



Integrated Development Plan 2011-2016

Revised 2013-2014

TABLE OF CONTENTS

EXECUTIVE SUMMARY	7
CHAPTER ONE: PLANNING PROCESS.....	11
CHAPTER TWO: SPATIAL & DEMOGRAPHIC ANALYSIS	15
SPATIAL CHARACTERISTICS OF THE AREA	15
ENVIRONMENTAL ASPECTS & CHALLENGES.....	16
DEMOGRAPHIC ANALYSIS	19
CHAPTER THREE: SOCIO – ECONOMIC AND LED ANALYSIS.....	29
INTRODUCTION	29
ECONOMIC OVERVIEW	Error! Bookmark not defined.
EMPLOYMENT RATES	42
HOUSEHOLD INCOME and POVERTY LEVELS.....	43
CHAPTER FOUR: SERVICE DELIVERY LEVELS.....	45
MUNICIPAL POWERS AND FUNCTIONS	45
SPATIAL ANALYSIS AND RATIONALE	48
HUMAN SETTLEMENT	50
HEALTH SERVICES.....	58
TELECOMMUNICATIONS	59
PUBLIC AMENITIES & COMMUNITY FACILITIES	60
SAFE & SECURE ENVIRONMENT	61
WASTE MANAGEMENT	62
WATER AND SANITATION.....	65
ROADS, TRANSPORT AND STORMWATER.....	70
EXPANDED PUBLIC WORKS PROGRAMME.....	73
ELECTRICITY AND ENERGY	74

DISASTER MANAGEMENT	76
CHAPTER FIVE: INSTITUTIONAL TRANSFORMATION.....	77
CHAPTER SIX: GOOD GOVERNANCE	81
PUBLIC PARTICIPATION.....	82
SPECIAL PROGRAMMES	83
IGR & TRADITIONAL LEADERSHIP	84
CHAPTER SEVEN: WARD PRIORITIES AND PROJECTS	85
CHAPTER EIGHT: VISION & OBJECTIVES.....	93
VISION.....	93
MUNICIPAL PRIORITIES.....	96
MUNICIPAL STRATEGIC DEVELOPMENT OBJECTIVES	100
MUNICIPAL PROJECTS AND BUDGET	127
CHAPTER NINE: FINANCIAL PLAN 2011- 2014	139
CHAPTER TEN: PERFORMANCE MANAGEMENT SYSTEM.....	187
ANNEXURE 1: MUNICIPAL PLANS & BY LAWS.....	194
ANNEXURE 2: ABRIDGED ORGANOGRAM	198
REFERENCES.....	204

ACRONYMS

CBP: Community Based Planning
 CCR: Cross Cutting Results
 CDW: Community Development Worker
 CMC: Core Manager Competencies
 COGTA: Department of Cooperative Governance and Traditional Affairs
 CPTR: Current Public Transport Record
 CS: Community Survey
 CSIR: Centre for Social and Industrial Research
 DBSA: Development Bank of Southern Africa
 DHLG &TA: Department of Local Government & Traditional Affairs
 DM: District Municipality
 DORA: Division of Revenue Act

DTO: District Tourism Organisation
DWA: Department of Water Affairs
ECCATI: Training organisation
ECD: Early Childhood Development
ECDC: Eastern Cape Development Corporation
ECDoH: Eastern Cape Department of Health
ECDORT: Eastern Cape Department of Transport
ECSECC: Eastern Cape Socio Economic Consultative Council
ECTB: Eastern Cape Tourism Board
ECPB: Eastern Cape Parks Board
ECPSDP: Eastern Cape Provincial Spatial Development Plan
ECPGDP: Eastern Cape Provincial Growth Development Plan
EIA: Environmental Impact Assessment
EPWP: Expanded Public Works Programme
ESCOM: Electricity Commission
ESTA: Extension of Security of Tenure Act
EU: European Union
GDS: Growth and Development Summit
GFS: Government Finance Statistics
GGP: Gross Geographic Product
GIS: Geographic Information System
GPI: Growth Performance Index
GRAP: Generally Recognised Accounting Practice
GVA: Geographic Value Added
FET: Further Educational Training College
HCW: Health care worker
HDI: Historically Disadvantaged Individual
HOD's: Heads of Department
HPGR: High Population Growth Rate
HR: Human Resources
ICASA: Information & Communications
ICT: Information and Communication Technologies
IDP: Integrated Development Plan
IGR: Intergovernmental Relations
ISETT: Information Systems, Electronics and Telecommunications Technologies
ITP: Integrated Transport Plan
IWMP: Integrated Waste Management Plan
JGDM: Joe Gqabi District Municipality
KPA: Key Performance Area
KPI: Key Performance Indicator
LED: Local Economic Development
LM: Local Municipality
LPGR: Low Population Growth Rate
LRAD: Land Redistribution and Agricultural Development
LTO: Local Tourism Organisation
MDB: Municipal Demarcation Board

MEC: Member of the Executive Committee
M&E: Monitoring & Evaluation
MFMA: Municipal Finance & Management Act 53 of 2003
MHS: Municipal Health Services
MIG: Municipal Infrastructure Grant
MoU: Memorandum of Understanding
MM: Municipal Manager
MPCC: Multi Purpose Centre
MSA: Municipal Systems Act 32 of 2000
MTREF: Medium Term Revenue Expenditure Framework
NAFCOC: National African Federation of Chambers of Commerce
eNatis: National vehicle licensing system
NEMA: National Environmental Management Act
NLTTA: National Land Transport Transition Act
NSDP: National Spatial Development Perspective
OTP: Office of the Premier
PDI: Previously Disadvantaged Individual
PGDP: Provincial Growth and Development Plan
PHC: Primary Healthcare
PMS: Performance Management System
PMTCT: Prevention of Mother to Child Transmission
PPP: Public Private Partnership
HDI: Human Development Index
RDP: Reconstruction and Development Plan
RSS: Rapid Services Survey (conducted by Fort Hare for the Office of the Premier in 2006)
RWS: Rural Water Schemes
S 57 Managers: Managers who report directly to the Municipal Manager
SANRA: South African National Roads Agency
SAPS: South African Police Services
SAWEN: South African Women's Entrepreneurship Network
SCM: Supply Chain Management
SDBIP: Service Delivery and Budget Implementation Plan
SDF: Spatial Development Framework
SEDA: Small Enterprises Development Agency
SETA: Sector Education and Training Authority
SLA: Service Level Agreement
SLM: Senqu Local Municipality
SMME: Small, Medium & Micro Enterprises
SPU: Special Programmes Unit
TEP: Tourism Education Programme
TB: Tuberculosis
THETA: Tourism & Hospitality Education & Training Authority
TI: Tress Index
UFH: University of Fort Hare
UPE: Universal Primary Education

VCT: Voluntary Counselling & Testing
VIP's: Ventilated Improved Pit Latrine
WSA: Water Services Authority
WSP: Work Place skills Plan
WSDP: Water Sector Development Plan
WTW: Waste Treatment Works

EXECUTIVE SUMMARY

PURPOSE OF THIS DOCUMENT

The basic purpose of Integrated Development Planning is to achieve faster and more appropriate delivery of services and provide a framework for economic and social development in a municipality. Integrated Development Planning creates a planning environment that allows for the integration and alignment of government's delivery priorities and objectives and is aimed at eliminating the development legacy of the past.

This document contains the development priorities of Council for its term of five years and forms a commitment between the municipality and its residents about how and where development will take place.

The document also seeks to incorporate, resolve and take cognisance of the findings of the Auditor General, Internal audit and the previous findings of the IDP Assessment 2011-12 as well as the Municipal turnaround strategy. In addition, the Municipality is looking at expanding its planning horizon and moving it from a 5 year to a 20 year timeline.

DEMOGRAPHIC STATISTICS

The 2011 census figures give Senqu Municipality a population of 134 150 compared to the 2001 Census estimate of 135,141 (Statssa,Census 2011). This indicates that the population is decreasing. The population decrease can be attributed to out migration as people move to seek jobs and schooling and increasing urbanisation which is linked to decreased family sizes and women giving birth at older ages. The Municipality however disputes the accuracy of these figures as due to the scattered and mountainous nature of the municipality, the rural population was not adequately accounted for in the census.

The majority of the population is still centered around the former Transkei homeland with Sterkspruit at the centre. The majority still reside in rural areas as opposed to urban area. This includes rural villages and farm households. The population density is estimated at 16.12 persons per km squared.

However household numbers are increasing from 33 904 (2001) to 38 046 (2011). This is due to the effects of urbanisation and participation in a world economy which means that the cost of large families and households are

prohibitive. This is shown in the statistics which show that the average household size has dropped from 4 in 2001 to 3.5 in 2011.

The corresponding need for infrastructure and social services have not declined due to the high number of indigent people. This means that there is a risk that the equitable share contribution will remain insufficient to provide basic services as set out in the Constitution.

SOCIO –ECONOMIC SUMMARY

Data from the 2007 Community Survey indicates that the average unemployment rate of the Senqu Municipality is 16 %. This only includes people that are actively searching for work. The percentage of people who are unemployed but not looking for work is 65%, compared to 54% for the district and 48% for the province.

50.25 % of the population earn no income and a further 21.39% earn between R 1 and R 1 600 per month (SDF 2011). In Senqu the dependency ratio is 161:100 which means that for every 100 economically active people, there are 161 people who are dependent. A total of 30 246 child grants plus 10 846 adult grants are paid monthly, 3024 for foster care, 22 684 for child support and 305 for care dependency. This is 34.77 % of the 2007 estimated population of 118,174. This indicates that the tax base to pay for services is limited. SLM has low levels of education with 58.85% of the population having only received a primary school education.

In general, Senqu is reflected as a poor area facing high levels of service backlogs, poverty and unemployment, the ramifications of which include diminished quality of life, reduced ability among residents to pay for services and the dependence of the Municipality on subsidies and other external funding. The employment structure suggests a limited local skills base, given the dominance of unskilled to semi-skilled occupations and a reliance on public sector employment (LED Strategy 2007).

Economically, Senqu makes the second largest contribution, after Maletswai, to the District economy in terms of GVA (26.2%) and accounts for the greatest share of formal employment (32.0%) (LED Strategy 2007).

SERVICE DELIVERY PERSPECTIVE

The Community Survey 2007 provides data on the types of main dwelling for the Senqu Municipality. There are 10784 households, or 30.72% of the population who live in traditional dwellings and 60.90 % who live in a house or brick structure on a separate stand or yard.

Senqu has the highest water unserved population out of the JGDM population based on the 2007 Community Survey with 13.2 % receiving no water and 18 % being below RDP standard. However it is good to note that 68.8 % are receiving water of above RDP standards. In terms of sanitation 45 % remain unserved (JGDM WSDP 2010).

Apart from the backlog, Senqu is experiencing problems with decaying and poorly designed water and sanitation systems that were not designed to cope with the additional demands placed upon them and which have come to the end of their lifespan.

The electrification and telecommunication network in Senqu is insufficient with poor quality experienced in many areas. The main problem with the electrification network in town is the high amount of leakage. Waste management remains a problem with insufficient staff and old vehicles which constantly break down. In addition the waste sites are poorly maintained and recycling initiatives are small due to the limited budget available.

Environmental management is poor due to limited staff and budget and many by laws are not enforced due to the factors already mentioned. Many town planning by laws are broken and illegal land invasion occurs on a regular basis.

Access roads and bridges in the rural area are generally of a poor standard due to lack of maintenance and staff. Rural people struggle to access services due to this especially during the rainy period when the roads become impassable and flooded. Access to clinics and schools remains a challenge as people still have to walk long distances and the quality of the service is limited.

MUNICIPAL PRIORITIES

- | | |
|------------------------------|--|
| 1. Roads - | Priority areas are places with no approach roads. In W 14, 16, 19 and 10 the emphasis should be on paving roads. Also a job creation opportunity |
| 2. Land – | Lack of land and tenure problems. The SDF indicates Sterkspruit as priority node. Look at the expansion of Sterkspruit and the development of Barkly as a priority issue |
| 3. Job creation – | Need to improve skills level of the population |
| 4. Recreational facilities – | Needed in every ward especially for youth |
| 5. LED – | Look at agro processing e.g wool washing. |

6. Communication and public participation-

Public participation must be increased. Network poles and transmitter poles for television are desperately needed in most areas.

The following are priorities outside the Municipality's powers and functions but need addressing

- 1) Water
- 2) Sanitation
- 3) Electricity
- 4) Disaster management

CHAPTER ONE: PLANNING PROCESS

INTRODUCTION

Senqu Local Municipality reviews its IDP and Budget in accordance with the requirements as set out in the Local Government: Municipal Systems Act (MSA) 32 of 2000, the Local Government: Municipal Planning and Performance Management Regulations 2001 and the Municipal Finance Management Act 56 of 2003.

The review also takes into account the 2012-13 IDP assessment recommendations which rated the municipality high in all areas but that of **LED and service delivery**.

ADOPTED PROCESS PLAN

The MSA 28(1) states that *each municipal council ... must adopt a process set out in writing to guide the planning, drafting, adoption and review of its IDP*". The process plan was adopted in August 2012. The Process Plan outlines the programme to be followed and provides details on issues specified in the Act.

The Local Government: Municipal Structures Act 117 of 1998, Municipal Systems Act 32 of 2000 and Municipal Finance Management Act 56 of 2003 are specific to municipalities and are the key legislation for the development of the IDP. Other national sector legislations also contain various kinds of requirements for municipalities to undertake planning.

Some important National and Provincial guiding plans and policy documents for the IDP include the Medium-term Strategic Framework, the National Spatial Development Perspective (NSDP), the National development Plan, the new Growth Path, the Eastern Cape Provincial Spatial Development Plan (ECPSP), the Eastern Cape Provincial Growth and Development Plan (ECPGDP) and the Ukhahlamba (now Joe Gqabi) District Growth and Development Summit (GDS).

IDP PROCESS

The IDP Process is a continuous cycle of planning, implementation and evaluation.

INSTITUTIONAL ARRANGEMENTS AND ROLES & RESPONSIBILITIES

The development of the IDP and Budget involves Municipal Officials, Councillors as well as stakeholders/actors outside the Municipality.

Institution	Role & responsibility
Council	Approves, adopts the IDP and budget Participates in M&E
Executive Committee	Decides on the Process Plan. Manages, co-ordinates and monitors the process and drafts the IDP and budget
IDP Manager	Drafting and co-ordination of the IDP process on a day to day basis
IDP and Budget Steering Committee	Provides technical expertise for the drafting of the IDP and budget
IDP Representative Forum	Provide community needs and priorities and indigenous knowledge. Act as a M&E mechanism

OTHER ACTORS

ACTORS	ROLES AND RESPONSIBILITIES
Ward Councillors/Ward Committees (assisted by CDWs)	<ul style="list-style-type: none"> • Major link between municipality and residents • Link the planning process to their wards or constituencies • Organize public consultation and participation • Represent the ward at the IDP & Budget Representative Forum • Analyse ward-based issues, determine priorities, negotiate and reach consensus.
Community	<ul style="list-style-type: none"> • Represents interests, contribute knowledge and ideas to the Representative Forum • Inform interest groups, communities and organizations • Analyse issues, determine priorities, negotiate and reach consensus • Participate in designing project proposals • Discuss and comment on the draft IDP • Monitor performance in implementation • Conduct meetings with groups, communities, etc to prepare for and follow-up on relevant planning activities.

MECHANISMS FOR COMMUNITY AND STAKEHOLDER PARTICIPATION

One of the main features about IDP and Budget Processes is the involvement of community and stakeholder organizations in the process. This was done through the:

- IDP Representative Forum to verify and add data
- District Municipality's Rep Forum to ensure that local priorities are adequately reflected on the District's IDP
- Ward Councillors and ward meetings to keep communities informed about the IDP progress (including Ward Committees and CDWs)
- Annual reports on municipal progress
- Mayoral outreaches
- Advertisements in local newspapers and community radios on the progress
- Making the IDP document available to all units and in public places for public comments
- Municipal website.

English is used as a language of governance however in community meetings languages that are spoken in that community are used. Officials are responsible for arranging venues and transport for all wards to all meetings. Transport is arranged for Traditional Leaders, Designated Groups and Ward Committees at the cost of the municipality.

MECHANISMS AND PROCEDURES FOR ALIGNMENT

The IDP Manager (Municipal Manager) and the Manager IDP & PMS of Senqu Municipality is responsible for ensuring smooth co-ordination of the IDP process and its alignment with the District's IDP through bilateral discussions with affected sector departments and neighbouring Municipalities as well as IDP representative Forums. Inter-Governmental Forums such as the Joe Gqabi District IDP Representative Forum are also used to ensure that beneficial alignment of programmes and projects do occur.

PROCESS FOLLOWED TO DATE

- Mayoral Outreach with community members
- IDP Rep Forum 26 November 2012
- IDP Rep Forum 25 March 2013
- Mayoral outreach with community members April 2013

CHAPTER TWO: SPATIAL & DEMOGRAPHIC ANALYSIS

SPATIAL CHARACTERISTICS OF THE AREA

Area	7329km ² .
Neighbours	Maletswai (W), Emalahleni & Sakhisizwe (S), Elundini (E) and Kingdom of Lesotho (N).
Towns	Major: Sterkspruit, Lady Grey & Barkly East
Hamlets	Rossouw, Rhodes & Herschel
Villages	85
Topography	Mountainous. Slopes steeper than 1:8 as part of the southern Drakensberg range. The highest point in the Eastern Cape, Ben MacDhui at 3001m above sea level occurs in the municipality (JGDM Environmental Plan).
Catchment area	Orange river catchment.
Geology	Karoo Supergroup Basaltic lavas of Drakensberg Group Beaufort, Molteno, Elliot & Clarens Groups of sandstone & shale (JGDM Environmental Plan)
Climate	Temperature fluctuations of between 42°C and -16°C in summer. In winter the minimum temperature can vary between -7°C and -1°C. Annual average of 150 days of frost. Rainfall varies from between 1000mm and 1400mm

	of rainfall a year to about 600mm in the lower lying areas (JGDM Environmental Plan)
Soils	Degraded areas due to communal grazing lands not being well maintained or protected under the previous dispensation. The primary cause is the overstocking of livestock and inappropriate grazing methods. (JGDM Environmental plan)
Vegetation	There are five vegetation types found in Senqu: <ul style="list-style-type: none"> • Dry Sandy Highveld Grassland • Moist Cold Highveld Grassland • Afro Mountain Grassland • Alti Mountain Grassland. It is important for grazing and generally occurs in water catchment areas • Moist upland Grassland .This is important for maize farming and forestry.
Land use cover	<ul style="list-style-type: none"> • Total cultivated area of arable land of 47 319, 21 Ha. Dry land under commercial Production has 18 178, 39 Ha; • Commercial Irrigated Land of 3 866, 57 Ha • Semi Commercial (Commonages) has 25 274, 25 Ha (Information supplied by the Department of Agriculture). • Limited land available that can sustain intensive agricultural practices.

ENVIRONMENTAL ASPECTS & CHALLENGES

- Alien vegetation. The municipality struggles with crack willow which grows along the Kraai river and sucks up litres of water

- Firewood collection. Persons collect firewood indiscriminately breaking down trees. In addition the indiscriminate burning of grasslands creates air pollution and loss of biodiversity
- The location of dipping tanks. Many of these dipping tanks are located near streams which can poison water supplies
- Borrow pits which are not adequately rehabilitated
- Drainage culverts placing can either hinder or promote gulley erosion
- The waste water treatment works at Lady Grey are only 200 m from a farm dam which could contaminate the water supply. The waste treatment works in Sterkspruit are inadequate for the need and frequent sewerage spills occur into the Sterkspruit River. The Barkly East sewerage ponds are located adjacent to a wetland and contamination could kill many animals. The proximity of waste water treatment works at both Lady Grey and Barkly East to rivers poses a risk as they could be susceptible to potential flood damage
- Soil erosion which is the highest in the JGDM due to marginal soils being utilised for inappropriate agricultural practises.
- The registration and management of solid waste disposal sites
- Lack of recycling at waste sites
- Burning of waste and inadequate collection of waste leading to illegal dumping. Lack of capacity, both financial and human to act on environmental issues
- Lack of capacity to implement environmental by-laws
- Inappropriate land and hygiene practises leading to increased sedimentation and entrophication and pollution of fresh and groundwater sources.
- Increased invasion by alien and undesirable species like Slangbos and blue bush near Lady Grey. Limited protection of environmental sensitive areas
- Poor and crumbling sanitation infrastructure (JGDM Environmental plan 2006 & Draft 2011)

ENVIRONMENTAL OPPORTUNITIES

- Beautiful mountainous scenery for adventure and agricultural tourism
- Possibility of off grid and cleaner sources of electricity such as wind (JGDM Environmental plan Draft 2011).

THE IMPACT OF CLIMATE CHANGE

In 1990 South Africa was responsible for about 1.2 % of the total warming effect which placed it within the top ten contributing countries in the world. The carbon dioxide equivalent emission rate per person in South Africa is about 10 T of Carbon dioxide and above the global average of 7 T per person per year. A recent study by the Countries Studies Project predicts that climate change will cause mean temperature increases in the range of between 1 to 3 degrees centigrade by the mid-21st century with the highest increases in the most arid parts of the country. A broad reduction of between 5 to 10 % decrease has been predicted for summer rainfall regions like Senqu. This is likely to be accompanied by an increased incidence of drought and floods with prolonged dry spells followed by intense storms. A marginal increase in early winter rainfall is predicted for the winter rainfall region. A rise in sea level is also predicted of about 0.9 m by 2100 (DEAT website 2000-2005)

Whilst there might be some debate on the effect of climate change, it is clear that the health sector, maize production, plant and animal biodiversity, water resources and rangelands are areas most vulnerable to climate change.

The main effects for Senqu would be:

- Water scarcity may increase in some areas. It is estimated that even without climate change, South Africa will use up most of its surface water resources within the next few decades. Climate change may also alter the magnitude, timing and distribution of storms that produce flood events.
- Frequency of livestock disease outbreaks could be affected
- Maize production will decrease as the climate becomes hotter and drier resulting in the decrease of about 10 to 20 % over the next 50 years.
- Decrease in biomes by 38 to 55 % by 2050, decrease in species and an expansion of insect pests such as the brown locust (DEAT website 2011)

CLIMATE CHANGE STRATEGY

1. Temperature increase

An increase in temperature will have a greater impact on communal farmers as a recent study done by CEEPA indicates that farmers with larger areas of ground will be better able to withstand the effects of climate change. Senqu will therefore be focussing its efforts on training small scale farmers how to compensate for this increase by changing their farming methods and practises.

Senqu Municipality will look at the possibility of developing building bylaws for people regarding insulation of their houses such as double glazing and the alignment of the building to the sun. This will help in decreasing costs of heating and cooling. This still needs to be investigated to determine the economic feasibility of enforcing the regulations in an economically depressed region.

2. A fall in precipitation

A fall in precipitation of between 2 to 8 % by 2050 and 4 to 8 % by 2100 will affect dryland farms as well as small scale farmers, as it is estimated that crop net revenues will fall by 1.7 % to 5.3 % per hectare for the whole of South Africa. It also suggests that an annual increase of 1 degree centigrade will have a positive impact on annual crop net revenues for all farms except dryland. The increase in temperature will affect crop farm net revenues negatively in the summer farming season but positively in the winter season (CEEPA, 2006 Climate change and African agriculture).

Senqu Municipality will work with farmers to develop strategies that will increase the positive impacts while reducing the negative impacts for all types of farming.

In addition, the Municipality will look at increasing the amount of water storage in the area and implementing by laws which will legislate that all householders have tanks on their property to collect rainfall. There will also be an increase in the maintenance budget for roads, bridges and storm drainage.

DEMOGRAPHIC ANALYSIS

POPULATION AND HOUSEHOLD FIGURES

The 2011 census figures give Senqu Municipality a population of 134 150 compared to the 2001 Census estimate of 135,141 (Statssa,Census 2011). This indicates that the population is decreasing. The population decrease can be

attributed to out migration as people move to seek jobs and schooling and increasing urbanisation which is linked to decreased family sizes and women giving birth at older ages. The Municipality however disputes the accuracy of these figures as due to the scattered and mountainous nature of the municipality, the rural population was not adequately accounted for in the census.

However household numbers are increasing from 33 904 (2001) to 38 046 (2011). This is due to the effects of urbanisation and participation in a world economy which means that the cost of large families and households are prohibitive. This is shown in the statistics which show that the average household size has dropped from 4 in 2001 to 3.5 in 2011.

Municipality	Total population			No of H/holds			Average h/hold size		
	1996	2001	2011	1996	2001	2011	1996	2001	2011
Joe Gqabi	324118	336413	337853	71162	84835	97775	4.6	4	3.5
Elundini	134077	135389	131656	29549	33209	37854	4.5	4.1	3.5
Senqu	129673	134326	131981	28056	33904	38046	4	4	3.5
Maletswai	31529	36087	41272	6990	9488	12105	4.5	3.8	3.4
Gariep	28840	30611	32944	8567	8234	9770	4.4	3.7	3.4
EC Total	6036337	6163009	6246143	1303287	1481640	1687385	4.6	4.2	3.7

Average Household Size Source: Statssa Census 2011

The dominant home language is Isi Xhosa, isiHlubi, seSotho, Afrikaans and English. A larger part of isiHlubi speakers can be found around the Sterkspruit area.

Sex ratio 1996,2001 and 2011. Source: Statssa Census 2011

Municipality	Male			Female			Sex ratios - no of males per 100 females		
	1996	2001	2011	1996	2001	2011	1996	2001	2011
Joe Gqabi	150341	159192	165443	177657	182557	184325	85	87	90
Elundini	60613	63090	65482	74275	74304	72658	82	85	90
Senqu	60936	63709	62804	70322	72025	71346	87	88	88
Maletswai	14751	1701	20735	17491	19806	23065	84	88	90
Gariep	14041	14892	16420	15569	16422	17256	90	91	95
EC Total	2840235	2906521	3089701	3307009	3372130	3472353	86	86	89

Dependency ratios Source Census 2011

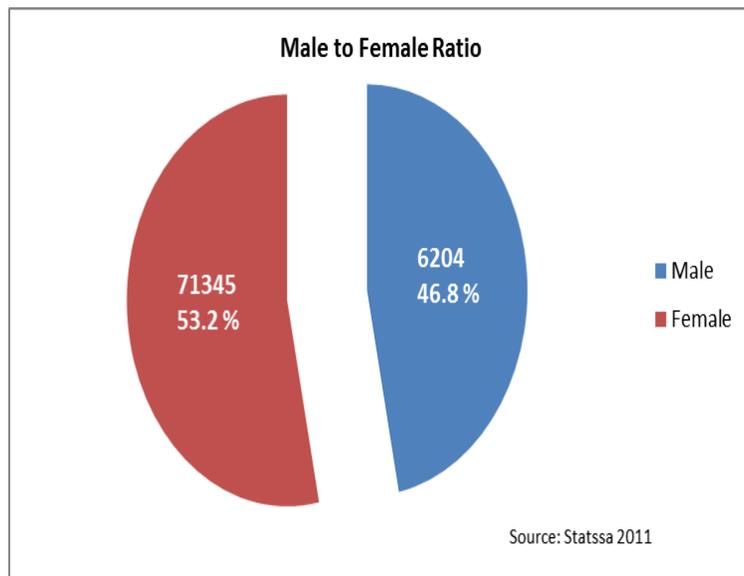
0-14			15-64			65+			Dependency ratios		
1996	2001	2011	1996	2001	2011	1996	2001	2011	1996	2001	2011
55079	51591	45577	67083	73958	78245	8356	10185	10328	94	83.5	71.4

Rural vs. Urban Population

According to the 2001 Census 86% of households are rural in nature. Lady Grey has a population of 1312, Barkly East a population of 4 292 and Sterkspruit 1 557 (Statssa 2001). It must be remembered that for Sterkspruit this number only refers to the main town.

This dynamic is shifting with the phenomenon of urban in migration occurring in Senqu Local Municipality. The majority of which is situated around the town of Sterkspruit (SDF 2012). This simply means that people are moving to live in villages which are expanding towards the urban centre of Sterkspruit. The concept of a rural countryside with scattered homesteads is disappearing to be replaced by many villages growing towards each other creating rural urbanisation.

There is an also an out migration of people both out of the rural areas to the urban areas and from JGDM to other districts. An inward migration from Lesotho to Mt Fletcher and Sterkspruit is also being experienced (Joe Gqabi WSDP 2010).



Population by sex and race

	Male	Female	Grand Total
Black African	60925	69619	130544
Coloured	792	818	1609
Indian or Asian	199	62	261
White	756	776	1532
Other	133	71	204
Grand Total	62804	71346	134150

Source: Statssa Census 2011

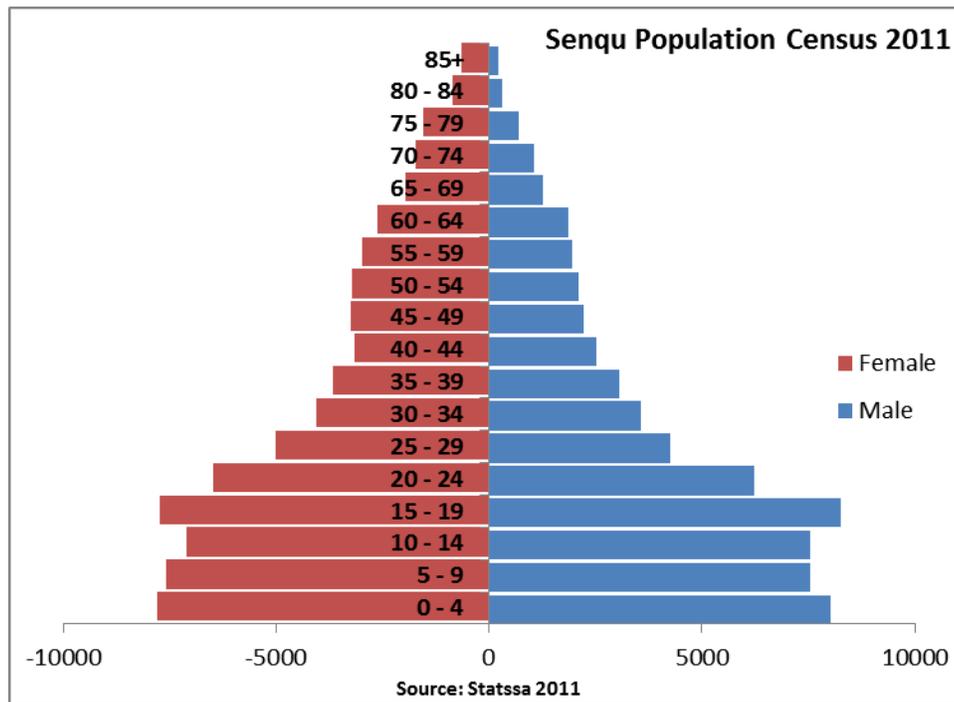
Ward Population breakdown by sex

Ward	Villages	Total Ward Population		
		Male	Female	Total
EC142 Senqu		62804	71346	134150
Ward 1	Mbobo, Bhikizana, Walaza, Ndofela	3156	3491	6646
Ward 2	Storomo, Ndingishe, Makalalaleng, Gcina, Qhimira	5462	6394	11856
Ward 3		2484	2895	5379
Ward 4	Mkunyazo, Boomplaas, Hilside, Mfinci, Penhoek, Maqolwaneni	2343	2683	5026
Ward 5	Bebeza, Makhumsha, Mabele, Dangershoek, Nomlengana	2290	2776	5066
Ward 6	Mpoki, Musong, Dulciesneck, Majuba, Ndongunya, Rietfontein, Bultfontein	2948	3690	6638
Ward 7	Macacuma, Thaba-Lesoba	3219	3937	7155
Ward 8	Mokhesi, New rest, Tapoleng, Mogoabong	4575	5378	9953
Ward 9	Ngquba, Kromspruit, Lipota, Alamli, Hinana, Mapolo	3145	3721	6866
Ward 10	Makhetheng, Zwelitsha, Sterkspruit town, Tienbank, Matlapaneng	4153	4900	9053
Ward 11	Herschel, Ndilinkonzo, Entsimekweni, Skhisazana, Ezintatyameni, Bluegums, Meyi	3576	4218	7794
Ward 12	Manxeba, Hlomendlini, Magadla, Jozanas Nek, Jozana's Hoek, Magwiji	2653	2967	5621
Ward 13		3152	3511	6663
Ward 14	Khwezi Naledi, Lady Grey town, Transwilger	3374	3740	7115
Ward 15	Rossouw, Clifford, New England, Phelendaba, Zingxengele, Mission, Rockcliff Clinic, Ntaba Mhlope, Sijhora	3384	3101	6485
Ward 16	Rhodes, Mosheshesford, Tantalion, Persiville, Nkululeko	2998	2780	5778
Ward 17	Sunduza, Bensonvale, Top Tapoleng, Masekeleng, Voyizana, Joveloni	3160	3622	6782
Ward 18	Esilindini, Bamboespruit	2827	3210	6037
Ward 19	Luama Hlanjwa, Barkly East Town, Fairview, Nozicikwana	3906	4332	8238

Municipality	1996			2001			2011		
	Children headed H/H	Total H/H	% child headed H/H	Children headed H/H	Total H/H	% child headed H/H	Children headed H/H	Total H/H	% child headed H/H
Joe Gqabi	2214	71162	3.1	1759	84835	2.1	1176	97775	1.2

Elundini	1103	29549	3.7	781	33209	2.4	540	37854	1.4
Senqu	915	28056	3.3	804	33904	2.4	503	38046	1.3
Maletswai	95	6990	1.4	109	9488	1.1	78	12105	0.6
Gariep	101	6587	1.5	64	8234	0.8	55	9770	0.6
EC Total	29900	1303287	2.3	19210	1481640	1.3	16712	1687385	1

Child headed households Statssa census 2011



GENDER, RACIAL AND AGE DISTRIBUTION

Approximately 34 % of the municipal population falls in the below 15 years age group. This is a drop of 4 % from 2001. 58.3 % of the population fall within the 20-65 age category which can be seen as the economically active sector of the population (Statssa census 2011). This suggests continuing population growth in the area with a need for educational facilities and a focus on education and skills training (SDF 2011). The age group 65 and above has grown slightly from 7.5 % (2001) to 7.7 % (2011). The percentage of the dependant population and elderly is just over 40 % which should indicate that the population is able to support itself. This is borne out by the fact that the dependency ratio has dropped from 83.5 % (2001) to 71.4 % in 2011.

