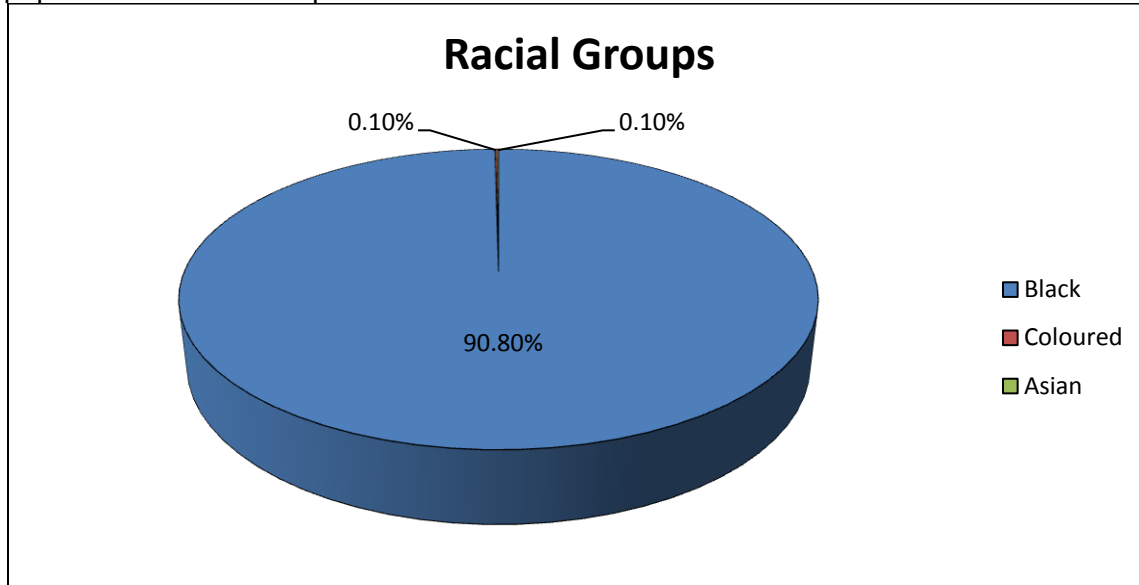


Figure 4.2 Racial Groups

4.2 SOCIO – ECONOMIC ANALYSIS

The following analysis is derived from the Umzimvubu community survey 2007. Socio economic is measured with indicators such as GDP, life expectancy, literacy and levels of employment. Causes of socio-economic impacts are for example, new technologies, changes in laws, changes in the physical environment and ecological changes. Socio economic analysis will provide an overview of the circumstances that play a role in the wellbeing of households living in Umzimvubu municipal area.

4.2.1 Level of Education and literacy

The level of education for the population in the study area is reflected in the pie chart with specific reference to number of people with primary secondary and tertiary qualifications. The information is derived from the 2007 community survey.

Umzimvubu municipal area literacy rate is 62%. This is lesser than the rate 72.3% of the Eastern Cape Province

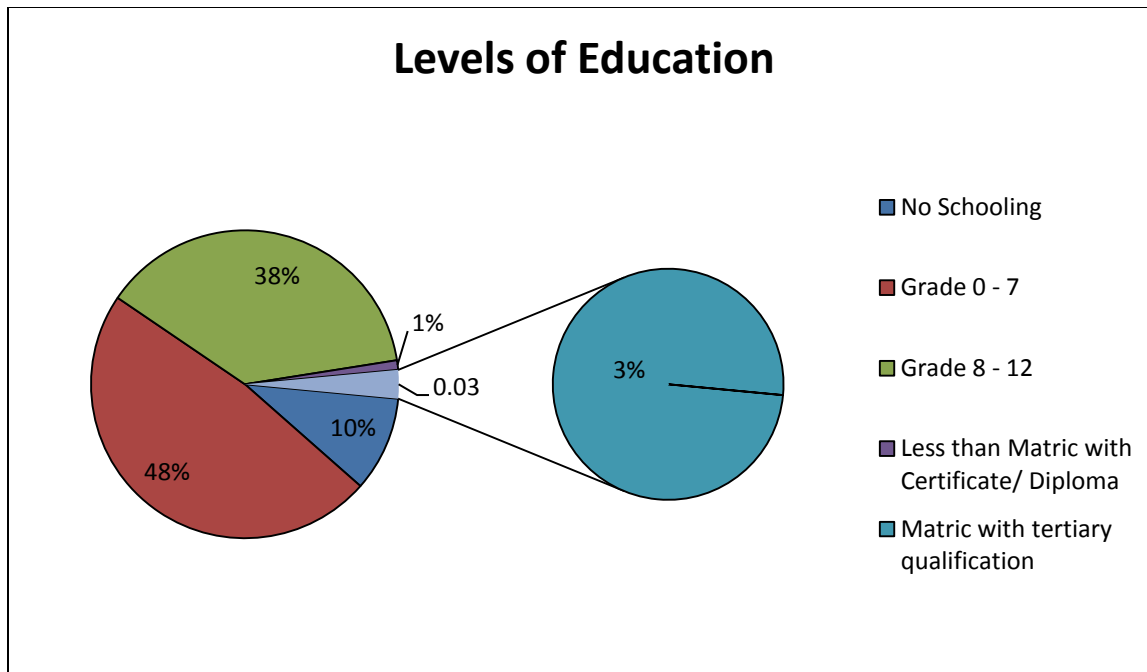


Figure 4.3 Levels of Education

The low skills and education levels as well as the shortage of critical skills within Umzimvubu warrant further analysis of the subject choice of secondary school learners. An analysis was done to establish what percentage of last years (2008) Grade 12's took mathematics and physical science as a subject. In terms of the new Outcomes Based Education (OBE) curriculum, learners are required to take either mathematics or mathematical literacy. Physical science is not compulsory but if taken must be taken with mathematics. According to the Department of Education Offices at Umzimvubu, a total of 1795 learners were registered for Grade 12 throughout the District in 2008. A total of 1325 (73.8%) were registered for mathematics and the remaining learners (26.1%) were registered for mathematical literacy. 73.8% of learners were registered for physical science⁸. It appears that there is a concerted effort to encourage learners to take mathematics and physical science, but this is overshadowed by the appallingly low number of learners registered for Grade 12. A comparison between the secondary school attendance figures from the Statistics South Africa Community Survey 2007 and the actual attendance figures reveal that less than 5% of secondary school learners are in Grade 12. It is too early to see the impact of the new curriculum on the education levels within the community, but it is hoped that it may contribute to improved education levels.

⁸ All results for 2008 are not out yet and this may impact on figures.

The Department of Education is responsible for Education services and is and is actively endeavouring to improve education facilities. Its priority areas include;

- ⇒ Eradication of mud structures
- ⇒ Schools that need fencing
- ⇒ Schools that need toilets
- ⇒ Schools that need major renovations
- ⇒ Schools that need water
- ⇒ Schools that need electricity

There remain significant challenges in terms of providing education in the District. In the Umzimvubu Local Municipality area there are approximately 245 educational facilities with a further four planned for 2009/10. Of these facilities there are 7 Junior Primary Schools, 29 Senior Primary Schools, 172 Junior Secondary Schools and 21 Senior Secondary Schools. (There are 13 other schools such as preschools) In total, these educational facilities have 80445 learners and 1281 educators.

Although there appear to be an adequate number of primary education facilities in the district, there is a conspicuous lack of senior secondary schools with less than 10% percent of schools providing secondary level education. This is aggravated by poor access to these facilities. The only tertiary education facility is a FET College in Mount Frere.

This lack of secondary and tertiary education facilities contributes significantly to the low literacy and education levels and lack of graduates in the area.

4.2.2 Employment Status & Occupation

The Umzimvubu Local Municipality is characterised by low levels of employment and a high percentage of people who are not economically active. This in turn accounts for the high poverty levels and low income levels. High unemployment rates impact negatively on municipalities as they are accompanied by low affordability levels which generally result in a poor payment rate for services. Umzimvubu Local Municipality's unemployment rate is estimated to be 78.2% which is higher than the estimated District unemployment level of 76.4%.

The employment status and occupation categories for the study area are reflected in the pie charts below. The information is derived from the 2007 community survey.

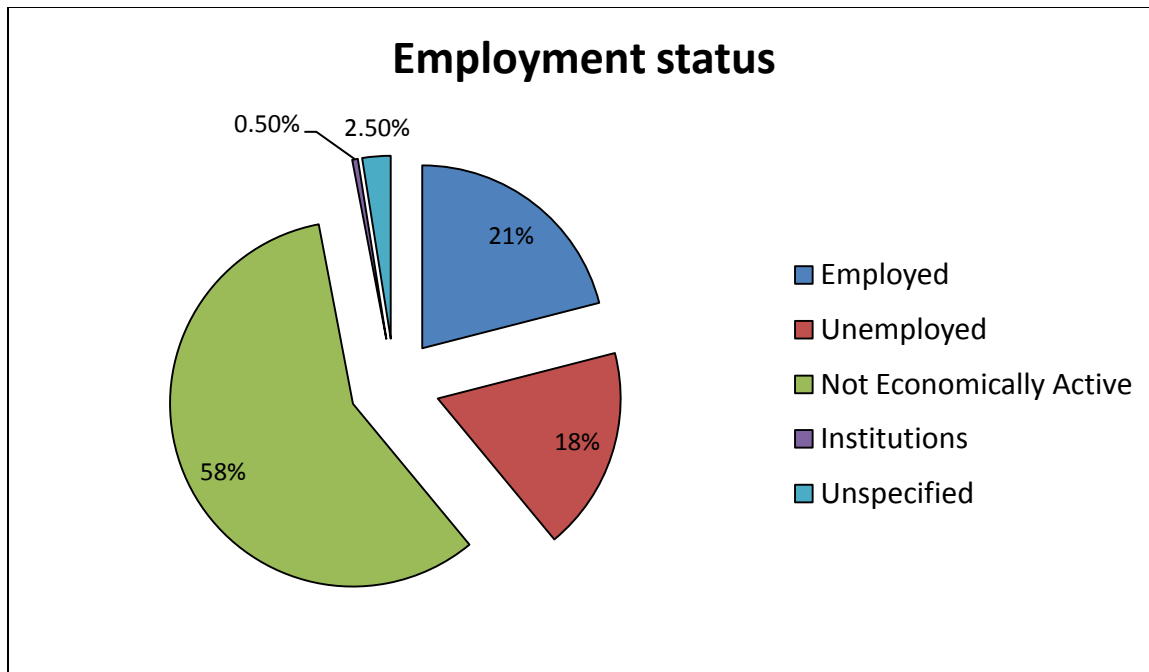


Figure 4.4 Employment Status

The Eastern Cape Province derives income from three sectors namely:

- ⇒ The Primary sector made up by agriculture, forestry and fishing industry
- ⇒ The secondary sector dominated by transport, construction, the food industry and the wholesale industry.
- ⇒ The tertiary sector dominated by community and public sector services.

On Provincial and District level employment is dominated by the tertiary sector. Provincial and District trends are reflected in Umzimvubu Local Municipality where the public sector or community services accounts for the majority of specified jobs (31.8%). This sector is an unlikely base for employment expansion.

Wholesale and retail trade which are secondary activities constitute the second highest employment sector (27.5%), but it is doubtful whether this sector will expand significantly as commercial and business activities are confined to the urban centres of Mount Ayliff and Mount Frere. This limits the majority of the rural population from finding work in these sectors. Business activities in other areas are confined to rural supply stores and general dealers which do not contribute significantly to the employment levels in the district.

Primary activities namely agriculture, forestry and fishing only account for 6.6% of the jobs in the District. It is assumed that the subsistence nature of agriculture in the District is the reason why the sector does not reflect as a significant employment sector, despite the fact that such a high proportion of the population is involved in agricultural activities. A small percentage of agricultural products produced by subsistence farmers are sold; the bulk is for household consumption. This is especially the case in very poor households.

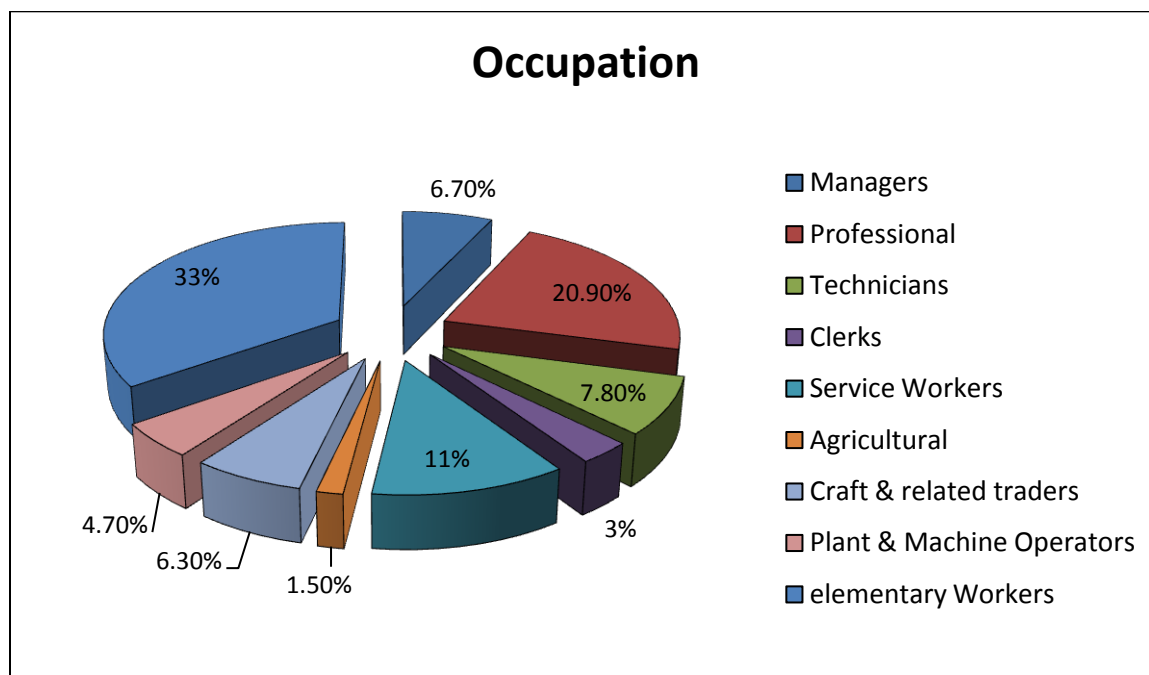


Figure 4.5 Occupation

4.2.3 Levels of Income

The levels of income for the study area are reflected in the bar graph below. The information is derived from the 2007 community survey.

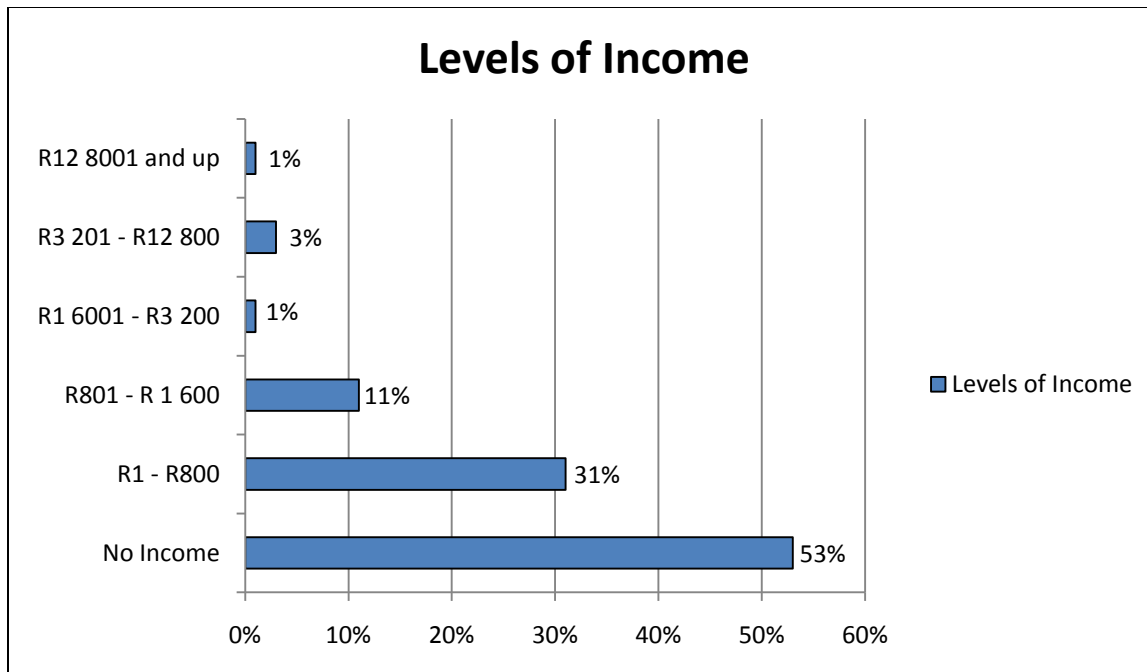


Figure 4.6 Levels of Income

4.2.4 Employment per Sector

The employment per sector categories for the study area reflected in the column graph below. The information is derived from the 2007 community survey.

The employment sector is dominated by elementary occupations and occupations requiring low skills levels. Elementary occupations constitute 34.3% of the employment sector. Craft and related workers, service shop market and sales workers, and clerks jointly constitute a further 22.5% of the employment sector. Professionals, technicians and associate professionals and legislators /senior managers jointly constitute only 36.8 % of the employment sector. If one compares Matatiele Local Municipality to Umzimvubu Municipality, there is a significantly higher number of the latter group in Umzimvubu Local Municipality which is probably attributable to a high number of government services in the municipal area, including a Local Municipality, District Municipality and the District offices of several Government Departments.

This dominance of elementary and other low level occupations is testimony to the low skills base of the area. This is aggravated by an absence of tertiary educational institutions which contribute significantly to the low levels of graduates in the area. Consequently there is an acute shortage of skilled artisans, engineers, project managers, business management skills and technical skills in agriculture, tourism, forestry and environmental management.

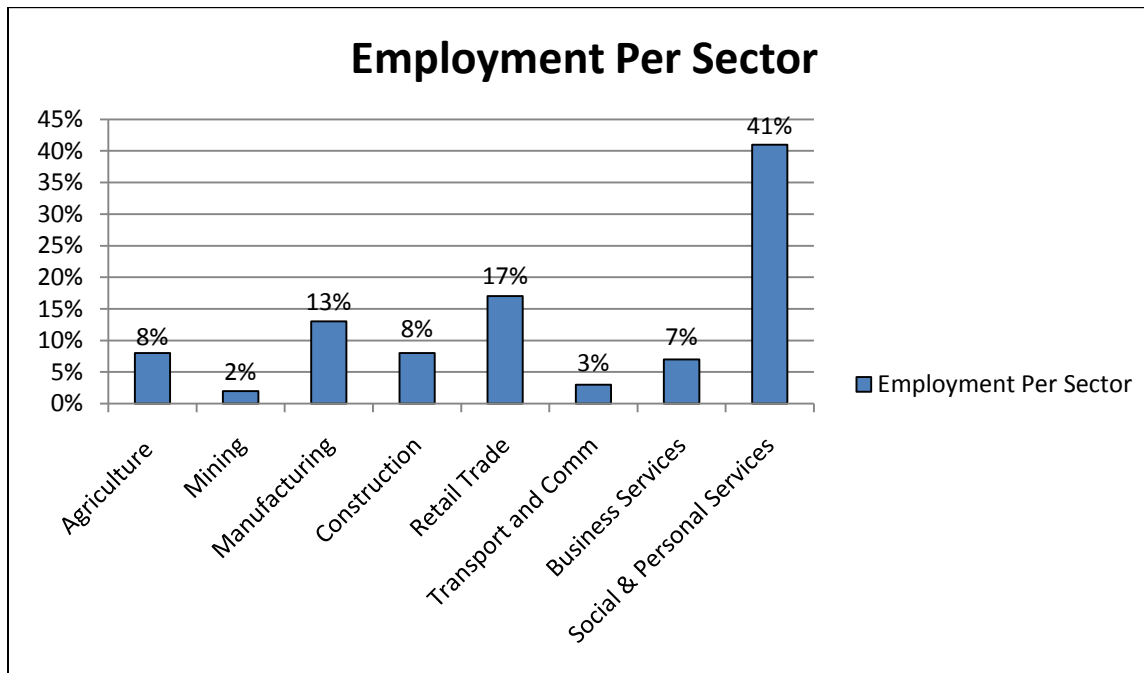


Figure 4.7 Employment per Sector

4.2.5 Dependency On Social Grants

There is a high level of dependency on social grants. 79789 people or 31.3 % of the population are dependant on social grants which include the following;

- ⇒ Old age pension
- ⇒ Disability grants
- ⇒ Child support grants
- ⇒ Care dependency grants
- ⇒ Foster care grants
- ⇒ Grant in aid
- ⇒ Social relief

Child support grants and old age pensions respectively constitute 68.6% and 20.9% of the allocated grants. Only 2.7% of the population are receiving disability grants as compared to the 4% of the population who have a disability. Given the high poverty levels, the Municipality needs to facilitate a process to ensure that all potential beneficiaries of grants receive what they are entitled to.

4.3 MUNICIPAL INFRASTRUCTURE

This section will provide overview of the status of the infrastructure and services within the Umzimvubu Municipality.

4.3.1 Education Facilities

The Municipality plays a role in facilitating and cooperating with the Department of Education in the provision of schools and education programs. According to the Department of Education there are 255 schools in the municipal area. There are 91 primary schools shared amongst 41 thousand primary school going children. Therefore each school has an average of 450 pupils less the pupils that are enrolled in in a combined school. There are 230 secondary/combined school shared amongst 35 thousand secondary school going children. Therefore each school has an average of 150 pupils plus the pupils enrolled in the primary schools. There are 1281 Educators in the municipal area. Some schools do not have proper electricity, water and sanitation facilities which results in adverse studying environments. These schools are over populated with a shortage of infrastructural services. Some schools do not have toilets, water, electricity, fencing and some are made up of mud structures.

There is one technical college called *Ingwe Further Educational and Training College (FET)* in the municipal area and is located in Mount Frere. The FET is shared amongst hundred thousands of total population. There is a need to development at least more FET in order to meet the demand in the area.

There is a lack of secondary and tertiary facilities contributes significantly to the low literacy and education levels in the area.

4.3.2 Health Facilities

The Alfred Nzo District Municipality (ANDM) is responsible for municipal (environmental) health while the Provincial Department of Health (DoH) is responsible for the primary and secondary health services. The Umzimvubu Municipality is however providing some primary health services on behalf of Province. Umzimvubu Municipality currently has a large number of medical and primary health care facilities. There are 20 clinics and 2 mobile clinics. The clinics distributed equally between the two towns viz. 10 clinics and one mobile clinic. There is 1 district Hospital in Mount Frere, 1 district hospital in Mount Ayliff.

There are 24 administrative wards in the municipal area and only 20 clinics are in existence. There is a shortage of clinics. Lack of cooperative governance is another major challenge faced by the municipality in most of the provincial departments including the department of Health. It is very difficult to get information on programmes for incorporation into the IDP. Also the position of the recently built clinics can not be obtained and illustrated on the map.

Although a wide range of programmes (e.g. HIV/AIDS and TB management, youth, nutritional, rehabilitation and mental health services) have been implemented within the municipality, challenges facing the municipality together with the Department of Health remain. Some of the challenges include the following:

- Inaccessibility of clinics due to bad conditions of the roads
- Sewerage disposal is lacking.

4.3.3 Library Services

The municipal area does not have a library service to support the school going and the wider community. However the Umzimvubu Municipality is currently running the function with the assistance Coega Development Agency to develop a Library in Mount Frere town.

4.3.4 Sport & Recreation Facilities

Both towns of Mount Frere and Mount Ayliff do have an existing under-developed sport fields that caters for soccer sport code. The municipality is looking into introducing more sports code such as tennis, netball etc. The municipality is upgrading the existing facilities and the existing facilities cater for school and local community events. There are no proper sports fields in the few rural areas. Recreational facilities are short in supply.

Public, Social and Recreationl facilities and amenities play a major role in the overall social development of the society such that these activities moral discipline, keep youth out of the streets. The ever – increasing crime and other social ills (i.e. teenage pregnancies, drug abuse etc.) gave rise to the importance of these activities and they should be viewed as the productive alternative that the youth can engage itself with. Although there is a lack of adequate standard sports and recreational facilities within the Municipal area, Umzimvubu’s existing sports facilities hosted various sports events including school, local community events and inter-municipal sports competitions.

4.3.5 Cemeteries

Umzimvubu Local Municipality has a major challenge with regard to the availability of well-maintained and well-developed cemeteries. The cemeteries in the Mount Frere and Mount Ayliff have reached their capacity and need to be properly maintained.

How ever planning process to extend and fence off these cemeteries are underway.

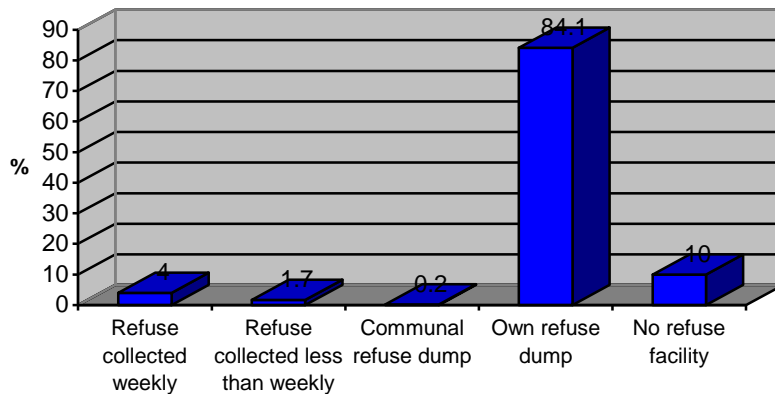
4.3.6 Community Halls

A large number of community multi-purpose halls are available for use by community members. This is where the municipality obtains some of its revenue by letting these halls. There are approximately 24 halls existing in the area. However these halls are not equally shared amongst the 24 administrative boundaries. At least 7 wards do not have halls and some wards have more than one hall.

4.3.7 Solid Waste Management

The Umzimvubu municipality is responsible for waste management in their area of jurisdiction working together with ANDM. The municipality collects the household refuse from the two urban areas on a weekly basis. There is no refuse collection from the rural areas. The rural areas are inaccessible to provide realistic refuse management.

Access to waste disposal Facilities



The Umzimvubu Local Municipality has two waste management sites; one is located in Mount Frere and two in Mount Ayliff. The Mt. Ayliff site is currently not operation due to the Department of Environment minimum requirements. The Mt. Frere site is also not fully equipped to handle the waste and is not managed properly. The ULM has developed a draft Intergrated Waste Mngement Plan so as to address issues of waste and refuse collection.

According to the Statistics South Africa Community Survey 2007, only 4% of households have access to a weekly refuse removal service. 84% of households make use of their own refuse dumps which implies a high level of indiscriminate dumping and little regard for the impact on the environment

4.3.8 Disaster Management

The Alfred Nzo District Municipality is responsible for the provision of Disaster Management and Fire Services in the District. ANDM has a Disaster Management plan in place to effectively manage disasters which stem primarily from natural causes (tornadoes, storms and winds etc). Services are rendered from the central disaster management centre in Mount Ayliff and a satellite centre in Mamfre Town which both serve the Umzimvubu Local Municipality. The Local Municipality cooperates with the ANDM in the provision of these services.

4.3.8 Community Safety

The Umzimvubu local Municipality is currently serviced by two police stations located in urba areas. In the past, crime prevention and by implication community safety was the exclusive domain of the SAPS. The 1996 Constitution introduced a fundamental change to the role played by municipalities in the management of crime and safety in South Africa, by requiring of them to

provide a safe and healthy environment for the communities within their areas of jurisdiction. The South African Police Service Act as amended made provision for the establishment of municipal police services and community police forums and boards.

Crime has the potential to impact negatively on the local economic development of the Municipal area, and for this reason it is imperative that the Municipality play an active role in ensuring the safety of their community.

The Municipal area is affected by crime. An analysis of crime tendencies at the two urban police stations revealed that the following crimes are most common

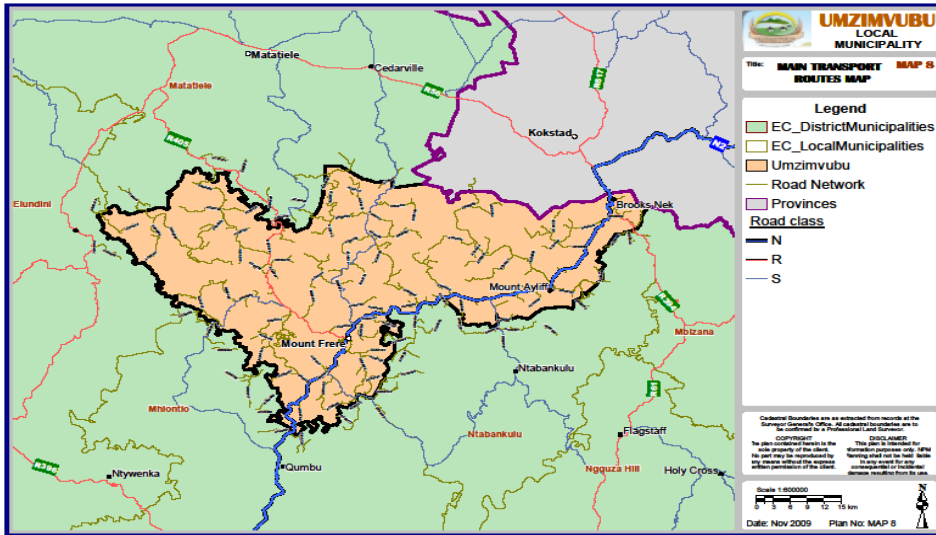
- ⇒ Assault (GBH)
- ⇒ Burglary at residential premises
- ⇒ Common assault
- ⇒ Other theft
- ⇒ Stock theft
- ⇒ Rape

4.3.9 Roads and transportation

The roads play a pivotal role in terms of economic development such that all major economic developments are located along the roads of strategic importance and thus they provide a key link between consumers and suppliers as well as between components parts manufactures and finished product manufactures. The road hierarchy within Umzimvumbu Local Municipality can be classified in categories and it is through this hierarchy that one can be able to rank the strategic importance of the roads as well as their impact on the economy. The Alfred Nzo District Municipality SDF identified access routes as investment lines establishing a clear physical/spatial framework which facilitates access both locally and as well to the area's wider context.

A hierarchy of investment lines can be distinguished consisting of primary, secondary and tertiary routes relating to its importance in terms of national/regional or locally accessibility. The Umzimvubu municipal area is transverse by the N2 National Road (primary route) which provides strong linkages between the economic centers that are found around the province of the Eastern Cape and that of KwaZulu-Natal. Other major road within the Municipality is the road R405 (secondary route) linking the municipality with Matatiele municipality and the rural villages along the way. The rural hinterland is generally lacking good road infrastructure. It is notable that the region has limited access to social services, employment and economic opportunities due to the poor level of transportation infrastructure. The construction and maintenance of good roads is very important for development of the municipal area. The following issues have been identified:

- The passage of the N2 through Mount Frere town give rise to problematic traffic congestion as slow-moving vehicles pass through the CBD.



4.3.10 Water Infrastructur

The district municipality is responsible for provision of water and sanitation services to the Umzimvubu municipality area. Therefore ADNMS is the Water service Authority (WSA) for the area under its jurisdiction. The Water Service Development Plan (WSDP) 2007/08 reflects that out of 47, 000 total households 12, 000 household have no water, 6, 000 are provided water but below RDP standard and 22, 000 are provided with water according and above RDP standards.

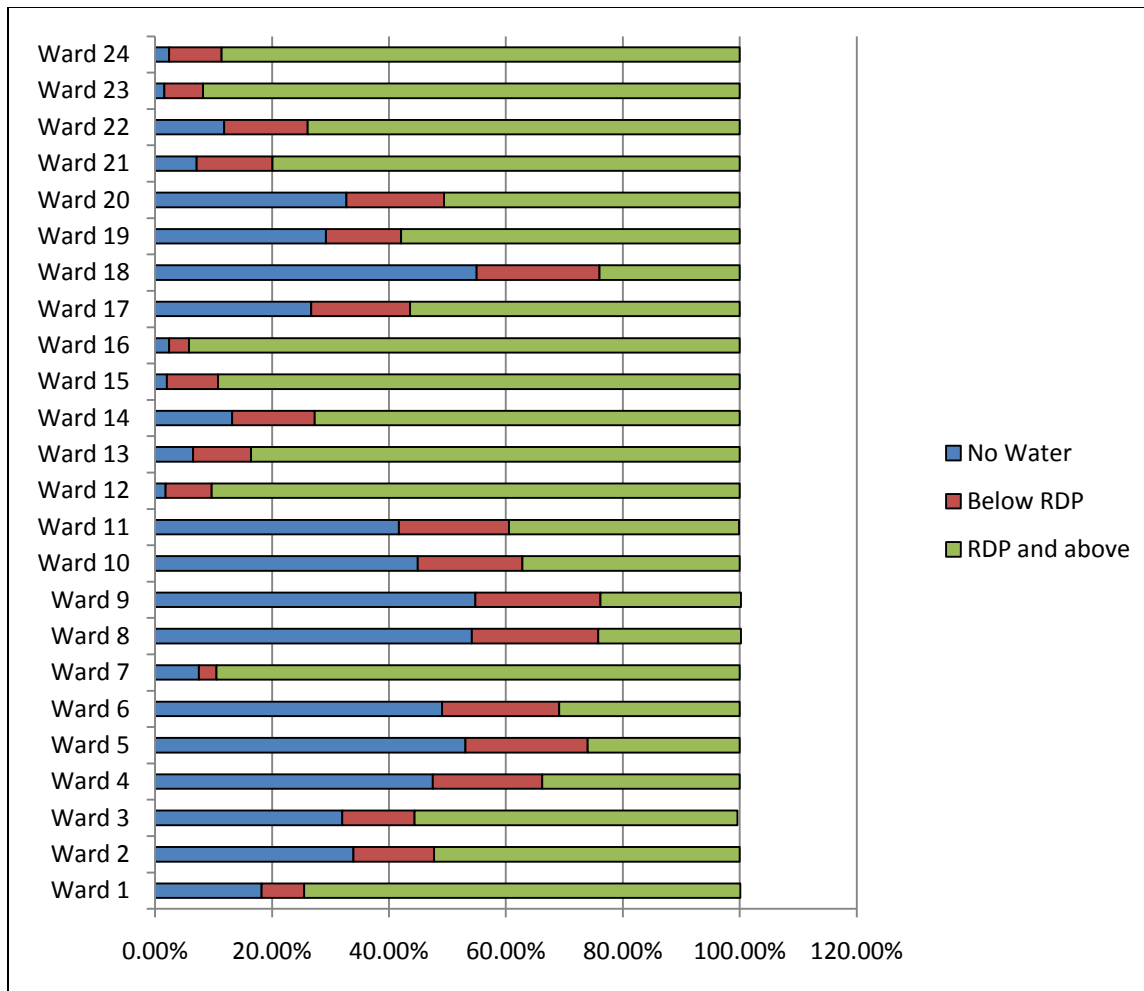


Figure 4.8 Accesses to water

4.3.11 Sanitation Infrastructure

The ADNMs mandate is to also provide the sanitation services to the municipal area. The WSDP 2007/8 reflects that out of 47 000 total household 19, 000 household are served by flush toilets, VIP or septic tanks and 27, 000 households are deemed to be un-served. Figure 4.8 below illustrates municipal ward accesses to sanitation.

