

**CHAPTER
3**

**SERVICE DELIVERY
PERFORMANCE**

PERFORMANCE REPORT PART 1

FIRST DRAFT

CHAPTER 3: SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART 1)

The Integrated Development Plan (IDP) determines the strategic goals and objectives according to direct feedback and involvement from the community as part of the many public participation initiatives that are undertaken.

Capital project funding for 2011/2012 is reflected as follows to accommodate service delivery areas:

Council's MIG (Municipal Infrastructure Grant) allocation increased from R 19 209 000 to R 23 102 000 for the 2011/2012 financial year. It is anticipated that some of the MIG allocation would be used finance the following projects:

MIG FUNDED PROJECTS	
Project: Khwezi Storm Water (Phase II)	7 150 000.00
Constr Access Roads Wards 7,8,9&12 (Ph 4)	1 093 957.00
Project: Constr Roads Ward 1, 2 & 3 (Ph 1)	496 335.00
Project: Sterkspruit Taxi Rank	9 738 566.00
Khwezi Naledi Sport Field Lighting	2 918 071.00
Sterkspruit Solid Waste Site	124 070.00

An amount of R 41 057 664 Capital Expenditure Ex Revenue was budgeted to fund the following projects:

Total Capital Budget for Projects		
4103	Tools & Equipment	320 500.00
4104	Infrastructure	1 500 000.00
4105	Vehicles, Plant & Equipment	3 058 000.00
4106	Furniture & Office Equipm.	890 870.00
4107	Project: Khwezi Storm Water (Phase II)	12 604 194.00
4108	Project: Constr Roads Ward 1, 2 & 3	496 335.00
4110	Project: Surfaced Roads (Phase I)	3 761 756.00
4112	Constr Access Roads Wards 7,8,9&12 (Ph 4)	1 093 957.00
4118	Fleet Bay	450 000.00
4150	Project: Driver License Train Centre	1 800 000.00
4152	Community Halls	500 000.00
4153	Project: Internet / Communication	84 131.06
4157	Sterkspruit Taxi Rank (Phase 1)	11 455 780.00
4158	Project: Sterkspruit Solid Waste Site	124 070.00
4164	Khwezi Naledi Sport Field Lighting	2 918 071.00

It is anticipated that R 17 494 043 would go towards the completion of the following housing projects.

HOUSING PROJECTS	
Project: Housing - Lady Grey 1 000	1 618 897.34
Project: Housing - Herschel 700	7 094 313.68
Project: Housing - Hillside 1 000	8 780 832.00

Council further intends to take up a loan to finance the completion of the office complex. It is foreseen that R 281 615 during the 2011/2012 would be required.

Service provision remains a cornerstone of Senqu Municipality and is reflected in every aspect of its day to day functioning. Within this chapter, service delivery will examine the many areas where service delivery

has been well achieved and additionally reflect on areas that have been and/or remain a challenge. Challenges that affect service delivery will be highlighted in order that these receive required priority and attention when planning for all future service delivery initiatives.

Reporting on service provision is detailed as follows for the 2011/2012 period with specific reference to the s46 Performance Report for the same period:

3.1. **Water Services**

3.1.1 **Water Services Delivery Strategy and Main Role-players:**

- Water and Sanitation Services are to be provided only in the urban areas, as Senqu Municipality is a Water Services Provider (contractor) appointed until 31 July 2012 by Joe Gqabi District Municipality (as the Water Services Authority);
- All water and capital sanitation projects fall under Joe Gqabi District Municipality. Services provision within the Senqu areas and powers and functions are done by application only.

3.1.2 **Levels and Standards in Water Services**

It must be noted that for the most part, the level of services provided within the Water Services Provider area, is mostly of an extremely high quality with connections to the yard and the house itself. It is noted that the highest quality /standard of water is to be found in Sterkspruit and Rhodes. This is then followed by Barkly East and Lady Grey. While water is available 24 hours per day in this area of jurisdiction, many lengthy outages are experienced in the rural areas.

3.1.3 **Annual Performance as per Key Performance Indicators in Water Services**

Indicator Name	Total Number of household/ customer expected to benefit	Estimated backlogs (actual numbers)	Target set for the Financial Year under review (actual numbers)	Numbers of Households/ customers reached during the Financial Year	Percentage of achievement during the year
Percentage of households with access to potable water	100%	0 13 869 H/Hs (Rural)	O – Done on request WSA (Rural)	6922 (Urban) WSA (Rural)	100% (Urban) WSA (Rural)
Percentage of indigent households with access to free basic potable water	100% (urban) 32% (Rural)	0 13 869 H/Hs (Rural)	All services H/Hs receive 6kl free	6922 (Urban) WSA (Rural)	100% (Urban) WSA (Rural)
Percentage of clinics with access to potable water	100% (Urban) WSA (Rural)	0 WSA (Rural)	All clinics within jurisdiction receive potable water	3 (Urban) WSA (Rural)	100% (Urban) WSA (Rural)
Percentage of schools with access to potable water	100% (Urban) WSA (Rural)	0 (Urban) WSA (Rural)	All schools within the area of jurisdiction have potable water	9 (Urban) WSA (Rural)	100% (Urban) WSA (Rural)
Percentage of households using buckets	Estimated at 6 % (informal areas)	2 013	WSA	2013 WSA Capital project	0%

Rural data can be obtained from the Joe Gqabi District Municipality but the estimated backlog is around 14 000 H/Hs (Estimated cost per H/H is R 2 500= R 35 000 000, excluding treatment)

Additionally, the following achievements are noted:

- Water purified 1 368 262 Kl (1.4 MI) on available metering
- Pumping power usage= 427 727 Kwh
- Water faults reported and attended to: 916
- Water meters replaced/serviced: 10
- New water connections: 7
- Water breaks attended: 533 (of which 317 occurred in Barkly East)

- Ongoing maintenance occurs
- Senqu Municipality was officially appointed as the Water Services Provider (contractor) by the Water Services Authority (Joe Gqabi District Municipality) until 30 June 2012.
- Plans were put into place for the upgrading of the Lady Grey WTW by the WSA
- Damage to the Lady Grey Dam was repaired and the dam safety brought up to standard.(Due to vandalism)
- Safety inspections were done on the Lady Grey and Witfontein dams.

3.1.4 Major challenges in water services and remedial actions

Challenges are many and are reflected as follows:

- A permanent Water Treatment Works is required in Barkly East and Joe Gqabi District Municipality will be required to budget and implement.
- Lady Grey's Water Treatment Works is urgently in need of an upgrade and this is currently within the planning phase.
- The Lady Grey Bulk Water Supply was required to be implemented as a matter of urgency.
- Every effort is required to be made to capacitate staff through increased training efforts to ensure that competent staff are employed;
- Backlogs in water are required to be addressed and funding is required to be obtained to legalize illegal connections;
- While improvements in procurement turn-around time have occurred Supply Chain Management practices have proven to be impractical and detrimental to facilitating service delivery, especially where the availability of service providers is concerned.
- Funding for infrastructure development within the Barkly East and Rhodes reticulation networks is required.
- Section and bulk metering is required to be urgently installed and soon as it possible in order to achieve accurate water balancing;
- Vehicles are required to be budgeted for and provided by Joe Gqabi District Municipality in order to ensure required service delivery;
- Efforts and budget are to be made available to investigate the long-term efficiency of bulk water supply. Rossouw is experiencing severe water shortages,
- Similarly efforts are to be made to rehabilitate the bulk water supply in Rhodes and more specifically, investigation is required to be conducted into the Bell River extraction point in order to examine the possibility of raising the weir, in order to compensate for drought conditions, anti-silting measures and installation of centrifugal pump stations.
- The Lady Grey Dam has a weir that urgently requires clearing of silt, so as to prevent additional silt entering into the Dam and to increase the lifespan of the Dam – Additionally, this presents an ideal job creation project and opportunity.
- There are an insufficient number of fire hydrants throughout the towns of Sterkspruit, Lady Grey, Barkly East, Rhodes, Rossouw and Herschel in order to reduce potential disaster and risk. Suitably situated fire hydrants are required.
- Water pressure and storage problems exist in Lady Grey and this may only be alleviated if a reservoir (of at least 1.5m) is erected below the Water Treatment Works to ensure a sufficient water reserve and to reduce pressure problems in higher parts of town.
- The lack of movement in the Orange River Macro Water Scheme has resulted in the need for Joe Gqabi District Municipality to allocate a political and administrative champion to facilitate funding for this project;
- Water pressure problems in Rhodes have resulted in the need to create a ring main pipe to increase pressure in Rhodes at higher points;
- The lack of capital funding for network extensions needs to be addressed by Joe Gqabi District Municipality (as this is retarding local development)
- Capital funding is required for spares purchases and is required to be budgeted for at a local level in order to purchase spare pumps, motors, meters and the like;
- Dams are required to be fenced and water sources protected in order to protect water supplies from contamination and safety. This will be required to include signage and also has the potential for job creation. Effectively access to water sources by people and livestock is required to be formalised.
- Land issues in Sterkspruit regarding reservoir construction encroachment needs to be resolved by the WSA and agreement as to the way forward achieved. (which may include a land swap).
- WSP and WSA contracts are required to be revised in order to accommodate proposed changes in the Joe Gqabi bulk services takeover. This proposed takeover raises a number of issues which include:
 - It is felt that the entire service (not just bulk) should be run in its entirety by either WSA or WSP as a split function is impractical.
 - A review of the organogram to accommodate the municipality becoming the WSA (as they are currently approached re – all issues and complaints by communities
 - The proposed takeover of bulk services to be addressed in the Service Level Agreement (Transfer Agreement)

- Improved communication between the WSA and WSP, so as to avoid duplications, and unnecessary overlaps in functions. All correspondence to be forwarded to WSP from WSA.

