EMALAHLENI
MUNICIPALITY



INTERGRATED DEVELOPMENT PLAN FOR 2015 / 16 FINANCIAL YEAR

EMALAHLENI MUNICIPALITY

ADOPTION OF THE FINAL IDP: 2015/2016

THE FINAL IDP FOR THE 2015/2016 FINANCIAL YEAR WAS ADOPTED IN AN ORDINARY COUNCIL MEETING HELD ON THE 28 MAY 2015 IN TERMS OF COUNCIL RESOLUTION NUMBER : OCM 676/05/2015.

SIGNED BY:

CLLR N NYUKWANA
MAYOR

11/06/2015
DATE

DR SW VATALA
MUNICIPAL MANAGER

11/06/2015
DATE

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MAYOR'S FOREWORD



It gives me immense gratification to report to our stakeholders that the partnership between Emalahleni Local Municipality as the provider of basic services and the local communities as the end-users of those services has once more been a great success where Emalahleni Local Municipality has taken all key stakeholders into confidence by engaging them on matters of job creation (through EPWP), service delivery, infrastructure development, local economic development, progressive spatial planning, and most notably financial viability and finance management.

The overall performance of the year 2013/14 has been a success we must appreciate the commitment and confidence demonstrated by our communities to the current leadership of Emalahleni Municipal Council. The 7 May 2014 Provincial and National elections result was a watershed victory for the ruling party with an overwhelming majority of eighty five percent (85%). This is clear indicative of the trust and hope that Emalahleni Local communities have shown through the ballot box in confirming and renewing the mandate of the African National Congress in government.

We are convinced that there is political and administrative stability at the level of Emalahleni Municipal Area. As I present the final Integrated Development Plan and Budget, tariffs and finance related policies, it must be noted that 2013/14 fiscal year has been an exciting year in so far as service delivery, forward planning, implementation of sound policies premised on both intergovernmental and international relations and above all we particularly focused on monitoring and evaluation of the progress made in responding to the needs and priorities of our communities.

The municipality undertook an aggressive Public Participation and Mayoral Outreach Programmes as an effort to empower and capacitate our communities on the plans that the Municipality intends to embark on in the financial year 2014/15. In addition to this, public participation and stakeholder engagement are invariably in keeping with compliance with Chapter 4 and 5 of the Local Government: Systems Act 2000 (Act 32 2000) as amended. The aforementioned legislation reinforces the principle of deepening democratic participation by all key stakeholders to be involved in local governance.

I am ecstatic and humbled by the manner in which sector departments and state owned enterprises are positively contributing to the development of Emalahleni Municipal area. There is cohesion and better coordination of our programmes amongst three spheres of government (Local, Provincial and National Governments). We have adopted an approach of working smart with our communities and key stakeholders in order to enhance service delivery and accountability through IDP and Budget processes as well as Mayoral Outreach engagements. I urge fellow Councillors and officials of Emalahleni Local Municipality to work harder for the remaining term in office as if there is no tomorrow.

COUNCILLOR NOMVELISO NYUKWANA
HONOURABLE MAYOR

THE EXECUTIVE SUMMARY



After the Local Government Elections held in 2011, Emalahleni Local Municipality has adopted a five year strategic planning tool called Integrated Development Plan (IDP) with a credible budget premised on a medium term expenditure framework. The IDP is in terms of Local Government: Municipal Systems Act 2000 (Act 32 2000) as amended is reviewed annually to confirm whether the activities of Council are still in accordance with the needs and priorities of communities and stakeholders submitted during the public participation and Mayoral Outreach Programmes. It should be noted that IDP and Budget are living documents and their implementation is assessed in terms of service delivery and budget implementation plan which confirms the relevance of programmes and projects of Council.

IDP and Budget are meant to fulfil the constitutional obligation of local government that of institutional transformation and development, service delivery, local economic development, job creation and financial viability and financial management. Furthermore in 2011 Emalahleni Local Council has established and approved macro institutional organogram as an attempt to give effect to the five key priority areas. That macro institutional organogram had its deficiencies in terms of responsiveness to the institutional challenges. The Municipality in 2013 took a decision to go on a retreat where the institutional organogram and policies were reviewed to make provision for a second layer of Managers which is a level below Section 56 Managers. Since the approval of both macro and micro organogram, critical appointments were made and commitment from management is to prioritise internal employees who were denied opportunities to be absorbed into the system of the institution.

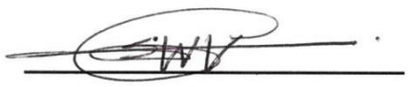
We are acutely aware that Emalahleni Local Municipality has been on disclaimers for the last seven (7) years. However, it has been reliably reported by the Auditor General that there is significant progress and improvement from the previous audit reports and the 2013/14 audit report is pointing to the right direction. The Executive Management upon receiving the management letter and final audit report developed an audit action plan which was submitted to a Special Council meeting held on the 28th February 2014 and it was approved as such. It must be noted without reservations that Emalahleni Local Municipality has for the first time complied with legislative requirements for example Annual Financial Statements and Draft Annual Report were submitted on time for the first time in the history of the institution.

Subsequent to the approval of the audit action plan, a high level turnaround plan was developed with the assistance of Operation Clean Audit from the Department of Local Government and Traditional Affairs, which was approved by the honourable Mayor and subsequently submitted to the honourable Member of the Executive Council for Local Government and Traditional Affairs for consideration. To take a tune from the audit action plan and high level turnaround plan a dashboard and drivers of internal controls are updated regularly in order to achieve clean administration.

In Addition to this, the Executive Management took a decision that audit action plan and dashboard and drivers of internal controls become standing items on its agenda. Executive Management is progressively dealing with the challenges that the institution has accumulated over the last ten (10) years, for example some employees have been on contract for more than eight (8) years without any plans for absorption and non-compliance with supply chain processes. Finally, there is a high degree of commitment from the political leadership and administration of the institution to take Emalahleni to a different level of development and opportunities for the better part of the remaining term of office. I sincerely hope that councillors, traditional leadership, communities, key stakeholders

and sector departments will continue to support the endeavours of rendering quality services to all communities. Together, we must move Emalahleni forward and indeed South Africa.

“Masiqhubeni singajiki ukusai inkonzo kubantu baseMalahleni.”



DR SITEMBELE WISEMAN VATALA
ACCOUNTING OFFICER



CHAPTER 1
STRATEGIC OVERVIEW OF THE MUNICIPALITY

SECTION A

CHAPTER 1 -STRATEGIC OVERVIEW

1.1 Introduction

The document represents the outcomes of the draft annual review of the Integrated Development Plan (IDP), as adopted, for the current term of Office of the Emalahleni Municipal Council.

The IDP has been developed for the 2012/13 to 2016/17 financial years in compliance with Section 34 of the Local Government: Municipal Systems Act, 2000 (Act 32 of 2000 as amended).

1.2 Legislative Framework

(1) Local Government: Municipal System Act (MSA), 2000 (Act 32 of 2000 as amended) compels municipalities to draw up the IDP's as a singular inclusive and strategic development plan. In terms of Section 26 of the MSA, a municipality produces an IDP every five years, comprising of the following components:

(i) A municipal council's vision for the long-term development of the municipality with special emphasis on the municipality's most critical development and internal transformation needs;

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

(iii) The council's development priorities and objectives for its elected term, including its local economic development aims and its internal transformation needs.

(iv) The council's development strategies which must be aligned with any national, provincial sectoral plans and planning requirements binding on the municipality in terms of legislation;

(v) A spatial development framework which must include the provision of basic guidelines for a land use management system for the municipality;

(vi) The council's operational strategies;

(vii) Applicable disaster management plans;

(viii) A financial plan, which must include a budget projection for at least the next three years; and

(ix) The key performance indicators and performing targets.

(2) Regulations 2 (1) and (2) of the Local Government: Municipal Planning and Performance Management Regulations, 2001 set out the following further requirements for the IDP:

1)

(a) the institutional Framework, which must include an organogram, required for the
  (i) The implementation of the IDP; and
  (ii) Addressing the municipality's internal transformation needs, as informed by the strategies and programmes set out in the IDP;

(b) Any investment initiatives in the municipality

(c) Any development initiatives in the municipality, including infrastructure, physical, social and institutional development

(d) All known projects, plans and programmes to be implemented within the municipality by any organ of state; and

(e) The key performance indicators set by the municipality.

2) An integrated development plan may –
   (a) have attached to it maps, statistics and other appropriate documents; or
   (b) refer to maps, statistics and other appropriate documents that are not attached, provided they are open for public inspection at the offices of the municipality in question.

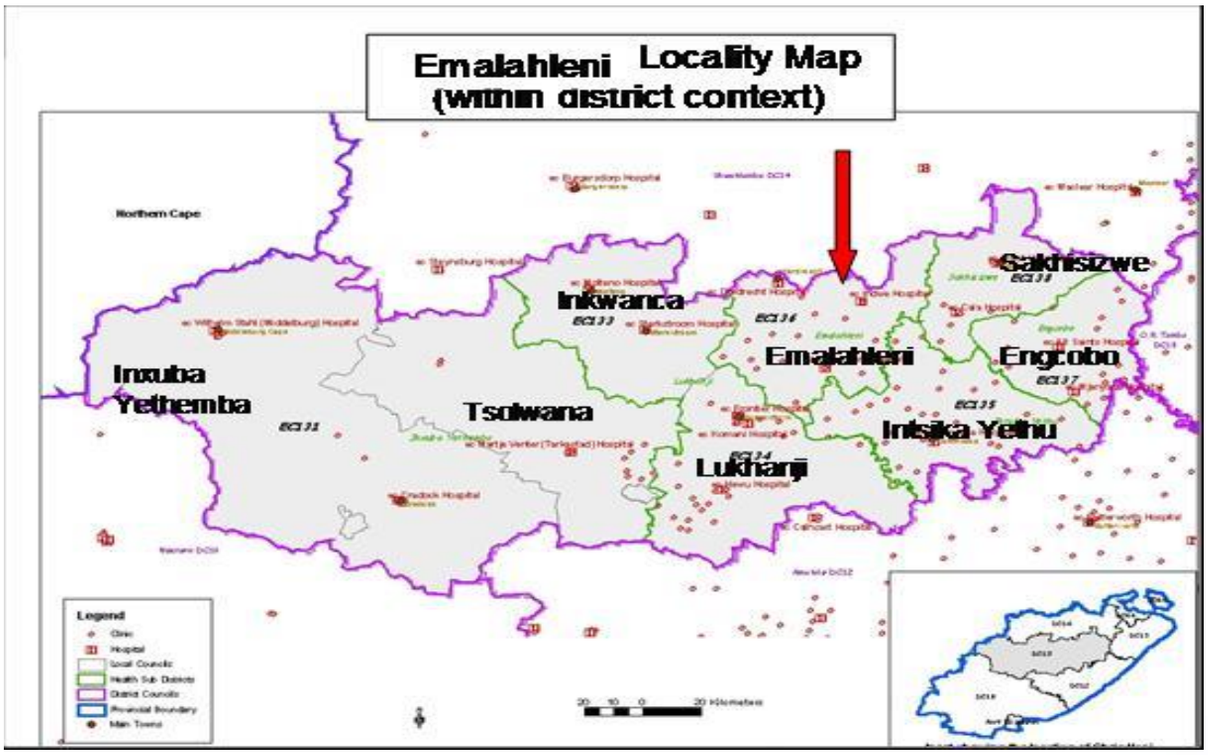
3) A financial plan reflected in a municipality's integrated development plan must at least-
   a) include the budget projection required by section 26 *(h)* of the Act;
   b) indicate the financial resources that are available for capital project developments and operational expenditure; and
   c) include a financial strategy that defines sound financial management and expenditure control, as well as ways and means of increasing revenues and external funding for the municipality and its development priorities and objectives, which strategy may address the following:
      (i) Revenue raising strategies;
      (ii) asset management strategies;
      (iii) financial management strategies;
      (iv) capital financing strategies;
      (v) operational financing strategies; and
      (vi) Strategies that would enhance cost-effectiveness

4) A spatial development framework reflected in a municipality's integrated development plan must-
   a) give effect to the principles contained in Chapter 1 of the Development Facilitation Act, 1995 (Act 67 of 1995);
   b) set out objectives that reflect the desired spatial form of the municipality;
   c) contain strategies and policies regarding the manner in which to achieve the objectives referred to in paragraph*(b)*, which strategies and policies must-
      (i) indicate desired patterns of land use within the municipality;
      (ii) address the spatial reconstruction of the municipality; and
      (iii) provide strategic guidance in respect of the location and nature of development within the municipality;
   d) set out basic guidelines for a land use management system in the municipality;
   e) set out a capital investment framework for the municipality's development programs;
   f) contain a strategic assessment of the environmental impact of the spatial development framework;
   g) identify programs and projects for the development of land within the municipality;
   h) be aligned with the spatial development frameworks reflected in the integrated development plans of neighbouring municipalities; and
   i) provide a visual representation of the desired spatial form of the municipality, which representation-
      (i) must indicate where public and private land development and infrastructure investment should take place;
      (ii) must indicate desired or undesired utilisation of space in a particular area;
      (iii) may delineate the urban edge;
      (iv) must identify areas where strategic intervention is required; and
      (v) must indicate areas where priority spending is required.

(3) **Section 21 (1) of the Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003) (MFMA)** provides for closer alignment between the annual budget and the compilation of the IDP. It requires that the mayor of a municipality must co-ordinates the processes of preparing the annual budget and the IDP to ensure that both the budget and IDP are mutually consistent and credible.

1.3 Profile of the Municipality

Emalahleni is a category B municipality situated within the Chris Hani District (see figure below) of the Eastern Cape Province. It consists of the three main urban nodes being the towns of Lady Frere, Indwe and Dordrecht surrounded by a large rural settlement s and many surrounding villages.



1.4 Lessons learnt from the Provincial IDP Assessment

Evidential Criteria / KPIs	Applicable to	Y/N	Comments and Improvement Measure	Who will assist the Municipality?	By when?	Comments expected from Names of officials needs to be added
1. SPATIAL DEVELOPMENT FRAMEWORK						
a) Is there an Implementation plan to unlock land for future land uses?	**ALL**	**N**	Land Audit was expected to be completed within 2013/14 Financial year	Municipality; DLG&TA and DRD&LR	2013/14 Financial year	
b) Are there any SDF priorities that are translated into municipal IDP (budget/ financed) projects?		**N**	Projects should be clearly identified in the IDP	Municipality		
2. SERVICE DELIVERY AND INFRASTRUCTURE PLANNING						
a) Do the planned capital projects require EIAs and licenses / legal requirements, if so have they been catered for?	**ALL**	N	Refer to page 31, the document refers that future legal requirements on environmental impacts are part of the WMP that was adopted in 2012			
2.2 ROADS QUESTIONS						
~~a)~~ Have municipalities adopted EPWP Policy	ALL	Y	It is not mentioned in the document			
b) Do municipalities have coordinated forums towards Roads and Transport planning?	ALL	Y	It is not mentioned in the document			

Evidential Criteria / KPIs	Applicable to	Y/N	Comments and Improvement Measure	Who will assist the Municipality?	By when?	Comments expected from Names of officials needs to be added
c) Is there any Capital Budget for Roads and Storm water?	ALL	Y	Refer to page 124			
d) Is there any Operations and Maintenance Budget?	ALL	Y	Page 138 of 313			
2.2.1 PUBLIC TRANSPORT **a) Taxi Ranks** Are there functional taxi ranks? If yes, how many are there?	METROS & LMS	Y	Refer to page 38 (1 functional)			
2.2.3. AIR TRANSPORT; LANDING STRIPS; RAIL AND ROADS	METROS & LMS					
a) Does the municipality provide for a Non-motorized transport system?	METROS & LMS	N	Not mentioned in the document			
b) Does the municipality have a Budget for Transport facilities?	METROS & LMS	Y	Refer to page 126 (1.2 mil)			
2.3 PUBLIC AMENITIES AND COMMUNITY FACILITIES						
a) Has the municipality done an audit on the community facilities and public amenities?	ALL	Y	Refer to page 38, there is an audit facilities mentioned			
2.4 WASTE MANAGEMENT SERVICES						

Evidential Criteria / KPIs	Applicable to	Y/N	Comments and Improvement Measure	Who will assist the Municipality?	By when?	Comments expected from Names of officials needs to be added
b) Are there any gazetted waste management bylaws in placethat complies with the NEMWA 2009, and are the enforced? (i) If yes, are they addressing the issue of illegal dumping and littering? (ii) If not, when will they be developed /reviewed?	ALL	N	To be developed in 2014/15		2014/15	
c) Does the Municipality have a Trade Effluent Policy?	ALL	N	On page 36			
d) Is there a budget for Operations and maintenance being ring fenced for the above purpose?	ALL	No	Municipality to reflect in the IDP			
e) Are there any projects that address waste management challenges?	ALL	Y	On page 35			

Evidential Criteria / KPIs	Applicable to	Y/N	Comments and Improvement Measure	Who will assist the Municipality?	By when?	Comments expected from Names of officials needs to be added
f) Are there mechanisms to capacitate local communities on waste management issues (awareness campaign, access to waste management information)	ALL	Y	On page 35			
g) Are there any coordinated forums (waste management forum)	DM/Metro	N/A				
2.5 ENVIRONMENT MANAGEMENT: **2.5.1 AIR QUALITY MANAGEMENT**						
a) Does the IDP make reference to its air quality management plan as contemplated in section 15(2) of the NEMA: Air Quality Act 39 of 2004	ALL	Y	On page 36			
b) Is the municipality a licensing authority?	DMs / Metro	N/A				
2.5.2 CLIMATE CHANGE						

Evidential Criteria / KPIs	Applicable to	Y/N	Comments and Improvement Measure	Who will assist the Municipality?	By when?	Comments expected from Names of officials needs to be added
a) Considering all the recent debate on climate change, elaborate on how the municipality has incorporated planning in responding to the (climate change response strategy)	ALL	Y	On page 36; draws from DM climate change strategy			
2.5.3 NATURAL ENVIRONMENTAL ANALYSIS:						
a) Are there any environmental by-laws in place? How are they enforced?	ALL	N	Municipality to reflect in the IDP			
b) Is there an indication of the capital projects that will require environmental authorization to comply with an EIA process?	ALL	N	Municipality to reflect in the IDP			
c) Other relevant environmental information	ALL	N	Municipality to reflect in the IDP			
2.6 SAFE AND SECURE ENVIRONMENT						
a. Does the municipality have an integrated community safety forum?	ALL					
b. Does the municipality have an integrated community safety plan?	ALL					

Evidential Criteria / KPIs	Applicable to	Y/N	Comments and Improvement Measure	Who will assist the Municipality?	By when?	Comments expected from Names of officials needs to be added
2.7 **DISASTER MANAGEMENT / EMERGENCIES AND FIRE SERVICES**						
a) Have the District/Metro Disaster Management Frameworks been adopted?	District and Metro	N/A				The framework was adopted to be reflected in the reviewed IDP
b) Is the District/Metro disaster management centre established?	District and Metro	N/A				
c) Is the centre having an uninterrupted power supply?	District and Metro	N/A				
d) Is the centre equipped with information communication system with vulnerability, mapping and early warning capabilities and linked to other emergency response agencies?	District and Metro	N/A				
e) Is the Head of the centre appointed?	District and Metro	N/A				

Evidential Criteria / KPIs	Applicable to	Y/N	Comments and Improvement Measure	Who will assist the Municipality?	By when?	Comments expected from Names of officials needs to be added
f) Is the municipal Spatial Development Plan informed by vulnerability and risk asessment report	ALL	Y	P 141			
g) How is the disaster management centre managing high risk development?	ALL	N	Municipality to reflect in the IDP			
h) Are emergency procurement measures stipulated in the disaster management plan?	ALL	N	No reflection of emergency procurement in the IDP.			
i) Are funding arrangements specific in the plan?	ALL	N	No reflection on the IDP.			
j) Are disaster management by-laws adopted?	ALL	N	Bi- laws are being developed.			
k) Is the municipality operating a fulltime fire service?	ALL	N	Lack of financial resources			
l) Is the Chief Fire Officer appointed?	ALL	N	Municipality to reflect in the IDP			

Evidential Criteria / KPIs	Applicable to	Y/N	Comments and Improvement Measure	Who will assist the Municipality?	By when?	Comments expected from Names of officials needs to be added
m) Has the municipality concluded a co-operative agreement with the other relevant municipalities?	ALL	N	Municipality to reflect in the IDP			
n) Are fire services tariffs developed, adopted, implemented and periodically reviewed?	ALL	N	Municipality to reflect in the IDP			
o) Is there a plan to address veld and forest fires, oil spillages, floods?	ALL	N	District function			
2.8 Free Basic Services						
a) Is your Indigent Register credible? (i) Is it accurate? (ii) When do you up-date it?	ALL	N	Municipality to reflect in the IDP			
b) How much do you allocate for free Basic Services in your Equitable Share?	ALL	N	Not specified			
c) How much water/sanitation do you provide to Indigent Households?	ALL	N	Municipality to reflect in the IDP			

Evidential Criteria / KPIs	Applicable to	Y/N	Comments and Improvement Measure	Who will assist the Municipality?	By when?	Comments expected from Names of officials needs to be added
d) Indicate whether the Indigent Steering Committees that have been established and functional	ALL	N	Municipality to reflect in the IDP			
e) Is there integration plans between District and LMs	DM & LMS	N	Municipality to reflect in the IDP			
a) Does the Municipality have a NERSA License? grid and non-grid energy sources?	METRO & LMS	Y	P 33			
b) Does the plan make provision for infrastructure reticulation and bulk infrastructure for electricity?	METRO & LMS	N	Municipality to reflect in the IDP			
c) What provision has been made for upgrading facilities?	METRO & LMS	N	Municipality to reflect in the IDP			
2.10 ACCESS TO LAND AND HUMAN SETTLEMENT DEVELOPMENT.						
a) ***Are there control mechanisms(e.g invasion policy, By Laws etc) in place for land invasion?***	METRO & LMS	No	Neither a By-law nor an Invasion Policy has been adopted & must be developed by LM.	ELM	2014/15	

Evidential Criteria / KPIs	Applicable to	Y/N	Comments and Improvement Measure	Who will assist the Municipality?	By when?	Comments expected from Names of officials needs to be added
b) ***Are there any records of outstanding land claims that may hinder human settlements and socio-eco nomic developments?***	METRO & LMS	N/A	No Land claims that hinder development			
c) Has the municipality indicated the nature or type of service levels (Bulk or internal) on these land parcels through CIP?	METRO & LMS	No	Municipality should link the identification of land for human settlement with the nature and type of service levels.	ELM	2015/16	
d) Is the IDP informal Settlements section aligned to the Migration Plan of the municipality?	METRO & LMS	No	Develop a Migration Plan that responds to informal settlements trends.			
2.11 AGRICULTURE SERVICE DELIVERY INDICATORS **(a) Agriculture** **(b) Baseline Information**	METRO & LMS					
a) What are the livestock numbers in terms of: ○ Cattle ○ Sheep ○ Goats	METRO & LMS	No	Not qualified			

Evidential Criteria / KPIs	Applicable to	Y/N	Comments and Improvement Measure	Who will assist the Municipality?	By when?	Comments expected from Names of officials needs to be added
Agricultural Infrastructure **b)** What is the current available agricultural infrastructure, its condition and functionality?	METRO & LMS	No	Municipality to request DRDAR to assist with making the information available.	LM /DRDAR	2015/2016	
c) What is the backlog in terms/ of agricultural infrastructure	METRO & LMS	No	Municipality to request DRDAR to assist with making the information available.	LM /DRDAR	2015/2016	
d) What are the projections in terms of required agricultural infrastructure?	METRO & LMS	No	Municipality to request DRDAR to assist with making the information available.	LM /DRDAR	2015/2016	
3. FINANCIAL PLANNING AND BUDGETS						
a) Is there a financial recovery plan in place to address cash flow problems?	ALL	No	The municipality should indicate			

Evidential Criteria / KPIs	Applicable to	Y/N	Comments and Improvement Measure	Who will assist the Municipality?	By when?	Comments expected from Names of officials needs to be added
3.2 Expenditure a) Does the IDP reflects on the percentatge of Municipality's last year's capital budget actually spent? (i) What percantage was spent in the past two financial years? (ii) Included a table showing audited results for each year?	ALL	Yes No	Pg 115 & 118 The municipality should indicated the audited results			
3.3 Revenue Management						
b) What is the creditors' turnover rate?	ALL	No	The municipality should indicate			
c) Does the municipality bill consumers on a monthly basis as per norms and standards of revenue management?	ALL	No	The municipality should indicate			
3.4 Internal Controls a) Does the municipality have an effective internal control system In place?	ALL	No	The municipality should indicate			
c) Does the municipality maintain filing system and have audit file in place?	ALL	No No	The municipality should indicate The municipality should indicate			

Evidential Criteria / KPIs	Applicable to	Y/N	Comments and Improvement Measure	Who will assist the Municipality?	By when?	Comments expected from Names of officials needs to be added
d) Given the 2014 clean audit target, what is the audit opinion of your municipality in 2011/2012 Financial year?	ALL	No	The municipality should indicate			
e) Are there any recurring AGs report issues?	ALL	N/A				
f) What progress has been made to address issues raised in the Audit Report?	ALL	No	The municipality must indicate			
4. LOCAL ECONOMIC DEVELOPMENT ▪ Can be considered for all municipalities but for 2010, the LED plan must beanalyzed to a larger extent in municipalities rated B1 and B2 ▪ This strategy will also be important in municipalities rated C1 and C2						
a) Is there evidence of stakeholder and community involvement on LED activities (e.g. LED forum, business chambers etc)?		N	No information reflected on the IDP			
b) Are there mechanisms to support small towns' revitalization initiatives? If applicable.	Where applicable	N/A				
c) Are there Bylaws to enforce these Policies?	ALL	N	No information.			
5. GOOD GOVERNANCE & PUBLIC PARTICIPATION						
Public Participation **(a) Is there a Public Participation Strategy/Plan?**	ALL	No	Municipality to reflect in the IDP			

Evidential Criteria / KPIs	Applicable to	Y/N	Comments and Improvement Measure	Who will assist the Municipality?	By when?	Comments expected from Names of officials needs to be added
(b) Are there any challenges with regards to effectively implementing the public participation strategy/plan A summary of challenges to be indicated		No	Municipality to reflect in the IDP			
(c) Are relations between the Ward Committee and the ward community cordial?	METRO & LMS	No	Municipality to reflect in the IDP			
(a) Is the municipality engaged in inter-municipal planning programmes? Programmes/project in respect of inter-municipal planning to be indicated	ALL	No	Municipality to reflect in the IDP			
Complaints & Fraud Management (a) Is there an institutionalised complaint management system? ***Provide the complaint management system used***	ALL	No	Municipality to reflect in the IDP			

Evidential Criteria / KPIs	Applicable to	Y/N	Comments and Improvement Measure	Who will assist the Municipality?	By when?	Comments expected from Names of officials needs to be added
a) Is there an audit action plan to deal with issues raised by the AG? *Provide a summary of key issues/issues of emphases*	ALL	No	Municipality to reflect in the IDP			
a) **Is SPUs beneficiaries (women, youth, disabled) promoted for access to economic opportunity?**	ALL	No	Municipality to reflect in the IDP			
a) Is there evidence of sectoral plans addressing population concerns?	ALL	No	Municipality to reflect in the IDP			
6. Institutional Arrangements						
a) Does the IDP reflect how the (Human Resource Plan (HRP/ Strategy) responds to the long-term development plans of the municipality?	ALL	NO	**Only a draft has been indicated.**	**LM**	2014/15	
b) Do all employees have job descriptions?. If not indicate those that don't have)	ALL	NO	Not reflected in the IDP Document.	**LM**	2014/15	

Evidential Criteria / KPIs	Applicable to	Y/N	Comments and Improvement Measure	Who will assist the Municipality?	By when?	Comments expected from Names of officials needs to be added
c) Are there any contract workers in your municipality? If so indicate departments and the duration of the contract	ALL	NO	**Only casual workers for certain Projects but not reflected in the IDP Document.**	**LM**	2014/15	
d) Does the IDP show adherence to the Code of Conduct for both Councillors and employees? And/ or the plans to address this	ALL	NO	**Not reflected in the IDP Document.**	**LM**	2014/15	
e) Does your IDP reflect the existence and functionality of the local labour forum?	ALL	NO	**No reflection on functionality.**	**LM**	2014/15	
f) Does the municipality have an Employment Equity Plan in place and implemented? Is it reflected in your IDP?	ALL	NO	Not reflected in the IDP Document.	**LM**	2014/15	
g) Does the IDP reflect on Work Place Skills Plans that is responsive to the capacity challenges of the municipality?	ALL	NO	**Not reflected in the IDP Document.**	**LM**	2014/15	

Evidential Criteria / KPIs	Applicable to	Y/N	Comments and Improvement Measure	Who will assist the Municipality?	By when?	Comments expected from Names of officials needs to be added
h) Does your IDP reflect on the critical and scarce skills that are a challenge to your municipality	ALL	No	**The municipality has indicated that it does not have any scarce skills. However the Commission argues that there are no Municipalities that do not have challenges with regard to scarce skills.**	**COGTA. LM**	2014/15	

1.5 Pre-Planning

(1) Introduction

In line with the requirements of the local government laws and regulations, all stakeholders in the municipal are to be catered for during the development and review of the IDP to encourage community involvement and ensure maximum participation in the municipal affairs

(2) Legal Context

(i) The Municipal Systems Act 32 of 2000 provides that a Municipal Council must review its Integrated Development Plan annually accordance with an assessment of its performance measurements in terms of section 41and to the extent that changing circumstances so demand and may amend the Integrated Development Plan in accordance with a prescribed process.

(ii) Section 21 (1) of the Local Government: Municipal Finance Management Act 56 of 2003, provides that, the Mayor of the Municipality must coordinate the processes for preparing the annual budget and for reviewing the Municipality's IDP and Budget related policies to ensure that the tabled budget and any revisions of the IDP are mutually consistent are mutually consistent and credible

(3) Objectives

- To draw up a review process plan that would engender inclusivity and transparency.
- It is to encourage participation by all stakeholders and communities.
- To solicit and determine priorities of the municipality
- To enhance service delivery and development.

(4) IDP Processes

- **Phase 1:** Preparing for new IDP Cycle
- **Phase 2:** Monitoring and Evaluation & Update Analysis
- **Phase 3:** Objectives, Strategies, Projects and Programme
- **Phase 4:** Consolidate IDP 2012 to 2017
- **Phase 5:** Approval of IDP 2012 to 2017

(5) Institutional arrangements, Roles and Responsibilities

I. Role players

The following role players will be involved in the development and/or review process of the Integrated Development Plan (IDP):

(a) Council
(b) Mayor
(c) Executive Committee
(d) Municipal Manager
(e) IDP, PMS and Budget Steering Committee
(f) IDP, PMS and Budget Technical Steering Committee
(g) Inter-Governmental Relations Committee
(h) Ward Councillors and ward committees

(i) Community Development Workers
(j) IDP, PMS and Budget Representative Forum (residents, communities and other stakeholders)
(k) Chris HaniDistrict Municipality
(l) Provincial Government Departments in terms of their sector programmes

II. Roles and Responsibilities of Each Role Player

No	Role Player	Roles and Responsibilities	Composition
1	Municipal Council	(1) The Municipal Council will consider and adopt the process plan and the IDP and/or Reviewed IDP.	The Municipal Council shall be composed of: (1) All PR and Ward Councillors of Emalahleni Municipality
2	The Mayor	(1) Must ensure that the IDP is developed (2) Must ensure that the IDP is reviewed annually (3) Chairs the IDP/PMS and Budget Representative Forum (4) Chairs the IDP/PMS and Budget Steering Committee	
3	The Executive Committee	(1) The Executive Committee assists the Mayor to develop and review the IDP in line with the targets set in the IDP Process Plan of each financial year.	
4	The Municipal Manager	(1) The Municipal Manager provides technical support to the IDP/PMS and Budget Steering Committee. He / She co-ordinates the IDP development and review processes through relevant technical structures and performs the following activities: (a) Preparing the process plan (b) Undertaking the overall management and co-ordination of the planning process by ensuring: • Participation and involvement of all different role players • That time frames are adhered to • That the planning process is aligned to the Provincial Growth and Development Strategy • Conditions for community participation are provided • That the results of the planning and IDP review process are documented. (c) Responding to comments on the draft IDP from the public and other spheres of Government to the satisfaction of the Municipal Council (d) Accommodates and considers IDP comments and proposals from the office of the MEC for Local Government and Traditional Affairs	

No	Role Player	Roles and Responsibilities	Composition
5	IDP/PMS and Budget Technical Steering Committee	(1) IDP/PMS and Budget Technical Steering Committee does the technical ground work and provides information to the IDP/PMS and Budget Steering Committee (2) Terms of Reference The committee shall be responsible: • Collect and collate information for IDP, PMS and Budget Steering Committee • Conduct research and Advises the IDP, PMS and Budget Steering Committee	The committee shall be composed of the following members of the municipal administration: • Municipal Manager • All Directors • All Divisional Managers

6	IDP / PMS and Budget Steering Committee	(1) The IDP / PMS and Budget Steering Committee assists the Mayor in guiding the development and review process of the IDP.
		
		(2) <u>Terms of reference</u>
		The terms of reference for the IDP / PMS and Budget Steering Committee shall be the following:
		
		• Establish sub-committees
		• Commission research studies
		• Consider and comment on:
		  • Inputs from sub-committees, study teams and consultants
		  • Inputs from provincial sector departments and support providers
		• Processes, summarize and document inputs
		• Make content recommendations
		• Define the terms of reference for the IDP / PMS and Budget Representative Forum
		• Inform the public about the establishment of the IDP / PMS and Budget Representative Forum
		• Identify stakeholders to be part of the Forum in such a way that the public is well represented
		• Providing relevant technical, sector and financial information for analysis and for determining priority issues
		• Provide political guidance in the consideration of financial strategies and identification of projects
		• The IDP / PMS and Budget Steering Committee may delegate some or all its responsibility to the IDP / PMS and Budget Technical Steering Committee.
			It comprises of the following members:
			• Mayor (Chairing)
			• Council Speaker
			• Chief Whip
			• All Members of the Executive Committee
			• Municipal Manager
			• All Directors
			• Manager: IDP and PMS
			• Manager: Budget and Financial Reporting

No	Role Player	Roles and Responsibilities	Composition
7	IDP, PMS and Budget Representative Forum	**(1)** The IDP / PMS and Budget Representative Forum of Emalahleni Local Municipality is the organizational mechanism for discussions, negotiations and decision-making between stakeholders within our municipal area. **(2)** <u>Terms of Reference</u> The terms of reference for the IDP / PMS and Budget Representative Forum shall be as follows: • Represent the interests of their constituents in the IDP process • Provide an organizational mechanism for discussion, negotiation and decision-making between stakeholders including municipal government • Ensure communication between all stakeholders including municipal government • Monitor the performance of the planning and implementation process. • Provide a platform for engagement, input and feedback to stakeholders on the IDP and PMS.	It is envisaged that the following organizations and/or stakeholders may be involved: • Councillors • Ward Committees • Community Development Workers • Inter-Governmental Forum • Traditional Leaders • Faith-based Organisations • Stakeholder Representatives of Organized Groups • Government department • Representatives of Political Organisations • Community Representatives • Resource Persons
8	Inter-Governmental Relations Committee	**(1)**	1.
9	PMS Committee	**(2) Evaluating the annual performance of the municipal manager**	2. Mayor (Chairing) 3. Chairperson of the Performance Audit Committee or the Audit Committee in the absence of a performance audit committee; 4. Member of the Executive Committee or in respect of a plenary type municipality; 5. Mayor and/or Municipal Manager from another municipality 6. Member of a ward committee as nominated by the Mayor

III. Action Programme

The municipality prepared and adopted its IDP framework and action program and presented it to Council for adoption on the 30th July 2014. In line with the legislative requirements for the review process of the IDP, taking into consideration all the five phases mentioned above. Below is a time schedule reflecting the activities and dates as adopted by Council

Activity	Date	Custodian
July 2014		
Review the of the 2012/13 and compilation of theIDP/PMS Review Process Plans 2014/2015 and budget 2014/2015 to 2016/2017	1-31 July 2014	Chief Financial Officer; Municipal Manager
Previous year's financial statements – commence process to close all accounts and prepare financial statements	01 July 2014	Chief Financial Officer; Municipal Manager
Formal presentation of the approved IDP and Budget to stakeholders	18 July 2014	Municipal Manager
Distribution of the approved budget, SDBIP and IDP to municipal stakeholders	30 July 2014	Municipal Manager; Chief Financial Officer
Submission of signed performance agreements for Section 57 Managers to relevant stakeholders	31 July 2014	Municipal Manager
August 2014		
Preparation of the draft annual performance report 2013 / 2014	01 – 15 August 2014	Municipal Manager
IDP/PMS and Budget Technical Steering Committee: Alignment of the IDP, PMS and Budget Process Plans; Identification of the key assumptions and factors affecting the medium term budget forecasts.	14 August 2014	Municipal Manager
IDP Representative Forum - Consultation on the draft IDP/PMS Review and Budget Process Plan 2015/2016	26 August 2014	Mayor
Special Council Meeting – Presentation of the IDP/PMS Review and Budget Process Plan 2014/2015 for adoption	29 August 2014	Mayor
Submit to Auditor General: Financial Statements and Draft Annual Performance Report for 2013 / 2014 financial year	30 August 2014	Municipal Manager; Chief Financial Officer
September 2014		
Advertisement and/or publication of the IDP/PMS Review and Budget Process Plan 2015 / 2016	05 September 2014	Municipal Manager
Submission of IDP/ PMS Review and Budget Process Plan to the district municipality and other spheres of government	10 September 2014	Municipal Manager
IDP/PMS and Budget Framework Workshop - Councillors; Traditional Leaders and Officials	17 September 2014	Municipal Manager
Inter-Governmental Relations – Presentation of the Situation Analysis under review	23 September 2014	Mayor
IDP/PMS and Budget Technical Committee – Presentation of the Situational Analysis under	25 September 2014	Municipal Manager

Activity	Date	Custodian
review (Situational analysis review phase commence)		
October 2014		
Submission of Performance reports and performance information of the first quarter	03 October 2014	All Directors
IDP/PMS and Budget Technical Steering Committee: presentation of the first quarterly performance analysis report	15 October 2014	Municipal Manager
Inter-Governmental Relations - Presentation of the 1st quarterly performance report, draft objectives and strategies under review, Core components and/or sector plans for inclusion in the draft reviewed IDP	22 October 2014	Mayor
Submission of the Performance Report of the institution to the Office of the Mayor	30 October 2014	Municipal Manager
SUBMISSION OF BASELINE BUDGETS AND SUPPLEMENTAL REQUESTS FROM DIRECTORATES: Final date for submission of all Baseline Operating Budgets, Capital Budgets and Operational plans by Directorates to the budget office.	31 October 2014	Directorates
November 2014		
IDP/PMS and Budget Technical Steering Committee – presentation and discussion of the situational analysis. Launch of the second phase of the IDP (Review of the objectives and strategies commences); review progress and proposed tariff report	12 November 2014	Municipal Manager; Chief Financial Officer
Inter-Governmental Relations - Presentation of the draft reviewed situation analysis, objectives, strategies and indicators	19 November 2014	Mayor
IDP/PMS and Budget Representative Forum – Presentation of the draft reviewed situation analysis, objectives, strategies and indicators	26 November 2014	Mayor
Prepare first draft of operating and capital medium term budget based on baseline operating budgets submitted by directorates	28 November 2014	Chief Financial Officer
Receive audited Financial Statements and Audit report from the Auditor-General for the 2013/14 financial year	28 November 2014	Accounting Officer
December 2014		
Logistical arrangements on the review of the mid-year performance reports, assessment of performance and review of the service delivery and budget implementation plans	01 – 05 December 2014	Municipal Manager
IDP/PMS and Budget Technical Steering Committee to discuss draft objectives and strategies, baseline budget report and Draft Tariffs.	03 December 2014	Municipal Manager; Chief Financial Officer

Activity	Date	Custodian
Inter-Governmental Relations – Presentations on the preparation of the mid-year performance reports, draft annual report	09 December 2014	Mayor
Special Council – Adoption of the first draft annual report	11 December 2014	Mayor
Publication and submission of the draft annual report 2013/2014 to the district municipality and other spheres of government	12 December 2014	Municipal Manager
Mayoral Imbizos – Presentation of the draft annual report, confirmation of priorities / needs per ward	15 – 19 December 2014	Mayor
January 2015		
Submission of Performance reports and performance information – mid-year performance	07 January 2015	All Directors
IDP/PMS and Budget Technical Steering committee to present and discuss draft objectives and strategies. Launch of the third phase of the IDP (Discussions on the projects commences)	15 January 2015	Municipal Manager All Directorates
Strategic planning session to present updated situation analysis, refined objectives and strategies and draft projects. Presentation of the mid-year performance report; Review SDBIP 2014/2015, prepare draft SDBIP 2015 / 2016; review progress and DRAFT BUDGET	18 – 22 January 2015	Municipal Manager; All Directors
Inter-Governmental Relations	21 January 2014	Mayor
Presentation of reviewed SDBIP 2014/2015 to the Mayor for approval,	26 January 2015	Municipal Manager;
ORDINARY COUNCIL MEETING: Table in a council meeting the final draft annual report 2013/2014, mid-year assessment report, financial statements, audit report and audit action plan	29 January 2015	Municipal Manager, Mayor
February 2015		
Submission of mid-year performance reports to the Sector Departments (National / Provincial Treasury and the EC-CoGTA	06 February 2015	Municipal Manager
Inter-Governmental Relations – Presentation of the mid-year performance report, final draft annual report, draft reviewed IDP objectives, strategies and indicators	16 February 2015	Mayor
IDP/PMS and Budget Technical steering committee to discuss and finalize draft projects and submission of reviewed sector plans; draft adjustment budget	19 February 2015	Municipal Manager

Activity	Date	Custodian
IDP/PMS and Budget Representative Forum – Presentation of the draft projects and mid-year performance reportas well as indicators and targets	24 February 2015	Mayor
SPECIAL COUNCIL MEETING: Table in a special council meeting the adjustments budget for mid-year	27 February 2015	Municipal Manager, Mayor
March 2015		
Presentation of draft Reviewed IDP 2015 / 2016 to IDP/PMS and Budget Technical committee and alignment of budget	12 March 2015	Municipal Manager
Submission of draft directorate SDBIPs 2015 / 2016 for consolidation	17 March 2015	All Directors
IDP/PMS and Budget Steering Committee: Presentation of draft 1st Draft IDP 2015/2016 (3rdReview); review progress and DRAFT BUDGET; final draft operating and capital budget for review	19 March 2015	Mayor
Inter-Governmental Relations – Consultation on the 1st draft Reviewed IDP 2015 / 2016, Operating and Capital draft Budget	24 March 2015	
Special Council Meeting – Presentation of the 1st draft IDP 2015 / 2016 (3rd Review), Operating and Capital draft budget	**31 March 2015**	**Mayor**
April 2015		
Submission of adopted Draft IDP and budget to the Office of the Premiers, Provincial and National Treasury, District Municipality and the MEC for EC-CoGTA	07 April 2015	Municipal Manager
Submission of Performance reports and performance information of the third quarter	07 April 2015	All Directors
IDP advertised for public comments, public meetings and consultation schedule	07 April 2015	Municipal Manager
IDP, Budget and PMS Road shows	07 – 24 April 2015	Mayor
Inter-Governmental relations – Presentation of the draft Reviewed IDP and Budget 2015 / 2016 for comments and inputs	13 April 2015	Mayor
IDP/PMS and Budget Representative Forum – presentation on the final draft Reviewed IDP and Budget 2015 / 2016; and tariffs	23 April 2015	Mayor
IDP/PMS and Budget Technical Steering Committee to consider public comments and those from sector departments; presentation of performance reports for the 3rd quarter	30 April 2015	Municipal Manager
Directorates to provide a list of Capital Projects to be rolled over for inclusion in the 2015/16 Budget to the budget office and cash balances forward for grant projects.	30 April 2015	Directorates
May 2015		
IDP/PMS and Budget Technical Steering Committee – Consider final draft IDP 2015 / 2016 (3rdReview)	07 May 2015	Municipal Manager

Activity	Date	Custodian
IDP/PMS and Budget Steering Committee: Presentation of Final Draft IDP and Budget (Operating and Capital Budget) for presentation to the full Council; Approval of FINAL operating and capital budget for presentation to the full council	14 May 2015	Mayor
Inter-Governmental Relations: Presentation of the final draft reviewed IDP and Budget 2014 / 2015	18 May 2015	Mayor
IDP and Budget Workshop for Councillors and Traditional leaders on the final draft Reviewed IDP 2015 / 2016	21 May 2015	Municipal Manager
State of the Municipal Address: Reviewed IDP 2015/2016 & Budgets approved by Council	**29 May 2015**	**Mayor,**
	June 2015	
Notice for adoption of the IDP	10th June 2014	Municipal Manager
Availability for copies of extracts from the plan at Municipal offices (Lady Frere, Indwe and Dordrecht) for public inspection	10th June 2014	Municipal Manager
Submission of the approved Reviewed IDP and Budget 2015 / 2016 to the National, Provincial Treasury department, MEC for EC-CoGTA and the district municipality	11 June 2015	Municipal Manager
Inter-Governmental Relations Meeting	18 June 2015	Mayor
IDP/ PMS and Budget Technical Steering Committee to finalize the service delivery and budget implementation plans for 2015 / 2016	19 June 2015	Mayor
Presentation of the final draft service delivery and budget implementation plan to the Mayor for approval	23 June 2015	Municipal Manager
Assessment of annual performance of the institution.	29 June -03 July 2015	Municipal Manager
Ordinary Council Meeting	30 June 2015	Mayor



CHAPTER 2
SITUATIONAL ANALYSIS

SECTION B

CHAPTER 2- SITUATION ANALYSIS

2.1 Introduction

Local Government laws and regulations require municipalities on an annual basis to test the level of the development in the municipal area so as to ensure that; plans and resource allocation respond directly to the needs of the communities. This is done through environmental scanning on all areas in the municipality

2.2 Reflection on the municipal area

Emalahleni Local Municipality is category B municipality situated within the Chris Hani District Municipality of the Eastern Cape Province. It has 17 Wards which service the three main towns - Lady Frere, Indwe and Dordrecht and surrounding villages.

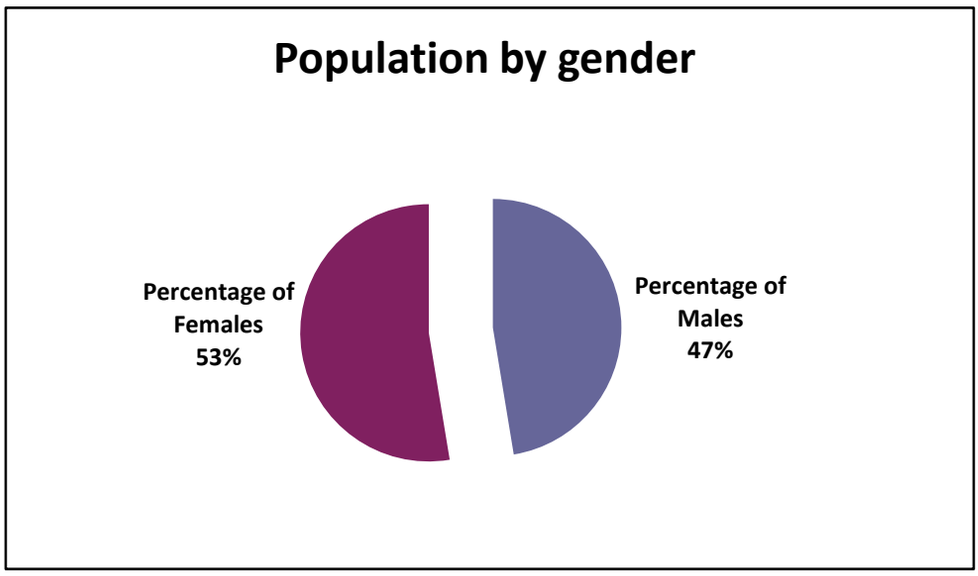
2.3 Demographic analysis of the area

(1) Population

Emalahleni has the fourth largest population with a total of 119,460 (15% of the district population) in the Chris Hani district and extends over an area of approximately 3 840 square kilometres, includes more than 200 rural villages and comprises seventeen (17) wards. The head office of the Emalahleni Local Municipality is situated in Lady Frere and has satellite offices in Dordrecht and Indwe. **Growth trend analysis shows that Emalahleni population had a marginal growth of between 2% to 5% over the last 5 years. The marginal growth could be attributed to a variety of factors such as death, poverty, HIV/AIDS and/or family planning.**

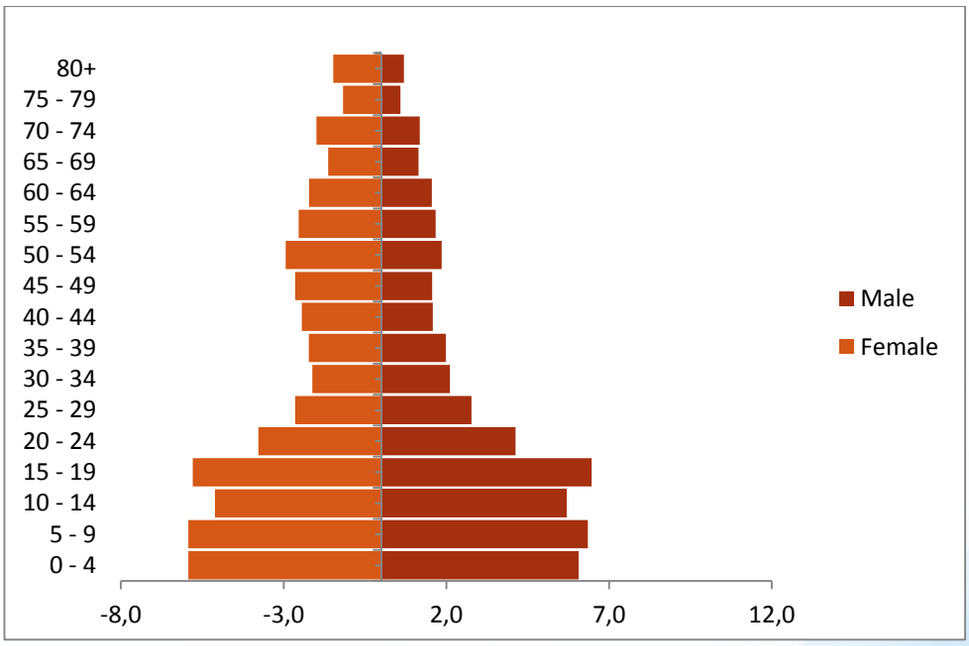
The following tables and graphs reflect the population of Emalahleni by various categories. The Black Africans and Black African females in particular are the largest group of the population at 51% (and 53% including all races) of the total population. The high representation of females in the population represents an opportunity for the municipality to develop and implement programs for women empowerment.

	Black African	Coloured	Indian or Asian	White	Other	Grand Total
Male	55 614	350	135	322	199	56620
Female	62058	341	39	340	61	62839
Grand Total	117672	691	174	663	260	119459



Statistics South Africa: Web page: www.statssa.gov.za, 2011

(2) Population Pyramid



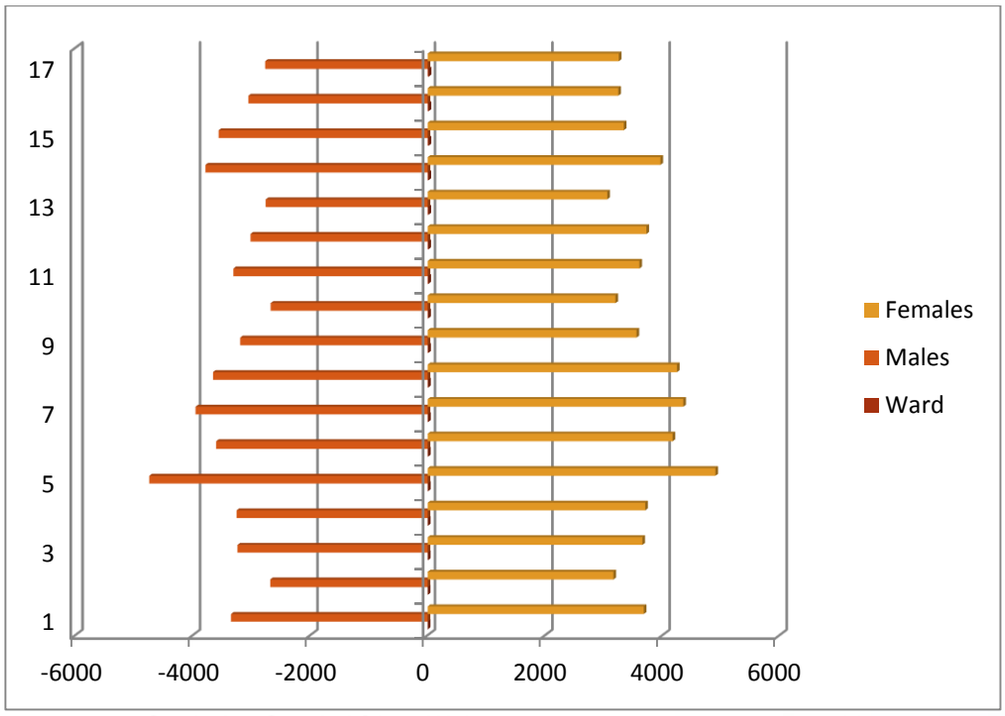
The above pupation pyramid reflects a perfect planning informant for the municipality. From this age distribution above, the following observations can be eluded:

- the 0-19yrs comprised of 47% of the total population
- ages 20-59yrs of the economically active population, show a fairly distributive population
- ages 60 upwards represent 13% of the population

The municipal population has a large representation of the youth (comprising of 47%) of the total population. The retired age group of age 60 and above represents 13 percent of the population. These two above point also pose a great challenge for the Emalahleni municipality. This challenge being that the 60 percent of the population is both under 19years and above 60years and thus most likely economically in active and reliant on social grants. The resultant of this compels the municipality to increase its commitment to Special Programmes

According to statistics released by ECSECC, about 47% of the population earns just under R3500.00 and 13% of the population leaves under the bread line and would therefore not be able to afford housing or other services and rely on state subsidies. Emalahleni thus can be classified as a low wage economy which is a factor of low or negative growth. This fact will be dealt with throughout the document.

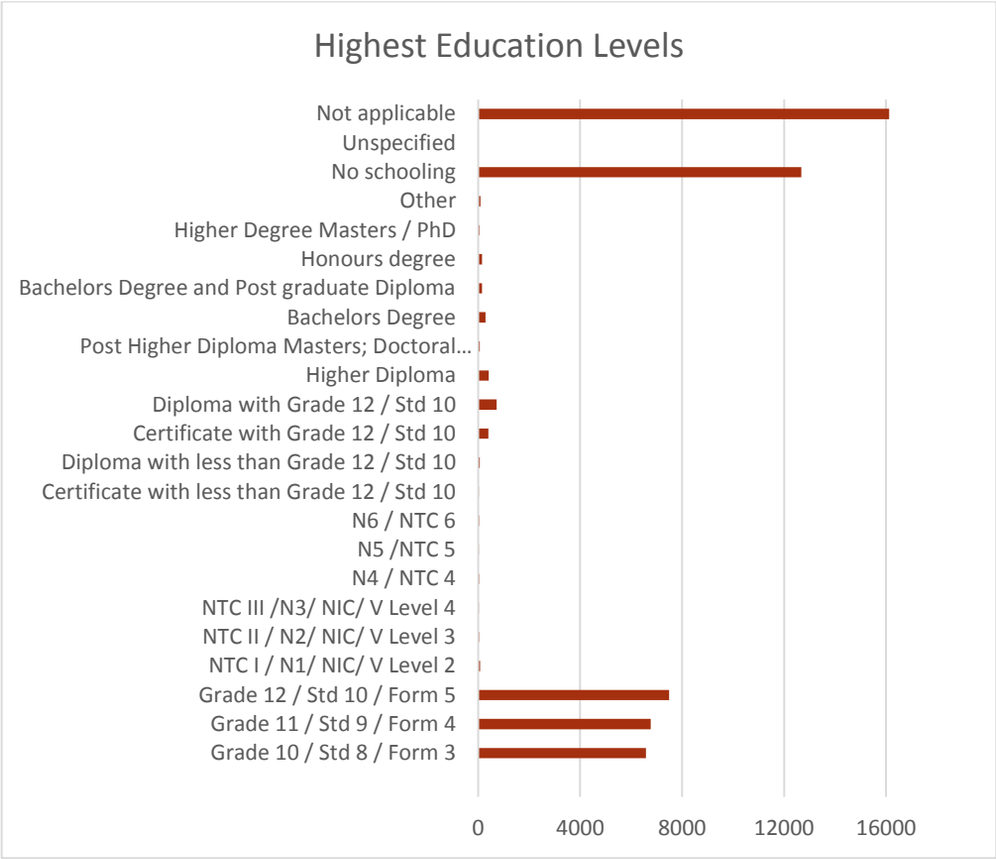
The following table represents the spread of the population according to the 17 wards in the municipal area:



Statistics South Africa: Web page: www.statssa.gov.za, 2011

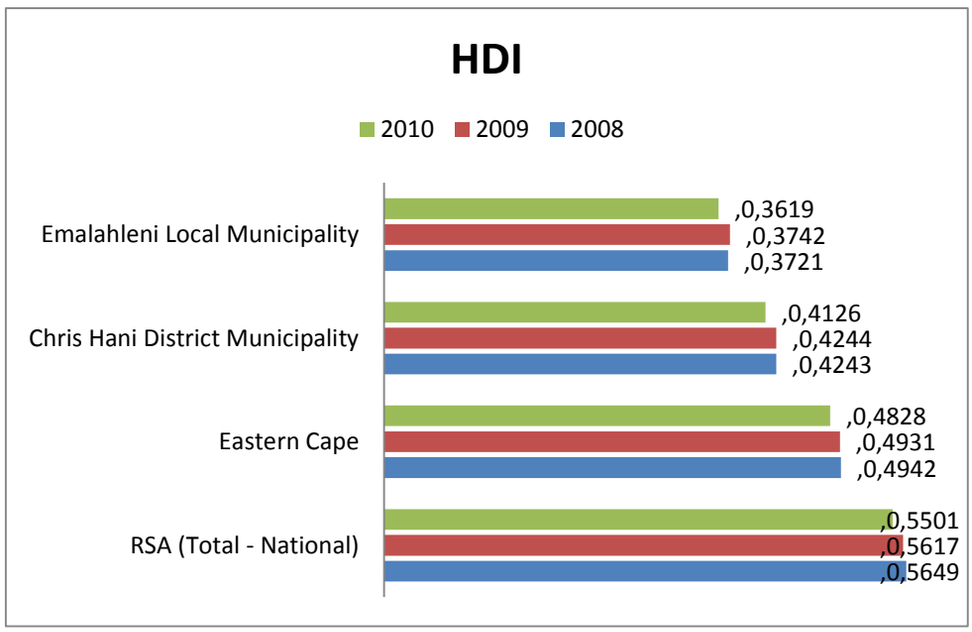
2.4 Education and Skills

About 35% of the entire population has no schooling whilst only 5% of the population has a matric (Grade 12) qualification. As indicated in graph below, the levels of educational attainment are very low. This situation presents a major challenge for future economic growth because essential skills for growing the economy are limited and will be further reduced by this situation in which 37% of population has no schooling at all.



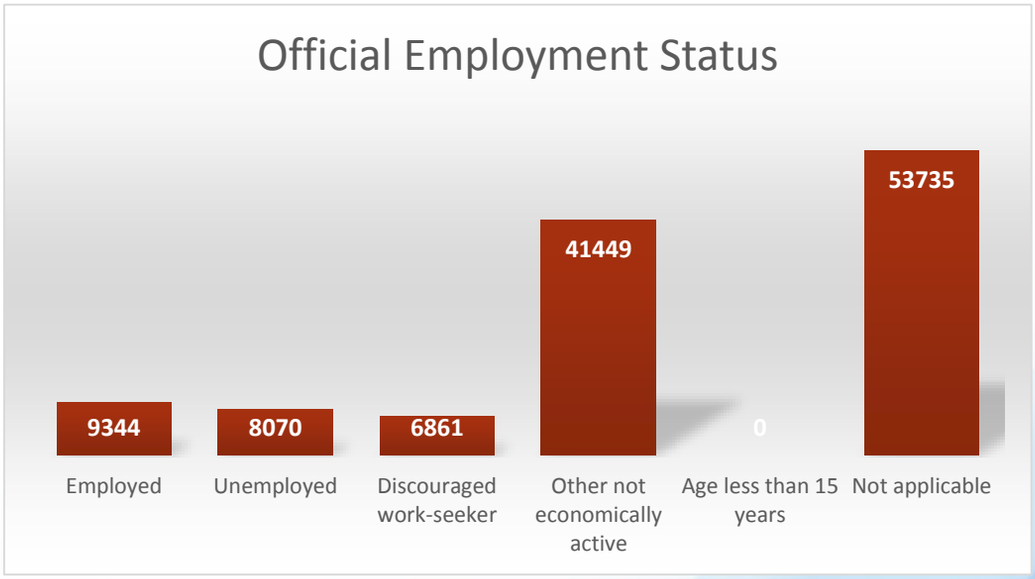
Source: Statistics SA 2011

(3) Human Development Index (2008 – 2010)



(4) Labour

(a) Formal Employment

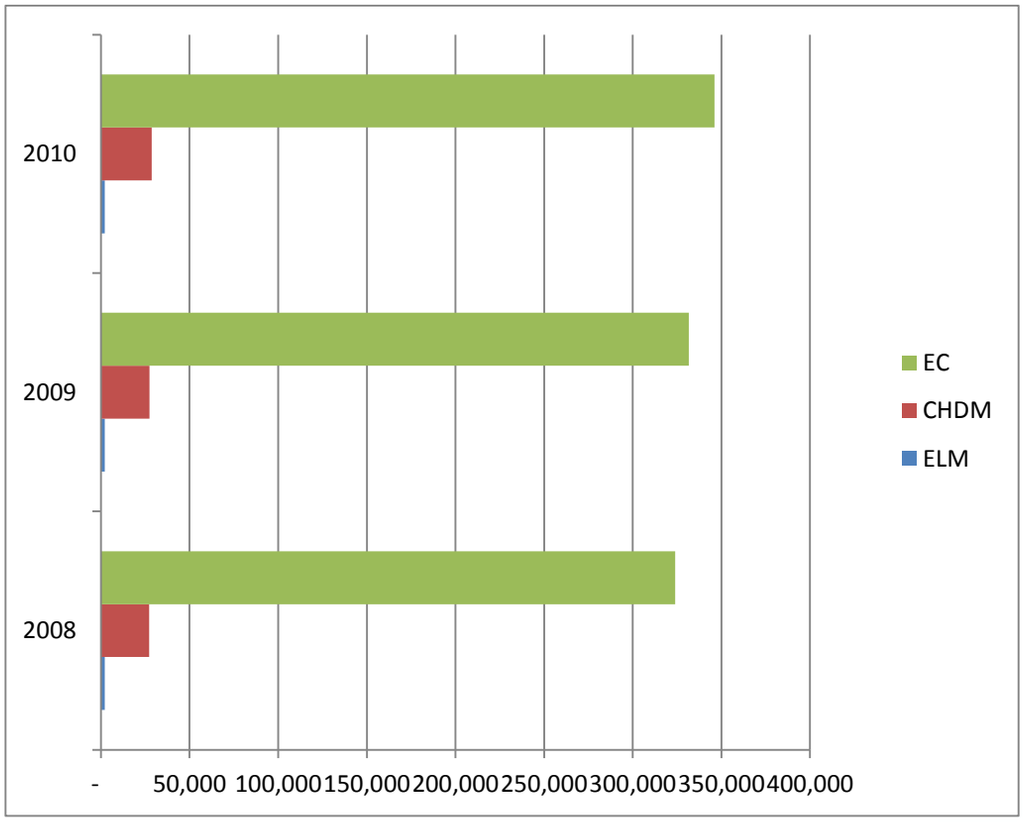


Sources: Statistics SA, 2011

This situation means that people are either dependent on informal sector; have their own businesses and or coops or unemployed at all and that will have a knock on effect on socio – economy of the area.

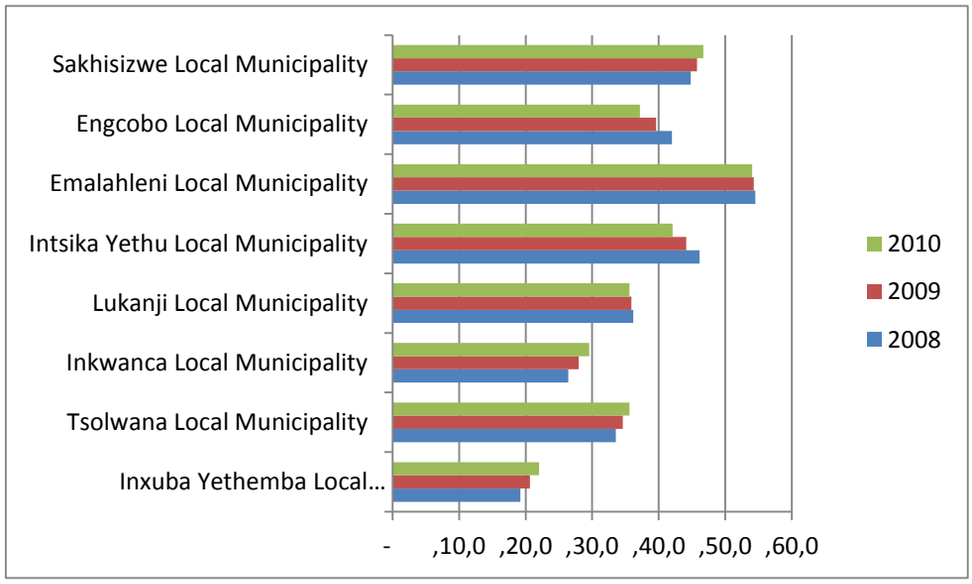
The GDP of Emalahleni has been anchored by the wholesale and retail sector which has contributed a higher percentage in terms of Real Money. The wholesale and retail sector has contributed about 80% to the Gross Domestic Product and has seen a steady growth for the past three financial years (2008, 2009 & 2010).

(b) Informal Sector:



In as far as it relates to the informal sector, Emalahleni is still making no progress for the past three years (2008 – 2010).

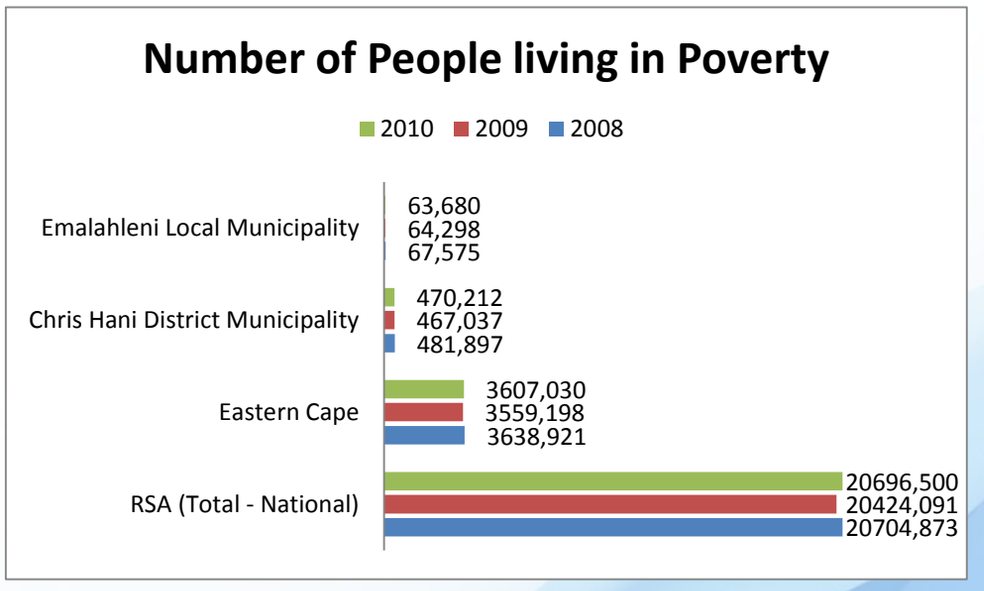
(c) Unemployment rate



In the district, Emalahleni Local Municipality, is leading in as far as the unemployment rate is concerned and this has been the case since 2008 – 2010. There is a lot that needs to be done in terms of job creation.

According to data released by Statistics South Africa for the Year 2007, 2008 & 2009 indicates that the economy of Emalahleni has been shedding jobs except for the wholesale & retail sector which maintained a low but steady growth in terms of employment figures.

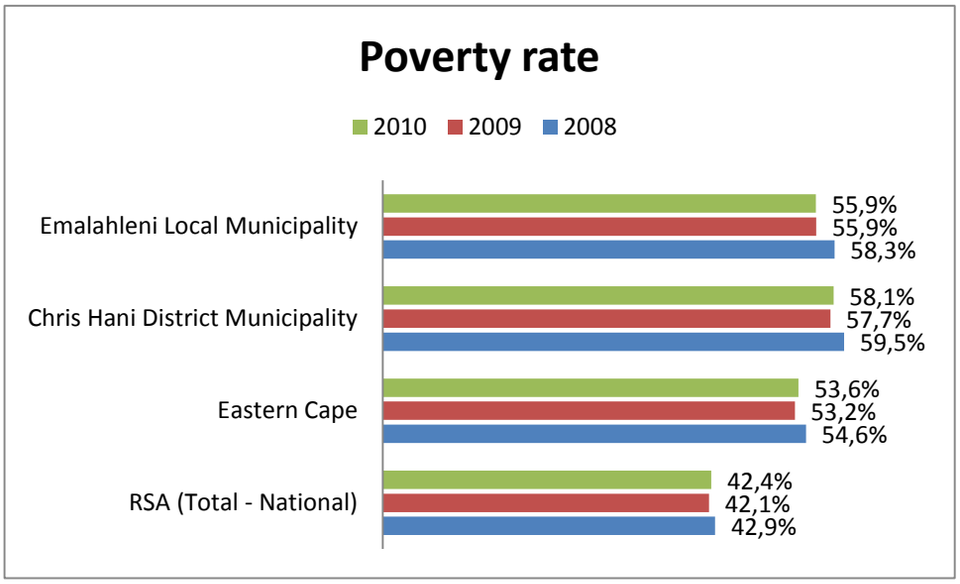
(5) Poverty:



There has been a slow decrease in a number of people living in poverty from 67,575 to 63, 680 since 2008 – 2010. This might be due to number of government interventions in terms of social grants, or people leaving the area for greener pastures.

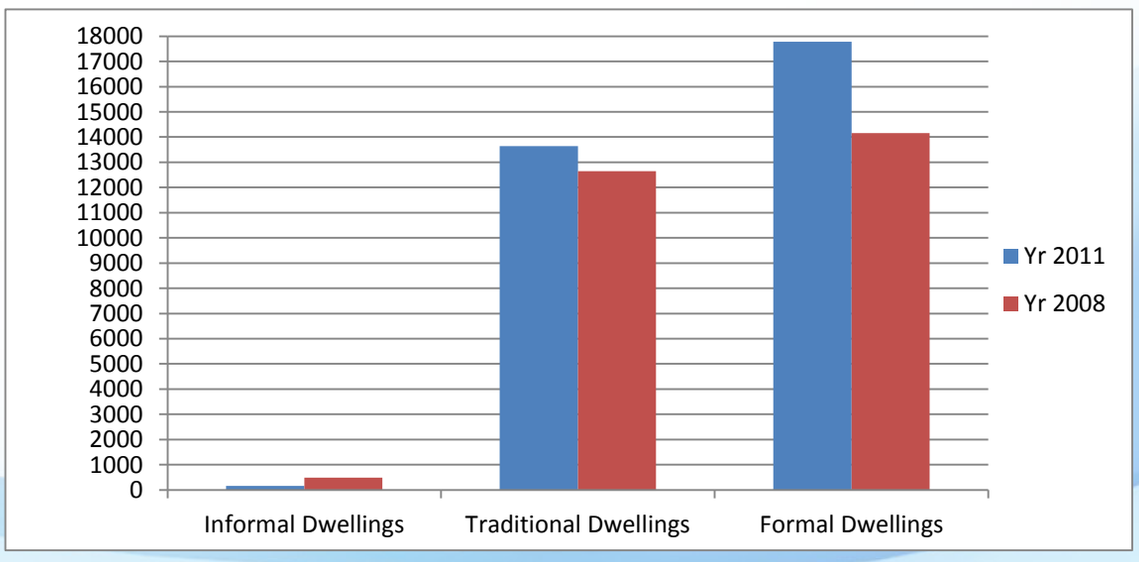
Due to the snail pace inwhich poverty is decreased, Government in general and Emalahleni Local Municipality in particular, need to introduce aggresive measures that will seek to accelerate the pace of poverty eradication and such can be encapsulated in LED strategy and other relevant strategies.

(6) Poverty rate (2008 – 2010)



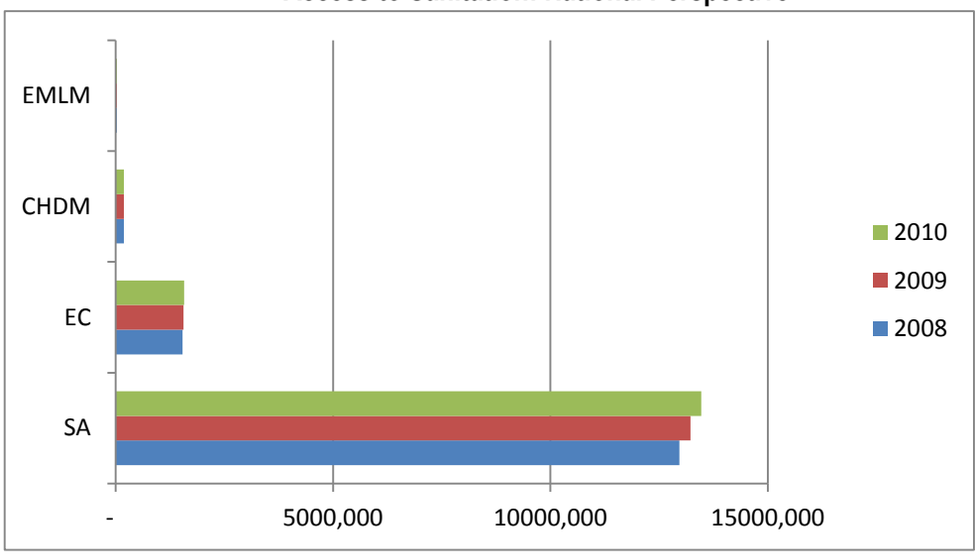
(7) Human Settlements

The graph below shows that most of the houses in the municipality are those made of bricks and traditional houses, it also shows a slow increase from 2008 of brick and traditional houses. There is a very minimum number of informal settlements and the numbers are showing a slow decline since 2008 and this can be attributed to the increase in brick and traditional structures.



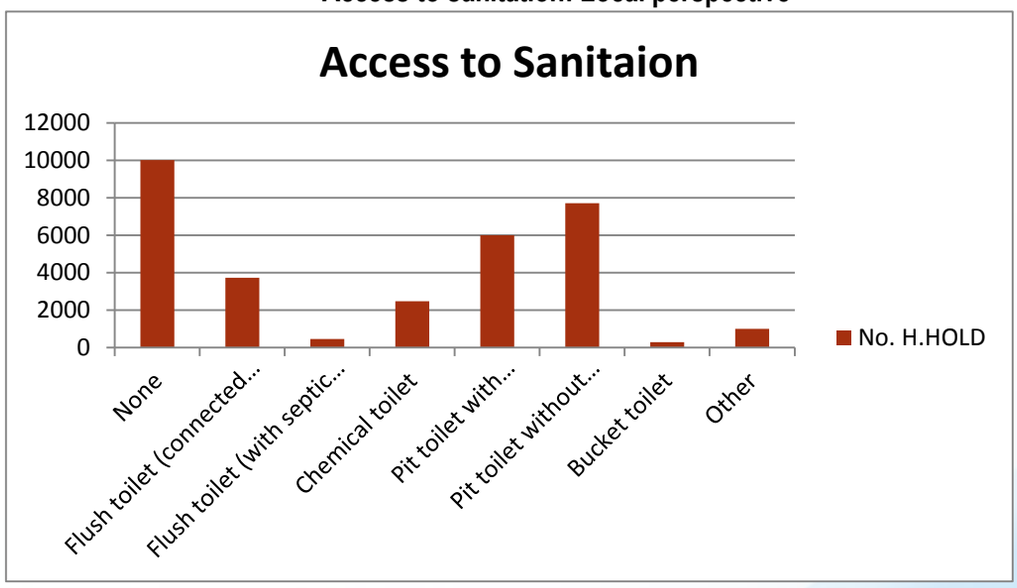
(8) Access to Services:

Access to Sanitation: National Perspective



The picture is even worse when it comes to Emalahleni Local Municipality, in which there is no improvement at all.

Access to sanitation: Local perspective



This graph presents a picture of Emalahleni local municipality in as far as it relates to the provision of sanitation (Flush or chemical toilets; Pit latrine; and Bucket latrine).

In terms of the Flush or chemical toilets there has been a very slow improvement since 1995 - 2010. Pit latrine usage has been consistent throughout the years since 1995. The usage of a bucket system is still prevalent especially in towns (Indwe and Dordrecht) wherein there is a back log in as far as it relates to eradication of bucket system by 2014(MDG:2000). This graph depicts that the majority of households use Pit Latrine as a sanitation system, perhaps this is due to the rural nature of the municipality.

Access to Water

Regional/local water scheme (operated by municipality or other water services provider)	18021
Borehole	3049
Spring	1158
Rain water tank	463
Dam/pool/stagnant water	2060
River/stream	3978
Water vendor	356
Water tanker	1693
Other	902

Refuse removal for Household

	2008	2009	2010	2011
Unspecified / other	52	49	47	1303
Removed by local authority at least once a week	3 026	3 085	3 144	2637
Removed by local authority less often	217	211	206	165
Communal refuse dump	562	587	612	528
Own refuse dump	13 363	13 518	13 674	20165
No rubbish disposal	-	-	-	6883

Formal waste collection service is generally limited to the urban areas of Lady Frere and Indwe / Dordrecht. Households in the rural areas improvise by either creating their own dumps in their own yards or by means of illegal dumping sites.

2.5 Situation analysis per Key Performance Area (KPA)

2.5.1 Basic Services and Infrastructure Development

Basic Service Delivery and Infrastructure Development refer to the assessment of development of the municipality in relation to the following:

(1) Infrastructure Development

In its quest for infrastructure development, and the requirements of CoGTA on the establishment of Project Management Unit by municipalities, which was reviewed in 2007/2008; the municipality established a Project Management Unit. The unit is located in the Infrastructure Development and Human Settlements Directorate.

(a) Project Management Unit (PMU)

The Municipality established the PMU office for managing infrastructure projects back in 206/2007 financial year. The unit was established to manage conditional infrastructure grants, and at the time the only grant the municipality participated on was the Municipal Infrastructure Grant (MIG).

The unit then had one person in charge of the entire project management unit but has since grown, and now the PMU office currently has a total of 6 personnel, with only two vacancies to be filled. The municipality now participates on various infrastructure grants such as; Municipal Infrastructure Grant (MIG), Integrated National Electrification Programme (INEP) and Expanded Public Works Programme Incentive Grant (EPWPIG).

(i) **Municipal Infrastructure Grant (MIG)**

The programme started here at the municipality during the 2006/2007 financial year, and the municipality has been an active participant in the programme. The municipality is currently committed up to 16/17 financial year

(ii) **Integrated National Electrification Programme (INEP)**

The approach that the municipality took in implementing this programme was to appoint an Electrical consulting engineering firm for a period of three years, on turn-key basis. The consulting firm was to be responsible for the annual applications, appointment of contractors, purchase of bulk material, monitoring the works and all the necessary report as per the DoRA requirements.

The municipality had placed the management of the programme under the then Technical Serves Department (which is now Infrastructure Development & Human Settlement Directorate), and is managed by the Project Management Unit (PMU) in that department. The PMU Manager is responsible for monitoring the performance of the consulting firm for the duration of the contract, and ensures that the consulting firm delivers on all its terms of reference.

	2011/12	2012/13	2013/14
Approved budget amount	R 4,480,000.00	R 4,000,000.00 R 5,000,000.00 (Re-gazzeting)	R 10,000,000.00
Spent budget amount	R 4,480,000.00	R 9,000,000.00	R 10,000,000.00
Difference	R 0	R 0	R 0

The grant has been successfully spent over the past three financial years.

Key challenges since commencement

- The municipality had not official with electricity to be its clerk of works, but relied of consultants for the quality of the works.
- On some areas that have been electrified, there were no proper feasibility studies conducted, leading to surprises during implementation and therefore affect the number of indicated households to be connected.
- Poor performance of contractors on some sites.
- Poor performance by the consultant, leading to allocation being withheld.
- Exodus of staff that were managing the programme from the municipality, leading to poor performance by the municipality.
- Inconsistent reporting by the municipality and therefore leading to withholding of transfer of funds.

- Not enough support from the regional Department of Energy.
- Poor communication between the municipality and the regional Department of Energy.
- Failure to complete the projects within a allocated financial year.

iii. Expanded Public Works Programme Infrastructure Grant (EPWPIG)

Emalahleni Local Municipality has been participation on the EPWP programme for the past couple of years. This year the municipality has been struggling to report on employment created by the municipality on all sectors. The municipality has also been honoured to receive incentive grant from the department of Roads and Public Works.

In 2014/15 financial year the municipality has been allocated R 1,217,000.00 which has been spent very well.

SWOT Analysis

Strengths
- Qualified personnel
- Creative/Innovative thinking
- The unit is almost fully capacitated
- Committed and ethical staff

Weaknesses
- Lack of training and development
- Lack of Monitoring on some projects
- Dependent on Consultants for designs, because there are no design programs and equipment.

Opportunities
- Development of design office
- Capacity building for PMU personnel
- Eradication of electricity backlog
- Quality on all infrastructure projects

Threats
- Corruption
- Absconding
- Under performance on personnel
- Lack of commitment

(2) Roads and Storm Water Drainage Systems

(a) Existing Level of Service

The roads can be divided into three Level of Service categories:
- Urban: All roads within the urban edge
- RDP: Main access roads leading to critical public infrastructure such as schools and clinics
- Rural: Main access district road that leads to the activity node within the settlements

(b) Roads Classification

The total road network of Emalahleni LM is shown in figure below

National Roads	91 km
Trunk Roads	66.27 km
Main Roads	97.43 km
District Roads	653.01 km
Access/minor roads	161.16 km

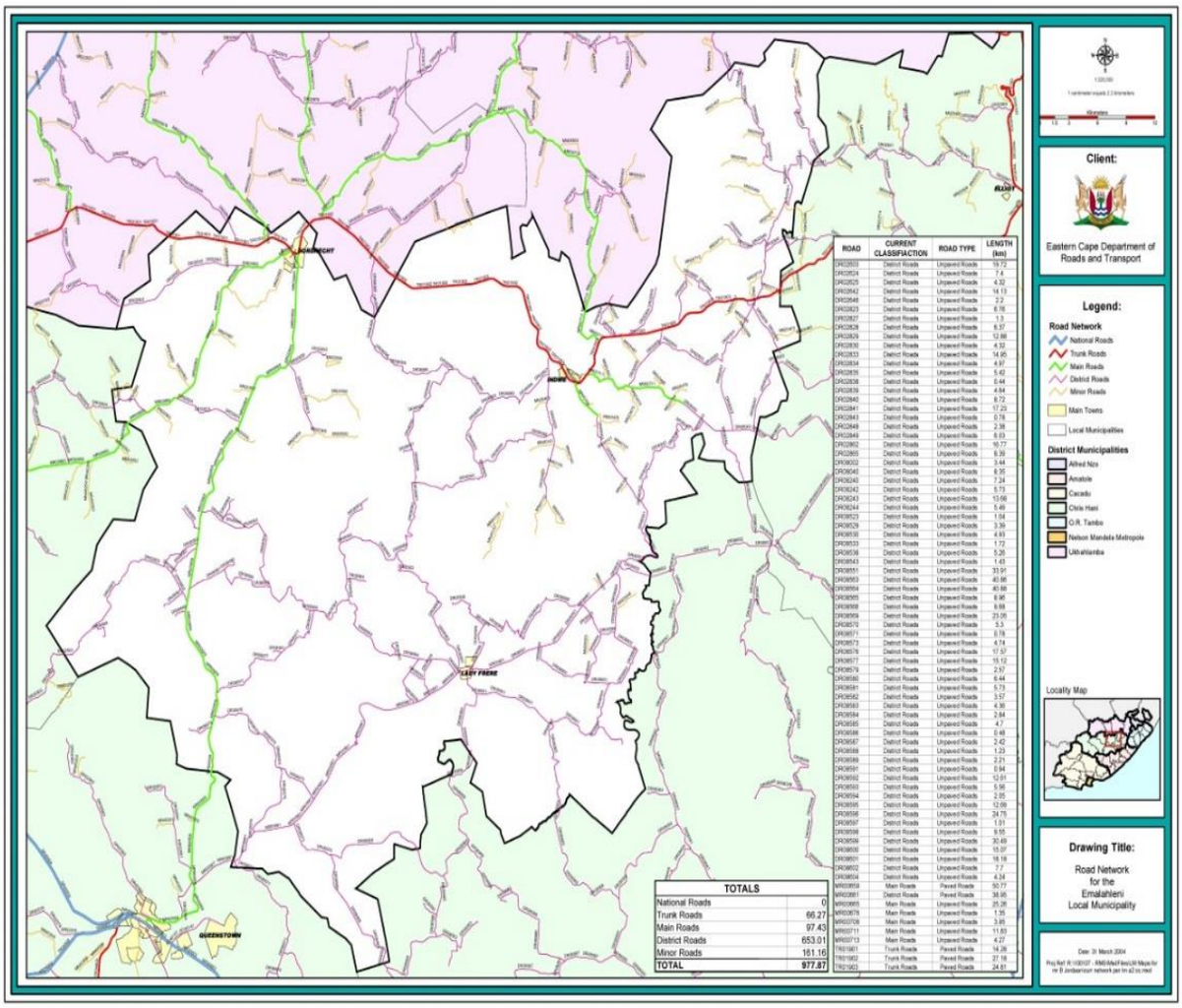
The R56 route which runs through Dordrecht and Indwe towards Elliot in an east –west direction is now a national road. SANRAL has taken over the R 56 route which was trunk road between Barkley and Dordrecht, and runs through Indwe to Elliot, and end up to the KZN borders.

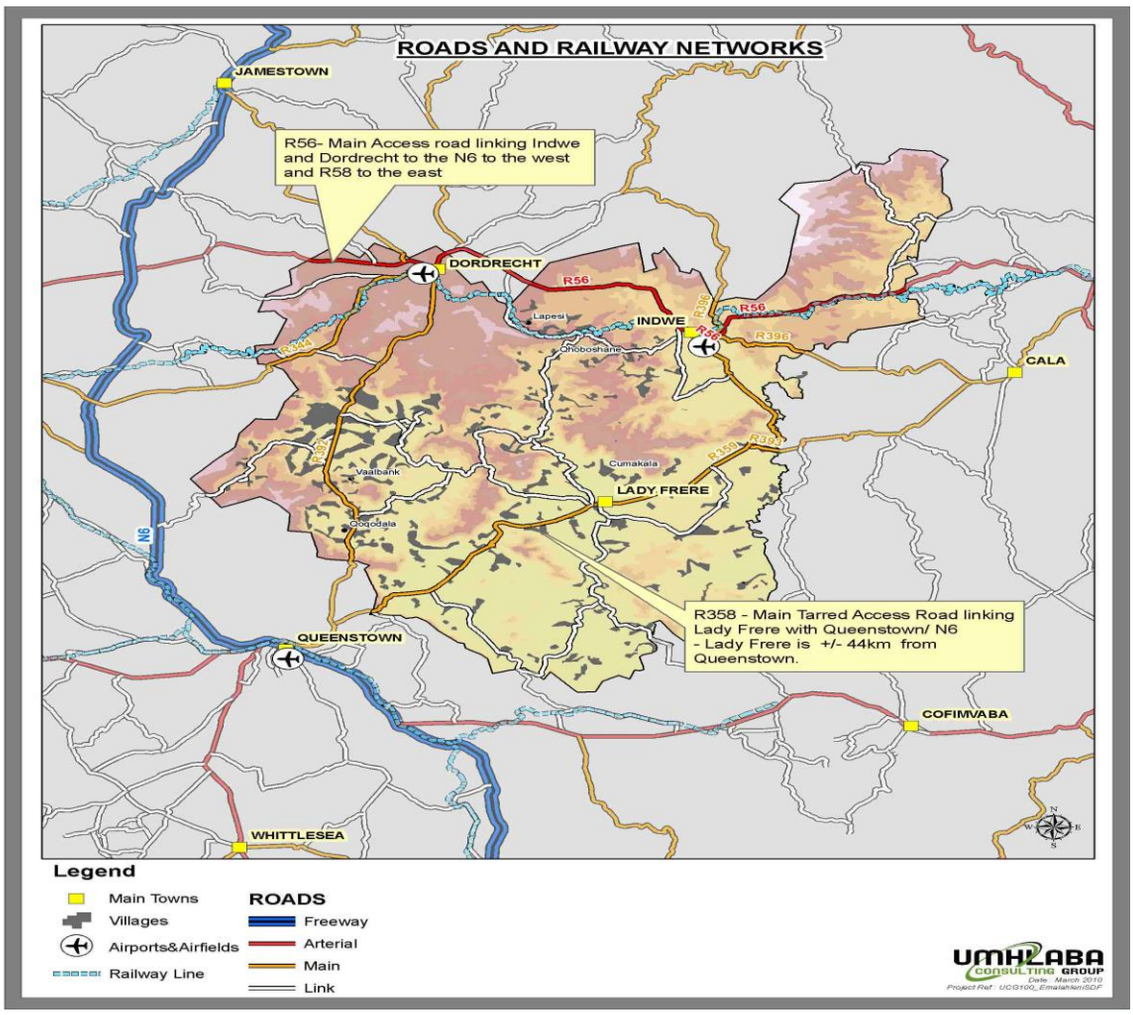
The main roads between Strekstroom and Dordrecht (R344), between Queenstown and Dordrecht (R392), and between Queenstown and Lady Frere (R359) are still trunk roads.

(c) Existing Roads and Storm water Network

There are 4 major roads that run into or are within the LM boundaries. The rest of the municipal area is serviced by gravel roads that link farms and rural towns to the major routes.It is often characterised by poor storm water drainage designs which often put a lot of pressure on the visual road index and surface durability especially during rainy seasons.

The major road network of Emalahleni Local Municipality is shown below:





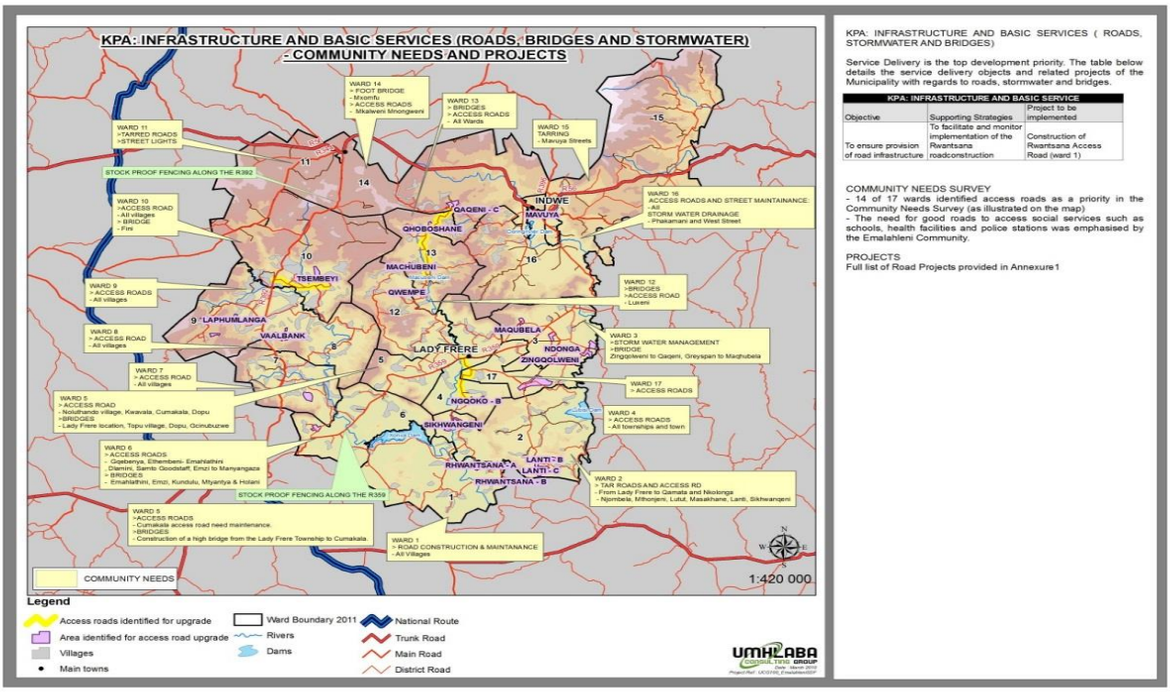
(d) Condition Assessments

The entire road network of paved and unpaved (gravel) roads are generally in a poor condition and thus in need of upgrading and maintenance. Access across streams and watercourses is generally poor during rainstorms and a need therefore exist for the construction of appropriate causeways and bridges.

The findings from road inspections conducted are trunk and major roads summarised in the table below:

Road	Status
R359	The main road between Queenstown and Lady Frere (MR00661 which is sign posted R359) is in a fairly good condition, except for a section about 10km before Lady Frere which is in the process of repair. The concrete section of this road a few kilometres before entering Lady Frere is very uneven due to numerous cracks in the concrete slabs The main road through Lady Frere has been widened for parking along both sides and has paved sidewalks in the centre of town. However, the section of road on the entry into town between the river bridge and the taxi rank has no paved shoulder or sidewalks and pedestrians have to walk along gravel sides of the road amongst parked cars and taxis. The Lady Frere town is gradually improving the status of roads. In the 2010/11 financial year 2.6km of gravel roads in town have been surfaced to black top standards. The rank next to Zulu Square can be used now as the road that passes the rank is in good condition. There were two gravel roads that were paved in Lady Frere town in further upgrading the town.
Lady Frere and Indwe	There are two routes between Lady Frere and Indwe. The shorter route is via DR08563 which is a gravel road that goes past the Elitheni Coal Mine. The section of this road between Lady Frère and Coal Mine is currently in poor condition and is in the process of being regravelled, starting from Lady Frère. The section between Indwe and the Coal Mine has recently been regravelled and storm water drainage pipes are in the process of being installed at regular intervals across this road. The other route between Lady Frere and Indwe (DR08551) is slightly longer than the above-mentioned route but has a tarred surface for the first 20km towards Cala before the turnoff to Indwe. From the turnoff, the first 5km is in fairly good condition for a gravel road, but the remaining section to Indwe is in poor condition, but regravelling of this section is in progress, starting from the end of the 5km good section.
R56	The tarred roads which connects Indwe to Dordrecht (TR 01902 signposted R56) and extends westwards to the N6 and Molteno, and eastwards to Elliot, is in fairly good condition apart from potholes which are appearing more frequently along the route. The route has been upgraded to nation route, SANRAL has taken over road and plans to maintain the road are underway
R392	The tarred road which connects Dordrecht to Queenstown (MR00659 sign posted R392) is in fairly good condition, but like the R56 suffers from the regular occurrence of potholes. This road is not as wide as the R56 and does not have the structural capacity to take heavy traffic volumes like R56. If coal carrying trucks from Indwe mines are going to use this road more frequently in the future, it will deteriorate rapidly unless rehabilitation measures are applied. The department of Road and Public Works has restored the fence along the road.
Lady Frere to Dordrecht	This is a gravel road that links Lady Frere and Dordrecht via Tsembeyi and it is in a bad state in terms of its condition. This road is a priority of the municipality for it to be surfaced as it would link the two towns (i.e. Lady Frere and Dordrecht) and therefore will positively contribute on the economic development of both towns

(e) Access and Internal Roads Networks per ward



Access and Internal Roads Networks per wards	
Urban	The majority of roads in urban wards are gravel roads. Most tarred roads are in a critical state of condition as they are reaching the end of their lifespan and have deteriorated. The condition and reliability of these roads is rapidly worsening with major potholes occurring, sections not being maintained adequately, causing greater challenges at present Storm water management is a critical issue. The major problems are blockages of existing storm water channels and drains due to lack of channel maintenance and high levels of littering.
Rural	The condition and reliability of these roads is rapidly worsening with major potholes occurring, sections not being maintained adequately, causing greater challenges at present Storm water management is a critical issue. The major problems are blockages of existing storm water channels and drains due to lack of channel maintenance and high levels of littering.

(f) Existing Road and Storm water Deficiencies and Opportunities

a) Minor/Access roads

Sector	Strength	Weakness	Opportunity	Threat
Roads and Storm water	There is basic gravel Network of roads. .Main access roads are in a fair condition	Old infrastructure and Non-retarred, especially the access road	A plan and costing can quickly be prepared for the upgrades required for roads and storm water	No maintenance ,decay of roads, lack of adequate storm water management

(g) Current Operational and Maintenance Practices

The municipality is responsible for construction, maintenance and upgrading of local access roads. Trunk, Main and district roads are the responsibility of the Provincial Department of Roads and Public Works. National Roads are the responsibility of SANRAL.

(h) Backlogs

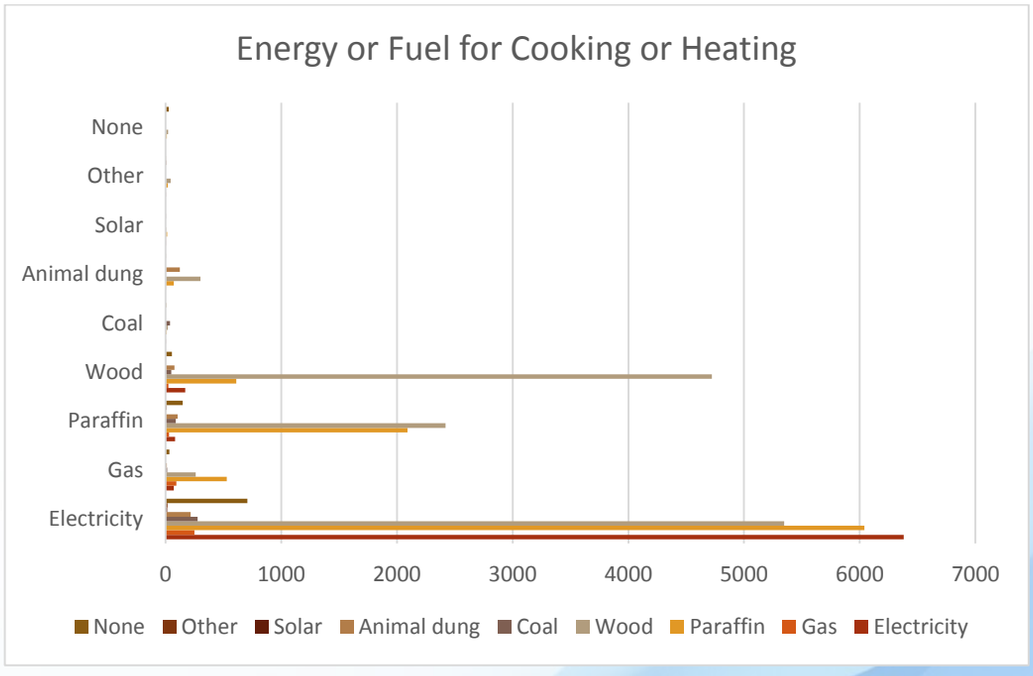
There is a huge backlog of adequate municipal roads in all the wards in particular relating to:

- Poor condition of roads,
- General lack of maintenance,
- Storm-water control measures.
- Lack of storm water management will result in further damages and increased costs to construct new roads, when the roads are in a critical state of condition and beyond repair.
- Traffic flow and accidents levels can also increase based on deteriorated roads which will place the responsible authority in a negative position.

(3) Sources of Energy for Lighting and Cooking

There is still heavy reliance on Electricity, Paraffin and Candles as sources of energy with electricity as the most popular source of energy. There is very slow or no progress in terms of introducing other sources of energy that are eco – friendly like renewable energies (Solar; Wind Energy).

The municipality is pursuing plans to encourage usage of solar energy systems by identifying pilot programmes that will be designed to suit and respond to the energy needs in the identified wards



Source: Statistics SA, 2011

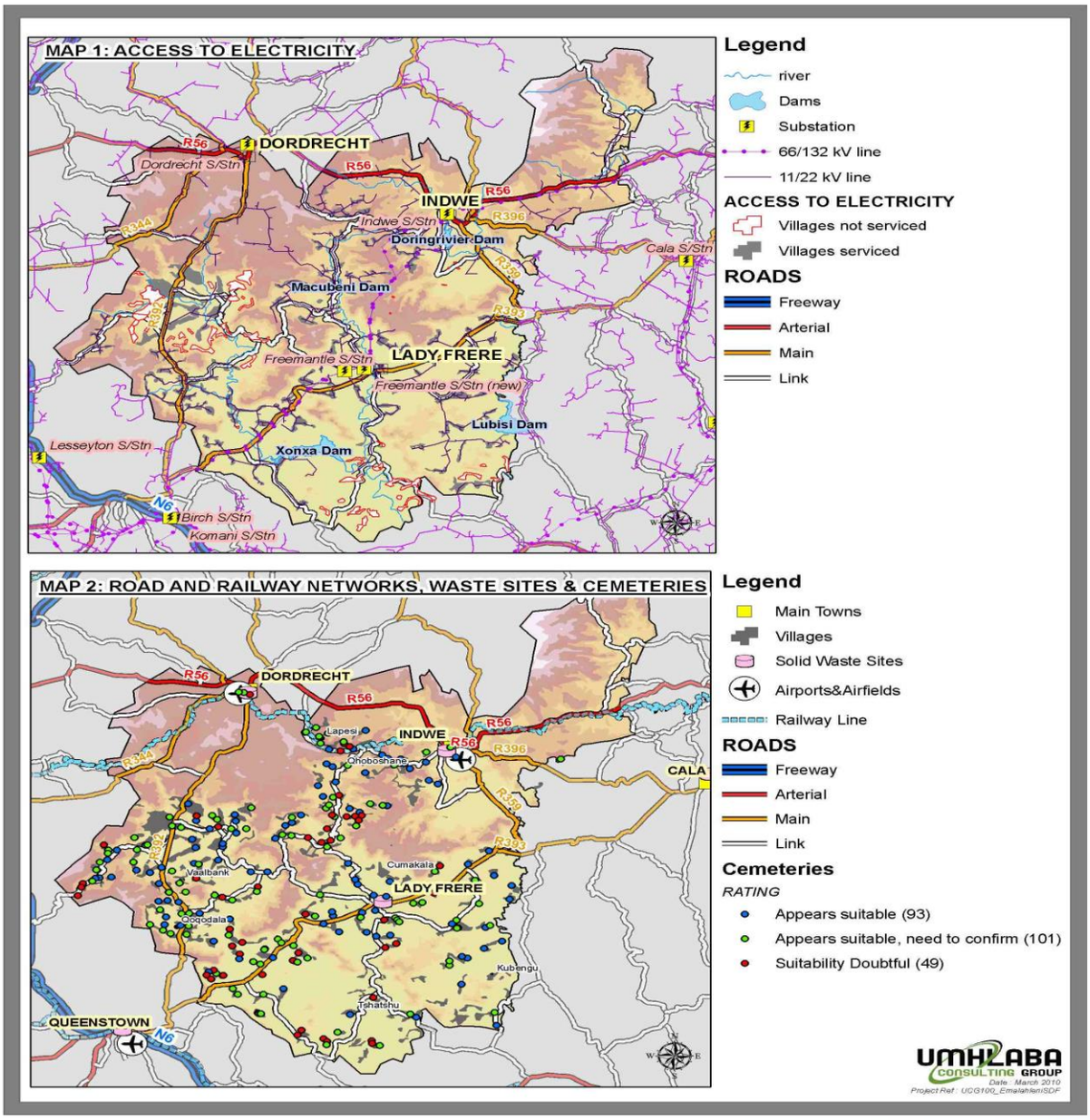
(a) General

The municipality, through INEP is responsible for electrification. Eskom is also responsible for providing electricity services and the municipality's role is to facilitate the implementation and communicate with Eskom regarding areas of priority for connections. The municipality is responsible for electricity distribution in the towns of Indwe and Dordrecht and plans to apply to NERSA for the distribution license in Lady Frere. Distribution license will be applied for, for all future electrification.