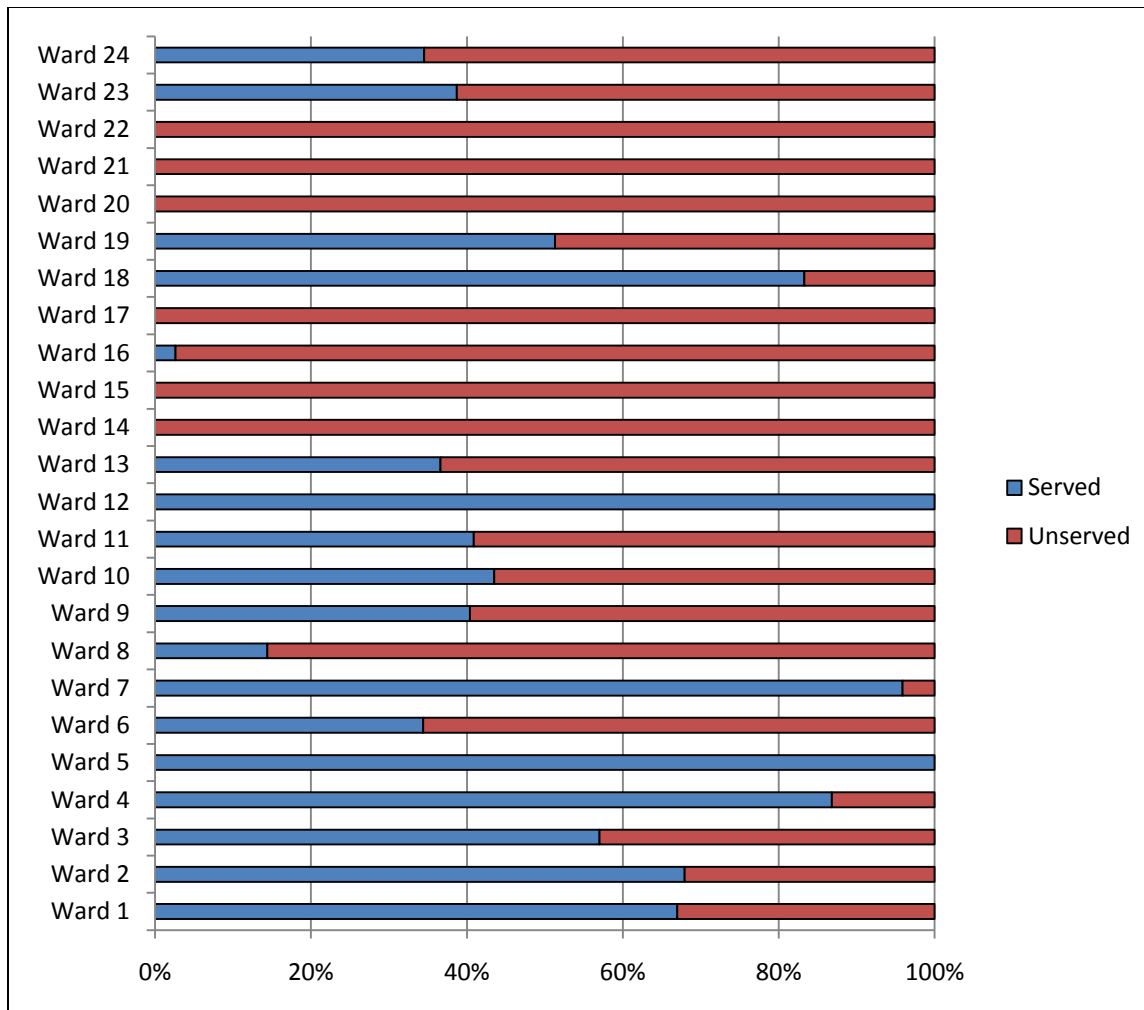


Figure 4.8 Accesses to Sanitation

Table 2: Water and Sanitation backlogs

Description	Umzimvubu LM	
	Water Supply	Sanitation
Total number of households	59, 924	
H/H served to RDP std	12067	11819
H/H to be served	47854	48105
% Backlog	20%	19%
Cost per H/H ⁹	R 6, 000	R3, 500
Total Capital required	R287 142 000	R168 367 500

⁹ Approximate cost

4.3.12 Electricity

Eskom Limited is responsible for provision of electricity to the municipal area. Figure 4.9 below illustrates the number of household that have access to electricity for lighting purposes. The information is based on the Census 2001.

The municipality currently has 24% of households that have access to electricity thus highlighting a huge backlog within the area Households without access to electricity use a range of alternatives for lighting and cooking, such a candles, gas, paraffin, and solar forms of energy.

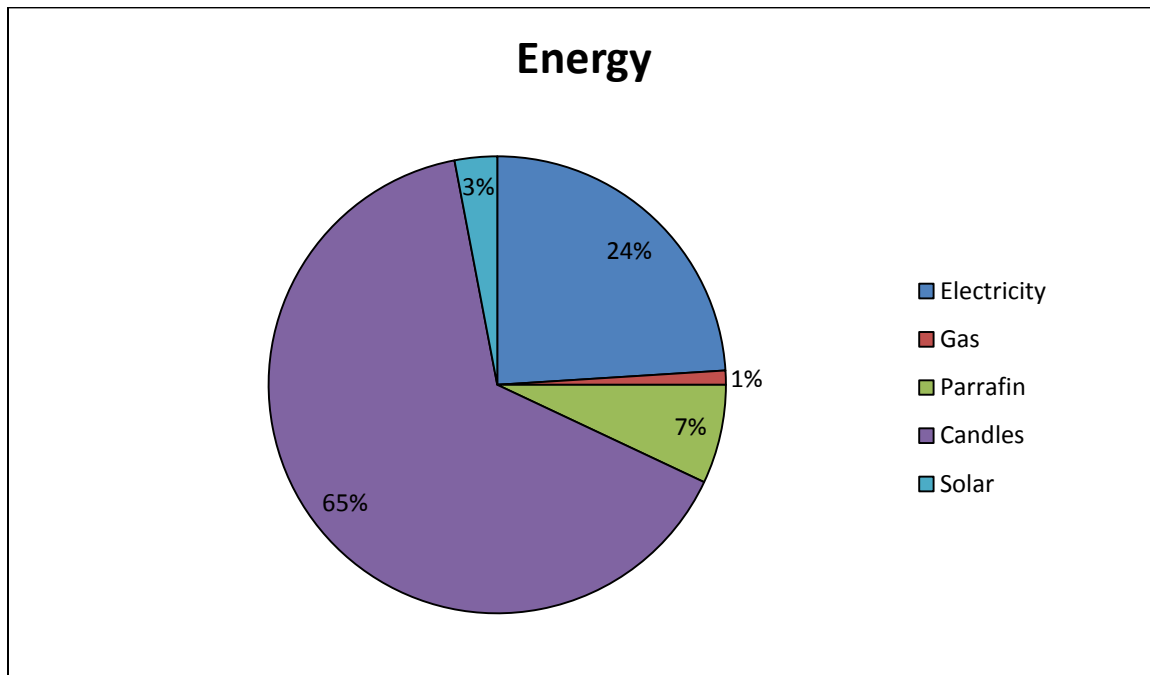


Figure 4.9 Accesses to Energy

4.3.13 Telecommunication

Figure 4.10 below illustrates the number of household that have access to Telecommunications. The information is based on the Census 2001. Access to telephone is assessed by the quality of cellular network reception in an area. Although fixed land lines are available in some communities, the cell phone network remains the largest telephone medium by far.

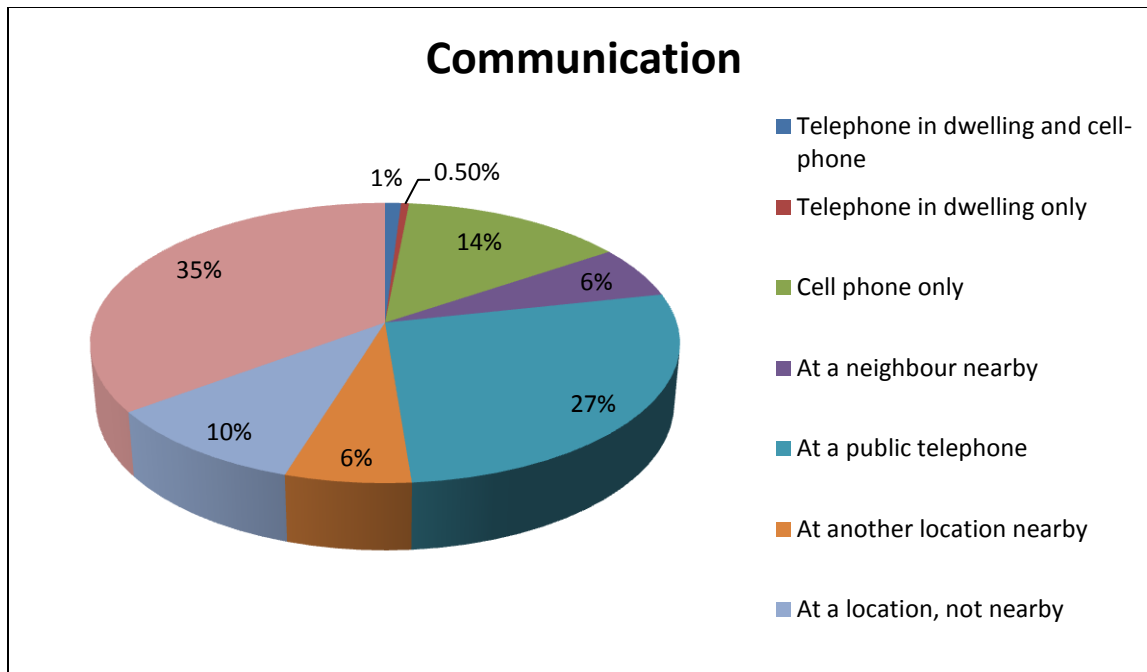


Figure 4.10 Accesses to telecommunications

4.3.14 Public transport

Despite some investments in new roads and maintenance there remain local communities who are isolated and disconnected due to poor road infrastructure. This has significant consequences in terms of local economic development as well as service delivery, especially accessibility to emergency ambulance services.

Transport whether motorized or non-motorized faces many challenges within the Municipal area. These can be summarized as follows:

- ⇒ Poor conditions of roads
- ⇒ Inadequate pedestrian signs and markings and off loading areas especially within the few urban areas
- ⇒ Limited traffic calming measures within areas of high accidents
- ⇒ An absence of traffic lights, especially at major intersections
- ⇒ Unavailability of adequate public transport facilities especially for the disabled
- ⇒ Lack of cooperation between public transport operators and the municipal authorities
- ⇒ Lack of institutional capacity at Local and District Municipal level to manage transport planning and implementation
- ⇒ Outdated/non-existent information at the taxi registrar
- ⇒ Lack of pedestrian and non-motorized transport facilities

During the 2009/10 financial year, the Department of Roads and Transport did initiate some rural transport initiatives including

- ⇒ The Shova Kalula bicycle project which benefited a number of schools in the District
- ⇒ The AB 350 which established 12 busses on various routes in Umzimvubu
- ⇒ Scholar transport was operated by a number of schools in the Municipal area.

4.3.14 Airstrips

The Department of Roads and Transport is in process of upgrading the Mount Ayliff Airstrip

4.4 ENVIRONMENTAL ANALYSIS

This section provides an overview of the environmental aspects within the study area. The analysis is not aimed to be all inclusive and individual development proposal should still be subject to detailed case-by-case studies.

4.4.1 Land Capability

Table below illustrates the municipal land capability.

LAND USE OPTIONS PER CAPABILITY CLASS											
Land Capability, determined by the collective effects of soil, terrain and climate features, shows the most intensive long-term use of land for rain-fed agriculture and at the same time indicate the permanent limitations associated with the different land-use classes.											
Land Capability		Intensity of use for rain-fed agriculture									
Orders	Classes	Wildlife	Grazing & Forestry				Crop Production				
			Forestry	Veld	Veld reinforcement	Pastures	Limited	Moderate	Intensive	Very Intensive	
Arable	A	I	X	X	X	X	X	X	X	X	X
		II	X	X	X	X	X	X	X	X	
	B	III	X	X	X	X	X	X	X		
		IV	X	X	X	X	X	X			
Non arable	C	V	X	X	X	X	X				
		VI	X	X	X	X					
	D	VII	X	X	X						
		VIII	X								
Order A: Arable land – high potential land with few limitations (Classes I and II)											
Order B: Arable land – moderate to severe limitations (Classes III and IV)											
Order C: Grazing and forestry land (Classes V, VI and VII)											
Order D: Land not suitable for agriculture (Class VIII)											

4.4.2 Land Use Patterns

Lad cover data obtained from the satellite applications Center (CSIR, 2001) has been used to provide general appraisal of the broad land use patterns prevailing in the Umzimvubu Local Municipality. Table below illustrates the municipal land use patterns.

DESCRIPTION	COUNT	AREA (ha)	%
Barren rock	12	358.115	0.14%
Cultivated: temporary - commercial dryland	3	84.917	0.03%
Cultivated: temporary - semi-commercial/subsistence dryland	82	30672.887	12.22%
Degraded: unimproved grassland	13	82589.007	32.89%
Forest	23	3041.836	1.21%
Forest plantations	36	5587.305	2.23%
Thicket & bushland (etc)	185	12284.347	4.89%
Unimproved grassland	26	106398.453	42.38%
Urban / built-up land: residential	57	10010.035	3.99%
Waterbodies	4	41.753	0.02%
TOTAL	441	251068.656	100.00%

The following points are noted:

- 42% of surface area is unimproved grassland;
- 4% of the surface is urban/built up land residential and
- 32% is degraded: unimproved grass land.

4.4.3 Agriculture and Forestry

Agricultural activities taking place in the municipal area are in the form of livestock farming (sheep, goats and cattle) and crop farming (maize, potatoes, cabbage and spinach) at a subsistence level. There is no large scale/commercial farming. Some of the land that has been utilized for agricultural has been depleted due to unsound agricultural practise. The major agricultural zones are adjacent to Umzimvubu and Kinira Rivers.

It is notable that there are large pieces of vacant arable land within the municipal area. These pieces of land need to be explored and utilized to the fullest. The employed population in the agriculture sector is very low but has potential to growth should the municipality invest more.

The grazing vegetation (grasses) covers most of the study area therefore the study area could capitalise mostly on in extensive livestock farming. The study area however is not very typical forest vegetation therefore not a lot of forestry takes place within the study area.

There seems to be scattered wildlife agricultural potential within the municipal area. This is an opportunity for game farming and could boost the tourism sector and employment opportunities.

The major forestry zones are adjacent the National Road (N2) in Intsizwa area and the Regional Road (R405). Forestry is available in the form of indigenous forest and commercial plantation. Indigenous forest representation is very limited in Umzimvubu and consists of mainly of the mistbelt forest known for its fine yellowwood specimens. This specimen is found in the Intsizwa area.

The indigenous forests are not well protected as it should be. Commercial plantation forests also exist in the Intsizwa area and along the R405 route west of Umzimvubu Local Municipality. These types of forest are limited in the region. These forests are administered by Department of Water and Forestry. The plantations provide wood for number of reason such as timber for poles. Plantations consist of predominantly pine species and these plantations are not natural

features of the environment therefore are not under any threat. They do however pose a threat to other elements such as the water table by utilizing vast amount of groundwater. The plantations in the region occur adjacent to or are buffer zone for indigenous forest. Therefore felling operations need to be carefully monitored to prevent destruction of indigenous forest. Agriculture and forestry sector has potential for growth and could be a key development pillar in achieving economic growth and development for the district.

4.4.4 Topography and Drainage

The topography of Umzimvubu Municipality is directly influenced by two main geomorphological formations i.e. River Valleys and Mountainous formations. The Municipality is mainly drained by the Umzimvubu River Basin, comprised of a number major river including the Umzimvubu River, Mzintlava Rive, Tina River, the Kinira River, and other small tributarie which traverse through the Municipality. The river basins range from a low of 600m – about 1400m above sea level, while the Plateau and Steep slopes and ridges in the western side of the Umzimvubu Municipality leading towards the Drakensberg Mountains rise up to above 1800 – 2000m above sea level. A slope map showing the topography of the Municipality shows that large portions of the Municipality lie within fairly steep areas.

Geology & Soils: Mudstone and sand stone of the Beaufort Group of the Karoo Sequence predominate, but sedimentary rocks of the Molteno, Elliot and Clarens Formations are also present. The dominant soils on the sedimentary parent material are well drained, with a depth of 500-800 mm and clay content from 15-55%.The soils are Hutton, Clovey,Oatsdale forms on sediments and Shortlands on dolerite. Most common land types Fa and Ac.

4.4.5 Rainfall and Climate

Umzimvubu Local Municipality lies in a region has mostly summer rainfall, with Mean Annual Precipitation (MAP) of 780, mm ranging from 620-816mm. The nearest South African Weather Services (SAWS) station in Kokstad records 88 rain days in a year and three of those occur in the midwinter (June-July). Both mist and snow occur less frequently than in this region (Kokstad 26 misty days per year) and much of the rain comes in a form of thunderstorms (Kokstad 45 days). MAT 12.9-15.6 °C (overall MAT14.7 °C). Moderately severe frosts occur 30 days in a year. Mean annual evaporation 1 457-1 723 mm (Camp 1999b).

The climate in this summer rainfall area ranges from very pleasant warm summers to mild winters. Annual rainfall ranges between 650mm and 1100mm, with thunderstorms and hail a common feature in summer. The evaporation rate ranges from approximately 1500mm to 2000mm.

4.4.6 Vegetation

Umzimvubu Municipality is mainly characterized of 4 main vegetation types distributed as follows:

- Drakensberg Foothill Moist Grassland 31%
- East Griqualand Grassland 61%
- Eastern Valley Bushveld 7%
- Southern Mistbelt Forest 1%

East Griqualand Grassland

The East Griqualand Grassland is the predominant vegetation type within Umzimvubu Municipality taking up to 61% of the total Municipal area. This vegetation type is prevalent in the municipality at Altitude 920-1 740 m on Hilly country with slopes covered by grassland in places, with patches of bush clumps with *Leucosidea sericea* (only wet sites) or *Diospyros lycioides*, *Acacia karoo* and *Ziziphium mucronata* in low-lying and very dry sites.

Important Taxa Graminoids: *Alloterpsis semialata* subsp. *Eckloniana* (d), *Aristida congesta* (d) *A. junciformis* subsp. *Galpinii* (d), *Brachiaria serrata* (d), *Digatarriatricholaenoides* (d), *Eloinurus muticus* (d), *Eragrostis chloromelas* (d), *E. plana* (d), *E. racemosa* (d), *Harpocloa falx* (d), *Heteropogon contortus* (d), *Hyparrhenia hitra* (d), *Melinis nerviglumis* (d), *Microchloa caffra* (d), *Paspalum dilatatum* (d), *Sporobolus africanus* (d), *Themedia triandra* (d), *Tristachya leucothrix* (d), *Abildgaardia ovata*, *Andropogon appendiculaus*, *Cynodon incompletus*, *Cyperus obtusiflorus* var. *obtusiflorus*, *Digitaria ternata*, *Eragrostis capensis*, *Eulalia villosa*, *Hemarthria altissima*, *Setaria nigrirostris*, *Trachypogon spicatus*, *Urochloa panicoides*. Herbs: *Acanthospermum australe*, *Centella asiatica*, *Conyzapodocephala*, *Haplocarpha scaposa*, *Helichrysum herbaceum*, *H. nudifolium* var. *pilosellum*, *Hermannia depressa*, *Hibiscus aethiopicus* var. *ovatus*, *Ipomoea crassipes*, *Kohautia amatymbica*, *Lessertia haveryana*, *Pentanisia prunelloides* subsp. *latifolia*, *Rhynchosia effusa*, *Senecio reterorus*, *Stachys aethiopica*, *Tolpis capensis*, *Vernonia natalensis*. Herbaceous Climber: *Rhynchosia totota*. Geophytic Herbs: *Cheilanthes deltoidea*, *C. hirta*, *Heamanthus humilis* subsp. *hirsutus*, *Ledebouria sandersonii*, *Rhodohypoxis baurii* var. *baurii*, *Watsonia pillansii*, *Zantedeschia albomaculata*.

Low Shrubs: *Anthospermum rigidum* subsp. *pumilum* (d), *Chaetacanthus setiger*, *Erica caffrorum* var. *caffrorum*, *Felicia filifolia* subsp. *filifolia*, *F. muricata*, *Helichrysum dregeanum*, *Rubus rigidus*. Succulent Shrub: *Euphorbia clavarioides* var. *clavarioides*.

The Endemic Taxa in this vegetation type are mainly Herbs: *Alepidea duplidens*, *Berkheyagriquana*, *Wahlenbergia dentata*, *W. ingrata*

Conservation Status

This vegetation type is regarded as vulnerable. Target 23%. Only 0.2% is statutorily conserved in the Malekgonyane (Ongelukusnek) Wildlife Reserve and Mount Currie Nature Reserve. Over one quarter of the area has already been transformed for cultivation (maize), plantations and by urban sprawl. *Acacia dealbata* and *A. mearnsii* are invading these grasslands in some places. Erosion is low (31%), very low (30%) and moderate (30%).

References Acocks (1953, 1988), Hurt et al. (1993), Camp (1999b), Mucina et al., 2007

Drakensberg Foothill Moist Grassland

The Drakensberg Foothill Moist Grassland, which in composition is very similar to the Mthatha Moist Grassland, but occurs at higher altitude 880 – 1 860m on moderately rolling and mountainous areas (Mucina, et al., 2006). This vegetation type is the second most predominant vegetation type in the Municipality and covers approximately 31% of the total area of Umzimvubu Municipality.

Dominant species include *Diheteropogon filifolius*, *Eloinurus muticus*, *Eragrostis capensis*, *Eragrostis chloromela*, *Eragrostis curvula*, *Eragrostis plana*, *Eragrostis racemosa*, *Heteropogon contortus*, *Microchloa caffra*, *Monocymbium ceresiiforme*, *Panicum natalense*,

Rendliaaltera, *Sporobolusafricanus*, *Themedatriandra*, *Trachypogonspicatus*, *Tristachyaleucothrix*, *Agrostislachnantha*, *Helichrysumsimillimum*, *Senecioretorsus*, *Oxalis depressa* and *Protearoupellia* subsp. *roupelliae*. (Mucina & Rutherford, 2006)

Conservation status

It is a poorly conserved vegetation type, and an estimated 20% has already been transformed for cultivation, urban sprawl and plantations. It is currently considered as being Least Threatened, but is also under threat of continuous invasion by alien species such as *Acacia dealbata*, *Solanum mauritianum* and *Rubus* spp. (Mucina & Rutherford, 2006).

The following plant species are endemic to the vegetation type: *Alchemilla incurvata*, *Argyrobium sericosemium*, *Diascia esterhuyseniae*, *Stachys rivularis*, *Brachystelmamolaventi*, *Dioscorea brownie*, *Ornithogallumbaurii*, *Delospermawiuinii*. Drakensberg Endemic species such as *Schizochilus bulbifera* and *Schoenoxiphium burtii* has been recorded within the vegetation type. This vegetation type is currently under analysis and might be included within the Drakensberg Alpine Centre of Endemism due to the high concentration of regional (Drakensberg) endemic plant species occurring within it (Mucina & Rutherford, 2006).

Eastern Valley Bushveld

The Eastern Valley Bushveld is the 3rd most predominant vegetation type within Umzimvubu Municipality, but covers only 7% of the total area. This vegetation type is widely distributed in the Eastern Cape and especially in the deeply incised river valleys including the Umzimvubu, Tina, Kinira, and Mtanvuna River Valleys, which are a feature in the municipality.

This vegetation type is characterised by semi-deciduous woodlands in a mosaic with thickets, often succulent and dominated by species of *Euphorbia*, and *Aloe*. Commonly found taxa include *Acacia robusta*, *Sclerocarya birrea* subsp. *caffra*, *Acacia natalitia*, *Combretum molle*, *Spirostachys africana*, *Euphorbia tirucalli*, *Dichrostachys cinerea*, *Aloe arborescens*, *Acacia brevispica* subsp. *dregeana*, *Ischnolepis natalensis*, *Themedatriandra*, *Aristida congesta*, *Eragrostis curvula*, *Hyparrhenia hirta*, *Melinis repens*, *Panicum maximum*, *Themedatriandra*, *Hibiscus pendunculatus* and *Sanseveria hyacinthoides*. *Bauhinia natalensis* and *Huernia pendula* are endemic to this vegetation type

Conservation status

Although this vegetation type is classified under least threatened (Mucina & Rutherford, 2006), it is however under pressure mainly from alien plant invasion by *Lantana camara*, *Chromolaena odorata* and *Caesalpinia decapetala*, and from human activity such as cultivation. It is estimated that approximately 15% of this vegetation type has already been transformed, and only 0.8% is statutorily conserved.

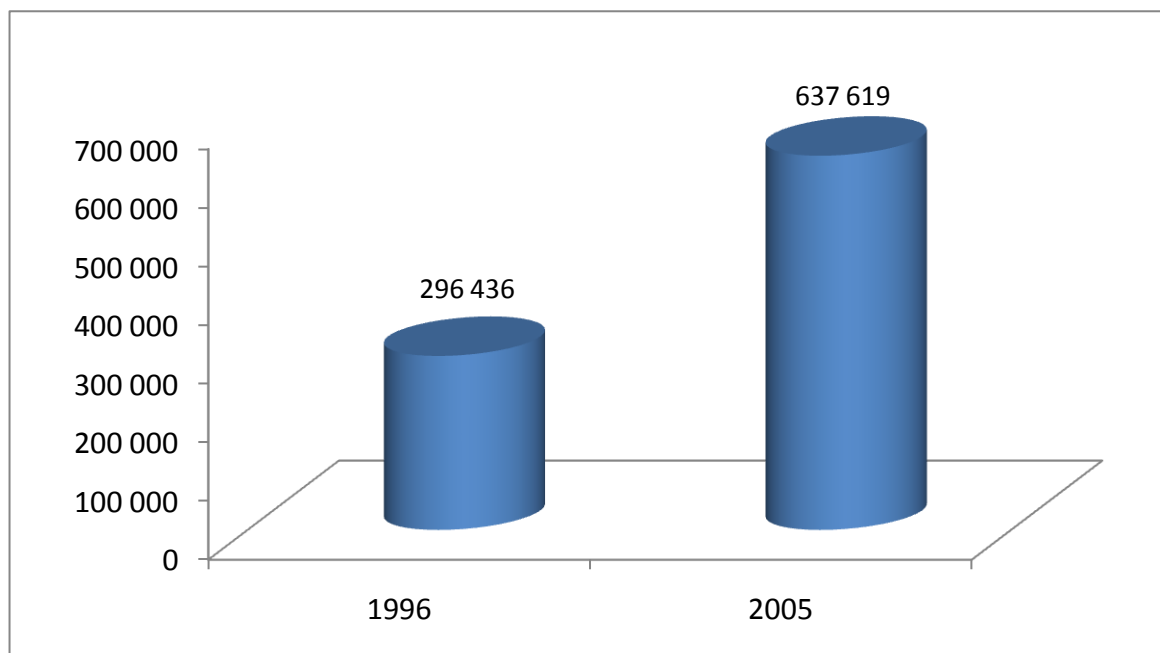
The Southern Mist Belt Forest

The Southern Mist Belt Forest, forms a very small percentage (1%) of the vegetation types in Umzimvubu municipality. However this vegetation type is of very high biodiversity value as it contains relatively high species richness. It also has a high socio-economic value in terms of timber and poles and also non-timber forest products such as medicinal plants. They have a high scenic value, contribute to sustainability of water supply and maintain water quality in the catchments and prevent soil erosion (Von Maltitz *et al.*, 2002). The vegetation type must be protected and conserved due to its richness in biodiversity.

5. Local Economic Development.

This section provides a summary of the Umzimvubu Municipal state of the economy. Figure 1 illustrates that the municipality's Gross Geographic Product is estimate at R637 million in 2005 from R296 million in 1996, at current prices. These figures indicate that the municipality has a very low economic base, one of the lowest in the country.

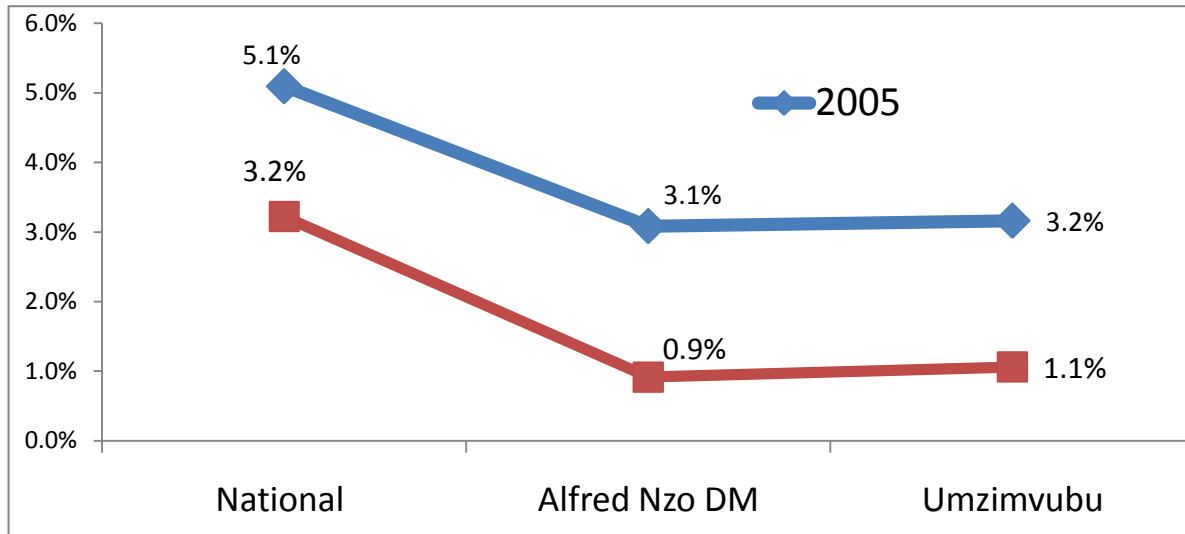
Figure 13: Umzimvubu GGP, Current Prices (R1000)



Source: Global Insight

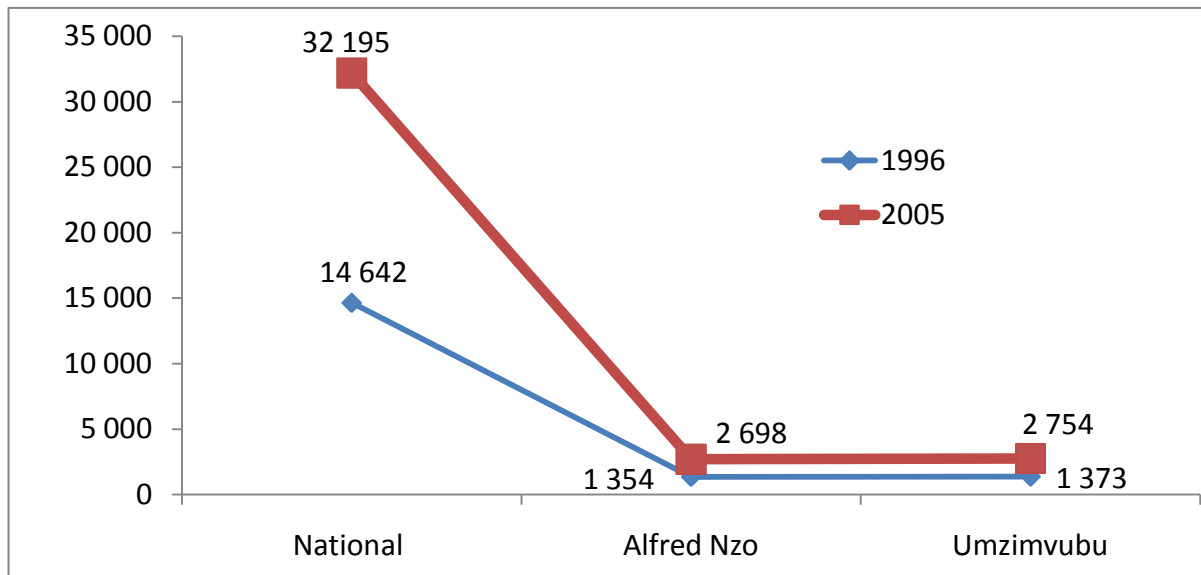
In 2005 the local economy grew by 3, 2%, the highest growth rates ever experienced by the municipality. This compares quite positively to the 11 year low growth rates of 1,1% between 1996 and 2005. Figure 2 illustrates that the municipality much lower than the average annual growth average of 5, 1%. Worsening the municipal situation is the fact that its growth is from a very low base making it insignificant in terms of impact on job creation and poverty reduction.

Figure 14: Average Annual Growth Rate



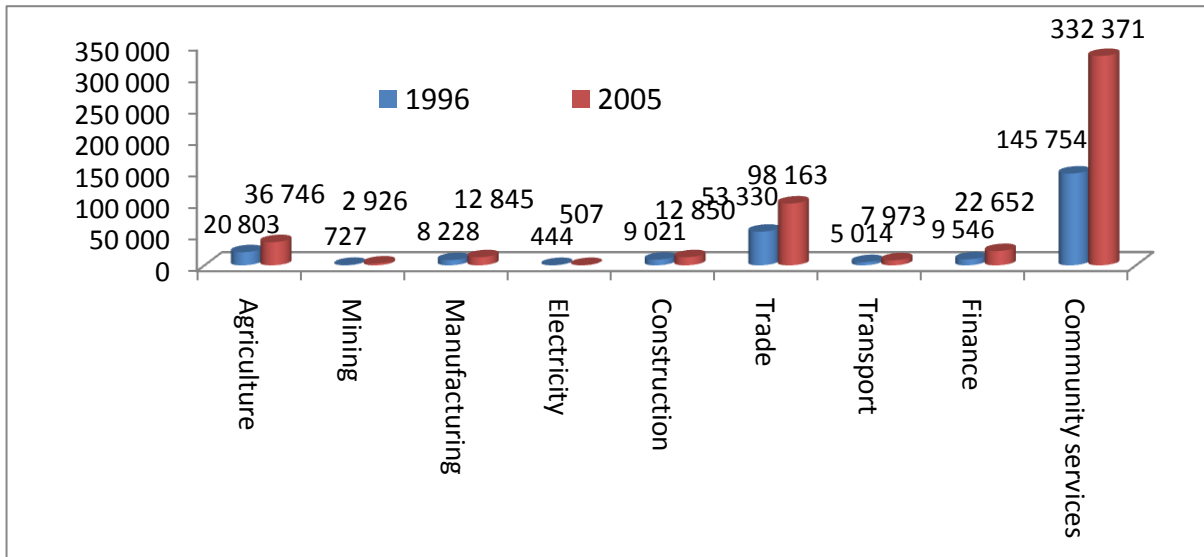
The GGP per capita is one of the lowest in country at R2 754 compared to the national of R32 195 as illustrated in figure 3. This is one of the important indicators of the level of poverty in the municipality.

Figure 15: GGP Per Capita, Current Prices



A focus on the Gross Value Added indicates that the municipal economy is dominated by the Community Services sector with its averaging R332 million in 2005 compared to R146 million in 1996. Figure 4 illustrates that trade is the second largest contributor to the local economy at R98 million followed by agriculture, forestry and logging at R36 million. Mining and the electricity sectors are the lowest contributors to the local economy in terms of size.

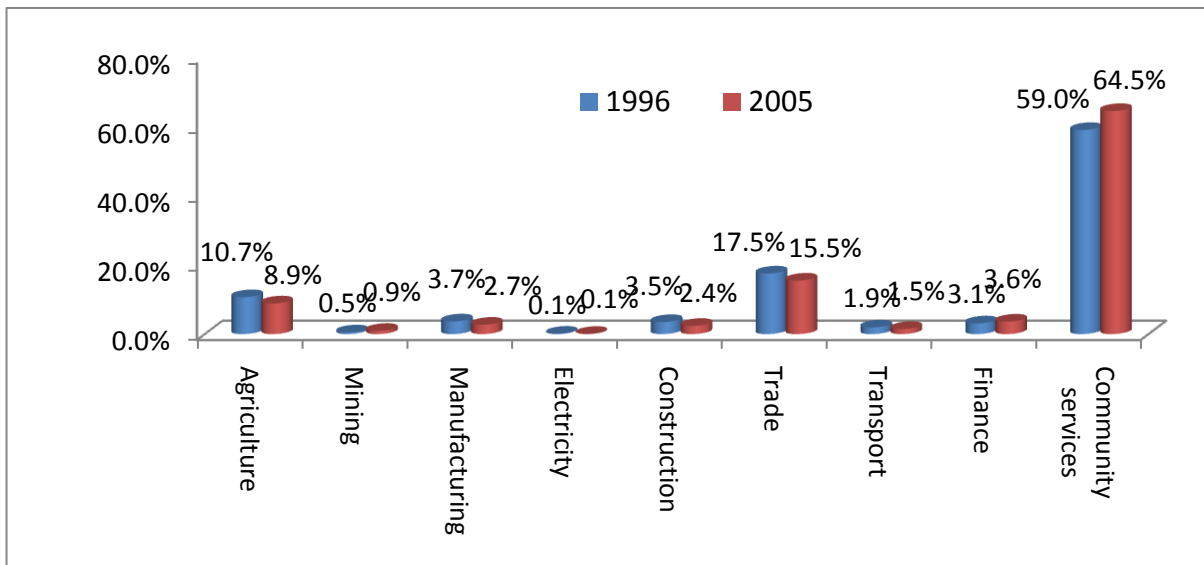
Figure 16: Sector Gross Value Added, Current Prices (R1000)



Source: KDBS Calculations

Figure 5 illustrates the percentage share of each sector to the local economy and shows that more than 64, 5% is from the Community Services sector. This clearly demonstrates once again that government is the mainstay of the local economy.