3.2 **Electricity Services**

3.2.1 **Electricity Services Delivery Strategy and Main Role-players**

In terms of Senqu Municipality's licence agreement with the National Energy Regulator of South Africa, it is responsible to supply electricity to Sterkspruit, Lady Grey and Barkley East.

3.2.2 **Level of standards in Electricity Services**

Within this licenced area, the level of service supplied is very high and consumers all have a minimum of a 60A single phase supply. The standard of service is at present mediocre but is improving annually.

It is noted that the rural areas (including Rhodes and Herschel) are supplied by ESKOM. Rossouw is provided with electrical supply with the exception of the SAPS.

3.2.3 **Annual performance as per Key Performance Indicators in Electricity Services**

Rural data may be obtained from Eskom but estimated backlog is at 12 000 H/Hs (estimated cost of R 4000/H/H = R 48 M required. Rural Free Basic Services = 11 498. (32%)

Annual Performance for 2011/2012 as per Key Performance Indicators in Electricity Services as per powers and functions

Indicator Name	Total Number of household/ customer expected to benefit	Estimated backlogs (actual numbers)	Target set for the Financial Year under review (actual numbers)	Numbers of Households/ customers reached during the Financial Year	% of achieved during the year
% of households with access to electricity services	Est 95% in urban Est 68% in rural	923 in urban (new housing projects) Estimated 11 500	0 367	400 new connections 385 (Rural)	100%
Percentage of indigent households with access to basic electricity services	100% of applicants (Urban) 100% of applicants (Rural – 22.5%)	0 11 498(Rural)	847 (47% of total consumers- Urban)	847 (Urban) 11498 (Rural)	100%
Percentage of indigent households with access to free alternative energy sources	1% (Urban – Rossouw pilot Project (Paraffin & candles)	0	85	85	100%

Rural data may be obtained from Eskom but estimated backlog is at 12 000 H/Hs (estimated cost of R 4000/H/H = R 48 M required. Rural Free Basic Services = 11 498. (32%)

ELECTRICITY BACKLOGS

Electricity backlogs (50KWH/Mo nth)	30 June 2011			30 June 2012		
	Required	Budgeted	Actual	Required	Budgeted	Actual
Backlogs to be eliminated (No. Households not receiving the minimum standard service)	0 (Urban) Eskom Rural (Estimated at 12 000)	0 4 570(Rural)	0	7 300 (urban)	0 (urban) 6736 (Rural)	0 (urban) 4 340 (Rural – Eskom)
Backlogs to be eliminated (% total households identified as backlog/total number of households in the municipality)	0	0	0	2.5% of urban (housing projects recently completed) Est at 35% in rural	0 (Application to be made in new year)	0
Spending on new infrastructure to eliminate backlogs (R000)	0	0	0	0	0	0
Spending on renewal of existing infrastructure to eliminate backlog (R000)	27 000 (Urban)	4 100 (Urban)	4 355 (Urban)	12 000	1513 (Urban)	752 (Urban)
Total spending to eliminate backlogs (R000)	0	0	0	12 000	1513 (Urban)	752 (Urban)
Spending on maintenance to ensure no new backlogs (R000)	25 000 (Urban)	22 523 (Urban)	18 887 (Urban)	30 000 Rural – Eskom-Unknown	30 977 (Urban) Rural-Eskom - Unknown	24 286 (Urban) Rural-Eskom-Unknown

In terms of achievements, the following issues are noted:

- 6000 solar geysers were installed in indigent housing projects in 2010/2011
- Free basic energy reaching rural households is estimated at 35%;
- There is free basic energy provided in Rossouw with 65 households receiving 20 L of paraffin, and 12 candles per month;
- 367 new rural connections were completed
- There are 1280 Domestic consumers, 239 Commercial consumers; 27 Institutional consumers and 12 other consumers. A total of 1558 consumers of electricity.
- 694 Urban consumers receive FBS (*50 kwh);
- 33 new connections were conducted;
- 454 meters were serviced;
- 653 street lights were repaired;
- Electricity bulk purchases from Eskom amounted to 25 179 866 kwh (25.1MWh);
- Electricity sold amounted to 20 378 797 kwh;
- 217 faults were attended to;
- 1st year of Electrical Loss Plan is proving successful and Electrical losses dropped. Electricity losses have dropped to 14.91 (Taking into account 10% Technical Losses). Cost of units lost are considered to be fruitless expenditure and amounts to R 742 700;
- 377 consumers were disconnected; and

- 7 illegal connections dealt with.

3.2.4 Major Challenges in Electricity Services and Remedial Actions

Challenges and remedial actions required are detailed as follows:

- Electricity losses are extreme and can be attributed to poor metering, poor networks and incorrect accounts. In an effort to remedy these issues a 3-year plan is to be implemented in order to reduce electricity losses to 10% within the next 2 years. Ageing infrastructure remains a huge challenge and clearly adds to these issues of concern.
- Council is required to increase its maintenance budget;
- ESKOM is addressing electricity backlogs in the rural areas far too slowly (especially in non-grid areas) and increased funding is required to resolve these issues faster;
- Lack of funding has resulted in the inability to appoint a full staff complement;
- Supply chain processes have impeded service delivery, and the appointment of suitable service providers in keeping with rural challenges;
- Performance Management is required to be cascaded to all levels to improve levels of functioning; and
- Staff shortages are exacerbated by the scarce skills issue.

3.3 Sanitation

3.3.1 Sanitation Services Delivery Strategy and Main Role-Players

Senqu Municipality fulfills the function of a Water Services Provider in the urban areas of Sterkspruit, Lady Grey, Barkly East and Sterkspruit. Senqu Municipality has been appointed as such until 30 June 2012 by the Joe Gqabi District Municipality, who are the Water Services Authority.

3.3.2 Level and Standards in Sanitation Services

The level of services provided in the WSP area is mostly of high level (water borne) in the urban areas but there are still VIPs and buckets to be found within the informal areas. It is to be noted that the standard of the service is mediocre due to constant plant down time.

3.3.3 Annual Performance as per Key Performance Indicators in Sanitation Services

Annual performance in terms of the key performance indicators within the sewerage services in the WSP authorised areas is detailed as follows in terms of powers and functions:

- Ongoing Operation and Maintenance
- Complaints reported and attended to
- Sewer blockages attended to
- New connections completed
- Conservancy tanks emptied
- Informal buckets removed
- Bacterial inoculant purchased and utilized
- Water borne sewer reticulation is being installed in Kwezi Naledi by the Joe Gqabi DM, and
- An ongoing programme has been implemented by the Joe Gqabi District Municipality to ensure all rural households receive VIPs'.

More specifically:

Operation and Maintenance	2011/2012
• Complaints reported and attended to	1116
• New Connections	8
• Conservancy tanks emptied	711 (3200kl)
• Informal buckets removed	5 223

Annual Performance as per Key Performance Indicators in Sanitation Services (in authorised area in terms of powers and functions)

Sanitation Services Performance is formally reflected for 2011/12 as follows:

	Indicator Name	Total Number of household/ customer expected to benefit	Estimated backlogs (actual numbers)	Target set for the Financial Year under review (actual numbers)	Numbers of Households/ customers reached during the Financial Year	% of achievement during the year
	Percentage of households with access to sanitation services	100% (Urban) 47%(Rural)	0 (Urban) 19 080 H/H (Rural)	0 (Urban) WSA (Rural-Unknown)	2345 (Urban) WSA (Rural)	100% (Urban) WSA (Rural-Unknown)
	Percentage of indigent households with access to basic sanitation services	100% (Urban) WSA - 47%(Rural)	0 (Urban) WSA19 080 (Rural)	0 (Urban) WSA (Rural Unknown)	446 (Urban) WSA (Rural)	100% (Urban) WSA (Rural)
	Percentage of clinics with access to sanitation services	3(Urban) WSA (Rural-Unknown)	0(Urban) WSA (Rural)-Unknown	0(Urban) WSA (Rural-Unknown)	3(Urban) WSA (Rural-Unknown)	100% (Urban) WSA (Rural-Unknown)
	Percentage of schools with access to sanitation services	100% (Urban) WSA (Rural-Unknown)	0 (Urban) WSA (Rural-Unknown)	0(Urban) WSA (Rural-Unknown)	8 (Urban) WSA (Rural-Unknown)	100% (Urban) WSA (Rural-Unknown)