The municipality had received up to 30 million from the Department of Energy (DoE) towards finishing the electricity backlog. Villages that have been done to date are; Cacadu Extension (285 HH), Mphothulo Village (238 HH), Tshatshu Village (669 HH) and Qithi and Qugqwarwu Village (435 HH). The total Households done between 2010/2011 and 2014/15 are 1,627 HH though the INEP funding.

(b) Existing Electricity Supply

The current electricity coverage is about 95% and the municipality plans to finish backlog in the 2015/2016 financial year



(c) Existing Backlogs

a) House hold connection back log is estimated at about 5% currently.

Backlog for businesses is unknown as they have a direct link to Eskom for the reinstallations. However, anecdotal observations indicate that business connection backlogs are relatively low.

b) Existing Challenges

The following problems are constraining the development of the network:

- The high capital costs and therefore high cost per household connection.
- Theft of copper cables and vandalism of Eskom installations .Eskom has a public information programme in place to educate and thereby reduce/eliminate this practice.

Alignment of Eskom planning with the Municipality for both the expansion and the positioning of new systems is essential and will require close co-ordination between both parties.

(4) Waste Management

The municipality is responsible for waste management service which encompasses street cleansing, collection, transportation, disposal of solid waste and management of landfill sites. Integrated Waste Management Plan has since been developed and adopted by Council in 2012 aiming at optimizing waste management by maximizing efficiency, and minimizing associated environmental impacts and financial costs. It made projections on future requirements, set objectives, identified system components. Alternative methods/approaches for meeting legal requirements were as well identified. Lack of funds for projects and operations of the section necessitate that the Waste Management Section continuously source funds and resources externally.

(a) **Landfill Site Management**

Emalahleni LM has three Disposal Sites, which are not operating according to the Norms and Standards of the Waste Act. The critical areas that contravene the legislation are Burning of Waste, uncontrolled access to Disposal Sites (lack of fencing) and non-recording of waste volumes. The Municipality has obtained a closure permit for the Old Lady Frere site and Dordrecht Site. The Department of Economic Development and Environmental Affairs and Tourism Affairs and Tourism allocated an amount of R1.6 Million to ensure compliance of the site to the Norms and Standards. Fencing of the site and setting up of the guard house to restrict access has commenced.

Site at Indwe was been deemed too small to be licensed and will be incorporated in the Development that is taking place currently.
The Municipality has also obtained a permit to construct and operate a Regional Landfill Site in Lady Frere. This development also entails the construction of Transfer Station at Indwe, Dordrecht and Lady Frere. No dedicated staff for Landfill Site Management is available and there is currently no plant and equipment for Landfill Site operation.

(b) **Refuse Collection**

The Municipality is currently collecting refuse in all urban areas at least once per week, with the exclusion of two townships in Lady Frere. Plans are in place to introduce refuse collection services at Bhongolwethu and Lady Frere Location before end of June 2015. The CBD and Major Retailers are serviced more frequently with some Businesses being serviced on a daily basis even though they are not charged accordingly. The municipality purchased a compactor truck as a mechanism to replace aged tractors. A combination of tractor trailer system for refuse collection is currently utilised by the municipality. Refuse collection has since been expanded to the two townships of Lady Frere which were previously not serviced (Bhongolwethu and Mavuya Township).

Formal waste collection service is generally limited to the urban areas of Lady Frere and Indwe / Dordrecht. Households in the rural areas improvise by either creating their own dumps in their own yards or by means of illegal dumping sites.

Refuse removal for Household

	2008	2009	2010	2011
Unspecified / other	52	49	47	1303
Removed by local authority at least once a week	3 026	3 085	3 144	2 637
Removed by local authority less often	217	211	206	165
Communal refuse dump	562	587	612	528
Own refuse dump	13 363	13 518	13 674	20 165
No rubbish disposal	-	-	-	6883

Refuse collection per urban household

LADY FRERE	INDWE	DORDRECHT
Main Town (170)	Main Town (714)	Main Town (350)
Bhongolwethu (700)	Manyano (344)	Tyoksville(1985)
Lady Frere Location (592)	Mavuya (759)	Isinakho (1045)
Pilot (Mqeshi)(15)	Mzamomhle (502)	Munniksville (292)
	Sonwabile (193)	
	Phumlani (331)	

- Total Number of Households : 7992
- Total Number of Households receiving Recollection Services 6700
- Total Households of Emalahleni Local Municipality : 31 681

Weekly refuse removal services are at 8.5% according to Statistic South Africa 2011 Census report.

(c) **Street Cleaning**

The Municipality is cleaning the streets on a daily basis, especially the CBD and busy streets with businesses and transport services. The Waste Management Section is currently doing litter picking but has identified the need to physically sweep the streets of dirt caused by soil erosion and dust settling.

(d) **Clearing of Illegal Dumping Sites**

The Municipality has noted the growing number of Illegal Dumping areas within the residential areas and more so in the townships that are not serviced. These are more prevalent at Indwe and Lady Frere. Projects have been planned to eradicate these Illegal Dumping areas and also educate the communities on Waste Management, Health and Environmental Management.

(e) **Waste Management Legislation**

The Municipality has an existing IWMP which needs to be reviewed and aligned with the new developments of the area and growth of waste generation within Emalahleni Municipality. The Municipality has developed a draft Waste Management By-Law to give effect to enforcement of the legislation and polluter pays principles.

(f) **Current Projects**

i. Emalahleni Landfill Site Management Project (DEDEAT)

This project is funded by DEDEAT and focus on fencing and improving the existing Landfill Site at Lady Frere, Creating work opportunities and improving the condition of the sites at Indwe and Dordrecht. The project was funded for R1.6 Million and the project has been rolled out from January 2015 up until June 2015

ii.Youth Jobs in Waste

The Project is funded by DEA and is being implemented by Cokisa Consulting. There are 34 Beneficiaries in the project and they have been distributed in all three towns. Its objectives are to skill youth on Waste Management, Create work opportunities and provide infrastructural support to Municipalities.

iii. EPWP Project – Eradication of Illegal Dumping Sites at Indwe

The project is funded through EPWP and is based at Indwe. Its main objective is to eradicate Illegal Dumping Sites and enhance the Image of Indwe. The Project has created a work opportunities and one businesses opportunity for Transportation of Waste.

(g) **Street Cleaning and Refuse Collection Enhancement Project (Clean-Up Campaign)**

The Project is funded internally and there are 15 work opportunities that are created in the three towns of Emalahleni Municipality. The Objectives of the Project are to enhance the street cleaning and refuse collection services of the Municipality by ensuring availability of staff to perform the functions.

(h) **SWOT Analysis for Waste Management as a functional area**

Strengths
- Council Approved Refuse Collection Schedule
- Draft by laws
- Funding for development of new landfill site in Lady Frere and two transfer station in Dordrecht and Indwe

Opportunities
- Donor Funding
- Support from CHDM and DEDEAT

Weaknesses
- Insufficient budget for equipment
- Inadequate plant and equipment to ensure compliance of landfill sites
- Over reliance on temporal workers
- Inability to map serviced areas
- Landfill sites that are not rehabilitated

Threats
- Litigation for sites that are not rehabilitated
- Illegal dumping

(5) Environmental Management

The Municipality has no dedicated official for Environmental Management and related functions. These functions are delegated to officials at Community Services when the need arises. Plans are in place to incorporate Environmental Management functions and develop an integrated environmental management plan. Awareness Campaigns and Community Surveys will be conducted for waste management and environmental preservation. National Green days will be celebrated on an annual basis. Chris Hani DM adopted a District focused Environmental Management Plan which must be reviewed by the LM to ensure relevance to its material conditions.

An internal analysis on the strengths, weaknesses, opportunities and threats on environmental management was done and the below table presents the findings:

Strengths
- Availability of Spatial Development Framework

Weaknesses
- Lack of environmental personnel within the organization to deal with or address environmental issue.

Opportunities
- Support from SALGA on Environmental Management Programs.
- CHDM integrated Environmental Management Plan

Threats
- Climate Change

(6) Climate Change and Air Quality Management

Chris Hani DM has a Climate Change Response Strategy and Air Quality Monitoring bylaws that are waiting for promulgation. The DM is the Licensing Authority for Air Emissions Licenses. The Air Quality Act makes it incumbent on local municipalities to monitor ambient air quality within its area of jurisdiction. It is accepted that a permanent air quality officer is required to regularly monitor air pollution and analyse the data in areas with heavy industrial emissions due to high industrial development.

However in Emalahleni LM almost has no extensive industrial economy that emits or degrade air quality. This situation does not warrant the appointment of a permanent air quality officer therefore the municipality is looking at more sustainable solution like partnering with the DEDEAT to monitor the air quality. Emalahleni is part of the Chris Hani District Climate Change and Environmental Management Forum and is also participating in the SALGA Forums for Environmental Management and Climate Change Strategy Forums

(7) Trade effluent Policy

The Municipal area has no extensive industrial areas that emit effluents which would require a by-law or a policy. The Water Act, NEMA, SANS 241, Health Act and the Constitution will be utilised for penalizing emitters if such occurs in the absence of the policy

(8) Disaster Management

(a) Institutional Capacity

Emalahleni Local Municipality has recently appointed two disaster management field workers with a provision for disaster management and fire-fighting coordinators in the organisational structure which are not yet filled. The municipality ensures monthly sittings of Disaster Management Advisory Forums with all relevant stakeholders.

(b) Risk Assessment

The municipality has sourced the services of Eurecon to conduct an intensive risk assessment per ward to input in the disaster management plan.

(c) Risk Reduction & Prevention

The winter fire season starts in March and includes all fire breaks and landowner awareness campaigns are being conducted

(d) Response & Awareness

The 24 hour disaster management centre of Chris Hani District Municipality responds to all callouts from Emalahleni Local Municipality and a minimum of four awareness campaigns in schools, residential developments and businesses are conducted per month with the support of the District Municipality staff assigned to the area.

IDDR programme is being implemented by Emalahleni Local Municipality on a yearly basis involving schools and other relevant parties

(e) Training & Awareness

Chris Hani District Municipality assists in fire and rescue services training and officials continue to attend courses and traffic law enforcement unit assists in vehicle accidents, hazmat dangers.

(f) Funding Arrangements

Funding mechanism is through the municipal operating expenditure

The municipality is not immune to emergencies and disasters and annually suffers the impact of various human-induced and natural hazards that have the potential to kill, injure, destroy and disrupt. The municipality committed to ensuring the safety and the sustainability of its communities, economy and environment and therefore intends to effectively manage disaster risk within the municipality in close collaboration with all relevant stakeholders.

The municipality has engaged services of a service provider to develop disaster management plan for the municipal area in line with the requirements of the Municipal Systems Act and that of Disaster Management Act, 2002 (Act 57 of 2002). In developing the plan the following processes were followed, hazard identification analysis, risk profiling assessments and risk prioritisation which then leads to interventions

Assessment performed revealed that ELM is an area already under stress due to the combined effects of poverty, large socioeconomic disparities and high disease burdens among significant portions of the population. Any disaster occurring in these already strained circumstances is bound to have an impact beyond what would normally be expected due to the vulnerability of the communities involved.

The municipality is at the forefront of dealing with disasters and their negative consequences, and it remains vital to include policies and regulations in their IDPs for reducing vulnerabilities and increasing opportunities of adaptation. The objective is the integration of disaster risk concerns into the municipal budget in order to ensure that levels of public expenditure on risk reduction are sufficient and that there are adequate financial arrangements to manage the residual risk. This DRA is required to establish the case for proactive and a comprehensive disaster risk management and to establish an enabling environment for disaster risk management.

Awareness-raising in the local community of the municipality is required to secure a solid appreciation and understanding of the relevance of disaster risk reduction and to secure its mainstreaming into development and greater accountability for disaster-related losses. Risk prioritisation has since been performed

In response to the Disaster Risk Assessment performed the Disaster Management Plan was then developed with the following priorities

(g) Addressing the priority risks:

Risk Reduction Plans, Disaster Preparedness Plans (Preparedness, Response & Relief) and disaster Recovery Measures (Rehabilitation & Reconstruction) have been identified and will be presented in length under the strategies

SWOT Analysis

Strengths

- Well-coordinated structures with farmers and the community at large.
- Advisory forums are attended monthly as well as rural safety meetings.

Weaknesses

- Lack of equipment
- Problems with water supply interventions
- Hazmat dangers
- Capacity to deal with totally destroyed houses and provision of temporal shelters

Opportunities

- CHDM support

Threats

- Rockfall
- Heavy Rains
- Strong Winds

(9) Housing Development and /or Human Settlement

Section 2.5.5 and 2.5.6 indicated approximately 153 households in informal dwellings according to the 2011 census.

Population			
Town	**2001**	**2011**	**% (10 years)**
			2001-2011
Emalahleni	115 932	119 460	3.04

(a) Emalahleni population

Table below indicates that there is likely to be an increase in households should the trend between 2001 and 2011 continue to 2021. It suggests that if growth rates continue for the next 10 years like they did for the past decade, another approximately 6 820 households can be expected that require housing in all income groups. To this, it can be added the backlog of approximately 153 dwelling units. It is interesting to see that the growth rate in households was significantly higher than that of the population.

Housing Need 2011-2021

Households				Backlog/ Waiting list	Total
HH Size	**2011**	**% (10 years)**	**Add HHs**		
		2001-2011	**2011-2021**	**HH**	**2021**
			all incomes	**BNG, GAP**	
3.77	31 680	21.53	6 820	153	6 973

Table below compares the housing need against the housing demand in Emalahleni municipality. In this case demand is represented by the number of available subsidies. The housing need, as indicated by the census 2011 informal dwelling count, was compared against the number of subsidies provisionally allocated and suggests that there might be a surplus in provisional housing subsidies.

Need vs. Demand		
Measure	**No.**	**Comments**
Informal Dwellings (Census 2011) (Need)	153	
Provisional Subsidies (Demand)	2400	
Waiting Lists Verified	Awaited	
Waiting Lists unverified	Awaited	
Subsidy/ Deficit: Subsidies	2247	

Comparison of need, demand and verified waiting lists

Because waiting lists have not been received, it is difficult to comment as to whether the provisional subsidies exceed the need. It should be noted that the waiting list will increase when the municipality provides more lists.

Table below indicates the land requirements at different densities including an urban density and typical rural density. It is not clear what proportion of the need is urban or rural.

Land Requirements					
density	**ha**	**density**	**ha**	**SDF**	**surplus/**
25/du		**3/du**		**land**	**deficit**
(240m²)		**(2000m²)**		**proposed**	
25	279	3	2328	Not Specified	-

Land Requirements

(10) Cemeteries

The Municipality has three cemeteries, one in each town. Each Cemetery has an existing cemetery Register. Dordrecht currently offers sale of site and grave digging services. Indwe and Lady Frere are only offering sale of site. Cemetery layout plans are being developed for Dordrecht and roads construction and storm water channelling is currently in progress.

Fencing of Lady Frere cemetery is also underway and will be completed by end of June 1015. Clearing of the site and marking of graves will also be undertaken.

There are future plans to substitute the Cemetery Register with a Cemetery Management Software which will also encompass grave digging for Indwe and Lady Frere.

SWOT Analysis

Strengths
- Cemetery registers in place in Dordrecht
- Designated personnel for tracking and allocation of gravesites – Indwe Unit
- Availability of Land in Lady Frere

Weaknesses
- Uncontrolled access in Lady Frere
- No dedicated personnel booking and location of gravesites
- No availability of records
- Non availability of cemetery map and layout plans
- Unavailability of land in Indwe

Opportunities
- Funding for purchasing of land for cemeteries by land reform

Threats
- Land invasion

(11) Libraries

Emalahleni Local Municipality performs Library services on an agency purposes through a Service Level Agreement with the Department of Sports, Recreation, Arts and Culture which is followed by a subsidy partially subsidising the services. For three consecutive years the municipality through the DORA has been funded an amount of R803 000 which is not sufficient for its operations.

Libraries currently available at Emalahleni can be presented as follows:

Area / Town	Library
Lady Frere	1. Bengu Modular Library
	2. Mhlanga Library
	3. Tsembeyi Modular Library
	4. Lady Frere Library
Indwe	1. Indwe Public Library
Dordrecht	1. Dordrecht Public Library

These libraries all have connectivity challenges due to unavailability of electricity.

(12) Parks, Recreation and Sport facilities

The Municipality has two Parks at Indwe and Dordrecht that need to be revived. A site has been identified in Lady Frere for a development of a Park. Funds are being solicited for open space management and parks development.

The municipality has three Sport Stadiums located in three towns. The Stadium in Lady Frere is currently undergoing upgrading.

Strengths
- Availability of land
    - 2 parks developed (Indwe and Dordrecht)

Weaknesses
- Organogram not providing for parks and gardens
- No maintenance plan
- Lack of guarding of assets

Opportunities
- Funding from different institution

Threats
- Vandalism

(13) Public facilities

i. Community Halls -

Emalahleni Municipality has 17 Community Halls and 6 Community Halls need renovations and four require major upgrade (See the following table

Name of Com Hall	Ward	Status
1. Ngqanda Community hall		Minor Renovation
2. Qoqodala Community hall		Minor Renovation
3. Vaalbank Community hall	08	Major Upgrade
4. Zwartwater Community hall	09	Minor Renovation
5. Matyantya Community hall	06	Minor Renovation
6. Boomplas	13	Minor Renovation
7. Bengu Community hall	02	Minor Renovation
8. Rwantsana Community hall	01	Minor Renovations
9. Dordrecht town hall	14	Moor Renovation
10. Muniksvile Community hall	14	Minor Renovation
11. Mike Huna hall	14	Major Upgrade
12. Youth Centre Community hall		Minor Renovations
13. Dora vosloo Community hall	16	Good condition
14. New Community hall	15/16	Major Upgrade
15. Mavuya hall	15	Not functioning

ii. **Commonages and Pounds**

One Pound under has just been completed in Dordrecht although not fully compliant for registration. Stray Animal Control is in place in all three towns.

iii. **Taxi Ranks and Bus Terminals**

There are two Taxi Ranks in Lady Frere, at least 1 is functional with the other not yet functional. The Taxi Ranks are not used effectively by the Taxi Operators and Commuters. There is no staff dedicated to management of Taxi Ranks

iv. Public Toilets

There are Public Toilets in the Taxi Rank at Zulu Square in Lady Frere. There is no staff that is dedicated to management and maintenance of Public Toilets.

(14) Community Safety

The municipality is in the process of establishing a unit designated to deal with matters relating to traffic control, general community safety and security services. This far the institutional arrangements has a Chief Traffic Officer and one traffic officer appointed with the organogram making a provision of a manager public safety, traffic wardens etc. Additional personnel in this regard will be appointed during 2015/2016 financial year. See reviewed organogram in Chapter 5 for ease of reference

Furthermore, a Driving License and Testing Centre in Lady Frere has been constructed and will be completed and ready for use in the 2015 / 2016 financial year. Efforts are being made to secure funding for the construction of Vehicle Testing Facility from the Department of Transport. Roads and Transport forum has been established with all relevant parties.

(15) Early Childhood Development Centres

The office is discharged with identifying wards that need to build child care facilities so as to accommodate children or broad municipal programmes. In the last financial year nine crèches were identified to be renovated and this programme is currently being implemented.

- Cacadu
- Mackys Neck
- Maqhubela Pre School
- Gxotyeni Pre School
- Ngqiningane Pre School
- Bengu Pre School
- Mkhapusi Pre School
- Lukhanyo Pre School

(16) Water supply

(a) Water Infrastructure

Area	Current Status Quo	Component Description Condition
Lady Frere	The town of Machubeni (Lady Frere) in the Chris Hani District is currently supplied with potable water by a water treatment works situated to the north of the town. This water treatment works obtains raw water from a pumped water supply from the Machubeni Dam. The current volume of water being processed by the water treatment works has been measured at approximately 3.5M_/day (or 40 l/s). During severely dry winters, the water level in the dam drops but it has never been empty. Water from the water treatment works is pumped to an off-site reservoir from where it gravitates through a pipe network that extends North, West and to the South of the works to a network of domestic, commercial and institutional connections in Lady Frere and the surrounding townships and villages.	No pumps are necessary, water gravitates from the dam. Good Source Cacadu River to Macubeni Dam - Treatment Capacity of 40 l/s . Reservoirs No. 3, each 600 k_ Good Control (meters) Metered -The WTW is in good condition and not in need of substantial refurbishment.
Indwe	The town of Indwe in the Chris Hani District is currently supplied with potable water from a water treatment works situated in the town on the corner of Graham and Dunn streets. This water treatment works obtains raw water from a pumped water supply from the Doring River Dam. The current volume of water being processed by the water treatment works has been measured at approximately 0.75M_/day (or 8.6_/s). During severely dry winters, the water level in the dam drops, but it has never been empty. Water from	Water is pumped from the dam to the purification works. Poor Source Doring River Dam, Extraction – 780,000 m3/year. Treatment Capacity of 90 m3/hr Poor Reservoirs No. 2, 2,200 m3, 1,100 m3 Control (meters) Metered in Town Centre, Lower Town, and some in Mavuya .The Indwe WTW is an old facility that is in need of substantial refurbishment.

Area	Current Status Quo	Component Description Condition
	the water treatment works is pumped to two off-site reservoirs from where it gravitates to a network of domestic, commercial and institutional connections in the town.	
Dordrecht	The town of Dordrecht in the Chris Hani District is currently supplied with potable water by a water treatment works above and to the east of the town. The treatment works receives raw water through a pumped system from the Anderson and Munnik Dams.	Pumps Source Anderson Dam, Capacity of 2.2 M_Treatment WTW Needs refurb Reservoirs No. 3, 2x 1M_, and 0.6 M_ Control (meters) Metered in Dordrecht Central. The current volume of water being processed by the water treatment works is at present unknown as the meter is inoperative. Water from the treatment works gravitates through a network of domestic, commercial and institutional connections to Dordrecht town and the hospital. Water is pumped to two off-site reservoirs from where it gravitates to a network of domestic, commercial and institutional connections in Munniksville, Senako and Tyoksville villages.

(b) Rural Schemes

Villages in Emalahleni are currently supplied through a number of standalone rural water supply schemes and larger multi-village schemes. Using MIG and RBIG funding, Chris Hani DM is currently implementing a programme on water infrastructure construction based on a number of geographical clusters.

(17) Access to Sanitation services

Sanitation Infrastructure per Area	Status Quo
Sanitation Infrastructure - Lady Frere	Sewage from the town of Lady Frere and its townships in the Chris Hani District is currently treated at a wastewater works on the outskirts of the town. The treatment works includes screens, anaerobic and maturation ponds. 20 houses that currently use buckets are being converted to water-borne sewers under a bucket eradication programme being implemented by the LM and the Department of Human Settlements.
Indwe	Sewage from the town of Indwe in the Chris Hani District is currently treated at a wastewater works on the outskirts of the town. The treatment works includes screens, anaerobic and maturation ponds. No final effluent is discharged. Households that currently use buckets are being converted to water-borne sewers under a bucket eradication programme being implemented by the LM and the Department of Human Settlements.

Sanitation Infrastructure per Area	Status Quo
Dordrecht	Sewage from the town of Dordrecht and the Munniksville, Senako and Tyoksville townships is pumped to the wastewater works on the outskirts of the town. The treatment works includes screens, oxidation and maturation ponds.
Rural Areas	Villages are currently served with sanitation through VIP Latrines. Coverage is not comprehensive, but the DM is currently rolling out an ambitious programme of prefabricated latrines

(18) Land Use Management

Land Use Management is a combination of tools and mechanisms used by a municipality to manage the way land is used and developed. Land use planning aims to coordinate all the land uses and their relationship to each other in order to create safe and liveable environments. Management comprises two elements the administration of the town activities and the ability to anticipate future changes.

Emalahleni Municipality governs a land area where a variety of planning and land administration legislation applies. This situation hampers the rendering of effective land use management services by the municipality and also places other obstacles in the way of facilitating and fast tracking development, in certain instances. Two legislations apply the Transkei Townships Ordinance 33 of 34 in Lady Frere and the Land Use Planning Ordinance 15 of 1985 in Dordrecht and Indwe. The Transkei Township Ordinance is applicable in areas that formed part of the former Transkei town, situated within the commonage boundaries of the towns whilst the Land Use Planning Ordinance is applicable in areas which formed part of the former republic of South Africa. The applicable town planning scheme in Lady Frere is the Standard Transkei Town Planning Scheme and in towns of Indwe and Dordrecht its the Town Planning Regulations applicable in terms of LUPO.

All types of economic activity require land either directly or indirectly. The rate of growth in the towns has increased which has been influenced by people migrating from rural areas to the service centres for better opportunities. Land, with its associated buildings and developments, is one of the most important assets of any town. It affects almost every other investment. In Lady Frere land parcels were sold to people on auction but no titles were passed to them which have caused problems in the community. This has caused communities to do nothing with their land parcels as they cannot sell or invest or use as security when they borrow money from the banks to improve living conditions. Giving title deeds to communities would be effective to generate more economic activity and increase economic growth. Some land owners leave land underutilized hoping that there could be developers who will come and invest in the area which will allow them a gain. Land owned by the State which takes ages to donate to the municipality as part of the small town revitalization programme also contributes to the problems in the development of the towns.

Informal activities have challenged land use management conceptualizations, informal trade and economic activity is a major source of conflict. Un-planned development and unlawful occupation of land threatens the natural resources base of the area and represents a threat the environmental “quality” of the area as well. Moreover, the trend towards un-managed settlement development occurring in a ribbon along the main transport routes threatens the use of the major routes for effective transportation of goods and people. In absence of an effective land use planning and management, industrial and commercial concerns can develop in residential areas with little or no control. The absence of a land disposal policy also contributes to the informal or unlawful occupation as the municipality has no guide on how to dispose land and hence its takes longer for the community or businesses to acquire land.

Emalahleni Municipality is dominantly rural in nature which makes the people to move from the villages to the small service centres in search of better opportunities. This causes urban sprawl which leads to inadequate infrastructure, formation of slums, traffic congestion, illegal development etc. Urbanization is spurred largely by the migration of energetic and ambitious youths in search of survival, a better life and individual prosperity. The primary source of the challenge is unemployment.

The issue of human capacity and resources in small municipalities is also a challenge. Emalahleni Municipality like most municipalities has one Town Planner which results in slow processing of development applications. The Town Planning section is not fully fetched which makes the person responsible for planning to work under pressure which affects the quality and efficiency of the work. The capacity constraints have expanded the demand for private sector work which also has negative implications. This challenge might be solved with the new planning legislation the Spatial Planning and Land Use Planning Act which requires municipalities to have their own planning tribunals. SPLUMA provides a framework for spatial planning and land use management in South Africa.

Emalahleni has a broad Spatial Development Framework which was approved in 2011 and in having changes in boundaries and in spatial proposals the document was reviewed and approved in December 2013 with the amendments. The Broad SDF recommended that the Municipality should develop Local SDF's for the three towns as one of the key actions to be undertaken by the municipality which has been done as the municipality is busy with Local SDF's for Dordrecht and Lady Frere and Indwe which was done as part of the Master Plan for Indwe. An SDF is a forward planning document that spatially indicates the long term growth and development path of the municipality.

It coordinates the spatial implications of all strategic sector plans and gives physical effect to the vision, goals and objectives of the IDP. The SDF guides and informs land development and land use management.Rural nodes of Xonxa, Machubeni, Vaalbank and Ndonga were identified in the Emalahleni SDF and CHDM has took one rural node (Xonxa) and appointed a consultant to develop an LSDF. The rural service centres are strategically located so as to be able to be extended and planned to accommodate higher level of social facilities and infrastructure.

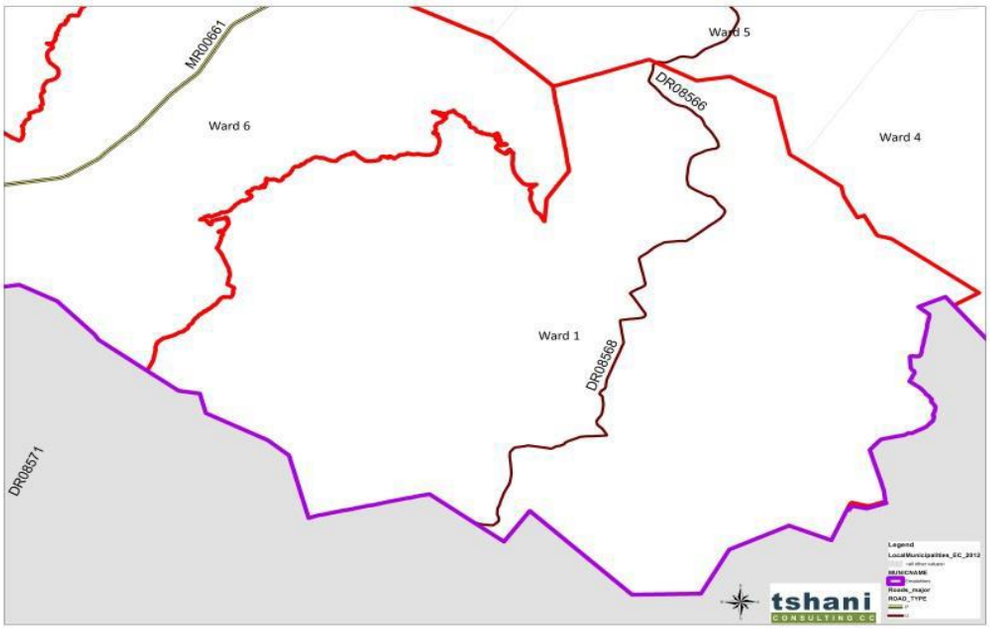
Geographic Information System has been one of the challenges in Emalahleni Municipality but the municipality has managed to gain support from the Department of Local Government and Traditional Affairs. More work and improvement is required to enhance GIS as a planning tool in the municipality. Geographic information system is a vital tool for mapping and generating vital information.

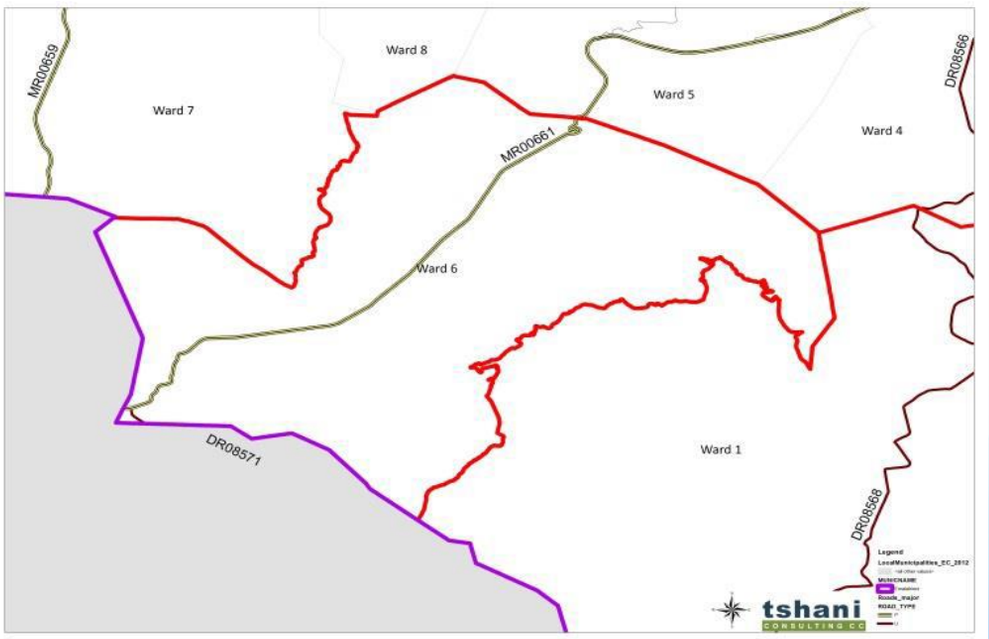
The level of understanding town planning and building procedures by communities of Emalahleni has had a bad impact on how the towns grow and develop. This has made the municipality to start on a programme to educate the community through pamphlets. These pamphlets will mobilise people to support planning, explain town planning procedures and inform people of their rights. The number of applications submitted by the public is less and they do not consult the municipality when developing their properties, attention should be drawn on this to promote good order.

Land use management in Emalahleni is well maintained though it needs improvement and remedies in the challenges discussed above. There have been successes like having a system that talks to ownership, land use, zoning and valuation for the entire municipality which was developed as part of the land audit project. Town Planning in terms of development applications is administered and processed to promote good order and the municipality was able to develop zoning maps in 2011 to use with the Transkei Town Planning Scheme and Scheme regulations in terms of LUPO. Land administration is slowly coming in as well as the municipality tries to dispose land for economic development. Informal developments are being formalised through a number of projects of subdivisions and township establishments.

(a) Local Spatial Development Framework – Xonxa

Chris Hani District Municipality has identified Xonxa Settlement and Xonxa Dam which is located in Ward 1 and Ward 6 as the study area. Ward 1 and Ward 6 are situated within Wards 1 and 6 which in turn is situated on the far southern side of the municipal boundary. The Municipal Road MR00661 and the District Road DR08566 runs through the study area.





(b) SWOT Analysis

This section of the report is based on the key findings in terms of the characteristics of the study area, its positioning and present function. The SWOT Analysis reflects on the ***Strengths, Weaknesses, Opportunities*** and ***Threats*** found within the study area. This assessment also serves as a guide on the issues that should be considered when developing Xonxa Development Node.

TABLE NO. 1: SWOT ANALYSIS				
ISSUE	**STRENGTH**	**WEAKNESS**	**OPPORTUNITIES**	**THREATS**
BIOPHYSICAL	• The existing river and dams in the study area provides water for the irrigation scheme. • Agriculture potential in terms of maize production and irrigation schemes. • Irrigation potential of a further 5500 hectares at the Xonxa and Lubisi.	• Sensitive environment buffers may limit land that can be developed. • Silting problems. • Degraded land covers around the study area.	• Conservation of the nine vegetation types that is available on the study area. • Assessment to define the capacity of the dam for irrigation. • There are opportunities for larger scale agricultural development. • There are greater opportunities for the Xonxa irrigation scheme if finance is pumped into this project.	• There are a number of sensitive environments which require protection and management. • The lack of proper agricultural infrastructure will result in low agricultural production within the study area.
Key Development Strategies Introduction of 32m buffer strip around rivers which should not be lower than a 1 in 50 year flood line. Strategies need to be put in place to enhance Agriculture potential. Introduce innovative irrigation methods and schemes around the dam.				
BUILT ENVIRONMENT	• There is existing road infrastructure but in a bad condition. • Functional transport forum. • There are existing MV and HV lines around the study area so electrification development will not be a problem. • Existing water scheme that supplies drinking water in the study area. • There are boreholes to provide water in the study area.	• There is a high number of people within the municipal area that still make use of pit latrines. • On a municipal level only portions of ward 8 are connected to electricity. • The road infrastructure in the study area is in a bad condition.	• Opportunities to address the sanitation backlog. • Provide upgraded access roads to villages • Built a Community hall in Tshatshu. • There is an opportunity as part of community development to support with fencing of the villages.	• Limited infrastructure development has a negative impact on economic development.
Key Development Strategies Promote infrastructure development in order to effectively reconstruct existing road infrastructure, etc. Install ablution facilities to address the sanitation backlog.				

TABLE NO. 1: SWOT ANALYSIS				
ISSUE	**STRENGTH**	**WEAKNESS**	**OPPORTUNITIES**	**THREATS**
SOCIO ECONOMIC	• Study area has agriculture potential. • There are enough education facilities in the study area. • There is low levels informal development within the study area. • There are health facilities in available in the study area. • There is an existing irrigation scheme in the study area. • Existing Tourism sites and architectural attraction for tourist attraction. • There is existing tourism facilities • The study area is feasible for the production of field crop products. • Coal Mining potential in the study area.	• Only Dordrecht has an approved solid waste landfill site. There is no Solid waste in closed proximate of the site. • The relatively high youth population of which most have only primary education. • A high percentage people within the study area are dependent on the social grant income. • The number of employed persons is relatively low. • There is no library around the study area. • The Xonxa irrigation scheme is underutilized as a result of lac of finance. • The Chris Hani District has limited Horticultural products. • Water is the limiting factor for agriculture in terms of crop production and livestock farming.	• There are opportunities to develop, market and management heritage sites as tourist attractions. • Opportunity for Police stations within the study area. • Opportunity for Post offices within the study area • Opportunity for a Library for the students within the study area Settlement growth means possible development, (housing development). • Possible coal mining to provide Job opportunities. • Maintenance of the existing tourism facilities. • Possible farm stay tourism route as the Ndondo liberation Heritage route follows the R356 through Lady Frere. • Securing of the market Access. Expansion of the Horticultural activities.	• There are a number of heritage sites which require protection and management. • There is no hospital available in/around the study area. • There is no Police station or satellite office located in the study area to deal with crime matters. • Settlement growth may mean illegal occupation of the land i.e. informal settlement. • Illegal small scale excavation mining happening near local rivers for building purposes. • Not sufficient water supply in the study area. • Limited market access to transportation. • Most farming activities that take place are subsistence farming rather than commercial farming.
Key Development Strategies: Promote agriculture development along the dam and within the settlement. Promote tourism development with regard to the lodge along the dam heritage site development. Promote coal mining in order to generate job opportunities. Introduce public transport routes and corridors.				

(c) Conceptual Development Framework

The Conceptual Development Framework recognises the planned focal point of the proposed interventions and takes forward the development perspective by way of proposed physical actions/ projects that will have an impact on the overall performance of the urban centre. The concept plan above and associated text was developed in the situational analysis phase to identify the different character precinct. This information was utilised in this chapter to develop the Conceptual Plan.

The above conceptual plan considers the potential for residential settlements, agriculture, recreation and leisure in the study area; this means there lies an opportunity for tourism attraction in the study area. This will effectively attract investment and infrastructure development for Xonxa. This will see the greater extent of the community benefitting by the creation of jobs, and exposure that will attract tourists and, therefore, an increase in the local economy. Tourism potential is proposed along the Xonxa dam and in close proximity to the Mountain range within the area.

Agriculture is still one of the major contributors to the development area's income and emerging farmer support programmes need to be focused on in order to sustain and grow the industry. Agriculture potential is proposed along the study area boundary and along the outskirts of residential settlements, as well as along the Xonxa dam.

The settlements of Xonxa Development Area seem to be growing; settlement growth has therefore been catered for with the proposed settlement edge. This allows for growth to take place in a controlled manner, and not in areas of environmentally sensitive areas, or areas of danger i.e. close to rivers, watercourses or in areas of mountainous terrain. Main intersections have also been identified as points of potential development nodes.

The concept also aims to create a main corridor running through the study area connecting Lady Frere to Queenstown.

(d) Environmentally Sensitive Areas

Xonxa Area has a number of sensitive areas, which need to be conserved or avoided for development purposes (Refer to Plan). These include:

- Rivers and water courses ;
- Thicket areas; and
- Grasslands

With respect to the Xonxa LSDF, the following general environmental guidelines for spatial planning are proposed:-

NO-GO AREAS	GO-BUT AREAS	
No Development Areas	Inside Urban Edges	Limited Development Areas Outside Urban Edge (Rural Context)
Areas of high environmental sensitivity and conservation value: • Indigenous forests • Proclaimed nature reserves • STEP Protected, Process and Critically Endangered areas • Rivers, estuaries and undisturbed riparian zones of rivers • Diverse grasslands and thicket vegetation types	Urban Settlement • Residential • Public-funded housing • Resort development • Business and trade • Other Develop from Inside – Outward (Phasing) BUT, no for • Environmentally sensitive areas within the urban edge • Lack of services	Limited by • EIA Process • Low density • Density/footprint/impact restrictions • Not in areas of environmental sensitivity • Unique & Sustainable Developments • Must show tangible economic benefits to broader community • Clustering of built form • Aesthetic controls • Mitigate impacts • Show net gains for the environment • Provision of services
Zoning: Open spaces Zone III (nature reserve) or Special Zone: Conservation	Zoning: Various	Zoning: Mixed – Agriculture Zone I/Resort Zone I or II / Residential / Open Space Zone III / Special Zone: Conservation

(e) Climate Change

Climate Change is regarded by many as the most significant environmental challenge in our era and is already having and will continue to have far reaching impacts on human livelihoods. As a result, policy and development plans must take cognizance of the implications of a changing climate and develop strategies for both mitigation and adaptation for a changing climate.

The northern areas of Dordrecht and Indwe falls within the arid and semi-arid cold high lying land, whilst the rest of Emalahleni Local Municipality is situated on the arid and semi-arid moderate midlands. The temperatures on the high plateau range between 19 - 22ºC in summer and 7 - 10ºC in winter. The temperatures in the Lady Frere District ranges between 18-22ºC in summer and then drops to between 10-14ºC in winter.

(f) Vegetation

Vegetation types represent an integration of the climate, soil and biological factors in a region, and as such, are a useful basis for land-use and conservation planning. There are nine vegetation types found in the Emalahleni.

(g) Environmental Impact Assessment

"Certain activities" proposed in the Xonxa LSDF will potentially trigger the need to conduct an Environmental Impact Assessment (EIA) in terms of the NEMA EIA Regulations (2006). While it is currently not possible to anticipate the full complement of projects that will require an EIA or the scope of an EIA, the following table provides an indication of some of the probable triggers for a Basic Assessment or Full EIA (incorporating comprehensive Scoping and Impact Assessment components).

(h) Guidelines Applicable to Spatial Land Use Areas

i. Defined Nodes Outside of the Urban Edge

These encompass the proposed rural service centres and exclude the coastal nodes. Shops; service industries, offices and limited size tourist related businesses could be allowed at such nodes. In addition, social, health, education and safety and security facilities are to be encouraged to locate in these nodes. Standard provisions of approved policies, Town Planning controls, building by-laws, aesthetic and signage controls are in place for these areas as defined in municipal policy documents and this LSDF.

ii. Nature Tourism Areas

These are areas where limited development may occur subject to an environmental assessment and management plan, the STEP guidelines and associated protocols. The Nature Tourism Areas embrace generally more sensitive areas due to their position. These areas would accommodate the following development in clusters on specially identified land:-

- Limited and regulated tourism facilities; Small accommodation facilities that are low-key, low-impact and in harmony with the natural environment;
- Agricultural activities;
- Existing rural settlement.

iii. **Any development contemplated in the Nature Tourism Areas would need to adhere to the following guidelines**:

- The development of a site must not be dependent on the creation of a new road. Existing roads may be upgraded to improve access but where there is no existing road, this should inform the type of tourism facility that is developed.
- The maximum carrying capacity for all development sites, until an SEA or EIA has taken place, is 36 beds or 20 small units. All development sites should be well located in the Nature Tourism buffer area to safeguard the sense of place and eco-tourism opportunities available to that site.
- Development of these sites requires a full EIA and a live Environmental Management Plan that addresses, inter alia, the disposal of solid waste.
- There should be no access roads in the Nature Tourism Areas (and No Development Zones) except for those that are largely perpendicular to service the development nodes and nature tourism development sites.
- Full IEM procedures are to precede any development whereby the precautionary principle shall apply with approval conditions requiring rehabilitation of the environment and specifications regarding the use of the remainder (for example; conservation, private nature reserve etc.);

iv. No Development Areas

These areas are where no development is to be contemplated:

- No development is to be permitted on any dune within coastal forests, nature reserves and the outer boundary of the vegetation of coastal forests and reserves.
- All river valleys and ground with slopes equal to or exceeding 1 in 3 should be demarcated as no-development zones.
- All estuaries within the study area should be given protected status and development of the banks of the estuaries prohibited to a distance of 100 metres from the high flood level. It is recommended that access to estuaries be limited and that boat launching only be allowed where the estuaries are permanently open and of sufficient depth.
- The locality of launching sites is to be determined by DEDEA.
- Areas below the 1 in 100-year flood line are excluded from development (including boundary walls and fences). The practice of raising the floor level of buildings above the 1:100 year flood line is not favoured from a flood risk point of view.
- Areas required for the rehabilitation of indigenous vegetation identified in the environmental management plan are excluded from development;
- Areas that are developable, but cannot be accessed without going through undevelopable land are also regarded as undevelopable.
- Any other areas as determined by DEDEA (such as coastal grasslands).
- Access to rivers is only to be created after specialist evaluation and prior approval from the relevant authorities.

(19) Building Control

The Building Control Unit is responsible for the circulation and approval of building plans, in terms of the National Building Regulations and Standards Act (Act 103 of 1977), for any building work to be executed on a site, i.e. the construction of new dwellings and other buildings, extensions and alterations to dwellings and other buildings, the erection of boundary walls and advertising signs. To promote the terrain and environment of the communities residing within the municipal boundaries by regulating the appearance and condition of buildings and premises.

The municipality is in the process of restructuring some bylaws to prevent the building of illegal structures built without approved building plans and to prevent the Emalahleni municipality to have neglected and unsightly building or premises.

When submitting a building plan the Land owner gets the opportunity to find out if the draftsman or architect who was drawing the plan is registered with SACAP or relevant professional bodies with the Engineering Council. The home owner gets the opportunity to have the construction inspected by the local municipality inspector to ensure that the home builder is building according to the approved building plan and that the materials used are SABS approved. The home owner also has the opportunity to have a filled building plan at the local authority so that if in years to come he/she decides to sell the building then the new owner will have the approved plans of the building.

The level of understanding building procedures by the community in the municipal area has a bad impact on how the towns grow and develop. People are building illegally and not complying with National Building Regulations & Standard Act 103 of 1977 as amended. Land owners just build according to their wants without consulting the municipality. Some owners do not comply with the phases of inspection, after their building plans have been approved by Council. The municipality has got a lot of illegal structures within its urban areas (back yard buildings, extensions, encroachments, etc.). Illegal shacks in town doing trading businesses.

2.5.2 Local Economic Development

Municipalities have a constitutional obligation to promote social and economic development within the municipal area. The municipality has focussed on the following areas to achieve this object:

(1) Agriculture

Agriculture is made up of two primary production components which are as follows:

Livestock	Scientific research has revealed that the Municipal area has got sweet velds that on its own is showing that this area is rich in livestock production. The municipality is adding value on that production by putting in place necessary infrastructure in a form of dipping tanks for health purposes and stock pen sales for marketing purposes. It further put in place measures to reduce stock theft in the area by introducing livestock branding programme. Battering system has been introduced to improve the wool production quality in the case of sheep. The Act which is regulating Livestock Branding is Livestock Branding Act No 6 of 2002.
Crop Production	Scientific research revealed that due to the prevailing climatic conditions Emalahleni Municipal area is now suitable for Sorghum Production and all value addition efforts must go towards that direction. The Act which is regulating this is Agricultural Development Act No 52 of 1960.

(2) Mining

The Municipality together with the Provincial Department of Economic Affairs and the National Department of Minerals and Energy have set in motion a process to develop this resource which is finally yielding results. Elitheni Coal Mining Company from Port Elizabeth has been granted mining rights to mine coal in the area for a period of more than thirty years.

The Municipality has got coal reserve on its northeast part which is covering more than 10 000 hectares. The mining of this coal mineral is anticipated to have the life span of more than 30 years. The discovery of coal mineral took place 100 years ago and the mining operation is taking place in GubaHoek area but due to the quality of the coal which is low when it is compared with the coal mineral in Mpumalanga Province the coal mine had been closed.

The mine is temporarily closed, however there has been some political engagements with the Provincial Government on the status of the mine. There are other small scale mining activities in a form of sand mining and the brick making. Municipality is in a process of exploring potential growth out of those small scale mining activities through supporting brick makers from Indwe and Dordrecht to supply their bricks as a material in housing projects. There are efforts that need to be concerted in order to play a meaningful economic role is sand mining. The Act which is regulating mining is Mining and Petroleum Development Act No 3 of 2002.

Small-scale excavation mining is occurring near local rivers with ad hoc mining of sand for building and brick making purposes by individuals and/or operators without permit. The lack of regulation of this activity poses an environmental threat. There is a great need for the Municipality, with the assistance of DEAT and DME, to develop a functional by-law to regulate and manage this activity to protect the environment from damage.

(3) Manufacturing

Manufacturing within our local economy is almost non-existent despite the existing potential for agro-processing and farming related opportunities in Sorghum production and processing that is still at infancy stage, and a dairy processing in a form of Cheese Factory failed efforts are in place to revive it. In order to access and release this potential and convert it into economic benefits a dedicated investment framework must be developed to deal with issues of skills development, attraction of investments, concessions and partnership development.

The Municipality can initially, in close collaboration with partners such as ECDC, IDT and Trade and Industry department, identify and target small scale manufacturing initiatives such as recycling, brick making, wool processing and fruit juice production to develop this sector in the area.

The upliftment and improvement of this sector would ensure a positive impact in terms of its contribution to the GDP and employment. The impact on the economy would be marked with the resultant benefit impacting on and accruing to large numbers of families. The Municipality has initiated the first steps to develop this area by identifying Ibuyambo Sorghum Cooperative as a partner. In 2014 Eastern Cape Rural Development Agency (ECRDA) presented a funding of R46m for the establishment of Emalahleni Local Municipality Red Hub Project which consists of Ibuyambo and its Primary Cooperatives.

The money will be looking at establishing the infrastructure, security, capacity building, household profiling, social charter development, employment and planting. The Cooperatives are: Maqashu (Ward 17), Maxhiba (Ward 12) Siyasebenza (Ward 16) and Khuluphambene (Ward 9) Ncafco and Vukani (Ward 3). The project also received financial and non-financial support from other stakeholders. CHDM supported the project with R1.6m for a 120kw tractor and its implements, ELM R200 000-00 for the internal operations of the project, DRDAR planted 90ha for Ibuyambo and its primary coops. CHCDC assisted in capacity building and cooperative governance, and business management skills mentoring for the project. Other stakeholders that are active and supportive for the project are CHDA and DEDEAT and Department of Social Development.

Most identified Key economic areas at Emalahleni as follows:

1. Mining (Coal Mining)
2. Small Scale Mining (Brick making)
3. Small Scale Mining (Sand mining)
4. Sorghum Production and Processing
5. Livestock Improvement programme and marketing
6. Wool Production
7. Small Scale Irrigation Schemes (Xonxa and its surrounding area)
8. Tourism and SMME Development

(4) Tourism

Emalahleni is mountainous area with waterfalls and rock climbing which are known as Glen Grey Waterfalls that are situated in Bhozwana Village which is current ward 7 of Emalahleni Local Municipality. Emalahleni has also Xonxa Dam which is classified as aquaculture (fishing and camping) which fly fish and because of that there is a tourist facility along the dam, there is a potential of a water sport on the same dam.

Indwe Dam has a potential of water sport and there facilities along the dam which the facility is called Indwe Resort with dilapidated conference facility. In Dordrecht area there are mountains that have hiking trails and also accommodation facility which is called Kloof and it also along the dam that has broken due to natural disasters. There are 102 beds in the municipal area which are in the B&Bs and cultural villages. The Act which is regulating this is Tourism Act No 72 0f 1993.

The scope for the development of the Local tourism sector within the Municipal area is vast but is hampered by the fact that there is no dedicated plan or strategy responsible for developing and driving local tourism development. A project has been identified to address this and to develop and implement a local tourism plan.

The areas that have been identified with potential for tourism development include but are not limited to:

- Aqua sport linked to existing Dams (Xonxa &Lubisi)
- Cultural tourism linked to the Liberation and Heritage Route
- Craft produce
- Rock art promotion and beneficiation
- Museum – Dordrecht

There are areas where Bushmen paintings exist which have the potential to be developed into tourist attractions. Trout fishing trails and mountain bike races have also become recent tourist attractions. The Dordrecht Festival and the Lady Frere Annual Cultural games have the potential to be developed into a tourism attraction. Occupancy rate in accommodation facilities Indwe, Dordrecht and Lady Frere is more that 90%

(5) Heritage

Qonda Holo and Luvuyo Lerumo are the political heroes that were buried at Qoqodala Village and monuments were built on their graves. The main objective is to restore the contribution played by these freedom fighters in the late 1980s. Emalahleni has got Queen Nonesi Cultural village which is named after the Abathembu Queen and is also situated on the feet of Nonesi's Pass. There is also Abathembu Cultural Calabash at Hala No 2 under Chief NgangomhlabaMatanzima Trust. The main objective of this is to restore the culture of Abathembu as their heritage. The Act which is regulating this is National Heritage Act No 25 of 1999.

a) Heritage Resources

Emalahleni municipality is in the process of declaring heritage sites. A list of heritage resources within Emalahleni Local Municipality is as follows:

Site Name	Significance	Conservation Status	Management
Macubeni Coal Mine near Indwe	Washed out old coal mine showing early mining methods	Mine temporarily not operating	Elitheni Coal Mine
Dams: Machubeni, Xonxa and Lubisi	Water Resources for Emalahlani municipality residents	An aqua culture site being established	Emalahleni LM
Fallen Heroes	LuvuyoLurome 1960 to 1986 QondaHoho 1956 to 1988 Queens Nonesi Tsotsi	Monuments have been built	Emalahleni LM
Glen Grey Falls near Lady Frere	A beautiful natural site	Water sample for feasibility study harvested in the area	Emalahleni LM
The Kloof near Dordrecht	Natural site with some unique flora	Degraded due to plundering for firewood	Emalahleni LM
Cacadu River at Lady Frere	Links most Ward	No planned projects for the current financial year	Emalahleni LM
Churches in Lady Frere	Two examples of 19th Century Churches	Well looked after	Church
Anderson Museum at Dordrecht	Oldest museum	The museum is operating	Privately owned by Anderson trust
Victorian Buildings at Dordrecht	Architectural example	Building properly maintained	Municipality / Private
Burgher Statue at Dordrecht		The statue is still in existence	Privately managed
San Rock Art at Dordrecht	Ancient art	Well kept	Private
Methodist Church at Dordrecht	Architectural example	Properly maintained	Church
Doring river Dam at Indwe	Leisure area	Could be better utilized	DWAF

Source: Chris Hani State of Environment Report

(6) Liberation Route

Emalahleni is part of the Ndondo route which is between Queenstown via R396 to Elliot and has the following cites, amongst others that form part of the history contributing to liberation in the area:

- 27 Graves of QondaHoho and LuvuyoLerumo
- 28 Maqhashu Village
- 29 Queen Nonesi
- 30 Wycliffe Tsotsi Law Offices

a) Graves of QondaHoho and LuvuyoLerumo

The student militancy generated by the Soweto uprising of 1976 led many students of Inkwanca High School in Queenstown to leave South Africa for military training. These included many rural youth who had come to Inkwanca to complete their education. Two such were QondaHoho(1956-1988) and LuvuyoLerumo (1960-1986) of Qoqondala who left at the different times in the 1980s. Qonda trained as a teacher before leaving to join MK. Luvuyo escaped to Lesotho, and trained in Zambia, Angola and East Germany.

They infiltrated South Africa on mission so secrete that even their families did not know of their whereabouts. Luvuyo died in a firelight between Fort Jackson and Breidbach. Qonda was betrayed by an informer and shot in Queenstown. Their burials were conducted in the presence of Hippo vehicles and strong security presence, allowing the attendance of only their family members.

b) Maqhashu Village

The Old district of Glen Grey, commonly known as Lady Frere, was part of the old Cape Colony, from which it became part of Ciskei. But in the 1970s, the apartheid authorities were concerned to persuade Chief KD Matanzima to take homeland indepence for Transkei. As an inducement, he was offered the district of Glen Grey and Herschel. The people of Glen Grey voted against Transkei in a referendum but their wishes were ignored and they came under Matanzima's iron rule.

Opposition to Matanzima became linked to opposition to 'the Trust' also known as 'betterment' or 'rehabilitation'. The Trust forced people to abandon their traditional lifestyle and move into 'closer settlements', similar to urban township. People of Maqashu refused, and on a day in 1979, their homes were bulldozed and torched in broad daylight. Transkei army was everywhere rounding up their stock. Four residents- died in this forced removal, some beaten, others seemingly dying of shock. Thousands of Glen Grey residents left their homes and settled at Zweledinga in Lukhanji which was not then subject to Bantustan independence.

c) Queen Nonesi

Queen Nonesi, the daughter of King Faku of amaMpondo, was the Great Wife of King Ngubengcka of abaThembu. Ngubengcuka died quite suddenly in 1830, leaving Queen Nonesi without any child but she took Mtirara, Ngubengcuka,s son by another wife, into her house and raised him as the future King of Thembuland. Queen Nonesi and Mtirara settled at Rhodana about 1841, a move which put the abaThembu Great House on the frontline of defence against the colonial invaders. After the War of Mlanjeni (1850-3), all backresidents of present day Lukhanji were expelled into present day Emalahleni, and came under Nonesi's protection.

Colonial land-hunger raised its head again in 1864 when the Colonial authorities tried to persuade the residents of Emalahleni to move to present day IntsikaYethu to free up land for white farms. Four chiefs moved, but Nonesi remained adamant. She was forcibly deported to her brother's place at Nyandeni where she died in about 1880. But by that time, she had saved the land of Emalahleni for black people.

d) Wycliffe Tsotsi Law Offices

WM Tsotsi (1914-2005) was President of the All Africa Convention from 1948 to 1958(later known as the New Unity Movement) as well as a founder of the Cape African Teachers Association (CATA), but he is best remembered as a gifted lawyer and organiser of people at grassroots level, earning the jocular title of 'Chief of the Thembus'.

Trained as a teacher, he was the first principal of Freemantle High School but he left teaching in 1948 to do his legal articles in Port Elizabeth. His legal expertise was legendary, and distinguished by his shrewd use of procedural rules to win seemingly hopeless cases. From early on he became conscious that his chances of winning cases in a legal system where the magistrate and the prosecutor were both white, were limited. He relied on provoking the racist establishment into blunders, then winning his cases on appeal.

Tsotsi's offices were built according to his own design on land which he owned, an unusual situation in Lady Frere, at the time solely owned by white residents. His right to own land was indeed challenged, but Tsotsi was able to point to neighbouring plot used by a local white trader to accommodate his hunting dogs. Does this mean,Tsotsi asked, that dogs have more right in Lady Frere than black people? He won that case too.

Tsotsi's was often harassed by the police but they could not make any charge stick until 1960 he received reliable information that he was about to be arrested. He fled into exile, and eventually established a successful legal practise in Maseru where he died at the ripe age of 91.

(7) SMME Development

Enterprise space is consisting of the following role players:

- Taxi Operators,
- Street traders,
- service providers (caterers and contractors),
- formal retailers.

The Act which is regulating this is Act 102 of 1996.

(8) Forestry

Emalahleni area has got communal plantations in the area of Maqhashu (ward 17), Hala No 1 (ward 3), Mount Arthur (ward 12), and Machubeni (ward 13). There are natural forestry that are situated in the mountains of Hala No 1 Longo forest (ward 3) and Cumakala Village Khophe Forest (ward 12). The Act which is relating is South African Environmental and Conservation Act.

2.5.3 Municipal Transformation and Institutional Development

(1) Background

As part of the transformation agenda of government, municipalities are assigned to perform activities which will in turn assist government to realise its objectives for transformation for communities in our municipal areas

(2) Powers and Functions assigned to the Municipality

(a) Legislated Powers and Functions

Schedule 4 and 5, Part B of the Constitution of the Republic states that; local government is required to execute the following:

- Air Pollution
- Building regulations
- Child Care facilities
- Electricity and Gas Reticulation
- Fire-fighting services
- Local Tourism
- Municipal airports
- Municipal Planning
- Municipal Health Services
- Municipal Public Transport
- Municipal public works only in respect of the needs of municipalities in the discharge of their responsibilities to administer functions specifically assigned to them under this Constitution or any other law
- Pontoons, ferries, jetties, piers and harbours, excluding the regulation of international and national shipping and matters related thereto
- Storm water management systems in built-up areas
- Trading regulations
- Water and sanitation services limited to potable water supply systems and domestic waste-water and sewage disposal systems
- Beaches and amusement facilities
- Billboards and display of advertisement in public places
- Cemeteries, funeral parlours and crematoria
- Cleansing
- Control of public nuisances
- Control of undertakings that sell liquor to the public
- Facilities for 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 sport facilities
- Markets
- Municipal abattoirs
- Municipal parks and recreation
- Municipal roads
- Noise pollution Pounds
- Public places

- Refuse removal, refuse dumps and solid waste disposal
- Street trading
- Street lighting
- Traffic and parks
- Childcare facilities
- Firefighting services
- Keeping of animals
- Control of public nuisances
- Control of undertakings that sell liquor

(b) Powers and Functions not performed by the Municipality as per the Constitutional mandate

- Air Pollution
- Municipal Health Services
- Municipal Public Transport
- Abattoirs

(c) Powers and Functions performed on behalf of other spheres

- Registration and licensing of motor vehicles
- Disaster Management on behalf of the Chris Hani District Municipality; and
- Library Services on behalf of the Department of Sport, Recreation, Arts and Culture

(d) Implementation of By-laws

In the 2013/2014 financial year, the municipality identified that there were a remarkable number of by-laws that were to be both developed and others reviewed and gazetted. This process was planned for and implemented. Below is a list of by-laws that were developed, presented to Council and Community, but have not yet been gazetted.

The municipality has the following by laws currently being implemented

No	Name of the By-laws	Date	Status
1	Child Care Services	Dec 2014	Adopted by Council, awaiting gazetting
2	Community Fire Safety	Dec 2014	Adopted by Council, awaiting gazetting
3	Local Tourism	Dec 2014	Adopted by Council, awaiting gazetting
4	Keeping of Animals	Dec 2014	Adopted by Council, awaiting gazetting
5	Liquor Trading	Dec 2014	Adopted by Council, awaiting gazetting
6	Outdoor advertising and Signage	Dec 2014	Adopted by Council, awaiting gazetting
7	Parking	Dec 2014	Adopted by Council, awaiting gazetting
8	Public Amenities	Dec 2014	Adopted by Council, awaiting gazetting
9	Street Trading	Dec 2014	Adopted by Council, awaiting gazetting
10	Encroachment on Property	Dec 2014	Adopted by Council, awaiting gazetting
11	Heritage Resources	Dec 2014	Adopted by Council, awaiting gazetting
12	Waste Management	Dec 2014	Adopted by Council, awaiting gazetting
13	Commonage	Dec 2014	Adopted by Council, awaiting gazetting
14	Tariff	Mar 2007	
15	Credit Control	Mar 2007	
16	Indigent Support	Mar 2007	
17	Taxi Rank	Dec 2014	Adopted by Council, awaiting gazetting

A by-law on municipal property rates still needs to be developed

(e) Municipal Policies

Some of the policies mentioned below were adopted by Council in 2011 and some have been reviewed to date.

No	Name of the Policy	Status of the Policy	Date of Approval
1	Acting Allowance Policy	Reviewed in 2014	30 May 2013
2	Catering Policy		2010
3	Cellular phone Allowance Policy	Reviewed in 2014	11 July 2013
4	Cleaning Policy		2010
5	Disciplinary Procedure Policy	Guided by Collective Agreement	30 May 2013
6	Energy Efficient Policy		2010
7	Exit Interview Policy	Reviewed in 2014	2010
8	Building Maintenance Policy		2010
9	Experiential Training Policy	Reviewed in 2014	2010
10	Facilities Management Policy	Reviewed in 2014	2010
11	Fleet Management Policy	Reviewed in 2014	2010
12	Fraud and Anti-Corruption Policy		2010
13	Health and Safety Policy	Reviewed in 2014	2010
14	Housing Policy		2010
15	Induction Training Policy		2010
16	Key Management Policy		2010
17	Learner ship Policy	Reviewed in 2014	2010
18	Overtime Policy	Reviewed in 2014	11 July 2013
19	PMS Framework		2010
20	Promotion, Demotion and Transfer Policy	Reviewed in 2014	11 July 2013
21	Recruitment and Selection Policy	Reviewed in 2014	30 May 2013
22	Risk Management Policy		2010
23	Recruitment Selection and Retention		2014
24	Sexual Harassment Policy	Reviewed in 2014	2010
25	Skills Development Training Policy		2010
26	Study Assistance Policy		2010
27	Subsistence and Travelling Policy	Reviewed in 2014	11 July 2013
28	Substance Abuse Policy	Reviewed in 2014	
29	Succession Planning and Career Path Policy		2010
30	Substance Abuse Policy		2014
31	Telephone Management Policy		2010
32	Transport Allowance Policy	Reviewed in 2014	11 July 2013
33	Whistle Blowing Policy	Reviewed in 2014	2010
34	Employment Equity Policy		2014
35	Supply Chain Management Policy		2014
36	Credit Control and Debt Collection Policy		2014
37	Information Technology Policy		2014
38	Integrated Municipal Communications Policy		2014
39	Public Participation Policy		2014
40	Civic funerals policy		2014
41	HIV and AIDS Policy		2014

(3) Staff establishment , Recruitment and Selection of employees in the last financial year

Total Number of Positions in the Reviewed Organogram	=	324
Total Vacancies (funded and unfunded)	=	
Councillors and Traditional Leaders	=	34 Councillors and 7 Leaders
Recruitment in last financial year:	=	37 positions were filled

(4) Councillors and Traditional Leaders participating in Council

The current Council was elected to Council in 2011 and has 7 traditional leaders sworn in to participate in municipal matters.

(5) Training and Development

The municipality has a unit established to facilitate training and development to both Councillors. The following training and development initiatives were provided

- Councillors trained – nine
- Officials trained – twenty seven
- Ward committees -
- Traditional leaders -

The following were Programmes that the municipality engaged on

- Certificate in Municipal Finance Management
- Local Government Law & Administration (Advanced Certificate and Diploma)
- Occupational Health & Safety
- Labour Law
- Certificate in Public Administration for Community Services
- Payroll administration
- Human Resource Management & Leave Management
- Programme in Applied Population Science, Training And Research
- Certificate in Records and Archives
- Honours in Public Admin
- Language Communication
- Advanced Programme in Sourcing and Supply Chain Management
- Bachelor of Public Admin
- Bachelor of Commerce in Human Resources Management

(6) Council and Committee System

- Ordinary Council meetings held and 6 Special Council meetings
- Executive Committee had 9 meetings
- Executive Management Committee had 7 meetings
-

Council has the following Section 79 of Local Government: Municipal Structures Act, 1998 (Act 117 of 1998) committees:

Council Committee	Performance
Governance and Administration Standing Committee	
Infrastructure Development and Human Settlement Standing Committee	
Community Services Standing Committee	
Integrated Planning and Economic Development Standing Committee	
Budget and Treasury Office Standing Committee	
Municipal Public Accounts Committee	
Audit Committee	

Council has the following Section 80 of Local Government: Municipal Structures Act, 1998 (Act 117 of 1998) committees:

Local Labour Forum

Training Committee

Rules Committee

Remuneration Committee

Budget & IDP Steering Committee

Other Committees

PMS Assessment & Evaluation Committee

Risk Management Committee
Incident Management Committee
Information and Communication Technology Committee
Employment Equity Committee
Occupational Health and Safety Committee

(7) Office Accommodation

In its endeavours to ensure that services reach local communities, the municipality has its head office in Lady Frere and two satellite offices in Indwe and Dordrecht. The Municipality attempts to ensure that services that are available in its head office are accessible from the units. There is not enough offices to accommodate the number of staff appointed. The municipality makes use of park homes as offices which accommodate 16 employees and they are no longer in a good condition – health hazard.

Out of the 37 appointments made in the last financial year, which 20 are office based; all have been accommodated

(a) Progress on the development of the Municipal Office and Council Chamber

The municipal council took a resolution to develop its main offices in Lady Frere due to huge shortage of office space for both administration and Council. A developer was appointed to undertake the task. Council Chamber was prioritised to be developed first and then offices.

The municipal council had budgeted R 4 million from its Equitable Share allocation for 2014/15 financial year to start with the development. Edzen Property Developers which were appointed by the municipality presented municipal offices development concept including Council Chamber, the development of the Council Chamber was estimated to R 5.2 million by the developers. The municipality accepted the concept and the developers were given the go ahead to start with the development. It was resolved that the R 4 million budgeted in the 2014/15 financial was to be spend on the construction of the Council Chamber and the R 1.2 million to make up the proposed R 5.2 million be budgeted for in 2015/16 financial year.

The approach that has been adopted for the development of the offices was that construction will be done in phases, starting with the Council Chamber. The construction of the Council Chamber started in January 2015 with demolitions and clearing of the existing structures on site. The rest of the development will be funded both by the municipality and funding sourced by the developers.

It is notable that the development is slow on site, even though the demolitions and clearing of the site has been done. The developers have been engaged to ascertain the reasons for slow progress. The developers have highlighted the delays with steel manufacturing, and stated that once the steel is delivered on site, to put it up is very quick. We are optimistic once the material is delivered then we will see progress.

Municipal offices are arranged as follows:-

- Lady Frere (Head Office) – 37 Indwe Road, Lady Frere, 5410
- Dordrecht Unit (Satellite Office) – Grey Street, Town Hall Building, Dordrecht, 5435
- Indwe Unit (Satellite office) – 40 Fletcher Street, Indwe, 5445

(8) Human Resources Management

(9) Records Management

The municipality has a section dedicated to manage municipal records and has the following legislated documents in place for compliance

i. File plan
ii. Procedure Manual; and
iii. Records Management Policy'

The municipality also; is complying with National Minimum information requirements (NMIR) and there has been some improvement in compliance with the requirement

(10) Information and Communication Technology

The municipality has two officials designated to deal with Information Technology, these are System Administrator, which is enrolled to deal with all licenses of the systems in the institution, with that Network infrastructure and server management and IT Technician that deals desktop and technical support of the whole institution. The newly established IT personnel are to improve the IT network Infrastructure of the institution including remote sites.

USSASA, Emalahleni Local Municipality together with MTN have created a project, which at present moment is ongoing, that will better connect the various departments of the Emalahleni Municipality, including connecting and providing internet access to the three(3) Libraries of Emalahleni.

(11) Integrated Development Planning

In line with the requirements of the Local Government: Municipal Systems Act, municipalities are required to develop a strategic plan to be implemented over a period of five years, in line with each term of Council. That strategic plan is referred to as the integrated development plan.

As per the requirement mentioned above; in 2012, the municipality developed and approved an IDP for the 2012 – 2017 which is in line with the current term of Council. The plan gets to be reviewed on an annual basis so as to ensure that the plan remains relevant to the needs of the municipal community. This is the third review of the 2012 / 2017 strategic plan. Legislatively, the development and implementation of the IDP is assigned to the Mayor and ultimately the Accounting Officer. Operationally, according to the institutional arrangements, the municipality established a unit in the office of the Municipal Manager to coordinate the development and review of the municipality's IDP, manage and monitor its implementation, as well as reporting.

The municipality developed a framework, containing information and guidance on the how the processes of the IDP reviews would be conducted, identification of stakeholders and their role in the review process.

During the third review of the IDP, a series of meetings were held, in the form of representative forums and roadshows to review and confirm community needs. Sector departments were also awarded an

opportunity to present programmes and projects to be implemented in the municipal area. Participation of Sector Departments in the form of representation in IDP meetings and platforms has remarkable improved. This was done to ensure community involvement in the municipal affairs, even more so in the development planning area.

SWOT Analysis

Strengths
- 2 officials
- Budget allocation for the review of the IDP
- Functional IDP Structures (including IGR)
- IDP developed and coordinated in house

Weaknesses
- Limited budget
- Limited personnel
- Limited understanding and participation of some IDP role players in the coordination of the IDP

Opportunities
- Support from the District Municipality and Sector Departments
- Funded projects for integration in the IDP

Threats
- Minimal participation of External Role players in the IDP Processes

(12) Performance Management System

(a) Institutional Performance

Chapter 6 of the Local Government: Municipal Systems Act, 2000 as amended requires each municipality to establish and develop its own performance management system, commensurate to its resources.

In line with this requirement, the municipality has an approved performance management system framework, which is currently being implemented. The PMS Framework is currently not being fully implemented, as the institution is battling to implement some elements of the Framework. The biggest challenge with the implementation remains with the performance planning and reporting. The institution currently has a poor performance management system culture, as it more often than not, still struggles to comply with some of the compliance requirements.

(b) Individual Performance and/or cascading of Performance to levels below Sec 56 and 57

Currently, on assessment, Cascading of PMS, and the attendant changes and results are perceived to create uncertainty in the concerned individuals. A lot still needs to be done because PMS is the backbone for ensuring that people perform to the required levels to achieve the KPIs in their functional areas and in the municipality as a whole

Below is a SWOT Analysis for the PMS Unit

Strengths
- A manager appointed
- An approved performance management system framework in place
- Budget
- PMS Committees in place

Weaknesses
- 1 person appointed to manage performance of the entire institution
- Minimal budget allocation

Opportunities
- Automated performance management systems

Threats
- Continuous technological updates

(13) Special Programmes

BACKGROUND

The Mayor's Office through the Special Programmes unit is discharged with the responsibility to coordinate and implement programmes and projects designated to improve and/or enhance social cohesion in the municipal area, through the following focal areas;

- Youth
- Disabled
- Women and Older persons
- HIV\Aids
- Gender and
- Children

Focal Area	Project Name	Project Description
Youth	**FIELD BAND FOUNDATION PROJECT**	The band is an initiative which seeks to develop young people on skills such as Music and Dance with the social development aspect. The project has an intake of +- 250 participants both in Dordrecht and Indwe. A memorandum of understanding was signed between the municipality and the Field band foundation The band is resourced with staff and a truck field with instruments which arrived in April 2010 and after doing some recruitment, rehearsals got underway since the beginning of May 2010. Life skills workshops which include HIV\Aids programme have been conducted thus far. The band has also participated in the National Championships **Launch Netherlands visit**
	MAYORS CUP TOURNAMENT	The concept is the initiative of the Office of the Mayor to develop Sport and the tournament is known as the Mayoral Cup which was instigated in 2005 to develop young people in Sport in the entire municipality. It includes various sports discipline such as the Football, Ladies soccer, Netball, Rugby and Athletics and Golf. This tournament enhance the development as well as unearth the local talent beacon by the rural youth that lack exposure as the concentration is based in bigger cities. The event is budgeted and filter in the integrated development plan of the municipality.
	NATIONAL YOUTH RURAL SERVICE CORPS	This is an initiative of the Department of rural development and Land affairs to recruit young people to be trained in various skills such as life skills, carpentry, plumbing as well as artisans and in the main they are reimbursed with the stipend while on training. So far they have recruited 47 young people which are 3 per ward and now are in a recruitment drive to obtain more young people.
	YOUTH COUNCIL	The municipality took an initiative in March 2011 to revive the council which culminated to the AGM in partnership with the Chris Hani District Municipality and National Youth development Agency. They had a mandate to draw their action plan and to visit all wards that do not

Focal Area	Project Name	Project Description
		participated in the AGM and the action plan will be submitted to the Mayor's Office as well as the council. Training has been conducted which encompass Project Management, Business Management and Financial Management and this also recruited youth funded project by the Department of Social Development to acquire the skill. Partnership was formed with the NYDA through National Youth Service of which young people were invited to the cleaning programme that was held in three towns such as Indwe, Dordrecht, and Lady Frere. The district held the youth month closing ceremony in ward 6 and young people from all wards were transported to the event and that resulted to Youth Council funded for Mobile Gym by Department of Social Development as well as Auxiliary workers introduced. The Youth council has also partaken in various NYDA consultations both in the Province and National.
HIV/AIDS		The Local Aids Council is in place and Chaired by Mayor who then delegated the coordination of the programme to community services. Partnership has been forged with CMRA and the municipality participated in the National HIV\Aids benchmarking programme with the following municipalities; ✓ Buffalo City Metropolitan ✓ Nelson Mandela Metropolitan ✓ Ethekwini Metropolitan ✓ Hi-biscus Coast Local Municipality ✓ Madibeng local Municipality The municipality has developed a HIV/AIDS strategy. In ensuring internal mainstreaming targets the municipality established inter-departmental forum which sit quarterly. It has also introduced Peer educators to mainstream HIV/Aids internal and busy with the preparations for Wellness programme.
WOMAN	**WOMEN FORUM AND GENDER EQUALITY**	The women forum is in place the only outstanding programme is to convene a strategic session with the purpose of developing an action plan. The municipality has a programme to seek assistance from SALGA and Gender Links through workshop on Gender based violence and municipal action plan on gender equality.
PEOPLE WITH DISABILITY	**PEOPLE WITH DISABILITY COUNCIL**	The structure for PWD is in place the only challenge is to ensure that the forum seat as mandated by their AGM. The office is planning an induction programme. The municipality is in a process of assisting PWD projects so far it has donated a site to Vukuzenzele Project for the place to work as well as 2 tables and 5 chairs and is in a process of helping other projects. Wheel chairs have also been delivered to the municipality by the provincial government in the last financial year
ELDERLY	**ELDERLY PERSONS**	The municipality has a forum which is coordinating programmes for elder persons and they have participated in various programmes such as Nelson Mandela Day, Parliament for elderly, Golden games etc. The municipality also played a crucial role through provision of tracksuits for identity as well as transportation to various activities mentioned above.

Focal Area	Project Name	Project Description
	NELSON MANDELA DAY	The Nelson Mandela Day has been declared as the international day in respect of this struggle icon where every citizen/government and non-government institutions are to dedicate 60 minutes of their time in community work. The council took a resolution to adopt and implement some of the community work programmes to honour this day. The municipality undertook an environmental awareness programme which commenced on the 18th July 2014, which included cleaning of Indwe town and its surrounding areas as a project that would contribute to the environmental awareness programme
	SPORTS COUNCIL	The council is in place and is part of the preparations for Mayors Cup.

2.5.4 Financial Viability and Management

(1) Financial Diagnosis

The municipality has adequate resources to continue operations at their current level for the foreseeable future. For this reason we continue to adopt the going concern assumption in preparing the financial statements for the year ended 30 June 2014. We reached this conclusion after making enquiries and taking into account circumstances which we consider likely to affect the Emalahleni Municipality for the foreseeable future and circumstances which we know will occur after 30 June 2014 which could affect the validity of the going concern assumption. Key considerations e.g. operating and cash flow forecasts, forecast borrowing requirements, commitments and contingencies was some of the key considerations.

(2) Internal and External Factors affecting financial viability of the municipality

The municipality has a very low debt collection rate that will affect the long term financial viability of municipality. The municipality will have to collect as much income as possible for what consumers are billed for. Internally the municipality will have to appoint more people whose main focus will have to be debt collection. The finance staff dealing with debt collection should be trained legally and procedurally on debt collection. The financial system should be upgraded to meet the new challenges of debt collection. The municipality must also look at the cost cutting ways and start to do things smarter, cost effective and efficient.

The high unemployment rate in the area has a negative impact on the financial viability of the municipality. The current economic outlook also has a negative impact on job creation and the affordability of consumers to pay their account. The extension of revenue base of the municipality is also limited as most of the electricity revenue go to Eskom. The municipality is the Water Service Provider on behalf of Chris Hani District Municipality (CHDM) as the Water Services Authority. A huge area of municipality does not have water meters to measure water consumptions and sanitation usage. However, CHDM has taken over the billing and debtors within Emalahleni Municipality.

(3) Key Financial Indicators

The economic downturn and the Eskom issues continue to play havoc with good financial management. The Emalahleni economy has been battered of late and all indications are that it will get worse before it gets better.
This is not because of bad or incompetent management, but because it is the nature of the business and the economy. I would therefore hope that National and Provincial bureaucrats take heed of this fact before making any incorrect or ill-conceived statements or judgements.

Financial Statement Ratios:

INDICATOR	2013/2014	2012/2013
Surplus / (Deficit) for the year before Appropriations	(5 328 949)	2 657 598
Accumulated Surplus / (Deficit) at the end of the Year	469 783 147	475 112 096
Expenditure Categories as a percentage of Total Expenses:		
Employee related costs	24.15%	28.42%
Remuneration of Councillors	5.01%	5.92%
Debt Impairment	9.83%	6.20%
Depreciation and Amortisation	10.39%	13.95%
Impairments	5.80%	0.01%
Repairs and Maintenance	4.45%	4.73%
Actuarial losses	0.40%	0.28%
Finance Charges	0.35%	0.42%
Bulk Purchases	6.56%	7.31%
Contracted services	2.04%	1.76%
Operating Grant Expenditure	9.94%	9.68%
General Expenses	16.78%	19.54%
Loss on disposal of Property, Plant and Equipment	4.30%	1.78%
Fair Value Adjustments		
Current Ratio:		
Creditors Days	92	32
Debtors Days	1 443	1 526

One indicator needing comment is that of repairs and maintenance. In recent years there has been made much comments as to how low this ratio is. It should be noted that the ratio improvement has been achieved despite the massive increases in Eskom charges.

(4) Operating Results

The overall operating results for the year ended 30 June 2014 are as follows:

(5) Financing Of Capital Expenditure

The expenditure on Property, Plant and Equipment during the year amounted to R 37 101 365 (2012/2013: R 17 070 236), and in percentage terms amounts to 84.30% of budget. Full details of Property, Plant and Equipment are disclosed in note number 10 to the Annual Financial Statements.

	2013	2012
	R	R
	852 386	1 397 808
	-	-
	9 592 040	6 442 061

The capital expenditure of R 35 789 215 (2013/14) was financed as follows:

DETAILS	Actual 2013/2014 R	Budgeted 2013/2014 R	Percentage Variance %	Source of funding as % of total Cap exp
Appropriation Account (Own Funds)	11 018 125	15 871 000	69.42%	29.70%
External Loans	-	-	-	-
Grants and Subsidies	26 083 240	28 138 000	92.70%	70.30%
Leased Assets	-	-	-	-
Public Contributions	-	-		-
	37 101 365	44 009 000	84.30%	100.00%

Reconciliation of Budget

6.1 Operating Budget:

Details of the operating results per segmental classification of expenditure and of operational results per category of expenditure, together with an explanation of variances of more than 10% from budget, are included in Statement of Comparisons of Budget and Actual Amounts

6.2 Capital Budget:

7. LONG-TERM LIABILITIES

8. NON-CURRENT PROVISIONS AND NON-CURRENT EMPLOYEE BENEFITS

9. CURRENT LIABILITIES

10. Revenue Management

The Municipality's revenue collection remained stagnant for a considerable period of time, which left the municipality with uncollected debt. The fact that the Emalahleni municipal area is a low wage economy also contributed to the uncollectable debts.

Most customers of the municipality are unemployed and cannot afford to pay for services. Despite the latter, consumers do not come forward and apply for indigent support. We currently have approximately 1900 indigent customers who receive subsidies on rates, refuse removal and electricity.

Currently the collection rate of the municipality is sitting at approximately 42% up from 15% in 2011/12 and 23% in the 2012/2013 financial years. The increase was mainly due to the improved strategies to enhance municipal revenue. The findings in the Auditor-General's report of 2014 around revenue have also contributed to the improvement in correcting information around the billing system.

The municipality continue to find measures to enhance municipal revenue and to ensure that the municipality continues to be financially viable. The traffic station currently in construction is expected to bring a new revenue stream and will help to further decrease the municipality's dependency on grants. The municipality is constantly looking for opportunities to extend its revenue base to ensure sufficient revenue so that it can remains a going concern.

11. Supply Chain Management

The municipality has a Supply Chain Unit that is not yet fully fledged, but the organogram is being populated with some vacancies this financial year and some will be populated next financial year. The Unit has 3 functional bid committees being the Bid Specification Committee, Bid Evaluation Committee and the Bid Adjudication Committee.

The unit has formulated a procurement plan that has been approved by the accounting officer which contains all the municipal capital projects. It is a guiding document that reflects when the departments should procure their projects on a timely manner as per their targets on the SDBIP.

Supply chain has installed an integrated SCM Module that will improve systems of procurement and turnaround time. The module will work hand in hand with a supply chain procedure manual that is still awaiting approval by the Accounting Officer.

12. Fleet Management

The municipality is in possession of vehicles, tractors, trucks and plant for the execution of its functions in the municipal area. In January 2015, the municipality as well resolved, to dispose its old tractors and vehicles in an attempt to ensure that there is suitable machinery to deliver services to the communities.

i. Dedicated Vehicles

No	Vehicle	Office / Department
1	Toyota Fortuner	Office of the Mayor
2	Toyota Fortuner	Office of the Speaker
3	Nissan QashQai	Community Services
4	Chevrolet Cruze	Community Services
5	Nissan Bakkie X 3	Infrastructure Development and Human Settlement

ii. Pool Vehicles

The municipality has identified that pool vehicles are not in a condition for further use therefore they are due for disposal. Only 1 pool vehicle is in a condition suitable for operational use which is as follows:

- Chevrolet Utility Bakkie

iii. Trucks and Plant

No	Vehicle Make and Model
1	Grader
2	TLB – Loader
3	W/Cutter Truck
4	Tipper truck (X2)
5	LowBed
6	Water / Cart
7	Tipper / Truck
8	Roller
9	Roller / Bomag
10	Excavator
11	Sanitation trucks (X2)
12	Electricity truck

Water and Sanitation function will be fully transferred to the Chris Hani District Municipality with effect from 1 July 2015, all the water and sanitation trucks will be transferred accordingly as the municipality will no longer be performing the function.

2.5.5 Good Governance and Public Participation

(1) Internal Audit Analysis

The Municipal in-house audit function on an on – going basis provides management with reasonable assurance on the adequacy and effectiveness of established internal controls, through the review of identified high risk areas and in accordance with the approved risk based annual audit plan. The Internal Audit Function is guided by the Approved Internal Audit Charter and a 3 year risk based rolling plan reviewed annually and approved by the Audit Committee.

The Internal Audit Function evaluates performance information on a quarterly basis to ensure conformity to the reporting formats, compliance with legislation and assess the reliability, validity and completeness of reported information, subsequently quarterly reports on the results of the audit with recommendations are submitted to the Municipal Manager and the Performance Audit Committee.

SWOT Analysis

Strengths
- Functional Internal Audit Unit
- Positive AG's reviews for the past 2yrs
- Qualified Internal Audit Personnel
- Internal Audit Charter
- International Standards
- Professional Code of Conduct
- Members of Institute of Internal Auditors
- Legislation

Weaknesses
- Shared Audit Committee Services
- Limited Office Space
- Limited Budget
- Limited Personnel
- Manual Audit Processes

Opportunities
- CHDM Support
- COGTA Support
- SALGA Support

Threats
- Expectation Gap
- Non cooperation
- Lack of documented processes (Controls)
- Non Implementation of IA recommendations
- Failure to have a Risk Management Office.

Auditor General's findings

2010 / 2011	2011 / 2012	2012 / 2013	2013 / 2014
Disclaimer	Disclaimer	Disclaimer	Qualified

(2) Audit Committee

The Audit Committee is established in terms of the Municipal Finance Management Act and the Municipal Planning and Performance Management Regulations. Emalahleni Municipality has shared Audit Committee with Lukhanji and Sakhisizwe Local Municipalities referred to as the Chris Hani District Northern Cluster. This committee is required to review quarterly reports submitted to the Internal Audit, review the Municipal Performance Management System while making recommendations and ensuring that the audit reports are submitted to council at least twice during the financial year.

The committee regardless of challenges, emanating from the shared service arrangement has managed to execute its activities as per the audit charter

(3) Risk Management Analysis

Risk assessments are undertaken; controls are needed to be applied to ensure effective implementation. Risk is not managed effectively and this is an issue that needs to be formally prioritized moving forward.

(4) Communication analysis

The municipality has developed a Communication Strategy to guide municipal communication both internally and externally. This strategy enables the municipality to give effect to the legislative requirements as set out in the Constitution of the Republic of South Africa, Act 108 of 1996, Promotion of Access to Information Act 2 of 2000, the Municipal Systems Act 32 of 2000 as amended, Intergovernmental Relations Framework Act of 2005 and the National Framework for Government, 2009 issued by Government Communication Systems (GCIS).

To give guidance on how the municipality should communicate the policy on communication was reviewed and adopted by Council in 2014/2015 financial year. For the proper communication of the municipal programmes in particular and government programmes in general Communication unit participate on the Provincial Government Communicators Forum as co-ordinated by the Department of Local Government and the Department of Communication which seats quarterly.

At the district level the District Communicators Forum exist and is having a schedule of quarterly planned meetings with special meetings arranged whenever there is a need. The District Communicators Forum where communication is actively participating is a platform established to support the communication activities at the District and local level by giving guidance on the development of the Communication Strategies. The Local Communicators Forum is functional, it is composed of the Communication Unit, Public Participation Unit, sector departments and the Community Development Workers. The meetings of this forum are arranged quarterly and special meetings are convened when necessary.

The communication unit of the municipality checking to the promotion of the local media usage when communicating the Council programmes make use of the following media platforms: Vukani Community Radio, Skawara News, The Representative and Dizindaba Newspaper that is based in Cape Town. The Daily Dispatch, Eastern Cape Today, Daily Sun, SABC Radio, SA Housing Foundation and the Local Government Handbook are the other platforms that are currently used for communication purposes.The unit development the external newsletter to communicate the municipal news to the broader municipal community that is written in English with IsiXhosa translated copies.

The municipality publicise all the legislated meetings with the communities i.e. Mayoral Imbizo, IDP Roadshows, Stakeholder engagements, IDP Representative Forum, Intergovernmental Relations, Council meetings. The municipality had the website as required that is uploaded and updated with all the prescribed elements. The municipality though have a challenge with the technical capacity in terms of the server suitable for hosting the website and since its development in June 2010 it was hosted by DBSA and supported by the Department of Local Government and Traditional Affairs. At the moment the municipality is negotiating with the district municipality to host the website as DBSA is pulling out.

The branding material for the institution is developed whenever necessary in the form of banners, file folders, municipal flags, diaries, calendars, signage, pen and framed vision, mission, values and Batho Pele principles for the frontline areas of the municipality. The communication function of the municipality based on the activities performed is rated high by the district and the province. The communication unit is having challenges with the resources on both personnel and financial. This situation hampers the rate in terms of the outputs and the expectations set for this unit. The internal communication is the area which requires improvement checking to the fact that at the moment there are no clear systems in place for proper communication with the internal clients.

(5) Public Participation

To fulfil the consultation mandate as per Chapter 4 of the Local Government Municipal Systems Act NO. 32 OF 2000 which requires the Development of Culture of Municipal Governance that complements formal representative government with a system of participatory governance. It further requires the Municipality to create conditions for the Local Community to participate in the affairs of the Municipality.

Public Participation is a unit seating in the strategic management directorate which currently consist of only Public Participation Practitioner. The Practitioner is currently responsible for coordination of

- 170 ward committees,
- 7 traditional leaders,
- 13 Community Development Workers (CDW's), 2 resigned

The Public Participation unit managed to establish Public Participation Forums in all 17 wards, we are yet to establish Institutional Public Participation Forum.

The unit within a period of 4 months has managed to develop ward based planning through the service provider which was appointed by the Department of Local Government and Traditional Affairs. We have successfully undertook the process of IDP road shows in the month of January 2014 and further developed the programme for Mayoral Imbizo which is currently taking place.

The ward committees and traditional leaders are currently getting an out of pocket on a monthly basis as per the Council resolution. The ward committees submit reports on a monthly basis to the Public Participation Practitioner and further submit the consolidated report on quarterly basis to the Council but we are yet to consolidate that report. The ward committees have been trained on ward operational plans and on facilitation. Ward profiling on the capacity of Ward Committees has also been done, to establish training needs and skills gap, a training schedule has been developed, and ward committee secretaries will be trained accordingly.

A number of public participation initiatives have been held, which include amongst others the following:

Public Meeting	Purpose
IDP Roadshows	• To confirm needs identified for prioritization and inclusion in the reviewed IDP • To confirm draft IDP and Budget
Public Hearing	• Consultation of communities adopted by-laws • Eastern Cape Geographical Names Council (ECPGNC) – consideration of applications for the change of the name Lady Frere, White Kei to Xonxa, facilitation of registration of WyCliffMlungisiTsotsi library
Mayoral Imbizo's	• To allow for members of the public to make comments on the approved draft annual report • Presentation on back to basics and signing of the pledge on back to basics
Moral Regeneration Movement	• Moral regeneration movement committee established through the office of the speaker

(6) Inter-Governmental Relations

The municipality has consistent operational relations with other spheres of government including the district, business community and non-governmental sector. To facilitate these relations an IGR structure was established which is mainly constituted by government (sector departments and the municipality) and this structure has structured meetings on monthly basis to discuss and monitor progress implementation on commitments.

The municipality as well participates in a number of inter-governmental structures such as the following:

- SALGA Working Group
- DIMARFO
- Roads and Transport Forums
- MuniMec

(7) International Relations

The municipality, through the Office of the Mayor is part of a group of UCLG Champions that were selected to promote the messages of the CIB Working Group Policy Paper on Development Cooperation and Local Government.

The Policy Paper on Development Cooperation and Local Government contributes to building a common understanding and position among members of United Cities on Local Government and will be used, in particular, as formal policy position for international advocacy.

The Paper provides political recommendations to the international community as well as towards local governments. It emphasizes the need for the full recognition of local and regional governments as development partners occupying an equitable place in international development cooperation and it calls for substantially increased financial support for local government development cooperation programmes, designed to match their specific role and contribution.

The Paper is the result of a research led by the Federation of Canadian Municipalities (FCM) in partnership with the UCLG's CIB Working Group and the UCLG World Secretariat. It has received contributions from UCLG members and partners through various consultation rounds and was adopted by the UCLG World Council in December 2012. In May 2013, the UCLG CIB Working Group published the Policy Paper on Local Government and Development Cooperation.



CHAPTER 3

MACRO STRATEGY OF THE MUNICIPALITY

CHAPTER 3
MACRO STRATEGY OF THE MUNICIPALITY

3.1 Introduction

The current reality analysis has shown that the municipality is faced with a daunting challenge marked by huge backlogs in service delivery, socio-economic problems of high unemployment and poverty levels. Solutions to these challenges can potentially be in conflict with or complement each other. For this reason, it is necessary for the municipality to have a macro strategy that will guide decision making when there are conflicting strategic options and also provide a basis for the allocation of scarce resources.

The macro strategy gives a high level interpretation of the vision and is based on the following key drivers:

- **Maximising development impact:** The strategy, in line with the vision, recognizes the need to achieve optimal impact with current resources and set of known constraints. In terms of this driver, the limited available resources must be directed towards interventions that will maximize development.

  The strategy identifies the infrastructure cluster as the principal cluster on which larger capital budget resources and investments should be deployed in order to realize greater impact or outcomes.

- **Growing local economy:** The situational analysis concluded that the municipality has very limited space to increase local revenue, mainly because of high levels of poverty. Therefore LED will not only help improve the lives of the citizenry, it will also improve the chances of their municipality to be a better resourced local government. However, it has to begin with an organization that can think and coordinate and/ or manage significant initiatives in terms of LED.

  It has to be able to get the municipality's initiatives to coordinate and synergise with others in a way that should lead to a major turnaround in the local economy.

- **Maintaining financial viability:** The strategy identifies as central to turning around the current development situation, the need to maintain sound financial discipline and viability. This will ensure that available resources are protected from misuse and properly channelled to priorities. The strategy identifies the need to balance proportional split of budget between internal operational and external capital delivery needs.

  These initiatives may include introduction of some short to medium term "belt-tightening" measures.

- **Lobbying for authorities to compensate costs of delivery:** The situational analysis has demonstrated that most of the development initiatives that the municipality would like to see being implemented in the municipal area are a competency of other role-players and in particular the District Municipality and Provincial government. In some cases the resources for implementation are in the hands of parastatals, such as ESKOM and TELKOM, and private, sector such cell phone services providers.

  It has also noted that there is no structured lobbying programme nor the necessary skills set that should develop such a programme and support the political structures in delivering on it in systematic way. Building this capacity is seen as a major driver of capacity building.

- **Capacity to regulate citizenry and deliver services:** It was also noted in the situational analysis that the municipality is running the risk of not governing the municipal area. There is no enforcement

of appropriate by-laws and the citizenry is beginning to act as if there is no local government. This is particularly the case with regard to actions that may harm the health of the citizenry.

It was also noted that the municipality is not delivering on a number of its important powers and functions. There is clearly a need to build capacity in this regard.

3.1.1 Municipal Vision, Mission and Values

A municipality that delivers appropriate, sustainable and affordable services towards socio-economic growth for the development of its community.

Municipal Mission

Emalahleni Municipality promotes quality and excellent services that are valued by its customers through effective partnerships and active community participation as it plans for the future.

Municipal Values

- **Responsiveness:** we will put in place systems to promptly respond to the needs, complaints and enquiries of our communities.
- **Cultural Diversity:** we will promote and enhance all cultures in our municipality.
- **Commitment:** we commit ourselves to clean governance and accountability.
- **Dignity:** we will treat every client with dignity, respect and disciplined manner.
- **Honesty:** we will discharge our mandate with honesty.
- **Innovation:** to encourage alternative and innovative systems to discharge service delivery.
- Adhered practice to Batho Pele Principles

3.2 Context of Emalahleni Strategy

3.2.1 Legal Context

- Constitution of the Republic of South Africa, 1996
- Development Facilitation Act, 1995 (Act 67 of 1995)
- Local Government: Demarcation Act, 1998 (Act No 27 of 1998).
- White Paper on Local Government of 1998.
- Local Government: Municipal Systems Act, 2000 (Act No 32 of 2000).
- Local Government: Municipal Structures Act, 1998 (Act No 117 of 1998).
- Local Government: Municipal Finance Management Act, 2003 (Act No 56 of 2003).
- Powers and Functions allocated by the Minister for Provincial and Local Government and MEC for Local Government in terms Sections 83 and 85 of the Municipal Structures Act, 1998 respectively.
- Intergovernmental Relations Framework Act, 2005 (Act No 13 of 2005).
- Municipal Property Rates Act 6 of 2004.
- Supply Chain Regularities.
- Performance Management Policy.

The National Context

Nationally, the Emalahleni strategy takes into cognisance and is aligned with national strategies and policies. These include the Reconstruction and Development Programme (RDP), the National Development Strategy (NDS), Spatial Development Framework (National Spatial Development Perspective) and the Accelerated and Shared Growth Initiative for South Africa (ASGISA). The national strategies emphasise the need to take advantage of the opportunities that exist in the area of tourism, forestry, bio fuels, development corridors, Joint Initiative on Skills on Priority Skills Acquisition (JIPSA), etc.

Provincial Context

Provincially, the Growth and Development Programme (PGDP), whose objectives includes the development of human capital, infrastructural development and systematic eradication of poverty, emphasises the following:

- Diversification of Manufacturing Sector.
- Agrarian Transformation.
- Strengthening of food security.
- Pro-poor programming.

The Emalahleni Local Municipality considers the above and other policies and programmes that the provincial government comes up with in addressing the challenge of providing better life for all.

Regional Context

Regionally, the Emalahleni Municipal Strategy considers the programmes of the district including its Integrated Development Plan, the District Growth and Development Strategy as well as the advantages that are brought about by Chris Hani District Municipality to the area's development.

3.3 SWOT Analysis

This part of the strategy deals with the examination of the internal and external environment as it affects the Emalahleni Local Municipality. Identifying the negative and positive factors assists the municipality to determine the manner in which it can utilise its resources for improved service delivery.

The table below outlines the strengths, weaknesses, opportunities and threats in relation to the Emalahleni Municipality

SWOT ANALYSIS POINTS RAISED

4.6.1 KPA 1: Strengths:	KPA 2: Strengths:	KPA 3: Strengths:	KPA 4: Strengths:	KPA 5: Strengths:
• Qualified personnel in those positions currently filled • There is creative and innovative thinking capacity	• Qualified personnel in position • Subsistence and commercial farming • Historical sites of attraction • Tourism facilities	• Relevant experience and skills are available • Adequate policies • A fully populated organogram even though some positions still need to be filled for this KPA	• Reviewed Commission Strategy • Local and district Communicators Forum • Availability of a Communication Policy (External only) • Draft Public Participation Systems • CDW Round table • SPU Structures • Functional IGR • A highly rated IDP document in 2014 / 15 Assessments • Functional Internal Audit unit and Internal Audit Charter • Positive AG's comments for last two years • Promptly intervening MM to Unit Offices in need.	• Good implementation of HR policies • Development of procedure manuals done • Job descriptions written for 324 positions (yet there are none for MM and directors as one has learnt • Centralised paper based filing system (it is a weakness in this day and age • Updated council resolutions register • Developed a council calendar of events (though not synchronised with other critical municipal events – should be an opportunity more than a strength) • General capacitation of councillors and staff • Implementation of Wi Fi in municipality
KPA 1:Weaknesses:	KPA 2: Weaknesses	KPA 3: Weaknesses:	KPA 4: Weaknesses:	KPA5: Weaknesses:
• Over reliance on grants • Lack of bulk infrastructure	• Poor Infrastructure (roads, Water & electricity)	• Unclean governance practices still evident like unauthorised,	• Limited financial and other resources	• Shortage of staff • Non implementation of council

• Lack of training and development programmes • Poor contracts and project management • Over reliance on consultants • Unavailability of clear sector department plans • Insufficient plant and equipment.	• Limited budget for operations available • Poor planning • Lack of adequate M & E of projects • Poor Time Management in general	irregular and fruitless and wasteful expenditure, poor planning and contract management affects SCM and expenditure • Poor internal controls need focus, supported by system integration and development and approval of procedure manuals • Lack of a strong implementation and monitoring culture in ELM in general.	• Non-compliance with agreed Process Plan • Non submission of information in time • Shared Audit Committee Services • Too many people directly reporting to the MM • Minimum support of MPAC • Over reliance on student interns • Disjointed planning.	resolutions by directorates • Lack of office space • Poor connectivity • Manual leave capturing leading to mismanagement of leave • LLF not fully functional
<u>KPA 1: Opportunities:</u> • Development of design office • Eradication of electricity backlog • Introduction of sustainable roads construction strategies • Improvement of quality on all infrastructure projects • Beautification of Emalahleni towns • EPWP • General funding Opportunities still exist but	<u>KPA 2: Opportunities:</u> • Interlink road (R56 and R40) between KZN – WC • Natural Resources like waterfalls • Reliable market for livestock • Cheese factory • Mining of coal and sand • Agro-processing • Farms are available, some even belonging to ELM	<u>KPA 3: Opportunities:</u> • Full use of technology – available technology is as yet not fully utilised • Improvement of Asset Management – ELM assets are distributed over a very wide area making it difficult to manage them. Requires more personnel and use of GIS • There is still room for the	<u>KPA 4: Opportunities:</u> • Strong relations with the district and sector departments • Benchmarking – best practices • Improved ICT connectivity • Strong relations with communities through Mayoral Imbizo, Ward Committees and CDW's, NGO's, SALGA Working Groups, CHDM and COGTA • Partnership and twinning agreement.	<u>KPA 5: Opportunities:</u> • There is an FET College within ELM • Cooperation and partnerships agreements possible with province on many fronts • Broadband connectivity for ELM

are as yet unexplored.	• Proximity to Queenstown for markets and State Support • Cultural places of entertainment and tourism.	integration of information generated from the system and thereby providing an opportunity to reduce the risk of fraud.		
4.5.4 Threats: • Theft • Corruption • Disasters • Climate change • Technological advancements.	Threats; • Unpredictable weather conditions negatively impacting tourism • Climatic change may affect agricultural farming • A rather myopic private sector	Threats: • Irregular old contracts • Payments are made on the recommendation of directors while no assurance is guaranteed on the quality and rendering of service done. • Poor asset security opening chances for theft, losses and general abuse. • Weak ICT infrastructure and connectivity • SCOA poor implementation • ESKOM indigent database not updated regularly leading to inaccuracies in basic electricity service delivery.	Threats: • Lack of recognition of communication function • Misunderstanding of Public Participation function by many • Political Interference • Sector plans that are not yet in place • No-alignment of IDP, Budget and SDBIP • Non implementation of recommendations • Failure to have a risk Management person in position • General culture of non-compliance.	Threats: • Delays in the evaluation of jobs by CHDM JEC • Delays in vetting and verification of candidates • Inability to attract required scarce skills • Late submission of reports by directorates to compile agendas • Non-adherence to the council calendar of events by all.

3.4 Core elements of the Strategy

3.4.1 Infrastructural resource

Problem statement

- The municipality is rural in nature and has been faced with a number of challenges with regards to its dilapidating infrastructure, be it in the form of road and bulk services infrastructure. This is applicable to all its three towns

Possible solution

- The municipality has identified a bulk infrastructure project to respond to the status of the current infrastructure and uplift the community of the municipal area; by soliciting funding from the National Treasury. The objective of the project is provide sufficient bulk infrastructure to service the new Emalahleni Development Programme by upgrading infrastructure within the existing towns of Lady Frere, Indwe and Dordrecht
- This funding includes plans for the development of Council Chambers, 30 000m^2 shopping centre, housing development; bulk infrastructure including storage dams, water and waste water treatment works, bulk storage reservoir, bulk lines, outfall sewers and reticulation system.
- All gravel roads to be upgraded to surfaced roads within the towns as well as the District roads; upgrading of parks and cemeteries

Financial resource

Problem statement

- The Municipality is mostly dependent on grants and has limited sources of funding. There are high levels of poverty and unemployment and as well as low levels of education, which poses a challenge where revenue generation and collection are concerned.