The amount of males per 100 females has decreased slightly from 88.5 in 2001 to 88 in 2011. This may be

ascribed to migrant and commuter labour which has resulted in many households having a woman as the head of the household and the chief breadwinner living away from the home. This impacts on the type of development that may occur, especially with regards to manual labour-type employment (SDF 2011). The good news is however that female headed households have dropped from 52.2 % (2001) to 50.5 (2011)

Municipality	1996		2001		2011		% of Female headed households		
	Women headed H/H	Total H/H	Women headed H/H	Total H/H	Women headed H/H	Total H/H	1996	2001	2011
Joe Gqabi	38205	71084	43651	84835	47646	96645	53.7	51.5	49.3
Elundini	17675	29533	18610	33209	19418	37293	59.8	56	52.1
Senqu	15514	28018	17696	33904	19077	37754	55.4	52.2	50.5
Maletswai	2631	6978	4160	9488	5243	11909	37.7	43.8	44
Gariep	2385	6556	3185	8234	3909	9699	36.4	38.7	40.3
EC Total	646164	1301964	754023	1481640	825846	1664654	49.6	50.9	49.6

Female headed households. Source: Statssa 2011

POPULATION PROJECTIONS

Between out migration and HIV/Aids, there is a decrease in the population growth rate of the area. From 1996 to 2001 there was a positive growth rate of 0.67. This has decreased to -0.12 from 2001 to 2011 (Statssa,Census 2011)

Population growth rates

Municipality	Total population			Pop growth rate 1996-2001	Pop growth rate 2001-11
	1996	2001	2011		
Joe Gqabi	327998	341750	349768	0.8	0.2
Elundini	131888	137394	138141	0.4	0.1
Senqu	131258	135734	134150	0.7	-0.1
Maletswai	32242	37307	43800	2.9	1.6
Gariep	29610	31314	33677	1.1	0.7
EC Total	6147244	6278651	6562053	0.4	0.4

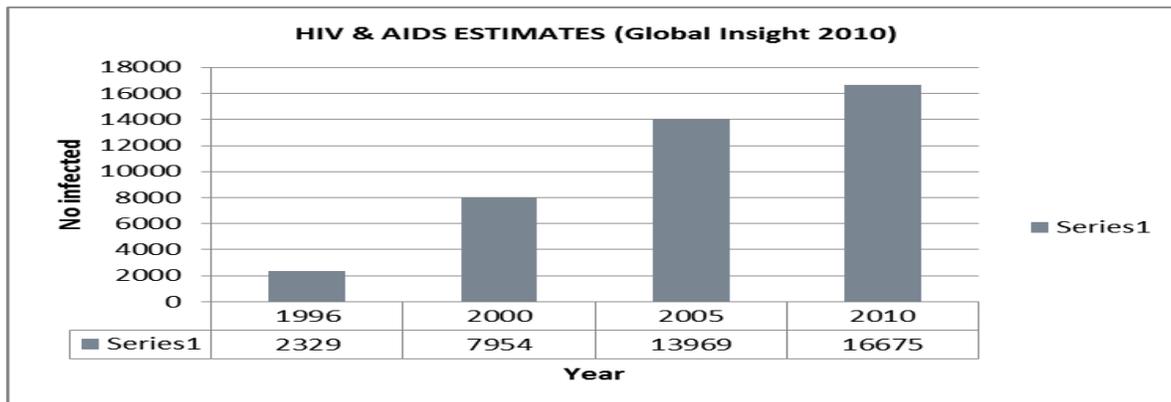
Source: Statssa 2011

According to the DBSA (Provincial Population Projections, 2000) projected population growth rate for Senqu will vary depending on a High Population Growth Rate (HPGR) scenario that does not take the impact of HIV & Aids into account as opposed to a Low Population growth Rate (LPGR) that does take HIV & Aids into account. The table outlining the different scenarios is contained below.

Table indicating projected population growth (DBSA 2000)

	Projected population	
HPGR @ 2,21 % 2001 to2006	137,307	141,615
LPGR @ 0,95% 2001 to2006	137,307	139,113
HPGR @ 2,02% 2006 to 2011	141,615	145,991
LPGR@0,31% 2006 to 2011	139,113	139,723

HIV & AIDS INFECTION RATE ESTIMATES



HIV & Aids infection rate has increased slightly but if you take it that 16 675 out of estimated population of approximately 145,991 are infected, then the measures taken to decrease the infection are having an effect. The total rate of infection for the DM as a whole is 18 % (JGDM HIV & AIDS Outreach 2012).

POPULATION DENSITY

The population density for Senqu Municipality is estimated at 16.12 persons per km squared (SDF 2011). The major population density is around Sterkspruit with much of the total population living in the Sterkspruit sub-region (SDF 2011). This is due to the fact that this area is the former Transkei Homeland where Black Africans were forced to live under Apartheid. The less denser population areas are essentially commercial farmland. From a strategic perspective therefore it may be developmentally wise to focus higher level investment in housing, social and services infrastructure in this area as this is where there will most likely be optimum usage of resources, benefitting the greatest number of people. The majority of the Senqu population reside in rural areas. This includes rural villages and farm households.

CONCLUSION

The implications of the population studies of Senqu indicate that we have a youthful population with low skills levels and high unemployment. The majority of the population live in rural villages and rely on social grants. There is high migration to the more urban centres inside and outside the municipality for employment and educational opportunities. The high out migration to areas outside the municipality has an annual season with persons returning for the Easter and Christmas holidays. Persons also tend to return to the traditional areas when they are faced with illnesses that require high caring from relatives.

MILLENNIUM DEVELOPMENT GOALS

GOAL 1: ERADICATE EXTREME POVERTY & HUNGER

Target 1.A:

Halve, between 1990 and 2015, the proportion of people whose income is less than \$1 a day

Although poverty is diminished due to the emergence of the various government grants; not all households are accessing the grants and employment is not increasing.

Target 1.B:

Achieve full and productive employment and decent work for all, including women and young people

This goal has not been met due to a decline in employment opportunities in rural areas. The municipality is trying to bridge the gap by teaching skills to workers in temporary employment programmes such as EPWP.

Target 1.C:

Halve, between 1990 and 2015, the proportion of people who suffer from hunger

This goal is being met due to the introduction of government grants

GOAL 2: ACHIEVE UNIVERSAL PRIMARY EDUCATION

Target 2.A:

Ensure that, by 2015, children everywhere, boys and girls alike, will be able to complete a full course of primary schooling

Senqu meets this goal however there is a problem with earners not continuing with secondary and senior secondary schooling.

GOAL 3: PROMOTE GENDER EQUALITY AND EMPOWERMENT

Target 3.A:

Eliminate gender disparity in primary and secondary education, preferably by 2005, and in all levels of education no later than 2015

For girls in some regions, education remains elusive and poverty remains a major barrier to education, especially among older girls. In addition the problem of teenage pregnancy adds to the problem

GOAL 4: REDUCE CHILD MORTALITY

Target 4.A:

Reduce by two thirds, between 1990 and 2015, the under-five mortality rate

Child deaths are falling, but not quickly enough to reach the target. Revitalizing efforts against pneumonia and diarrhoea, while bolstering nutrition could save millions of children

GOAL 5: IMPROVE MATERNAL HEALTH

Target 5.A:

Reduce by three quarters the maternal mortality ratio

This is being met due to the primary health programme run by the Department of Health.

Target 5.B:

Achieve universal access to reproductive health

More women are receiving antenatal care.

GOAL 6: COMBAT HIV/AIDS, MALARIA AND OTHER DISEASE

Target 6.A:

Have halted by 2015 and begun to reverse the spread of HIV/AIDS

The spread of HIV appears to have stabilized in most regions, and more people are surviving longer

Target 6.B:

Achieve, by 2010, universal access to treatment for HIV/AIDS for all those who need it

The use of anti-retrovirals and access to them at all clinics has helped towards meeting this goal.

Target 6.C:

Have halted by 2015 and begun to reverse the incidence of malaria and other major diseases

Malaria is not a problem in the region but the knowledge and treatment of TB remain a challenge.

GOAL 7: ENSURE ENVIRONMENTAL SUSTAINABILITY

Target 7.A:

Integrate the principles of sustainable development into country policies and programmes and reverse the loss of environmental resources

Target 7.B:

Reduce biodiversity loss, achieving, by 2010, a significant reduction in the rate of loss

The municipality is attempting to achieve the above 2 targets but due to limited resources and lack of personnel it faces great difficulty.

Target 7.C:

Halve, by 2015, the proportion of the population without sustainable access to safe drinking water and basic sanitation

The municipality is on track to meet this target.

Target 7.D:

By 2020, to have achieved a significant improvement in the lives of at least 100 million slum dwellers

The municipality is achieving this through the building of several 100 houses in conjunction with the Department of Human Settlement.

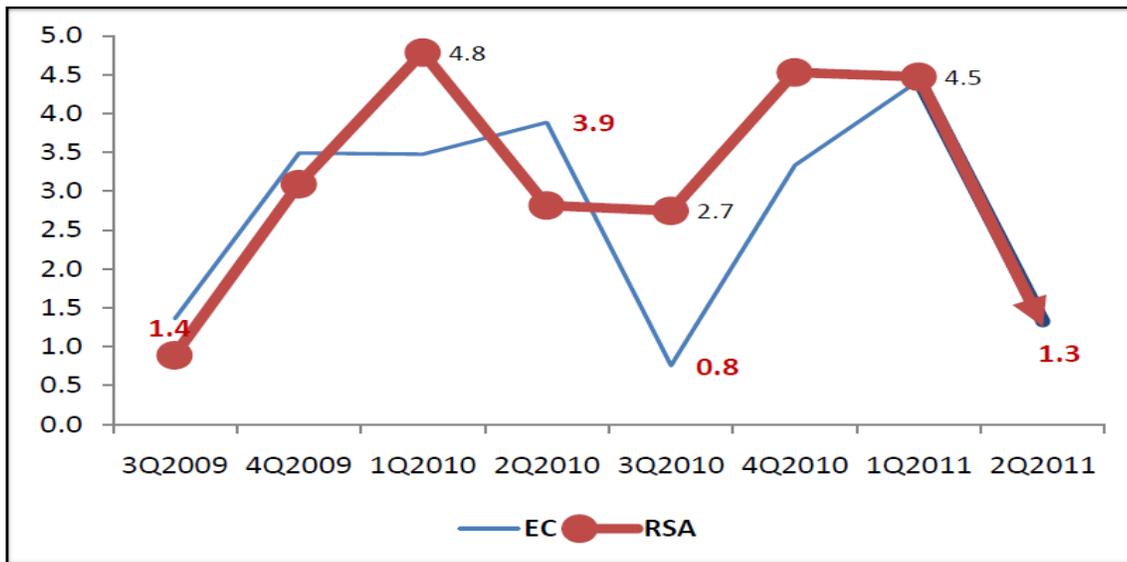
GOAL 8: DEVELOP A GLOBAL PARTNERSHIP FOR DEVELOPMENT

This is an international goal and can only be done by National government.

CHAPTER THREE: SOCIO – ECONOMIC AND LED ANALYSIS

INTRODUCTION

South Africa's post economic domestic economy as seen in the Figure below has a M shape which indicates that the economy is unable to sustain growth (ECSECC, Aug 2011).



Source: Statistics South Africa, 2011

The Eastern Cape's economy is also affected by the same ills with the seasonally adjusted real GDP at market prices slowed by an annualised rate of 1.3 % but year on year it has had the lowest growth in the country at only 2.4 %. This decline was mainly driven by poor performance in agriculture, mining and manufacturing activities which reflected negative growth (ECSECC Aug 2011). In contrast to the decline in the primary and secondary sectors, the tertiary sector experienced a noticeable expansion (ECSECC, Aug 2011).

Economic Indicators

Economic Overview

The Senqu **local economy** generates around one quarter (25.7%) of total District GVA, representing the second largest contribution after Elundini (39.0%) and being closely comparable to Maletswai's share (24.3%) of the JGDM

economy. From 2000 to 2010, the local economy has grown at an average rate of 3.0%pa, while the District and provincial economies has averaged 5.6%pa and 3.2%pa, respectively, over the same period. In respect of total **formal employment** in the District, Senqu makes a relatively higher contribution (27.9%), again ranking second to Elundini (36.7%) and above the contributions of Maletswai (22.2%) and Gariep (13.2%).

Table : Summary of Local Economic Indicators, 2000-2010

GVA at basic prices (R'm)	District Share of EC	Senqu Share of DM	Senqu Share	Shift in Share of DM	Growth (%pa)	GPI	LQ
(Constant 2005 prices)	(% 2010)	(% 2010)	(% 2010)	(2000-10)	(2000-10)	(2000-10)	(2010)
TOTAL	3.61	25.74	100.00	-7.16	3.03	78.24	1.00
Primary: Total	7.94	30.27	5.74	-1.23	-3.17	96.09	1.18
Agriculture, forestry & fishing	8.09	29.56	5.46	-1.52	-3.24	95.11	1.15
Mining & quarrying	4.66	55.65	0.29	11.02	-1.87	124.69	2.16
Secondary: Total	2.68	20.50	11.98	-9.30	5.47	68.79	0.80
Manufacturing: Total	2.22	20.95	8.17	6.74	6.55	75.66	0.81
<i>Food, beverages, tobacco</i>	4.29	12.30	2.02	-4.06	5.48	75.19	0.48
<i>Textiles, clothing, leather goods</i>	1.62	26.38	0.39	-7.96	5.59	76.83	1.02
<i>Wood, paper, publishing, printing</i>	4.82	7.57	0.41	-14.72	3.03	33.94	0.29
<i>Petroleum products, chemicals, rubber, plastic</i>	1.73	44.35	2.10	-20.79	8.72	68.09	1.72
<i>Other non-metal mineral products</i>	5.79	25.85	1.28	-4.28	5.58	85.80	1.00
<i>Metals, metal products, machinery & equipment</i>	1.35	11.62	0.31	-6.85	7.87	62.92	0.45
<i>Electrical machinery & apparatus</i>	0.79	47.95	0.32	7.04	8.72	117.21	1.86
<i>Radio, TV, instruments, watches, clocks</i>	2.76	100.00	0.46	0.00	8.58	100.00	3.88
<i>Transport equipment</i>	0.38	27.72	0.40	4.85	7.86	121.21	1.08
<i>Furniture & other manufacturing</i>	0.53	68.16	0.47	-15.21	5.09	81.75	2.65
Utilities: Total	5.09	13.11	0.79	-30.76	-6.32	31.14	0.51
<i>Electricity</i>	3.14	5.07	0.14	-14.23	-9.10	26.27	0.20
<i>Water</i>	10.22	19.62	0.66	-46.24	-5.60	29.79	0.76
Construction	4.40	22.52	3.01	-4.59	9.87	83.06	0.87
Tertiary: Total	3.73	26.45	82.28	-7.07	3.34	78.92	1.03
Trade: Total	3.14	19.88	9.01	-12.04	-4.03	61.99	0.77
<i>Wholesale and retail trade</i>	3.17	19.95	8.57	-12.28	-4.04	61.90	0.78

<i>Catering and accommodation services</i>	2.77	18.48	0.44	-10.48	-3.81	63.82	0.72
Transport: Total	2.89	20.45	5.62	-4.67	4.60	72.50	0.79
<i>Transport and storage</i>	3.27	26.40	4.26	-5.78	3.82	82.04	1.03
<i>Communication</i>	2.48	11.95	1.35	-6.17	7.57	65.94	0.46
Finance: Total	4.42	24.97	27.86	1.47	12.72	84.23	0.97
<i>Finance and insurance</i>	5.69	27.05	21.09	-5.81	14.01	82.31	1.05
<i>Business services</i>	2.92	20.14	6.78	-4.48	9.51	81.80	0.78
Services: Total	3.70	31.42	39.79	-3.30	1.69	87.07	1.22
Community, social & personal services	3.76	30.91	13.57	-4.95	2.51	86.19	1.20
General government	3.67	31.70	26.22	-4.50	1.30	87.58	1.23

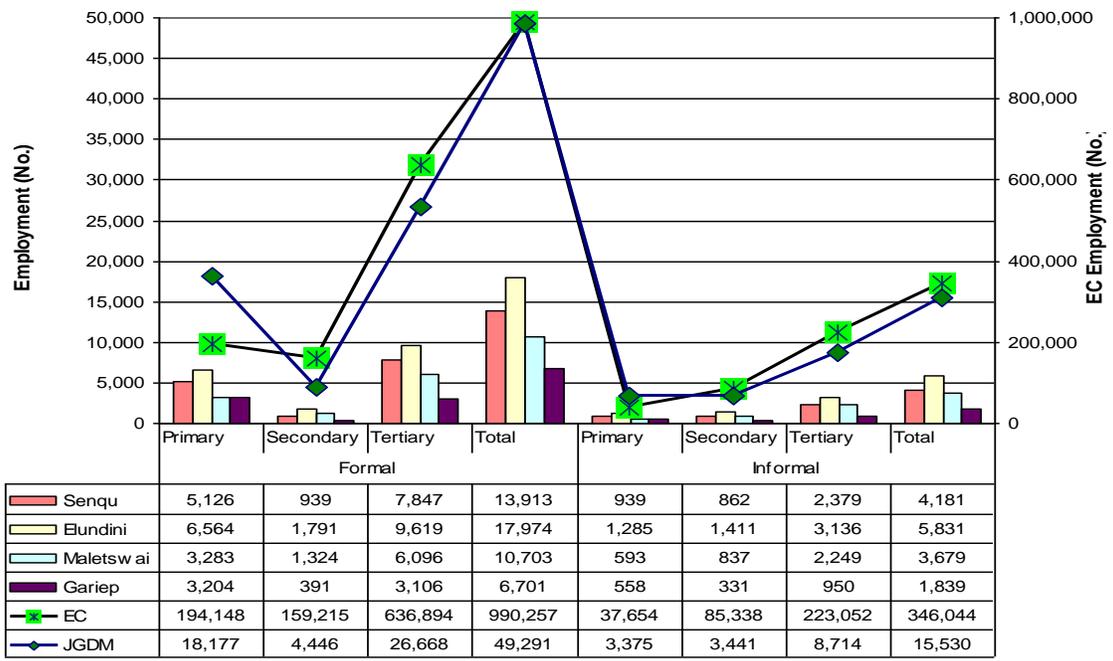
Economic Growth, Structure and Sectors

The **tertiary sector** contributes the greatest share of GVA (82.3%) and formal employment (68.8%) to the Senqu local economy. As reflected in the above table, the Senqu economy claims a comparative advantage in the primary sector, with a location quotient (LQ) of 1.18, where both Agriculture (LQ:1.15) and particularly Mining (LQ:2.16) are claimed as advantages.

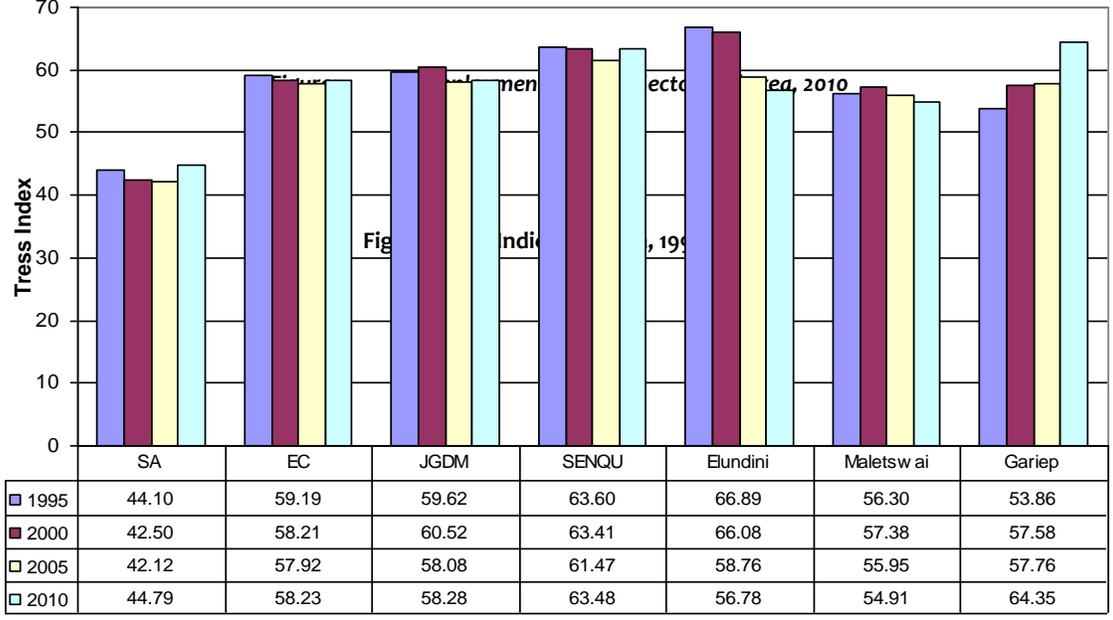
The local economy further claims a **comparative advantage** in the tertiary sector, with a modest location quotient of 1.03, principally owing to the relative strength of the Community (LQ:1.20) and General Government (LQ:1.23) Services. While no comparative advantage in the secondary (LQ: 0.80) sector emerges, several **Manufacturing sub-sectors are claimed as advantages**, notably the Radio and instrumentation (LQ:3.88) and Furniture and other manufacturing (LQ:2.65) industries, with less pronounced advantages (LQs) also claimed for the following manufacturing sub-sectors: Electrical machinery and apparatus (1.86); Petro-chemical products (1.72); Transport equipment (1.08); and Textiles, clothing and leather goods (1.02).

Community services and General government (Services) accounts for the bulk (39.8%) of local GVA and for 37.4% of all local formal employment. The dominance of Services contributes to the concentration of the local economy (Tress Index: 63.48), as well as of the District economy which has a tress index of 58.28. Given that diversification is essential for a robust and resilient economy, the promotion of economic development across a range of sectors, away from the current concentration on Services, will mitigate against negative seasonal or sectoral impacts.

Considering **truss indices** for Senqu, from 1995 (63.60), through 2000 (63.41) and 2005 (61.47), the local economy was becoming less concentrated (more diversified), but has since reversed that trend to become more concentrated (63.48) in 2010. (See Figure) This reversal arguably owes to the continued dominance of Services

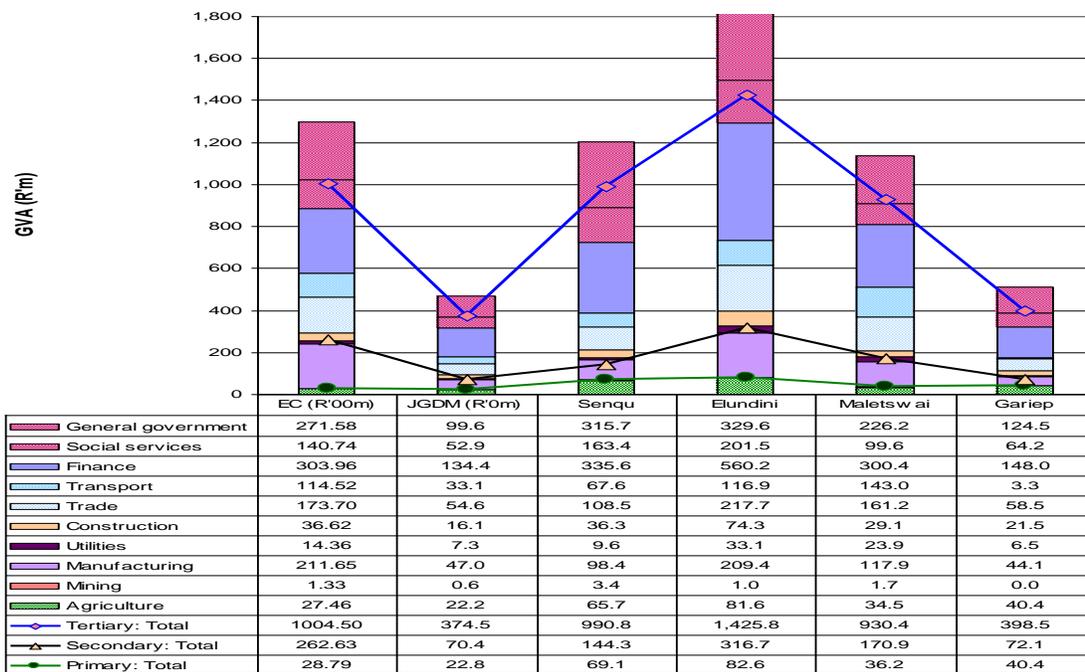


coupled with the increased prominence of a second sector, namely Finance (27.9%). The only other sectors to have increased their share of GVA contribution to the local economy, from 2005 to 2010, are Manufacturing, from 7.1% to 8.2%, and Construction, from 2.2% to 3.0%.

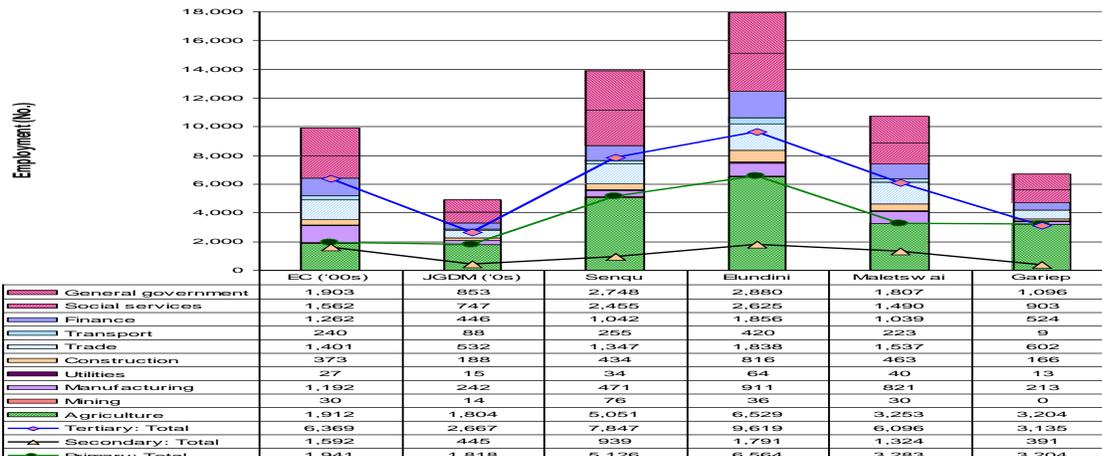


The Finance sector has grown, since 2000, to displace both Community services (13.6%) and General Government (26.2%) as the largest sectoral contributor (27.9%) to Senqu GVA in 2010, although Services (considering both Community and Government sectors together) does retain its overall dominance in the local economy. The profile of formal employment differs from that of GVA, where Services is marginally dominant in Senqu (37.4%) and Maletswai (30.8%), followed closely by Agriculture at 36.3% and 30.4% respectively. By contrast, Agriculture dominates formal employment in Elundini (36.3%) and particularly Gariep (47.6%), followed by Services at 30.6% and 29.7% respectively. Figure:GVA by Formal Sector and area, 2010

Figure 1: Formal Employment by Sector and area, 2010



Finance, like Services, is not strictly a driving sector in that no new productive value is generated, although both



can play significant roles, as services, in facilitating (or limiting) an enabling environment conducive to local economic development. Beyond these dominant service-related sectors, potential local economic drivers emerge as Mining and quarrying together with the Manufacturing sub-sectors of Electrical machinery and Transport equipment. The latter industries emerge as leading (GPI >100) comparative advantages (LQ >1; positive shift in share) and further claim higher than average growth rates, with the notable exception of Mining (-1.9%pa). (Refer to Table) Agriculture, while being claimed as a comparative advantage (LQ:1.15), emerges as a lagging sector (GPI:95.11) and reflects negative growth (-3.2%pa) as well as relative loss in share (-1.5%) of the District economy.

While **Mining** emerges as a relatively significant economic sector in terms of performance, no corroborating information regarding mining, quarrying or related activities, such as sand-winning, is found in the Senqu IDP (2011). Mining generates a comparatively small contribution to both GVA (0.3%) and formal employment (0.5%) in Senqu, but does emerge as a leading (GPI: 124.69) comparative advantage (LQ: 2.16; 11.0% shift in share) in the District.

The other primary sector of **Agriculture**, in spite of a lagging performance (GPI:95.11) and negative shift in share (-1.52%), makes a relatively significant contribution to local GVA (5.5%) compared to the District (4.8%) and particularly the Province (2.1%). Moreover, Agriculture's contribution to formal employment in Senqu (36.3%) and in the JGDM (36.6%), contrasted with 19.3% provincially, represents more than one third of local formal employment. Further, Senqu is characterised by a strong presence of subsistence agriculture, which does not contribute directly to the formal economy but does enhance local food security and survivalist economics at household level, and further presents opportunities for skills development and growth in small-scale agricultural development.

The Senqu IDP (2011) notes that commercial farming is mainly in small stock (sheep and limited numbers of goats) together with some cattle farming. Limitations to commercial agricultural development, beyond the predominance of subsistence agriculture, lie in the limited extent of arable land in Senqu – one of the most degraded areas in South Africa – although intensive production of selected fruit with related processing and packaging opportunities, as well as marginal production of dry beans and grain sorghum, have been identified for Senqu. (JGDM 2010; UKDM 2009)

The District LED Strategy (UKDM November 2009) identifies **route tourism** as a significant opportunity for the District as a whole, where Senqu is presently the most developed tourism destination and where eco and adventure tourism offer the greatest potential for further development. Furthermore, Tourism was identified as a leading product for the Senqu local economy in 2004 (ECO 2006), with scenic beauty, hiking and wildlife attractions, and trout fishing, together with South Africa's only ski resort at Tiffendell. Along the tourism value chain there is potential for developing SMMEs, particularly in respect of small scale accommodation facilities and

tourism products and services, including crafts and entertainment and guiding. A further local economic opportunity relates to local procurement in respect of services, products and supplies such as furniture, bottled water and services such as repairs and maintenance.

The Senqu IDP (2011) **identifies Agriculture and Tourism** as the major economic drivers of the local economy. Conventional and traditional agricultural practices may offer limited returns, recognising the local environmental limitations; However, alternative intensive practices, notably hydroponic production, can be exploited, particularly where enabled by good water quality. Where such is realisable, further advantages required for exploiting growth in intensive agricultural production include marketing together with reliable and affordable transport, as well as quality food hygiene packaging and processing processes that conform to national, and ideally international, standards.

Tourism does emerge as a key potential economic sector, and economic driver, particularly with the inclusion of the country's only ski resort, Tiffendell. The Senqu IDP (2011) notes that mountain tourism is the most active tourism node, albeit seasonal in nature with strong winter adventure tourism and with Tiffendell ski resort being the "key pin" with linkages to the Rhodes, Barkly East, Maclear, Ugie and Lady Grey areas. Tourism is not a distinct economic sector but a consumption-based service industry that encompasses many different economic activities. As a general rule, tourism figures are included within the tertiary sector, particularly Trade (Wholesale and retail trade, and Catering and accommodation) which generates 9.0% GVA (8.6% trade; 0.4% catering) and 9.7% formal employment (8.8% trade; 0.9% catering) in 2010. However, the Trade sector has declined over the past 10 years in respect of GVA (-4.0%pa) and formal employment (-2.5%pa). Informal sector 'employment' in Trade has also declined (-0.5%pa) although this decrease applies to the catering sub-sector (-10.4%pa), whereas the trade sub-sector has grown (0.1%pa) and now accounts for around one third (33.5%) of all informal 'employment'.

Employment

The structure of the local economy in respect of formal employment has undergone some shifts from 2000 to 2010. Services remains dominant and Utilities and Mining remain as the least prominent employers. Agriculture has shifted from being the largest employer (46.9%) in 2000 to being second-largest (36.3%) in 2010. The most significant growth is seen for the Finance sector, increasing from 2.9% to 7.5% formal employment over the last decade (7.5%pa). Positive growth is further recorded for the Mining (6.7%pa) and Manufacturing (5.9%pa) sectors. However, employment in Mining remains marginal, increasing from only 40 to 76 workers, from 2000 to 2010. Manufacturing employment increases from 267 to 471 workers over the same period. Further, all manufacturing sub-sectors have seen positive rates of growth in formal employment, which is also seen for the sector's GVA contribution in 2010.

Formal employment and GVA contributions, by sector, are reflected in the tabulated figures (see Figure;

Figure 1) with greater detail for the local economy, by sector, summarised in 2 below.

Table : Senqu Formal Employment and GVA Contribution (2010) and Growth (2000-2010)

Sector	GVA (Current Prices) Contribution			Formal Employment Contribution		
	R'm	(%)	%pa (2000-10)	No.	(%)	%pa (2000-10)
Primary: Total	69.1	5.74	-3.17	5,126	36.85	-4.64
Agriculture	65.7	5.46	-3.24	5,051	36.30	-4.74
Mining	3.4	0.29	-1.87	76	0.54	6.66
Secondary: Total	144.3	11.98	5.47	939	6.75	0.72
Manufacturing	98.4	8.17	6.55	471	3.39	5.85
Utilities	9.6	0.79	-6.32	34	0.25	-7.00
Construction	36.3	3.01	9.87	434	3.12	-2.10
Tertiary: Total	990.8	82.28	3.34	7,847	56.40	-0.66
Trade	108.5	9.01	-4.03	1,347	9.68	-2.47
Transport	67.6	5.62	4.60	255	1.84	-0.65
Finance	335.6	27.86	12.72	1,042	7.49	7.45
Community Services	163.4	13.57	2.51	2,455	17.64	-1.85
General Government	315.7	26.22	1.30	2,748	19.75	-0.59
TOTAL	1,204.2	100.00	3.03	13,913	100.00	-2.27

Informal sector data is notoriously unreliable and, by its very nature, not conducive to quantification. Drawing on available estimates, informal sector 'employment' in Senqu is concentrated in the tertiary sector (56.9%), centred on Trade (34.7% - 33.5% trade; 1.2% catering), followed by Agriculture (22.5%), Construction (15.6%), then Community, social and personal services (15.0%). (Refer to Figure). Growth in informal sector 'employment', at -0.5%pa, is similarly negative albeit less considerable than that in the formal sector (-2.3%pa), from 2000 to 2010. The top performing sectors in terms of local informal employment growth are Finance (16.0%pa), Manufacturing (8.6%pa), Transport (7.9%pa) then Construction (6.5%pa).

Small Business Sector

According to the Joe Gqabi SMME Survey (3Sixty, 2010), the Senqu small business community is characterised by the following trends:

- 72% are in trade/ tourism sector following by agriculture (16.7%)
- Only 22.2% are VAT registered
- Only 22.2% are Income Tax registered
- More than 50% sole traders followed by Coops 22.2%

- About 83.3% employed less than 5 people
- Only 33.3% had a valid business plan
- Only 38.9% had received a pre-start up training
- About 50% required advice, training and business plan support
- 55.6% do not know where to get business support and advice
- 72.2% are not members of an association
- Only 16.7% participate in DM procurement database
- 77.8% believe procurement access is not easy
- Only 50% of Senqu SMMEs are registered in Senqu supplier database

This indicates a sector that is highly vulnerable, informal and in need of a stronger support system if any meaningful growth is to be realised.

Basic Services and Infrastructure

The local municipality performs above District average in respect of access to all **basic services** but refuse removal, where only 13.45% households in Senqu enjoy regular municipal refuse collection services compared to one quarter (25.33%) of District households, which remains substantially lower than the provincial average of 41.35% access. The majority of Senqu households enjoy access to the RDP minimum levels of basic services in respect of housing (95.16%), energy (66.28%) and sanitation (56.13%). The local municipality fares poorly in respect of access to basic water services where less than half (47.95%) of local households have access to potable water. In Senqu's favour is the considerable allocation of local government equitable share, at R79.2m in 2011/12, which equates to around R627 per capita.

Senqu was the Water Services Provider (contractor) for JGDM (Water Services Authority) until 31 July 2011. All water and capital sanitation projects fall under the JGDM. While there is an improved access to water, many lengthy outages continue to affect rural areas. Other water related challenges include the need for increased water treatment facilities, bulk water supply infrastructure and a household backlog using buckets of 2013.

The Senqu Municipality has licence agreement with the National Energy Regulator of South Africa. In terms of this agreement Senqu is responsible to supply electricity to Sterkspruit, Lady Grey and Barkly East. Rural areas (including Rhodes and Herschel) are supplied by ESKOM. Within the licensed area, the Senqu Annual Report (2011) notes that "the standard of service is mediocre". Major electricity backlogs are noted in rural areas where 11 498 households do not have access to basic electricity services. Other electricity supply challenges include high leakages attributed to aging infrastructure, poor metering and incorrect accounting. The speed of rural electrification by ESKOM is far too slow, especially in non-grid areas.

Senqu is responsible for all access and municipal roads in its area. The balance of the roads falls under the powers and functions of the Department of Roads and Public Works (DoRPW). The level of road services in rural areas is low, where most roads are gravel. The Municipality has engaged its municipal wards to identify priority access roads that need tarring. These however will still require a massive financial injection. Current gravel roads backlog in Senqu is 562km. Housing also remains a key challenge in Senqu. This is mainly linked to the unavailability of land for housing development purposes. This has resulted in major provincial government's housing development projects being delayed as available land does not cater for the magnitude of the planned developments. As a result, Senqu has a low-cost housing backlog of about 30 000 houses.