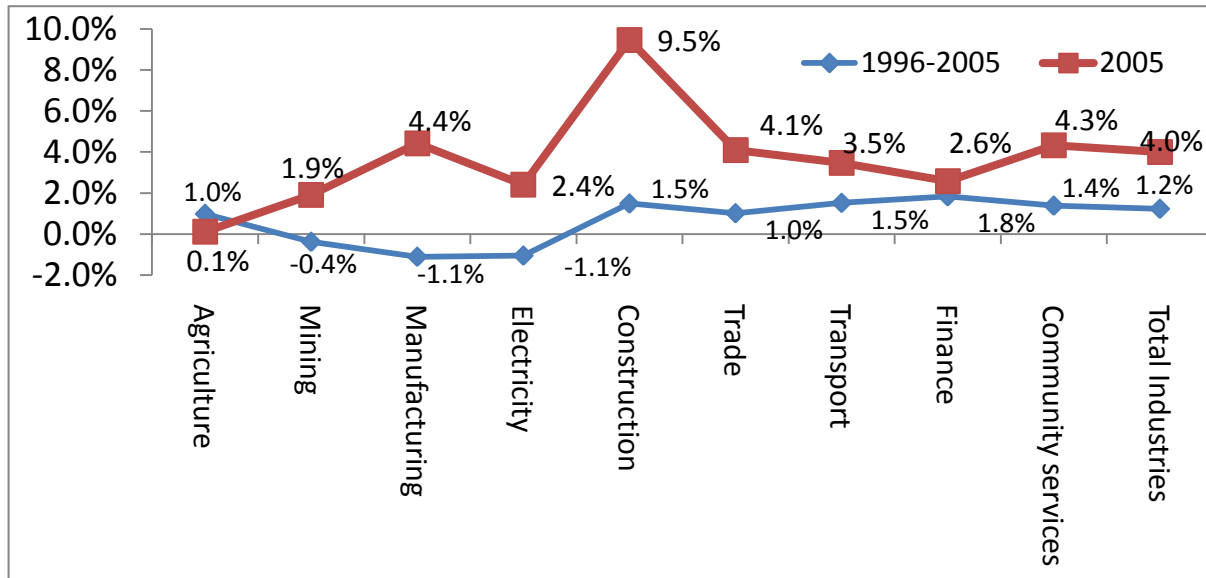
Figure 17: % Sector Share of Regional Total



Source: KDBS Calculations

Figure 6 is an important indicator of the performance of each sector over a year as well over a period of 11 year between 1996 and 2005. Construction was the fastest growing sector at 9, 5% in 2005 followed by manufacturing at 4, 4%, community services (4, 3%), trade (4,1%) and transport (3,5%). For an eleven year period all the sectors performed dismally.

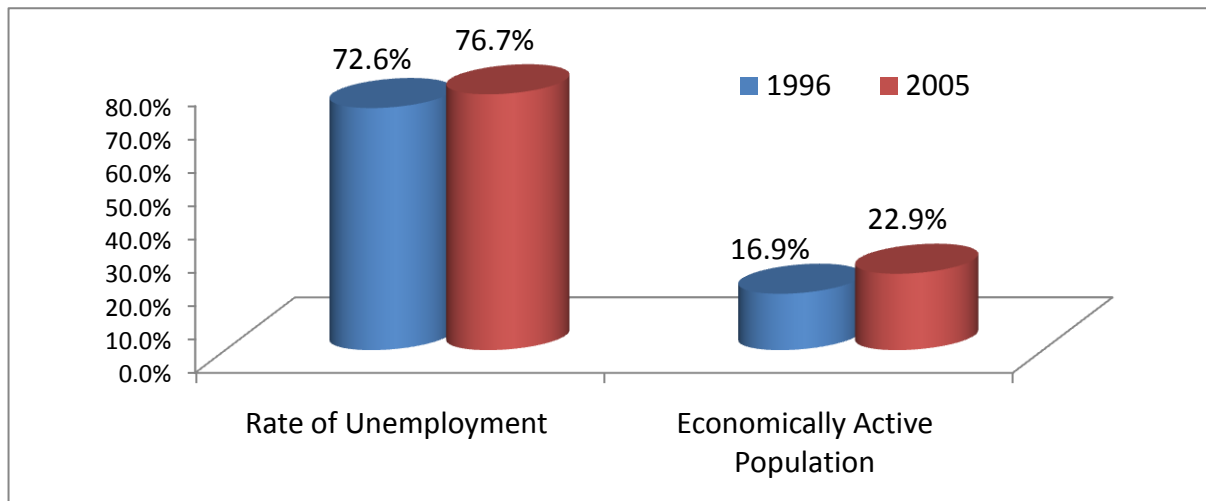
Figure 18: GVA Average Annual Sector Growth



Source: KDBS Calculations

The low economic base coupled with the low average growth rates makes the municipality a clear basket case of under development and under performance. Worsening the situation are the structural unemployment challenges the municipality faces as illustrated in figure 7.

Figure 19: Structural Unemployment

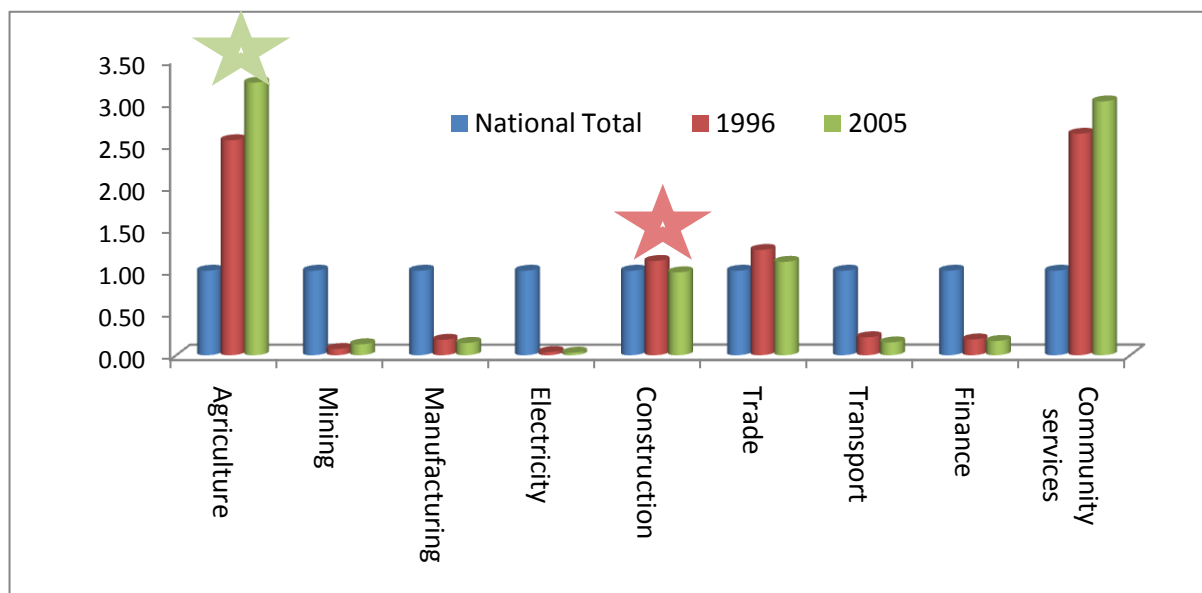


The percentage of economic active population that is, people entering the labour market has been faster than the economy can absorb. This explains the rising unemployment rate from 73% in 1996 to 77% on average in 2005. An important point to also make about the local economy is almost non-existent private sector interest in job creating investments. Even in instances where there is demonstrated interest by the private sector such as forestry and retail the municipality has not developed a pro-active approach to engage and ensure that such investments possibilities are attracted and where they exist retained in the local economy.

The potential growth sectors and areas where the municipality has a comparative advantage are illustrated in figure 8. The location quotient illustrates that is sectors that are above 1, the

national totals, the municipality has a comparative advantage. These sectors include agriculture and hunting, forestry and logging, construction, trade and community services.

Figure 20: Location Quotient

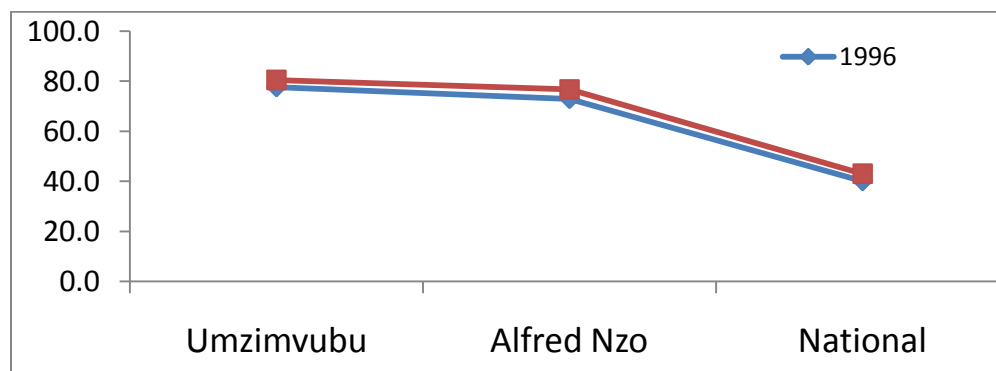


Source: KDBS Calculations

These are the sectors that the municipality has to develop and ensure that resources are provided to ensure their competitiveness. Construction is a good example and an important sector especially because of its ability to create jobs through the Extended Public Works Programmes implementation principles. It for this reason that the municipality believes that all its programmes – whether in agriculture, forestry, tourism, etc. have to apply these principles in the implementation of their programmes.

The importance of creating the competitive of the sectors where the municipality has a comparative advantage is also borne by the fact that local economy is currently not diversified as indicated in figure 21

Figure 21: Tress Index



Source: KDBS Calculations

The Tress Index is a measure of the level of diversity in an economy. The closer the index is to 100 the higher the level of concentration. The concentration of the Umzimvubu economy is

mainly in the Community Services or mainly government with all other sector playing an insignificant role. The challenge therefore is to develop other sectors and ensure that the local economy is diversified.

It is important to indicate that given the poverty levels and unacceptable unemployment rates in Umzimvubu there is still a bigger that Community Services need to play. Areas such as education, health, access to information and public administration still need to be improved and developed in order to unlock value in other sectors as well as create an enabling environment for private sector investment.

High unemployment and poverty levels in Umzimvubu result in low affordability levels which manifest in low levels of investment, development and service delivery and underutilisation of development opportunities. There is an urgent need for major new private sector investments to create jobs and improve livelihood in Umzimvubu.

The predominantly rural nature of the area limits commercial and business development. Business activities in rural areas are confined to rural supply stores and general dealers. Commercial and business development is confined to the urban centres of Mount Ayliff and Mount Frere. More substantial commercial and businesses activities are restricted to Kokstad which falls within Kwazulu Natal which means that a substantial portion of the money generated in Umzimvubu is not even being reinvested into the Province. Umzimvubu has a limited and almost non-existent industrial economy and a high dependency upon primary economic activities.

Development in Umzimvubu is limited as a result of acute backlogs in social and economic infrastructure. The vast natural land, forest and water resources that exist within Umzimvubu provide the basis for socio-economic development, but it is well-planned, prioritised and strategic infrastructure investments that will promote social development, and stimulate sustainable economic growth.

In terms of economic infrastructure, the priority interventions necessary are;

- ⇒ Upgrading airstrips at Mount Ayliff
- ⇒ Factory space, trading and business premises
- ⇒ Tourism infrastructure
- ⇒ Irrigation and other farming infrastructure
- ⇒ Energy infrastructure
- ⇒ Telecommunications (fixed line and cellular) infrastructure

5.1 SECTORAL OVERVIEW

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

- ⇒ Agriculture
 - Livestock farming (goats, sheep, beef and dairy)
 - Dry land farming and irrigated crop and horticulture
- ⇒ Forestry
- ⇒ Manufacturing
- ⇒ Construction and Mining
- ⇒ Trade and Business Services
- ⇒ Tourism
- ⇒ SMME and Cooperative development

5.1.1 Agriculture

The agricultural sector in Umzimvubu Local Municipality should be considered as economically important particularly because it provides rural residents work as farm labour. However, this sector in many cases it is characterized by very working conditions and wages are notoriously low with the existence of underemployment. Nevertheless in economic terms the agricultural sector has extensive backward and forward linkages, thereby contributing tremendously towards the overall development and existence of other sectors. This relates mainly to the inputs received from various sources to the agricultural sector (backward linkages) as well as output from the agricultural sector to various other sectors and users (forward linkages).

Agriculture is the main economic activity in Umzimvubu. Currently it is a limited base for economic expansion due to the fact that the majority of farming is traditional subsistence farming. Umzimvubu has favourable conditions for the development of the agriculture sector and it is critical to assess the potential of this industry and devise methods of exploiting this untapped potential. Substantial input will be required in terms of education, training, management, marketing and the development of linkages.

The Department of Agriculture has the following programmes in the District;

- ⇒ Siyazondla Homestead Food Production (Green revolution)
- ⇒ Siyakhula Step Up Food production Programme
- ⇒ Mechanisation Conditional Grant Scheme
- ⇒ Mechanisation Conditional Loan Scheme
- ⇒ Eastern Cape Communal Soil Conservation Scheme

- ⇒ Land Care Programme
- ⇒ Soil Conservation Scheme
- ⇒ Comprehensive Agriculture Support Programme
- ⇒ Farmer Organisation Development
- ⇒ Eastern Cape Livestock Production Improvement
- ⇒ Livestock production Improvement Programme

The following ASGISA initiatives also exist;

- ⇒ ASGISA Bio fuels initiative
- ⇒ ASGISA Umzimvubu Initiative

Agricultural activities in the area include livestock farming (goats, sheep, beef and dairy), crop farming (dry land farming, irrigated crops and horticulture).

5.1.2 Live Stock Farming

Adequate good quality grazing makes the area suitable to livestock farming and animal husbandry. Cattle, sheep and goat farming are the most predominant. Much of this farming is small scale and provides low incomes compared to commercial livestock farming elsewhere in the Province.

Livestock farming is being supported by the Provincial Department of Agriculture through its programmes. In rural areas livestock is culturally important and act as savings/investments rather than for cash income and one of the main challenges is to increase income from communal livestock farming.

5.1.3 Crop Farming

Rainfall, soil quality and the availability of water resources make Umzimvubu suitable for agricultural production. Dry land farming is generally of a subsistence nature, and there are large tracts of uncultivated arable land. There is very good potential for maize, sorghum, wheat, sunflower, hemp, beans, vegetables (cabbages, potatoes, butternut, green pepper and spinach), and deciduous fruits (peaches & apples). The farms north of Mount Frere are particularly suited to large-scale fruit and vegetable production.

5.1.4 Forestry

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

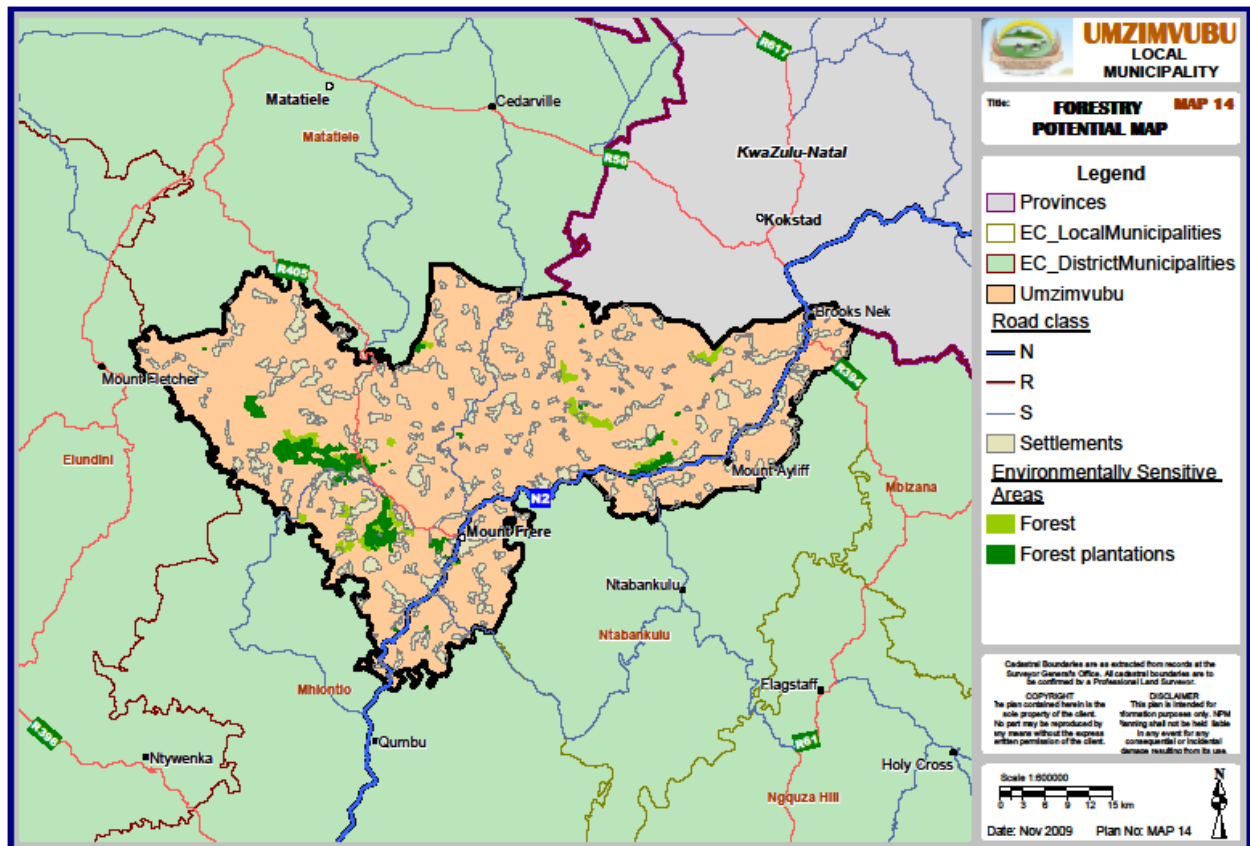
There are commercial forestry plantations in Umzimvubu, mainly to the North of Mount Frere and south of Mount Ayliff. The largest plantations in the area are the Ntabana (1 049ha) and Amanzamnyama (1 007ha) forests. Some commercially productive plantations in the area including Inziswa have been included in the Forestry Lease to the private forestry company Singisi. This lease includes an empowerment component whereby land claimants derive an income from leasing the land to Singisi, and a partnership benefit that gives the claimants shares and a seat on the Board. This has been a long drawn out and complex process mediated by the Eastern Cape Regional Land Claims Commission.

Plantation forestry is the foundation for a number of downstream processing activities including wood chips, saw milling, timber board, charcoal, furniture, pulp and paper. The development of the forestry sector and its attendant value chain therefore holds economic potential for Umzimvubu if successfully exploited.

The development of the forestry sector in the Umzimvubu will be largely dependant on the utilisation of state land that is part of communal land. This land is vested with a multitude of land rights attached and a process of community consultation is essential when identifying potential forestry land. Due to the size of viable plantations, it is conceivable that a number of communities will be involved in the decision making. This can be complex and controversial, leading to conflicts between different communities and different groups within a single community, especially when allocating benefits to accrue from new plantations.

Virgin agricultural land identified as suitable for forestry is also subject to an environmental impact scoping and assessment process under the NEMA legislation. It can take up to six months or longer to obtain a Record of Decision (ROD). The approval or issuing of forestry licences is the responsibility of the Department of Water Affairs & Forestry, in consultation with the Provincial Department of Agriculture and the Provincial Land Reform Office (PLRO) of the National Department of Land Affairs. This is usually a lengthy process and issuing of licences is still a major challenge within Umzimvubu.

Map: showing Forestry potential



5.1.5 Manufacturing

This sector is presently very small in Umzimvubu and comprises a saw mill at Mount Ayliff and little else. The sector does have expansion potential including;

- ⇒ Timber-using industries
- ⇒ There are many small-scale garment manufacturers (e.g. occupying old Transido workshop premises) that would benefit from stronger business support.
- ⇒ The existing crafts sub sector; craft workers would benefit from more support with product development and marketing, and from growth of the tourism industry in the District.
- ⇒ The agro-processing sub sector has the potential to grow on the basis of increasing primary production. Examples include potato processing (chips), maize milling, animal hides, stock feed, peach processing, dairy etc. Umzimvubu Goats has a processing

facility in Mount Ayliff comprising holding pens, an abattoir that can handle 40 goats a day, a meat processing plant, leather tannery and craft production units which directly benefit about 2000 people.

5.1.6 Construction

The construction industry in Umzimvubu is presently small, but has the potential to provide more job opportunities in the future, based on:

- ⇒ Rapidly increasing fiscal allocations for public infrastructure
- ⇒ The relocation of Provincial Government Departments from Kokstad to Mount Ayliff.
- ⇒ Expansion of the EPWP (there needs to be a District EPWP Plan, with an M&E capability).
- ⇒ Increased house-building (human settlements) and retail infrastructure.

5.1.7 Small Scale Mining

Small scale mining is presently restricted to sand mining and quarrying to supply the construction and road building industry and development of the construction industry will benefit the mining industry. The mining industry has the potential to be developed into a formalized industry. There are deposits of slate, sandstone, nickel and lime that need to be further explored.

5.1.8 Trade And Business Services

Mount Ayliff and Mount Frere are commercially busy, but require well-planned physical development to support economic development, especially the trade sector (formal and informal) and the tourism industry. The linear layout of these towns and the lack of proper town planning means that the main street is frequently congested with vehicles, taxis, hawkers and pedestrians. Allied to this is the extensive littering that takes place making the town centres unsightly and even at times, dangerous. Tourists do not stop in these towns due to these problems.

5.1.9 Tourism

Tourism activities in the Umzimvubu are limited, despite the fact that it has abundant natural beauty and a diverse array of cultural groups which have strong potential for eco, adventure and cultural tourism. Accessibility to and information on tourist attractions is limited and the urban centres should ideally serve as tourism gateways and information centres. The tourism potential

of the area needs to be linked to other established tourism routes such as the coastal areas along the Wild Coast.

Potential tourist attractions include;

- ⇒ Naturally aesthetic areas
- ⇒ Riverine areas
- ⇒ Cultural tourism areas; Umzimvubu is rich in diverse culture, which makes it very special and unique. There are amaBhaca, amaHlubi, abaSotho, amaXesibe, and amaMpondomise to name but a few. Local people are yet to exploit this diversity of cultures.

In order to attract tourists to the local area it is essential that the all Municipalities in the District collectively deal with the congestion and littering problems. Most tourists currently stop in Kokstad and Mthatha to refuel and buy food, bypassing the small towns of Mount Frere and Mount Ayliff due to concerns about safety and the lack of clean, well run and well constructed petrol stations, toilets and food outlets.

5.1. 10 SMME And Cooperative Development

The area has potential for the development of cooperatives and SMME's which afford the rural poor an opportunity to participate in economic activities. Access to micro-credit remains a big challenge to cooperatives and SMMEs, but there are also a number of agencies that offer support to new and established SMME's including;

- ⇒ The Department of Trade & Industry (DTI); The Black Business Supplier Development Programme (BBSDP) 80:20 cost-sharing grant, offers support to black-owned enterprises in South Africa. DTI also offers a wide range of products and services comprising loans, and incentive grants that enable access to finance for small enterprises.
- ⇒ The Small Enterprise Development Agency (SEDA) which aims to support and promote co-operative enterprises, particularly those located in rural areas.
- ⇒ South African Micro-Finance Apex Fund (SAMAF)
- ⇒ Khula Enterprise Finance Limited
- ⇒ Thuso Mentorship Scheme
- ⇒ The National Empowerment Fund (NEF) which offers start-up, business growth, and rural- and community upliftment financing products

- ⇒ The Industrial Development Corporation (IDC) which provides sector focused financing products ranging from R1 million upwards

5.2 Local development initiatives and challenges

Umzimvubu has adopted a LED strategy to guide local economic development in the Municipal area. Local economic development and has also been effectively institutionalised and a number of programmes implemented including;

- ⇒ Support Systems
- ⇒ SMME Development
- ⇒ Second Economy
- ⇒ Decentralisation of Services
- ⇒ Forward Planning

The Alfred Nzo District Municipality has established the Alfred Nzo Development Agency (ANDA) which is responsible for the implementation of local economic projects in the District in co-operation with the Local Municipalities. ANDA is a municipal entity established in terms of the Municipal Systems Act and is accountable to the District Municipality. Thina Sinako, the Provincial LED agency, has awarded grants to LED and municipal infrastructure development projects in the Alfred Nzo District which have the potential to benefit Umzimvubu.

ANDA is implementing and supporting the following projects;

- ⇒ Agricultural projects including;
 - Grain production Programme (ASGISA)
 - Livestock and poultry production programmes
 - Vegetable production programmes
- ⇒ Tourism Development programmes including;
 - Msukeni Enterprise
 - Ntsizwa Venyane Hiking Trails
- ⇒ Goxe Cut flowers
- ⇒ Woodcluster
- ⇒ Goosedown project
- ⇒ SMME development
- ⇒ Small scale mining

Projects are facing a number of challenges including continued funding, lack of sustainability and in fighting.

6. INSTITUTIONAL ANALYSIS

6.1 Political Structure Overview

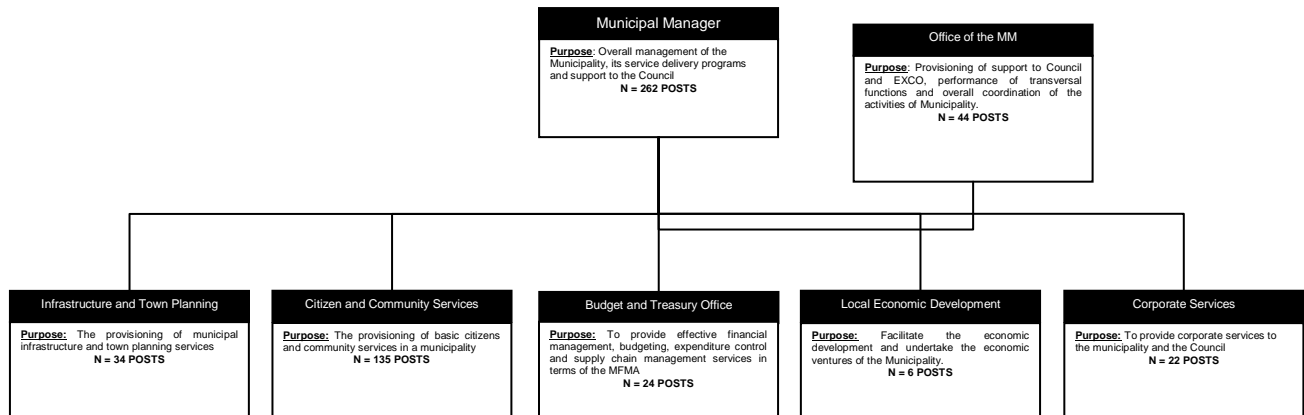
Umzimvubu Local Municipality is a Category B Municipality as established in terms of Chapter 2 of the Municipal Structures Act 1998. The Municipality functions under the Collective Executive system consisting eight Executive Committee Members and the Mayor, making up a total of nine members. The Umzimvubu Municipal Council has forty seven Councillors including the Mayor, Speaker, Chief Whip and Executive Committee Members.

There are six portfolio standing committees that have been established in terms of Section 80 of the Local Government Municipal Structures Act, (Act 117 of 1998). Each portfolio committee is headed by a Member of the Executive Committee. There are standing committees for the following portfolios;

- ⇒ Infrastructure and Planning
- ⇒ Corporate Services
- ⇒ LED and Environmental Management
- ⇒ Social and Community Development
- ⇒ Budget and Treasury
- ⇒ SPU and Communications Standing.

6.2 Municipal Administration

The municipality has a staff compliment of 265 full time staff as provided in the revised Organogram. The municipal organogram makes provision for a Municipal Manager, 6 Senior Managers (Head of Departments) and 21 Assistant Managers . The figure below is an adopted Section 57 organogram



Staff Complement Table

<i>Level of Employment</i>	<i>Number of Employees</i>	<i>%</i>
Senior Managers including MM	6	2
Middle Managers	21	8
Technical/ Professional Staff	103	40
Other Staff (clerical, labourers etc.)	135	50
Grand Total	265	100%

Management Capacity Table

Managerial Level	Management Accountability	Subordinate Management
Municipal Manager	Head of Administration	<ol style="list-style-type: none"> 1. IDP, IGR, Municipal Performance 2. Communications 3. Special Programs 4. Internal Audit 5. Council Support
Head of Departments (5) (Section 57 Managers)	1. Budget and Treasury	<ol style="list-style-type: none"> 1. Budget and Reporting 2. Expenditure 3. Supply Chain Management 4. revenue and Debt Collection
	2. Infrastructure and Town Planning	<ol style="list-style-type: none"> 1. Project Management Unit 2. Town Planning 3. Buildings and Housing
	3. Citizens and Community Services	<ol style="list-style-type: none"> 1. Law Enforcement Services 2. Solid Waste and Municipal Health 3. Pound, Fencing and Fences

	4. Local Economic Development	1. Trade regulations and investment 2. Economic sector suppoer
	5. Corporate Services	1. Human Resources Management 2. Information Management 3. Client Liaison Services

6.2.3Municipal Manager’s Office

Divisions	Functions	Number of Staff			
		Total	Ass.Man	Profess.	Vac
IDP, IGR, Performance	<p><u>Purpose:</u></p> <ul style="list-style-type: none"> The coordination and monitoring and evaluation of the implementation of the IDP within the Municipality and IGR Coordination with other spheres of government 	1	1	0	0
Communications	<p><u>Purpose:</u></p> <ul style="list-style-type: none"> To provide effective and sound communication services to the Municipality and the Council to improve its image and standing To strengthen communication between the Municipality and its stakeholders To strategically place or position the Municipality as the best service provider To establish communication forums for stakeholder feedback and participation To mobilize and empower stakeholders to take control of the process for their own development 	29	1	5	3
Special Programmes	<p><u>Purpose:</u></p> <ul style="list-style-type: none"> To coordinate the activities of the Municipality in support of the promotion of women, the youth, the elderly, the disabled and other disadvantaged groups in the Municipality 	1	1		

Internal Audit

Purpose:

1

1

- To conduct internal audit and risk management services within the Municipality in line with the MFMA, take corrective action with the CFO and provide regular feedback to the Council.

Council Support

Purpose:

7

0

- To provide administrative and legal support to the Council, EXCO and the Office of the Speaker
- To provide executive support to the office of the Mayor, Chief Whip and Speaker
- To develop the capacity of special groups to enable them to participate fully in service delivery
- To do lobbying, advocacy and mobilization on behalf of the special groups as well as mainstreaming of the designated groups

6.2.4 Corporate Services

Divisions	Functions	Number of Staff			
Human Resources Management	<p><u>Purpose:</u></p> <ul style="list-style-type: none"> To provide effective transactional HR services and strategic organisational capabilities to improve organisational efficiency 	6	1	2	4
Information Management	<p><u>Purpose:</u></p> <ul style="list-style-type: none"> To provide high level information services incorporating information technology infrastructure and physical document management 	9	1	8	7
Client Liaison Services	<p><u>Purpose:</u></p> <ul style="list-style-type: none"> To provide focused and purposeful client liaison services to improve the citizens experience within the municipality 	6	0	6	4

6.2.5 INFRASTRUCTURE AND PLANNING

Divisions	Functions	Number of Staff			
		Total	Ass Ma n	Profe ss.	Va c
Project Mngement Unit	<p><u>Purpose:</u></p> <ul style="list-style-type: none"> Oversee the implementation of the Municipality's infrastructure projects from design to the completion using project management approach. 	16	4	4	2
Town Planning	<p><u>Purpose:</u></p> <ul style="list-style-type: none"> To provide spatial development and land use management throughout the municipality 	3	1	2	0
Bulidings and Housing	<p><u>Purpose:</u></p> <ul style="list-style-type: none"> To provide building plans and building inspection services to the public, maintenance of the municipal buildings and coordination of housing projects within the Municipality 	3	1	2	1

6.2.7 Citizen And Community Services

Divisions	Functions	Number of Staff			
		Total	Man	Profe	Va
Law Enforcement Services	<p><u>Purpose:</u></p> <ul style="list-style-type: none"> • Provide enforcement of Municipal By-Laws, provincial and national laws applicable within the Municipal jurisdiction Provide efficient vehicle licensing services to vehicle owners • Provide support to other government law enforcement departments by keeping and updating records of licensing information • Reduced the rate of accidents in our roads and attend to reported accidents and incidents • Focus on minimising the N2 Main Street traffic congestion 	53	1	52	1
Solid waste and Municipal Health	<p><u>Purpose:</u></p> <ul style="list-style-type: none"> • Provisioning of environmental health and waste management services to the Municipality • Protect the environment and provide a safe and healthy environment to the local community 	60	0	4	2
Pound, Fencing and Fencis	<p><u>Purpose:</u></p> <ul style="list-style-type: none"> • Provisioning of the animal control and pounding services along major roads and within the Municipality broadly. 	18	0	2	0
Community Facilities	<p><u>Purpose:</u></p> <ul style="list-style-type: none"> • The development of standards, establishment and administration of municipal facilities and public amenities. • Facilitate the provision of sport facilities and community halls 	3	0	3	3

6.2.8 Budget And Treasury Office

Divisions	Functions	Number of Staff			
		Total	Man	Profess.	Vac
Revenue and Debt Collection	<u>Purpose:</u> <ul style="list-style-type: none"> • Provide proper revenue collection services and effective debt collection strategies and mechanisms • Supervise the Revenue staff • Verify daily revenue, direct payments into bank accounts via. Cashiers, debit orders and through Post Office • Reconcile revenue with bank statements, taking into consideration the amounts for revenue paid into banks and accounts of other divisions e.g. Traffic • Handling enquiries on accounts through telephonic, correspondence and in person. • Balancing the trial balance and ledger accounts • Balancing evaluation roll 	22	4	5	9
Supply Chain Management	<u>Purpose:</u> <ul style="list-style-type: none"> • Provide effective supply chain management and logistics management services. • Certifying documents for payment etc. • Contract – Loan agreements 	4	1	3	3

Expenditure	<u>Purpose:</u>	4	1	3	3
	<ul style="list-style-type: none"> • Provide effective budgeting and expenditure control systems and practices based on legislation and best practice. • Payment of Municipal Expenses • Preparing monthly bank reconciliation • Administering Asset Register • Managing stores 				
Financial Budgeting and Reporting	<u>Purpose:</u>	2	1	1	1
	<ul style="list-style-type: none"> • To facilitate the development of the budget, prepare and submit all financial reports for an on behalf of the Municipality. • Compiling financial statements and executing budgetary controls • Compliance with MFMA reporting formats • Ensuring implementation of GAMAP/ GRAP • Prepare annual budget with budget process plan 				

6.2.9 Local Economic Development

Divisions	Functions	Number of Staff			
		Total	Man	Profess.	Vac
Trade investment and regulation	<u>Purpose:</u> <ul style="list-style-type: none"> • The provisioning of trade regulation and facilitation of investment within the Municipality through strategic partnerships with key stakeholders and SMME development 	2	1	1	1
Economic Sector Support	<u>Purpose:</u> <ul style="list-style-type: none"> • Facilitation of sector) specific (Tourism, Agriculture and Forestry support to promote local participation in economic development activities in the Municipality 			2	1

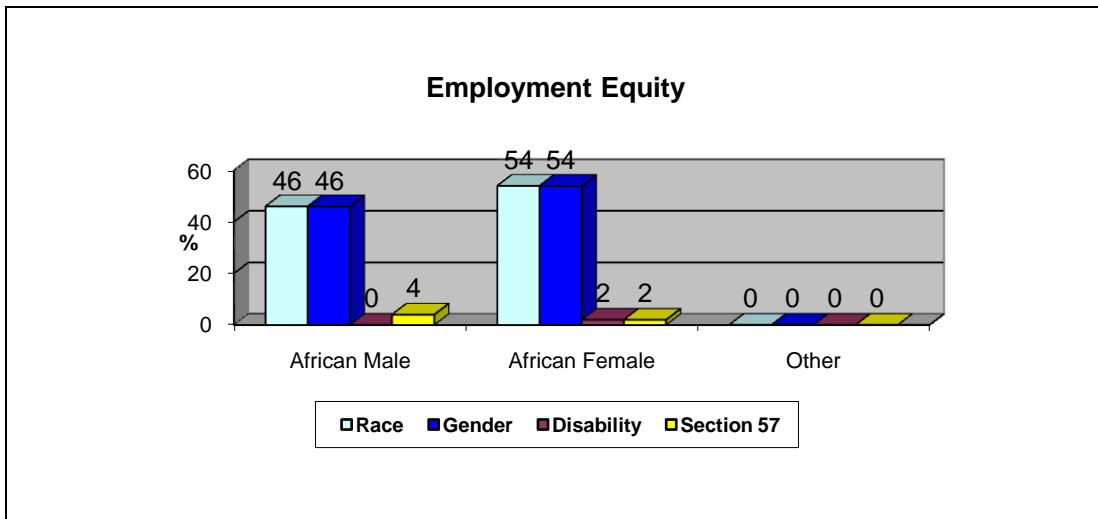
6.3 Employment equity

Umzimvubu has developed an Employment Equity Plan, as a long term plan to address any imbalances in employee representation in the work place. It also aims to promote gender equity and eliminate unfair discrimination. An Employment Equity Manager was designated to ensure that the Employment Equity plan is implemented. An Employment Equity Committee has also been established which comprises employees from all categories and Councillors.