Rural data may be obtained from the Joe Gqabi District Municipality but backlogs are estimated at 19 080 H/Hs. (Est Cost & R 7 000 ea = R 143 100 000)

BASIC SERVICE DELIVERY BACKLOGS: SANITATION						
Sanitation backlogs	30 June 2011			30 June 2012		
Backlogs	Required	Budgeted	Actual	Required	Budgeted	Actual
Backlogs to be eliminated (No. Households not receiving the minimum standard service)	0 – urban 500 informal & 16920 rural WSA	WSA-Unknown	WSA-Unknown	3 750 – Semi Formal WSA	WSA-Unknown	WSA-Unknown
Backlogs to be eliminated (% total households identified as backlog/total number of households in the municipality)	WSA _Est 1.5% on informal urban and 47% rural	WSA	WSA	WSA	WSA	WSA
Spending on new infrastructure to eliminate backlogs (R000)	WSA-Unknown	WSA Unknown	WSA Unknown	WSA Unknown	WSA Unknown	WSA Unknown
Spending on renewal of existing infrastructure to eliminate backlog (R000)	WSA Unknown	WSA Unknown	WSA Unknown	WSA Unknown	WSA Unknown	WSA Unknown
Total spending to eliminate backlogs	WSA Unknown	WSA Unknown	WSA Unknown	WSA Unknown	WSA Unknown	WSA Unknown
Spending on maintenance to ensure no new backlogs (R000)	8 500(Urban) WSA (Rural-Unknown)	8 479(Urban) WSA (Rural-Unknown)	7 569 WSA (Rural-Unknown)	9 000 (Urban) WSA (Rural-Unknown)	9 922 (Urban) WSA (Rural-Unknown)	8 872 (Urban) WSA (Rural-Unknown)

3.3.4 Major Challenges in Sanitation Services and Remedial Actions

Major challenges are listed as follows:

- Bucket eradication in un-formalized areas:
These areas need to be formalized and registered as housing projects.
- Sanitation ponds are urgently required within the rural areas.
This will require funding within the future in order to facilitate shorter distances for the disposal of sewerage from conservancy tanks.
- Tractor/trailer replacements are urgently required & LDVs are required in order to fulfill maintenance needs. These are required to be budgeted for as a matter of great urgency.
- Supply Chain Management is at times impractical. It is recommended that senior management re-look at these processes and systems in order to revise these regulations so that they are more suited to rural circumstances, where service providers are few and far away, resulting in funds that could benefit the local community leaving the already indigent area.
- Old ponds in Barkly East require upgrading. The Joe Gqabi District Municipality is required to budget for this as a matter of urgency.
- Old ponds in Lady Grey require upgrading and Joe Gqabi District Municipality needs to budget for this as a matter of urgency.
- Urgent upgrades of the disposal works in Sterkspruit are required
The Joe Gqabi District Municipality is required to budget for this as a matter of great urgency.
- No measuring flumes have been installed
The Joe Gqabi District Municipality needs to budget for this as a matter of urgency.
- Upgrade of old ponds in Barkly East.
The Joe Gqabi District Municipality is required to budget for this as a matter of urgency.
- Sufficient ground is required for irrigation of effluent in Sterkspruit.
The Joe Gqabi District Municipality is required to investigate and fund this as soon as possible.
- The WSP/WSA contract is required to be redefined in respect of bulk service takeover by the Joe Gqabi Municipality (as in Water). To be addressed urgently.
- Safety & security upgrade at all WWTW (As in Water) to be addressed formally moving forward.

3.4 Road Maintenance

3.4.1 Road Maintenance Services Delivery Strategy and Main Role-players

Senqu Municipality is responsible for all access and municipal roads and it is noted that the balance of roads falls under the powers and functions of the Department of Roads and Public Works (DoRPW).

3.4.2 Level and Standards in Road Maintenance Services

Due to insufficient resources it is acknowledged that the level of road services in rural areas is low. In essence gravel roads prevail with the exception of the Mokhesi Taxi Route (surfaced) and the Musong Road (currently being surfaced) – funded by DoRPW. The department is responsible for maintenance on all roads that are numbered (in respect of provincial and district roads).

In an effort to resolve these challenges, the Ward Councillor has identified the roads within the Ward requiring attention and has detailed a programme for the Roads Team of 3 months, incorporating a rotational work programme.

3.4.3 Annual Performance as per Key Performance Indicators in Road Maintenance Services

Annual Performance for 2011/2012 as per Key Performance Indicators in Road Maintenance Services as per powers and functions:

Indicator Name		Total Number of household/ customer expected to benefit	Estimated backlogs (actual numbers)	Target set for the Financial Year under review (actual numbers)	Numbers of Household s/ customers reached during the Financial Year	% of achievement during the year
	% of households without access to gravel or graded roads	Estimated at 76%	27232 H/Hs	24 km (Est 2000 H/Hs)	33.5 Km (1675 H/H)	100%+
	% of road infrastructure requiring upgrade	Est 76%	522 km	24km	33.5 Km (1675 H/H)	100%+
	% of planned new road infrastructure actually constructed	100%+	562km	24km	33.5 Km (1675 H/H)	100%+
	% of capital budget reserved for road upgrading and maintenance effectively used	100% (Construction) 100%. (Maintenance)	R7 066 utilised (Construction) (100%) R388 394 (97%) utilized (Maint.)	R7 062 (Construction) R400 000 available (Maintenance)	1675 H/Hs	100%+

Further information on provincial roads is available from the Department of Roads & Public Works. Gravel roads backlog in Senqu is 522 km (Estimated cost km for gravel is R 500 000 = R 261 000 000 and excludes escalation)

Further information on provincial roads is available from the Department of Roads & Public Works. Gravel roads backlog in Senqu is 562 km (Estimated cost km- for gravel is R 350 000 = R 196 700 000 and excludes escalation)

ROADS MAINTENANCE BACKLOGS

Road Maintenance Backlogs	30 June 2011			30 June 2012		
	Required	Budgeted	Actual	Required	Budgeted	Actual
Backlogs to be eliminated (no. households not receiving the minimum standard service)	32 684	2 000	2 664	261 000	7 062	7 066
Backlogs to be eliminated (% total households identified as backlog/total number of households in the municipality)	87%	6%	8%	83%	5%	5%
Spending on new infrastructure to eliminate backlogs (R000)	197 700	30 200	25 216	261 000	7 062	7 066
Spending on renewal of existing infrastructure to eliminate backlog (R000)	Estimated at R 55 000	0	0	58 000	400	389
Total spending to eliminate backlogs (R000)	197 700	38 808		58 000	400	389
Spending on maintenance to ensure no new backlogs (R000)	25 000	4 087	3 373	58 000	400	389

A certain amount of success has been achieved within this Division and this is detailed as follows:

- Achieved 605 km gravel Road in Kwezi Naledi and 71 Relief staff were hired in order to achieve this;
- Achieved the required construction of Roads & Stormwater targets in Sterkspruit;
- 127 m of new stormwater crossings were installed in rural areas;
- 43 km of side drains were maintained;
- 123 catch pits were cleaned;
- 1456 potholes were repaired and thus over achieving on this target; and
- 19 km of Senqu internal Roads were rehabilitated & maintained; and
- Backlog targets were fully achieved. Contractors are required to complete minor defects (as per snag list)

3.4.4 Major Challenges in Road Maintenance Services and Remedial Actions

Many challenges are apparent and these are detailed more specifically as follows:

- Insufficient funds to address all the roads backlog resulting in the need for additional conditional grant funding (MIG).
- The need to resurface Department of Transport roads within towns is ensuring appropriate allocation of DoRPW funding.
- The tremendous challenges imposed by the manner in which procurement (SCM) is handled and efforts to address its limitations are to be made;
- The need to develop and implement an Assets Maintenance Strategy that is integrated with DoRPW. Funding to be obtained and Service Level Agreement entered into;
- The issue of insufficient plant/operators must be addressed through the provision of adequate training to contract labour with the intention to provide employment opportunities to fill the gaps; and
- Funding constraints only allowed the erection of 24 signs as opposed to the planned erection of 36 signs.