Land

The Senqu Municipality has communal land in the former Transkei situated around Herschel and Sterkspruit, bordering on Lesotho. The land tenure in this area is a mixture of freehold, quit rent and PTO. Land tenure and rights in this area have traditionally been vested in traditional authorities with the Department of Agriculture distributing PTOs. The rest of the area is either freehold tenure in the former RSA towns or commercially owned farmland (Senqu SDF 2009).

The majority of the municipal land is unimproved grassland (75.6%), with only 6.6% of the area used for cultivation purposes. Approximately 13% of the surface area is classified as degraded: that is, it has previously been subjected to poor land use and management practices (e.g. overgrazing or inappropriate cultivation methods). Only 1.1% of the surface area is developed as built areas, including the urban areas of Sterkspruit, Lady Grey and Barkly East, as well as the rural settlements. Senqu has major challenges relating to land invasions of municipal owned or state land. This is due to lack of land being offered for sale and people being unable to afford land but wishing to be closer to prospective employment and urban amenities in the urban areas of Barkly East and Lady Grey. In the smaller rural hamlets of Rhodes, Rossouw and Herschel people are invading land and building informal settlements in order to move closer to urban amenities or receive housing with freehold tenure especially farm workers. There is also the land redistribution challenge that Senqu must meet. For example, to be able to meet the 30% redistribution target by 2014, 166 000 ha will need to be redistributed at 33 000 per annum at a total cost of R 83 million if the price remains at around R 2500 per hectare (JGDM ABP 2010).

LED Support System

The Senqu Municipality has a dedicated LED Unit located within its planning department. The Unit is responsible for coordination and facilitation of LED processes in Senqu as well as advise Council on LED matters. Over the 2008/9 period the LED Unit had an approved budget of R6.39 million and adjusted budget of R8.37 million – mainly funded through external donor and government contributions. The LED Unit is not fully-staffed and its capacity needs to be severely increased.

Senqu is one of the key partners of the Joe Gqabi Economic Development Agency (JoGEDA) which is tasked to drive special economic development projects on behalf of the district municipality and the four local municipalities in Joe Gqabi. With respect to Senqu, the Agency has prioritised commercial property development and plastic manufacturing as its immediate flagship projects. Its other partners are the local tourism organization (Senqu Tourism Association) and the Small Enterprise Development Agency (SEDA) which provide support services to tourism enterprises and other small businesses in the area. The capacity and programmes of both organizations need up-scaling through the provision of additional human and financial resources to reach across the municipal area.

Other partners include the JGDM, ECDC, DLGTA, DEDEAD and the Department of Agriculture.

EPWP, CWP & ENTERPRISE DEVELOPMENT

EPWP & CWP programmes are operated very effectively in the municipality. Look at Chapter 4 for more detail.

Enterprise development is however struggling as SMME's and Co-operatives struggle to become financially viable. The municipality continues however to support these initiatives through its supply chain management policy.

SKILLS AND EDUCATION LEVELS

In general skills levels are low, with the majority of residents reliant on government/community services for employment or primary economic activities such as agriculture.

Skills and Professions

An indication of **skills and professions** is afforded by the 2007 Community Survey (StatsSA 2009). Considering only the survey population for which a profession is specified, the dominant occupational group across all areas is

'Elementary', applicable to almost one third of the Senqu (32.21%) and JGDM (31.78%) economies, as well as the Elundini (32.93%) and Maletswai (32.79%) economies. The Province (24.30%) and Gariiep (23.76%) reflect proportions closer to one quarter for "elementary occupations". "Professionals" are the next most prominent occupation within Senqu (23.46%) as well as for Elundini (14.36%), the District (15.49%) and the Province (13.53%). By contrast, "Skilled agricultural and fishery workers" are well represented in Gariiep, while "Service workers; shop and market sales workers" are next most prominent, after elementary occupations, for Maletswai (11.91%). Service and sales workers account for around one tenth (9.71%) of Senqu professions, followed closely by "Craft and related trades workers" (8.94%) then skilled agricultural workers (8.88%), while "Technicians and associate professionals" (0.19%) are the least represented in the local economy.

About 39% of Senqu Municipality workforce is made up of elementary or unskilled workers, the largest percentage in the District. Senqu Municipality has low levels of senior management and technical staff, 3% and 4% respectively. This corresponds with low levels of educational facilities in the area and indicates a need for skills development and education programmes. SLM has the second lowest levels of education behind Elundini Local Municipality in the District, with 58.85% of the population having only received a primary school education. SLM area has 153 schools of which 68 are Primary, 17 are Secondary, 63 are Combined and 5 are ECD. SLM has the lowest levels of education, with 47% of the population having only received a primary school education as can be seen in the chart below. There is only one tertiary education facility (FET College) in the Municipality.

Education levels

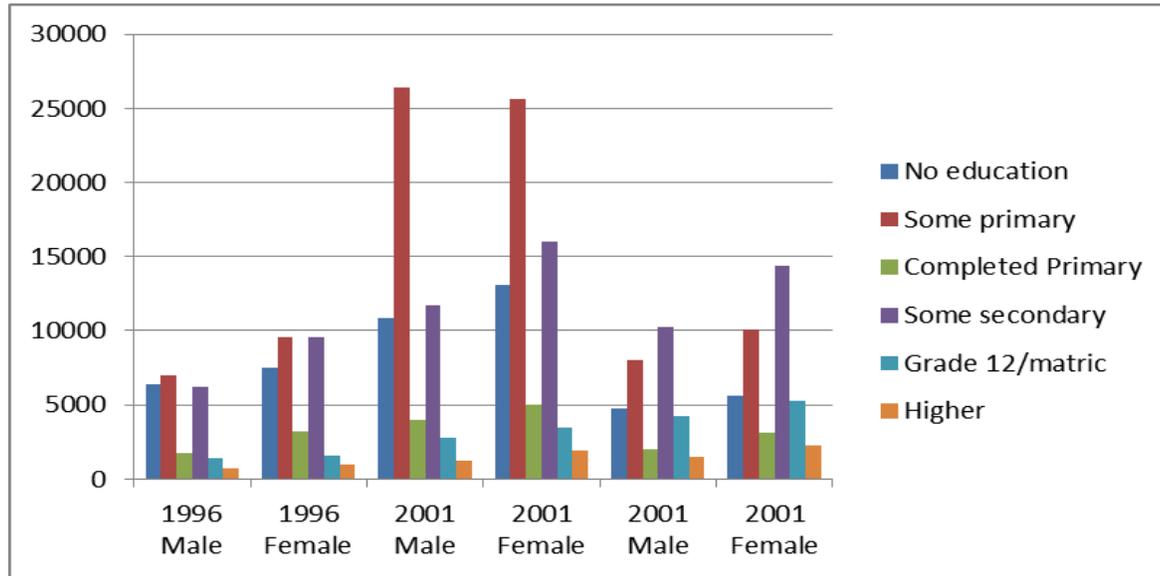
No schooling		Higher education		Matric	
2001	2011	2001	2011	2001	2011
26.4	14.5	8.8	13.1	4.9	5.3

Education level	1996 Male	1996 Female	2001 Male	2001 Female	2001 Male	2001 Female
No education	6385	7486	10837	13100	4742	5658
Some primary	7033	9566	26362	25628	8026	10051
Completed Primary	1788	3172	3981	5031	2029	3124
Some secondary	6253	9577	11719	16036	10246	14340
Grade 12/matric	1376	1560	2754	3471	4277	5281
Higher	734	994	1271	1957	1460	2309

No of persons aged 5-24 years attending educational facilities			
	1996	2001	2011

	Male	Female	Total	Male	Female	Total	Male	Female	Total
Attending	25766	26890	52656	27123	27336	54460	23262	21904	45166
Not attending	6110	7845	15954	7878	7546	15425	5509	6226	17735
Total	33875	34735	68610	35001	34883	69884	28771	28130	56900

Source: Statssa 2011



Education level of 20 plus year olds									
	1996			2001			2011		
	Male	Female	total	Male	Female	total	Male	Female	total
No education	6385	7486	13851	10837	13100	23937	4742	5658	10399
Some primary	7033	9566	16599	26362	25628	51990	8026	10051	18077
Completed Primary	1788	3172	4959	3981	5031	9012	2029	3124	5163
Some secondary	6253	9577	16130	11719	16036	27755	10246	14340	24586
Grade 12/matric	1376	1560	2936	2754	3471	6224	4277	5281	9558
Higher	734	994	1728	1271	1957	3228	1460	2309	3769
Total	23549	32655	56204	56924	65222	122146	30779	40762	71542

Geography by Highest educational level for Person weighted, 20 - 64

	No schooling	Some primary	Completed primary	Some secondary	Matric/Grade 12 / Std 10 / Form 5 - NTC III /N3/ NIC/ V Level 4	Higher
EC142: Senqu	6831	18282	5278	17941	9345	3608
21402001: Ward 1	241	949	226	833	419	78
21402002: Ward 2	802	1431	376	1435	863	202
21402003: Ward 3	224	711	224	756	368	110
21402004: Ward 4	150	672	227	717	331	86
21402005: Ward 5	380	821	138	481	177	15
21402006: Ward 6	437	950	210	821	308	54
21402007: Ward 7	267	1005	247	1059	410	135
21402008: Ward 8	247	1198	493	1549	1037	453
21402009: Ward 9	480	870	218	926	476	144
21402010: Ward 10	270	979	316	1390	766	737
21402011: Ward 11	236	996	355	1131	530	246
21402012: Ward 12	166	794	288	832	339	72
21402013: Ward 13	423	851	267	744	398	96
21402014: Ward 14	368	966	296	995	479	212
21402015: Ward 15	357	1414	317	807	371	190
21402016: Ward 16	528	1153	246	562	363	187
21402017: Ward 17	339	943	269	1085	393	103
21402018: Ward 18	151	713	284	857	608	195
21402019: Ward 19	765	867	281	960	707	290

Grouped level of education by Sex for Person adjusted, EC142: Senqu, 20 +			
	Male	Female	Total
No schooling	4742	5658	10399
Some primary	8026	10051	18077
Completed primary	2029	3124	5153
Some secondary	10246	14340	24586
Grade 12/Std 10	4240	5215	9455
Higher	1497	2374	3871
Other	-	-	-

EMPLOYMENT RATES

Official employment status by Sex for Person adjusted, EC142: Senqu, 15 - 64, Household			
	Male	Female	Total
Employed	9478	8774	18252
Unemployed	4478	5559	10037
Discouraged work-seeker	3029	4372	7401
Other not economically active	18455	23034	41488

Population aged between 15 and 64 by employment status									
Municipality	Unemployed			Employed			Unemployment rate		
	1996	2001	2011	1996	2001	2011	1996	2001	2011
Joe Gqabi	32002	39395	28095	30017	34632	51344	51.6	53.2	35.4
Elundini	13127	16220	11323	8565	9237	14207	60.5	63.7	44.4
Senqu	13515	13898	10037	9371	11583	18252	59.1	54.5	35.5
Maletswai	2566	4882	3877	6761	8163	10647	27.5	37.4	26.7
Gariep	2794	4394	2858	5319	5648	8238	34.4	43.8	25.8
EC Total	724054	891344	1231698	778635	750918	2057927	48.2	54.3	37.4

Official unemployment rate		Youth unemployment 15-34	
2001	2011	2001	2011
54.5	35.5	63.1	43.6

HOUSEHOLD INCOME and POVERTY LEVELS

Average Household income 2001-2011		
Municipality	2001	2011
Joe Gqabi	19565	45295
Elundini	17388	33775
Senqu	16260	38480
Maletswai	33098	82038
Gariep	26362	70825
EC Total	29334	64550

Much of the Senqu population earn no income of between R 1 and R 1600 per month. This poor socio –economic situation is further exacerbated by the high dependency ratio. The HDI and Gini coefficient also indicate the poor socio-economic conditions which exist in Senqu.

Human Development Index (HDI) (Global insight 2010)				
	1996	2000	2005	2010
African	0.39	0.40	0.42	0.42
White	0.83	0.83	0.81	0.84
Coloured	0.45	0.43	0.46	0.49
Total	0.41	0.41	0.43	0.44

Gini coefficient (Global insight 2010)				
	1996	2000	2005	2010
African	0.54	0.58	0.59	0.55
White	0.59	0.54	0.49	0.42
Total	0.57	0.59	0.61	0.57

LED STRATEGY

The municipality has a LED strategy which will be adopted in March 2013. The Municipality has an LED Unit which is based in the Department of Integrated Planning and Economic development. The Unit has 1 LED Officer, 1 Tourism Officer, 1 Poverty Alleviation Officer and an unfilled Enterprise Development Officer post. In future the Unit will contain a LED Manager and an Agricultural Officer.

CONCLUSION

The LM's lack of annual growth has resulted in an unprecedented high unemployment in the Senqu area with high dependence on government grants. This coupled with access to basic household and community services which is below optimal creates tension amongst communities who compete for relatively scarce resources. Therefore it becomes absolutely crucial that the municipality creates conducive conditions for job creation and participation in agricultural activities by availing land for development.

Businesses are not growing as SMME's as they do not receive strategic support from government institutions. Areas for great concern are centred around food security and land reform. The tourism sector is underdeveloped and needs strategic intervention to revive and contribute to the local economy meaningfully. In this regard a responsible tourism sector plan has to be developed which could provide direction to optimise the potential that exist in the area. Agriculture remains central to the development of the area. However it has to be done in conjunction with other programmes. Land administration and town planning seem to have been relegated to the background of the municipal priorities. This approach does impact negatively on the development trajectory of the municipality.

CHAPTER FOUR: SERVICE DELIVERY LEVELS

MUNICIPAL POWERS AND FUNCTIONS

Power & Function	Senqu's Capacity	Responsible Department
Air Pollution	The municipality has no financial resources to develop an air quality plan or engage specific staff for the function	Community Services
Building Regulation	The Municipality has engaged a building inspector but currently has limited resources to engage personnel and ensure implementation of by laws	IPME
Child care facilities	The Municipality is in the process of ensuring that current facilities meet minimum health and safety requirements	Community Services
Electricity and gas reticulation	The municipality only has the power to supply electricity within the urban areas. The rural areas are supplied by ESKOM	Technical Services
Fire fighting Services	The Municipality has the function but not the capacity to fulfil the service which is why the District Municipality provides fire fighting services on its behalf	Community Services
Local Tourism	The municipality promotes local tourism in the region and the activities of local tourism organisation	IPME
Municipal Airports	The Municipality has no designated airports anymore	
Municipal Planning	The Municipality has an IDP and SDF which is reviewed annually	IPME
Municipal Health Services	The Municipality only controls waste management as the District Municipality is	Community Services

Power & Function	Senqu's Capacity	Responsible Department
	responsible for food control, water quality, chemical safety, communicable disease control, vector control, environmental pollution control, disposal of the dead and control premises. This is because the District Municipality has the capacity as these areas form part of the Environmental Health Practitioners scope of work. The municipality may only license a food premise after the District provides a permit indicating that the premise meets the standards required	
Municipal Public Transport	The municipality does not have this function as it does not operate any public transport and the District Municipality has the power to regulate passenger transport services	
Pontoons, ferries, jetties, piers and harbours	The municipality is not on the coast	
Stormwater management systems in built up areas	The municipality has the power and function	Community Services & Technical Services
Trading regulations	The municipality fulfils this function through various by laws	Community Services
Potable water and sanitation services	The municipality operates and maintains the water and sanitation system in urban areas as a WSP	Technical Services
Beaches and amusement facilities	The municipality has no beaches but maintains its public spaces	Community Services
Billboards and display of advertisements in public places	The municipality has by laws to regulate this activity but due to limited resources struggles to enforce them	Community Services
Cemeteries, funeral parlours and crematoria	The Municipality licences these premises once the District Municipality issues a certificate of compliance	Community Services
Cleansing	The municipality regularly cleans streets and public spaces within the urban areas as it lacks capacity and resources to do so in rural	Community Services

Power & Function	Senqu's Capacity	Responsible Department
	areas	
Control of public nuisances	The Municipality has by laws pertaining to this function but lacks the capacity to enforce by laws	Community Services
Control of undertakings that sell liquor to the public	The Municipality has by laws pertaining to this function but lacks the capacity to enforce by laws	Community Services
Facilities for the accommodation, care and burial of animals	There are no pet cemeteries or kennels in the municipal area	
Fences and fencing	The Municipality ensures that public areas are fenced and safe and has by laws around fencing of properties	Community Services
Licensing of dogs	The municipality does not license dogs but has by laws pertaining to the keeping of domestic pets	Community Services
Licensing and control of undertakings that sell food to the public	The District Municipality monitors the premises and issues certificates of compliance after which the Municipality may license the premise	Community Services
Local Amenities	The Municipality ensures that places are kept clean and mown and that community halls are functional but lacks the financial resources to ensure that all areas of scenic, natural, cultural and historical value and interest are well maintained	Community Services and IPME
Local sport facilities	The Municipality maintains municipal owned sport facilities in the urban areas	Community Services
Markets	No markets exist in the municipal area	
Municipal abattoir	The Municipality does not own any abattoirs and the District Municipal Health services are responsible for ensuring that abattoirs in the area maintain hygiene standards	

Power & Function	Senqu's Capacity	Responsible Department
Municipal parks and recreation	The Municipality ensures that places are kept clean and mown.	Community Services
Municipal roads	The Municipality does try to build and maintain municipal roads but due to decades of neglect the financial resources are insufficient to meet the demand	Technical Services
Noise pollution	The Municipality lacks the resources to monitor noise pollution but there are by laws	Community Services
Pounds	The Municipality does operate some pounds but due to limited financial resources fails to keep all animals off the road	Community Services
Public places	The municipality does own commonages around the urban areas but struggles to enforce livestock management or prevent land invasion due to limited human and financial resources	Community Services
Refuse removal, refuse dumps and solid waste disposal	The Municipality does do refuse removal in urban areas but due to financial and human resource constraints fails to adhere to all waste management site regulations	Community Services
Street trading	The Municipality has by laws pertaining to the function but has limited capacity to enforce the by laws	Community Services
Street lighting	The Municipality provides street lighting in urban areas but still has a high backlog in new housing developments due to financial constraints and the age of the network	Technical Services
Traffic and parking	The Municipality has limited capacity to control traffic within its area but does provide a drivers licence testing facility	Finance

SPATIAL ANALYSIS AND RATIONALE

Settlement Patterns and nodes

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, i.e. 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 there is also a need to improve the central business districts of these areas so that they can enable growth (usually retail and manufacturing).

As Sterkspruit town has the highest level of economic activity it is classified in the SDF as a secondary urban node. In the JGDM SDF it is also recognised as an important node although not as large as its counterpart Aliwal North in Maletswai. About 83% of the municipality's population lives in the area and its surrounding villages. Sterkspruit, therefore, plays a vital role in providing higher order services and retail facilities, not only to the resident population but also to the surrounding rural communities. Both the JGDM and Senqu SDF recommend that this centre be prioritised and attention given to improving infrastructure and services in the area as well as:

- Improved accessibility
- Land Use management and administration
- Managed expansion of urban areas
- Sustainable human settlement (with a range of housing options, infrastructure upgrade, social and economic amenities)
- Environmental Management

Barkly East and Lady Grey are regarded as Minor Urban Centres where the focus should be on:

- Managing and limiting urbanization
- Focus on in-situ upgrades
- Infrastructure upgrade and maintenance
- Environmental Management
- Urban Aesthetics

Rhodes is seen as a Tertiary Node where the spatial perspective focus should be on:

- Limiting urbanization
- Infrastructure upgrade and maintenance
- Urban Aesthetics

Rural Settlement Nodes: In order to have effective and efficient service delivery, it is important to define a hierarchy of rural settlements. Higher order rural settlements are settlements with higher population densities and accessible to other settlements. It is in these settlements that higher order services such as clinics, police stations, secondary schools, storage warehouses etc should be focused.

Higher Order Rural Settlement Node: Level 2 Nodes are nodes that will attract priority public sector investment in order to build capacity and develop these areas into service nodes

The following nodes have been identified as nodes in the Senqu area:

- Ndofela
- Qhoboshane/Telle
- Hillside
- Herschel

Lower Order Rural Settlement Node: Emphasis should be on the provision of basic infrastructure to unlock the latent development potential of these areas by creating linkages and facilitating access to and from these areas (SDF 2011).

The Senqu area is characterised by high residential densities in the rural settlements situated on the northern periphery and the low densities in the other dispersed rural clusters. The settlement pattern is a typical example of urban sprawl (HSP 2011).

HUMAN SETTLEMENT

The housing backlog in the Senqu municipality is determined as 10 761 with 1 752 in the urban area and 9009 in the rural area (Housing Sector 2007). There are no military veterans on the Department’s database for Senqu. The quantified housing demand based on information from the 2001 Census, 2007 Household survey and DWA Structure count , can be summarised as follows:

Rural	Social & Rental	Informal Settlements	Child headed households
8340	381	1 641 (3200)	566

(Statssa, 2007)

Housing

% formal dwellings		% h/holds owned	
2001	2011	2001	2011
71	70.2	68.2	68.5

The table above does represent a true picture of the informal settlements in the area. (HSP 2011). The number of child headed households from the 2007 probably overstates the amount but it is a good indication.

Geography by Type of main dwelling for Household weighted

	House or brick/concrete block structure on a separate stand or yard or on a farm	Traditional dwelling/hut/structure made of traditional materials	Flat or apartment in a block of flats	Cluster house in complex	Townhouse (semi-detached house in a complex)	Semi-detached house	House/flat/room in backyard	Informal dwelling (shack; in backyard)	Informal dwelling (shack; not in backyard; e.g. in an informal/squatter settlement or on a farm)	Room/flatlet on a property or larger dwelling/servants quarters/granny flat	Caravan/tent	Other
EC142: Senqu	25341	9067	792	54	71	137	225	840	1080	97	55	288
2140200 1: Ward 1	1067	611	37	5	2	4	-	9	6	-	-	4
2140200 2: Ward 2	2284	792	32	2	1	-	8	77	12	1	1	24
2140200 3: Ward 3	1017	403	6	1	-	1	2	7	5	-	-	13
2140200 4: Ward 4	876	554	39	15	1	1	4	1	2	3	-	3
2140200 5: Ward 5	495	672	36	-	-	-	8	-	-	-	-	7
2140200 6: Ward 6	893	704	50	-	-	-	7	8	59	-	-	38
2140200 7: Ward 7	1432	336	142	-	-	3	1	28	16	4	-	17
2140200 8: Ward 8	2020	587	83	10	1	2	54	71	46	14	1	39
2140200 9: Ward 9	1288	452	53	-	-	-	13	18	17	3	-	5

9												
2140201 0: Ward 10	1692	577	68	5	53	6	67	95	78	11	11	54
2140201 1: Ward 11	2065	357	14	1	-	1	2	12	13	3	3	5
2140201 2: Ward 12	1276	492	8	4	-	1	4	2	5	-	-	1
2140201 3: Ward 13	1477	426	14	3	-	-	13	6	1	-	1	19
2140201 4: Ward 14	1732	38	12	-	-	75	7	121	163	4	3	8
2140201 5: Ward 15	1112	611	84	2	-	6	3	5	39	7	28	11
2140201 6: Ward 16	954	139	13	1	-	3	8	69	332	45	4	30
2140201 7: Ward 17	1105	663	13	1	-	3	5	21	16	1	-	1
2140201 8: Ward 18	1054	649	16	1	-	3	5	6	8	-	-	4
2140201 9: Ward 19	1502	4	71	2	11	29	14	284	261	1	3	3

Land Tenure and demand for land

Senqu Municipality has communal land in the former Transkei situated around Herschel and Sterkspruit, bordering on Lesotho. The land tenure in this area is a mixture of freehold, quit rent and PTO. Land tenure and rights in this area have traditionally been vested in traditional authorities with the Department of Agriculture distributing PTO's.

The rest of the area is either freehold tenure in the former RSA towns or commercially owned farmland. 1712 ha are under communal tenure and 5000 under commercial farmland (JGDM ABP 2010)

The major challenges experienced in the area are land invasions of municipal owned or state land. This is due to lack of land being offered for sale and people being unable to afford land but wishing to be closer to prospective employment and urban amenities in the urban areas of Barkly East and Lady Grey. In the smaller rural hamlets of Rhodes, Rossouw and Herschel people are invading land and building informal settlements in order to move closer to urban amenities or receive housing with freehold tenure especially farm workers.

The area based plan of the District 2010 states that land needs for arable land and grazing have decreased in rural areas to that of residential sites. Farm workers are looking for security of tenure and land tenure in communal areas needs to be clarified and certainty of land rights where they overlap and where women's rights need to be firmly established. In urban areas the need is for residential sites and services and informal settlements need upgrading and tenure security (JGDM ABP 2010).

Land Redistribution

Land in South Africa is being redistributed through PLAS (Proactive Land Acquisition Strategy). This means that the state proactively looks for suitable agricultural land, buys it and then leases it to identified beneficiaries for a few years until it is satisfied that they can run the land effectively. In order to meet the land redistribution target of 30 % by 2014 ; 166 000 ha will need to be redistributed at 33 000 per annum at a total cost of R 83 million if the price remains at around R 2500 per hectare (JGDM ABP 2010). However the ABP clearly states that an emerging farmer will only succeed if the farm contains both mountain and low lying ground which means that the redistribution should be carefully considered in Senqu and then the figure would decrease as it includes all farmland.

The redistribution programme will also only succeed if the Department of Rural Development and Land Reform (DRD & LR) second 3 staff to the local municipality' to run the programme and form a local municipal land reform committee. In addition the Department must look at the variety of land needs and tenure and formulate appropriate responses,

The ABP advocates redistribution occurring along the R 58 and tenure reform around the R 392 where there are immense struggles created by overlapping land rights. This affects development in the area as much time is spent trying to ascertain who the land belongs to. An example of this is a housing project in Herschel where for 4 years the project has been delayed due to land rights disputes.

Land invasions and administration

Land invasions as previously mentioned are becoming increasingly prevalent especially in Sterkspruit and Herschel. The municipality is therefore in the process of improving its current land by laws and engaging legal persons to serve notice on all land invaders. Signs warning against land invasion have been erected.

Migration

About 84 % of people in Senqu lived in the same dwelling for at least 5 years before the 2007 Survey. Almost 5 % had moved into their dwelling in the previous 5 years (HSP 2011). Most of those who had moved, moved from another location in the Eastern cape province. About 627 people moved from Gauteng to Senqu and 205 moved from the North West Province. 175 of the people moving into Senqu came from outside of South Africa.

Settlement Type

Almost 80 % live in tribal settlements and 6.2 % on farms. Just over 10 % live in urban settlements and 3.7 5 in informal settlements (Statssa, 2001). 14.3 % live in urban areas and 85.7 % in non urban areas (Statssa, 2001).

Informal settlements

There are approximately 280 informal settlement structures in Barkly East, 20 in Rhodes and none in Rossouw. There are approximately 2 900 functionally urban rural settlement households on the outskirts of Sterkspruit (HSP 2011).

Capacity to manage Housing Delivery

Operational policies and procedures are non-existent. A huge risk in this regard relates to the turnover of staff, where new staff do not have operational processes to follow. There is therefore no continuity in the level of service offered by staff. There are also no business information systems to support the efficiency required in the housing development value chain. Operational process manual needs to be developed in order to map out the various processes to cover strategic planning and performance management, housing development and management and beneficiary administration. Automated business information system is needed to enable the housing unit to become efficient and to hold credible information. The relevant modules of HSS can be acquired from the Province.

Land potential and constraints

It is envisaged that preliminary and detailed feasibility assessment of both land and infrastructure potential will in future form part of the project readiness assessment before capital funding is allocated. With further review and refinement of the HSP, information should be acquired to enable yield calculations on strategic land parcels.

The procedures for accessing communal land for future development are guided by the Interim Protection of Informal Land Rights Act. Once a community resolution has been obtained, it is the responsibility of the Department of rural Development and Land Reform to issue formal authorisation for the release/ transfer of land. These processes are both time consuming and costly with many examples of the process never reaching a conclusion. The normal willing buyer/willing seller or alternatively expropriation procedures (with compensation) apply when accessing privately owned land for settlement development or municipal commonage purposes.

Analysis of Housing need

Around 10 771 households in Senqu presently live within rural, rental or informal structures and earn below R 6400 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 available housing delivery instruments. Of the 10 771 households, 10 287 or 95 % earn below R 3 200 per month representing the number of households that qualify for the full subsidy amount available from the Department of Human Settlement. The overwhelming majority (60%) households reside in brick structures. Aside from the indication that urbanisation is occurring, the towns also appear to be providing space for temporary residents as indicated by the apparently increasing number of rental accommodation uses in the form of rental rooms and flats. The presence of 381 households presently residing in informal flats and or rooms in backyards indicate that there is a clear demand for rental accommodation provision in the urban areas of the municipality. Although the demand is small, it still exists and options must be investigated between the private sector and municipality. The 1 272 households currently residing in informal settlements clearly indicate a demand for informal settlement upgrades or rental housing (in cases where occupants of shacks are using the shack as temporary accommodation as opposed to being homeless. From a dot count using 2009 DWA information, the number of informal structures counted in Barkly East is 280 and 20 in Rhodes. The rural settlements round Sterkspruit have shown significant densification due to influx into the urban areas with large number of informal structures being erected. It is estimated that 2900 structures require formalisation

Land requirements for future development

Existing rural settlements are not requiring more land. Social and rental housing should ideally be accommodated on underutilised land parcels central to the urban areas with good access to existing social and infrastructure facilities and services. Feasibility assessments will be required to determine the potential for in-situ formalisation of informal settlements. The alternatives for responding to the needs of child headed households needs to be considered before the need can be determined.

Challenges

- **Demand for land.** There is a huge demand for middle to lower income houses in Lady Grey, Barkly East and Sterkspruit yet no land is demarcated and available for future development in these areas. The available sites are not serviced. In addition much of the land for development falls outside municipal boundaries and under the jurisdiction of traditional authorities with communal land tenure. The municipality is busy negotiating with traditional authorities to include all the surrounding villages into Sterkspruit municipal boundaries as part of the Neighbourhood Development Grant.
- **Land invasions.** Land demarcated for future development especially in Sterkspruit is often invaded by persons from villages outside Sterkspruit seeking to be closer to town
- **Beneficiaries.** On completion of projects many houses can't be handed over due to beneficiaries either relocating or dying. Beneficiaries who die without leaving a will create problems as the municipality then has to decide which family member is entitled to the house. In addition some persons fraudulently receive RDP houses to which they are not entitled to.
- **Vandalism.** Many RDP houses are vandalised before the project is complete
- **Shoddy workmanship.** Contractors either do not have the skills to undertake the project or under quote which leads to projects taking many years to complete and then houses have to be rectified
- **No integration of settlements.** Housing developments are planned without future growth in mind like schools, clinics and churches
- **Errrection of illegal shelters.** House owners continue to build squatter shacks in their back yards.
- **Illegal usage of RDP houses.** Many house owners illegally rent their houses out or sell them which results in the growth of many spaza shops.
- **No fencing provided for houses.** RDP houses do not cater for fencing with the result that roadside fences get stolen for this purpose.
- **Overlapping land rights** create delays in development which is the case in Herschel where a housing project has been delayed from building over 100 houses due to a 4 year land claim dispute.
- **Unfiled building plans.** Land owners just build according to their wants without consulting the municipality
- **Disaster Houses.** The municipality is not responsible for disaster but finds that many of the reported structures do not get fixed by the District.

Interventions

By law enforcement. The municipality is in the process of restructuring some bylaws to prevent land invasions and the building of illegal structures without building permission.

Densification. Neighbourhood development grant. The municipality is working with service providers to densify Sterkspruit by amalgamating it with the surrounding villages and increasing the current municipal boundaries. This will take some time as the land belongs to traditional authorities.

Private partnerships whereby developers buy land parcels and survey and develop it for middle income buyers.

Projects

The Departments overall project list reflects the following projects for Senqu Municipality.

Description	Subsidies	Approval date
Herschel – Orangefontein	200	29 Sept 95
Barkly East	511	01 Aug 1997
Lady Grey PHP	1000	20 Feb 2001
Herschel- R/land Ph 2	7000	30 November 2001
Lady Grey Hillside	603	29 July 2004
Lady Grey Existing Houses	50	26 April 2007
Lady Grey Hillside	397	27 June 2008
Barkly East	802	13 July 2009
Rhodes rectification	25	13 July 2009
Lady Grey Edgar	194	28 August 2009
Lady Grey Edgar	194	28 August 2009
Lady Grey Edgar	194	28 August 2009
Barkly East	802	30 September 2010
Rhodes	250	15 July 2011

Future Projects

WARD	FINANCIAL YEAR	NUMBER OF UNITS
16(RHODES)	2012/13	200
17(ROSSOUW)	2012/13	100
8	2013/14	1000
10	2013/14	1000
9	2014/15	1000
17	2014/15	1000
18	2015/16	1000

Tenure status

Municipality	Owned and paid off		Owned but not paid off		Rented		Occupied rent free	
	2001	2011	2001	2011	2001	2011	2001	2011
Joe Gqabi	4245	54987	7181	4980	8364	11533	26875	18751
Elundini	17173	21604	1381	1828	2012	3413	12643	7587
Senqu	19917	24256	3205	1803	1932	2980	8850	6267
Maletswai	2306	4696	1247	685	2633	2779	3302	2954
Gariep	3020	4431	1349	654	1787	2361	2080	1942
EC Total	690880	855042	15560	151103	178540	252216	456614	328732

Types of main dwelling

Municipality	Formal dwellings			Informal dwellings			Traditional dwellings		
	1996	2001	2011	1996	2001	2011	1996	2001	2011
Joe Gqabi	38962	50714	58957	4261	5940	4150	27224	28029	33987
Elundini	11066	13321	12502	461	568	349	17779	19268	24783
Senqu	17245	24053	26718	1441	1498	1920	9063	8323	9066
Maletswai	5122	6283	10361	1566	2972	1610	214	188	85
Gariep	5529	7058	9376	793	902	271	169	250	53
EC Total	620970	762575	1065849	145038	166423	130405	522647	549204	476314

HEALTH SERVICES

Current situation

Senqu Municipality has 3 hospitals, 14 clinics, and a few health care centres around its area of jurisdiction. A large number of people in Senqu remain without access to healthcare, as there are few mobile services in the areas of Sterkspruit due to the dilapidated state of our roads infrastructure.

Challenges

- **Poor infrastructure** - roads, water, sanitation, electricity, communication, health care buildings, health care equipment, nurse accommodation
- **Inadequate budget**
- **Inability to attract and retain** health professional staff. There is a high number of staff vacancies
- **Inadequate Mobile services**
- **No 24 hour PHC facilities**
- **Poor quality of service delivery** – long queues and demotivated, overworked and uncaring staff - drugs and essential clinic supplies not available
- **Inadequate emergency services**

Interventions

- **Committed** Professional staff
- **Good community participation** structures do exist
- **Good policies and procedures** around health care
- **Improvement in key health statistics** over the past 5 years
- **Introduction of VCT, PMTCT and ART services** is occurring across the municipality

TELECOMMUNICATIONS

Current situation

Although most communities have access to telecommunication either in the form of land lines or cell phones, there are still those communities that still cannot access these facilities because of their location that cannot receive the signals due to the fact that they are behind the mountains.

Interventions

The municipality has written to Sentech, all the cell phone companies and the SABC to ask for more radio, TV and cellphone towers to be built in these areas.

H/H with a radio,TV,,computer,cellphone,landline and internet

Municipality	Radio		TV		Computer		Cellphone		Landline		Internet
	2001	2011	2001	2011	2001	2011	2001	2011	2001	2011	2011
Joe Gqabi	53004	58123	20735	52161	1472	6060	12525	77949	6034	4132	17594
Elundini	20642	21328	4229	14424	187	1301	3939	29466	886	745	5252
Senqu	20289	22158	7486	21351	392	1721	4743	31167	1277	931	6822
Maletswai	6421	8127	4705	9070	517	1825	2352	9810	1848	1181	3481
Gariep	5652	6510	4315	7316	376	1213	1491	7505	2023	1274	2039
EC Total	952523	1031168	577346	1066990	60065	200664	317980	1381209	232800	165434	406738

PUBLIC AMENITIES & COMMUNITY FACILITIES

SPORT AND RECREATION FACILITIES

Current situation

The Municipality has no proper sport and recreation facilities except those located in the main towns. Even those in towns need upgrading. Lady Grey, Sterkspruit and Barkly East have facilities that have been built but the ones in Sterkspruit and Barkly East need to be upgraded as they are beginning to be vandalized. With the high percentage of youth in the population make-up it is essential to provide sports and recreation facilities.