Possible Solution

- The Municipality must develop and/or review its revenue generation and collection strategies to improve own revenue and vigorously implement these.
- The implementation of projects of the municipality must, where possible, be done using the Expanded Public Works Programme (EPWP) as a way of creating job opportunities.
- Data Cleansing should be prioritised to ensure that there is accurate billing, which will in turn assure the municipality of collecting of some of its revenue.
- Credit Control and related policies must be intensely implemented to ensure that those who can afford, do pay for the rates and services provided to them.
- Implementation of high Impact LED programmes as identified in the IDP, Master Plan, SEA and SDF. This will in turn have positive spin offs to the revenue base.

Systems Capacity

Problem Statement

- The data in the system is not always accurate, rendering the billing sometimes incorrect.
- The financial muscle of the municipality is not always accommodating of training on the systems because this is always very costly.

Possible Solutions

- Data cleansing should be done to ensure that correct information is on the system.
- More budget should be allocated to systems training (FMS) so that the municipality get value out of its investment.
- Negotiations / service level agreements with the service provider for the system must be entered into to level the playing field and as well ensure that the municipality always knows what to expect.

Social factors

Problem Statement

- The state of the Municipality regarding socio economic matters is a challenge; the majority of the population in the area solely depends on grants for their well-being.

Possible Solutions

- Development of strategies for job creation in all sectors of the economy would alleviate dependence on social grants.
- Involvement of the Municipality in the form of facilitating and monitoring the Sector Departments and how they deliver services to the communities can also improve the current state of affairs in the area.
- The municipal area is well known for its natural resource called coal, it has a mining company called Elitheni, which has acquired over 650 km2 of mining and prospective rights in the municipal area. The company estimates that there is over 1 billion tons of coal available for mining which will benefit the community in the following areas:
    - Job creation
    - Improvement in the rail and road linkages
    - Establishment of subsidiary industries / businesses like accommodation for workers, mechanics (servicing), transport, security, etc.
    - Cheaper coal available for local market

Climate Change

Problem statement

- Measured increases in average global temperature
- Extreme events: Rainfall; heat waves; droughts; hurricane intensity
- Glaciers/snow cap melt on land
- Wildfires increasing in frequency and intensity
- More intense longer droughts observed
- Intense drying observed resulting to decreasing water availability

Possible solution

- Understanding climate change challenges and response mechanisms there of
- Identify, select and prioritize projects that will respond to the climate change

4 Strategic Objectives

- To ensure decrease of infrastructural backlogs by 2017
- To improve provision of basic services to local communities and/or households by June 2017
- To improve financial viability of the municipality by June 2017
- To promote, facilitate and improve sustainable local economic development through identification and implementation of local economic development programmes by June 2017
- To provide affordable and sustainable municipal services to local communities by 2017
- To ensure development and implementation of an improved system of local governance in line with the applicable laws and regulations by June 2017
- To ensure develop, implement and review municipal system to achieve clean administration by June 2015

5 Conclusion

These are the strengths that the Municipality needs to build on, improve on and maintain. Evident from the analysis is that the Municipality is challenged where social services, infrastructural development and local economic development are concerned. This means that a concerted effort must be made by the municipality to address these service delivery issues as they affect the livelihood of the communities.



CHAPTER 4

OBJECTIVES, STRATEGIES AND INDICATORS

CHAPTER 4
OBJECTIVES, STRATEGIES AND INDICATORS

4.1 Introduction

The municipality is required to develop and include in the IDP, objectives and strategies that will be employed to realise and improve the situation that currently prevails in the area.
It is also required to realise the objects of local government as set out in Section 152 of the Constitution of the Republic of South Africa, 1996

Chapter 5 and 6 of the Local Government: Municipal Systems Act, 2000 (Act 32 of 2000 as amended) requires municipalities to consult with its communities in identifying and developing the indicators that will serve as yardsticks for communities to monitor implementation of the plans to help improve the service standards and improve the lives of the people

Below is a list of strategic objectives, strategies and indicators:

CHAPTER 4

OBJECTIVES, STRATEGIES AND INDICATORS (SDBIP)
2015/2016 FINANCIAL YEAR

Strategic Objectives	Priority Area	Strategy	Key Performance Indicator	Indicator Code	Budget Allocation	Baseline	Annual Target	Evidence	Custodian
KEY PERFORMANCE AREA (KPA) 1 : BASIC INFRASTRUCTURE AND SERVICE DELIVERY									
To contribute in community safety programs within the municipal area of jurisdiction	Community Safety Programs	Intensifying the fight against crime and corruption	Average number of offenses in the municipal jurisdiction	BISD - 1	Opex	600 offenses	480 offenses per year	Traffic offenses written out and kept in the office.	Director Community Services
		Improve the visisbility of traffic officers on the road	Number of community safety forums initiated	BISD - 2	Opex	No functional safety forums	16 forums initiated, roads and transport , safety forum	Terms of reference, Minutes of meetings and attendance registers	Director Community Services
			Number of vehicles that gets stopped and checked thoughroughly for none road worthiness and other road/vehicle infringements	BISD - 3	Opex	3900 vehicles stopped and checked	4000 vehicles that gets stopped and checked though roughly for none road worthiness and other road/vehicle infringements	Traffic Department records	Director Community Services
			Number of traffic testing stations constructed	BISD - 4	R 416 000,00	Phase 1 of the testing station construction completed	Completion of traffic testing station	Completion certificate	Director: Infrastructure Development and Human Settlements
			Number of vehicle registration , licensing and		Opex	No registrations took place in 2014/2015	6000 trasactions on registration and licensing	Printout of registrations and licenses issued	Director Community Services

Strategic Objectives	Priority Area	Strategy	Key Performance Indicator	Indicator Code	Budget Allocation	Baseline	Annual Target	Evidence	Custodian
			ARTO Violation fines						
			Number of Learners licenses issued	BISD - 5	Opex	New Driving License Testing Centre	2000 learners license applications recieved and processed	Printout of learners licenses issued	Director Community Services
			Number of driving licenses issued	BISD - 6	Opex	New Driving License Testing Centre	1000 Driving License applications recieved and processed	Printour of driving licenses issued	Director: Community Services
			Number of trailer cages purchased	BISD - 7	R 200 000,00	tractor trailers not caged	3 tractor trailers caged	Advert Appointment letter of service provider Photos Report	Director: Community Services
			Number of traffic signage constructed	BISD - 8	R 300 000,00	Insufficient signage in all 3 admin units	100 traffic signs erected in all 3 towns	Photos Reports	Director: Community Services
			Number of traffic equipment purchased	BISD - 9	R 200 000	No traffic policing equipment available	Procurement of 1 speed camera	Advert Appointment letter Report on usage of camera	Director Community Services
To create a safe environment for all people of Emalahleni Local Municipality	Waste Management and Environment	Intergrated Waste Management Plan developed.	Number of approved Intergrated Waste Management Plans	BISD - 10	R 300 000,00	Draft IWMP	Developed Intergrated Waste Management Plan	Terms of Reference, appoinment letter, Minutes and adopted IWMP	Director Community Services
			Number of urban households with access to solid waste	BISD - 11	Opex	Currently collecting from 7992 households	Solid Waste removal services provided to 7992	Collection schedule	Director Community Services

Strategic Objectives	Priority Area	Strategy	Key Performance Indicator	Indicator Code	Budget Allocation	Baseline	Annual Target	Evidence	Custodian
			management services				households once a week.		
			Number of recycling initiatives supported	BISD - 12	Opex	1 initiative	3 recyclers supported	Data base of recyclers	Director Community Services
			Number of recycling partnership agreements formed	BISD - 13	Opex	Ineffective recycling initiatives	3 recycling initiatives formalised	3 recycling Partnership agreements forged	Director Community Services
			Nummber of replaced and repaired waste management vehicles	BISD - 14	R 800 000,00	7 old tractors and trailers in bad state and 1 new compactor truck. 2 half trucks for supervisor	Procurement of 1 bakkie for Indwe. Secure funding for Refuse trucks for Indwe and Dodrecht	Assessment Reports	Director Community Services
			Number of illegal dumping sites cleared	BISD - 15	R 419 200	100 illegal dump sites	100 illegal dumping sites cleared	Reports	Director Community Services
			Number of waste educational awarenesses programs implemented	BISD - 16		2 campaigns	6 waste management educational Campaigns Conducted	Attendance Registers	Director Community Services
			Number of landfill sites developed	BISD - 17	R 10 873 744	Fencing of landfill site in Lady Frere. Principal agent appointed. Landfill site license acquired	1 Land fill site developed in Lady Frere by June 2016	Completion certificate	Director: Infrastructure Development & Human Settlements

Strategic Objectives	Priority Area	Strategy	Key Performance Indicator	Indicator Code	Budget Allocation	Baseline	Annual Target	Evidence	Custodian
			Number of landfillsites rehabilitated and managed to ensure prestine enviroment	BISD - 18	Opex	2 landfill sites from Dodrecht and Indwe converted to transfer stations. Construction of new landfill site in Lady Frere is underway	Development of 1 business plan for landfill site management for Dodrecht and Indwe	Business Plan.	Director Community Services
			Number of shelters/workshops established for general workers	BISD - 19	R400 000.00	2 (Dodrecht & Indwe Workshops	Lady Frere workshop/shelter constructed	Specification & Completion certifcate	Director Community Services
		Keeping the environment pristine by implementing environmental management projects	Number of enviromental management projects implemented	BISD - 20	R 550 000	3 Enviromental Management Programs	3 Enviromental Management Programs	Attendance Registers. Activity plan. Appointment letters	Director Community Services
			Number of new parks developed	BISD - 21	R400 000.00	2 parks available in Dodrecht and Lady Frere	Lady Frere Park developed	Geo Tech Report and EIA report.	Director Community Services
			Number of business plans developed for open space management and town beautification	BISD - 22	Business Plan	0%	2 Business plan for open space management and beautification of entrances dveloped	Business plans Progress reports & Minutes	Director Community Services
To ensure a safe and secure	Disaster Management	Full implementation of the approved Disaster Management Plan	1 Disaster Management	BISD - 23	R 550 000	Approved business plan for	1 Disaster Management Center	Business Plan. Engagement letters	Director Community Services

Strategic Objectives	Priority Area	Strategy	Key Performance Indicator	Indicator Code	Budget Allocation	Baseline	Annual Target	Evidence	Custodian
environment through mitigating the negative impacts of disasters			Centre operational			Disaster Management Centre			
			Number of Disaster Management Advisory forums meetings	BISD - 24	R 550 000	4 Disaster Management Forum meetings held	6 Disaster Management Advisory Forum meetings conducted	Reports from stakeholders, Minutes and attendance registers	Director Community Services
			Number of disaster awareness campaigns conducted	BISD - 25	R 550 000	14 disaster management awareness campaigns conducted	16 Awareness campaigns on disaster management and fire fighting.	Attendance regiters, activity plans	Director Community Services
			Number of pounds implemented	BISD - 26	R 300 000	Dodrecht Pound developed. Indwe has a holding facility and Lady Frere currently not impounding	1 Pound implemented	Registers and reports	Director Community Services
To facilitate access to energy sources supply to all residents of Emalahleni Municipality	Provison of Electricity	Increase the number of household now being billed for electricity	Number of households with electricity backlogs eradicated by June 2016	BISD - 27	R21m	28 513 households in backlog eradicated	Electrification of households in Ngcuka, Bomeni, Jojweni, Sihlabeni and Mmangweni in Ward 17, 2, 12 and 8 by June 2016	Practical completion certificate	Director Infrastructure Development and Human Settlements
	Provision of adequate alternative energy sources	Facilitate funding for alternative energy	Number of Business Plans submitted by June 2016	BISD - 28	Business Plan	Supply of energy saving	1 Business Plan developed	Business Plan Proof of submission	DirectorL Infrastructure Development &

Strategic Objectives	Priority Area	Strategy	Key Performance Indicator	Indicator Code	Budget Allocation	Baseline	Annual Target	Evidence	Custodian
						street lights in Indwe	and submitted by June 2016		Human Settlements
To facilitate provision of human settlements by relevant sector department in compliance with standards of building controls of ELM	Building Control	Expedite the approval of building plans submitted to the municipality	Percentage of Building plans submitted, processed and approved	BISD - 29	Opex	12 building plans submitted and approved	100% of building plans received proccessed and approved by June 2016	Approved building plans	Director Infrastructure Development and Human Settlements
	Human Settlements	Facilitation of transfers of houses to rightful owners	Percentage of title deeds issued to beneficiaries	BISD - 30	Opex	Approved beneficiary lists	100% of title deeds transfered to beneficiaries by June 2016	Confirmation of registration from Deeds Office	Director Infrastructure Development and Human Settlements
		Faciltation of registrration of beneficiaries for houses	Number of beneficiaries registered	BISD - 31	Opex	268 beneficiaries registered	500 beneficiaries registered for houses	Housing Support System report printout stating registered beneficiaries	Director Infrastructure Development and Human Settlements
		Facilitation of construction of houses in Sinako Zwelethemba	Number of houses facilitated for construction in Sinako Zwelethemba	BISD - 32	Provincial Allocation	195 approved beneficiaries	Facilitate construction of 289 houses in Sinako Zwelethemba	HSS report of approved beneficiaries Letters written to Dept of Human Settlements	Director: Infrastructure Development and Human Settlements
		Facilitation of construction of houses in Zwartwater	Number of houses facilitated for construction in Zwartwater	BISD - 33	Provincial Allocation	154 approved beneficiaries	Facilitate construction of 1000 houses in Zwartwater	HSS report of approved beneficiaries Letters written to Dept of Human Settlements	Director: Infrastructure Development and Human Settlements
		Facilitation of appointment of service provider for township establishment in Indwe	Number of township establishments facilitated in Indwe	BISD - 34	Provincial Allocation	Feasibility study approved	Facilitate appointment of service provider for township establishment for Indwe West Gate	Letters written to Department of Human Settlements	Director: Infrastructure Development and Human Settlements

Strategic Objectives	Priority Area	Strategy	Key Performance Indicator	Indicator Code	Budget Allocation	Baseline	Annual Target	Evidence	Custodian
		Facilitation of construction of houses in Indwe	Number of houses facilitated for construction in Indwe	BISD - 35	Provincial Allocation	140 beneficiaries approved	Facilitate appointment of service provider for consttruction of 462 houses in Indwe	HSS report of approved beneficiaries Letters written to Dept of Human Settlements	Director: Infrastructure Development and Human Settlements
		Facilitation of Cacadu extension feasibility study	Number of feasibility studies facilitated to be conducted by the Department of Human Settlements	BISD - 36	Provincial Allocation	sector plan approved and budget approved for feasiblity study	Facilitate conducting of 1 feasibility study for Cacadu Extension by the Department of Human Settlements	Letters written to Department of Human Settlements	Director: Infrastructure Development and Human Settlements
		Facilitation of Dordrecht 800 feasibility study	Number of feasibility studies facilitated to be conducted by the Department of Human Settlements	BISD - 37	Provincial Allocation	sector plan approved and budget approved for feasiblity study	Facilitate conducting of 1 feasibility study for Dordrecht 800 by the Department of Human Settlements	Letters written to Department of Human Settlements	Director: Infrastructure Development and Human Settlements
To ensure the provision of a comprehensive roads infrastructure network	Roads infrastructure	Full implementation, monitoring and reporting on the approved Roads Infrastructure Plan	Number of roller machinery and utilised purchased by June 2016	BISD - 38	R3.0m	Smooth Roller, Grader, 2 Watercarts, 3 Tipper Trucks, Lowbed Truck, Excavator, 1 TLB available	1 Grid Roller purchased and utilised for road maintenance	Advertisement for grid roller Appointment letter of service provider Report on utilisation of grid roller	Director: Infrastructure Development and Human Settlements
			Number of kilometers of	BISD - 39	R7 700 256.00		2.5 kms of Zakhele road	ppointment letter of service provider	Director Infrastructure

Strategic Objectives	Priority Area	Strategy	Key Performance Indicator	Indicator Code	Budget Allocation	Baseline	Annual Target	Evidence	Custodian
			road constructed and maintained by June 2016			181 kms done since 2006/2007	constructed and completed by June 2016	Completion certificate	Development and Human Settlements
					R3 992 600.00		1 km of Ngcuka Access Road paved and completed by June 2016	ppointment letter of service provider Completion certificate	Director Infrastructure Development and Human Settlements
					R600 000.00		2.5 kms of Blangwe access road upgraded by June 2016	Completion certificate	Director Infrastructure Development and Human Settlements
					R 600 000		2.5 kms of Manyangaza access road ugraded by June 2016	Completion certificate	Director Infrastructure Development and Human Settlements
			Number of kilometers of gravel roads maintained by June 2016	BISD - 40	R3.7m		15kms of Gravel Road mantained at Wards (4,5,11,14,15) by June 2016	Progress reports	Director Infrastructure Development and Human Settlements
			Number of meters of streets paved by June 2016	BISD - 41	R1.5m	2 kms paved in Lady Frere	200m of Lady Frere Internal Streets in Ward 4 and 5 paved by June 2016	Progress reports with photos	Director Infrastructure Development and Human Settlements
					R1.5m	300 meters paved	300m of Indwe internal Streets paved by June 2016	Progress reports with photos	Director Infrastructure Development and Human Settlements

Strategic Objectives	Priority Area	Strategy	Key Performance Indicator	Indicator Code	Budget Allocation	Baseline	Annual Target	Evidence	Custodian
					R1.5m	450 meters paved	200m of Dordredcht internal Streets paved by June 2016	Progress reports with photos	Director Infrastructure Development and Human Settlements
To ensure the availability of well-maintained and repaired buildings, amenities and recreational facilities to which the public has full access	Building/facilities/amenities and recreartional facilities	Construct new facilities and also renovate and manage existing halls and other facilities	Number of Community Halls renovated.	BISD - 42	R1m	5 Halls renovated	4 Halls renovated by June 2016	Assessment Report. Appointment of contractor	Director Community Services
			Number of new Community halls and facilities constructed by June 2016	BISD - 43	R 4 632 100	Number of community halls constructed annually	Construction of 1 Community Hall in Ward 3 by June 2016	Completion certificate Appointment letter of contractor	Director Infrastructure Development and Human Settlements
					R 200 000,00	Appointment of developers	100% construction of Council Chamber by June 2016	Practical completion certificate	Director Infrastructure Development and Human Settlements
					Business Plan	Inadequate offices for staff	100% facilitation of grant funding for construction of municipal offices by June 2016	Business Plan and confirmation letters from funders	Director Infrastructure Development and Human Settlements
			Number of utilisation and management registers developed and implemented	BISD - 44	R 1 500 000	No registers in place	17 utilisation and management registers developed and implemented	Utilisation plan and registers	Director Community Services
			Number of Early Childhood Development forums established.	BISD - 45	Opex	0%	3 Early Childhood Development Forums	Terms of reference. Attendance register, Early Childhood Development Forums data base	Director Community Services

Strategic Objectives	Priority Area	Strategy	Key Performance Indicator	Indicator Code	Budget Allocation	Baseline	Annual Target	Evidence	Custodian
							established and functional		
			Number of library Utilisation campains conducted.	BISD - 46	Opex	12 Campaigns	12 library utilisation campaigns conducted.	Activity Plan. Reports , Attendance Registers	Director Community Services
			Number of library users registered as members	BISD - 47	Opex	1011 users registered	300 additional users registered	Registration registers	Director Community Services
			Number of library Committes established	BISD - 48	Opex	6 libraries with no Library Committees	3 library committees established	Approved terms of reference. Attendance register. Activity plan	Director Community Services
			Number of cemeteries developed	BISD - 49	Opex	3 existing Cemeteries	1 Cemetery Layout Plan for Lady Frere developed	Activity Plan, Advert, Progress Reports	Director Community Services
					R 250 000	3 Cemeteries	Land acquision for Indwe Cemetery	Business plan Follow up Letter written to funders appointment letter of service provider Advertisement	Director Community Services
			Number of cemeteries managed	BISD - 50	R 300 000	3 Cemeteries	Cemetery Registers maintained for three units	Cemetery registers	Director Community Services
To facilitate the development of land in a sustainable manner by 2017	Spatial Dfevelopment		Number of upgraded sportsfields in Lady Frere as per project plan	BISD - 51	R 3 000 000	Sportsfield not fully upgraded	1 Sportsfield in Lady Frere upgraded	Completion certificate Close out report	Director Infrastructure Development and Human Settlements
			Number of business plans submitted for funding of	BISD - 52	R 100 000	Sportsfield not renovated	Preparation and submission of the business	Assessment report Business Plan Follow up conrrespondence	Director Infrastructure Development and Human

Strategic Objectives	Priority Area	Strategy	Key Performance Indicator	Indicator Code	Budget Allocation	Baseline	Annual Target	Evidence	Custodian
			sportsfiled renovation in Dodrecht				plan for renovation of Dodrecht Sports Field		Settlements and Community Servives.
			Number of reports submitted on land audit undertaken	BISD - 53	No budget	No land audit conducted	1 Report submitted on land audit conducted	Letter requesting funding Land Audit report	Director: Infrastructure Development and Human Settlements
			Number of local SDFs developed	BISD - 54	No budget	2 Local SDFs developed	1 Local SDF developed	Letter requesting funding Feasibility study report Public Participation report appointment letter of service provider	Director: Infrastructure Development and Human Settlements
		Implementation of the approved Spatial Development Framework	Number of street names and signs completed	BISD - 55	R400 000.00	Current Street signs erected	100% Street Naming in Indwe by June 2016	Report on outcome of public participation on street naming	Director Infrastructure Development and Human Settlements
		Implementation of the approved Spatial Development Framework	Number of Land use applications, received, processed and approved	BISD - 56	R 400 000	04 land use applications	100%land use applications received, processed and approved by June 2016	Council Resoluitons on approved land use applications	Director Infrastructure Development and Human Settlements
			Number of business plans developed for upgrading of Indwe Resort	BISD - 57	Business Plan	Dilapidated resort	1 Business plan developed to source funding for the upgrade of the Indwe Resort	Follow up on submitted business plans	Director: Community Services
		Lobby for funding for the implementation of unfunded bulk infrastructure pojects	Number of risk appointment	BISD - 58	Business Plan	3 risk appointment	4 risk appointment	Risk Appointment letters	Municipal Manager

Strategic Objectives	Priority Area	Strategy	Key Performance Indicator	Indicator Code	Budget Allocation	Baseline	Annual Target	Evidence	Custodian
			letters written to appoint service providers to prepare and submit business plans to potential funders for the implementation of bulk infrastructure projects			letters written	letters to be written by June 2016	Accceptance letters from pontential funders	
	Job Creation	Create jobs to reduce unemployment in the Emalahleni Municipal area	Number of jobs created through Community Works Programme, Expanded Public Works Programme and Electrification programme	BISD - 59	Grants	newly introduced project by COGTA	200 jobs created through the Community Works Programme	Employment contracts of workers appointed. MoU signed with COGTA Reports	Director: Infrastructure Development and Human Settlements Director: Community Services Director: Economic Development, Tourism and Agriculture
						163 jobs created in 2014	70 jobs created through the Expanded Public Works Programme	Employment contracts of workers appointed. Reports on implementation	Director: Infrastructure Development, Director: Economic Development, Tourism and Agriculture
							150 jobs created through the Electrification programme	Employment contracts of workers appointed Report on implementation	Director: Infrastructure Development

Strategic Objectives	Priority Area	Strategy	Key Performance Indicator	Indicator Code	Budget Allocation	Baseline	Annual Target	Evidence	Custodian
To ensure provision of basic services to indigent communities by June 2017	Indigent Support	Review and update of the Indigent Register	Number of households receiving indigent support	BISD - 60	opex	3 000 households receiving indigent support	Identification and registration of indigent households. Implementation and assessment of indigent support to existing beneficiaries	Reviewed Indigent Register Reports on implementation	Chief Financial Officer
To encourage the formation and support the development of SMMEs within Emalahleni	SMME Support	Supporting entrepreneurs to build more economic capacity	Number of brick making cooperatives supported with machinery .	LED - 1	R 300 000	5 brickmaking machinery procured for 5 cooperatives in Dordrecht	brick making machinery purchased for 3 brick making cooperatives in Indwe by June 2016	Advertisement for brick making machinery Appointment letter of service provider Training report & attendance registers Report on utilisation of machinery	Director Economic Development, Tourism and Agriculture
			Number of management plans developed and approved for the poultry production	LED - 2	Opex	5 poultry cooperatives supported with production inputs and capacity building	1 Management Plan developed for poultty production in Emalahleni and approved for implementation	Management Plan Council Resolution Report	Director: Economic Development, Tourism and Agriculture
			Number of Business Plans developed and submitted for the management of Poultry Projects	LED - 3	R 30 000	6 poultry cooperatives were supported with production inputs and	1 Business Plan developed for Poultry Projects by June 2016	Business Plan follow up conrrespondence Report	Director Economic Development, Tourism and Agriculture

Strategic Objectives	Priority Area	Strategy	Key Performance Indicator	Indicator Code	Budget Allocation	Baseline	Annual Target	Evidence	Custodian
						capacity building			
			Number of new SMMEs supported by June 2016	LED - 4	R 100 000	1 SMME supported with production inputs and capacity building (Sinako Youth Enterprise)	1 new SMME supported by June 2016 (Autostyle Car Wash)	Work Plan Appointment letter of service provider Close out report	Director Economic Development, Tourism and Agriculture
To implement the Local Economic Development Plan with particular emphasis on key aspects of tourism development in ELM	Tourism Development	Provide training programmes to tourism entrepreneurs in partnership with the district municipality and sector departments	Number of business plans developed and submitted for funding of Tourism establishments	LED - 5	Opex	No funding for Tourism establishments	1 Business Plan developed and submitted to fund Tourism establishments	Business Plan follow up conrrespondence	Director Economic Development, Tourism and Agriculture
			Number of tourism ventures supported	LED - 6	R 100 000	1 Tourism venture established (Arts Centre)	Profiling of tourism business in Emalahleni	Assessment report Report on profiling	Director Economic Development, Tourism and Agriculture
			Number of initiatives undertaken to rehabilitiate Kloof Conservancy Tourism attraction	LED - 7		Business plan developed for the Kloof Conservancy	Initiate a project to rehabilitate the Kloof Conservancy	Correspondence feasiblity study report with Kloof Conservancy business plan	Director:Economic Development, Tourism and Agriculture
			Number of heritage celebration strategies developed and	LED - 8	R 100 000	1 Heritage event held in Qoqodala	Development of a Heritage Celebration Strategy for Emalahleni	Heritage Celebration Strategy Council Resolution Reports Attendance registers for workshops	Director Economic Development, Tourism and Agriculture

Strategic Objectives	Priority Area	Strategy	Key Performance Indicator	Indicator Code	Budget Allocation	Baseline	Annual Target	Evidence	Custodian
			approved byJune 2016						
To promote and support agricultural development	Agricultural Development	Provide basic agricultural support to livestock owners	Number of Nguni Bulls purchased for livestock owners	LED - 9	R 450 000	62 Nguni bulls were allocated to 07 different wards of Emalahleni LM	15 Nguni Bulls purchased by June 2016	Appointment of service provider Activity Plan Report on implementationi of activity plan Letters written to CHDM Minutes and attendance registers of meetings with CHDM	Director Economic Development, Tourism and Agriculture
			Number of municipal farms utilised for revenue generation	LED - 10		1 Farm leased to Qhunkqu project	6 Farms fully utilised for revenue generation by June 2016	Audit report of status Advert for RFP Lease Agreements	Director: Economic Development, Tourism and Agriculture
			Number livestock branded and Marketed	LED - 11	R 50 000	1500 livestock branded in 2014/2015 financial year	1500 livestock branded	Livestock branding and marketing plan developed Report on branding of livestock	Director Economic Development, Tourism and Agriculture
						1036 livestock auctioned	Facilitate auctioning of 1000 Livestock by June 2016	Appointment letter of auctioneer Close out report	Director Economic Development, Tourism and Agriculture
	Local Economic development	Facilitate and increase access to emerging farmer development support programmes	Number of dipping tanks constructed	LED - 12	R1 200 000.00	7 Dipping tanks constructed	Construction of 3 dipping tanks by June 2016	Appointment letters of service providers Construction report Handover report	Director Economic Development, Tourism and Agriculture
KEY PERFORMANCE AREA (KPA) 3 : MUNICIPAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT									

Strategic Objectives	Priority Area	Strategy	Key Performance Indicator	Indicator Code	Budget Allocation	Baseline	Annual Target	Evidence	Custodian
To develop the skills of the workforce and unemployed graduates in order to enhance their competencies	Human Resource Development	Approval of the HRD Strategy	Number of HRD Strategies approved and implemented	MTID - 1	**R 262 000**	Draft HRD Strategy in place	Facilitate approval and Implementation of 1 HRD Strategy	Approved HRD Strategy and Council Resolution . Attendance Register of the Workshop and report. Implementation reports	Director Corporate Services
		Implementation of learnership programmes on ELM scarce skills for unemployed graduates	Number of learnership programmes implemented	MTID - 2	**R86 355.20**	2 learnerships implemented	Facilitate approval of 2 learnership programmes by LGSETA for implementation	1. Application letter to LGSETA. 2. Advertisement calling for learners to participate. 3. Approval letter from LGSETA. 4. Reports on learner progress	Director Corporate Services
		Training of officials on National Treasury minimum competencies in line with regulations	Number of officials trained on minimum competencies	MTID - 3	**R 733 600**	19 Officials and Councillors trained on Minimum competencies	4 officials trained on Minimum Competencies	Progress reports from the institution submitted to the Standing Committee	Director: Corporate Services
		Implementation of the approved Workplace Skills Plan	Number of officials and councillors trained in line with the approved Workplace Skills Plan	MTID - 4		27 officials and 9 councillors trained	6 officials and 4 councillors trained in priority programmes of the WSP	Appointment letters of training providers Reports on training programmes	Director: Corporate Services
			Number of employees assessed for Recognition of Prior Learning	MTID - 5	**R6 476.64**	No RPL conducted in the past	3 employees assessed for RPL and certified competent	1. List of bebeficiaries 2. Appointment letter of Service Provider 3. Programme progress report and certificates	Director Corporate Services

Strategic Objectives	Priority Area	Strategy	Key Performance Indicator	Indicator Code	Budget Allocation	Baseline	Annual Target	Evidence	Custodian
	Employment Equity	Organisational Transformation	Number of reports submitted on the implementation of the approved Employment Equity Plan	MTID - 6	**Opex**	5 managers from designated groups appointed	Facilitate implementation of targets in the EE Plan for 2015/16 and report to the EE Commission	1. Checklist developed. 2. Implementation report 3. Proof of submission to Dept of Labour	Director: Corporate Services
To provide appropriate Human Resources to support all Directorates in the municipality by June 2016	Human Resources Management	Population of the approved organisational structure	Number of approved and budgeted positions filled	MTID - 7	**R 485 748**	29 budgeted positions on the organogram filled	19 budgeted positions filled by June 2016	1. Advertisement for positions. 2. Appointment letters. 3. Reports submitted on appointments and terminations	Director Corporate Services
			Number of Reviewed Human Resources Plans	MTID - 8	**R 500 000**	Draft Human Resources Plan	Review 1 Human Resources Plan	Council Resolution approving HR Plan Attendance Registers Implementation reports	Director Corporate Services
		Reconciliation of Payroll with Human Resources by June 2016	Number of staff audits conducted to correct payroll discrepancies	MTID - 9	**OPEX**	Disintegration of HR and Payroll. 2 staff audits conducted	Conduct 4 staff audits and correct discrepancies in Payroll	Reports on staff audit	Director: Corporate Services & Chief Financial Officer
To ensure a healthy and safe working environment for councillors and employees	Occupational Health and Safety	Development and Implementation of the OHS Strategy	Number of Occupational Health and Safety Strategies developed and implemented	MTID - 10	OPEX	No OHS Strategy exists	1 Occupational Health & Safety Strategy developed and implemented by June 2016	Attendance register for workshop. Council resolution approving the Strategy. Reports on implementation of the Strategy	Director: Corporate Services
			Number of OHS Committees revived and number of	MTID - 11	Opex	OHS Committee dysfunctional. 1	Facilitate revival of the OHS Commtitee	OHS Committee meeting minutes and attendance registers	Director: Corporate Services

Strategic Objectives	Priority Area	Strategy	Key Performance Indicator	Indicator Code	Budget Allocation	Baseline	Annual Target	Evidence	Custodian
			meetings held in compliance with the OHS Policy			Committee meeting held	and hold 4 meetings by June 2016		
			Number of OHS inspections conducted in the workstations	MTID - 12	OPEX	No OHS inspections conducted in 2014/15. 3 inspections were conducted in 2013/2014	Conduct 4 inspections in all workstations and report on findings	Report on inspections conducted	Director: Corporate Services
To provide an integrated ICT system that will ensure safety of information by June 2016	Information and Communication Technology	Provide an integrated security system that responds to the needs of the municipality	Number of Server rooms and IT Offices upgraded	MTID - 13	R800 000.00	Limited capacity of the existing server room	Construction of 1 server room and 2 IT Offices	Advertisement of the bid for the construction of server room. Reports on completion of server room	Director: Corporate Services and Director: Infrastructure Development
			Number of towers installed by MTN through the broadband project to improve connectivity in Emalahleni	MTID - 14	PILOT PROJECT BY USSASA	90 % 3G coverage in the Emalahleni municipal area	Implementation of SLA on broadband project	Reports on the implementation of broadband project	Director: Corporate Services
			Improved connectivity between the main office in Lady Frere and the 2 satellite offices.	MTID - 15	R 1 000 000,00	Upgraded server and increased connection speed from 256 kbps to 2Gig.	Network Infrastructure maintained and managed both on LAN and WAN.	Report on maintenance work done Register on queries	Director: Corporate Services

Strategic Objectives	Priority Area	Strategy	Key Performance Indicator	Indicator Code	Budget Allocation	Baseline	Annual Target	Evidence	Custodian
		Implementation of ICT Governance Framework	Number of reports submitted on the implementation of the ICT Governance Framework	MTID - 16	R 160 000,00	Existing ICT Governance Framework	4 reports submitted on the implementation of the ICT Governance Framework	Reports on implementation of approved ICT Governance Framework	Director: Corporate Services
			Number of functional ICT forums established and meetings held by June 2016	MTID - 17	OPEX	ICT Steering Committee established and 1 meeting held	4 ICT Steering Committee meetings held	Attendance registers and minutes of meetings Terms of reference for committee	Director: Corporate Services
			Number of reports submitted on integration of ICT applications	MTID - 18	R 135 280,00	Monthly reports on general ICT functioning	Institutional ICT Systems applications integrated by June 2016	Approved Terms of Reference Appointment letter of service provider Quaterly progress reports	Director: Corporate Services
To ensure an effective system of municipal governance in line with applicable legislation	Council Support	Development and Implementation of a synchronised Council Calendar of events	Number of Council events held in line with the approved Council calendar	MTID - 19	R 809 580,00	Council calendar approved for 2014/2015	1 Council calendar of events developed and approved for 2015/2016	Attendance registers Minutes of meetings held	Director: Corporate Services
			Reviewed Council Rules of Order and implementation reports submitted	MTID - 20	policies budget	Rules of Order existing	Reviewed Rules of Order for Council and 3 implementation reports submitted to the Office of the Speaker	Council resolution approving Rules of Order Reports submitted to the office of the Speaker	Director: Corporate Services

Strategic Objectives	Priority Area	Strategy	Key Performance Indicator	Indicator Code	Budget Allocation	Baseline	Annual Target	Evidence	Custodian
			Number of reports submitted on implementation of Council resolutions	MTID - 21	OPEX	4 reports submitted to Council on implementation of resolutions in the resolutions register	4 quarterly reports on implementation of Council resolutions as per resolutions register submitted to Council	Updated resolutions register Council resolution adopting the updated register	Director: Corporate Services
To ensure an effective system of municipal governance in line with applicable legislation	Provision of effective legal services	Development of a guiding framework for legislative compliance requirements	Number of reports on legal claims register updates submitted	MTID - 22	R 100 000,00	No reports	4 Reports submitted on the legal claims register or Contingency Register updates	Legal Claims Register and Reports submitted to the Standing Committee	Director: Corporate Services
			Number of reports on performance of external attoneys submitted	MTID - 23	R 53 972,00	No reports	4 Reports submitted on the performance of the appointed panel of attorneys	Reports submitted to the Standing Committee	Director: Corporate Services
	Records Management	Implementation of electronic document management system (EDMS)	Number of Electronic Document Management Systems (EDMS) procured and implemented	MTID - 24	Opex	Reports on paper based filing submitted	Procurement of EDMS and report on implementation	Appointment letter of service provider Reports on Implementation	Director: Corporate Services
		Facilitation of disposal of old records in line with legislation	Number of reports on records submitted on	MTID - 25	Opex	None	4 quarterly reports submitted to the Standing Committee	Quarterly report submitted to the Standing Committee	Director: Corporate Services

Strategic Objectives	Priority Area	Strategy	Key Performance Indicator	Indicator Code	Budget Allocation	Baseline	Annual Target	Evidence	Custodian
			the disposal of records						
	Fleet Management	Acquistion of suitable fleet for delivery of services	Number of vehicles and plant machinery acquired	MTID - 26	R800 000.00	8 Plant machinery and 5 pool vehicles available	Acquire 10 vehicles and 5 Plant Machinery	Advertisement Appointment letter of service provider Reports on implementation of system	Director: Corporate Services
To ensure an efficient and effective Fleet management System		Implementation of the fleet management policy	Number of reports submitted on compliance with the fleet management policy	MTID - 27	R 917 524,00	Monthly reports submitted	4 quarterly reports reflecting compliance submitted to the Standing Committee	Quarterly report submitted to the Standing Committee	Director: Corporate Services
To streamline all special programmes	Special Programmes	Coordination of special programmes	Number of Special Programmes coordinated and implemented	MTID - 28	R 209 600	Mandela Day observed in 2014	Coordinate observation of Mandela Day	Reports Programme developed for the day	Municipal Manager
					Business Plan	No external funding of the Mayoral Cup tournament	1 Business Plan developed for the support of the Mayoral Cup tournament	Business Plan Follow up correspondence	Municipal Manager
					R 431 776	1 Mayoral Cup tournament hosted	Coordinate the Mayoral Cup tournament	Reports Programme for the Mayoral cup tournament	Municipal Manager
					R 206 000,00	4 Youth programmes coordinated	34 Youth provided with skills and capacity building programmes	Report on recruited youth Report on programmes completed Minutes of quarterly meetings	Municipal Manager

Strategic Objectives	Priority Area	Strategy	Key Performance Indicator	Indicator Code	Budget Allocation	Baseline	Annual Target	Evidence	Custodian
					R 145 888	Themba Zumana and Qonda Hoho honoured in 2014	Provide support to 4 youth programmes	Reports on support provided Minutes of quarterly meetings	Municipal Manager
					R 173 832	2 activities conducted for Women's programmes in 2014/2015	Coordinate observation of Women's month	Concept document Evaluation report of Women's Day Report on women support	Municipal Manager
					R 107 994	Participation of the Elderly in the Golden Games in 2014/2015	Coordinate hosting of Golden Games for the Elderly	Report Programmes: Golden games and Older Persons Day	Municipal Manager
					R 107 994	Summit for Disability Structure conducted	Conduct 2 development programmes for the PWD structure	Report on skills audit Development programme Report on support provided	Municipal Manager
					R 161 916	Grade 12 learners supported through the Winter school programme	Support Learner Improvement Programme	MoU with Department of Education	Municipal Manager
		Development of integrated Special Programmes Strategy	Number of Special Programmes Strategy developed	MTID - 29	Incorporated into policy budget provision	No existing strategy	1 Special Programmes Strategy developed and implemented	Council resolution approving strategy Attendance register and programme Reports on implementation	Municipal Manager
		Supporting best performing and needy learners within Emalahleni	Number of Learners	MTID - 30	R 345 420	3 learners granted a bursary	4 learners granted a bursary in	Advertisement for study assistance Minutes of meetings	Municipal Manager

Strategic Objectives	Priority Area	Strategy	Key Performance Indicator	Indicator Code	Budget Allocation	Baseline	Annual Target	Evidence	Custodian
			granted bursaries			towards registration fees	terms of the Bursary Policy	- Bursary Committee Letters written to successful leaners Proof of payment	
		Supporting of the Fieldband project	Number of Fieldband activities held and Regional championships hosted	MTID - 31	R 792 000	participation of Fieldband in the regional championships in 2014. MoU signed with Fieldband	1 launch of fieldband hosted. Signing of new MoU with Fieldband	MoU with Fieldband Invitation letters and programmes Evaluation report	Municipal Manager
			Numbr of business plans developed and submitted for the support of the Fieldband project	MTID - 32	Business Plan	No external funding of the Fieldband project	1 Business Plan developed and submitted for the funding of Fieldband project	Business Plan Follow up correspondence	Municipal Manager
To streamline programmes for the prevention of new HIV infections	HIV/AIDS Prevention	Implementation of awareness programmes on HIV/AIDS	Number of Reviewed HIV/AIDS Strategies	MTID - 33	R 500 000,00	outdated HIV/AIDS strategy (2009 - 2014)	HIV/AIDS Strategy Reviewed and Implemented	Quarterly reports	Director Community Services
			Number of meetings held and reports submitted	MTID - 34	R 500 000,00	4 LAC Meetings	Implementation of HIV/AIDS Strategy	Quarterly reports	Director Community Services
			Number of awareness campaigns conducted	MTID - 35		4 campaigns	4 Awareness campaigns conducted	Quarterly reports	Director Community Services
To provide appropriate Human Resources to support all	Employee Wellness	Implementation of Wellness programmes for employees	Number of wellness related capacity building programmes	MTID - 36	R 485 748,00	No wellness capacity programmes	2 wellness programmes implemented	Reports on wellness programmes implemented	Director: Corporate Services

Strategic Objectives	Priority Area	Strategy	Key Performance Indicator	Indicator Code	Budget Allocation	Baseline	Annual Target	Evidence	Custodian
Directorates by June 2016			implemented per annum						
			Number of Organisational Wellness Programmes implemented per annum	MTID - 37		2 organisational wellness programmes implemented	3 organisational wellness programmes implemented	Attendance registers Programme impact assessment report submitted to the Standing Committee	Director: Corporate Services
To provide appropriate Human Resources to support all Directorates in the municipality by June 2016	Labour Relations	Maintenance of labour stability	Number of LLF meetings convened	MTID - 38	Opex	3 LLF meetings held	4 LLF meetings conducted	Attendance registers and minutes of meetings	Director: Corporate Services
To ensure a developmentally oriented planning institution in line with the requirements of local government laws and regulations by June 2016	Integrated Development Planing	Compliance with the legislated IDP processes and procedures	Number of approved process plans implemented	MTID - 39	R 485 748,00	Approved IDP and Budget process plan for 2014/2015	Approval and implementation of 1 IDP and Budget process plan	Attendance registers Council Resolution IDP and Budget process plan	Municipal Manager
		Develop a responsive institutioanl plan	Number of institutional plans developed	MTID - 40		Approved credible IDP for 2014/2015	1 IDP developed and approved for implementation	Council Resolution Attendance registers Report on reviewed ward priorities	Municipal Manager
		Report on performance of the municipality	Number of annual reports developed and published	MTID - 41		Annual report developed for 2013/2014	1 Annual report developed, approved by Council and printed for publication	Annual Report Council Resolution Mid term report report on performance assessments	Municipal Manager
To ensure there is a performance	Performance Management	Implementation of the PMS Framework, Policy and Procedures	Level of compliance with the PMS	MTID - 42	R314 400 and R377 804	Full implementation of the	Cascading of PMS to middle	Signed accountability agreements	Municipal Manager

Strategic Objectives	Priority Area	Strategy	Key Performance Indicator	Indicator Code	Budget Allocation	Baseline	Annual Target	Evidence	Custodian
driven institutional culture in Emalahleni by June 2016			Framework, Policy and Procedures implementation			PMS framework at senior management level	management and practitioners	Performance review reports	
KEY PERFORMANCE AREA (KPA) 4 : GOOD GOVERNANCE AND PUBLIC PARTICIPATION									
To ensure fully functional systems of internal and external communication by 2017	Communication	Implentation of the communication strategy	Number of communication activities implemented	GGPP - 1	R 623 560	Newsletters, newspaper adverts and Radio Talks hosted in 2014/2015	1 Communication Strategy developed and adopted	Communication Strategy Report on consultation sessions Attendance registers Council Resolution	Municipal Manager
							4 newsletters published.	newsletters	Municipal Manager
							8 Radio talkshows hosted	order number for securing radio slot	Municipal Manager
							12 newspaper advertisements placed	newspaper insets and order issued to the newspaper	Municipal Manager
	Public Participation	Development and implementation of public paticipation systems and mechanisms	Number of Public Participation Strategies developed and adopted by June 2016	GGPP - 2	Incorporated into policy budget provision	Draft Public Participation Strategy in place	1 Public Participation Strategy developed and adopted	Public Participation Strategy Report on consultation sessions Attendance registers Council Resolution	Municipal Manager
To improve community paticipation in the affairs of the mubnicipality.			Number of Mayoral imbizos and outreach programmes conducted by June 2016	GGPP - 3	R471 600 and R269 860	2 Mayoral imbizos held and outreaches conducted in 17 wards	2 Mayoral imbizos held and 5 sector outreach imbizos conducted	attendace registers and outreach reports	Municipal Manager
		Capacity building of ward committees and traditional leaders	Number of Ward Committees	GGPP - 4	R 1 000 000	170 Ward Committee	170 Ward Committee members and	Skills Audit report Skills Development programme	Municipal Manager

Strategic Objectives	Priority Area	Strategy	Key Performance Indicator	Indicator Code	Budget Allocation	Baseline	Annual Target	Evidence	Custodian
			and traditional leaders trained			members trained	7 Traditional leaders trained	developed Report on training conducted Certificates issued	
To ensure there is an effective system of municipal governance in line with applicable legislation	Legal Compliance	Development and implementation of policies	Number of policies developed, communicated to employees and implemented	GGPP - 5	R163 535.16	4 new policies developed	3 new policies developed by June 2016	Attendance registers Council resolution approving the policies Quarterly report on implementation of policies submitted to the Standing Committee	Director: Corporate Services
		Review and implementation of policies	Number of policies reviewed, communicated and implemented	GGPP - 6		21 policies reviewed in 2014/2015	5 policies reviewed by 30 June 2016	Attendance registersCouncil resolution approving the reviewed policiesQuarterly report on implementation of policies submitted to the Standing Committee	Director: Corporate Services
		Promulgation and Gazetting of by-laws	Number of business plans developed and submitted to secure funding for the promulgation and gazetting of bylaws	GGPP - 7	Business Plan	Council approved by-laws	1 Business Plan developed and submitted to potential funders for the promulgation of by laws	Business Plan Follow up correspondence	Director: Corporate Services
			Number of by-laws promulgated and gazetted	GGPP - 8	R 496 245,00	Council approved by-laws	5 by laws promulgated and gazetted	Appointment letter of service provider Gazetted by laws	Director: Corporate Services

Strategic Objectives	Priority Area	Strategy	Key Performance Indicator	Indicator Code	Budget Allocation	Baseline	Annual Target	Evidence	Custodian
To achieve a clean administration by June 2016	Internal Audit	Establish a functional Audit Committee and functional internal audit unit	Number of audit committee meetings held	GGPP - 9	R 200 000,00	4 Audit Committee meetings held	Hold 4 Audit Committee meetings	Attendance Register and minutes of the meetings Report submitted to Council	Municipal Manager
			Number of audit committee reports submiited to Council	GGPP - 10	R 107 944,00	2 audit committee reports submitted	4 quarterly reports submitted	Quarterly reports submitted	Municipal Manager
To ensure the ELM operates clear of anticipated risks of maladministration, fraud and corruption	Risk Management and Fraud Prevention	Develop and implement a risk management strategy and charter	Number of risk management strategies and charters developed	GGPP - 11	Opex	No risk management strategy in place	Development of 1 risk management strategy and charter	Council Resoluiton Risk Management Strategy Implementation reports	Municipal Manager
		Develop and implement a risk management plan	Number of risk management plans developed	GGPP - 12	Opex	No risk management plan in place	Development of 1 risk management plan	Council Resoluiton Risk Management Plan Implementation reports	Municipal Manager
		Develop and implement fraud and corruption prevention plan	Number of fraud and corruption prevention plans developed	GGPP - 13	Opex	No fraud and corruption prevention plan in place	Development of 1 fraud and corruption prevention plan	Council Resoluiton Fraud and Corruption Prevention Plan Implementation reports	Municipal Manager

Strategic Objectives	Priority Area	Strategy	Key Performance Indicator	Indicator Code	Budget Allocation	Baseline	Annual Target	Evidence	Custodian
To maximise public participation of all external and internal stakeholders of ELM	Intergovernmental Relations	Development of IGR Strategy	Number of IGR Strategies developed	GGPP-14	IDP Budget	No IGR Strategy exists	1 IGR Strategy developed	Council Resoluiton IGR Strategy Implementation reports	Municipal Manager
KEY PERFORMANCE AREA (KPA) 5 : FINANCIAL VIABILITY AND MANAGEMENT									
To implement proper supply chain protocols in compliance with the MFMA legislation	Supply Chain Management	Development and implementation of a clear SCM demand management plan.	Number of demand management plans developed	FVM - 1	Opex	Procurement plan developed	1 SCM Demand Management Plan developed	New data base applications and Procurement plan	Chief Financial Officer
		Monitor and evaluate and report on all aspects of the SCM value chain	Number of Monthly and quarterly reports prepared and submitted to the relevant offices	FVM - 2	Opex	14/15 SCM quarterly reports	4 quarterly reports on SCM submitted	Quarterly SCM reports submitted to authoritative structures of Council	Chief Financial Officer
			Number of Bid Committee meetings held by June 2016	FVM - 3	Opex	14/15 Bid Committees minutes	12 Bid Committee meetings held by June 2016	Minutes of all bid committees	Chief Financial Officer
To improve compliance and adherence to legislation	Financial Management	Development of comprehensive audit plan. Tightening of current internal controls and their implementation (inclusive of general compliance)	Timely submission of AFS after the end of the financial year	FVM - 4	R 200 000	13/14 AFS	Submission of 14/15 AFS within legislative time frame	Confirmation letter from AG and 14/15 AFS	Chief Financial Officer
			The full implementation of 14/15 AG	FVM - 5	Opex	14/15 AG action plan	Full implementation of 14/15 AG	Council resolution approving 14/15 audit action plan	Chief Financial Officer and All Directors

Strategic Objectives	Priority Area	Strategy	Key Performance Indicator	Indicator Code	Budget Allocation	Baseline	Annual Target	Evidence	Custodian
			audit action plan				audit action plan		
					Opex	2013/2014 RFI register	100% response to Requests for Information by AG for the 2014/2015 audit	Completed RFI register	Chief Financial Officer and All Directors
To increase the amount of revenue collected annually	Revenue Management	To complete all data cleansing exercise	To do data cleansing exercise in Lady Frere area	FVM - 6	R 200 000	Dordrecht and Indwe data cleansing completed	Data Cleansing	Close out report	Chief Financial Officer
			To compile a supplementary valuation roll	FVM - 7	R 200 000	Valuation Roll for 2014	Supplementary Valuation Roll (SV)	Supplemntary valuation roll	Chief Financial Officer
			Improvement in revenue collection to 65%	FVM - 8	opex	40% collection rate	Revenue collection rate to improve to 65%	Revenue Collection report	Chief Financial Officer
To ensure there is an effective system of municipal governance in line with applicable legislation	Legal Compliance	Develop a responsive institutioanl plan for SCOA	To compile and implement SCOA implementation plan	FVM - 9	R 400 000	Sebata system utilised for FMS	SCOA	Council resolution of approving SCOA implementaion plan	Chief Financial Officer
To improve expenditure patterns and processes by June 2016	Expenditure Management	Enforce compliance to all steps of the expenditure process from SCM, line functions to payment	To perform reconciliation of payroll	FVM - 10	opex	14/15 Payroll reconciliation reports	12 Payroll reconciliations	12 Monthly payroll reconciliations	Chief Financial Officer
			To pay creditors within 30 days	FVM - 11	opex	14/15 AC reports	12 Creditors ageing reports (AC reports)	12 Creditors ageing reports (AC)	Chief Financial Officer

Strategic Objectives	Priority Area	Strategy	Key Performance Indicator	Indicator Code	Budget Allocation	Baseline	Annual Target	Evidence	Custodian
To improve compliance and adherence to MFMA legislation	Budget Planning and Financial Reporting	Review and implement budget related policies and procedures as they get updated	To perform monthly and quarterly MFMA required reports	FVM - 12	opex	14/15 MFMA reports	8 Monthly, 1 half year and 4 Quartely MFM reports	8 Monthly, 1 half year and 4 Quartely MFM reports	Chief Financial Officer
		Development of final budget based issues listed from this strategic plan and IDP reviewed processes	To compile 15/16 Adjustment budget	FVM - 13	Opex	14/15 Adjustment budget	1 Adjustement Budget to council	15/16 Adjustment budget	Chief Financial Officer
			To compile 2016/17 Budget	FVM - 14	Opex	15/16 Adjustment budget	1 Budget for 2016/17	Council resolution of approving 2016/17 Budget	Chief Financial Officer
		Development of a buisness plan to explore alternative sources of revenue	Number of business plans developed	FVM - 15	Business Plan	Revenue Enhancement Strategy	1 business plan developed for alternative sources of revenue	Business Plan Follow up correspondence	Chief Financial Officer
		Review and implement budget related policies and procedures as they get updated	To compile and maintain GRAP compliant fixed asset register for 2016/17	**FVM - 16**	**opex**	2015/16 Assets register	2016/17 GRAP compliant fixed asset register	Additions register and FAR for 2016/17	Chief Financial Officer



CHAPTER 5
INSTITUTIONAL GOVERNANCE

Chapter 5 – Institutional Governance

1. Introduction

The Emalahleni Local Municipal Council is the ultimate political decision-making body of the municipality. The Mayor of Emalahleni Local Municipal Council, Councillor Nomveliso Nyukwana, takes overall strategic and political responsibility for the municipality, while the Municipal Manager, Dr SW Vatala , heads the municipality's administration and provides the link between the political and administrative arms of municipality government. Ward councillors are the municipality's key link between the municipal government and the residents whilst the heads of departments and officials are responsible for physically implementing policy

2. Political Governance

2.1 Council

The municipality has Thirty Four Councillors (34): Seventeen (17) Councillors were elected in terms of the system of proportional representation and Seventeen (17) Councillors represent wards. The first Council Meeting held in 2011 elected the Mayor, Council Speaker and Chief Whip. The Mayor has an Executive Committee of five members.

POLITICAL STRUCTURE

Mayor	:	Cllr N. Nyukwana
Speaker	:	Cllr N.C. Lali
Chief Whip	:	Cllr S. Liwani
MPAC Committee:		Chairperson – Cllr L.Mooi

2.2 Council Speaker

The following activities are performed by the Speaker of Council:

- Presides over meetings of Council
- Ensures that council meetings are held at least quarterly
- Ensures that council meetings are conducted in accordance with the rules of order of the council

2.3 Chief Whip

Performs duties that are delegated to him/her by Council

2.4 Mayor and Executive Committee

The Mayor presides at meetings of the executive committee, performs duties, including any ceremonial functions and exercise the powers delegated to the Mayor by Municipal Council or the executive committee.

The political decision making at ELM is supported by the Executive Management Committee. All recommendations from the Executive Management Committee are put forward to the relevant Portfolio Committees, who then make recommendations to the Executive Committee.

Once the Executive Committee has accepted the recommendation, recommendations are made to the Council. Council is then in a position to take the final decision on the matter. In the few cases where there is no consensus on a matter within Council, the issue will go to vote. Once the Minutes of the Council meeting have been adopted, the responsibility lies with the Accounting Officer to ensure that actions are taken to implement such resolutions

REVIEW OF APPROVED ORGANISATIONAL STRUCTURE
MAY 2015

COLOUR CODING OF POSTS



EXISTING FILLED POSITIONS

NEWLY PROPOSED POSITIONS

EXISTING UNFUNDED VACANT POSITIONS

EXISTING FUNDED VACANT POSITIONS

WHAT IS OUR VISION? (WHAT DO WE WANT TO BE IN THE NEXT 5 YEARS?)

To be “A municipality that delivers appropriate, sustainable and affordable services towards socio-economic growth for the development of its community”.

HOW DO WE GET THERE? (OUR MISSION STATEMENT)

Commitment of resources to co-ordinate and support programmes through effective partnerships and active community participation.

WHAT ARE OUR KEY PERFORMANCE AREAS?

- Infrastructure and Basic Service Delivery
- Good Governance and Public Participation
- Municipal Transformation and Organisational Development
- Local Economic Development
- Financial Viability

INTRODUCTION

The Emalahleni Council had adopted a 3 year organizational structure in terms of Council Resolution No: OCM369/05/2013. The organogram is set to be reviewed on an annual basis so that it responds to the objectives of the IDP as it is reviewed.

Council is currently in the process of reviewing the IDP for the 2015/2016 financial year, therefore the exercise of reviewing the Organisational Structure is simultaneously taking place. During the Strategic Planning session of Council held in January 2015, Directorates presented their proposals to review the Organizational Structure and they were accepted.

This Organisational Structure is the product of the accepted proposals that were tabled in the Strategic Planning session. This reviewed structure has been consulted with Labour in the Local Labour Forum meeting held on the

OBJECTIVES OF DEVELOPING AN ORGANISATIONAL STRUCTURE

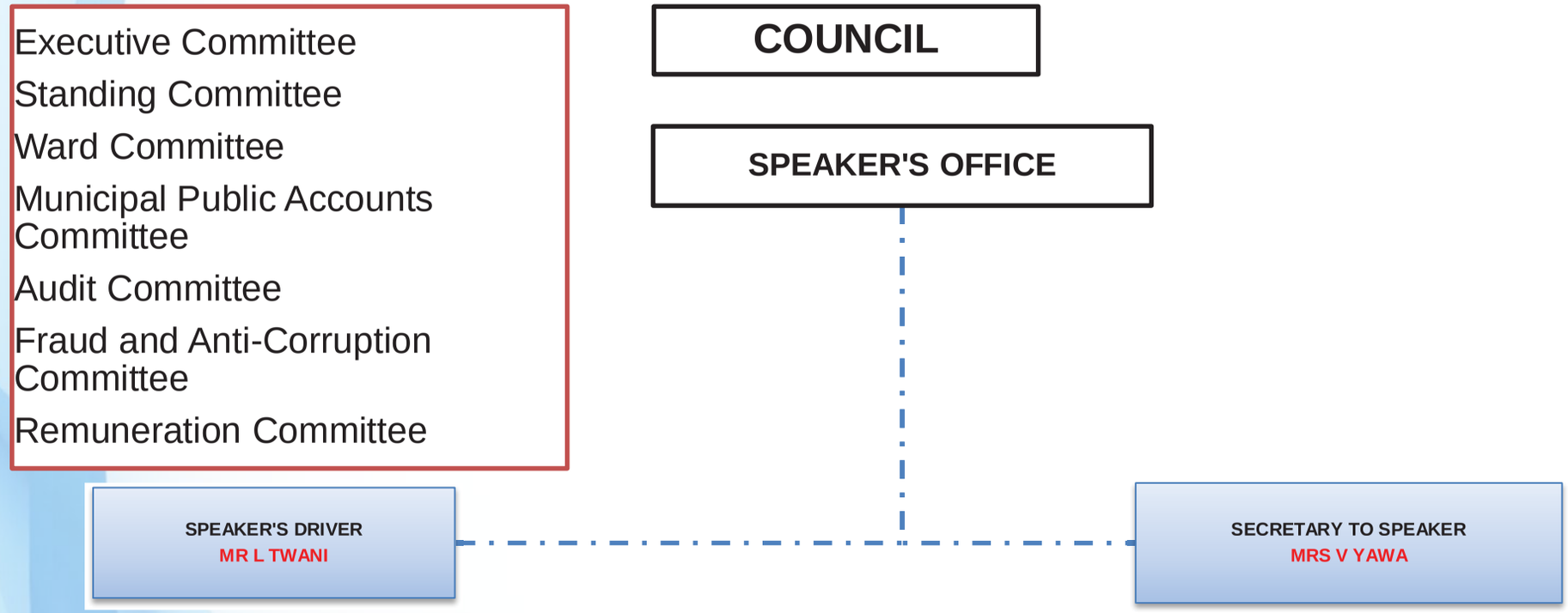
- To provide the economic and efficient performance of the organisation and the level of resource utilisation;
- To monitor the activities of the organisation;
- To provide accountability for areas of work undertaken by employees in the organisation ;
- Coordination of different parts of the organisation and different areas of work;
- Flexibility to respond to future demands and developments, and to adapt to changing environmental influences;
- The social satisfaction of employees working in the organisation.

PRINCIPLES

The organisational structure is reviewed using a set of guiding principles which are generic best practice Organisational Development principles and include specific customized principles such as:

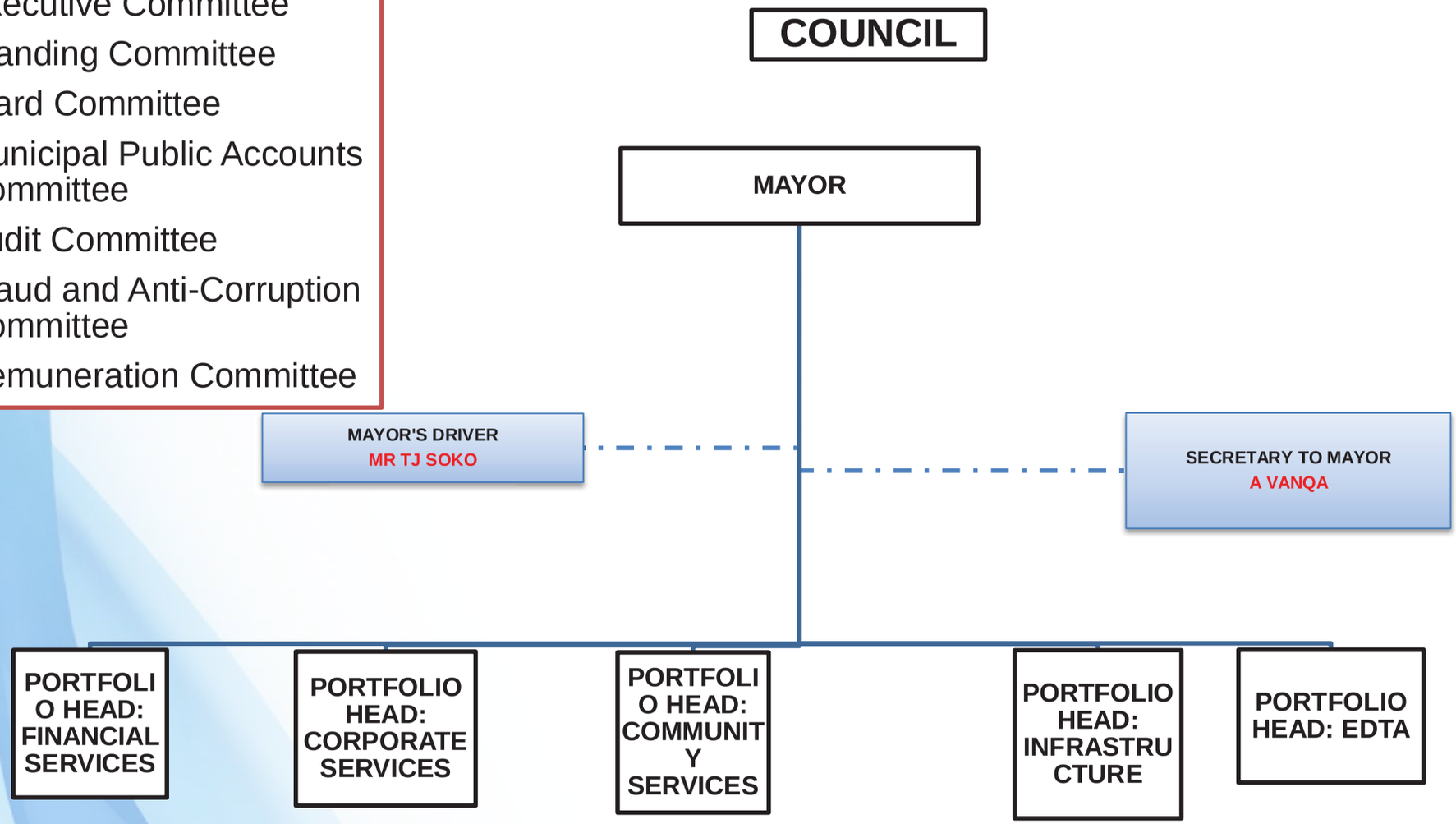
- **Priority Focused:** the design must reflect and give effect to the vision, mission and strategic priorities of the Emalahleni Local Municipality.
- **Appropriate:** the design of any functional unit should be appropriate to the function. Form should follow function. **"Any problem, big or little, requires a great humility – to let it tell you what it wants, rather than your telling the problem how it should be resolved. It will develop from its own inner concept which must be listened to and understood". Frederick John Kiesler**
- **Clear Lines of Accountability**: there should be clear lines of authority, accountability and responsibility with a manageable span of control.
- **Simplicity**: the design should be simple and as understandable as possible.
- **Financial Sustainability/Viability:** the design should be realistic in terms of Emalaheni Local Municipality's financial capacity
- **Organisational and Human Resources Development:** the design should promote organisational and human resources development. In this regard, more flexible approaches to job grading, evaluation and remuneration to allow for ongoing development will need to be considered.

REVIEWED MACRO POLITICAL ORGANOGRAM: 2015/16



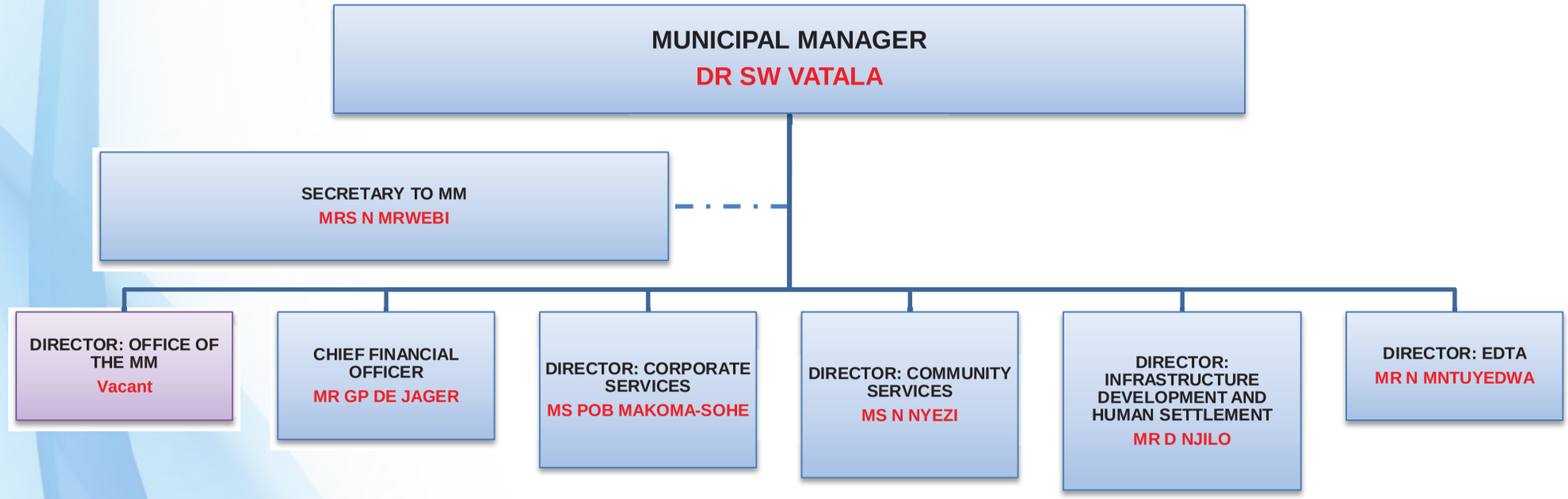
REVIEWED MACRO POLITICAL ORGANOGRAM: 2015/16

- Executive Committee
- Standing Committee
- Ward Committee
- Municipal Public Accounts Committee
- Audit Committee
- Fraud and Anti-Corruption Committee
- Remuneration Committee

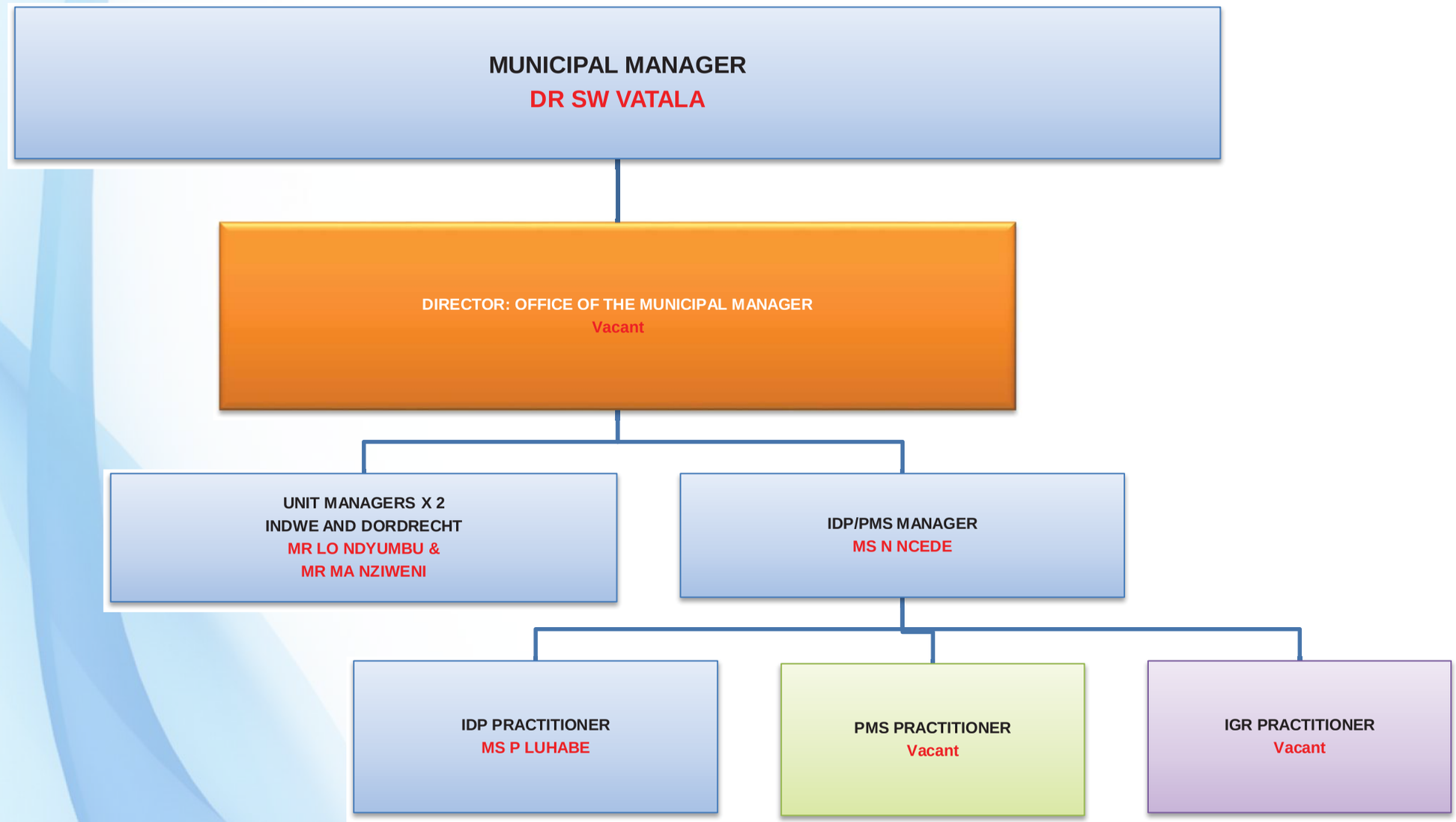


REVIEWED FUNCTIONAL ADMINISTRATIVE ORGNANOGRAM – 2015/2016

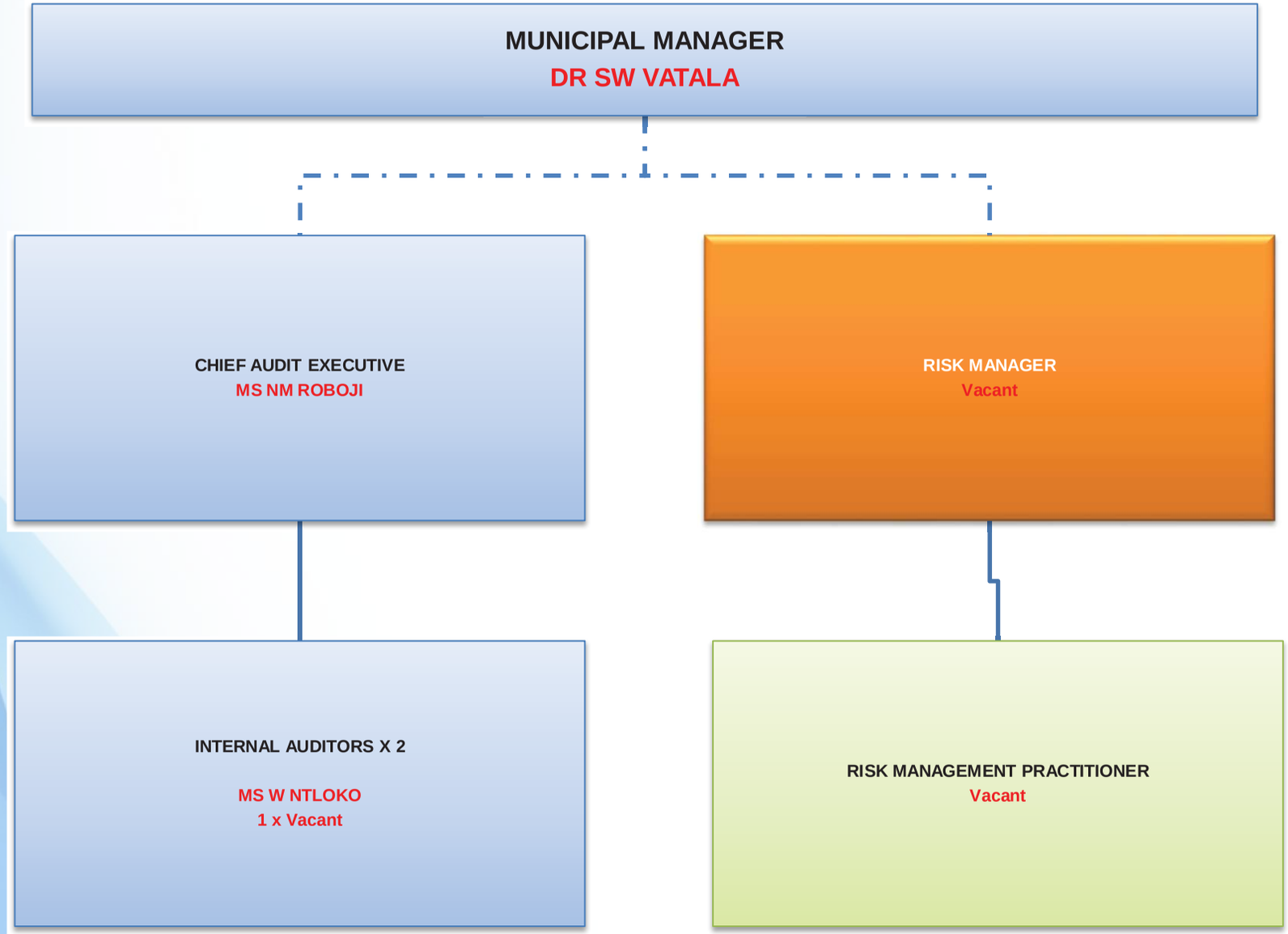
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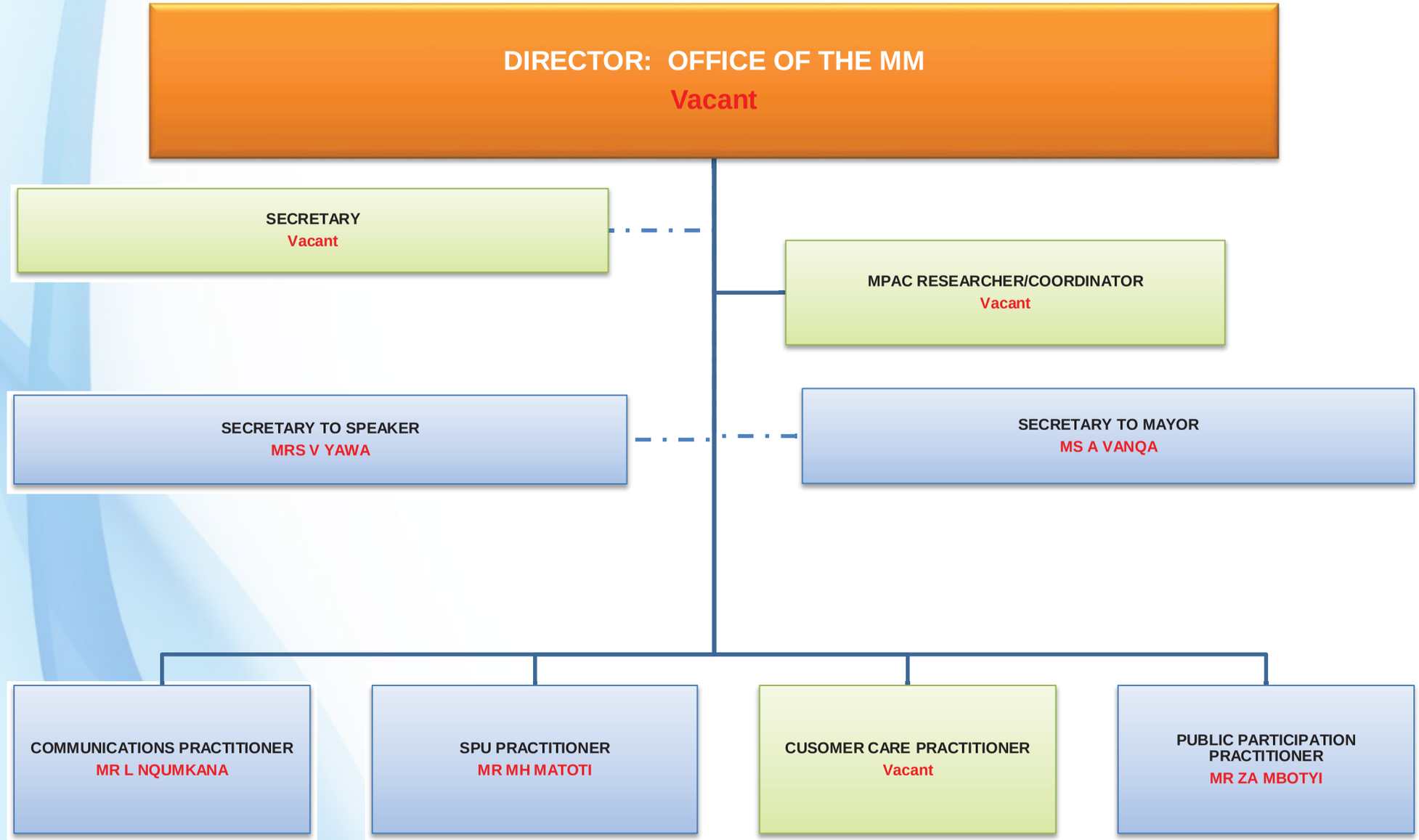
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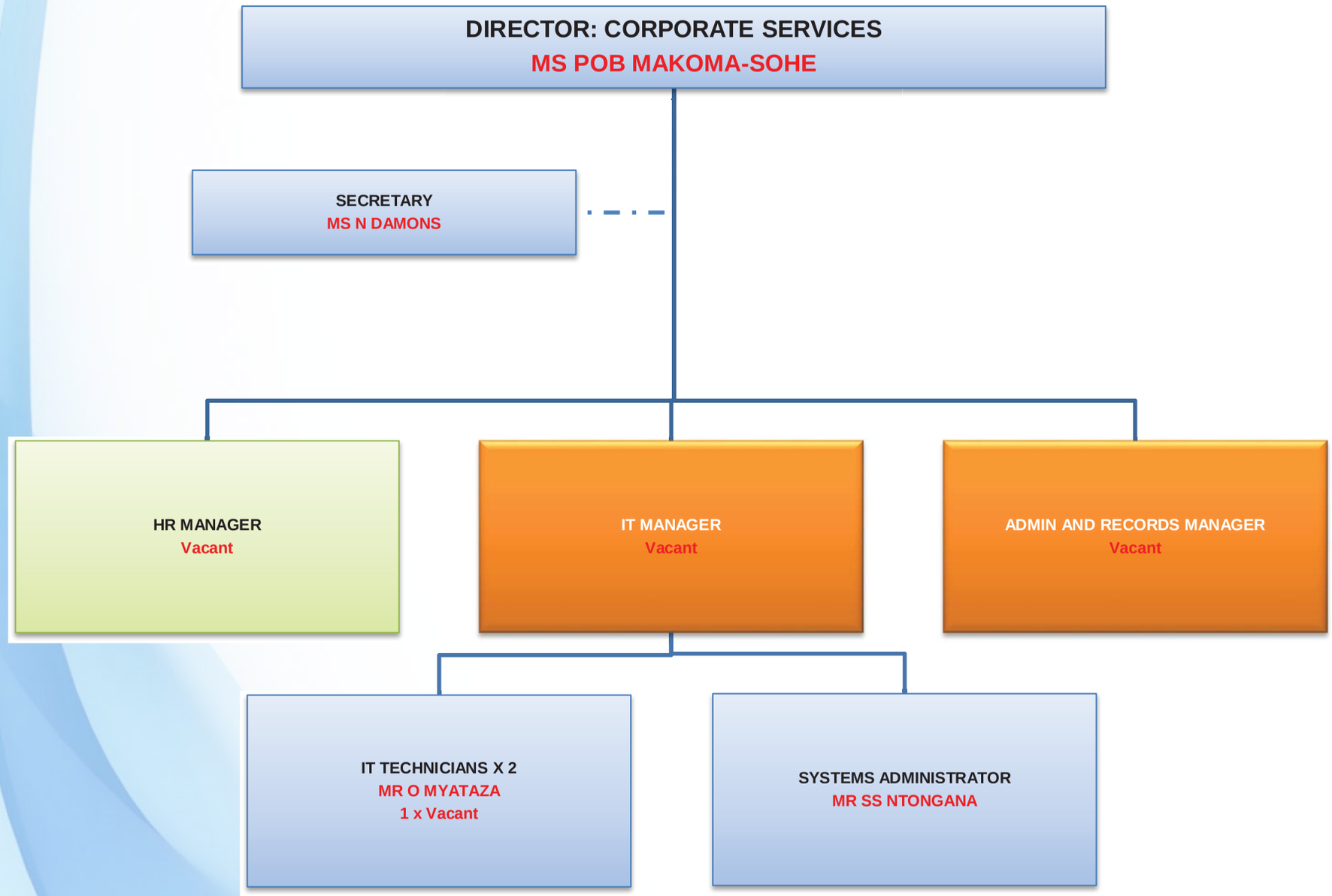
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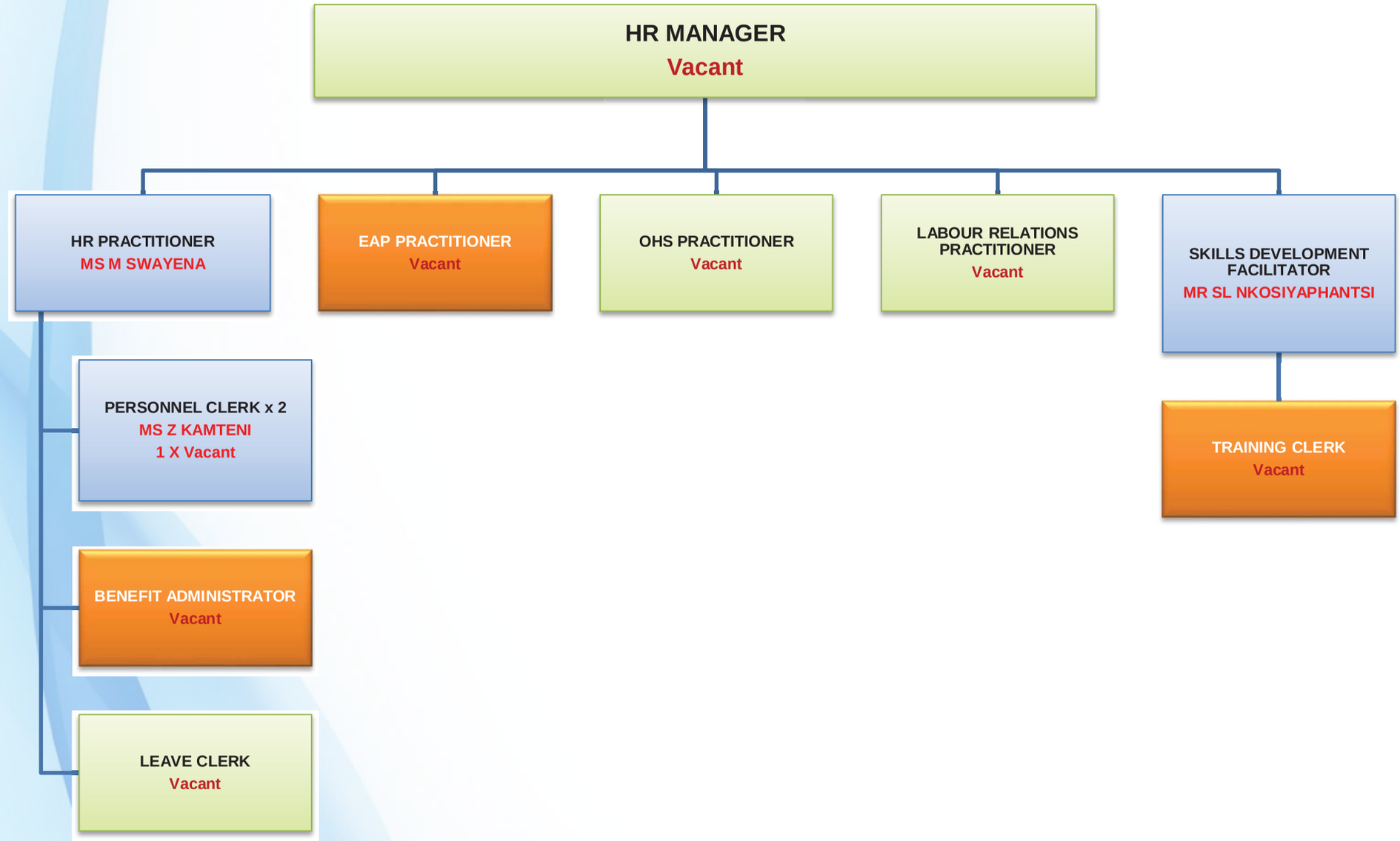
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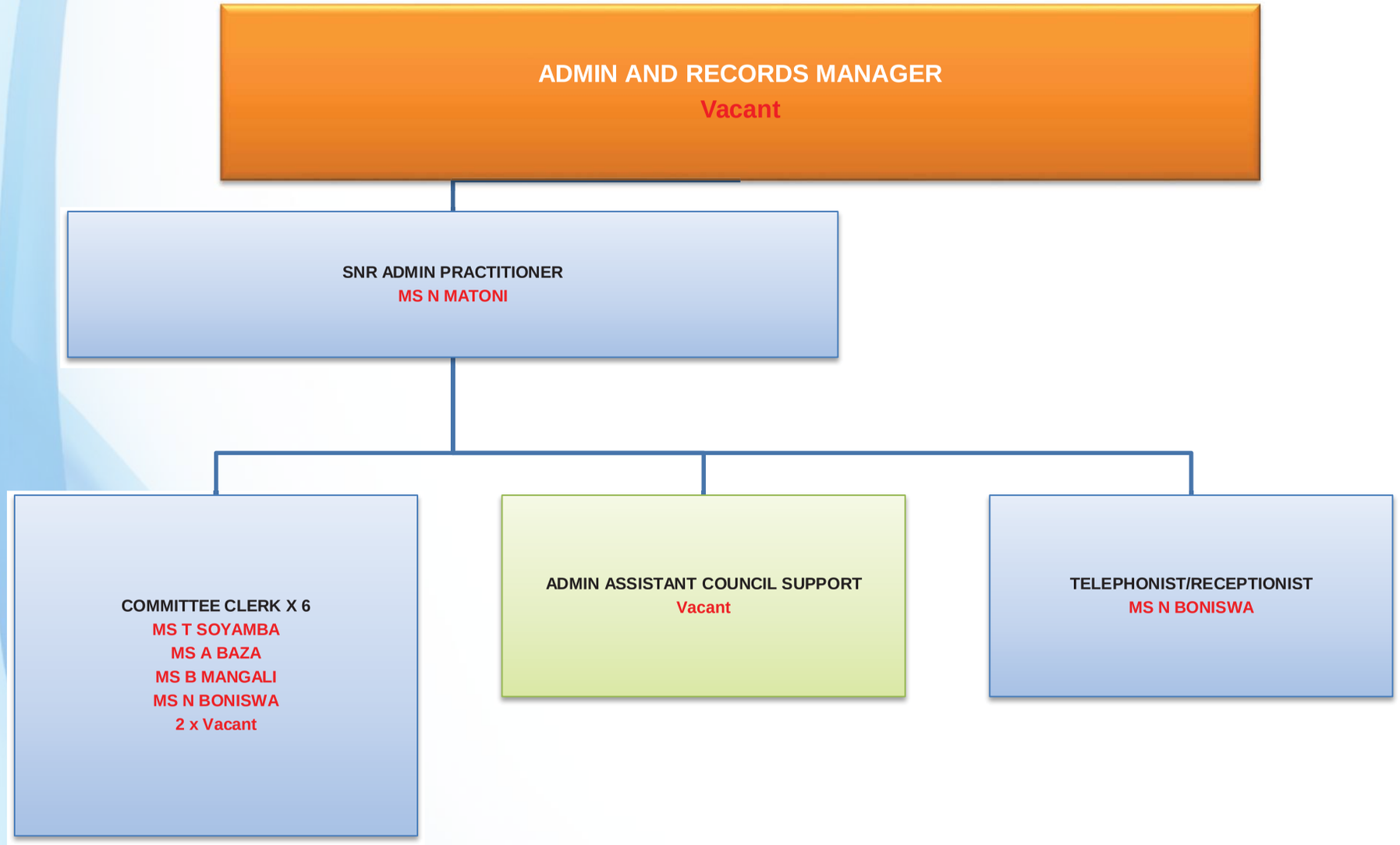
CORPORATE SERVICES DIRECTORATE



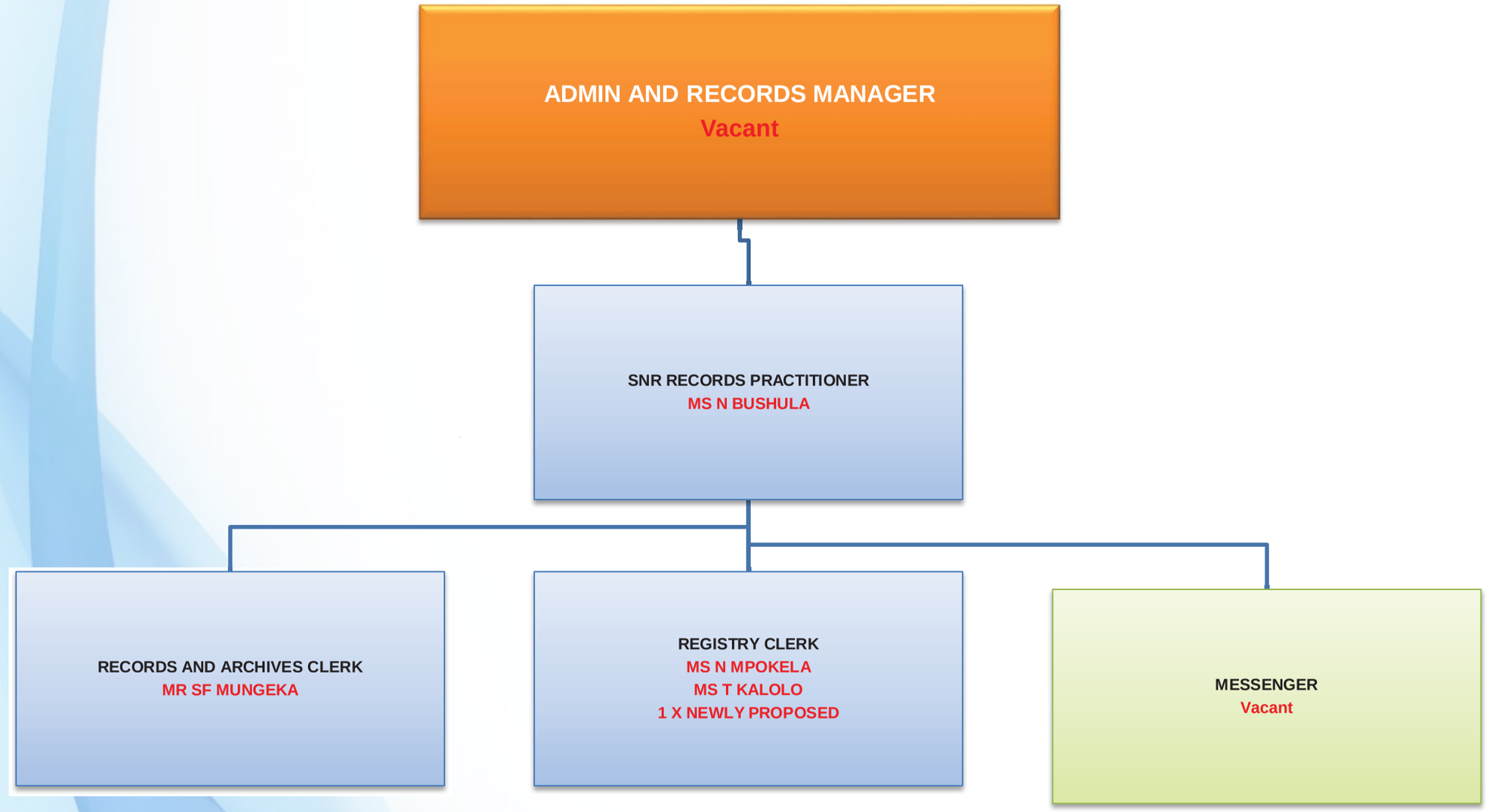
CORPORATE SERVICES DIRECTORATE CONT.....