Storm Water (considered as part of roads)

a. Stormwater Maintenance Services Delivery Strategy and Main Role-players

Senqu Municipality is responsible for the installation of storm water systems within the area.

b. Level and Standards in Stormwater Services

The level and standard of service for storm water removal is very low with most being of un-lined nature, due to cost.

c. Annual Performance as per Key Performance Indicators in Stormwater Services as per powers and functions

- Achieved the required construction of Roads & Stormwater targets in Sterkspruit;
- 127 m of new stormwater crossings were installed in rural areas;
- 43 km of side drains were maintained;
- 123 catch pits were cleaned;
- 1456 potholes were repaired and thus over achieving on this target; and
- 19 km of Senqu internal Roads were rehabilitated & maintained; and
- Backlog targets were fully achieved. Contractors are required to complete minor defects (as per snag list)

d. Major challenges in the roads department re stormwater issues and remedial actions:

- A Stormwater Master Plan for the entire Senqu Municipal area is required to be developed.
Accordingly funds are required to be made available to investigate the entire area (villages & towns) in order to obtain a sustainable long term implementation plan.
- Kwezi Naledi still has an internal storm water problem requiring further funding due to development.
A further MIG project is required to be registered in order to complete this project.
- The Nkululeko requires a storm water upgrade as does Fairview.
MIG projects are required to be registered in order to address these areas.
- Lady Grey as the town has a large storm water challenge.
The Council is required to address this matter through the Job Creation project but this will require further funding for capital and professional services.
- Supply Chain Management impractical
Management is required to re-look at this urgently and revise the regulations in order that they are to be more suited to rural circumstances i.e. to cater for situations where service providers are few and spread out. Efforts to be made to secure funds for job creation/ capacity building that could benefit the local community who are currently leaving the already indigent area.
- Urban renewal
All sidewalks are required to be paved creating storm water control and job creation.
- Unlined storm water channels are not sustainable
It is to be noted that storm water channels are required to be lined or stone pitched, in order to be sustainable, and thereby creating efficiency and jobs

Water Services and Backlogs for 2011/2012 are reflected as follows:

Indicator Name	Total Number of household/ customer expected to benefit	Estimated backlogs (actual numbers)	Target set for the Financial Year under review (actual numbers)	Numbers of Households/ customers reached during the Financial Year	% of achievement during the year
Percentage of households with access to potable water	73%- 26 280 (Rural)	9720 H/Hs(Rural)	O – Done on request WSA(Rural)	8651 (Urban) WSA (Rural)	100% (Urban) WSA (Rural)
Percentage of indigent households with access to free basic potable water	100% (urban) 73% (Rural)	0 9720 H/Hs(Rural)	All services H/Hs receive 6kl free	8651 (Urban) WSA (Rural)	100% (Urban) WSA (Rural)
Percentage of clinics with access to potable water	100% (Urban) WSA (Rural)	0 WSA (Rural-Unknown)	All clinics within jurisdiction receive potable water	3 (Urban) WSA (Rural-Unknown)	100% (Urban) WSA (Rural-Unknown)
Percentage of schools with access to potable water	100% (Urban) WSA (Rural-Unknown)	0 (Urban) WSA (Rural-Unknown)	All schools within the area of jurisdiction have potable water	9 (Urban) WSA (Rural-Unknown)	100% (Urban) WSA (Rural-Unknown)
Percentage of households using buckets	Estimated at 6 % (informal areas)	2 013	WSA	2013 WSA Capital project	0%

WATER SERVICES BACKLOGS

BASIC SERVICE DELIVERY BACKLOGS: WATER SERVICES						
Basic Service Delivery Area		30 June 2011		30 June 2012		
Water backlogs (6KL/month)	Required	Budgeted	Actual	Required	Budgeted	Actual
Backlogs to be eliminated (No. HH not receiving the minimum standard service)	WSA (9720)	WSA	WSA	WSA	WSA	WSA
Backlogs to be eliminated (% total household identified as backlog/total number households in the municipality)	WSA(27%)	WSA	WSA	WSA	WSA	WSA
Spending on new infrastructure to eliminate backlog (R000)	WSA Unknown	WSA	WSA	WSA	WSA	WSA
Total spending to eliminate backlogs (R000)	0 (Urban) WSA Unknown	WSA	WSA	WSA	WSA	WSA
Spending on maintenance to ensure no new backlogs (R000)	7 595 (Urban) WSA (Rural)	7 595(Urban) WSA (Rural)	6 415 (Urban) WSA (Rural)	9000 (Urban) WSA (Rural)(20 0M+)	8 685 (Urban) WSA (Rural)	8 080 (Urban) WSA (Rural)

3.5Waste Management

The municipality experiences a number of waste management challenges, particularly in respect of the management of waste sites. This is particularly evident in Sterkspruit which generates the largest amount of waste.

Consultants have recommended that Rhodes and Rossouw should become transfer stations (Jeffares and Green consultants as per appointment by the National Department of Environmental Affairs). Notwithstanding, our particular challenge is the fact that these two settlements are too far from the nearest waste site and the roads are not in the best condition. As a result this would render this process ineffective in terms of cost, as vehicles are currently not suitable to carry waste for these long distances.

Additionally, the Sterkspruit waste site project has been delayed due to delays experienced in obtaining land from the rural areas (due to the serious land tenure problems).

Illegal dumping is experienced, particularly in the townships. In an effort to manage this issue and following the appointment of the Waste Management Officer, Senqu Municipality has embarked on Waste Management Programmes, with the view to changing the mind-set and behavioural practices of all the communities.

Participation has occurred within the district, provincial and national competitions which are related to maintaining the environment and it is noted that during the year under review Senqu Municipality was placed first in the district and third in the provincial competition, despite the challenges that were faced at that point in time.

3.5.1.Waste Management Services Delivery Strategy and Main Role-Players

Senqu Municipality adopted an integrated Waste Management Plan originally in 2005 this is expected to be updated within the next financial year, although budget provisioning is required to appoint service providers to develop a new plan.

3.5.2.Level and Standards in Waste Management Services)

The municipality offers a high level access to waste in Sterkspruit, Barkly East, Lady Grey and Rhodes, where waste is collected from households weekly and businesses weekly or when requested during festive season. Rossouw and Herschel are not receiving any service except for the provision of exposure to cleaning campaigns. During the next financial year it is hoped that the organogram would make provision to include personnel for these two settlements (particularly Herschel which is fast growing). In the absence of personnel temporary workers are utilized to attend to litter.

Annual Performance as per Key Performance Indicators in Waste Management Services

Indicator Name	Total Number of household/ customer expected to benefit	Estimated backlogs (actual numbers)	Target set for the Financial Year under review (actual numbers)	Numbers of Households/ customers reached during the Financial Year	% of achievement during the year
% of households without access to refuse removal services	46.7	31 155	4613	4613	100%

3.5.3. Major Challenges in Waste Management Services and Remedial Actions

A number of challenges relating to waste management are currently experienced. These may be summarized as follows:

- Equipment and infrastructure is ageing and this is required to be replaced. Plans to purchase vehicles and equipment are to be phased in over a 5-year period. Within this financial year a small tip truck for each of the major towns has been purchased (i.e. for Sterkspruit, Lady Grey, Barkly East and a TLB for the management of the waste site). It is acknowledged that the TLB is not entirely suited for this environment and tires are frequently punctured at the waste site and very high costs are incurred in an effort to fix these and to purchase additional tyres.
- An inadequate staff complement with a shortage of staff and specialized personnel to deal with waste and environmental issues remains a challenge. Most of these personnel have no basic education, and it is required that they be sent to basic ABET to facilitate further training (in the best practices of handling waste).
- Absenteeism is unusually high due to illnesses which may to a large degree be attributed to HIV/Aids.
- Currently, only two waste sites are functional. However it is noticed that these are not correctly managed due to lack of equipment and the level of education of staff.
- EIA not approved for new solid waste sites. It is recommended that this target be re-defined and that funding be channelled elsewhere. As highlighted within the AFS: the fact that the municipality does not have a permit or license for all of the landfill sites currently, could result in liability for a penalty in terms of section 24G of the Environmental Conservation Act.
- Funding constraints have prevented the Waste Awareness Campaign from being launched; the recycling project in Sterkspruit and Barkly East being implemented; and the Rhodes Compost Project being implemented.

3.6. Housing and Town Planning

3.6.1. Housing and Town Planning Services Delivery Strategy and Main Role-Players

Senqu Municipality is not currently a credited housing provider. As such, the role of the municipality in respect of housing delivery is simply to forward any applications received from the community to the Department of Human Settlement and to co-ordinate the process by acting as a liaison between the municipal residents and the Department.

The housing unit forms part of the newly instituted IPME department. This unit was formerly part of the Technical Services Department. This unit currently has three staff members, comprising: two (2) housing clerks and one (1) project manager.

It is to be noted that housing needs and future projects are determined by the Housing Sector Plan which was developed by the Department of Human Settlement in 2007. It must be noted that the municipality never formally adopted this plan, as it was felt that information on which it was based was not an accurate reflection of the needs at that time.

With regard to town planning services it must be noted that the municipality has no town planning post available. Notwithstanding, the municipality's newly appointed Director of IPME is a registered Town Planner and as a short

term solution, he provides assistance to the municipality in this regard. Moving forward, it must be noted that there are plans to create a combined Town Planning / Building Inspector's post.