The Employment Equity Plan has been submitted to the Department of Labour, and regular reports are submitted on progress made and targets met. Umzimvubu still faces challenges in terms of implementing employment equity particularly on senior levels.

Figure 14 below provides an overview of employment equity in terms of race, gender, disabilities and management (Section 57 Managers)

Figure 14: Employment Equity



Source 2007/08 Annual Report

6.4 Performance management

Umzimvubu has developed a Performance Management Framework in terms of Section 38 of the Municipal Systems Act. The process includes the development and implementation of an organisational performance management system which will not only regulate the performance of Section 57 Managers but which will also be cascaded down to other managers and officials within the municipality.

Beyond the fulfilling of legislative requirements, Umzimvubu Municipality has established a performance management system that is effectively monitored, reviewed and improving the implementation of the municipality's IDP, which ensures accountability, facilitate learning and improvement, provide early warning signals and facilitate decision-making.

6.5 SKILLS DEVELOPMENT AND TRAINING

Umzimvubu has acknowledged that skills training is expensive but has taken a decision that training, education and development is an investment in the Municipalities future rather than an expense. The Municipality has adopted a Workplace Skills Plan in accordance with the Skills Development Act. The plan aims to address the identified skills shortage within the municipality. A skills audit to identify training needs and suitable training and development courses is conducted annually.

6.6 Institutional Policy Development

The following policies have been developed by the Municipality;

- ⇒ Bursary Scheme Policy
- ⇒ Training and Development Policy
- ⇒ Placement Policy
- ⇒ Code of conduct for staff
- ⇒ Acting Allowance policy.
- ⇒ Employee Assistance Policy
- ⇒ HIV/AIDS policy
- ⇒ Recruitment and selection policy
- ⇒ Human Resource Development Strategy

7. FINANCIAL VIABILITY

7.1 Budget

Umzimvubu Municipality's total budget for the 2009/10 financial year is R265 498 512. The following paragraphs will provide an overview of the Municipalities income and expenditure trends.

7.1.1 Income Allocations And Sources

Umzimvubu Municipality's expected income for the 2009/10 financial year is R151 096 740. The Municipality derives the majority of its income from external sources and supplements this with own income that it generates. External sources of income include National and Provincial allocations including;

- ⇒ Equitable share
- ⇒ Funding for Free Basic Services
- ⇒ Finance Management grant
- ⇒ MSIG Funding
- ⇒ MIG Funding
- ⇒ National Electrification Programme
- ⇒ LGSETA
- ⇒ Funding from the Department of Agriculture (Massive food programme)

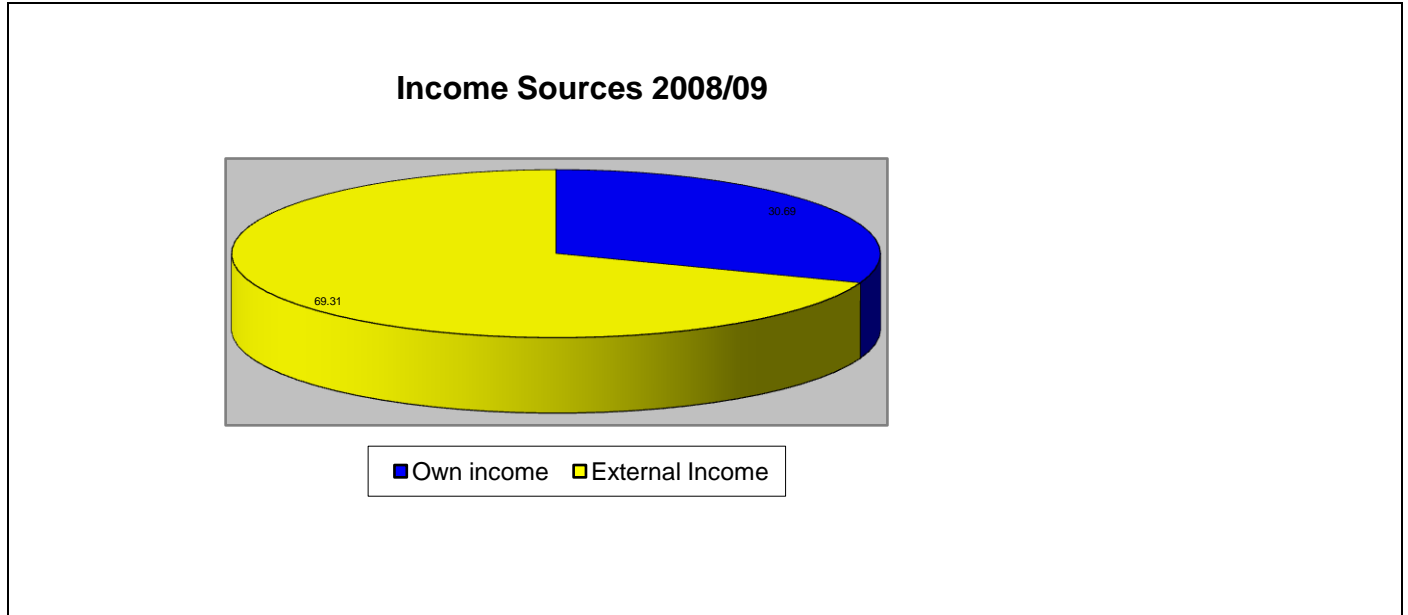
There are a number of own income sources which are grouped as follows;

- ⇒ Rates
- ⇒ Service charges (refuse)
- ⇒ Sundry fees (halls, vehicle licences, pound fees etc.)
- ⇒ Interest on investments
- ⇒ Proceeds on rental and disposal of assets
- ⇒ Operating reserves
- ⇒ Vat refunds

The Municipality has a low income base and is heavily dependant on National and Provincial allocations which constitute 69.3.1% of its 2009/109 budget. The ULM needs to expand its

income base to reduce its dependency on external funding. The following figure depicts the income sources for the 2009/10 financial year

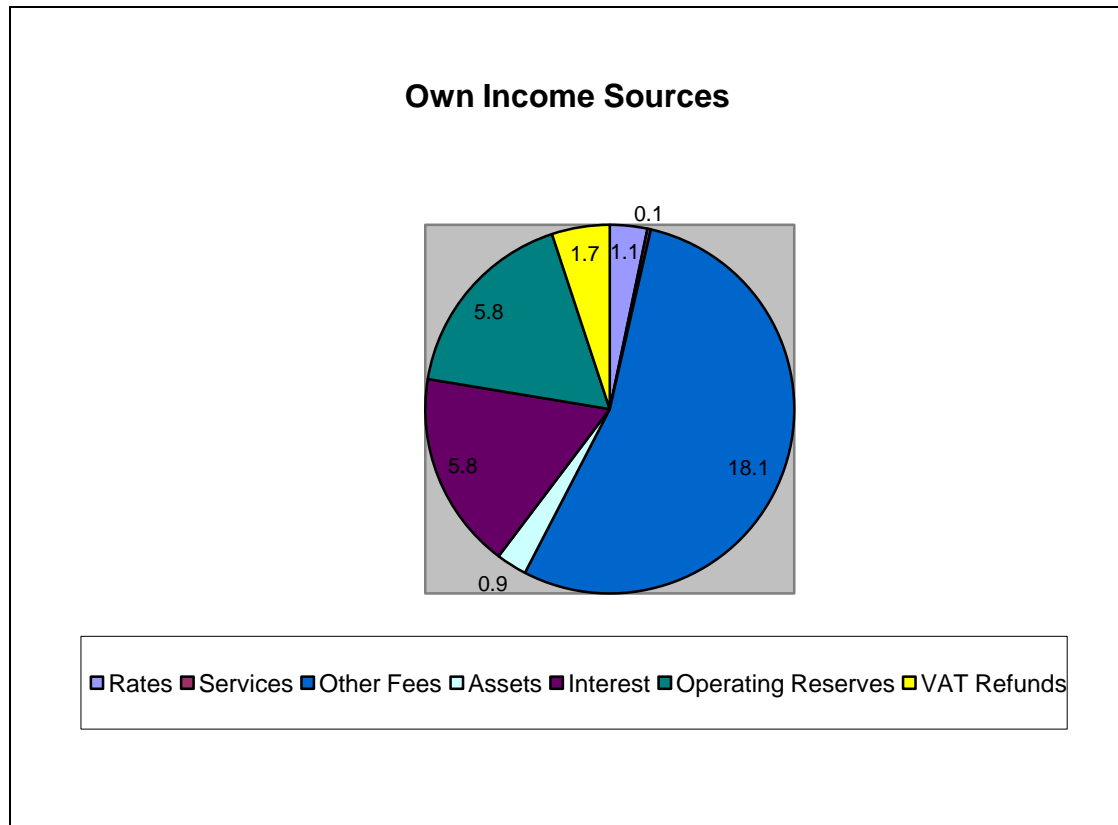
Figure 15 Income Sources 2008/09



The Municipalities own income constitutes 30.69% of the estimated revenue for the 2009/10 financial year. More than half of this estimated revenue has its basis in interest on investments, disposal and rental of assets and operating reserves. It is critical that the Municipality try to enhance the income that it derives from other sources such as rates, service fees and sundry fees so as to ensure that its assets, investments and reserves do not become depleted.

Figure 16 depicts Umzimvubus own income sources as a percentage of the Municipalities total income.

Figure 16: Own Income Sources 2008/09



7.1.2 Billing And Payment Rates

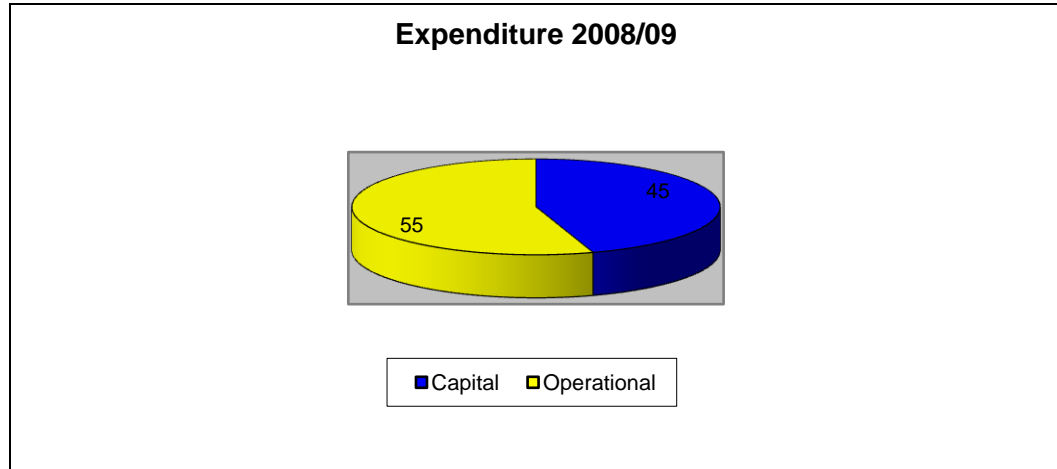
Property rates and service charges on refuse removal are billed monthly and constitute 1.9% of the Municipalities income. The projected income from rates for 2009/10 is very low but the Council has adopted a new valuation roll in this year which will form the basis of rates from the 2009/10 financial year. The low income from service charges is attributable to the fact that the Municipality provides very little in the line of services that can be billed monthly and can only charge for refuse removal. Sundry fees constitute 17% of the Municipalities income. These fees are not billed monthly but charger on an ad hoc basis as the need for the service arises.

A total of 2854 urban households are billed each month but the payment rate is poor and it is estimated that the Municipality only receives 15% of its budgeted monthly income. This is compounded by the high poverty levels and low affordability levels of the community.

7.2 Expenditure allocations and trends

Umzimvubu Municipality's expected expenditure for the 2009/10 financial year is R115 094 948. The capital and operational budgets constitute 45 % (R51 794 853) and 55% (R63 300 095) of the 2009/10 budget respectively.

Figure 17: Expenditure 2009/10



National treasury no longer prescribes a norm for salary expenditure and instead requires Municipalities to develop a personnel expenditure ratio that is based on the nature of its functions, organisational structure, labour intensity of its operations, extent to which labour intensive components of its operations are outsourced and the composition of non personnel components of its operational expenditure. The 2009/10 budget reflects that 36.78% of the 2009/10 operational budget is allocated to salary expenditure. This is well under the anticipated personnel expenditure for Local Municipalities in 2009/10¹⁰.

The Municipality is constantly striving to provide services to its community which requires substantial capital investment, especially in terms of infrastructural assets. In order to maintain service delivery it is imperative that these assets be maintained in proper working order which requires equitable investment in terms of maintenance and repair costs. According to the National Treasury Municipalities should be budgeting between 10% and 15% of their operating expenditure for repairs and maintenance¹¹. The 2008/09 budget reflects an allocation of only

¹⁰ Local Government Budgets and Expenditure Review 2003/04 -2009/10:189

¹¹ Local Government Budgets and Expenditure Review 2003/04 -2009/10:33

2% to repairs and maintenance which falls well below the recommended norm. Although Umzimvubu's infrastructure maintenance is substantially lower than most Municipalities due to the fact that it does not maintain water, sanitation or electrical networks, this low contribution may still impact negatively on service delivery especially road services.

7.3 Provision of free basic services

Provision is made on the budget for the provision of free basic services which are primarily financed by the equitable share. In terms of the Division of Revenue Bill 2008; Umzimvubu Local Municipality received an Equitable Share of R 56,261,000 which is not adequate to deliver services to the area.

The Umzimvubu Local Municipality has adopted an indigent support policy which aims to assist the poorest of the poor by providing free basic services. The policy is currently under review due to the fact that the municipality is in the process of establishing a comprehensive indigent support register to serve as a database of all households that qualify for free basic services and subsidies. The Municipality intends working with all stakeholders that provide subsidised services such as the District Municipality, Eskom and the Department of Social Development to develop uniform indigent criteria and targeting methods so as to ensure that all indigent households receive a full package of social services, including water and sanitation, solid waste disposal/refuse removal, electricity and rates subsidies on property valuations.

The Municipality currently has 9341 indigents registered.

7.4 Financial policy development

The municipality has a number of financial policies in place including;

- ⇒ Credit Control Policy
- ⇒ Tariff Policy
- ⇒ Indigent policy (under review)

The following policies are in draft form and it is envisaged that they will be presented to Council for approval during the year.

- ⇒ Rates policy

The Municipality needs to prioritise the development of outstanding fiscal policies and procedures to ensure compliance with legislative prescripts

GOVERNANCE ANALYSIS

The Umzimvubu Municipality is a Category B Municipality (local municipality) as defined under section 3 of the Local Government: Municipal Structures Act No. 117 of 1998

12.1 Powers And Functions

In terms of section 84 (1) of the Municipal Systems Act, Umzimvubu is authorised to perform the following functions;

- ⇒ Air pollution
- ⇒ Building regulations
- ⇒ Child care facilities
- ⇒ Local tourism
- ⇒ Municipal airports
- ⇒ Municipal planning
- ⇒ Municipal public transport
- ⇒ Storm water
- ⇒ Trading regulations
- ⇒ Billboards and the display of advertisements in public places
- ⇒ Cemeteries, funeral parlours and crematoria
- ⇒ Cleansing
- ⇒ Control of public nuisance
- ⇒ Control of undertakings that sell liquor to the public
- ⇒ Facilities for the accommodation, care and burial of animals
- ⇒ Fencing and fences
- ⇒ Licensing of dogs
- ⇒ Licensing and control of undertakings that sell food to the public
- ⇒ Local amenities
- ⇒ Local sports facilities
- ⇒ Markets
- ⇒ Municipal abattoirs
- ⇒ Municipal parks and recreation
- ⇒ Municipal roads
- ⇒ Noise pollution
- ⇒ Pounds

- ⇒ Public places
- ⇒ Refuse removal refuse dumps and solid waste management
- ⇒ Street lighting
- ⇒ Street trading
- ⇒ Traffic and parking

12.2 Audit, Reporting And Risk Management

The Alfred Nzo District Municipality has established an Audit Committee for the District as a whole and Umzimvubu participates in this structure. The internal auditing function has been outsourced. Umzimvubu needs to enhance its legislative compliance with the MFMA, especially sections 62, 63, 64, 65, 74, 121 and 125 which relate to asset and liability management, revenue management, expenditure management, general reporting obligations, performance information and compulsory disclosures. Umzimvubu has no comprehensive risk management framework.

12.3 Intergovernmental Relations

The Municipality participates in District IGR structures, even though they are not fully operational at this stage. These structures are composed of the Technical Task Group and District Managers Forum. The IGR structures should be mainly utilized to solve problems affecting service delivery as well as shared priorities for development. This process is hampered by the inconsistency of member department's representation to the structures and the attendance of these fora by people who do not have decision making capacity and impact on budgeting processes. This negatively affects integration. It should be noted though that there are departments which are committed to the process while others are never form part of the IGR structures. This then leads to disintegrated service delivery or undermines integrated development. IGR structures also do form part of processes that review spatial frameworks. Service level agreements are being entered into where services are to be provided collaboratively by different departments

12.4 Partnerships And Strategic Relationships

Umzimvubu has recognised the potential of strategic partnerships to develop its capacity The Municipality is in process of concluding a partnership agreement with Ekurhuleni Metro. The Municipality also benefits from strategic partnerships concluded by the Alfred Nzo District Municipality

12.5. Community And Public Participation

The Umzimvubu Municipality has adopted a culture of public participation as it is required in terms of section 16(1) of the Municipal Systems Act. Section 16 (1) of the Municipal Systems Act requires municipalities to develop a culture of municipal governance that complements formal representative government with a system of participatory local government. As such the Umzimvubu Municipality has adopted the Ward committees system in each of the 24 Wards.

Each Ward committee is chaired by the Ward Councillor. Ward committees are established for purposes of enhancing participatory democracy in local government and to make recommendations on any matter affecting their wards through the Ward Councillor. The Municipality has made administrative arrangements to enable ward committees to perform their functions and exercise their powers effectively and is continuously looking at provision of capacity building and development opportunities for committee members as a means of enhancing their understanding of developmental local government.

The Municipality also liaises and makes use of the following Community Structures:

- ⇒ Project steering committees
- ⇒ Audit committee
- ⇒ Village committees
- ⇒ Volunteers
- ⇒ Civic organizations
- ⇒ Non governmental organizations
- ⇒ Public pressure groups
- ⇒ Customers

IDP Public Participation Program

During the period of 16 November 2009 to November 2010 Umzimvubu municipality embarked itself on community outreach programme. The purpose of the IDP outreach was to involve communities from the initial stage and so as to get an understanding of what would be their priority projects that can be effected in the IDP document. All 24 wards were visited and the participation was satisfactory. Table below is the list of priorities that were identified by communities per ward:

WARD	PRIORITIES, CHALLENGES AND COMMENTS FROM THE COMMUNITIES	ATTENDEES	VENUE
WARD 1	<p><u>ACCESS ROADS</u></p> <ul style="list-style-type: none"> • REHABILITATION OF BROOKS NECK ROAD • PUKA (STILL TO BE DONE) • MANXIWENI • KWA VALA • ZINKAWINI (NOT YET DONE BUT IS BEING CONFIRMED) • AND NGCWAYI (TO BE DONE BY ROADS & TRANSPORT). <p><u>SANITATION PROJECTS</u></p> <ul style="list-style-type: none"> • NOT YET IMPLEMENTED <p><u>ELECTRIFICATION</u></p> <ul style="list-style-type: none"> • 432 HOUSEHOLDS IN PEPENI • SCHOOLS WILL BE DONE <p><u>AGRARIAN</u></p> <ul style="list-style-type: none"> • STARTED WITH SORGHUM IN PEPENI, PUKA, AND BROOKS NECK • THE MUNICIPALITY WILL PROVIDE TRACTORS FOR PLOUGHING AND COMMUNITY WILL DO PLANTING ON THEIR OWN. • DEPARTMENT OF AGRICULTURE WILL DO LAND CARE PROGRAMME. <p><u>WATER</u></p> <ul style="list-style-type: none"> • UPPER CABAZANA • ZINKAWINI <p><u>FORESTATION</u></p> <ul style="list-style-type: none"> • 50 HA LICENCE BEING PROCESSED FOR PEPENI • ZINKAWINI NOT STARTED YET • SCHOOLS • UPPER BROOKS NECK (21)CLASSES 	58 PEOPLE	ZWELIJKILE COMMUNITY HALL

	<ul style="list-style-type: none"> • 21 CLASSES ARE BEING CONSTRUCTED AT GOVALELE <p><u>DISASTER HOUSES</u></p> <ul style="list-style-type: none"> • PEOPLE ARE STILL IN TEMPORARY HOUSING STRUCTURES <p><u>HOUSING</u></p> <ul style="list-style-type: none"> • MOVING AT A SLOW PACE 		
WARD 2	<ul style="list-style-type: none"> • NGWEGWENI ACCESS ROAD WILL BE DONE • THE COMMUNITY REQUEST THAT THE MUNICIPALITY SHOULD GIVE THEM FEED BACK ON ISSUES WHICH THEY HAVE RAISED. • MAINTENANCE OF ROADS IS REQUESTED • REQUEST ON TIME FRAMES AS TO WHEN ROADS WILL AND SHOULD BE MAINTAINED • WHERE WOULD THE PEACH PROGRAMME BE DONE AND WHEN? • CPF'S TOBE TRAINED • FENCING OF FIELDS • PRE-SCHOOLS • FARMING TRACTORS • DISASTER MANAGEMENT • SOIL EROSION • PRIORITIES WERE CONFIRMED THEY ARE. 	146 PEOPLE	NGWEGWENI COMMUNITY HALL
WARD 3	<ul style="list-style-type: none"> • MOBILE CLINIC AT MVALWENI • MABHOBHODLA ACCESS ROAD • ROAD AND BRIDGES • CRIME • WATER AND SANITATION COMMUNITY HALLS • AGRARIAN REFORM • GUGWINI EXTENSION • ELECTRICITY INFILLS • LACK OF ACCESS ROADS 	116 PEOPLE	MSUKENI COMMUNITY HALL

	<p>AND BRIDGES</p> <ul style="list-style-type: none"> • POOR ACCESS ROADS AND NONE MAINTANENCE • LACK OF GATES IN FENCED AREAS ALONG N2 • LACK OF COMMUNITY HALLS AT CHIEF PLACES • LACK OF MAINTENANCE WHEN CONTRUCTING INFRASTRUCTURE • CONCERN OF TIME WITH REGARDS TO AGRARIAN REFORM • LACK OF WATER • LACK OF ELECTRICITY 		
WARD 4	<ul style="list-style-type: none"> • PRIORITIES WERE CONFIRMED AS SUCH ACEPT BETSHUANA NKWENCENI PROJECT FOR PLOUGHING • MNQWANE – WATER- NO HOUSEHOLDS GARDENS • BETSHUANA NO WATER • SGIDINI- THERE ARE NOT ON THE ELECTRICITY LIST NOR HOUSEHOLDS GARDENS • SGIDINI- NO YOUTH SUPPORTING PROJECTS • BETSHUANA- PROJECTS WAYFORWARD 	68 PEOPLE	MNQWANE (XESIBE TOURISM)
WARD 5	<ul style="list-style-type: none"> • WATER AND SANITATION • LOCAL ECONOMIC DEVELOPMENT • ROADS • PLOUGHING OF FIELD AT MARHWAQA, QADU AND NDZONGISENI • GIYANE BRIDGE IS GONA BE IMPLEMENTED BY DEPARTMENT OF PUBLIC WORKS • ELECTRICITY • LUBALEKO PLOUGHING 	126 PEOPLE	MARHWAQA COMMUNITY HALL

	<p>OF FIELDS NOT COMPLETED</p> <ul style="list-style-type: none"> • MACAM BRIDGE WHEN WILL IT BE CONSTRUCTED TOILETS THE FOUNDATION IS NOT PROPER • MTELANJA ROAD MAINTENANCE 		
WARD 6	<ul style="list-style-type: none"> • NDARALA 6,5 KM ROAD HAS BEEN BUILT NGXAKAXHA AREA • BRIDGE STILL TO BE BUILT • BRIDGE AT UMZIMVUBU RIVER LIKING NDARALA AND NGXAKAXHA • ELECTRICITY LINE IS AT SCHOOL • FIVE CLASSROOMS HAS BEEN BUILT AT NDARALA J.S.S. • PRE-SCHOOL HAS BEEN BUILT • NO WATER AT NDARALA 	131 PEOPLE	MBUMBAZI COMMUNITY HALL
WARD 7	<ul style="list-style-type: none"> • ROAD SURFACING 10.7 KM • ACCESS ROAD SKHEMANE MADE IN 2008 • EXTENSIO 3 AND CHITWA VILLAGE ELECTRICITY • STREET LIGHTS • HOUSING • UPGRADING OF TOWN HALL • PRE-SCHOOL IN SKHEMANE, SANTOMBE AND LUBHALASI • DIPPING TANK • BUS RANK • HAWKERS STALLS • SPORTFIELDS NOT IN GOOD CONDITION 	100 PEOPLE	MT AYLIFF TOWN HALL

	<ul style="list-style-type: none"> • PARKS • HIGH MAST AT SAWMILL • REQUEST FOR ELECTRICITY AT SKHEMANE • REQUEST FOR WATER IN MT AYLIF • FREE BASIC ELECTRICITY • HOUSING IN SANTOMBE • TANKS FOR WATER IN TSHAKENI • ELECTRICITY AT TSHAKENI 		
WARD 8	<ul style="list-style-type: none"> • LUGELWENI ACCESS ROAD MAINTENANCE • LUGELWENI COMMUNITY HALL • BHONGA ACCESS ROAD • MAJALIMANE- WATER AND ROADS • FENCING OF FIELDS • DISASTER • COMMUNITY HALL AT MAJALIMANE • QHABENI- PLOUGHING OF FIELDS, PRE-SCHOOL, ACCESS ROAD MAINTENANCE, WATER, SANITATION, COMMUNITY HALL • NTSIZWA(NATAL)- NATAL WATER SCHEME • LUGWLVENI- COMMUNITY HALL, ACCESS ROAD MAINTENANCE, PLOUGHING OF FIELDS, TOURISM DEVELOPMRNT • MAJALIMANE- SHORTAGE OF TAPS • BHONGA RURAL 	71 PEOPLE	LUGELWENI (ENQILENI ENDALA)

	HOUSING		
WARD 9	<ul style="list-style-type: none"> • MHLOZINI ACCESS ROAD IS STILL UNDER CONSTRUCTION • LUXWESA SAPHUKANDUKU BRIDGE BUILT BUT NEED TO BE MAINTAINED • BRIDGE SUGARBUSH (PRIORITY) • DIPPING TANKS AT LUXWESA • VUKANI PROJECT IN SAPHUKANDUKU (PRIORITY) • IMBIZA PROJECT FOR FENCING • SANITATION AT MHLOZINI NOT COMPLETE • LUXWESA PRE-SCHOOL IS A MUD STRUCTURE AND ITS ABOUT TO COLAPSE • SIPHUNDU NO WATER, ONLY FEW TAPS • ELECTRICITY • SPORTFIELD IN SUGARBUSH • DUKATHOLE IS PART OF UMZIMVUBU LM • REQUEST A ROAD LEADING TO FIELD AT SIPHUNDU • FENCING ALONG THE N2 AT MHLOZINI 	102 PEOPLE	SIPUNDU COMMUNITY HALL
WARD 10	<ul style="list-style-type: none"> • NGXESHINI ACCESS ROAD THERE IS NO ROAD AT ALL • MASIZONDLE MUST BENEFIT ALL PEOPLE NOT ONLY COLANA COMMUNITY 	70 PEOPLE	COLANA

	<ul style="list-style-type: none"> • SIPHINGENI SANITATION • MDAKENI ACCESS ROAD NEED MAINTENANCE • NTSIMANGWENI ACCESS ROAD NEED MAITENANCE • SIFOLWENI TO MATOLWENI NEED MAITENANCE • MPAMBA BRIDGESIPHINGENI BRIDGE COLAPSED NEED TO RECONSTRUCTED • SKILLS DEVELOPMENT SEWING-MTSILA, BAKING, POULTRY AND WOOD IN COLANA • IMPROVE AGRICULTURE, FENCING OF FIELDS, SCHOOL GARDES, FORESTRY AT MTSILA • WATER-NOMKHOLOKOTHO, NGQUMANE, SIRHUDLWINI, SIFOLWENI CONTRACTOR HAS STARTED • SANITATION AT MPANBA • MOBILE CLINI AT SIPHINGENI, MPAMBA, NOMKHOLOKOTHO & NGQUMANE • OLD AGE HOME • NETWORK POLE • EDUCATION-4 CLASSROOM WITH OUT CHALKBOARD, ADMIN BLOCK AT MPAMBA, LOWER MVENYANE 4 		
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	<p>CLASSROOMS AND ADMIN BLOCK</p> <ul style="list-style-type: none"> • RDP HOUSING • SPORTFIELD • DRAINAGE SYSTEME FOR ROAD AT MDAKENI • ELECTRICITY IS STILL A CHALLENGE 		
WARD 11	<ul style="list-style-type: none"> • T92 SHOULD BE CHANGED TO T95 • REQUEST FOR MASSIVE FOOD PROGRAMME • RURAL HOUSING • MONUMENT AT VOVENI OF CHIEF NOTA • ALL PROJECTS FROM THE LIST WERE CONFIRMED BUT THERE NEED TO BE A MEETING FOR RE-PRIORITISATION • SKILLS DEVELOPMENT • INVITATION OF INVESTORS FOR THE PURPOSES OF CREATING FACTORIES • WATER SUPPLY AND ELECTRICITY IS LOW • SANITATION • MAITENANCE OF ROADS • SHOZWENI BRIDGE • OVERHEAD BRIDGE AT RHODE ALONG THE N2 • MANGONTSINI PR3E-SCHOOL • GARDENS BY THE DEPT OF AGRICULTURE STILL A CHALLENGE • REQUEST FOR TRACTORS JUST FOR PLOUGHING 	127 PEOPLE	RHODE COMMUNITY HALL

WARD 12			
WARD 13			
WARD 14	<ul style="list-style-type: none"> • THE WARD CONFIRMED THE PRIORITIES • WATER IN ALL VILLAGES • TV POLE (SENTECH) • BRIDGE THAT WAS ERODED BY RAINFALL • SPORTFIELD AT SAHLULO • FOOD SECURITY SHOULD BE SPREAD TO REACH ALL AT THE WARD • MASSIVE FOOD TO STRENGTHEN IN ALL AREAS • SANITATION IN ALL VILLAGES <p><u>ACCESS ROADS</u></p> <ul style="list-style-type: none"> • CHWEBENI ACCESS ROAD • LOWER MOUNT HOREB • MOUNT HOREB • NQALWENI • MXHUTHA • GOXE • MJKELWENI <p><u>ROAD MAINTENANCE</u></p> <ul style="list-style-type: none"> • MAKOLONINI ACCESS ROAD • MJKELWENI • CHWEBENI • ELECTRICITY • BRIDGE AT MATYENI-GWETSHENI • LIMIT CRIME LEVELS • SECURITY AT SCHOOLS 	66 PEOPLE	HUKU HALL
WARD 15	<ul style="list-style-type: none"> • PRIORITIES WERE CONFIRMED BY THE COMMUNITY • SOME PROJECTS 	114 PEOPLE	MPENDLA COMMUNITY HALL

	<p>DO NOT APPEAR ON THE LIST</p> <ul style="list-style-type: none"> • COMMUNITY APRECIATED MASSIVE FOOD PROJECT • REQUEST FOR FENCING OF FIELDS • NKANINI-REQUEST WATER SUPPLY, SPEED HUMPS AND ELECTRICITY • MAINTENANCE OF ROAD AT IZIXHEBO • ELECTRIFICATION AT ETHWA • ELEGAL CONNECTION OF ELECTRICITY • WATER REMAINS A HUGE CHALLENGE FOR THE WARD • DAM CONSTRUCTION AND LAND CARE • BRIDGE AT LUGANGENI WAS NOT FINISHED • ROAD TO MARWAQA WAS NOT FINISHED • SPEED HUMPS ON THE N2 AT MTSHANE • ROAD TO THE GRAVEYARD WAS NOT FINISHED • GRADING OF SPORTFIELD 		
WARD 16	<ul style="list-style-type: none"> • WARD PRIORITIES WERE CONFIRMED AS LISTED • LACK OF ELECTRICITY AND SANITATION • AT GALALI A/A THE AGRARIAN PROGRAMME IS RUNNING WELL BUT CHALLENGES WITH FENCING AND PLANTATION 	43 PEOPLE	SEMENI PRE-SCHOOL

	<ul style="list-style-type: none"> • ZANANI PRE-SCHOOL HAS NO ELECTRICITY • REQUEST OF TIMEFRAMES FOR THE FINISHING OF HOUSING PROJECT AT EXT7 • CLINING OF THE MT FRERE TOWN • FOOD PARCEL PROGRAMME • HOUSING PROJECT • MAINTENANCE OF SIMANA ACCESS ROAD • N2 BY-PASS • PEDESTRIAN CROSSING BRIDGE AT SEMENISIMANA ACCESS ROAD 		
WARD 17	<ul style="list-style-type: none"> • SPEED HUMPS • SKILLS DEVELOPMENT • JOB CREATION • ACCESS ROADS AND MAINTENANCE • CONSTRUCTION OF N2 ROAD • PLOUGHING OF FIELDS • COMMUNITY BASE PLANNING • WATER STILL A CHALLENGE 	51 PEOPLE	NCUNTENI GREAT PLACE
WARD 18	<ul style="list-style-type: none"> • HOUSE CONNECTION OF WATER AT BADIBANISE • UPGRADING OF WATER PIPE IN TOWN • ELECTRIFICATION AT BADIBANISE • STREET LIGHTS • HIGH MAST FOR THE WHOLE TOWN • BADIBANISE EIA ACCESS ROAD 7,5 		MT FRERE COMMUNITY HALL