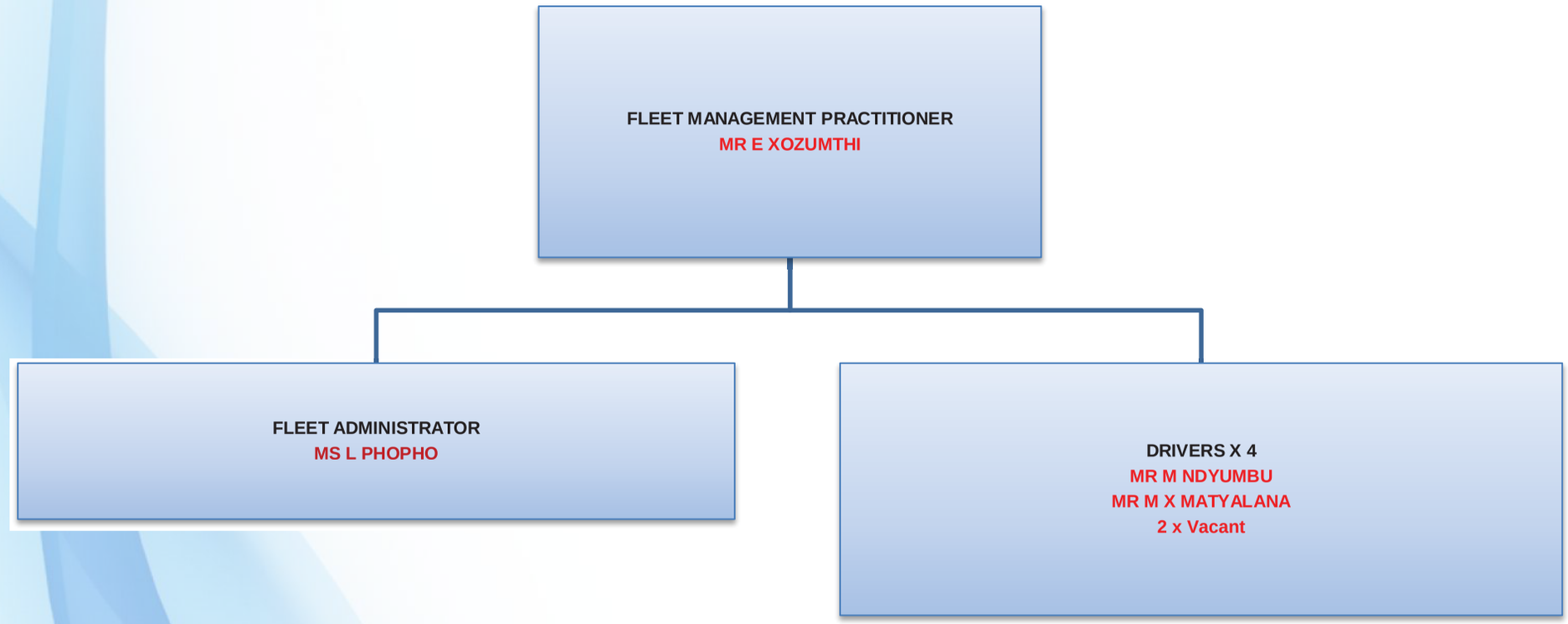
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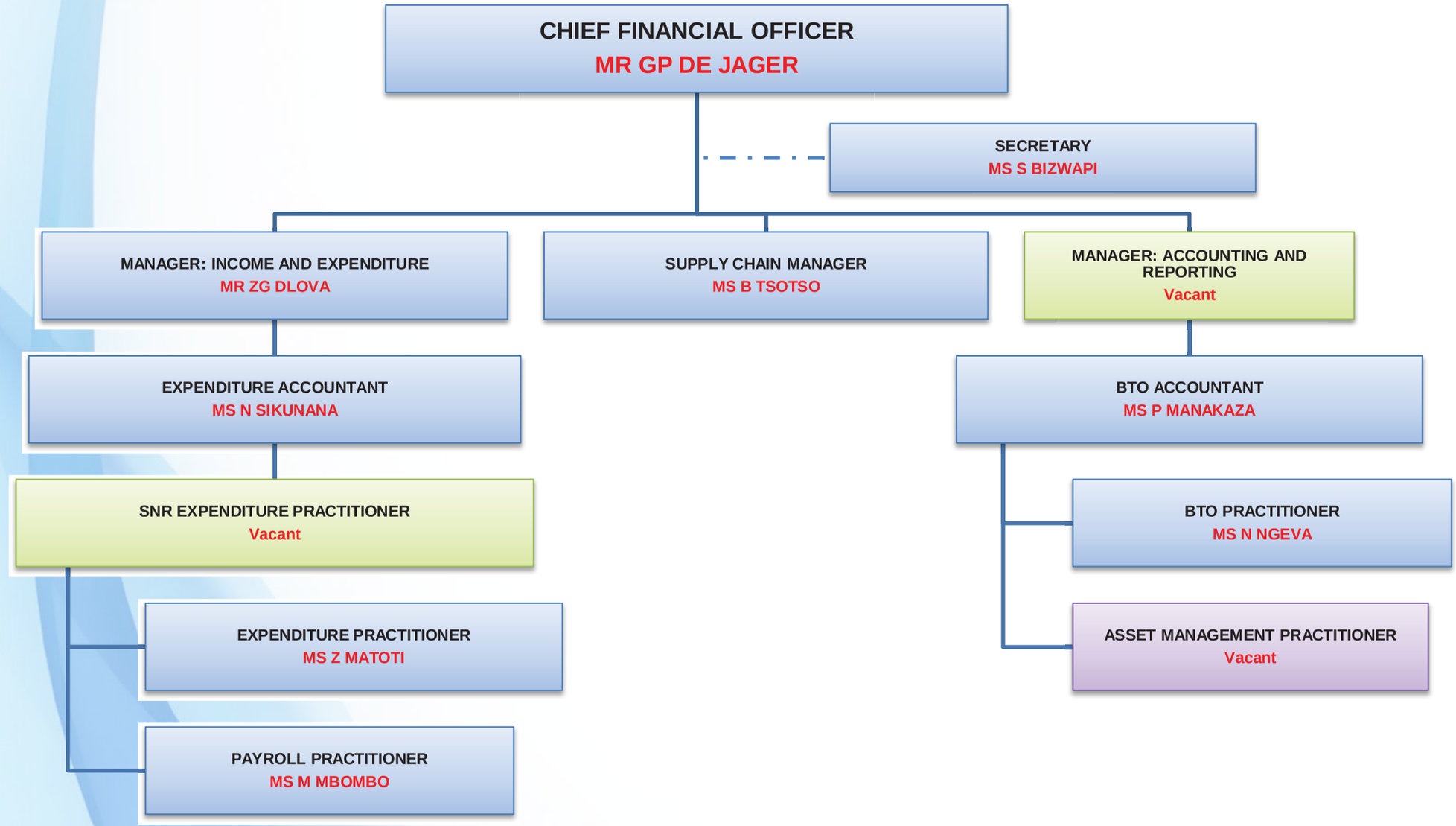
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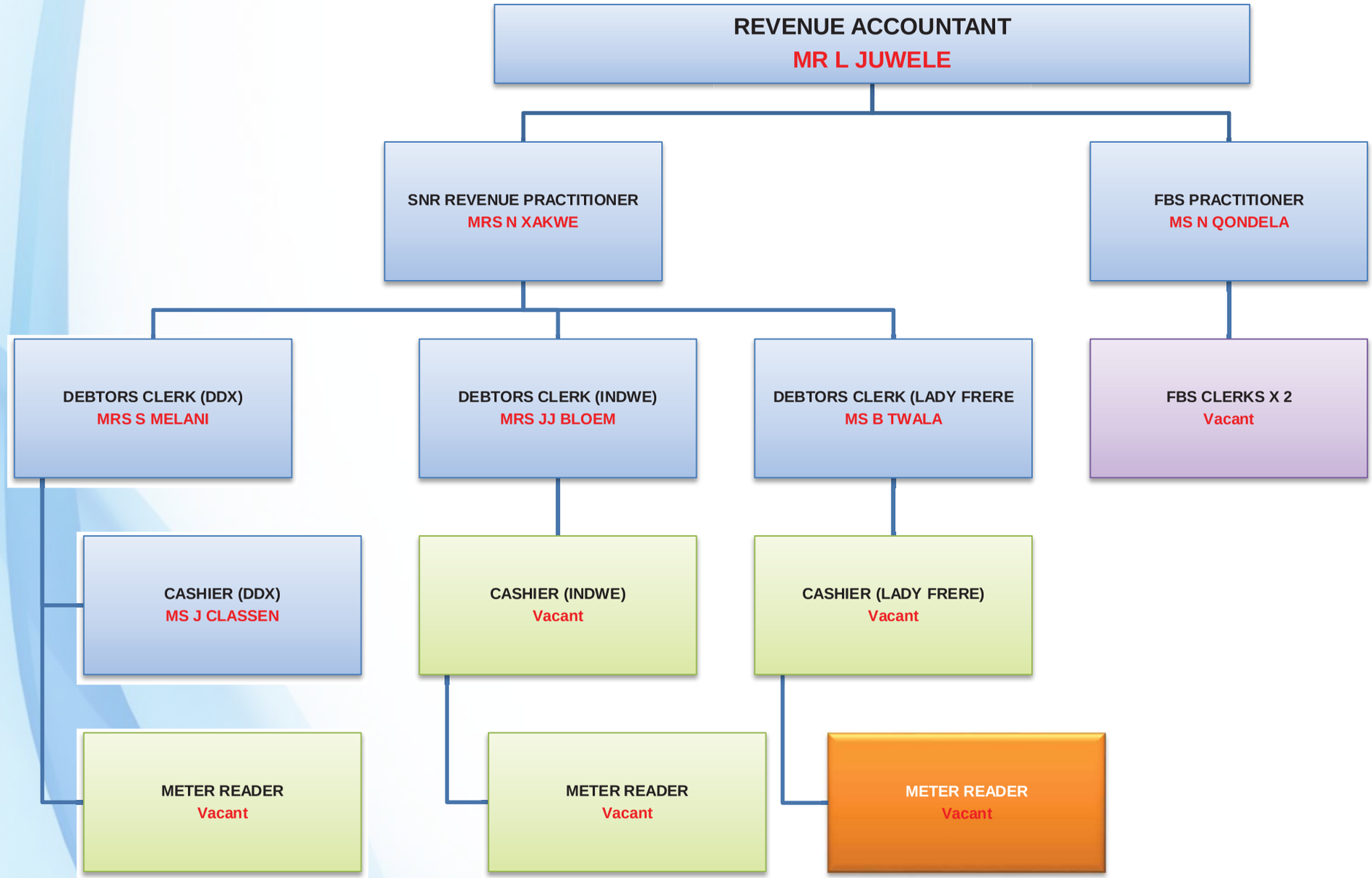
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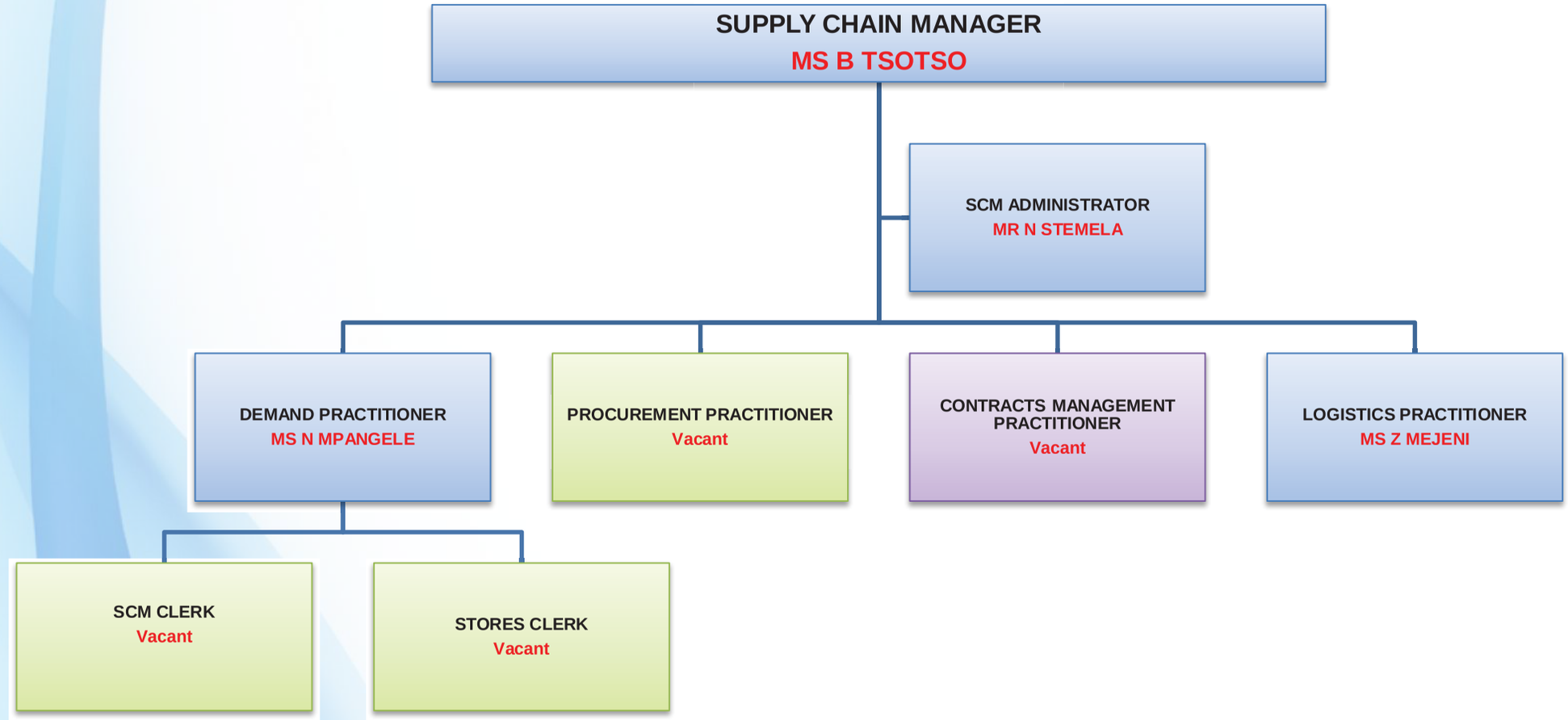
BUDGET AND TREASURY OFFICE



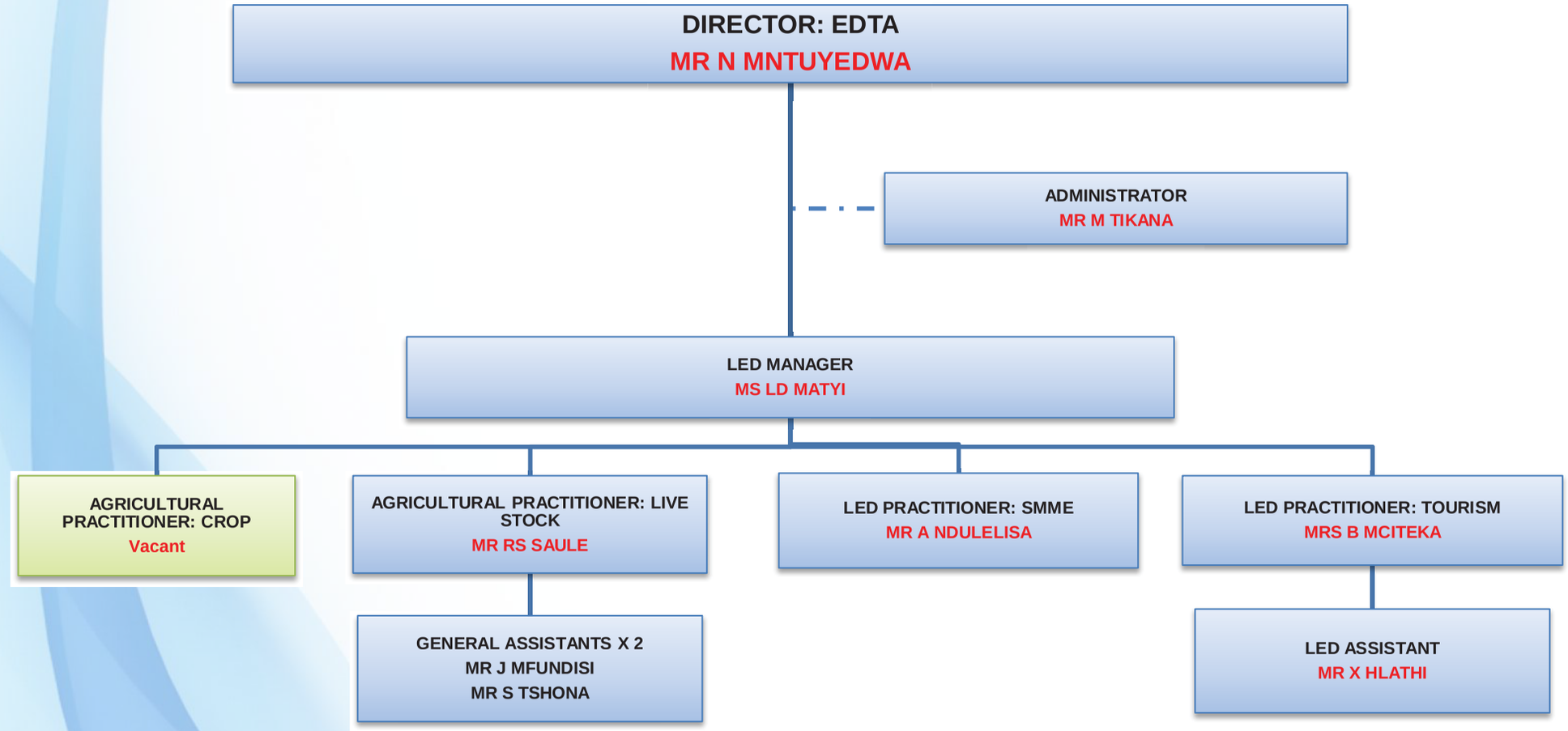
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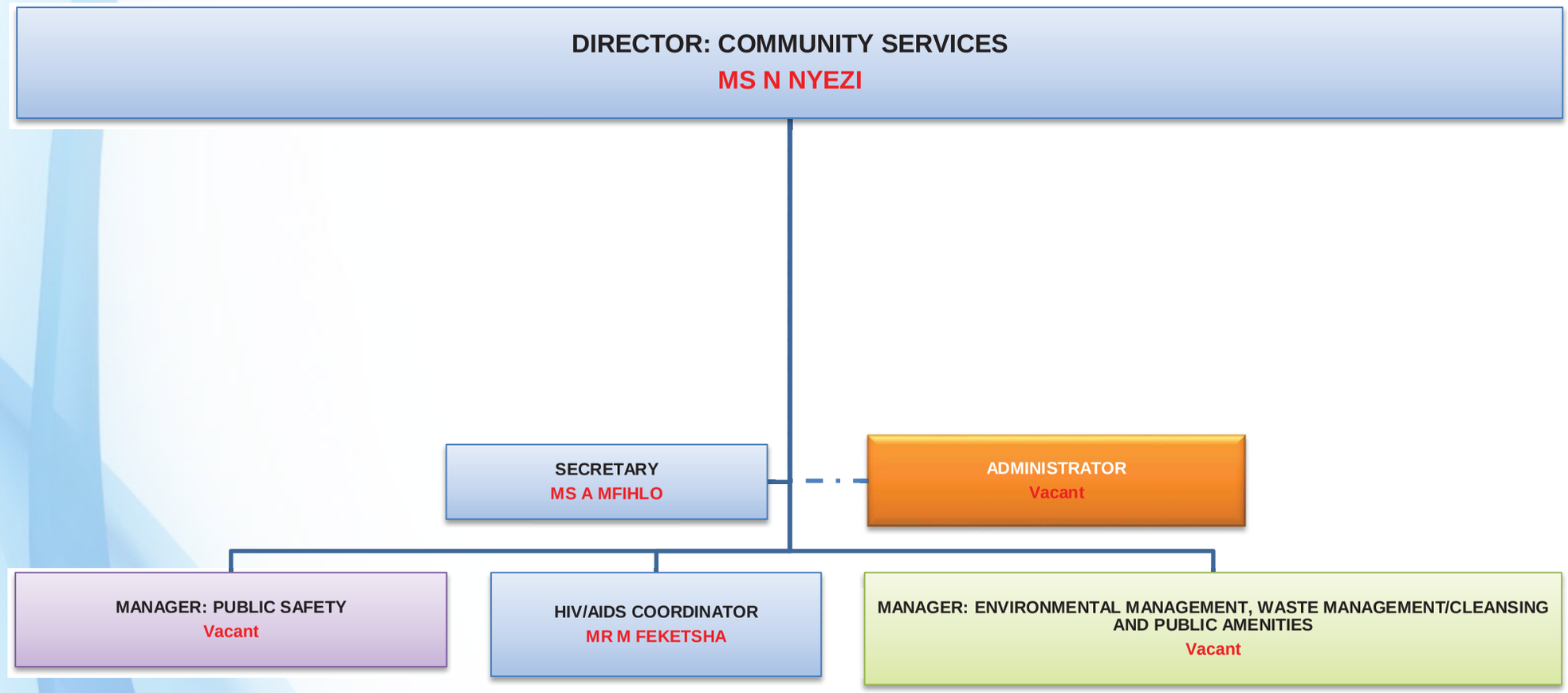
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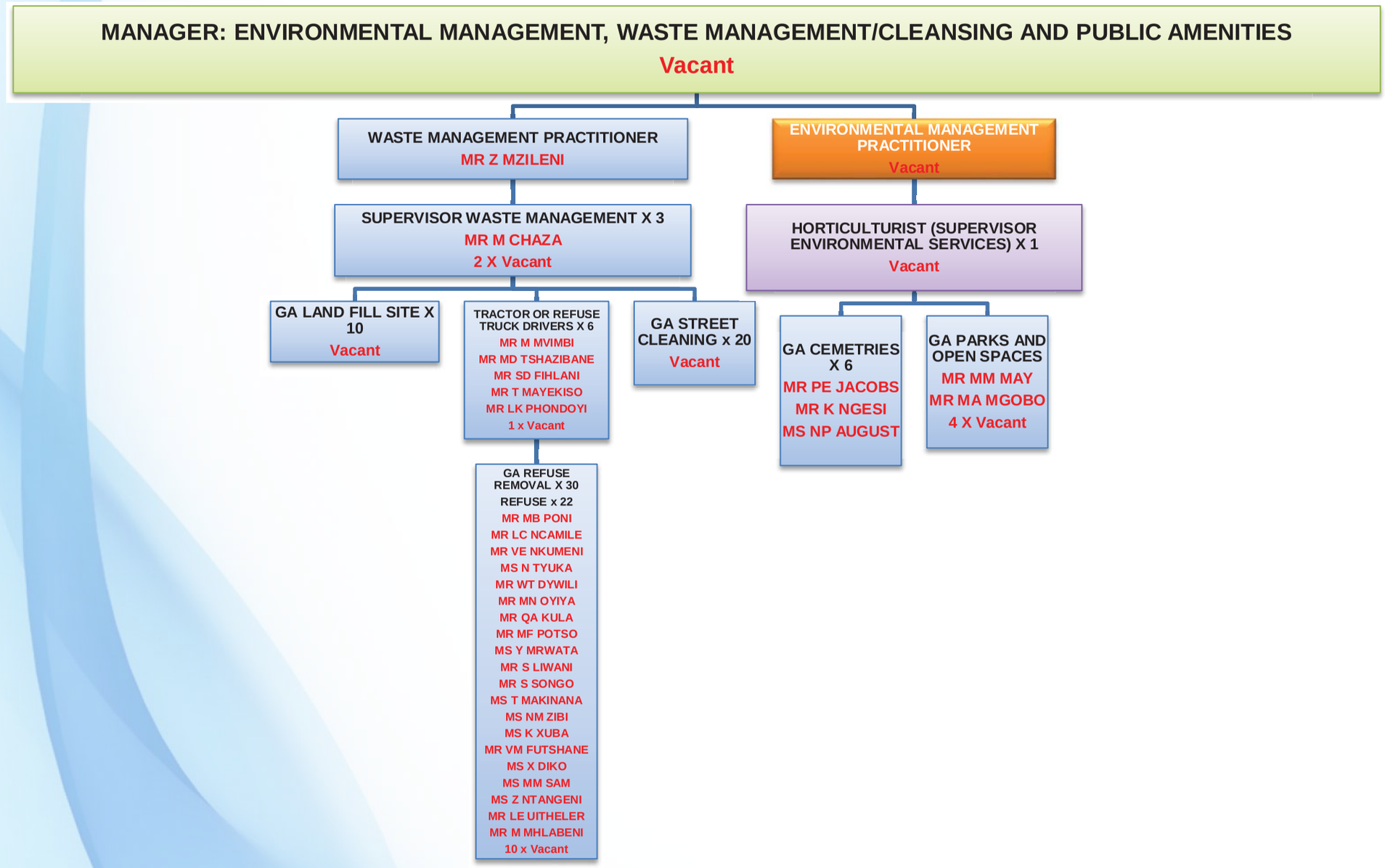
EDTA DIRECTORATE



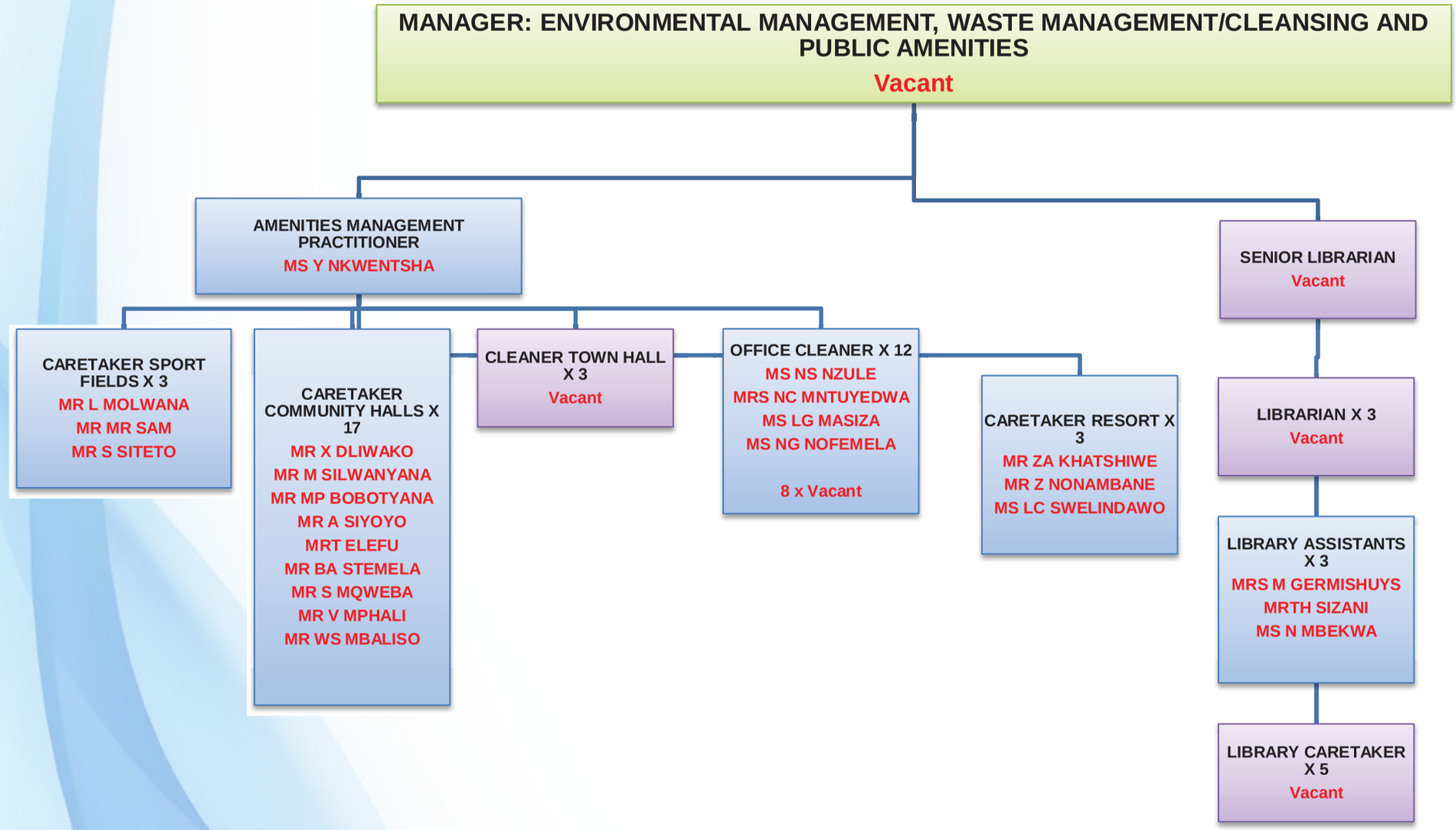
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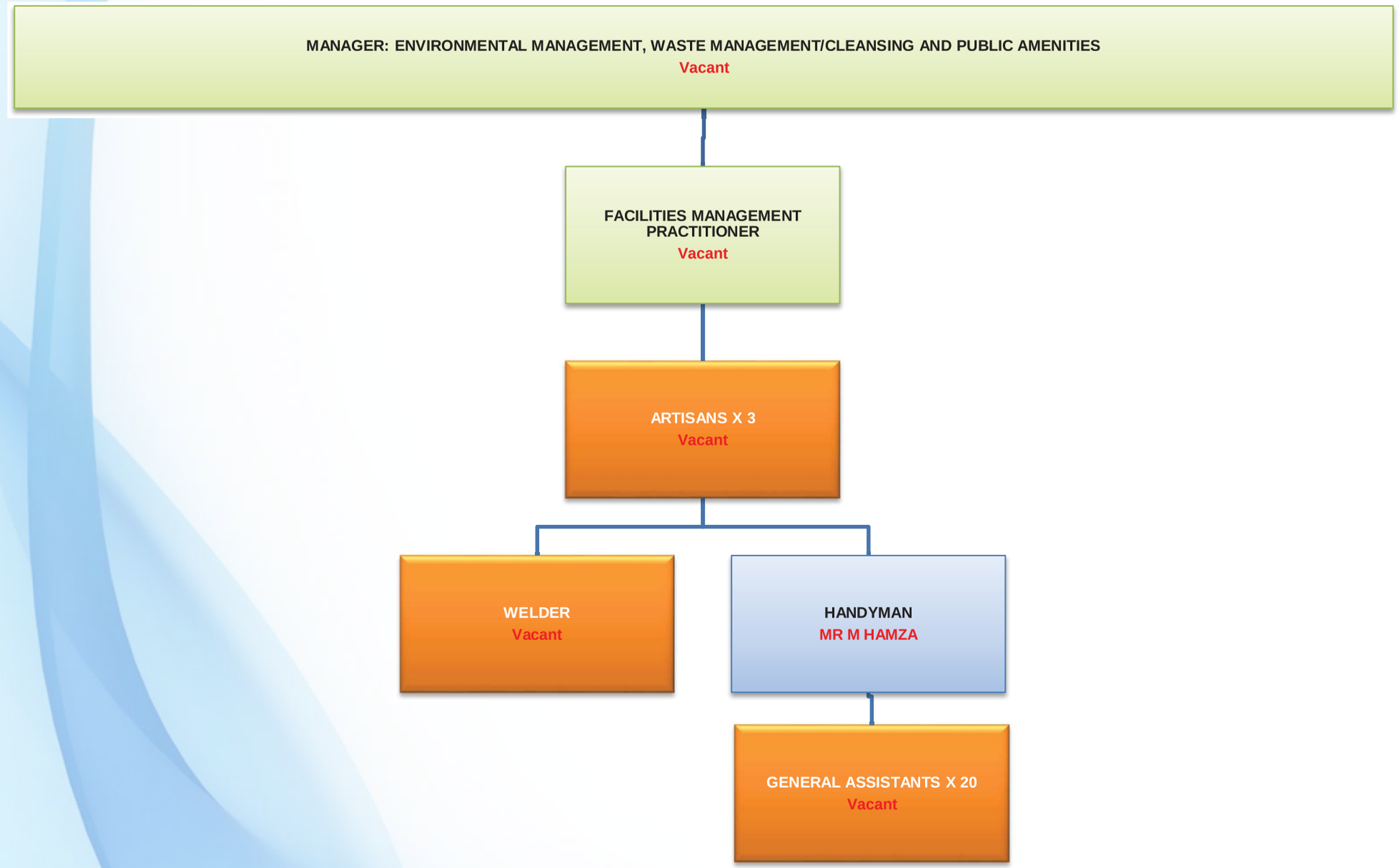
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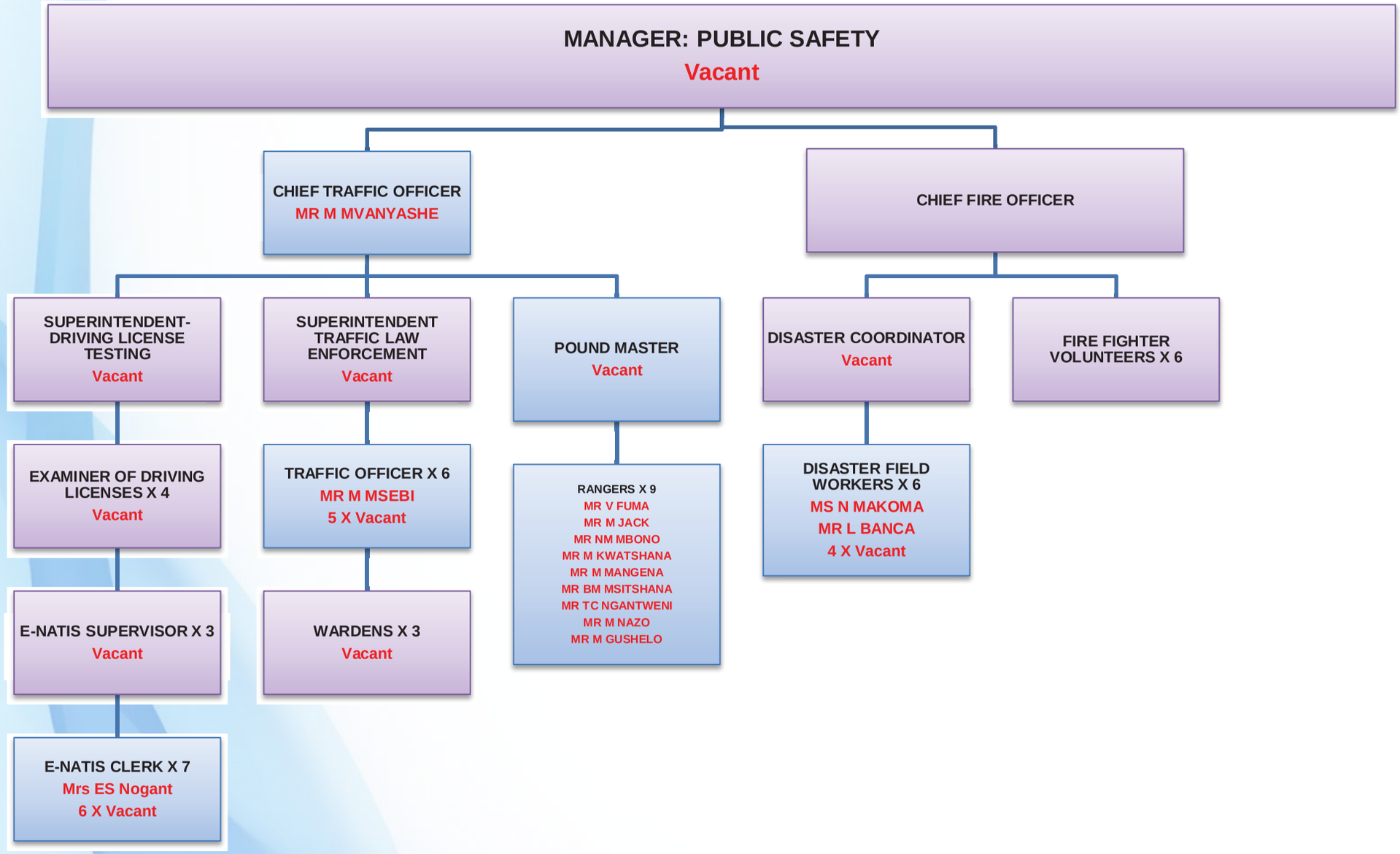
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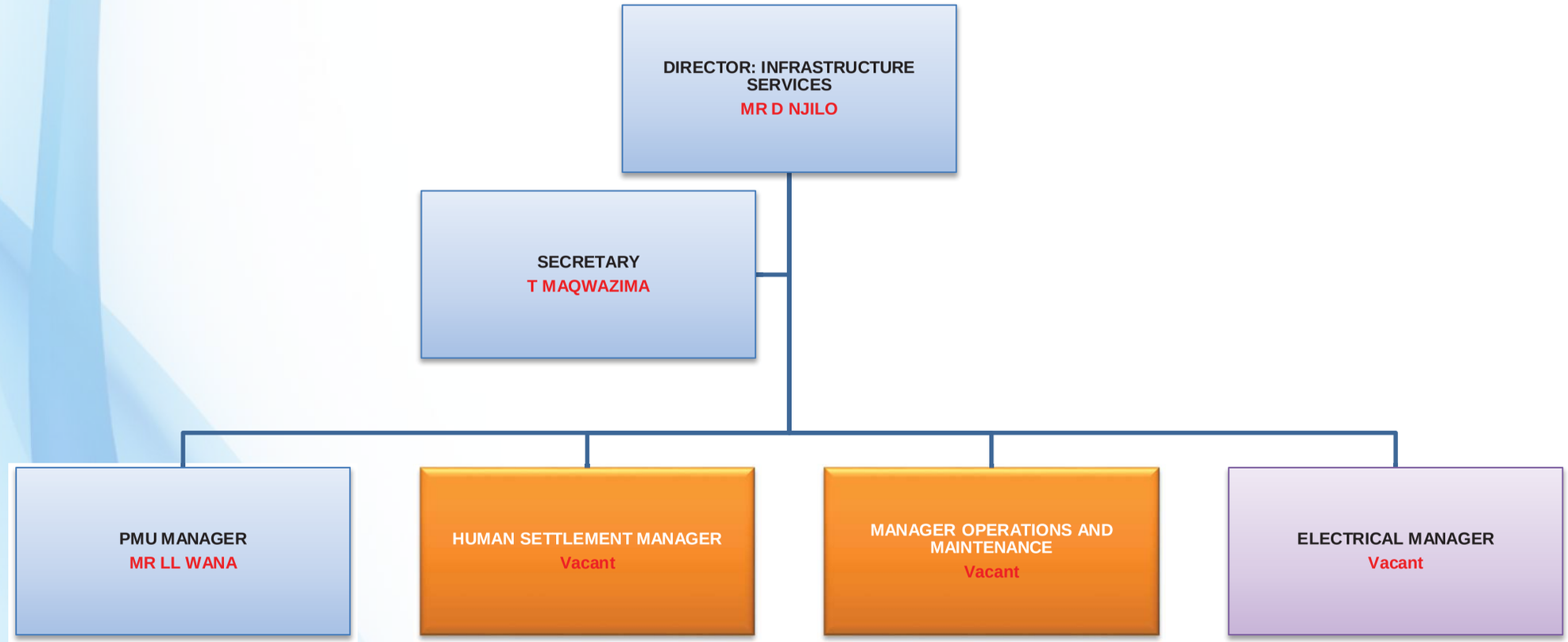
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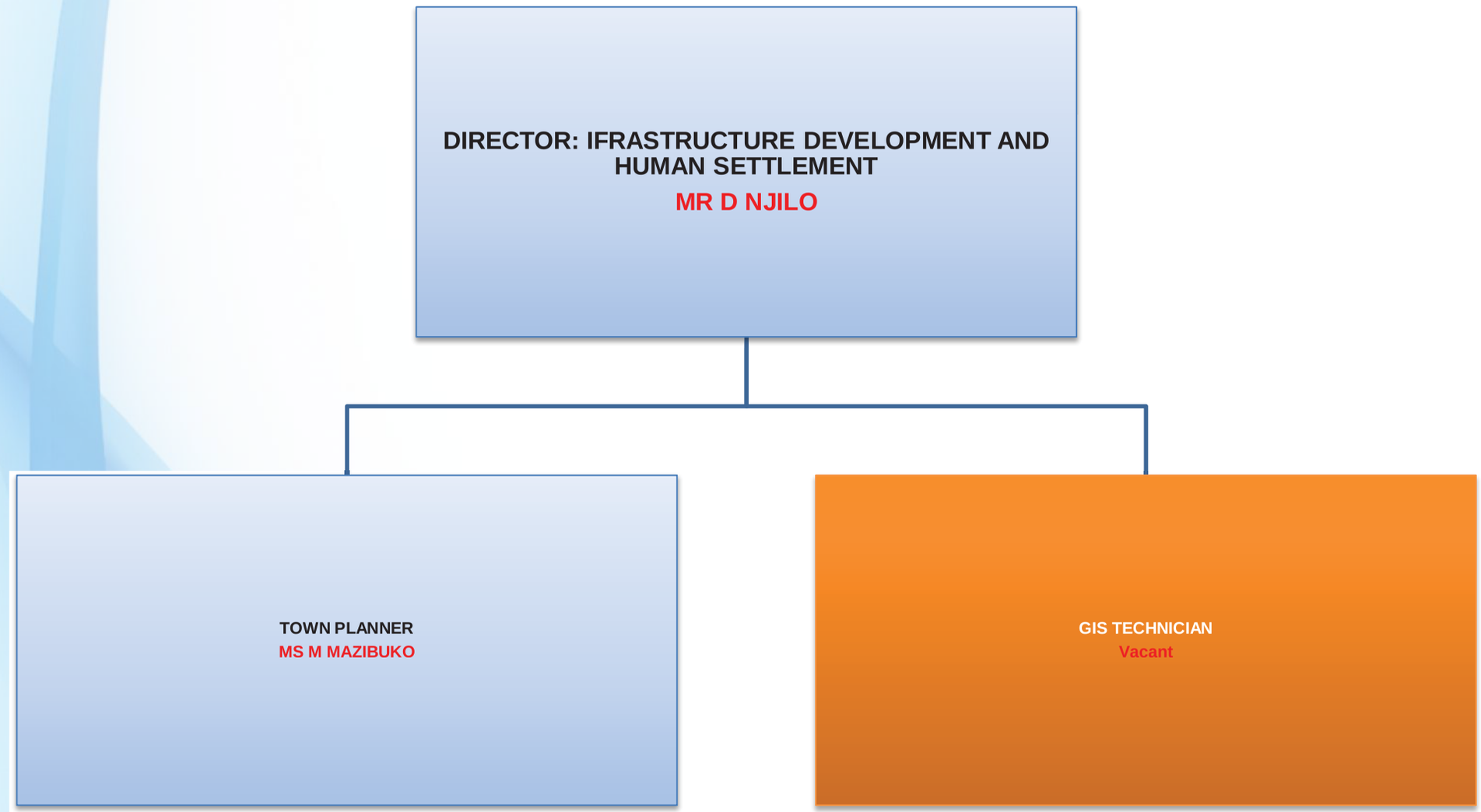
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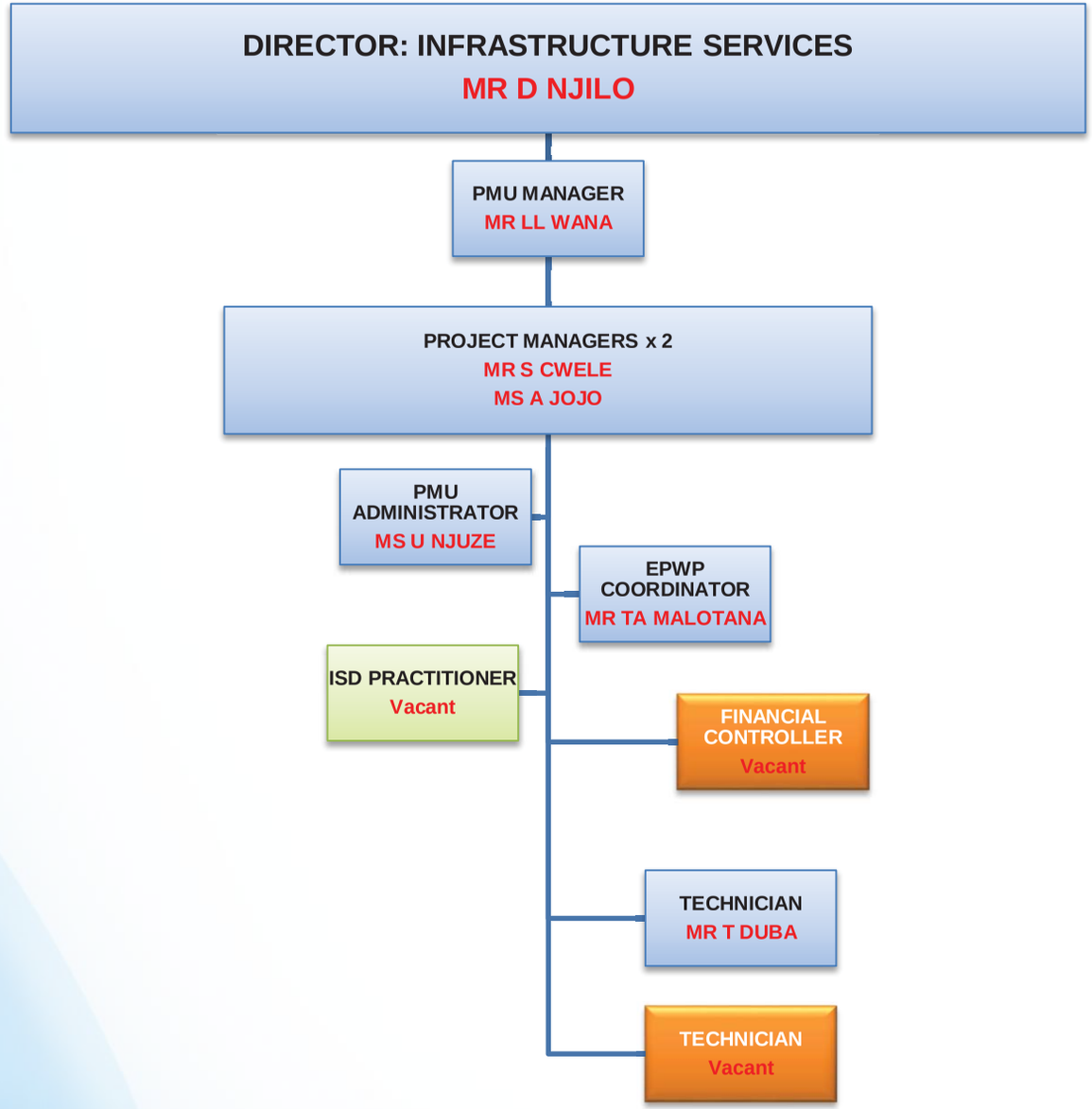
INFRASTRUCTURE DEVELOPMENT AND HUMAN SETTLEMENT SERVICES DIRECORATE



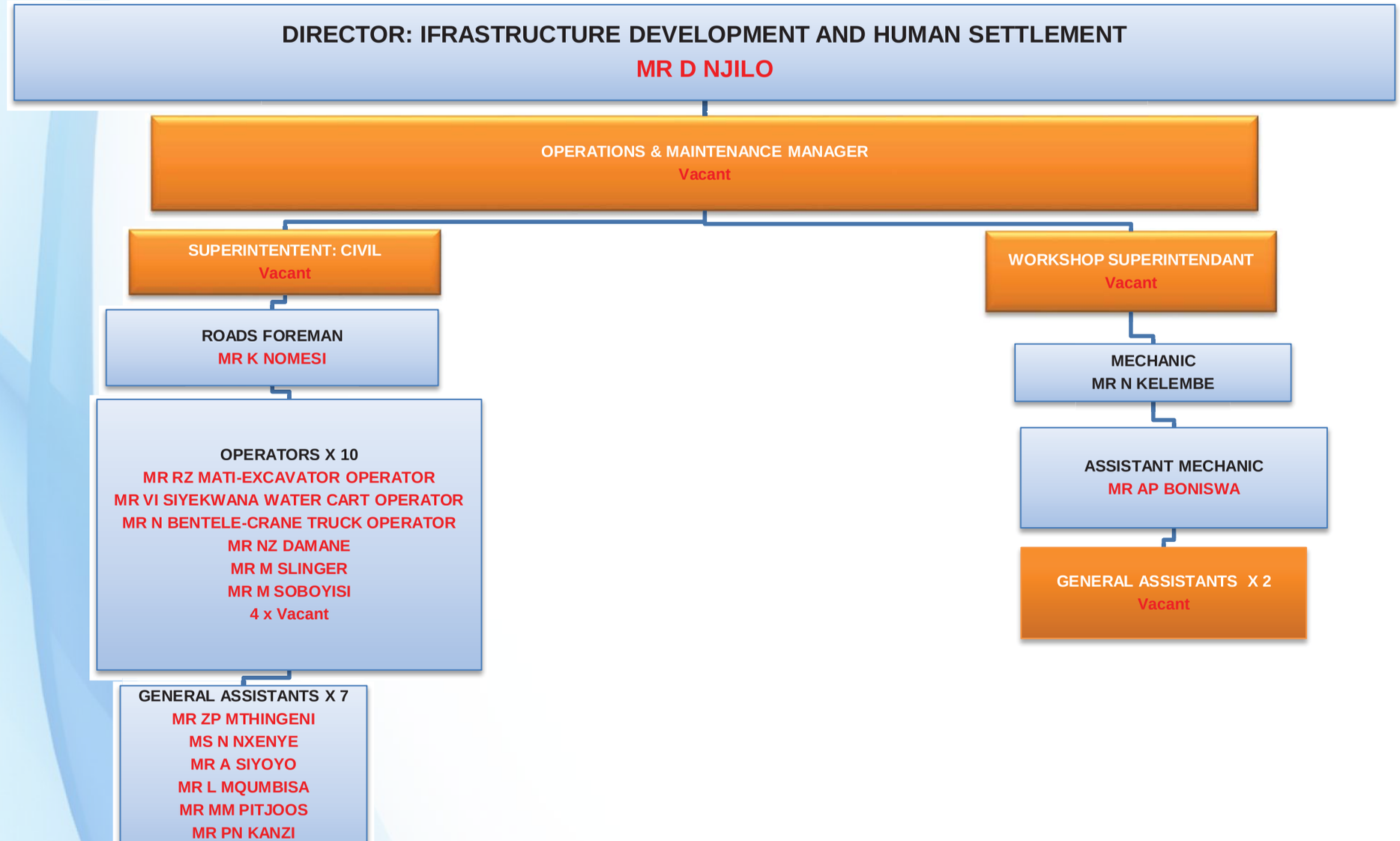
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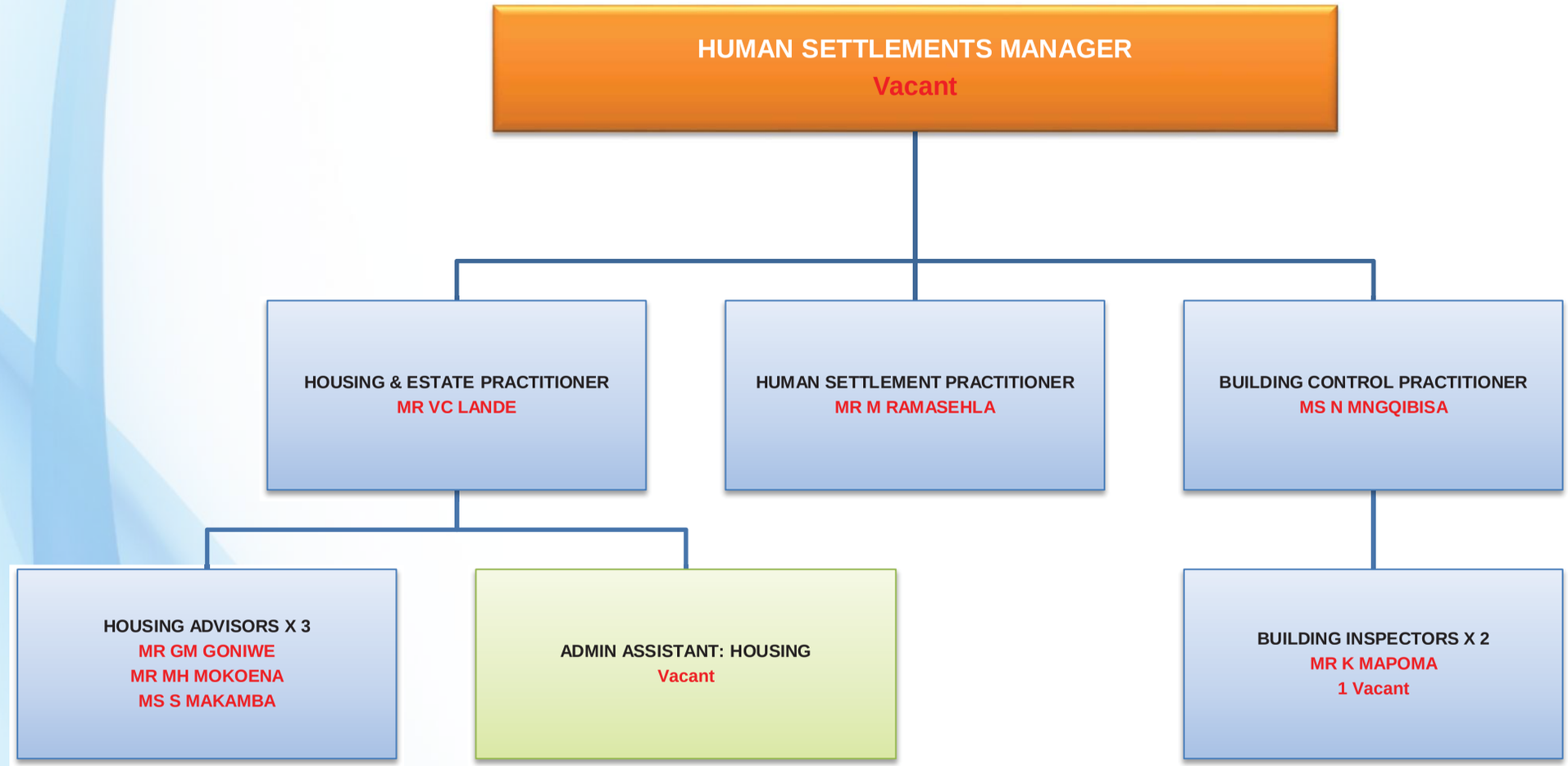
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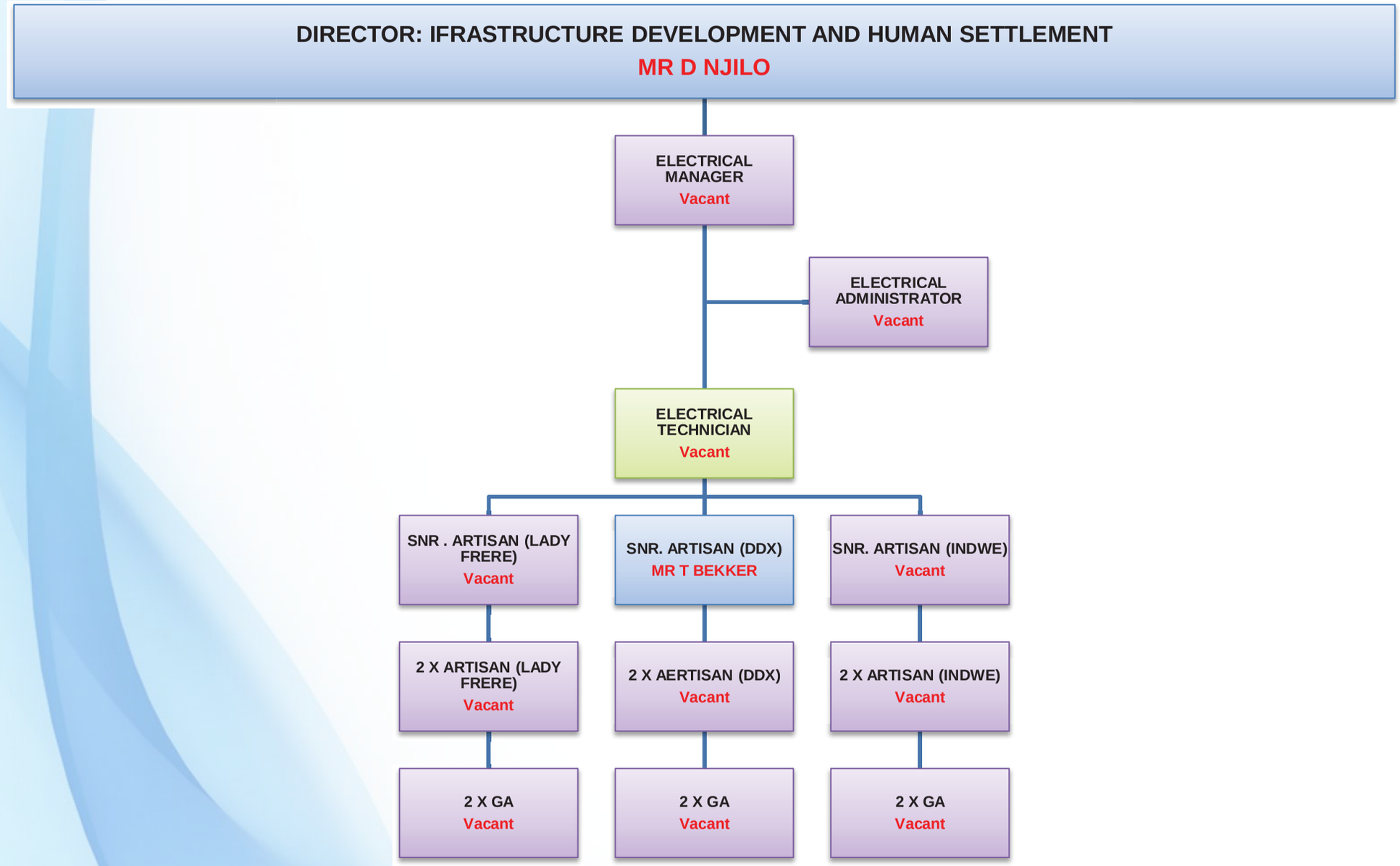
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INFRASTRUCTURE DEVELOPMENT AND HUMAN SETTLEMENT SERVICES DIRECORATE CONT....



3. ADMINISTRATION GOVERNANCE

3.1 Role of the Municipal Manager

The Municipal Manager heads the municipality's administration and provides the link between the political and administrative arms of municipality government.

3.2 Institutional Arrangements (per Directorate)

The institution has the following directorates that form part of the reviewed organisational structure and, a detailed structure is presented in the page following this one:

- ✓ Office of the Municipal Manager
- ✓ Strategic
- ✓ Corporate Services
- ✓ Financial Services
- ✓ Community Services
- ✓ Integrated Planning and Economic Development
- ✓ Infrastructure Development and Human Settlement Services

The organisational structure was reviewed during 2013 / 2014 financial year, and below are the guidelines on how the structure can be inter acted with. All Section 56 or Director and the PMU Manager positions are on contract with all other positions permanent.



Existing Filled Positions



Newly Proposed Positions



Existing Unfunded Vacant Positions



Existing Funded Vacant Positions

4. CHALLENGES

The Auditor General has historically given the municipality a number of disclaimers. This has largely been on the following areas to mention just a few, weak internal controls, non-compliance with laws and regulations, misstatements in Annual Financial Statements.
During the 2013/2014 financial year, the municipality made an effort to correct and improve on a number of areas where an adverse audit opinion was given. It prepared and implemented an audit improvement plan, in an effort to obtain an improved audit opinion. The plan contained all the matters highlighted by the Auditor General and the impact that each matter had was clearly defined. Furthermore, the names of those responsible for each of the matters are highlighted on the plan together with the due or target date on which each of the matters should be resolved.

Progress was then monitored on continuous bases and the progress report was presented regularly in management meetings. It is envisaged that this assistance would yield significant benefits in relation to the opinion expressed by the Auditor General in the previous year.

Attached to the document is the reviewed organogram



CHAPTER 6
COMMUNITY PARTICIPATION

CHAPTER 6
COMMUNITY PARTICIPATION

6.1 Introduction

The South African Constitution is underpinned by principles of good governance, also highlighting the significance of public participation as an integral part of successful good local governance. Section 152 of the Constitution of the Republic of South Africa, 1996; confirms a number of citizen rights and more specifically, the rights of communities to be involved in local governance.

The municipality is obliged to encourage the involvement of communities and community organisations in local government. This obligation extends to the entire way in which the municipality operates and functions.

The principle behind the public participation is that all the stakeholders affected by a public authority's decision have a right to be consulted and contribute to such decisions. In light of the above, this means that public participation provides the community an opportunity to contribute in the decision making processes of a municipality in a structured manner.

Public participation forms part of building and deepening our democracy, by ensuring transparency and accountability. It is about involving communities in decision-making so that they can own the processes, buy-in and credibility, and lends legitimacy to decision-making.

6.2 Legal Background

- ✓ Section 152 of the Constitution of the Republic of South Africa, 1996; states that citizens and communities have rights to be involved in local governance.
- ✓ Chapter 4, Section 16, of the Local Government: Municipal Systems Act, 2000 (32 of 2000 as amended) depicts that a municipality must develop a culture of municipal governance that complements formal representative government with a system of participatory governance, and for this reason must :
  (a) Encourage and create conditions for the local community to participate in the affairs of the Municipality including the: The preparation, implementation and review of the Integrated Development Plan (IDP) in terms of Chapter 5 of the Municipal Systems Act. The establishment and Implementation of the review of its Performance Management System in terms of Chapter 6. The monitoring and review of its performance, including the outcomes thereof of such performance. Preparation of its budget and strategic decisions relating to the provision of the Municipal Services in terms of Chapter 8.

6.3 Community Participation Mechanisms

The municipality designed mechanisms that will facilitate the inclusion of all groups in the decision making processes of the municipality in order to strengthen participation of the community in the municipal affairs.

6.4 Mayoral Programmes (Outreach)

The Mayor in conjunction with public participation unit drafted an annual programme of Mayoral Imbizo's for the 2013/2014 financial year. The Imbizo's are held on an annual basis in order to afford the community an opportunity to have direct access with the Mayor and interact with the members of the community on municipal affairs.

The Mayoral Imbizo's were held in February and March 2014, to engage members of the community on the draft annual report 2012 / 2013 for comments and inputs.

6.5 IDP and PMS Community Participation Programmes (Road shows)

In January and February 2014, the municipality had roadshows in all the wards, where community meetings were held to confirm the community needs, prior to those needs being included in the draft IDP 2014 / 2015.

In line with the legislative requirements, the municipality adopted its draft IDP in March 2014, and in line with the same legislative requirements, the municipality held its IDP Roadshows in April 2014, after the adoption of the IDP

6.6 Council Programmes

(1) Ward Committees

While recognising that public participation is a vital part of local democracy and participatory local governance and that the involvement of communities and community organisations in the matters of the municipality is one of the objects of local government. Ward Committees are one of the mechanisms that are established to ensure public participation and community involvement in the municipality. Formal ward committees have been established in the municipality which consist of 10 ward committees per ward which makes the total of 170 ward committees in all Emalahleni wards.

The Municipality pays a stipend to all ward committees to afford them an opportunity to manage ward committee activities

This means that each ward has 10 ward committees which form part of the committee chaired by the ward councillor. The ward committees are divided into portfolios according to their respective duties. They submit monthly reports according to their portfolios which detail the work that they have performed over a period of a month. The reports from ward committees are compiled to produce a quarterly report which is submitted to the office of the Council Speaker through the Municipal Manager.

(2) Traditional Leaders participating in Council

The municipality is one of the most rural municipalities in the Chris Hani District Municipality which makes it a requirement and possible to liaise with Traditional Leaders on matters affecting the members of the traditional authorities. The municipality is yet to establish protocols on how public participation can be integrated with traditional authorities in order to provide support where it is required in consultation with traditional council.
Council took a resolution back in 2012 to include traditional leadership in the Council of Emalahleni Local Municipality and 7 Traditional Leaders from the municipal area are participating in Council and Council standing committees of the Municipality

(3) Community Development Workers

The Community Development Workers (CDW's) are the officials employed by Department of Local Government and Traditional Affairs. The Community Development Workers forms part of the Ward Committee at Ward level and are involved in all ward committee processes and activities of the ward as whole. Community Development Workers are supposed to be involved in all council activities as they are the foot soldiers at ward level who understand and work close to the people.

6.7 Ward Based Planning

1 With the assistance of the Provincial Department of Local Government and Traditional Affairs, the municipality managed to develop a draft Ward Based Plan report for each ward, which highlighted the following priority areas, outcome anticipated by the community and strategies

Ward	Priority Area	Nature Of The Problem	Main Outcome Anticipated By The Community	Strategies To Be Adopted
1	Health	Need medication, need medical staff to come occasionally and renovations	Improved access to health	Provide the interventions
	Community services	Need another hall, there no hall in Mkapusi and Mt Arthur	Improved access to amenities services	Provide another hall, in Mkapusi and Mt Arthur
	Safety and security	no police station,, yet there is a lot of crime	Improved safety	Provide the satellite station
	ECD(non-core)	Lower Mkapusi preschool need one	Improved education outcomes	Provide preschool in Mkapusi
	Local Economic Development	Unemployment level is too high, need reduction through job creation	Sustainable livelihoods	Investigate developing beneficiation industries, Jobs created through poverty alleviation project a) Focus on labour intensive sustainable development projects; b) Ensure the success of small scaled job creation and poverty alleviation projects; Integrate local and provincial LED programmes and initiatives
		Skills development project; Enterprise development	Improved skills base	To provide skills and accredited training
	SMME development	SMME need appropriate business management related training and support	Sustainable livelihoods	Ensure SMME's access of business opportunities; Provide business developmental support to the SMME sector
	Roads	Roads	Improved access	Provide the infrastructure
	Safety and security	Need Police visibility, there is a high crime rate	Safe and secure environment;	Provide a satellite police station and visible policing

Ward	Priority Area	Nature Of The Problem	Main Outcome Anticipated By The Community	Strategies To Be Adopted
	Health (non-core municipal function)	Encourage Community support groups, for those living with various diseases	Encourage Community support groups, for those living with various diseases	Provide the necessary interventions
	Rural development	No Fencing of grazing lands ploughing fields Roads and bridges Fencing of ploughing field Support with tools and seeds.	Improved food security	Provide Roads and bridges Fencing of ploughing field Support with tools
2	Health	No medicines in clinic	Improved access to health	Provide the interventions
	Rural Development and Agriculture	dipping tank needs water and shearing shed electricity	Improved livestock management	Provide the necessary interventions
	ECD	lower Mkapusi no preschool need one	Improved education outcomes	Provide and Maintain the infrastructure
	Local Economic Development	Unemployment level is too high, need reduction through job creation	Sustainable livelihoods	Investigate developing beneficiation industries, Jobs created through poverty alleviation project a) Focus on labour intensive sustainable development projects; b) Ensure the success of small scaled job creation and poverty alleviation projects; c) Integrate local and provincial LED programmes and initiatives
		Skills development project Enterprise development	Improved skills base	To provide skills and accredited training
		Need conducive environment to conduct for Successful business Development, Balanced economy	Improved quality of life	Enterprise development programme
	Skills development	SMME need appropriate business management related training and support		▪ Ensure SMME's access of business opportunities; ▪ Provide business developmental support to the SMME sector

Ward	Priority Area	Nature Of The Problem	Main Outcome Anticipated By The Community	Strategies To Be Adopted
	Health non-core municipal function)	Encourage Community support groups, for those living with various diseases	Encourage Community support groups, for those living with various diseases	▪ Provide the necessary interventions
	ELM	Provide books	Improved amenities/ quality of life	▪ Provide the books
3	Health	The roads are bad for an ambulance, no medicines	Improved access to health	there are no medicines; Need medication, need medical staff to come occasionally
	Safety and security	no police station,, yet there is a lot of crime	Improved safety	no Polices station, yet there is a lot of crime
	ECD	lower Mkapusi no preschool need one	Improved education outcomes	Provide the preschool
	Local Economic Development	Unemployment level is too high, need reduction through job creation	Sustainable livelihoods	Investigate developing beneficiation industries, Jobs created through poverty alleviation project a) Focus on labour intensive sustainable development projects; b) Ensure the success of small scaled job creation and poverty alleviation projects; Integrate local and provincial LED programmes and initiatives
		Skills development project Enterprise development	Improved skills base	To provide skills and accredited training
		Need conducive environment to conduct for Successful business Development, Balanced economy	-	Enterprise development programme
	SMME development	SMME need appropriate business management related training and support	-	-

Ward	Priority Area	Nature Of The Problem	Main Outcome Anticipated By The Community	Strategies To Be Adopted
				Ensure SMME's access of business opportunities; Provide business developmental support to the SMME sector
	Safety and security	Need Police visibility, there is a high crime rate	Safe and secure environment;	Provide a satellite police station and visible policing
	Health (non-core municipal function)	Encourage Community support groups, for those living with various diseases	Encourage Community support groups, for those living with various diseases	Provide the necessary interventions
	Rural development	Shearing sheds not in good condition	Improved livestock management	Provide the necessary support
4	Health	No medicines;	Improved access to health	Provide improved health system
	Education	Schools not of acceptable norms and standards	Improved education outcomes	Provide appropriate school facilities
	ECD	Not enough preschools	Improved education outcomes	Preschool developed
	Local Economic Development	Unemployment level is too high, need reduction through job creation	Sustainable livelihoods	Investigate developing beneficiation industries, Jobs created through poverty alleviation project a) Focus on labour intensive sustainable development projects; b) Ensure the success of small scaled job creation and poverty alleviation projects; Integrate local and provincial LED programmes and initiatives
		Skills development project Enterprise development	Improved skills base	To provide skills and accredited training
		Need conducive environment to conduct for Successful business Development, Balanced economy		Enterprise development programme
	SMME development	SMME need appropriate business management		

Ward	Priority Area	Nature Of The Problem	Main Outcome Anticipated By The Community	Strategies To Be Adopted
		related training and support		
				▪ Ensure SMME's access of business opportunities; Provide business developmental support to the SMME sector
	Health (non-core municipal function)	Encourage Community support groups, for those living with various diseases	Encourage Community support groups, for those living with various diseases	• Provide the necessary interventions
	Water and sanitation	water and sanitation, storm water, solid waste is in bad state		
	Electrification and infrastructure services	Electricity, firefighting, parking need road marking	Improved access to electricity	Provide the necessary infrastructure
	Sustainable human settlements	Basic services – land for RDP housing and graves needed	Improved service delivery	Provide the appropriate facilities in an integrated way
5	Rural development	Ploughing, farming, fencing, roads, Zingxondo shearing shed not in good condition,	Improved food security; Improved livestock management	Ploughing., farming, fencing, roads, and bridge
	ELM	No Community Halls, No Clinic, No Tarred Roads In Town, No Public Toilets, No Play Ground, , No Public Facilities, No Day Care Centres, No Funding	Improved access to basic needs and amenities	Provide the necessary amenities; Community Halls, Tarred Roads In Town, Public Toilets, Play Ground,
	Health	No mobile clinics	Improved Access To Health	Provide the necessary systems
	Local Economic Development	Unemployment level is too high, need reduction through job creation	Sustainable livelihoods	a) Investigate developing beneficiation industries, b) Jobs created through poverty alleviation project
	LED	Need to have sustainable livelihoods	Reduction of unemployment and sustainable livelihoods;	a) Focus on labour intensive sustainable development projects; b) Ensure the success of small scaled job creation

Ward	Priority Area	Nature Of The Problem	Main Outcome Anticipated By The Community	Strategies To Be Adopted
			Growing and inclusive local economy;	and poverty alleviation projects; c) Integrate local and provincial LED programmes and initiatives
	LED	Skills development project Enterprise development	Improved skills base ;	▪ To provide skills and accredited training
		Need conducive environment to conduct for Successful business Development, Balanced economy	Growing and inclusive local economy;	▪ Enterprise development programme
	LED	Need support for conducting business; Need Progressive infrastructural developments; sustainable livelihoods	Growing and inclusive local economy;	▪ Enterprise development programme
	SMME development	SMME need appropriate business management related training and support	SMME skills base improved	• Ensure SMME's access of business opportunities; • Provide business developmental support to the SMME sector
	Safety and security	Need Police visibility, there is a high crime rate	Safe and secure environment;	▪ Provide a satellite police station and visible policing
	Health (non-core municipal function)	Encourage Community support groups, for those living with various diseases	Improved access to health care;	▪ Provide the necessary interventions

Ward	Priority Area	Nature Of The Problem	Main Outcome Anticipated By The Community	Strategies To Be Adopted
6	**Education**	2 mud structures are not in good condition, Mtikrakra ; scholar transport and nutrition that is consistent	Improved education outcomes	Maintain the schools; scholar transport and nutrition be provided consistently
	Health	No medicines in clinics There are no ambulances at the clinics	Improved health access	Provide the interventions in health systems
	Rural development and Agric	Dipping tanks –not in good condition. The community hall is in good condition There is no fence near the road and has a high accident rate; need tools No camps for the animals	Improved livestock management	Provide the necessary interventions
	Safety and security	We need mobile police station	Improved safety and security	
	Electrification	Electricity Not 100%	Improved access to electricity	Provide electricity
	Public works	Access Road Not 100 %;there Are No Roads To Other Village	Improved access to service delivery	Provide the infrastructure
	LED	Skills development project Enterprise development	Improved skills base ;	To provide skills and accredited training
		Need conducive environment to conduct for Successful business	Growing and inclusive local economy;	Enterprise development programme

Ward	Priority Area	Nature Of The Problem	Main Outcome Anticipated By The Community	Strategies To Be Adopted
	Health (non-core municipal function)	Encourage Community support groups, for those living with various diseases	Improved access to health care;	Provide the necessary interventions
7	**Water and sanitation**			
	LED	Need to have sustainable livelihoods	Reduction of unemployment and sustainable livelihoods; Growing and inclusive local economy;	a) Focus on labour intensive sustainable development projects; b) Ensure the success of small scaled job creation and poverty alleviation projects; c) Integrate local and provincial LED programmes and initiatives
	LED	Skills development project Enterprise development	Improved skills base ;	a) To provide skills and accredited training
	Rural development	Extension officers Support not provided by staff	Improved livestock management	▪ Provisioning of technical support
	Education	Inappropriate structures not meeting norms and standards for learning	Improved education outcomes	▪ Maintain the schools
	SMME development	SMME need appropriate business management related training and support	SMME skills base improved	• Ensure SMME's access of business opportunities; • Provide business developmental support to the SMME sector
	Safety and security	Need Police visibility, there is a high crime rate	Safe and secure environment;	▪ Provide a satellite police station and visible policing
	Health (non-core municipal function)	Encourage Community support groups, for those living with various diseases	Improved access to health care;	▪ Provide the necessary interventions
	ELM	Hall needs burglaring	Improved amenities	▪ Maintain the hall
8	**Rural development**	Fencing	Improved food security	Food security, strengthen the sector departments
	Community services	Ward not clean Need healthy and safe environment	safe and healthy environment	Community induction/awareness
	Local Economic Development	Unemployment level is too high, need reduction through job creation	Sustainable livelihoods	Jobs created through poverty alleviation project

Ward	Priority Area	Nature Of The Problem	Main Outcome Anticipated By The Community	Strategies To Be Adopted
	LED	Need to have sustainable livelihoods	Reduction of unemployment and sustainable livelihoods; Growing and inclusive local economy;	a) Focus on labour intensive sustainable development projects; b) Ensure the success of small scaled job creation and poverty alleviation projects; c) Meat production
	LED	Skills development project Enterprise development	Improved skills base ;	a) To provide skills and accredited training
		Need conducive environment to conduct for Successful business Development, Balanced economy	Growing and inclusive local economy;	▪ Enterprise development programme
	LED	Need support for conducting business; Need Progressive infrastructural developments; sustainable livelihoods	Growing and inclusive local economy;	▪ Enterprise development programme
	SMME development	SMME need appropriate business management related training and support	SMME skills base improved	• Ensure SMME's access of business opportunities; • Provide business developmental support to the SMME sector
	Safety and security	Need Police visibility, there is a high crime rate	Safe and secure environment;	▪ Provide a satellite police station and visible policing
9	Electrification	Weak electricity	Improved access to electricity	Provide electricity
	Rural development & Agriculture	Support required with maintenance of shed	Improved livestock management	Maintain the facilities
	Health	Inadequate access, short of medication at the clinic	Improved access to health	Provide health systems
	Local Economic Development	Unemployment level is too high, need reduction through job creation	Sustainable livelihoods	Jobs created through poverty alleviation project
	LED	Need to have sustainable livelihoods	Reduction of unemployment and sustainable livelihoods;	a) Focus on labour intensive sustainable development projects; b) Ensure the success of small scaled job creation

Ward	Priority Area	Nature Of The Problem	Main Outcome Anticipated By The Community	Strategies To Be Adopted
			Growing and inclusive local economy;	and poverty alleviation projects; c) Meat production ; d) Mobilise funding for the projects
	LED	Skills development project Enterprise development	Improved skills base ;	a) To provide skills and accredited training
		Need conducive environment to conduct for Successful business; sustainable livelihoods	Growing and inclusive local economy;	▪ Enterprise development programme
	SMME development	SMME need appropriate business management related training and support	SMME skills base improved	• Ensure SMME's access of business opportunities; • Provide business developmental support to the SMME sector
10	**Rural Development**	Stock pen – (In need) because of the road ranger 45km to police station	Improved livestock management	Stock pen built
	Education	Inappropriate education structure not meeting the norms and standards	Improved education outcomes	Mud structures
	Local Economic Development	Unemployment level is too high, need reduction through job creation	Sustainable livelihoods	Investigate developing beneficiation industries, Jobs created through poverty alleviation project
	LED	Need to have sustainable livelihoods	Reduction of unemployment and sustainable livelihoods; Growing and inclusive local economy;	a) Focus on labour intensive sustainable development projects; b) Ensure the success of small scaled job creation and poverty alleviation projects; c) Integrate local and provincial LED programmes and initiatives
	LED	Skills development project Enterprise development	Improved skills base ;	a) To provide skills and accredited training
		Need conducive environment to conduct for Successful business Development, Balanced economy	Growing and inclusive local economy;	▪ Enterprise development programme

Ward	Priority Area	Nature Of The Problem	Main Outcome Anticipated By The Community	Strategies To Be Adopted
	LED	Need support for conducting business; Need Progressive infrastructural developments; sustainable livelihoods	Growing and inclusive local economy;	▪ Enterprise development programme
	SMME development	SMME need appropriate business management related training and support	SMME skills base improved	• Ensure SMME's access of business opportunities; • Provide business developmental support to the SMME sector
	Safety and security	Need Police visibility, there is a high crime rate	Safe and secure environment;	▪ Provide a satellite police station and visible policing
	Health (non-core municipal function)	Encourage Community support groups, for those living with various diseases	Improved access to health care;	▪ Provide the necessary interventions
11	**Electrification**	Need electrification of the ward	Improved access to electricity	Electrification
	Safety and security	Police not responsive	Safe environment	Visibility of police
	Health	Need a clinic facility	Access to health	Clinic
	Amenities	Hall needs maintenance	Improved quality of life	Hall maintained
	Rural development	Fencing	Improved food security	Food security, strengthen the sector departments
	LED	Need to have sustainable livelihoods	Reduction of unemployment and sustainable livelihoods; Growing and inclusive local economy;	a) Focus on labour intensive sustainable development projects; b) Ensure the success of small scaled job creation and poverty alleviation projects; c) Meat production
	LED	Skills development project Enterprise development	Improved skills base ;	a) To provide skills and accredited training
		Need conducive environment to conduct for Successful business Development, Balanced economy	Growing and inclusive local economy;	▪ Enterprise development programme
	LED	Need support for conducting business; Need Progressive infrastructural developments;	Growing and inclusive local economy;	▪ Enterprise development programme

Ward	Priority Area	Nature Of The Problem	Main Outcome Anticipated By The Community	Strategies To Be Adopted
		sustainable livelihoods		
	SMME development	SMME need appropriate business management related training and support	SMME skills base improved	• Ensure SMME's access of business opportunities; • Provide business developmental support to the SMME sector
	Sustainable Human settlements	Repair the RDP houses	Improved quality of life	• Repair the RDP houses
12	**Health**	No medicines; The roads are bad for an ambulance	Improved access to health	Interventions On Health Systems
	Community services	Need another hall, no hall in Mkapusi and Mt .Arthur	Improved access to basic amenities	Provide the hall
	Safety and security	no SAPS – no police station, yet high crime rates	Improved safety	Provide the services
	ECD	lower mkapusi need a preschool	Improved education outcomes	Provide the facilities
	Local Economic Development	Unemployment level is too high, need reduction through job creation	Sustainable livelihoods	Investigate developing beneficiation industries, Jobs created through poverty alleviation project a) Focus on labour intensive sustainable development projects; b) Ensure the success of small scaled job creation and poverty alleviation projects; c) Integrate local and provincial LED programmes and initiatives
		Skills development project Enterprise development	Improved skills base	To provide skills and accredited training
	Safety and security	Need Police visibility, there is a high crime rate	Safe and secure environment;	Provide a satellite police station and visible policing
	Health non-core municipal function)	Encourage Community support groups, for those living with various diseases	Encourage Community support groups, for those living with various diseases	Provide the necessary interventions

Ward	Priority Area	Nature Of The Problem	Main Outcome Anticipated By The Community	Strategies To Be Adopted
	Roads and Public Works and ELM	The roads are poor, e - Luxeni- no water, no roads, no toilet, no access roads,	Improved access to basic services	Provide the necessary infrastructure
13	**Rural development**	Lack tools and tractors for crop farming		a) Fence off grazing camps; b) Provide tractors and the support
	Electrification	Extension not electrified	Improved access to electricity	Provide electricity to extensions
	LED	Need to have sustainable livelihoods	Reduction of unemployment and sustainable livelihoods; Growing and inclusive local economy;	a) Focus on labour intensive sustainable development projects; b) Ensure the success of small scaled job creation and poverty alleviation projects; c) Integrate local and provincial LED programmes and initiatives
	LED	Skills development project Enterprise development	Improved skills base ;	a) To provide skills and accredited training
	Roads and Public works	Need bridges to provide access	Improved access ;	▪ Provide bridges
	LED	Need support for conducting business; Need Progressive infrastructural developments; sustainable livelihoods	Growing and inclusive local economy;	▪ Enterprise development programme
	SMME development	SMME need appropriate business management related training and support	SMME skills base improved	• Ensure SMME's access of business opportunities; • Provide business developmental support to the SMME sector
	Safety and security	Need Police visibility, there is a high crime rate	Safe and secure environment;	▪ Provide a satellite police station and visible policing
	Health (non-core municipal function)	No medication at clinics	Improved access to health care;	▪ Provide the necessary interventions
14	**Health**	No medicines; The roads are bad for an ambulance	Improved access to health	Provide the necessary interventions

Ward	Priority Area	Nature Of The Problem	Main Outcome Anticipated By The Community	Strategies To Be Adopted
	Education	Lack of staff, classrooms, schools not maintained	Improved access to education	Lack of staff, classrooms, schools not maintained
	Safety and security	Police responsiveness	Improved safety	Police visibility
	Local Economic Development	Unemployment level is too high, need reduction through job creation	Sustainable livelihoods	Investigate developing beneficiation industries, Jobs created through poverty alleviation project a) Focus on labour intensive sustainable development projects; b) Ensure the success of small scaled job creation and poverty alleviation projects; Integrate local and provincial LED programmes and initiatives
		Skills development project Enterprise development	Improved skills base	To provide skills and accredited training
	Water and Sanitation CHDM	Provisioning of Sanitation and water facilities	Improved basic services	Water source needs to be replenished- Machubeni – all six villages the water system that are functional
	Roads and Public Works and ELM	The roads are bad and inaccessible	Improved access to basic services	Maintain and develop the roads,
15	**Health**	Need a clinic for Ida farms	Improved access to health	Provide the necessary interventions
	ECD	Need crèches	Improved education outcomes	Provide the crèches
	Education	Lack of staff, classrooms, schools not maintained	Improved access to education	Lack of staff, classrooms, schools not maintained
	ELM	Community halls, sports facilities, clinic	Improved access to amenities	Amenities required
		Skills development project Enterprise development	Improved skills base	To provide skills and accredited training
16	**Water and Sanitation**	Provide water and sanitation	Improved access to basic services	Provide the necessary interventions
	Community services	Need roads and storm water maintenance	Improved service delivery	Provide the maintenance

Ward	Priority Area	Nature Of The Problem	Main Outcome Anticipated By The Community	Strategies To Be Adopted
	Sustainable human settlements	Need land for human settlements and graves	Improved quality of life	Provide sustainable human settlements
	ELM	Community halls, sports facilities, clinic	Improved access to amenities	Amenities required
		Skills development project Enterprise development	Improved skills base	To provide skills and accredited training
17	**Community services**	Need roads and storm water maintenance	Improved service delivery	Provide the maintenance
	Water and sanitation	Provisioning of clean water	Improved quality of life	Provide sustainable human settlements
	Education	School facilities not Maintained	Improved access to education	Amenities maintained

6.8 Issues raised in Public Participation Programmes

Programme	Ward	Date
IDP Representative Forum	IDP Representative Forums were held to engage Sector Department on projects that were planned for implementation in the municipal area for the 2015 / 2016 financial year.	
Road shows	IDP Roadshows were held for confirmation of priorities, prior to the tabling of the draft IDP and Budget and later for confirmation after the adoption of the IDP and Budget	November 2014

		SERVICE DELIVERY DIRECTORATES				
WARD NO	REVIEWED PRIORITIES FOR 2015 / 2016	INFRASTRUCTURE DEVELOPMENT AND HUMAN SETTLEMENTS	COMMUNITY SERVICES	LOCAL ECONOMIC DEVELOPMENT	OTHER GOVERNMENT DEPARTMENTS	RESOURCES REQUIRED
1	(1) Electricity: all villages (2) Road Construction & Maintenance: all villages (3) Community Hall: Tshatshu (4) FENCING: all villages (5) Shearing Shed (6) Anti-erosion walls: All villages (7) Access Roads and Bridges: Main road to Mpotulo, Tafileni (Nqiningana), Mgqomeni to Lapesini, Rodana bridge, Xonxa (8) Networks: Cellphones and Television: Rodana, Xonxa, Tshatshu, Tsolokazi (9) Garden Projects (10) Clinics: Mpotulo, Nqininga and Rodana (11) Dipping tanks: Rodana` (12) Shearing Shed: Xonxa Tsolokazi, Mpotulo (13) Sport Field (14) Excavation / Quarry / Crush Stone (15) Construction of Livestock dams (16) Tourism Centre and Game reserve (17) Alien eradication (18) Community Hall: Xonxa, Nqiningana, Mpotulo, Tsolokazi, Tshatshu, Nkolonga, Rodana	Electricity: All villages Road Construction and Maintenance: All villages	• Community Hall: Tshatshu	• Fencing: All Villages • Shearing Shed		

	(19) School building: Rwantsana, Mpotulo and Hlathikhulu (20) Preschool: Rwantsana, Xonxa (Qineni), Mpotulo (21) Pay-point Centres (22) Craft Centre (23) Massive Production: Mpotulo agricultural scheme Xonxa, Qithi, Rwantsana, Tshatshu, Rodana and Nqiningana (24) RDP Houses (25) Marketing (26) Tractors for Farmers (27) Sand Mining (28) Job Creation (29) Water and Sanitation					
2	(1) Fencing of grazing land and tractors (2) RDP Houses : all wards (3) DR08656 Tar Road / Regravelling and Access Roads – Njombela, Lututu, Mthonjeni, Qutubeni, Mdeni, Zote-Masakhane, Nkolonga, Skwanqeni and Mtwakazi Bridge (4) Sanitation: Lanti, Luqolo, Singeni, Zote, Masakhane, Njombela, Sihlabeni, Qutubeni, Mdeni, Ligwa, Lututu(need finishing) (5) Lapesi Eradication: Lututu, Mtonjeni, Masakhane, Njombela, Mdeni, Qutubeni, Ligwa and Lanti (6) Electricity & Extensions: all ward – Tshatshu (Dontseyakhe), Zongo Village, Lututu, Mdeni (Cwane), Zoteesingeni (7) Water: Lututu, Nkolonga, Skwanqeni	**RDP HOUSES : ALL WARDS**		**FENCING OF GRAZING LAND AND TRACTORS**	**RDP HOUSES : ALL WARDS** **DR08656 TAR ROAD / REGRAVELLING AND ACCESS ROADS – NJOMBELA, LUTUTU, MTHONJENI, QUTUBENI, MDENI, ZOTE-MASAKHANE, NKOLONGA, SKWANQENI AND MTWAKAZI BRIDGE** **17 SANITATION:LANTI, LUQOLO, SINGENI, ZOTE, MASAKHANE, NJOMBELA, SIHLABENI, QUTUBENI, MDENI, LIGWA, LUTUTU(NEED FINISHING)**	

	(8) Network Signal: for TV and Cell phones, Skwanqeni (9) Shearing Shed: Mtonjeni, Lanti (10) Community Hall: Qutubeni, Lanti, Luthuthu, Skwanqeni (11) Clinic and Mobile Clinic: Lututu, Nkolonga (12) Fencing: Bengu, Luqolo, Njombela and Maqata, Skwanqeni, Nkolonga (13) Shearing Shed renovation (14) Cemetery (15) Social Development Office: Lanti, Bengu (SASSA) (16) Foot bridge: Skwanqeni (17) Shearing Shed: Skwanqeni (18) Preschool: Skwanqeni (19) School Building: Nkolonga (20) Dipping tanks: Nkolonga					

18	(1) Storm Water Management (2) Land Care Management (3) Access roads and electricity (4) Clinic – (Ntlalontle) (5) Community Hall – Qaqeni (6) Lapesi Eradication: Hala 1&2, Lawini, Maqhubela (7) Shearing Sheds: Ntlalontle, Zingqolweni, Maqubela (8) Clinic: Zingqolweni, Maqhubela, Qaqeni (9) Preschool: Hala 1, Maqhubeni, Greyspan, Qaqeni, Zingqolweni (10) Primary School: Madwaleni (11) Fencing: All villages (to fence cemeteries and arable land) (12) Stock Dams – Greyspan (13) Electricity	**STORM WATER MANAGEMENT** **LAND CARE MANAGEMENT** **ACCESS ROADS AND ELECTRICITY**	**COMMUNITY HALL – QAQENI**		**CLINIC – (NTLALONTLE)**	
7	(1) Shearing Shed : Ngqoko and Cacadu (2) Fencing – Ngqoko (3) Community Hall Multipurpose Centre: Cacadu (4) Mthwakazi Bridge (5) Access roads – all townships and Town (6) Storm Water Drainages – Lady Frere (7) Pound – Lady Frere Town (8) Skills Centre – Lady Frere Town (9) High School – Lady Frere town (10) Fencing: Nqoko, Cacadu (arable lands, roads) (11) Electricity – RDP Houses (12) New Cemetery	Mthwakazi Bridge Access roads – all townships and Town	Community Hall Multipurpose Centre: Cacadu	Shearing Shed : Ngqoko and Cacadu Fencing – Ngqoko		

	(13) Streetlights Maintenance – Lady Frere Town, Apollo lights in Bongolwethu (14) Storm water Drainages – Lady Frere (15) Library – Lady Frere Town (16) Dumping Site – Lady Frere town (17) Shopping Mall					
5	**(1)** Access Roads:Noluthando Village, Kwavala, Cumakala, Dopu, Glen Adelaide **(2)** Water: Calvary, Cumakala – KwaGxubani, Lady Frere Location – Mzomhle, Mission, Zingxondo **(3)** Sanitation:Mjikweni, Lapesini, Mission, Topu, Cumakala **(4)** Tarred Road; Lady Frere Location **(5)** Community Hall – Glen Adelaide **(6)** Electricity: Cavary, Pana Tyip – Zingxondo, Topu **(7)** Foot bridge from Topu to Nompucuko **(8)** RDP Housing: Lady Frere location, Dopu, Cumakala, Noluthando, Glen Adelaide **(9)** Clinic: Noluthando village **(10)** Lapesi eradication: Glen Adelaide, Topu, Cumakala **(11)** Street Cleaning and Beautification: Lady Frere Location **(12)** Tractor for farmers (Cumakala, Glen Adelaide) **(13)** Pay points (All villages) **(14)** Crèches (All villages) **(15)** Shearing Shed – Dopu **(16)** Libraries – Dopu	• Tarred Road; Lady Frere Location	• Community Hall – Glen Adelaide		• Access Roads:Noluthando Village, Kwavala, Cumakala, Dopu, Glen Adelaide • Water: Calvary, Cumakala – KwaGxubani, Lady Frere Location – Mzomhle, Mission, Zingxondo • Sanitation:Mjikweni, Lapesini, Mission, Topu, Cumakala	

	(17) Womens Gardens / irrigation scheme – Dopu **(18)** Street Lights – Part of Lady Frere, and Lady Frere location **(19)** Shopping Mall – Ward 5 **(20)** Playground – KwaNoluthando, Cumakala, Kavala					
6	(1) Access Roads – Gqebenye, Ethembeni-Emahlathini, Dlamini, SamtoGoodstaff, Emzi to Manyangaza (2) Sanitation – Toilets in all villages (3) Water – all villages (4) Fencing - all villages (5) Irrigation Scheme (6) Anti-erosion walls (7) Tele-communication centre (8) Mobile Police Station (9) Electricity – Emahlathini, Mqolombeni, Manyangaza (10) Mortgage – Dlamini (11) Farming (12) Grain Miller (13) Crèches (14) Marketing (15) Cultural Village (16) Clinic – Mackaysnek (17) Sport field (18) RDP Houses (19) Mobile Clinic – Holani, Kundulu, Dlamini (20) Garden Project (21) Shearing Shed (22) Stock Dams (23) Pay points			• Fencing - all villages • Irrigation Scheme	• Access Roads – Gqebenye, Ethembeni-Emahlathini, Dlamini, SamtoGoodstaff, Emzi to Manyangaza • Sanitation – Toilets in all villages • Water – all villages	

7	**(1)** Access Roads (all villages) **(2)** Fencing of grazing land and arable land **(3)** Water to new settlements: (Mmangweni, Fani (ezgaytini), Maqwathini (Kwablangwe), Amazongozi) **(4)** Clinic (Bozwana&Dubeni) **(5)** Shearing Shed: Dubeni, Xusha **(6)** Sport Field **(7)** Irrigation scheme Construction: Xusha **(8)** Library **(9)** Construction for Abet Centre **(10)** Support for kuDubeni and Maqwathini Schemes **(11)** Network Tower **(12)** Community Hall: Bozwana **(13)** Repair and Completion of toilets **(14)** Electrification of new settlements	• Access Roads (all villages)	• Shearing Shed: Dubeni, Xusha	• Fencing of grazing land and arable land	• Access Roads (all villages) • Water to new settlements: (Mmangweni, Fani(ezgaytini), Maqwathini (Kwablangwe), Amazongozi) • Clinic (Bozwana&Dubeni)	
8	**(1)** Electricity: Extensions (Lower Vaalbank, Xushe @Qhugqwarhu) **(2)** Access Roads: (All Villages) **(3)** Shearing Shed: Mgqukhwebe, Ngonyama, Jojweni **(4)** Revival of Crop ploughing: Soghurm and wheat **(5)** Fencing of arable and grazing land **(6)** Sanitation and Rectification: All wards **(7)** Water extension: Kuyasa, Zwelethemba, Qhugqwarha and Boqo **(8)** Low Cost Houses **(9)** Household connections **(10)** Bus Shelters	**ELECTRICITY: EXTENSIONS (LOWER VAALBANK, XUSHE @QHUGQWARHU)** **ACCESS ROADS: (ALL VILLAGES)**		**SHEARING SHED: MGQUKHWEBE, NGONYAMA, JOJWENI** **REVIVAL OF CROP PLOUGHING: SOGHURM AND WHEAT** **FENCING OF ARABLE AND GRAZING LAND**		

	(11) Pre-Schools: All Villages **(12)** Electric Pumps **(13)** Police Station / Satellite Police Stations **(14)** Security for government projects **(15)** Mobile clinic: Boqo					
9	(1) Electricity (2) Access Roads: All villages (3) Transportation to Lady Frere (4) RDP Houses (5) Bridges- Zwartwater-Tabasa, Vaalbank-Laphumilanga, Mcwangele. (6) Sanitation – Dum dum, Emdeni, Sdwadwa, Dukathole, Mayeye, Gcina, Baptist (7) Mobile clinic – Tabasa, Zwartwater, Ezingcaceni, Mayeye (8) Shearing Shed (Gova and Dukathole) (9) Fencing arable land (10) Tractors (11) Anti-erosion walls (12) Police Station (13) Irrigation schemes (14) Alien Eradication (15) Network tower (16) School furniture and equipment (17) Building schools (18) Community gardens (19) Sport field (Gova and Dukathole) (20) Community Hall – Zwartwater, Esidwadweni	• Electricity • Access Roads: All villages • Bridges- Zwartwater-Tabasa, Vaalbank-Laphumilanga, Mcwangele.			• Transportation to Lady Frere • RDP Houses • Access Roads: All villages •	
10	(1) Access road – All (2) Bridges Course ways – Fini Bridge	• Access road – All • Bridges Course ways – Fini Bridge	• Sports Field	• Alien Eradication • Five Tractors		

	(3) Alien Eradication (4) Sports Field (5) Five Tractors (6) Anti-erosion walls (7) Mateyisi Shearing Shed (8) Coal Mining of Tsembeyi (9) Network Tower – Cell phone (10) Stock dams (11) RDP House – Whole ward (12) Taxi Rank (13) Generator for dipping tanks (14) Fencing of cultivated fields (15) Fencing of cemeteries (16) Pre-schools (17) Clinic – Bankies& Surrounding areas (18) Bus stop shelters (19) Fencing of resource centre (20) Schools (21) Police station (22) Tar road – R392 Dordrecht to Lady Frere (23) Maintenance of Access Road – Buffelsdorings, Tsembeyi School, Komani School, Gcaka to Tsawulayo (24) Maintenance of Tsembeyi Water Scheme (25) Maintenance of Dipping tanks (26) Courseways Maintenance – 2 Buffelsdorings and Tsawulayo (27) Pay-points (28) Multi-purpose Centre					
11	(1) Street lights: Zwelethemba& Harry Gwala Phase 2 location (2) Sanitation & Toilets: Munniksville, Harry Gwala	• Street lights: Zwelethemba& Harry Gwala Phase 2 location •	• Renovation of Marabastad • Sport Field		• Sanitation & Toilets: Munniksville, Harry Gwala • Clinic – Harry Gwala	

	(3) Clinic – Harry Gwala (4) Renovation of Marabastad (5) Sport Field (6) Brick making (7) Revival of Cheese factory (8) Library – Harry Gwala (9) Family resource centre (10) Renovation of Harry Gwala (11) Rectification of RDP houses (12) Sport field Maintenance: All Ward (13) Shopping Mall (14) Electrification of new settlements (15) Paving					
12	(1) Electricity –extensions (2) Access Roads – whole ward (3) Sanitation – Ngqanda, Ncalukeni, Bomeni, Mkapusi (4) Fencing – Whole ward (5) Bridges – Mkapusi, Mphesheya, Mbeja, Dipini, Ncalukeni, Bomeni (6) Tarred Main Road – Mkapusi, Mphesheya, Mbeja, Dipini, Ncalukeni, Bomeni (7) Dipping Tanks – Ngqanda, Luxeni and Mkapusi (8) Pre-school – Luxeni, Bomeni, Mt Hill, Mkapusi, Luxeni, Mkapusi (9) Schools – Ncalukeni and Mthunzini old buildings (10) Mkapusi JSS – Qwempe and Luxeni need renovation (11) Shearing shed – Ngqanda, Mkapusi, Mt Athur, Ncalukeni, Gugulethu, Lower Mkaphusi (12) Fencing – Whole ward (13) High school – Ngqanda&Mkapusi	• Electricity – extensions • Access Roads – whole ward • Bridges – Mkapusi, Mphesheya, Mbeja, Dipini, Ncalukeni, Bomeni	•	• Fencing – Whole ward	• Access Roads – whole ward • Sanitation – Ngqanda, Ncalukeni, Bomeni, Mkapusi •	

	(14) Bus Stop Shelter – Mkapusi main road, Mt Hill (15) SorghumnProject – Bomeni, KwaQithi, Khohlo, Mqiti, Siyazondla (Qolweni) (16) Four tractors – whole ward (17) Youth Centre –Ngqanda, Mt Arthur (18) RDP Houses – Ngqanda, Mkapusi, Bomeni, Mt Arthur and Mt Hill (19) Libraries – Ngqanda, Mkapusi, Bomeni, Mt. Arthur and Mt Hill (20) Women's Garden – Bomeni, Mkhaphusi, Kohlo, Ngqanda (21) Sports Grounds (Whole Ward) (22) Electricity – Mkhaphusi, Bomeni and Nkwaleni (23) Clinic – Ngqanda, Lower Mkhaphusi (24) Stock dams – Mkhaphusi (25) Sewing project (Whole ward) (26) Network pole					
13	(1) Access Road (2) Bridges and Foot Bridges (3) Police Station (4) Sport Field (5) Community Library (6) Network tower – television, cell phone (7) Schools – St Cyprinns JSS, Nobandla JPS (8) Playing grounds (9) 2 X Multi-purpose Centres (10) Crèche – whole ward (11) Tshamazimba – Boarding school (12) Soil erosion control	• Access Road • Bridges and Foot Bridges	• Sport field • Community Library	• Police Station	• Access Road • Sport field	

	(13) Bus stop shelter (14) Soyisele Women's Garden Project (15) Vuyani JPS – Mbolompeni (16) Community Library (17) Sport Ground					
14	(1) Community Hall – Mhlanga (2) Crossing Foot Bridge from Dordrecht Town to Zwelitsha Location (3) Access Road from Nkalweni village to Mangweni village at Macubeni (4) Sport Field – Dordrecht (5) Clinics – Kalfontein&Mroshweni villages (6) Emroshweni Preschool (7) Electricity extension at Nkenkulu Village (8) Water extension at Mrhoshweni (9) Spring-stopping and water extension at Nkalweni village (10) Dipping tank at Nkalweni village (11) Sanitation at Macubeni A/A (12) Chibini Clinic (13) Chibini Community Hall (14) MrhoshweniCommunity Hall (15) Mrhoshweni shearing shed – construction (16) Mrhoshweni windmill (17) Mrhoshweni pay point	• Crossing Foot Bridge from Dordrecht Town to Zwelitsha Location • Access Road from Nkalweni village to Mangweni village at Macubeni •	• Community Hall – Mhlanga • Sport Field – Dordrecht	•	• Access Road from Nkalweni village to Mangweni village at Macubeni • Sport Field – Dordrecht • Clinics - Kalfontein&Mroshweni villages	
15	(1) Construction and maintenance of Sport Fields (2) Street Lighting (3) Tarring of Mavuya Streets (4) Community Hall: Mavuya	• Street Lighting • Tarring of Mavuya Streets	• Construction and maintenance of Sport Fields		• Construction and maintenance of Sport Fields	

	(5) Multi-Purpose Centre: Mavuya (6) Brick making (7) Side drains (8) Naming of streets (9) Agricultural village (10) Irrigation schemes (11) Fresh produce market (12) Brick making project (13) Network tower – Cell phone, television		• Community Hall: Mavuya • Multi-Purpose Centre: Mavuya			
16	(1) Water - Upper and lower Mgwalana (2) Access Roads – all villages (3) Fencing (4) Street lights (5) Maintenance of sport fields (6) Brick making (7) Tarring of Road – Indwe to Indwe Port (8) Revitalization of Indwe hospital (9) Network tower – Mzamo Township, Maqwathini, Guba and Cegceyane (10) Storm water upgrade – Vukani (11) Improving refuse removal (12) Fencing – Vukani Project (13) Shopping mall (14) Community hall	• Access Roads – all villages • Street lights	Maintenance of sport fields	• Fencing	• Water - Upper and lower Mgwalana • Access Roads – all villages	
17	1) Electricity & Solar power /Extensions 2) Water 3) Toilets – Maqashu 4) Access Roads 5) Community Hall – Ward Centre 6) Storm water Infrastructure – Trust 7) Alien eradication – All wards	0. Electricity & Solar power /Extensions 1. Access Roads	Community Hall – Ward Centre		2. Water 3. Toilets – Maqashu 4. Access Roads	

	8) Anti-erosion walls / Land care project 9) Sport fields 10) Dipping tank – Ngcuka 11) Farming projects 12) Quarry Excavation 13) Mobile Clinic 14) Tractors 15) Fencing of farming fields and grazing land 16) Arts and Culture Centre 17) RDP Houses					

CHAPTER 7
SPATIAL DEVELOPMENT FRAMEWORK

Section C: Sector Plans

Chapter 7 – Spatial Development Framework

1. SPATIAL AND ENVIRONMENTAL RATIONALE

7.1 Introduction and overview

In accordance with the requirements of the Municipal Systems Act 32 of 2000, the Emalahleni Municipality has completed a Spatial Development Framework in respect of its area of jurisdiction which was adopted in 2011

The area administered by the Municipality encompasses a variety of land uses and settlement types, which range from large and smaller commercial farming enterprises, traditional African settlements, and the rural service centres of Lady Frere, Indwe and Dordrecht.

The current dynamics relating to economic development, together with the specific nature and history of land development in certain parts of Emalahleni have resulted in growing pressure for land developments in certain areas, including the towns of Lady Frere (the commercial and administrative hub of the Municipality) and Indwe (where the prospect of a revitalised local coal extraction industrial sector holds promise for future development).

Along with attempting to manage this pressure, the Spatial Development Framework must also provide guidance on how best to manage the need for settlement growth and development in the small urban centres of Lady Frere, Indwe and Dordrecht as well as where best to direct resources in facilitating rural development in the various traditional settlement areas.

In attempting to span the requirements set out above, it is important to **note the following points**:

The Spatial Development Framework does not create or confer land development rights, nor does it withdraw or impinge on existing land development rights (even where these may run counter to the principles set out in the SDF). Instead, it sets out principles and guidelines that are intended to assist the Emalahleni Municipality and other agencies involved in land development in planning for and managing such development in a way that the best possible use is made of limited resources, so that existing and new developments may be regarded as environmentally, socially and economically sustainable.

It is the duty of the Emalahleni Municipality to carry out in an objective manner spatial planning and land use management in terms of its constitutional mandate to undertake Municipal Planning. This means that the Municipality is bound to align itself with principles and laws affecting spatial development and land use set in place by the National and Provincial spheres of government.

In so doing, it must also affirm a fundamental principle accepted in law in South Africa and other countries where spatial planning is one of the key public sector activities: namely, that the rights associated with land ownership or access to land are limited by each land owner or land rights holder's co-responsibility for the greater public good in relation to socio-economic development and environmental management.

To plan for that greater public good, then, the Emalahleni Municipality has the obligation and the authority to limit the extent to which landowners or land rights holders may exercise their rights in land development and land use. Accordingly, this Spatial Development Framework is set in place to provide a clear set of principles and guidelines to direct and assist the Municipality in its role as land use regulator.

Spatial Development Framework Forms Part of the Integrated Development Plan

As is contemplated in Section 26 (e) of the Municipal Systems Act, the Emalahleni Spatial Development Framework forms part of the Municipality's Integrated Development Plan (IDP).

The Guide Pack for Integrated Development Planning provided by the Department of Provincial & Local Government establishes that the Spatial Development Framework is a key element in the integration of development processes across sectors. The Guide notes that: "Integrated habitable cities, towns and rural areas are achieved through policy, strategy and action". Accordingly, it is understood that, where policies, strategies or actions identified in the Emalahleni IDP have a spatial dimension, these need to be accounted for in the Spatial Development Framework.

Statutory Status of the Spatial Development Framework

In terms of Section 35 (2) of the Municipal Systems Act, the Spatial Development Framework for Emalahleni has statutory status[1] and overrides any other plan for the area or portions of the Emalahleni Municipality that may have been compiled previously and which is described in the Physical Planning Act (Act No. 125 of 1991). Such plans would include regional development plans, regional structure plans and more localised plans such as Urban Structure Plans. As such, the Emalahleni Spatial Development Framework becomes the principle instrument for forward planning and decision-making on land development in the Emalahleni Municipal area.

1.1. LEGAL FRAMEWORK

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

- ***The Development Facilitation Act (DFA - Act 67 of 1995)***
- ***The White Paper in Wise Land Use: Spatial Planning and Land Use Management (March 2001)***
- ***The Draft Land Use Management Bill (December, 2004)***

The Development Facilitation Act is presently of great relevance to all spatial planning processes in South Africa. In terms of current legislation, it is understood that the Spatial Development Framework must give effect to the *General Principles on Land Development* contained in Chapter 1 of the Act and the Municipality is legally obliged to apply their provisions when engaging in spatial planning and land use management decision-making.

Accordingly, the key general principles for land development are highlighted below: -

All laws, policies and administrative practices affecting land development should:
Facilitate the development of both new formal and existing informal settlements; there is therefore no bias in favour of any one sort of development and no individual community or group in an area can claim preferential treatment without a good reason.

- Discourage the illegal occupation of land, with due recognition of informal land development processes.
- Promote efficient and integrated land development that, among other things: integrates rural and urban areas, integrates poor and rich, black and white areas in towns and cities, and integrates different land uses rather than keeping them strictly separate.
- Discourage the phenomenon of "urban sprawl" in urban areas and contribute to the development of more compact towns and cities.
- Make maximum use of all available resources and avoid duplicating existing infrastructure and services.
- Promote the development of housing and work opportunities near to each other, and encourage environmentally sustainable practices and processes.
- Be clear and easily understood – they should also provide guidance and information to people in or affected by the land development process, rather than simply trying to control the process and the people.
- Promote sustainable land development that:
    - Is within the fiscal, institutional and administrative means of the Republic;
- Establishes viable communities;
- Protects the environment;
- Meet the basic needs of all citizens in a viable way
- Ensure the safe utilisation of land by taking into consideration factors such as geological formations and hazardous undermined areas.