Building plans and town planning applications are received in the various urban area offices of Senqu i.e. Barkly East, Lady Grey and Sterkspruit and these applications are then forwarded to the office of the Director in order to be processed. All of the major urban areas in Senqu have zoning schemes.

3.6.2. Level of Standards in Housing and Town Planning Services

As the municipality is not an accredited Housing Service Provider, no performance measures are set for the provision of housing. Instead the focus is on the performance of staff and how well they provide their role of co-ordination and liaison between the community and the Department of Human Settlements. Reporting is well conducted and in accordance with all prescriptions and the beneficiaries list is well maintained.

The municipality monitors the implementation of housing projects and reports any badly built or inappropriate structures to the Department for rectification. The performance of building contractors is also assessed and reported on monthly.

3.6.3. Annual performance as per key performance indicators in housing and in town planning services

Building and zoning plans 2011/2012

Applications outstanding 1 July 2010	Category	Number of new applications received June 2011	Total value of applications received Rand	Applications outstanding 30 June 2012
0	Residential new	620 RDP Houses	R55706.00 Each	0
0	Residential additions	28	R3562220	0
0	Commercial	3	R1724537	0
0	Industrial	6	R1720 000	0
0	Other (specify) rezoning for church	2 Churches	R1.500000	0

Town planning functions are provided to a limited degree by the municipalities newly appointed Director of IPME (who is also a registered Town Planner – a short term solution to the lack of a town planner within this post. Services are driven by need and applications are assessed and approved accordingly.

In terms of performance targets achieved for 2011/2012 the following statistics apply:

Indicator Name	Total Number of household/ customer expected to benefit	Estimated backlogs (actual numbers)	Target set for the Financial Year under review (actual numbers)	Numbers of Households/ customers reached during the Financial Year	% of achievement during the year
30% of households living in informal settlements	1596	30.000	1896	250	5%
Percentage of informal settlements that have been provided with basic services	20%				
Percentage of households informal housing that conforms to the minimum building standards for residential houses	40%				

3.6.4. Major challenges in housing and town planning services and remedial actions

There are many challenges experienced in the delivery of housing. One of the major challenges is the lack of understanding surrounding the various types of housing subsidies available. At present only a few of the options are being utilised within the municipality. This is due to a lack of understanding regarding the various types of housing subsidies available and this in turn may be attributed to the highly technical nature of the literature which is not easily understood by all departmental staff. As a direct result, the municipality does not always receive the appropriate type of housing for the presenting situational needs.

Due to the remoteness of the area and the limited supply of jobs, a high rate of migration away from this area occurs on a seasonal basis, which in turn makes it difficult to track housing beneficiaries. Many hours of official time are utilised in this manner, to the municipality's detriment and this causes many project delays as a result.

Another area of concern relates to the limited skills of the sub-contractors. Many of these sub-contractors have limited knowledge regarding "job – costing" and lack of required practical experience which facilitates the **timeous delivery** of a "quality product". In order to remedy this situation, a consolidated effort is required from the departments concerned together with structured SMME development, in order to work with the municipality to capacitate these sub-contractors.

At this point, the prime stumbling block to development in the area (especially the urban area of Sterkspruit), is lack of access to freehold land. Much of the land available for development is now in communal land tenure areas, which in turn creates tension between the traditional and municipal authorities over land administration. As a direct result of the confusion and disputes about who has the right to administer land, many persons take advantage and "land invasions" occur on a regular basis. The municipality is then required to spend large amounts on legal fees in efforts to prevent this from successfully occurring and resources are then diverted from areas which would be more beneficial to the municipality. This remains a "burning issue" and one which the municipality is not able to resolve without the intervention of national and provincial governance.

The lack of town planning and housing staff in all urban areas results in a situation where many by - laws are ignored or circumvented. Consequently the municipality often finds itself trying to rectify events after they have occurred. It is acknowledged that the only real solution would be to educate residents on the by-laws and encourage adherence or reporting of offenders. It is strongly suggested that all municipal staff should be trained on these by- laws in order to equip them with much needed knowledge to be able to report offenders to the IPME Department for the necessary action to be taken. Town planning services are provided on a need basis and applications are assessed and approved accordingly.

3.7. Spatial Planning

Senqu local municipality is predominantly rural, with a large proportion of people residing in traditional villages and traditional homes.

The prevalence of extensive farming in the district historically, resulted in the formation of service centres – as evidenced within Barkly East and Lady Grey (along the main transport routes). These urban centres offer services and retail facilities to the surrounding rural hinterland. Sterkspruit is a rural service centre serving the surrounding rural area and also some residents from Lesotho.

With urban settlement growth comes the need to improve the central business districts of these areas so that they can facilitate growth (usually retail and manufacturing).

There is also a demand for housing (low cost and middle income) in these areas. The past five years have only resulted in housing being provided for lower income communities and there is a significant shortage of middle income housing, especially in the secondary towns.

The existing urban areas and rural/peri-urban settlements in Senqu are typically, spatially fragmented in nature. This spatial fragmentation creates a costly and inefficient settlement pattern, particularly in the urban areas, where levels of services are commonly of a higher order.

A key challenge is to maintain the balance of urban development with the rural development, in order to reduce the pressure on urban areas and ensure that productive agricultural land is utilised.

Urban areas have been divided into the following urban nodes:

Sterkspruit - High order service centre and retail node. Sterkspruit serves both the urban centre and the surrounding rural communities. Good linkages between rural settlements and Sterkspruit are important. Approximately 93% of the municipal population live in the Sterkspruit area.

Lady Grey - Administrative node, small service node and tourism node

The base of the Senqu Municipal offices, this town is distanced from major industrial and/or commercial urban centres as well as major inter-provincial road linkages. Its locational disadvantage has resulted in an inability to attract much industrial investment or any significant regional urbanisation focus. The town retains its historical function as a service node secondary to Aliwal North, within a largely rural sub-region.

Barkly East - Tourism node, minor commercial service centre and administrative node.

With scenic beauty and niche tourism opportunities, this is the home of some small commercial businesses and financial service institutions and the headquarters of the Joe Gqabi District Municipality.

Rhodes - Minor service centre and tourism node.

This provides a service centre to the surrounding hinterland and gateway to the Drakensberg

Rossouw - Minor service node

This provides a service centre to the rural hinterland.

Preparation and approval process of SDF

The Senqu SDF was reviewed and adopted in May 2009. The review of the strategies and objectives of the SDF occurred in December 2011. Reporting is conducted relatively efficiently and monthly urban inspection reports are compiled and provided as required.

The main thrust of the SDF is reflected as follows:

Within the rural settlement areas, focus is required to be placed on creating a programme of local planning, which should inform the establishment of appropriate institutional arrangements that would oversee and manage land use decisions in these areas. The overall objective is to minimise settlement sprawl and to ensure wise land use practices to prevent further land degradation within these areas.

From a spatial perspective, Sterkspruit must be regarded as a priority, due to its proximity to the densest areas of settlement within the municipality. The functioning and performance of the Sterkspruit urban area must be enhanced in order to encourage further commercial activities. The spatial development emphasis in this regard should be placed on: -

- (i) Ensuring an efficient urban form and the consolidation of the fragmented settlement pattern prevailing in Sterkspruit in the medium term; and

- (ii) Ensuring adequate linkages between the main settlement components of Sterkspruit, Herschel, Qoboshane/ Palmietfontein, Majuba - A, Hillside - E and Upper Telle - A and surrounding rural settlement areas.

The fragmented and sprawling nature of land use that characterises the rural settlement areas in the former Transkei elements of the Senqu area represent a major challenge to appropriate land use management. The nature of the land use arrangements in these areas is complicated by the historically complex tenure arrangements there, and the lack of appropriate planning, which reflects the livelihood needs of the residents of these areas.

Senqu is attempting to implement the SDF objectives by focussing the greater share of its budget on improving the infrastructure in Sterkspruit such as roads, waste management, water and sanitation treatment works.

3.8. Land Use Management

In an effort to curtail land invasions and to facilitate the effective use of land, it was required that workshops and meetings be conducted with stakeholders by October 2011. This target was not achieved and is an issue that must be treated as a priority moving forward.

3.8.1. Major challenges in spatial planning services and remedial actions

Severe challenges are created by the differing land legislation which is currently applicable within the various areas of Senqu Municipality. This poses a major burden for land administration in that certain Bantustan legislation still applies to the urban areas which are experiencing major growth. In addition it is noted that certain departments which used to administer some repealed legislation (such as the issuing of Permission to Occupy – PTO Certificates) have continued with this function. This has been repealed in respect of residential and business sites. This “informal” land administration system poses a major challenge to Senqu Municipality, which is assigned the function of managing land use in such areas. These issues cannot be resolved by Senqu Municipality itself and the assistance of national and provincial departments and politicians are urgently required.

There are generally low levels of disposable income. This translates into low levels of affordability in terms of service provision, as well as poor road infrastructure and linkages between the rural settlement areas and the main economic centre of Sterkspruit. Additionally the unequal distribution of resources in the past has resulted in infrastructural backlogs in the former homeland areas and this in turn has resulted in insufficient development and maintenance of existing infrastructure in the former RSA areas.