	<ul style="list-style-type: none"> • KM • MIDDLE INCOME HOUSING • SKIPPER BINS • TRAFFIC LIGHTS IN TOWN • LAND SCAPING OF THE TOWN • SURFACING OF ROADS • PAVING OF TOWN 		
WARD 19	<ul style="list-style-type: none"> • PRIORITIES OUTLINING ACCESS ROADS AS PRIORITISED DID NOT REFLECT IN THE LIST • WATER PIPES WERE DAMAGED BY THE CONTRACTOR AT MTSHAZI • TOILETS WERE BUILT BUT NOT FUNCTIONING ACCORDINGLY • ZIMBILENI SANITATION PROGRAMME WAS NOT FINISHED • WATER BECOMES UNAVAILABLE FOR A PERIOD OF MORE THAN TWO WEEKS WITHOUT ANY NOTIFICATION • WATER AND SANITATION STILL A CHALLENGE • ELECTRIFICATION IS STILL A CHALLENGE 	61 PEOPLE	HLANE J.S.S.
WARD 20	<ul style="list-style-type: none"> • FENCING OF MBIZWENI AND DANGWANA • ACCESS ROAD TO DANGWANA S.S.S. BUS ACCESS • NO TOILETS AT MPHEMBA AND CABANE 	59 PEOPLE	NDANGWANA

	<ul style="list-style-type: none"> • NO ELECTRICITY, WATER at Mabhobho COMMUNITY HALL, RDP HOUSING AND WATER ATLWANDLANA • MOBILE CLINIC IN THE WARD • DANGWANA PRE-SCHOOL • SIBHODOBHO AND RAYMENT ACCESS ROAD 		
WARD 21	<ul style="list-style-type: none"> • NO WATER AT MPINDWENI, ZIBOKWANA, PAPANANA AND MHLANGANISWENI HAVE 1 TAP • ACCESS ROAD AT ZWELITSHA • SLATSHA THERE IS NO WATER • THERE IS NO CLINIC IN ALL VILLAGES • NO MAINTENANCE OF ACCESS ROAD • WATER , CLINICS, SANITATION MAJOR PROBLEM IN ALL VILLAGES 	127 PEOPLE	
WARD 22	<ul style="list-style-type: none"> • MASSIVE FOOD PRODUCTION • NGQAQA TO GOXE AND LUSIZINI ALREADY IMPLEMENTED • SANITATION HAS STARTED IN SOME VILLAGES • SKILLS DEVELOPEMENT IS ON PROGRESS • DESTROYING OF WATTLE IS ON PROGRESS • FORESTRY DEVELOPMENT ON PROGRESS 	41 PEOPLE	NJIJINI COMMUNITY HALL

	<ul style="list-style-type: none"> • TOLO-KUYASA ACCESS ROAD TO BE URGENTLY IMPLEMENTED AND NJIJINI TO NKANDLA • TWO SCHOOLS HAVE BEEN ELECTRIFIED • EYETHU PROJECT AT NGQWARA FOR (POULTRY) • NJIJINI PRE-SCHOOL (LITTLE FLOWER PRE-SCHOOL) • WATER SUPPLY AT GOODHOPE (PROPOSAL TO SAPERATE WATER RESEVOIR) • GOODHOPE PRE-SCHOOL • GOODHOPE TO MAZIYETYENI ACCESS ROAD • N CLINIC AT THE WARD • FENCING OF MEALI FIELD AT NJIJINI AND SEMABOBO • MAINTENANCE OF WATER AT NQWARHA & ZINCANDWENI • MASSIVE FOOD PROGRAMME • DZINGWE TO MJIKELWENI VIA NGQWARHA ACCESS ROAD • NJIJINI FUNDED ON GREEN PROGRAMME • MAZIYETYENI TO BANGWENI ACCESS ROAD • SODLADLA TO DABANKULU VIA MDANTSANE ACCESS ROAD • MAINTENANCE OF MDENI PRE-SCHOOL • VELENI TO 		
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	<p>GAMAKHULU ACCESS ROAD</p> <ul style="list-style-type: none"> • WATER TAPS AT MTHONJENI • DUMA TO MTHONJENI ACCESS ROAD • STHOLE TO KUYASA MAINTENANCE • RDP HOUSING AT NGQWARHA • SPORTFIELD AT NGQWARHA • FENCING OF GARDENS AT NJIJINI • ROAD MAITENANACE FROM GOODHOPE TO KWARAY • IEC ROAD LEFT UNCOMPLET TO NKANDLA • TAR ROAD AT T96 • SUPPORT FAMERS WITH FERTILISERS • TOURISM CENTER • NJIJINI HIGH SCHOOL 		
WARD 23	<ul style="list-style-type: none"> • MAYIBUYE AGRICULTURAL PROJECT DONE • COMMUNITY HALL DONE AT MPONDOMISE • MAGWACA TO QWIDLANA ECCCESS ROAD • MLENZE NEED MAINTENANCE • LETSIMA- DEPT OF AGRICULTURE HOUSE HOLDS GARDES <p><u>QWIDLANA</u></p> <ul style="list-style-type: none"> • PRE-SCHOOL AT SQEZU • HOME BASE SKILLS • SDA MABHACA • MAGWACA TO QWIDLA TO CLINI 	81 PEOPLE	MPONDOMISE COMMUNITY HALL

	<p>ACCESS ROAD</p> <ul style="list-style-type: none"> • WATER AND ELECTRICITY • REQUEST FOR THE LED MANAGER TO GIVE THEM PROGRESS • ACCESS ROADS ARE NOT MAINTAINED • DIPPING TANKS <p><u>DLABHANENI</u></p> <ul style="list-style-type: none"> • BUS OR TRANTPORT FOR SCHOOL CHILDREN • REQUEST FOR A PRE-SCHOOLREQUEST FOR COMMUNITY HALL <p><u>MLENZE</u></p> <ul style="list-style-type: none"> • ACCESS ROAD FINISHED BUT REQUEST TO GO FURTHER THAT IT IS CURRENTLY • REQUEST FOR A BRIDGE SO WE CAN GO TO CLINIC • PRE-SCHOOL • PLOUGHING OF FIELDS AND FENCING <p><u>MPONDONISE</u></p> <ul style="list-style-type: none"> • REQUEST FOR CLINIC • TANKS FOR WATER FOR GARDENS • COMMUNITY HALL • PLOUGHING AND FENCING OF FIELDS <p><u>QUKANCA</u></p> <ul style="list-style-type: none"> • ELDERLY HOME • COMMUNITY HALL • MASSIVE FOOD PROJECT <p><u>HOFISI</u></p> <ul style="list-style-type: none"> • GOAT PROJECT • NETWORK POLE AND TV POLE 		
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	<ul style="list-style-type: none"> • DIPPING TANKS <p><u>MAGXENI</u></p> <ul style="list-style-type: none"> • MAGXENI ACCESS ROAD <p><u>XHOKOTINI</u></p> <ul style="list-style-type: none"> • REQUEST WATER • TOLOFIYA TO MANDLENI ACCESS ROAD NEED MAITENANCE • TE90 MANTENANCE 		
WARD 24	<ul style="list-style-type: none"> • XOLOTI TO MAHOBE ACCESS ROAD • LIMA IN TSHISANI AND NCOME UNDERWAY • ALL VILLAGES WITH OUT ELECTRICITY • LANGENI PRE-SCHOOL BUILT • MAXHEGWENI BUILT • MVUMELWANO WAS NOT FINISHED • ST MARKS PRE-SCHOOL WAS NOT FINISHED <p><u>MAXHEGWENI</u></p> <ul style="list-style-type: none"> • MVUMELWANO ACCESS ROAD <p><u>LUYENGWENI</u></p> <ul style="list-style-type: none"> • WATER THEY HAVE BUT NEED MAINTENANCE • THERE ARE STILL VILLAGES WITHOUT WATER <p><u>NCOME SPRINGS</u></p> <ul style="list-style-type: none"> • NCOME AND TSHISANE ACCESS ROADS • TOILETS ALL VILLAGES • NO ELECTRICITY • 2KM ROAD IN NCOME NOT FINISHED <p><u>ZIGADINI</u></p> <ul style="list-style-type: none"> • PRE-SCHOOL • ELECTRIFICATION AT MOTUARY 	43 PEOPLE	ZIBHOLORHWENI COMMUNITY HALL

12.6 Interaction With Community

The Umzimvubu local Municipality has developed and adopted a communication strategy which have been guided and informed by government policy for the achievement of maximum public participation and improved internal communications. The communication strategy has been developed in response to section 6 (3) B of the Constitution of the Republic of South Africa which stipulates that the municipality must take into account the language usage and the preference of their communities in communication. The Municipality uses the following channels of communications:

- Schools
- Ward committees
- Media: Electronic and Print
- Community Meetings
- Events
- Posters
- NGO's
- CBO's
- Newsletter : internally and Externally
- FBO's
- Traditional Authorities
- Exhibition and Information Days
- Councillors
- Imbizo Outreach
- Government Officials
- Fora
- Word of Mouth

- Local Community Radio Station
- Information Resource Centre

14. CONCLUSION

Umzimvubu Local Municipality faces a number of challenges in meeting the local government objectives, one of the primary challenges being that the priority areas identified in this situational analysis do not all fall within the functional area of the ULM. This has the effect that the ULM will play a dual role namely that of implementing agent and that of facilitator and coordinator.

Pivotal to both roles is ensuring that ULM has the capacity and resources to play the roles required of it. It is on this premise that it is recommended that the municipality firstly review its institutional framework, financial viability and governance.

This situational analysis has revealed a number of priority issues that the Municipality needs to address. Broadly defined priorities are divided into three categories, namely institutional priorities, functional priorities where the municipality should play a significant coordinating and facilitating role and functional priorities where the municipality can play a leading role. It will be noted that there is some overlap as a result of different aspects of one priority falling within more than one category.

Institutional financial and governance priorities

Institutional

- ⇒ The most critical vacancies on the senior management structure need to be filled.
- ⇒ The Municipality needs to implement its Performance Management system in accordance with the provisions of the Municipal Systems Act.
- ⇒ The Municipality needs to conduct a compliance audit to ensure that it complies with all applicable legislation, especially the MFMA.

Finance

- ⇒ The Municipality needs to reduce its dependence on grants and expand its own resource base.
- ⇒ The Municipality urgently needs to expand its rates base. This exercise will also enable it to review its billing system to ensure that all households are billed for their services. It is acknowledged that the majority of the community will qualify for

indigent support but accurate billing will ensure that resources are accounted for and used responsibly.

- ⇒ A culture of payment needs to be encouraged, especially with respect to rates and service fees.
- ⇒ The Municipality needs to increase its allocation to repairs and maintenance, especially in respect of infrastructure.
- ⇒ The Municipality needs to enhance its legislative compliance with the MFMA, especially sections 62, 63, 64, 65, 74, 121 and 125 which relate to asset and liability management, revenue management, expenditure management, general reporting obligations, performance information and compulsory disclosures.
- ⇒ The Municipality needs to develop a comprehensive risk management framework.

Governance

- ⇒ The existing communication mechanisms must be utilised to develop the capacity of the community in terms of governance issues. This should include encouraging them to participate in matters of local government, developing their understanding of the financial management of the municipality and encouraging a culture of payment.
- ⇒ IGR structures need to be strengthened to ensure that they function effectively and that they provide an effective platform for communicating needs to other sector departments.

Functional priorities where the municipality should play a significant co-ordinating and facilitating role

Social

- ⇒ Youth development and empowerment programmes
- ⇒ Gender development and empowerment programmes
- ⇒ Elderly development and empowerment programmes
- ⇒ Local economic development programmes especially programmes in the sectors identified for development such as tourism and agriculture. Existing LED programmes of the Municipality need to be assessed in terms of strengths and weaknesses and developed in accordance with this assessment.
- ⇒ Poverty alleviation mechanisms
- ⇒ Access to social grants by qualifying beneficiaries

- ⇒ Improving education levels and literacy levels in the area through enhanced access to secondary and tertiary education and the provision of library facilities
- ⇒ Access to improved health care facilities by lobbying the Department of Health to improve its services at existing facilities, provide additional facilities and ensure that all facilities provide a full range of services.
- ⇒ Access to improved HIV/AIDS treatment through registration of the District Hospital in Mount Frere as an ARV treatment site
- ⇒ HIV/AIDS awareness campaigns.
- ⇒ The development sports and recreational programmes
- ⇒ Additional library provisioning. Mobile library services need to be encouraged to bring literacy to rural communities.
- ⇒ Encourage the establishment of Community Police Forums and participate in their activities
- ⇒ Multi stakeholder development and implementation of crime prevention strategies.

Infrastructure

- ⇒ The development of library infrastructure
- ⇒ Provision of adequate housing especially rural housing
- ⇒ Access to electricity areas of jurisdiction
- ⇒ Improved telecommunication networks to ensure effective communication and effective functioning of all organs of state
- ⇒ The provision, upgrading and maintenance of roads in the district
- ⇒ Improved public transport
- ⇒ Access to water (RDP standard)
- ⇒ Access to sanitation (RDP Standard)

Functional priorities where the municipality can play a leading role

- ⇒ Tourism development
- ⇒ The development sports and recreational infrastructure
- ⇒ The development sports and recreational programmes
- ⇒ The provision, upgrading and maintenance of roads in the area
- ⇒ Improvement of Community Halls
- ⇒ Provision of extended cemetery services to ensure that entire area has access to services.

- ⇒ Expansion of refuse removal services and facilities to prevent indiscriminate dumping in rural areas
- ⇒ Establish a local safety forum and develop a community safety plan to address community safety issues.
- ⇒ Job creation

SECTION B

CHAPTER 1

DEVELOPMENT STRATEGIC FRAMEWORK

1.1 INTRODUCTION

The strategic framework presents the long-term development vision, the associated localized strategic guidelines, objectives and strategies as ranked by priority. The latter serves as guidelines for specific actions that the municipality will undertake and embark upon to ensure the implementation of projects. This vision mentioned below for 2010/2011 is guided by the constitutional imperatives, which generally requires all local government structures to be developmental in nature and continuously strives to ensure safety in the interest of the public and the environment while also ensuring that communities are empowered to become prosperous in both social and economically terms.

UMZIMVUBU VISION ULM HAS ADOPTED THE FOLLOWING VISION;

“A municipality that is known to put community first. We will render quality services through our employees and create a platform for vital economic activity which will create sustainable financial viability and development for all”.

UMZIMVUBU MISSION

The Umzimvubu Local Municipality commits itself to the following mission in pursuit of the above – mentioned vision and developmental agenda.

“To ensure the delivery of quality services that promote economic growth, support development and respond to the community needs in accordance with our development mandate”.

CORE VALUES

ULM has adopted the following value system;

<i>U</i>	-	<i>Utilise</i>
<i>M</i>	-	<i>Manage</i>
<i>Z</i>	-	<i>Zeal</i>
<i>I</i>	-	<i>Innovate</i>
<i>M</i>	-	<i>Motivate</i>
<i>V</i>	-	<i>Vision</i>
<i>U</i>	-	<i>Understand</i>
<i>B</i>	-	<i>Believe</i>
<i>U</i>	-	<i>Unite</i>

GOALS

Key development priorities include;

- ⇒ ***Infrastructure priorities***
- ⇒ ***Economic priorities***
- ⇒ ***Spatial priorities***
- ⇒ ***Social priorities***
- ⇒ ***Institutional priorities***

CHAPTER 2

2.1 STRATEGIC ALIGNMENT WITH OTHER SPHERES OF GOVERNMENT.

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

This section gives a brief outline of the strategic plans, principles and agreements that have informed and influenced the macro strategic direction followed by Umzimvubu municipality.

2.1.1 National Spatial Development Perspective

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

Rapid economic growth that is sustained and inclusive is a pre-requisite for the achievement of poverty alleviation;

Government has a constitutional obligation to provide basic services to all citizens, wherever they reside;

Government spending on fixed investment, should be focused on localities of economic growth and/or economic potential with the view of gearing up for private sector investment, stimulate sustainable economic activities and to create long-term employment opportunities.

Efforts to address past and current social inequalities should focus on people not places. This could mean that in localities with high levels of poverty and development potential, should receive fixed capital investments beyond basic services to exploit that potential;

Likewise in localities with high levels of poverty and low development potential, public spending should focus on human resource development and labour market information in order to give people the option to either remain or migrate to areas that are likely to provide employment or other economic advantages.

2-1.2 AsgiSA/JIPSA

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

- Skills development
- Mainstreaming the second economy
- Infrastructure development

2.1.3 Sustainable Rural Development Programme (2001 to 2010)

This ten year programme is aimed at fighting poverty, under-development and emphasizing the integration of planning for services.

Alfred Nzo District Municipality is one of the thirteen rural nodes identified in the Country and the Umzimvubu river valley Development is one of the anchor projects in the District.

2.1.4 DPLG's 5-year Strategic Plan for Local Government

DPLG's Five-year Local Government Strategic Agenda is aimed at improving the performance of municipalities. The Plan contains three strategic priorities, the first of which is most relevant to municipalities and requires a collaborative effort of all three spheres of government to ensure success.

- Mainstreaming hands-on support to local government to improve municipal governance, performance and accountability;
- Addressing the structure and governance arrangements of the State in order to better strengthen, support and monitor Local Government; and
- Refining and strengthening the policy, regulatory and fiscal environment for Local Government and giving greater attention to enforcement measures.

2.1.5 Eastern Cape Provincial Growth and Development Plan

The PGDP sets out a quantified vision statement for growth and development in the Eastern Cape for the period 2004-2014, with 2003 as the base year. PGDP is strongly aligned to the Millennium Development Goals and National Government's Development Strategy.

PGDP aims over a ten-year period for:

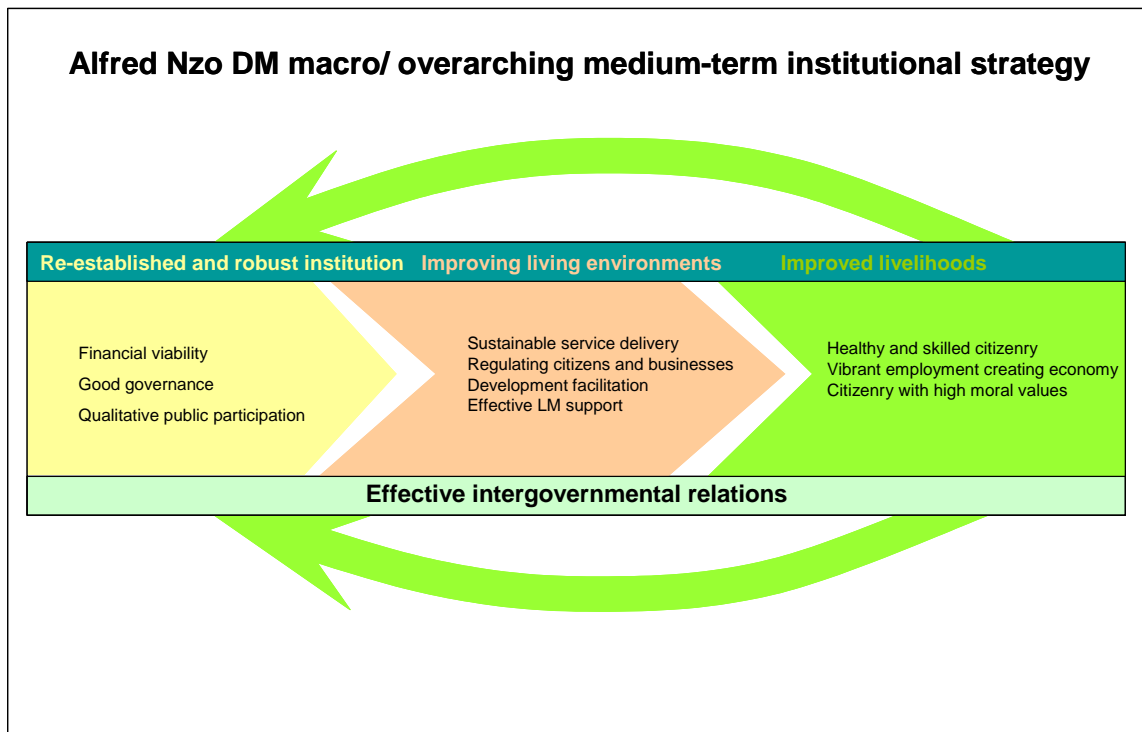
- Systematic poverty eradication
- Agrarian transformation and household food security
- Development and diversification of the manufacturing base and tourism potential
- Human resource development

- Infrastructure development
- Public sector and institutional transformation
-

2.1.6 Alfred Nzo District Municipality Strategic Goals

The strategy for development in Alfred Nzo District Municipality is based on three priority goals.

The following diagram summarises the medium term overarching strategy of Alfred Nzo District Municipality. Municipal objectives and their supporting strategies are formulated in line with this macro strategy.



The strategy hinges on the following three main pillars:-

- Re-established and robust institution
- Improving living environments

- Improved livelihoods

Clearly illustrated is the realisation that these objectives can only be realised with integrated planning ensured by effective intergovernmental relations and partnerships.

2.1.7 Alfred Nzo District Growth and Development Summit

Alfred Nzo District Growth and Development Summit identified priority programmes to drive economic growth and development in the district over the next five to ten years.

Commitments that must be undertaken by the various stakeholders have been formalised in an Agreement. Umzimvubu local municipality is a primary partner and is committed to the outcomes agreed upon. These programmes are also aligned to Umzimvubu's strategic objectives and will find expression in the operational strategies and projects to be undertaken by the municipality in the 2010/11 financial year.

CHAPTER 3

3.1 UMZIMVUBU'S DEVELOPMENT OBJECTIVES AND STRATEGIES FOR 2010/11

To enable the formulation of its organisational strategies, Umzimvubu local municipality resolved to align its objectives with the 3 high level developmental goals of the Alfred Nzo District Municipality. Emphasis of focus will revolve around local priorities and localised strategies below that will be dealt with within the resource constraints that exist in the municipality

This section of the report will look at the development of strategies in respect of the core functions and powers assigned to Umzimvubu municipality, including its facilitation role. These core issues for intervention, identified in Chapter 2, will therefore be packaged according to the following IDP Key Performance Areas:

- Spatial development Framework
- Local Economic Development
- Socio Economic development
- Good Governance and public participation
- Institutional transformation and development.
- Financial Viability
- Service delivery and infrastructure Development.

3.1.1 KPA 1. Spatial Development Framework

Key Priority Area	Objective	Outcome indicator	Output Indicator	Input indicator	Target Date/ Year 4	Responsible Department
Spatial Development Frame Work	To ensure that planning and development decisions have a legal basis & are spatially considered.	Sustainable Development	To have a Comprehensive plan for the identification of suitable land for various development	Spatial development framework	30 June 2011	Infrastructure And Planning
			Formulation and adhere to land use management system and have zoning maps and scheme clauses.	Guidelines for the land use management system		

FORWARD PLANNING	To ensure proper development of townships	Proper Town planning	Proper management and establishment of town planning	Township establishments		
	Formalization of Peri-Urban settlement	Minimization of Illegal land Uses	Proper management and formalization of Peri-urban settlement	Formalization of Peri-Urban Settlement		
HOUSING	Improve livelihoods of people	Number of House Hold have access to descent houses	Facilitation of housing development	Beneficiary administration		
	Social facilitation/housing consumer education		To have communities that are informed about housing processes.	Consumer education		

3.1.2 KPA: 2. Service Delivery and Infrastructure Development

Key Priority Area	Objectives	Outcome indicator	Output Indicator	Input indicator	Target Date/ Year 4	Responsible Department
ROAD AND STORMWATER	To ensure sufficient road networking in an integrated manner	Accessbilty to economi opportunities	Construction of new access roads	Construction of access roads	30 June 2011	Infrastructure And Planning
			Maintenance of access road	Maintenance of existing access roads		
			Develop road maintenance plan	Roads maintenance plan		
			Maintenance of drainage system	Maintenance of drainage system		
			Develop drainage system maintenance plan	Drainage system Maintenance plan		
BUILDING Control	To ensure compliance with National Building	Reduction in number of illegal structures	Establishment of effective building	Liaise with Co-corporate services in employment		

	Regulations Standard		section	of building inspectors	
			Facilitate the process of establishing a proper drawing room	Construction of drawing room	
Building Maintenance	To ensure all municipal buildings are well maintained		Develop building maintenance Plan	Building Maintenance Plan	
ELECTRICITY	To ensure 80% households have access to electricity	Number of household have access to electricity	Facilitate the provision of electricity to house hold.	Provision of data base to Eskom for areas to be electrified	
	Universal access to electricity in rural areas by 2012		Create awareness and lobby for additional funding	Form partnerships with ESKOM and DM&E	
			Develop electrical Maintenance Plan	Electrical Maintenance Plan	
			Maintenance of electrical infrastructure	Electrical maintenance in Urban areas	
			Installation of high mast in Mount Free and Mount Ayliff	Construction Of High Mast	

3.1.3 KPA. 3 Socio Economic Development

Key Priority Area	Objective	Outcome indicator	Output Indicator	Input indicator	Target Date/ Year 4	Responsible Department
Integrated Waste Management	Improved Integrated Waste Management System	Adopted Intergrated Waste Mngement Plan	Develop Integrated Waste Management plan in line with relevant legislation	Integrated waste management plan	30 June 2011	C &CS
		Minimisation of illegal Waste Site	Lobby funds for the implementation of Integrated waste ,management plan	Lobby funds		
Community Facilities	Develop recreational parks and other facilities related thereto.	Well manatined public Fcaillities	Develop Recreational Parks management plans	Recreational Park management plan		
				Maintenance of parks		
			Ensure the availability of recreational parks	Facilitate the identification of recreational parks		
			Implementation of community facilities by-laws and policies	Implementation of the By – laws and policies		
Cemeteries	Ensure the Provision of an accepted standard cemeteries.	Cmenetry Mngement plan	Developing and implementation of cemetery management plan	Cemetery management plan		
			Implementation of cemetery maintenance plan	Implementation of maintenance plan		
Law Enforcement	Improve traffic safety and by-laws in the Umzimvubu municipality	Number of traffic road blocks	Regulate laws and enforce laws continuously	Traffic law enforcement		

	Ensure that by Laws are enforced	Reduction in Number of illegal activities conducted	Build capacity to monitor compliance with the various pieces of legislation			
Community Safety	Ensure safety of communities Co-ordination of all structures involved in the crime prevention	Reduction of Crime	Reviewal of public Safety strategy	Review of public Safety strategy		
		Improvement in crime awareness	Implementation of Safety strategy	Implementation of Public Safety Strategy		
Disaster Management	Ensure the provision of immediate relief/ .	Disaster relief measures	Develop disaster management plan	Development disaster management plan		
				Implementation of Disaster management Plan		
HIV & AIDS	Advocacy and support to HIV & AIDS	Awareness in HIV and AIDS	Co -ordinate all sectors involved in the HIV and Aids	HIV and AIDS Strategy with implementation plan		

3.1.4 KPA 4 GOOD GOVERNANCE AND PUBLIC PARTICIPATION

	KPA3 Good Governance and Public Participation			Performance Area: Office of the Municipal Manager		
Key Priority Area	Objective	Outcome indicator	Output Indicator	Input indicator	Target Date/ Year 4	Responsible Department
Integrated Development Plan	To ensure an integrated development planning in line with legislation and Local Government Key Performance areas by 2012	Reviewed and Adopted IDP for 2011/ 2012	Reviewal of Integrated Development Plan	Integrated development Plan Review	30 June 2011	MMO
Municipal Performance management	To ensure the implementation of Municipal	Monthly Performance Reports , Quarterly	Implementation on Municipal Performance	Develop monthly performance		

system	Performance management system	Performance Reports	Management System	plans and performance reports for departments	30 June 2011	
			Facilitate the formulation of performance management committee	Quarterly performance management meetings		
Intergovernmental Relations / municipal	To ensure Intergovernmental relations are productive by 2012	IGR Meetings (Minutes, attendance register	Revive intergovernmental relation forum	Coordinate IGR meetings		
	To maximise participation of citizens in the municipal affairs by 2012		Develop intergovernmental relation policy	IGR policy		
			Intensify working relations with all stakeholders of the municipality	Stakeholder engagement forum / meeting		
	KPA3 Good Governance and Public Participation			Adopted Annual Report by Council and Submitted to DPLGTA		
Public Participation	To ensure the functionality of the 24 Ward Committees.		Strengthen Ward Committees and CDWs.	Monitor reports from Ward Committees and CDWs and build capacity.	30 June 2011	COO
	To ensure an effective participation in IDP AND Budget processes	Attendance registers of Public Participation	Implement public participation policy	IDP AND Budget outreach programme		
	Enhancement of integrated approach on service delivery	Accessibility of services in an integrated manner	Mobilisation of resources from various departments ad stakeholders	Services on wheels		
Communication	To ensure an effective communication for Umzimvubu	Community awareness of all municipal programmes	Implementation of the reviewed comprehensive communication strategy.	Implement a comprehensive communication strategy.		
		Effective dissemination of information	To widen Umzimvubu's communication network and comply with MFMA	Maximize Website promotion		

		Availability of copies of newsletter	Develop municipal newsletter	Umzimvubu news letter	30 June 2011	
SPECIAL Programmes	To lobby and do advocacy for the development of special groups	Meeting disability needs and alignment with those of ULM	Mobilise resources and infrastructure from municipality, government and other stakeholders	Implementation of SPU policies and related programmes		
	To ensure that institutional days are commemorated and celebrated		Mobilise and engage designated groups and reach common understanding , scope and approach on each event.	Hosting of calendar events		

3.1.5 KPA 5 FINANCIAL VIABILITY

		KPA5 Financial Viability		Performance area: Budget and Treasury Office		
Key Priority Area	Objective	<i>Outcome indicator</i>	Output Indicator	Input indicator	Target Date/ Year 4	Responsible Department
Supply chain management	To ensure that Umzimvubu Local Municipality SCM Provide effective supply chain management services and logistics management services to council.	Well managed budget for the department and compliance with the municipal policies and National Regulations Efficient and cost effective Quotation based procurement system and Bid	Update and maintain supplier data base	Review supplier data base on annual basis	30 June 2011	B&T
			Create back up on excel spread sheet of Supplier Data base	Excel, munsoft and I-Qual supplier data base back up.		
			To comply with SCM REQUIREMENTS	Request minimum of 3 quotations when the municipality is in need good		

	To ensure that SCM unit complies with MFMA AND SCM regulations	Committee System		less than R200 000 including vat.	
	To ensure SCM promotes local economic development		To prioritise local suppliers in all bids that are from 1 CE/GB PE to 3 CE PE and from 4 CE/GB PE to 5 CE/GB PE the companies from outside	Appoint local emerging suppliers	
			Create supplier data base for non performing suppliers		
			Implementation of supply chain policy		
Asset Management	To have a GRAP/ GAMAP compliant fixed asset register	Properly managed GRAP Fixed Asset Register	Asset verification/ safeguarding of municipal assets	Updating g of fixed asset register	
	To ensure all assets are coded and recorded with effective and efficient system.		Coding of all municipal assets whilst they arrived	Bar coding of all assets	
			Scanning of all municipal assets and saved in an electronic format.	Scanning of Municipal assets	
			Implementation of asset management policy		
FLEET MANAGEMENT	TO ensure that municipal vehicles are utilised in a proper and	Properly managed GRAP Fixed Asset	Tracker and detection system	Installation of tracker and detection system in each municipal vehicle	

	in cost effective manner by 2010					
Expenditure Management	Provide effective budgeting and expenditure control systems and practices based on legislation and best practice.	Error free payroll	Payment of Municipal Creditors within 30 days from date of receipt of invoice	Payment during by the 15 th and 30 th of every month	30 June 2011	
		No double payments, no over/underpayments	Prepare monthly bank reconciliations	Bank reconciliations		
			Capture and verify information onto the system	Daily back up		
			Update and upgrade financial systems			
Revenue Management	Provide proper revenue collection services and effective debt collection strategies and mechanisms	Increased revenue base.	Implementation of property rates act.	Property rates General valuation and interim valuation		
		Accurate data for consumers	Implement property rates policy	Revenue collection		
			Develop revenue enhancement strategy	Revenue enhancement strategy		
			Reconcile revenue with bank statements, taking into consideration the amounts for revenue paid into banks and accounts of other divisions e.g. Traffic	Revenue Collection Operation zero balance or incentives . Data cleansing		
			Verify daily revenue, direct payments into bank accounts via. Cashiers,			
	Balancing valuation					

			roll			
			Balancing the trial balance and ledger accounts			
		Accurate data collected for the Indigents Indigent register	Handling enquiries on accounts through telephonic, correspondence and in person.			
			Develop indigent policy	Indigent policy		
Financial Reporting and Budgeting	To facilitate the development of the budget, prepare and submit all financial reports for and on behalf of the Municipality	Adopted Annual Budget	Implement credit control and revenue management policy	Sending monthly statements to consumers		
			Prepare annual budget with budget process plan	Budgeting		
			Compiling financial statements and executing budgetary controls	Monthly financial reporting		
			Consistent reporting in Compliance with MFMA reporting formats			
			Ensuring implementation of GAMAP/ GRAP			

3.1.6 KPA 6 INSTITUTIONAL DEVELOPMENT AND TRANSFORMATION

		KPA: 6 INSTITUTIONAL TRANSFORMATION AND DEVELOPMENT:		Performance area: CORPORATE SERVICES		
KEY Priority Area	Objectives	Outcome indicator	Output Indicator	Input indicator	Target Date/ Year 4	Responsible Department
HUMAN RESOURCES	To maximise the return on investment from the institution's human capital and minimise financial risks.	Recruitment of skilled and qualified personnel	Recruitment and retention of Human Capital	Recruitment and retention of human capital	30 June 2011	CS
			Recruiting and aligning the supply of skilled and qualified individuals, and the capabilities of the current workforce, with the ongoing and future business plans and requirements of the institution	Recruitment of qualified personal.		
		Well populated Organogram and placement done in terms of the Organogram	Review of Organizational design and development	Reviewal of Organogram		
		Access of HR Policies by all staff	Initiate and manage the implementation of human capital Output Indicator and ensure compliance to HR Policies and Procedures	Translation and Roll out of HR Policies		
		Trained employees and Councillors in	Development of Personnel costs restructuring	Business transformation and change		

		accordance with the Workplace Skills Programme	strategy	management		
			Conduct and behaviour management	Induction Programme	30 June 2011	
		Meeting projected targets on the EEP	Designing and implementing the Municipal Employee Relations philosophy, strategy and approach	Year end function "Spirit of excellence Awards"		
		Implementation of Employee Assistance Programme Policy for Employees & Councillors. Sustaining a well conducive and a healthy working environment Disciplinary and grievance hearings completed within 3 months Local Labour Forums sitting monthly	Industrial and employee relations	Wellness programmes, Health & Safety		
		Population of Municipal Organogram in accordance with the municipal budget	Strategic compensation, rewards and benefits management	Benefits awareness programme		
		Number of applications for benefits processed. Captured accurate leave balances & maintenance of personnel records.		Development of a funeral cover scheme		
			Training and development	Training		
		Enrolment of				

		students from disadvantaged families in tertiary institutions for rare skills		Internal Bursary	
		Maintenance and safekeeping of institution memory	Identify solutions to deal with changing external and internal demands	Internship / Experiential Training Programme	
		Reliable Record keeping of municipal information and effortless access to information		Policy on bursary fund for student trainees in rare skills within the Municipality	
			Implementation of Retention Strategy	Recruitment of rare skills and Reduction in staff turnover	
		Performance Agreements entered into between ULM and Section 57 and fixed term contract employees Personal Performance Development Tool developed and used by all departments Quarterly Performance Assessments of individuals and departments conducted	Monitor the Implementation of Performance Management system	Organisational Performance Management	
ADMINISTRATION	Creating benefit for the	A sound electronic	Records and Document	Binding of minutes	

	municipality which entails the administration of meetings, legal administration and general administration which includes auxiliary services, contract management, archives and records administration.	document management system and a paperless information environment	Management	Implementati on of the new filing plan		
				Maintenance of Council resolutions register.		
				Development of Information manual		
			Development of an electronic document management system.	Establishment of a sound electronic document management system and a paperless information environment		
		Awareness and buy-in in respect of Batho Pele government programme	Roll out of the Batho Pele Programme	Roll out of BP programme within the Municipality		
			Customer care	Development of terms of reference for BP structure.		
	Establishment of Batho Pele structure					
	Attractive and well informative communication tool	Provision of efficient support to council structures	Provide the recording and minute taking services for the Council, EXCO and committees of the Council			
			Coordination			

				development and issuing of agenda for all scheduled Council, EXCO and Committee meetings		
				Provision of support in the implementation of council resolutions		
			Reviewal and Gazetting of municipal bylaws	reviewal of municipal bylaws		
				Gazetting of municipal bylaws		
ICT	Ensuring the implementation of any number of application systems, Reducing costs in specific areas, improving availability, and increasing the number of level-one problem resolutions within the municipality	Easy usage of systems by users	Maintain data integrity within the municipality;	Ensure full functioning of the municipal network systems		
		To have an updated and strong ICT infrastructure	Installation and configuration of software;	Installation of software and system upgrade		
			Information and data security administration;			
			Development			