1.2. KEY PLANNING INFORMANTS

From the Analysis phase of the project, the following conclusions are drawn in relation to an assessment of the natural and built environment in the Emalahleni area:

STRENGTHS (Internal)	***IMPLICATIONS***
• The natural and built environment in Emalahleni offers some key opportunities to enhance the local economy and to offer residents the prospects of a better life. These include: - o There is potential for higher productive uses of certain land areas for agriculture, especially in the sectors of crop production in areas where irrigation is possible from the Xonxa and Lubisi Dams and livestock (sheep farming) o There is identified potential for coal mining to be revived and extended in the area around Indwe.	• *The Emalahleni Municipality needs to adopt a strategic approach to its developmental duties so that a clear prioritization of effort is enabled (i.e. focus on doing a few things well instead of trying to spread resources too thin).* • *In so doing, the LM will need to engage in clearly structured partnership approaches to development in the main sectors of potential – the primary sector (agriculture and mining) and tourism – in order to ensure the appropriate scale of interventions.*
• In terms of the land capability, some 34% of the total land area is deemed suitable to moderate and limited crop production. The remainder of the land area is best suited to livestock farming.	• *From a strategic point of view, Agencies wanting to promote crop production for commercial purposes in Emalahleni will need to carefully plan the location of their projects as well as their strategies to include local land rights holders as partners in the initiatives.* • *For the most part, it would appear that appropriately designed household livelihood strategies and livestock*

STRENGTHS (Internal)	*IMPLICATIONS*
	improvement programmes should be actively pursued.
• The town of Lady Frere has a relatively strong-functioning wholesale and retail trade sector that services the surrounding rural settlements. • The town of Indwe, too, has a Rural Service Centre function and also has potential to be formalised as a base for a resurgent coal mining industry in the local area. • Dordrecht , too, plays a Service Centre role to surrounding areas, which are predominantly comprised of extensive farming lands and there may be some potential to revive past sectors of activity in the town (e.g. dairy/cheese manufacturing)	• *A careful approach to urban management needs to be followed in all three of the Municipal towns to ensure that the elements of sustainability are central to future plans for growth.* • *The towns' infrastructure networks need to be properly managed and extended to ensure a secure and appropriate Level of Service (LOS) to residents and businesses operating there.*
• Whilst the human resources capacity at Municipal level in relation to managing spatial development is presently relatively limited, the fact remains that Emalahleni Municipality has qualified staff members attending to the function, which is not the norm across the Eastern Cape and must be regarded as a strength in comparison with most other Local Municipalities in the Province.	• *As the issue of municipal capacity to manage spatial development is a universal problem in the Eastern Cape, a multi-lateral approach to this issue is required.* • *Staff retention policies need to be put in place, including the provision for training and skills enhancement.*

WEAKNESSES (Internal)	IMPLICATIONS

• At a regional level, Emalahleni may be described as a peripheral area in relation to the national space economy (where the dominant regions include Gauteng/Tshwane, the Western Cape and the eThekwini Metropolitan area) as well as the Eastern Cape economy (where the space economy is dominated by the Nelson Mandela Metropolitan area and Buffalo City).
  ○ From the perspective of economic production, the Emalahleni area is currently of marginal significance at both the level of the National economy (where it contributes less than 6/10ths of a percent to GDP) and the Provincial economy (where it produces less than a percent to GDP).
  ○ Given its relative position in relation to the major economic centres and the key transportation routes of the country, it appears likely that the area will remain relatively marginalized.
	The implications of the relatively peripheral location and under-developed economy of Emalahleni are seen to be: -
	• *There is likely to be a continued reliance on external investment into the area (mainly in the form of state-led investment)*
	• *Local development initiatives (LED programmes etc.) must be actively pursued but care needs to be taken as to the sustainability and enduring impact of initiatives*
	• *A strong focus needs to be placed on ensuring the development and enhancement of road linkages with neighbouring areas as well as within the Emalahleni municipal area*

• From an overall economic perspective, the Emalahleni economy is dominated by the state sector, with the primary sector (agriculture, forestry and fisheries) contributing only 2% of Gross Value Added (GVA) to the economy whilst the GVA contributed by Government and Services sectors is 55%. • The above facts are underlined by the extent to which state grants and subsidies in the form of pensions and grants in aid appear to bolster the livelihoods of	• *The figures on the state of the Emalahleni economy indicate an undiversified local economy where productive activities are presently secondary to a focus on subsistence.* • *Economic development strategies need to be focused spatially in areas where there are demonstrable prospects of sustainable impacts (as measured in*

WEAKNESSES (Internal)	IMPLICATIONS
Emalahleni residents, where annually almost R800 million is paid over to households. This figure represents around 44% of the total GVA produced in Emalahleni.	*terms of the natural resource base as well as the willingness of communities to participate.*
• The proximity of Queenstown means that it is more difficult for local businesses based in the three smaller towns to thrive and compete against businesses in the larger centre that enjoy far greater trading thresholds and therefore are able to be more competitive in terms of pricing as well as range of goods and services provided.	• *Urban management and infrastructure upgrades in the towns of Lady Frere, Indwe and Dordrecht must be carried out to improve the quality of these urban areas for residents, local business and commuters to town accessing goods and services (i.e. the towns – especially Lady Frere – must become more pleasant to live in and do business in so as to be more competitive with Queenstown as a destination of choice).*
• The resident population of Emalahleni (approximately 116,000 people or 30,000 households) is characterized by a preponderance of youth (almost 60% of the population is below the age of 20) and an overall gender ratio of 51% females to 49% males. o Indications are that the area's status as a marginal/peripheral area result in young people of working age (20+) leaving the area in search of better opportunities. It further appears that more men do so than women. o Of the resident population, unemployment appears to be as high as 50% within the economically active age group. o Skills levels are generally low amongst the population, with only just over 12% of the adult population having matric or higher qualifications.	• *From a spatial development perspective, Emalahleni is unlikely to be identified by prospective investors as an area of potential interest based on any unique skills of the resident population.* • *This means that development initiatives in the area must be focused on the people and their skills and abilities to learn and projects must make use of local knowledge and provide skills enhancement inputs.* • *Where project initiatives are skills intensive and/or labour intensive in a way that is beyond the reasonable scope of the resident population, such projects should be undertaken on an Agency basis (with the ASGISA EC approach serving as a model).*
• The Emalahleni area (like most rural municipalities) is characterized by a settlement pattern that comprises largely of low density and dispersed rural settlements surrounded by undefined commons land. • Urban-style development in the area is limited to the three towns of Lady Frere, Indwe and Dordrecht. • There is also a clear trend for settlement densification along the major transport routes serving the area, with accessibility/ease of movement becoming a priority for residents.	• *There is a need to "order" the spatial development pattern in Emalahleni such that a hierarchy of urban and rural service centres is created where higher order goods and services may be accessed and where social and economic facilities could be clustered.* • *Linkages to these higher order nodes must be prioritised* • *The trend of settlement development in areas of better accessibility needs to be managed to ensure an appropriate form of land development occurs there and that the functionality of the main road network is not compromised to the point that negative economic impacts are generated.*

WEAKNESSES (Internal)	IMPLICATIONS
• Solid Waste Management is a weakness in that only Dordrecht has a licensed solid waste site and, it is reported, no solid waste collection system is in operation in Lady Frere, which is the Municipality's most important urban centre (from an administrative as well as economic point of view)	• *Solid waste management (collection and environmentally sound waste management) is an important component of urban management as it is one of the most visible signs of local government delivery.* • *As such, the service needs to be prioritised and managed accordingly.*
• The Emalahleni area is dominated by highly erodible claypan soils in the central and southern basins and an assessment of Land Cover indicates that approximately 18% of the Municipal area may be classified as degraded and/or impacted by soil erosion.	• *A Land Care programme that addressed the issue of rehabilitating areas where land degradation and soil erosion have had severe impacts is needed.* • *Part of a programme of wise land use and Land Care would need to comprise a clear strategy to manage land in sensitive areas.*
• Land tenure in the former Transkei portions of Emalahleni is characterized by so-called old order rights (PTOs and informal land rights) in the areas falling outside the proclaimed town area of Lady Frere.	• *There is a need to ensure that issues related to land tenure do not hinder identified Priority projects and where this occurs, a Local Planning Process should be embarked upon to clarify land use rights and to formalize the layout of the relevant area.*
• Jurisdictional uncertainty over land use management authority in areas outside the Lady Frere town commonage appears to be resulting in unmanaged (or at least un-planned) settlement development, especially in areas of better accessibility. • Given the reliance on the natural resources of the Emalahleni area for economic development in the primary sector as well as the tourism sector, a significant threat to the sustainable use of these resources is presented by the continuation of the current mode of un-planned and un-managed land use and settlement development in the rural areas outside the town jurisdictions. • Un-planned development threatens the natural resources base of the area and represents a threat the environmental "quality" of the area as well. • Moreover, the trend towards un-managed settlement development occurring in a ribbon along the main transport routes threatens the use of the major routes for effective transportation of goods and people.	• *There needs to be process of engagement with the key roleplayers around the issue of wise land use and land use management in rural areas such that the needs of rural dwellers are continued to be met but that major assets of the modernizing economy of the Eastern Cape (such as the N2/R61) are better protected from un-managed settlement development encroachments.*
• Given the context that is the specific history of underdevelopment in the Emalahleni area, there remains an ongoing legacy of basic infrastructure backlogs, which is a fundamental challenge for the relevant authorities. • Such backlogs exist in both the rural and urban settlements of Emalahleni • The infrastructure backlogs also apply to higher order infrastructure related to identified potentials in the tourism	• *The proper functioning of the towns as urban centres is compromised by the inability to ensure appropriate levels of service to residents and enterprises in the towns.* • *As the towns are key elements in the socio-economic "fabric" of Emalahleni, the*

WEAKNESSES (Internal)	IMPLICATIONS
sectors (facilities and tourism-related infrastructure such as health facilities at tourism nodes etc.).	*upgrade of the infrastructure there should be a priority.* • *The eradication of the backlogs in the provision of basic services in the rural settlement areas remains an on-going objective and is to be pursued programmatically as resources permit.* • *In the case of both the urban and rural instances, the existence of a sound planning framework and a clear system of land use management is seen as essential to improve the sustainability of the provision of infrastructure.*
• Apart from the areas alongside the main traffic routes through the Emalahleni area, accessibility is a major issue impacting on spatial development. This is especially so for the dispersed rural settlements located at greater distances from the main proclaimed roads	• *The prioritization of road development, upgrading and maintenance is a KEY developmental priority in a rural municipality such as Emalahleni*
• The institutional challenges of the Municipality in relation to spatial development are particularly compounded by the jurisdictional complexities in relation to land matters set out above.	• *The Municipal Council and Senior Management need to understand and acknowledge the critical importance of spatial planning and land use management in ensuring sustainable development for the current future generations of Emalahleni residents.* • *A strategic approach to addressing these issues needs to be adopted, which also draws together other key roleplayers such as the Chris Hani DM, the Dept. of Rural Development & Land Reform and Traditional Authorities.*

OPPORTUNITIES (External)	*IMPLICATIONS*
• With the identification of the potential to revive and extend productive utilisation of the coal mining resource in the Indwe area, there is an opportunity to begin to develop production and marketing strategies to target markets outside of Emalahleni.	• *A clear need to enable the effective marketing of the product is the development and maintenance of an effective network of road links to prospective markets outside of Emalahleni.* • *In this regard, the upgrade of the R56 is likely to be of particular importance as this is the closest regional link route to the resource.*
• The proximity of Queenstown (as a market) suggests that there are opportunities to export local agricultural products for sale or processing there (in the case of processing, this is especially the case in the interim while the feasibility of developing such facilities locally are examined).	• *Clear strategies need to be developed to target areas of development potential for the piloting of projects aimed at achieving commercial-scale production of saleable crops and/or agricultural products..*

OPPORTUNITIES (External)	*IMPLICATIONS*
• Whilst the undiversified nature of the Emalahleni economy and its over-reliance on the state sector is a weakness, the fact that state investment in the area is occurring needs to be embraced as an opportunity. (The fact remains that state grants and pensions effectively provide a "safety net" for poverty stricken households). • In addition state support for infrastructure development and housing development offers opportunities to direct such investment to strategic localities such as the towns of Libode and Ngqeleni (for infrastructure) and key rural localities for human settlement development.	• *The Emalahleni municipality needs to adopt a focused approach to supporting development in key strategic localities, which have either been identified by itself or by other sectoral Agencies*
• Finally, of interest from a developmental perspective is the current involvement of state and quasi-state Agencies in providing funding, planning and logistical support for development initiatives. Some key agencies active in the Emalahleni area include: - - Department of Rural Development & Land Reform - Department of Agriculture - Chris Hani District ▪ The Chris Hani District Municipality's Regional Economic Development Strategy (REDS) has identified a" North-Eastern" Corridor extending through the Emalahleni area, and has pinpointed the area's key potential development sectors as MINING and AGRICULTURE. ▪ In addition, the CHDM has developed its Tourism Plan that proposes key routes within the Emalahleni area (the Farm-Stay Route and the Liberation Heritage Route).	• *From a strategic perspective, the Emalahleni Municipality needs to actively pursue and participate in broader state programmes (including REDS, DRDLR's Comprehensive Rural Development Programme, and the various initiatives undertaken in terms of the Eastern Cape Provincial Growth & Development Plan).* • *From a spatial planning perspective, focus needs to be placed on areas of identified development potential (mining, agriculture and tourism) and efforts must be aimed at making such areas function optimally by ensuring clear planning and land use management frameworks are in place and basic Levels fo Service are developed and maintained there.*

THREATS (External)	*IMPLICATIONS*
• The unpredictable effects of Climate Change represent a threat to areas such as Emalahleni, where the natural environment plays such a significant role in the development potential of the area. Specific effects that hold a potential threat include: - - The possibility of more severe weather events - The possible impact of a change in rainfall patterns	• *There is a need to pay particular attention to environmental science inputs when planning for long-term investments in – especially – agricultural projects depending on rainfall (ie. Dryland cropping) as well as when planning human settlements (with specific focus on flood-related risks and risks to water supply [water sources]).*
• Because of the priority placed on gaining some form of control by planning authorities over land development processes (formal and informal) in the rural areas, a clear threat is presented by the possibility of a disunity of VISION and Action amongst the key roleplayers. This could lead to inaction and the continued disorder of the spatial development pattern	• *In the absence of a clear policy and/or legal framework for grappling with the issue, the Emalahleni Municipality will, to an extent, need to engage in a pathfinding role to bring together the key roleplayers to chart a way forward.* • *It is envisaged that the Chris Hani DM, the Dept. of Rural Development & Land Reform and the Department of Local Government & Traditional Authorities could play a leading role in assisting with this.*
• The potential for state grant and pension recipients to develop a long-term dependency on state subsidies (grants and pensions) leading to loss of motivation to engage in productive economic activity is a significant threat already identified by, amongst other, the Organisation for Economic Co-Operation and Development (OECD)	• *There is a need to focus local economic development projects on achieving the goals of drawing in more local residents into productive activities.* • *Such efforts must acknowledge and take into account the specific demographic profile of a targeted community and must ensure that the initiatives pursued are appropriate to the profile (e.g. balance of female to male and the number of able-bodied people to work in a project).*

1.3. STRATEGIC FRAMEWORK FOR THE SDF

The Strategic Framework underpinning the SDF is based on the adopted Emalahleni Municipal VISION and Mission:

- In Emalahleni, the long-term **VISION** in the IDP is set out as: -
  A municipality that delivers appropriate, sustainable and affordable services towards socio-economic growth for the development of its community.

- The Municipality's **Mission** Statement is given as: -
  Emalahleni Municipality promotes quality and excellent services that are valued by its customers through effective partnerships and active community participation as it plans for the future.

Whilst the above statements are essentially non-spatial, they provide the strategic framework within which the Emalahleni Municipality must seek to respond to the Key Spatial Development Issues confronting

it.As such, the most important directive elements drawn from the Municipality's VISION and Mission are highlighted as: -

- The focus of the Municipality's interventions is fundamentally based on a concern to achieve**sustainable development** and to **foster growth and development** in its area of jurisdiction;
- Correctly, given that the Emalahleni Municipality is overwhelmingly a rural Municipality with limited resources available to it as an institution; its commitment is to **allocate resources in "a pool" along with other partners** ("effective partnerships") such as public sector agencies, the private sector and, critically, the communities it serves.

1.4. OBJECTIVES & STRATEGIES IN RELATION TO KEY SPATIAL DEVELOPMENT ISSUES

The following spatial development objectives and strategies are proposed to correspond with the spatial development issues identified in the SDF.

Identified Key Spatial Development Issue	
The importance of linkages and accessibility to areas of opportunity is a fundamental element of enabling residents in rural areas to improve their access to opportunities as well as to improve the accessibility of their living spaces (to services and/or service providers).	
.Key Spatial Development Objectives	**Proposed Spatial Development Strategies**
1. An effective and well-maintained road network (at all hierarchy of roads) in Emalahleni, acting in partnership with relevant transport authorities (Provincial and District).	○ In collaboration with the Department of Roads and Transportation, set in place measures to secure the integrity of the major mobility routes (the R56, R392 and R393) which need to be managed in certain places to mitigate the impacts from encroachment of settlements. ○ Plan for the upgrade and maintenance of rural roads to and from areas of strategic importance on a prioritised basis. ○ Plan for the refurbishment of public transport facilities (Taxi Ranks and Bus Termini) in the towns of Lady Frere, Indwe and Dordrecht as well as in identified rural development nodes of Vaalbanks, Machubeni, Xonxa, Ndonga and Cumakala. ○ Where applicable within major settlements, plan, develop and maintain appropriate pedestrian routes to safeguard pedestrians and prevent intrusion into unsafe and/or conservation-worthy terrain.
Principles	**Development Facilitation Act 67 of 1995:** 1. Policy, administrative practices and laws should discourage the illegal occupation of land, with due recognition of informal land development processes. 2. Policy, administrative practice and laws should promote efficient and integrated land development in that they- ○ optimise the use of existing resources including such resources relating to agriculture, land, minerals, bulk infrastructure, roads, transportation and social facilities; ○ 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.
Policy	To actively pursue the development of an effective road network at all levels of the road hierarchy.

Key Actions		
Activities	**Responsibility**	**Time**
a) Partner with the relevant agencies responsible for roads development in the Emalahleni area to develop an agreed upon schedule of road development/maintenance as well as Public Transport facility development and upgrade.	Emalahleni LM CHDM DoRT	2011
b) Ensure that rural roads are prioritised in relation to both critical need (health and safety issues indicate first priority) and then to development opportunity (it is important to ensure that areas where development initiatives are underway are properly linked by passable roads).	Emalahleni LM CHDM DoRT	2012
c) As part of any future detailed Local SDFs in the towns of Lady Frere, Indwe and Dordrecht – as well as any Local Planning projects that may be undertaken in other settlements in future – incorporate the identification of suitable pedestrian routes (networks) to facilitate pedestrian traffic within and between the various components of the settlements.	Emalahleni LM CHDM DoRT	2011-onwards

Identified Key Spatial Development Issue	
Fragmentation of jurisdiction over land management functions in urban and rural areas, which relates to the *de facto* lack of formal (that is, Municipal) control over the majority of the land area making up the Emalahleni Municipality, outside of the proclaimed town areas. Such land falls under the jurisdiction of Tribal Authorities and decisions are taken in regard to such land that can have implications for the District and Local Municipality in their capacity as service providers and the agents of developmental local government.	
Key Spatial Development Objectives	**Proposed Spatial Development Strategies**
2. An agreed upon and legally permissible system of land management that enables proper oversight over land management decisions in rural areas is in operation.	○ Emalahleni Municipality to convene a meeting with the Traditional Authorities in Emalahleni to agree on a Way Forward in dealing with this issue. ○ Emalahleni to request the assistance of the Dept of Rural Development & Land Reform's District Steering Committee (DSC) in creating a Forum to discuss and negotiate solutions to this issue, which affects most municipalities in the Chris Hani District. ○ Emalahleni Municipality to participate in an appropriate Forum to negotiate an agreed upon way forward to ensure wise land use decisions and appropriate spatial planning occurs in the rural areas of Emalahleni.

Principles	**Development Facilitation Act 67 of 1995:** • Policy, administrative practice and laws should provide for urban and rural land development and should facilitate the development of formal and informal, existing and new settlements. • Policy, administrative practices and laws should discourage the illegal occupation of land, with due recognition of informal land development processes. • Policy, administrative practice and laws should 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; ○ optimise 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.
Policy	a) To pursue the appropriate design and implementation of a Co-Operative Governance approach to managing land use and settlement development in the former Transkei (communal) land areas of Emalahleni. b) To carry out Spatial Planning and Land Administration to ensure appropriate land use decisions are made in relation to settlement development and other forms of development activities in rural areas in Emalahleni, taking into account the input and views of the communities themselves as well as their Traditional Leaders. c) To ensure the wise use of land and associated resources in Emalahleni.

Key Actions

Activities	Responsibility	Time
a) District Screening Committee or another more appropriate body as determined by Dept of Rural Development & Land Reform and the Dept of Local Government & Traditional Affairs to organise a Rural Land Management Workshop or Conference to obtain a resolution to pursue the formation of a Consultative Forum on Land Management in Chris Hani district.	CHDM Emalahleni LM DRDLR DLGTA DEDEA	2011
b) In the interim, Emalahleni Municipality to initiate discussion with key Role-players on matters of shared interest in relation to planning for sustainable development in the rural settlement areas.	Emalahleni LM Traditional Authorities DRDLR DLGTA DEDEA	2011

Identified Key Spatial Development Issue	
Un-managed Land Development Processes, which result in poorly structured human settlements, negative impacts on the environment (the natural resource base) and the provision of service as well as the effective functioning of key infrastructure such as main roads	
Key Spatial Development Objectives	**Proposed Spatial Development Strategies**
3. Land development is managed in line with a structured approach to settlement design and land development processes so as to ensure sustainability as a critical outcome.	○ Manage land development in line with applicable legislation and/or land use management guidelines related to identified spatial structuring elements (Nodes, Corridors and Special Development Areas) within the Emalahleni area as set out in the Emalahleni SDF. ○ Ensure compliance with the relevant procedures for environmental management in terms of NEMA.
Principles	**Development Facilitation Act 67 of 1995:**

	• Policy, administrative practices and laws should discourage the illegal occupation of land, with due recognition of informal land development processes. • Policy, administrative practice and laws should 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; ○ 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.
Policy	a. Promote the implementation of land reform (tenure reform) programmes in areas of identified development potential (that is, in areas where specific development programmes are being pursued) allied with the implementation of Land Use Management Guidelines that regulate land use in rural settlements in accordance with community approvals. b. Implement a programme of Local Planning (that is, planning with communities) in areas of identified demonstrated development potential in order to guide the wise use of land and resources and to provide a framework for land use management as well as project implementation.

Key Actions

Activities	Responsibility	Time
a) Initiate a Business Plan to apply for funding of Local Planning Processes in the identified Rural Nodes in order to clarify spatial relationships between settlements and land uses, especially productive land uses, and to create a spatial framework for the implementation of development projects in these areas.	Emalahleni LM	2011
b) Prioritise the development of detailed spatial plans and resolution of all land tenure issues in the identified areas and invest in required infrastructure networks to unlock value/potential.	Emalahleni LM CHDM DRDLR	2012
c) Identify other key areas with demonstrated development potential where spatial planning is required to clarify spatial relationships between settlements and land uses, especially productive land uses.	Emalahleni LM	2012

Identified Key Spatial Development Issue

Inefficient Settlement Pattern vs Basic Needs, which refers to the tension between the reality of the inefficient settlement pattern prevailing in the urban and rural areas of Emalahleni versus the stated need to provide a basic level of infrastructure and social services to all residents in the area.

The challenge, in the long term, is to provide infrastructure and quality social services to all settlements in Emalahleni in a sustainable manner. This requires strategic approaches to dealing with the difficulties posed by the prevailing sprawling, low density settlement pattern and the lack of local productive economies to provide residents with the means to contribute toward the cost of provision.

Key Spatial Development Objectives	Proposed Spatial Development Strategies
4. A restructured settlement pattern wherein the urban and rural settlements of Emalahleni are developed in a more efficient	○ Identify presently un-settled land of conservation worthiness and/or agricultural potential per the Eastern Cape Biodiversity Conservation Plan. ○ As part of the outcomes of the Negotiating Forum on land management in rural areas, ensure that rules are set in place to prevent settlement

manner so as to make better use of infrastructure networks and economic development opportunities in order to ensure a sustainable system wherein residents' basic needs can be met within available means	from encroaching on identified conservation and agricultural land areas. ○ In spatial planning and local planning initiatives, ensure efficiency and sustainability of basic services, by promoting the integration of sprawling settlements in both urban and rural areas, and the consolidation of larger settlements at nodal points along transport routes. ○ Develop infill areas within fragmented settlement areas, where appropriate.

Principles	**Development Facilitation Act 67 of 1995:** • Policy, administrative practice and laws should provide for urban and rural land development and should facilitate the development of formal and informal, existing and new settlements. • Policy, administrative practices and laws should discourage the illegal occupation of land, with due recognition of informal land development processes. • Policy, administrative practice and laws should 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; ○ optimise 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.
Policy	a) Spatial Planning in Emalahleni is to be undertaken in a manner that identifies all conservation-worthy land and all land that has agricultural potential and where settlement has not already encroached so as to preserve these areas from settlement. b) Spatial planning should specifically aim to ensure consolidation of settlements and appropriate integration of compatible land uses wherever possible over time is to be promoted by the Emalahleni Municipality.

Key Actions

Activities	Responsibility	Time
a) Commission agricultural and environmental scientists to develop a more detailed Plan that identifies spatially all land that is presently un-settled and that is either conservation-worthy or has potential for agriculture or forestry development, using the direction of the EC Biodiversity Conservation Plan.	Emalahleni CHDM DEDEA DARD DRDLR	2011
Activities	**Responsibility**	**Time**
b) Prioritise areas where settlement consolidation and spatial planning should be undertaken in identified settlement areas and/or development nodes	Emalahleni LM DRDLR DLGTA	2012

c) Ensure the implementation of a basic Land Use Management System in rural areas in consultation with Traditional Authorities.	Emalahleni LM CHDM DRDLR DLGTA	2012
d) Commission the formulation of Local Spatial Development Frameworks and Urban Design Guidelines for the towns of Lady Frere, Indwe and Dordrecht.	Emalahleni LM CHDM DLGTA DRDLR	2011-2012
e) Apply the relevant Town Planning Scheme in the towns rigorously to ensure that land use outcomes are positive for the benefit of the greater community.	Emalahleni LM	2010

Identified Key Spatial Development Issue	
• **Implementing environmental management (wise land use)** becomes critical to ensuring the sustainable use of the available resources and natural endowments (i.e. the natural scenery, agricultural lands) given their central importance in the development of the Emalahleni space economy**.**	
Key Spatial Development Objectives	**Proposed Spatial Development Strategies**
5. To adhere to environmental law and protect environmentally sensitive areas	○ Implement the principles of Integrated Environment Management (IEM).
Principles	**Development Facilitation Act 67 of 1995:** • Policy, administrative practice and laws should promote efficient and integrated land development in that they- ○ encourage environmentally sustainable land development practices and processes. • Policy, administrative practice and laws should promote sustainable land development at the required scale in that they should- ○ promote land development which is within the fiscal, institutional and administrative means of the Republic; ○ promote the establishment of viable communities; ○ promote sustained protection of the environment; ○ ensure the safe utilisation of land by taking into consideration factors such as geological formations and hazardous undermined areas.
Policy	d) All land development that is listed as triggering an environmental management procedure must be preceded by appropriate environmental screening and planning for mitigation of damaging impacts in line with the requirements of NEMA.

Key Actions		
Activities	**Responsibility**	**Time**
a) Identify areas where listed activities are being planned (or implemented)	Emalahleni LM DEDEA	2011
b) Ensure the appointment of Environmental Scientists to undertake required actions in order to manage the impacts of the listed activities.	Emalahleni LM DEDEA	2012

1.5. SPATIAL STRUCTURING ELEMENTS

"Structuring elements" are concepts or "planning tools" that, in line with the identified spatial objectives and associated strategies, enable the Municipality to identify areas where different types of land uses should be permitted and/or discouraged and thus form the building blocks that guide future spatial planning in the Emalahleni area.

The Emalahleni Spatial Development Framework proposes to make use of five spatial structuring elements, as follows: -

1. The concept of DEVELOPMENT NODES
2. The concept of an URBAN EDGE
3. The concept of DEVELOPMENT CORRIDORS
4. Areas where ENVIRONMENTAL CONSTRAINTS Apply
5. The concept of STRATEGIC DEVELOPMENT AREAS

1.6. DEVELOPMENT NODES OF IMPORTANCE

Development nodes are categorised as those towns or places where a significant number of functions commonly deemed to be urban are found. These functions would include public administration facilities/institutions, business activities, social and recreational facilities and other existing or potential economic enterprises (including tourism-related enterprises). Such nodes are often located on main transport routes to provide maximum access and act as catalysts for new growth and development. As such, they are areas where the following should be prioritised: -

- Appropriate levels of development investment in infrastructure.
- Appropriate land use management to promote preferred development outcomes.

The following classes of node have been identified and/or are proposed for Emalahleni LM:

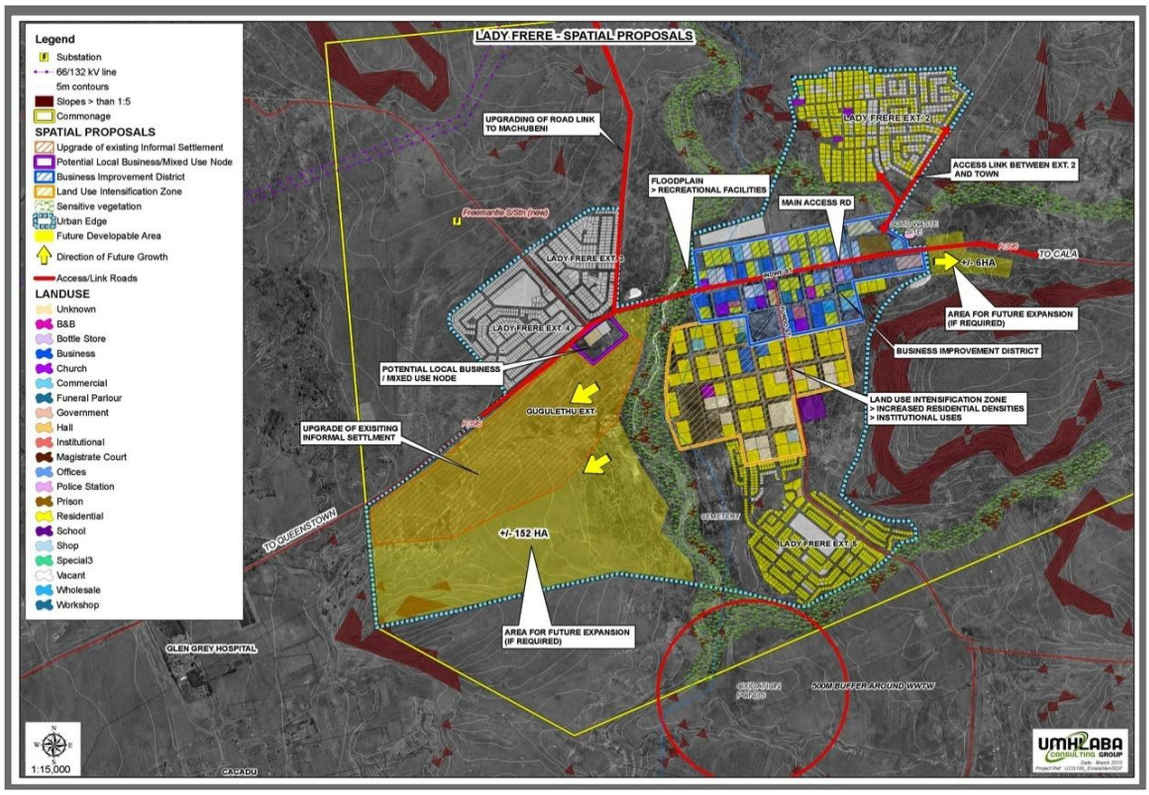
NODE	NAME	ROLE	SPATIAL DEVELOPMENT PRIORITIES
PRIMARY URBAN DEVELOPMENT NODE (Sub-District Service Centre)	**LADY FRERE**	• **Main Retail, Industrial and Administration Node in LM** • **Centre of excellence for Social Services** • **Cater for permanent and temporary residents** • **Potential for agro-industrial processes**	□ Managed urban expansion □ Urban – Rural interface design and management □ Infrastructure development and maintenance □ Business Centre Management and focus on Urban Aesthetics □ Improved pedestrian and vehicular linkages between suburbs in town □ Social facilities (incl. cemeteries) □ Environmental management

SECONDARY URBAN DEVELOPMENT NODES (Local Centres)	**DORDRECHT AND INDWE**	• **Local-scale Retail, Industrial and Administration Nodes** • **Cater for permanent and temporary residents** • **Potential for value-adding agro-industrial/mining processes**	□ Managed urban expansion (set limits for sustainability) □ Infrastructure development □ Business Centre Management and focus on Urban Aesthetics □ Improved pedestrian and vehicular linkages between suburbs in town □ Social facilities (incl. cemeteries) □ Environmental management
RURAL NODES (Sub-Local Centres)	**VAALBANKS, MACHUBENI, NDONGA, XONXA, CUMAKALA**	**Commercial and Social Facilities serving surrounding rural areas**	□ Basic level of service extension (Cumakala) □ Local planning to maximise use of resources (Vaalbank, Machubeni, Ndonga, Xonxa) □ Local land use schemes to be extended (Xonxa) • Linkages of towns and the market (Vaalbank, Machubeni, Ndonga)

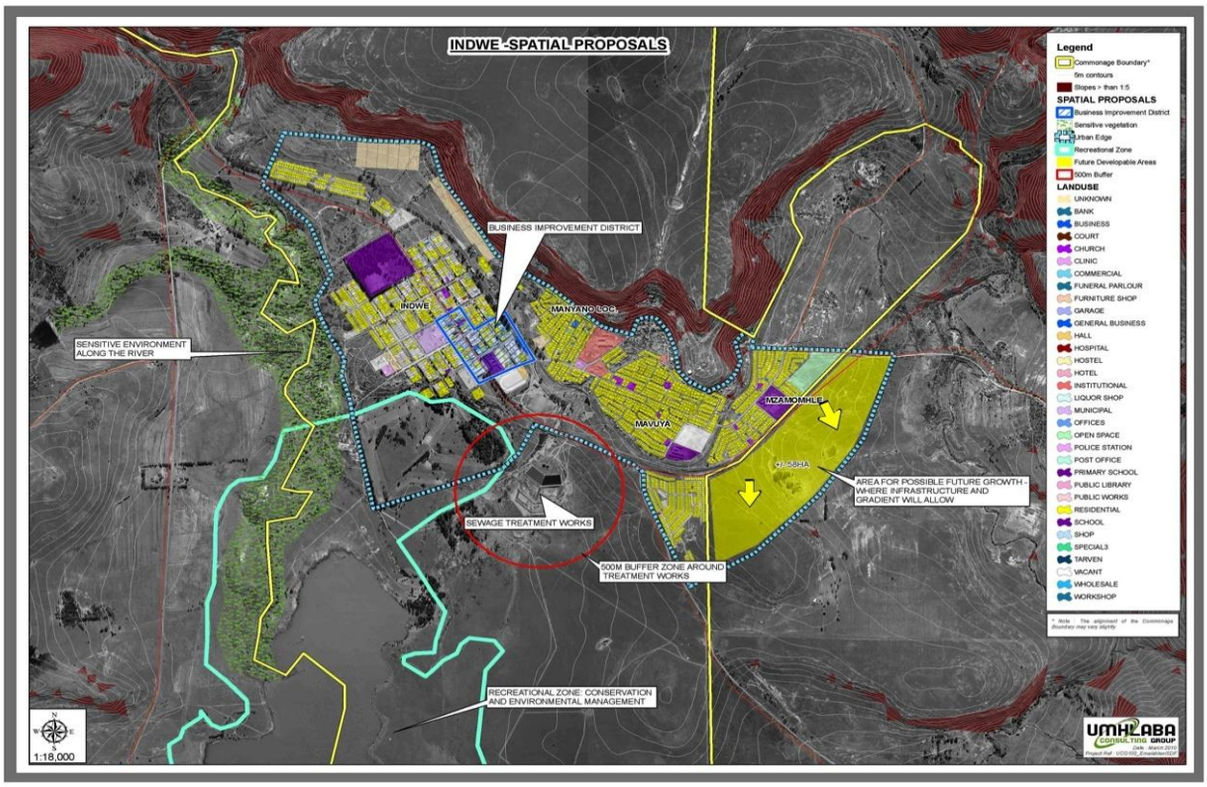
1.7.1. The Proposed Urban Edges

The Spatial Development Framework proposes that an Urban Edge be defined for each of the three towns, in an effort to consolidate the urban areas and achieve a more compact settlement pattern. The areas beyond the urban edge are defined as rural, which implies a lower density settlement pattern with basic infrastructure and social facilities.

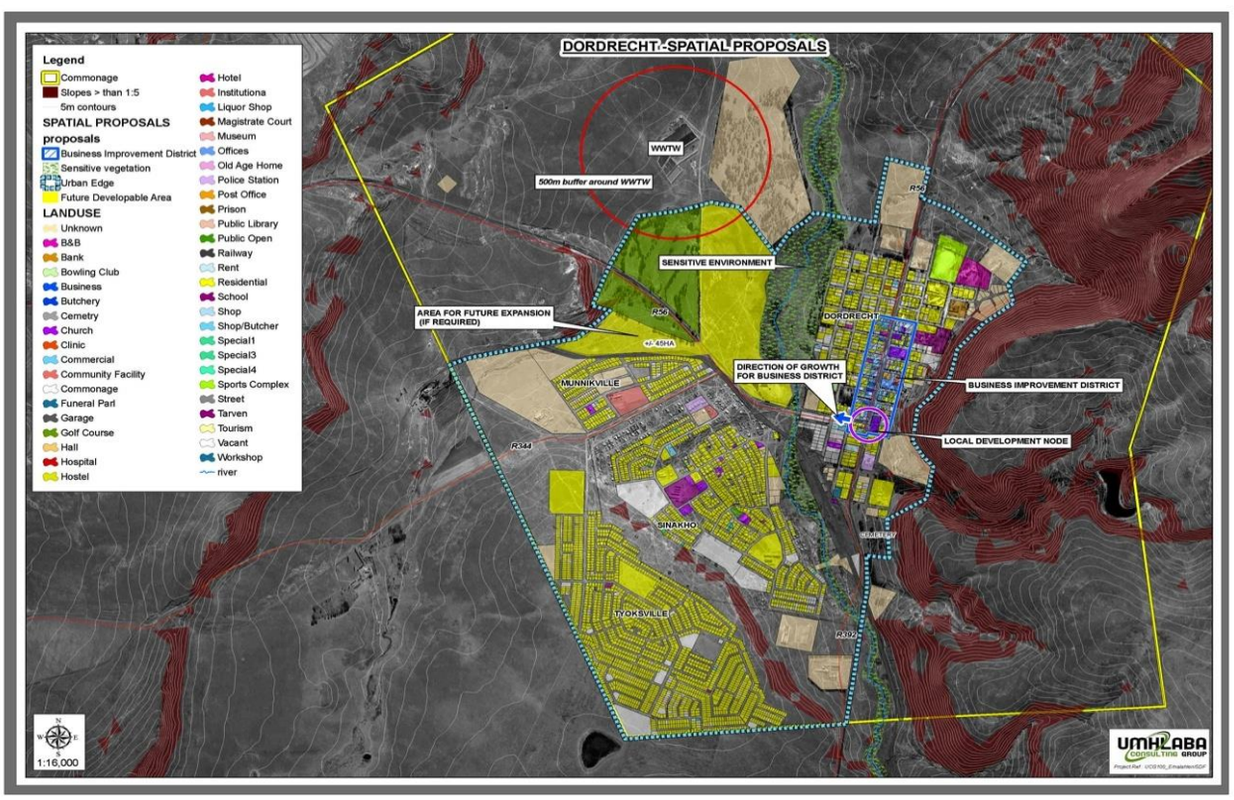
The Plans below illustrate the spatial proposals in respect of Lady Frere, Indwe and Dordrecht.


LADY FRERE - SPATIAL PROPOSALS
Legend
Substation
66/132 kV line
5m contours
Slopes > than 1:5
Commonage
SPATIAL PROPOSALS
Upgrade of existing Informal Settlement
Potential Local Business/Mixed Use Node
Business Improvement District
Land Use Intensification Zone
Sensitive vegetation
Urban Edge
Future Developable Area
Direction of Future Growth
Access/Link Roads
LANDUSE
Unknown
B&B
Bottle Store
Business
Church
Commercial
Funeral Parlour
Government
Hall
Institutional
Magistrate Court
Offices
Police Station
Prison
Residential
School
Shop
Special3
Vacant
Wholesale
Workshop
UPGRADING OF ROAD LINK TO MACHUBENI
LADY FRERE EXT. 2
ACCESS LINK BETWEEN EXT. 2 AND TOWN
FLOODPLAIN > RECREATIONAL FACILITIES
MAIN ACCESS RD
Freemantle S/Stn (new)
LADY FRERE EXT. 3
TO CALA
+/- 6HA
LADY FRERE EXT. 4
AREA FOR FUTURE EXPANSION (IF REQUIRED)
BUSINESS IMPROVEMENT DISTRICT
POTENTIAL LOCAL BUSINESS / MIXED USE NODE
LAND USE INTENSIFICATION ZONE > INCREASED RESIDENTIAL DENSITIES > INSTITUTIONAL USES
GUGULETHU EXT.
UPGRADE OF EXISITING INFORMAL SETTLMENT
TO QUEENSTOWN
+/- 152 HA
LADY FRERE EXT. 5
AREA FOR FUTURE EXPANSION (IF REQUIRED)
GLEN GREY HOSPITAL
500M BUFFER AROUND WWTW
1:15,000
CACADU
UMHLABA CONSULTING GROUP

Lady Frere Spatial Proposals



Indwe Spatial Proposals

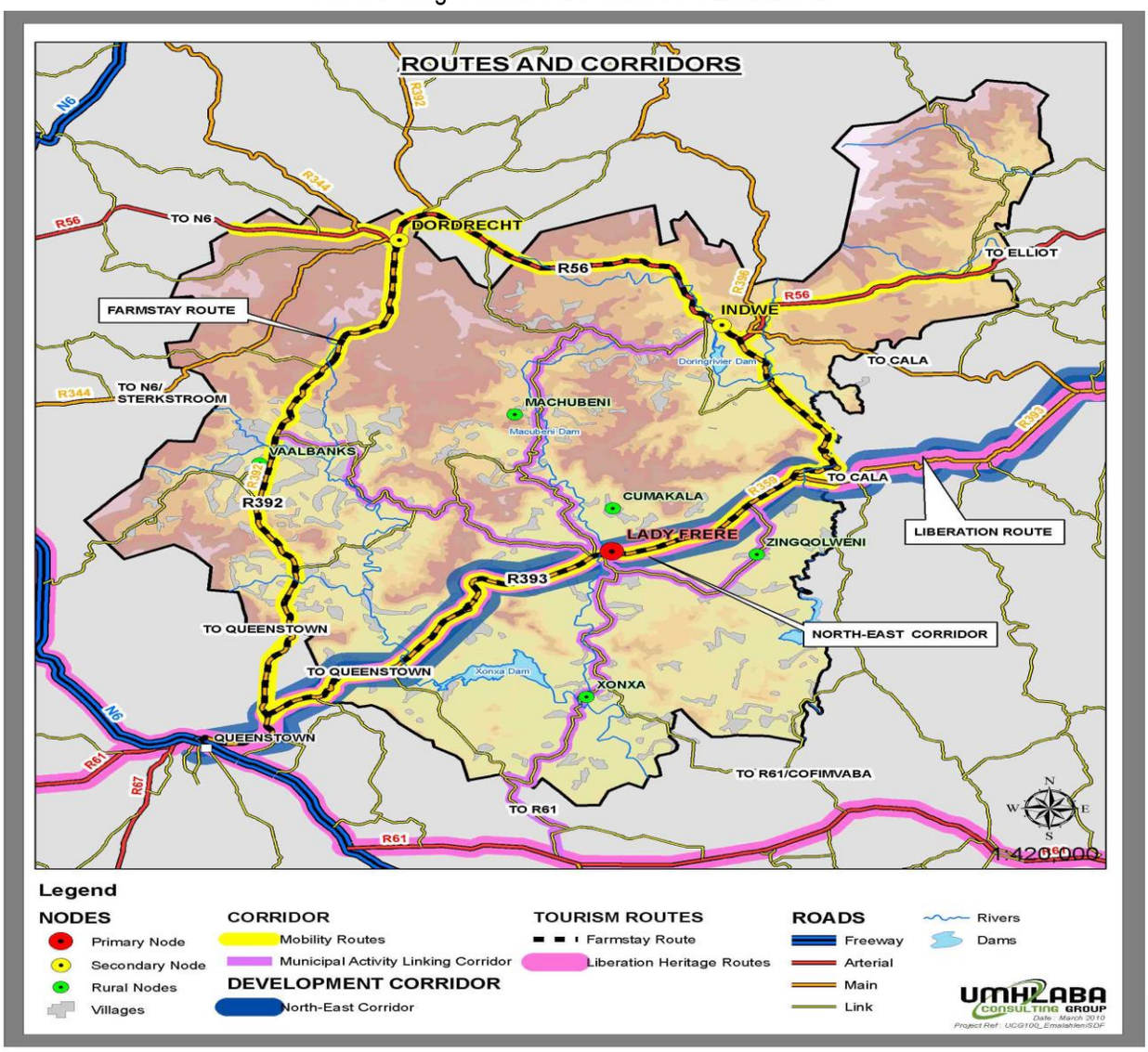


1.7.2. Development Corridors of Importance

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

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

The following Corridors are defined for Emalahleni: -



TYPE	AREA/DESCRIPTION OF LOCALITY	FUNCTION
Mobility Routes	R393 (Queenstown –Lady Frere – Cala) R392 (Dordrecht – Queenstown) R56 (N6 – Dordrecht –Indwe –Elliot)	These routes carry passing traffic and provide access between local areas in Emalahleni and centres further a field. ***Spatial Planning Priority is to manage settlement development along the Primary and Secondary Movement corridors to mitigate impacts of settlement on road***
Municipal Activity/ Link Corridor	Vaal Banks –Lady Frere Lady Frere –Xonxa –R61 Lady Frere – Machubeni –Indwe Lady Frere –Ndonga	Linking areas of development potential to Movement Corridors and Urban centres
Development Corridor	North -East Corridor	Corridor of district and municipal-level economic importance
Special Routes (Tourism)	Farm-stay Route (Queenstown – Dordrecht- Indwe – Lady Frere – Queenstown) Liberation Route (R393)	These routes are of importance at Local Municipal and District scale in respect of the need to formulate a product-unique marketing campaign to encourage local and foreign tourism in the area.

1.7. AREAS OF CONSERVATION AND PROTECTION

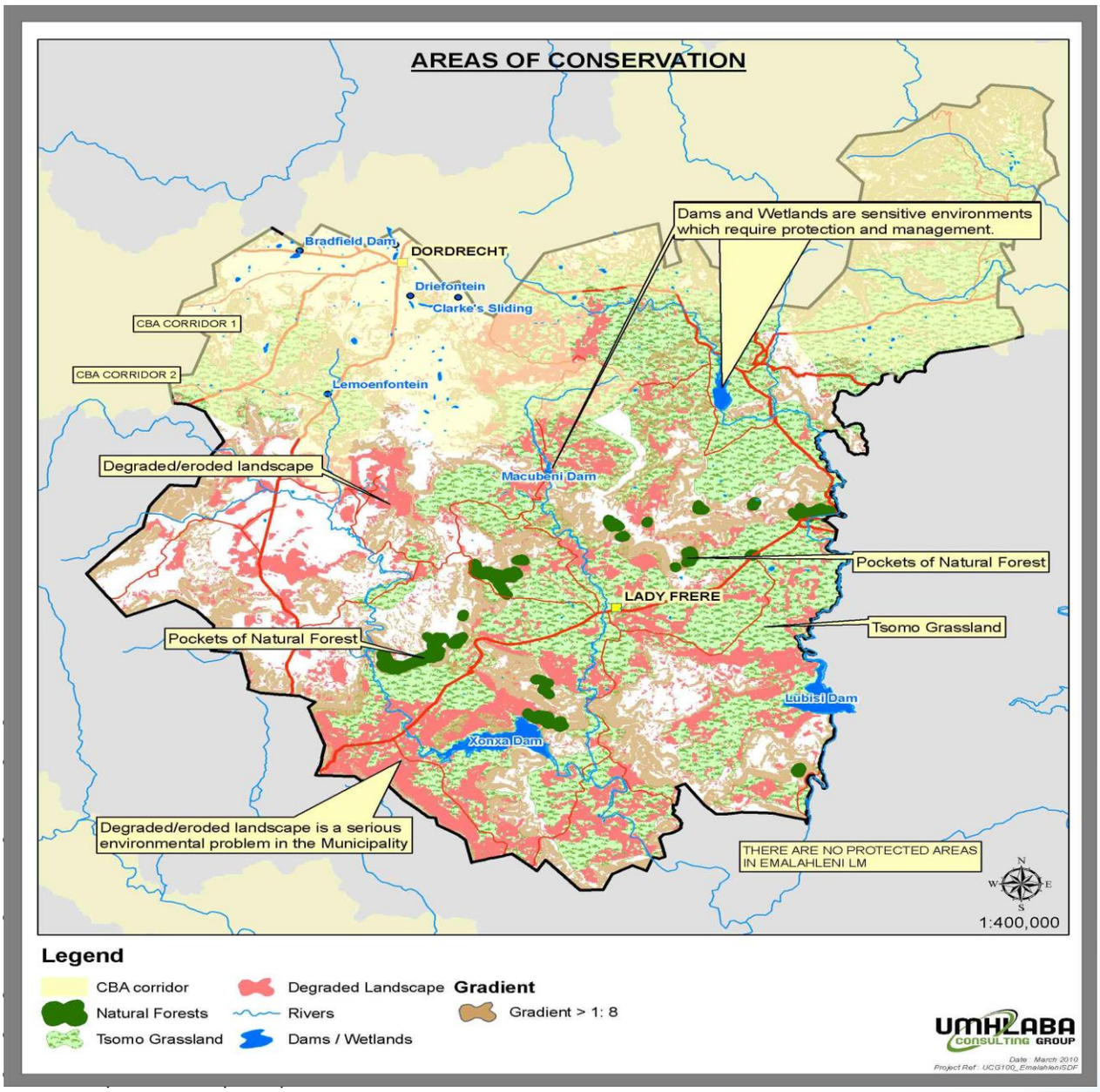
Critical Biodiversity Areas (CBAs)

Critical Biodiversity Areas (CBAs) are terrestrial and aquatic features in the landscape that are critical for conserving biodiversity and maintaining ecosystem functioning. In Emalahleni LM the CBA's include the dams, rivers, wetlands and indigenous forests, identified expert areas and corridors. . There are no protected areas in Emalahleni LM.

Table: Criteria used to map CBAs

Category	Features used to define categories
Protected Areas:	
Protected area 1	Statutory protected areas. They include all national parks and provincial nature reserves
Protected area 2	Non-statutory protected areas: municipal and private conservation areas.
Terrestrial Critical Biodiversity Areas:	
Terrestrial CBA 1	Critically endangered vegetation types (ecosystems) identified though ECBCP the systematic conservation assessment
	Critically endangered vegetations types from STEP
	Critically endangered forest patches in terms of the National Forest Assessment
	Areas essential for meeting biodiversity targets for biodiversity features (SA vegetation types, expert mapped priority areas)
	KZN systematic conservation planning priorities
	Forest clusters identified as critical in the forestry planning process (Berliner et al 2006)
Terrestrial CBA 2	Endangered vegetation types identified through the ECBCP systematic conservation assessment
	Endangered vegetations types from STEP
	Endangered forest patches in terms of the National Forest Assessment
	All expert-mapped areas less than 25 000ha in size (includes expert data from this project, STEP birds, SKEP, Wild Coast, Pondoland and marine studies)
	All other forest clusters (includes 500m buffers)
	Ecological corridors identified by the ECBCP using an integrated corridor design for the whole Province
	Ecological corridors identified in other studies (e.g. from STEP, Wild Coast, Pondoland, WMA 12 SEA, etc.) and corridors mapped by experts

ENVIRONMENTALLY SENSITIVE AREAS



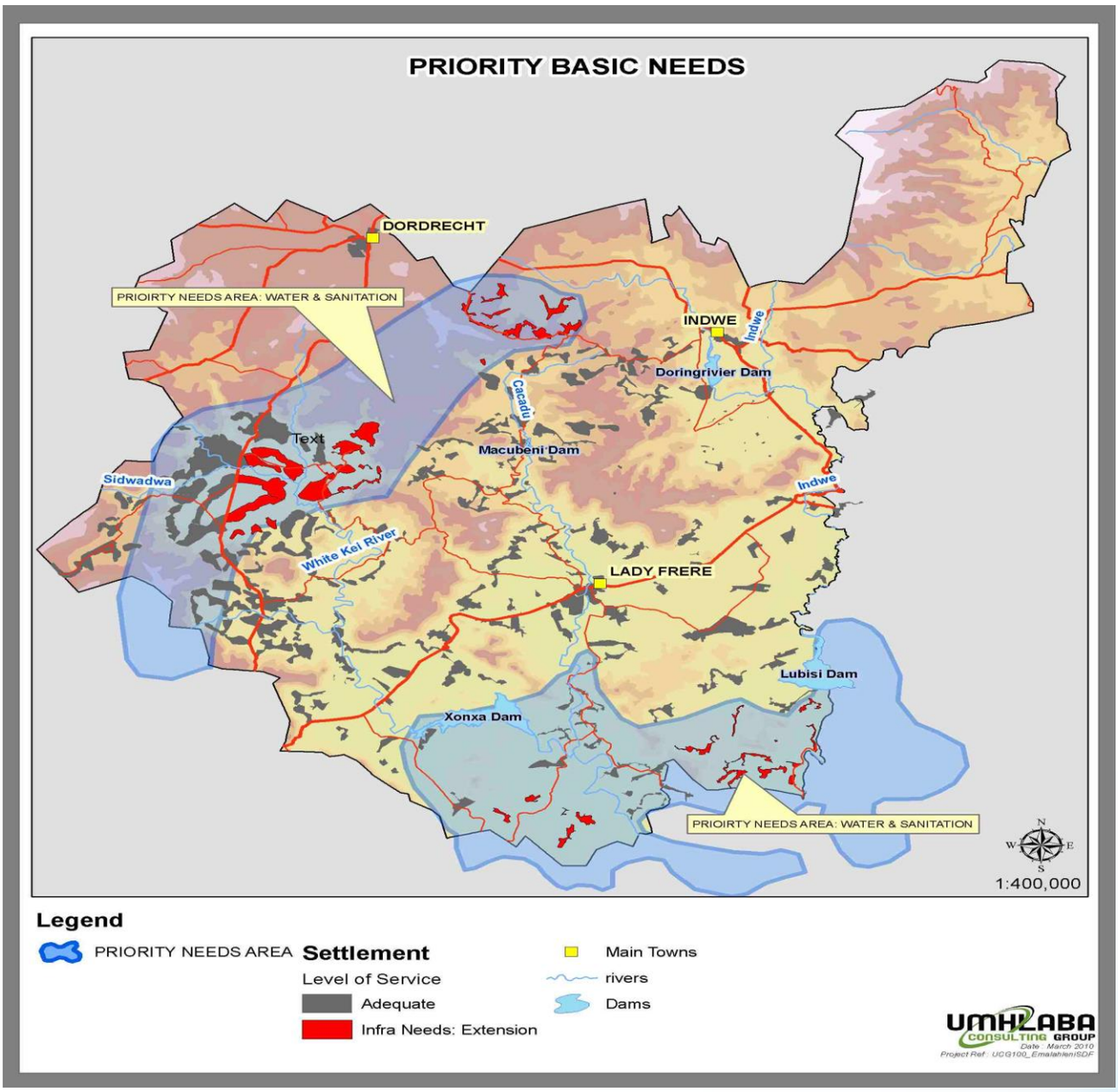
- Rivers/ Water Source: Development within the 1:100 year flood line or within 100m of the high flood level.

See Table below for recommended buffers for rivers.

Table: Recommended buffers for rivers8[2]

River criterion used	Buffer width (m)	Rationale
Mountain streams and upper foothills of all 1:500 000 rivers	50	These longitudinal zones generally have more confined riparian zones than lower foothills and lowland rivers and are generally less threatened by agricultural practices.
Lower foothills and lowland rivers of all 1:500 000 rivers	100	These longitudinal zones generally have less confined riparian zones than mountain streams and upper foothills and are generally more threatened by agricultural practices. These larger buffers are particularly important to lower the amount of crop-spray reaching the river.
All remaining 1:50 000 streams	32	Generally smaller upland streams corresponding to mountain streams and upper foothills, smaller than those designated in the 1:500 000 rivers layer. They are assigned the riparian buffer required under South African legislation

1.8. STRATEGIC DEVELOPMENT AREAS



Strategic Development Areas (SDAs) are geographical areas where, in order to achieve both the objectives of the Emalahleni Integrated Development Plan and the related objectives of the Spatial Development Framework, the Emalahleni Municipality would need to prioritise its development efforts and capital expenditure.

The Special Development Areas identified in Emalahleni Municipality are:

- **AREAS OF PRIORITY BASIC NEEDS (Water & Sanitation Programme)**
- **AREAS OF MINING POTENTIAL**
- **AREAS OF LAND REFORM AND SETTLEMENT**
- **AREAS OF AGRICULTURAL POTENTIAL**
- **AREAS OF TOURISM POTENTIAL**

1.8.1. AREAS OF PRIORITY BASIC NEEDS (Water & Sanitation Programme)

Areas of greatest need are defined as those areas with the lowest income per capita income levels and worst-off settlement areas. These areas require priority basic needs intervention and strategic proposals to improve the level of well-being of communities in these areas (poverty alleviation programs and basic infrastructure investment).

1.9.2. AREAS OF MINING POTENTIAL

The mining company Elitheni has over 1800 km^2 of mining and prospecting rights in the Eastern Cape, with approximately 650 km^2 of this area in Emalahleni (illustrated on the plan). The company estimates that there is over 1 billion tonnes of coal available for mining. The market for this coal will be both locally e.g. for the hospitals and for export to Coega and East London. A 1000- 3000 Megawatt Power Plant is also planned that will make use of the Eastern Cape coalfields.

The benefits of the coal mining in Emalahleni include:

- Job creation
- Improvement in the rail and road linkages
- Spin off in related and subsidiary industries/ businesses e.g. accommodation for workers, mechanics (servicing), transport, security etc
- Cheaper coal available for the local market e.g. the boiler market
- Stimulate the local economy of in the town of Indwe/ Lady Frere and Dordrecht.
- Improved opportunities is other industries e.g. construction, transport, agriculture, timber and forestry, tourism, hospitality and services.

1.8.2. LAND REFORM AND SETTLEMENT PROPOSALS

The CHDM LR AND SP has identified 8 zones that require certain specific land reform or settlement planning or both. These are:

- Greenfields Settlement Zone (No. 1: Lady Frere town)
  The zone is located at Lady Frere and its immediate surrounds and a Model 1 - Type of settlement has been proposed for the zone.

- **Greenfields Settlement Zone (No. 2: Dordrecht)**
  The Zone is located at Dordrecht and its immediate surrounds. It is envisaged that the zone would accommodate the anticipated expansion of the town. A Model 1-type settlement is proposed for the Zone.

- **Formalization/Densification Zone (No. 3: portions of Wards 3, 4, 5 and 12)**
  The zone comprises of portions of Wards 3, 4, 5 and 12 in areas surrounding Lady Frere town and extending along the Lady Frere – Cala road. The zone has been identified because the settlements surrounding Lady Frere town and which extend along the road to Cala are expanding. A Model 2-type settlement is proposed for the zone.

- **Development Support Zone (No. 4: Guba Farms)**
  The zone is made up of the area around Guba State Farms. The area requires the implementation of the Guba Farms strategic Development Plan.

- **Development Support Zone (No. 5: Macubeni Area)**
  The zone is located around Macubeni area. Since the area has been subject to a RULIV-funded Land Use planning process, it is considered appropriate for the area to receive RULIV support. Incorporating it into a Development Support Zone will achieve the objective.

- **Development Support Zone (No. 6: Portions of 'New' Wards 7, 8, 9 and 10)**
  The zone is located along the main road linking Queenstown to Dordrecht. Certain places within the zone are experiencing further demands for housing because of the favourable position for further settlement expansion due to easy accessibility to Queenstown and Dordrecht. The area is the locality of a sheep-farming project. Additional settlement development should be limited.

- **Development Support Zone (No. 7: Portions of 'New' Wards 1 and a Portion of Ward 6)**
  The zone requires support due to the fact that the irrigation from the Xonxa River has provided the area with a greater potential for agriculture -related enterprises and thus require support in this regard. Settlement extension is to be controlled or limited where possible.

- **Development Support Zone (No. 8: Lubisi Cluster - New Ward 2)**
  The area requires support which will ensure appropriate land use arrangement which that differentiate land suitable for settlement purposes and that which should be allocated to economic uses. Among the key proposals for this area is the encouragement of agriculture-related activities including possible fish farming in the Lubisi Dam. Settlement extension is not to be encouraged in the zone but rather in-situ densification approach should be adopted.

1.9.4. AGRICULTURAL POTENTIAL

According to a study conducted by the ARC for Ruliv the following potential for Agriculture has been identified in Emalahleni Local Municipality.

- Wool Production
- Beef cattle in the central and south western areas
- Maize production north of the Xonxa Dam
- Sorghum production in the south east
- Sheep in most areas
- Lucerne
- Irrigation potential of a further 5500 hectares at the Xonxa and Bengu as well as irrigation at the Guba Farms.

1.9.5. TOURISM POTENTIAL

TOURISM ATTRACTIONS AND FACILITIES

Tourism facilities and attractions in the area are limited and there is no anchoring attraction for the area except the possibility of promoting of farm stays. There are current only 7 accommodation facilities (see table 1). The potential tourism attractions are listed in table 2 and illustrated on the map.

TABLE 1: ACCOMMODATION FACILITIES IN EMALAHLENI LM

Type	No.	Beds
Bed & Breakfast	2	23
Guest house/farm	4	57
Lodge	1	23
Camp Site	0	-
Self-catering	0	-
Hotel	0	-
Total	7	103

Source: Chris Hani DM Tourism Plan, 2009

TABLE 2: POTENTIAL TOURISM ATTRACTIONS IN EMALAHLENI LM

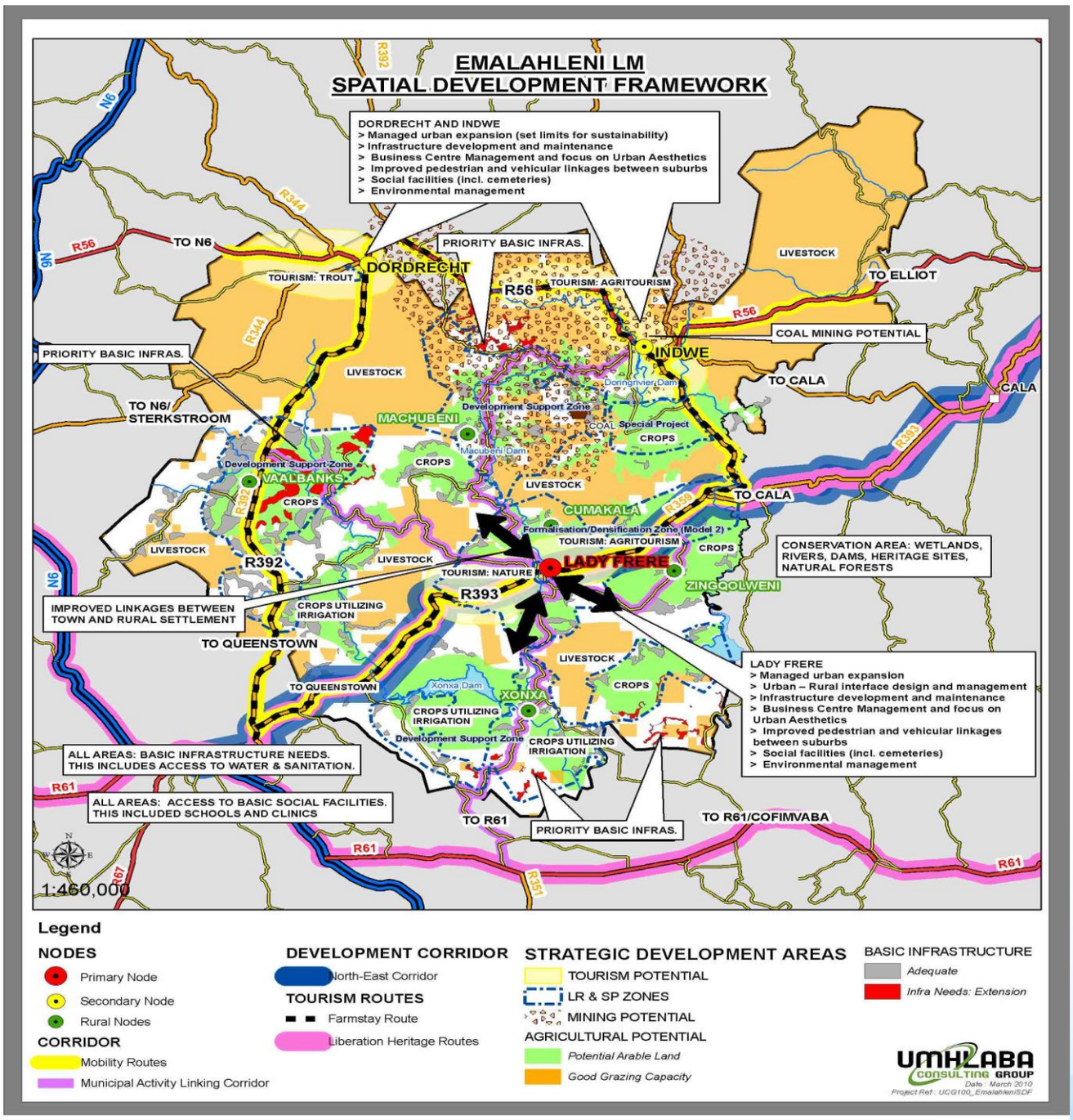
Nature-Based Tourism Products	
Glen Grey Falls near Lady Frere	Doom River Dam at Indwe
The Kloof near Dordrecht	Fly-fishing resources around Dordrecht
Cacadu River at Lady Frere	Xonxa Dam
Heritage Tourism	
Guba/Machubeni Coal Mine near Indwe	Victorian Buildings at Dordrecht
Churches in Lady Frere	Burger Statue at Dordrecht
Methodist Church at Dordrecht	San Rock Art at Dordrecht

Source: Chris Hani DM Tourism Plan, 2009

TOURISM ROUTES

The area has been identified as having potential for a farmstay tourism route. The Ndondo Liberation Heritage Route follows the R356 through Lady Frere2.8 Overall Spatial Development Framework

The Plan below illustrates a composite view of the above structuring elements in an overall SDF Plan for Emalahleni.



1.9. SUMMARY: EMALAHLENI BASIC DEVELOPMENT PATTERN

From the above composite SDF Plan, the following key characteristics of the proposed development pattern in Emalahleni are noted: -

a) The **R393 route is the central east-west corridor** linking the main Urban Development Node of Lady Frere with the District Centre of Queenstown and neighbouring LMs such as Sakhisizwe (Cala, Elliot).

b) To the **north of the R393**, the most important development potentials are seen to fall into the following **Primary sectors**: -

- **Mining** – specifically, coal mining – in the area to the north of Lady Frere and, more especially, in the land areas around Indwe;
- **Agriculture** – specifically livestock farming – where sheep are currently the main stock category and wool improvement schemes appear to be an important initiative that need to be further pursued in a

more consultative, culturally-led methodology. The main rural nodes in this regard are Lady Frere, Vaalbanks, Machubeni and Dordrecht.

c) To the **south of the R393**, the presence of lands with irrigation potential and current programme activities indicate that the main sector of potential development activity there lies in **agriculture** – specifically, crop cultivation (sorghum). The main rural nodes in this area are Xonxa and Ndonga.

d) **North-south linkages** are seen to be important future linkages and Municipal Acticity-Linking Corridors are proposed radiating out from Lady Frere, running north/north-eastward to Lady Frere, Ndonga and Indwe, north-westward to Vaalbanks, to the south to Xonxa (and beyond to the R61 district distributor route) and to the east to Ndonga.



CHAPTER 8
HOUSING SECTOR PLAN

CHAPTER 8
HOUSING SECTOR PLAN

1. Purpose Of The Report

The purpose of this report is to update the 2011 – 2016 Housing Sector Plan (HSP) that was prepared in 2011.

Census information has been updated as well as the analysis of trends occurring in the period between 2001 and 2011. The housing demand of the municipality will thus be informed by new census 2011 figures as well as the current housing waiting list.

The current statuses of Human Settlement Projects are described as well as new planned projects in the municipality.Information that has remained relevant from the 2011 – 2016 HSP such as the housing vision, matters of alignment across significant municipal planning documents, stakeholder information and the various housing programmes for implementation of Human Settlement Projects remain largely unchanged.

2. Brief

The project terms of reference for the review of the human settlement plan report are summarized as follows (Part C.3 Scope of work Tender No. CMU11-12/13-A0240):

Develop a revised MHSP informed by the outcomes of Phase 1 (Project Feasibility Reports), see Annexure 1, taking into account relevant Human Settlements policy and legislative framework, see Annexure 2. The following activities shall be carried out:

(1) Assessing the housing situation analysis
(2) Analyzing the inter-sectoral alignment and sourcing related plans.
(3) Visiting and interacting with relevant Municipal and Departmental officials.
(4) Presenting the draft MHSP to individual Municipalities and identified relevant stakeholders fora.

Tasks 1, 2 and 3 were accomplished by visiting municipal officials on 03-12-2013, see Annexure 3: attendance registers.
Task 4 was addressed by presentations at district offices attended by the relevant municipal officials.

3. Site Locality

Emalahleni Municipality is located in the Chris Hani District of the Province of the Eastern Cape.

The Municipal area covers approximately 3 840km², which, apart from the three (3) urban settlements of Lady Frere, Dordrecht and Indwe, is largely rural, with the majority of the population living in some 200 rural villages.

The seat of the Municipality is in Lady Frere approximately 50,7kms to the east of Queenstown.

4. Background

7.2 Purpose of a Housing Sector Plan

The main purposes of the Housing Sector Plan are as follows:

(a) Serve as a planning and measuring instrument for housing delivery.
(b) Identify both the overall quantity and quality of housing to be delivered and identify areas of strategic priority.
(c) Become need orientated and respond to the specific housing development challenges of the Municipal area.
(d) Co-ordinate and facilitate alignment between district and provincial housing strategies, policies, delivery systems and other related initiatives.
(e) Ensure the effective allocation of limited resources (specifically financial and human) to a large pool of potential development interventions.
(f) Provide a formal and practical method of prioritizing housing projects and obtaining political consensus for the sequencing of their implementation.
(g) Ensure more integrated development through bringing together the relevant cross-sectoral role players to coordinate their development interventions in one plan.
(h) Ensure that there is a definite housing focus for the IDP of Council and all other relevant sectoral plans, such as; Water Services, Disaster Management, etc.
(i) Provide greater spatial linkages between the spatial development framework (SDF) and the physical implementation of projects on the ground.
(j) Provide a critical link between integrated development planning and the practical reality of delivering housing projects on the ground.
(k) Deal with all forums – not only formal and informal, but also living spaces environments within them are situated in.
(l) Ensure effective subsidy budgeting and cashflows both at the local municipal and provincial levels.
(m) Align with the Eastern Cape Human Settlement Plan, policies as well as national legislation and policy frameworks pertaining to housing in the Republic of South Africa.
(n) Harmonise between demand and supply – different state assisted housing typologies

8 Preamble

This HSP has been reviewed and revised in accordance with the prescripts of the Blue Book for Municipal Housing Planning and the related National Treasury Planning dispensation.

The methodology used to review the HSP consisted of the review of the current IDP, HSP, SDF and other relevant chapters of the IDP and sectoral plans. In addition to this, a desktop analysis and discussions with municipal officials was undertaken to better understand the demand for housing. The study included:

(a) An update of existing status of existing projects from the municipal officials.
(b) A review and summary of phase 1 feasibility reports.
(c) A comparison of the 2001 and 2011 census and updating the housing pipelines according to new information.

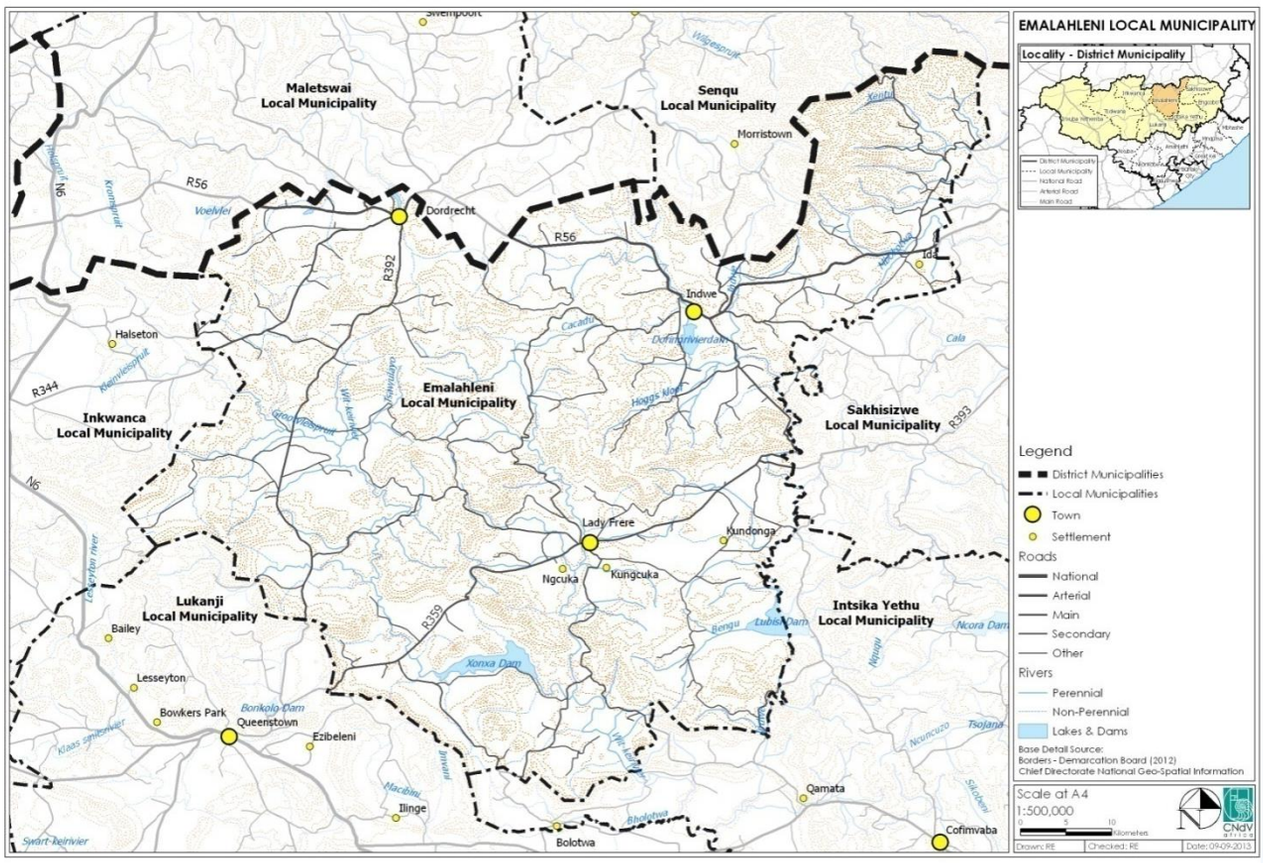
The HSP consists of strategic goals and priorities for the Municipality, which are detailed into programmes for year 1 of a 5-year horizon. Lastly, a project pipeline together with a project-tracking tool was developed and provided to enable the Municipality to improve its planning, tracking and monitoring of projects.

The engagement processes with the Municipalities and the client (ECDoHS) was multi layered. A provincial project management forum was established that agreed on and monitored inception and progress on the project. An orientation workshop was held with the Municipalities to create an understanding and awareness

of the project, to create the conduit for information to be collected, and to undertake an initial desktop exercise to understand the dynamics and nuances related to housing delivery. Individual visits to the Municipalities, districts and other departments resulted in the collection of the required primary level information.

This included the administration of a structured questionnaire with key officials.
The situation analysis report was workshopped with key Municipal officials and, in some Municipalities, Councillors, in order to seek confirmation and agreement with the resultant conclusions. Thereafter the HSP's were produced and presented to the ECDoHS for approval.

Figure 1.1 Emalahleni Municipality



2.1 DEMOGRAPHICS (STATUS QUO)

2.1.1 Total number of population

In 2001 the total population was 115 932 people and in 2011 it was 119 460. This indicates a gradual increase taking place in the municipality. The black population remains the dominant population group in the municipality with 99% of inhabitants. The coloured, white and Asian population groups make up less than 1% of the population numbers; see Tables 2.5.4.1 and 2.5.4.2 on page 16.

2.1.2 Total number of Households

Dwelling Unit Data	Value
Number of households	26 067
Average household size	4.45
Female headed households	14 832

Table 2.1.2.1 Number of Households 2001 (Source: Census 2001)

Dwelling Unit Data	Value
Number of households	31 680
Average household size	3,77
Female headed households	17 043

Table 2.1.2.2 Number of Households 2011 (Source: Census 2011)

Tables 2.1.2.1 and 2.1.2.2 indicate the number of households in the municipality in 2001 and 2011. There has been an increase in the amount of households in the municipality.

There were 26 067 households in 2001 and 31 680 in 2011, an increase of 5 613 households. Household sizes have decreased from 4.45 in 2011 to 3.77 in 2011. This is important as it affects planning and housing need in the municipality. For instance, an increasing household size will result in a increase in housing need for the same total population need.

The numbers of women headed households have increased since 2001and make up 54% of households in the municipality, which is a very high. Women are considered to be disadvantaged and on the average earn less than men, therefore heading poorer households.

2.1.3 Types of Dwelling (Typologies)

10 894 (42%) of the households in Emalahleni lived in traditional dwellings in 2001. 12 580 (48%) lived in formal houses on a separate stand. There has been an increase of 2 753 households in 2011 in the amount of people residing in traditional dwellings and an increase of 2 696 households experienced in the number of people now residing in formal structures on separate stands.

Informal housing is not very common with only 1% and 0.2% of households living in informal dwellings in 2001 and 2011 respectively (251 households).

The number of households living in flats has increased from 1074 households in 2001 to 1323 households in 2011.

2.1.4 Employment Statistics

Tables 2.1.4.1 and 2.1.4.2 indicate the employment situation of the municipality. In 2001, 5 446 people were employed in Emalahleni. More than double the number of people was unemployed and/or looking for work or discouraged. This situation has improved over the 10 years as in 2011, 9 342 people were employed while the level of unemployment decreased to 8 070. The "Not Applicable" group includes youth and pensioners who are unable to work and thus dependency rate is very high in the municipality at 45%.

Employment status	Number of People	%
Employed	5 446	5
Unemployed	11 623	10
Scholar or student	19 051	16
Home-maker or housewife	5 031	4
Pensioner or retired person/too old to work	4 520	4
Unable to work due to illness or disability	3 557	3
Seasonal worker not working presently	504	0
Does not choose to work	3 824	3
Could not find work	6 668	6
Not applicable (younger than 15 and older than 65)	55 707	48
Total	**115 932**	**100**

Table 2.1.4.1Employment 2001 (Source: Census 2001)

Employment status	Number of People	%
Employed	9342	14%
Unemployed	8070	12%
Discouraged work-seeker	6861	10%
Other not economically active	41451	63%
Total	**65724**	100%
		% Total
Not applicable	53736	45%
Total	**119460**	100%

Table 2.1.4.2Employment 2011 (Source: Census 2011)

2.1.5 Income Brackets

Household income gives an indication of the municipality's economic growth. Some categories have seen an improvement in numbers since 2001 and some have declined in number. Fewer households have no income in 2011 than in 2001. Where in 2001 there were 8911 (34%) households with no income, there were 4803 (15%) households in 2011, a decline of 4108 households.

24 817 (95.2%) households earned an income of R0 – R3200 in 2001 and 27 561 (87%) earned between that amount in 2011. This bracket improved by only 8% in ten years. 1 088 (4.2%) households were in the middle income gap market bracket in 2001 and 3 267 (10.3%) occupied the same bracket in 2011. The middle income bracket has increased in ten years.

Annual household income	Number of Households	%
No income	8 911	34
R1 - R4 800	1 961	8
R4 801 - R 9 600	8 332	32
R9 601 - R 19 200	4 127	16
R19 201 - R 38 400	1 486	6
R38 401 - R 76 800	751	3
R76 801 - R153 600	337	1
R153 601 - R307 200	101	0
R307 201 - R614 400	12	0
R614 401 - R1 228 800	15	0
R1 228 801 - R2 457 600	27	0
R2 457 601 and more	6	0
Total	**26 067**	**100**

Table 2.1.5.1Income Brackets 2001 (Source: Census 2001)

Annual household income	Number of Households	%
No income	4803	15
R 1 - R 4800	2037	6
R 4801 - R 9600	3471	11
R 9601 - R 19 600	9414	30
R 19 601 - R 38 200	7836	25
R 38 201 - R 76 400	2292	7
R 76 401 - R 153 800	975	3
R 153 801 - R 307 600	546	2
R 307 601 - R 614 400	234	1
R 614 001 - R 1 228 800	42	0
R 1 228 801 - R 2 457 600	18	0
R 2 457 601 or more	21	0
Unspecified	-	
Total	**31680**	**100**

Table 2.1.5.2Income brackets 2011 (Source: Census 2011)

2.2 MUNICIPAL INFRASTRUCTURE

2.2.1 Households with and without access to electricity

Electricity access in the municipality is relatively high. In 2011, 24 873 (79%) had access to electricity as opposed to 12 246 (47%) in 2001, an improvement of 32%. The other 21% of households use alternative energy source for lighting as indicated in Tables 2.2.1.1 and 2.2.1.2, with the majority preferring paraffin usage.

Energy source for lighting	Number of Households	%
Electricity	12 246	47
Gas	102	0
Paraffin	9 770	37
Candles	3 775	14
Solar	42	0
Other	131	1
Total	**26 067**	**100**

Table 2.2.1.1 Source of lighting 2001 (Source: Census 2001)

Energy source for lighting	Number of Households	%
Electricity	24873	79%
Gas	81	0.3%
Paraffin	3363	11%
Candles (not a valid option)	3252	10%
Solar	48	0.2%
None	60	0.2%
Total	**31680**	**100%**

Table 2.2.1.2Source of Lighting 2011 (Source: Census 2011)

2.2.2 Households with and without access to potable water

Table 2.2.2.1 and 2.2.2.2 indicate household access to piped water in Emalahleni municipality in 2001 and 2011. In 2001, 4 585 households had access to water within their yards and in 2011 that figure more than double to 9 276 households. 13 853 (53.1%) had access to tap water in 2001 and 29 343 (92.6%) have access in 2011.

Main water supply	Number of Households	%
Piped water inside dwelling	824	3
Piped water inside yard	3 761	14
Piped water on community stand: distance less than 200m. from dwelling	4 477	17
Piped water on community stand: distance greater than 200m. from dwelling	4 791	18
Borehole	1 293	5
Spring	2 362	9
Rain-water tank	265	1
Dam/pool/stagnant water	549	2
River/stream	7 104	27
Water vendor	174	1
Other	466	2
Total	**26 067**	**100**

Table 2.2.2.1 Access to piped water 2001 (Source: Census 2001)

Main water supply	Number of Households	%
Piped (tap) water inside dwelling/institution	2766	9%
Piped (tap) water inside yard	6510	21%
Piped (tap) water on community stand: distance less than 200m from dwelling/institution	14400	45%
Piped (tap) water on community stand: distance between 200m and 500m from dwelling/institution	3654	12%
Piped (tap) water on community stand: distance between 500m and 1000m (1km) from dwelling /institution	1395	4%
Piped (tap) water on community stand: distance greater than 1000m (1km) from dwelling/institution	618	2%
No access to piped (tap) water	2340	7%
Total	**31680**	**100%**

Table 2.2.2.2 Access to piped water 2011 (Source: Census 2011)

2.2.3 Source of Water

In 2001, 53.1% of households had access to tap water, however not necessarily from the regional water scheme, where 18 021 (57%) people accessed tap water from the regional water scheme in 2011. Rivers and dams were the most popular sources of water behind tap water in the municipality both in 2001 and 2011.

Source of Water	Number of Households	%
Regional/local water scheme (operated by municipality or other water services provider)	18021	57%
Borehole	3048	10%
Spring	1158	4%
Rain water tank	465	1%
Dam/pool/stagnant water	2061	7%
River/stream	3978	13%
Water vendor	357	1%
Water tanker	1695	5%
Other	903	3%
Total	**31680**	**100%**

Table 2.2.3.1 Source of water 2001 (Source: Census 2001)

Source of Water	Number of Households	%
Piped water inside dwelling	824	3
Piped water inside yard	3 761	14
Piped water on community stand: distance less than 200m. from dwelling	4 477	17
Piped water on community stand: distance greater than 200m. from dwelling	4 791	18
Borehole	1 293	5
Spring	2 362	9
Rain-water tank	265	1
Dam/pool/stagnant water	549	2
River/stream	7 104	27
Water vendor	174	1
Other	466	2
Total	**26 067**	**100**

Table 2.1.3.2 Source of water 2011 (Source: Census 2011)

2.2.4 Types of ablution facilities

Table 2.2.4.1 and 2.2.4.2 indicates the type of ablution facilities within households. There has been a general improvement between 2001 and 2011 in terms of ablution facilities. The number of households who have no ablution facilities at all has decreased in 10 years. Flush toilets connected to the sewerage system have increased from 988 in 2001 to 3729 in 2011. Many people now utilise ventilated pit latrines with the number increasing from 1 543 households in 2001 to 5 997 households in 2011. The majority of households however still utilise the pit toilets without ventilations, amounting to 7 719 (51.5%) in 2011.

Ablution Facilities	Number of Households	%
Flush toilet (connected to sewerage system)	988	4
Flush toilet (with septic tank)	217	1
Chemical toilet	638	2
Pit latrine with ventilation (VIP)	1 543	6
Pit latrine without ventilation	5 953	23
Bucket latrine	1 984	8
None	14 743	57
Total	**26 067**	**100**

Table 2.2.4.1 Types of ablution 2001 (Source: Census 2001)

Ablution Facilities	Number of Households	%
None	10023	32%
Flush toilet (connected to sewerage system)	3729	12%
Flush toilet (with septic tank)	459	1%
Chemical toilet	2469	8%
Pit toilet with ventilation (VIP)	5997	19%
Pit toilet without ventilation	7719	24%
Bucket toilet	285	1%
Other	999	3%
Total	**31680**	**100%**

Table 2.2.4.2 Types of ablution 2001 (Source: Census 2011)

2.2.5 Refuse Disposal

Refuse collection is mainly focused on the main towns in the Municipality. 2825 households had their refuse collected once a week in 2001 and 2637 had their refuse collected in 2011. The majority of people however use their own refuse dumps where they burn their own refuse. 47% of households especially in the rural areas handled refuse in this way in 2001. The situation had not changed by 2011 as 64% of households remained using their own refuse dumps.

Refuse disposal	Number of Households	%
Refuse disposal		
Removed by local authority at least once a week	2 825	11
Removed by local authority less often	221	1
Communal refuse dump	467	2
Own refuse dump	12 183	47
No rubbish disposal	10 370	40
Total	**26 067**	**100**

Table 2.2.5.1Refuse Disposal(Source: Census 2001)

Refuse disposal	Number of Households	%
Removed by local authority/private company at least once a week	2637	8%
Removed by local authority/private company less often	165	1%
Communal refuse dump	528	2%
Own refuse dump	20163	64%
No rubbish disposal	6885	22%
Other	1302	4%
Total	**31680**	**100%**

Table 2.2.5.2 Refuse Disposal 2011 (Source: Census 2011)

2.3 IDP ALIGNMENT AND SPATIAL PLANNING

It is vital that the housing sector plan is aligned with the IDOP for the municipal area.

There are two potential scenarios that exist when developing a housing sector plan:

a) Firstly the housing sector plan is developed in parallel with the IDP.
b) Secondly the housing sector plan is only developed after the IDP has been completed.

If the housing sector plan is developed after the approval of the IDP it is imperative that the information, strategies, and policy guidelines outlined in the IDP are followed. The HSP development then follows five process stages. Where significant incongruities exist it may be possible to adjust certain IDP strategies to align with housing program, through the annual IDP review process. However, it is recommended that this route should only be taken in extreme cases, which can be adequately justified.

Source: Project Preparation Trust of KZN, 2006

2.3.1 The Chris Hani District Municipality Integrated Development Plan 2012 – 2017

In terms of the Municipal Structures Act 1998 no 117 a district municipality is expected "to build the capacity of local municipality in its area to perform their functions and exercises their powers where such capacity is lacking." Chris Hani District Municipality serves to Coordinate; Support; Guide and to facilitate the process of housing development within its jurisdiction.

CHDM has developed a housing development plan which has identified 2 main issues with regard housing development in its Municipality.

- **Skills Development**

  CHDM has signed a Service Level Agreement with Coega Development Corporation on Advanced Socio Economic Development and Transformation through Infrastructure Development. This includes the development of skills to local labour including internship programmes, emerging enterprise development including cooperatives. The scope of work includes, but no limiting construction of emergency house. Majority of contractors in the district are in lower grades between 1 and 3 which need support in order for them to deliver on time, at quality and cost. During the construction of emergency houses Coega Development Corporation will play a big role on monitoring those local emerging contractors.

- **Improving capacity of Local Municipalities**

  To provide capacity and support to LMs and other stakeholders with regard to housing delivery in line with Housing Act. Guide LMs on how to develop their Housing Sector Plans, assist in the monitoring of housing projects, give support on planning and implementation of subsidy projects towards integrated settlements, Coordinating the formulation and review of housing policy and legislation.

  CHDM plans to commit to addressing the following issues:
  - It will ensure that housing project benefit the local economy through all the housing programmes in the district.
  - It will ensure that local people are the first preference in terms of employment in the housing projects.

It will ensure that building material for the projects is purchased on the local suppliers of the district. (Chris Hani District IDP, 2012 - 2017)

2.3.2 Emalahleni Integrated Development Plan (IDP) 2013/2014

The vision clearly highlights the importance of creating partnerships with our social partners, with an aim of establishing a highly effective and efficient public service institution that excels in providing basic services to its communities and creating a centre for future growth and knowledge management. Council has an understanding of our existing challenges, economic & cultural diversity and yet is determined to become the hub of efficient and effective service delivery. With an understanding of the challenges, potentials and capabilities that are existing in Emalahleni to enhance and where possible to turn around the architectural designs, planning and socio-economical limitations that were engineered and imposed on our society through the systems of the past.

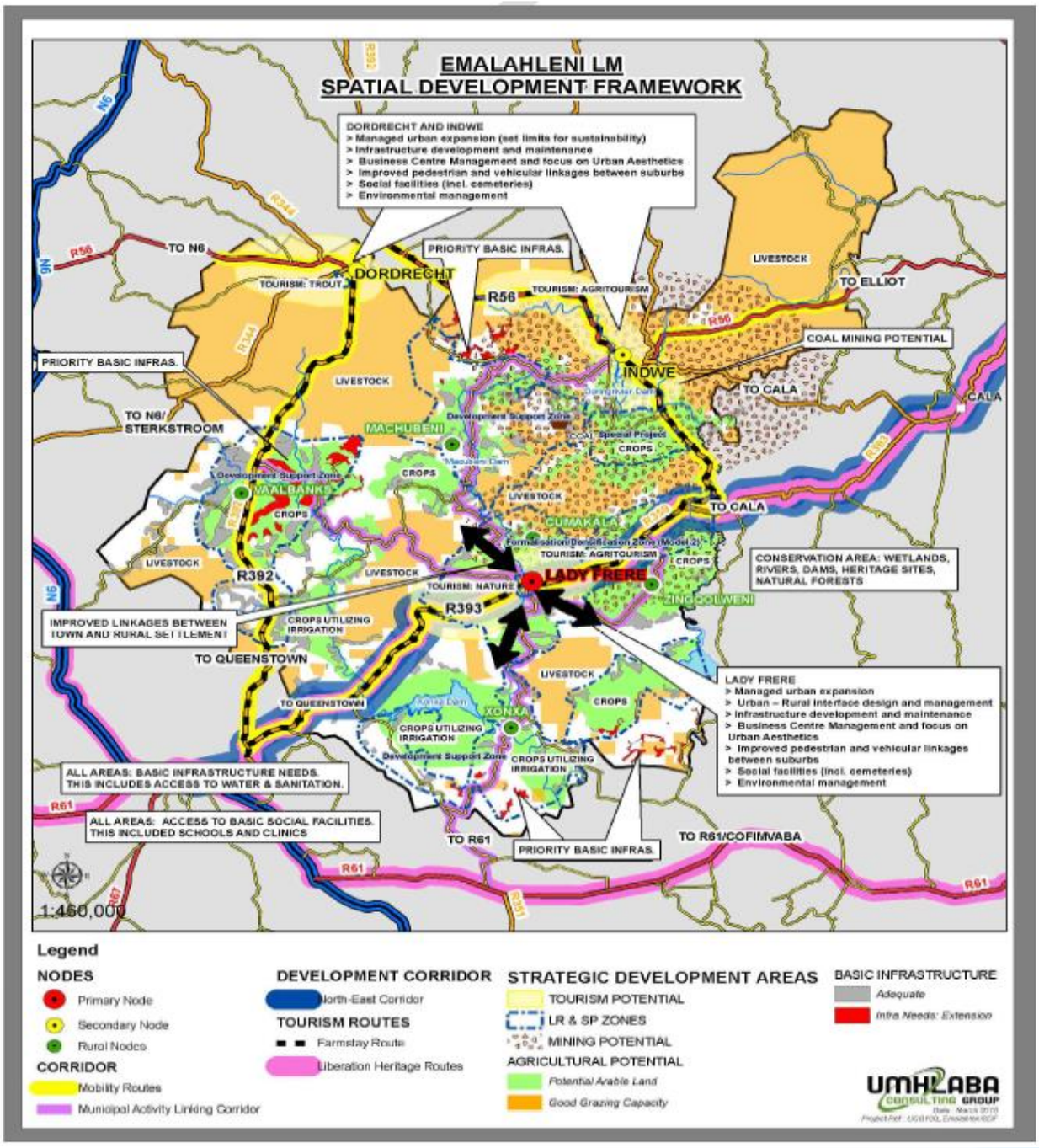
(Emalahleni IDP, 2012 - 2017)

2.3.3 Emalahleni Spatial Development Framework (2010)

All housing projects prioritized and approved by council should be represented graphically in a spatial development framework for housing projects. This SDF for housing should be drawn from the existing IDP's SDF however it should indicate all current and planned projects clearly.

The representation of projects should indicate congruence both with the IDP principles and with the SDF's development strategies and vision.

Source: Project Preparation Trust of KZN, 2006


EMALAHLENI LM
SPATIAL DEVELOPMENT FRAMEWORK
DORDRECHT AND INDWE
> Managed urban expansion (set limits for sustainability)
> Infrastructure development and maintenance
> Business Centre Management and focus on Urban Aesthetics
> Improved pedestrian and vehicular linkages between suburbs
> Social facilities (incl. cemeteries)
> Environmental management
PRIORITY BASIC INFRAS.
TO N6
DORDRECHT
TOURISM: TROUT
R56
TOURISM: AGRITOURISM
LIVESTOCK
TO ELLIOT
COAL MINING POTENTIAL
INDWE
TO CALA
CALA
PRIORITY BASIC INFRAS.
TO N6/
STERKSTROOM
LIVESTOCK
MACHUBENI
Development Support Zone
CROPS
Special Project
Development Support Zone
MAALBANK
CROPS
LIVESTOCK
TO CALA
CUMAKALA
Formalisation/Densification Zone (Model 2)
TOURISM: AGRITOURISM
CROPS
LIVESTOCK
R392
LIVESTOCK
LADY FRERE
TOURISM: NATURE
CONSERVATION AREA: WETLANDS, RIVERS, DAMS, HERITAGE SITES, NATURAL FORESTS
ZINGCOLWENI
R393
IMPROVED LINKAGES BETWEEN TOWN AND RURAL SETTLEMENT
CROPS UTILIZING IRRIGATION
TO QUEENSTOWN
LIVESTOCK
TO QUEENSTOWN
CROPS
XONXA
CROPS UTILIZING IRRIGATION
Development Support Zone
CROPS UTILIZING IRRIGATION
LADY FRERE
> Managed urban expansion
> Urban – Rural interface design and management
> Infrastructure development and maintenance
> Business Centre Management and focus on Urban Aesthetics
> Improved pedestrian and vehicular linkages between suburbs
> Social facilities (incl. cemeteries)
> Environmental management
ALL AREAS: BASIC INFRASTRUCTURE NEEDS. THIS INCLUDES ACCESS TO WATER & SANITATION.
ALL AREAS: ACCESS TO BASIC SOCIAL FACILITIES. THIS INCLUDED SCHOOLS AND CLINICS
TO R61
PRIORITY BASIC INFRAS.
TO R61/COFIMVABA
R61
1:460,000
Legend
NODES
Primary Node
Secondary Node
Rural Nodes
CORRIDOR
Mobility Routes
Municipal Activity Linking Corridor
DEVELOPMENT CORRIDOR
North-East Corridor
TOURISM ROUTES
Farmstay Route
Liberation Heritage Routes
STRATEGIC DEVELOPMENT AREAS
TOURISM POTENTIAL
LR & SP ZONES
MINING POTENTIAL
AGRICULTURAL POTENTIAL
Potential Arable Land
Good Grazing Capacity
BASIC INFRASTRUCTURE
Adequate
Infra Needs: Extension
UMHLABA
CONSULTING GROUP

2.4 STAKEHOLDER SUPPORT

The housing sector plan aims to build on the stakeholder consultation process developed in the IDP. Stakeholder information drawn from the current IDP has prioritized community needs and verified the municipal wide development strategies to be implemented through the Housing Sector Plan.

Furthermore any relevant current information emerging from community meetings, ward committees and councillors, the Housing Forum (on which provincial housing officials sit), Community Based Organisation (CBO's), Non-Governmental Organisation (NGO's) should be included in the housing sector plan.

Specific community consultation is necessary as part of the project feasibility analysis if this aspect is highlighted as a key risk in the project.

A primary source of stakeholder information should be drawn from the minutes of the Housing forum, or if such a forum is not operating, the sector plan should look at strategies to re-establish such a forum. It is not necessary to re-implement the community wide consultation process carried out through the original IDP.

Once the plan has been conditionally approved by the local Municipal Council, an advert should be placed in the local media, inviting comments on the draft Housing Sector Plan from interested and affected parties.

And finally once the plan has been approved both by the Municipal Council and the Eastern Cape Department of Human Settlements, the Department should place a copy of the complete plan on its departmental website to allow easy access to the plan for all stakeholders.

Source: Project Preparation Trust of KZN, 2006

The Municipality, limited in its capacity, is reliant on partnerships both internal and external to the Municipality and it is through these relationships that it is able to deliver on its housing delivery mandate.

Therefore, in an endeavour to strengthen the relationships with the key external stakeholders, priority should be given to the formalisation of these relationships setting up by MOUs, SLAs, and partnership agreements amongst the critical stakeholders. The formalisation of key priority stakeholder relations will contribute significantly to alleviating the internal organisational weaknesses in the Municipality because there will be inter-dependency and sharing of knowledge and skills.

Stakeholder	Municipal need	Current relationship	How to influence stakeholder	Priority Level
Province - Housing	Land MIG Strategic Planning Subsidies Project packaging Project Management Capacity building	Project Management Subsidy administration	MOU to map out support and funding commitment	High
DBSA	Project Management Support	None		
SALGA – Housing unit	Project Management Support/PRT's	None		
HDA	Land identification and feasibility studies	None	Formalise request for a partnership	Medium
Municipality- other departments	Town planning: Land Engineering: Services Project Pipeline Project applications	Provides land, services, technical expertise	Formalised institutional arrangements with other departments for: • Alignment of infrastructure process • Land availability and release • Project packaging and project pipeline development	High
NGO'S, CBO'S	Community engagement Social Facilitation	None	Strategic planning and support to conduct housing voice and social facilitation	Medium
Higher learning institutions, NMMU	Research agenda for strategic planning purposes	None	Create a think tank forum & demand and supply research	Medium
Private Sector: Professionals Developers Conveyances	Property packaging and development	Retainer arrangement with selected Consultants from time to time subject to funding availability	A multi-disciplinary Local Task Team of Professionals to help the Municipality	High
Construction sector, e.g. Contractors, NHBRC	Construction of projects Construction standards	Construction of projects Departmental Inspectors on building standards. Projects registered with NHBRC. Direct)	Contracts NHBRC-MOU	High
Government Departments, e.g. Public Works, Land Affairs	Infrastructure development, Land and buildings Land proposal policy direction			Medium

Table 2.4.1 Role players in Human Settlements (source: Emalahleni Housing Sector Plan, 2011)

2.4.1 Information on Stakeholder Engagements

Current support from the Province creates huge dependency rather than provide support that realises the transfer of skills to the Municipality. Reliance on professionals to plan for and deliver housing creates the same dependencies with no meaningful transfer of expertise. The ability to manage these outsourced arrangements is also absent/low with the Municipality at present.

In order to support the proposed structure above the land and project packaging and applications can be outsourced to a local professional team.Agreements with Province, NHBRC, NURCHA, and HDA must be entered into to provide support as identified in the stakeholder analysis table.

Co-operation agreements must be entered into with the NGO'S, CBO'S and higher learning institutions to support the department with its research agenda and social facilitation needs. (Emalahleni HSP, 2011)

2.5 HOUSING DEMAND ASSESSMENT

Note that the following definitions are used in this report:

- **Need** refers to the total requirement for housing for all income groups including the backlog as well as future growth arising from household formation as forecast from census projections or other methods.
- **Demand** refers to those households able to acquire housing as a result of access to subsidies, bank loans and own finance.

It is important that due to the limited number of housing subsidies per municipality, housing projects should be delivered primarily in areas where there is the greatest need.

2.5.1 Strategic Housing Vision and Goals

The overall vision of Emalahleni Municipality states as follows:

"A municipality that delivers sustainable and affordable services towards socio-economic growth and development" (Emalahleni HSP, 2011)

2.5.2 Municipal Housing Demand Database and Needs Register

The HSP 2008 identified the following housing problems in the area:

- Most of the existing housing stock in the urban centres is now becoming dilapidated due to lack of maintenance.
- Public housing stock and private rented houses are in the state of despair due to neglect by non-resident landlords, especially in Lady Frere.
- The informal and formalized informal settlements are characterized with poor conditions.
- No middle-income housing projects have been implemented since 1994 except for incomplete site-and-service schemes in Dordrecht and Lady Frere
- Lack of accurate housing statistics on housing demand and housing options
- Inadequate housing to cater for the needs of the youth who are not ready to own houses but in need

of secured accommodation

- The almost irreversible settlement patterns in the rural areas pose challenges to housing supply (sprawl, extending into sensitive areas, difficulty to service, etc.)
- Over 48% of all households in Emalahleni reside in formal dwellings, 43% in traditional structures and 4% in informal structures.
- Approximately 43% of population live in a 1 or 2 roomed house and levels of homelessness represented by way of informal shack development is 4%.
- Lack of housing delivery in the rural areas, thereby putting pressure on the urban housing demand (increase rural to urban migration)
- Farm evictions in Indwe and Dordrecht area, put pressure on housing register and housing demand. (Emalahleni HSP, 2011)

The current realistic backlog according to the municipality is estimated to be 9686 units. Their distribution per area (and proposed housing projects) as at 2006 is provided below

1. Informal Settlement Upgrade Programme
    a. Lady Frere – Extension 1&2 settlement upgrade
    b. Dordrecht – Sinakho ISUP (Zwelethemba Buffer Zone PHP)
    c. Dordrecht – Sinakho ISUP (Maramastad Re-development – 151)
    d. Dordrecht – Sinakho ISUP (Nxomfu Springs Resettlement Project – 35 Subsidies)

2. Project Linked – R1701- R3500 (Stable Income Earners)
    a. Lady Frere Ext 3 – Greenfields Project Linked
    b. Lady Frere Ext 4 – Greenfields Project Linked
    c. Indwe West Gateway - Greenfields Project Linked

3. Finance linked Subsidies – R3501 – R7000 (Stable Income Earners)
    a. Lady Frere Ext 3 – Greenfields Project Linked
    b. Lady Frere Ext 4 – Greenfields Project Linked
    c. Indwe West Gateway - Greenfields Project Linked

4. Community Residential Units (Rental – Stable Income Earners)
    a. Lady Frere Ext 3 - Greenfields Project Linked
    b. Lady Frere Ext 4 - Greenfields Project Linked
    c. Indwe West Gateway - Greenfields Project Linked

5. Rural Housing Subsidies (Expanding Access to Housing Support)
    a. Zwartwater Housing Project – People's Housing Process
    b. GubaHoekAgri-Village Project (Land Restitution)
    c. Ida Farms Agri-village Project (Demand Management Project)

The housing problems in Emalahleni Municipality can be funded under the Rural Housing Subsidy Scheme which may include the following as set out in the Policy:

- Assistance to municipalities to prepare project applications including the project application, planning, land surveying, design, project management and facilitation and implementation agent's services.
- Development or upgrading of local access and internal roads and stormwater drains.
- Development or upgrading of internal or local water infrastructure.
- Development or upgrading of local sanitation facilities.
- Construction of new housing structures or the repair and upgrading of existing houses.
- Purchasing of building materials where persons wish to construct, repair or upgrade their own houses.

- Housing purposes approved by the MEC which is not, or cannot be funded through other programmes of government and require funding under this Programme and will be of benefit to all beneficiaries that form part of the project.
- Instances where the houses in the aggregate are considered to be adequate, the housing subsidy may be utilised for the provision of residential engineering services or other housing purposes. (Emalahleni HSP, 2011)

2.5.3 Determination of Housing Demand

There are three main ways of determining housing demand/need within municipal areas, these are:

a) Using statistical calculations captured through the census or other relevant studies, or
b) Through the analysis of housing waiting lists, and finally
c) Through the Provincial housing demand data base.

Housing waiting lists have a number of short comings including,

a) Applicants putting their names down on more than one municipal housing waiting list,
b) Many potential beneficiaries have not placed their names on these lists,
c) The problems related to maintaining such a large waiting list.

Source: Project Preparation Trust of KZN, 2006

The currently preferred method of calculating housing demand is through the use of statistical data collected in census 2011. Census data on household income levels can be used to determine area of greatest need based on poverty levels while census data on housing typologies, which indicate the number of informal dwellings per ward, can be used to determine area of greatest need based on housing backlog.

Whilst many of the traditional dwellings offer more than adequate housing, often in idyllic settings, the reality is that many of these traditional dwellings do not provide satisfactory shelter, compounded by the absence of basic services and amenities. (Emalahleni HSP, 2011)

2.5.4 Demographic Profile

- Total population has seen 3524 more people in 2011
- Population growth rate sits at 0.3% as opposed to 1.6% estimated by 2077 community survey.
- Black Africans are the dominant population group making up 99% of the population.

Population group	Number of People	%
Black African	114 731	99
Coloured	599	1
Indian or Asian	28	0
White	575	0
Total	**115 932**	**100**

Table 2.5.4.1 Population Group 2001 (Source: Census 2011)

Population group	Number of People	%
Black African	117672	99%
Coloured	693	1%
Indian or Asian	174	0.1%
White	663	1%
Other	258	0.2%
Total	**119460**	**100%**

Table 2.5.4.2Population Group 2011 (Source: Census 2011)

2.5.5 Housing Quality

- 12% decrease in households residing in traditional dwellings in 2011
- 10.8% increase in households residing in formal dwellings
- 4% households reside in informal shacks as opposed to 5% in 2001.
- Number of people residing in flats has doubled in 10 years from 665 to 1323 people in 2011.