Land invasions have not been curtailed as already indicated.

Reviewed policies were not reviewed and tabled to Council as required (budget and capacity issues)

3.8.3. Indigent Policy Implementation

Preparation and approval process of the indigent policy

S74 of the Municipal Systems Act requires Council to adopt and implement a Tariff Policy that takes into account the extent of subsidization of tariffs for poor households. Accordingly, Senqu Municipality has developed and approved a Free Basic Services and Indigent Subsidy Support Policy which is reviewed annually on-going. In this regard it is required that:

Basic Services are provided to the community in a sustainable manner within the financial and administrative capacity of Council;

Procedures and guidelines are developed in order to provide direction on the manner in which basic service charges to indigent households will be subsidized.

3.8.4. Implementation of the policy

All households who qualify for the Indigent Subsidy are encouraged to register on the Indigent Database Register. Once this data is verified those qualifying households will receive the benefits associated with these subsidies.

In reality perhaps the greatest challenge relates to the maintenance and monthly update of this register and in ensuring that the data captured remains valid and up to date. Verification will always be an issue and reliance is placed on the householder to advise the municipality of any changes to their qualifying status. Clearly this calls the accuracy of the data into question.

Additionally it is questioned whether some members of the community aren't perhaps disadvantaged through lack of knowledge surrounding this subsidy and as a result have not registered or benefitted from this subsidy (due in part to the extensive rural nature of the area and the rather large geographical spread).

Data cleansing and verification remains a constant challenge.

Free Basic Service Provision was provided as follows:

- Water : 3670 beneficiaries
- Electricity (Municipal jurisdiction): 571 beneficiaries
- Electricity for ESKOM jurisdiction: 11 000 beneficiaries
- Sanitation : 3776 beneficiaries
- Refuse : 3483 beneficiaries
- Alternative energy: 65 beneficiaries

3.9. Municipal Infrastructure Grant Expenditure for 2011/12 (Conditional)

A detailed account of the Municipal Infrastructure Grant Expenditure is detailed below as follows:

MIG 2011/2012

RECEIVED	EXPENDITURE	% SPENT	DELAYED FUNDS
23 102 000	23 278 831	100%	0

In terms of the MIG funding, no material difficulties were experienced other than internet slowness which contributed to the slowness in reporting at times.

Compliance of conditions was 100% and no material problems experienced with the exception of internet access on occasion and slowness thereof for MIS reporting requirements.

CAPITAL PROJECT MEDIUM TERM EXPENDITURE FRAMEWORK – 2010/11/12/13

Completed and current projects are reflected as follows:

Project Name	Status	Total value	Comments
MIG			
Construction of access roads - Wards 7,8,9 & 12 (Phase 3)	100%	14 500 000	Completed
Construction of access roads- Wards 1, 2 & 3 (Phase 1)	100%	12 000 000	Completed
Sterkspruit Taxi Rank	5%	14 000 000	Design Complete & construction Tender awarded
Sterkspruit Solid Waste Site	5%	2 700 000	EIA holding up implementation
Upgrading & lighting of Sportsfield - Kwezi Naledi	5%	3 500 000	Design Complete
Project Management Unit	Ongoing	960 450	Completed- Ongoing
SENQU PROJECTS			
Electrical rehabilitation	33%	14 000 000	Ongoing - This was 1st of 3 year plan- 1 year losses dropped from 43% to 23%
Construction of offices (Ph 3) in Lady Grey	100%	20 029 569	Completed
Senqu Plastics Industry	12%	54 000 000	No further funding available - political intervention required
Surfacing roads - Sterkspruit	5%	4 000 000	Under expenditure due to funds used on previous years contract shortages and rectified at Budget Adjustment (Time shortage) - Tender Awarded

Project Name	Status	Total value	Comments
MIG			
Storm Water control in Kwezi Naledi (Ph3)	5%	7 150 000	Under expenditure due to funds used on previous years contract shortages and rectified at Budget Adjustment (Time shortage)- Tender Awarded
Call Centre	20%	180 000	Re-advertised - No staff appointed
Mass Job Creation	100%	3 500 000	Completed - Saving of R 480 000 - 1436 Jobs created (Target 751)
Other Projects (Senqu Project Management)			
Surfacing of Musong Road	55%	28 900 000	Ongoing - Expected completion of current contract is October/November 2011

FUTURE PLANNED PROJECTS

FUTURE PLANNED PROJECTS	Status	Total value	Comments
MIG			
Construction of access roads- Wards 7,8,9 & 12 (Phase 4)	0%	15 000 000	Planned for: 2012/13 to 14 Year
Construction of Access Roads- Wards 4,5 and 6	0%	7 500 000	Planned for: 2012/13 to 14 Year
Solid Waste Site-Sterkspruit	10%	2 736 000	2 250 000
Increase height & Width of Transwilder bridge	0%	2 500 000	Planned for: 2012/13

FUTURE PLANNED PROJECTS	Status	Total value	Comments
MIG			
Upgrading of Sport Facilities in Barkly East	0%	3 500 000	Planned for: 2012/13 to 14 Year
Cemeteries (Ph2)	0%	29 158 210	Planned for next 6 years
Upgrading of Sport Facilities in Sterkspruit	0%	3 568 656	Planned for: 2012/13 to 14 Year
Upgrading & lighting of Sportsfield - Kwezi Naledi	5%	3 000 000	Construction
Construction of 4 Community Halls	0%	4 000 000	Planned for 2014
Construction of Solid Waste Site (Rossouw)	0%	1 250 580	Planned for 2014

Project Name	Status	Total value	Comments
MIG			
Construction of Solid Waste Site (Rhodes)	0%	1 250 580	Planned for 2014
Construction of Solid Waste Site (Herschel)	0%	3 294 600	Planned for: 2012/13 to 14 Year
Project Management Unit	Ongoing	1 155 100	Ongoing
SENQU PROJECTS			
Surfacing roads – Sterkspruit	5%	4 000 000	Construction
Storm Water control in Kwezi Naledi (Ph3)	5%	7 150 000	Construction
Sterkspruit Taxi Rank	5%	14 000 000	Construction
Purchase of plant	5%	2 150 000	To be purchased
Other Projects (Senqu Project Management)			
Surfacing of Musong Road	55%	28 900 000	Construction
Surfacing of Mlamli Hospital Road		40 000 000	Budget confirmation
Surfacing of HoloHlhatshi Dam Road			Budget confirmation
Surfacing completion of Musong Road		15 000 000	To be applied for
Surfacing of T 606 to Rhodes & Barkly East		60 000 000	To be applied for
Surfacing of Manxeba Road		25 000 000	To be applied for

The following issues relating to the above table/s are reflected as follows:

- The Sterkspruit Taxi Rank Project was able to begin and progress due to savings on the MIG Roads projects and a change on the capital MTERF (by bringing forward the approved Phase 2 of the project in order to achieve project completion and meet the approved tender).
- Both the Sterkspruit Roads & Storm Water Project and the Kwezi - Naledi Roads & Storm Water (Phase 4) project could only be implemented after the budget adjustment, as the funding originally allocated was required to be used on the completion of projects from the previous year (i.e. the Barkly East & Kwezi - Naledi Roads & Storm Water projects). The allocated funding was required to be used in this manner as the budget had already been adopted by Council and consultants and contractors had assured the municipality that the projects would be completed by 30 June 2011. These projects could not be completed as planned

due to poor performance of the contractor during the 2010/2011 financial year, resulting in delays for the current year and the use of the allocated funding. This was required to be done in terms of s1 & s19 of the MFMA.

The table above reflects the future planned projects. It should however be noted that these issues are evaluated yearly and may change depending on circumstances.

NOTE: Some community services projects appear on the above list due to the fact that they are funded by the Municipal Infrastructure Grant (MIG).
Projects need to be re-evaluated ongoing with regards to costing, due to escalations in price for various reasons.

FIRST DRAFT

MUNICIPAL LOCAL ECONOMIC DEVELOPMENT FRAMEWORK

BRIEF PRESENTATION OF LED STRATEGY /PLAN

Senqu Municipality's Local Economic Development (LED) strategy was developed in August 2007.

It has four (4) strategic priority focus areas or strategic development thrusts as indicated below:

Strategic Development Thrusts	Unpacking Thrusts
Local Area Development	Developing the physical area of Senqu to be an attractive destination to <i>invest-in, do business, visit, work and live in!</i>
Institutional Development	Developing the appropriate institutional capacity to <i>lead LED, facilitate LED, executive economic improvement initiatives and support LED!</i>
Enterprise Development	Supporting <i>existing businesses</i> to improve their profitability (competitiveness) and increase the number and viability of <i>new business start-ups</i> of all kinds!
Economic Diversification	Supporting existing <i>tourism and agriculture businesses</i> to improve their profitability (competitiveness) and increase the establishment of <i>new viable enterprises</i> in these priority sectors.