		Exposure of graduates to the work environment. Provision of knowledge and skills.	of ICT Disaster recovery and Management Plan			
			Development of ICT maintenance Plan	Management and maintenance of network functions		

3.1.7 KPA 7 LOCAL ECONOMIC DEVELOPMENT

KEY Priority Area	Objectives	Outcome indicator	Output Indicator	Input indicator or	Target Date/ Year 4	Responsible Department
SMME	Ensure growth of SMME'S	Enhanced economic activities and well established SMME's	Training of SMME'S business retention and expansion	TRAINING SMME'S	30 June 2011	LED
	Ensure the integration of SMME'S	Conducive environment that promote economic growth and business opportunities	Provide assistance to Access Finance	Convene meeting with funding Institution		
		Promote Economic Growth and business ventures	Develop SMME'S plan	SMME'S PLAN		
	Ensure data base of all SMME's		Develop database of all SMME's	Convene meeting with all SMME's		
FORESTRY	To ensure growth of Forests Enterprises	Commecialised forestry Development	Transfer of forests from government to saw millers.	Process of transferring of Forestry		
			Facilitate the licensing of forestry	Forestry licensing		
			Develop Forestry sector plan	Forestry sector plan		

			Develop Pole treatment Plant	Pole treatment Plant	30 June 2011	
			Develop charcoal manufacturing	Charcoal Manufacturing		
AGRARIAN	To promote entrepreneurship and capacity building	Establish business ventures ,partnerships ,with financial institutions (ECRFS,MAFISA, AsGISA)	Strengthen agricultural forum	Agricultural forum		
	Ensure that value is added in our local resources	Access funds for Economic Development and value addition	Revamp Irrigation Scheme	Irrigation Scheme		
TOURISM	Ensure an increase in number of tourists	Increase in Number of tourists	Develop peach value addition	Peach Value addition		
			Improve tourism signage	Tourism signage		
TOURISM	To ensure a well established and representative tourism organisation	LTO structure	Develop Tourism development plan	Negotiate with DoE to support awareness and promotion of SMMEs		
			Establish a Local tourism organisation(revitalise and revamp LTO)	Convene of tourism meetings		
ENVIRONMENTAL	To improve climatic conditions/global warming and promote sustainable development	Both Towns Greened and Landscaped.	Landscaping and greening of towns	Landscaping and greening		
		Awareness/works hops on Environmental Dev. Policy	Clear signage of welcome signs	Erection of welcome signs		
		Clean Environment. Trees Planted.	Develop strategic Environmental Assessment	Strategic Environmental Assessment		

		Abbor Week adhered to. Welcome signs erected. EMP programs implemented				
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SECTION C

CHAPTER 1A

2010/2011 ULM IDP Projects

1. Department: Office of the Municipal Manager				
Project No.	Project Name	Location	Budget amount	Responsible Department
1	Intergrated development planning	ULM	R350 000	OMM
2	Workshoping of Junior Staff on IDP		R50 000	
3	Implement the Municipal Performance Management		R200 000	
4	Development of Monthly Performance plans and Reports		NIL	
5	Development of Annual Report		R300 000	
6	Have 4 IGR meetings per financial		R30 000	
7	Meeting with business and other stake holders		NIL	
8	Implementation of Anti Fraud and Corruption plan		R300 000	
9	Develop and workshop Umzimvubu Municipality's Protocol		R50 000	
2. Department: Chief Operating Officer				
10	National Calendar Days and Council Events	ULM	R350 000	COO
11	Speech Writing & Research		R50 000	
12	Project Handovers		R500 000	
13	Media Breakfast/Lunch		R10 000	
14	Diaries & Calendars		R200 000	

15	Adverts in print and electronic media		R120 000	
16	Radio talk show		R100 000	
17	Umzimvubu Newsletter		R100 000	
19	Support to Community radio station		R211 400	
20	Promotional material		R220 000	
21	Communication strategy review		R105 700	
22	Branding & Marketing		R120 000	
23	SPU Training and Development		R150 00	
24	Gender Mainstreaming		R50 000	
25	Disability development workshop		R50 000	
26	Children and Elderly		R200 000	
27	Sport Art and Culture		R500 000	
3. Department: Local Economic Development				
27	Tourism Development		R700 000	LED
28	SMME Development and Promotion		R900 000	
29	Environmental Management		R1million	
30	Forestry Development		R50 000	
31	Investment Development		R300 000	
32	Agrarian		R150 000	
4. DEPARTMENT: BUDGET AND TREASURY				
32	MPRA Implementation	ULM	R1 000 000	B&T

33	Credit control and revenue management		R1 000 000	
34	Database Cleansing			
35	FBS and Indigent Support		R350 000	
36	Creditors payment and reconciliations		NIL	
39	Payroll Administration		NIL	
40	Bank Reconciliation Project Accounts Reconciliation		NIL	
41	SCM Policy Implementation		NIL	
42	Supplier database management		R300 000	
43	Stores management and stock level analysis		NIL	
44	Valuation Infrastructural Asset Register		R800 000	
45	Implementation of asset management policy		NIL	
46	Monitoring of internal controls		NIL	
47	Internship programme (FMG)		R1,5M	
5. Department: Corporate Services				
48	Translation of HR Policies		R70 000	CS
49	Implementation , development and roll out of policies to staff		R50 000	
50	Policy on bursary fund for student trainees in rare		R250 000	

	skills within the Municipality			
51	Training		R400 000	
52	Implementation of Performance Management System		R300 000	
53	Implementation of Employment Equity Plan		NIL	
56	Experiential/Internship program		R100 000	
57	Recruitment and selection		NIL	
58	Labour Relations		NIL	
59	Personnel Management		NIL	
60	Employee wellness and Health & Safety		NIL	
61	Induction Programme		R40 000	
62	Staff Retirement Programme		NIL	
63	Binding of minutes		R31 000	
64	Records and Document Management		NIL	
65	Filing Plan		NIL	
66	Revival of an electronic document management system.		R200 000	
67	Roll out of the Batho Pele Programme.		NIL	
68	Gazetted bylaws		R200 000	

69	Server & Network Management		R300 000	
70	ICT Programmes		R250 000	
71	ICT Infrastructure		R450 000	
72	Website Management.		NIL	
6. DEPARTMENT: CITIZENS AND COMMUNITY SERVICES				
73	Traffic Management		R395 700	
74	Issuing of learners and drivers license		Nil	
75	Erection of road traffic signs and road surface markings		R200 000	
76	Vehicle roadworthy service		R50 000	
77	Vehicle registration and licensing		Nil	
78	Effective by-law enforcement		R250 000	
79	Provide security to council assets		R507 000	
80	Coordination of crime prevention programmes		R50 000	
81	Institutional capacity for disaster management		R50 000	
82	Risk assessment and monitoring		R100 000	
83	Disaster management and planning implementation		R100 000	
84	Disaster response and recovery		R200 000	
85	HIV & AIDS		R200 000	
86	Landfill sites refurbishment and energy		R100 000	

	recovery			
87	IWMP development		R380 000	
88	Education, Awareness and Training		R100 000	
89	Refuse removal & food for waste		1MILLION	
90	PARKS (GREENING)		R750 000	
91	Community Amenities		R300 000	
7. DEPARTMENT: INFRASTRUCTURE AND PLANNING				
92	Phuka- Kwantuli AR Extention	1	R1 527 900.00	I&P
93	Sdakeni Access Road	2	R1759 400.00	
94	Thabo A/R	3	R800 000.00	
95	Betshwana	4	R1 435 300.00	
96	Extention of Mfulamkulu Daluhlanga Bridge phase 2	5	R523 190.00	
97	Extention Mbumbazi	6	R1 852 000.00	
98	Maintenance of Roads & storm water	7	R15m	
99	Surfacing of Streets			
100	Services at Ext 6 and Ext. 9			
101	Deeds search			
102	Installation of High masts			
103	Public works offices and mall			
104	Ndikini AR Majalumani and Nyathini			
105	Dukathole AR	09	R1 064 900.00	

106	Ngxashini AR and Dingenweni Bridge	10	R1 768 660.00
107	Mhlotsheni Access Road	11	R926 122.00
108	Qhanqu- Macheleni	12	R2014 050.00
109	Mjikelweni Mpungutyane Access Road Malongwe- Lugangeni, Ntlabeni Bridge	13	R4m
110	ARMatyeni-Mdeni and Mabhaceni Chwebeni , damaged bridges	14	R3.9m
111	Mpendla Internal Roads, Marhwaqa Bridge by Soldiers/ DPW/ Community Hall	15	R1 435 489.10
112	Galali to Zibokwana Road , Tyoksville – Sophia pedestrian bridge	16	R1 203 958.6
113	Machamsholo Internal Roads	17	R926 122.00
114	Surfacing of streets	18	R20m
115	Services @ ext. 6 in Mt Frere,		
116	Municipal Offices		
117	Mall/ complex		
118	Bus/Taxi Rank		
119	Services @ 40 industrial sites		
120	deeds search and new unregistered Roads in Town		
121	High Mast		
122	Maphakama and Matyholweni-Susa		

123	Lucingweni to Mandlana A/R/ Tina Hill to Ngxabaxha	20	R1435 300		
124	Njoji to Magidigidi	21	R1 527 900.00		
125	Bethlehem- Tolo Via Kuyasa- Ku Jokazi	22	R2407 600		
126	Magwaca- Nabinja – Qwidlana Clinic	23	R2 083 500.00		
127	Ngojini Via Ngxongo A/R	24	R2778 000		
128	Urban Renewal Strategy Towards Economic Activity Corridor		R328 000.00		
129	Mapping of Mount Free and Mount Ayliff		R268 000. 00		
130	Rezoning of Mount Ayliff Extention 9 from Light Industrial to special Residential		R500 000. 00		
131	Township establishment of 20 sites in mount free Extention 7		R350 000. 00		
132	Township Establishment of 80 sites Mount Ayliff extention 5		R500 000. 00		
134	Construction of 20 MVA Mt Ayliff Sub Station upgrade	ULM	R41.7m		
135	132kv distribution line to Mathafeni				
136	Mt frere Reticulation lines				
137	132 kv Mt Frere substation upgrade		R7.98m		
138	Instollation and Maintanace of streets Lights and High Masts		R700 000		
139	Electrification of : Machamasholo/Hlane/Qumra			R20m	
140	Eletricfication Mvuzi Phase 2				

141	Electricfication of Qunubeni			
142	Electrification of Njijini , Buffullo neck/ Mjikelweni			
143	Electrification of Makaula 3&4			

CHAPTER1B.
PROJECTS FROM SECTOR DEPARTMENTS
DEPARTMENT OF PUBLIC WORKS

**Projects for Inclusion in the Alfred Nzo District Municipality
(Umzimvubu Local Municipality) IDP 2010/11**

Department of Public Works (funded by DPW budget)

					2010/11	2011/12
1	Ex-Mary Teresa	Conversion of an old hospital into office accommodation	Mt Frere	Current	R 10,500,000	-
2	Mt Frere temporary offices	Erection of Mt Frere Dept of Education Offices	Mt Frere	Current	R 2,500,000	-
3	Mt Frere social cluster offices	Construction of Mt Frere Social Cluster-Civil works	Mt Frere	Current	R 7,000,000	-
4		Construction of Mt Frere Social Cluster-Building works	Mt Frere	New		R15,000,000
5	Mt Frere DPW and Transport & Roads Depot	Mt Frere: Public Works Depot Landscaping	Mt Frere	New	-	R2,000,000
6	Mt Ayliff Dept of education	Landscaping: Erf 128 Mt Ayliff Dept of education	Mt Ayliff	New	-	R1,500,000
7	Mt Ayliff One Stop Office Complex	Construction of Mt Ayliff-One-Stop-Office Complex	Mt Ayliff	New		
				Total	R34, 000, 000	R27,150, 000

DEPARTMENT OF EDUCATION

NO	PROJECT NAME	DISTRICT	STATUS	BUDGET 2010/11	BUDGET 2011/12
1.	Brooksnek JSS	Mzimvubu municipality	Current	R 2,901,000	-
2.	Cabane JSS	Mzimvubu municipality	Current	R 1,068,000	-
3.	Nciniba JSS	Mzimvubu municipality	Current	R 2,227,000	-
4.	Nonkolonkotho	Mzimvubu municipality	New	R 13,808,000	-
5.	Mlenze SPS (fnc)	Mzimvubu municipality	New	R 15,000	-
6.	Mt Ayliff SSS (clsrms)	Mzimvubu municipality	New	R 8,198,000	-
7.	Luxwesa JSS (fns)	Mzimvubu municipality	New	R 453,000	-
8.	Mgano JSS (fns)	Mzimvubu municipality	New	R 292,000	-
9.	Sandlulube JSS (fns)	Mzimvubu municipality	New	R 337,000	-
10.	Sijika JSS (clsrms)	Mzimvubu municipality	New	R 3,723,000	-
11.	Sijika JSS (fns)	Mzimvubu municipality	New	R338,000	-
12.	Thembeni JSS (fns)	Mzimvubu municipality	New	R 472,000	-
13.	Buffalo Neck JSS (ps)	Mzimvubu municipality	New	R 1,885,000	R 5,247,000
14.	Fairview JSS (ps)	Mzimvubu municipality	New	R 2,296,000	R 6,390,000
15.	Goba JSS (ps)	Mzimvubu municipality	New	R 2,924,000	R 8,137,000
16.	Gogela JSS (hs)	Mzimvubu municipality	New	R 3,408,000	R 9,484,000
17.	Gugwini JSS (ps)	Mzimvubu municipality	New	R 796,000	-
18.	Siphamandla	Mzimvubu municipality	New	R 262,000	-
19.	Njijini JSS	Mzimvubu municipality	Current	R 295,000	-
20.	St Georges JSS	Mzimvubu	Current	R 11,158,000	-

		municipality			
21.	Mlenze SPS (clsrms)	Mzimvubu municipality	Current	R 1,206,000	-
22.	Lower Mvenyane JSS	Mzimvubu municipality	Current	R 88,000	-
23.	Ndarala JSS	Mzimvubu municipality	Current	R 82,000	-
24.	Sandlulube JSS	Mzimvubu municipality	Current	R 45,000	-
25.	Tshisane JSS	Mzimvubu municipality	Current	R 102,000	-
26.	Lubhalasi (ECD)	Mzimvubu municipality	New	R 2,124,000	-
27.	Manzana (ECD)	Mzimvubu municipality	New	R 2,124,000	-
28.	Sakhisizwe PS (ECD)	Mzimvubu municipality	New	R 2,124,000	-
29.	Govalele Nomakhe JSS	Mzimvubu municipality	Current	R 2,935,000	-
30.	Gcinisizwe JSS	Mzimvubu municipality	Current	R 999,000	-
31.	Ilitha JSS	Mzimvubu municipality	Current	R 303,000	-
32.	Mbumbazi JSS	Mzimvubu municipality	Current	R 552,000	-
33.	Sonqishe JSS (clsrms)	Mzimvubu municipality	Current	R 430,000	-
				R69, 970,000	R29,258,000

Department of Health Umzimvubu Local Municipality

NO	PROJECT NAME	DISTRICT	STATUS	BUDGET 2010/11
1.	Lugangeni Clinic	Mzimvubu municipality	New	R 1,000,000
2.	Mmango Clinic	Mzimvubu municipality	New	R 2,000,000
3.	Madzikane Ka Zulu Hospital	Mzimvubu municipality	Upgrade	R 1,123,977
4.	Mt Ayliff Hospital	Mzimvubu municipality	Upgrade	R 900,000
5.	Sipetu Hospital	Mzimvubu municipality	Upgrade	R 720,000
				R5,743,977

DEPARTMENT OF AGRICULTURE Service Delivery Budget 10/11

PROGRAMME	BUDGET
CASP	R6 878 000.00
ASGISA	R7 000 000.00
LAND CARE	R1 000 000.00
MASSIVE/SIYAKHULA	R5 500 000.00
SIYAZONDLA	R2 000 000.00
LETSIMA	R667 000.00
TOTAL	R23 045 000.00

Budget for ULM Local Municipality 2010-11

LAND CARE PROGRAMME	
	UMZIMVUBU
ASGISA	R4 788 069
SIYAZONDLA	R1 000 000
MASSIVE/SIYAKHULA	R1 558 000
LETSEMA	R667 000
LAND CARE	R500 000
CASP	R2 285 000
TOTAL	R10 798 069

PROJET NAME	MUNICIPALITY	SERVICE CENTRE	TYPE	BUDGET
Phuka	Umzimvubu	Mt Frere	Fencing	R300 000.00
Bhibha	Umzimvubu	Mt Ayliff	Fencing	R200 000.00

MASSIVE/SIYAKHULA

PROJECT NAME	MUNICIPALITY	SERVICE CENTRE	TYPE	BUDGET
Mt Ayliff Farming	Umzimvubu	Mt Ayliff	Maize Production	R35 705.00
Ngonini	Umzimvubu	Mt Frere	Maize Production	R174 956.00
Mfundeni	Umzimvubu	Mt Frere	Maize Production	R249 937.00

LETSIMA

PROJECT NAME	MUNICIPALITY	SERVICE CENTRE	TYPE	BUDGET
Sigidini	Umzimvubu	Mt Ayliff	Vegetables	R667 000.00

**DEPARTMENT OF HEALTH
PROGRAMMES AND EXPENDITURE**

PROGRAMME	ALLOCATED BUDGET	EXPENDITRE
2.2 Community health clinics	R18,110,684.00	R21,601.521.60
2.3 Community health centres	R5,691,360.00	R5,459,705.14
2.4 Community based services	R3,252,651.00	R3,459,705.14
2.5 Other community services	R681,498.00	R711,883.38
2.6 HIV/AIDS	R401,050.00	R347,859.46
2.7 Integrated nutrition	R505,191.00	R343,479.00
2.9 District Hospitals	R33,002,347.00	R15,508,759.27

EXISTING INFRASTRUCTURAL PROJECTS FOR 2010/11

Facility	Status	Budget- Rmil	Current budget 10/11
Madlangala clinic new construction in Umzimvubu	Completed and operating	4,4 mil	0.00
Mpoza clinic upgrading in Umzimvubu	Completed and operating	402 000	0.00
Ntlabeni clinic revamping in Umzimvubu	Completed	250 000	0.00
Rode clinic new upgrade construction in Umzimvubu	To be completed	4,9 mil	7 mil
Dundee clinic	To be handed over in April 2010	4.8 mill	5.1 mil
Mt Ayliff EMS base	Completed awaiting equipment & handing over	14 mil	0.00

PLANNED INFRASTRUCTURAL PROJECTS FOR 10/11

Facility	Status	Budget
Prospect clinic-new construction	Identified	5,5 million
Mmango clinic- new construction	Identified	6,5 million
Mandileni clinic in Um	Feasibility	No budget
Sihlahleni clinic	Feasibility	No budget
Mabhobho clinic	Feasibility	No budget
Halfway house	Specification for renovations	No budget
MT Ayliff psychiatric hospital	Planning	No budget
Lugangeni clinic upgrade	Tender stage	5.1 million

Name of Programme	Budget estimates
District Management	11,017,647.72
Community health clinics	35,911,112.76
Community health centres	5,880,063.00

Community based services	10,928,220.80
Other community services	5,096,476.16
HIV & AIDS	501,477.56
Integrated Nutrition	1,457,070.24
District hospitals	66,855,893.88

SECTION D
CHAPTER 1
FINANCIAL MANAGEMENT PLAN

BUDGET SUMMARY

<i>ULM</i>	<i>2009& 10</i>	<i>2010& 11</i>	<i>2011& 12</i>	<i>2012& 13</i>
Personal Expenditure	36,628,300	51,371,601	54,556,640	57,775,481
General Expenditure	22,875,240	21,217,877	22,427,185	23,750,389
Repairs & Maintenance	1,939,653	2,232,519	2,370,936	2,510,821
<i>Capital Expenditure</i>	63,082,411	70,475,700	80,381,000	88,958,000
Total	124,525,604	145,297,697	159,735,760	172,994,691

Council	<i>2009& 10</i>	<i>2010& 11</i>	<i>2010& 12</i>	<i>2010& 13</i>
Council- Rev				

Council- Pers Exp	10,507,814	11,099,647	11,787,825	12,483,307
Council- Gen Exp	2,407,654	2,148,733	2,281,954	2,416,590
Council- Rep & Maint	4,500	4,757	5,051	5,349
Council- Cap Exp	600,000	500,000	-	-
	13,519,968	13,753,137	14,074,831	14,905,246

MM's Office	2009& 10	2010& 11	2010& 12	2010& 13
MM's Office- Rev				
MM's Office- Pers Exp	1,454,348	2,896,902	3,076,510	3,258,024
MM's Office- Gen Exp	2,698,693	1,918,557	2,037,507	2,157,720
MM's Office- Rep & Maint	8,200	25,000	26,550	28,116
MM's Office- Cap Exp	709,346	925,000	1,720,000	1,800,000
	4,870,587	5,765,458	6,860,567	7,243,860

BTO	2009& 10	2010& 11	2010& 12	2010& 13
BTO- Rev	80,901,632	95,592,000	106,828,920	115,989,551
BTO- Pers Exp	4,448,762	6,565,843	6,972,926	7,384,328
BTO- Gen Exp	7,409,952	7,776,377	8,258,513	8,745,765
BTO- Rep & Maint	120,210	127,062	134,940	142,901
BTO- Cap Exp	3,135,802	3,950,000	5,950,000	4,700,000
	15,114,726	18,419,283	21,316,378	20,972,995

Corpoarate Serv	2009& 10	2010& 11	2011& 12	2012& 13
Corpoarate Serv- Rev	67,000	80,000		
Corpoarate Serv- Pers Exp	3,401,606	5,675,684	6,027,576	6,383,203

Corpoarate Serv- Gen Exp	2,541,775	1,860,788	1,976,157	2,092,750
Corpoarate Serv- Rep & Maint	65,414	112,148	119,101	126,128
Corpoarate Serv- Cap Exp	2,844,896	2,846,700	3,800,000	2,050,000
	8,920,691	10,575,319	11,922,834	10,652,081

Comm. Serv	2009& 10	2010& 11	2011& 12	2012& 13
Comm. Serv- Rev	6,151,716	5,325,200	5,935,250	6,365,300
Comm. Serv- Pers Exp	9,211,624	14,066,573	14,938,701	15,820,084
Comm. Serv- Gen Exp	3,762,746	2,959,595	3,143,090	3,328,533
Comm. Serv- Rep & Maint	173,000	182,861	194,198	205,656
Comm. Serv- Cap Exp	2,104,346	3,240,000	6,950,000	12,600,000
	15,251,716	20,449,029	25,225,989	31,954,273

Infr. Planning & Development	2009& 10	2010& 11	2010& 12	2010& 13
Infrastructure- Rev	32,995,000	44,244,000	59,136,000	65,393,000
Infrastructure- Pers Exp	5,433,819	5,997,056	6,368,874	6,744,637
Infrastructure- Gen Exp	2,216,549	1,819,467	1,932,274	2,046,278
Infrastructure- Rep & Maint	1,530,400	1,719,537	1,826,148	1,933,891
Infrastructure- Cap Exp	45,004,346	56,939,000	58,791,000	65,008,000
	54,185,114	66,475,060	68,918,296	75,732,806

LED, Tourism & Foresrty	2009& 10	2010& 11	2010& 12	2010& 13
LED- Rev	4,414,983	60,000	79,000	82,000
LED- Pers Exp	2,023,561	2,140,031	2,272,713	2,406,803

LED- Gen Exp	664,024	518,824	550,991	583,500
LED- Rep & Maint	21,429	37,285	39,597	41,933
LED- Cap Exp	8,744,329	2,075,000	3,320,000	2,900,000
	11,453,343	4,771,140	6,183,301	5,932,236

SPU & Communicatins	2009& 10	2010& 11	2010& 12	2010& 13
SPU& Comm.- Rev				
SPU& Comm.- Pers Exp	2,772,085	2,929,864	3,111,515	3,295,095
SPU& Comm.- Gen Exp	2,180,774	2,215,536	2,352,899	2,491,720
SPU& Comm.- Rep & Maint	10,000	17,000	18,054	19,119
SPU& Comm.- Cap Exp	89,346	-	-	-
	5,052,205	5,162,399	5,482,468	5,805,934

CHAPTER 2

PERFORMANACE MANAGEMENT FRAMEWORK

Executive Summary

The White Paper on Local Government sets out the initial vision of developmental government. This is essentially a vision that calls upon municipalities to find means of confronting the legacy of under – development and poverty in their respective local areas of jurisdiction. A number of subsequent pieces of legislation further recognized integrated development planning, performance management and community participation as crucial mechanisms to achieve this. These mechanisms reinforce each other to bring about change, transformation and improved service delivery at a local level.

Performance management has been defined as a tool for change in conceptualizing local government transformation. It is another indication of government's commitment to good governance and service delivery. The ethos of performance management rests on an understanding that other spheres of government need to play their part in supporting local government to perform their functions better than thereby improve the quality of lives of our people.

The framework will therefore guide the Umzimvubu Local municipality in defining and describing their performance management system, its operation and the applicable legislation governing it. It will therefore guide the municipality in the following performance management aspects:

- The requirements of their respective PMS;

- The principles informing its development and application;
- The model that describes performance management areas to be managed;
- Processes to be followed in managing performance;
- Institutional arrangements necessary for the process; and
- The different role players involved in the system.

2. Purpose of the Framework

- To develop an easy reference guide, which will assist the Umzimvubu Local Municipality to implement Performance Management System aligned with legislation requirements;
 - To enable the Umzimvubu Municipality to plan, monitor, measure, review, report and improve both organizational and individual performance;
 - To facilitate the creation of a performance management culture and improve service delivery through the successful implementation of a Performance Management System;
- NB: The Framework will be the authoritative manual on the implementation of Performance Management System in all the municipalities under review.**

3. Objectives of a Performance Management System

The Performance Management System will be the primary mechanism to plan for performance management, monitor, review and improve the implementation of the municipality's IDP's. The implementation of the Performance Management System shall achieve the following objectives:

3.1 Facilitate increased accountability

The Performance Management System will provide a mechanism for ensuring increased accountability between:

- The community and municipal council;
- The political and administrative components of the municipality; and
- Each department and the office of the municipal manager.

3.2 Facilitate learning and development

Whilst ensuring that accountability is maximized, the performance management system will also provide a mechanism for learning and improvement. It will allow for the municipality to know which approaches are having the desired impact, and enable the municipality to improve delivery. It will form the basis for monitoring, evaluation and improving IDP implementation.

3.3 Provide early warning signals

The performance management system will provide political leadership and management with the diagnostic signals of the potential risks that are likely to implementation of the IDP. It is

important for the system to enable decision – makers to be timeously informed of risks, to enable them facilitate intervention, where it is necessary and possible to do so.

3.4 Facilitate decision – making

The performance management system will provide the appropriate management information that will allow efficient, effective and informed decision – making, particularly in so far as indicating where the allocation of limited resources should be prioritized.

4. Principles to govern Performance Management Systems

The following principles will inform and guide the development and implementation of the performance management systems:

4.1 Simplicity

The system should be simple user – friendly and should enable the municipality to operate within the existing capacity of its financial, human resources and information management system.

4.2 Politically driven

Legislation clearly tasks the municipal council and mayor as the owner of the performance management system. The Mayor **MUST** drive both the implementation and improvement of the system. Further, Legislation allows for the delegation of this responsibility or aspects of it to the municipal manager or other appropriate structures as the Mayor may deem fit.

4.3 Incremental Implementation

It is important that while a holistic performance management system is being developed, the municipality should adopt a phased approach to implementation, dependent on the existing capacity and resources of the municipality. Performance management is relatively a new approach in local government functioning and therefore requires adequate time to be given to the organization's processes of change. **Extensive change management is therefore recommended to ensure successful implementation throughout the organization.**

4.4 Transparency and Accountability

The process of managing performance should be inclusive, open and transparent. This should be achieved by taking effective participation in the design and implementation of the system within the municipality. The process must also involve and empower stakeholders so that they

are able to understand how the municipality and its departments are run, how resources are spent, and who is in charge of particular services. All information on the performance of departments should be available for other managers, employees, the public and specific interest groups.

4.5 Integration

The performance management system should be integrated into other management processes in the municipality, such that it becomes a tool for more efficient and effective management rather than an additional reporting burden. It should be seen as a central tool to the on – going management functions.

4.6 Objectivity

Performance management must be founded on objectivity and credibility in terms of both the processes of managing performance and the information on which it relies. Sources of data for measuring indicators should be scrutinized to enhance credibility of information and therefore objective decision making.

5. What do we monitor and review?

International experience in both the private and the public sectors has shown that traditional approaches to measuring performance, which have been heavily reliant on only financial measures, are severely lacking. It has become well accepted that in order to assess an organization's performance, a balanced view is required, incorporating a multi – perspective assessment of how the organization is performing as seen by differing categories of stakeholders. To ensure this balanced multi – perspective examination, Local Government recommends that all municipalities adopt a “Municipal Scorecard Model” to guide the performance management in the entire municipal organization.

5.1 Why the Municipal Scorecard Model?

The Municipal Scorecard Model is a conceptual framework that provides guidance as to what aspects of the municipality's performance should be measured and managed. The model has proved useful in performance management for it provides balance, simplicity, mapping of inter – relationships and alignment to the Integrated Development Planning processes of the municipalities.

5.1.1 Balance

The model prompts municipal organizations to take a balanced view in terms of how it measures and manages its performance. It prevents bias by ensuring that performance measurement does not heavily rely on one facet of performance (i.e. financial viability), but rather encapsulates a multi – perspective holistic assessment of the municipality's performance.

5.1.2 Simplicity

The model covers all key areas of performance within the municipal organization.

5.1.3 Mapping of inter – relationships

The model maps out the inter – relationships between different areas of performance. These inter – relationships relate to the extent to which poor performance in one category would lead to poor performance in other related areas and the converse. These inter – relationships help both in the planning stage and the review stage, particularly in the diagnosis of causes of poor performance.

5.1.4 Alignment to the IDP Processes

The model aligns the processes of performance management to the IDP processes of the municipality. It ensures that the IDP is translated into performance plans that will be monitored and reviewed. The categories of key performance areas provided in the model relate directly to the identified priority areas of the municipality's IDP.

6.The Municipal Scorecard Model

The Municipal Scorecard Model is the model recommended by Local Government for managing Performance Management for municipalities. The Municipal Scorecard model is based on three levels of scorecards in the context of a “District Municipality” and embodies five (5) Key Performance Areas and two (2) levels of scorecards in the context of a “Local Municipality”. Performance is measured at each level and according to the five (5) Key Performance Areas.

6.1 The basis of the Municipal Scorecard Model

The Municipal Scorecard Model is:

- Tightly aligned to the strategic planning and IDP processes of the municipality;
- Directly relevant to the notion of developmental local government;
- A balanced view of performance based on municipal inputs, outputs, outcomes and process;
- A simple portrayal of municipal performance, where inter – relationships can be mapped (municipal – wide, sectoral/departmental and unit/programme levels);
- Compliant with the requirements of the Municipal Systems Act (2002) and its subsequent regulations (2001 and 2006);

- Based on the five (5) Key Performance Areas for Local Government as determined in the Five Year Local Government Strategic Agenda and used in the Regulations and Vuna Awards for Performance Excellence.

6.2 The five (5) Key Performance Areas for Local Government

The Municipal Scorecard Model uses five (5) Key Performance Areas for Local Government which are:

- Municipal Transformation and Organizational Development;
- Infrastructure Development and Service Delivery;
- Local Economic Development;
- Municipal Financial Viability and Management; and
- Good Governance and Public Participation.