Type of dwelling	Number of Households	%
House or brick structure on a separate stand or yard	12 580	48
Traditional dwelling/hut/structure made of traditional materials	10 894	42
Flat in block of flats	1 074	4
Town/cluster/semi=detached house (simplex; duplex; triplex)	90	0
House/flat/room in back yard	566	2
Informal dwelling/shack in back yard	173	1
Informal dwelling/shack NOT in back yard	221	1
Room/flatlet not in back yard but on shared property	200	1
Caravan or tent	6	0
Private ship/boat	6	0
Not applicable (institution)	-	
Not applicable (living quarters is not housing unit)	258	1
Total	**26 067**	**100**

Table 2.5.5.1Types of dwelling2001 (Source: Census 2001)

Type of dwelling	Number of Households	%
House or brick/concrete block structure on a separate stand or yard or on a farm	15276	48%
Traditional dwelling/hut/structure made of traditional materials	13647	43%
Flat or apartment in a block of flats	1323	4%
Cluster house in complex	180	1%
Townhouse (semi-detached house in a complex)	72	0.2%
Semi-detached house	114	0.4%
House/flat/room in backyard	759	2%
Informal dwelling (shack; in backyard)	78	0.2%
Informal dwelling (shack; not in backyard; e.g. in an informal/squatter settlement or on a farm)	75	0.2%
Room/flatlet on a property or larger dwelling/servants quarters/granny flat	51	0.2%
Caravan/tent	6	0.02%
Other	99	0.3%
Total	**31680**	**100%**

Table 2.5.5.2Types of dwelling2001 (Source: Census 2011)

2.5.6 Informal Housing

The presence of 759 households presently residing in "informal" flats and / or rooms in backyards suggests there could be a demand for rental accommodation provision in the urban areas of the municipality.

The 153 households that presently reside in informal settlements clearly indicate a demand for informal settlement upgrade or rental housing (in cased where occupants of shacks are using the shack as temporary accommodation as opposed to being homeless). (Emalahleni HSP, 2011)

2.5.7 Analysis of the Housing Need

a) 56 541 of the population is under the age of 20, with more females than males.
b) 51 779 of the population has only primary school level education or less, with 12 674 having no education.
c) 46% of the population receive social grants
d) 41 451 (35%) people are not economically active.

From the above socio economic and demographic assessment, the following can be concluded:

- Around 14 733 households in Emalahleni presently live within rural, rental, or informal structures and earn below R6 400.00 per month per household. It is realistic to assume that this represents an indication of the number of households that are eligible (from an income perspective) for a housing grant in terms of that available housing delivery instruments. This leaves potential for investigating the use of FLISP in smaller towns to cover the demand for steady income earners between R3500 and R7500.
- Of the above total 13 770 (93.4%) earn below R3 200.00 per month, representing the number of households that qualify for the full subsidy amount.
- 13 647 (43%) households reside in traditional dwellings.
- Aside from the indication that urbanisation is occurring, the urban centre of Cofimvaba also appears to be providing "a space" for temporary residents, as indicated by the apparently increasing number of rental accommodation uses in the form of rental rooms and "flats".
- For the purpose of the HSP responding to housing demand, is important to differentiate between housing demand in terms of the following:
    - Informal Settlement (free standing informal dwellings within the urban environment)
    - Informal Dwelling Structures (informal dwelling structures erected on formal erven) – "Backyard Shacks"
    - Rural Settlement which contain "Traditional Dwellings" and possibly informal dwellings
    - Rental rooms on formal erven
- There are 306 child headed households in Emalahleni. (Emalahleni HSP, 2011)

INSTRUMENTS	OUTCOME 8 TARGETS			OTHER
	RURAL	SOCIAL AND RENTAL	INFORMAL SETTLEMENT STRUCTURES	CHILD HEADED HOUSEHOLDS
	13 647	2139	153	306
RURAL HOUSING	X			
SOCIAL AND RENTAL		X		
INCREMENTAL			X	
FINANCIAL			X	

Table 2.5.6.1Housing Need

2.5.8 Current Subsidy Applications and Waiting Lists

Waiting lists are still to be provided and verified by the Department of Human Settlements.
New projects are planned for the municipality, allocating 2400 provisional subsidies.

2.5.9 Shortcomings and Challenges

Currently the primary focus areas for the Chris Hani District Municipality (CHDM) are the eradication of water services and sanitation backlogs. Housing delivery does not seem to be a priority partly due to the fact that its main driver is the Department of Human Settlement. The District Municipality serves to co-ordinate and facilitate the process but does not undertake housing delivery.

The District Municipality have inadequate an outdated municipal infrastructure investment strategy, with the result that it is failing to deliver services at the rate that is required leading to the current municipal services delivery crisis, and all indications are that the crisis is worsening as illustrated by delays in the eradication of backlogs; inadequate maintenance, reliance on a set of unsustainable services standards, as municipalities are becoming less and less able to sustain existing infrastructure; increasing failure to collect revenue, and inadequate or poor prioritisation of projects. This makes it difficult for the District to prioritise housing delivery before addressing these key challenges. (Emalahleni HSP, 2011)

2.6 LAND IDENTIFICATION

2.6.1 Spatial Form

Emalahleni Municipality comprises the following urban settlements:

TOWN NAME	TOWN NAME
Primary Node	Lady Frere
Secondary Nodes	Dordrecht
	Indwe
Rural Nodes	Vaalbanks
	Cumakala
	Ndonga
	Xonxa

The Urban Settlements are surrounded by over 137 settlements with a population of at least 500 people per settlement.

2.6.2 General Principles for Land Development

As an initial point of departure the general principles for land development, as laid out in the Development Facilitation Act No 1526, 1995 [Section 3 (1)], will be followed. Key relevant principles are as follows (All DFA land principles are presented in Appendix 2):

Policy, administrative practice and laws should 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;
- 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.

Source: Project Preparation Trust of KZN, 2006

Policy, administrative practices and laws do discourage the illegal occupation of land, with due recognition of informal land development processes.

IDP Objective	KPA indicator of performance	Annual target	Evidence Required	Baseline
Urban efficiency / Manage, control and maintain all municipal assets : manage land, land disposal & land acquisition issues	Submit a list of encroachment penalties to the Financial Services Department	Identification of illegal encroachers in all Wards.	List of encroachment penalties / Proof of receipt from Financial Services Department.	Encroachment inspections done /penalties applied / control over revenue in this respect to be formalized & documentary evidence required

Members of communities affected by land development should actively participate in the process of land development.

Policy, administrative practice and laws should promote sustainable land development at the required scale in that they should:

- promote land development which is within the fiscal, institutional and administrative means of the Republic;
- promote the establishment of viable communities;
- promote sustained protection of the environment;
- meet the basic needs of all citizens in an affordable way; and
- ensure the safe utilisation of land by taking into consideration factors, such as; geological formations and hazardous undermined areas.

Policy, administrative practice and laws should promote speedy land development.

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 utilised for other purposes, their interests in such land or homes should be reasonably accommodated in some other manner.

Source: Project Preparation Trust of KZN, 2006

The Prevention of Illegal Eviction from and Unlawful Occupation of Land Act (No. 19 of 1998) offers further protection to existing housing arrangements by stipulating the circumstances under which evictions by both private persons and the state may occur. It calls for specific consideration of the needs and rights of “the elderly, children, disabled persons and households headed by women” (section 4(6) and 4(7)). (Emalahleni HSP, 2011)

2.6.3 Land Reform Programme and Settlement Planning

The overall goal of the South African land reform programme is to redistribute land, rights and economic benefits of land to disadvantaged sections of society. The programme is implemented under three components: restitution, redistribution and tenure reform.

For generations access to land in South Africa has been based on inequality which has evolved through colonisation and thereafter entrenched during the decades following the passing of the 1913 Natives Land Act. This infamous Act, and a number of subsequent laws, restricted black people's access to land and the agricultural economy, resulting in

South Africa's land reform programme has three pillars:

- Restitution, which seeks to restore land ownership or compensate those forced off land during white rule;
- Redistribution, of mainly agricultural land, to redress the discriminatory colonial and apartheid policies by providing the disadvantaged and poor with access to land; and
- Land tenure reform, which seeks to secure tenure for all South Africans, especially the more vulnerable such as farm labour tenants

Source: Project Preparation Trust of KZN, 2006

The Municipality is faced with a high demand for housing and the efforts of keeping up with the perpetual increase in demand are hampered by the following challenges:

- Land set aside for housing development is privately owned
- Land identified for housing development does not have bulk infrastructure

The Municipality on the other hand does not have the housing development status and it becomes a challenge to justify the establishment of a fully-fledged housing unit in order to ensure efficient housing delivery. (Emalahleni HSP, 2011)

2.6.5 Land Identification Process

Suitably located land identified through this process can then be further audited through the Department of Human Settlement's Land Administration component. Depending on the time frames this land evaluation process can either be carried out as part of the Housing Sector Plan or as a separate project originating from the plan for future development opportunity identification. The principles for land development have to be considered when identifying land for development.

Source: Project Preparation Trust of KZN, 2006

The SDF identified a number of State (National Housing Board, Transnet, and Republic of South Africa), municipally owned and privately owned land zoned for Special Residential purposes in Indwe, Lady Frere and Dordrecht that can be used for infill housing. In addition the SDF identifies larger portions of land for future housing projects as set out below in the various towns and sub- areas. (Emalahleni HSP, 2011)

2.6.5.1 Land Requirements for future development

The 2011 HSP review states that the total area required for future development will be approximately 255Ha over the three main urban nodes. It is not clear whether or not the potential increase in housing demand as a result of mining operations taking place in Emalahleni. Most of the lower level skills will be obtained locally it is expected that the technical, maintenance and managerial positions will be filled by external people who will need short and long-term accommodation. The Elitheni mine is 14kms out of Indwe and it is expected that the bulk would prefer to settle there. (Emalahleni HSP, 2011)

Land demand for housing development

INDWE OWNERSHIP	HECTARES
LADY FRERE	152
INDWE	58
DORDERECHT	45

2.6.6 Project Management

The following ought to be addressed:

- Who is the current project manager/implementing agent?
- Does the project manager have sufficient capacity and experience to implement the project?
- Obtain the project budget, determine if this is up to date and realistic.
- Obtain the project program, determine if this is up to date and realistic.
- Has a suitable professional team been appointed?
- Are there any specific project management issues which need attention?
- Based on assessment of the information provided, K&T will identify whether or not there appeared to be any material barriers to the proposed development, from a project management perspective, what the barriers are, the viability of overcoming them, and if possible provide a way forward for their resolution.

Source: Project Preparation Trust of KZN, 2006

2.6.7 Municipal Capacity and Housing Delivery Mechanisms

The Emalahleni Municipality has not been granted developer status with respect to the delivery of housing in its area of jurisdiction. It relies on the Province to carry out a significant part of the responsibilities related to housing development.

The number of officers allocated for housing has not been indicated in the organogram but it emerged that the housing section is operating under reduced capacity and urgently requires assistance if the housing delivery function of the Municipality is to be effective. The Directorate for Land and Housing is responsible for managing housing delivery within Emalahleni Municipality. (Emalahleni HSP, 2011)

2.6.8 Land

2.6.8.1 Land Potential and Constraints

The major constraints are that some of the land suitable for housing development is privately owned and there is no bulk infrastructure in place.

2.6.8.2 Land Availability Summary

Rural land audit must be undertaken and feasibilities on the identified urban land parcels owned by the Municipality and the state must be undertaken to secure for housing development. (Emalahleni HSP, 2011)

2.6.9 Environmental

The following need to be determined:

- Has an environmental scoping report being compiled?
- Is there a requirement for an Environmental Impact Assessment (EIA)?
- Based on assessment of the reports provided, it should be identified whether or not there appear to be any material barriers to the proposed development from an environmental impact perspective, what the barriers are, and the viability of overcoming them, and if possible provide a way forward for their resolution.

Source: Project Preparation Trust of KZN, 2006

- There are a number of sensitive environments such as Dams and Wetlands, which require protection and management.
- Only Dordrecht has an approved solid waste land lift site. Solid waste needs to be managed properly.
- There are a number of heritage sites which require protection and management
- Soil erosion is a big problem in Emalahleni Local Municipality and will require massive effort to address the root cause of overgrazing to prevent soil erosion as well as the rehabilitation of existing dongas. (Emalahleni IDP, 2013/14)

2.6.10 Social

2.6.10.1 Health

There are currently 35 medical & primary health care facilities in the Emalahleni municipality. Of these 32 are clinics and 3 are hospitals located in Lady Frere and Dordrecht.

2.6.10.2 Education

Most of the education institutions in the municipality cater for lower level schooling from grade nil up to grade 12. There are also facilities that offer tertiary education in the form of FTE colleges like Mt Athur for example.

There are approximately 184 schools servicing our municipality. The main challenges raised by participants in the IDP process relate to issues of:

- **Classroom backlogs**
- **Ineffective scholar transport system**
- **Inability of rural schools to attract skilled and appropriately competent educators for science subjects**
- **Poorly performing schools in terms of their matric pass rates resulting in trickle down problems for the labour market and local economy (Emalahleni IDP, 2013/14)**

The following need to be determined:

- Has a Socio-Survey been carried out in the project area?
- Based on information collected from the Socio-Survey, have the beneficiaries been correctly matched with the eligibility requirements of the subsidy route they are taking?
- Have the CBPs been educated on the housing process, project cycle, timeframes, risks of project failure, roles & responsibilities of various parties?
- Confirm key stakeholder commitment to the projects implementation
- Does the project have a signed social compact agreement?

Based on assessment of the reports provided, it should be identified whether or not there appeared to be any material barriers to the proposed development from a social perspective, what the barriers are, the viability of overcoming them, and if possible provide a way forward for their resolution.

Source: Project Preparation Trust of KZN, 2006

2.6.10.3 Recreational and Community Facilities

The following social facility projects have been proposed:

- ✓ Revival of Indwe and Dordrecht Parks
- ✓ Construction of 2 libraries in ward 2 and 4
- ✓ Establishment of a park in Lady Frere and recreational facilities.
- ✓ Fencing of new cemeteries in ward 4 and 15. (Emalahleni IDP, 2013/14)

2.6.11 Bulk Services

Based on the preliminary engineering design and cost report, or the bulk services report the following have to be determined:

- Adequacy of existing bulk services
- Estimates for additional bulks that may be required (water, sewer, road, storm water /culverts, electricity).
- Availability of written confirmation from the relevant authority as to confirm adequacy of bulks to meet the needs of the proposed project.
- Has the requirement for additional bulks been factored into the overall MIG funding for the area?

Based on assessment of the reports provided, it has to be identified whether or not there appear to be any material barriers to the proposed development from a bulk services perspective, what the barriers are, and the viability of overcoming them, and if possible provide a way forward for their resolution.

To follow

2.6.12 Geotechnical

Based on the geotechnical report for the project area determined, the implications of geotechnical conditions for development need to be indicated, specifically with reference to roads, storm water control, cut &fill, platforms and founding conditions.

Based on assessment of the reports provided, it should be identified whether or not there appear to be any material barriers to the proposed development from a geotechnical perspective, what the barriers are, and the viability of overcoming them, and if possible provide a way forward for their resolution

Source: Project Preparation Trust of KZN, 2006

Preliminary and Phase 1 geotechnical site investigations are required to obtain a more accurate evaluation of the development potential of each site, but the initial indications are that the geology is suitable for further development of these areas. Some potential geotechnical constraints have been identified for further investigation which may have an impact on the extent of the developable land and/or the development costs.

The recommended typical foundations for subsidy housing are conventional strip foundations or light rafts to cater for variations in soil profile and minor soil movements.

On sloping terrain, some earthworks and retaining walls may be required to create level platforms for houses and this can have significant cost implications. Foundations should be placed on well compacted natural soil, engineered fill or rock. Founding conditions will have to be inspected by the engineer to confirm suitable soil conditions with adequate bearing capacity and to check for any seepage or groundwater problems.

In terms of the geotechnical information available, the proposed housing projects appear to be feasible and planning should proceed with further investigations on individual sites. (Outeniqua Geotechnical Services cc, 2013)

2.6.13 Planning Issues

Note: Information required in the planning and engineering sections outlined below would usually only be available in projects that are either in a very advanced packaging phase or projects which have already have been approved by the ECDoHS.

The following tasks need to be addressed:

- Obtain a preliminary layout plan/settlement plan and/or planning report for the project(s).

Based on assessment of the layout and report(s) provided, there needs to be an identification of whether or not there appear to be any material barriers to the proposed development from a planning perspective, what the barriers are, and the viability of overcoming them, and if possible provide a way forward for their resolution.

Source: Project Preparation Trust of KZN, 2006

- Obtain a preliminary engineering layout plan and design and cost report or budget for the project(s).
- Based on assessment of the budget and design report provided, identify whether or not there appear to be any material barriers to the proposed development from an engineering perspective, what the barriers are, and the viability of overcoming them, and if possible provide a way forward for their resolution.

Summarize the above evaluation of all the projects with specific references to any blockages, providing strategies to resolve these blockages and thereby fast track the projects implementation.

Source: Project Preparation Trust of KZN, 2006

2.7 SUMMARY

Table 2.7.1 indicates that the population has increased from 2001 to 2011.

Section 2.5.5 and 2.5.6 indicated approximately 153 households in informal dwellings according to the 2011 census.

Population			
Town	**2001**	**2011**	**% (10 yrs)**
			2001-2011
Emalahleni	115 932	119 460	3.04

Table 2.7.1 Emalahleni population

Table 2.7.2 indicates that there is likely to be an increase in households should the trend between 2001 and 2011 continue to 2021. It suggests that if growth rates continue for the next 10 years like they did for the past decade, another approximately 6 820 households can be expected that require housing in all income groups. To this can be added the backlog of approximately 153 dwelling units. It is interesting to see that the growth rate in households was significantly higher than that of the population.

Households				Backlog/ Waiting list	Total
HH Size	**2011**	**% (10 yrs)**	**Add HHs**		
		2001-2011	**2011-2021**	**HH**	**2021**
			all incomes	**BNG, GAP**	
3.77	31 680	21.53	6 820	153	6 973

Table 2.7.2 Housing Need 2011-2021

Table 2.7.3 compares the housing need against the housing demand in Emalahleni municipality. In this case demand is represented by the number of available subsidies. The housing need, as indicated by the census 2011 informal dwelling count, was compared against the number of subsidies provisionally allocated and suggests that there might be a surplus in provisional housing subsidies.

Need vs Demand		
Measure	**No.**	**Comments**
Informal Dwellings (Census 2011) (Need)	153	
Provisional Subsidies (Demand)	2400	
Waiting Lists Verified	Awaited	
Waiting Lists unverified	Awaited	
Subsidy/ Deficit: Subsidies	2247	

Table 2.7.3 Comparison of need, demand and verified waiting lists

Because waiting lists have not been received, it is difficult to comment as to whether the provisional subsidies exceed the need. It should be noted that the waiting list will increase when the municipality provides more lists.

Table 2.7.4 indicates the land requirements at different densities including an urban density and typical rural density. It is not clear what proportion of the need is urban or rural.

Land Requirements					
density	**ha**	**density**	**ha**	**SDF**	**surplus/**
25/du		**3/du**		**land**	**deficit**
(240m²)		**(2000m²)**		**proposed**	
25	279	3	2328	Not Specified	-

Table 2.7.4 Land Requirements

19

3. PROJECT PIPELINE AND INTEGRATION

19.1 3.1 PROJECTS: CURRENT, PLANNED & PRIORITY

3.1.1 Project Planning

It is important to note that the process of project planning is an incremental approach that is limited by the availability of resources. The key resources, which limit a municipality's ability to implement projects include the financial resources (Housing Subsidies, MIG Bulk Services funding and municipal funding to employ human capacity etc.) and human resources (skilled and competent municipal and professional capacity). It is therefore critical that these limited resources are effectively managed to maximise their efficiency. For this reason the ideal approach to project planning and selection includes the establishment of practical and realistic housing delivery goals and targets for projects.

This process enables a municipality to focus its limited resources more effectively, thereby enabling it to concentrate on a smaller number of housing projects with a greater possibility of successful implementation. Furthermore it is the responsibility of the local municipality (through the housing sector plan) to effectively balance its selection of projects (i.e. the mix between rural and urban housing, slums clearance and credit linked housing, special needs, social and project linked housing etc.)

The Engineering Services Section is responsible for housing in Emalahleni. The organisational structure has 1 post for a Housing Officer which is presently filled. The balance of functions are either contracted to service providers or managed by the Province.

The mandate is partially fulfilled as follows:

KEY AREA	CAPACITY
Development of housing sector plan	Outsourced
Demand database	Housing officer
Land release	Town planning
Land packaging	Outsourced: professionals
Project packaging	Outsourced: professionals
Project development	Outsourced: contractors

KEY AREA	CAPACITY
Housing administration	Housing and admin officer
Project management	Province

3.1.2 Appropriate Organisation Structure to Meet the Mandate as well as the Planned Delivery

The Housing Manager will be responsible for strategic planning, performance management, contract management, stakeholder and governmental relations (IGR).

The technical person will be responsible for land and project packaging and project development and management and most importantly to generate and track the project pipeline. The administrator will be responsible for the housing demand, beneficiary and community management housing finance and administration.

3.1.3 Strategic Housing Goals

The Housing Unit's Strategic Priorities include scaling up of the delivery of subsidised housing to meet the demand through:

3.1.3.1 Project Development and Management, by:

a) Packaging projects in terms of top structure, undertaking procurement of contractors and initiating project construction.
b) Undertaking project management of all current running projects in order to ensure good quality and timely completion.
c) Continuing to roll out existing projects and ensuring that financing and systems are in place to initiate new priority projects, including those within the ISRHDP strategy.
d) Having a dedicated programme to close out blocked projects.
e) Programming the rectification needs of the current projects.

3.1.3.2 Project Pipeline, by:

a) Integrating the existing information on delivered, planned, in implementation and blocked projects into a single project pipeline database with system for regular updating.
b) Planning projects that are aligned with the provincial housing sustainability criteria.
c) Submitting new projects to the Province for funding approval and technical support.

3.1.4 Project Classification

A critical requirement for the HSP is the evaluation of the technical and social feasibility of all the current and planned projects. Current projects by definition have gone through a lengthy feasibility analysis. Therefore the project should have been evaluated at the conditional approval stage and thereafter at the full project feasibility approval stage, before the project agreement is signed by the MEC.

However while many of these projects may be deep into implementation and others may have only recently had project agreements signed, there may still be outstanding project risks which have not been adequately resolved, or issues that have surfaced through the implementation process.

When developing the housing sector plan, it is useful to distinguish between projects at the following four stages of development, since they require slightly different treatment in terms of the way that they are assessed and accommodated within the plan.

Stage 1:

Projects which have only recently been identified, and will therefore have only limited project information available.

Stage 2:

Projects which are under preparation/packaging, and will therefore have varying amounts of information available arising from the feasibility work being undertaken.

Stage 3:

Projects in which the preparation/packaging phase has been completed, however the project has not been approved by the Department of Human Settlements (full project information should be available).

Stage 4:

Projects which have already been approved and are in the detailed design or construction implementation phase (full project information should be available).

Projects in stages three and four should have all the relevant project information required in the housing plan evaluation process, whereas projects in stage one and two will have less information available, and in some cases, very little.

Notwithstanding these differences, project should not automatically be jeopardised in the prioritisation process, due to a lack of available information. The reason for this is that in some cases there will be projects in which the packaging phase has been completed or is well advanced, however some key project risks may still not have been eliminated. These projects should not block the implementation of other projects, with less available information, which may be feasible, and therefore prove more successful in the long run.

3.1.4 Projects: Delivered

3.1.5 Projects: Current

The section consists of details (project type, project name, number of sites/beneficiaries, project status, etc.) concerning current and planned housing projects in the municipal area.

3.1.5.1 Current Housing Projects

Refer to Chapter 13 for a list of department's overall project list for the Emalahleni Municipality.

3.1.7 Projects: Priority (Outcome 8, Social or Rental, Child Headed, etc.)

The prioritised projects do not provide clear information on the response to the Outcome 8 targets. The priorities also do not make mention of Social or Rental Housing in the Municipality.

3.2 INTEGRATION

Integration of all the relevant sector department delivery programs should be achieved through an effective HSP. The Plan should summarise all relevant infrastructure development plans and then match them with the proposed multiple housing project delivery plan.

It is the responsibility of the service provider (or Municipal Official if the HSP is completed internally), with the assistance of the Municipal Housing Official, to collect all of the relevant sector plans and other relevant information in the IDP to ensure that the proposed housing delivery program matches the delivery of the other relevant sector department interventions. While infrastructural development requirements are of primary importance, alignment of other sector departments such as health and education, etc. should not be ignored.

The HSP should also be instrumental in detailing an institutional framework for housing delivery in the Municipality, which has as its core function the integration of relevant governmental sectors (e.g. Water, Roads, Sewer, Electricity, Health, Education etc.) at a project level during implementation. It should be noted that whilst IDP's and, specifically, the HSP play an important role in co-ordinating and enabling development, additional work is required to ensure that they translate into meaningful integration at the project level.

3.2.1 Strategic Housing Goals

The vision of this HSP is to create integrated and sustainable communities. To make this vision a reality, the Municipality has to support the notion of productivity, inclusivity, good governance and sustainability. Given the demand profile, the provision of a suitable Rural Housing programme is core to this plan.

Among the strategic priorities is the scaling up of the delivery of subsidised housing to meet the demand through project pipeline, by:

(b) Integrating the existing information on delivered, planned, in implementation and blocked projects into a single project pipeline database with system for regular updating.
(c) Planning projects that are aligned with the provincial housing sustainability criteria.

3.2.2 Cross-sector Alignment Issues

Very little cross sectoral integration within IDP and other sector plans. There is a need focus on integration in future review of all sector plan within the Municipality.

3.2.2.1 Housing Planning and Delivery Risk Management Matters

RISK	RISK MITIGATION
Poor information and analysis on the need and demand for proper planning.	• Undertake Housing Demand Survey / Housing Voice. • Ensure project pipeline is applied, identifying aspects of existing and planned projects that need to be covered.
Poor capacity within the municipality.	• Ensure clear allocation of responsibilities. • Identify areas requiring capacity. • Identify strategic partners. • Review organogram and skills plan based on in-house responsibilities.
Lack of properly structured co-operation between the municipality and the province.	• Submit formal requests for partnering / training / mentoring. • Establish SLA for on-going support.
Difficulty of resolving the secure tenure issues in the communal areas.	• Follow provisions of IPILRA. • Establish partnership between DRDLR.
Lack of proper control and management of the current projects in Emalahleni.	• Obtain PRT information. • Integrate with Project Pipeline. • Ensure PRT/DoHS officials communicate with LM.

3.2.3 Gap Analysis

The following table outlines the key gaps that require filling to substantially strengthen the possibility of an implementable strategy for this housing chapter, with a key objective of integration.

GAPS TO ADDRESS	MODE
Establishment of the real nature of need and demand including better analysis of the interaction and separation of tenure security, basic infrastructure and top structure.	Research on the baseline documents including Provincial MTEF, land reform stats and basic infrastructure information + discussion with municipalities on summarised information.
Proper listing of completed, existing and future projects with necessary baseline and tracking information	Use of supplied template to co-ordinate information from different sources and then updating and completing this in contact with key local and provincial stakeholders. Possibly a provincial project.
Analysis of proposed infrastructure expenditure including water, sanitation, roads and storm water drainage and linkage of this to housing priority areas.	Source from provincial government documents and use local municipality to link with existing priority areas of housing need. Important to link this back to the housing project pipeline to identify where there are direct linkages.
Financing available for housing and infrastructure in the area. Analysis of the existing financing allocated to the area for infrastructure, land reform and housing and the linkage to established priorities	From the provincial MTEF and land reform MTEF + linkage back to defined housing priorities in the area.

3.2.4 Local Economic Development and Social Infrastructure

The level of detail presently available on access to social and economic infrastructure and services is lacking. From the existing strategic planning and sector planning documents it is also not clear whether priorities and projects in these plans have been identified based on present housing programmes or priorities. It is anticipated that with improved quality of information on the housing voice and need within the municipality, other sector plans will be better informed and enabled to respond to the social, infrastructural and economic needs of the residents of the area.

3.3 PRIORITAZATION OPTIONS

The prioritisation process aims to ensure that there is the most efficient use of finances through selecting the most appropriate funding sequence for a selection of projects or programmes in a specific area. Of core importance is determining the most appropriate criteria against which project should be measured to maximise funding benefits.

Prioritization Models:
The following is a list of prioritization models as outlined by Professor Robinson (Project Preparation Trust, 2006:24-26):

- Logic of precedence model
- Kickstart model
- Hardship indices model
- Complex ranking model
- Strategic framework model

3.4 RECOMMENDED PRIORITISATION MODEL

The following model combines the best aspects of the models listed above as suggested for prioritisation of projects in housing sector plans in the Eastern Cape municipal areas.

- Firstly all projects should be broadly categorized according to the primary provincial housing prioritization objectives such as “slums clearance projects” or other ECDoHS prioritization directives.
- IDP and SDF compatibility, ensure that all projects identified are compatible with the spatial development frameworks established in the original IDP.
- Housing Need, determine relative housing and infrastructure need between communities in the municipal areaTechnical and Social feasibility: evaluate the current and planned projects, to determine their technical and social feasibility for implementation.
- Trigger issues (i.e. Generating LED, Agricultural development): evaluate projects to determine whether they have the potential to trigger other essential development.

Stage two of the suggested prioritisation model requires the political verification and/or potential adjustment of the prioritised projects through council's the approval process.

3.5 CASH FLOW AND PROGRAMS

A multi-year housing plan outlines a further set of developments aimed at improving the quality of strategic and performance plans, while at the same time simplifying the process further.

Once all of the projects have been identified and initially prioritized, individual programs and cash flows will be determined. Once all of the programs and cash flows are complete they should be summaries and condensed into an overall project program schedule and then into a single cash flow spreadsheet.

This spreadsheet should include the cash flow requirements (5 year time horizon) for all of the current projects in section 1 thereafter all of the planned project should be placed in section 2, the total of the two sections should then be added together to determine the municipal funding requirements for the 5 year horizon. An example the spreadsheet should indicate at least following basic information.

The financial year indicated in the cash flows should be from the 1st of July to the 31st of June. It should be noted however that this does not coincide with the National and Provincial financial years which run from the 1st April to the 31st of March each year. This overall cash flow statement and the summarized programs can then be used by the municipality as part of the housing annual work plan to all measure housing projects progress.

It is important to note that historically project managers have drastically under estimated cash flow projections. These under estimations can be attributed to a number of factors including the optimistic outlook of the project manager, pressure and urgency of delivery that drives all stakeholders and the complex nature of projects which hampers implementation. Therefore for cash flow projections to be as accurate as possible, service providers and local municipalities should be as conservative in their estimations.

3.6 DETAILED STRATEGIC PROGRAMMES

3.6.1 Programme 1: To determine expressed demand and to declare such demand

Deliverable	Key activity	Timeframe					Responsibility	Cost
		12	13	14	15	16		
Housing Voice	Develop methodology and instruments as per Blue Book	Jan					Province	
	Identify community engagement staff and conduct training to both staff and ward committees/ councillors	Jan					Province and Municipality	
	Conduct housing voice	Mar					Municipality	
	Statistical analysis and report	May					Province and Municipality	
	Use to inform planning	Jun					Municipality	
Housing Needs Register	Upload system and tools and audit instruments	Jun					Province and Municipality	
	Conduct training on the use thereof	July					Province	
	Conduct the audits	Aug					Municipality	
	Capture analyse and produce reports of the results		Jan				Province	
	Maintain database by putting a system in place that will ensure that applicants update their information on a quarterly basis		Feb				Province and Municipality	
	Produce reports that inform the development of housing programmes		Mar				Province and Municipality	
Child headed households	Engage Social Welfare / SPU to cater for child headed and orphans – partnership arrangement for foster homes using the institutional subsidy programme	Mar					Province and Municipality	
	Identify where child headed households are located							

Programme 2: Scale up of the delivery of subsidised housing to meet the demand

Deliverable	Key activity	Timeframe					Responsibility	Cost
		12	13	14	15	16		
Strategic planning:								
Annual environment analysis in order to review and revise annual housing sector plan / aligned with IDP Review	Consider: Report on housing demand from housing voice and Housing Needs Register Supply report from pipeline of projects Integration report	Apr					Municipality	
Plan for emergency housing	Collect information on disaster risk in the Municipal area (Provincial Disaster Management Plan preparation underway) and establish appropriate systems and networks to respond to potential disasters.	July					Municipality	
Developed localised policies to create a more enabling environment and to manage the mushrooming of inadequate housing	Local Town planning dispensation Localised policy to address tenure related to commonage ISRHDP policy Informal settlement strategy	Oct					Municipality	
Project pipeline:								
Installation of designed data base system that holds the integrated project pipeline	Upload tracking tool for the project pipeline	Jan					Province	
Trained staff able to use and update.	Training of relevant staff in the municipality to use and update the system.	Feb					Province	
Populated pipeline with all information up to date and verified.	Collect and input all the information from the relevant sources including importantly sections in the municipality, the district and the ECDoHS	Mar					Province with municipality.	
Quarterly updates and annual review report	All the additional projects or changes in status and information of existing entered	Oct					Municipality	

Deliverable	Key activity	Timeframe					Responsibility	Cost
		12	13	14	15	16		
	and quarterly report for management and council. Informed annual review reports.							
ISRHDP Strategy:								
Proposal for development of a rural strategy with budget	Prepare proposal for education the information gathering, analysis and strategy	Feb					Municipality in conjunction with Province	
Internal or external people appointed to carry out work	The selection of the right team to undertake the work	Mar					Municipality in conjunction with Province	
Baseline information.	Collection of all existing relevant information on the context, nature and location of rural housing, priority interventions re tenure, infrastructure and top structure for all key stakeholders.	Jul					Selected Internal or external team	
Key stakeholder feedback and direction on baseline information	Workshop of key stakeholders to discuss baseline information, its accuracy, relevancy and identify gaps	Aug					Stakeholders and Selected Team	
Further information gathered and analysis and initial strategy.	To fill the gaps and to proceed to defining a draft strategy from analysis of information gathered through desktop or informant interviews.	Oct					Selected team	
Stakeholder Input into Strategy	Workshop to present and discuss the info, analysis and draft strategy.	Oct					Stakeholders and Selected Team	
Strategy and linkage to municipal and provincial budget and MTEF.	From the workshop contributions finalise the strategy but link with available resource streams.		Jan				Selected team.	
Strategy inputted into IDP and reviewed annually.	The strategy integrated into the Housing chapter and linkage back to municipal budget and MTEF.		Jan				Municipal Housing Section	
Land for housing development	Undertake land feasibilities, procurement of suitable parcels, including land identified by Province for transfer to Municipality	Mar	On-going				Housing officer with ECDoHS	

Deliverable	Key activity	Timeframe					Responsibility	Cost
		12	13	14	15	16		
Preparation of identified priority projects for financing and implementation – including rectification and blocked projects.	Co-ordination of the preparation of the projects: - Land - Land preparation and packaging - Initial design - Beneficiary identification - Scope of work (rectification and blocked) - Finance packaging - Preparation of tendering etc.	Mar	On-going				Housing officer with ECDoHS	
Properly managed implementation of financed projects.	Management of the technical service providers in ensuring that projects are delivered on time, to quality and within cost. Carry out effective community liaison and consultation.	Feb	On-going				Housing officer with ECDoHS	
Monitoring and Evaluation Framework	Drafting of monitoring and evaluation framework, The framework to be integrated into the Housing chapter.	Jan					Housing officer with ECDoHS	
Formation of Project Steering Committees to ensure the collaboration of developers, ward committees and councillors in the speedy execution of projects.	Project Steering Committees to be formed for all housing projects comprising ward committee, councillor and local stakeholders. Submit project reports to the Housing Department	Jan					Housing officer with ECDoHS	

3.6.3 Programme 3: To build a suitably structured housing unit in order to meet the housing mandate

Deliverable	Key activity	Timeframe					Responsibility	Cost
		12	13	14	15	16		
Development of housing unit	Development of Job descriptions, Approval of structure, Procurement of budget, Recruitment, orientation	Jan					Province support with Municipality	
Development of internal operational policies and procedures	Develop operations procedures manual together with standardised documents and forms	Jun					Province support with Municipality	
Identification and procurement of resources	Approval and procurement of required other resources, computers and software, equipment, furniture etc.	Jun					Municipality	
Development and implementation of performance management system	Link performance measures to job description outputs and housing delivery programme, performance agreement with staff and regular monitoring of performance		Jan				Province support with Municipality	

3.6.4 Programme 4: To formalise the required institutional structures to support the Municipality in meeting its housing delivery targets

Deliverable	Key activity	Timeframe					Responsibility	Cost
		12	13	14	15	16		
Identified Key Potential Partners	Internal workshop Identify key roles and responsibilities and which are key stakeholders undertake these and present status of relationship.	Jan					Municipal management	
Defined Approach to strengthening Partnerships	Based on roles and responsibilities and key potential partners - defining the type of relationship and approach negotiating this.	Mar					Municipal management	
Negotiated basis of co-operation	Meeting with individual key stakeholders to discuss bases of co-operation and action plan for co-operation over the next 2 years.	Jun					Municipal management	
Agreed MOU on Co-operation	Preparation of MOU and action plan based on above and ready for signing between partners.	Jul					Municipal management	
Working together	Implementing the action plan around municipal priorities.	Continuous					Municipal officials and partner officials	



CHAPTER 9
LOCAL ECONOMIC DEVELOPMENT STRATEGY

Chapter 9
Local Economic Development Strategy
1) SECTION 1: INTRODUCTION

Emalahleni Local Municipality is charged by the South African Constitution (1996), the Municipal Structures Act (2000) and the Municipal Systems Act Amended (2003) to implement local economic development interventions to facilitate employment creation and poverty eradication in its jurisdiction.

The municipality is also compelled to adhere to the National LED Framework in development its LED Strategy, Implementation Plans as well as its respective LED Programmes.
In its current format, the National Framework for Local Economic Development (2006 – 2011) as approved for implementation by the then Department of Provincial and Local Government in 2005 prescribed the following principles with regards to LED;

i. Through a developmental approach, **Government has a decisive and unapologetic role to play in shaping the economic destiny of our country**;
ii. Creating an environment in which the overall economic and social conditions of the locality are conducive to the creation of employment opportunities is the responsibility of Local Government;
iii. Local Economic Development is an outcome of actions and interventions resulting from local good governance and the constant improvement and integration of national priorities and programs in local spaces;
iv. Inward investment from the state or private sector will only be effective where the potential and competitive advantages of each area are known and exploited;
v. Promoting robust and inclusive local economies requires the concerted, coordinated action of all spheres and sectors of government centred on the application and localization of the principles espoused in the National Spatial Development Perspective (NSDP);
vi. Locally owned appropriate solutions and strategies must emerge to support national frameworks in both rural and urban local spaces and should promote sustainable development and sustainable human settlements;
vii. South Africa competes in a global and increasingly integrated world economy whose threats must be minimized and whose opportunities must be exploited;
viii. Private companies, including social enterprises and cooperatives, form the heart of the economy and have a crucial role to play as partnerships with public and community role players that will ultimately stimulate robust and inclusive local economies;
ix. People are the single greatest resource and including all citizens in development and increasing their skills leads to increased opportunities for stimulating local economies;
x. Local initiative, energy, creativity, assertive leadership and skills will ultimately unlock the latent potential in local economies and will shape local spaces.

Going forward, the framework sets the following objectives, to be achieved by local municipalities (***summarized***);

i. To shift towards a more strategic approach to the development of local economies and overcome challenges and failures in respect of instances where municipalities themselves try to manage litany of non-viable projects or startups;
ii. To support local economies in realizing their optimal potentials and making local communities active participants in the economy of the country;
iii. To elevate the importance and centrality of effectively functioning local economies in growing the national economy;
iv. To wage the national fight against poverty more effectively through local level debates, strategies and actions;
v. To improve community access to economic initiatives, support programmes and information;

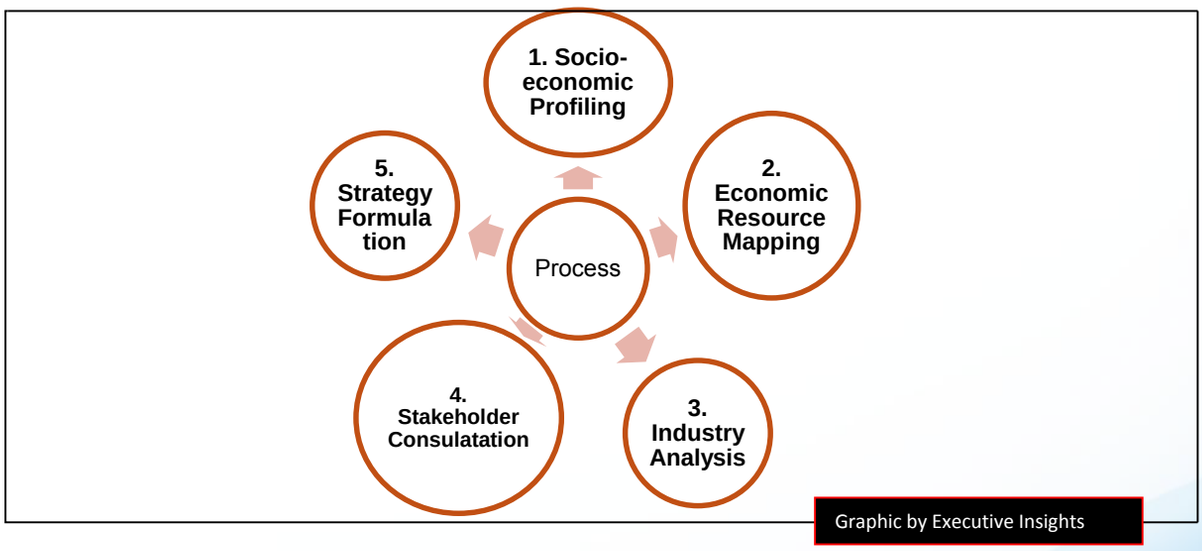
vi. To improve the coordination of economic development planning and implementation across government and between government and non-governmental actors;
vii. To build greater awareness about the importance and role of localities and regions which globally are playing an increasingly significant role as points of investment facilitated by supportive national policies;

The framework prescribes the following outcomes should be achieved within a measurable period;

i. All Municipalities have Local Economic Development strategically placed in the organizational structure in order to effectively coordinate inputs that impact and strengthen the local economy;
ii. The implementation of the IGRF Act and the effective utilization of IGR structures occur to encourage and facilitate discussion and joint economic planning among municipalities and with Provincial and National Government;
iii. All municipalities have innovative spatial development strategies, land-use policies, by-laws and implementation capacity to facilitate fast and effective business establishment and functioning, especially for informal/street traders, and SMMEs;
iv. All municipalities have at least one public-private partnership through which a major investment is being implemented.

The Emalahleni Local Municipality embraces and adopts the prescripts of the National LED Framework as they are published. A successful local economy is a prerequisite for development for Emalahleni Local Municipality.

This LED Strategy Formulation was a factor of Five (5) interdependent processes as illustrated in graphic 1.



Graphic by Executive Insights

These initiatives involved multiple stakeholder groups in the towns of Lady Frere, Dordrecht and Indwe. The purpose of this extensive stakeholder's consultation was to ensure that stakeholders begin to develop an understanding of LED in the municipality and their respective communities. The multi-stakeholder consultation process commenced in February 2010 and was phased out in April 2010.

Both the Council's brief and subsequent stakeholder consultations highlighted the need to include people involved in the economies of the poor in the LED process more directly. Thus, the particular focus of developing the LED Strategy is on creating platforms and initiatives to decrease poverty and unemployment, as well as on economic growth at the local scale. This emphasis resonates with the shared and equitable growth thrust of the Accelerated and Shared Growth Initiative of South Africa (ASGISA), while ensuring a broad base of support for LED across all the communities of the Emalahleni Local Municipality.

Emalahleni Local Municipality's economy is intricately linked to the bigger economy of Chris Hani District as well as the depressed economy of the Eastern Cape at large. The strategy therefore takes note of developments both in the region as well as the province and positions Emalahleni Local Municipality in its large economic context and spatial economy. The issue of economic connectivity is a theme that runs through the Emalahleni Local Municipality LED Strategy.

The future of the Emalahleni Local Municipality's economy cannot be separated from the region and the province's poor inheritance. The characteristics and outlook of these three economies are inseparable.

This document provides an overview of the process followed, the economic context, the strategic approach, the proposed strategic interventions and institutional implications of the strategy for Emalahleni Local Municipality. It concludes with a proposed consolidated way forward to translate the strategy into an implementation plan, through prioritizing the interventions based on impact and ease of implementation.

18) SECTION 2: PROCESS

The LED strategy development included five major phase with sub-activities. The process began in January 2010 and was concluded in May 2010 in an interdependent process as follows.

Phase	Phase Definition	Phase Rationale
1.	Socio-Economic Profiling	To give a social, demographic and economic outlook, analysis and broader implications to the local economy.
2.	Economic Resource Mapping	Conducted within the context of the "Factors of Production" so as to understand the size, nature and context of these resources.
3.	Industry Analysis	Conducted in order to provide a fair reflection on the industries that are contributing to the municipality's GDP and growth in the past three years or so.
4.	Stakeholder Consultation	In order to introduce the LED concept to all stakeholders and galvanize support and resources as well as creating an understanding of the Phased LED Implementation Process
5.	Strategy Formulation & Implementation Plan	Being a desired end-state that seeks to consolidate all the above phase a produce a blue-print for local economic development within the next five years. To create an implementation journey towards the development of this economy.

19) SECTION 3: EXECUTIVE SUMMARY.

DEFINING LOCAL ECONOMIC DEVELOPMENT

Local economic development or LED is a locally driven process by which government, business and communities work collectively to stimulate and transform the economy and create new job opportunities. It is not the responsibility of any one stakeholder alone. Rather it is a collective responsibility. In addition, LED is not one specific project or programme; rather it is an approach that includes the sum total of the individual and collective contributions that build on opportunities and/or address economic development constraints. The aim is to enhance the area and the community's ability to adapt to and cope with changing economic conditions.

Local government's LED mandatearises out of a legislative commitment to developmental local government and the progressive realization of socio-economic rights as defined in the Constitution. This mandate has been further elaborated in the local government White Paper, various pieces of local government legislation such as the Municipal Systems Act, policies such as *Breaking New Ground* and the economic targets laid out in ASGISA and the Presidential Programme of Action.

THE NATIONAL LED CONTEXT

Flowing out of the Reconstruction and Development Programme (RDP) and then the Growth, Employment and Redistribution (GEAR) strategy, government has further elaborated its national economic strategy in the Accelerated and Shared Growth Initiative of SA (ASGISA). This outlines a series of strategies to accelerate growth and ensure it is both balanced and sustainable. Much of these resources will be used to leverage further economic activity from state-owned enterprises and the private sector, in order to achieve a targeted 6% national growth.

Of the priority sectors in the developed economy which were identified, tourism, call centres and business process outsourcing (BPO), biofuels, downstream mineral beneficiation, agricultural and agrarian reform and information communication technology (ICT) some of which are relevant at Emalahleni. In the second economy / economies of the poor, crafts, fresh produce, waste, street trading, small and medium enterprise (SMME) support and the Expanded Public Works Programme (EPWP) are all critical.

MUNICIPAL CONTEXT

The Emalahleni Municipality economy does not operate in a vacuum; it is affected and influenced by changes in the provincial, national and global stage. It is therefore important to set the local economic development strategy within the framework of national and more particularly the provincial policies and legislation.

In terms of past national trends Emalahleni Municipality supplied national mining with scores of migrant labours. When the mining sector started to show signs of decline many migrant labours lost their jobs and had to return to their areas of origin.

At a provincial level there are a number of departmental andprovincial government programmes that impact on the local economy. Key among these is the Provincial Growth and Development Strategy (PGDS) which identifies the following as its strategic objectives:

- Systematic poverty eradication;
- Agrarian transformation and household food security;
- Development of manufacturing and tourism;

- Infrastructure development;
- Human resource development;
- Public transformation;
-

The SDPCP also sets targets for the attainment of these goals. The targets set in the SDPCP include the following:

- To maintain an economic growth rate of between 5% and 8% per annum.
- To halve the unemployment rate by 2014
- To reduce by between 60% and 80% the number of households living below the poverty line by 2014.
- To reduce by between 60% and 80% the proportion of people suffering from hunger by 2014.
- To establish food self-sufficiency in the Province by 2014.
- To ensure universal primary education (UPE) by 2014, with all children proceeding to the first exit point in a secondary education.
- To improve the literacy rate in the Province by 50% by 2014.
- To reduce by three quarters the maternal mortality rate by 2014.
- To eliminate gender disparity in education and employment by 2014.
- To reduce by two-thirds the under-five mortality rate by 2014.
- To halt and begin to reverse the spread of HIV/AIDS by 2014.
- To halt and begin to reverse the spread of tuberculosis by 2014.
- To provide clean water to all in the Province by 2014.
- To eliminate sanitation problems by 2014.

The critical issue for the Emalahleni Municipality economic strategy will be to position the municipality favourably in relation to this and other similar programmes so as to optimally benefit from and align with PGDS.

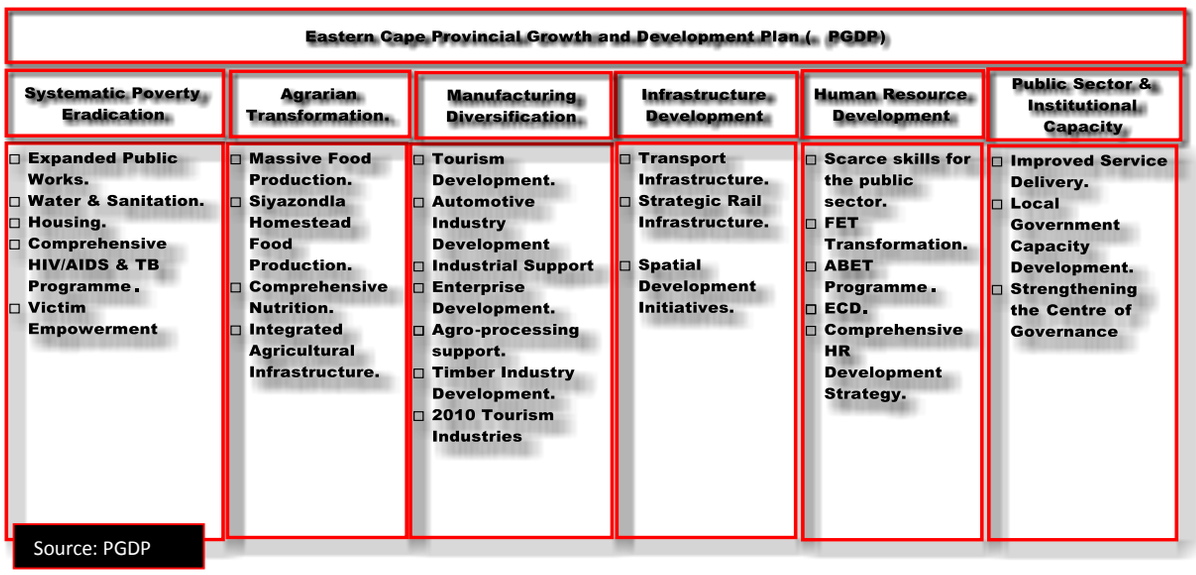
The following are the **key sectors** that the municipality should focus its attention in developing and making them competitive:

- **Community Services.**
- **Trade, Retail and wholesale.**
- **Informal sector.**
- **Agriculture.**
- **Tourism.**

PROVINCIAL CONTEXT.

The economy of the Emalahleni Local Municipality cannot be discussed outside of the economic imperatives of the Eastern Cape and more particularly the economies of the Chris Hani area. The Emalahleni Local Municipality's LED Strategy will be interfaced with the economic thrusts defined by the Province in the Provincial Growth and Development Plan (PGDP).

Of the priority sectors in the developed economy which were identified in the PGDP, agricultural transformation, poverty eradication, manufacturing diversification, infrastructure development, transforming the public sector and developing human resources are all relevant in Emalahleni Local Municipality. In the second economy / economies of the poor, crafts, fresh produce, waste, street trading, small and medium enterprise (SME) support and the Expanded Public Works Programme (EPWP) are all critical. The following graphic illustrates the PGDP Priority Sectors.



The PGDP provides a detailed overview of the various economic sectors, their potential and constraints, to inform future investment and resource allocation across the Eastern Cape. Within the province, Emalahleni Local Municipality is especially well placed in terms of a number of the sectors identified as priorities in the PGDP, namely tourism, small, medium and micro enterprises (SMME), infrastructure development and agriculture & agro-processing. While these are all sectors with great growth potential, there is no guarantee that the benefits will be shared among local people.

Indeed, the benefits of enterprise and economic development at Emalahleni have been characterized by leakages largely to the Lukhanji area predominantly.

Within the Chris Hani District, the key economic sectors are the agricultural sector, manufacturing, and tourism, retail and business sector. Opportunities exist for developing downstream activities associated with food processing, especially given Emalahleni Local Municipality's agrarian characteristics.

There are national and provincial plans to invest significant amounts of capital into upgrading the infrastructure capacity of the area, namely, the upgrading of the road link between Lady Frere and Cala and as well as considerable public sector investment being made. Municipal infrastructure around water & sanitation and electricity supply capacity is a key constraint to growth, particularly in the rural areas and smaller towns such as Dordrecht. In addition, there is a need to halt the degradation of the existing infrastructure as well as re-calibration of existing economic infrastructure.

EMALAHLENI LOCAL MUNICIPALITY'S STRATEGIC GOALS FOR LOCAL ECONOMIC DEVELOPMENT.

Our approach as well as the pursuit of local economic development is underpinned by four strategic goals which are illustrated in the following graphic;



3.5.1. Provision of Good Quality Jobs.

Our key goal for the development of the local economic development strategy is to identify strategies that would enable the municipality to create and economic environment that drives the establishment of sustainable enterprises and creation of decent jobs for the existing population. We believe that this can be achieved by devising new approaches that will attract new employers in the form of enterprises that will require different sets of skills that could be developed from the existing labour force.

We believe therefore that it is important to rethink job creation approaches by focusing on the supply side economy. This could be achieved by determining the types of skills available within the municipal population and what types of jobs will be suitable for them. To achieve this, the municipality has conducted an in-depth population data analysis along with intense focus group and community surveys to determine which economic development strategies to employ and where to employ these strategies.

3.5.2. ACHIEVE STABILITY IN THE LOCAL ECONOMY.

We believe that local economic development within Emalahleni Local Municipality have specific approaches to meet the needs of businesses and the community in general. Key amongst these approaches is access and availability of factors of production which are illustrated in the following table;

Factors of Production

#1.	Natural Resources	Mineral deposits; Irrigation land; Water; Natural vegetation;
#2.	Labour	The exercise of human mental and physical resources in the production of goods and services.
#3.	Access to Capital	Manufacturing resources such as land & buildings, tractors, tools, vehicles, utensils, etc. Cash and/or cash equivalent.
#4.	Entrepreneurship	These are individuals or groups of individuals who are willing to take risks by producing goods & products with the expectation of making profits.

3.5.3. BUILD A DIVERSE ECONOMY & BROADER EMPLOYMENT BASE.

It is our belief that no economy with a single employer or a single and limited set of employers is safe from fluctuating employment. The economy must strive to as broader an employment base as possible. Therefore in pursuit of local economic development, we will research and identify key strategies that would create this economic base.

3.5.4. LAY A SOLID BASIS FOR SUSTAINABILITY IN THE LOCAL ECONOMY.

To incorporate sustainability in the Emalahleni Economy, Emalahleni Local Municipality will consider the growth and employment impact of the existing industries or sectors within our economy. We will do this by proposing strategies that will ensure that existing sectors are creating environmentally kind and remediating products and services.

BRIEF SOCIO-ECONOMIC PROFILE.

We believe that the essential starting point in the development of our local economic development strategy is the Socio-Economic Base (Profile) Analysis. On conclusion of Socio-Economic Analysis, Emalahleni Local Municipality will be able to identify its development opportunities and challenges as well as resources (factors of production) available to meet the intended local economic development needs.

We also believe that the analysis (Socio-Economic Base (Profile) Analysis, should at the end of the day enable the municipality and its stakeholders to consider the following critical factors of their local economic development strategies;

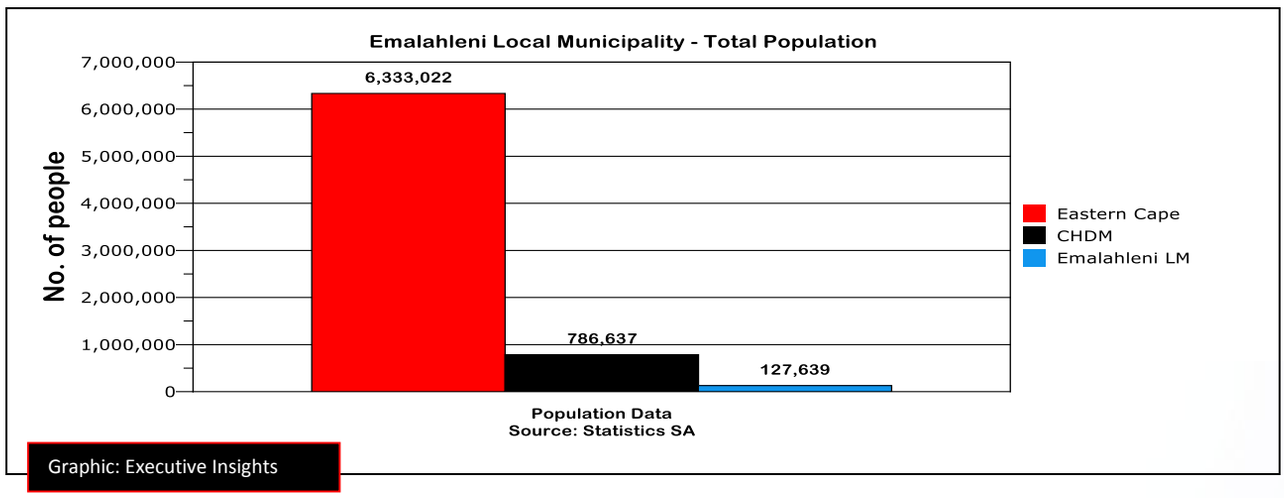
a) Determine which sectors have played a dominant role in the local economy in terms of jobs created, sales, wages paid and linkages to other local industries etc.;
b) Identify important linkages between the local economies and the external economy to gauge the extent to which local sectors and infrastructure respond to changes in the regional, provincial and national economy;
c) Assess the municipal potential for economic growth, stability, economic decline and identify contingency plans for economic development that can be used as buffer for changes in other components of the local economies;

d) Explore contingencies important to the local population that could have major impacts in job creation, boosting revenue, income & expenditure, economic productivity, job quality and improved quality of life.

With the target economic sectors and social groups as firm points of reference, the process of identifying and assessing various development strategies will then take place. Various economic development approaches will be explored as no one approach can provide jobs for the entire community or communities.

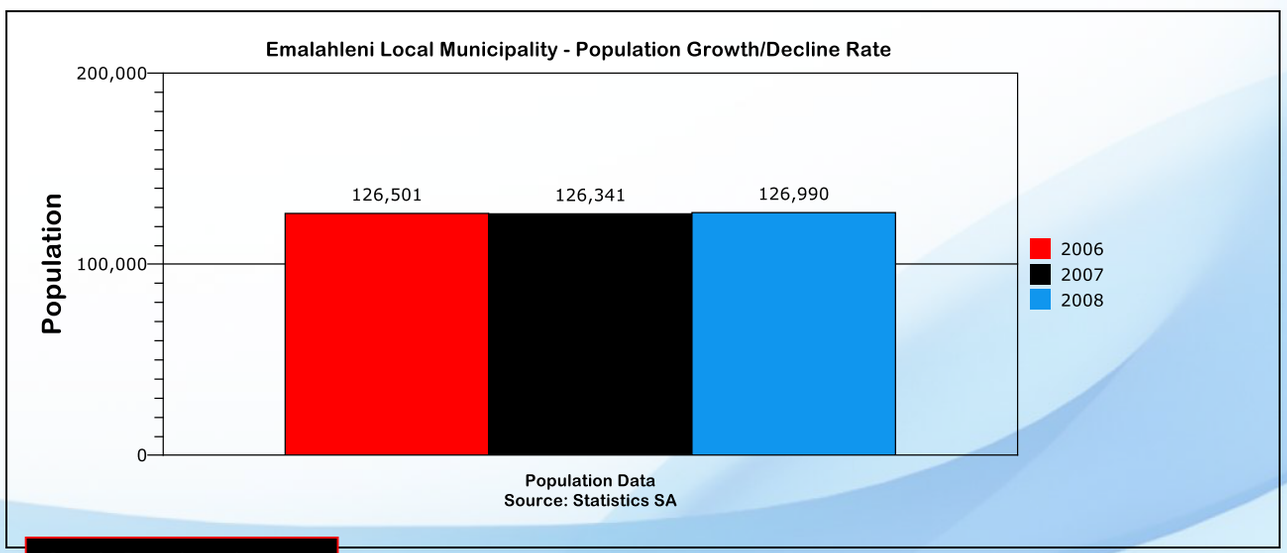
Population, Employment & Income.

Emalahleni has the fourth largest population (14% of the district) in the Chris Hani district and extends over an area of approximately 3 840 square kilometers, includes more than 200 rural villages and comprises sixteen wards. The seat of the Municipality is Lady Frere.



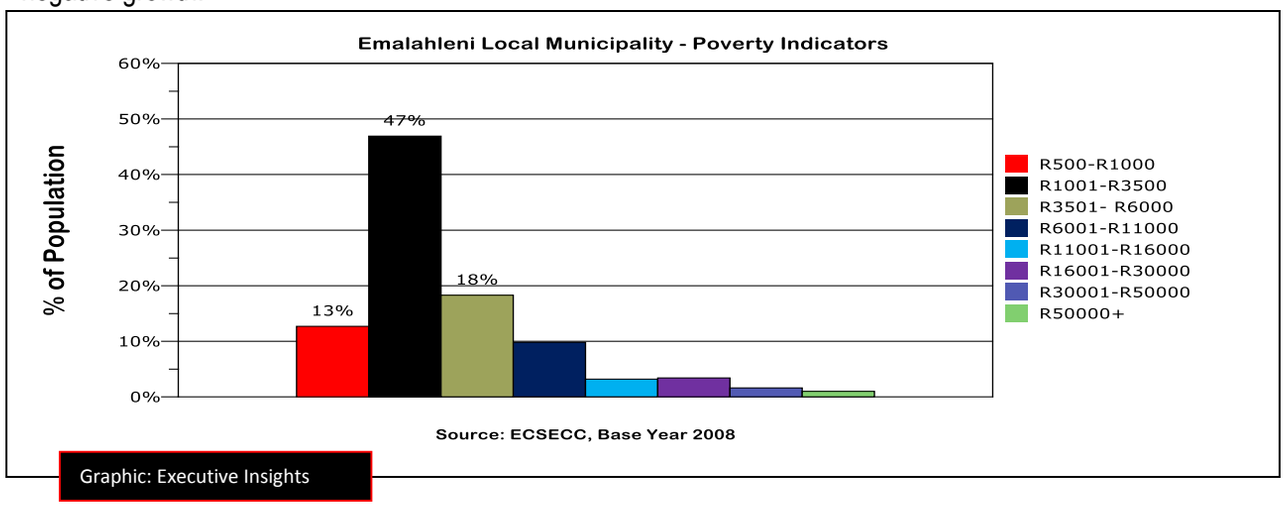
Graphic: Executive Insights

Growth trend analysis shows that Emalahleni population had a marginal growth of between 2% to 5% over the last 5 years. The marginal growth could be attributed to a variety of factors such as death, poverty, HIV/AIDS and/or family planning.



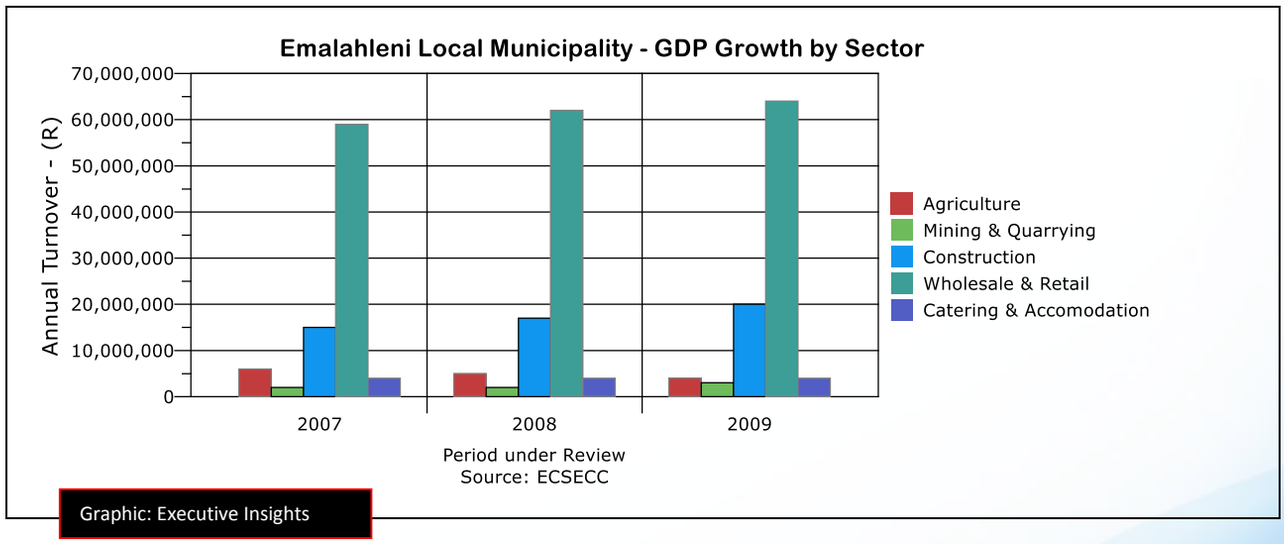
Graphic: Executive Insights

According to statistics released by ECSECC, about 47% of the population earns just under R3500.00 and 13% of the population leaves under the bread line and would therefore not be able to afford housing or other services and rely on state subsidies. Emalahleni thus can be classified as a low wage economy which is a factor of low or negative growth.



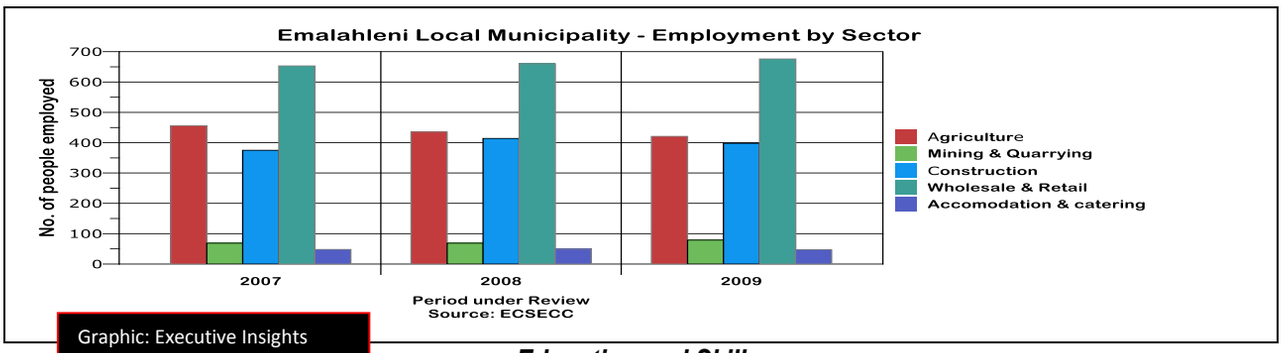
Graphic: Executive Insights

Bye-and-large, the GDP of Emalahleni has been anchored by the wholesale and retail sector which has contributed a higher percentage in terms of Real Money. The wholesale and retail sector has contributed about 80% to the Gross Domestic Product and has seen a steady growth for the past three financial years (2007, 2008 & 2009).



Graphic: Executive Insights

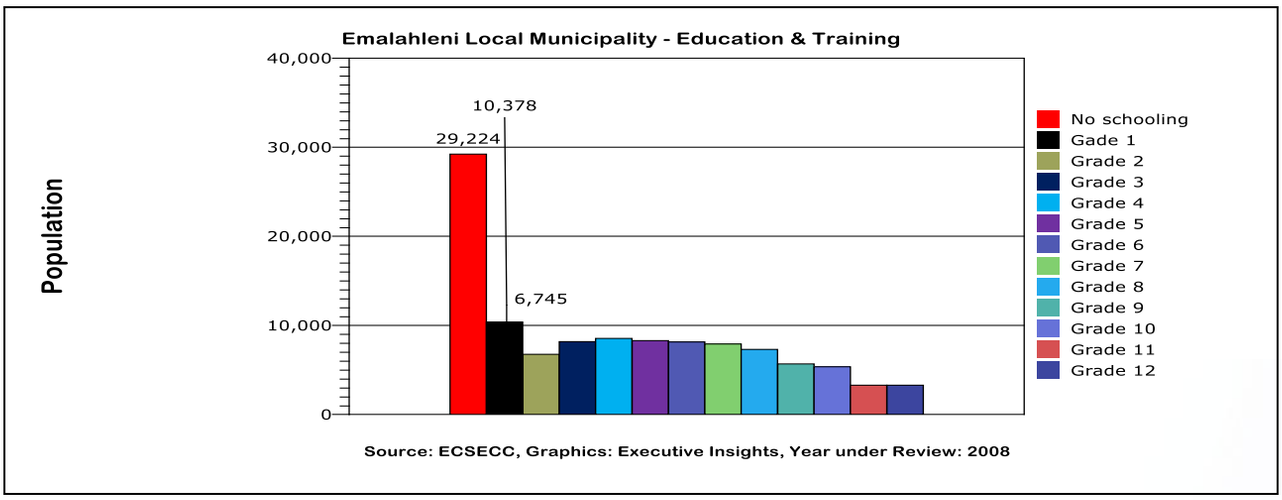
According to data released by Statistics South Africa for the Year 2007, 2008 & 2009 indicates that the economy of Emalahleni has been shedding jobs except for the wholesale & retail sector which maintained a low but steady growth in terms of employment figures.



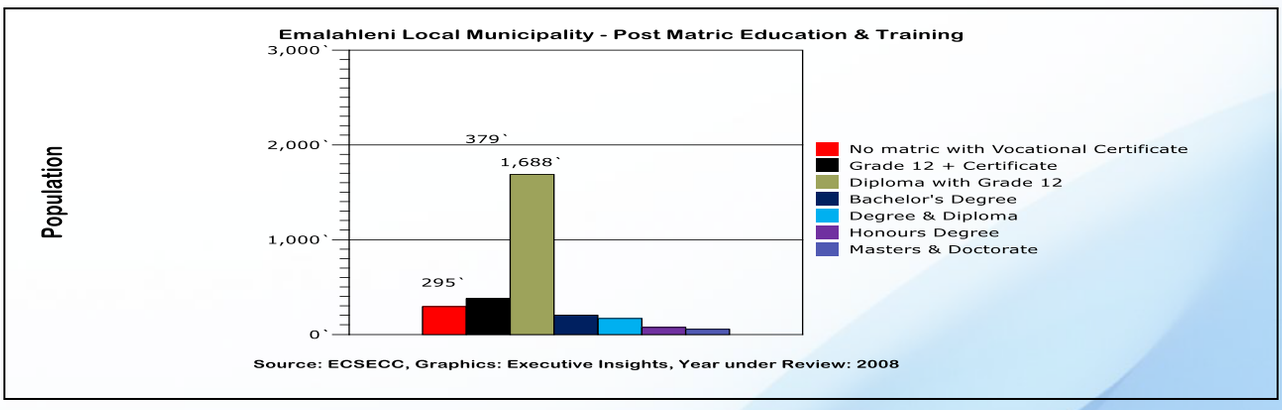
Graphic: Executive Insights

Education and Skills.

About 35% of the entire population has no schooling whilst only 5% of the population has a matric (Grade 12) qualification. As indicated in graph below, the levels of educational attainment are very low. This situation presents a major challenge for future economic growth because essential skills for growing the economy are limited and will be further reduced by this situation in which 37% of population has no schooling at al[3]l.



The numbers provided by ECSECC indicate that there is a considerable low post matric education. There is a mix of diploma, degree and honors graduates wherein the municipality can draw the much needed expertise.



SECTION 4: CHOOSING THE STRATEGIC PILLARS FOR EMALAHLENI'S ECONOMIC DEVELOPMENT.

Put in simple terms, strategic pillars are those themes or choices that present an alternative approach to meeting one of more needs of Emalahleni's Economy. As a first step in developing its economy, Emalahleni Local Municipality decided on identifying progressive "**Strategic Pillars**" which it should base its overall economic development approach in order to create a unique strategy that will secure the types of jobs and the required job balance for its community, given the available resources and development objectives.

The municipality then decided on four generic pillars in defining its path for economic development. The four generic pillars are the following;

a) Locality or physical development;
b) Business development;
c) Human resources development;
d) Community based employment development.

The above strategic pillars can be summarized in the ensuing paragraphs.

4.1. STRATEGIC PILLAR #1: LOCALITY DEVELOPMENT ("THE BUILT ENVIRONMENT DIMENSION).

This pillar emphasises the development of a programme to upgrade the neighbourhood designated for industrial and/or commercial use in order to attract new businesses and ensure that the existing ones remain competitive. Secondly, it is to provide good quality affordable housing, safe neighbourhood and good schools in order to have a good quality of leaving within Emalahleni's urban town centres and its rural hinterlands.

In order to accomplish the locality development goals, the municipality will design and use the following tools;

#	Proposed Option	Description
1.	Planning & Development Controls & Bye-Laws	Use of bye-laws to improve the image of local towns with businesses to have a positive influence on investment climate.
2.	Economic & Enterprise Zones	These are designated to revitalise ageing and under-used inner city areas.
3.	Transportation & Major Infrastructure	To influence the movement of capital goods and raw materials.
4.	Landscaping & Streetscaping.	Economic upturn in town centres can be achieved by making improvements to streets and local business premises.
5.	Household services & housing	A well housed and well serviced labour force is an inducement to business and its activities can generate jobs.

For Emalahleni Local Municipality, locality development focuses on the ownership, regulation and management of available land and buildings within its jurisdiction, being the sites where economic activities are taking place. Locality development emphasises how transportation planning and urban design are essential contributors to quality local economic development and overall quality of life. We believe that good transportation systems are required for the effective and efficient movement of goods and people within the municipality. To a large extent, transportation focus is expanded to encompass the notion of accessibility. Therefore the key issue is not the physical distance between economic and community activities but rather the ease and time required accessing them.

Similarly, urban design shall address economic development issues by creating vehicular and pedestrian networks of the area as well as providing attractive ways to provide a good mixture of land use (residential, business, communal) that enhances functionality and property values. We believe that urban design will assist the municipality to create an attractive image through the application of modern design standards as well as establishing a fundamental framework on which evolving economic activities occur.

We also believe that land is one of the most important factors of production in our quest for local economic development and thus must be managed carefully. To this effect, we are of the firm view that land management and land deals should form an important component of our local economic development.

To put the objectives of this strategic pillar into practice, the municipality will introduce and implement the following programmes;

Land banking.

Through this practice, the municipality, through various mechanisms will acquire and improve contiguous pieces of land as business development sites. This strategy will be used as a locational incentive to strategically position municipal and communal vacant pieces of land for economic development. This approach includes land that is owned by the municipality, land that has been acquired through condemnation, land purchased from private land owners, unused state farms and stock yards as well as land that is privately owned.

The municipality therefore will embark on a land audit process to achieve the following;

a) to identify land that is owned by the municipality,
b) underutilized or underdeveloped properties;
c) Catalogue these properties by size, location and computerize the information for rapid updating and quick referencing.

The identified land will then be rezoned as "**Enterprise Development Zones**" and such zones shall be used for local economic development.
For privately owned land, the proposal is to establish a "Community Land Trust" as an entity that will drive the process. The beneficiaries being the land owners themselves, working in a partnership with the municipality.

Our potential partners for the capitalization of this programme are the Industrial Development Corporation and/or the Development Bank of South Africa.

4.1.2. Physical Infrastructure Development on Commercial Land.

Commercial land and buildings are more attractive to potential business investors if they have already been improved. The improved commercial land offers the following advantages to potential investors;

a) The time between acquisition and operation can be reduced;
b) The expense and bother of site improvement are avoided.

Physical infrastructure development includes but not limited to the following;

a) Provision of water and sanitation infrastructure;
b) Provision of access roads;
c) Connection points to existing electricity grids;
d) Provision of parking and sidewalks.

4.1.3. Speculative Buildings.

Speculative buildings (open-plan) are "shell" buildings whose interiors are left largely unfinished until the tenant is found. These buildings can be used as marketing tools to attract new companies to the municipal area and to offer space for existing companies to expand. They offer a workspace, a key factor in the company's decision making on site selection. By providing these types of business premises, the property owners can significantly reduce the company or investor's business startup and expansion time and make it attractive to do business with.

4.1.4. Enterprise Zoning Regulations (Bye-Laws).

The municipality is of the view that zoning bye-laws can promote economic and commercial development by setting aside a sufficient amount of land for commercial use and by allowing flexible zones and rules in certain areas. We believe that this can be achieved by introducing and implementing the following zoning tools;

Zoning Tools	Explanation
Incentive zoning.	▪ Used to overcome strict site regulations of height and/or bulk. ▪ Provides developers with some flexibility on project features. ▪ Provides design concessions to developers in exchange for public benefits. ▪ Can provide additional densities or increased floor areas beyond those specified in the zoning codes in exchange for public benefits.
Overlay zoning.	▪ Is generally used when the existing zoning codes and development standards do not address the area's unique issues and conditions. ▪ It is placed over and above the existing zoning codes, thereby superseding, modifying or supplementing the current zoning requirements. ▪ It adds special provisions for land use, design standards or preservation of unique features. ▪ Can be used to create specialised commercial areas.

4.1.5. Improvement and Simplification of Regulations.

In as far as regulations are concerned, particularly on issues of business permits or licences and property development, out undertaking is to eliminate all the flaws and problems associated with development approval processes, such as conflicting regulations, time consuming delays and red tape. We will do this by ensuring that our planning and building systems and processes are well equipped to respond to the development processes.

4.1.6. Shopsteading.

This is one of the processes we will undertake for our inter-town development and revitalization. Shopsteading is a tool that will be used by the municipality to address the problems of vacant or abandoned commercial properties within our town cities. This involves the sale of such abandoned commercial properties to businesspeople or organisations willing to renovate, lease them out or operate businesses from them. This is done in order to fuel the economy and make sure that such properties are used for the purpose originally intended for and also contribute to our inter-town revitalization.

The success of Shopsteading hinges on three important factors as follows;

a) The availability of vacant and abandoned properties in areas considered potential for economic revitalization. There must be an identified market for goods and services in those particular areas.
b) The availability of individuals or companies who are able to satisfy the Shopsteading requirements. Such individuals or companies must provide evidence of equity capital or access thereto and must submit detailed specifications for rehabilitating the property. They must have estimated all the capital requirements for reconstruction and have secured commitments for the necessary financing.
c) Within a few months of obtaining municipal approval for Shopsteading, the building must comply with the municipal building regulations or bye-laws and within a year, the business must have completed renovations and ready to commence business operations. Failure to do so, the property will be confiscated by the municipality and made available to other shopsteaders.

Shopsteading will be designed to promote business retention and attract new businesses at the same time.

The following are some of the advantages and benefits of this programme;

a) For business people, the advantage that they will be acquiring business premises at low cost;
b) They have an immediate advantage of purchasing the property at a cost considered below market value, conditions considered.
c) Shopsteading will provide some of the best opportunities to business people of companies who want to pen retail, specialty, service oriented entities etc.
d) For the municipality, Shopsteading has a potential benefit of improving land use patterns in commercial areas and provide incentives for private investors and property owners to keep their building occupied all the time.

4.1.7. Housing Development and Neighbourhood Improvement.

The municipality considers housing as one of its economies important resources which shall be considered as a driver for local economic development. The municipality views housing on two important dimensions as follows;

a) A need to provide mixed income housing to provide homes for interest groups and commercially viable individuals within the locality.

b) The other is to provide such homes and households with services ranging from childcare to community facilities, recreation facilities, sport facilities under lease with private operators..

The advantages and benefits of provide housing is that the municipality will be able to attract people with a buying power to stay in its locality and spending on local goods and services, thereby improving local revenue which will sustain jobs and contribute to local economic development.

4.2. STRATEGIC PILLAR # 2: BUSINESS DEVELOPMENT (DEMAND SIDE ECONOMY).

It a fact that at Emalahleni municipal area, as is the case in other municipalities, there is a huge scarcity of jobs to meet the increasing population growth. The municipality will introduce new ways to encourage the establishment of new businesses as well as attracting existing businesses to set up branches at our town centres so as to increase a job pool.

Emalahleni Local Municipality proposes to introduce the following mechanisms together with our stakeholders;

#	Proposed Option	Description
1.	Small business development centres	To provide accessible management training, mentorship and research services for SMME's as means of improving their economic performance and assist them to expand their workforce.
2.	Technology & Business Parks	To provide specific infrastructure requirements for sought after industries.
3.	Venture Finance Programs	To provide seed capital in group lending approaches that build both collective social capital and increase emphasis on capital base formations.

Our belief is that business development is an essential component of local economic development because the creation, attraction and retention of businesses builds and maintains a healthy local economy. Business development is therefore intended to redress the balance between the community as a social construct and business as an instrument of wealth creation.

Our fundamental strategy for business development is made up four different themes as follows;

a) To encourage new business start-ups;
b) To attract new companies to our locality;
c) To expand and sustain existing businesses in our locality;
d) To increase innovation and entrepreneurship within our locality.

The different dimensions that will be brought about by the above strategies are summarized in the ensuing paragraphs.

4.2.1. CREATION OF GOOD BUSINESS CLIMATE.

We believe that a climate conducive to business development will be created with the collaboration of the municipality and the local businesses. It is our view that the key to good climate is determining what kind of regulatory and policy tools will facilitate business development for the types of companies that use the local asset base. We do not have a strict standard mixture with respect to the kinds of incentives and support programmes but we will fit the programme to the business requirements.

4.2.2. DEVELOPMENT OF ENTREPRENEURS.

Our approach to entrepreneurial development seeks to grow local businesses and create jobs from within the local economy. Central to this approach is the creation of new economic opportunities through innovation by finding new solutions to existing problems by connecting existing solutions to unmet needs or new opportunities.

We will introduce six (6) methods that will be used to foster an entrepreneurial economy;

Proposed method	Explanation of the method
Investigate diverse sources of capital	This will be in the form of venture capital companies, incentive schemes, grant schemes, seed capital funds etc.
Create an enabling community culture	This should be founded on the entrepreneur's common vision for the future of the community, the commitment to giving time and invest back to the community and willingness to share ideas and information.
Fostering networks	Networks are essential because they link entrepreneurs to potential sources of capital, new employees, strategic alliances etc.
Provide supportive infrastructure	This refers to hard infrastructure such as functioning transportation network, internet access etc. This also refers to soft infrastructure such as access to training, research and development so as to foster an open-minded and risk taking culture.
Make local government entrepreneur friendly	Local government that streamline processes work in a spirit of entrepreneurship instead of bureaucracy. This makes it easier for local enterprises to do business with.

4.2.3. ACCESS TO START-UP AND VENTURE FINANCING.

It is a fact that SMME's constitute the vast majority of local business enterprises. These SMME's utilize both capital and human resources, resulting in employment growth. Having said that we note that there are quit few sources of capital for SMME's and access to capital remains a big problem.
Some of the impediments to access to capital include constraints on different classes of institutions, an inability of existing financial institutions to evaluate the asset base of market driven innovation; a general insistence on physical assets as collateral for loans.

Our proposed approach to counter the above problems is the establishment of mechanisms that allow local people to invest in local businesses. This could be achieved through the formation of a start-up and venture financing company, specifically a community development finance institution **("CDFI**").

The CDFI, to be capitalized by established venture finance companies and government for on-lending purposes, will only invest in small businesses that are commercially viable and show a potential to succeed.

The CDFI will consider investing in enterprises that show the following characteristics;

a) Have an innovation in product, process or marketing;
b) Have potential for rapid growth;
c) Have potential for sales outside the locality;
d) Can demonstrate sound management skills, if absent, are willing to put them in place;
e) Are willing, if selected to appoint an independent board to assist in planning the future growth of the business.

4.2.4. DEVELOP A RESEARCH & DEVELOPMENT CAPACITY.

Some of the important features of today's economy are the knowledge intensive and technologically inclined companies. The municipality therefore, together with its stakeholders will encourage the development of value-added and research intensive mechanisms to remain competitive.

4.2.5. DEVELOP ENTERPRISE DEVELOPMENT ZONES.

Our version of enterprise development zones are areas within the municipality where planning controls are kept to a minimum and incentives are offered are offered to prospective developers and occupants.

The underlying assumption is that the removal or streamlining of certain regulatory and administrative controls will encourage entrepreneurs and investors to create and expand businesses thereby proving jobs.

To achieve the above, the municipality proposes to encourage and emphasize labour intensive business and sectors that match the existing skill levels of the present labour pool.

4.3. STRATEGIC PILLAR # 3: HUMAN RESOURCES DEVELOPMENT.

With this strategic pillar, the municipality seeks to forge close connection between the employment needs of certain segments of the municipal population and the job formation process. The goal being to alter the human resource system in ways that could increase opportunities for good jobs for the unemployed and the under-employed.

We will introduce the traditional economic development focus on workforce development, researching the range of practices and efforts to make workforce development more effective in responding to challenges of our economy.

We take into congnisance, the fact that under-developed workforce is not prepared current and future job opportunities, hence the emphasis on the training efforts.

The municipality will introduce and discuss various HRD options for business development with its stakeholders.

We propose to commence by identifying existing programmes at the core of the development of our workforce. We will partner with relevant Seta's, training providers and tertiary institutions for LED inclined training programmes.

4.3.1. STRATEGIC GOALS OF HUMAN RESOURCES DEVELOPMENT.

Our human resource development approach will typically be focused of four categories of workers to develop skills needed by employers. The categories are classified as follows;

a) Training programmes focusing on people entering the job market for the first time.

- These programmes will be focusing on youth, school leavers, disabled people, welfare pension earners etc.
- These types of programmes will focus their attention on basic work skills, work readiness programmes and job-search programmes.

b) The second programme will focus on people who have been retrenched or displaced from work and are seeking to go back to work.

- These people will be provided with training that will enable them to set up small businesses and offer services they are accustomed to.
- Some will be trained on different programmes so as to equip them with skills for different sectors.

c) Training for incumbent workers who need to upgrade their skills in order to remain competitive and prepare them for better job placement.

- This will be achieved by partnering with employers; so as to access discretionary grants from Seta's to offer this type of training.

d) Training targeting potential employees for companies being attracted to our locality.

- As we attract companies to set-up at Emalahleni, we will incentivize them by providing work based related training for their potential employees.

4.3.2. MATCHING OUR HUMAN RESOURCE PROGRAMMES WITH OUR LED OBJECTIVES.

The municipality will introduce and put in place, the following programmes in an effort to create a correlation between job creation efforts and local economic development.

4.3.2.1. TARGETED EMPLOYMENT AGREEMENTS.

These are agreements which will be entered into between the municipality and the existing firms and firms who intend to set up shop in our locality, who receive incentivized training through municipal intervention.
Under these agreements, the firms will commit to interview at first source, local people for available jobs.

4.3.2.2. EMPLOYMENT MAINTENANCE.

In this programme, the municipality seeks to develop skills for hard-to-place people. The municipality will directly or indirectly apply for skills grants to train people in non-professional positions.

4.3.2.3. CUSTOMISED TRAINING.

The purpose of this programme will be to encourage employers to provide training at employer's workplaces or sites. These will be programmes designed specifically to meet employer's needs.

4.4. STRATEGIC PILLAR # 4: COMMUNITY BASED EMPLOYMENT DEVELOPMENT (THE NEIGHBOURHOOD DIMENSION).

This pillar has been designed to promote economic development at the neighbourhoods or rural level for persons who have been unemployed for a long time as well as people with no work experience whatsoever.

The municipality proposes to introduce and discuss the following options for community based employment development the local municipalities and their stakeholders;

#	Proposed Option	Description
1.	Community based development organisations	Those involved in entrepreneurship activities and providing a range of activities.
2.	Cooperatives.	Worker owned and managed where risks & rewards are jointly shared and owned.
3.	Land Trusts.	Which create vehicles for local control and use of the factors of production.

4.4.1. COMMUNITY DEVELOPMENT COOPERATIVES.

The municipality will develop programmes for the development of community cooperatives for the following reasons;

a. Their labour intensive character and democratic management potential.
b. The creation of jobs at neighbourhood levels.

The process of establishment of community cooperatives will be guided by the following principles;

a. Ensuring that their activities have real potential for success within the cooperative framework.
b. The organizational structures, ownership, leadership and other critical matters are well thought and carefully discussed.

Such cooperatives shall, prior to their establishment satisfy the following requirements;

Requirements	Explanation of Requirements.
Product specific	✓ Evidence that the markets for their products exist; ✓ Competitor analysis.
Workers.	✓ Workers to be sufficiently trained for cooperative development. ✓ Must have a good balance of skills amongst workers.
Premises, Equipment, Materials	✓ Low cost premises to be available. ✓ Investigate product transportation and transportation costs. ✓ Confirm access to capital
Management skills.	✓ To design products or services; ✓ Organizing production and distribution; ✓ Handling finances; ✓ Product marketing.

4.4.2. COMMUNITY LAND TRUSTS.

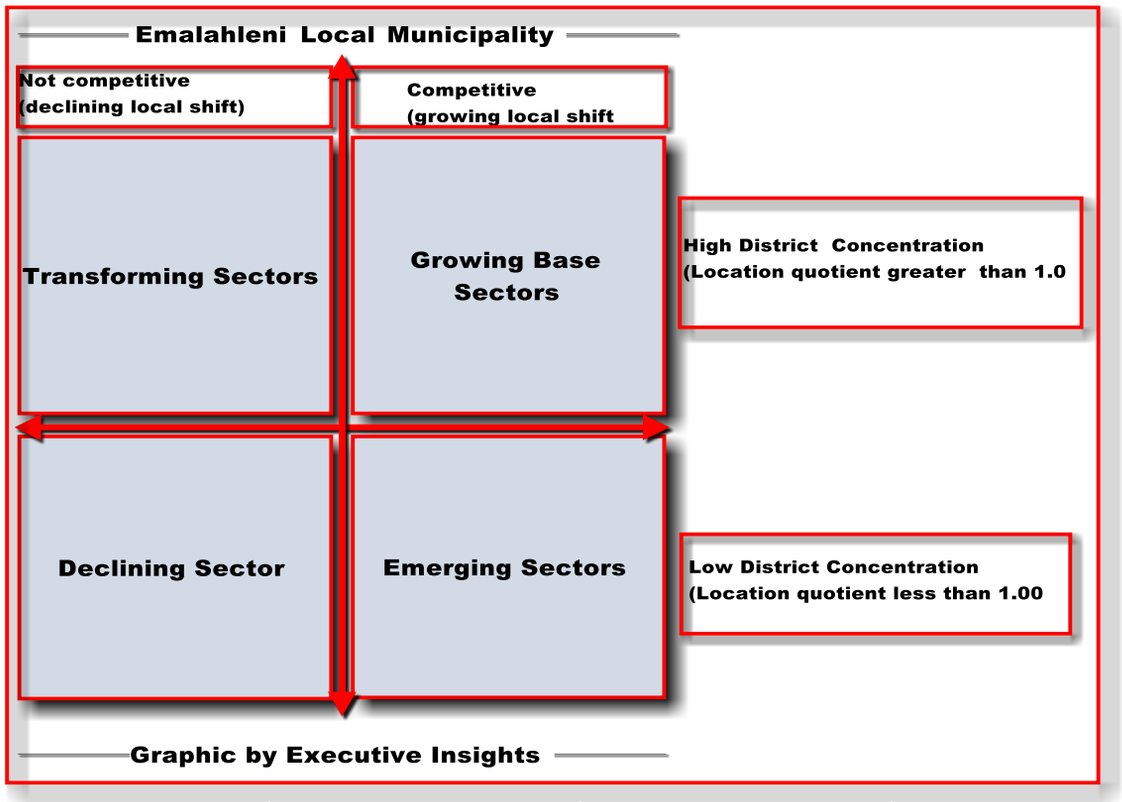
The approach is aimed at ensuring that all arable land-owners in rural areas utilize their land for commercial purposes. The proposal is to formulate land deals that will meet the following reasons;

a. Access to finance for primary production inputs;
b. Training and skills development;
c. Mentoring and extension services;
d. Access to markets.

SECTION 5: ECONOMIC GROWTH

OVERVIEW OF SECTORS

All sectors that had a significant contribution to the Gross Domestic Product (Real GDP) of Emalahleni Local Municipality have been classified for further analysis using the Location Quotient Analysis as follows;



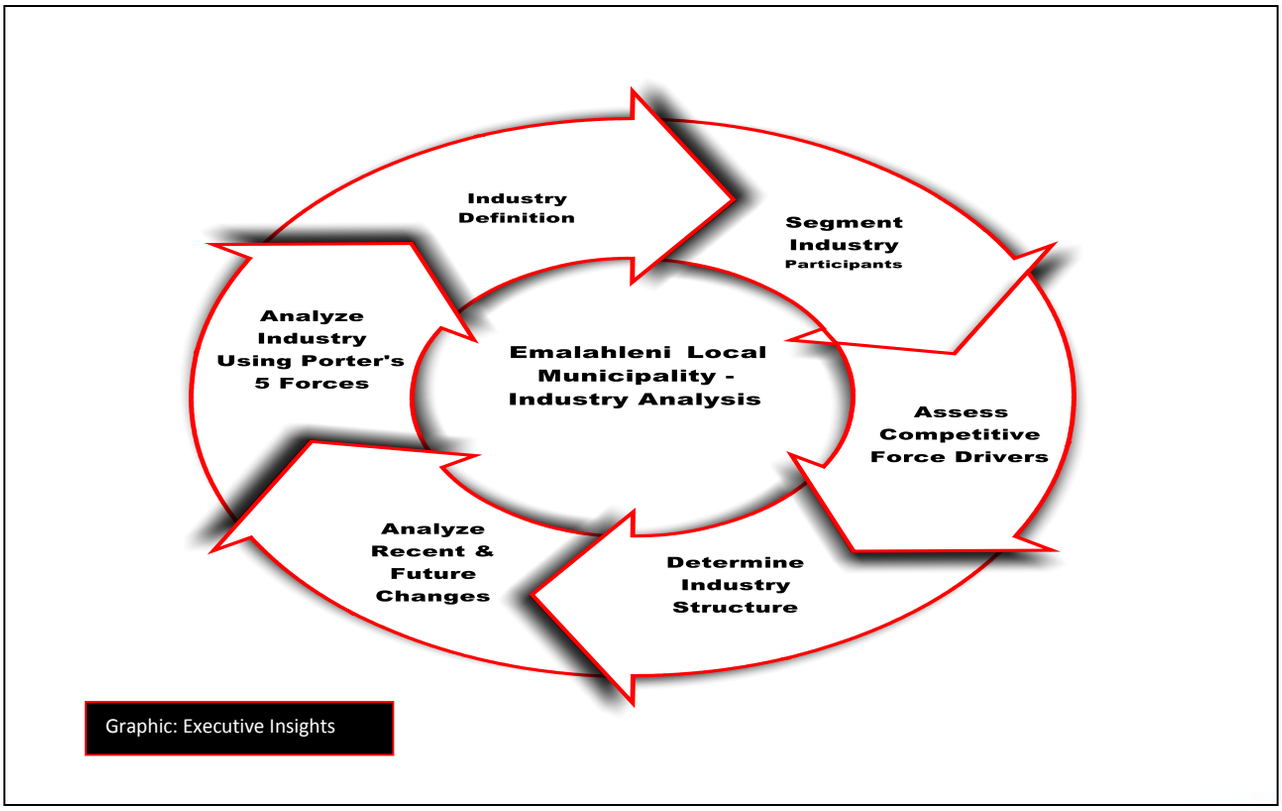
Growing Base Sectors	Transforming Sectors	Declining Sectors	Emerging Sectors
Sectors with a high relative share in low growth markets. Produce a healthy cash flow and can be used to fund or support other developing sectors.	Sectors with high relative share in high growth markets but have a strong market position that will yield high reported profits.	Sectors with low relative share in low growth markets. Are often modest cash users. They are cash traps and have a weak competitive position.	Sectors with low relative share in rapidly growing markets. Usually require huge cash inflows to finance growth and are weak cash generators because of their weak competitive position.

Within the framework of the preparation of the Local Economic Development Strategy for Emalahleni Local Municipality a high level industry analysis of performing sectors within the municipality was undertaken. The intent and purpose is to provide interested investors with a clear and succinct idea of the nature and structure of a particular industry or sector within Emalahleni Local Municipality.
The industry analysis involves reviewing the economic, political and market factors that influence the way such industry operates.

For the purposes of this strategy, the Industry Analysis for Emalahleni Local Municipality has been confined to the following sectors;

- The Construction Sector;
- The Retail Sector;
- The Agriculture & Agro-Processing Sector;
- The Tourism Sector;
- SMME Development as a cross-cutting theme on all the above sectors;

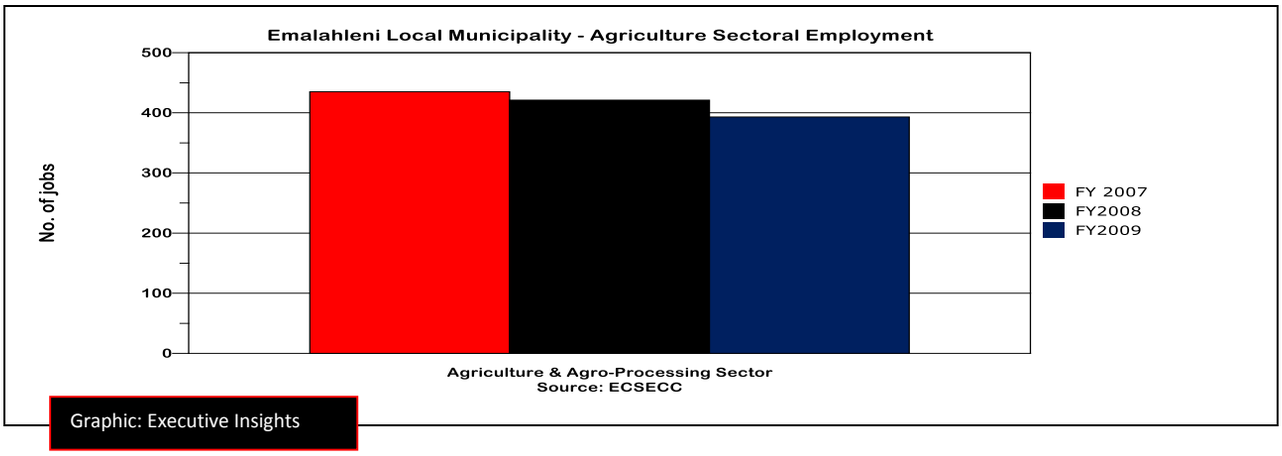
A generic 6 Step Approach has been chosen as the best possible model for this analysis and the Michael Porter Five Forces Framework will be used to analyse the selected industries. Such approach is illustrated in the following graphic;



SECTION 6: THE AGRICULTURE & AGRO-PROCESSING SECTOR.

Agriculture is undoubtedly the backbone of the universal economy as it provides all the inputs for processing of all types and shapes of food and beverage. Emalahleni Local Municipality is not excluded from this universal description. As a predominantly rural economy with limited to no mineral resources, it's economic based has for a number of years been anchored by different agricultural activities.
Together with agro-processing, agriculture is a very critical sector in the retail sector, particularly the food chain as it produces raw materials, process them through agro-processing and supply them to the retail sector on a daily basis.

The agro-processing sector has particularly strong linkages both up- and down-stream and it creates the much needed opportunities. Up-stream, the sector links to agriculture across a wide variety of farming models and products. Down-stream, the sector's products are marketed across both wholesale and retail chains, as well as through a diverse array of restaurants, pubs, small shops and fast-food franchises.
Moreover, the food processing sector is now the largest manufacturing sector in employment terms with some 160,000 employees at national level, this increase to more than a million jobs once the upstream (primary agriculture) is included. The agro-processing sector is defined in statistical terms by the food processing and beverage manufacturing sub-sectors only.
The sector has a better labour absorption rate at Emalahleni but has been shedding jobs with between 350 to 400 people on average employed per annum. This growth has been negative and shedding jobs.



Graphic: Executive Insights

The municipality's historical strength has always relied on its ability to produce a wide variety of agricultural commodities at small, medium and large scale. Adding value to these commodities could have a significant contribution to the development of agriculture within Emalahleni Local Municipality and by extension have a significant impact in economic and rural development.

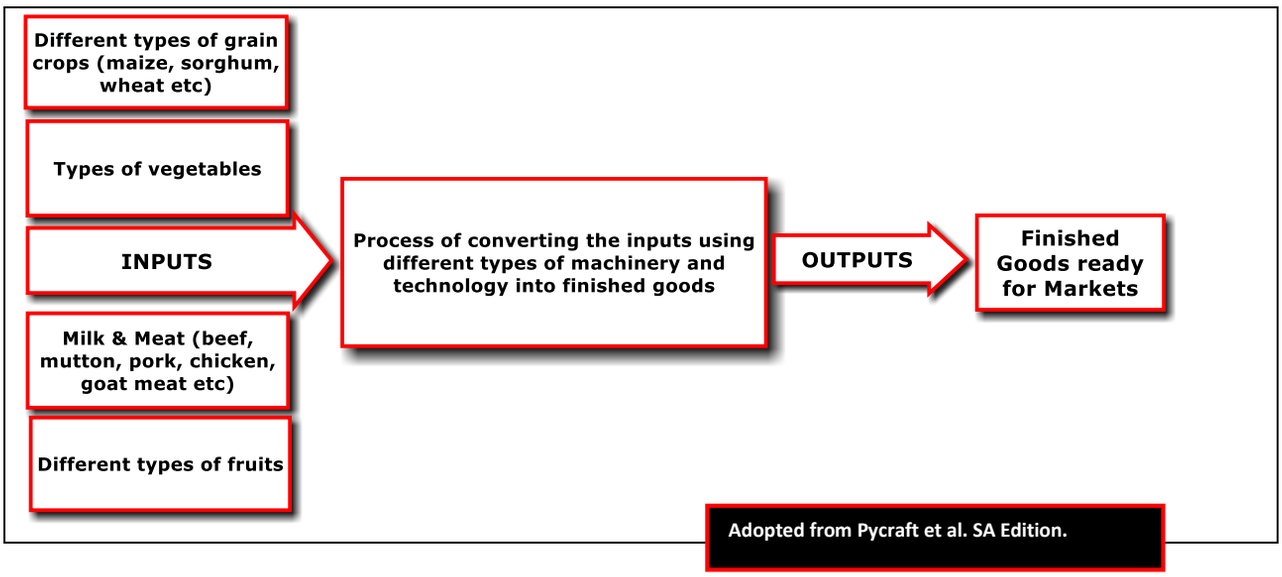
Agro-processing alone has a critical role in expansion and diversification of the entire agricultural sector within the municipality. This value will be added by both vertical and horizontal integration of primary production and agro-processing methods. This will in the long run minimize post harvest losses, create and expand the markets for primary agricultural products.
The sector as will be referred to in this report is characterized by two sub-sectors as follows;

- Primary agriculture;
- Agro-processing.

The agriculture and agro-processing sector at Emalahleni Local Municipality is characterized by the following sub-sectors or activities, at small, medium and large scale;

Agriculture	Agro-processing Sector
▪ Livestock (cattle, sheep, goats, poultry) growing & breeding; ▪ Variety vegetable growing; ▪ Sorghum growing; ▪ Maize growing;	▪ Food(meat, dairy, vegetable and grains) processing; ▪ Aquaculture processing; ▪ Production of beverages; ▪ Horticulture;

The relationship between primary production, agro-processing and the markets for agricultural products is illustrated in the following graphic;



The primary produces of all agricultural products as well as the agro-processing enterprises.

- The sector is a critical component of the retail sector's supply chain;
- The sector is also a primary producer of the necessary raw materials to the Tourism & Hospitality Sector.

INDUSTRY STRENGTHS.

- Agro-processing is strongly linked to consumer preferences and changes in the level of consumer demand which in turn is linked to the economic growth rate;
- The domestic market represents an attractive prospect for the agro-processing;
- On the non-food side there are opportunities that could be exploited for high-value products for the medicinal, aromatics and flavourants markets;
- Emalahleni Local Municipality possesses a competitive advantage in sorghum and livestock production which, if fully exploited would place the municipality in a good position for high-value agricultural products;
- Sorghum is used mainly for food and beverage consumption (e.g. malt and sorghum meal). Malt is used for manufacturing sorghum beer (traditional African beer) (between 52% and 62% of total domestic demand is for malting/brewing);
- Sorghum meal, also known as "mabele", competes directly with maize meal and is served as a breakfast cereal or as soured porridge;
- "Ting", sorghum rice, sometimes also called "corn rice", is whole sorghum that has had the outer bran layers removed and is served instead of rice;
- For the past five years approximately 65 000 tons has been milled and sold annually as sorghum meal;
- Processors of sorghum products for the end-consumer market operate in an extremely competitive environment in which consumers can easily switch to substitutes such as maize meal, rice and lager beer;
- Western culture and the economic climate are important influences. The sorghum malt market (industrial malt consumption and commercial malt consumption) has shown a declining trend for the past ten years.