Interventions

The Municipality has put in floodlights in Lady Grey and is also engaged in a programme funded by the German government which promotes sportsfield development in rural areas. In addition the allocated 15 % of MIG funds will be utilised for building more rural sportsfields.

COMMUNITY HALLS

Current situation

Under the old ward demarcation, there was a hall in each ward. However 3 new wards have been added and the boundaries have changed which means that halls are no longer centrally located. Communities would like more halls and pay points to be built. Rhodes has no community hall and the hall in Rossouw is currently being used as a school. There is a Thusong Centre, formerly known as MPCC, located in Sterkspruit that houses various government departments.

Interventions

Some of the halls are not accessible to the communities as there is no clear-cut policy of utilization and accessibility. This is however being developed and implemented by the Department of Community Services. The department is also busy ascertaining where new halls have to be built in the newly demarcated halls. MIG funding has been set aside to build more halls.

LIBRARIES

Current Situation

There are libraries in Lady Grey, Barkly East and Sterkspruit and satellite libraries in Rhodes and Rossouw. The municipality runs this service as an agency function for the Department of Sports, Arts and Recreation. More funding is however required for this service to fulfil the demand of school and university learners.

SAFE & SECURE ENVIRONMENT

Current Situation

The Municipality is promoting the use and development of community police forums to solve crime in rural areas. The use of drugs is increasing in these areas according to community forums.

Interventions

The SAPS has been approached regarding the high levels of crime and they are looking into the possibility of increasing the number of satellite stations in the area.

Flush toilet with sewerage		Weekly refuse removal		Piped water		Electricity	
2001	2011	2001	2011	2001	2011	2001	2011

3.7	11.9	10.8	12.5	4.1	8.7	62	81.8
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WASTE MANAGEMENT

Current Situation

The Municipality has waste sites in Lady Grey, Barkly East, Sterkspruit, Rhodes and Rossouw. However refuse removal is only operated in Barkly East, Sterkspruit, Rhodes and Lady Grey on a weekly basis. Only 11.2 % of households were served in 2007 and the percentage of unserved households increased from 17.2% in 2001 to 22.6 % in 2007 (Statssa, 2007).

Refuse removal

Municipality	Local authority			Communal/own refuse			No rubbish disposal		
	1996	2001	2011	1996	2001	2011	1996	2001	2011
Joe Gqabi	14683	19750	28226	40458	49457	54991	14584	15628	13382
Elundini	2699	3664	5194	17337	21312	25044	8850	8232	7048
Senqu	2392	3817	4918	19778	24256	26985	5391	5831	5698
Maletswai	5147	6509	10194	1587	1832	1355	167	1148	454
Gariep	4444	5760	7919	1758	2057	1627	175	418	182
EC Total	473774	583307	733472	524656	648410	732060	283375	249923	190156

Removed by local authority/private company at least once a week	4807
Removed by local authority/private company less often	173
Communal refuse dump	484
Own refuse dump	26600
No rubbish disposal	5729

	Removed by local authority/private company at least once a week	Removed by local authority/private company less often	Communal refuse dump	Own refuse dump	No rubbish disposal	Other
EC142: Senqu	4750	167	478	26487	5698	465
21402001: Ward 1	1	4	19	1481	188	52
21402002: Ward 2	26	5	22	2553	611	18
21402003: Ward 3	2	2	1	846	599	4
21402004: Ward 4	6	2	6	755	685	45
21402005: Ward 5	3	2	1	397	812	2
21402006: Ward 6	6	2	11	1651	78	11
21402007: Ward 7	2	2	4	1475	442	54
21402008: Ward 8	65	4	27	2560	257	16
21402009: Ward 9	52	8	44	1627	116	1
21402010: Ward 10	408	8	18	2090	171	24

21402011: Ward 11	470	9	28	1655	261	52
21402012: Ward 12	10	3	3	1617	160	-
21402013: Ward 13	3	2	5	1858	89	5
21402014: Ward 14	1416	75	155	478	37	2
21402015: Ward 15	7	11	51	1474	355	10
21402016: Ward 16	371	11	23	906	275	11
21402017: Ward 17	7	-	24	1474	323	2
21402018: Ward 18	5	3	7	1477	232	21
21402019: Ward 19	1892	11	29	112	6	135

The municipality is struggling to meet all the legislation pertaining to the management of waste sites. Sterkspruit generates the largest amount of waste of about 4 853 T pa with Lady Grey following at 2914 T pa and then Barkly East at 2485 T pa.

The Sterkspruit waste site is reaching the end of its life cycle and the municipality has identified a site in the nearby village of Silindini. However the site is on communal land and processes have to be undertaken to procure the land as municipal property. Umhlaba consultants are busy with the process and that of integrating the villages surrounding Sterkspruit into municipal boundaries. The site has an incinerator and all waste is burnt whether or not it can be recycled. The Municipality is experiencing severe problems with illegal dumping by shop owners on the street and by community members outside the town borders.

In Barkly East the incinerator also burns all waste but the site has a problem trying to keep human and animal scavengers away from the site. Rossouw generates very little waste but as there is no designated waste site the inhabitants tend to either dump waste on street corners or at the old site which is about 50m from the Wasbank River. As a result the river water and town boreholes are polluted (IWMP, 2004).

Rhodes has a site near an aquifer and waste is burnt and then covered. However as there is no TLB this has to be done manually with the result that there is a lot of windblown pollution from the site. Illegal dumping occurs outside the gate as the site is not manned on a 24 hour basis. Medical waste is collected by a company called Compass Waste organised by the Department of Health.

Challenges

- **Permitted sites.** Lady Grey and Barkly East are currently the only permitted sites but the permit for Lady

Grey will expire in 2012

- **Contravention of the Occupational Health and Safety Act.** This risk applies not only to the staff working on this sites but extends to the general public especially scavengers who frequent most of the sites. The Waste Manager is working on the problems of trying to find a solution for waste collection and management at Rossouw and Rhodes and make them together with Sterkspruit compliant with legislation.
- **Limited waste collection services.** Waste services (collection) only offered to urban residents.
- **Contravention of legislation.** The disposal of waste is a significant challenge and this is leading to a lack of compliance with legislation, water, air and aesthetic pollution.
- **Plans.** The municipality does not have a **leachate management plan** as waste is stored on site in a cage on a cement floor until it is incinerated and then burnt. **A trade effluent policy** is not necessary as Senqu has no manufacturing industries. The **integrated waste management plan** requires review as it was adopted in 2004.
- **Cost effectiveness of current services** is poor mainly due to a history of lack of investment in the service in terms of equipment, staff, and planning.
- **Illegal dumping.** Many shop owners particularly in Sterkspruit dump their waste on the sidewalk on day when waste is not collected. In order to counteract this the municipality has promoted the usage of cages and collects waste more frequently in the centre of town. The municipality has also taken action against shop owners who persist in this action.

Interventions

Increased equipment. A tip truck and TLB were bought in the 2011/12 FY to complement the existing operational TLB and tip truck.

A waste awareness campaign has been launched in the Municipality to make people aware of reducing, recycling and reusing waste to prevent unnecessary collection of waste. Particular emphasis is placed on the hazards of illegal dumping. However more funding is required to equip all waste sites adequately with equipment and personnel and to be able to successfully monitor the amount of waste entering the area.

Integrated waste management plan and recycling. The plan proposes recycling options particularly in Sterkspruit. The Waste Manager is in the process of trying to co-ordinate waste activities in such a manner that recycled waste can be collected from Rossouw and Rhodes and brought to a main site like Barkly East until collection becomes economically feasible. However this is proving to be difficult as recycling companies are put off

by the distance they would have to travel to collect the waste. In spite of this recycling projects have been started in Barkly East, Sterkspruit and Lady Grey. The Lady Grey recycling deals primarily with bottles.

Funding. MIG Money has been set aside in the budget for the construction of new compliant waste management sites particularly in Sterkspruit and Barkly East. In addition the annual operations and maintenance budget is used for day to day activities.

WATER AND SANITATION

Current situation

Joe Gqabi DM is the WSA whilst Senqu as WSP provides water to the urban areas. Bloem Water (water board) provides water to the rural areas. However this situation is poised to change with the DM taking over all water and sanitation functions. An SLA to effect these changes has yet to be drafted and signed.

Senqu has the highest unserved population in the JGDM area. This is due to the fact that most of the population is centred in the former Transkei homeland which experienced a very low level of service before 1994.

Table 3: RDP Water and Sanitation Services Backlog in JGDM (STATSSA 2007 and JGDM WSDP 2011)

JGDM Total Population	Senqu Total population	Water			Sanitation	
		No water	Below RDP standard	Above RDP standards	Served	Unserved
308,363	118,174	15,586	21,330	81,258	65,034	53,140
	Percentage	13.2	18.0	68.8	55.0%	45.0
	JGDM	28,676	81,257	198,431	161,717	146,646
	Percentage	9.3	26.4	64.3	52.4	47.6

Households by type of toilet facilities

Municipality	Flush/chemical toilet			Pit latrine			Bucket toilet			No toilets		
	1996	2001	2011	1996	2001	2011	1996	2001	2011	1996	2001	2011
Joe Gqabi	7920	14589	30544	27502	27396	47224	6656	7819	1744	28436	35031	17119
Elundini	783	2768	5505	12096	11476	22702	1778	2137	271	14650	16829	8810
Senqu	919	3791	7183	14558	15386	23476	1519	2215	648	10713	12512	5996
Maletswai	4315	4902	10004	327	183	752	854	624	76	1662	3779	1461
Gariep	1903	3128	7852	521	351	294	2704	2843	749	1411	1911	852
EC Total	408138	527935	797898	419896	405737	595587	82699	84484	41872	383792	463484	225010

Access to piped tap water

Municipality	Piped water inside yard			Piped water on communal stand			No access		
	1996	2001	2011	1996	2001	2011	1996	2001	2011
Joe Gqabi	14464	22616	42057	19667	26204	31726	36521	36014	26310
Elundini	1792	3017	6855	4613	7892	13670	22893	22300	18677
Senqu	2650	7406	15897	12411	13832	15290	12794	12666	7209
Maletswai	5548	5997	10063	896	2706	2465	514	785	234
Gariep	4474	6197	9332	1747	1774	302	321	263	190
EC Total	465041	560233	857310	245551	376172	498339	583712	545235	391617

	None	Flush toilet (connected to sewerage system)	Flush toilet (with septic tank)	Chemical toilet	Pit toilet with ventilation (VIP)	Pit toilet without ventilation	Bucket toilet	Other
EC142: Senqu	5924	4531	655	1882	10685	12724	645	1000
21402001: Ward 1	590	5	5	117	18	919	1	92
21402002: Ward 2	158	24	9	71	2773	193	-	9
21402003: Ward 3	62	5	6	35	1197	141	4	6
21402004: Ward 4	239	7	8	37	251	883	6	68
21402005: Ward 5	45	1	3	58	805	304	1	-
21402006: Ward 6	642	5	3	95	354	620	1	40
21402007: Ward 7	712	6	10	238	194	728	-	92
21402008: Ward 8	363	84	90	141	666	1495	1	91
21402009: Ward 9	357	65	15	73	530	764	3	40
21402010: Ward 10	604	357	108	216	193	1194	5	43
21402011: Ward 11	384	403	35	177	284	1184	4	4
21402012: Ward 12	127	11	8	332	365	943	2	5
21402013: Ward 13	29	8	9	5	909	917	4	81

21402014:								
Ward 14	66	1507	26	11	262	115	170	6
21402015:								
Ward 15	519	93	61	44	242	816	11	123
21402016:								
Ward 16	598	240	88	33	47	131	208	252
21402017:								
Ward 17	115	20	12	61	1132	466	2	22
21402018:								
Ward 18	187	47	13	104	460	912	1	21
21402019:								
Ward 19	128	1643	148	36	2	1	220	7

Whilst most of the population does receive water, sanitation provision lags behind with 45 % being unserved. Although the LM has more water available than the requirements, it is not spread in such a manner as to satisfy the need everywhere. The towns that have been experiencing water shortages are:

- Herschel
- Lady Grey
- Rossouw

The towns that have just enough water to satisfy the demand and might experience water shortages in the near future are:

- Sterkspruit RWS

Regional/local water scheme (operated by municipality or other water services provider)	22783
Borehole	3407
Spring	4476
Rain water tank	975
Dam/pool/stagnant water	1161
River/stream	3003
Water vendor	715
Water tanker	963

Piped (tap) water inside dwelling/institution	3371
Piped (tap) water inside yard	12416
Piped (tap) water on community stand: distance less than 200m from dwelling/institution	9848
Piped (tap) water on community stand: distance between 200m and 500m from dwelling/institution	3536
Piped (tap) water on community stand: distance between 500m and 1000m (1km) from dwelling /institution	1074

Piped (tap) water on community stand:
distance greater than 1000m (1km) from
dwelling/institution 828
No access to piped (tap) water 7208

	None	Flush toilet (connected to sewerage system)	Flush toilet (with septic tank)	Chemical toilet	Pit toilet with ventilation (VIP)	Pit toilet without ventilation	Bucket toilet	Other
EC142: Senqu	5924	4531	655	1882	10685	12724	645	1000
21402001: Ward 1	590	5	5	117	18	919	1	92
21402002: Ward 2	158	24	9	71	2773	193	-	9
21402003: Ward 3	62	5	6	35	1197	141	4	6
21402004: Ward 4	239	7	8	37	251	883	6	68
21402005: Ward 5	45	1	3	58	805	304	1	-
21402006: Ward 6	642	5	3	95	354	620	1	40
21402007: Ward 7	712	6	10	238	194	728	-	92
21402008: Ward 8	363	84	90	141	666	1495	1	91
21402009: Ward 9	357	65	15	73	530	764	3	40
21402010: Ward 10	604	357	108	216	193	1194	5	43
21402011: Ward 11	384	403	35	177	284	1184	4	4
21402012: Ward 12	127	11	8	332	365	943	2	5
21402013: Ward 13	29	8	9	5	909	917	4	81
21402014: Ward 14	66	1507	26	11	262	115	170	6
21402015: Ward 15	519	93	61	44	242	816	11	123
21402016: Ward 16	598	240	88	33	47	131	208	252
21402017: Ward 17	115	20	12	61	1132	466	2	22
21402018: Ward 18	187	47	13	104	460	912	1	21

21402019: Ward 9 128 1643 148 36 2 1 220 7

	Piped (tap) water inside dwelling/institution	Piped (tap) water inside yard	Piped (tap) water on community stand: distance less than 200m from dwelling/institution	Piped (tap) water on community stand: distance between 200m and 500m from dwelling/institution	Piped (tap) water on community stand: distance between 500m and 1000m (1km) from dwelling/institution	Piped (tap) water on community stand: distance greater than 1000m (1km) from dwelling/institution	No access to piped (tap) water
EC142: Senqu	3306	12349	9796	3518	1074	824	7179
21402001: Ward 1	55	198	226	41	22	75	1128
21402002: Ward 2	83	603	1006	568	13	36	926
21402003: Ward 3	92	263	588	257	74	11	170
21402004: Ward 4	106	57	559	132	109	88	448
21402005: Ward 5	6	40	372	255	142	144	260
21402006: Ward 6	23	137	477	207	92	28	796
21402007: Ward 7	53	177	547	203	54	63	883
21402008: Ward 8	352	1380	504	174	82	144	293
21402009: Ward 9	56	308	400	120	79	60	824
21402010: Ward 10	379	1232	625	219	90	4	169
21402011: Ward 11	233	1469	549	70	33	2	119
21402012: Ward 12	141	350	779	215	24	73	210
21402013: Ward 13	142	639	739	238	67	16	121
21402014: Ward 14	404	1392	258	83	18	-	7
21402015: Ward 15	206	508	585	439	66	2	102

Ward 15							
21402016: Ward 16	286	636	358	82	4	4	227
21402017: Ward 17	58	536	606	157	96	71	306
21402018: Ward 18	78	1169	285	33	5	4	172
21402019: Ward 19	553	1254	330	23	5	-	20

Challenges

- **Broken water pipes**, non-functioning pipes, water unavailability and poor pressure.
- **Backlog eradication** is the main challenge facing the JGDM, especially in the rural areas of Elundini and Senqu. An estimated R 149,603,738 for water and R 93,901,795 for sanitation is required for Senqu backlog eradication
- **Operation and maintenance of existing water services** schemes is also posing a major challenge to this municipality and as a result some schemes are dysfunctional at present. There is a high need for ongoing refurbishment and maintenance programme which will ensure sustainability of these schemes.

Interventions

Borehole stand alone schemes. Water backlogs may be eradicated by means of the development of borehole stand alone schemes.

VIP's. Sanitation backlogs will be eradicated by means of implementing VIP's. Projects will be prioritised by focussing on villages with the highest sanitation concern first. It is anticipated that a regional construction approach will be followed to maximise the benefit of scale in terms of price, timeframes and quality (JGDM WSDP 2010).

ROADS, TRANSPORT AND STORMWATER

Tarred roads

The provincial trunk road the R58 is in a bad condition and will be moved to SANRAL. Rock falls are also common

on the road after heavy rainfalls. The R 393 between Lady Grey and Sterkspuit is in good condition but roaming livestock due to stolen or poor fencing remain a hazard for drivers in spite of the newly introduced road rangers. Tele Bridge has recently been upgraded (JGDM ITP 2010).

Gravel Roads

Most of provincially maintained gravel roads have deteriorated significantly to the level where they need extensive regravelling and low level bridges need repair or replacing. The end result is people being unable to access goods and services or having to pay high prices for transport of goods and persons due to poor or impassable roads.

Access Roads

Access Roads are maintained by municipalities in terms of the Municipal Structures Act however this is not financially viable for Senqu Municipality. The municipality inherited a backlog of maintenance of existing access roads as well as many villages which don't have access roads. Due to the small tax base of the area and high unemployment the municipality is heavily reliant on the MIG grant to fund repair, maintenance and building of access roads.

Streets

Streets within towns are the responsibility of the relevant local authority. Streets within townships in all the urban settlements are of very poor condition leading to localized flooding in bad weather, impassable roads and poor access.

Rail network

The railway line between Aliwal North and Barkly East is unused even though the tracks are still in place (JGDM ITP 2010). Attempts have been made to revive the track for steam train enthusiasts as it contains 2 out of the 3 railway reverses known in the world whereby the train reverses up a zigzag pattern to the top of a mountain.

Airfields

The only airfield which can be recognised as such lies in Barkly East but is not maintained by the municipality. There has been an investigation into a new airstrip to be located 10km south west of Rhodes near the R 396 funded by ECDORT for tourists to the Tiffindell ski resort but whether this will occur or not remains to be seen (JGDM ITP 2010).

Non-motorised transport

A significant number of persons in Senqu rely on either bicycles or walking to reach their destinations. As a result the municipality has paved most of the pavements in the main towns and some pedestrian walkways leading from the former townships into the town. Few pedestrian crossings and poorly lit streets and paths are some of the hazards faced by pedestrians.

Public transport

The Herschel Taxi association has 164 registered members owning 293 vehicles with 158 operating licenses and runs on 20 local and national routes. Public transport operations in Barkly East and Lady Grey are small and relatively stable. In Sterkspruit no direct travel between villages is allowed and all trips must begin or end in the central rank at Sterkspruit. It is the busiest hub. The most utilised trips are to Thaba Lesoba, Voyizana, Qhoboshane, Jozanashoek and Umlami. National destinations are Aliwal North, Johannesburg, Welkom, Bloemfontein, Queenstown and Secunda.

Road worthiness and licensing

Senqu provides a road worthy and licencing service at the Traffic Testing Station in Barkly East and Sterkspruit.

Storm water management

The municipality on an annual basis targets certain priority areas for the construction of storm water as per the **Roads and stormwater master plan**. The Technical Services department in conjunction with the Community Services Department implements the regular cleaning and maintenance of the existing stormwater infrastructure

Challenges

- **Chronic underfunding** and the constant deterioration of roads due to high rainfall conditions
- **Breakdown of** old out dated road machinery
- Not all villages, schools and clinics have **decent access roads**
- Not all streets in townships are not **tarred or paved**
- Limited number of **pedestrian bridges**
- **No cycle lanes**
- **Limited lighting** of pedestrian walk ways
- **Poor** road markings
- **Limited road signage** especially in rural areas
- **Commuter facilities are primitive.** Bus shelters were built in 2000 in Barkly East and Lady Grey by DoT. The current taxi rank in Barkly East is informal with no amenities and needs upgrading to an area with

shelters for waiting passengers. Lady Grey has no taxi facilities but does need a stop with a toilet.

- **Noncompliance of bakkie transporters.** These need to be made legal as these are the only vehicles which are viable on the bad rural road network (JGDM ITP 2010).

Interventions

- **A Roads and Stormwater Master Plan** was developed to categorise roads and determine which ones are priorities. In addition on an annual basis Ward Councillors indicate which roads and bridges require attention in their areas.
- **Paving** of township streets as part of an EPWP project and paving of sidewalks in all CBD's and the linkages between the townships as part of the pavement management system. This assists pedestrians who do not utilise vehicular transport.
- **Upgrading of 3km** of gravel road a month in all wards determined by the community and Ward Councillor.
- **New road machinery** and Operators.
- **Installation of street lights** in towns such as Herschel
- **Non-motorised transport.** The neighbourhood development grant will be used to assist with the building of more pedestrian bridges and walk ways. This will also allow for cycling paths. Funding is also set aside for the lighting of pedestrian walk ways.
- **Cleaning of storm water** drains on an annual basis in urban areas
- **Funding, operations and maintenance.** MIG funds are used to build new roads whilst own resources are used to repair and maintain roads and bridges.
- **JGDM Integrated transport Plan, 2010.** The LM utilises the DM's Integrated Transport Plan as it is not a transport authority and is not required to have a plan.

EXPANDED PUBLIC WORKS & COMMUNITY WORKS PROGRAMME

Senqu municipality has successfully implemented the EPWP programme. The objectives of the EPWP programme are as follows:

- To create job opportunities through reviewing the manner that municipalities implement existing projects/programmes

- To identify and propose programmes that will contribute to additional job creation opportunities
- To ensure that the proposed job creation programmes form part of the service delivery mandates of the municipality

These principles have been incorporated into the municipality's efforts to increase employment opportunities for its residents. Projects consist of basic road maintenance, paving of streets, picking up refuse, pothole repair and stormwater channel maintenance. Over 196 jobs were created in 2011. Future projects include maintenance of municipal property, cleaning in urban areas, stormwater management in townships and data collection. However management is currently in the process of revising the current EPWP and CWP programmes to ensure that sustainable work opportunities are created and that graduates from the programme acquire skills which increase their employment activities . The CWP programme has been increased to provide jobs for 2000 participants in 2 wards.

ELECTRICITY AND ENERGY

Current situation

In Barkly East and Lady Grey the municipality is responsible for the electrical reticulation and the service, however in the rural areas and some of the townships Eskom is the supplier. The Commercial Farming Community as well as the urban areas enjoy a relatively high level of access to electricity while the rural settlements areas on the other hand have only limited access.

Although most of the Senqu communities have access to electricity, there are some communities that still need to be electrified either in the form of electricity installation or in upgrading of their existing lines as most of the lines particularly in Sterkspruit and surrounding villages are very weak. These are mainly in new housing developments.

Electricity

Municipality	Lighting			Cooking			Heating		
	1996	2001	2011	1996	2001	2011	1996	2001	2011
Joe Gqabi	18907	36392	67433	6895	12626	55150	6287	9368	22186
Elundini	2332	3738	17533	625	1320	13216	598	934	4947
Senqu	8139	21041	30866	1725	4590	24499	1517	3593	9633
Maletswai	3688	5387	10190	2302	3373	9506	2142	2788	4615
Gariep	4748	6226	8844	2243	3343	7929	2030	2054	2991
EC Total	421952	740753	1265759	309362	419243	1047718	278832	353776	527265

For lighting

Electricity	31038
Gas	139
Paraffin	3223
Candles	3719
Solar	104
Other	-
None	59

**Energy or fuel for cooking
for EC142: Senqu, Housing adjusted,
Household**

Electricity	24640
Gas	1267
Paraffin	8145
Wood	3406
Coal	64
Animal dung	596
Solar	69
Other	36
None	58

**Energy or fuel for heating
for EC142: Senqu, Housing adjusted,
Household**

Electricity	9719
Gas	612
Paraffin	16839
Wood	7576
Coal	282
Animal dung	1501
Solar	54
Other	22
None	1676

Electrical challenges

- **Limited funding for Maintenance and upgrading of infrastructure** in areas managed by the municipality
- **Limited voltage** in the rural areas does not support large scale economic growth
- The implementation of **free basic services** for electrical supply

- Getting communities to accept **non- grid electricity**
- Number of **schools, clinics** and other social facilities that don't have a regular supply of electricity (if any supply at all)
- **Affordability** of the service
- **Difficulty** in obtaining electricity cards as vendors are far from rural areas

Interventions

- **Eskom** electrification plan
- **Department of Trade and Industry** assisting with the promotion of renewable sources of energy

ENVIRONMENTAL LEGISLATION

The municipality strives to adhere to all environmental legislation and conducts EIA's where necessary and prescribed by law in order to ensure sustainable service delivery. EIA's are budgeted for in project plans.

DISASTER MANAGEMENT

The disaster management plan was adopted in March 2011 and will be amended and improved when funding becomes available and the District Municipal disaster risk assessment plans are complete. Emergency procurement measures are not identified in the plan as these are stipulated in the municipal supply chain management plan. Disaster Management by-laws have not been promulgated due to the lack of risk assessment plans. However the DM does have a developed Transport and fire fighting bylaw (2011) but this has not yet been adopted by the municipality as it does not stipulate tariffs or fines.

STATUS QUO

The District Municipality is in the process of creating vulnerability and risk assessment plans for the entire area in conjunction with the University of the Free State. These are not yet complete due to the funding constraints suffered by the DM in the 2011/12 FY. As a result Senqu municipality has relied on the SDF, EMP and communities which have identified areas of risk. The area of disaster management falls under the Community Services Director.

The municipality does not have a functional Disaster Management Unit due to funding constraints but relies on assistance from the DM. There is a Chief Fire Officer appointed by the DM which operates a fulltime fire service in the municipality due to lack of capacity by Senqu Municipality. An SLA between the DM and LM is out dated and needs revising and signing but the DM continues to run disaster management and fire services for the LM as part of their power and function to assist LM's.

CHAPTER FIVE: INSTITUTIONAL TRANSFORMATION

Introduction

Senqu Municipality was established in terms of the Provincial Gazette Extraordinary, 28 February, Notice 22 of 2000 (with a number of subsequent amendments).

Political Structure

Senqu Municipality is a Category B Municipality. Senqu Municipality was established to be a Collective Executive system type (MSA 117 of 1998)". Council consists of 37 Councillors of which 19 are Ward Councillors and 18 are Proportional Elective Councillors. In addition Traditional Authorities form part of the Council. Council is responsible

for taking political decisions in relation to service delivery issues and playing an oversight role. Council meetings occur once per quarter. Special Council meetings are only convened whenever there is an urgent issue that needs to be discussed and an urgent decision needed to be taken.

Executive Committee Meetings

It is constituted by the Mayor of the municipality as the Chairperson, Political Heads of the Standing Committees of various departments in the municipality and the top management of the municipality. The Mayor as the Chairperson convenes the meetings of the Executive Committee every month.

Standing Committees

The purpose of the Standing Committees is to discuss and recommend certain actions be implemented by the Executive Committee or Council. Standing Committees are as follows:

- Corporate and Support Services Standing Committee
- Integrated Planning, Monitoring and Evaluation Standing Committee
- Technical Services Standing Committee
- Finance Standing Committee
- Community Services Standing Committee

These Standing Committees are chaired by the Portfolio Councillors who form part of the Executive Committee. The other members of the Standing Committees are Councillors elected by the Council representative of all political parties, Traditional Leaders and the administration of the department concerned. Standing committees meet on a monthly basis.

Administrative Structure

Senqu Municipality implements its Integrated Development Plan through its administration structures headed by the Municipal Manager with the following Departments:

- Municipal Manager's Office responsible for strategic management and internal audit
- Department: Budget and Treasury responsible for expenditure, income, supply chain management, traffic, project management unit (PMU) and budget planning
- Department: Corporate and Support Services responsible for administration, document management, labour

relations, capacity building, maintenance of buildings and secretariat services for Council

- Department: Community and Social Services responsible for waste management, cleansing, disaster management, community facilities and library services
- Department: Technical and Engineering Services responsible for electricity in urban areas, water and sanitation maintenance in urban areas, access roads, storm water maintenance, housing and land administration
- Department : Integrated Planning, Monitoring and Evaluation responsible for PMS, IDP ,LED , monitoring and evaluation, customer care, communication, legal compliance, public participation, governance, risk management, IGR and special programmes.

The current Organogram for all departments is attached as an Annexure. The administration is headed by the Municipal Manager. The top management consists of five Section 57 Managers, two males (reappointed) and one female (reappointed), who report directly to the Municipal Manager, Mr. Yawa. All but 2 Section 57 Managers have been appointed and will sign their annual Performance Agreements aligned to the IDP, budget and SDBIP in June 2012.

Organisational structure

The organogram for 2011/12 had 316 posts. Out of these 211 were funded and have all been filled. The table below indicates the number of funded and unfunded posts per department. The newly adopted draft organogram is not yet incorporated in the municipal EE (Annexure).

Employment Equity

OCCUPATIONAL LEVELS	MALE				FEMALE				FOREIGN NATIONALS		TOTAL
	A	C	I	W	A	C	I	W	M	F	
Top management	1			2	1	1			1		6
Senior Management	7	1		7	7			2			24
Professionally Qualified and experienced specialists and mid-management	2				5						7

Skilled Technical and academically qualified workers, junior management, supervisors, foremen and superintendents	1			1	4						6
Semi-skilled and discretionary decision making	55	1			21	4		1			82
Unskilled and defined decision making	84	2			12						98
Temp Employees (Finance Interns)	3				3						6
TOTAL	153	4		10	53	5		3	1		229
SUB TOTAL	167	(72%)			61	(27%)		1	0		229(100%)

Employment equity across the municipality is quite good but more women are required in top structures.

Skills retention

The municipality has a skills retention and a scarce skills retention policy but experiences difficulties attracting these types of staff and keeping them due to the rural nature of the municipality and the fact that it can't offer competitive salaries.

HR strategy and WSP

The municipality does have an HR strategy. Annually a skills audit is done and a WSP developed and adopted by Council. A training committee also assists in prioritising training. However due to lack of financial resources, the WSP is seldom completed on an annual basis. The HR strategy promotes recruitment and selection strategy, work place skills and employment equity, EAP, skills retention and lastly promotion and succession.

CHAPTER SIX: GOOD GOVERNANCE

MPAC Committee

The MPAC Committee meets to discuss the oversight report for Council on an annual basis.

Performance Audit Committee

This committee meets to evaluate the performance of the municipality and S 57 employees on a quarterly basis. It consists of the members of the Audit committee.

Audit Committee

The Committee meets to discuss the annual plan of the internal audit unit. The quarterly performance reports from the departments are also discussed in this committee. Chapter 8 discusses the role of this Committee in more detail.

LED FORUM

This forum meets on a regular basis consisting of all stakeholders involved in LED to discuss issues and challenges relating to the implementation of LED. It is chaired by a Portfolio Councillor

PUBLIC PARTICIPATION

IDP Rep Forum

This forum meets at least four times a year to discuss progress achieved on implementation as well as to give direction around the needs and requirements of the future as contained in IDP. The forum is chaired by the Mayor and is constituted by various government departments, interested parties, organised groups, CBO's, Ward committees and NGO's.

Ward Committees and CDW's

Ward committees have been formed for the 19 wards. Ward Committees are chaired by the Ward Councillors and consist of ten elected members. The purpose of the committees are to broaden participation in the democratic process of Council and to assist the Ward Councillor with organizing consultation, disseminating information and encouraging participation from residents in the ward.

Ward committees have been trained. Funding has also been put to compensate ward committee members for their time but the suggested stipend amount from national treasury will not be met due to financial constraints of the municipality. CDW's are another resource which the municipality utilises in order to improve public participation. However the implementation of this programme remains problematic due to power struggles between ward committees and CDW's. The problem is exacerbated by the fact that CDW's report to and are paid by the Province which means that in essence the municipality has no administrative control over the actions of these individuals.

COMMUNICATION STRATEGY & COMPLAINTS

The Municipality has an adopted communication strategy which relies on Ward Councillors, CDW's and the Executive Committee to ensure that information reaches the public. Other methods such as posters, loudhailers and the local radio station Ekepini and newspapers are used to keep the community informed. However due to financial constraints and the poor accessibility and poor network coverage of the region, some communities

struggle to access information. As a result the onus is on developing central points where billboards will be erected and information displayed on a regular basis.

The Communications Officer will also be trained on website management so that the municipal website will be continually updated and remain relevant. Monthly newsletters will also be printed and distributed as well as quarterly newsletters. Outreaches such as the Mayoral outreach will occur on a quarterly basis to ensure that the community are informed and can also relay complaints to the Mayor.

The municipality has a Community Liaison Officer who mans the Presidential Hotline as well as regular liaising with Ward Councillors and Ward Committees to ensure that they are kept abreast of any developments and complaints originating in their wards. The Officer contacts the necessary department with the complaint and then monitors to ensure that it is resolved. In addition Technical Services have begun a complaints hotline to deal with issues of water, roads, sanitation and electricity. Complaints outside the municipal powers are forwarded to the District or relevant department for the issue to be resolved.

SPECIAL PROGRAMMES

The Municipality has an SPU Officer and eventually the unit should receive additional staff. Portfolio Councillors for each area have been allocated from the Executive committee

HIV and AIDS

An Officer is responsible for HIV and Aids co-ordination in the municipality. An HIV and Aids Council co-ordinates HIV and Aids activities in the region. The Council has also developed an HIV & Aids mainstreaming policy which is updated annually. The plan is to eventually have HIV and AIDS ward Committees headed by Ward councillors.

Youth

The Youth Forum has just been reformed and a youth strategy and plan developed for the coming years. Like the HIV & Aids Council the idea is to have a ward youth committee headed by the Ward Councillor. The municipality is increasing its funding to provide for youth projects and ensure that more youth are assisted to find employment through the youth database. The municipality is committed to channelling all job advertisements and bursaries funded by various departments through to Ward Councillors for distribution to the youth.

Elderly

The municipality is in the process of developing a Forum which will then implement an annual plan.

Women

A women empowerment forum exists led by a Portfolio Councillor from the Executive Committee. A plan is done on an annual basis. The idea behind the forum is to ensure that women are empowered to take advantage of economic opportunities in the region.

Persons with Disabilities

Persons with a disability have their own forum which like the others develops and implements an annual plan. A database has been developed to indicate disability types so that sector departments may utilise it to increase the level of employment amongst people with disabilities.

IGR & TRADITIONAL LEADERSHIP

The municipality has IGR structures such as the IDP Representative Forum whereby sector departments are engaged with in order to find solutions to service delivery issues. In addition special meetings are arranged for departments to meet outside the IDP Rep Forum. Sector departments are also engaged with through Munimec and the District IGR structures such as DIMAFO.

The municipality is committed to meeting with Traditional leaders to find solutions to the problem of acquiring sufficient land for development outside town boundaries. Traditional leaders are represented in Council and at all standing committees.