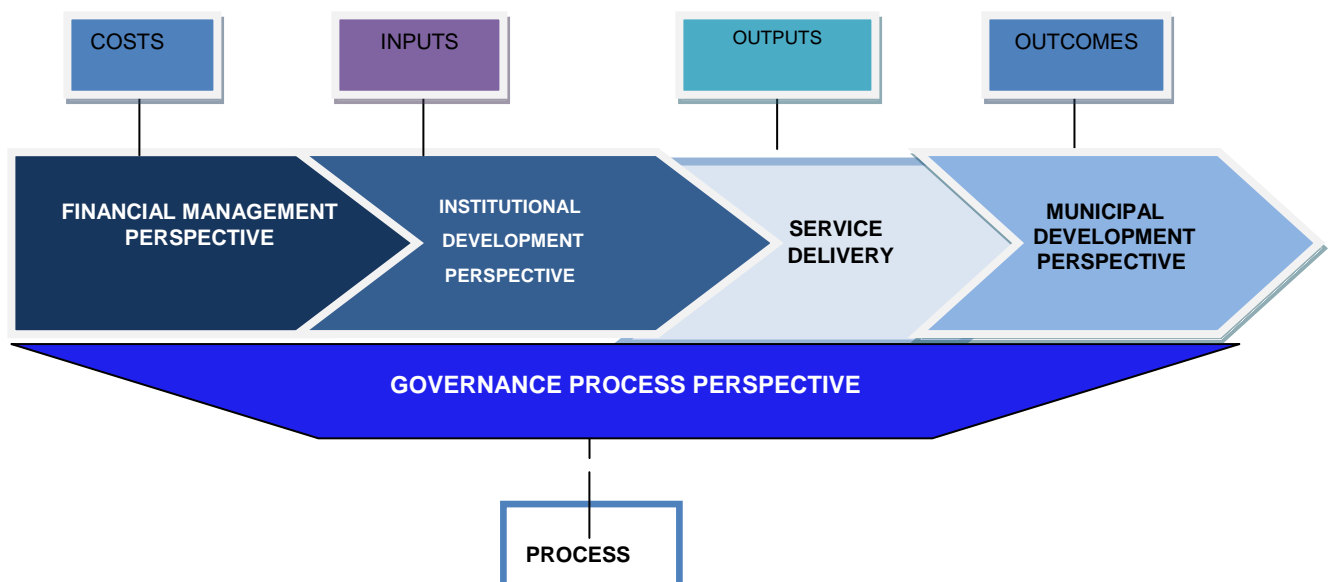
7. The Key Characteristics of the Municipal Scorecard Model

The Municipal Scorecard Model has two (2) main features:

- The model uses the five (5) Key Performance Areas for Local Government as areas against which municipal performance must be measured and managed; and
- The model considers performance at three (3) levels in the context of a district municipality whereas in the context of a local municipality, it considers performance at two (2) levels

7.1 Structure of the Municipal Scorecard Model

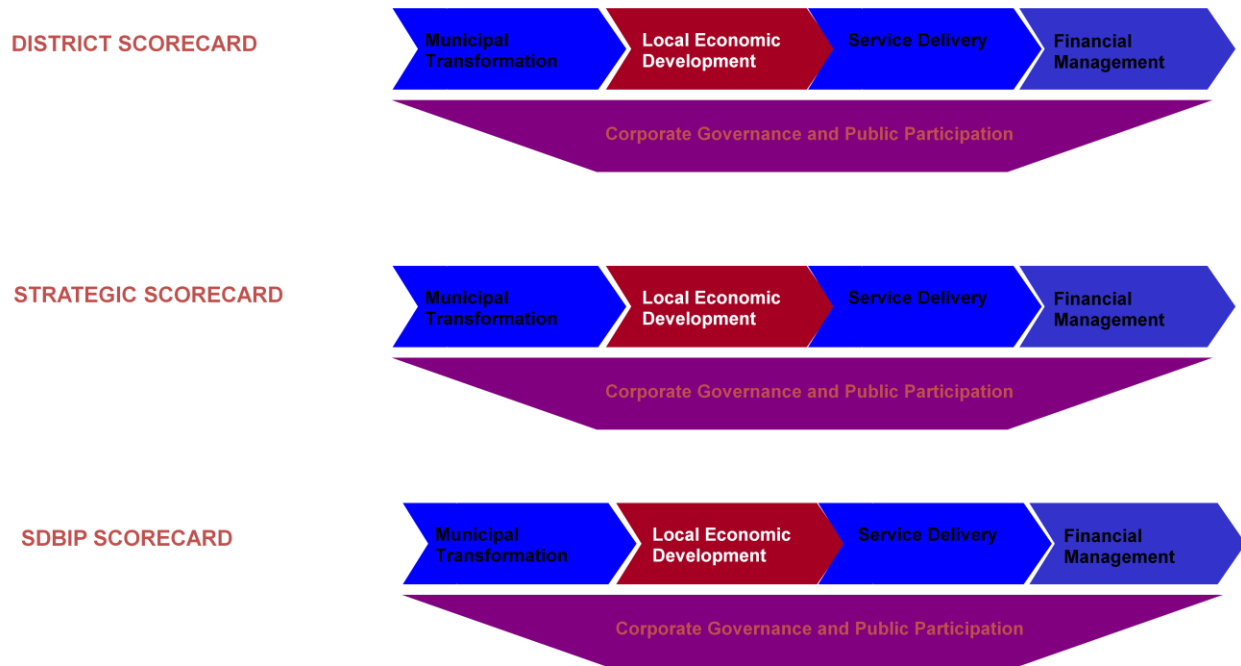
Figure1: Schematic representation of the Municipal Scorecard Model



7.2 Analysis of the Municipal Scorecard Perspectives

NO	PERSPECTIVE	DEFINITION
1.	The Municipal Development	<ul style="list-style-type: none"> ▪ Assesses whether the desired development impact in the municipal area is being achieved ▪ Incorporates social, environmental and economic development aspects ▪ Constitutes the development of priorities for the municipal area and indicators that tell whether the desired development outcomes are being achieved ▪ This relates to the measurement of developmental outcomes in the municipal area
2.	The Service Delivery	<ul style="list-style-type: none"> ▪ Assesses performance with respect to the delivery of services and products ▪ This relates to the output of the municipality
3.	The Institutional Development	<p>Assesses performance with respect to the management of municipal resources:</p> <ul style="list-style-type: none"> ▪ Human Resources ▪ Information ▪ Organizational Infrastructure ▪ Asset Management
4.	The Financial Management	<p>Assesses performance with respect to financial management and viability, including:</p> <ul style="list-style-type: none"> ▪ Financial viability indicators ▪ Operating income vs. Operating expenditure performance ▪ Financing infrastructure investment vs. capital expenditure performance ▪ Financial management performance
5	The Governance	<p>Assesses performance with respect to engagements and relationships with its stakeholders in the process of governance. It includes, amongst others:</p> <ul style="list-style-type: none"> ▪ Public participation, including the functionality and impact of ward committees ▪ Functionality and impact of municipal governance structures (council structures including the offices of the speaker, and portfolio committees/ clusters and executive) ▪ Access to information ▪ Intergovernmental relations

Figure 2: Levels of the Municipal Scorecard Model

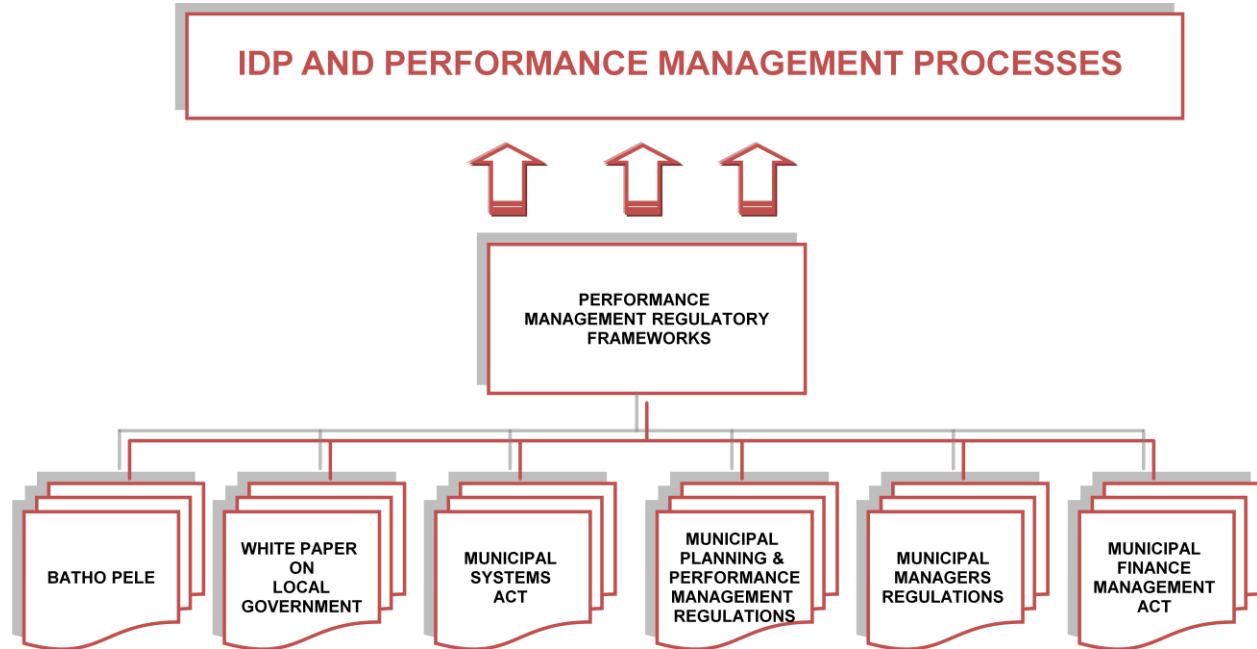


8. Legal Framework of the Municipal Scorecard Model

The requirement for the development and implementation of a Performance Management System is provided for in legislation, which makes it peremptory for municipalities to comply. The Auditor General is required to audit municipalities for compliance with legislation. The most important legislative and policy requirements for the role of Local Government and the management of Performance Management have been tabulated below:

FRAMEWORK	DEFINITION
The Constitution of the Republic of South Africa (Act 108 of 1996)	<ul style="list-style-type: none"> ▪ Provide democratic and accountable government for local communities ▪ Ensure the provision of services to communities in sustainable manner; ▪ Promote social and economic development ▪ Promote a safe and healthy environment ▪ Encourage the involvement of communities and community organizations in the matters of local government
The Municipal Systems Act (Act 32 of 2000)	<p>The Municipal Systems Act (2000) enforces the idea of a local government PMS and requires municipalities to:</p> <ul style="list-style-type: none"> ▪ Develop a performance management system; ▪ Set targets, monitor and review performance based on indicators linked to their IDP; ▪ Publish an annual report on performance for the councilors, staff, the public and other spheres of government; ▪ Incorporate and report on a set of general indicators prescribed nationally by the minister responsible for local government; ▪ Conduct an internal audit on performance before tabling the report; ▪ Have their annual performance report audited by the Auditor General; and ▪ Involve the community in setting indicators and targets and reviewing performance.
The White Paper on Local Government (1998)	<ul style="list-style-type: none"> ▪ It states that Local Government should introduce Performance Management System; and ▪ It acknowledges "involving communities" in developing some municipal key performance indicators.
Municipal Planning and Performance Management Regulations (2001)	<p>Sets out in detail the requirements for Municipal Performance Management Systems</p>
Municipal Finance Management Act (2003)	<p>States the requirements for a municipality to include its annual municipal performance report with its financial statements and other requirements in constituting its annual report</p>
Municipal Performance Management Regulations (2006)	<ul style="list-style-type: none"> ▪ Sets out how the performance of s.57 staff will be uniformly directed, monitored and improved; ▪ The regulation addresses both the employment contract and performance agreement of municipal managers and managers directly accountable to municipal managers; ▪ Provides a methodology for the performance management system as well as criteria for performance bonus payments; and ▪ Provides an approach for addressing under – performance, should this occur.

Figure 3: The legislation frameworks governing Performance Management



9. The different levels of the scorecard

The Municipal Scorecard Model has three (3) levels of scorecards in the case of a District Municipality and two (2) levels of scorecards in the case of a Local Municipality. The framework will focus on the two (2) levels of the scorecards for the local municipality.

9.1 The Strategic Scorecard/ Organizational Scorecard

Organizational Performance Management is concerned with the overall performance of the Municipality in relation to giving effect to the Integrated Development Plan. The strategic scorecard will provide an account of performance for the local municipality towards development in the municipal area. This scorecard reflects on the corporate level performance for the entire municipal organization. The development perspective of this scorecard will therefore be about providing a basis for the municipality to assess the extent of the impact of its strategies as an organization. The strategic scorecard indicators of this scorecard will be corporate output focused.

The Municipal Manager and HODs will use it as a basis for reporting to the Mayco, Council and the general public. The frequency for reporting of the strategic scorecard could depend on the nature of forums, like for instance it might be proposed that it be reported bi – annually to the Mayco and the public annually. The targets will be set on a five (5) year time frame. The Municipal Manager is primarily responsible for the performance on the Strategic Scorecard. The

strategic scorecard forms the largest component of how the municipal manager's performance will be managed.

9.2 The SDBIP Scorecards/ Departmental Scorecard

The Service Delivery and Budget Implementation Plan scorecard captures the performance of each municipal department and provides a comprehensive picture of each municipal department. It consists of objectives, indicators and targets derived from the service plan and strategies. The SDBIP Scorecards will be comprised of the following components:

PERSPECTIVE	COMPONENTS
The Municipal Development	<ul style="list-style-type: none"> ▪ Sets out the developmental outcomes that the service is to impact on ▪ Assesses the extent to which the strategies that are driven by the departments are contributing towards ensuring that the municipality makes its expected contribution
The Service Deliverable	<ul style="list-style-type: none"> ▪ Sets out the products and services that the departments will deliver ▪ It includes service delivery targets and performance indicators for each quarter
Institutional Transformation	Sets out how the department will manage and develop its human resources, information and organizational infrastructure
Financial Management	Includes projections of revenue to be collected at source and operational and capital expenditure by vote
Governance	Sets out how departments will improve its relationship with its stakeholders

Each of the Five (5) Perspectives will be allocated a weighting in line with priority/ focus areas for the municipality as defined and allocated in the IDP

PERSPECTIVE	WEIGHTING (%)
Municipal Institutional Development and Transformation	

Service Delivery	
Local Economic Development	
Municipal Financial Viability and Management	
Good Governance and Public Participation	
Total	100%

In addition to the requirements of the MFMA and the National Treasury Guidelines for SDBIPs, the SDBIP scorecard approach thus provides an additional opportunity to set objectives, indicators, and targets for, as well as report against service outcomes, institutional transformational issues and stakeholder relations. Performance in the form of a SDBIP Scorecard will be reported to the Management Team and the relevant portfolio committee/ cluster on a quarterly basis respectively.

The HoDs will be primarily responsible for performance on the SDBIP Scorecard and as such is closely linked to the performance of HoDs. Furthermore, the SDBIP Scorecard will be cascaded down in to the departments where it will be monitored.

Sections heads within departments are responsible for reporting to the HoD's. SDBIP Scorecards and performance reports must be formulated at departmental meetings constituted at least by the HoD and Section Heads.

Section planning must be informed by the SDBIP Scorecard and performance reporting must feed into the SDBIP Scorecard report. Each section must have its own implementation plan that contributes to the overall implementation of the SDBIP Scorecard

It is of critical importance to ensure that the SDBIP Scorecard does not duplicate the current reporting, but rather be integrated as a core component of the municipality's vertical reporting system. It should simplify all regular reporting from departments to the municipal manager and portfolio clusters

9.3 Scorecard Concepts

The Strategic and SDBIP Scorecards should be presented in a consistent format so that they are easy to use and understand. Concepts that commonly used in the development of scorecards are tabulated below:

CONCEPT	DEFINITION
---------	------------

Key Performance Area	Key areas of responsibility
Objectives	Statements (often drawn from IDP), about what a service wants to achieve.
Indicators	Variables (qualitative or quantitative) that tell us whether we are making progress towards achieving our objectives
Baseline Measure	Value (or status quo) of the indicator before the start of the programme or prior the period over which performance is to be monitored and reviewed.
Target	Value (or desired state of progress) of the indicator that is intended to be achieved by a specified time period.
The measurement source/means of verification and frequency	Indicates where the data for measuring will emanate from, and how frequently the indicator will be measured and reported
CONCEPT	DEFINITION
Indicator custodian	Refers to the person that takes responsibility for the monitoring of change in the indicator and reports on it.

9.4. Core Local Government Indicators

9.4.1 National Indicators

The municipality's performance management indicate incorporate the following indicators prescribed by the Minister of Provincial and Local Government as provided by the Municipal Planning and Performance Management Regulations of 2001:

- The percentage of households with access to basic level of water, sanitation, electricity, and solid waste removal;
- The percentage of households earning less than R1 100,00 per month with access to fee basic services;
- The percentage of a municipality's capital budget actually spent on capital project identified for a particular financial year in terms of the municipality's integrated development plan;
- The number of jobs created through municipality's local economic development initiatives including capital projects;
- The number of people from employment equity target groups employed in the three highest levels of management in compliance with a municipality's approved employment equity plan;
- The percentage of a municipality's budget actually spent on implementing its workplace skills

and

- Financial viability as expressed by the following ratios:

(i)
$$A = \frac{B - C}{D}$$

“A” represents debt coverage

“B” represents total operating revenue received

“C” represents operating grants

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

(ii)
$$A = \frac{B}{D}$$

A” represents outstanding service debtors to revenue

“B” represents total outstanding service debtors

“C” represents annual revenue actually received for services

(iii)
$$A = \frac{B + C}{D}$$

“A” represents cost coverage

“B” represents all available cash at a particular

“C” represents investments “D” represents

While there is no legal requirement to incorporate any other local government performance monitoring indicators used by the other spheres of government other than those prescribed by the Minister, as practically feasible as possible incorporate a core set of local government indicators used by other spheres of government into its programme. Among these will be the indicators for the Vuna Awards for Municipal Performance Excellence for the following reasons:

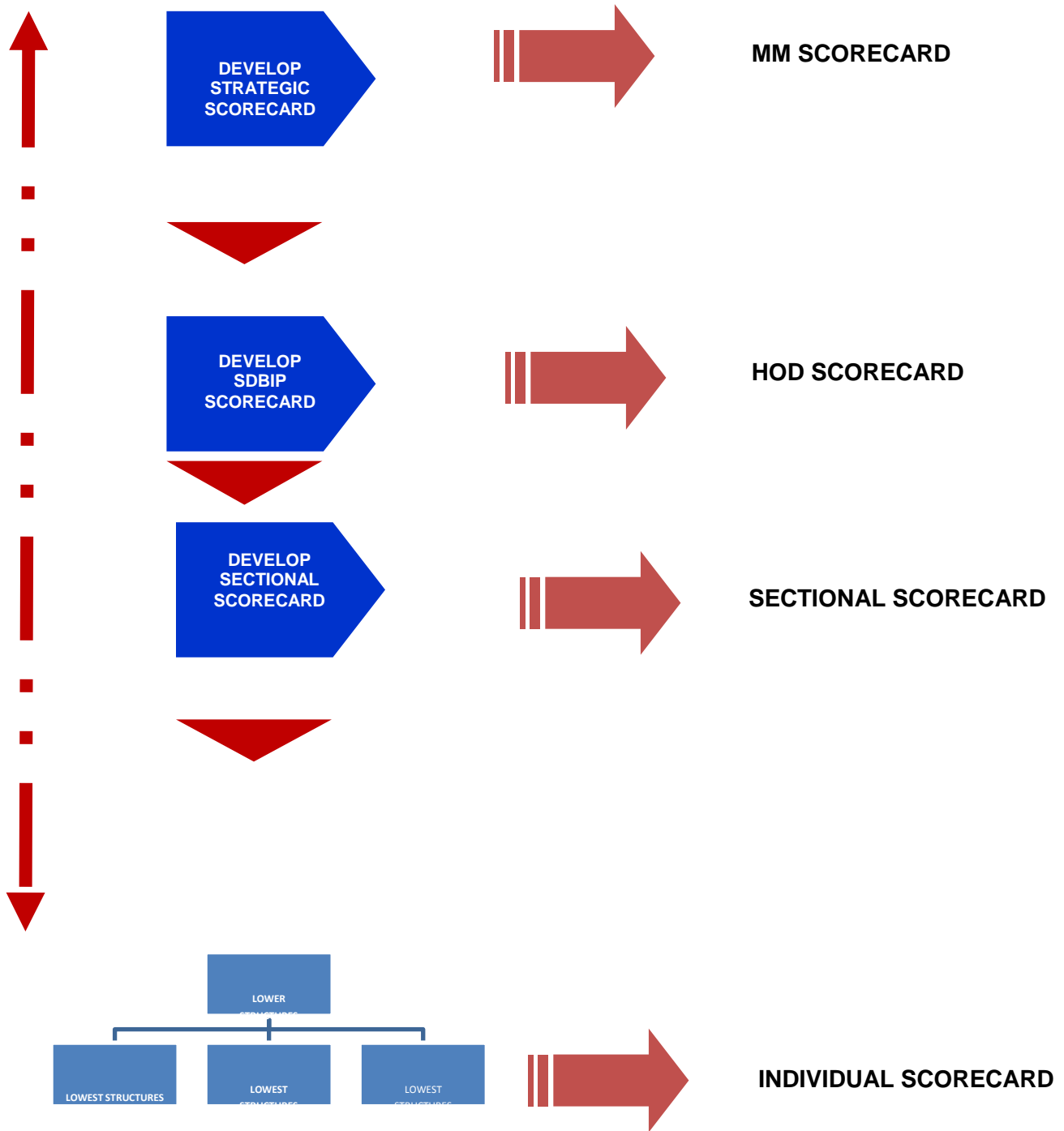
- It will ensure that the municipality is tracking its performance in line with national priorities, at least the indicators that are valued;
- It will ensure that the municipality has the performance information on hand to enter the Vuna Awards;
- It will allow benchmarking and comparison with other municipalities who are also using the same set of indicators.

9.4 Individual Performance Management

Linked to the Organisational Performance Management System are the individuals who contribute to the success or failure of the Municipality/Organisation. Each individual will have performance objectives, targets and standards that are linked to objectives of his/her Section, Department and Municipality.

The strategic scorecard will form the basis of measurement for the MM whilst the SDBIP will form the basis for measurement for HODs. The strategies will then be drilled down to the lower structures within the municipality

Figure 4: Cascading PMS



9.5 The implications of the adoption of the model

The adoption of the model suggests the need for the municipality to re – organize its systems and internal structures in order to make optimal use of the scorecards and the KPAs in all aspects of the PMS cycle, which includes performance planning, implementation, performance measurement and analysis, performance reviews and reporting.

10. The Process of Managing Organizational Performance

The process of performance management is central to notions of management i.e. it is inseparable from the things that are done on a day to day basis. Performance management should be mainstreamed in municipalities as an approach to daily management.

The annual process of managing the performance will involve **co-ordination, performance planning, performance measurement, analysis, performance reviews & reporting** and **performance auditing**.

Figure 5: Performance Management Processes



10.1 Performance Co-ordination

- The Mayor will be responsible for the oversight of the co-ordination policy framework and account to the Council in this regard;
- The implementation of the performance management system will be the responsibility of the Municipal Manager. He/she will be accountable to the Mayor;
- Strategic Manager will be responsible for coordinating the implementation of the planning, measurement , reporting and reviews of the PMS;
- Office of the Municipal Manager will do the following:
 - ✓ Develop planning and reporting templates;
 - ✓ Co-ordinate their completion, submission and analysis; and
 - ✓ Ensure that the Portfolio Committee/Clusters, Mayoral Committee and Council have necessary technical support to meet their responsibilities in terms of the performance management system.

10.2 Performance Planning

- The IDP ,budget and the Municipal SDBIP constitute the planning components of municipal performance management;
- The strategic objectives and strategies will be developed through the IDP review processes;
- Once the strategic scorecard has been approved as part of the IDP, the SDBIP/ departmental scorecards can be developed that support the realization of the objectives and targets set in the strategic objectives.

10.3 Performance Measurement, Analysis and Reporting

- Measurement is an act of collecting data on identified performance indicators;
- Analysis is the act of interpreting the collected data on performance management (in terms of performance) by the responsible official assigned to each indicator;
- The MM office will provide an overall analysis of municipal performance, for quarterly and annual reviews; and
- Such an analysis will aim to pick – up trends in performance over time and over all departments.

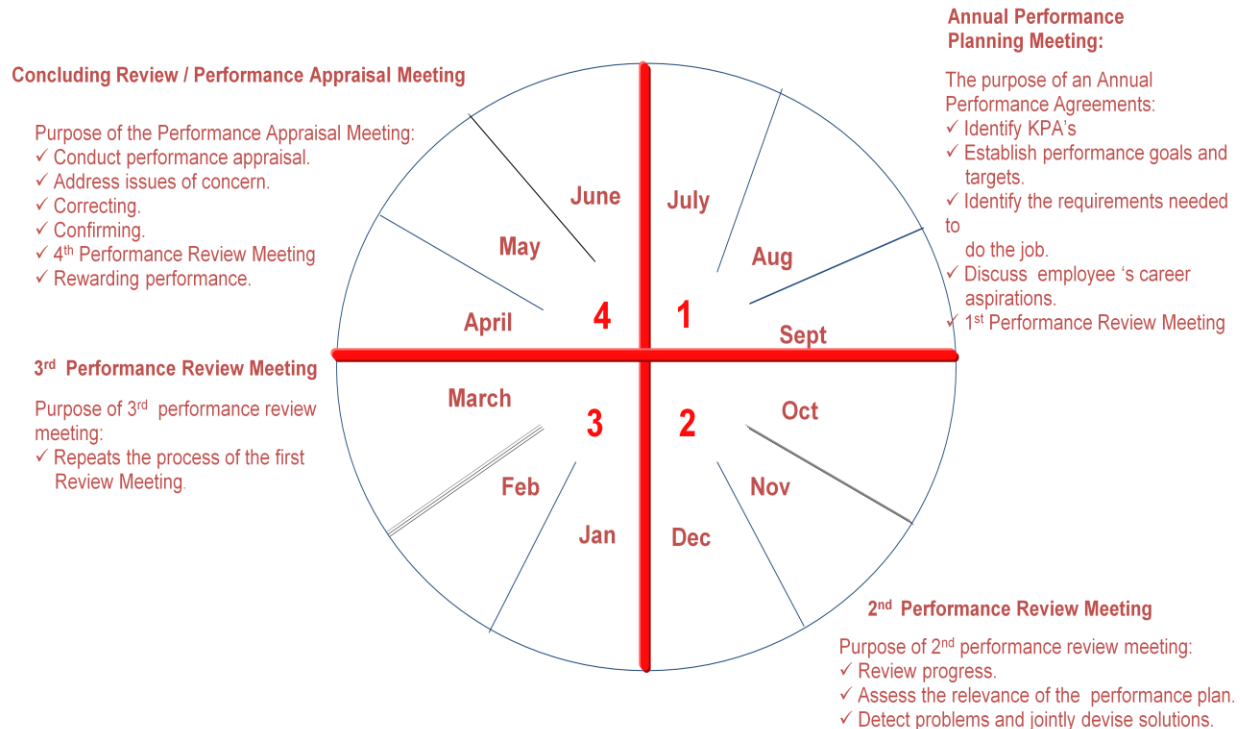
10.4 Auditing and Quality control

- Quality Control and co–ordination by the Office of the Municipal Manager/ Strategic Manager;
- Performance Investigations;
- Internal Audit;
- Audit Committee; and
- Auditor – General.

10.5 Performance Reviews

REPORTING STRUCTURE	REVIEWING STRUCTURE	TYPE OF REPORT	FREQUENCY
Departments	Management Team	SDBIP Scorecard	Monthly
Departments	Portfolio Committee	SDBIP Scorecard	Monthly
Portfolio Committee	Mayoral Committee	High Level Summary	Quarterly
Management Team	Mayoral	Strategic Scorecard	Quarterly
Council	Public (IDP Forum)	Citizen's Report	Bi - annually
Council	Province	Annual Report	Annually

Figure 6: Performance Reviews



10.7 Critical dates and timelines

The Local Municipality will facilitate the implementation of a co-ordinated annual cycle of municipal performance management within the local area. The cycle will have agreed critical dates and timelines for the following activities:

- Development of a Strategic Scorecard;
- Development of SDBIP;
- Finalisation of SDBIPs;
- Completion of the first quarter reviews;
- Completion of the midyear/ second quarter reviews;
- Completion of the third quarter reviews;
- Completion of the annual reviews and;
- Submission of inputs to the Strategic Scorecard.

10.8 Auditing and Quality Control

All auditing will comply with Section 14 of the Municipal Planning and Performance Management Regulations (2001). Auditing of performance reports will be conducted by the internal audit unit prior to submission to the municipality's audit committee and Auditor General.

NO.	ITEM	DESCRIPTION
10.8.1	Quality Control and Co-Ordination	<ul style="list-style-type: none"> ▪ The office of the Municipal Manager will be required on an ongoing basis to co-ordinate and ensure good quality of reporting and Reviews; and ▪ To ensure conformity to reporting formats.
10.8.2	Performance Investigation	<ul style="list-style-type: none"> ▪ The Executive Mayor or Audit Committee must be able commission in-depth performance, a lack of reliability in the formation being provided or on a random adhoc-basis ▪ Performance Investigations assesses: <ul style="list-style-type: none"> ✓ The reliability of reported information; ✓ The extent of performance gaps from targets; ✓ The reasons for performance gaps; and ✓ Corrective action and improvement strategies. ▪ Internal Audit maybe used to conduct Performance Investigations; preferable external Service providers; academic institutions who have expertise in the area to be audited with the adoption of clearly defined terms of reference.
10.8.3	Internal Audit	<ul style="list-style-type: none"> ▪ The municipality's audit function will be continuously involved in auditing the performance reports of SDBIPs and the Strategic Scorecard. They will be required to produce an audit report on a quarterly basis and be submitted to Municipal Manager and Audit Committee; and ▪ The capacity of the Internal Audit Unit must be improved beyond the auditing of the financial information. ▪ Auditing is necessary to prevent: <ul style="list-style-type: none"> ✓ Inconsistencies in the performance management definition or methodology or data collection; ✓ Incorrect processing and poor documentation of performance management; and ✓ Biased information collection and reporting by those whose image is at stake in the performance management process.

10.8.3.1 Auditing

The Regulations specify that any auditing must include assessment of:

- The functionality of the municipality's Performance Management System;
- The compliance of the system with the legislation; and
- The extent to which performance measurements

10.8.3.2 Audit Committee

The Municipal Council ensures that the mandate of the audit committee includes performance auditing. The Council will ensure:

- Majority of members of the Audit Committee are not councillors or employees of the municipality;
- Chairperson of the Audit Committee is neither a councillor nor an employee of the municipality;
- Members of the Audit Committee have credibility within all Umzimvubu Local Municipality communities and organs of civil society; and the
- Composition of the Audit Committee sufficiently caters for the following competencies:
 - ✓ An understanding of performance management understanding;
 - ✓ An understanding of municipal finance;
 - ✓ An understanding of development, including rural development; and
 - ✓ An insight into municipality's IDP objectives.

The operation of the audit committee must be governed by section 14 (2-3) of the regulations.

As per the regulations, the performance audit committee will:

- Review the quarterly reports submitted to it by internal audit unit;
- Review the municipality's performance management system and make recommendations in this regard to the council of that municipality;
- Assess whether the performance indicators are sufficient; and
- At least twice during a financial year submit an audit report to the municipal council.

The audit committee should also be tasked with assessing the reliability of information reported. In order to fulfil its function, a performance audit committee may according to the regulations:

- Communicate directly with the Council, Municipal Manager or internal; and external auditors of the municipality concerned;
- Access any municipal records containing information that is needed to performance its powers;

- to
 - Request any relevant person to attend any of its meetings, and if necessary
 - and
 - provide information requested by the committee; and
 - Investigate any matter it deems necessary for the performance of its duties
- the exercise of its powers.

10.6 Role of Stakeholders

STAKEHOLDERS	PERFORMANCE PLANNING	MEASUREMENT AND ANALYSIS	PERFORMANCE REPORTING & REVIEWS
Community Structures and IDP Forum	<ul style="list-style-type: none"> • Be consulted on needs • Develop the long-term vision for the area • Influence the identification of priorities • Influence the choice of the indicators and setting of targets 		Be given the opportunity to review municipal performance and suggest new indicators and targets
Council	<ul style="list-style-type: none"> • Facilitate the development of a long-term vision • Develop strategies to achieve vision • Identify priorities • Adopt indicators and set targets 		Review municipal performance bi-annually
Portfolio (s79) Committees	<ul style="list-style-type: none"> • Influence the preparation of the SDBIP Scorecards • Ensure involvement of communities in setting of municipal targets 	Monitor performance of relevant services	<ul style="list-style-type: none"> ▪ Receive reports from service managers ▪ Review monthly SDBIP Scorecards ▪ Report to Mayco ▪ Adopt corrective actions where necessary and recommend to Mayco
Mayoral Committee	<ul style="list-style-type: none"> • Play a leading role in giving strategic direction and developing strategies and policies for the municipality • Manage the development of an IDP • Approve and adopt indicators and set targets • Communicate the plan to other stakeholders 		Conduct the major reviews of municipal performance, determining where goals had or had not been met, what the causal reasons were and to adopt response strategies

STAKEHOLDERS	PERFORMANCE PLANNING	MEASUREMENT AND ANALYSIS	PERFORMANCE REPORTING & REVIEWS
HODs of Departmental Managers	Develop service plans for integration with other sectors within the strategy of the organization	<ul style="list-style-type: none"> ▪ Measure performance according to agreed indicators, analyse and report regularly • Manage implementation and intervene where necessary ▪ Inform decision makers of risks to service delivery timeously 	Conduct reviews of service performance against plan before other review
Internal Audit			Produce Quarterly Audit Reports for the Municipal Manager and Audit Committee
Audit Committee			<ul style="list-style-type: none"> ▪ Review internal Audit Reports ▪ Assess system and indicators ▪ Provide audit report twice annually to Council

11. The Appraisal/Reviewal Process

11.1 Responding to Organisational Performance

GOOD OR EXCEPTIONAL PERFORMANCE	POOR PERFORMANCE
The Municipality should develop innovative mechanisms to recognise good performance.	<ul style="list-style-type: none"> ▪ Poorly performing departments should provide analysis and reasons for poor performance; ▪ An investigation should be conducted in an event of not providing sufficient reasons to deepen the understanding of the underlying problems, whether they are policy related; systemic,

	structural or attributed to the poor performance of individuals.
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11.2 Employee Performance

The main focus of this section is performance management arrangements for employees of the municipality. Legislation underpins performance management of employees requires that it be enforced for all Section 57 Managers. The municipality should roll-out the system incrementally for all the employees and the legislation governing the roll-out is applicable to all the employees except in cases where the nature of the employment contract places imitations on its applicability.

Employee Performance management is based on the legislation below:

- Municipal Systems Act, 32 of 2000,
- Municipal Systems Amendment Act, 44 of 2003,
- Municipal Performance Regulations for Municipal Managers and Managers directly accountable to Municipal Managers, 2006. Regulation Gazette
- Draft Competency Guidelines for Municipal Managers and Managers directly accountable to Municipal Managers, 2006

11.2.1 Responsibilities for implementing the system

Section 55 of Municipal Systems Act, stipulates that the Municipal Manager as head of the administration or as accounting officer' is responsible and accountable for the formation and development of an accountable administration operating in accordance with the municipality's performance management system.

She or he is responsible for the management of the administration in accordance with the legislation. The final responsibility for ensuring that employment contracts for all staff are in place rests with the Municipal Manager. The final responsibility for ensuring that performance agreements of the relevant managers including his or her own are in place rests with the Municipal Manager

11.2.2 Employment Contract

Section 57 of Municipal Systems Act, stipulates that there must be a written employment contract between the municipality, the Municipal Manager and managers directly accountable to Municipal Managers.

11.2.2.1 Applicable Legislation

The employment contract must be subject to the terms and conditions of the Municipal Systems Act, the MFMA, and other applicable legislation (refer to sub-regulation 4(1))

- In the event that the employment contract does not refer to the applicability of other legislation, that omission will not affect the legal validity of the employment contract.

- The contract will in the event be subordinate to any legislation even in the case where parties themselves are aware of such legislation.

11.2.2.2 Validity of employment contract

Sub-regulation 4(1) (a), further provides that employment in terms of an employment contract must be subject to signing of a separate performance agreement within 90 calendar days after assumption of duty and annually after the commencement of the financial year.

11.2.3 Performance Agreements

A performance agreement represents a basis for monitoring and managing the performance of a manager and provides a legal mechanism for responding directly to a managers' level of performance whether excellent or poor.

The performance agreement must be entered into for each financial year (concluded within 30 days of the beginning of the financial year or 90 days from date of employment) .Not concluding a performance agreement within the stipulated time frames will amount to breach of employment contract. The party responsible for the breach must be given an opportunity to remedy the breach.

If the breach is not remedied within the agreed timeframes then there will be a basis for initiating procedures towards terminating the contract.

11.2.3.1 Retrospectivity

Performance agreement must be signed within 90 calendar days after assumption of duty (refer to MSA section 57(2))

- The Municipal Council does not have the authority to change the prescripts
- The absence of a performance agreement at the end of the financial year will fatally affect the ability of the municipality to pay performance bonus to the affected employee.

11.2.3.2 Legal validity after 90 days

The Municipality and the employee will still be able to enter into a valid performance agreement after 90 day period, provided that there is a consensus between parties that the employment contract is still in force (refer to sub-regulation 4(4)(a) and sub-regulation 24(1))

11. Performance Plan

A performance plan establishes a detailed set of objectives and targets to be met by the Section 57 employee as well as the time frames within which these should be met.

The specifics of the performance plan will be determined by the Executive Mayor, in consultation with the employee, and will be based on IDP, SDBIP, and the budget. It shall include the following elements:

- Key objectives;
- Key performance Indicators;

- Targets; and
- Weightings

Employees will be measured in terms of their contribution on the goals and strategic planning as set out in the municipality's IDP.

Performance will be assessed based on two components:

- Key Performance Areas (KPA): - these relate to functional competencies i.e. day to day operations. This has an 80% weighting of the final assessment.
- Core Competency Requirements (CCRs): - these relate to managerial and professional competencies. The CCR has a weighting of 20% of the final assessment.
- Weightings per KPA will be agreed upon between employee and employer.

11.2.3.3 Personal Development Plan

It is a part of performance agreement stating activities including training that an employee wishes to undertake for self improvement or required to advance the objectives of the organisation.

12. Assessing Performance

The Performance Regulations for Municipal Managers (2006) stipulates in detail how the assessment process should be undertaken.