IDENTIFIED WEAKNESSES.

The agro-processing sector can be categorized into 3 broad product groups:

Group A	High quality, high value, competitive sub-sectors e.g. fresh fruit, wine and fish products.
Group B	Moderately competitive and uncompetitive, mature sub-sectors which are 'stuck' in low value streams e.g. tea, canning, food processing and cotton processing.
Group C	New' sub-sectors with niche market potential but small-scale production e.g. ostrich meat, indigenous flowers, biofuels, essential and olive oils and medicinal extracts.

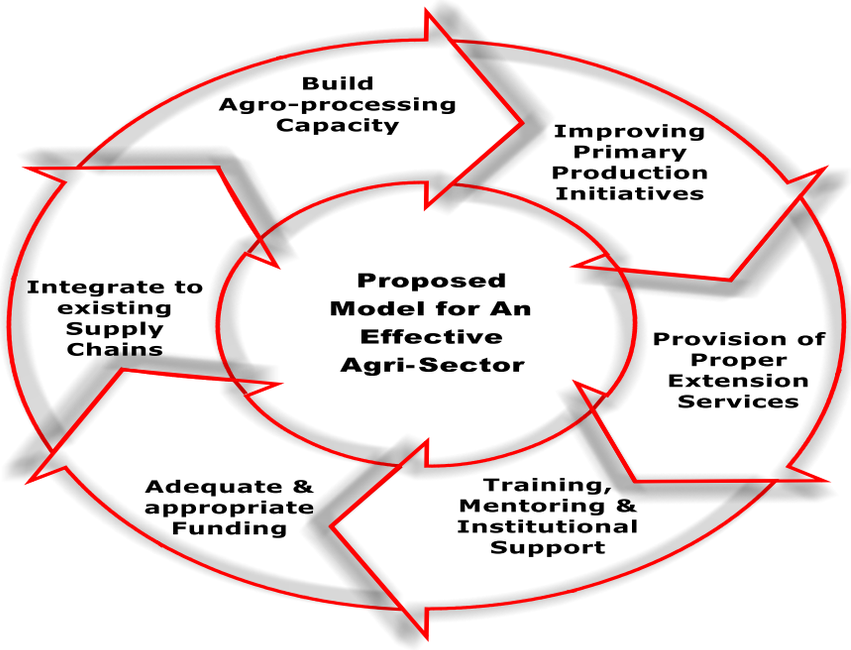
- Producers in **Group A** typically face constraints that are related to developed country trade policy including subsidies, tariffs and sanitary and phyto-sanitary standards (SPS);
- Moreover, as developed countries have tended to grow more slowly than developing countries, the potential to grow exports and employment without penetrating new export markets is relatively low;
- Producers in **Group B** currently face significant constraints in both the export and domestic market. In the export market, trade policies hamper South African products from trading competitively as a result of the EU and US' use of agricultural subsidies in particular;
- Producers in **Group B** would also benefit from an enhanced focus on productivity and competitiveness enhancement as some of these sub-sectors have underinvested in new plant and machinery. This group remains important for Emalahleni Local Municipality as it comprises the largest group and is likely to remain the mainstay of the sector in production terms.
- Producers in **Group C** face significant regulatory barriers as South Africa's approach to the regulation of 'new' sectors is based on a 'positive' list.
- This approach essentially 'lists' approved sectors whilst all others are assumed to be undesirable. The implication is that any 'new' sector faces considerably higher regulatory barriers than is either on average, necessary and the barriers are inevitably harder to meet as there is often a knowledge gap between private sector investors with specific technical knowledge and Government regulators who need to be convinced of the merits of a 'new' sectoral activity.

GEOGRAPHIC SCOPE OF AGRO-PROCESSING SITES.

- Critical Agro-Processing Infrastructure in the form of the Dordrecht Cheese Factory has already been laid by the Chris Hani District Municipality, Emalahleni Local Municipality and the Eastern Cape Development Corporation;
- The infrastructure has been used for cheese production as well as other beverages and can still be used for the same purposes;
- There is an existing privately owned infrastructure in Dordrecht in the form of Nockland Feeds that has previously been used for vegetable canning;
- This infrastructure can be ramped up and utilized for various agro-processing activities;
- An opportunity exists in the medium to long term for a grain-processing plant particularly maize and sorghum but a Value Chain Analysis Exercise must be undertaken to establish viability of any processing plant prior such investment is considered;

PROPOSED STRATEGIES FOR THE DEVELOPMENT OF AGRICULTURE & AGRO-PROCESSING SECTOR.

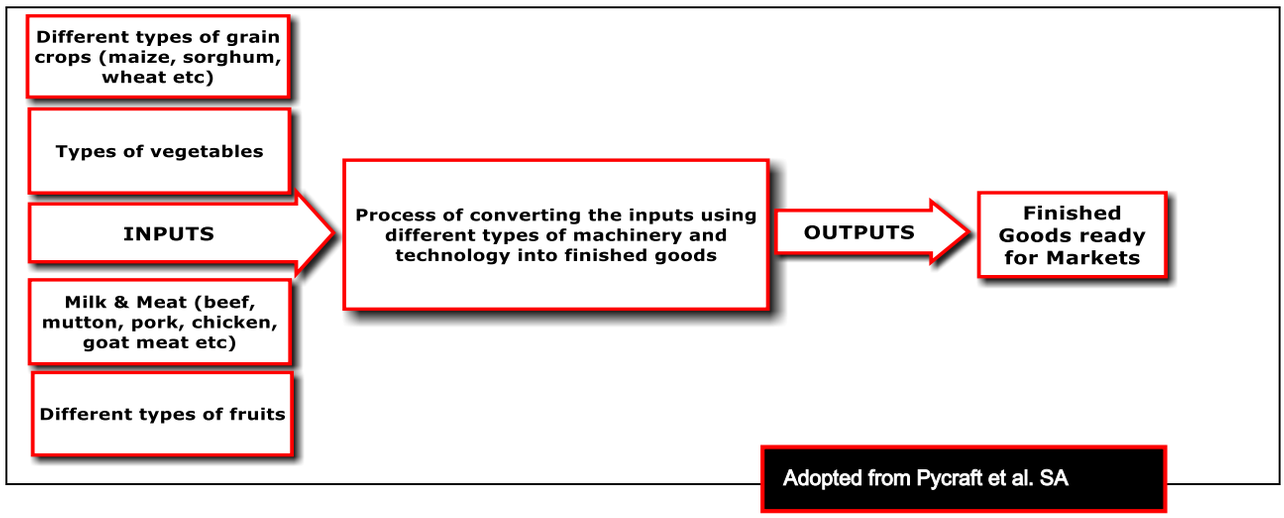
The following proposed strategies and interventions need to be explored in order to develop the Agriculture & Agro-Processing Sector to a level where it will be self-funding, self-sustainable and contributes meaningful to the Real GDP;



Graphic: Executive Insights

IMPROVING PRIMARY INPUT PRODUCTION CAPACITY.

- *Primary producers must be capacitated in such a way that they apply proper mechanization process and mixes;*
- *That they produce the quality prescribed and required by the market as well as producing to acceptable capacity;*
- *Particular attention must be paid to the ramping up of initiatives aimed at improving the primary input side of the agriculture and agro-processing chain as depicted in the following graphic;*



PROVISION OF EXTENSION SERVICES.

- Municipality to engage with the Department of Agriculture in order to provide a dedicated team of Agricultural Extension Officers who must advice and proper extension services to the primary producers.

PROVIDE TRAINING, MENTORING AND INSTITUTIONAL SUPPORT.

- Most of the primary producers have little or no technical training and less in financial management and business management;
- In stark contrast to the big agro-industrial enterprises, there has been no consistent support from government and generally a lack of coherent programmes designed to benefit them;
- Structured training and proper on-site and off-site technical and financial training shall be provided to the primary producers to ensure that they run and operate their entities in a commercial sound manner.

PROVIDE ADEQUATE & APPROPRIATE FUNDING.

- A serious constraint to the development a viable agriculture and agro-processing sector is the lack of access to capital and low level of entrepreneurship, management and training of entrepreneurs involved in the sector;
- Sufficient financial feasibility studies shall take place prior to any investment is made in order to avoid under capitalization;
- Support from state funding institutions such as Land Bank, IDC, Asgisa-EC Pty (Ltd) shall be at the forefront in order to address this force.

INTEGRATE WITH EXISTING SUPPLY CHAINS SYSTEMS.

- Efforts must be made to identify existing local, regional, provincial and national supply chains and markets for all agricultural and agro-processing products;
- A supply chain is a system of organizations, people, technology, activities, information and resources involved in moving a product or service from suppliers to customers;
- Put together a plan to integrate the producers and processors to these systems.

BUILD APPROPRIATE AGRO-PROCESSING CAPACITY.

- As has been eluded elsewhere in this report, the municipality has an existing agro-processing infrastructure in the form of Dordrecht Cheese Factory and Nockland Foods and any other facility that might be identified in the medium to long term;

- In-depth feasibility studies and proper business and operational planning shall precede the re-establishment and investment in these enterprises prior to any funding consideration could be looked at;
- This will ensure that these entities operate optimally and are able to self-finance themselves after initial capitalization;
- The development of an industrial investment project from the stage of the initial idea until the plant is in operation will have to subjected to cycle comprising three distinct phases, the pre-investment, the investment and the operational phases;
- Each of these three phases is divisible into stages, some of which constitute important consultancy, engineering and industrial activities;

SECTION 7: THE TOURISM SECTOR.

According to the Industrial Policy Action Plan, over the past two decades, South African Tourism Sector has emerged as a fast growing and valuable non-traditional, tradable services sector. Tourism is an important driver of both domestic consumer spending and foreign exchange earnings, underpinned by a sustainable resource base, labour intensive activities and relatively low barriers to entry for entrepreneurs. The accelerated development of the tourism sector will assist in diversifying South Africa's economy and contribute towards achieving the overall objectives of the National Industrial Policy Framework.

Tourism is further a demand-driven sector where the nature, volume and value of demand inform investment in tourism plant (supply) and job creation. From a supply perspective tourism is a complex sector made up of a number of industries that together provide the inclusive experience 'consumed' by tourists.
Given that tourism is a consumption-based concept, it is not classified as an economic sector in the National System of Accounts of any country and as a result, it is difficult to express tourism's economic contribution in standard economic indicators. Tourism growth is however measured in terms of **volume** (i.e. number of foreign arrivals and number of domestic trips undertaken) and **value** (i.e. foreign direct spending and domestic direct spending).

In this regard the latest available data show that in 2008, South Africa attracted 9.6 million foreign arrivals generating R 74.2 billion in foreign exchange earnings (i.e. Total
Foreign Direct Spend excluding capital expenditure). In the same year, South Africans undertook 32.9 million domestic tourism trips (approximately 13.9 million people taking on average 2.4 trips) which yielded R25.8 billion in domestic consumer spending (i.e. Total Domestic Direct Spend). The total contribution (both direct and indirect) of the tourism sector to South Africa's GDP in 2008 is estimated to be R 194.5 billion.

Due to the nature of tourism activity and the requirement for personal services, tourism
is a highly labour intensive sector. Employment growth is dependent on a number of
factors including volume and value of demand, utilization/occupancy rates, standard/quality of facilities and services, and seasonal demand patterns. SA Tourism estimates that in 2008, 438 509 people were directly employed in the tourism sector. The sector's dependence on a wide range of supporting industries (e.g. financial services, construction, cleaning, security, laundry, arts and crafts) further implies a high employment multiplier. With an estimated additional 603 201 indirect jobs, total tourism employment in 2008 represents more than one million jobs.

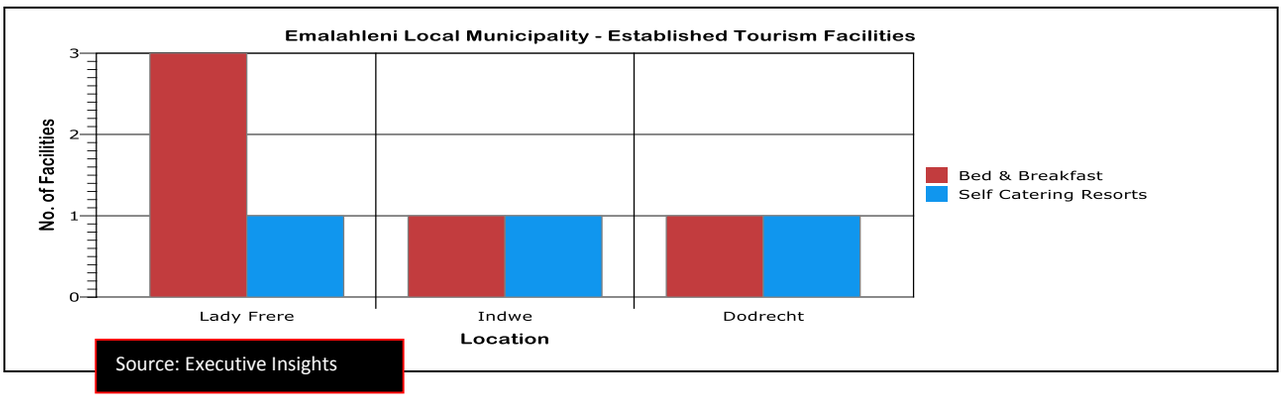
While capital investment in the sector is not officially measured, a consistent increase has been observed over recent years in the number of multinational accommodation brands that established operations in South Africa. This is further supported by an aggressive expansion drive by local accommodation operators.

TOURISM INDUSTRY DEFINITION.

Given the size of Emalahleni Local Municipality, its Tourism Industry is fairly small with few tourism products on the market. The industry is composed of the following products;

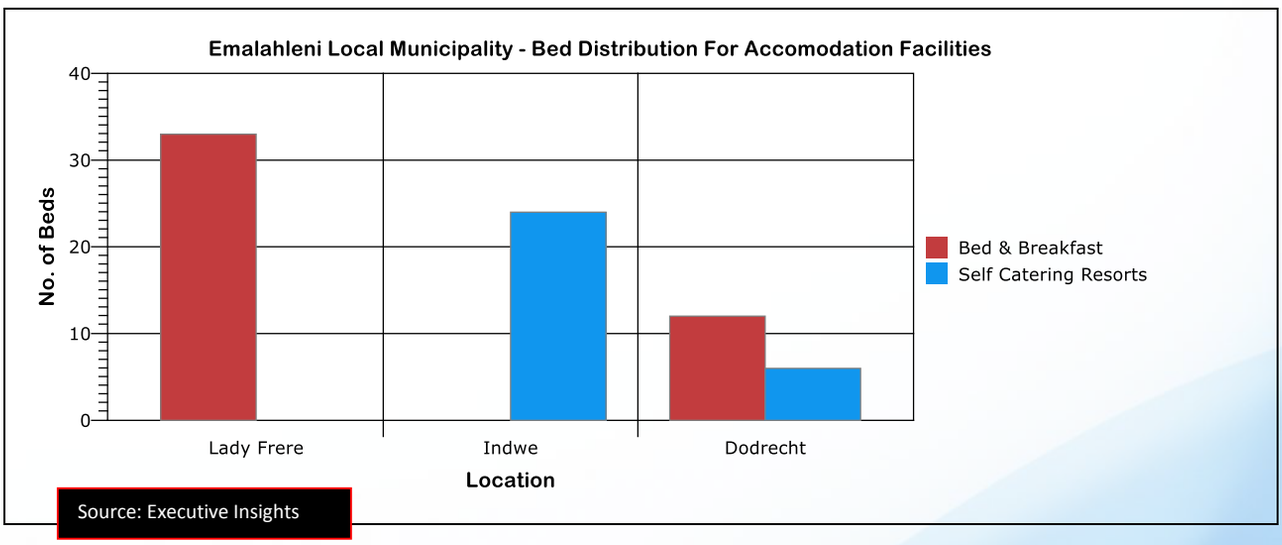
- *Self-catering Resorts;*
- *Bed & breakfast outlets;*

These tourism products are located within the areas of Lady Frere, Indwe and Dordrecht and there is no information about their grading status.



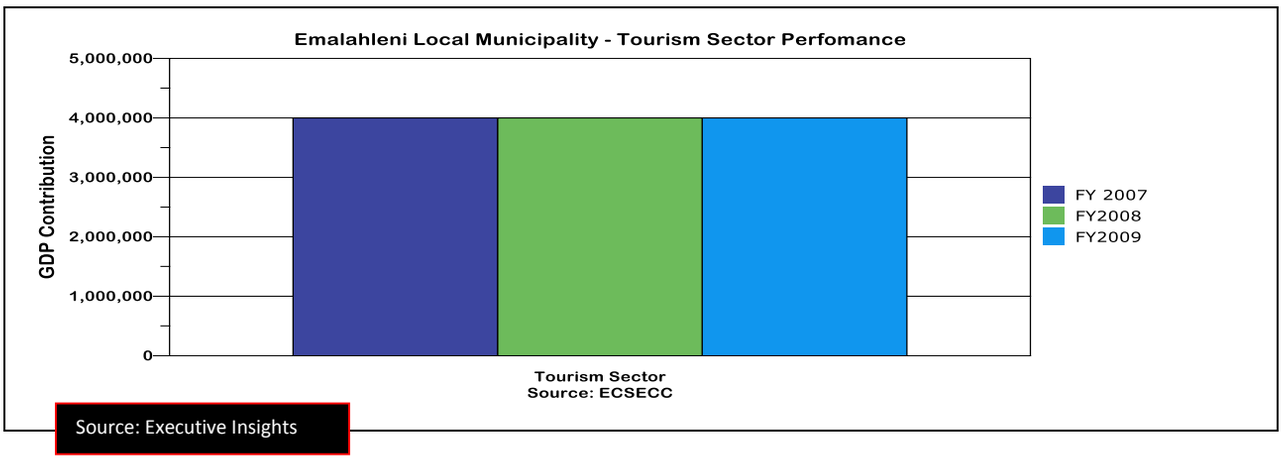
Source: Executive Insights

The above tourism products which are predominantly accommodation facilities vary in size as measured in terms of the number of available beds per unit. The bed distribution per unit is illustrated in the following graphic;



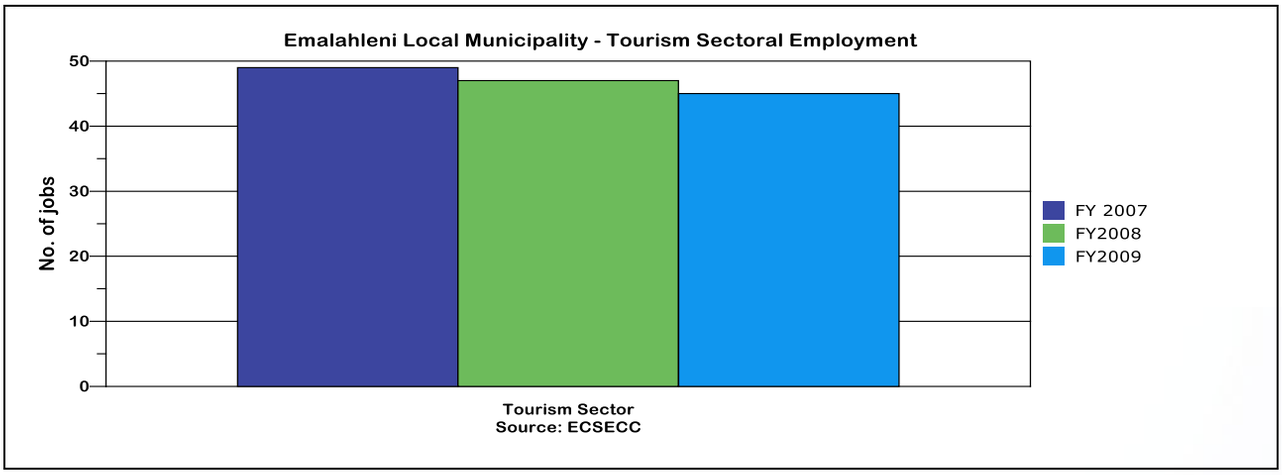
Source: Executive Insights

The Tourism Sector at Emalahleni Local Municipality is relatively small and stagnant and has not been growing for the past three (3) years. According to the Eastern Cape Socio Economic Consultative Council (ECSECC), the sector has contributed about R4 Million to the Real Gross Domestic Product of Emalahleni Local Municipality for Tax Year 2008.



Source: Executive Insights

The sector has a poor labour absorption rate with less than 50 people on average employed per annum. This growth has been negative and shedding jobs.



ASSOCIATED SERVICES ASSOCIATED TO THE TOURISM SECTOR.

- The tourism industry has a potential to be horizontally or vertically integrated with agro-processing industry wherein it could be a market for various agro-products;
- The sector could also be diversified and create a springboard for arts and cultural effects.

TOURISM INDUSTRY STRENGTHS.

- There has been a notable commitment by government to invest in the sector;
- Over R10 Million has been invested in erecting infrastructure and building three (3) self-catering resorts within the municipality;
- Tourism is a demand-driven sector where the volume, value and nature of demand inform supply-side growth in terms of new investment in products and job creation. In order to increase economic activity in the sector, it is therefore critical that demand is increased by amongst other building a stronger brand and STP;
- Tourism demand can be grown through scaling up destination marketing efforts and creating new markets;
- While increased destination marketing will require a greater allocation of marketing resources to the municipality, opportunity exist to diversify the local tourism economy and create new markets by focusing on high growth and high yield niche markets;

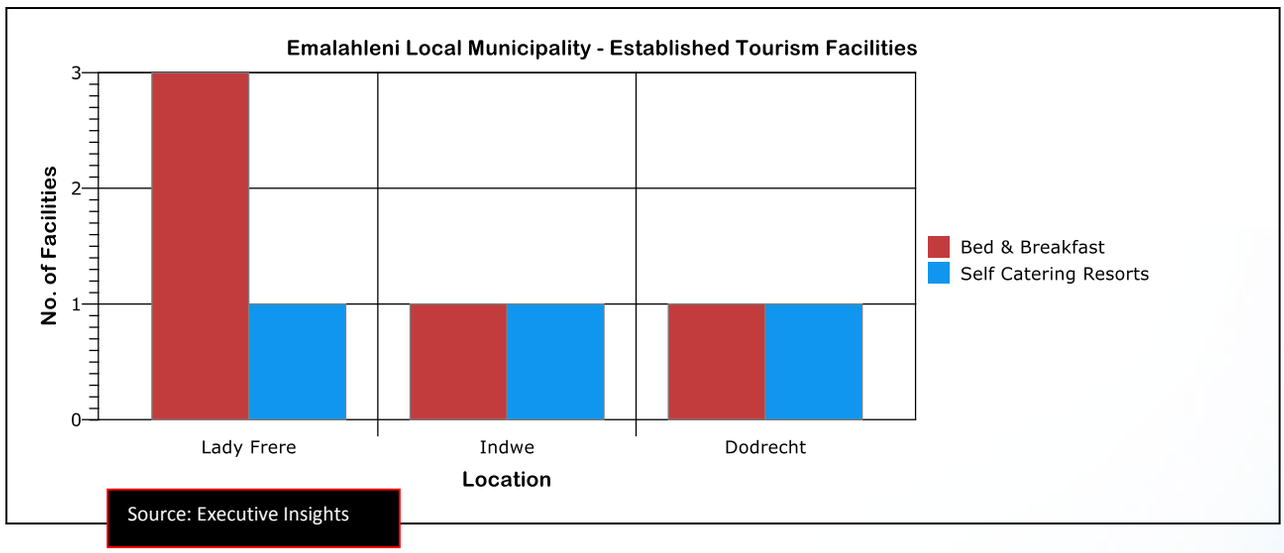
- Attracting such niche markets will inform investment in new tourism product and stimulate the creation of skilled employment;
- Building on the existing and strong tourism resource base of the country, development of niche tourism opportunities and strengthening industry associations will allow Emalahleni Local Municipality to grow tourism market share and improve destination competitiveness;

IDENTIFIED WEAKNESSES OF THE TOURISM SECTOR.

- Given the importance of growing tourism demand to inform industry development, a major constraint is the difficulty experienced by individual tourism enterprises to access markets, both domestic and foreign markets.
- A number of factors including physical distance from primary markets, cost of national and international marketing, and large operators dominating the distribution channel make it difficult for individual tourism enterprises to compete with their counterparts in comparable destinations;

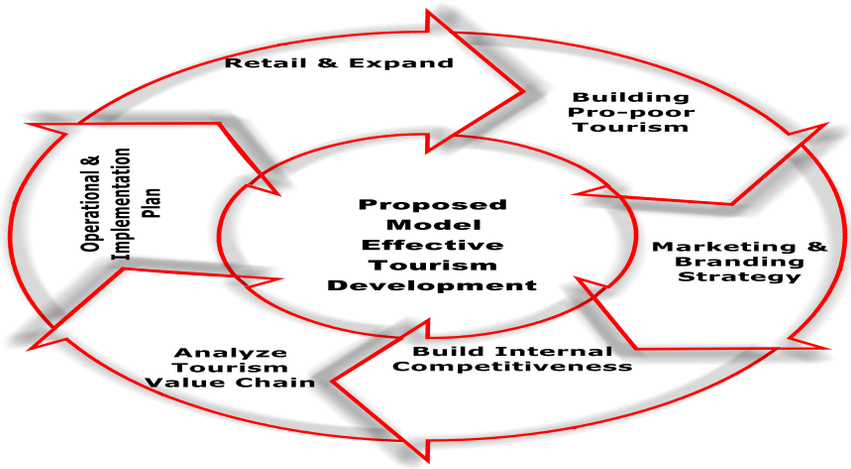
TOURISM GEOGRAPHIC SCOPE OF COMPETITION.

- The established tourism products are predominantly accommodation facilities spread across all three localities of Emalahleni Local Municipality as indicated in the following graphic;



PROPOSED STRATEGIES FOR THE DEVELOPMENT OF TOURISM SECTOR.

In order to develop and propel the sector to its required capacity, a number of strategies can be investigated and if feasible, implemented. The following is a proposed 6 Step Approach that is proposed to develop the sector;



a)

Graphic: Executive Insights

THE TOURISM MARKETING & BRANDING STRATEGY.

Development of a robust marketing and branding strategy of all existing tourism products at Emalahleni focusing on building stronger market segmentation and target positioning.

BUILDING A PRO-POOR TOURISM SECTOR.

- What has become known as the 'World Bank' definition of pro-poor growth is used in this analysis, that "Tourism is pro-poor if it results in increased net benefits flowing to the poor". The use of this definition springs from our primary concern to maximize tourism benefit flows to poor people which, practically as well as conceptually, is a rather different aim than trying to reduce inequality.

- Using a local economic development approach reflects the concern to combine growth with redistribution. Leakages are generally defined as the proportion of total holiday price that does not reach or remain in the destination. Some leakages happen at the destination, when a tourist pays for goods or services that are imported. Others have sought to include in 'leakages' the external payments that never make it to the destination country, such as travel agent commissions, tour operator payments and foreign airlines. Defining these payments as a 'leakage' is misleading (Mitchell & Ashley, 2007a).

Pro-poor Tourism

- It is generally labour-intensive – although less than agriculture – and therefore can impact on a large number of lives through the labour market;
- Tourism has considerable potential linkage, especially with agriculture and fisheries, which can minimize the 'leakage' effect. Due to the high income elasticity of demand for international tourism, it can offer a relatively rapidly growing market;
- Tourism provides opportunities for off-farm diversification, particularly in areas that do not attract other types of development options;
- Tourism can provide poor countries with a significant export opportunities where few other options are viable;
- It may create initial demand for a good or service that can itself develop into a growth sector;
- Tourism products can generate demand for assets such as, natural resources and culture, to which the poor often have access;
- Tourism delivers consumers to the product rather than the other way around; and
- Infrastructure associated with tourism development can provide essential services for local communities.

Adapted from Roe, Ashley, Page & Meyer (2004)

- Local economic linkages will tend to reduce leakages. Linkages are shorthand for the way in which tourist businesses can build links with others in the local economy. As will be demonstrated in this report, these linkages can be direct, or within the tourism sector (e.g. tourists using a taxi). Linkages can also be indirect or intra-sectoral (e.g. tourists buying food and beverages from the agricultural sector and indigenous drinks manufacturers).

- Local linkages cause money to circulate around the local economy (through the induced spending of wages earned in the tourism industry or from the receipts of other goods and services sold to tourist enterprises) in a way that creates multiplier effects. Multipliers normally described as either output, income or job multipliers express the total impact of an economy as a whole, of creating a new job or unit of economic activity by tracing through all the induced and indirect effects.

TOURISM VALUE CHAIN ANALYSIS.

- Value chain analysis is a tool that enables the identification of stakeholders along a chain of transactions, from conception through production to consumption and after-use. The analysis helps structure ideas around what are the key processes and agents working within and outside the chain and where the benefits of the chain flow. The application of value chain analysis to the tourism sector is fairly new.In this analysis, value chain analysis (VCA) is used to help describe tourism as it currently operates at Emalahleni and how this can be improved for the benefit of the industry as a whole and poor people within it.

RETAIN TOURISM & EXPAND THE SECTOR.

- Our hypothesis is that there are two broad ways that the impact of tourism on the poor can be increased.
- Strengthening linkages between tourism and poor people in the local economy can increase the size of the slice of the tourist cake enjoyed by the poor (whether or not tourism, as a whole, is growing); and / or
- Expanding the tourism sector to increase the demand for goods and services provided by everyone. In this scenario the poor can benefit from increasing the size of the tourist cake as a whole provided their share is not diminished as the sector grows.

STRENGTHENING LINKAGES WITH LOCAL ECONOMY.

- Strengthening linkages between tourism and the local economy is one of the most effective ways to promote pro-poor tourism because it directly engages with building linkages between the tourism sector and poor people;
- Unlike other approaches, a linkages approach aims to actually enhance the relationship between tourism and poor people.
- The linkage between tourism and poor people can be strengthened by:

✓ expanding the share of the tourism market that benefits the poor (e.g. assisting informal sector guides as an alternative to conventional excursions);

✓ upgrading the production capacity of the poor for more added value (e.g. supporting the production of better craft for sale to tourists); or

✓ Facilitating poor producers to enter the tourism value chain (e.g. helping emerging farmers to supply accommodation facilities with agricultural products).

✓ The nature of these benefit flows vary in different places with different types of tourism. Normally this involves looking at people who may benefit directly from tourist expenditure, such as restaurant staff, tour guides, craft market stall holders or communities in partnership arrangements with tourist investors.

✓ In addition, the indirect effects – for instance better engaging farmers who can access tourist hotel and restaurant agricultural supply chains can be just as important for the local economy as direct linkages.

EXPAND THE TOURISM SECTOR.

- Where tourism is inherently pro-poor, simply increasing the size of the tourism sector through increasing tourist arrivals, their length of stay or expenditure per day will automatically benefit poor people;
- Whilst it cannot simply be assumed that tourism is pro-poor, expanding tourism as an element of a pro-poor tourism strategy is important both conceptually and practically;
- The artificial dichotomy between pro-poor tourism and mainstream tourism fails to recognize that growing the tourism sector 'cake' as a whole will also increase the size of the 'slice' enjoyed by the poor.
- This dichotomy obscures the likelihood of mutual interests between pro-poor tourism and mainstream tourism stakeholders.

DEVELOPMENT OF TOURISM COMPETITIVENESS.

- A consolidated approach can be derived by applying a generic development model known as the "Ansoff Growth Matrix". The Ansoff Growth matrix is a tool that helps businesses decides their product and market growth strategy.
- Ansoff's product/market growth matrix suggests that a business' attempts to grow depend on whether it markets **new or existing** products in **new or existing markets** and is illustrated in the following graphic;

	Existing Markets	New Markets
Existing	**Market Penetration** Tourism Businesses focus on selling existing products into existing consumer	**Product Development** Tourism Businesses aims to introduce new products into excising consumer
New	**Market Development** Tourism Businesses seeks to sell its existing products into new consumer	**Diversification** Tourism Businesses market new products to new consumer

Adopted from the Boston Consulting Group Matrix

Penetrating Existing Tourism Markets.

- Market penetration is the name given to a growth strategy where the business focuses on selling existing products into existing markets.
- Market penetration seeks to achieve four main objectives:

  ✓ Maintain or increase the market share of current products – this can be achieved by building a strong target market strategy by focusing on the following factors;
  ✓ Increase usage by existing customers – for example by introducing loyalty schemes or a discount structure;

Develop New Tourism Markets.

- Market development is the name given to a growth strategy where the business seeks to sell its existing products into new markets.
- There are many possible ways of approaching this development strategy, including:

✓ New geographical markets; for example advertising the facilities at provincial, national and international level;
✓ New product dimensions;
✓ New distribution channels;
✓ Different pricing policies to attract different customers or create new market segments;

Develop Existing Tourism Products.

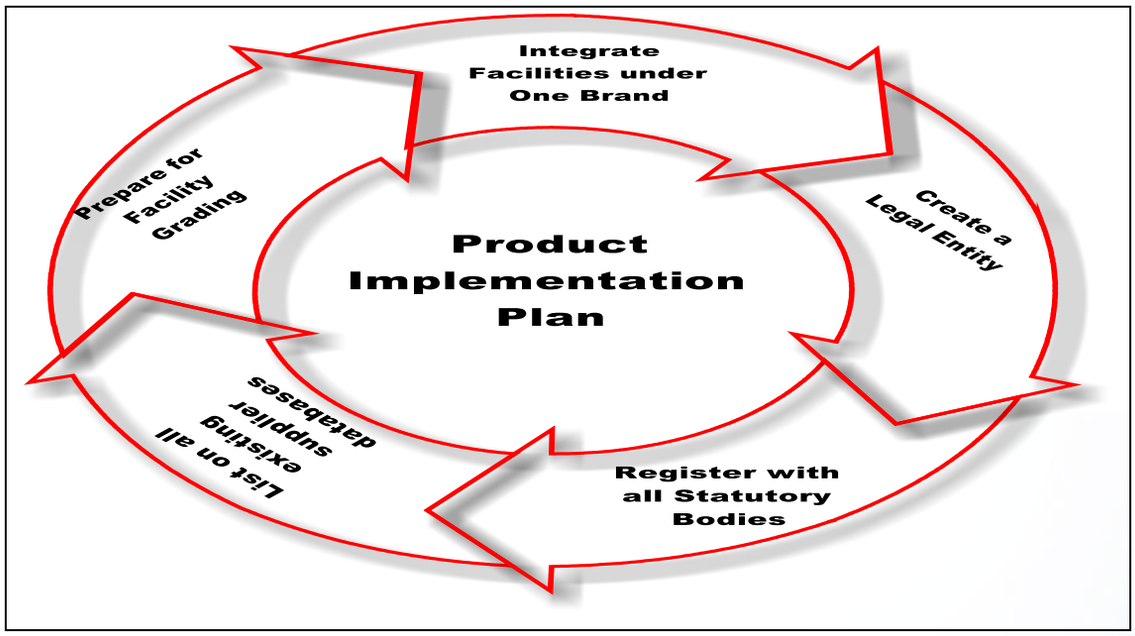
- Product development is the name given to a growth strategy where a business aims to introduce new products into existing markets or existing customers;
- This strategy may require the development of new competencies and requires the business to develop modified products which can appeal to existing markets.

Diversification into New Sectors.

- Diversification is the name given to the growth strategy where a business markets new products in new markets.
- This is an inherently more risky strategy because the business is moving into markets in which it has little or no experience.
- For a business to adopt a diversification strategy, it must have a clear idea about what it expects to gain from the strategy and an honest assessment of the risks.

Operational Plan for New Tourism Facilities.

- The tourism products such as resorts would require a plan to ensure that they are quickly integrated into existing Tourism Value Chains. A basic Implementation Plan would entail but not limited to the following;



FACILITIES BRAND INTEGRATION.

- Existing and new tourism facilities shall be branded properly in order to give them a competitive edge. The brand name must also ensure that the product is easily identified and distinguished from its close competitors. The brand shall be marketed in such a way that it derives proper brand loyalty which shall result in increased sales.

Possible Branding Options.

Branding Option #1	Branding Option #2
Branding Emalahleni Tourism as a possible winter destination given the snowfalls on the Dordrecht Indwe Mountains during winter.	Branding Emalahleni Resorts camp sites, teambuilding sites because of the remote nature, weddings & party sites because of the location on the banks of indigenous dams.
Branding Option #3	**Branding Option #4**
Search engine optimization by advertising on the internet and securing rights to certain key search words on Google.	Co-Brand with already existing brands that have a considerable tourism market share.

CREATE LEGAL ENTITIES.

The purpose being to ensure that all tourism facilities are registered under recognized legal entities so as to create a platform for them to do business with other registered entities. The entities shall be registered as either privately owned companies, close corporations or any other entity type as prescribed by the Companies & Close Corporations Acts of South Africa as amended.

REGISTER WITH STATUTORY BODIES.

	Statutory Body	Purpose.
1.	SARS	For all statutory taxes (Income Tax & VAT).
2.	Local Municipality	For rates, electricity, water & sanitation, Health Certification, etc
3.	SATOUR	For product and service standardization.
4.	FEDHASA	For product and service standardization.

LIST FACILITIES ON EXISTING DATABASES.

All facilities to be listed on the following databases for business referrals;

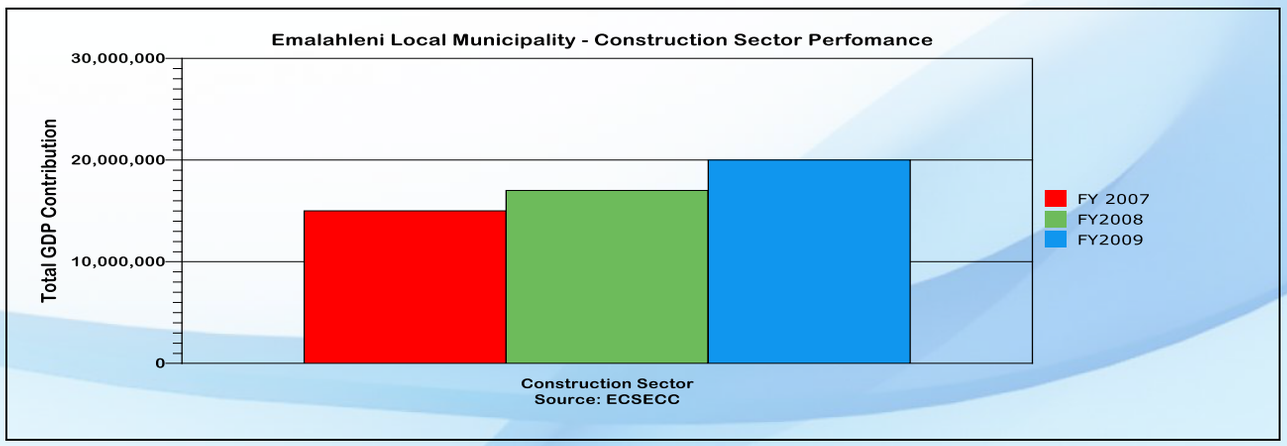
- All provincial government departments;
- All national government municipalities;
- All state owned entities;
- All tertiary institutions in the province;
- All municipalities in the region;
- Any other open databases;
- All registered and recognized travel agents.

FACILITY ACCREDITATION & GRADING.

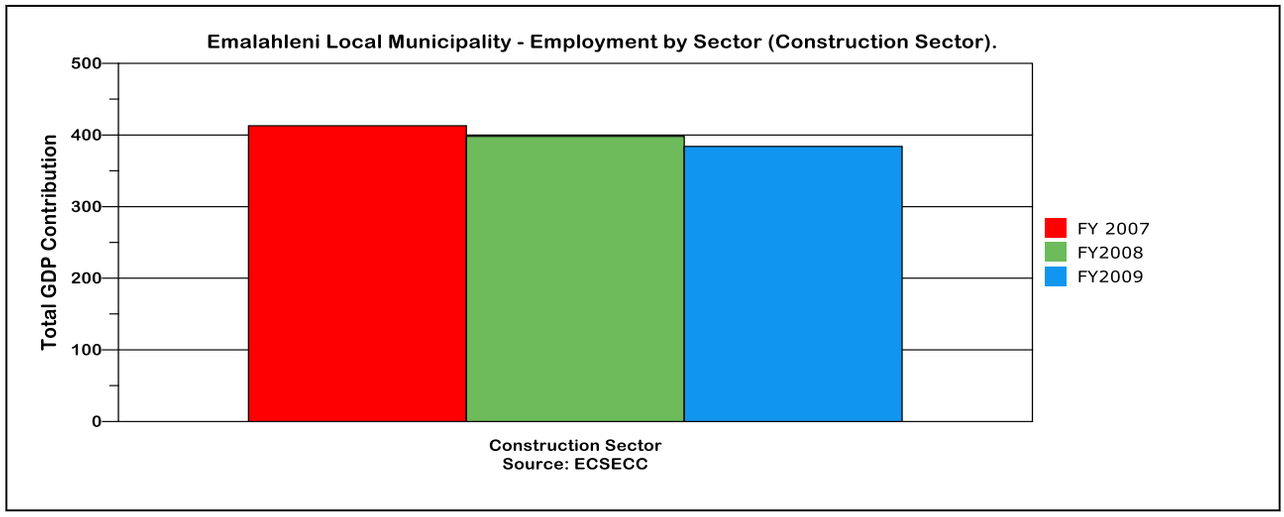
All tourism facilities to be accredited by recognized accrediting bodies and be graded continuously by the Tourism Grading Council and be subjected to stricter grading requirements so as to maintain such status.

21) SECTION 8: THE CONSTRUCTION SECTOR.

The construction Sector at Emalahleni Local Municipality is relatively small but has seen some organic growth over the past five (5) years. According to the Eastern Cape Socio Economic Consultative Council (ECSECC), the sector has contributed about R20Million Rands to the Real Gross Domestic Product of Emalahleni Local Municipality for Tax Year 2009.



The above figure represent the infrastructure development, maintenance and low cost housing developments financed by the Chris Hani District Municipality, Emalahleni Local Municipality as well as various other Provincial and National Government Departments. The growth has been slow but steady at a rate of 3% to 5% year-on-year.
The sector has a poor labour absorption rate with less than 500 people on average employed per annum. This growth has been negative and shedding jobs.



There is a compelling need to unlock growth constraints, to develop sustainable contracting capacity and to elevate enterprise development of previously disadvantaged individuals. Leadership by government is required to establish the framework for contractor development, to unlock growth constraints and to stimulate the role of industry and stakeholders for skills development, meaningful empowerment and improved performance.

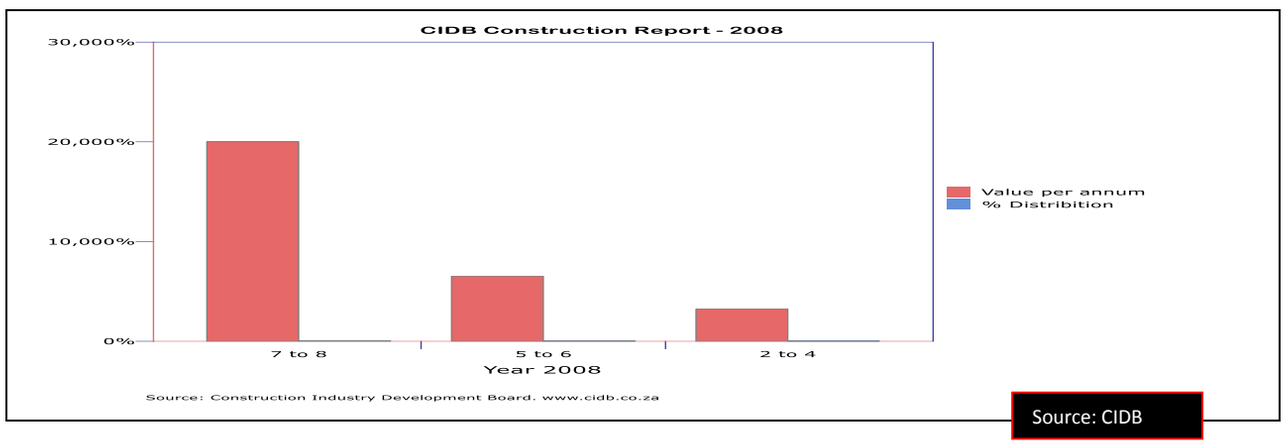
Various initiatives and techniques to support contractor development in the construction industry is public sector procurement exist in South Africa. One such technique is an opportunity provided by the Preferential Procurement Policy Framework Act (PPPFA) which must be streamlined within the Municipal Supply Chain Management Policies.

Emalahleni has a relatively small and less complicated construction industry, with a number of building contractors who are classified as Emerging Contractors. Most of these Emerging Contractors are registered within categories CIDB 1 – 5 of the Construction Industry Development Board (CIDB) of South Africa. Heading toward the 21st century, the companies have to face new challenges caused by globalization, advances in technology and changes in the structure of the South African economy. In order to survive and grow, the Emerging Contractors should always pay much attention to the environment, either general or task, to identify the opportunities and threats. This report, first briefly introduces the changes in the general environment that have effect on the construction industry; then using the model proposed by Porter (1980), the five competitive forces in the Emalahleni construction companies are analysed.

Based on that, finally this report proposes some business strategies that may be suitable for the Emerging Contractors within Emalahleni to grow, by taking advantage of national, provincial, regional as well as local construction opportunities. Of these strategies, strategic alliance, joint venturing, incubation, training & mentoring, vertical and horizontal integration are highlighted as the key strategies that can be used to build Emerging Contractor Capacity.

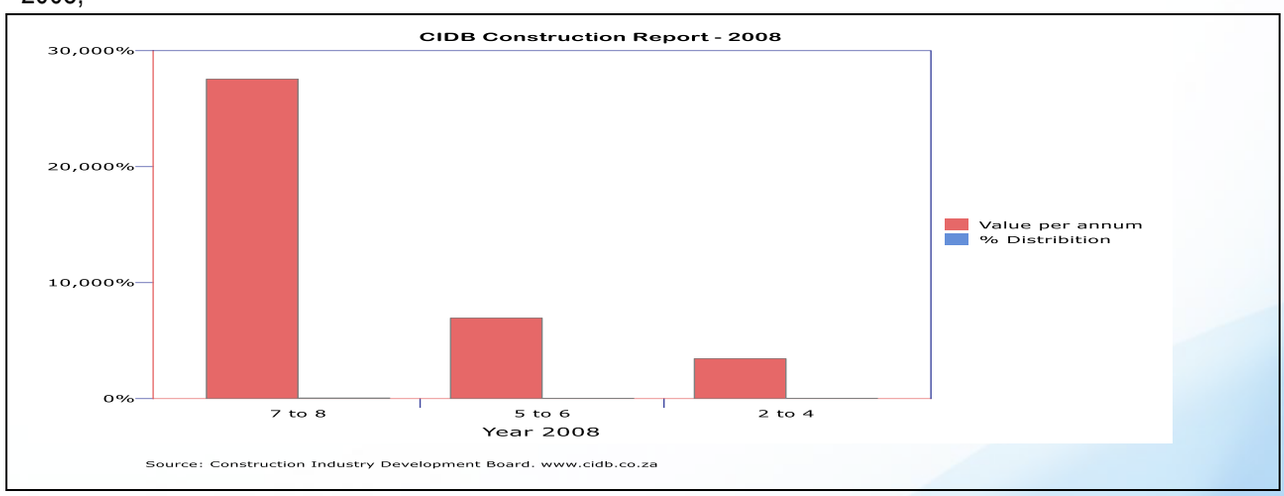
An overview of the total estimated public sector contract awards per cidb Grades is shown below for General Building and Civil Engineering for the period 4th quarter 2007 to 3rd quarter 2008. The distribution in public sector contracts awarded between the gradesreflect the infrastructure requirements of South Africa, but also reflect the potential to support contractor development across the various grades. The figure below clearly illustrates that potential exists to promote contractor development using public sector procurement across all Grades – and not only across, for example, Grades! 2 to 4 which is the dominant focus point of current CDPs within Works Departments.

The ability to use public sector procurement to influence contractor development will however clearly vary from province to province. The following is a breakdown of report contract allocation to CIDB Contractors at national level (Building Work) in 2008;

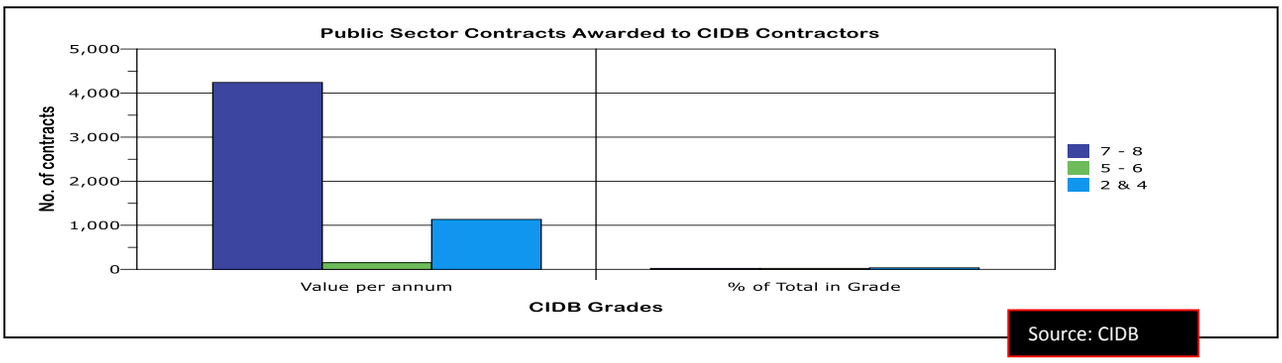


Source: CIDB

The following is a breakdown of report contract allocation to CIDB Contractors at National Level (Civil Work) in 2008;



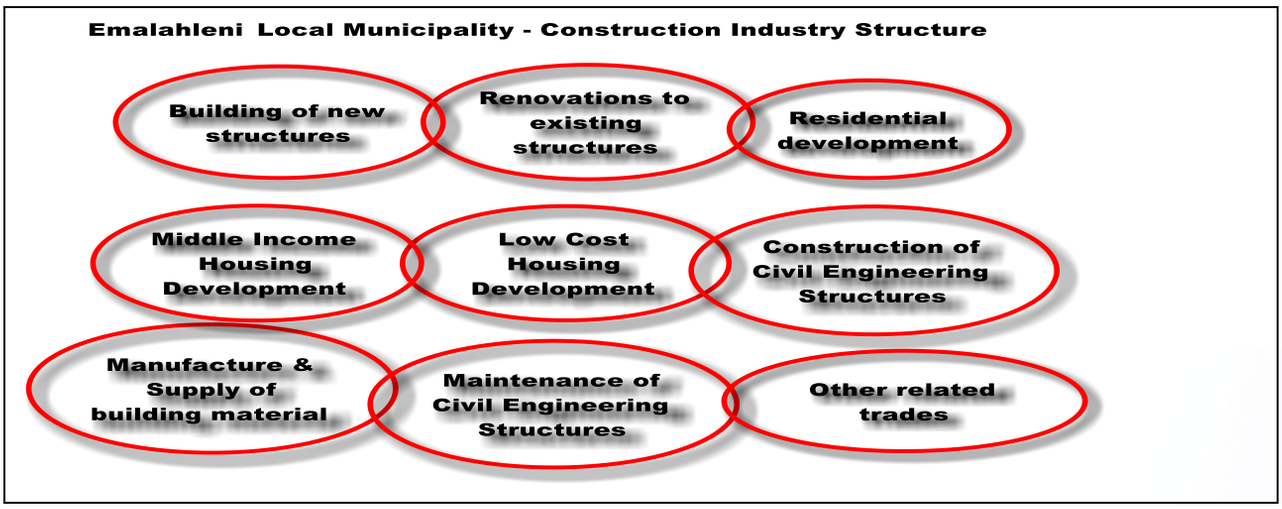
While public sector procurement is a key driver that can be used for contractor development, a further point that needs to be considered is the distribution of public sector spend not only across tender grade and class of works as illustrated above, but also across the life cycle of a project or infrastructure value chain. CDPs should not only focus, say, on new capital works but also on maintenance, refurbishment, etc. The table and graph below reflect the maintenance and refurbishment which currently account for approximately 20% to 30% of all public sector General Building contract awards, and approximately 10% to 20% of Civil Engineering contract awards.



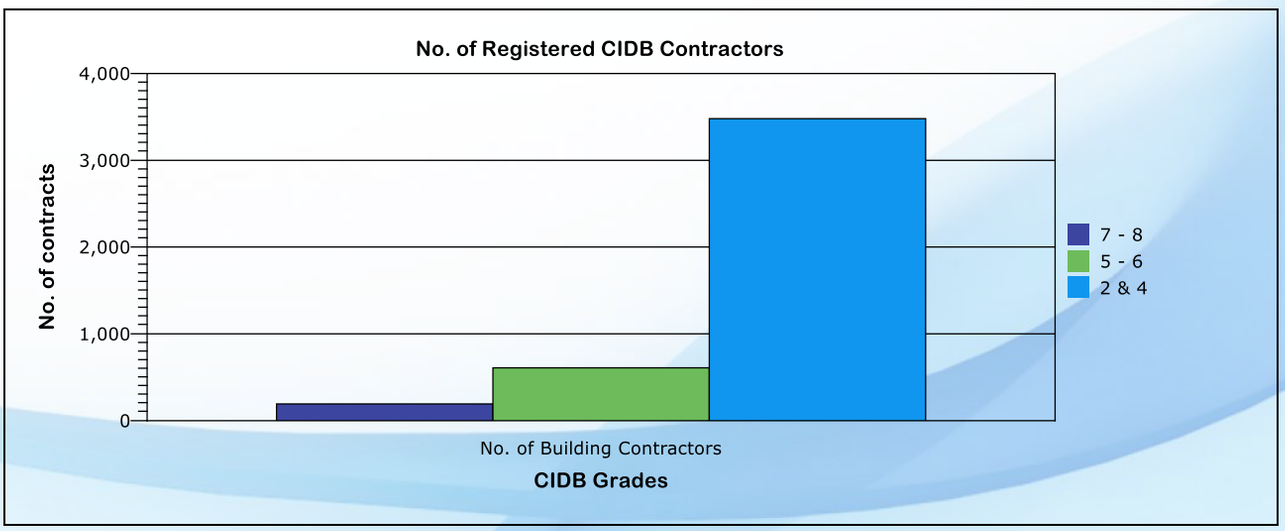
Source: CIDB

CONSTRUCTION SECTOR DEFINITION.

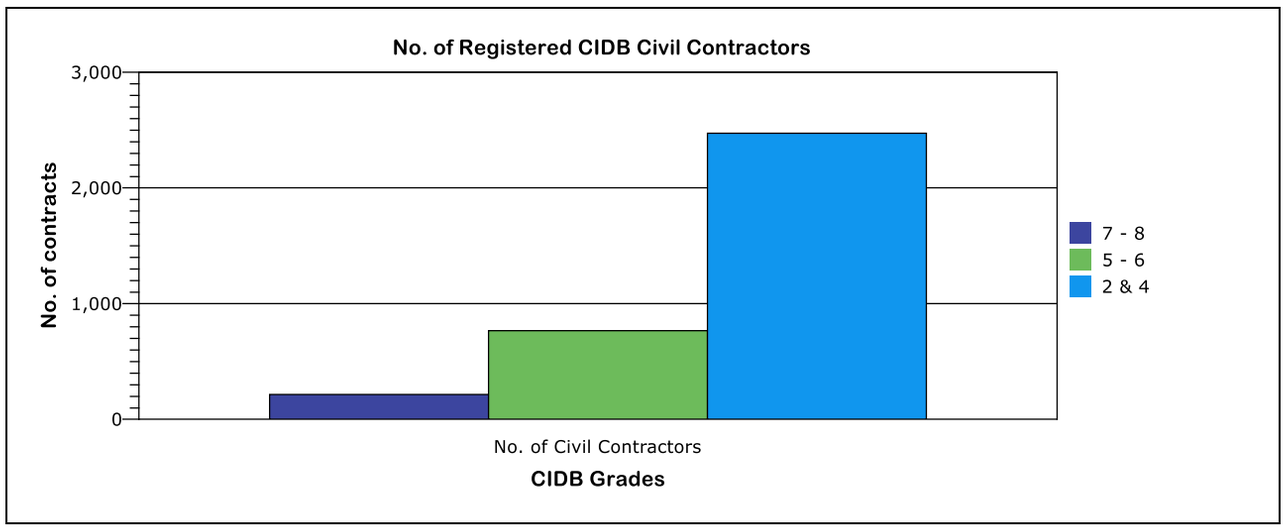
The Construction Sector at Emalahleni Local Municipality is characterized by both the civil and building contractors. Both classes of contractors are predominantly small and compete mainly for the following type of work;



The total number of cidb registered contractors in General Building and Civil Engineering, excluding Grade 1 contractors, is shown in the graphs and tables below and will be elaborated on further in the sections to follow. There are no indications that capacity shortages exist in the lower Grades within the General Building and Civil Engineering classes of works. In fact, all indications suggest that there is an oversupply of contractors in Grades 2 to 4 within these classes of works, and that this is a very competitive environment.



Capacity constraints do however exist in other classes of works within the above mentioned Grades – such as in certain categories of Special Works. CDPs need to take cognisance ofhighly competitive environments, and should avoid, where possible, stimulating further competition through new entrants in competitive environments. On the other hand, CDPs should take cognisance of areas with capacity constraints, and where appropriate should consider designing CDPs to address such constraints that impact on service delivery.



Of significance is that black ownership is relatively high across Grades 2 to 6 – with about 80% of all construction companies being black owned (defined as ownership greater than 50%). Preferencing of black owned construction companies is therefore no longer a sufficient differentiator in the lower cidb Grades to support contractor development –and differentiators are increasingly becoming more performance orientated (such as track record for delivery, competence and experience, etc.).

ASSOCIATED SECTOR ASSOCIATED TO THE CONSTRUCTION SECTOR.

- The construction industry has evolved over the years and became vertically integrated with plant hire;
- Competitive companies within the sector have built a renowned competitive advantage by investing in light and heavy duty plant which is sourced to their construction division to give them an edge over their competitors.

FACTORS THAT MIGHT BE INFLUENCED BY COMPETITORS, NEW ENTRANTS & BY EXISTING COMPANIES.

Threat of New Entrants.

- The height of entry barriers is high as there a considerable capital outlay required to enable emerging contractors to compete on an equal footing with their established counterparts;
- Construction work is secured through very competitive bidding processes that are usually difficult for Emerging Contractors to understand and follow;
- Whilst there has been considerable effort from various institutions of government to train emerging contractors on basic tendering skills, such has not capacitated them to understand the basic construction science and well as the actual technical tender estimation;
- It however recommended that the municipality together with other public sector partners shall initiate an Emerging Contract Development Programme within Emalahleni to up skill the contractors from the lowest CIDB grades to the more competitive CIDB grades as well as sourcing relevant tender estimation or pricing courses such as the Merkel's or Bill Cost specific training and/or similar.

The following are the major drivers of this force;

Supply-side economies of scale.

- The Contractor Incubation Programme Management team aims to ensure that the Construction Education and Training Association (CETA) expedite training arrangements and other programmes such as the Black Suppliers Development Programme of the Department of Trade and Industry;
- The Programme is however not designed to award formal NQF level qualifications such as the National Certificate in Construction (NQF level 4 or 5);
- Accessibility to back-to-back agreements and credit guarantees with the Independent Development Corporation (IDC), Eastern Cape Development Corporation (ECDC) and the banks for bridging finance are also arranged. The Programme is designed so that mentors are appointed to assist the contracting enterprise with its development – to date, a total of 14 mentors have been appointed to provide support to the CIP contractors that are awarded the DPW projects;
- Mentors assess contractor's level of development using the SACEM model and design development plans that guide contractor development through the duration of the programme.
- Mentors coach contractor's onsite during the project and also incorporate outcomes of the development plan in providing support. The key support areas include leadership, project management, stakeholder management, resource management, cost and quality management, handling sub-contractors and suppliers and managing the environmental and statutory requirements e.g. OHS.
- Other support includes training and an arrangement with the Standard Bank to provide financial assistance to the CIP contractors on a piloting basis.
- The training that has been provided to the CIP contractors include training on the CIP procedures, DPW Procurement procedures, JBCC, SACEM Assessment, Small Business Management, OHS Act etc.
- The DPW also facilitates networking and information sessions for the CIP contractors through provincial meetings and using the CIP database.

Demand-side benefits of scale.

- As already noted, demand side project funding is currently a severe constraint within the Programme.
- The NDPW CIP ensures that the security of payment and payment cycles are improved by paying contractors every 14 days, and the NDPW applies the department's waiver of guarantee and scheme.
- There are however no provisions for simplified conditions of contract.
- Joint ventures are only considered where contractors have clearly defined roles and responsibilities to avoid exploitation and delays.

The Bargaining Power of Buyers.

The buyers in the construction industry have their own different characteristics from other industries.

- First, it is the buyers or the owners of the projects initiate the projects, and they would award the project to one company they assume the best through open tender. This gives a lot of bargaining power to the buyers over the construction companies.
- Second, every project that the construction companies take part in usually lasts long enough to contribute a very important part of the turnover of the company, that means the potential for the companies to get a new project will have great effect on their profitability, even survive. This makes the construction companies in a disadvantaged position.
- Third, now there are so many small companies are active in the regional (CHDM) construction market, whose technical or service ability is similar, that makes the buyers have a lot of choice.
- Fourth, the buyers have no switching costs, they can just decide the contractors based on their own preferences;
- Fifth, the whole set of construction activity happens only once for one particular project, and the buyers or customers can only decide the quality of the product after it is finished. These make the buyers always careful when they deliver the projects, which mean they would make good use of their bargaining power.

As a result, the past experience and reputation of the companies become an important source of competitiveness.

- With the development of the economy, the needs of the customer also have been changing, which would lead to the up or down of their bargaining power.
- The increasingly technical, procedural complexity of the projects requires the construction companies' active participation in all the phases of the projects.

Bargaining Power of Suppliers.

- As mentioned before, building material manufacture is characterized by the dominance of large firms. 80% of the building material is supplied by 20% of the companies;
- Suppliers of building material operate strictly on C.O.D. and quite a few companies are able to access credit for building material;
- A few earthmoving or plant hiring companies are vertically integrated and thus give preference to their own contracts and would only hire out obsolete plant.

Government Efforts to Improve the Sector.

DPW Eastern Cape Contractor Incubator Development Programme.

- The Eastern Cape Contractor Incubator Development Programme (EC CIDP) operates in the Eastern Cape Province under the custodianship of the Eastern Cape Department of Public Works (EC DPW). The Programme runs over a three year cycle, and focuses on the development of contractors in cidb Grades 2 to 5. The targets within the Programme are 20% youth, 10% disabled, 50% women and 20% other;
- The EC CIDP is aimed at ensuring that contractors from previously disadvantaged backgrounds are given the opportunity to get mentorship, training and support, as well as to create an enabling environment within which selected existing contracting enterprises can develop into sustainable contracting enterprises;
- The Programme is an advancement programme with each stage of advancement characterized by higher levels of risk to the contractor and the removal of support mechanisms by the department. The staged advancement programme is designed to effectively remove barriers that prevent the full participation of emerging contractors in the construction industry;
- 60 contractors have entered the Programme which was started in 2007, and 12 contractors have to date increased their cidb grading by one grade (predominantly from Grade 1 to 3). No contractors have yet increased their cidb grade by two or more Grades. Because of the newness of the Programme, no contractors have yet exited the Programme.

- **Institutional Capacity and Management Model:** The EC! CIDP has an established regulatory framework to support emerging contractors which allows for targeted procurement procedures which are in line with affirmative action policy;
- The EC!DPW business processes are geared to ensure that budgets and projects are identified in the department's infrastructure planning cycle, and that contractors participating in the Programme are cidb registered;
- The EC CIDP capacity is supported by representative of all the programme stakeholders into a Project Management Unit including the CIDP managers, municipalities and mentors from The Coega Industrial Development Zone (IDZ);
- Geographical constraints appear to be not dealt with adequately in the Programme, and have been highlighted by various contractors;
- The mentoring capacity and support is perceived by the contractors to be adequate, but the in-house capacity of the department is perceived to be a major constraint in effectively running the Programme;
- Contractor Development Model: Selection of a contracting enterprise is based on experience in contracting and experience in the construction-related activities;

- The level of a contractor's development is assessed using SACEM, and a minimum level of development is required for admission to the Programme; Contractors participate in the Programme for a period of three years, during which time they receive access to finances, appropriate support, and accredited training programmes to address managerial, financial, technical and administrative capabilities;
- The procurement method applied by the EC CIDP is based on limited bidding processes, and the EC CIDP aims to provide contractors with sufficient work opportunities within the Programme. Sustainability of work within the EC CIDP has however been highlighted as a major constraint by participating contractors – particularly at the lower cidb grade levels;
- The EC CIDP relies on a mentorship programme for monitoring and evaluation, and to set criteria for performance standards. The Programme therefore relies on the mentor and training to reduce the Department's risk and exposure to non-performance, whilst affording small and emerging contractors an opportunity to overcome business impediments;
- The emerging contractors are guided and advised in areas in which they need to improve their competency and develop the technical, managerial, administrative, commercial and business skills of their key staff members;
- Joint ventures are only considered for projects were different classes of work are required, in which the partners in the project therefore have clear defined roles and responsibilities. Subcontracting is also encouraged to create business linkages between emerging and small contracting enterprises;
- No clear strategies appear to exist to ensure continued support for contractors that have exited successfully;
- Demand Side Practices: The EC CIDP does not require any sureties from contractors, but applies a retention system to reduce risk;
- Payments cycles ensure the contractor are paid twice every month, but information regarding payment disputes resolution processes could not be obtained;
- The EC CIDP uses the cidb Standard For Uniformity Procurement Tool to simplify their procurements processes;
- Supply Side Practices: The EC CIDP provides entrepreneurial training for small start-up businesses to facilitate their entry into the economy, and provides access to experienced and accredited mentors which monitor and evaluate the progress and skills of contractors throughout the Programme Access to finance has been facilitated through an MOU with financial institutions, with mentors providing support on financial management.

7.3.6.2 ECDC IECDM

- Overview: The Eastern Cape Development Corporation Integrated Emerging Contractor Development Model (ECDC IECDM) was not part of the CDP assessment, but a brief description of the Programme is included here.
- The ECDC IECDM was driven firstly by the risk management needs of clients in the region, and secondly by the ECDC's mandate as a development corporation. The model (or Programme) is based on the principle of creating a controlled environment where measurable standards are set, actual measurements done, deviations assessed and corrected, in order to reach the stated objectives. The model thus had as one of its cornerstones a Total Quality Management (TQM) intervention embedded.
- The ECDC IECDM runs over a two year period, and currently has about 62 contractors enrolled – predominately in Grades 2 to 6.
- In the previous ECDC IECDM Programme that ended in 2008, 54 Grade!1 to 5 contractors were enrolled – of which 51 increased their cidb grading by one level, two contractors have increased their grading by two levels and one contractor by more than two levels.
- Institutional Capacity and Management Model: The ECDC CDP "Integrated Emerging Contractor Development Model" is well documented6, and brings together a range of stakeholders, including:
- Project Managers;
- Clients: Every project has a clearly identified client, committing projects to the value of R5 million and more for a period of at least 24 months;

- Accredited Construction Mentors, to oversee the institutional (formal) training of the emerging contractor and the transfer of such skills to the business of the contractor – with the objective of developing a self-sufficient and sustainable contractor, who can operate independently after 24 months. They are selected on the basis of:
- passing an examination and psychometric evaluation (aptitude test) conducted by the University of the Free State (or another acceptable evaluation);
- having taken part in a structured training course to establish understanding and compliance requirements of the mentoring objectives;
- Passing a personal interview for selection in to the Programme;
- by showing dedication and commitment to act as business advisor and confidant of the emerging contractor, and in some instances taking an executive responsibility;
- Construction Education and Training Authority (CETA), to:
- provide finance in support of a tripartite agreement to facilitate training by a training provider;
- provide assistance with the Recognition of Prior Learning (RPL) process; and
- assess training outcomes and the awarding of qualifications.
- CETA accredited Training Providers are carefully selected in order to assure that the Training provider is capable of providing the required training, working within a structured managed programme;
- Independent Quality Managers, who monitor all the elements of the Programme. Quality Managers meet with contractors and their mentors quarterly to assess monthly progress reports from mentors, contractors, training providers, quality managers and the project managers. Comprehensive feedback regarding the programme progress is then provided to the client.
- Contractor Development Model: Contractors are subject to selection in order to enter the programme based on the following criteria;
- Assessment and acknowledgement of previous learning (RPL) in order to select a suitable training package;
- Must satisfy the minimum CETA requirements to enter a “learnership”, leading to a national construction contractor qualification; must past a potential test as part of the selection criteria;
- commitment to the intensive 24-month training programme; and
- Have to be positively disposed towards a mentor/protégé relationship.
- Demand Side Practices: Currently, the ECDC has MoU’s to provide such projects with the EC Provincial Department of Public Works and the EC Departmental Housing, each committing projects to the value of R5million and more for a period of at least 24 months.
- Supply Side Practices: Contractors are trained in terms of the National Qualifications Framework (NQF) on Level 2 Construction Contractor Learnership. The Programme is structured according to the 70:30 CETA requirements for the time distribution between classroom and onsite training.

- The onsite portion of the training is substantially enhanced by the presence of the mentor. Classroom training takes place for two full days every week over a 24-month period. This however placed considerable strain on the contractors, who in conjunction with this training, still had to attend to their daily business activities – resulting in some delays.
- A dedicated bank account is recommended for each construction contract that is entered into and all payments due to the contractor for work done have to be ceded to this account and only be withdrawn under the joint signatures of the contractor and the mentor.

RECOMMENDED STRATEGIES FOR CONSTRUCTION SECTOR DEVELOPMENT.

In order to propel the construction sector within Emalahleni Local Municipality into competitive levels, the following strategies are recommended for implementation;

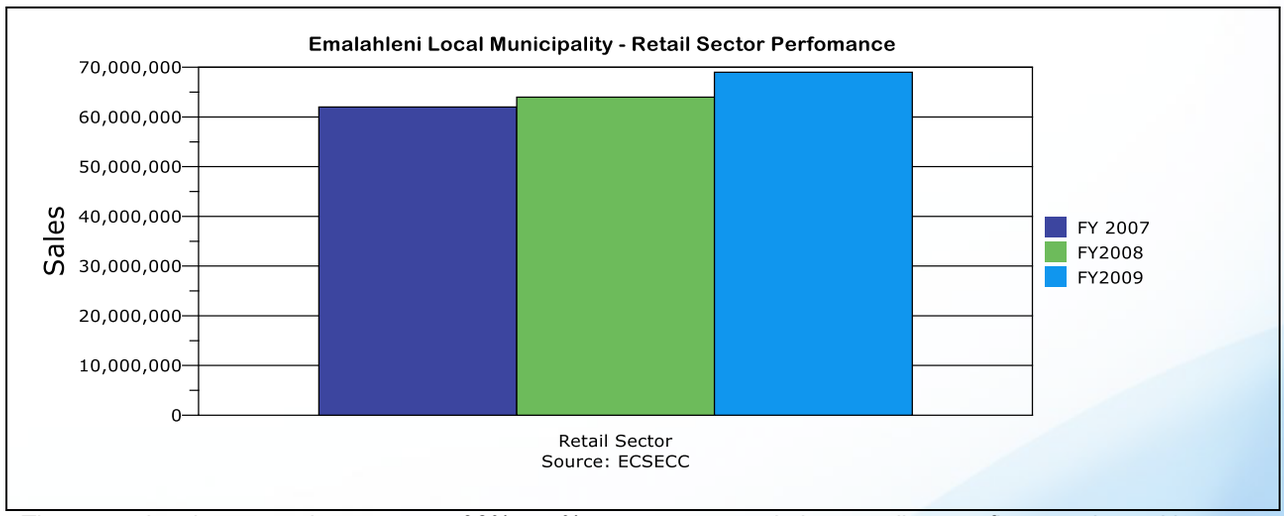
- Establishment of a database of all registered building and civil contractors from CIDB 2 & 6 and classify them according to location, size as well as other demographic characteristics;
- With the assistance of such institutions as Seda, ECDC as well as CIDB, assist registered contractors on lower CIDB grades to move up the current CIDB Grade to the next CIDB Grade;
- Put together specific and targeted training programmes such as the following;
    - ✓ Basic Construction Management Training Course (put together with CIDB and/or DPW);
    - ✓ Enroll such emerging contractors on a Merkel's or Bill cost Tender Estimating Course;
    - ✓ Ensure that all contractors have a Basic Construction Management Reference Manual as well as access to Merkel's Builders Pricing Manual;
- Enroll all contracts that have undergone such specific training programmes to a Specific Incubation Programme and facilitate linkages;
- Create specific opportunities for access to construction work within CIDB Grade 2 & 6;
- Create joint venture opportunities with the established Building & Civil Contractors for specific projects within Emalahleni so as to allow an opportunity to learn and move up the grades within CIDB;
- Assist in creating at least three (3) horizontally integrated construction companies (SPV) where a group of not more than five (5) emerging contractors are shareholders;
- Assist companies established to be vertically integrated;
- Assist companies in building stronger techniques for (STP) market segmentation, target marketing & market penetration as well as diversification;
- Graduate the contractors out of the programme and bring in a new group.

22) SECTION 9: THE RETAIL SECTOR.

Despite the global recession, which also impacted local markets, South African retail experienced slightly stronger growth in 2009 than the previous years. While this may largely due to increased unit prices, many local retailers are dropping prices in order to drive volume sales. Due to South Africa's history of apartheid and allied international sanctions, retailing is dominated by several large South African holding companies, which account for by far the majority of the leading retailing brands in South Africa.

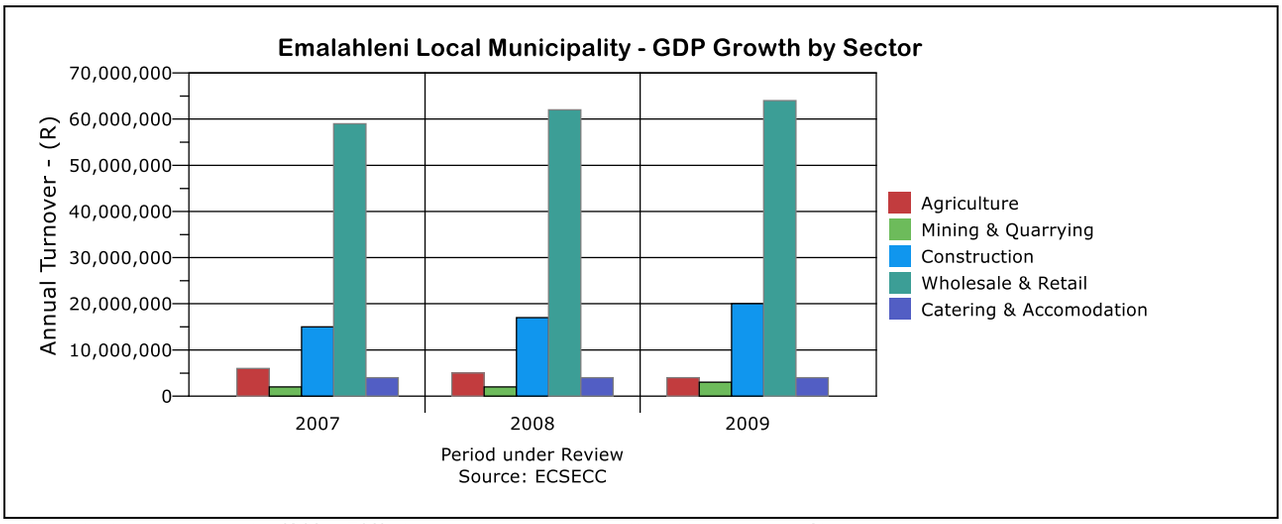
The holding companies operate in various categories, ranging from grocery to clothing and footwear and furniture and furnishings. Not only do these companies offer a number of brands within a certain area of retail, but they also ensure that they capture a core target market, whether lower-, middle- or upper-income consumers. The competitive environment may see a shake up when leading international players take an interest in the opportunities South Africa presents. While South African retailing experienced strong growth in 2009, growth is expected to stabilize over the forecast period. The effects of the current economic downturn will continue to be felt, and as consumers realise there is no immediate change in the economic climate, so they will further curb spending on non-essential items.

Emalahleni has a relatively small and less complicated retail industry, with a number of national franchises and self-owned small owned (SOHO) retail outlets. The sector spreads to rural areas with retail outlets that sell a mixture of products. The retail sector has seen considerable growth in the past three to five years. This report, first briefly introduces the changes in the general environment that have effect on the retail industry; then using the model proposed by Porter (1980), the five competitive forces in the Emalahleni retail sector is analyzed. Based on that, finally the Strategy proposes some business strategies that may be suitable for the Retail Sector within Emalahleni to sustain and grow.



The sector has been growing at a rate of 3% to 5% year-on-year and given retail sector figures released by Statistics South Africa, the sector has recorded a steady growth during the first quarter of 2010.

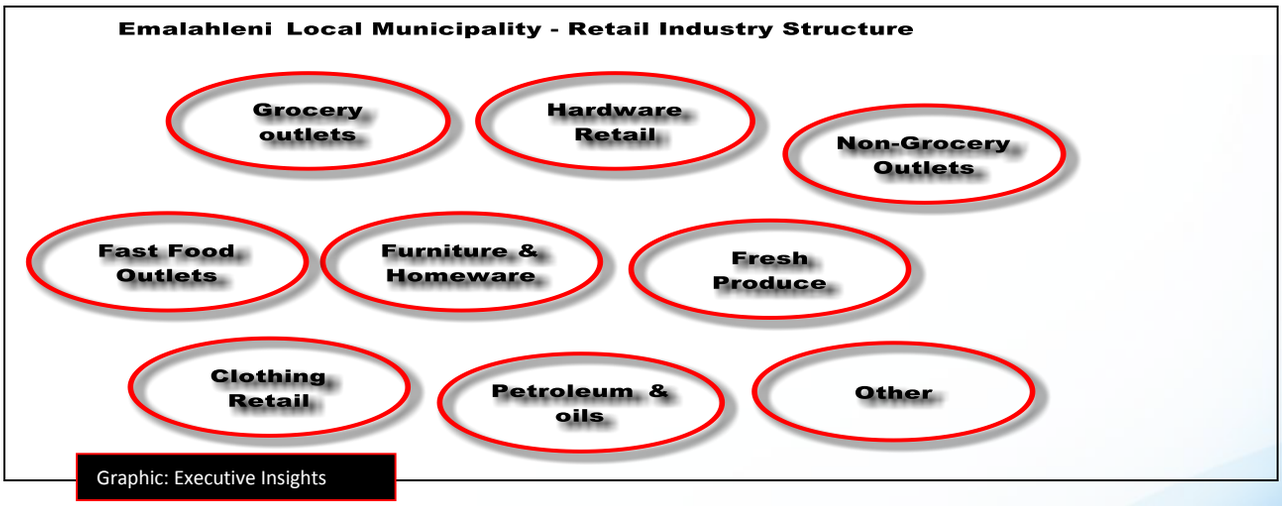
The wholesale and retail sector has contributed about 80% to the Gross Domestic Product and has seen a steady growth for the past three financial years (2007, 2008 & 2009).



Despite the low growth (3% - 5%), the sector remains attractive and profitable. The sector continues to maintain a good competitive position and requires a lot of support in order not only to sustain the growth but expand it.

THE RETAIL INDUSTRY DEFINITION.

The Retail Sector at Emalahleni Local Municipality is the biggest contributor (except for government) to the GDP of the municipal area. The sector has been classified in terms of its offering in the following graphic;

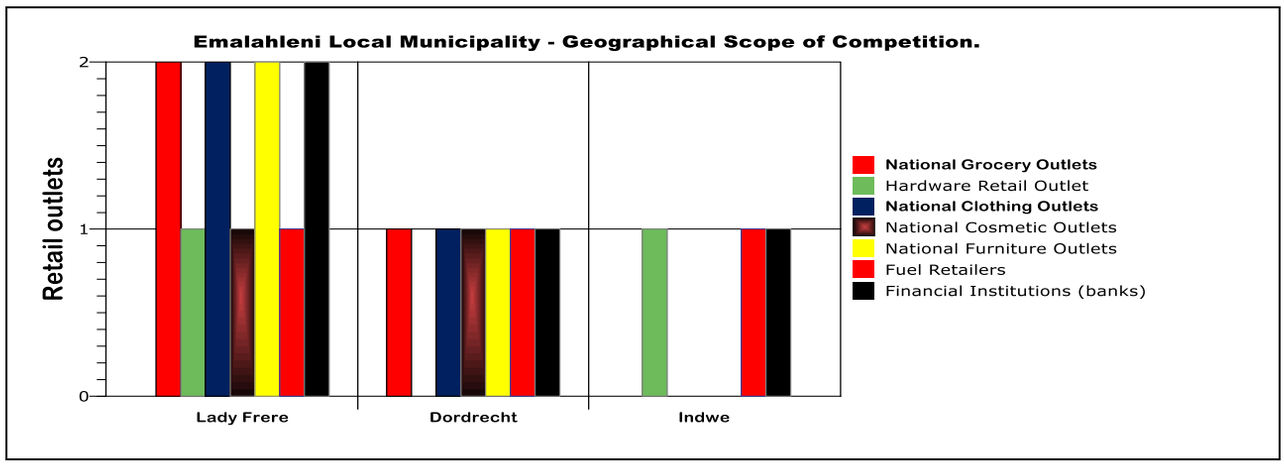


Graphic: Executive Insights

The sector is composed of mixture of retail outlets which can be classified as Small, Medium & Micro Enterprises as most of them have an annual turnover of not more the R5Million. As has been eluded in this report, there a good mix of national franchise outlets particularly in the town of Lady Frere whilst there is one national grocery outlet in Dordrecht and no national grocery outlet at Indwe. There is also a good mixture of small owner home owned (SOHO) enterprises that are usually classified as SMME's.

GEOGRAPHIC SCOPE OF RETAIL COMPETITION.

There are different types and sizes of retail outlets located on all the three town centres and are illustrated in the following graphic;



FACTORS THAT AFFECT RETAIL SECTOR COMPETITIVENESS.

The competitive of the wholesale and retail sector has been undertaken using the Porter's Five Forces Model, see graphic below;



Adopted from Michael C. Porter's 5 Forces.

Forces	Description & Effect
Rivalry amongst existing entities	Rivalry is quite low as there are fewer competitors because of the small size of the economy.
Bargaining power of buyers.	The buyers operate within prescribed principles of the supply chains that govern the national franchises. This power is high as this sector as it is driven by volume, variety, variation & quality.
Bargaining power of suppliers.	This power is quite high. Suppliers are competing for higher returns in a competitive market. Price, quality and after sales services are the drivers of this force.
Entry by competitors.	Financial institutions are risk averse and impose a lot of austerity measures thus making it difficult for new players to access capital. There is currently a considerable rate of market pull-backs because of recession therefore very little chance of new players entering this space.

The wholesale and retail sector is a biggest contributor in the Emalahleni Local Municipality's Gross Domestic Product as has a highest labour absorption rate. Prudent planning as well as developing and setting up of specific strategies would ensure that this sector maintains its competitive position and also create a firm platform for expansion and growth.



There are two proposed approaches to achieve this, one being the application of generic strategies and secondly thecreation of the appropriate infrastructure. The proposed strategies are illustrated in the graphic above;

Strategy	Description & Effect
Cost Leadership.	Requires aggressive construction of efficient-scale-facilities, pursuit of cost reduction, tight overhead control, avoid marginal accounts, cost minimization in areas such as R&D etc. Can also be achieved by having a high market share, favorable access to raw materials.
Focus.	Achieved by focusing on a particular group, segment of the product line, geographic market etc.
Enabling Infrastructure.	Basic infrastructure that is essential to optimal operation of the sector.
Appropriate By-Laws.	Passing Bye-Laws that are friendly to business in general but appropriate to the wholesale and retail sector specifically.

23) THE MINING SECTOR SECTION 10

BRIEF OUTLINE OF THE COAL MINING ACTIVITIES.

Emalahleni Local Municipality has a proven resource of coal found on coal beds located at Indwe area. The Department of Minerals has awarded rights to a Port Elizabeth based company known as Elitheni Coal Energy Efficiency. According to Elitheni, the coal resource is about 150 million tons, less than 3% of the area available to it for prospecting purposes. Ofthese150milliontons, 31million tons have been deemed of viable export quality.

The coal found in the coalfields varies I nature from anthracitic ,to lean and bituminous coal, with evidence of coking coal resources. The coal typically has a high ash which can be washed to acceptable levels at economic yields. The coal has advantages in that it has particularly low sulphur, phosincoal and inherent moisture, the former two characteristics being of particular importance in the metallurgical industry. Elithenihas9281haofminingrightsSWofthetownofIndweintheGuba Valley /Macubeni Area. Additional prospecting right sover surrounding privately owned farm land comprises a further approximately/about 60 000ha. All rights are new order based on the MPRDA of 2002.

There-opening of the coal fields was on the basis of the need for power generation in the Eastern Cape, given that Eskom lose between 10-21% of power transmitted from northern parts of the country to the coast. In addition, and as a result of these losses, the electrical grid in the Eastern and Western Cape is largely unstable and very dependent on the stability of Koeberg. Elitheni has a signed off-take agreement with independent power producer (IPP)IPSA, for 1 million tonnes of coal per annum; in support of a planned mine mouth IPP plant. Unfortunately this has not yet materialized due to the fact hat

Eskom's base load power programme for which IPSA had pre-qualified has tarried. The recent award of MTPPPPPA's (IPSA being one) as well as the recently announced and imminent release of the IRP2010, is indicative of action in the energy sector which will hopefully facilitate the award of base load PPA's to IPP's. It is difficult to estimate when this supply will commence given the dependency on the IRP 2010 and related governmental processes. Given delays in IPP generation in SA, Elitheni embarked on an export feasibilitystudyinJune2010, to assess the viability of exporting coal to countries north of South Africa. Although this has progressed well and initial results are positive, we have not yet released an announcement on this and cannot provide further information, suffice to say, the company, subject to progression to a FEED stage and conclusion of the BFS, would look to commence exporting coal in Q1/2 2012.

Elitheniiscurrentlyminingforsupplytolocalbrickyardsonasmallerscale, however, will commence supply to larger industrial clients before the end of the year, which will see a gradual ramping up of production and supply, through the course of 2011. The local industrial supply is based on technology the company is introducing to market, capable of burning the anthracitic coal for steam generation. The primary ramp-up will only occur in 2012 based on the export strategy being targeted, namely 1Mtpa ramping up to 2Mtpa. Exportsof1Mtpawillresultinrequiredproductionof about 1.9Mtpa,given additionallocalmarketpenetration;productionof2.25Mtpaisexpectedin 2012/2013.

This level of production will result in approximately 1000 direct jobs created by the mine.
Using an accepted multiplier of 10, it can be expected that over 10 000 jobs will result, capable of feeding over 100 000 people. GiventheEmalahleniLocalMunicipalitycomprisescirca125 000peopleof which poverty ratings are high, this will represent significant opportunity. Although not released and therefore it is not permissible for us to relay, CAPEX figures and related investment in the Eastern Cape will be considerable. A research note compiled by the company's advisors at the beginning of the year, highlighted a possible investment in the Eastern Cape of over ZAR 500M from the mine alone. An IPP power plant could result in an investment 10 times this size.

Elitheni is committed to the ELM and to the success of this project. Many hours, millions of Rand and the investment of hundreds of people's energy have gone into bringing this project where it is today. The discovery of exportable quality coal, power generation possibilities and the development of local technology to assist in local market supply, has resulted in significant additional opportunity for the mine.
Elitheni until today has largely been an exploration company and although industry norms refer to a 5 year ramp-

up in terms of application to turning ore, Elitheni have accomplished this in 4 years and are optimistic, with the support of the ELM, the traditional leaders and the community and other key stakeholders and shareholders at large.

MAINSTREAMING OF COAL MINING OPPORTUNITIES ONTO LED.

Based on the synopsis given above (**source: Elitheni Coal Mining**), the municipality has taken a strategic decision to mainstream coal mining on the LED Strategy, on a what-if-scenario basis. The mainstreaming has the following implications;

a. That as and when the intended mining and related operations take, the municipality will provide the relevant institutional support as required by the mining company.
b. The municipality will provide the relevant infrastructure within its capacity to support the initiative.

24) SECTION 11: INSTITUTIONAL ARRANGEMENTS & BUILDING CAPACITY TO DELIVER THE STRATEGY.

The success of the LED implementation hinges on the success on appropriate institutional arrangements, institutional capacity, resource and effective governance. The coordination organisation for local economic development is best thought of as set functions within Emalahleni Local Municipality rather than a single unit or division performing all the tasks. The key elements of this environment are:

1	**Appropriate Leadership.**
Local government cannot drive economic development on its own but can act as a facilitator and leader. LED requires political will, as it involves decisions around resource allocation and the realignment of investment. In Emalahleni Local Municipality the politicians have provided leadership on some key matters, but gaps remain, and there has been no coherent overarching economic development strategy. LED also requires management leadership to translate this vision into a programme of authoritative action. Specific connections need to be established between the Council and formal, informal and black businesses, agencies and sector bodies such as tourism bodies, sector groups such as organized agriculture and civil society. In addition, this leadership needs to connect across the geographic area. To date, development in Emalahleni Local Municipality has not been driven with a shared growth lens and at times the formal private sector has set the agenda. This LED formulation process provides a platform for Emalahleni Local Municipality to engage with the respective stakeholders and position itself as a leader of economic development in the region.	
2	**Advancing Batho Pele Principles.**
The quality and efficiency of service delivery and the attitude of municipal employees impact on the economic attractiveness of the area. At the household scale, the quality and effectiveness of interactions with the Council have an enormous impact on livelihoods. Reliable service delivery (water, waste and energy) is key. The bulk of the complaints tabled in the course of the LED strategy development were in the area of planning. People spoke of years, not just months, that they had been waiting to conclude deals or secure approval, resulting in high holding costs. In the case of former township areas applications for rezoning just don't seem to be prioritized and land continues to stand vacant, while business people simultaneously wait for land to do business on.	
3	**Land Use Planning**
Land release and planning are both key drivers of development and therefore need to be urgently addressed by the Municipality.	
4	**Stakeholder Mobilization, Engagement and Participation.**
There is a need for both formal and informal participation mechanisms. Formally the Ward Committees and the Integrated Development Plan (IDP) are the vehicles for such engagement. Emalahleni Local Municipality has one of the better functioning ward committee systems in the province and holds annual IDP consultations.	

However, while technically compliant, the participatory spirit of consultative government in Emalahleni Local Municipality has been questioned. Across the board, rich and poor communities complained about the lack of adequate information on processes and procedures and the inaccessibility of staff. In general, people felt the area offices were more accessible than the Lady Frere head office. In addition, business noted that the lack of access to the Municipal Manager and the political leadership hampered investment. There are many dimensions to this problem. Firstly, business wants to talk to the Municipal Manager in person. Lack of presence of ward councillors has been identified as another bottleneck. Secondly, business approaches are often in relation to a particular project. The Municipality cannot be seen to be providing unfair advantage to any potential investor and therefore needs to approach such requests with caution. Finally, economic development is not always regarded as the priority and needs to be balanced with other demands around community development, provincial alignment and compliance. Regardless of the reasons, the inaccessibility of the Municipality perpetuates historic power relations as new entrants into the market do not have the knowledge around how to make an intervention such as acquiring a piece of municipal land. Interviewees regarded the Municipality's public communication strategy as weak. The call from all the groups interviewed was for the Municipality to become more transparent and accessible.

5	**Compliance to national and provincial government requirements.**

Core policy processes that are of direct consequence for economic development have to be completed or aligned to latest legislative revisions, including the Spatial Development Framework (SDF), (work-in-progress), SCM Policy to be aligned to latest PPPFA Regulations, BBBEE etc, indigent policy and reform of regulations and any other relevant sector plans such as Marketing Strategies, Agricultural Strategy, Poverty Reduction Strategy and/or SMME Strategy.

6	**Capacity to manage programmes and initiatives in the economic sphere.**

LED requires a coordinated and aligned public sector which understands the economic consequences of its investment and management strategies and overall activities. In Emalahleni Local Municipality the top management team must provide an opportunity for such integration. The dispersed nature of service delivery in area offices presents a particular set of challenges. Because economic development is a new function of local government and a fairly new establishment in Emalahleni Local Municipality, links between the economic directorate and other key Council activities, such as planning must be to optimized for economic growth.

7	**Intergovernmental Relations**

LED requires an intimate knowledge of the local context, including the structural forces that mitigate against full economic participation by the poor. The ability to engage strategically with diverse local stakeholders and to position the local economy within a wider context thorough programmatic action is a poorly developed but critical area of LED. Emalahleni Local Municipality is a relatively small area with huge potential, and a large number of small local businesses and unorganized communities. Capitalising on these resources and positioning the economy on a growth path that fosters local inclusion require smart leadership and capacity on the ground.

ASGISA highlights the current regulatory framework for planning and management of land as one of the constraints to growth and development. It calls for spatial development guidelines and systems to address mega-projects. Despite having a spatial framework and plans to review all spatial guidelines and consolidate these into a single enabling framework, some business and individuals all complained about the poor turn-around time on rezoning applications and municipal land release agreements.

8	**Strategic and development capacity**

Emalahleni Local Municipality has to establish an LED Unit paving the way for additional capacity and more direct involvement in economic service delivery. The Unit needs to be sufficiently capacitated in terms of understanding of economic development, strategy as well as in many facets of LED. Many of the interventions will be better managed outside the municipality by the private or community sectors, highlighting the need for outsourcing and partnerships. An independent Development Agency, in which the municipality will be the sole shareholder, needs to be considered for establishment in order to ringfence capacity, funding and expertise for LED.

9	**LED Funding**
Many of the LED activities local authorities are expected to engage in are unfunded, resulting in large unfunded mandates that drain municipalities of their resources. The municipality has a responsibility to fundraise for its LED initiatives and programmes.	
10	**Intergovernmental Relations (IGR)**
Economic development is a competency of all spheres of government and an LED strategy needs to be coordinated with economic plans at other scales, including the district, province and national. No large-scale LED initiatives are possible without the cooperation of state-owned enterprises. Coordination needs to cover asset management, infrastructure investment, regulation of economic activity and sector support, as well as spatial prioritization.	

25) SECTION 12: STRATEGIC APPROACH

The strategy is a multi-stakeholder area-wide strategy that will need to be collectively owned and driven.

VISION

Accelerated growth that integrates and connects the municipality, its people and its resources in a journey towards creating sustainable enterprises and creating demand stimulating jobs.

GOALS

The proposed goals of the Emalahleni Local Municipality economic development strategy are to:

1) Increase economic growth to 5% per annum by 2015.
- ✓ Indicator: Increased levels of GDP contribution by indentified sector, growth in number of people employed at least 5%.

2) Broaden participation in the economy
- ✓ Indicator: Percentage (%) of contracts awarded to local black economic empowerment (BEE) firms and achievement of the respective sector charter targets.

3) Halve official unemployment by 2015
- ✓ Indicator: Unemployment statistics, municipal and business figures on the number of additional jobs created.

4) Halve poverty by 2015
- ✓ Indicator: Percentage and number of people living below the household subsistence level, percentage and number of people without basic services.

5) Build the human capital of the residents of Emalahleni Local Municipality, especially the poor, in line with the changing needs of the economy
- ✓ Indicators: Average level of education, accredited training providers in the municipal area, percentage and number of trainees who have secured employment, analysis of the number of people in unskilled, semi-skilled and highly skilled jobs.

The goals measuring success will depend on good baseline data being available.

26) SECTION 13: STAKEHOLDERS AND THEIR ROLES.

LED is a multi-stakeholder process and careful attention therefore needs to be given to the division of roles and responsibilities. Depending on the circumstances, and the programme adopted, the role of each stakeholder will vary. The section below provides an overview of the possible roles for each of the five primary stakeholders in the LED implementation process.

ROLE OF GOVERNMENT

Government officials and politicians have a combination of roles to play, including the roles of manager / co-coordinator, facilitator, investor, representative and regulator. As this local economic development strategy is for the Emalahleni Local Municipality, the focus will be on the responsibilities of local government. However, as stated earlier, the local economy is inextricably linked to the district, provincial and national economies. The district has a role to play in respect to coordination between surrounding areas, facilitation of sector strategies and investment in district-wide initiatives. Province and national have a role as regulator, investor and coordinator. Local government must play all the various roles in partnership with the district and province. As this is the Emalahleni Local Municipality strategy, the remainder of this section focuses on the role of local government.

Manager and coordinator:

- In this role, local government is the implementer or responsible authority;
- ✓ Policy formulation and leadership of integrated local economic development planning;
- ✓ Collation and interpretation of economic intelligence;
- ✓ Identification of infrastructure needs;
- ✓ Management of national and provincial government mandates and interventions;
- ✓ Facilities management;

Facilitator:

- In this role, local government improves the environment and services, and facilitates outside expertise and resources to meet needs.
  - ✓ Dissemination of information;
  - ✓ Creating a conducive and enabling business environment and culture;
  - ✓ Infrastructure provision;
  - ✓ Support of the informal sector and SMMEs;
  - ✓ Facilitation of development funding;
  - ✓ Process facilitator.

Investor:

- Government is a major investor and can use its resources to drive and stimulate the local economy. Below is a list of investment vehicles. Some are funded via the province, with the Municipality acting only as an agent, while others involve the direct resources of local government.
- ✓ Procurement policy;
- ✓ Use of state assets (province and local);
- ✓ Infrastructure investment (province and local);
- ✓ Housing investment (agency function for province);
- ✓ Land use planning;
- ✓ Environmental regulation (province and local).

Regulator:

Government is responsible for policy, and as such is regulator and enforcer and needs to ensure that this role supports rather than constrains economic development. Here issues of environmental management, zoning, licensing, by-laws and municipal police and enforcement are all important.

Representative:

- This is usually the role undertaken by elected representatives within local government.

✓ Understanding citizens' needs and communicating these to the administration
✓ Monitoring delivery and performance against the agreed plan.

- The municipality needs to be clear on what role it is playing or can play for each of the proposed interventions within each step of the process.

ROLE OF LABOUR

Organized labour is an important stakeholder in the implementation of LED initiatives and programmes. Increasing the number of jobs is a key objective of LED. Job seekers as well as those already employed must be consulted in the LED process.

Workers:

Labour represents the backbone of the economy. Workers have a role as productive human capital, as consumers and as political interest groups.

11.3.2 Representatives:

As labour representatives the mandate is to:

✓ Understand workers' needs and communicate these to the management and the state;
✓ Monitor delivery and performance against the agreed plan.

Role of communities

Buying, selling, building, saving and investing lie at the heart of community organization, culture and identity. To ignore the community voice in an LED process would be to miss a fundamental constituency.

Consumers / investors:

Without consumption the economy would not exist. By choosing where to spend their money, on what products and on what suppliers, communities invest in the local economy daily. Recognizing their power is an important part of LED.

Stimulators / entrepreneurs:

In this role, communities stimulate business creation or expansion through:

✓ Identification and support for markets
✓ Partnerships.

11.3.3. Representative:

This is usually the role undertaken by elected representatives or organisations. As community representatives the mandate is to:

✓ Understand citizens' needs and communicate these to the administration
✓ Monitor delivery and performance against the agreed plan.

ROLE OF NOT-FOR PROFIT ORGANISATIONS.

Facilitator:

In this role, not-for-profit organizations facilitate outside expertise and resources to meet needs through:

- ✓ Dissemination of information
- ✓ Support for targeted groups
- ✓ Facilitation of development funding
- ✓ Facilitation of partnerships between different stakeholders to address a need or deliver a project
- ✓ Process facilitator.

Investor:

Not-for profit organisations are a significant resource in a community. The commitment and passion of members along with the funds raised can be used to drive and stimulate aspects of the local economy. This role is at times shared with the public sector, parastatals, communities and the private sector who choose to become partners in the development of a project, area or target group.

Stimulator / entrepreneur:

In this role the not-for-profit organisations stimulate the local economy through:

- ✓ Identification of gaps and areas of need in communities and the design and development of programmes to address these needs;

ROLE OF BUSINESS

While the role of business in LED is widely acknowledged, there is a tendency only to focus on big business and the formal sector. The informal sector also has an important role to play as investor and entrepreneur. Roles cross the formal and informal divide.

Investor:

The private sector is a major investor. Its resources drive and stimulate the local economy, both spatially and sectorally. This role is at times shared with donors or parastatals, which provide capital to the public or private sectors and become a partner in the development of the area.

Stimulator / entrepreneur:

In this role the private sector undertakes the following:

- ✓ Promotion of particular sectors or areas that could be sustained by the market in the long term, for example, the development of business infrastructure to attract business in a situation where the market (consumer or skills) exists, or the development of specialist skills, e.g. in specialised agriculture, or the mobilisation of a sector on the understanding that organised business is better able to engage government than fragmented and disparate individuals and firms.

27) SECTION 14: GUIDING PRINCIPLES

The following principles are proposed to guide economic development at Emalahleni Local Municipality;

a) Balanced Development

The development of the local economy will ensure that the uniqueness of the local environment is protected. Balanced development also means that at times tough choices will need to be made and environmental, social and economic needs will have to be balanced to ensure that local economic development actions benefit all residents of the Emalahleni Local Municipality municipal area.

b) Diverse Economy

The Emalahleni Local Municipality has the following key economic sectors: tourism; agriculture & agro-processing; building (construction); services, retail sector and manufacturing (processing).
The development of the local economy will ensure that a diverse economy recognising the uniqueness and assets of the local economy is developed. Diversity offers a greater resilience and ability to respond to unforeseen events and external shocks.

c) Inclusiveness

Consultations with communities have created a very strong need for an inclusive approach to local economic

development. The principle of inclusiveness in local economic development means optimising the rainbow

community, the uniqueness and connectivity of the various stakeholders and the need to develop a united

Emalahleni Local Municipality community.

d) Partnerships

It is by working together through partnerships and by having a common vision that sustained economic development will be achieved. The key to success is in mobilizing all of the Emalahleni Local Municipality community resources and assets to achieve a common goal. This guiding principle ensures that in all actions and programmes (municipality, business, communities and non–governmental organizations) create partnerships and ensure the integration of activities wherever possible.

This approach also entails the development of appropriate structures to ensure that such partnerships are

developed and effective.

e) Sustainability

Sustainability requires the use of Emalahleni Local Municipality assets and resources in a manner that maintains them for future generations. Sustainability planning also ensures that projects and programmes that have been identified are able to sustain themselves and generate the required economic spin-offs that in the long run benefit the local economy.

f) Quality

Underpinning all the economic development work will be a commitment to quality. Commitment to quality means ensuring that resources and assets are deployed in a manner that increases the value of money, by contributing towards the improvement in the quality of life of all the people of the Emalahleni Local Municipality. This principle too ensures that a thorough assessment is undertaken of each opportunity identified, and value for money and effort is enhanced.

g) Innovation and Human Development

The sustained growth and development of the Emalahleni Local Municipality economy will depend on the extent to which local communities, business and government are able to innovate and develop the capacities of the local communities to be creative. Human resource development will form one of the key pillars to the development of the Emalahleni Local Municipality local economy. With high levels of appropriate skills and education the possibilities for innovation and creativity are enhanced.