CHAPTER SEVEN: WARD PRIORITIES AND PROJECTS

WARD PRIORITIES FOR 2013-14

Problem	Area
Ward 1 villages: Mbobo, Bhikizana, Walaza, N dofela	
Water - pipes are installed but no water comes from the taps	Walaza,Mbobo,Mangwaneni,Mboleni,Bikizana, Platform
Electricity - is required	Walaza,Khasalala,White City
Access roads -	Walaza, Mbobo, Mpikisana (road stops)
Sanitation - none exists	whole ward
RDP houses - (700)	ward
Community halls - (N dofela has 1 hall)	Walaza, Mbobo and Bikizana
Pre-school - Bikizana (got 1),	Mabalana village
Old age home	whole ward
Projects required - - Bikizana has 1 project growing vegetables	Walaza , N dofela, Mbobo
Job creation for the youth	
Clinic - only 1 at N dofela but very small,	Walaza,Mbobo,Bhikizana
Sportsfields exist but must be fixed	
Cellphone reception -MTN ,Vodacom and Cell C don't exist	
TV reception	
More Lightning rods required	
Ward 2 villages: Storomo,Ndingishe, Makalaleng, Gcina, Qhimira	
Bridge	Qhimera
Community Hall	between Gcina and Ndingishe
Access roads -	St Theresa village and Henge
Cellphone reception	Ndingishe & Qhimira
Speed bumps	St Theresa
Funding of LED related projects	
Shearing shed	Ndingishe village

water shortage - get it but not consistent	Ndingishe not consistent and Storomo but St Theresa has nothing
sanitation -	New extensions at KwaGcina, St Theresa and Ndingishe
Ward 3 villages: Makalalakeng,Hohobeng,Ekra,Qhoboshane,Zwelitsha	
Cellphone reception	Qhoboshane - Vodacom and MTN
Access roads	Regravelling to all villages, Ekra,Hohobeng
Water	Pipes are laid but the quantity is scarce
Sanitation	Qhoboshane and all new village extensions
Clinic	There are no clinics in the ward and the mobile clinic has not operated for 5 months. Sites at Qhoboshane and Makalalakeng
Ward 4 villages: Mkunyazo,Boomplaas,Hilside,Mfinci,Penhoek,Maqolwaneni	
Access roads	Boomplaas, Mkunyazo, Maqolwaneni, Mfinci
Proclaimed road	T606, T 514, T607
Pedestrian bridge	between Mkunyazo and Penhoek, Hillside from 1 side of the village to the other
Community hall	at Mkunyazo
Toilets - only at Hillside RDP	whole ward
Gxothindidala project to plant and plough	
Upgrading water but engine keeps breaking down and can't pump water up	
Upgrading of Eskom and new connections	at Mkunyazo only got 2 lines, new extensions need connections
Pre- schools -	Maqolwaneni and Hillside
TV reception bad	whole ward
Graveyards	whole ward
Ward 5 villages: Bebza,Makhumsha,Mabele,Dangershoek,Nomlengana	
Access roads	
Scholar transport	
Bridges	
Electricity	
Donga closure	
Water	New extensions
Cell phone reception	No Vodacom and Cell C, Makhumsha, Dangershoek, Nomlengana and Mabele have MTN
No TV reception for the whole ward	

Ward 6 villages: Mpoki,Musong,Dulciesneck,Majuba,Ndungunya,Rietfontein, Bultfontein	
sanitation	Bultfontein, Rietfontein (unfinished),Musong,Dulciesneck,Majuba
RDP houses,	Bultfontein, Musong
access roads,	Bultfontein, Musong, Rietfontein, Dulciesneck,Majuba, Ndungunya
unfinished road	Musong
Bultfontein school,	Bultfontein
water not constant supply - engine can't pump it up,	Bultfontein, Musong, Rietfontein, Dulciesneck,
TV reception bad	Bultfontein, Rietfontein
high rate of unemployment	Bultfontein,Rietfontein,Majuba
Cellphone reception bad	Bultfontein, Musong, Rietfontein, Dulciesneck,Majuba, Ndungunya
2 bridges	Musong, Bultfontein
preschool	Musong,2 preschools at Ndungunya, renovation of pre-school at Majuba
free basic electricity	Musong
electricity extension areas	Dulciesneck
play grounds	Bultfontein,Musong,Ndungunya,Majuba
fencing of cemeteries	Bultfontein,Musong,Ndungunya,Majuba
renovation of dairy	Rietfontein
pay point	Ndungunya
Ward 7 villages: Macacuma,Thaba-Lesoba	
Water - problem with water supply	
electricity in new extensions	
Community hall has no electricity	Thaba Lesoba
Toilets - none at all	
RDP house - 2000	
Access roads - maintenance	
shortage of gravel for maintenance of roads	
fencing of graveyard	
pre-schools	Thaba Lesoba
Community hall required	Macacuma
Bridge required - kids can't get to school	Thaba Lesoba
Stock dams	
sportsfields	

Ward 8 villages: Mokhesi,New Rest, Tapoleng, Mogoabong	
Stadium	Patrick Shibane, Mokhesi & Mogoabong blading of sportsfield
Apollo (high mast lights)	Mokhesi, street lights at New Rest,Tapolengand Mogoabong
Water & saniation	Mokhesi,Tapoleng,Mogoabong, New Rest
RDP Houses	Mokhesi,new Rest<Mogoabong
Access roads	Mokhesi,New Rest,Tapoleng,Mogoabeng
Electricity connections	Mokhesi,New Rest,Tapoleng
Fencing of cemmetries	Mokhesi & Mogoabong
Community hall	New Rest
Ward 9 villages: Ngquba,Kromspruit,Lipota,Alamli,Hinana, Mapolo	
Community Hall - none -	Kromspruit and Ngquba (in-between)
Clinic - no clinic	
Access roads - need maintenance	
job creation	
sportsfields	
electricity in new extension	
water - problem with water supply	
sanitation -	Kromspruit, Ngquba,Amlamli, KwaHinana don't have
Cell phone reception Amlamli only gets Cell C	
Ward 10 villages: Makhetheng,Zwelitsha,Sterkspruit town,Tienbank,Matlapaneng	
Speed humps	Zastron road
electricity no problem	
Community hall	Makhetheng
Proper waste site at extension 1	Extension 1
RDP houses - none need them -	Tienbank, Makhetheng
Access roads -	Tienbank, Makhetheng, Matlapaneng
Sewerage	Extension 1
Ward 11 villages: Herschel, Ndilinkonzo,Entsimekweni,Skhisazana, Ezintatyameni, Bluegums,Meyi	
Access roads -	Ndilinkonzo to Entsimekweni needs to be fixed as washed away, Skhisazana road also washed away. All others need maintenance
Electricity	Extensions
Water	Extensions

Upgrade of water system - RDP houses have no water and got inside toilets	Herschel
Land for graveyard	Herschel
Shearing shed	Skhisazana
Job creation to be extended	
Title deeds	Herschel RDP houses
Electricity, water and toilet- not opened yet	Herschel library
Renovation of 2 roomed houses	Orangefontein
Roads to fields	Skhisazana and Ezintatyameni
Renovation of community halls at Herschel (toilets, fencing, electricity, chairs) and Blue Gums (electricity, need plastering and doors messed up)	
Renovation of schools -	Ezintatyameni, Ndilinkonzo, Ebenezer (high), Skhisizana,Entsimekweni (cracks, window panes, ceilings)
Satellite police station	Herschel
MPCC	Blue Gums
wool washing factory	
tractors for ploughing	
Paving	Herschel and Orangefontein
speed humps	Herschel and Blue Gums
preschool	Ezintatyameni
fencing of graveyards in villages	
sanitation - project in whole ward - started in May 2011 - not finished got structures and some pits	
shopping complex in Herschel	Herschel
sportsfields - not maintained	
Cell phone reception is bad	Vodacom a problem in Skhisazana, Entsimekweni and Herschel
Ward 12 villages: Manxeba,Hlomendlini,Magadla,Jozanas Nek, Jozana's Hoek, Magwiji	
stormwater drainage - villages built on hillsides and just wash away	
sanitation -	Manxeba, Hlomendlini (just buildings) problem with the toilet project
access road -	Hillside to Herschel T 511

water -disruption because of illegal connections	
Need playing fields	Jozana's Hoek, Jozanas' Neck, Magadla
Only got 1 dipping tank and got no dip	
No toilet at the school	Magwiji
Ward 13 villages:Coville,Zava,Naledi,Khiba,Nkopane,Mbonisweni,Mdlokovana	
Proclaimed roads need maintenance	T 510,T 526,T 527
Access roads all require maintenance	
Need low level bridge	Mbonisweni
RDP houses need 3000	
Cemetries need fencing and plot numbers, water and toilets	
Youth want job creation cleaning of cemetries	
Stock dams - have 3 dams that are silted up (between Naledi and Mbonisweni, Nkopane,Nhlokovana)	
Poor cellphone reception	Mdlokovana, Coville under mountain, Nkopae on way to Mdlokovana
Community hall required	Naledi between Mbonisweni and Coville, Khiba
Community Hall needs electricity, ceiling and poor quality of chairs and no water	Zava
Bakeries have equipment but no electricity (funded by LG)	Naledi, Zava and Mdlokovana and Khiba
Water has low pressure especially in Khiba, Ndlokovana, Nkopane and Thaba Koloji and part of Coville. Standpipes but not functioning.	New extensions without water
Electricity	New extensions. Pre-schools Khiba, Coville and Thaba Koloji need electricity
Pre-schools	Nkopae and Naledi
Job creation - JGDM road building programme - elemi - what happened	
Sportsfields need blading	
Want people to go and look at the projects and see what assistance required	
Windmills at Khiba not working. Were fixing them but not finished	

Upgrading and protection of the springs - JGDM what happened and why not in ward 13?	
Ward 14 villages: Khwezi Naledi,Lady Grey town, Transwilger	
Street lights at Steve Tshwete	Steve Tshwete
upgrading of roads to tourist facilities like to the dam	
public toilets	Dam (upgraded) and at Standard bank
Paving of streets	Steve Tshwete
Hall wanted	Steve Tshwete
Parks for children	
Electricity	New extension
Ward 15: Rossouw,Clifford,New England,Phelendaba,Zingxengele,Mission,Rockcliff Clinic,Ntaba Mhlope,Sijhora	
Toilets -	Phelendaba, Sijorha, Clinic, Mission and Nondundu (got) toilets are falling apart. Still need to be painted. Programme not going
Water supply not constant	
No playing fields	
Dipping tank	Phelandaba
RDP houses in all villages	
Access road	Emoyeni to Nthaba Mhlope,DR 03214 and continuing over Lundean's Neck. Whole ward
Poor cellphone reception	Sijhora,Rossouw
No place to buy electricity	
Pre-schools	Phelendaba 7 clinic village
Repair of community hall	Rossouw
Clinic only at Mission. Clinic needed else where.	Phelendaba
Ward 16 villages: Rhodes, Mosheshesford, Tantalion, Persiville,Nkululeko	
Land for housing and grazing	
Still needs RDP houses	Nkululeko
Primary school in Nkululeko	Nkululeko
Fencing of grave site and new grave site	
Paving of streets	
Sanitation	Rhodes

Surfacing of road	BE to Rhodes,
Build ditches around sportsfield	
TV reception at Rhodes	Rhodes
Ward 17 villages: Sunduza,Bensonvale,Top Tapoleng,Masekeleng,Voyizana,Joveleni	
Access roads - maintenance	
sanitation - all need except for Bensonvale	
electricity -	Extension area
job creation	
RDP houses	
sportsfields	
water-	Extension sites
Low level bridge needs to be raised as prone to flooding	Link Joveleni and Sunduza
Ward 18 villages: Esilindini,Bamboespruit	
Sanitation - projects have started.	Extensions
Community halls don't exist	
Water - extension sites	Extensions
Access roads	Esilindini, Bhambu (Bamboespruit)
Bridge - school kids can't get to Nkuleleko high school (bridge doesn't exist)	Esilindini
Clinic - only go to school	Esilindini
Preschool (only 1 at Esilindini)	Esilindini
Need fencing of fields (trained in agriculture) (Nceda Bonke project)	
Road needs repair	Mqhudini to Manxeba
RDP houses	
TV reception bad	
Ward 19 villages: Luama Hlanjwa, Barkly East Town, Fairview, Nozicikwana	
Land still needed (extension of town boundaries) - land needed to attract investors and staff -flats etc for gov	
Home Affairs Office still needed	
MPCC to assist with high illiteracy rate	
Paving and surfacing of roads in town and townships	
Electricity needed in new extension as high rate of rate of rape and assault	
High mast lights	
Job creation - sustainability - transfer of	

skills - training in job skills	
Revamping of old cheese factory site	
RDP houses new and rectification of 506 project, train houses to be renovated	
recycling projects support	
ETV, SABC weak reception	
Support Ekepini radio station	

CHAPTER EIGHT: VISION & OBJECTIVES

VISION

“A developmentally orientated municipality that provides appropriate, efficient and economical infrastructure and services for all residents”.

MISSION

“Committed to provide community services that enhance our valued quality of life through equitable delivery of services; effective stewardship of our unique physical environment; cooperative planning and resources development and fiscal responsibility.”

DRAFT VISION FOR 2030

Our vision

- 1) We would like to activate the rural economy through the stimulation of small scale agriculture and tourism. In order to do this we need to:
 - Improve the road infrastructure and signage of areas
 - Package tourism products per region
 - Make people aware of tourism
 - Assist tourism organisation to promote and market the area
 - Ensure that tourism owners are graded and maintain certain standards
 - Beautify the towns and keep the CBD’s clean and beautiful
 - Fence off demarcated agricultural areas
 - Mentor projects on how to produce and market goods together with necessary business skills
 - Ensure tenure security for farmers
 - Encourage the procurement of goods and services from locally based businesses
 - Engage and partner the private sector to create upstream and downstream agricultural industries

2) We would like to see that our towns are developed to their full potential. In order to do this we need to:

- Beautify CBD areas
- Train residents in waste management so that recycling may occur
- Strictly enforce by laws
- Ensure that all buildings are maintained on a regular basis by private citizens and the municipality
- Enforce bylaws to destroy unsightly and old ruins
- Cut the grass on a regular basis
- Patch potholes and keep gravelled streets in good conditions
- Pave roads where possible
- Keep storm water drains open
- Engage investors in developing underutilised and unserviced grounds
- Strictly manage stock on the commonage
- Ensure that portions of the commonage are kept for poorer residents to utilise for food lots
- Ensure that stray animals are impounded
- Improve and maintain electrical infrastructure
- Improve and maintain water and sanitation infrastructure
- Improve and maintain telecommunications
- Involve residents in the maintenance and beautification of their environment
- Utilise the supply chain management mechanism to develop SMME's

3) We would like a well-functioning and transparent local government. In order to do this we need to:

- Install a performance management system that assesses all staff on an annual basis based on organisational and departmental targets
- Ensure that community complaints are dealt with in a systemic manner
- Ensure that an effective public participation system is developed and implemented
- Ensure that all records and information are effectively filed and maintained
- Train officials in customer relations and how to deal with complaints
- Train officials to be able to communicate effectively in all 3 languages spoken in the area

4) We require a financially viable municipality. In order to do this we need to:

- Revise our supply chain management to ensure the effective and efficient usage of municipal resources
- Ensure that officials know and abide to supply chain management procedures
- Ensure that the capital budget is planned for a 5 year cycle rather than annually
- Ensure that cash flow projections are accurate on a monthly basis so that money can be invested
- Ensure that officials deliver services in the most cost effective manner

5) We would like to have a vibrant local economy. In order to do this we need to:

- Improve road infrastructure so that goods may reach markets
- Identify available land for agricultural and residential purposes
- Engage traditional authorities to participate in all development opportunities
- Engage business on development opportunities and what the municipality can do to assist
- Assist co-operatives to become more business orientated
- Improve the telecommunication infrastructure
- Look at developing the communication and computer skills of the youth

MUNICIPAL PRIORITIES

The following municipal priorities were identified through the Mayoral outreach and IDP Representative Forums.

1. Roads - Priority areas are places with no approach roads. In W 14, 16, 19 and 10 the emphasis should be on paving roads. Also a job creation opportunity
2. Land – Lack of land and tenure problems. The SDF indicates Sterkspruit as priority node. Look at expanding Sterkspruit and the development of Barkly as a priority issue
3. Job creation – Need to improve skills level of population
4. Recreational facilities – Needed in every ward especially for youth
5. LED – Look at agro processing e.g wool washing.

6. Communication and public participation-

Public participation must be increased. Network poles and transmitter poles for television are desperately needed in most areas.

The following are priorities outside the Municipality's powers and functions but need addressing

- 1) Water
- 2) Sanitation
- 3) Electricity
- 4) Disaster management

KEY PERFORMANCE AREAS

For the municipality to effectively deal with underdevelopment and poverty, the following Key Performance Areas were identified for measurable performance within a defined framework.

1. Good governance & public participation
2. Municipal transformation and institutional development
3. Municipal financial management and viability
4. Local economic development
5. Basic Service delivery and infrastructure

These 5 key performance areas are derived from the 5 year local government strategic agenda.

ALIGNMENT WITH DISTRICT, PROVINCIAL AND NATIONAL PRIORITIES

National Priorities	Provincial Priorities	Local Gov. KPA	Outcome
<p>Strengthen skills and human resource base.</p> <p>Pursuing African advancement and enhanced international cooperation.</p> <p>Building a developmental state including improvement of public services and strengthening democratic institutions.</p>	<p>Massive programme to build social and economic infrastructure.</p> <p>Strengthen education skills and human resources base.</p> <p>Building a developmental state and improving the public service and democratic institutions</p> <p>Building cohesive, caring and sustainable communities</p>	<p>Municipal Transformation and Institutional Development</p>	<p>Quality basic education.</p> <p>Skilled and capable workforce to support an inclusive growth path.</p> <p>All people in SA are and feel safe.</p> <p>Responsive, accountable, effective and efficient LG System.</p> <p>An efficient, effective and development oriented public service and an empowered fair and inclusive citizenship.</p>
<p>Intensify the fight against crime and corruption;</p>	<p>Intensifying the fight against crime & corruption;</p>	<p>Municipal Financial Viability and Management</p>	<p>Responsive, accountable, effective and efficient Local Government System</p>
<p>Intensifying the fight against crime and corruption.</p> <p>Build cohesive, caring and sustainable communities.</p> <p>Pursuing African advancement and enhanced international cooperation.</p> <p>Building a developmental state including improvement of public services and strengthening democratic institutions</p>	<p>Intensify the fight against crime and corruption.</p> <p>Building cohesive and sustainable communities.</p> <p>Building a developmental state including improvement of public services and strengthening democratic institutions</p>	<p>Good Governance and Public Participation</p>	<p>Vibrant, equitable, sustainable rural communities contributing towards food security for all.</p> <p>Responsive, accountable, effective and efficient LG System.</p> <p>An efficient, effective and development oriented public service and an empowered, fair and inclusive citizenship.</p> <p>Create a better South Africa, better Africa and a better world.</p>
<p>Speeding up economic growth & transforming economy to create decent work and sustainable livelihoods;</p> <p>Comprehensive rural development strategy linked to land and agrarian reform & food security.</p>	<p>Speeding up growth & transforming the economy to create decent work & sustainable livelihoods;</p> <p>Rural development, land & agrarian reform and food security;</p> <p>Massive programme to build social & economic infrastructure.</p> <p>Building cohesive & sustainable communities.</p> <p>Building a developmental state.</p>	<p>Local Economic Development</p>	<p>Decent employment through inclusive economic growth.</p> <p>An efficient competitive and responsive economic infrastructure network.</p> <p>Vibrant, equitable, sustainable rural communities contributing towards food security for all.</p> <p>Sustainable human settlements and improve quality of household life.</p> <p>Protect and enhance our environmental assets and natural resources.</p>

Improve health profile of the nation.	Improve the health profile of the province.	Basic Service Delivery and Infrastructure Development.	An efficient, competitive and responsive economic infrastructure network.
Comprehensive rural development strategy linked to land and agrarian reform & food security.	Rural development, land and agrarian transformation, and food security.		A long and healthy life for all South Africans.
Massive programme to build economic & social infrastructure;	Massive programme to build social and economic and infrastructure.		Sustainable human settlements and improve quality of household life.
Sustainable resource management and use.	Building a developmental state.		Protect and enhance our environmental assets and natural resources.

It should be noted that no Municipal Turnaround Strategy is incorporated into the IDP as the municipality has completed the objectives noted in the strategy.

MUNICIPAL STRATEGIC DEVELOPMENT OBJECTIVES

Focus Area	Objective	Strategies	Baseline	Annual Target	Targets				Input Indicator	Output indicator	Outcome Indicator	Responsible Official	Possible Variance factors
					Q1	Q2	Q3	Q4					
KPA: BASIC SERVICE DELIVERY & INFRASTRUCTURE													
Traffic	To ensure effective management of infrastructures and facilities	Effectively operating traffic section	SLA Monthly & quarterly reports on licensing, eNatis and traffic statistics like fines. Build a driver's test/training centre in Sterkspruit	Effectively operating traffic section	Licensing centre established in Sterkspruit	Traffic register of fines Contract signed with service provider to build test centre by September 2012	Monthly and quarterly implementation reports Test centre built by December 2012	Established licensing test centre Administrative and financial compliance	Finance				
Spatial planning	To provide adequate cost effective sustainable basic services	New SDF by 2015	Annual SDF review	Annual SDF review	Annual SDF review	New SDF	SDF review	An SDF was developed in 2009 and has been reviewed annually	SDF	Updated SDF Approved SDF by May 2014	Well-coordinated development	Technical Services	
Roads	To maintain and upgrade existing access roads and stormwater	Replace and increase plant and equipment											
		Maintain rural and urban gravel roads		60 km	15 km	15 km	15 km	15 km	Annual operation plan by ... 2013	Completed roads (monthly reports)			
		Maintain and construct storm water		84 km	21 km	21 km	21 km	21 km	Annual operation plan by2013	Maintained storm water (monthly reports)			
		Repair and replace traffic signage		8 signs	2 signs	2 signs	2 signs	2 signs	Annual operation plan by2013	8 signs on asset register			
		Undertake pothole repairs on surfaced roads		Ongoing	Identify potholes monthly	Identify potholes monthl	Identify potholes monthl	Identify potholes monthly	Pothole identification report	Pothole repair report (monthly)			

					y	y								
					Repair potholes monthly	Repair potholes monthly	Repair potholes monthly							
		Resurface existing poor roads (chip & spray)		1.8 km	Training of participants	600 m	600m	600m	business plan by ..2013	1.8 km of road done				
										...trained in chip and spray				
										.. Jobs created				
		Capacitation of road staff			Land survey course for 1									
					Time management course for 12				Training schedule	Certificates				
					Road construction course 1									
					Operator courses for grader operator and TLB operator									
		Electrical	To maintain and upgrade the existing network	Reduce electricity losses (network, meeting etc rehabilitation)	Upgraded KVA meters	5 km restringing and replacement of open conductors								
	Upgraded lines and poles installed where poles are too far apart													
Acquire sufficient vehicles, plant and equipment														
Ensure legal compliance on networks ,				Install prepaid meters on demand basis										

	reporting and consumers		Sitting of Electricity forum annually for COC's and electrical issues						Minutes of meeting and attendance register				
	Attempt to get extra funding from DME for rural electrification	BE new extension, LG new extension have no electricity. ESKOM has applied to electrify the houses but the municipality wishes to do this to ensure additional income. However a consultant would need to be appointed to develop a business plan for submission to the DM in order to obtain the necessary funding	Appointment of consultant by...										
Development of business plan by..													
Submission of BP to DME by ...													
Obtain sufficient competent staff			2 junior electricians appointed by...										
Ongoing maintenance													
Public lighting			Replace 6 high mast lights (3 in BE and 3 in LG)										
			Replace conventional street lights with LED (300)						asset register, photographs, job cards and monthly reports				
			Install 1200 new street lights in LG & BE						asset register, photographs, job cards and monthly reports				

				Install 25 street lights in LG from T junction to Steve Tshwete						asset register, photographs, job cards and monthly reports			
				Install 70 street lights in BE to new RDP houses						asset register, photographs, job cards and monthly reports			
		Training		Electrical construction design (1)									
				Computer courses (3)									
				Metering (6)									
				Electricity NTC level (4)									
				Time management (4)									
Housing, building control and town planning	To provide sustainable infrastructure development by improving and building housing infrastructure and land administration/building control (1)	Obtain vehicles and equipment											
		Establish housing beneficiary lists		Develop a database of each ward by..									
				Review housing sector plan by..									
Building control		Review and development of land and building control bylaws by ...											

			Monthly Report on erf zoning and housing plans										
		Training	Building control and enforcement 91)										
			SAMETREC course (1)										
			Computer course (3)										
			Time management (4)										
		Town planning	Review of SDF by March 2014										
			Updating of Zoning register by ...										
			Development of town planning policies by...										
			Updating of zoning maps by..										
		Services	Transfer of 100 LG, 100 B, 20 Rhodes and 10 houses in Rossouw										
Administration		MIG implementation											

		Obtain vehicles and equipment											
		Obtain IT equipment											
		Training											
		Fleet management		Paving of fleet bay and access road by ...									
Libraries	To provide reading and study material	To promote and participate in library week activities	community literacy	observing annual library week activities	None	library week in March develop the concept during 3rd quarter and take it to the standing committee	observing library week		Develop library week concept document by 31 January 2014	Attendance register of library week participation	Increased library use (register)	Lungile Booi	Unavailability of funds from DSRAC
	To promote reading amongst the youth												
Community Halls	To provide and maintain community facilities to promote social cohesion	To provide 1 hall per ward by 2016	hall required per ward	hall in ward 3	develop specifications and advertise	building commences	progress reporting	completion of the project	develop specifications and procure service provider	1 hall built	increase in ward meetings	C.N.L.Gologolo	there could be a delay through supply chain processes
		To maintain and upgrade existing facilities	hall in bad state of repair	3 halls to be renovated	develop specifications and advertise	renovation commences	progress reporting	completion of the project	Procure service provider to maintain Transwilger, molweni Bantwana and Fairview	3 maintained halls	increase in usage of halls	C.N.L.Gologolo	
Cemeteries	To provide and maintain community	provision of burial plots	on a needs bases						number of plots available	no of plots sold	decrease in cemetery space		

	facilities	To build, control and maintain cemeteries	cemetery in Barkly East and cemeteries in Sterkspruit and villages	Barkly East Sterkspruit, Herschel, Hoita, Mmusong	specificat ion and advertis ment	awardi ng and comm encem ent	progre ss reporti ng	completion of the project	Development of Barkly East dependant on EIA approval	Barkly East , Herschel, Sterkspruit, Hoita, Mmusong	Increase in cemeteries in Senqu	C.N.L.Gologolo	
					develop plan	reque st for inputs	take it to standi ng commi tee	operate	Cemetry maintenance operational plan by 30 July 2014	Maintenance statistics			
		Pauper Burial	on a needs bases	2 burials	on a needs bases	on a needs bases	on a needs bases	on a needs bases	applications for burials	buried indigents	2 assissted families	C.N.L.Gologolo	there could be no pauper burials if no indigent deaths
Sport & recreation facilities	To provide basic sport and recreation facilities within the identified communities areas	To upgrade and renovate sports fields and buildings in rural and urban areas	Barkly East needs upgrading	upgrading of Barkly East Sport facility	develop specificat ions and advertise	awardi ng and comm encem ent	progre ss reporti ng	completion of the project	upgrading of Barkly East sports facility	upgraded facility	increased number of sports events held	C.N.L.Gologolo	
					adjudicati on and awarding	appoin tment of contra ctors	comm encem ent	completion of the project	Building of sportsfields in Zava and Gcina	new sports facilities Zava and Gcina	availability of sports activities at Gcina and Zava	C.N.L.Gologolo	
									Fencing of Barkly East sports grounds				
Municipal property and asset maintenance	To ensure that municipal buildings and assets are maintained and secured	Well maintained and secured municipal buildings	Well maintained and secured municipal buildings	Well maintained and secured municipal buildings	Well maintain ed and secured municipal buildings	Well mainta ined and secure d municip al buildin gs	Well mainta ined and secure d municip al buildin gs	Municipal buildings are maintained on an adhoc basis	Annual maintenance plans ToR Tender for maintenance of Mayoral house, Municipal house, office shelters and office space Telephone system	Maintained buildings Less than 5 % downtime of telephone system Implementati on of security systems including	Maintained municipal assets	Corporate Services	

										signed SLA's			
									security needs analysis	Quarterly reports and service provider performance reports			
Parks and public open spaces	To provide and maintain parks and open spaces creating a pleasant environment for the communities	Regular cutting of grass and pruning of trees on sidewalks and open spaces	to improve the aesthetics of the towns	compliance with the operational plan	operational	operational	operational	operational	operational plan	monthly reports	improved aesthetics(reduction in number of complaints)	C.N.L.Gologolo	application of licence depends on approval by dedead and may not happen in the same year
			develop operation plan	implementation of the operational plan	operational	operational	operational	operational	operational plan by July 2013	implimentation of the plan	reduction in complaints	C.N.L.Gologolo	
Commonages	To manage commonages within Senqu municipality	To maintain and repair fencing on commonages	fence gets stolen by residents	repair where the fence is missing	personnel to move around commobages to identify where fencing is missing	procurement of fence	fix fence where necessary	fix fence where necessary	identify where fence needs to be repaired	reports on fencing	improved veld management	C.N.L.Gologolo	
		To control overgrazing in commonages by stock rotation	stock register	develop a stock register	supervisors to get information on commonage users	develop register	maintain register	maintain register	quartely stock counts	reports on stock in commonage	decrease in overstealking rates	C.N.L.Gologolo	
Waste Management	To provide efficient and economical refuse collection and	Daily cleaning of streets in 6 towns	No waste sites are licenced. Lady Grey and Barkly East	compliance with the operation plan	operational	operational	operational	operational	operational plan	monthly reports	improved aesthetics	C.N.L.Gologolo	

	recycling services.	Development and registration of solid waste sites Management of the waste disposal sites in accordance with prescribed rules Weekly household refuse removals	sites have permits . There is weekly h/hold refuse collection							Sterkspruit, Herschel waste sites being built. Purchase of compactor truck	monthly reports	improved management of the waste sites	C.N.L.Gologolo	not enough personnel to do this. We also depend on the district municipality inspections before we can award licences
Public safety	Control of stray animals	impounding and maintenance of pounds	removal of stray animals on the roads and streets	impounding animals when reported	on a needs bases	on a needs bases	on a needs bases	on a needs bases	reports/complaints of stray animals	Record of impounded animals	improved observance of animal control by owners	C.N.L.Gologolo		
									Pound maintenance					
Business and street trading	To manage and licence businesses in accordance with the Business Act	to make sure that all businesses comply with their trading licences	not all businesses have licences	inspecting all formal businesses for licence	send interns to visit businesses after a training	forward application to district municipality for inspection for compliance	issue licences to those who qualify	follow up on outstanding applications from district municipality	number of licenced businesses	report of all businesses checked for licence compliance annually	increase in number of licence applications	C.N.L.Gologolo		
	To control and licence street trading	to make sure that street traders have licences	not all street traders have licences	inspecting licences of informal street traders	send peace officers to inspect licences				number of licenced street traders	report of all street traders checked for licencing	increase in number of licence applications	C.N.L.Gologolo		
KPA: MUNICIPAL FINANCIAL MANAGEMENT AND VIABILITY														

Customer Billing	To expand and protect the municipal revenue base by providing accurate bills for services rendered	All bills are accurate and delivered and processed monthly	Monthly processing of customer accounts. Accounts are 98 % accurate and delivered timeously	Monthly processing of customer accounts. Accounts are 98.5 % accurate and delivered timeously	Monthly processing of customer accounts . Accounts are 99 % accurate and delivered timeously	Monthly processing of customer accounts. Accounts are 99.5 % accurate and delivered timeously	Monthly processing of customer accounts. Accounts are 100% accurate and delivered timeously	Inaccuracy in customer billing	Existing consumer accounts	Accurate consumer accounts processed monthly and delivered	Enhanced financial viability	Finance	
Indigent register	To improve service delivery ,quality (cost effectiveness and efficiency by updating the indigent register annually for free basic services (FBS)	Updated indigent register with persons receiving free basic services	Updated indigent register with persons receiving free basic services	Updated indigent register and persons receiving free basic services	Updated indigent register and persons receiving free basic services	Updated indigent register and persons receiving free basic services	Updated indigent register and persons receiving free basic services	Free Basic services implemented on demand.	Updating of indigent register monthly	Quarterly reports on indigent application and FBS applications	Effective indigent register and integrated approach to FBS approach	Finance	
Valuation roll	To expand and protect the municipal revenue base	Completed valuation roll	Completed valuation roll	Completed valuation roll	Completed valuation roll	Completed valuation roll	Completed valuation roll	The valuation roll is done annually	Valuation roll	Processing of objections	Expand and protect municipal revenue by collecting all revenue due to Council	Finance	
Asset Management	To manage , control and maintain all municipal assets according to MFMA regulations and good asset management practises	Fully GRAP Compliant Asset register	Fully GRAP Compliant Asset register	Fully GRAP Compliant Asset register	Fully GRAP Compliant Asset register	Fully GRAP Compliant Asset register	Fully GRAP Compliant Asset register	GRAP compliant register exists	Asset register developed with movable and immovable assets monthly and barcoded	Asset register approved	Fully GRAP compliant register	Finance to compile asset register	
									Annual stock counts Dec 2012 and June 2013	Inventory records	Control and management of assets by	All Directorates to count, report	

											June 2013	new assets and identify assets for disposal and do stock takes	
										Asset disposal plan developed	Approved asset disposal plan		IPME to monitor compliance of submission timeframes
										Unbundling of assets	Assets unbundled By June 2013		
										Assets policy	Assets disposed by March 2013		
Supply chain management	To comply with the MFMA prescriptions of supply chain management	Legislative compliance of supply chain management	Supply chain management policy exists	SCM policy implementation reports submitted to MM and Mayor within 10 days after a quarter and within 30 days after end of financial year	Implementation of scm reports		Finance						
									SCM policy review	Reports	SCM policy reviewed and improved accountability and governance	IPME to monitor compliance on submission timeframes	
										Compliance reports on bids of over R100 000 to National Treasury	SCM policy reviewed		Delays in training
										Service Provider performance reports			

										submitted and incorporated into S46 reports by 31 July 2012 S 46 report submitted to AG 31 August 2012					
To ensure the financial viability of the municipality	To ensure the financial viability of the municipality by applying the Cogta prescribed ratios for debt coverage, outstanding service debtors to revenue and cost coverage	Cash backed budget	Budget related policies are in the process of being reviewed	Adoption and implementation of Budget related policies	Debt coverage ratio	Cash backed budget	Finance								
	To manage the insurance portfolio									Councils insurance portfolio	Outstanding service debtors to revenue ratio			Updated annual insurance policy	Continued civic unrest
	To report on external debt to revenue									Cost coverage ratio Report monthly on external debt to Revenue	Continued civic unrest				
Legal compliance	To comply with the MFMA prescripts by submitting various documents	100 % MFMA compliance	Compliance has been good	AFS compiled	AFS approved and submitted to AG by 31 August 2012	AFS resubmitted to AG 30 Nov 2012 and activity plan prepared by June 2013	Finance								
										reconciliation of assessment rates	Submit S 71 report monthly by no later than 10 working days after month	Annual assessment rates billed by September 2012	IPME to monitor compliance of submission timeframes		
										Monthly grants and other funds reconciliation report (actual vs budget)	Submit S 72 report by 31 Dec 2012	Compliance with MFMA deadlines			