12.1 Assessing Performance

- **When assessing the Municipal Manager, the Mayor must establish a panel that will include:**
 - ✓ Mayor;
 - ✓ Chairperson of the performance audit committee or the audit committee in the absence of a performance audit committee;
 - ✓ Member of the mayoral committee;
 - ✓ Mayor and/or municipal manager from another municipality; and
 - ✓ Member of a ward committee as nominated by the Mayor.
- When assessing managers directly accountable to the municipal manager, the municipal manager establish a panel that will include:
 - ✓ Municipal Manager;
 - ✓ Chairperson of the performance audit committee or the audit committee in the absence of a performance audit committee;
 - ✓ Member of the mayoral committee; and
 - ✓ Municipal manager from another municipality

Table 1 : Core Competency Requirements from Regulations (2006)

CORE COMPETENCY REQUIREMENTS FOR EMPLOYEES (CCR)		
Core Managerial and Occupational Competencies	Choice	Weight
Core Managerial Competencies		
Strategic Capability and leadership		
Programme and Project Management		
Financial Management		
Change Management		
Knowledge Management		
Service Delivery Innovation		
Problem Solving and Analysis		
People Management and Empower		
Client Orientation and Customer Focus		
Communication		
Honesty and Integrity		
Core Occupational Competencies		
Competence in Self Management		
Interpretation of and implementation within the legislative and policy frameworks		
Knowledge of developmental local government		
Knowledge of Performance Management		
Knowledge of global and South African specific political, social and economic Contexts		
Competencies in policy conceptualisation, analysis and implementation		
Knowledge of more than one functional municipal field discipline		
Skills in Mediation		
Skills in Governance		
Competencies as required by other national line sector departments		
Exceptional and dynamic creativity to improve the functioning of the municipality		

TOTAL PERCENTAGE	-	100%
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12.2 Process & Scoring

Performance will be reviewed on a quarterly basis within two weeks after completion of the evaluation unit to which the employee belongs or is responsible for managing.

- The performance plan will include Personal Development Plan, in order to address any weaknesses or skills gaps which may have been identified.
- The annual performance appraisal will involve
 - ✓ Key Performance Area; and
 - ✓ CCR assessment.

The beginning of the process of conducting performance management, the journey for performance re-definition, re-modeling and preparation for excellence in performance

- Discuss Key Performance Area;
- Discuss Performance Objectives;
- Discuss Key Performance Indicators;
- Discuss Employees Action Plan;
- Discuss Employee Development Plan;
- Review the Plan; and
- Acknowledge the plan (signing)

Table 2: The 5-point rating scale

LEVEL	TERMINOLOGY	DESCRIPTION IN REGULATION	PROPOSED REVISED DEFINITIONS OR PERFORMANCE AGAINST INDICATORS
5	Outstanding Performance	Performance far exceeds the standard expected of a employee at this level.	Individual has performed exceptionally well on these indicators and has very significantly surpassed expectations.
4	Performance significantly above expectations	Performance is significantly higher than the standard expected in the job.	Individual has performed well and has gone slightly above expectations.
3	Fully	Performance fully meets the standards expected in all areas of the job.	Individual has met the expectations associated with these indicators

2	Performance not fully effective	Performance is below the standard required for the job in key areas. Performance meets some of the standards expected for the job.	Performance is below the standard required for the job in key areas
1	Unacceptable performance	Performance does not meet the standard expected for the job.	Individual has poorly performed on these indicators significantly below the standard required

(I) HOD's performance measurement

The combined KPA and CCR assessment scores, weighted 80% and 20% respectively make up the overall assessment score. The individual managers' scorecards have three components.

- The first two (2) component are the scores that are based on the performance of the municipality constituting 80% KPA score; and
- The third component is about the manager's competency

The overall municipal performance based on the Strategic Scorecard is measured at the end of the financial year only. The collective score of municipal performance is represented by the average of the departmental scores during the period under review, for the purposes of assessing the performance of an HoD during the

(II) Municipal Manager's performance measure

There will also be three components also in the case of the Municipal Manager as shown in the table below.

Table 3: 80% for s57 Manager workout

MUNICIPAL MANAGER			HOD'S		
COMPONENT	WEIGHTING	SOURCE	COMPONENT	WEIGHTING	SOURCE
Collective score for municipal performance	60%	Overall municipal scorecard score	Collective score for municipal performance	20%	Overall municipal scorecard score equally owned by all directors and MM
Average departmental scores	20%	Sum of departmental scores divided by the no. of departments	Score for departmental performance	60%	Overall Departmental Scorecard score
CCR score of a manager	20%	CCR appraisal result	CCR score of a manager	20%	CCR appraisal result

Table 4 : Worked example of an HOD performance score calculation

COMPONENT	WEIGHTING	PERFORMANCE SCORE	WEIGHTED SCORE
Collective score for the municipal performance	20%	60%	20% X 60% = 12%
Score for departmental performance	60%	70%	60% x 70% = 42.5%
CCR score of a manager	20%	55%	20% x 70% = 11%
Final Score (sum of weighted score)			65%

12.3 Dispute Resolution

Any disputes about the nature of the employee’s performance agreement, whether it relates to key responsibilities, priorities, methods of assessment and/or salary increment in the agreement, must be mediated by:

- In the case of the Municipal Manger, the MEC for local Government in the province within thirty (30) days of receipt of formal dispute from the employee, or any other person designated by the MEC; and
- In the case of managers directly reporting to the Municipal Manager, the Executive Mayor within thirty (30) days of receipt of a formal dispute from the employee; whose decision shall be final and binding on both parties.

13. RESPONDING TO EMPLOYEE PERFORMANCE

13.1 Good Performance

Employees on fixed term performance related contracts

Bonuses

Performance bonus, based on affordability may be paid to the employees, after:

- The annual report for the financial year after the review has been tabled and adopted by the Council;
- An evaluation of performance in accordance with the provisions of the Regulation
- Approval of such evaluation by the municipal council as a reward for a level of performance deserving of performance bonus in terms of bonus criteria.

Performance Bonus Criteria

The regulations provide that between 5% and 14% of the inclusive annual remuneration package may be paid to the employee after the end of the financial year and only after an evaluation of performance and approval of such evaluation by the Municipal Council, as a reward for a level of performance deserving of a bonus in terms of the bonus criteria.

In determining the bonus payment, the regulations specify that the relevant percentage depends on the overall rating calculated by using the applicable assessment rating calculator:

- A score of **100% - 120%** is awarded a performance bonus ranging between **0% -5%**;
- A score of **130% - 149%** is awarded a performance bonus ranging between **5% - 9%**; and
- A score of **150% and above** is awarded a performance bonus ranging between **10% - 14%**.

13.1.1.3 Salary Adjustment

The respective employee's salary can be adjusted if it is understood that the high levels of performance can be sustained and are not once off. (This salary adjustment is over and above any inflationary adjustment)

13.2 POOR PERFORMANCE

13.2.1 Employees on fixed term performance related contracts

- The municipality will base its actions against poor performing s57 managers on the midyear and annual performance review processes.
- Having set performance targets in the form of a performance agreement at the beginning of the year and reviewed progress in September as per Regulations during the midyear review if a manager achieves a score of less than 60%. An appropriately designated person within the municipality will, together the manager concerned, develop a remedial and developmental support plan within 30 days of the midyear performance review to assist the employee to improve his/her performance.
- The design of the plan will be such that there should be performance improvement within six (6) months of its implementation.
- The plan will clearly specify the responsibilities of the employer as well as the responsibilities of the employee with regard to its implementation.
- If after six (6) months, during the end year performance review, the manager concerned still achieves a score less than 60% and the municipality has evidence or proof that it met its responsibilities in terms of implementing the remedial and developmental support plan, the municipality will consider steps to terminate the contract of the employee on the grounds of poor performance or operational incapacity

13.2.2 Employees *NOT on fixed term* performance related contracts

- In the case of unacceptable performance by an employee who is not on fixed term performance contract, the municipality shall together with the employee concerned, develop a **remedial** and **developmental support plan** within 30 days of a review in which the employee achieves a score of less than 60%.
- The plan will clearly specify the responsibilities of the employer as well as the responsibilities of the employee with regard to its implementation.
- The timeframes of the plan shall be determined by the support and remedial needs identified in the plan.
- After the timeframe determined in the plan has lapsed and based on the targets set in the plan, the performance of the employee will be assessed.
- If the employee concerned still achieves a score of less than 60% and the municipality has evidence or proof that it met its responsibilities in terms of implementing the **remedial** and **developmental support plan**, the municipality will consider steps to terminate employment of the employee on the grounds of poor performance or operational incapacity.

14. Evaluation and Improvement of the Performance Management System

The Municipal Systems Act (2000) requires the municipality to evaluate its performance management system annually. It is proposed that after the full cycle of the annual review is complete, the performance management team will initiate an evaluation report annually, taking into account the input provided by departments. The report will be discussed by the Management Team and finally submitted to the Executive Committee for discussion and approval.

CHAPTER 3

3.1 SPATIAL DEVELOPMENT FRAMEWORK

This section of the Umzimvubu SDF will identify the development strategies and objectives to be followed by the Municipality in achieving an integrated and sustainable spatial development pattern in the medium to long term. The strategies and objectives identified in this report will be expanded upon by a list of identified projects that should be implemented as part of the various programmes of the Municipality.

The strategies and objectives identified in the SDF are mostly strategic in nature, and will have to be expanded upon in further detailed studies, policies and local spatial development plans. It may further be required that the institutional capacity of the Municipality be strengthened in order to achieve the objectives of these strategies and proposals.

In order to provide the Municipality with a clear process plan on the implementation of the following development strategies, it is proposed that the development strategies list is not too comprehensive that the focus of the basic planning principles for these strategies is lost. Instead, the core strategies for the future spatial development of the Municipality will be identified, and integrated into the spatial proposals section of the SDF.

The development strategies for the Municipality are based on the existing situation in respect of physical development, existing opportunities and constraints and the economic activities that drive the local economy of the Municipality. The following development strategies are thus proposed for the development of the Municipality.

- a. Build on the opportunities identified as the key drivers of the future development of the Municipality.
- b. Address the constraints identified, in order to achieve a more sustainable development pattern.

This section outlines the municipal and SDF vision for the study area, planning principles to give effect to the desired spatial form and SDF objectives. It is important that the SDF is contextualised in terms of the vision, mission, objectives, strategies priorities and key spatial challenges as defined and identified within the IDP.

1. Vision and Mission for the Umzimvubu Municipality

The vision for the Umzimvubu Municipality as adopted as part of its 2009/10 IDP is:

Vision:

“A municipality that is known to put community first. We will render quality services through our employees and create a platform for vital economic activity which will create sustainable financial viability and development for a better life for all”.

Mission:

2. Strategic Direction for the Umzimvubu Municipality

“To ensure delivery of quality services that promote economic growth, support development and respond to the community needs in accordance with our developmental mandate”.

The Municipality has set a vision and mission to provide strategic direction for all planning and service delivery in the municipality. In order to achieve the above vision and mission, the IDP identified the following development priorities for the municipality:

1. Infrastructure priorities
2. Economic priorities
3. Spatial priorities
4. Social priorities
5. Institutional priorities

3. Strategic Alignment with other Planning initiatives

The municipality is an integral part of the South African development State. It must strive for synergy with the programmes of the Republic of South Africa. This section provides an overview of the strategic plans, principles that have informed and influenced the macro strategic direction that should be followed by the Municipality.

4.1 NATIONAL SPATIAL DEVELOPMENT PERSPECTIVE

The key priorities for the new Government were for the increase in economic growth and promote social inclusion. National Spatial Development Perspective (NSDP) is a critical instrument for policy coordination, with regard to the spatial implication of infrastructure programmes in national, provincial and local spheres of government.

NSDP has been approved as an indicative tool for development planning in the government. In order to contribute to the growth and development policy objectives of the government, the NSDP puts forward a set of 5 normative principles:

Principle 1: Rapid economic growth that is sustained and inclusive is a pre-requisite for the achievement of other policy objectives, amongst which poverty alleviation is key.

Principle 2: Government has a constitutional obligation to provide basic services to all citizens (e.g. water, energy and education facilities) wherever they reside.

Principle 3: Government spending on fixed investment should be focused on localities of economic growth and/or economic potential in order to gear up private sector investment, stimulate sustainable economic activities and create long-term employment opportunities.

Principle 4: Efforts to address past and current social inequalities should focus on people, not places. In localities where there are both high levels of poverty and demonstrated economic potential, this could include fixed capital investment beyond basic services to exploit the potential of those localities. In localities with low demonstrated economic potential, government should, beyond the provision of basic services, concentrate primarily human capital development by providing social transfers such as grants, education and training and poverty relief programmes and reducing migration cost by providing labour market intelligence so as to give people better information opportunities and capabilities to enable people to gravitate, if they chose to, to localities that are likely to provide sustainable employment and economic opportunities.

Principle 5: In order to overcome the spatial distortions of Apartheid, future settlement and economic development opportunities should be channelled into activity corridors and nodes that

are adjacent or link to the main growth centres. Infrastructure investment should primarily support localities that will become major growth nodes in South Africa and the SADC region to create regional gateways to the global economy.

4.2 EASTERN CAPE PROVINCIAL SPATIAL DEVELOPMENT PLAN

The Eastern Cape Provincial Spatial Development Plan (ECPSDP) gives guidance on the principles that should underpin the strategic approach to spatial development and management. To this end, a targeted and phased approach to development is recommended. Both targeting and phasing are seen as crucial in tackling basic needs and attaining sustainable local economic development.

The ECPSDP advocates a three levels approach for strategic investment to achieve the most significant results:

6. **Basic Need to All** – whereby the provision of basic services based on constitutional rights are targeted at areas of highest need e.g. water, sanitation, housing, health and education.
7. **Building Capacity** – whereby public sector investment, particularly economic infrastructure, is prioritized in areas of growth and opportunity
8. **Targeted Focus Area** – in which public investment is used to “crowd in” private sector investment in areas of high growth potential.

The ECPSDP takes into account the following characteristics;

1. **Settlement hierarchy**: This involves focusing investment strategically at three levels of support. The plan promotes identification of nodes and corridors with opportunity and targets development initiatives which promote consolidation of settlements to facilitate cost effective development.
2. **Flexible zoning**: allowing for flexibility for special kinds of investment.
3. **Resources sustainability**: Monitoring of the use of resources to ensure sustainability and minimization of environmental impacts in all land developments
4. **Restricted development zone**: identification of environmentally sensitive areas and ensuring that developments do not occur, for example wetlands, state forest, dune systems, river estuaries, game and nature reserves, heritage sites etc.
5. **Accessibility**: promotion of accessibility of resources and investment programs for the poor.
6. **Spatial Integration**: promotion of integrated development with maximum spatial benefits, integrating communities and the spatial economy.

4.3 ALFRED NZO DISTRICT MUNICIPALITY SPATIAL DEVELOPMENT FRAMEWORK 2007

The Alfred Nzo District Municipality Spatial Development Framework (ANDMSDF) provides guidance for the future development of the Alfred Nzo District Municipality. It is expected to be aligned with both local municipal SDFs within the district as well as provincial and national guidelines.

The ANDMSDF provide the following planning principles:

Access Routes as investment line: the hierarchy of access routes represent the spines around which development has and will be attracted and which provides guidance to levels of development and intensity.

A service centre strategy: creating a hierarchy of service centre offering a range of facilities and activities throughout the municipality. Three levels of centres are suggested to include primary, secondary and tertiary centres accommodating both economic and institutional development, amenities and facilities as well as an appropriate range of residential accommodation.

Environmental integration: the natural environment is regarded as prime asset and resource base for the district. Environmental sustainability, restoration and rehabilitation and appropriate usage forms the basis for this approach. The utilisation of natural resources is suggested to inter alia contribute to appropriate local economic and social development. The natural environment needs to be integrated into development approaches of other developments components. The development of agriculture is a key driver of the rural economy.

Establishing a management Framework: Having established an investment framework and natural resources base, it is possible to identify an overall management framework to guide future development. Such guidance will include the identification of primary land use zones such as environmental conservation zones, agricultural zones, areas for residential settlement, a hierarchy of nodal development, tourism nodes etc.

4.4 SUSTAINABLE DEVELOPMENT PLAN

The sustainable spatial development framework for Umzimvubu Municipality will be a tool applied to improve the quality of life of residents. To this end the framework has to adopt the principles of sustainable development that is..."development that delivers basic environmental, social and economic services to all without threatening the viability of the natural, built and social systems upon which these depend" (ICLEI 1995).

The framework will be used for establishment of sustainable program, indicators to track progress toward specific targets, and substantive actions to be taken by the different stakeholders. If the basic rules of leaving the same or an improved resource endowment as bequest to the future applied broadly developments and communities utilizing them have a chance thrive.

The framework facilitates economic development without compromising the integrity of ecosystems and community systems from family, neighbourhood through to the metro level. Developments in the municipality should not be seen in isolation, but rather as contributing to provincial and the country's development priorities, principally those aimed at improving the overall quality of life while ensuring sustainable utilisation of the environment.

It is important to develop partnership and synergy among relevant institutions, government and non-government agencies, to build onto existing strengths at local, provincial and national levels.

The challenge would therefore include, among others:

- Ensuring that capacity and resources are utilised optimally
- Equitable distribution of benefits within the community
- Prevention of degradation
- Local government participation
- Management interventions at different levels
- A convergence in economic, social and ecological foundations that guide technologies adopted for development
- Implementation of guidelines as provided for by South African Law

Economic development that perceives the biophysical environment goods and services as free inputs and a sink for waste products are likely not to succeed in the long term and measures have to be developed for the Municipality to assess the extent to which this is happening, and develop management practices to address the issue.

4. Development Vision

The vision for the spatial development is providing and appropriate guidance for the co-ordinated and integrated development of the Umzimvubu Local Municipality in terms of:

- Human and socio-economic development;
- Community capacity building and empowerment;
- Appropriate service provision;

Improved utilisation of existing and potential future the development opportunities of the local municipality;
Rural and urban development; and
Increased tourism development

5. Development Concept

The following section outlines principles, approaches and concepts for creating the Umzimvubu Spatial Development Framework. It includes broad

- Guiding principles;
- Strategies for nodal development;
- Strategies for clustering development;
- Strategies for investment framework
- Urban edges

6. Guiding Principles

7.1 ESTABLISHING STRUCTURE

The establishment of land use structure provides guidance for the future development and intentions as well as for the control and management of such development. As such it facilitates the appropriate location of land uses, physical and social services contributing to the utilization of the unique resources of the area and the adequate integration of various development components. Such development structure would primarily be established on the basis of a hierarchy of levels of accessibility.

7.2 FACILITATING INTEGRATION

Issues of integration at the municipal level relate primarily to aspects of integration with the development of surrounding municipalities, the integration and appropriate linkage of local municipal development within the district, the integration and appropriate connection of major land use components, the integration of undeveloped areas into the system of higher development areas, the integration of natural environments with urban development etc. Integration allows for the creation of richer and more varied environment providing greater development options.

7.3 CREATING GENERATIVE SYSTEM

The land use structure established should be able to guide the generation of activities in appropriate locations and identify adequate spatial capacity to provide accommodation for expected generation of increased thresholds. The concentration of appropriate development in adequately located development nodes and corridors will enable the provision of a range of amenities and facilities and the consequent creation of increased levels of threshold for local economic development while preventing undesirable sprawl. Appropriate initial impetus should be created for the establishment of generative and ongoing developmental process.

7.4 SEEKING COMPLEXITY IN SYSTEM

The creation of complexity as opposed to promoting monotonous single use development creates greater variety and attraction, encourages the shared use of scarce resources and opportunities and enables the development of greater threshold levels for local economic development.

7.5 DEVELOPMENT PLANNING

Development does not consist of a single event but of a process of action reaction and renewed action. Development Planning needs to appropriately accommodate natural development progression. It needs to be ensuring that the appropriate strategic initial development steps are taken and that planning is adequately visionary to provide guidance for the future continued development without being overly prescriptive.

7.6 SPACE AND PLACE

Appropriate development planning needs to respond appropriately to the context and uniqueness of places and areas. It is this input which provides the appropriate structuring elements of the development, the appropriate usage and development of areas, while building on the uniqueness of the areas and while creating unique and appropriate development.

7. Centre/ Node Strategy

An outline of a service centre strategy which has been developed some time ago within the provincial context and which is appropriate to the establishment of the SDF. The terminology is

suggested to replace other previously utilised terms and would be applicable to both district and local SDF.

Primary Node: the main centres of local municipality within the district, serving generally a radius of 35km, providing most services and activities required at the local municipality level, being appropriately located to be easily accessed by the majority of the residents of the local municipality by public transportation for weekly and monthly requirements.

Secondary Node: nodal development servicing several local communities with local level facilities, amenities and activities serving generally a radius of approximately 15km required on a weekly basis. Depending on the conditions of the local municipality, the municipality should accommodate two – four such nodes.

Tertiary Nodes: strictly local community centres providing for the basic needs of a community in terms of education, health, recreation, civic and economic activities, depending on local conditions serving an area of 3–5km radius, potentially accessed by residents of the community on daily basis.

NB: it should be noted that local conditions may require a variation of above structure and that higher order will at the same time provide the services and amenities of the relevant lower order centres.

The above-mentioned nodes are proposed as following:

Primary	Mount Frere Mount Ayliff	The main centre of the local municipality. This area should be specifically targeted for the following: Development of new social housing. Investment in infrastructure. Development of amenities, social facilities and recreational facilities. Proper land use management system that facilitates the orderly development of the urban area.
Secondary	Cancele, Pakade & Phuti	This area should be targeting the following: Serving several local communities, with local level amenities and facilities. Investment in infrastructure. Land use management that promotes the use of the areas. Feasibility study on establishing intensive economic development in these areas.
Tertiary	Sphambukeni	This is a smaller node with little residential component and small service supply. It is mainly for providing local communities in terms of health, civic and economic activities i.e. Thusong centre.

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8. Cluster Strategy

Sprawling and dispersed settlement is a common acknowledged characteristic of many areas of the provincial landscape. The required provision of improved levels of services, the better management and protection of natural resources suggest a growth strategy which provides for guided and structured growth while accepting the present dispersed development. This suggest the inter alia of the following approaches:

- Emphasis on the development of secondary and tertiary nodes;
- Structuring settlement growth primarily around development nodes and identified corridors;
- Identify appropriate limits for urban sprawl – implement urban edges;
- Actively limiting settlement growth in areas of agricultural opportunity and in identified environmental resources areas; and
- Promotion of increased levels of agricultural activity in areas outside the identified corridors and nodes, structure on appropriate community base and informed by specific local opportunities.

This approach should be promoted in the traditional settlement within Umzimvubu local Municipality.

9. Investment Framework Strategy

10.1 ACCESS ROUTES AS INVESTMENT LINES

The notion of structure aims at establishing a clear framework which facilitates access (access refers to physical, social and economic opportunities) and which creates a framework to direct public and private investment.

The main challenge in this regard is working within a context of scattered settlement. The concept in terms of creating structure is based on working with the resource base, existing settlement patterns and of developing a lattice or network of opportunity within such given pattern.

A key component here is the existing network of roads and access as the foundation of the framework. In particular at the local level it is important to ensure on the one hand that such access opportunities are linked to each other across local municipality boundaries. That the SDF extends beyond the mere identification of existing access routes and identifies potential

future strategic linkage opportunities, while on the other hand ensuring that such additional access and linkage contributes to the reconstruction and integration of peripheral and underdeveloped areas.

A hierarchy of access will attract a hierarchy of land uses, investments and development, it appears that development will initially concentrate around centres and nodes and only over time populate the more remote portions of corridors.

These investment lines are also called development corridor and are described as roads that are usually associated with the movement of people between places. This function of facilitating movement of people along a route also means that these movement corridors have the potential to accommodate development of different levels of intensity and a mix land uses.

Mobility Routes – Municipal level	N2 Mthatha - Kokstad R405 Mount Frere - Matatiele
Activity Corridors	Mount Frere Main Road (N2) Mount Ayliff Main Road

These areas have development potential for higher intensity land uses such as high-density residential and business uses.

10.2 ESTABLISHING A MANAGEMENT FRAMEWORK

Having established an investment framework, and being informed by the natural resource base, it is possible to identify an overall management framework to guide future development. Such guidance should include the identification of primary land use zones including environmental conservation zones, agricultural zones and areas for residential settlement etc.

10. Urban Edge

The demarcation of an urban edge for the urban areas in Umzimvubu is important for the achievement of the Spatial Development Framework principles regarding the containment of urban sprawl, the intensification of development and the integration of urban areas.

The urban edge is a line that forms a boundary between urban development and rural/agricultural areas. The urban edge is essential for the protection of valuable agricultural land, natural and cultural resources and will establish beyond which urban development will not permit.

- Limit the sprawl of towns and rural nodes
- Safeguard areas from encroachments
- Encourage densification and infill development.

The urban edge should be aligned according to the existing policy; natural informants i.e. water courses, wetlands, slopes steeper than 1:4, agricultural potential land etc.

11. Economic Development Approaches

Major economic development components include the following:

Commercial and Central Business District: facilitating and guiding existing and future commercial developments, whilst ensuring the sustainable development of land and infrastructure, deliberately fostering linkages between first and second economies (especially tourism), facilitating the growth and health of commercial institution and co-operatives, creating additional opportunities in peripheral under-served areas, tackling services backlogs together with management structures for existing informal activities.

Industrial and manufacturing development: the economy of Umzimvubu Municipality is based on the small scale agricultural and limited tourism related facilities. In order to maximize the comparative economic advantages of the existing facilities, industrial development in the area should focus more in the existing urban nodes and centres and accessibility should be improved.

Within the context of growing demand and strategic regional location and the need to create employment and economic growth, existing activities should be supported and opportunities should be seized to attract investment, diversify the base economy and identify and further develop appropriate infrastructure and site for particular sectors.

An industrial land release strategy should be planned before industrial land is alienated on an ad-hoc basis. An industrial land should be established on the urban edge, avoid location in close proximity to existing ecological sensitive areas and areas of high visual impact.

Agricultural development: supporting the agricultural base economy whilst fostering down stream linkages with smaller and emerging producers, diversify the agricultural economy and provide support to take advantage of emerging opportunities, in particular agri-processing and promoting the development of additional community-based with adequately support system.

Tourism and recreation: actively guide and manage the development of Ntsizwa Mountain for sustainability, protecting its amenity and key assets while allowing growth. Develop and market cultural activities and historical assets that foster tourist linkages with Lesotho, Drakensburg and Coastal lands, co-ordinate and create opportunities for emerging tourism service industries,

investing and co-ordinating the development of additional opportunities in both urban and rural areas, ensuring environmental compatibility and sustainability.

Developing Capacity and linkages: develop appropriate capacity in economic sectors that are lacking and facilitate economic sector that are lacking and facilitate economic relationships of mutual benefit particularly with emerging and informal economies. Development in Mount Frere and Mount Ayliff should contribute positively to the economic growth whilst creating jobs, providing skills development and assisting entrepreneurial development. This should in particular include all construction related projects which should have a dual focus from the outset i.e. infrastructure, facility development, job creation and skills development.

Planning for Local Economic Development: Planning and land use management must provide a clear direction for economic development. Planning should give clear importance of agricultural land and provide appropriate protection, while nodal plans should provide clear guidance for the location of various functions, thereby providing a greater level of predictability.

Facilitating access to market and production inputs: despite the good location of Mount Frere and Mount Ayliff in a regional context, transport costs have a serious impact on the local production activity. A key focus therefore needs to be on facilitating access to markets and production inputs in relation to the various nodes and activities.

12. Social Development Approaches

Social development approaches include the following:

Integration of communities: creating spatial and institutional preconditions for the better linkage and integration of communities.

Creating conducive linking environment: providing for the basic needs of the local communities in terms of physical and social services and facilities, providing access to a range of support services including health, education, skills training etc. providing access to local economic development opportunities, creating a built environment which supports the lifestyle and aspiration of the commonalities, integrating the natural environment into the living environment, ensuring that the development is in fact the communities development and that they are suitably involved in such development.

Create suitable social structure: while it is expected that there exist a variety of local social structure, it should be ensured that such structures cover the variety of requirements, are appropriately aptitude and actively integrated into wider municipal structures. In general terms

the social fabric of the study area is unique and thus any future development should be based on maintaining the social status quo whilst not excluding future community initiatives.

Social support services and facilities: providing equal access to social support services for all communities and establish these social services and facilities. Creating suitably access to the range of social support services, this is one of the preconditions of appropriate local social development. Higher order facilities and services, serving the entire municipality should be located at an accessible major node. More local services and facilities serving more than two communities should be allocated at identified local service nodes. It is important that as many of such functions are established within or in close proximity of the nodes identified.

Developing capacity local Community Participation: in particular existing local structures may lack capacity to participate meaningfully, even at ward committee level. Interest group not yet participating in local government should be integrated appropriately. The capacitating of local structures is seen as essential in developing local opportunities and in ensuring that the development is owned by the community.

Managing and guiding Local Development: the vital role of local institutional functions is to provide guidance and management of local development by ensuring than the development is in accordance with the agreed guiding policy or plans, checking if suitably local capacities may have to be created by Umzimvubu municipality.

13. Environmental Structure concepts

Consisting of natural features which on the one hand contribute to breaking down urban development into smaller recognisable components while on the other hand being identified for requiring particular protection and management measures to ensure the maintenance and further development of healthy living environments. The elements include:

Local Tributaries: local rivers and streams providing opportunities for linking the natural environment of the major river system, providing local level relief from built environment, while appropriately protected and managed to be positively integrated into development.

Major River systems and Valleys: representing a major natural structuring element representing mostly natural barriers for creating breaks in the built environment, while appropriately protected and managed to be positively integrated into development.

Other environmental resources areas: they include significant hills, African landscape to be integrated and utilised sensitively for suitable tourism and recreation activities, while being adequately protected and managed.

Other environmental influences: this is including micro-climatic issues, pollution issues, and topographic influences etc. all of which are expected to provide a basis for suitable development.

14. Land Use Management Guidelines

The Umzimvubu Municipality governs a land area where a variety of planning and land administration legislation applies.

The situation obviously hampers the rendering of effective land use management services by the local municipality and also places other obstacles in the way of facilitating and fast-tracking development, in certain instances.

The following land–legal legislation is applicable with regard to development control in Umzimvubu:

Transkei Township Ordinance 33 of 1934	Transkei Town Planning Scheme	Mount Frere	Allow people to have full ownership of their properties
Transkei Township Ordinance 33 of 1934	Transkei Town Planning Scheme	Mount Ayliff	Allow people to have full ownership of their properties
Proclamation R174/1921	Permission to Occupy	Surveyed districts of Transkei	Do not allow people to have full ownership of their properties
Proclamation R26/1936	Permission to Occupy	Un-surveyed districts of Transkei	Do not allow people to have full ownership of their properties

Land use management is currently extremely fragmented with different sets of legislation used to regulate land use within the study area. The formulation of land use management guidelines is legislated as an essential component of the SDF. The land use management guidelines

outlined in the SDF should assist with decisions, proposed land use changes and development proposals.

We have established spatial management areas, which is used for the establishment of a range of spatial planning and servicing options that the Umzimvubu Municipality could endorse and make available to prospective beneficiaries of land development process. The following spatial development areas are noted:

- 1. Mount Frere Urban Area**
- 2. Mount Ayliff Urban Area**
- 3. Rural Settlement Areas**

15.1 MOUNT FRERE URBAN AREA

The preferred land use outcomes for Mount Frere Urban Area:

- Land use management is enforceable through normal existing zoning scheme regulations
- Focus on developing nodes and corridors where economic opportunities and resources exists
- Industrial Development
- Traffic Engineering arrangements
- Provide heritage of any heritage building / site
- Regeneration of the Mount Frere CBD by providing hawkers' stall, proper pavement/sidewalks, taxi/bus terminus, greening of the CBD etc.
- Allow for the densification of residential land use
- Identify areas in which business development should be promoted
- Prevent land invasion
- Promoted urban agricultural where feasible.
- Implement Urban edge – limit urban sprawl
- No development should occur with 1:50 and 1:100 year floodline, environmental sensitive areas, slope greater than 1:5 meters, wetland etc
- No development should occur without legislative approval be either environmental or planning approval

15.2 MOUNT AYLIFF URBAN AREA

The preferred land use outcomes for Mount Ayliff Urban Area:

- Land use management is enforceable through normal existing zoning scheme regulations
- Focus on developing nodes and corridors where economic opportunities and resources exists
- Industrial Development
- Traffic Engineering arrangements
- Provide heritage of any heritage building / site
- Regeneration of the Mount Frere CBD by providing hawkers' stall, proper pavement/sidewalks, taxi/bus terminus, greening of the CBD etc.
- Allow for the densification of residential land use
- Identify areas in which business development should be promoted
- Prevent land invasion
- Promoted urban agricultural where feasible.
- Implement Urban edge – limit urban sprawl
- No development should occur with 1:50 and 1:100 year floodline, environmental sensitive areas, slope greater than 1:5 meters, wetland etc
- No development should occur without legislative approval be either environmental or planning approval

15.3 RURAL SETTLEMENT AREA

- Growth of rural settlement to be limited through land use management and density control to prevent uncontrolled expansion into communal agricultural land
- Prime and unique agricultural land to be identified and secured from future settlement development
- Conserve the environment and prevent and restore degradation where possible
- Develop a plan for solid waste removal, sanitation
- Development of tourism and resort within the rural area often have a positive spin off
- Access and linkages to rural areas with possibility of tourism and recreation facilities
- Develop game reserves, game farm and provide accommodation in rural areas where there is possibility of wild species

- Develop resorts and water sport facilities along the Umzimvubu River, the nature of the development will be subject to the Department of Water and Affairs and Forestry.
- Develop mountain, hiking trails along the Ntsizwa and surrounding mountains.
- Develop a forest sector plan for expanding the plantation as another way of alleviating poverty.
- High production potential areas should be retained exclusively for agriculture purposes

15. Conclusion

This report highlighted the most important development strategies, concepts and land use management guidelines that will be implemented when creating the Municipal SDF. In order to ensure that a sustainable approach to development is followed, the municipality needs to ensure that its developmental activities are physically sustainable and appropriately located. Moreover, the municipality needs to ensure that its activities are in strategic alignment with broader development processes at a District, Provincial and even at National level.

The spatial implications of these strategies will be addressed by spatial proposals and policies in the following section of the SDF.

SECTION E

1. Sectoral Allingment

1.1 ULM Communucation Strategy

Umzimvubu Local Municipality prepared and adopted the Communication Strategy in October 2009. The purpose of the communication strategy is to enable the municipality, both Council and Management, to communicate in an efficient, co-ordinated, integrated and coherent fashion thus building capacity, both human and capital, within the Municipality with a view of ensuring that the municipality's central messages will be well articulated at all spheres of government.

1.2 Local Economic Developmet Strategy

The municipality is currently reviewing its Local Economic Development Strategy and it is assisted by the Alfred Nzo District Municipality. The development of an LED Strategy therefore would focus on the strengths of the economy (sectors with locational, comparative and competitive advantage) and overcoming the weaknesses in the current LED approach. The LED strategies would need to be crafted in a manner that will guide the Umzimvubu on how to take advantage of economic opportunities, mitigate weaknesses in the economy and assist in the development of an appropriate institutional environment (internally and externally). This should also ensure that the institutional environment is conducive to partnerships and co-ordinated action when initiating the economic growth initiatives.

1.3 UMZIVUBU RISK MANAGEMENT PLAN (RMP)

The municipality is currently having the draft plan (RMP) and it is in the process of submitting it to council for approval. The purpose of this plan is to ensure the efficient and effective internal controls within the institution.

1.4 FRAUD AND ANTI – CORRUPTION STRATEGY (FAC)

The municipality has developed a FAC plan. The purpose of this plan is to ensure that the municipal institution is free from illegal activities relating to fraud and ccorruption

1.5. ULSM Housing Sector Plan

In 2008 council adopted its houing sector Plan

1.6 Human Reources Strategy

The ULM has developed its draft HR strategy and it was adopted incorporation wit its final IDP and Budget.

CHAPTER 2

MUNICIPAL TURNAROUND STRATEGY

Cabinet has approved a turnaround strategy aimed at overhauling municipalities that had come under fire to poor service delivery. Tabled by Department of Cooperative governance, the municipal turnaround strategy will aim to involve communities more, a sector which had largely been left out of the decision making. It is hoped that this will ensure behavioural changes are implemented at executive level of the municipalities and corruption is stamped out.

In its deliberation Cabinet approved the proposed action plan with critical milestones to address the local governance challenges with a view to take the sphere of government onto a trajectory of delivery. Cabinet said in a statement. The strategy is also aimed at explaining in detail how government plans change the state of local government in a manner that will ensure local government functions efficiently and effectively in delivering services.

Following the Cabinet approval the strategy was presented to 300 municipalities. In March 2010 the strategy was customised in local municipalities and at Umzimvubu Local Municipality it was presented to ensure our budgets and plans respond to its objectives.