28) SECTION 15: STRATEGIC INTERVENTIONS

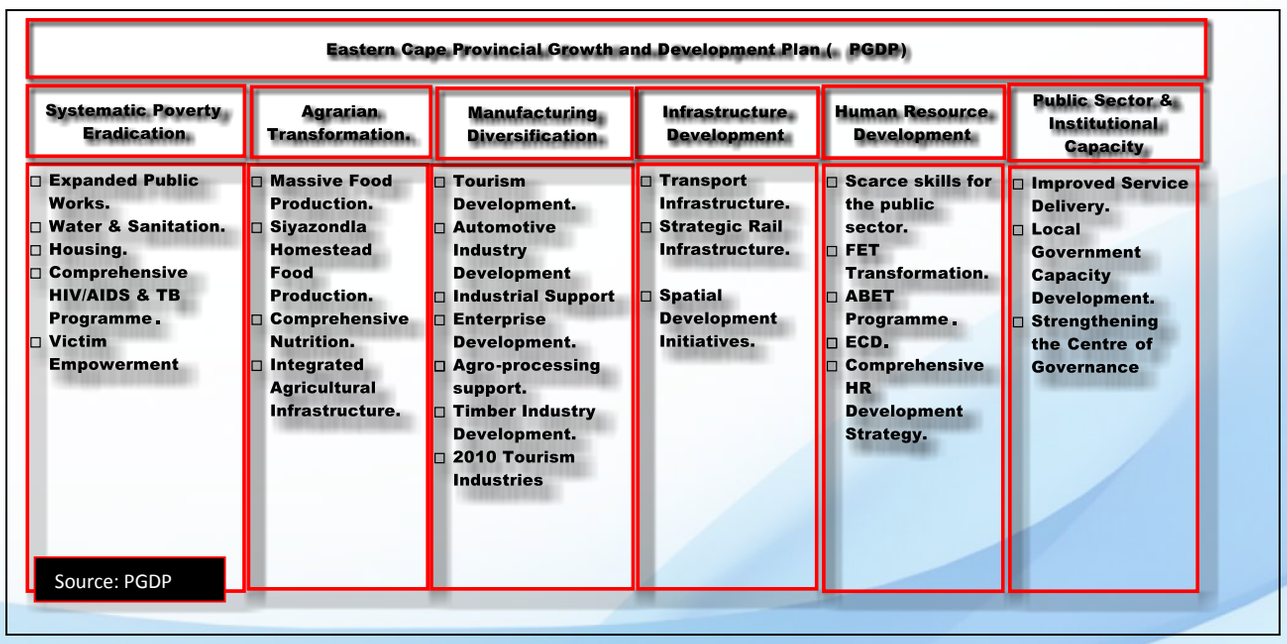
The strategy proposes eight strategic interventions namely to:

i. Facilitate the development of the priority economic sectors in Emalahleni Local Municipality, by utilizing all resources at its disposal including sector development interventions being driven by other spheres of Government;
ii. Facilitate connectivity between different types of communities, different interests and the three towns in the Emalahleni Local Municipality;
iii. Develop the infrastructural capacity of the Emalahleni Local Municipality and ensure an enabling spatial framework by utilizing inter alia, municipality assets;
iv. Develop "and deploy" a marketing strategy for the Emalahleni Local Municipality's Tourism & Agriculture;
v. Create an enabling environment for business development and growth;
vi. Manage the natural resources and state assets with the assistance of other spheres of government in a manner that ensures the long-term transformation and sustainability of the economy;
vii. Promote the development of the pro-poor economy;
viii. Assist with developing the human resource and skills base of the people of Emalahleni Local Municipality.

29) SECTION 16: PRIORITIES

Part of any good strategy is a framework for prioritizing resources and making proper decisions. Given the size and budget of all local municipalities including Emalahleni Local Municipality, not all the interventions or possible projects under each intervention will be able to be implemented simultaneously.

The Industry Analysis, the IDP, the PGDP, inputs from local stakeholders and an understanding of some of the relevant national priorities and programmes has influenced the selection of priorities for the Emalahleni Local Municipality LED strategy.
Sectorally the tourism, agriculture & agro-processing, construction and wholesale & retail sectors have been identified as the priority sectors in the Emalahleni Local Municipality. The priority sectors correlate with the provincial and district priorities. Provincially the priorities are illustrated in the following graphic;



In the district, tourism, agriculture, manufacturing and mining have been identified as the priority sectors.

The list of potential interventions generated in the consultative process was therefore prioritized based on impact and ease of implementation to distill those interventions which could unlock growth. The priority interventions clustered into the priorities for each of the primary stakeholders in the process.

MUNICIPALITY

The priorities for the local municipality are:

1) Putting in place an enabling policy environment that includes a spatial development framework denoting areas for economic development, a sustainability strategy to protect the natural resources of the area and the reduction of red tape for businesses seeking rezoning or licenses;
2) Mobilizing resources for the development of critical infrastructure;
3) Creating opportunities and tools to develop small businesses through procurement, a partnership with SEDA and the development of an SMME Strategy for the area;
4) Creating platforms for dialogue and partnerships with business, communities and other spheres of government;
5) Identifying and releasing land for economic activities;

PRIVATE SECTOR

The key priorities for the private sector are:

1. Grow the key economic sectors and maximize job creation within these sectors;
2. Destination Marketing as well as tourism and livestock marketing and branding;
3. Developing the skills and capacity of the tourism sector, including partnering with the municipality to develop the tourism bureau within the municipality;
4. Partnering with government to rehabilitate economic initiatives such as the Dordrecht Cheese Factory;

PART B:

IMPLEMENTATION PLAN 2010-2015

Section 17: Implementation plan 2010 – 2015.

DEVELOP THE PRIORITY ECONOMIC SECTORS AT EMALAHLENI.

Rationale and description.

The development of the Emalahleni economy will be driven by a number of key sectors namely, construction, agriculture & agro-processing, tourism and a strong retail sector. Development of these sectors is the backbone of growth in the development of this economy. Sector development is best performed at a sector level hence the focus on sector support by the provincial government as outlined in the Provincial Growth and Development Plan (PGDP) for the Eastern Cape. Emalahleni Local Municipality will tap into the resources of the province and district to develop its key sectors.

Objectives:

✓ To grow the economy through targeted sector development initiatives and interventions;
✓ To tap provincial and district resources and capacity to support sector development.

Indicators.

✓ Increase economic growth in targeted sectors as measured by the GGP;
✓ Increased percentage contribution of targeted sectors to the overall GGP of Emalahleni;

Short-term priorities.

Four sectors were highlighted as priority sectors requiring intervention and support to unlock economic growth. Firstly the tourism sector, secondly the agriculture & agro-processing sector, thirdly the wholesale & retail sector and finally the construction sector. A thorough analysis of these sectors has been conducted during the Industry Analysis, which formed the core of this strategy. Whilst a summarized report is provided on this strategy on these sectors, separate Industry Analysis Reports are available at the LED Unit of the municipality.

BUILD SUSTAINABLE TOURISM.

1) Building a Pro-Poor Tourism Sector.

Activity	Targeted completion	Budget	Possible partner
Develop a Pro-Poor Tourism Business Case	As part of Tourism Marketing Strategy	R10, 000.00	EC Tourism Board, DBSA, ECDC, DEDEA

2) Retain Tourism & Expand the Sector.

Activity	Targeted completion	Budget	Possible partner
Identify pro-poor tourism linkages	As part of value chain analysis and marketing strategy	Nil	Could be done regionally.
Strengthen pro-poor tourism linkages	As part of value chain analysis and marketing strategy	Nil	Could be done regionally.
Develop mechanisms to develop & expand tourism sector	As part of Tourism Marketing Strategy	Nil	Could be done regionally.

THE CONSTRUCTION SECTOR

Activity	Targeted completion	Budget	Possible partner
Establish & maintain CIDB Emalahleni Database	2010-2015	Nil	CIDB
Enroll contractor on Incubation Programmes	2011-2015	Nil	ECDC, DPW, CIDB.
Create an SPV for Capacity Building & Skills Transfer	2011-2015	R50, 000.00	To be determined

THE AGRICULTURE & AGRO-PROCESSING SECTOR

Activity	Targeted completion	Budget	Possible partner
Mainstream Agro-Processors onto the Retail Value Chain	2011-2015	R100, 000.00	SEDA, ECDC, ASGISA
Integrate producers to existing value chains	2011-2015	As part of the Retail Value Chain Analysis	

Graphic: Executive Insights

30) SECTION 18: INSTITUTIONAL APPROACHES TO LOCAL ECONOMIC DEVELOPMENT.

SUMMARY

To implement the strategy the Municipality cannot continue with business as usual. It requires a new approach and a commitment to placing economic development at the heart of the municipal programme.

The strategy outlined is premised on the implementation of developmental local government. This requires political will to recognize the role of economic development as a driver of all municipal programmes. In addition, it requires administrative innovation and a cadre of trained development professionals capable of interfacing with the entire community and meeting the new mandates of local government. The staff needs to work as a team, with integrated planning across the municipal area and between functions. A culture of service delivery needs to be infused into every aspect of municipal work. This includes front office functions, community workers, area managers and line managers.

The strategy also requires cooperation between the Municipality, the Province and surrounding municipal areas. These networks will be an important resource for maximizing the impact of investments. In addition, similar networks into the private and non-profit sectors are needed.

ORGANIZATIONAL REQUIREMENTS FOR LED IMPLEMENTATION.

The implementation and coordination of local economic development must be viewed as a set of functions within the bigger Emalahleni Local Municipality rather than it being an activity to be undertaken by a single municipal administrative division or unit. The nature and form of an internal implementation structure shall be dictated to by the municipal needs and municipal capacity. However, regardless of the nature and form of such institutional structure, the essential elements is that the internal structure for implementation of local economic development shall be provided with sufficient authority and resources to undertake at least the following activities;

Activity	Activity Description for the LED Implementation Unit.
Research.	To research and provide information on the municipality's changing local economic development needs and develop models for implementation.
Source & provide information.	Must be able to provide further information and inputs on LED as a whole and specifically on identified LED initiatives.
Destination marketing.	To be able to customise marketing approaches according to specific LED activities.
LED coordination	This is an important factor for the achievement of overall LED.

The LED Implementing Unit will have clearly written management and staff roles and responsibilities. The essential responsibility for overseeing the planning, activity and venture selection process within the municipality must be set forth clearly. An official in charge of the LED Process and Progress Analysis, (**"LED-PPA**") must be responsible for preparing and monitoring progress reports as well as their subsequent analysis and presentation.

The following are some of the characteristics of a well-functioning LED Implementation Unit;

a) The LED Implementation Unit must have strong financial planning and control capabilities and must be forward-looking;
b) Must have an ability to place future and long term municipal in the context of a long term perspective of economic revitalization;
c) Must have a strong connection with the private sector and strong connections with all social groupings within the municipality;
d) It must be able to leverage the nonmonetary resources (community participation, political support).

EXTERNAL LED IMPLEMENTATION ARRANGEMENTS

Appointment of an LED Specialist.

Should it be considered a viable option, the appointment of a local economic development specialist to assist the LED Implementation Unit in planning and directing LED Programmes would provide numerous advantages for the municipality.

The LED Specialist shall bring the following capabilities to the municipality;

a) The specialist would bring focus and commitment from the total municipal community in LED;
b) Visibility for the municipality in wider economic and political circles;

The LED Specialist must, amongst others, accomplish the following tasks;

Specific Tasks	Task Description.
Research	To assess community economic and social needs.
Planning.	To organize information and people and set goals and priorities.
Management.	To develop specific projects involving public private partnerships.
Leadership	To facilitate the effective functioning of the LED Implementation Unit.

Independent Private Development Agency.

This mechanism can be established within a local business chamber and other business interest groups. This structure can act as a lobbyist for local business interests within local government. It may also raise private funds and become involved in risk sharing projects and business ventures. The advantage of this mechanism to the municipal community is that it shall put peer pressure on local business people to get things done for the community.

Public Private Partnerships for LED.

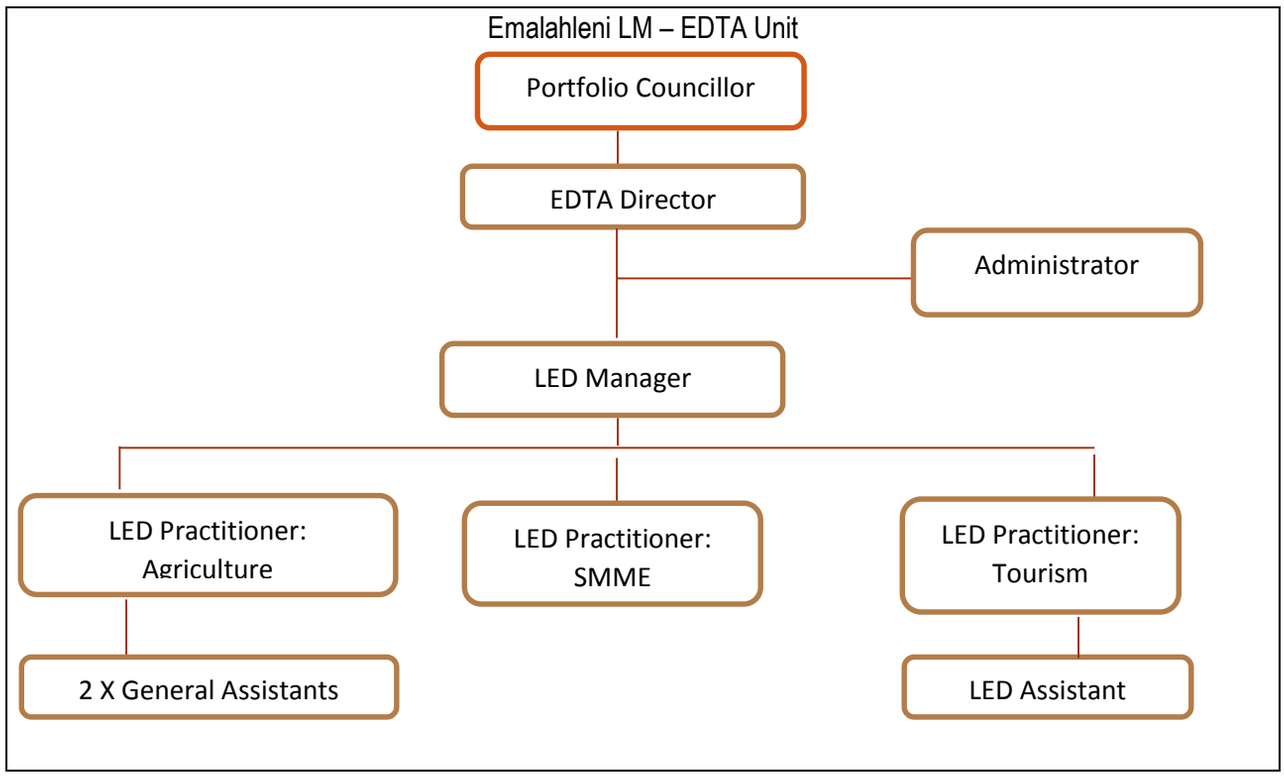
In this approach, the municipality, the development corporations and public community agencies enter into various business relationships to make the LED Process work. These can be considered as to good business and government relationship. They introduce a shared commitment in pursuit of common economic development objectives jointly determined by the public, private and community sectors.

The public private partnerships can be established within the following parameters;

a)	A positive culture that encourages citizen participation, related to long-term employment concerns of the community.
The PPP arrangement can help create jobs and stimulate the economic base by fostering long term business partnerships.	
b)	A realistic and commonly accepted vision of the community based on the municipality's potential.
Without a common understanding of what the community has and what it can become, it is impossible to build a better community. To ensure that the community comes together to achieves its goals; the community's potential can be realized.	
c)	An effective partnership that can blend the interest of its members with the broader community interests.
Enlightened self-interest is the one that sparks the lights to most actions. The development process will work if the interests of the collective are channelled through some structure in order to the common interests of the community.	
d)	A network of key groups and individuals that encourages communication among leaders and facilitates mediation of difference among conflicting interests.
This arrangement builds respect and confidence in the community. It allows business, labour and government to work out their differences in private rather than in public, thereby allowing the focus of public discussion to be on the areas of agreement rather than on the problems of poor relationships.	
e)	The ability and desire to nurture entrepreneurship encourage risk takers and build business confidence.
It takes a few active and motivated persons and bold actions to move the area and community into new job creating ventures.	
f)	Policy continuity including the ability to adapt to changing circumstances and reduce uncertainty for businesses and individuals who want to take economic risks.
Too frequently, government, in the absence of any consistent goals, pursues Adhoc policies disruptive to the development process. To avoid this, the community must work on a set of development processes that act as a frame of reference for their actions in the development arena.	

Going forward and in conclusion, the municipality needs to select one or all the LED institutional approaches to drive LED forward. None of the proposed approaches is cast in concrete, they can evolve over time with components and functions being added or deleted as need arises.

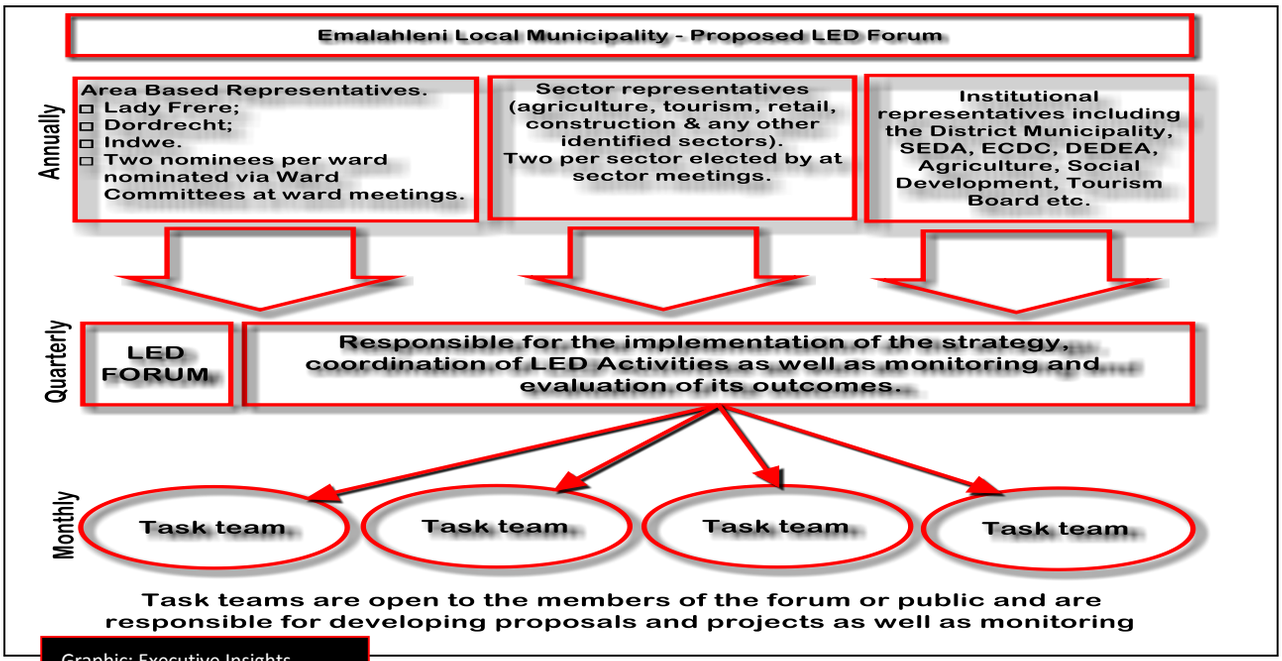
In its current state, Local Economic Development at Emalahleni is housed within the Integrated Planning and Economic Development Directorate. The directorate is staffed with the following Human Resource Structure;



All LED initiatives needs to be coordinated in the Municipality by the LED Directorate under the Director of Integrated Planning and Economic Development (EDTA). The capacity is this unit will need to be expanded to manage the work load. In order to expand this capacity, the following course of action is recommended;

a) Consider appointment of an additional resource/s to take care of Tourism and SMME programs;
b) Establish Local Tourism Organization to act as a "Strategic Partner" to the municipality for the initiation and implementation of Tourism Programmes as well as participation on existing ones;
c) Targeted training and capacity building of all LED Officials on accredited LED Programmes at various NQF Levels;
d) Training of LED Officials on the Strategy Toolkit used to develop this LED Strategy;
e) Establishment of an LED Forum.

An LED forum is proposed as the vehicle for managing and monitoring the LED programme. The box below provides a suggestion on how the forum might be constituted. It is proposed that the forum meet quarterly in the first year and less often once the processes have been put in place. The task team may meet more regularly.



Graphic: Executive Insights

The consultative meetings proposed area based forums with the following specific proposals in respect of each area:

- **Lady Frere** – LED to be driven through the Lady Frere Unit (HQ) which will be expanded to incorporate all stakeholders. The IPED Director, all LED Officers take responsibility of ensuring that all relevant sectors and additional sectors are invited and the meetings live to their expectation.

- **Dordrecht** – LED to be driven through the Dordrecht Unit which will be expanded to incorporate all stakeholders. The IPED Director, Unit Manager, all LED Officers take responsibility of ensuring that all relevant sectors and additional sectors are invited and the meetings live to their expectation.

- **Indwe** – LED to be driven through the Dordrecht Unit which will be expanded to incorporate all stakeholders. The IPED Director, Unit Manager, all LED Officers take responsibility of ensuring that all relevant sectors and additional sectors are invited and the meetings live to their expectation.

An annual business forum hosted by the Mayor and Municipal Manager which sets out the key challenges, the LED priorities and the funding shortfall required to meet the plan is proposed as a platform for mobilizing support and funding for the development of the local economy.

In addition to the forums and platforms, the need for additional capacity in the Municipality has been identified. The existing team needs to be expanded to include capacity for managing the economic information collection, strategic advice and economic analysis.

A political champion in the form of a councillor must be appointed by the mayor to provide political support and oversight to all LED functions.

Finally the need for an Economic Development Agency which could facilitate several of the projects identified was highlighted. The purpose of the Agency would be to mobilise funding from sources outside the municipality and drive key projects in partnership with the private and not-for-profit sectors.

31) SECTION 17: RISKS

There are a number of risks that could derail the strategy and demand a rethink and changes to the strategy. Some of the risks identified by stakeholders are:

- Political instability and a lack of political leadership and will as a result of changes in the political leadership;
- The lack of alignment between spheres of government and between government and state-owned enterprises and the private sector which could undermine the strategy;
- Lack of buy-in and ownership across sectors to the LED plan;
- Unfunded mandates which in turn will result in a lack of delivery around core areas;

32) SECTION 18: CONCLUSION

This strategy provides the framework for a more detailed implementation plan in which a few lead multi-stakeholder projects need to be identified to set the tone and begin the process of turning around the local economy through creating sustainable jobs. Within each stakeholder grouping there needs to be a champion to drive the LED programme. In the municipality this will be the LED directorate active support from the Mayor, Council and more particularly the Economic Development Portfolio Holder. The municipalities' plan will be woven into the IDP.



CHAPTER 10
FINANCIAL PLAN

CHAPTER 10
FINANCIAL PLANNING

Financial viability is a key priority for 2012/17 and our main focus is on:

- Achieving a clean audit outcome
- Complying with all LG legislations
- Building capacity in the finance departments
- Improving our audit outcome
- Improving efficiency in our Supply Chain Management processes
- Implementing internal audit
- Implementing sound financial reporting and control mechanisms

Introduction

- In general, a financial plan is a budget, in other words a plan for planned spending and for reserving income for future expenditure. This plan allocates future income to various types of expenditure, such as salaries, general expenditure, repair and maintenance and also aims to reserve some income for short term and long term savings. A financial plan is also an investment plan, which allocates savings to various assets or projects expected to produce future economic benefits.
- One of the key issues identified for the sustainability of Emalahleni Local Municipality is expanding its revenue base whilst remaining financially viable and sustainable.
- This financial plan includes therefore the assumptions used when compiling the operating and capital budget, financial strategies and policies as well as the accounting policies.

Overview of financial viability

The municipality's financial management capacity is steadily growing. However, we are still unable to achieve as desired a clean audit outcome. This remains our strong aim as the council. Due to low economic development, we are experiencing linked problems of:

- Poor payment levels
- A large pool of debt comprises the 120 and above debtor day's category and this situation is compounded by historic debt that will not be recovered. Council needs to resolve on bad debt and write-off decision in order to cleanse our billing database
- No sustainable financial reserve to cushion us from bad debt and low payment levels
- Over reliance on national fiscal grants for to fund our programmes and IDP commitments
- Lack of sound partnerships with private sector for leveraging our service delivery funding
- Capacity constraints which compound our inability to settle and fully comply with all LG legislation requirements

ANNEXURE A

SUMMARY 2015/16 OPERATING BUDGET

Property rates	-2 851 000
Penalties & collection charg	-
Service charges	-16 015 400
Rental of facilities and equipment	-632 587
Interest earned - external investments	-2 185 866
Interest earned - outstanding debtors	-2 680 993
Actuarial Gain	-
Fines	-
Licences and permits	-940 756
Agency services	-2 055 004
Transfers recognised - operational	-174 368 000
Other own revenue	-467 057
Public contributions of asse	-
Reversal of Impairment	-
Gains on disposal of PPE	-
Income Total	**-202 196 664**
Employee related cost	50 610 425
Employee social contribution	8 611 523
Remuneration of Councillors	10 723 827
Impairments	3 000
Bad debts	1 300 000
Actuarial Loss	800 000
Depreciation	24 499 538
Repairs and maintenance	12 386 154
Interest paid	730 000
Bulk purchases	18 039 661
Contracted services	5 327 280
Grands & subsidies	28 389 645
General expenses	39 580 961
Loss on disposal of assets	-
Expenditure Total	**201 002 016**
SURPLUS / DEFICIT	**-1 194 648**

ANNEXURE B

Municipal Vote/Capital project **Program/Project description**

		Budget Year 2015/16
R thousand		**Original Budget**
Parent municipality:		
Intergration Planning & Development (IP	Roller	3 000 000,00
Roadworls & Stormwater	MIG : Main L/F to Zakhele Phase 2	7 700 256,00
Roadworls & Stormwater	MIG : Ngcuke Access Road	3 992 600,00
Roadworls & Stormwater	Blangwe Access Road	600 000,00
Roadworls & Stormwater	Manyangaza Access Road	600 000,00
Community & Social Services	MIG:Traffic Testing Station Lady Frere	416 000,00
Sports & Recreation	MIG:Renovation and Upgrade Frere Stadium Phase 1	2 900 000,00
Sports & Recreation	MIG:Renovation and Upgrade Dordrecht	100 000,00
Refuse Cleansing Services	MIG: Dev of Landfil Site Lady Frere	10 873 744,00
Cemetaries	Upgrading of Cemetries in ward 4;14 & 16	300 000,00
Comunity & Town Hall	MIG:Community Hall Ward 3	4 632 100,00
Commonage and Pounds	Construction of Pound	300 000,00
Technical Administration	Computers	50 000,00
Technical Administration	Furniture and office equipment	50 000,00
Intergration Planning & Development (IP	Furniture and office equipment	50 000,00
Cemetaries	Indwe Cemetery	250 000,00
Parks & Open Spaces	Lady Frere park	400 000,00
Community & Social Services	Trailer caging	200 000,00
Community & Social Services	Traffic signage	300 000,00
Community & Social Services	Lady frere workshop shelter	400 000,00
Intergration Planning & Development (IP	Computers	30 000,00
Intergration Planning & Development (IP	Dipping Tanks	1 200 000,00
Human Resources	Vehicles	800 000,00
Human Resources	Computers	50 000,00
Human Resources	Furniture and office equipment	50 000,00
Financial Services	Sofware and Server Room Security	160 000,00
Financial Services	Computers	50 000,00
Financial Services	Furniture and office equipment	50 000,00
Community & Social Services	Computers	50 000,00
Community & Social Services	Furniture and office equipment	50 000,00
Parks & Open Spaces	Construction of Park in Lady Frere	500 487,22
Licencing and Registration	Policing Equipment	200 000,00
Council	Computers	20 000,00
Council	Furniture and office equipment	40 000,00
Council	Building New Offices Phase 2	2 000 000,00
Management	Computers	70 000,00
Management	Furniture and office equipment	80 000,00
TOTAL		**42 515 187**



CHAPTER 11
DISASTER MANAGEMENT PLAN

Chapter 11 – Disaster Management Plan



1. **SUMMARY EXTRACT FOR THE ALIGNMENT OF EMALAHLENI MUNICIPALITY DISASTER MANAGEMENT PLAN INTO THE MUNICIPAL INTEGRATED DEVELOPMENT PLAN**

Both the Municipal System Act and Disaster Management Act require that disaster management is an integral part of the District Municipalities and Local Municipalities respective Integrated Development Plans (IDP). A simplified document has been produced so that the requirements of the two Acts could be met by ensuring that Disaster Management is integrated in the Municipal IDP.

For a copy of the complete disaster management plan contact the disaster management manager in your municipality.

Sustainable development is not possible if disasters are continuously injuring and killing and damaging infrastructure, property and livelihoods. It is important that the relationship between disasters and development is recognized so that proactive action can be taken to eliminate or at least reduce the impact of the consequences of disasters.

When disasters occur the cost of the disaster sets back development, since projects are often delayed due to the diverting of funds. On the other hand, when disasters occur they provide an opportunity to rebuild "smarter", i.e. to avoid the likelihood of repetition of the disaster, and to plan for a sustainable and safe future. Development can both increase and reduce the vulnerability of the community. Unsafe or inappropriate development increases vulnerability while adequate attention to risk in the planning of development will reduce vulnerability

2. INTRODUCTION

The Municipal Systems Act (MSA) (32 of 2000) has introduced a developmental local government system in KwaZulu-Natal from 5 December 2000, a system which is underpinned by the concept of integrated development planning. The main output of this process is the Integrated Development Plan (IDP). The IDP is the strategic management tool for the municipality to manage its affairs, by identifying community developmental needs, developing strategies and projects to address those needs, on a prioritized basis.

In terms of Section 26 of the MSA, a municipality is required to prepare a Disaster Management Plan (DMP) as part of their IDP.

What is an IDP?

The IDP is a developmental tool that contains a developmental vision for the municipality, short, medium and long term development goals, strategies and projects. It is prepared every 5 years and is reviewed on an annual basis. This is a critical link and enabler for disaster management. As one of the main responsibilities of disaster management, risks are identified and possible risk reduction projects are identified which should form part of the municipal IDP.

The IDP is the key instrument to achieve developmental local government and setting up an enabling framework to achieve decentralised decision- making. Important information on the municipal risk profile is identified during the disaster management planning process, and should inform other municipal initiatives.

Community Involvement

The ward councillors and committees will be the interface with communities on disaster-management issues. The necessary structures will be required to facilitate this. These community structures where consulted during the planning process

Disaster Management Centre

This is the structure that provides technical and administrative support to the other structures, so that Disaster Management is practised in a co-ordinated manner. The Centre will also facilitate the capacity-building of the other structures so that maximum results can be achieved.

3. INTEGRATION OF THE DISASTER MANGEMENT PLAN IN THE IDP

The Integration of Disaster Management into the IDP Review should involve the following:

i. **Identify areas of risk** as per Annexure A. This would relate to where and what investment is required from Disaster Management perspective. This could be incorporated in SDF along with any identified projects as per Annexure B.

ii. **Identify any disaster recovery projects** – these could influence the priority projects within the municipality as well as in terms of the sector department and involve the reallocation of resources an example would be if an area within the municipality is identified as a high risk cholera area and a municipality has some funds for sanitation projects, this area could be prioritised over and above other areas within the municipality Another example would be were a municipality has allocated resources for a project but due to a disaster occurring these funds has to be reallocated to assist the community affected instead.

iii. **Identify any "priority" projects that would gear a municipality to address prevention, mitigation, response, preparedness and recovery**. These projects should be aimed at creating a basis to further development of disaster management eg DM centre and Fire station, institutional development, funding for a comprehensive ward level risk assessment. It should address strategically what is going to have an impact on budgeting process for the following financial year or the prioritisation of the municipal projects.

Annexure A

TYPE OF DISASTER	AREA
Storm Water (Urban)	• Lady Frere • Indwe • Dordrecht
Storm Water (rural)	All
Low Level Bridges (Flood Level Bridges)	All
Fire (Urban)	• Lady Frere • Indwe • Dordrecht
Fire (Rural)	All
Snow	
Severe Storms/Wind Storms	Rural/Informal
Rock Fall/Lanslides	Rural Roads
Drought	Rural and Farming

ANNEXURE B: DM FOR IDP REVIEW

Project 1

- *Risk: - Storm Water (Urban)*

Unmanaged storm water will cause extensive damage to infrastructure and the loss of life

- *Risk Mitigation /Reduction Program*

1. Develop Storm Water Master Plan
2. Develop Storm Water Maintenance Plan
3. Develop and Implement a Storm Water Maintenance Program in respect to the Storm Water Maintenance Plan (with measurable deliverables KPI's etc.)

Individual Plans and Programs must be done for each of the following Towns:-

- Lady Frere
- Indwe
- Dordrecht

Project 2

- *Risk: - Storm Water (rural)*

Unmanaged storm water will cause extensive damage to agriculture lands, informal roads, rural housing and the loss of life

- *Risk Mitigation /Reduction Program*

1. Develop a Rural Storm Water Management Plan
2. Develop a Rural Strom Water Information Plan (i.e. Community awareness Program)

Project 3

- *Risk: - Low Level Bridges (Flood Level Bridges)*

Unmanaged Low Level Bridges will cause extensive damage to agriculture lands, informal roads, and the loss of life

- *Risk Mitigation /Reduction Program*

1. Develop a Low Level Bridge Management Plan that include at least the following:-
    - Use of Low Level Bridges
    - Awareness Programs
    - Identification and Bridge marking Program

Project 4

- *Risk: - Fire (Urban)*

Unmanaged incidents of Fire or Breakout of a Fire in the Urban areas will cause extensive damage to infrastructure, business, transport, and the loss of life, and will result in the lack of future development and investment in the area.

- *Risk Mitigation /Reduction Program*

1 Develop a Fire Safety Strategy
2 Develop a Fire Master Plan (i.e. Business Plan/ Operational Plan)
3 Implementation of the Fire Safety Strategy
4 Management of the Fire Master Plan

Note: - All Fire Safety Strategies, Plans or Programs must *intra alia* include at least: - Community Awareness Programs



CHAPTER: 12

PERFORMANCE MANAGEMENT FRAMEWORK

Project 5

- *Risk: - Fire (Rural)*

Unmanaged incidents of Fire or Breakout of a Fire in the Rural areas will cause extensive damage to infrastructure, agriculture lands, informal and formal dwellings and the loss of life

- *Risk Mitigation /Reduction Program*

1 Develop a Rural Fire Safety Strategy
1 Develop a Rural Fire Master Plan (i.e. Business Plan/ Operational Plan)
2 Implementation of the Rural Fire Safety Strategy
3 Management of the Rural Fire Master Plan

Note: - All Fire Safety Strategies, Plans or Programs must *intra alia* include at least: - Community Awareness Programs

9 Chapter 12 – Performance Management Framework

1. Introduction

This document is the policy framework for Emalahleni local municipality to develop a Performance Management System (PMS), which is ultimately aligned to the Integrated Development Plan (IDP) and best suited to the circumstances of the municipality.

The Municipal Planning and Performance Management Regulations (2001) stipulate that a municipality's Performance Management System (PMS) must entail a framework that describes and represents how the municipality's cycle and processes of performance planning, monitoring, measurement, review, reporting and improvement will be conducted, organized and managed, including determining the roles of the different role-players.

In line with the said legal requirements, this framework is a policy document that sets out the following:

- the requirements that Emalahleni local municipality's PMS will need to fulfil;
- the principles that informed its development and subsequent implementation;
- the preferred performance model;
- the process by which the system will work;
- the delegation of responsibilities for different roles in the process; and
- a plan for the implementation of the system.

The main goal of this document is to provide Emalahleni Local Municipality with a written guide that will assist in the implementation of the PMS at organizational and individual levels. For a sound appreciation of the context, the project plan for developing this PM Framework is shown in Annexure 1.

2. The Legislative Framework for Performance Management

Various government prescripts stipulate provisions pertaining to performance management in the context of local government. Of note, are the following references:

2.1. White Paper on Local Government

The major PMS policy instruments is in the 1998 White Paper on Local Government supported by the Batho Pele principles, which were given legal stature through the adoption of the Local Government: Municipal Systems Act in 2000 (Act 32 of 2000). The said Act requires all municipalities to:

- Develop a performance management system.
- Set targets, monitor and review the performance of the Municipality based on indicators linked to their IDP.
- Publish an annual performance report on the performance of the Municipality.
- Incorporate and report on a set of general (sometimes also referred to as national) indicators prescribed by the Minister responsible for local government.
- On a continuous basis, conduct an internal audit of all performance measures.
- Have the annual performance report audited by the Auditor-General.
- Involve the community in setting indicators and targets; and also reviewing municipal performance

2.2. The Municipal Systems Act (MSA)

Chapter 6 of the Municipal Systems Act of 2000 sets out requirements in terms of the establishment, development, monitoring and review of performance management systems for municipalities. The Act specifies the core components of the system as well as community involvement requirements. It further requires the setting of appropriate key performance indicators and targets, performance measurement audits and performance reporting.

In terms of the MSA, the Municipal Planning and Performance Management Regulations (2001) were published, setting out the requirements for a municipal PMS. The Regulations also contain the general indicators prescribed by the Minister responsible for local government. A further set of Regulations were published in 2006 and they deal with Performance Management for municipal managers and managers that are directly accountable to municipal managers.

2.3. The Municipal Finance Management Act (MFMA)

The MFMA requires municipalities to annually adopt a Service Delivery and Budget Implementation Plan (SDBIP), stating the service delivery targets and performance indicators. Whilst approving the annual budget, the Municipality should also set measurable performance targets for each revenue source and vote. They should also compile an annual report, which entails a performance report that is compiled in terms of the MSA.

2.4 Performance Management Regulations (2001)

The Municipal Performance Management Regulations (2001) defines a municipality's performance management as "…a framework that describes and represents how the municipality's cycle processes of performance planning, monitoring, measurement, review, reporting and improvement will be conducted, organized and managed, including determining the roles of the different role-players."

The Regulations describes the nature of performance management systems required in municipalities as follows:

- complies with all the requirements set out in the MSA;
- demonstrates how it is to operate and be managed from the planning stage up to the stages of performance review and reporting;
- defines the roles and responsibilities of each role-player, including the local community, in the functioning of the system;
- clarifies the processes of implementing the system within the framework of the integrated development planning process;
- determines the frequency of reporting and the lines of accountability for performance;
- links organizational performance to employee performance;
- provides for the procedure by which the system is linked with the municipality's integrated development planning processes; and
- Shows how any general key performance indicators envisaged in section 43 of the MSA will be incorporated into the municipality's planning and monitoring processes.

2.5 Performance Management Regulations (2006)

The Performance Management Regulations (2006) is applicable to section 57 managers. It sets out how the performance of municipal managers will be uniformly directed and monitored. It addresses the job description, employment contract, as well as the performance agreement that is entered into between a municipality, its MM and the managers directly accountable to the MM.

The job description sets out the main accountabilities and inherent job requirements; the employment contract provides the terms of employment including regulating the performance bonuses; whereas the performance agreement provides assurance to the municipal Council of what can and should be expected from the senior managers.

3. The Concept of Performance Management

The **DPLG** defines performance management as a strategic approach to management that equips all stakeholders with tools to:

- plan,
- monitor,
- measure and
- Review performance in terms of set indicators & targets for efficiency, effectiveness and impact.

Performance management is essentially a mechanism to measure the implementation of the IDP. As such, it can be applied to any level within the municipality. Through ensuring accountability at all levels, the following results should be attained:

KPA	OBJECTIVE	INDICATOR	BASELINE	⟷	TARGET

KPA	• A Key Performance Area (KPA) is an aspect that the Municipality needs in order to address or do well in and is derived from the IDP of the Municipality. KPAs are sometimes referred to as key development priorities or priority areas. • Nationally, the following KPAs have been determined for Municipalities: – Basic Service Delivery. – Municipal Institutional Development and Transformation. – Local Economic Development. – Municipal Financial Viability and Management. – Good Governance and Public Participation. • In addition to national KPA's, a municipality may have its own local KPAs as reflected in their IDPs.
OBJECTIVE	• An objective is a concise statement describing the specific things that the municipality must do well, in order to execute its strategy. It needs to be clear, concise and measurable, with deadlines. In addition, it should be outcome &impact focused; and indicate the scope and nature of desired change.
INDICATOR	• Indicators are measures that tell whether progress is being made in achieving the objectives. Indicators are statements with a quantitative value (number, percentage, ratio) that allows progress to be quantified. They are of important because they do the following: – enable the review of objectives; – provide a common framework for measuring and reporting; – translate complex concepts into simple operational measurement variables; – help to provide feedback to the organization, its staff and stakeholders; – Help when comparing the municipality's performance to that of other municipalities.
BASELINE	• Baseline measurements measure the status quo before a project or programme is implemented. Ideally, they should precede finalisation of targets.
TARGET	• Targets are the planned level of performance or the milestones that are set for each indicator. They need to be challenging, realistic, measurable and in line with the resources and capacity of the municipality. Targets are usually expressed in terms of quantity.

- Meeting of strategic objectives
- Improvement of the overall municipal performance
- Improved service delivery
- Getting value for money
- Meeting the needs of people
- Creating a performance culture
- Achieving organizational transformation

It is important to take note of PM concepts that are persistently used in the development and implementation of the PMS. They are shown and explained in Figure 1.

4. Objectives of the Performance Management System

PMS is the primary mechanism to monitor, review, improve the implementation of the IDP and gauge the progress made in achieving the objectives set out in the IDP. The PMS process plan outlines the following objectives of the PMS:

- **Facilitate increased accountability**
  The PMS should provide a mechanism for ensuring increased accountability between the local community, politicians, the Municipal Council and the municipal management team.
- **Facilitate learning and improvement**
  The PMS should facilitate learning in order to enable the Municipality to improve delivery.
- **Provide early warning signals**
  The PMS should ensure that decision-makers are timeously informed of performance related risks, so that they can facilitate intervention, as appropriate.
- **Facilitate decision-making**
  The PMS should provide appropriate management information that will allow efficient, effective and informed decision-making, particularly on the allocation of resources.

The fore listed functions are not exhaustive but also provide a summary of the intended benefits of the PMS. They should also be used for evaluating and reviewing the PMS.

5. Principles Governing the PMS

The following principles inform and guide the development and implementation of the Emalahleni PMS.

- ***administratively managed*** in terms of its day-to-day implementation;
- ***implementable*** within any current resource constraints;
- ***integration*** of the PMS with the other management processes within the Municipality;
- ***politically acceptable*** to the political role players of the municipality and allow political office bearers & their structures to execute their responsibilities within their defined roles;
- ***provision of clarity to all employees*** in terms of their role in the achievement of municipal and departmental targets;
- ***fostering of cooperation*** between the administrative and political wings;
- ***provision of early warning signals*** in terms of inherent risks for the full implementation of the IDP;
- ***public participation*** in terms of granting community members their constitutional right to participate in the process;
- ***Reliability*** of the information provided on the progress in achieving the objectives as set out in its IDP.
- ***simplicity*** in order to facilitate implementation within any current capacity constraints;
- ***transparency and accountability*** both in terms of developing and implementing the system;
- ***Empowerment of Council with information*** to exercise its powers and authority within reason.

6. The Preferred Performance Management Model

A performance management model can be defined as the grouping of performance indicators into logical categories often called perspectives. The grouping can be based on the type of indicator but is used as ameans to enhance the ability of the municipality to manage and analyse its performance. A model therefore provides a common framework for understanding the aspects of performance that will be measured and managed. It further ensures that a balanced set of measures are employed and are not relying on only one facet of performance.

A number of performance models are available and any of them could be applied by the Municipality. The Municipality has chosen the Key Performance Area model. In the said model all indicators are grouped together under the national key performance areas as per the MSA and the local key performance areas as per the Emalahleni IDP. The said model therefore enables the Municipality to assess performance based on the national and local KPA's. The model is graphically shown in the Municipal Scorecard in Annexure 4.

The legislative framework *(in Section 2)* provides for municipal performance management at various levels, including **organizational** (sometimes also referred to as municipal, corporate or strategic level), **departmental** (also referred to as services, operational or section/team level) and lastly, **individual** level.

At **organizational** level, the five-year IDP forms the basis for performance management, whereas at operational level the annual SDBIP forms that basis. The performance measures associated with the IDP have a long-term focus, whereas those associated with the SDBIP are short-term and focus on reviewing the progress made in implementing the current budget and achieving the annual service delivery targets. The measures that are set for the Municipality are captured in the organisational scorecard. Annexure 4 provides a sample municipal scorecard.

At **departmental** level, the measures are captured in the SDBIPs of the various departments that operate within the Municipality. Performance management should occur at the various levels and relate to one another, as required by the Municipal Planning and Performance Regulations. By cascading performance measures from organisational to departmental level, both the IDP and the SDBIP eventually link with individual performance management. Regarding performance management at **individual** level, the MFMA specifically requires that the annual performance agreements of managers must be linked to the SDBIP and the measurable performance objectives approved with the budget.

7. The Process of Managing Performance

The PM process at organizational level in the Municipality is characterized by the steps that are set out in Figure 2. Although the steps and what follows relate mainly to performance management at organizational level, the principles and approaches as espoused could also be applied to performance management at departmental level.

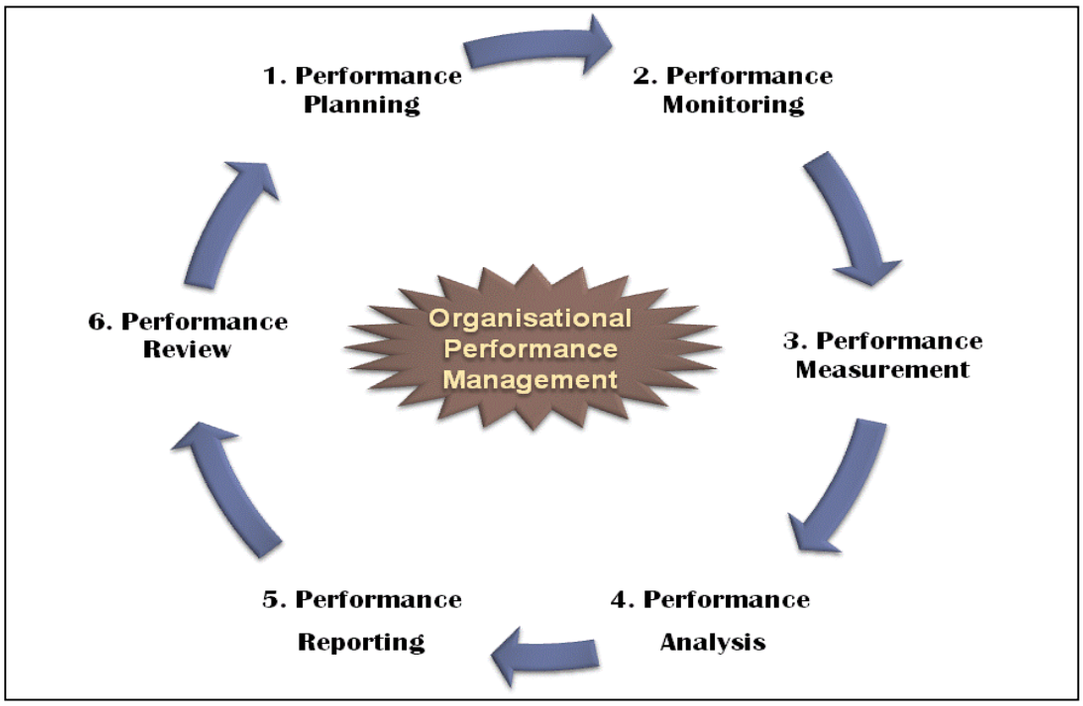


Figure 1: Steps for Managing Performance at Organisational / Departmental Level

8. Performance Planning

Performance will be managed in terms of the IDP and the process of compiling the IDP. Therefore, the annual review of the IDP constitutes the process of planning for performance. From Figure 2 it should be noted that the last step of the cycle is *"performance review"* and the outcome thereof should inform the next cycle of IDP compilation/review by focusing the planning processes on the areas in which the Municipality has under-performed.

9. Performance Monitoring

Performance monitoring is an on-going process by which a manager accountable for a specific indicator as set out in the organizational scorecard (and a service delivery target contained in a SDBIP) continuously monitors current performance against the set targets. The aim of the monitoring process is to take appropriate and immediate action where it appears that a target will not be timeously met. The same will apply to the various SDBIPs. Performance monitoring requires appropriate action to be taken should it become evident that a specific performance target is not going to be met. In undertaking performance monitoring processes, the following aspects need to be determined and provided for:

- The data that must be collected in order to assess performance.
- The methods that must be employed in the collection, storage, verification and analysis of that data.
- The processes and formats that must be used in compiling reports on that data.
- Corrective measures that will be employed when poor performance has been detected.
- Mechanisms to compare current performance with baseline indicators and performance during the previous financial year.

Monitoring reports should be submitted as follows:

Submitted to	Frequency
Executive Committee	at least monthly
Council	at least quarterly
Municipal Manager	at least monthly

Managers should track performance trends against targets for those indicators that lie within their area of accountability atleast once per month. That will allow them to identify performance related problems and take appropriate remedial action in time. In addition, each senior manager should delegate to the direct line manager the responsibility to monitor the performance for his/her sector.

10. Performance Measurement

Performance measurement refers to the formal process of collecting and capturing performance data to enable reporting to take place for each KPI and against the target set for such indicator. A manual process will be used to measure performance at Emalahleni municipality. The municipal and SDBIP scorecards should spell out the name of an official who will be reporting on each indicator. The said official will, when performance measurement is due, have to collect and collate the necessary performance data or information and capture the result against the target for the period concerned. As such, they need not be accountable for performance on the said performance indicator.

11. Performance Analysis

Performance analysis involves the process of making sense of measurements. It requires interpretation of the performance measurements to determine whether targets have been met / exceeded and to project whether future targets will be met or not. Where targets have not been met, the reasons thereof should be examined and corrective action recommended. Where targets have been met or exceeded, the key factors that resulted in such success should be documented and shared so as to ensure organizational learning.

The manager responsible for each indicator should, therefore, do the following:

(i) Capture the performance data against targets on the scorecard.
(ii) Analyze reasons for meeting or not meeting a target.
(iii) Capture a summary of findings on the scorecard.
(iv) Recommend remedial actions, as appropriate.

The completed organizational and SDBIP scorecards should be submitted to a formal meeting of the senior management team for further analysis and consideration of draft recommendations from the relevant managers. This level of analysis should examine performance across the municipality in terms of all its priorities with the aim to reveal and capture whether there are any broader organizational factors that are limiting the ability to meet any performance targets.

Such analysis should also ensure that quality performance reports are submitted to the Executive Committee and that adequate response strategies are proposed in cases of poor performance. After reaching agreement on the analyses, the management team can take the scorecards to the Executive Committee for consideration and review.

12. Performance reporting and review

The next two steps in the process of performance management (i.e. *Performance Reporting and Performance Review*) will be dealt with at the same time. This section is further divided into three sections dealing with the requirements for ***in-year*** versus ***annual*** reporting and reviews respectively and lastly a summary is provided of the various reporting requirements.

13. In-year Performance Reporting and Review

The submission of the scorecards to the Executive Committee for consideration and review of the entire municipal performance is the next step in the process. The first such report is a major milestone in the implementation of any PMS and it marks the beginning of what should become a regular event (i.e. using the performance report as a tool to review the Municipality's performance and to make important political and management decisions on how to improve).

Performance review is the process where the leadership of an organization reviews the results and decides on appropriate action, after the performance of the organization has been measured and reported. In reviewing the organisational and departmental scorecards, the Executive Committee will have to ensure that the committed targets have been met; and where they have not, that satisfactory and sufficient reasons have been provided and that the proposed corrective action is adequate. If satisfied with the proposed corrective action, those should be adopted as formal resolutions of Council, minuted and actioned accordingly.

As indicated earlier, the organizational and SDBIP scorecards should be submitted to the Executive Committee for consideration and review on a quarterly basis. The reporting should therefore take place as follows within a financial year:

Quarter	Period Under Review	Month of Reporting
1st	July to end of September	October
2nd	October to the end of December	January
3rd	January to the end of March	April
4th	April to the end of June	July

The review in January will coincide with the mid-year performance assessment as per section 72 of the MFMA. The said section determines that the Accounting Officer must, by 25 January of each year, assess the performance of the municipality and report to the Council on, *inter alia*, its service delivery performance during the first half of the financial year and the service delivery targets and performance indicators as set out in the SDBIP.

14. Annual Performance Reporting and Review

On an annual basis a comprehensive report on the performance of the Municipality also needs to be compiled. The requirements for the compilation, consideration and review of such an annual report are set out in chapter 12 of the MFMA. In summary it requires that:

- All municipalities for each financial year compile an annual report.
- The annual report should be tabled within seven months after the end of the financial year.
- Soon after the annual report has been tabled, it should be made public and the local community should be invited to submit representations thereon.

- The municipal Council should consider the annual report within nine months after the end of the financial year and adopt an oversight report containing the Council's comments on the annual report.
- The adopted oversight report should be made public.
- The annual report as tabled and the Council's oversight report should be forwarded to the Auditor-General, the Provincial Treasury and the department responsible for local government in the Province.
- The annual report as tabled and the Council's oversight report should be submitted to the Provincial legislature.

The oversight report to be adopted provides the opportunity for full Council to review the performance of the Municipality. The requirement that the annual report once tabled and the oversight report be made public similarly provides the mechanism for the general public to review the performance of the Municipality. However, the Municipality will budget for the compilation of a user-friendly citizens' report. The citizens' report should be a simple, easily readable and attractive document that translates the annual report for public consumption.

Over and above the legal requirements of the MSA and the MFMA, there should be an annual public campaign that involves the community in the review of municipal performance. Such a campaign could involve all or any combination of the following methodologies:

- Various forms of media should be used to convey the annual report e.g. radio, newspapers, notice boards (in shops and community halls) and billboards.
- The public should be invited to submit comments on the annual report via physical visits to the municipality offices, telephone, fax and email.
- Public hearings could be held in a variety of locations to obtain input of the annual report.
- Making use of existing structures such as ward committees to disseminate the annual report and invite comments.
- Hosting a number of public meetings and roadshows at which the annual report could be discussed and input invited.
- Producing a special issue of the municipal newsletter in which the annual report is highlighted and the public invited to comment.

The public review process should be concluded by a formal review of the annual report by the IDP Representative Forum of the Municipality.

The annual performance report should be compiled and completed no later than two months after financial-year end. That will ensure that its outcomes can timeously inform the next cycle of performance planning.

15. Summary of Various Performance Reporting Requirements

The following table, derived from both the legislative framework for performance management and this PMS framework, summarizes the various performance reporting deadlines as they apply to Emalahleni Municipality.

Report	Frequency	Submitted for Consideration and / or Review to	Remarks
1. SDBIPs	Quarterly	Exco	See MFMA Circular 13 of National Treasury for further information
2. Monthly budget statements	Monthly	Mayor (in consultation with Exco)	See sections 71 and 54 of the MFMA
3. Organizational Scorecard	Quarterly	Exco	This PMS framework (see section 8.5.1 above)
4. SDBIP mid-year budget and performance assessment	Annually during January of each year	• Mayor (in consultation with Exco) • Council	See sections 72 and 54 of the MFMA
5. Performance report	Annually	Council	See section 46 of the Municipal Systems Act as amended. Said report to form part of the annual report
6. Annual report	Annually	Council	See chapter 12 of the MFMA

16. The Auditing of Performance Measures

The Role of Internal Audit in Terms of Performance Management

The MFMA requires that the Municipality must establish an internal audit section which could be outsourced (depending on municipal resources and specific requirements). Section 45 of the MSA stipulates that the results of the municipality's performance measures should be audited by the said internal audit section as part of the internal auditing process and annually by the Auditor-General. For, Emalahleni, the internal audit function will be outsourced in liaison with the Chris Hani District Municipality.

The Municipal Planning and Performance management Regulations stipulates that the internal audit section must, on a continuous basis, audit all performance and the auditing must include an assessment of the following:

(i) The ***functionality*** of the municipality's performance management system. The internal audit section must therefore on a regular basis audit whether the PMS of the Municipality is functioning as developed and described in this framework.

(ii) Whether the municipality's performance management system ***complies*** with the Act. This compliance check would require that the Municipality's internal audit unit, at least on an annual basis, verify that the Municipality's PMS complies with the said legal requirements.

(iii) The extent to which the municipality's performance measurements are ***reliable*** in measuring the performance of municipalities by making use of indicators. The Municipality should have a proper information management system (electronically or otherwise) so that the internal audit function is able to access information regularly and to verify its correctness.

The Municipality's internal auditors must submit quarterly reports on the audits undertaken to the Municipal Manager and the Audit Committee.

17. Audit Committee

The MFMA and the Municipal Planning and Performance Management Regulations require that the municipal Council should establish an audit committee consisting of a minimum of three members, where the majority of members are not employees of the municipality. No Councillor may be a member of an audit committee. Council should also appoint a chairperson who is not an employee of Emalahleni municipality.

The Regulations give municipalities the option to establish a separate performance audit committee whereas the MFMA provides only for a single audit committee. Emalahleni municipality will share the audit committee with Lukhanji local municipality and Sakhisizwe local municipality within the district. The operation of this audit committee when dealing with performance management is governed by section 14 (2-3) of the Regulations which require the audit committee to do the following:

- Review the quarterly reports submitted to it by the internal audit unit.
- Review the municipality's PMS and make recommendations in this regard to the Council of the Municipality.
- At least twice during a financial year submit an audit report to the municipal Council.

In order to fulfil their function, a performance audit committee may, according to the MFMA and the Regulations:

- communicate directly with the Council, municipal manager or the internal; and external auditors of the municipality concerned;
- access any municipal records containing information that is needed to perform its duties or exercise its powers;
- request any relevant person to attend any of its meetings and, if necessary, to provide information requested by the committee; and
- Investigate any matter it deems necessary for the performance of its duties and the exercise of its powers.

18. Performance Investigations

The Audit Committee should also be able to commission in-depth performance investigations where there is either continued poor performance or a lack of reliability in the information being provided. Those performance investigations should assess the following:

- The reliability of reported information.
- The extent of performance gaps from targets.
- The reasons for performance gaps.
- Corrective action and improvement strategies.

The outsourced internal audit section will be used to conduct these investigations and should ensure the involvement of people who are experts in this area. For each investigation, clear terms of reference will need to be adopted by Council.

19. Stakeholder Roles and Responsibilities

Figure 3 outlines the key roles and responsibilities to be discharged by the various role players in the process.

STAKEHOLDER	ROLE
Council / Exco	✦ Adopt the PMS Framework & PMS ✦ Adopt the Municipal Scorecard ✦ Conduct Annual Review ✦ Commission Performance Audits ✦ Report to the public and Province
Management Team	✦ Plan for PM ✦ Adopt the PMS Framework & PMS ✦ Draft Scorecards ✦ Approve Departmental Scorecards ✦ Conduct Performance Measurements ✦ Commission Performance Reviews ✦ Produce PM Reports ✦ Commission Performance Audits
Audit Committee	Audit PM Reports & make recommendations
Internal Audit	Audit the results of Performance Measurements
IDP Steering Committee	Participate in PM Planning, Monitoring & Review
IDP Rep. Forum	
Ward Committees	

Figure 2: Stakeholder Roles & Responsibilities

20. Performance Management at Individual Level

The reality is that the municipality is an institution that employs people, thus its performance is highly dependent on employees. It therefore follows that performance needs to be managed at individual employee level. The individual performance management system is a vehicle for implementing the operational plans emanating from the municipal / SDBIP targets. At individual level, PM is meant to improve linkages between individuals, functions and the broader Municipal objectives. The PMS is aimed at providing specific standards to assist the employer, management and municipal staff to perform to the required standards. Emalahleni will use the individual PMS to:

- Manage and measure behaviours that contribute to organizational and individual success.
- Recognize levels of actual performance in relation to agreed targets.
- Encourage continuous improvement and efficiency.
- Identify and act on areas for individual development.
- Provide a platform for communication on performance between superiors and employees.

This section discusses the structured process for managing performance of the municipal manager and the employees that directly report to him; and separately discusses the process of managing performance for the rest of municipal staff. Albeit, the foundation for both levels is similar as summarized in Figure 4 and explained in the balance of this section.

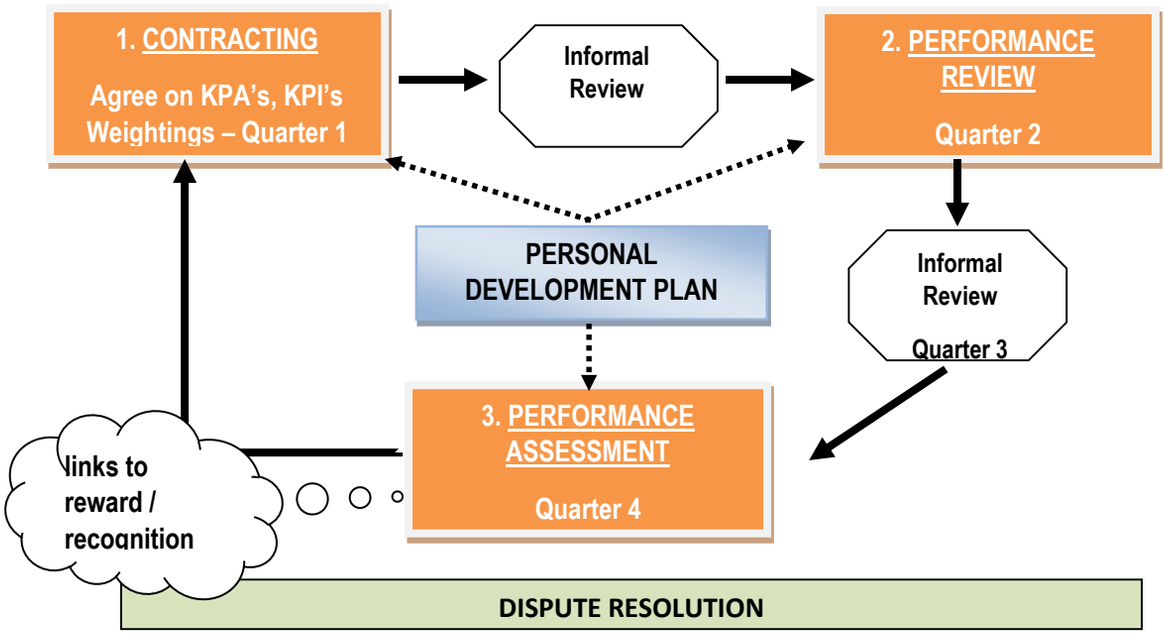


Figure 3: Cycle for Managing Performance at Individual Level

21. Performance Management for Section 54A and 56 Managers

Performance management for the municipal manager and the employees that directly report to him will strictly adhere to the provisions of the Municipal Performance Regulations (2006) shown in Annexure 3. The key phases are, namely, Performance Contracting; Performance Review; and Performance Assessment. This section will also discuss disputes relating to PM.

(i) Performance Contracting

Performance contracting is characterized by the consultation between the employer and the employee regarding specific performance standards that should be adhered to during the given financial year. Being the first of the three key phases, Performance Contracting entails the signing of the Performance Agreement within one month after commencement of each financial year, with the purpose to:

- comply with the contract of employment;
- comply with section 54A of the MSA;
- specify the agreed objectives and targets; and communicate the municipality's performance expectations in line with the IDP, the SDBIP and the budget;
- specify accountabilities that are drawn in the Performance Plan;
- serve as a basis of the municipality's commitment to a performance orientated relationship;
- Provide a platform for monitoring, evaluating and measuring performance against targeted outputs and subsequently rewarding good performance.

At this phase, the employee will commit to focusing on implementing the key objectives [i.e. KPA's, including any relevant special projects and the Core Competency Requirements (CCRs)]. The KPAs and CCRs are assigned a weight, respectively. Such weighting (as it is known) denotes the relative importance of the key objectives to each other. The KPAs would cover the main areas of work and would account for 80% whereas the CCRs would account for 20% of the final performance assessment (which is discussed in Phase 3 of this section). For the MM, the KPAs are as follows:

- Basic Service Delivery
- Municipal Institutional Development and Transformation
- Local Economic Development (LED)
- Municipal Financial Viability and Management
- Good Governance and Public Participation

For managers that directly account to the MM, the KPAs that are related to the functional areas of that manager's position, should be negotiated between that manager and the municipal manager. The CCRs that are critical for the employee's job should be selected from the following list and must also note the compulsory Core Managerial Competencies.

Core Managerial Competencies

- Strategic Capability and Leadership
- Programme and Project Management
- Financial Management *(compulsory)*
- Change Management
- Knowledge Management
- Service Delivery Innovation
- Problem Solving and Analysis
- People Management and Empowerment *(compulsory)*
- Client Orientation and Customer Focus *(compulsory)*
- Communication
- Honesty and Integrity

Core Occupational Competencies

- Competence in Self-Management
- Interpretation of and implementation within the legislative and national policy frameworks
- Knowledge of developmental local government
- Knowledge of Performance Management and Reporting
- Knowledge of global and South African specific political, social and economic contexts
- Competence in policy conceptualization, analysis and implementation
- Knowledge of more than one functional municipal field / discipline
- Skills in Mediation
- Skills in Governance
- Competence as required by other national line sector departments
- Exceptional and dynamic creativity to improve the functioning of the municipality

Figure 4: List of Core Competency Requirements (CCRs) for Employees

In order to address the development gaps that support the achievement of set performance targets, a Personal Development Plan (PDP) will be developed and form part of the Performance Agreement. A sample PDP is shown in Annexure 5. In line with the MFMA, the Performance Agreements will be made available to the public.

(ii) Performance Review

Performance review is aimed at checking and monitoring progress of the employee in satisfying the key objectives and their targets. Performance reviews will happen at the end of the first, second and third quarters of the year, as noted below.

Quarter	Period Under Review	Month of Conducting Review
1st	July to end of September	October
2nd	October to the end of December	January
3rd	January to the end of March	April

Emalahleni may elect to conduct verbal reviews for the first and third quarters, particularly if performance is deemed satisfactory. During any of the reviews, the municipality will, however, make use of the assessment tools that will be ultimately used in the Performance Assessment phase (4th Quarter). Despite the fore stated performance review intervals, the employer reserves a choice to review performance at any stage (for as long as the employment contract is still valid). For operational reasons and also based on agreement with the employee, the employer will be entitled to making changes to the provisions of the Performance Plan. In addition, performance feedback will be based on the employer's assessment of the employee's performance.

The performance review will entail the "stock taking" of the achievements on KPAs and CCRs. Each of the two will be reviewed as follows:

Key Performance Areas

a) Using the performance plan, each KPA will be reviewed in terms of the extent of meeting the KPIs and *ad hoc* tasks associated with that KPA.
b) The following five-point scale will be used to rate performance on each KPA:

Level	Terminology	Description	Rating				
			1	2	3	4	5
5	Outstanding performance	Performance far exceeds the standard expected of an employee at this level. The appraisal indicates that the employee has achieved above the fully effective results against all performance criteria and indicators as specified in the PA and Performance Plan and maintained this in all areas of responsibility throughout the year.					
4	Performance significantly above expectations	Performance is significantly higher than the standard expected in the job. The appraisal indicates that the employee has achieved above fully effective results against more than half of the performance criteria and indicators and fully achieved all others throughout the year.					
3	Fully effective	Performance fully meets the standards expected in all areas of the job. The appraisal indicates that the employee has fully achieved effective results against all significant performance criteria and indicators as specified in the PA and Performance Plan.					
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. The review / assessment indicate that the employee has achieved below fully effective results against more than half the key performance criteria					

Level	Terminology	Description	Rating				
			1	2	3	4	5
		and indicators as specified in the PA and Performance Plan.					
1	Unacceptable performance	Performance does not meet the standard expected for the job. The review / assessment indicate that the employee has achieved below fully effective results against almost all of the performance criteria and indicators as specified in the PA and Performance Plan. The employee has failed to demonstrate the commitment or ability to bring performance up to the level expected in the job despite management efforts to encourage improvement.					

c) The rating calculator will be developed and used for adding the scores for each KPA thus giving a final KPA score.

Critical Competency Requirements

a) Each CCR will be reviewed in terms of the extent to which the specified standards have been met.
b) The fore going five-point scale will be used for each CCR.
c) The rating will be multiplied by the weighting for each CCR and result in a score.
d) The rating calculator will be used to add the scores and calculate the final CCR score.

It should be noted that for the mid-year review (i.e. October – December) it is important for the employer to keep records.

(iii) Performance Assessment

Performance assessment is aimed at concluding the employee's performance measurement and development against set objectives. It will happen during the fourth quarter of the financial year. For purposes of practicality, performance assessment will be executed similar to the Performance Review (explained above), save the following important variations:

a) It will not be "stock take" but a "final evaluation" exercise for the financial year.
b) The minimum composition requirements of the evaluation panels will be as follows:

EVALUATION OF THE MM	EVALUATION OF MANAGERS ACCOUNTABLE TO THE MM
Mayor, outside MM &Audit Committee Chairperson	MM
Chairperson of the audit committee	Chairperson of the audit committee
Executive Committee member	Executive Committee member
Mayor or MM from another municipality	MM from another municipality
Ward committee member nominated by Mayor	HR. Manager
HR. Manager	

c) Performance assessment will form the basis of rewarding outstanding performance and correcting unacceptable performance.
d) Using the rating calculator, the range of performance bonus will be allocated as follows, as a percentage of the all-inclusive remuneration package:

Performance Score	Performance Bonus
150% +	10% – 14%
130% to 149%	5% – 9%

e) Unacceptable performance will be handled through providing remedial support to improve the employee's performance for an agreed timeframe (with the employer). If such structured attempts prove to be unsuccessful, the employer should take steps to terminate the contract on grounds of unfitness or incapacity. In that case, there should be adherence to the provisions of the Labour Relations Act.
f) Within 14 days of concluding the assessment of the MM's performance, the results thereof will be submitted to the MEC for Eastern Cape local government and the national Minister for local government.

(iv) Dispute Resolution

Disputes will be distinguished and handled as follows:

a) Disputes Pertaining to Performance Agreement

Where a dispute involves the MM, as an employee, such a dispute should be formally lodged by the MM to the Provincial MEC for local government. The MEC or his / her designate will mediate within 30 days of receipt of a formal dispute. The decision therefore will be final and binding on both the MM and the municipality.

Where a dispute involves a manager who directly accounts to the MM, such dispute should be formally lodged to the Mayor who will mediate within 30 days of receipt of a formal dispute. The Mayor's decision will be final and binding on both the manager and the MM.

b) Disputes Pertaining to the Outcome of Performance Evaluation

Where a dispute involves the MM, as an employee, such a dispute should be formally lodged by the MM to the Provincial MEC for local government. The MEC or his / her designate will mediate within 30 days of receipt of a formal dispute. The decision therefore will be final and binding on both the MM and the municipality.

Where a dispute involves a manager who directly accounts to the MM, such dispute should be formally lodged to a member of the municipal Council who was not part of the evaluation panel. Such member will mediate within 30 days of receipt of a formal dispute and his / her decision will be final and binding on both the manager and the MM.

k. Performance Management for all Other Municipal Staff Members

At this level of the municipality, performance will also be managed in accordance with the phases shown in Figure 3. The objectives of the above phases are individually provided below.

(i) Contracting

Contracting will entail the conclusion of a new performance agreement in a new financial year. That will take place within one month after the commencement of the new financial year. Specific objectives are, namely:

- To provide details of expected performance for the particular financial year in line with the Departmental objectives.
- To set the scene for developing a Personal Development Plan (PDP) for the employee in order to ensure performance improvement.
- To give clear and detailed targets for the employee with regard to Key Performance Areas, Key Performance Indicators, target dates and weightings.

(ii) Performance Review

The aim of the performance review is to check and monitor progress of the employee on each KPA, by checking the difference between the actual and expected performance. The performance reviews are scheduled as follows:

Quarter	Period Under Review	Month of Conducting Review
1st	July to end of September	October
2nd	October to the end of December	January
3rd	January to the end of March	April

In addition, the performance review is aimed at the following:

- To discuss corrective action where it is necessary.
- To check and monitor the progress of the employee on their PDP.
- To update and customize the PDP, where necessary.

(iii) Performance Assessment

Performance assessment will be based on the individual's performance in terms of the outputs / outcomes (KPI's) that are linked to KPA's which were agreed during the performance contracting phase. It will take place during the last quarter of the financial year. Specific objectives are as follows:

- To conclude an employee's performance measurement and development for each semester in that particular financial year.
- To assign KPA and final ratings/scores for the performance cycle.
- To determine the impact of the employee's development on his/her performance.
- To rate the employee's performance, using the rating scale that the municipality will develop.
- To recognize employee performance by assigning non-financial rewards which are guided by scores from the performance rating scale.

In support of the developmental nature of PMS, the municipality will ensure application of developmental support throughout all phases of the PM cycle. That will be in the form of PDP's whose primary focus will be on ensuring that the employee is well capacitated to deliver on the set performance targets. Albeit, performance feedback will be based on the employer's assessment of the employee's performance.
All phases of the PM cycle will leave room for addressing disputes that may arise. Disputes will be handled in line with the provisions of the municipal Disciplinary Code and / or the Collective Agreement, as applicable.

I. General Issues Relating to Performance Management

This section highlights some general issues related to performance management that need to be taken into account in implementing the PMS in the Municipality.

Annual Review of the Performance Management System

After the full cycle of the annual review and reporting is complete and the audit committee has met as required, the internal audit function will compile a comprehensive assessment / review report. The report will be on whether the Municipality's PMS meets the system objectives and principles as set out in this framework and whether it complies with the MSA, PMS Regulations and the MFMA. The report will need to be considered by the audit committee who will then submit any recommendations to the Executive Committee.
The review undertaken and recommendations made by the audit committee could serve as input into the wider municipal review of the PMS. After the full cycle of the annual review, the Municipal Manager should initiate an evaluation report that includes inputs from departments. The report will then be discussed by the management team and finally submitted to the Council for discussion and approval. All those steps will also fulfil the MSA's requirement that the Municipality should annually evaluate its PMS.

Amendments to KPI's and Targets

The Municipality will need to adopt a policy on amendments to performance indicators and targets. As a policy area, such amendments may be proposed but will be subject to the approval of the Executive Committee in consultation with the Municipal Manager.

Integrating PMS with the Council's Existing Management Cycle

International best practice indicates that PMS stands the best chance to succeed if it is integrated with the current management cycle of the Municipality. The purpose of such a cycle would be to guide the integration of important processes e.g. the strategic planning or development process in terms of the IDP methodology, the annual budget process and the formal process of evaluating and assessing Council's performance in terms of the approved PMS and this framework. Emalahleni municipality will develop and adopt a similar cycle that is suitable to its own circumstances and requirements.

Institutional Arrangements

The implementation of the PMS in terms of this framework would require coordination at organizational level and that will be the task of the IPED Manager's position, which will be acting on behalf of the municipal manager. Those duties will therefore form part of the IPED Manager's Performance Agreement.
For PMS at an individual level, the responsibility for co-ordination, administration and record keeping will be the responsibility of the position that is responsible for human resource management. Likewise, such duties will form part of the Corporate Service Manager's Performance Agreement.
The Municipality will ensure that its outsourced internal audit section has expertise in dealing with performance management responsibilities which are practically over and above the traditional financial audit responsibilities.

Conclusion

There are no definitive solutions to managing municipal performance. The implementation of the performance management system will be an incremental process.

CHAPTER 13

PROJECTS FROM OTHER SPHERES OF GOVERNMENT

Section D – Projects

CHAPTER 13 – PROJECTS FROM OTHER SPHERES OF GOVERNMENT

1. **Projects from Other Spheres of Government**
   (1) **Provincial Department of Social Development and Special Programmes**

ORGANISATION	SUB PROG	NATURE	BUDGET	NO.OF BEN	YEAR FUNDED	WARD	LOCATION
LAVELILANGA GENDER EMPOWERMENT & WHITE DOOR CENTRE OF HOPE	VICTIM EMPOWERMENT	SERVICES TO VICTIMS OF DOMESTIC VIOLENCE AND CRIME	R280 000.00	05	2014/2015	16	INDWE
DORDRECHT WHITE DOOR CENTRE OF HOPE	VICTIM EMPOWERMENT	SERVICES TO VICTIMS OF DOMESTIC VIOLENCE AND CRIME	R270 000.00	05	2014/2015	11	DORDRECHT
KHUSELEKA SUPPORT CENTRE AND SAFE HOME	VICTIM EMPOWERMENT	SERVICES TO VICTIMS OF DOMESTIC VIOLENCE AND CRIME	R400 000.00 (Received R200 000.00 as 1st tranche)	09	2014/2015	06	LADY FRERE (MCKYSNEK)
INDWE FAMILY RESOURCE CENTRE	FAMILIES	SERVICES TO FAMILIES	R120 000.00	150	2014/2015	15	INDWE
ACVV DORDRECHT	CHILD CARE AND PROTECTION	SERVICES TO CHILDREN	R168 140. 00	02	2014/2015	11	DORDRECHT
TADA	SUBSTANCE ABUSE	PREVENTION SERVICES TO IN SCHOOL AND OUT OF SCHOOL YOUTH	R100 000.00	06	2014/2015	EMALAHLENI	EMALAHLENI

ORGANISATION	SUB PROG	NATURE	BUDGET	NO.OF BEN	YEAR FUNDED	WARD	LOCATION
HLALANATHI SERVICE CENTRE	SERVICES TO OLDER PERSONS	SERVICERS TO OLDER PERSONS	R120 000	50	2014/2015	5	CUMAKALA VILLAGE (LADY FRERE)
LUXOLO SERVICE CENTRE	SERVICERS TO OLDER PERSONS	SERVICERS TO OLDER PERSONS	R64 800	27	2014/2015	10	TSEMBEYI
MASAKHE SERVICE - CENTRE	SERVICERS TO OLDER PERSONS	SERVICERS TO OLDER PERSONS	R223 200	93	2014/2015	17	KWA NTSINGA-
MASONWABE SERVICE CENTER	SERVICERS TO OLDER PERSONS	SERVICERS TO OLDER PERSONS	R96 000	30	2014/2015	3	HALA 1
MASONWABE SERVICE CENTRE	SERVICERS TO OLDER PERSONS	SERVICERS TO OLDER PERSONS	R96 000	40	2014/2015	8	VAALBANK-
NERINAHOF-DORDRECHT	SERVICERS TO OLDER PERSONS	SERVICERS TO OLDER PERSONS	R877 200	43	2014/2015	14	DORDRECHT
NONCEDO SERVICE CENTRE	SERVICERS TO OLDER PERSONS	SERVICERS TO OLDER PERSONS	R120 000	55	2014/2015	6	KHUNDULU-
SOYI SERVICE CENTRE	SERVICERS TO OLDER PERSONS	SERVICERS TO OLDER PERSONS	R120 000	50	2014/2015	10	TSEMBEYI-
SOSEBENZA SERVICE CENTRE	SERVICERS TO OLDER PERSONS	SERVICERS TO OLDER PERSONS	R256 800	107	2014/2015	16	INDWE-
THEMBALETHU SERVICE CENTRE	SERVICERS TO OLDER PERSONS	SERVICERS TO OLDER PERSONS	R96 000	60	2014/2015	04	CACADU-
SIYALINGA SERVICE CENTER	SERVICERS TO OLDER PERSONS	SERVICERS TO OLDER PERSONS	R48 000	20	2014/2015	17	NGCUKA

ORGANISATION	SUB PROG	NATURE	BUDGET	NO.OF BEN	YEAR FUNDED	WARD	LOCATION
DORDRECHT SERVICE CENTER	SERVICERS TO OLDER PERSONS	SERVICERS TO OLDER PERSONS	R96 000.00	40	2014/2015	14	DORDRECHT
SIYAVUYA SERVICE CENTER	SERVICERS TO OLDER PERSONS	SERVICERS TO OLDER PERSONS	R48 000	20	2014/2015	12	MKHAPHUSI
LADY FRERSE SERVICE CENTER	SERVICERS TO OLDER PERSONS	SERVICERS TO OLDER PERSONS	R72 000	30	2014/2015	04	LADY FRERE TOWN
VUKUTYE SERVICE CENTER	SERVICERS TO OLDER PERSONS	SERVICERS TO OLDER PERSONS	R48 000	20	2014/2015	03	GREYSPAN
KHANYISA-RODANA	SERVICERS TO OLDER PERSONS	SERVICES TO OLDER PERSONS	R55 200	23	2014/2015	01	RODANA
SAKHINGOMSO INDWE COMMUNITY GROUP	HIV/AIDS	HOME COMMUNITY BASED CARE SERVICES	R300 000.00 (But not yet transferred)	10	2014/2015	16	INDWE
MASIBAMBANE SUPPORT GROUP	HIV/AIDS	HOME COMMUNITY BASED CARE SERVICES	R300 000.00	10	2014/2015	04	LADY FRERE TOWN
BOOMPLAAS D.C.C	EARLY CHILDHOOD DEVELOPMENT	SERVICES TO CHILDREN 0-5 YRS	R72 375	25	2014/2015	10	MACUBENI
BUFFALO THORNS DCC	EARLY CHILDHOOD DEVELOPMENT	SERVICES TO CHILDREN 0-5 YRS	R72 375	25	2014/2015	8	VAALBANK
BUYANI D.C.C	EARLY CHILDHOOD DEVELOPMENT	SERVICES TO CHILDREN 0-5 YRS	R144 750	50	2014/2015	16	INDWE
EMZI D.C.C	EARLY CHILDHOOD DEVELOPMENT	SERVICES TO CHILDREN 0-5 YRS	R83 955	29	2014/2015	6	MCKYSNECK

ORGANISATION	SUB PROG	NATURE	BUDGET	NO.OF BEN	YEAR FUNDED	WARD	LOCATION
GADLUME D.C.C	EARLY CHILDHOOD DEVELOPMENT	SERVICES TO CHILDREN 0-5 YRS	R78 165	27	2014/2015	13	GADLUME
GQEBENYA D.C.C	EARLY CHILDHOOD DEVELOPMENT	EARLY CHILDHOOD DEVELOPMENT	R112 905	39	2014/2015	6	GQEBENYA
JEKENI NOMZAMO D.C.C	EARLY CHILDHOOD DEVELOPMENT	SERVICES TO CHILDREN 0-5 YRS	R86 850	30	2014/2015	8	JEKENI
KHANYA D.C.C	EARLY CHILDHOOD DEVELOPMENT	SERVICES TO CHILDREN 0-5 YRS	R81 060	28	2014/2015	8	MGQUKWEBE
KHANYISA D.C.C	EARLY CHILDHOOD DEVELOPMENT	SERVICES TO CHILDREN 0-5 YRS	R83 955	29	2014/2015	5	DOPU
KHULILE D.C.C	EARLY CHILDHOOD DEVELOPMENT	SERVICES TO CHILDREN 0-5 YRS	R101 325	35	2014/2015	17	NTSINGA
KUYASA	EARLY CHILDHOOD DEVELOPMENT	SERVICES TO CHILDREN 0-5 YRS	R57 900	20	2014/2015	2	LANTI
LADYFRERE	EARLY CHILDHOOD DEVELOPMENT	SERVICES TO CHILDREN 0-5 YRS	R170 805	59	2014/2015	4	LADYFRERE
LANTI BUSH DCC	EARLY CHILDHOOD DEVELOPMENT	SERVICES TO CHILDREN 0-5 YRS	R78 165	27	2014/2015	2	LANTI
LANTI- POORT DCC	EARLY CHILDHOOD DEVELOPMENT	SERVICES TO CHILDREN 0-5 YRS	R63 690	22	2014/2015	2	LANTI
LITTLE FIRE DCC	EARLY CHILDHOOD DEVELOPMENT	SERVICES TO CHILDREN 0-5 YRS	R92 640	32	2014/2015	12	NGQANDA
MAKUKHANYE DCC	EARLY CHILDHOOD DEVELOPMENT	SERVICES TO CHILDREN 0-5 YRS	R110 010	38	2014/2015	17	TRUST

ORGANISATION	SUB PROG	NATURE	BUDGET	NO.OF BEN	YEAR FUNDED	WARD	LOCATION
MASAKHANE PRE-SCHOOL	EARLY CHILDHOOD DEVELOPMENT	SERVICES TO CHILDREN 0-5 YRS	R57 900	20	2014/2015	16	GUBA HOEK
MASITHEMBE DCC	EARLY CHILDHOOD DEVELOPMENT	SERVICES TO CHILDREN 0-5 YRS	R95 535	30	2014/2015	3	GREYSPAN
MATYHANTYA	EARLY CHILDHOOD DEVELOPMENT	SERVICES TO CHILDREN 0-5 YRS	R86 850	30	2014/2015	6	MATYANTYA
MIKHAYA	EARLY CHILDHOOD DEVELOPMENT	SERVICES TO CHILDREN 0-5 YRS	R98 430	34	2014/2015	1	XONXA
MASIZAKHE PRE-SCHOOL	EARLY CHILDHOOD DEVELOPMENT	SERVICES TO CHILDREN 0-5 YRS	R153 435	53	2014/2015	17	PERCY
MT ARTHUR	EARLY CHILDHOOD DEVELOPMENT	SERVICES TO CHILDREN 0-5 YRS	R124 485	43	2014/2015	12	MT ARTHUR
MZAMOMHLE(MAQHUBELA)	EARLY CHILDHOOD DEVELOPMENT	SERVICES TO CHILDREN 0-5 YRS	R57 900	20	2014/2015	3	MAQHUBELA
MZAMOMHLE DCC (BOZWANA)	EARLY CHILDHOOD DEVELOPMENT	SERVICES TO CHILDREN 0-5 YRS	R110 010	38	2014/2015	7	BOZWANA
MZAMOMHLE(XONXA)	EARLY CHILDHOOD DEVELOPMENT	SERVICES TO CHILDREN 0-5 YRS	R127 380	44	2014/2015	1	XONXA
NALISANGO DCC	EARLY CHILDHOOD DEVELOPMENT	SERVICES TO CHILDREN 0-5 YRS	R60 795	21	2014/2015	13	HELUSHE
NJONGOZETHU DCC	EARLY CHILDHOOD DEVELOPMENT	SERVICES TO CHILDREN 0-5 YRS	R57 900	20	2014/2015	2	LANTI
NOBANTU DCC	EARLY CHILDHOOD DEVELOPMENT	SERVICES TO CHILDREN 0-5 YRS	R57 900	20	2014/2015	2	LANTI

ORGANISATION	SUB PROG	NATURE	BUDGET	NO.OF BEN	YEAR FUNDED	WARD	LOCATION
NOKULUNGA DCC	EARLY CHILDHOOD DEVELOPMENT	SERVICES TO CHILDREN 0-5 YRS	R98 430	34	2014/2015	3	HALA NO.1
NOLUKHANYO PRE-SCHOOL	EARLY CHILDHOOD DEVELOPMENT	SERVICES TO CHILDREN 0-5 YRS	R66 585	23	2014/2015	13	GXOJENI
NOLUVUYO DCC	EARLY CHILDHOOD DEVELOPMENT	SERVICES TO CHILDREN 0-5 YRS	R57 900	20	2014/2015	2	BENGU
NOMPUMELELO PRE-SCHOOL (BHOLENI)	EARLY CHILDHOOD DEVELOPMENT	SERVICES TO CHILDREN 0-5 YRS	R78 165	27	2014/2015	7	DUBENI
NOMPUMELELO(TSEMBEYI)	EARLY CHILDHOOD DEVELOPMENT	SERVICES TO CHILDREN 0-5 YRS	R115 800	40	2014/2015	10	TSEMBEYI
NOMPUMELELO DCC (GUBA HOEK)	EARLY CHILDHOOD DEVELOPMENT	SERVICES TO CHILDREN 0-5 YRS	R104 220	36	2014/2015	16	GUBA HOEK
NOMPUMELELO (GLEN ADELAIDE)	EARLY CHILDHOOD DEVELOPMENT	SERVICES TO CHILDREN 0-5 YRS	R121 590	42	2014/2015	5	GLEN ADELAIDE A/A
NOMVELISO PRE-SCHOOL	EARLY CHILDHOOD DEVELOPMENT	SERVICES TO CHILDREN 0-5 YRS	R115 800	40	2014/2015	14	KALAKFONTEIN
NOMZAMO PRE-SCHOOL (QOQODALA)	EARLY CHILDHOOD DEVELOPMENT	SERVICES TO CHILDREN 0-5 YRS	R92 640	32	2014/2015	7	QOQODALA
NOMZAMO PRE-SCHOOL (MACUBENI)	EARLY CHILDHOOD DEVELOPMENT	SERVICES TO CHILDREN 0-5 YRS	R57 900	20	2014/2015	17	TRUST
NONCEDO DCC(GUBA HOEK)	EARLY CHILDHOOD DEVELOPMENT	SERVICES TO CHILDREN 0-5 YRS	R57 900	20	2014/2015	16	GUBA HOEK
NONCEDO (NGQOKO	EARLY CHILDHOOD DEVELOPMENT	SERVICES TO CHILDREN 0-5 YRS	R72 375	25	2014/2015	4	NGQOKO

ORGANISATION	SUB PROG	NATURE	BUDGET	NO.OF BEN	YEAR FUNDED	WARD	LOCATION
NONKUTHAZO PRE - SCHOOL	EARLY CHILDHOOD DEVELOPMENT	SERVICES TO CHILDREN 0-5 YRS	R57 900	20	2014/2015	13	LUXENI A/A
NONTSIKELELO PRE-SCHOOL	EARLY CHILDHOOD DEVELOPMENT	SERVICES TO CHILDREN 0-5 YRS	R78 165	27	2014/2015	7	DUBENI
NGQANDA DCC	EARLY CHILDHOOD DEVELOPMENT	SERVICES TO CHILDREN 0-5 YRS	R57 900	20	2014/2015	12	NGQANDA
PHAKAMANI(GREYSPAN	EARLY CHILDHOOD DEVELOPMENT	SERVICES TO CHILDREN 0-5 YRS	R89 745	31	2014/2015	3	GREYSPAN
PHAKAMANI(MCKYSNEK)	EARLY CHILDHOOD DEVELOPMENT	SERVICES TO CHILDREN 0-5 YRS	R78 745	27	2014/2015	6	MCKYSNEK
QOBOSHANE DCC	EARLY CHILDHOOD DEVELOPMENT	SERVICES TO CHILDREN 0-5 YRS	R107 115	37	2014/2015	13	QOBOSHANE A/A
QUMBU DCC	EARLY CHILDHOOD DEVELOPMENT	SERVICES TO CHILDREN 0-5 YRS	R104 220	36	2014/2015	9	ZWAARTWATER
SIFUNULWAZI DCC	EARLY CHILDHOOD DEVELOPMENT	SERVICES TO CHILDREN 0-5 YRS	R110 010	38	2014/2015	9	ZWAARTWATER
SINETHEMBA DCC	EARLY CHILDHOOD DEVELOPMENT	SERVICES TO CHILDREN 0-5 YRS	R107 115	37	2014/2015	3	NTLALONTLE
SISEKO PRE-SCHOOL	EARLY CHILDHOOD DEVELOPMENT	SERVICES TO CHILDREN 0-5 YRS	R104 220	36	2014/2015	2	QUTUBENI
SIVUMILE EDUCARE CENTRE	EARLY CHILDHOOD DEVELOPMENT	SERVICES TO CHILDREN 0-5 YRS	R92 640	32	2014/2015	3	MAQHUBELA
SIVUYISIWE PRE –SCHOOL	EARLY CHILDHOOD DEVELOPMENT	SERVICES TO CHILDREN 0-5 YRS	R95 535	33	2014/2015	9	ZWAARTWATER

ORGANISATION	SUB PROG	NATURE	BUDGET	NO.OF BEN	YEAR FUNDED	WARD	LOCATION
SIYABULELA DCC	EARLY CHILDHOOD DEVELOPMENT	SERVICES TO CHILDREN 0-5 YRS	R72 375	25	2014/2015	8	UPPER VAALBANK
SIYAKONWABA DCC	EARLY CHILDHOOD DEVELOPMENT	SERVICES TO CHILDREN 0-5 YRS	R66 585	23	2014/2015	8	VAALBANK
SIZAMELE PRE-SCHOOL	EARLY CHILDHOOD DEVELOPMENT	SERVICES TO CHILDREN 0-5 YRS	R81 060	28	2014/2015	13	EMTHINI
SMALL FARM PRE-SCHOOL	EARLY CHILDHOOD DEVELOPMENT	SERVICES TO CHILDREN 0-5 YRS	R78 165	27	2014/2015	6	GQEBENYA
ST CATHERINES PRE-SCHOOL	EARLY CHILDHOOD DEVELOPMENT	SERVICES TO CHILDREN 0-5 YRS	R165 015	57	2014/2015	16	INDWE
ST CYPRIANS PRE-SCHOOL	EARLY CHILDHOOD DEVELOPMENT	SERVICES TO CHILDREN 0-5 YRS	R107 115	37	2014/2015	13	TSHAMAZIMBA
NONKUNZI DCC	EARLY CHILDHOOD DEVELOPMENT	SERVICES TO CHILDREN 0-5 YRS	R130 275	45	2014/2015	4	CACADU
THALENI DCCC	EARLY CHILDHOOD DEVELOPMENT	SERVICES TO CHILDREN 0-5 YRS	R57 900	20	2014/2015	13	THALENI
THEMBELIHLE PRE-SCHOOL	EARLY CHILDHOOD DEVELOPMENT	SERVICES TO CHILDREN 0-5 YRS	R57 900	20	2014/2015	13	UPPER GXOJENI
VUKANI(NTLALONTLE)	EARLY CHILDHOOD DEVELOPMENT	SERVICES TO CHILDREN 0-5 YRS	R69 480	24	2014/2015	3	NTLALONTLE
VUKANI(MGWALANA)	EARLY CHILDHOOD DEVELOPMENT	SERVICES TO CHILDREN 0-5 YRS	R75 270	26	2014/2015	16	UPPER MGWALANA
VULINDLELA	EARLY CHILDHOOD DEVELOPMENT	SERVICES TO CHILDREN 0-5 YRS	R101 325	35	2014/2015	6	MCKYSNECK

ORGANISATION	SUB PROG	NATURE	BUDGET	NO.OF BEN	YEAR FUNDED	WARD	LOCATION
VUYANI DCC	EARLY CHILDHOOD DEVELOPMENT	SERVICES TO CHILDREN 0-5 YRS	R72 375	25	2014/2015	13	MBOLOMPENI A/A
YIMPUCUKO DCC	EARLY CHILDHOOD DEVELOPMENT	SERVICES TO CHILDREN 0-5 YRS	R92 640	32	2014/2015	14	DORDRECHT
ZAMOKUHLE DCC	EARLY CHILDHOOD DEVELOPMENT	SERVICES TO CHILDREN 0-5 YRS	R86 850	30	2014/2015	7	BOWDEN
ZANOXOLO	EARLY CHILDHOOD DEVELOPMENT	SERVICES TO CHILDREN 0-5 YRS	R101 325	35	2014/2015	10	MATEYISE
ZIKHULISE DCC	EARLY CHILDHOOD DEVELOPMENT	SERVICES TO CHILDREN 0-5 YRS	R89 745	31	2014/2015	7	QOQODALA
ZOLANI PRE –SCHOOL	EARLY CHILDHOOD DEVELOPMENT	SERVICES TO CHILDREN 0-5 YRS	R57 900	20	2014/2015	8	NGONYAMA
ZUBASDALE DCC	EARLY CHILDHOOD DEVELOPMENT	SERVICES TO CHILDREN 0-5 YRS	R104 220	36	2014/2015	12	MOUNT ARTHUR
VUKUZENZELE DCC	EARLY CHILDHOOD DEVELOPMENT	SERVICES TO CHILDREN 0-5 YRS	R89 745	31	2014/2015	3	EZINGQOLWENI
NGCUKA DCC	EARLY CHILDHOOD DEVELOPMENT	SERVICES TO CHILDREN 0-5 YRS	R86 850	30	2014/2015	17	NGCUKA
EMADWALENI PRE-SCHOOL	EARLY CHILDHOOD DEVELOPMENT	SERVICES TO CHILDREN 0-5 YRS	R92 640	32	2014/2015	3	HALA 2

PROJECT NAME	PROJECT DESCRIPTION	BURGET	WARD	FUNDING SOURCE	
					2015/2016
1. Lathitha Ukhanyo Project	Household Food Garden	R100 000.00	03	Department of Social Development: Women Development	2015 / 2016
2. Phaphamani Project	Household Food Garden	R100 000.00	06	Department of Social Development: Women Development	2015 / 2016
3. Sathosaphila Phila	Household Food Garden	R100 000.00	10	Department of Social Development: Poverty Alleviation and Sustainable Livelihoods	2015 / 2016
4. Indwe	Community Nutrition Development Centre		16	Department of Social Development: Poverty Alleviation and Sustainable Livelihoods	2015 / 2016

(2) Provincial Department of Rural Development And Agrarian Reform

PROGRAMME	PROJECT	WARD	ALLOCATED BUDGET	FINANCIAL YEAR
Food Security	(Siyazondla, this program refers to the graduates of food parcels and the people with less than one ha owners.)		Budget R180 000	2015 / 2016
	✓ Ithango farmers co-op -100 ha ✓ Zabalaza farmers co-op - 100ha ✓ Pepindlala farmers co-op - 100ha ✓ Masakhane farmers co-op - 50ha ✓ Mabhabela farmers co-op - 100ha ✓ Ibuyambo sec. co-op - 550ha Total = 1000		Letsema (field crops) budgeted amount in hacters 1000ha, R3 200/ha with a minimum 1000 ha and a Minimum contribution from farmers of R1 800/ha	2015 / 2016
Infrastructural Development	✓ Cumakala Renovation ✓ Cacadu Renovation ✓ Ngonyama Renovation ✓ Buffelsdoring Renovation ✓ Kundulu new dipping tank		✓ R 80 000 ✓ R 80 000 ✓ R 80 000 ✓ R 80 000 ✓ R380 000	2015 / 2016
Land Care	✓ Hala Land care	3	✓ R332 386	2015 / 2016
Ibuyambo Red Hub Program				

MEGA SORGHUM PROJECT	PROJECT STATUS	AMOUNT
Ibuyambo secondary co-op	This co-op was established by Emalahleni Sorghum belt farmers through Agro - processing of sorghum crop production. A miller was bought through a funding from Thina Sinako European company, for adding value to the sorghum grain crop so as to easily market the crop to the consumers. This co-op has registered as a secondary co-op which confirms to the local Municipality that the Project is a poverty alleviation and job creation due to support from ECRDA.	
Delindlala farmer's co-op	This co-op is located at Indwe. It is composed of 19 farmers who bought the farm through Lrad program from DRDLR. Cropping activities are crop, livestock, dairy, orchard and pasture production. Last year 2014/15 this farm won number one in a District female farmer competition and compete to the National female farmer in Johannesburg.	
Ithango farmer's co-op	This co-op was derived out of Gubahoek farmers who were unable to utilize their farms because of some farmers were having a land claim problem, and others have title deed and not assisted with Government grants, but through co-op registration good results were reached where Guba & Indwe Ida got a record of 5,5tons per ha which was a Provincial record set by a Emalahleni local Municipality. Gubahoek farm soils were surveyed and found to be high potential for cropping and livestock production, as they were found in the past, as food basket of the area, which is now Emalahleni local Municipality. This made the area to be part of food security areas. Ithango co-op, therefore, become the best food security site in the area.	

(3) **Provincial Department of Human Settlements - 15/16 PLANS- PLANNING & HOUSES**
FUTURE/NEW PROJECTS FOR FEASIBILITY STUDIES TO BE UNDERTAKEN (WITHOUT COUNCIL RESOLUTIONS & BENEFICIARY LISTS)

PROGRAMME/ PROJECT NAME	STATUS	HOUSES	SERVICES		PROJECTED EXPENDITURE	ESTIMATED START DATE	COMMENTS
			FULL	PARTIAL			
Cacadu Extension 3&4 Mixed dev. 800 Units	Planning	0	0	0	R 0.00	2017/04/01	Awaiting formal application with Beneficiary lists and council resolutions. Procurement for PSP's on Feasibility Studies.
Dordrecht (Mixed Development 800	Planning	0	0	0	R0.00	2017/04/01	
Indwe 800	Planning	0	0	0	R.00	2017/04/01	
TOTALS (Pre-planning)					**R 0.0**		

15/16 PLANS- RECTIFICATION

PROGRAMME/ PROJECT NAME	STATUS	HOUSES	SERVICES		PROJECTED EXPENDITURE	START DATE	COMMENTS
			FULL	PARTIAL			
Dordrecht 2000	Rectification of defective houses	0	0	0	R 1 166 667.00	2014/07/18	Two contractors appointed for this project. Both contractors are on site.
Lady Frere 715	Rectification of defective houses	0	0	0	R 200 000.00	2015/05/28	Contractor is appointed and will commence after finalisation of New Norms and Standards introduced as the additional works after the appointment of the contractor.
					0	2015/06/30	**Internal Service**s **are dysfunctional-**. The Department is busy with finalization of the appointment of Service provider to Assess the entire sewer and water rectification scheme.
Indwe 513	Assessment	0	0	0	R0 00	2016/04/01	Assessment report has been finalised by NHBRC and to be presented to the department before end of the month.
TOTAL (Rectification)					**R 1.36 M**		

(4) Provincial Department of Roads and Public Works – Expanded Public Works Programme (EPWP) Management

HOUSEHOLD CONTRACTOR PROGRAMME 2015/2016			
LM	**NO OF H/H**	**AMOUNT**	**COMMENT**
EMALAHLENI	1382	R9,950,400.00	Multi-year
TOTAL	**1382**	**R9,950,400.00**	

National Youth Service Programme 2015 / 2016			
LM	**No of NYS**	**Amount**	**Comment**
Emalahleni	4	R81 600	Multi-Year
Total		**R81 600**	

Accelerated Professionals and Trade Competency Development			
LM	**No of APTCoD**	**Amount**	**Comments**
Emalahleni	5	R132 000	
Total		**R132 000**	

Incubator Programme for 3 years (2013 – 2015)		
LM	**No of Incubators**	**Comments**
Emalahleni	1	

(5) Chris Hani District Municipality

Project Number (1)	Project Name	2015-2016	2016-2017	2017-2018
	Mackay's Nek Sanitation	R 0.00	R 0.00	
	Cluster 1 Water backlog (Wards 7,8 ,10,13,14)	R 13 000 000.00	R 4 000 000.00	R 4 000 000.00
	Cluster 2 Water Backlog (Wards 1,2,4 & 6)	R 13 500 000.00	R 21 756 499.69	
	Region 3 Sanitation Backlog		R8 000 000.00	
	Cluster 4 Sanitation (Wards 2,3,4,5,15,16, Vukani Guba & Percy Villages)	**R 6 500 000.00**		
	Cluster 3 Sanitation (Wads 7,8,9,10,11,12,13& 14)	**R 6 000 000.00**		
	Dordrecht Bucket Eradication	**R 10 234 520.44**	**R40 000 000.00**	
	Cluster 2 Water Backlog (Wards 1,2,4&6)	**R 0.00**		**R 1 756 449.69**
		R 49 234 520.44	**R 53 756 449..69**	**R 55 756 449.69**

(6) Eskom

2015/2016 Electrification Programme

Emalahleni Local Municipality hereby confirms that Eskom has made the following allocation as part of the 2015/2016 electrification plan:

Project Name	Project Type	Conn's 15/16	MTEF Planned CAPEX 2015/16 (Excl Vat)	Beneficiaries
Emalahleni Small Holdings	Household	30	**R 570 000**	Mgcodo, Kula, Matsolo, Kama, Ndika, Zothe, Songo, Mthikrakra
EMALAHLENI EXTENSIONS 15/16	Household	1 230	**R 20 300 000**	Ward extentions in electrified areas of Emalahleni
Lady Frere 8A2	Household	100	**R 1 651 000**	Pretoria Ext
Lady Frere 8B 2	Household	140	**R 2 100 500**	Sikhwanqeni
Farm Dweller Houses	FDH	7	**R 89 342**	Farm worker houses in Emalahleni
Emalahleni Type 1;2 & 3 Infills	Infills	1 000	**R 3 602 000**	Various villages around Lady Frere and Indwe
EMALAHLENI EXTENSION 15/16 LINK LINE	Infrastructure		**R 5 602 955**	
Emalahleni Small Holdings Link Line	Infrastructure		**R 2 967 083**	

We also wish to confirm that we expressed the need for the electrification of these areas to Eskom. These Projects are in line with our IDP requirements.

Municipal Unfunded Projects

Below is a list of high impact projects, identified for purposes of seeking funding:

Key Priority Area	Directorate	Unfunded Project	Progress to Date
Local Economic Development	Economic Development, Tourism and Agriculture	Shearing Shed	
		Mechanization / Tractors	
		Fencing of Arable land	
Basic Infrastructure and Service Delivery	Community Services	Environmental Management Projects (Transfer Station and Landfill sites)	Awaiting calls for proposals from Environmental Protection Infrastructure Programme (DEA)
		Management of Parks and Open Spaces	Awaiting response from Department of Trade and Industry
		Indwe Resort	Lobbying from various
		Community Halls and Sport Fields	Awaiting National Lottery
		Disaster Management Centre	Lobbying from various stakeholders
		Vehicle Testing Station	Submit business plan to National Department of Transport
		Compliant Animal Pound	Submit business plan
	Infrastructure Development and Human Settlements	Construction of rural roads (Paving)	
		Provision of alternative energy supply (Electrification)	
		An effective Operation and Maintenance programme on Roads and Storm Water	
		An effective Operation and Maintenance programme on Street-lights	
		Housing (Facilitation) / Office Development (Municipal Offices, Middle Income Houses, Rental Stock Housing, Breaking New Grounds BNG etc.)	
Municipal Transformation and Institutional Development	Office of the Municipal Manager	Automated Performance Management System	
		Development of the Inter-Governmental Relations Framework	
		Gender Mainstreaming	
Good Governance and Public Participation	Corporate Services	Gazetting of By-laws	Partly Budgeted

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