									Monthly budget statements to NT no later than 10 working days after month	Draft adjustment budget	Adopted adjustment budget	
									Compile S 71 report	Serviced loans by March 2013		
									Compile S 72 report	Monthly cash collection reports		Civil unrest which prevents effective public participation
									Existing budget			Meetings are not held by the DM
									External loans			
Expenditure	To increase the amount of expenditure on the capital and operational budget	100% expenditure of OPEX and CAPEX budget	95% expenditure of OPEX and CAPEX budget	96% expenditure of OPEX and CAPEX budget	97% expenditure of OPEX and CAPEX budget	98% expenditure of OPEX and CAPEX budget	100%	71 % of the capital budget was actually spent in the last FY	SDBIP	% of the capital and operational budget spent actually identified for the year in	Financial resources are effectively managed	All Directorates for quarterly expenditure reports and control of budgets

						X budget					terms of the IDP		
	To purchase office furniture and equipment									Furniture and equipment needs identified by September 2012	Office furniture and equipment procured by March 2013		Corporate services on the WSP expenditure
	To ensure 100 % expenditure on skills training (WSP)									WSP adopted	Quarterly expenditure reports		
Payroll	To ensure good payroll management and implementation	Good payroll administration	Timeous processing of payroll amendments Verification and reconciliations of payroll data Monthly processing of payroll	Good payroll administration	Good payroll administration	Good payroll administration	Good payroll administration	Lack of oversight. Inaccuracies raised in payroll processes	Monthly verification of data	Payroll processing	Monthly & quarterly monitoring reports	Finance	
Electricity	To ensure financial viability	Less than 3 % leakage	Decrease the electricity losses by 10 %	Decrease the electricity losses by 8%	Decrease the electricity losses by 6 %	Decrease the electricity losses by 4 %	Decrease the electricity losses by 3 %	Electricity leakages have been reduced drastically	Facilitate the Implementation plan	Implement and monitor the implementation plan Quarterly reports to curb 20% losses		Technical Services	
Telephones	To ensure financial viability	To ensure proper usage of telephones	To decrease the telephone bill by 25 %	To decrease the telephone bill by 35 %	To decrease the telephone bill by	To decrease the telephone bill by	To decrease the telephone bill by	The telephone bill has increased rapidly	Telephone register	Monitored monthly telephone usage reports	Good governance	Corporate Services	

					45 %	one bill by 55%	one bill by 65 %			Printed telephone bills	25 % decrease in telephone bill by June 2013		
KPA: GOOD GOVERNANCE AND PUBLIC PARTICIPATION													
Public Participation and Communication	To promote interactive communication with customers around service delivery issues.	Development of a functional customer care system by 2016	The Presidential hotline system is in place. A Customer Care Officer has been engaged. A customer care policy has been developed and sent to Council and adopted in November 2012.	Install customer care line and have it operational by September 2013	Customer care line operational by September 2013	None	None	None		Telkom application for additional line by July 2013	Installation of line (signed Telkom job card)	Issue Manager reports (monthly)	Jaza
			There is only one person permanently employed for customer care and public participation.	Staffing of the unit with interns	2 interns engaged by September 2013	2 interns trained in customer care by December 2013	None	None		Signed contracts of interns by September 2013	Attendance certificates for training	Issue manager reports (monthly)	Jaza
			A customer satisfaction survey has been done in 2011/12 FY	Customer satisfaction survey by December 2013	Developing questionnaire by September 2013	Conduct customer satisfaction survey by December 2013	Publication results of survey by March 2014	None		Customer satisfaction survey questionnaire by September 2013	Conducted customer satisfaction survey by December 2013	Improved customer care system (customer care action plan for the next FY to resolve areas of weakness by May 2014)	Jaza

				Launch the public participation forum by December 2013	Develop ToR for the public participation forum by September 2013	Launch the public participation forum by December 2013	Quarterly meeting of the forum	Quarterly meeting of the forum	Public participation forum TOR by July 2013	Launch of Public Participation Forum by September 2013	Better coordinated public participation campaigns (quarterly reports)	M-A Theron
		Development and implementation of an annual public participation plan	There is a developed public participation policy. It requires adoption.	Adoption of the annual public participation plan by December 2013	Adoption of public participation policy by September 2013	Adoption of the annual public participation plan by December 2013	Quarterly reports of public participation	Quarterly reports of public participation	Development of annual participation plan by September 2013. adoption of public participation plan by September 2013	Adoption of Public participation plan by December 2013	Better coordinated public participation campaigns (quarterly reports)	M-A Theron
		Ensure an annually updated and legally compliant website	The website is currently under the control of the Finance department. The communications officer still needs training on how to upload and upgrade website content. The finance department will look after the computer site of the website	Training of the communication officer by July 2013	Training on website by							
				Revamped, compliant and updated website by September 2013	Develop a compliance website register by 30 July 2013	Monthly update of website	Monthly update of website	Monthly update of website	Website compliance register by July 2013	Revamped website launched by September 2013	Informed communities (increased number of hits)	T.Koena
					Website redesign and launch by September 2013							

		Annual review and implementation of the communication strategy	The communication strategy is reviewed annually to update the implementation plan	Review of the strategy implementation plan by September 2013	Review of the strategy implementation plan by September 2013	Review of the strategy implementation plan for 2014/15 by December 2013	Implementation of the implementation plan	Implementation of the implementation plan	Adopted communication strategy	Reviewed implementation plan	Better informed communities and increased visibility of the municipal brand (monthly reports)	T.Koena	
		Development of the institutional branding policy by 2014	There is no policy and officials use the logo without any adherence or thought to how it affect the municipal brand	Adoption of the policy by November 2013	Develop policy by September 2013	Adoption and work shopping of policy by November 2013	Power point master slide adoption by March 2014	None	Development of the branding policy	Adopted policy	Decrease in non adherence to brand guidelines (quarterly reports)		
	To promote the mainstreaming and upliftment of HIV and AIDS , women and children, youth, people with disabilities and the elderly into municipal projects	Develop and adopt a mainstreaming strategy by December 2013	There is no mainstreaming policy in place	Develop and adopt a mainstreaming strategy by December 2013	Engage a service provider to do the policy by September 2013	Adopt a mainstreaming strategy by December 2013	None	None	TOR for the service provider by July 2013	Adopted mainstreaming strategy by December 2013	Recognition of designated groups in municipal projects (Annual Employment statistics)	N.Morobi	
SPU		Have quarterly meeting of SPU structures	Women economic empowerment structure, Youth council, Local Aids Council and people with disability structure	Quarterly meetings of all forums	Quarterly meetings of all forums	Quarterly meetings of all forums	Quarterly meetings of all forums	Quarterly meetings of all forums	Meeting schedule	Quarterly meeting minutes	Informed structures (minutes)	N.Morobi	

		Development and adoption of annual activity plan by SPU structures	Structures design their annual activity plan with a budget	Annual activity plan for all structures by September 2013	Develop and adopt an annual activity plan by September 2013 for all structures	Quarterly implementation reports	Quarterly implementation reports	Quarterly implementation reports	Adopted annual activity plan by September 2013	Activity plan implementation (minutes)	Upliftment of designated groups in society (implementation minutes)	N.Morobi	
PMS	To promote and instil an culture of performance management in Senqu municipality	Review the existing PMS policy											
		Establish a PMS Committee.											
		Ensure regular reporting of departments annually											
		Implement the PMS system on an annual basis											
Compliance and Risk Management	To promote and instil good governance practices within Senqu municipality	Develop and monitor an annual compliance checklist for all departments											
		Develop and monitor an annual risk management register											
Integrated Planning	To promote and instil holistic planning practises within the Senqu municipality.	Develop and implement an annual IDP process plan with the community and IDP and Budget Steering committee	An annual IDP and budget process plan is developed with the IDP & budget Steering Committee. This is then adopted by Council in the August of the preceding FY.	IDP and budget process plan developed and adopted in August 2013	IDP & budget process plan developed in July 2013. IDP & budget process plan adopted in September 2013	Phase 1-2 completed of the plan	Phase 3-5 of the plan completed. Draft IDP and budget adopted in March 2014	Final IDP and budget adopted in May 2014	Adopted IDP and budget process plan by August 2013	Draft IDP and budget adopted March 2014	Provincially declared credible IDP	B.Viedge	

		To ensure that annual public and inter sectoral participation in planning processes occurs.	There is an IGR forum at the DM in which the LM participates	Attend IGR meeting held at the DM level	Quarterly meeting attended	Quarterly meeting attended	Quarterly meeting attended	Meeting schedule/invitation	Minutes of the meeting	Greater interaction with sector departments (letters, invitations etc)	M-A Theron	
KPA: MUNICIPAL TRANSFORMATION & INSTITUTIONAL DEVELOPMENT												
Effective management of staff and policy and procedure processes	To ensure an institution capable of effective service delivery with sound administration	High staff discipline and performance	High staff discipline and performance	High staff discipline and performance	High staff discipline and performance	High staff discipline and performance	High staff discipline and performance	Staff discipline and performance is monitored. Line Managers still need further training on how to deal with disciplinary issues	Labour law	Disciplinary cases completed	Quarterly reports	Corporate Services
			Review of bylaws						disciplinary cases	bylaws reviewed	Bylaws gazetted	
			Review of operational policies						Existing bylaws	Policy review facilitated and staff trained	Adoption of operational policies	
			Leave and sick leave management						facilitate review of operational policies	implementation of leave and sick leave policy	Disciplined work environment	
									leave and sick leave policy			
ICT maintenance	To improve service delivery quality	An effective and efficient ICT service	Annual maintenance of ICT hardware and software	Annual maintenance of ICT hardware and software	Annual maintenance of ICT hardware and software	Annual maintenance of ICT hardware and software	System maintenance improved	ICT hardware and software	Maintenance checks	Oversight and monitoring, maintenance and backup reports monthly and quarterly	Finance	
			Disaster recovery plan implemented	Disaster recovery plan implemented	Disaster recovery plan implemented	Disaster recovery plan implemented						
Legal and contract management	To ensure effective and inspiring governance	All contracts are up to date and that the	All contracts are up to date and that the necessary legal	All contracts are up to date and that the	All contracts are up to	All contracts are	All contracts are	Legal services are outsourced.	Existing contract Register	Contracts renewed	Improved accountability and	Corporate Services

		necessary legal services are contracted	services are contracted	necessary legal services are contracted	date and that the necessary legal services are contracted	up to date and that the necessary legal services are contracted	up to date and that the necessary legal services are contracted	A contract register exists	requests for legal services	Legal services contracted	governance	All Directorates to ensure that contracts and SLA's are signed and renewed and contract performance monitored	
									Signed contracts and SLA's	Updated contract register			
										Contract performance monitored before payments made			
KPA: LOCAL ECONOMIC DEVELOPMENT													
Tourism	To increase the number and length of stay of foreign and domestic tourists in the Senqu municipal area by 2017	To market Senqu Municipality as an destination by printing brochures and attending expos	Tourism Indabas are attended every year and brochures and information disseminated	Attend Die Beeld, Indaba and Destinations expo	Destinations Expo attended	None	Attend Die Beeld expo	Attend the tourism Indaba	Develop Brochures	Distribute brochures	Increase the number of Tourists visiting the area	TO and LTO member	
		Develop and implement the Senqu tourism website by 2015	Website up and running but requires more information	To have all information of the places of interest loaded on the website	Gather information on places of interest	Prioritise places with LTO	Decide with LTO what needs to go on website	Upload information on website	Gather information	Upload information	Increase in numbers of hits on website	TO and LTO members	
		Strengthen and capacitate LTO and CTO's	CTO's have been launched but are still not operating satisfactorily. The tourism office has been opened	Develop and implement an annual capacitation plan for CTO's and LTO by June 2014	Develop and adopt the annual capacitation plan by September 2013	Implement the capacitation plan	Monthly reports on project progress	Monthly reports on project progress	LTO and CTO's capacity needs	Capacitated CTO and LTO members		TO	

		Emerging product owners have been mentored		CTO to identify and mentor 2 emerging tourism product owners by December 2013	Receive applications by September 2013	Identify 2 emerging tourism product owners by December 2013	Monthly mentor reports	Monthly mentor reports	Applications by December 2013	Identified product owners by December 2013	Monthly mentor reports	TO	
		Community tourism awareness campaigns have been conducted in the past.		Run 1 tourism community awareness campaign by September 2013	Run 1 tourism community awareness campaign by September 2013	None	None	None	Community awareness campaign proposal by July 2013	Completed campaign minutes by October 2013		TO	
		Existing picnic sites and viewing points are in a bad state		Identified sites and signs for implementation and upgrading	CTO to identify signage and site needs by September 2013	Identified Signs and sites costed	Identified sites and signs upgraded and put up by March 2014	None	Identified sites and signs by September 2013	Completed upgrading of sites and signs by March 2014	Decrease in complaints received by product owners about tourists getting lost.	TO	
		The municipality has funded events in the past like the Passion Play and Duathlon		CTO to support at least 2 events for promotion by June 2014	CTO to identify at least 2 events for promotion by September 2013	Quarterly reports on events promoted	Quarterly reports on events promoted	Quarterly reports on events promoted	CTO to identify at least 2 events for promotion by September 2013	Quarterly reports on events promoted	Increase in event participation	TO	
		Arrange for meetings to establish working relations		Establish working relations with all relevant stakeholders and sign SLA's	Meeting in FS with relevant tourism authorities	Meeting in Lesotho with tourism	Develop SLA's with FS tourism	Sign SLA's with relevant FS tourism authorities	Arrange meetings	Reach agreements with all stakeholders	Signed SLA's with relevant FS tourism organisations	TO	

		of Lesotho Tourism body		with FS tourism organisations	s	authorities	m authorities						
		Develop an annual events calendar	There is currently no calendar of events for the Senqu area	Develop a calendar of events for the Senqu area by December 2013	None	Develop a calendar of events	None	None	Gather information	Develop calendar of events	have more people attending the events	TO and LTO members	
LED	Making the municipal area more attractive to investors, tourists and individuals	Improve the physical and infrastructural appeal of the area	The CBD's of the towns have been neglected	Sterkspruit regeneration plan	Review previous TOR by September 2013	Appoint service provider by December 2013	Adopt plan by March 2014	None	Reviewed TOR for the service provider by September 2013	Adopted plan by March 2014	Development projects budgeted for 2011/15 FY	LED Officer	
	Create a conducive environment for existing, new and start-up businesses	Assist businesses with information about various funding institutions and assist them to gain funding	Many businesses approach the municipality for financial assistance and support with funding applications	Minimum of 2 funding applications for the year	None	2 funding applications developed by December 2013	2 funding applications submitted by March 2014	Correspondence from funding institutions by June 2014	2 funding applications developed by December	2 funding applications submitted by March 2014	Letters of acceptance and rejection by funding organisations by June 2014	LED Officer	
		Develop a trade and investment policy	The municipality has no policy in place to promote trade and investment	Adopted trade and investment policy by March 2014	Develop ToR or service provider by September 2013	Appoint service provider by December 2013	Policy completed and adopted by March 2014	All municipal policies aligned to prevent red tape to prevent trade and investment by June 2014	TOR for policy development by September 2013	Policy adopted by March 2014	All municipal policies aligned to prevent red tape to prevent trade and investment by June 2014	LED Officer	
	Support income generation activities for the poor	Participate in CWP and EPWP programmes	The municipality currently participates in CWP programmes as part of the PSC. The municipality has its own job	300 jobs created in all Directorates	BP's submitted to Job creation fund by July 2013	Participants appointed by December 2013	Monthly reports on project progress	Monthly reports on project progress	Business plans submitted by July 2013	Completed project reports by June 2014	No of jobs created	IPME Director	

			creation fund which works on EPWP principles										
Establish appropriate mechanisms to implement the LED strategy	Ensure that the LED forum functions effectively and sits every quarter	The LED forum exists but does not sit regularly	Quarterly sitting of LED Forum	Quarterly meeting minutes	Quarterly meeting minutes	Quarterly meeting minutes	Quarterly meeting minutes	LED forum meeting schedule by July 2013	Minutes of quarterly meetings	Greater interaction with the private sector	LED Officer		
	Ensure that Unit members receive training	LED Unit members require some project management and computer skills	Trained officials	Submission of training needs by July 2013	Training as per the WSDP	Training as per the WSDP	Training as per the WSDP	Training schedule of the WSDP	Certificates of training	Improved reports and monitoring	IPME Director		
BBBEE	To promote the growth of BBEE and local contractors through supply chain management processes	45 % of tenders awarded to local businesses and BBBEE companies.	30 % of tenders awarded to local businesses and BBBEE companies.	35 % of tenders awarded to local businesses and BBBEE companies.	40 % of tenders awarded to local businesses and BBBEE companies.	40 % of tenders awarded to local businesses and BBBEE companies.	45 % of tenders awarded to local businesses and BBBEE companies.	Database is updated monthly. 54.4 % of tenders awarded to BBBEE companies in the last financial year	SCM Policy	Quarterly SCM reports on BBBEE tender awards	Promotion of BBBEE	Finance	
KPA: INSTITUTIONAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT													
Internet and emails	To provide an effective and efficient ITC service	An effective and efficient ITC service	Maintained and effective internet and email facilities	The ITC system is maintained on a regular basis	Maintenance schedule	Maintenance	Management and oversight reports	Finance					
HR Strategy	To have an effective and transparent performance driven organisation capable of effective service delivery with a sound administration	Implemented HR Development strategy	Implemented HR Development strategy	Implemented HR Development strategy	Implemented HR Development strategy	Implemented HR Development strategy	Implemented HR Development strategy	HR strategy was developed and approved but not implemented	HR Resources strategy review	Reviewed strategy Quarterly Progress Reports	Conducive working environment that promotes personal capacity development	Corporate Services	

						gy	gy	d			and growth		
Employment equity	To promote effective and inspiring governance	To ensure compliance with employment equity targets	Review, develop and implement and employment equity plan	Review, develop and implement and employment equity plan	Review, develop and implement and employment equity plan	Review, develop and implement and employment equity plan	Review, develop and implement and employment equity plan	The Employment Equity plan is not fully implemented	Employment Equity plan sent to Council with targets	EE Plan submitted by 1 October 2012	Promotion of employment equity and diversity	Corporate	
									IPME to check report submission by 1 October 2012	EE reporting templates submitted to Department of Labour		IPME to monitor compliance with submission dates	
										Quarterly reports on implementation including targets vs procurement and achievement per category of EE target			
Labour Forum	To promote effective and inspiring governance	Good labour relations	LLF sits regularly	LLF does not function as well as can be expected	LLF Meeting schedule	LLF Minutes	Maintenance and building of sound labour relations	Corporate Services					
Occupational Health & Safety	To have an effective and transparent performance driven organisation capable of effective service delivery with a sound administration	To ensure that all Senqu buildings and staff adhere to and implement OHS legislation	Implemented OHS Act	OHS /safety Committee does not function effectively	OHS Meeting schedule	OHS Meeting minutes	Creation of a safe and secure environment	Corporate services					
										Monthly and quarterly safety inspections			
Training	To have an effective and transparent performance driven organisation capable of effective service delivery with a sound administration	That the WSP is implemented on an annual basis	That the WSP is implemented on an annual basis and capacity of the work force developed	That the WSP is implemented on an annual basis and capacity of the work force developed	That the WSP is implemented on an annual basis and capacity of the work force developed	That the WSP is implemented on an annual basis and capacity of the work force developed	That the WSP is implemented on an annual basis and capacity of the work force developed	146 staff were trained in the previous financial year	C-ordinate skills audit	WSP adopted and implemented	Conducive working environment that promotes personal capacity development and growth	Corporate Services	
									Develop WSP	Submission of WSP			
										Staff capacitated			

						work force developed	work force developed							
Document management	To promote effective and inspiring governance	Functioning and effective document management system	Assess current system and fix gaps	Functioning and effective document management system	Functioning and effective document management system	Functioning and effective document management system	Functioning and effective document management system	Standard filing plan in place. Data is being backed up off site. Capacity issues exist and mail and document management not accurate	Current system assessed	Gaps filled in system	Management of institutional memory and functional records management and registry system	Corporate Services		
			Monitor implementation							Quarterly reports on implementation and ongoing monitoring				
										TOR to acquire electronic document management system by June 2013				
	A fully integrated manual and electronic document management system by 2016	A fully integrated manual and electronic document management system by 2016	Facilitate and plan for an electronic document management system	Implement a fully integrated manual and electronic document management system	Implement a fully integrated manual and electronic document management system	Implement a fully integrated manual and electronic document management system	A fully integrated manual and electronic document management system by 2016	Manual document management system functional / electronic system not functional /No dedicated funding for the acquisition of an electronic document management system Plan for Sebata Module to be developed and or placing of a divert to call for expression of interest for the development	Facilitation efforts & planning records seeking opportunities for the development of an electronic document management system (request to Sebata and or / place advert for expression of interest	Integrated manual & electronic document management system/Effective administration /migration of existing records & capturing of current records within a single repository in accordance with standards prescribed by the Archives Act and other relevant Acts to ensure that such records can be retrieved for future use.	Plan for a system by September 2012. Budget & Facilitate the acquisitions of an electronic document management by June 2013 system	Corporate Services		

								t of an electronic document management system					
Organisational structure	To have an effective and transparent performance driven organisation capable of effective service delivery with a sound administration	An adopted organisational structure that meets the needs of the municipality	To have all the vacant and funded positions filled	To have all the vacant and funded positions filled	To have all the vacant and funded positions filled	To have all the vacant and funded positions filled	To have all the vacant and funded positions filled	Organogram is being reviewed and has been adopted	Placement schedule by September 202	80 % of budgeted critical posts filled by June 2013	Effective and efficient human capital	Corporate Services to facilitate recruitment of staff	
		Signed job descriptions for all posts	Job descriptions for every post	Job descriptions are outdated	Develop and approve job evaluation local agreement	Identified outstanding and outdated job descriptions	Enhanced operational performance	All Directorates					
									Analyse existing job descriptions	Update all job descriptions benchmarked on TASK by June 2013		All Directorates	
												Corporate Services to facilitate the process	

										Develop placement policy by December 2012	Disputes managed as per placement policy by June 2013			
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MUNICIPAL DRAFT CAPITAL BUDGET

<u>Description</u>	<u>Description</u>	<u>2013 / 2014 BUDGET</u>	<u>Comments</u>
Council	CAP: Vehicles, Plant & Equip	800 000.00	Speaker Vehicle
Council	CAP: Furniture & Office Equi	300 000.00	Furniture Mayoral Residence
Executive	CAP: Vehicles, Plant & Equip	200 000.00	MM Municipal residence
Executive	CAP: Furniture & Office Equi	75 000.00	Additional Furniture for COO and Job Creation Intern
IAU	CAP: Vehicles, Plant & Equip	200 000.00	IA Vehicle
IAU	CAP: Furniture & Office Equi	50 000.00	New Executive Internal Auditor and two additional internal audit posts - Increase in S&T and Travel Costs. (Previously not included in executive budget) R 20 000 Audit Software needed to conduct internal audit work effectively - TeamMate or CaseWare
Planning & Development	CAP: Furniture & Office Equi	100 000.00	Additional Staff
Corporate Services - Finance & Administration	CAP: Furniture & Office Equi	400 000.00	R 200 000 Electronic Document R 200 000 System & Electronic Clocking System
Corporate Services - Finance & Administration	Buildings;	000 000.00	4 Office Space
Finance - Finance & Administration	CAP: Furniture & Office Equi	500 000.00	
Vehicle Licensing and Testing	CAP: Vehicles, Plant & Equip	600 000.00	R 300 000 * 2 Vehicles Traffic
Vehicle Licensing and Testing	Project: Driver Lic Train Ce	400 000.00	1 Renovation BE Traffic Station
Roads - Finance & Administration	CAP: Vehicles, Plant & Equip	500 000.00	LDV Planning & Pool Vehicle R 350 000 & LDV Pool Vehicle R 150 000
Roads - Finance & Administration	Fleet Bay;	000 000.00	1 Fleet Bay
Road Transport	CAP: Vehicles, Plant & Equip	660 000.00	2 TLB - R720 000 ; Excavator (20T) R 1 500 000 ; LDV (roads) R 220 000 x 2
Road Transport	Access Roads;	554 224.00	18 MIG
Road Transport	Bridges;	000 000.00	1 MIG
Electricity (Distribution)	CAP:Infrastructure;	400 000.00	3 R 3 000 000 Reticulation Upgrade & R 400 000 Transformers
Electricity (Distribution)	CAP: Vehicles, Plant & Equip	520 000.00	LDV - R 300 000 & LDV R 220 000
Electricity (Street Lighting)	CAP:Infrastructure;	508 176.00	1 R 500 000 Street Lighting own funds & R 1008 176 MIG Funding

Community Services - Finance & Administration	CAP: Furniture & Office Equi	40 000.00		New Laptop Director, New laptop CSSD MANAGER , scanner & overhead projector
Community & Social (Halls & Facilities)	CAP: Tools & Equipment;	60 000.00		Polisher (Town Hall)
Community & Social (Halls & Facilities)	Renovations: Community Halls	100 000.00	2	Renovations Rossouw Comm Hall R 800 000 ; Additional Toilets Bunga Hall R 300 000 ; Renovations Herschell Community Hall R 1 000 000
Community & Social (Halls & Facilities)	Project: Community Halls;	850 000.00	2	MIG
Community & Social (Halls & Facilities)	PARK ESTABLISHED	500 000.00		Establishment of a Park BE
Community & Social (Cemeteries)	Cemeteries (Phase 2);	900 000.00		MIG
Community & Social (Cemeteries)	Fencing: Cemeteries;	400 000.00	1	R 900 000 Fencing BE ; R 500 000 Fencing LG
Public Safety	Project: Pounds;	100 000.00	1	Animal Pounds LG R 800 000 ; Animal Pounds Barky East R 300 000
Sport & Recreational	Sport Facilities ;	792 950.00	4	MIG
Waste Management	CAP: Vehicles, Plant & Equip	220 000.00	3	Compactor Truck R 2 200 000 ; Tractor Rhodes R 400 000 ; Mower R 100 000 ; LDV R 220 000 ; Tractor Lady grey R300 000
Waste Management	Solid Waste Sites;	250 000.00	1	MIG
Waste Management	Weigh Bridge LG	500 000.00		Weigh Bridge at Waste Site (Lady Grey)

5 Year Construction Infrastructure Plan

Number	Description	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	Funder
1026	Access roads Ward 7,8 ,9 & 12	6,808,722	0	0	0	0	0	MIG
1038	Access Roads Ward 4,5 &6	3,080,922	0	0	0	0	0	MIG
1049	Kwezi Naledi stormwater	4,493,853	0	0	0	0	0	MIG
1088	Solid waste site Sterkspruit	2,303,585	Part of 2 000 000	0	0	0	0	MIG
1040	Sterkspruit taxi rank	500,000	0	0	0	0	0	MIG
1042	Transwilger bridge	2,500,000	0	0	0	0	0	MIG
1089	Sports facilities Barkly East	1,476,864	0	3 500 000 W 19	0	0	0	MIG

Number	Description	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	Funder
1025	Cemeteries	1,689,468	500 000 W 16 Barkly East	2 000 000 W 10	2 000 000 W 11	2 000 000	1 500 000	MIG
1033	Sports facilities Sterkspruit	0	3 993 570 W 10	0	0	0	0	MIG
1034	Upgrading & lighting of sportsfield Kwezi Naledi	1,075,490	0	0	0	0	0	MIG
1036	Community halls	0	1 500 000 W 16 Rhodes	1 500 000 W3	1 500 000 W 9	3 000 000 W 12 & 18	0	MIG
1035	Solid waste site Rossouw	0	Part of 2 000 000 W 15	0	0	0	0	MIG
1035	Solid waste site Rhodes	0	Part of 2 000 000 W 16	0	0	0	0	MIG
1035	Solid waste site Herschel	1,392,313	Part of R 2 000 000 W 11	0	0	0	0	MIG
1090	Mokhesi taxi bus route (future project)	0	0	0	0	0	0	MIG UF
1091	Pounds (future project)	0	0	0	0	0	0	MIG UF
1037	PMU		1 401 250	1 478 150	1 563 600	657 400	1 756 850	MIG
1001	Electrical rehabilitation	3,000,000	0	0	0	0	0	MIG
1050	Road surfacing Sterkspruit, Lady Grey & Barkly East	0	0	0	0	0	0	MIG
1047	Office construction	0	0	0	0	0	0	MIG
1019	Plastics Project	0	0	0	0	0	0	MIG
1072	Road surfacing Sterkspruit	0	0	0	0	0	0	MIG
1049	Storm water control Kwezi Naledi	0	0	0	0	0	0	MIG
1023	Land acquisition	0	0	0	0	0	0	MIG
1038	Maintenance of roads Wards 4,5 &6	0	0	0	0	0	0	MIG
1070	Call centre	500,000	0	0	0	0	0	MIG
1092	Sterkspruit land audit	0	0	0	0	0	0	MIG
1093	Title deed transfer	0	0	0	0	0	0	MIG

Number	Description	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	Funder
1066	Mass job creation	5,000,000						MIG
1075	Surfacing of Mlamli hospital road	20,000,000						UF
1094	Surfacing of Holo Hlahatsi dam road	11,800,000	0	0	0	0	0	UF
1074	Surfacing of Musong road	3,385,000	0	0	0	0	0	MIG
1038	Access roads Wards 4,5&6	0	0	0	0	0	0	UF
1026	Access roads Wards 7,8,9 & 12	0	0	0	0	0	0	UF
1027	Access Roads Wards 1,2, &3	0	0	0	0	0	0	UF
1037	Access roads Wards 10,11 & 12	0	0	0	0	0	0	UF
1043	Construction of 15 shearing sheds	0	0	0	0	0	0	UF
1036	26 Community centres	0	0	0	0	0	0	UF
1065	Sterkspruit Sewerage Treatment works	R 9,000,000	0	0	0	0	0	NGDP (UF)
1065	Sterkspruit settlement upgrade	R 18,175,156.80	0	0	0	0	0	NGDP (UF)
1065	Sterkspruit formalisation of quitrent	R 368,676	0	0	0	0	0	NGDP (UF)
1095	Access Roads		7 930 000 W 19,1,3,4,6	7 953 600 W5,8,9,12	6 551 720 W 13,15,17	20 000 000	30 000 000	MIG
1096	Bridges	0	10 700 000 W 5, 14	6 131 250 W 3,4	16 656 680	3 343 320 W5,6,7,17,18	0	MIG
1097	Sportsfields	0	0	0	3 000 000 W 13	3 000 000 W 2		MIG

MIG

<u>2012/ 2013</u> BUDGET	<u>2013/ 2014</u> BUDGET	<u>2014/ 2015</u> BUDGET
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MIG Capital Projects

4600/4122/0000	Access Roads	7 930 180	7 953 600	6 551 720
4600/4123/0000	Bridges	10 700 000	6 131 250	16 656 680
5301/4152/0000	Community Halls	1 500 000	1 500 000	1 500 000
5302/4116/0000	Cemeteries	500 000	2 000 000	2 000 000

Project	Budget			Funded	Proposed Funder	Plan
	2010/11	2011/12	2012/13			
Sterkspruit taxi stops in Rietfontein, Silindini, Ntsimekweni, Rockcliff, Skizana, Mokaesi, Ninanna, Phelandaba, Macaguma, Manxeba, Nomlenyana, Ndotela and Nkopane	4,68 M			No	DORT	JGDM ITP
Senqu pedestrian projects	1,8 M			No	DORT	JGDM ITP
Access roads in Wards 1,2,3(Phase 1	8.9 M			No	DORT	JGDM ITP
Access roads in Wards 4,5,6	7.5 M			No	DORT	JGDM ITP
Access roads in wards 7,8,9,12 (Phase 3)	8.5.m			No	DORT	JGDM ITP

Department of Rural Development & Agrarian Reform

PROJECT LOCATION	PROJECT NAME	LAND TENURE	DESCRIPTION	ESTIMATED BUDGET 2012/13
Phelendaba	Livestock	Communal	Fencing, Gabion structures & stock water system	R 700 000,
Lady Grey	Middelplaats	LRAD	Stock water system	R 200,000
Rossouw	Mangali/ Sunfox	LRAD	Fencing, stock water system & animal handling facilities	R 1,000,000
Sterkspruit	Thaba Lesoba	Communal	Shearing shed & equipment	R 500,000
Sterkspruit	Sterkspruit Wool growers Association	Communal	Renovation of shearing shed	R 500,000
Barkly East	Matuba-tuba/ Shanklin	LRAD	Fencing, Stock water system & animal handling facilities	R800 000.00

Department of Human Settlement

Project	No of Houses 2011/12
Rossouw	100
Rhodes	200

Department of Roads and Public Works

- Household Contractors 300 households
- Routine road maintenance R 2,332 000 in Sterkspruit & Herschel
- Routine Road maintenance of provincial gravel roads (860km) not in Sterkspruit & Herschel R 5,328 000
- Emergency regravelling of DR 08606 from Mlamli Hospital to Sterkspruit R 8,500 000
- Emergency re-gravelling of DR08520 R 4,408,000
- Flood damage DR 08514 R 2,592 000
- Routine Road Maintenance of tarred roads except the R 58 R 5,000,000

ESKOM

PROJECT	CONNECTIONS 2012/13	CONNECTIONS 2013/14	CONNECTIONS 2014/15	COSTS 2012/13	COSTS 2013/14	COSTS 2013/14
Senqu W 6, 9 & 10 extensions	191	308	401	R 2 674 000.00	R 5 091 240.00	R 6 215 500.00
Senqu W 1, 7 & 8	127	417	543	R 1 778 000.00	R 6 893 010.00	R 8 416 500.00
Senqu W 4, & 5	127	277		R 1 778 000.00	R 4 578 810.00	
Rosseau			205			R 3 388 650.00
Total	445	1002		R 6 230 000.00	R16 563 060.00	R10 286 751.00

Department of Environmental Affairs

PROJECT	Area	COSTS
Land rehabilitation project	Holo Hlahatsi	R 12 000 000
Tenahead Lodge and Mountain Reserve project	Ward 2	R 15 000 000

Department of Education

Projects

1. QUALITY LEARNING AND TEACHING CAMPAIGN
2. EDUCATION SOCIAL SUPPORT PROGRAMS
3. MANAGEMENT AND GOVERNANCE OF SCHOOLS

Department of Safety & Liaison

Programmes of the Department

- Service delivery evaluation at Police stations (the oversight role)
- Social Crime Prevention initiatives(Community mobilization against crime through Community Safety Forums and Community Police Forums)
- Attendance to Cross Border Crimes
- Safer School Programmes
- Ensuring functionality of CPF's and CSF

DRAFT OPERATIONAL PLAN 2012/2013

Accountability meetings with the Community	Palmietfontein Barkly East
Evaluation and monitoring of police stations	Sterkspruit Barkly East
Unannounced visits to identified Police Stations	Palmietfontein
Public education – community mobilization against crime	

Siyakhusela projects	
Support of District and Local Community Safety Forums' programmes	
Safer Schools Programmes at identified schools	

Department of Sports, Arts & Culture

Museums and Heritage						
Activities	Description	Timeframe Start	End	Budget	Area/ward	Number of beneficiaries
International Museums Day	To implement the establishment, development of living heritage, oral tradition and geographical place naming	July 2012	August 2012	Provincial budget	Senqu	Senqu community
District Geographical Name Change	To implement the establishment of geographical place naming	April 2012	September 2012	Provincial budget	Joe Gqabi District	Senqu community
Library and Information Services						
World Book Day Campaign	To promote use of libraries and culture of reading	April 2012	June 2012	R20 000	Senqu	Senqu community
International Literacy Day	To promote use of libraries and culture of reading	August 2012	September 2012	R20 000	Lady Grey	Lady Grey community
Installation of Modular Library	Infrastructure development	<ul style="list-style-type: none"> •Purchased and waiting for delivery •Readiness of municipality in provision of electricity, toilets and water 		R580 000	Herschel	Herschel community
Building of new library	Infrastructure development	April 2012	March 2013	±R9m	Sterkspruit	Sterkspruit community
Purchasing of Library material	To promote use of libraries and culture of reading	April 2012	March 2013	R250 000	Senqu libraries	
Purchasing of Library material(new library)	To promote use of libraries and culture of reading	April 2012	March 2013	±R1m	Sterkspruit	
Recruitment of 5 librarians	Recruitment	April 2012	March 2013		Senqu libraries	
Arts and Culture						
Visual arts and craft Exhibition (NAF Selections)	Performance programmes offered to develop acclaimed and upcoming artists.	01/04/2012	31/05/2012		Barkly East	Crafters
Visual art and Craft administration workshop	Capacity building programmes	01/07/2012	31/09/2012	Ecpacc funding	Sterkspruit	Crafters
Dance and Drama workshop	Capacity building programmes	01/04/2012	30/09/2012		Lady Grey	Artists
SPECIAL PROGRAMMES UNIT						