In order to ensure successful implementation of this strategy, a well capacitated LED unit and related structures (such as an LED Steering Committee) need to be in place. Additionally a vehicle for delivery such as a development agency would be required to ensure successful outcomes.

In summary, Senqu Municipality is able to lay claim to the following:

- The LED unit has been established;
- The LED Manager has been appointed as well as a Tourism Officer, an Enterprise Development Officer and a Poverty Alleviation Officer.

Although the LED forum is established this does not function as well as expected. This is largely due to the fact that some members of the forum do not fully understand the role that the LED forum is required to play and some re-training is required to occur in order to resolve and minimize this issue.

Progress towards achieving the LED key objectives through project implementation.

It is to be noted that 2011/2012 has not been particularly successful in as far as LED is concerned. Feedback on LED projects is provided as follows:

- The Waste Awareness Campaign was not launched as was planned due to the lack of funding;
- The Recycling Project in Sterkspruit and Barkly East could not be achieved due to lack of funding;
- The Rhodes Compost Project could not be implemented due to the lack of funds.
- Of the monies received for the "Greenest Municipality Award" it is noted that the R300 000 received has been spent in terms of the required conditions;
- Monies have been utilized in the review of the LED Strategy and a draft LED Strategy was completed. Unfortunately this was not accepted but insufficient funding prevented this from being finalized and approved;
- No grants or subsidies were available to assist with tourism.

Improve public and market confidence

The municipality continues to focus its efforts on promoting and implementing town planning and building applications. It is to be noted that greater effort will be expended in the future to decrease the "turnaround" time for approval of applications. Additionally, the location of the licensing of businesses is required to be reviewed as this currently and illogically resides within Community Services.

Areas of focus include:

- Provision and maintenance of quality and reliable infrastructure: Roads, ITC; market places
- Disaster management within the context of conducive environment for economic development (policy/framework adoption and implementation)

Exploit comparative and competitive advantage for industrial activities

The municipality has a competitive advantage in terms of Alpine Tourism. As a result the Joe Gqabi District Municipality obtained ThinaSinakho funding to develop an Alpine Tourism Strategy. This strategy is currently in draft but clearly indicates the need to amalgamate the smaller tourism associations within the area into one larger organisation. Studies have indicated that this industry does have the potential for growth.

Sterkspruit is the largest urban area in the municipality and while it is busy expanding on the one hand, business owners wishing to invest in the town are struggling to acquire land. This is due in part to former lax control of building and town planning regulations and the lack of freehold land. In an effort to remedy this situation, the municipality is attempting to expand the boundaries of the town by incorporating all surrounding villages under the Neighbourhood Grant Programme.

Intensify Enterprise support and business development

CBO's have been assisted to apply for lottery funding to assist with the continuation of their projects. Currently no positive feedback has been received.

Meetings have also been held with emerging building contractors to ensure that they are registered on the Department of Human Settlements Database and that they fully understand the process of procurement followed by the department. However it is noted that most contractors still struggle with the correct pricing for contracts and either under or over quote for jobs.

Tourism and craft SMME's have been assisted to market their products at various expos and at festivals such as the Grahamstown Arts Festival. In an effort to market the municipality's tourism potential, advertisements were placed in national magazines and in local newspapers to promote local events, such as the Lady Grey Passion Play.

Lady Grey came second in the Eastern Cape for the category "Best Town of the Year" award and through the efforts of municipal officials and the public Lady Grey received enormous publicity coverage.

Additionally, projects to improve the look and accessibility of towns have been implemented and these include greening projects and the erection of street names in Lady Grey.

The Expanded Public Works Programme

Progress in respect of the Expanded Public Works Programme funded by the Department of Public Works is not able to be provided. Statistics in this regard are required to be confirmed by the Technical Services section.

A budget of R3 500 000.00 was allocated for job creation and it is envisaged that 1049 jobs were created. All internal and MIG projects were registered with EPWP and these resulted in a total income of R 1 625 000.00 in terms of the Labour Rebate Program. More specifically and while acknowledging that statistics have still to be verified, the following information is provided:

PROJECT	BUDGET	ESTIMATED NO. OF JOBS
Sterkspruit Taxi Rank	R 13 522 945 .27	21
Upgrading lighting sportsfields Kwezi Naledi	R 3 500 000.00	5
Stormwater Kwezi Naledi	R 11 500 000.00	25
Road surfacing in Sterkspruit	R 3 200.000.00	24
Musong Road	R 27 000 000.00	74
Job creation program	R 3 500 000.00	168
Senqu Roads Maintenance	R 550 000.00	25

Support Social Investment Programme

The Sustainable Developmental Community/Social Development Programme (SDCIP) is all about moving beyond project-based community economic development. It is rather a much more empowering approach, utilising innovative methodologies to systematically build community competence and capacity. The municipality under this section is therefore expected to present its plan to create the conditions required for the second economy through community based organisations and informal business associations. The type of information expected includes: number of cooperatives, small business associations and women/youth associations, develop and maintain unemployment data base.

Annual Performance as per key performance indicators in LED

Indicator Name		Target set for the year	Achievement level during the year (absolute figure)	Achievement percentage during the year
	Percentage of LED budget spent on LED related activities	100 %	100 %	100 %
	Number of LED stakeholder forums held	4	4	100 %
	Percentage of SMME that have benefited from a SMME support programme	1 Sustainable Developmental Community/Social Development Programme/Plan (SDCIP)	Not determined	% Not determined
	Number of job opportunities created through EPWP	No fixed Target /dependant on funding	1040	100 %
	Number of job opportunities created through PPP	None	None	0%

Challenges regarding LED strategy implementation

Challenges within the LED function continue and these are due mainly to a lack of funding and capacity issues. These and their potential solutions are reflected as follows:

- The municipality lacks functioning business structures which can work together to promote and attract investment. This business structure will also form a link whereby the municipality can interact with private businesses and develop the necessary and appropriate infrastructure and policies to attract and maintain investment.
- The formation of a vehicle for investment such as a development agency has been delayed until sufficient funding and support can be obtained.
- Understanding and knowledge of the strategy and the national LED framework is limited and more effort must be extended by the LED Unit in order to expand the knowledge of ordinary citizens and influential stakeholders. This will result in a more co-ordinated and unified approach to the implementation of LED.

FIRST DRAFT

**Annexure
A**

**SECTION 46
PERFORMANCE REPORT**

FIRST DRAFT



Senqu Municipality

Draft Section 46 Performance Report

2011/2012

MUNICIPAL MANAGERS STATEMENT

In terms of Section 46 (1) of the Municipal Systems Act of 2000, as amended, a municipality must prepare for each financial year a performance report reflecting:

- i) the performance of the municipality and of each external service provider during that financial year;
- ii) a comparison of the performances referred to paragraph (i) with targets set for and performances in the previous financial year; and
- iii) measures taken to improve performance

An annual performance report must form part of the municipality's annual report in terms of Chapter 12 of the Municipal Finance Management Act.

I certify that this performance report has been prepared in accordance with Section 46 (1) of the Municipal Systems Act 32 of 2000 as amended. I further certify that to my knowledge the information contained within the report is a true reflection of the performance of the municipality during the 2011/2012 financial year. This information is based on the performance of the municipality as per 2011/2012 SDBIP developed in house as approved by the Mayor in June 2011.

INTRODUCTION AND LEGISLATIVE REQUIREMENTS

Performance measurement, assessment and management remains an integral part of the day-to-day operational functioning and reporting required by all organizations in order to compete successfully within business today. Notwithstanding the obvious operational benefits these activities are also prescribed within local government legislation. This Annual Performance Report for 2011/2012 is presented not only in terms of prescribed legislation but also in terms of best practice principles associated with effective management and reporting of performance.

The following references to legislation detail the mechanisms, processes and reporting required to assess and manage performance and set the tone for this s46 performance report:

Municipal Systems Act of 2000

S40

Municipalities are required to establish mechanisms in order to monitor and review their Performance Management System (PMS) in order to measure, monitor, review, evaluate and improve performance at organisational, departmental and employee levels;

S35

It is required that the Integrated Development Plan (IDP) is reviewed annually and that during this period the related Key Performance Areas, Key Performance Indicators and Performance Targets are reviewed and aligned. These in turn forms the basis of the review of the organisational Performance Management System and would form the basis of the performance contracts for senior managers.

Municipal Planning and Performance Management Regulations (2001)

Chapter 3, s7

These regulations stipulate that the municipality's performance management system must entail a framework that both describes and represents the manner in which the municipality's performance management cycle will function. This requires that all detail regarding the cycle and processes of performance planning, monitoring, measurement, review, reporting and improvement are to be provided and includes the manner in which the roles of the different role-players are to be determined.