Elderly day and orphans celebration	Awareness campaigns	August 2012	October 2012	R10 000	Sterkspruit	Elderly people

PROJECT	Area
2 soccer fields for youth development against violence through sport	Rural areas of Senqu

Department of Local Government & Traditional Affairs (IYA Poverty Alleviation Projects)

Project name	Description	Members	Status	Village	Ward
Pele ea Pela Poultry Project	Poultry Production	10	Functional	Hohobeng	3
Nomzamomhle Poultry Project	Poultry Production	15	Functional	Hinana	9
Inkwenkwezi Poultry project	Poultry Production	15	Functional	Phelandaba	15

Department of Health

- DEPARTMENTS PLAN AND BUDGET FOR 2012-2013
- TOTAL CLINIC BUDGET PROJECTION = R 14 550 000.00
- BUILDING MAINTENANCE = R100 000.00
- SAFEGUARD & SECURITY = R 4 020 000.00
- MUNICIPAL SERVICES = R249 600.00
- ESKOM R198 000.00

Department of Social Development

PROJECT NAME	MUNICIPALITY	AREA/ WARD	BUDGET 2012/13
Sterkspruit Teenage Against Drug Abuse	Senqu	Senqu	R110 000
Sempete-lena Service Centre	Senqu	17	R144 000
Phuthanang Service Centre	Senqu	10	R70 000
Morning Star Service Centre	Senqu	18	R70 000
Thembelihle Service Centre	Senqu	13	R100 000
Siyaphambili Service Centre	Senqu	14	R64 000

Luvuwano Service Centre	Senqu	9	R60 000
Masibambisane Service Centre	Senqu	19	R60 000
Leratong Service Centre	Senqu	18	R80 000
Lukhanyo Childrens Home	Senqu	11	R487 500
Nompumelelo Pre School	Senqu	4	R123 750
Sakhakude Pre School	Senqu	15	R61 875
Noluncedo Pre School	Senqu	15	R108 900
Noncedo 1 Pre School	Senqu	18	R61 875
Noncedo 2 Pre School	Senqu	5	R96 525
Masibulele Pre School	Senqu	18	R74 250
Thembehle Pre School	Senqu	5	R106 425
Sinethemba Pre School	Senqu	4	R108 900
Siyakhula Pre School	Senqu	8	R108 900
Ndofela Pre School	Senqu	11	R61 875
Vulindlela Pre School	Senqu	18	R61 875
Noluya Pre School	Senqu	11	R99 000
Tugela Pre School	Senqu	11	R51 975
Sunduza Pre School	Senqu	17	R103 950
Reamohetswe Pre School	Senqu	12	R71 775
Transwilger Pre School	Senqu	14	R74 250
Luyolo Pre School	Senqu	14	R74 250
Sebatso Pre School	Senqu	5	R61 875
Khanya Pre School	Senqu	8	R74 250
Sondelani Pre School	Senqu	10	R74 250
Sibabalwe Pre School	Senqu	12	R74 250
Barkly East Child Welfare Pre School	Senqu	12	R74 250
Rhodes Pre School	Senqu	12	R74 250
Bhongolethu Pre School	Senqu	1	R61 875
Macacuma Victim Support Centre	Senqu	7	R90 000
Sterkspruit Victim Support Centre	Senqu	10	R85 000
Lady Grey HCBC	Senqu	14	R269 298
Sinobomi Wellness HIV&AIDS Information Centre	Senqu	11	R269 298
Masiphilwane Home Based Care	Senqu	19	R269 298
Empilweni Community Health Care Centre	Senqu	6	R269 298
Masabelane Education For Life Group	Senqu	11	R269 298

PROJECT NAME	MUNICIPALITY	AREA/ WARD	BUDGET 2012/13
Masiphile Senqu Youth Centre	Senqu	Sterkspruit	R 300 000
Telle Bridge Liberation Route	Senqu	Qhoboshane Village	R 1 090 500
Kgatelo Pele Project	Senqu	Bensonvale	R 1 200 000
Lukhanyo Veg and Crop Production Primary Co-operative	Senqu	Skisazana Village	R 545 250

Bebeza Community Garden	Senqu	Bebeza Village	R 545 250
Masabelane Education for Life Group	Senqu	Hershel	R 100 000
O.R. Tambo Development Centre	Senqu	New Rest	R330 000
Mgxojeni Poultry	Senqu	Macacuma	R270 000
Rhodes Masakhane	Senqu	Rhodes	R 250 000

Department of Economic Development, Environmental Affairs and Tourism (DEDEAT)

Project Name	Description	Number of beneficiaries	Area/Ward	Budget
Senqu Financial Services Co-operative	This is a merger of two existing Financial Services Co-operatives (FSCs) namely Gijima and Ilingeletu Financial Services Co-operatives in Sterkspruit to pilot the concept of co-operative bank for the Eastern Cape Province.	365	Sterkspruit	R3m (based on estimated costs)

CHAPTER NINE: FINANCIAL PLAN 2011- 2014

1 Introduction

In general usage a financial plan is a budget, in other words a plan for spending and saving future income. This plan allocates future income to various types of expenses, such as salaries, insurances and also reserves 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 income.

The Vision of the Budget and Treasury office is to ensure the financial management of the resources of Senqu Municipality to ensure sustainable and equitable service delivery to all the residents of the municipality. This is supported by our mission that commits the department to render sound financial management of the assets, liabilities, revenue and expenditure of the municipality on behalf of the community of Senqu Municipality. In order to achieve the above the following focus areas will be maintained and worked towards:

To ensure efficient and effective financial management, the Department of Financial Services performs the following key tasks:

- Revenue Collection/Income Generation Expenditure And Control
- Budgeting
- Accounting And Reporting Information Technology Assets And Stores
- Motor Licensing

1.2 Capital & Operating Budget

The five-year financial plan includes an Operating Budget and Capital Investment Programme for the five years ending June 2017.

a) Budget Assumptions

The Following are some of the key budget assumptions that was taken into consideration prior to the drafting of the budget

External factors

Domestically, after five years of strong growth, during which about two million jobs were created, our economy shrank fast and millions of people lost their jobs. It is expected that recovery from this deterioration will be slow and uneven and that growth for 2013 will minimal with a slightly better growth

in the outer years. Owing to the economic slowdown, financial resources are limited due to reduced payment levels by consumers. This has resulted in declining cash inflows, which has necessitated restrained expenditure to ensure that cash outflows remain within the affordability parameters of the Municipality's finances.

General inflation outlook and its impact on the municipal activities

There are five key factors that have been taken into consideration in the compilation of the 2012/13 MTREF:

- National Government macro economic targets;
- The general inflationary outlook and the impact on Municipality's residents and businesses;
- The impact of municipal cost drivers;
- The increase in prices for bulk electricity; and
- The increase in the cost of remuneration.

Interest rates for borrowing and investment of funds

The municipality will not borrow any funds during the MTREF period. It is expected that interest rates will be adjusted slightly upwards during the MTREF period and it was budget for as such.

Collection rate for revenue services

The base assumption is that tariff and rating increases will increase at a rate slightly higher than CPI over the long term. It is also assumed that current economic conditions, and relatively controlled inflationary conditions, will continue for the forecasted term. The rate of revenue collection is currently expressed as a percentage (86 per cent) of annual billings. Cash flow is assumed to be 86 per cent of billings. The performance of any increased collections or arrear collections will however only be considered a source of additional cash in-flow once the performance has been carefully monitored.

Growth or decline in tax base of the municipality

Debtors revenue is assumed to increase at a rate that is influenced by the consumer debtors collection rate, tariff/rate pricing, real growth rate of the Municipality, household formation growth rate and the poor household change rate.

Household formation is the key factor in measuring municipal revenue and expenditure growth, as servicing 'households' is a greater municipal service factor than servicing individuals. Household formation rates are assumed to convert to household dwellings. In addition the change in the number of poor households influences the net revenue benefit derived from household formation growth, as it assumes that the same costs incurred for servicing the household exist, but that no consumer revenue is derived as the 'poor household' limits consumption to the level of free basic services.

Salary increases

There is no collective agreement on salary increases in place for the budget year, and the guidance on increases as contained in Circular 58 of National Treasury was used to budget accordingly.

Impact of national, provincial and local policies

Integration of service delivery between national, provincial and local government is critical to ensure focussed service delivery and in this regard various measures were implemented to align IDP's, provincial and national strategies around priority spatial interventions. In this regard, the following national priorities form the basis of all integration initiatives:

- Creating jobs;
- Enhancing education and skill development;
- Improving Health services;
- Rural development and agriculture; and
- Fighting crime and corruption.

To achieve these priorities integration mechanisms are in place to ensure integrated planning and execution of various development programs. The focus will be to strengthen the link between policy priorities and expenditure thereby ensuring the achievement of the national, provincial and local objectives.

Ability of the municipality to spend and deliver on the programmes

It is estimated that a spending rate of at least 97 per cent is achieved on operating expenditure and 98 per cent on the capital programme for the 2012/13 MTREF of which performance has been factored into the cash flow budget.

b) Operating Budget

Table F1 details the Operating Budget for the five years starting 1 July 2012 and ending 30 June 2017

Table Operating Budget

EC142 Senqu - Table A4 Budgeted Financial Performance (revenue and expenditure)

Description	Ref	2008/9	2009/10	2010/11	Current Year 2011/12				2012/13 Medium Term Revenue & Expenditure Framework			LTFs	
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15	Forecast 2015/16	Forecast 2016/17
Revenue By Source													
Property rates	2	3 147	3 938	4 197	3 702	4 174	4 174	4 174	4 425	4 690	4 972	5 345	5 692
Property rates - penalties & collection charges		-	-	-	-	-	-	-	-	-	-	-	-
Service charges - electricity revenue	2	5 062	7 888	12 156	15 866	18 922	18 922	18 922	19 157	20 307	21 525	23 139	24 643
Service charges - water revenue	2	-	1 758	1 843	1 849	2 298	2 298	2 298	2 436	2 582	2 737	2 943	3 134
Service charges - sanitation revenue	2	-	765	906	1 002	1 032	1 032	1 032	1 093	1 159	1 229	1 321	1 407
Service charges - refuse revenue	2	1 533	1 626	1 749	2 274	2 049	2 049	2 049	2 171	2 302	2 440	2 623	2 793
Service charges - other		-	6 761	9 286	9 735	9 735	9 735	9 735	10 319	10 938	11 594	12 464	13 274
Rental of facilities and equipment		301	541	375	211	267	267	267	283	300	318	342	364
Interest earned - external investments		7 733	5 087	4 915	4 800	6 400	6 400	6 400	6 000	6 360	6 742	7 247	7 718
Interest earned - outstanding debtors		556	919	1 137	1 085	852	852	852	903	957	1 015	1 091	1 162
Dividends received		-	-	-	-	-	-	-	-	-	-	-	-
Fines		86	54	69	20	25	25	25	25	27	28	30	32
Licences and permits		1 322	880	814	640	840	840	840	840	890	944	1 015	1 081
Agency services		682	803	600	479	560	560	560	561	594	630	677	721
Transfers recognised - operating		53 768	60 489	103 353	89 611	125 317	125 317	125 317	99 545	102 218	111 010	119 336	127 092
Other revenue	2	1 162	361	1 132	234	720	720	720	408	433	459	493	525
Gains on disposal of PPE		-	409	-	-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		75 352	92 278	142 534	131 508	173 191	173 191	173 191	148 167	153 757	165 641	178 064	189 639
Expenditure By Type													
Employee related costs	2	19 727	29 383	34 733	41 159	45 460	45 460	45 460	49 846	53 585	57 604	61 924	65 949
Remuneration of councillors		6 239	6 807	7 159	8 890	8 565	8 565	8 565	9 056	9 735	10 466	11 251	11 982
Debt impairment	3	2 309	2 332	1 333	5 404	5 265	5 265	5 265	5 580	5 915	6 270	6 740	7 179
Depreciation & asset impairment	2	-	8 433	10 811	10 391	13 029	13 029	13 029	13 810	14 639	15 517	16 681	17 765
Finance charges		-	681	1 571	1 000	1 915	1 915	1 915	2 319	2 458	2 605	2 801	2 983
Bulk purchases	2	7 362	10 328	12 495	17 303	17 303	17 303	17 303	20 072	21 276	22 552	24 244	25 820
Other materials	8	-	-	-	-	-	-	-	-	-	-	-	-
Contracted services		-	-	-	-	-	-	-	-	-	-	-	-
Transfers and grants		560	397	799	300	734	734	734	333	334	-	-	-
Other expenditure	4, 5	27 480	33 171	51 647	37 381	72 045	72 045	72 045	43 190	42 694	45 539	48 955	52 137
Loss on disposal of PPE		8	2 414	458	-	-	-	-	-	-	-	-	-
Total Expenditure		63 685	93 946	121 005	121 828	164 315	164 315	164 315	144 207	150 636	160 554	172 596	183 814
Surplus/(Deficit)													
Surplus/(Deficit)		11 668	(1 667)	21 529	9 680	8 876	8 876	8 876	3 959	3 121	5 087	5 469	5 824
Transfers recognised - capital		12 137	33 626	14 619	21 947	22 091	22 091	22 091	26 624	28 085	29 708	31 937	34 012
Contributions recognised - capital	6	-	-	-	-	-	-	-	-	-	-	-	-
Contributed assets		-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		23 804	31 958	36 148	31 627	30 967	30 967	30 967	30 583	31 205	34 796	37 405	39 837
Taxation		-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after taxation		23 804	31 958	36 148	31 627	30 967	30 967	30 967	30 583	31 205	34 796	37 405	39 837
Attributable to minorities		-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality		23 804	31 958	36 148	31 627	30 967	30 967	30 967	30 583	31 205	34 796	37 405	39 837
Share of surplus/ (deficit) of associate	7	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year		23 804	31 958	36 148	31 627	30 967	30 967	30 967	30 583	31 205	34 796	37 405	39 837

c) Capital Budget

Table F2 details the estimated Capital Investment Programme for the five years starting 1 July 2012 and ending 30 June 2017. The Capital Investment Programme remains subject to the availability of funding.

Table F2 Capital Investment Programme

EC142 Senqu - Table A5 Budgeted Capital Expenditure by vote, standard classification and funding

Vote Description	Ref	2008/9	2009/10	2010/11	Current Year 2011/12				2012/13 Medium Term Revenue & Expenditure Framework			LTFS	
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15	Forecast 2015/16	Forecast 2016/17
Capital expenditure - Vote	2												
<i>Multi-year expenditure, to be appropriated</i>	2												
<i>Single-year expenditure to be appropriated</i>	2												
Vote 1 - Executive & Council		222	656	1 289	150	150	150	150	1 000	212	225	233	237
Vote 2 - Planning & Development		67	1 886	1 071	100	56	56	56	350	159	169	174	178
Vote 3 - Corporate Services		13	8 193	9 546	850	550	550	550	900	954	1 011	1 047	1 068
Vote 4 - Budget & Treasury		76	551	779	450	534	534	534	500	530	562	581	593
Vote 5 - Road Transport		10 146	32 056	16 705	18 405	20 698	20 698	20 698	27 905	20 557	29 033	30 049	30 650
Vote 6 - Waste Water Management		5 264	-	-	4 000	12 604	12 604	12 604	-	-	-	-	-
Vote 7 - Housing		-	-	-	-	-	-	-	-	-	-	-	-
Vote 8 - Health		-	-	-	-	-	-	-	-	-	-	-	-
Vote 9 - Community & Social Services		1 649	99	111	3 200	615	615	615	3 150	5 000	5 000	5 175	5 279
Vote 10 - Sport & Recreation		335	25	-	3 962	2 918	2 918	2 918	3 994	3 500	3 000	3 105	3 167
Vote 11 - Public Safety		446	-	-	-	-	-	-	500	500	-	-	-
Vote 12 - Electricity		270	458	2 229	3 061	1 561	1 561	1 561	805	853	904	936	955
Vote 13 - Waste Management		735	17	112	4 996	1 372	1 372	1 372	4 050	8 775	1 900	1 967	2 006
Vote 14 - Water		-	-	-	-	-	-	-	-	-	-	-	-
Vote 15 - Other		-	-	-	-	-	-	-	-	-	-	-	-
Capital single-year expenditure sub-total		19 223	43 941	31 841	39 173	41 058	41 058	41 058	43 154	41 040	41 804	43 267	44 133
Total Capital Expenditure - Vote		19 223	43 941	31 841	39 173	41 058	41 058	41 058	45 154	43 040	41 804	43 267	44 133
Capital Expenditure - Standard													
<i>Governance and administration</i>		311	9 400	11 614	1 450	1 234	1 234	1 234	4 400	3 696	1 798	1 861	1 898
Executive and council		222	656	1 289	150	150	150	150	1 000	212	225	233	237
Budget and treasury office		76	551	779	450	534	534	534	500	530	562	581	593
Corporate services		13	8 193	9 546	850	550	550	550	2 900	2 954	1 011	1 047	1 068
<i>Community and public safety</i>		2 430	124	111	7 162	3 533	3 533	3 533	7 644	9 000	8 000	8 280	8 446
Community and social services		1 649	99	111	3 200	615	615	615	3 150	5 000	5 000	5 175	5 279
Sport and recreation		335	25	-	3 962	2 918	2 918	2 918	3 994	3 500	3 000	3 105	3 167
Public safety		446	-	-	-	-	-	-	500	500	-	-	-
Housing		-	-	-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		10 213	33 942	17 776	18 505	20 754	20 754	20 754	28 255	20 716	29 202	30 224	30 828
Planning and development		67	1 886	1 071	100	56	56	56	350	159	169	174	178
Road transport		10 146	32 056	16 705	18 405	20 698	20 698	20 698	27 905	20 557	29 033	30 049	30 650
Environmental protection		-	-	-	-	-	-	-	-	-	-	-	-
<i>Trading services</i>		6 269	475	2 341	12 056	15 537	15 537	15 537	4 855	9 628	2 804	2 903	2 961
Electricity		270	458	2 229	3 061	1 561	1 561	1 561	805	853	904	936	955
Water		-	-	-	-	-	-	-	-	-	-	-	-
Waste water management		5 264	-	-	4 000	12 604	12 604	12 604	-	-	-	-	-
Waste management		735	17	112	4 996	1 372	1 372	1 372	4 050	8 775	1 900	1 967	2 006
Other		-	-	-	-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Standard	3	19 223	43 941	31 841	39 173	41 058	41 058	41 058	45 154	43 040	41 804	43 267	44 133
Funded by:													
National Government		12 137	20 730	14 514	21 947	22 007	22 007	22 007	26 624	28 085	29 708	-	-
Provincial Government		-	12 896	105	-	84	84	84	-	-	-	30 748	31 363
District Municipality		-	-	-	-	-	-	-	-	-	-	-	-
Other transfers and grants		-	-	-	-	-	-	-	-	-	-	-	-
Transfers recognised - capital	4	12 137	33 626	14 619	21 947	22 091	22 091	22 091	26 624	28 085	29 708	30 748	31 363
Public contributions & donations	5	-	-	-	-	-	-	-	-	-	-	-	-
Borrowing	6	-	8 337	16 481	-	-	-	-	-	-	-	-	-
Internally generated funds		7 087	1 978	741	17 227	18 967	18 967	18 967	18 530	14 956	12 096	12 519	12 769
Total Capital Funding	7	19 223	43 941	31 841	39 173	41 058	41 058	41 058	45 154	43 040	41 804	43 267	44 133

d) Debt Management Framework

Table F3 table details the Debt Management Framework. Loans will only be raised to fund the Capital Investment Programme.

Table F3 Debt Management Framework

EC142 Senqu - Supporting Table SA17 Borrowing

Borrowing - Categorized by type	Ref	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
R thousand										
Parent municipality										
Long-Term Loans (annuity/reducing balance)		-	8 163	15 659	16 586	14 453	14 453	13 150	11 743	10 224
Long-Term Loans (non-annuity)		-	-	-	-	-	-	-	-	-
Local registered stock		-	-	-	-	-	-	-	-	-
Instalment Credit		-	-	-	-	-	-	-	-	-
Financial Leases		-	-	44	-	44	44	44	44	44
PPP liabilities		-	-	-	-	-	-	-	-	-
Finance Granted By Cap Equipment Supplier		-	-	-	-	-	-	-	-	-
Marketable Bonds		-	-	-	-	-	-	-	-	-
Non-Marketable Bonds		-	-	-	-	-	-	-	-	-
Bankers Acceptances		-	-	-	-	-	-	-	-	-
Financial derivatives		-	-	-	-	-	-	-	-	-
Other Securities		-	-	-	-	-	-	-	-	-
Municipality sub-total	1	-	8 163	15 703	16 586	14 497	14 497	13 194	11 787	10 268

e) Grants receivable

Table F4 details the Grants receivable in the 2012/2013 financial year and two outer budget years

Table F4 Grants Receivable

EC142 Senqu - Supporting Table SA18 Transfers and grant receipts

Description	Ref	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
R thousand										
RECEIPTS:	1, 2									
Operating Transfers and Grants										
National Government:		41 371	55 859	67 870	86 935	86 875	86 875	97 581	100 136	108 804
Equitable share		40 290	54 621	64 714	76 965	76 965	76 965	85 187	91 229	97 992
Finance Management		500	1 000	1 200	1 450	1 450	1 450	1 500	1 500	1 750
Nat Gov: Neighbourhood Dev Partners		-	-	-	2 900	2 900	2 900	2 300	-	-
Nat Gov: Councillor Remuneration		-	-	-	2 226	2 226	2 226	4 536	5 129	6 548
Municipal Systems Improvement		400	237	714	790	790	790	800	800	950
IEC Elections		181	-	-	-	-	-	-	-	-
Municipal Infrastructure (MIG)		-	-	960	1 155	1 095	1 095	1 401	1 478	1 564
Nat Gov: EPWP Incentive Grant		-	-	282	1 449	1 449	1 449	1 857	-	-
Spatial Development Framework		-	-	-	-	-	-	-	-	-
Provincial Government:		10 452	14 170	31 187	2 676	15 037	15 037	1 964	2 081	2 206
Health subsidy		512	-	-	-	-	-	-	-	-
Prov Gov: Valuation Roll		400	-	-	-	-	-	-	-	-
Prov Gov: Housing - Hillside 1 000		5 770	13 203	9 607	-	7 500	7 500	-	-	-
Prov Gov: Housing - Herschel 700		447	366	-	-	-	-	-	-	-
Prov Gov: Housing - Lady Grey 1 000		3 323	577	-	-	-	-	-	-	-
Prov Gov: Revitalization of the second economy interve		-	-	-	-	107	107	-	-	-
Peach & Vegetable Processing		-	-	-	-	-	-	-	-	-
Co-op's Development		-	-	-	-	-	-	-	-	-
Holo Hlahatsi Agricultural Project		-	-	-	-	-	-	-	-	-
LED		-	-	-	-	-	-	-	-	-
Implementation Ownership		-	-	135	-	-	-	-	-	-
DEAT Brickmaking		-	24	-	-	-	-	-	-	-
Rossouw Agricultural Project		-	-	-	-	-	-	-	-	-
Performance Agreements		-	-	-	-	-	-	-	-	-
Surveying / Land Audit		-	-	-	-	-	-	-	-	-
Disabled Project BE		-	-	-	-	-	-	-	-	-
Drought Relief Water		-	-	-	-	-	-	-	-	-
Sterkspruit Land Audit		-	-	-	-	-	-	-	-	-
Libraries		-	-	-	676	676	676	742	786	833
Internet Communication system		-	-	294	-	-	-	-	-	-
Greenest Municipality		-	-	200	-	-	-	-	-	-
Prov Gov: Musong Road		-	-	20 201	2 000	6 754	6 754	1 222	1 295	1 373
Local Elections		-	-	750	-	-	-	-	-	-
District Municipality:		3 615	1 997	923	-	-	-	-	-	-
<i>District: Ward Committees (MSIG)</i>		-	-	-	-	-	-	-	-	-
<i>District: IDP</i>		50	-	50	-	-	-	-	-	-
<i>District: Valuation Roll</i>		-	-	-	-	-	-	-	-	-
<i>District: Libraries</i>		-	-	660	-	-	-	-	-	-
<i>District: Tourism</i>		-	200	20	-	-	-	-	-	-
<i>District: Community Based Planning</i>		-	226	-	-	-	-	-	-	-
<i>District: Community Participation</i>		-	204	-	-	-	-	-	-	-
<i>Joe Gqab DM - Plastic Products</i>		3 000	1 367	-	-	-	-	-	-	-
<i>Joe Gqab DM - District Call Centre Support Programme</i>		565	-	-	-	-	-	-	-	-
<i>Commonage Management Plan</i>		-	-	193	-	-	-	-	-	-
Other grant providers:		-	-	-	-	-	-	-	-	-
<i>[insert description]</i>										
Total Operating Transfers and Grants	5	55 438	72 025	99 979	89 611	101 912	101 912	99 545	102 218	111 010
Capital Transfers and Grants										
National Government:		14 722	17 647	14 514	21 947	22 007	22 007	26 624	28 085	29 708
Municipal Infrastructure (MIG)		14 722	17 647	14 514	21 947	22 007	22 007	26 624	28 085	29 708
Provincial Government:		-	-	105	-	-	-	-	-	-
Internet/Communication Systems		-	-	-	-	-	-	-	-	-
Traffic Test Station (Sterkspruit)		-	-	105	-	-	-	-	-	-
Prov Gov: Housing - Hillside 1 000		-	-	-	-	-	-	-	-	-
Prov Gov: Housing - Herschel 700		-	-	-	-	-	-	-	-	-
Prov Gov: Housing - Lady Grey 1 000		-	-	-	-	-	-	-	-	-
District Municipality:		-	-	-	-	-	-	-	-	-
<i>District: Ward Committees (MSIG)</i>		-	-	-	-	-	-	-	-	-
Other grant providers:		-	-	-	-	-	-	-	-	-
<i>[insert description]</i>										
Total Capital Transfers and Grants	5	14 722	17 647	14 619	21 947	22 007	22 007	26 624	28 085	29 708
TOTAL RECEIPTS OF TRANSFERS & GRANTS		70 160	89 672	114 598	111 558	123 919	123 919	126 169	130 302	140 718

1.3 Financial Strategy

Senqu Municipality's three (3) key economic sectors are Agriculture, Services and the Tourism sectors, with the latter (Tourism), having the potential to grow. Data from the 2007 Community Survey indicates that the average unemployment rate of the Senqu Municipal area is 16%. This number only includes people that are actively searching for work. The percentage of people who are unemployed but not looking for work is 65%, compared to 54% for the district and 48% for the province

a) Revenue Raising Strategy

Tariff setting plays a major role in ensuring desired levels of revenue. Getting tariffs right assists in the compilation of a credible and funded budget. The Municipality derives most of its operational revenue from the provision of goods and services such as electricity and solid waste removal, property rates, operating and capital grants from organs of state and other minor charges (such as building plan fees, licenses and permits etc).

The revenue strategy is a function of key components such as:

- Growth in the Municipality and economic development;
- Revenue management and enhancement;
- Achievement of a 86 per cent annual collection rate for consumer revenue;
- National Treasury guidelines; Electricity tariff increases within the National Electricity Regulator of South Africa (NERSA) approval;
- Achievement of full cost recovery of specific user charges;
- Determining tariff escalation rate by establishing/calculating revenue requirements;
- The Property Rates Policy in terms of the Municipal Property Rates Act, 2004 (Act 6 of 2004) (MPRA)
- And the ability to extend new services and obtain cost recovery levels.

The above principles guide the annual increase in the tariffs charged to the consumers and the ratepayers aligned to the economic forecasts.

Investment revenue contributes significantly to the revenue base of the Municipality. It needs to be noted that these allocations have been conservatively estimated and as part of the cash backing of reserves and provisions. The actual performance against budget will be carefully monitored. Any variances in this regard will be addressed as part of the mid-year review and adjustments budget.

The tables below provide detail investment information and investment particulars by maturity.

MBRR SA15 – Detail Investment Information

Investment type	Ref	2008/9	2009/10	2010/11	Current Year 2011/12		2012/13 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
R thousand									
Parent municipality									
Deposits - Bank		67 095	65 867	113 870	43 983	95 388	95 279	98 785	108 067
Total:		67 095	65 867	113 870	43 983	95 388	95 279	98 785	108 067

MBRR SA16 – Investment particulars by maturity

Investments by Maturity Name of institution & investment ID	Period of Investment	Type of Investment	Monetary value	Interest to be realised
	Yrs/Months		Rand thousand	
Parent municipality				
Standard Bank 38 848 973 1 - 005	32 day	32 day	42 694	2 202
Standard Bank 38 848 606 6 - 001	Call Deposit	Call Deposit	5 137	265
Standard Bank 38 848 916 2 - 002	Call Deposit	Call Deposit	47 449	2 448
TOTAL INVESTMENTS AND INTEREST			95 279	4 915

b) Asset Management Strategy

Ultimately the objectives of Senqu Local Municipality regarding Asset Management is to ensure that the assets of the Municipality are properly managed and accounted. The Municipality has developed a comprehensive asset and insurance policy that fully complies with the GRAP standards and regulations placed upon the municipality by the National Treasury. The policy has been implemented and some of the key aspects included in the policy is as follows

- Ensuring the accurate recording of asset information
- The accurate recording of asset movements
- Exercising strict physical control over all assets (Security, safekeeping, housekeeping)
- Providing correct and meaningful management information in conjunction with other disciplines and functions which, inter alia, includes Insurance
- Compliance with Council's Insurance and Payments Procedure

- Effecting adequate insurance of all assets
- Maintenance of Council's Assets

By clearly clarifying roles and responsibilities within the asset management policy the municipality has ensured that clear reporting lines exists to ensure that proper account can be given regarding the use/misuse of all municipal assets.

Senqu Local Municipality ensures that proper provision is made within the asset management policy for the maintenance of assets through comprehensive maintenance plans. Every head of department shall ensure that a maintenance plan in respect of every new infrastructure asset with a value of R100 000 (one hundred thousand rand) or more is promptly prepared and submitted to the Municipal Manager / Chief Financial Officer of the municipality for approval.

If so directed by the municipal manager, the maintenance plan shall be submitted to the council prior to any approval being granted for the acquisition or construction of the infrastructure asset concerned. The head of department controlling or using the infrastructure asset in question, shall annually report to the council, not later than in July, of the extent to which the relevant maintenance plan has been complied with, and of the likely effect which any non-compliance may have on the useful operating life of the asset concerned.

c) Capital Financing Strategy

Capital Projects are mainly funded from the Municipal Infrastructure Grant but the Municipality maintains efficient and effective revenue collection systems and effective cash flow management systems and is thus in a able position to fund shortfalls from grant funding. Through the above practices, Senqu Municipality is also able to fund capital expenditure not covered in the MIG as an example vehicles and office equipment.

1.4 Financial Management Policies

a) General Financial Philosophy

The financial policies of Senqu Local Municipality has been drafted to provide a sound control environment thus ensuring adherence to all applicable laws regulations and to comply with best practices thereby providing a secure and fraud free management of financial services. The Budget and Finance Office has the following objectives:

- To Fully Implement the MFMA and all its underlying reforms
- Implementation of the Legislature relevant to municipal finances and the municipality as a whole
- Effective Management of the Budget Process
- Providing strategic and specialised financial information and guidance through the Budget and Treasury Office in support of all other departments within the municipality
- Efficient and Effective Management of Municipal Revenue
- Establishment of a Supply Chain Management Unit and the full implementation of the municipal supply chain policy

- Establishment of a FBS/Indigent Support Unit
- Maintenance of Internal Financial Control
- Production of Financial Performance Reports
- To Retain the Financial Viability of the Municipality
- To have an Unqualified Audit Report

b) Budget and Integrated Development Policy

This policy sets out the budgeting principles, which Senqu Municipality will follow in preparing each annual budget, as well as the Integrated Development Planning process through which the municipality will prepare a strategic integrated development plan, for each five-year period.

c) Tariff Policy

A tariff policy must be compiled, adopted and implemented in terms of Section 74 of the Local Government: Municipal Systems Act 2000, such policy to cover, among other things, the levying of fees for municipal services provided by the municipality itself or by way of service delivery agreements.

The tariffs policy has been compiled taking into account, where applicable, the guidelines set out in Section 74 (see part 9 of this policy) of the Municipal Systems Act No. 32 of 2000. In setting its annual tariffs the council shall at all times take due cognisance of the tariffs applicable elsewhere in the economic region, and of the impact which its own tariffs may have on local economic development.

All tariffs will be indicated in a tariff schedule, which will be an Addendum to this policy and will be reviewed and amended by Council annually during its IDP and Budget process.

d) Rates Policy

The local Government: Municipal Property Rates Act, No 6 of 2004, requires that the municipality develop and adopt a rates policy in consistent with the Act on the levying of rates on rate able property in the municipality. The rates policy of the municipality to which residents / communities will annually be invited to make suggestions / recommendations during its budget process will be based on public submissions, which can include oral presentations and bilateral meetings in order to obtain clarity on the submitted comments as well as further motivations thereof. The municipal council will not take the final decision before such a consultative processes has been concluded.

In developing and adopting this Rates Policy, the Council has sought to give effect to the sentiments expressed in the preamble of the Property Rates Act, namely that:

the Constitution enjoins local government to be developmental in nature, in addressing the service delivery properties of our country and promoting the economic and financial viability of our municipalities. There is a need to provide local government with access to a sufficient and buoyant source of revenue necessary to fulfil its developmental responsibilities. Revenues derived from property rates represent a critical source of

income for municipalities to achieve their constitutional objectives, especially in areas neglected in the past because of discriminatory legislation and practices and it is essential that municipalities exercise their powers to impose rates within a statutory framework which enhances certainty, uniformity and simplicity across the nation and which take account of historical imbalances and the burden of rates on the poor.

The municipality needs a reliable source of revenue to provide basic services and perform its functions. Property Rates are the most important source of general revenue for the municipality. Revenue from property rates is used to fund services that benefit the community as a whole as opposed to individual households; these includes installing and maintaining streets, roads, sidewalks, lighting and cemeteries. Property Rates revenue is also used to fund municipal administration and costs of governance , which facilitate community participation on issues of Integrated Development Plans and municipal budgets. Property Rates revenue would under circumstances be used to fund any function of the municipality.

Municipal Property Rates are set, collected and used locally. Revenue from property rates is spent within the municipality, where the citizens and voters have a choice on how the revenue is spent as part of the Integrated Development Plan and budget processes, which the municipality will annually invites the community to input prior the council's adoption of the budget. The following principles will ensure that the municipality treats persons liable for rates equitable:

Equity – the municipality will treat ratepayers with similar properties the same;

Affordability – the ability of a person to pay rates will be taken into account by the municipality. In dealing with the poor / indigent ratepayers the municipality will provide relief measures through exemptions, reductions or rebates.

In applying its Valuations and Rates Policy, the Council shall adhere to all the requirements, as set out below, of the Property Rates Act no. 6 of 2004 including any regulations promulgated in terms of that Act.

e) Free Basic Services and Indigent Support Policy

The principles of the Free Basic Services and Indigent Support Policy is as follows:

- Ensure that the Equitable Share received annually will be utilised for the benefit of the poor only and not to subsidise rates and service charges of those who can afford to pay;
- To link this policy with the municipality's *IDP (Integrated Development Plan)*, *LED (Local Economic Development)* initiatives and poverty alleviation programmes;
- To promote an integrated approach to free basic service delivery; and
- To engage the community in the development and implementation of this policy.