More specifically s46 of the Municipal Systems Act, Act 32 of 2000 (which informs this report directly), requires that:

- The Annual Performance Report will form part of the municipality's Annual Report as per Chapter 12, of the Municipal Finance Management Act, and
- The Annual Performance Report is required to reflect :

- The performance of the municipality and of all external service providers utilized during the current financial year;
- A comparison of all performance referred to above detailing performance targets and actual performance for the previous financial year; and
- Detail regarding all measures taken to improve performance.

The report which follows will take these prescriptions into account and will detail qualitative and quantitative reporting within these areas based on the information provided through municipal assessments and records.

NOTE: As the first draft of this report we are well aware that this information has not been fully verified and is still required to be formally audited. The information is thus being presented with the full knowledge that certain of the detail provided might not reflect the required levels of accuracy. These will be amended in the subsequent draft after the auditing of the financial statements and the Annual Report. It is further noted that every effort has been made to align reporting to the information contained within other strategic and reporting documents.

This report will detail the manner in which performance is assessed (institutionally and individually) and will examine performance in terms of the detail and prescriptions required by the related legislation. Comparisons with performance for the previous year will be made in all instances where this detail has been provided.

PERFORMANCE OVERVIEW

Within Senqu Municipality five (5) key performance indicators for local government have been used to measure performance and these are reflected within most areas of performance reporting and assessment.

More specifically, these are detailed as:

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

The s46 report will detail the manner in which performance has been achieved within each of these key performance areas, while making comparisons between the 2010/2011 and 2011/2012 financial years where this is possible.

While a brief narrative and overall summary of performance follows, the attached performance tables provide a more detailed account of progress in respect of each performance target, for each Key Performance Area.

In summary, the following comments are provided by way of overview. The attached performance tables must be considered for a more in depth understanding of progress.

1. Municipal Institutional Development and Transformation

It must be noted that within this Key Performance Area a great deal of progress has been achieved, more specifically it is noted that:

- The Workplace Skills Plan was developed and approved and training implemented in terms of the WSP. A total of 189 staff benefitted from training itself.
- Within these departments it is noted that 14 interns were provided with structured work experience as part of the learnership programme.
- Project Management certificate training was provided for disabled learners.
- From an administrative and transformational perspective it is noted that while policies may be reviewed – their implementation remains a challenge and every effort is required to ensure that these are undertaken in the manner required.
- Employment Equity has been addressed in that:
 - The EE Plan was revised, updated and reported on regularly.
 - Capacity constraints have affected the development of the EE Plan and resulted in the re-submission of the EE Report to the Department of Labour following a Compliance Order instruction;
- The EE targets within the 3 highest levels of management have been achieved, although it is acknowledged that this will not always be possible due to the availability of staff and scarce skills challenges.

- The organogram was reviewed but this process was delayed due to the appointment of the new Council.
- In respect of Communication it is noted that while a Communication Strategy was developed by December 2011 as required, full implementation thereof was not achieved. In this regard it is noted that newsletters were competed but not distributed and funding issues have impeded progress generally.
- Records of meetings/resolutions were not kept efficiently. Record keeping is an issue to be addressed moving forward.
- Telephone monitoring and management is expected to improve and the intention is to introduce a new monitoring and control mechanism for this purpose.
- Occupational Health and Safety is not managed effectively. Service Providers were appointed to train OHS Committee members but this has not improved the effectiveness of required levels of functioning.
- Labour relations have been well managed and reporting is conducted regularly as required.

It is clear that while there are areas to be addressed, although it is acknowledged that overall this area is well achieved.

2. Financial Viability

Overall it is clear the Senqu Municipality is functioning well in terms of its financial management. While emphasis of matter have been raised and issues relating to Supply Chain Management and reporting have been cause for concern it is clear that these issues are to be addressed formally. Progress is evident in respect of the Auditor General's Report, the municipality's response to this and in terms of the Audit Action Plan and related implementation plans.

Having received an unqualified audit report for the last two consecutive years, Senqu Municipality clearly displays sound management systems and controls.

3. Local Economic Development

As can be seen and as is reflected within the s46 reporting tables, LED remains an area of challenge and this is primarily due to capacity, infrastructure and resource limitations that were experienced. In summary, it is clear that the Tourism Sector Plan (developed) needs to be implemented although finances and capacity pose a challenge.

Spatial Planning is required to be addressed through the implementation of the Spatial Development Framework. Infrastructure development is carefully evaluated in order to ensure that it develops carefully and correctly – as a well constructed plan.

The facilitation of Housing projects is well achieved under the circumstances although challenges are experienced with donor funding and project managers.

Efforts are required to improve in respect of the Town Planning functions – and the limited capacity remains the greatest challenge in the short-term together with the identification and availability of land in the long-term.

4. Good Governance and Public Participation

For the most part it is noted that the issues relating to good governance and public participation have been well achieved institutionally. The SDBIP was developed in-house and alignment issues in respect of this and the Budget to the IDP have caused difficulties in the development of performance targets. These have been addressed within the new financial year. The PMS has only been applied to the s56 managers and roll out is planned for the following year.

Formal performance assessment for the s56 managers have not been well achieved in that they have not been conducted strictly in line with policy. Notwithstanding, the quarterly SDBIP and compliance reporting prescriptions have been well handled.

From an audit and verification perspective it is noted that the Audit Committee and MPAC functions were well achieved and the Audit Committee has reviewed the performance information every quarter as required.

The IDP was reviewed, adopted and approved 31 May 2012. This achieved accolades from the MEC and a high level of credibility was achieved for the second year in a row. Public Participation initiatives were undertaken in order to ensure that the community had input into this document and all related governance issues.

All Human Resource staff establishment targets were well achieved and it must be noted that during 2011/2012, 97.68% of the funded vacancies were successfully filled.

5. Service Delivery

Throughout the organisation and especially in respect of service delivery issues it is to be noted that the greatest difficulties experienced within all areas relate to poor /ageing infrastructure, financial constraints and lack of staff and/or capacity. These issues are evident within all aspects of service delivery as detailed within the s46 report attached. All achievements and challenges are detailed. Overall service delivery is well achieved, especially when considering these challenges.

4. CONCLUDING REMARKS

This s46 report is concluded with reference to the financial performance report (detailing performance relating to the "Financial Viability" performance indicator) and the SDBIP report. The SDBIP report incorporates both the institutional and individual performance assessments as part of an integrated performance assessment function and as such, supplies an extremely comprehensive summary of all performance for both the 2010/2011 and 2011/2012 periods.

A number of extremely difficult challenges presented themselves when compiling this report and these need to be taken into account and acknowledged as having impacted on what is **clearly a draft of the s46 report**. More specifically these are reflected as follows:

- The information contained within this report is based on the information supplied **by certain of the directorates**. Not all directorates supplied the required information and where this was supplied, in certain instances very **limited information** was submitted. In other instances the information was very comprehensively provided.
- Of great concern is the degree of accuracy pertaining to all information submitted and used. This information has not been audited and thus verified and this will only have occurred after the auditing of the Annual Financial Statements and the Annual Report. Until such time that this occurs it is very possible that inconsistencies/inaccuracies may be present and these will be required to be adjusted within the final submission of this report..
- It is a great matter of concern that certain officials/directorates do not regard the process of performance management as a very necessary and as a valuable management tool. Until this mindset is changed and until all parties understand the role of performance management within the organization and of each directorate, this process will not be effectively applied. It is highly recommended that extensive training be undertaken in this regard in order to ensure "buy in and commitment to this process" and to ensure that all staff are fully capacitated to be able to apply this system effectively.
- Further to this, it is imperative that there is complete understanding and commitment to the role of the IPME directorate --- that of gathering and facilitating this process with strict emphasis being placed on their administrative and facilitative role. All directorates are to provide the required reporting and take appropriate action to manage performance effectively within their own directorates.
- Performance management must be regarded as a day to day management activity (which is in essence exactly what it is) and yet it is the most neglected activity. Directorates must collect, record and assess information in all instances in order to effectively manage performance and to ensure the achievement of performance goals and objectives. The audit action plan stresses the need for policies, systems and controls that are applied and monitored. This must be done.
- While the accolades regarding the IDP and the unqualified audit are to be commended and noted, **it does not take away the "attention to detail" that is required to be placed on the other performance documents**. As a case in point it is to be noted that the **SDBIP for 2011/2012** has not been well constructed and there is little /no alignment with the IDP. Performance indicators are poorly phrased, important indicators

are not present, targets are placed in illogical performance areas and generally the SDBIP does not fully comply with the requirements for the SDBIP. In effect this means that all the effort that has been put into the development of the IDP will be “diluted” and this will impact negatively on the manner in which the budget, SDBIP, performance scorecards and all performance related reporting will be undertaken ---ultimately affecting organizational performance.

Performance management must be regarded as a priority moving forward. Once systems and processes are put into place and PMS is running effectively the rewards will be felt throughout the organization. Aside from the issues of obvious compliance and the ability to meet these, effective performance management provides a very conducive climate for work and greater opportunities for all. It is certainly that this can be strived for and a culture of performance optimization developed and instilled within the organization.

FIRST DRAFT