Policy Objectives

In support of the above principles the objective of this policy will be to ensure the following:

- The provision of basic services to the community in a sustainable manner within the financial and administrative capacity of the Council;
- The financial sustainability of free basic services through the determination of appropriate tariffs that contribute to such sustainability through cross subsidisation;
- Establishment of a framework for the identification and management of indigent households including a socio-economic analysis where necessary and an exit strategy;
- The provision of procedures and guidelines for the subsidisation of basic charges and the provision of free basic energy to indigent households; and
- Co-operative governance with other spheres of government..

f) Credit Control & Debt Collection Policy

The purpose is to ensure that credit control forms an integral part of the financial system of the local authority, and to ensure that the same procedure be followed for each individual case.

Principles underlined in the policy is as follows

- The administrative integrity of the municipality must be maintained at all costs. The democratically elected councillors are responsible for policy-making, while it is the responsibility of the Municipal Manager to ensure the execution of these policies.
- All customers must complete an official application form, formally requesting the municipality to connect them to service supply lines. Existing customers may be required to complete new application forms from time to time, as determined by the Municipal Manager.
- A copy of the application form including conditions of services must be handed to every new customer on date of application for services. A copy of the council's Credit Control and Debt Collection policy would on request be made available to any customer.
- Billing is to be accurate, timeous and understandable.
- The customer is entitled to reasonable access to pay points and to a variety of reliable payment methods.
- The customer is entitled to an efficient, effective and reasonable response to appeals, and should suffer no disadvantage during the processing of a reasonable appeal.
- Enforcement of payment must be prompt, consistent and effective.
- Unauthorised consumption, connection and reconnection, the tampering with or theft of meters, service supply equipment and the reticulation network and any fraudulent activity in connection with the provision of municipal services will lead to disconnections, penalties, loss of rights and criminal prosecutions.
- Incentives and disincentives may be used in collection procedures.
- Results will be regularly and efficiently reported by the Municipal Manager and the Mayor.
- Application forms will be used to, inter alia, categorise customers according to credit risk and to determine relevant levels of services and deposits required.
- Targets for performance in both customer service and debt collection will be set and pursued and remedies implemented for non-performance.
- Debtors may be referred to third party debt collection agencies and may be placed on the National Credit Rating list.

g) Supply Chain Management Policy

The objective of this policy is to provide a policy framework within which the municipal manager and chief financial officer can institute and maintain a supply chain management system which is transparent, efficient, equitable, competitive, which ensures best value for money for the municipality, applies the highest possible ethical standards, and promotes local economic development.

All officials and other role players in the supply chain management system of the municipality must implement this Policy in a way that –

- gives effect to – section 217 of the Constitution; and Part 1 of Chapter 11 and other applicable provisions of the Act;
- is fair, equitable, transparent, competitive and cost effective;
- complies with – the Regulations; and
- any minimum norms and standards that may be prescribed in terms of section 168 of the Act; is consistent with other applicable legislation and guidelines, being:
- does not undermine the objective for uniformity in supply chain management systems between organs of state in all spheres; and
- is consistent with national economic policy concerning the promotion of investments and doing business with the public sector.

Banks Act, 1990, Act No.94 of 1990
The Constitution of the Republic of South Africa, 1996, Act No 108 of 1996
Public Finance Management Act, 1999, Act No 1 of 1999
Preferential Procurement Policy Framework Act, 2000, Act No 5 of 2000
Local Government: Municipal Systems Act, 2000, Act No 32 of 2000
Construction Industry Development Board Act, 2000, Act 38 of 2000
Preferential Procurement Regulations, 2001, Pertaining to the Preferential Procurement Framework Act – Notice 22549 of 10 August 2001 – Gazette No 7134
Broad-Based Black Economic Empowerment Act, 2003, Act No 53 of 2003
Municipal Finance Management Act, 2003, Act No 56 of 2003
National Treasury: MFMA Circular No. 2 – Supply Chain Management – 20 July 2004
Prevention and Combating of Corruption Activities Act, Act No 12 of 2004.
Local Government: Municipal Finance Management Act, 2003 – Municipal Supply Chain Management Regulations – Notice 868 of 2005
National Treasury: MFMA Circular No. 22 – Model Supply Chain Management Policy – 25 August 2005
Code of Conduct for Supply Chain Management Practitioners and Other Role Players - August 2005.
Municipal Supply Chain Management Model Policy – August 2005.
National Treasury: MFMA Circular No.25 – Supply Chain Management Guide, General Conditions of Contract and Municipal Bidding Documents – 3 October 2005.
A Guide for Accounting Officers of Municipalities and Municipal Entities – October 2005
General Conditions of a Contract – October 2005.

Senqu Municipality: Supply Chain Management Policy Ver. 1 – 1 January 2006.
Government Notice 44 – Exemptions from Supply Chain Management Regulations – 18 January 2006.
National Treasury: MFMA Circular No. 29 – Supply Chain Management Issues – 31 January 2006.
National Treasury: MFMA Circular No.33 – Supply Chain Management Issues – 27 March 2006.

1. ACCOUNTING PRINCIPLES AND POLICIES APPLIED IN THE ANNUAL FINANCIAL STATEMENTS

1.1. BASIS OF PREPARATION

The annual financial statements have been prepared on the accrual basis of accounting and are in accordance with historical cost convention unless specified otherwise. The annual financial statements have been prepared in accordance with the effective standards of Generally Recognised Accounting Practices (GRAP), including any interpretations and directives issued by the Accounting Standards Board (ASB) in accordance with Section 122(3) of the Municipal Finance Management Act, (Act No 56 of 2003).

The standards are summarised as follows:

GRAP 5	Borrowing Costs
GRAP 6	Consolidated and Separate Financial Statements
GRAP 7	Investments in Associate
GRAP 8	Interests in Joint Ventures
GRAP 101	Agricultural
GRAP 102	Intangible assets
IPSAS 20	Related Party Disclosure
IFRS 3 (AC140)	Business Combinations
IFRS 4 (AC141)	Insurance Contracts
IFRS 6 (AC143)	Exploration for and Evaluation of Mineral Resources
IAS 12 (AC102)	Income Taxes
SIC – 21 (AC421)	Income Taxes – Recovery of Revaluated Non-Depreciable Assets
SIC – 25 (AC425)	Income Taxes – Changes in the Tax Status on an Entity or its Shareholders
SIC – 29 (AC429)	Service Concessions Arrangements – Disclosures

IFRIC 2 (AC435)	Members' Shares in Co-operative Entities and Similar Instruments
IFRIC 4 (AC437)	Determining whether an Arrangement contains a Lease
IFRIC 9 (AC442)	Reassessment of Embedded Derivatives
IFRIC 12 (AC445)	Service Concession Arrangements
IFRIC 13 (AC446)	Customer Loyalty Programmes
IFRIC 14 (AC447) IAS19	The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction
IFRIC 15 (AC448)	Agreements for the Construction of Real Estate
IFRIC 16 (AC449)	Hedges in a Net Investment in a Foreign Operation

The municipality resolved to early adopt the following GRAP standards which have been issued but are not yet effective.

Standard	Description	Effective Date
GRAP 1 (Revised)	Presentation of Financial Statements	1 April 2011
GRAP 2 (Revised)	Cash Flow Statements	1 April 2011
GRAP 3 (Revised)	Accounting Policies, Changes in Accounting Estimates and Errors	1 April 2011
GRAP 4 (Revised)	The Effects of changes in Foreign Exchange Rates	1 April 2011
GRAP 9 (Revised)	Revenue from Exchange Transactions	1 April 2011
GRAP 10 (Revised)	Financial Reporting in Hyperinflationary Economics	1 April 2011
GRAP 11 (Revised)	Construction Contracts	1 April 2011
GRAP 12 (Revised)	Inventories	1 April 2011
GRAP 13 (Revised)	Leases	1 April 2011
GRAP 14 (Revised)	Events after the reporting date	1 April 2011
GRAP 16 (Revised)	Investment Property	1 April 2011
GRAP 17 (Revised)	Property, Plant and Equipment	1 April 2011
GRAP 19 (Revised)	Provisions, Contingent Liabilities and Contingent Assets	1 April 2011
GRAP 21	Impairment of non-cash-generating assets	1 April 2012
GRAP 23	Revenue from Non-Exchange Transactions	1 April 2012
GRAP 26	Impairment of cash-generating assets	1 April 2012
GRAP 100	Non-current Assets held for Sale and	1 April 2011

(Revised)	Discontinued Operations	
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The municipality resolved to formulate an accounting policy based on the following GRAP standards which have been issued but are not yet effective.

Standard	Description	Effective Date
GRAP 25	Employee Benefits	Unknown
GRAP 104	Financial Instruments	Unknown

Accounting policies for material transactions, events or conditions not covered by the above GRAP have been developed in accordance with paragraphs 8, 10 and 11 of GRAP 3. A summary of the significant accounting policies, which have been consistently applied except where an exemption or transitional provision has been granted, are disclosed below.

Assets, liabilities, revenue and expenses have not been offset except when offsetting is permitted or required by a Standard of GRAP. The accounting policies applied are consistent with those used to present the previous year's financial statements, unless explicitly stated. The details of any changes in accounting policies are explained in the relevant notes to the Financial Statements. In terms of Directive 7: "The Application of Deemed Cost on the Adoption of Standards of GRAP" issued by the Accounting Standards Board, the municipality applied deemed cost to Investment Property, Property, Plant and Equipment and Intangible Assets where the acquisition cost of an asset could not be determined.

If fair value at the measurement date cannot be determined for an item of property, plant and equipment, investment property or an intangible asset, an entity may estimate such fair value using depreciated replacement cost. The cost for depreciated replacement cost is determined by using either one of the following:

- cost of items with a similar nature currently in the municipality's asset register;
- cost of items with a similar nature in other municipalities' asset registers, given that the other municipality has the same geographical setting as the municipality and that the other municipality's asset register is considered to be accurate;
- cost as supplied by suppliers.

1.2. PRESENTATION CURRENCY

Amounts reflected in the financial statements are in South African Rand and at actual values. No financial values are given in an abbreviated display format. No foreign exchange transactions are included in the statements.

1.3. GOING CONCERN ASSUMPTION

These annual financial statements have been prepared on a going concern basis.

1.4. COMPARATIVE INFORMATION

When the presentation or classification of items in the annual financial statements is amended, prior period comparative amounts are restated, unless a standard of GRAP does not require the restatements of comparative information. The nature and reason for the reclassification is disclosed. Where material accounting errors have been identified in the current year, the correction is made retrospectively as far as is practicable, and the prior year comparatives are restated accordingly. Where there has been a change in accounting policy in the current year, the adjustment is made retrospectively as far as is practicable, and the prior year comparatives are restated accordingly.

1.5. PRESENTATION OF BUDGET INFORMATION

As noted, GRAP 24 is not yet effective, however budget information required in terms of GRAP 1 paragraph 14 to 18 have been disclosed in the financial statements. The presentation of budget information was prepared in accordance with the best practice guidelines issued by National Treasury.

1.6. MATERIALITY

Material omissions or misstatements of items are material if they could, individually or collectively, influence the decision or assessments of users made on the basis of the financial statements. Materiality depends on the nature or size of the omission or misstatements judged in the surrounding circumstances. The nature or size of the information item, or a combination of both, could be the determining factor. In general, materiality is determined as 1% of total expenditure.

1.7. STANDARDS, AMENDMENTS TO STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE

The following GRAP standards have been issued but are not yet effective and have not been early adopted by the municipality:

Standard	Description	Effective Date
GRAP 6 (Revised)	Consolidated and Separate Financial Statements No significant impact is expected as the municipality does not participate in such business transactions.	Unknown
GRAP 7	Investments in Associate No significant impact is expected as the municipality	Unknown

(Revised)	does not participate in such business transactions.	
GRAP 8 (Revised)	Interest in Joint Ventures No significant impact is expected as the municipality does not participate in such business transactions.	Unknown
GRAP 18	Segment Reporting Information to a large extent is already included in the notes to the annual financial statements.	Unknown
GRAP 24	Presentation of Budget Information in Financial Statements Information to a large extent is already included in the notes to the annual financial statements.	1 April 2012
GRAP 25	Employee Benefits Information to a large extent is already included in the notes to the annual financial statements.	Unknown
GRAP 103	Heritage Assets No adjustments necessary as the municipality has no significant heritage assets.	1 April 2012
GRAP 104	Financial Instruments Information to a large extent is already included in the notes to the annual financial statements.	Unknown
GRAP 105	Transfer of Functions Between Entities Under Common Control No significant impact is expected as the municipality does not participate in such business transactions.	Unknown
GRAP 106	Transfer of Functions Between Entities Not Under Common Control No significant impact is expected as the municipality does not participate in such business transactions.	Unknown
GRAP 107	Mergers No significant impact is expected as the municipality does not participate in such business transactions.	Unknown

These standards, amendments and interpretations will not have a significant impact on the municipality once implemented.

1.8. RESERVES

1.8.1 Capital Replacement Reserve (CRR)

In order to finance the provision of infrastructure and other items of property, plant and equipment from internal sources, amounts are transferred from the accumulated surplus / (deficit) to the CRR. The cash in the CRR can only be utilized to finance items of property, plant and equipment. The CRR is reduced and the accumulated surplus / (deficit) are credited by a corresponding amount when the amounts in the CRR are utilised.

1.8.2 Valuation Roll Reserve

The aim of this reserve is to ensure sufficient cash resources are available for the future payment of the Valuation roll

1.8.3 Employee Benefits Reserve

The aim of the reserve is to ensure sufficient cash resources are available for the future payment of employee benefits. Contributions equal to the short term portion of employee benefits, plus 5% of the prior year closing balance of long term employee benefits is contributed to the reserve from accumulated surplus/(deficit).

1.8.4 Revaluations Reserve

The accounting for the Revaluation Reserve must be done in accordance with the requirements of GRAP 17. All increases in the carrying value of assets as a result of a revaluation are credited against the reserve, except to the extent that the increase reverses a revaluation decrease of the same asset previously recognised in surplus or deficit. All decreases in the carrying value of assets as a result of a revaluation are debited against the reserve to the extent of any credit balance existing in the revaluation surplus in respect of that asset.

1.9. LEASES

1.9.1 Municipality as Lessee

Leases are classified as finance leases where substantially all the risks and rewards associated with ownership of an asset are transferred to the municipality. Property, plant and equipment or intangible assets subject to finance lease agreements are initially recognised at the lower of the asset's fair value and the present value of the minimum lease payments. The corresponding liabilities are initially recognised at the inception of the lease and are measured as the sum of the minimum lease payments due in terms of the lease agreement, discounted for the effect of interest. In discounting the lease payments, the municipality uses the interest rate that exactly discounts the lease payments and unguaranteed residual value to the fair value of the asset plus any direct costs incurred.

Subsequent to initial recognition, the leased assets are accounted for in accordance with the stated accounting policies applicable to property, plant and equipment or intangibles. The lease liability is reduced by the lease payments, which are allocated between the lease finance cost and the capital repayment using the effective interest rate method. Lease finance costs are expensed when incurred. The accounting policies relating to derecognition of financial instruments are applied to lease payables. Operating leases are those leases that do not fall within the scope of the above definition. Operating lease rentals are recognised on a straight-line basis over the term of the relevant lease.

1.9.2 Municipality as Lessor

Under a finance lease, the municipality recognises the lease payments to be received in terms of a lease agreement as an asset (receivable). The receivable is calculated as the sum of all the minimum lease payments to be received, plus any unguaranteed residual accruing to the municipality, discounted at the interest rate implicit in the lease. The receivable is reduced by the capital portion of the lease instalments received, with the interest portion being recognised as interest revenue on a time proportionate basis. The accounting policies relating to derecognition and impairment of financial instruments are applied to lease receivables. Operating leases are those leases that do not fall within the scope of the above definition. Operating lease rentals are recognised on a straight-line basis over the term of the relevant lease.

1.10. GOVERNMENT GRANTS AND RECEIPTS

1.10.1 Unspent Conditional Government Grants and Receipts

Conditional government grants are subject to specific conditions. If these specific conditions are not met, the monies received are repayable. Unspent conditional grants are financial liabilities that are separately reflected on the Statement of Financial Position. They represent unspent government grants and subsidies. This liability always has to be cash-backed. The following provisions are set for the creation and utilisation of this creditor:

- Unspent conditional grants are recognised as a liability when the grant is received.
- When grant conditions are met an amount equal to the conditions met are transferred to revenue in the Statement of Financial Performance.
- The cash which backs up the creditor is invested as individual investment or part of the general investments of the municipality until it is utilised.
- Interest earned on the investment is treated in accordance with grant conditions. If it is payable to the funder it is recorded as part of the creditor. If it is the municipality's interest it is recognised as interest earned in the Statement of Financial Performance.

1.10.2 Unpaid Conditional Government Grants and Receipts

Unpaid conditional grants are assets in terms of the Framework that are separately reflected on the Statement of Financial Position. The asset is recognised when the Economic Entity has an enforceable right to receive the grant or if it is virtually certain that it will be received based on that grant conditions have been met. They represent unpaid government grants, subsidies and contributions from the public. The following provisions are set for the creation and utilisation of the grants as receivables:

- Unpaid conditional grants are recognised as an asset when the grant is receivable.

1.11. UNSPENT PUBLIC CONTRIBUTIONS

Public contributions are subject to specific conditions. If these specific conditions are not met, the monies received are repayable. Unspent public contributions are financial liabilities that are separately reflected on the Statement of Financial Position. They represent unspent contributions from the public. This liability always has to be cash-backed. The following provisions are set for the creation and utilisation of this creditor:

- Unspent public contributions are recognised as a liability when the grant is received.
- When grant conditions are met an amount equal to the conditions met are transferred to revenue in the Statement of Financial Performance.
- The cash which backs up the creditor is invested as individual investment or part of the general investments of the municipality until it is utilised.
- Interest earned on the investment is treated in accordance with the public contribution conditions. If it is payable to the funder it is recorded as part of the creditor. If it is the municipality's interest it is recognised as interest earned in the Statement of Financial Performance.

1.12. PROVISIONS

Provisions are recognised when the municipality has a present legal or constructive obligation as a result of past events, it is possible that an outflow of resource embodying economic benefits will be required to settle the obligation and a reliable estimate of the provision can be made. Provisions are reviewed at reporting date and adjusted to reflect the current best estimate. Where the effect is material, non-current provisions are discounted to their present value using a discount rate that reflects the market's current assessment of the time value of money, adjusted for risks specific to the liability (for example in the case of obligations for the rehabilitation of land).

The municipality does not recognise a contingent liability or contingent asset. A contingent liability is disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. A contingent asset is disclosed where an inflow of economic benefits is possible. Future events that may affect the amount required to settle an obligation are reflected in the amount of a provision where there is sufficient objective evidence that they will occur. Gains from the expected disposal of assets are not taken into account in measuring a provision. Provisions are not recognised for future operating losses. The present obligation under an onerous contract is recognised and measured as a provision. A provision for restructuring costs is recognised only when the following criteria over and above the recognition criteria of a provision have been met:

(a) The municipality has a detailed formal plan for the restructuring identifying at least:

- the business or part of a business concerned;
- the principal locations affected;
- the location, function and approximate number of employees who will be compensated for terminating their services;
- the expenditures that will be undertaken; and
- when the plan will be implemented.

- (b) The municipality has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement that plan or announcing its main features to those affected by it. The amount recognised as a provision shall be the best estimate of the expenditure required to settle the present obligation at the reporting date. Provisions shall be reviewed at each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation, the provision shall be reversed.

1.13. EMPLOYEE BENEFITS

(a) Post Retirement Medical Obligations

The municipality provides post-retirement medical benefits by subsidizing the medical aid contributions of certain retired staff according to the rules of the medical aid funds. Council pays 70% as contribution and the remaining 30% is paid by the members. The entitlement to these benefits is usually conditional on the employee remaining in service up to retirement age and the completion of a minimum service period. The present value of the defined benefit liability is actuarially determined in accordance with GRAP 25 – Employee benefits (using a discount rate applicable to high quality government bonds). The plan is unfunded.

These contributions are charged to the Statement of Financial Performance when employees have rendered the service entitling them to the contribution. The liability was calculated by means of the projected unit credit actuarial valuation method. The liability in respect of current pensioners is regarded as fully accrued, and is therefore not split between a past (or accrued) and future in-service element. The liability is recognised at the fair value of the obligation. Payments made by the municipality are set-off against the liability, including notional interest, resulting from the valuation by the actuaries and are charged against the Statement of Financial Performance as employee benefits upon valuation. Actuarial gains and losses arising from the experience adjustments and changes in actuarial assumptions, are charged or credited to the Statement of Financial Performance in the period that it occurs. These obligations are valued periodically by independent qualified actuaries.

(b) Long Service Awards

Long service awards are provided to employees who achieve certain pre-determined milestones of service within the municipality. The municipality's obligation under these plans is valued by independent qualified actuaries periodically and the corresponding liability is raised. Payments are set-off against the liability, including notional interest, resulting from the valuation by the actuaries and are charged against the Statement of Financial Performance as employee benefits upon valuation. Defined benefit plans are post-employment plans other than defined contribution plans. Actuarial gains and losses arising from the experience adjustments and changes in actuarial assumptions, are charged or credited to the Statement of Financial Performance in the period that it occurs. These obligations are valued periodically by independent qualified actuaries.

(c) Accrued Leave Pay

Liabilities for annual leave are recognised as they accrue to employees. The liability is based on the total amount of leave days due to employees at year end and also on the total remuneration package of the employee.

(d) Performance Bonuses

A provision, in respect of the liability relating to the anticipated costs of performance bonuses payable to Section 57 employees, is maintained. Municipal entities' performance bonus provisions are based on the employment contract stipulations as well as previous performance bonus payment trends.

(e) Pension and Retirement Fund Obligations

The municipality provides retirement benefits for its employees and councillors. Defined contribution plans are post-employment benefit plans under which an entity pays fixed contributions into a separate entity (a fund) and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. The contributions to fund obligations for the payment of retirement benefits are charged against income in the year they become payable. Defined benefit plans are post-employment benefit plans other than defined contribution plans. The defined benefit funds, which are administered on a provincial basis, are actuarially valued tri-annually on the projected unit credit method basis. Deficits identified are recovered through lump sum payments or increased future contributions on a proportional basis to all participating municipalities. The contributions and lump sum payments are charged against income in the year they become payable. Sufficient information is not available to use defined benefit accounting for a multi-employer plan. As a result, defined benefit plans have been accounted for as if they were defined contribution plans.

1.14. BORROWING COSTS

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets are capitalised to the cost of that asset unless it is inappropriate to do so. The municipality ceases the capitalisation of borrowing costs when substantially all the activities to prepare the asset for its intended use or sale are complete. It is considered inappropriate to capitalise borrowing costs where the link between the funds borrowed and the capital asset acquired cannot be adequately established. Borrowing costs incurred other than on qualifying assets are recognised as an expense in the Statement of Financial Performance when incurred.

1.15. PROPERTY, PLANT AND EQUIPMENT

1.15.1 Initial Recognition

Property, plant and equipment are tangible non-current assets (including infrastructure assets) that are held for use in the production or supply of goods or services, rental to others, or for administrative purposes, and are expected to be used during more than one year. Items of property, plant and equipment are initially recognised as assets on acquisition date and are initially recorded at cost. The cost of an item of property, plant and equipment is the purchase price and other costs attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by the municipality. Trade discounts and rebates are deducted in arriving at the cost. The cost also includes the necessary costs of dismantling and removing the asset and restoring the site on which it is located.

When significant components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment. Where an asset is acquired by the municipality for no or nominal consideration (i.e. a non-exchange transaction), the cost is deemed to be equal to the fair value of that asset on the date acquired. Where an item of property, plant and equipment is acquired in exchange for a non-monetary asset or monetary assets, or a combination of monetary and non-monetary assets, the assets acquired are initially measured at fair value (the cost). If the acquired item's fair value was not determinable, it's deemed cost is the carrying amount of the asset(s) given up. Major spare parts and servicing equipment qualify as property, plant and equipment when the municipality expects to use them during more than one period. Similarly, if the major spare parts and servicing equipment can be used only in connection with an item of property, plant and equipment, they are accounted for as property, plant and equipment.

1.15.2 Subsequent Measurement – Cost Model

Subsequent to initial recognition, items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Land is not depreciated as it is deemed to have an indefinite useful life. Where the municipality replaces parts of an asset, it derecognises the part of the asset being replaced and capitalises the new component. Subsequent expenditure incurred on an asset is capitalised when it increases the capacity or future economic benefits associated with the asset.

1.15.3 Subsequent Measurement – Revaluation Model

Subsequent to initial recognition, Land and Buildings are carried at a re-valued amount, being its fair value at the date of revaluation less any subsequent accumulated depreciation and impairment losses. An increase in the carrying amount of an asset as a result of a revaluation is credited directly to a revaluation surplus reserve, except to the extent that it reverses a revaluation decrease of the same asset previously recognised in surplus or deficit. A decrease in the carrying amount of an asset as a result of a revaluation is recognised in surplus or deficit, except to the extent of any credit balance existing in the revaluation surplus in respect of that asset.

1.15.4 Depreciation and Impairment

Depreciation is calculated on the depreciable amount, using the straight-line method over the estimated useful lives of the assets. Depreciation of an asset begins when it is available for use, i.e. when it is in the

location and condition necessary for it to be capable of operating in the manner intended by management. Components of assets that are significant in relation to the whole asset and that have different useful lives are depreciated separately. The estimated useful lives, residual values and depreciation method are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis. The annual depreciation rates are based on the following estimated useful lives:

	Years		Years
<u>Infrastructure</u>		<u>Other</u>	
Roads and Paving	5 - 50	Buildings	100
Pedestrian Malls	20	Specialist vehicles	10 - 30
Electricity	15 - 50	Other vehicles	5 - 20
Water	15 - 20	Office equipment	5 - 10
Sewerage	10 - 50	Furniture and fittings	7 - 15
		Bins and containers	5 - 10
<u>Community</u>		Specialised plant and	
Buildings	100	Equipment	10 - 30
Recreational Facilities	20 - 30	Other plant and	
Security	5	Equipment	2 - 12
Halls	20 - 30	Landfill sites	30
Libraries	20 - 30		
Parks and gardens	15 - 20	Emergency equipment	10 - 30
Other assets	15 - 20	Computer equipment	5 - 10
<u>Heritage Assets and Land</u>			
Heritage assets	50- Infinite		
Land	Infinite		
<u>Finance lease assets</u>			
Office equipment	3		
Other assets	5 - 6		

Property, plant and equipment are reviewed at each reporting date for any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. The impairment charged to the Statement of Financial Performance is the excess of the carrying value over the recoverable amount. An impairment is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined had no impairment been recognised. A reversal of an impairment is recognised in the Statement of Financial Performance.

1.15.5 De-recognition

Items of property, plant and equipment are derecognised when the asset is disposed or when there are no further economic benefits or service potential expected from the use of the asset. The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying value and is recognised in the Statement of Financial Performance.

1.15.6 Land and Buildings and Other Assets – Application of Deemed Cost (Directive 7)

The municipality opted to take advantage of the transitional provisions as contained in Directive 7 of the Accounting Standards Board, issued in December 2009. The municipality applied deemed cost where the acquisition cost of an asset could not be determined. For Land and Buildings the fair value as determined by a valuator was used in order to determine the deemed cost as on 1 July 2007. For Other Assets the depreciated replacement cost method was used to establish the deemed cost as on 1 July 2007.

1.16. INTANGIBLE ASSETS

1.16.1 Initial Recognition

An intangible asset is an identifiable non-monetary asset without physical substance. An asset meets the identifiability criterion in the definition of an intangible asset when it:

- is separable, i.e. is capable of being separated or divided from the entity and sold, transferred, licensed, rented or exchanged, either individually or together with a related contract, asset or liability; or
- arises from contractual rights (including rights arising from binding arrangements) or other legal rights (excluding rights granted by statute), regardless of whether those rights are transferable or separable from the entity or from other rights and obligations.

The municipality recognises an intangible asset in its Statement of Financial Position only when it is probable that the expected future economic benefits or service potential that are attributable to the asset will flow to the municipality and the cost or fair value of the asset can be measured reliably. Internally generated intangible assets are subject to strict recognition criteria before they are capitalised. Research expenditure is never capitalised, while development expenditure is only capitalised to the extent that:

- the municipality intends to complete the intangible asset for use or sale;
- it is technically feasible to complete the intangible asset;
- the municipality has the resources to complete the project; and
- it is probable that the municipality will receive future economic benefits or service potential.

Intangible assets are initially recognised at cost. Where an intangible asset is acquired in exchange for a non-monetary asset or monetary assets, or a combination of monetary and non-monetary assets, the asset acquired is initially measured at fair value (the cost). If the acquired item's fair value was not determinable, the deemed cost is the carrying amount of the asset(s) given up.

1.16.2 Subsequent Measurement – Cost Model

Intangible assets are subsequently carried at cost less accumulated amortisation and impairments. The cost of an intangible asset is amortised over the useful life where that useful life is finite. Where the useful life is indefinite, the asset is not amortised but is subject to an annual impairment test.

1.16.3 Amortisation and Impairment

Amortisation is charged so as to write off the cost or valuation of intangible assets over their estimated useful lives using the straight line method. Amortisation of an asset begins when it is available for use, i.e. when it is in the condition necessary for it to be capable of operating in the manner intended by management. Components of assets that are significant in relation to the whole asset and that have different useful lives are amortised separately. The estimated useful lives, residual values and amortisation method are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis. The annual amortisation rates are based on the following estimated useful lives:

<u>Intangible Assets</u>	Years
Computer Software	5
Computer Software Licenses	5

1.16.4 De-recognition

Intangible assets are derecognised when the asset is disposed or when there are no further economic benefits or service potential expected from the use of the asset. The gain or loss arising on the disposal or retirement of an intangible asset is determined as the difference between the sales proceeds and the carrying value and is recognised in the Statement of Financial Performance.

1.16.5 Application of deemed cost (Directive 7)

The municipality opted to take advantage of the transitional provisions as contained in Directive 7 of the Accounting Standards Board, issued in December 2009. The Municipality applied deemed cost where the acquisition cost of an asset could not be determined. For Intangible Assets the depreciated replacement cost method was used to establish the deemed cost as on 1 July 2007.

1.17. INVESTMENT PROPERTY

1.17.1 Initial Recognition

Investment property shall be recognised as an asset when, and only when:

- it is probable that the future economic benefits or service potential that are associated with the investment property will flow to the entity, and
- the cost or fair value of the investment property can be measured reliably.

Investment property includes property (land or a building, or part of a building, or both land and buildings held under a finance lease) held to earn rentals and/or for capital appreciation, rather than held to meet service delivery objectives, the production or supply of goods or services, or the sale of an asset in the ordinary course of operations. Property with a currently undetermined use, is also classified as investment property.

At initial recognition, the municipality measures investment property at cost including transaction costs once it meets the definition of investment property. However, where an investment property was acquired through a non-exchange transaction (i.e. where it acquired the investment property for no or a nominal value), its cost is its fair value as at the date of acquisition. The cost of self-constructed investment property is measured at cost. Transfers are made to or from investment property only when there is a change in use. For a transfer from investment property to owner occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. If owner occupied property becomes an investment property, the municipality accounts for such property in accordance with the policy stated under property, plant and equipment up to the date of change in use.

1.17.2 Subsequent Measurement – Fair Value Model

Investment property is measured using the fair value model. Under the fair value model, investment property is carried at its fair value at the reporting date. Any gain or loss arising from a change in the fair value of the property is included in surplus or deficit for the period in which it arises.

1.17.3 De-recognition

Investment property is derecognised when it is disposed of or when there are no further economic benefits expected from the use of the investment property. The gain or loss arising on the disposal or retirement of an item of investment property is determined as the difference between the sales proceeds and the carrying value and is recognised in the Statement of Financial Performance.

1.17.4 Application of deemed cost - Directive 7

The municipality opted to take advantage of the transitional provisions as contained in Directive 7 of the Accounting Standards Board, issued in December 2009. The Municipality applied deemed cost where the acquisition cost of an asset could not be determined. The fair value as determined by a valuator was used in order to determine the deemed cost as on 1 July 2007.

1.18. NON-CURRENT ASSETS HELD FOR SALE

1.18.1 Initial Recognition

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset (or disposal group) is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

1.18.2 Subsequent Measurement

Non-current assets held for sale (or disposal group) are measured at the lower of carrying amount and fair value less costs to sell. A non-current asset is not depreciated (or amortised) while it is classified as held for sale, or while it is part of a disposal group classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale are recognised in surplus or deficit.

1.19. IMPAIRMENT OF NON-FINANCIAL ASSETS

1.19.1 Cash-generating assets

Cash-generating assets are assets held with the primary objective of generating a commercial return. The municipality assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the municipality estimates the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used. Impairment losses are recognised in the Statement of Financial Performance in those expense categories consistent with the function of the impaired asset.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the municipality estimates the asset's or cash-generating unit's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the Statement of Financial Performance.

1.19.2 Non-cash-generating assets

Non-cash-generating assets are assets other than cash-generating assets. The Municipality assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Municipality estimates the asset's recoverable service amount.

An asset's recoverable service amount is the higher of a non-cash-generating asset's fair value less costs to sell and its value in use. If the recoverable service amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable service amount. That reduction is an impairment loss recorded in the Statement of Financial Performance. The value in use of a non-cash-generating asset is the present value of the asset's remaining service potential. The present value of the remaining service potential of the asset is determined using any one of the following approaches:

- *depreciated replacement cost approach* - the present value of the remaining service potential of an asset is determined as the depreciated replacement cost of the asset. The replacement cost of an asset is the cost to replace the asset's gross service potential. This cost is depreciated to reflect the asset in its used condition. An asset may be replaced either through reproduction (replication) of the existing asset or through replacement of its gross service potential. The depreciated replacement cost is measured as the reproduction or replacement cost of the asset, whichever is lower, less accumulated depreciation calculated on the basis of such cost, to reflect the already consumed or expired service potential of the asset.
- *restoration cost approach* - the cost of restoring the service potential of an asset to its pre-impaired level. Under this approach, the present value of the remaining service potential of the asset is determined by subtracting the estimated restoration cost of the asset from the current cost of replacing the remaining service potential of the asset before impairment. The latter cost is

usually determined as the depreciated reproduction or replacement cost of the asset, whichever is lower.

- *service unit approach* - the present value of the remaining service potential of the asset is determined by reducing the current cost of the remaining service potential of the asset before impairment, to conform with the reduced number of service units expected from the asset in its impaired state. As in the restoration cost approach, the current cost of replacing the remaining service potential of the asset before impairment is usually determined as the depreciated reproduction or replacement cost of the asset before impairment, whichever is lower.

Fair value less costs to sell is the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal. The Municipality assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for an asset may no longer exist or may have decreased. If any such indication exists, the Municipality estimates the recoverable service amount of that asset.

An impairment loss recognised in prior periods for an asset is reversed if there has been a change in the estimates used to determine the asset's recoverable service amount since the last impairment loss was recognised. If this is the case, the carrying amount of the asset is increased to its recoverable service amount. The increased carrying amount of an asset attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined (net of depreciation or amortisation) had no impairment loss been recognised for the asset in prior periods. Such a reversal of an impairment loss is recognised in the Statement of Financial Performance.

1.20. NON CURRENT INVESTMENTS

Financial instruments, which include, investments in municipal entities and fixed deposits invested in registered commercial banks, are stated at amortised cost. Where investments have been impaired, the carrying value is adjusted by the impairment loss, which is recognised as an expense in the period that the impairment is identified. On disposal of an investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the Statement of Financial Performance. The carrying amounts of such investments are reduced to recognise any decline, other than a temporary decline, in the value of individual investments.

1.21. INVENTORIES

1.21.1 Initial Recognition

Inventories comprise current assets held for sale, consumption or distribution during the ordinary course of business. Inventories are initially recognised at cost. Cost generally refers to the purchase price, plus non-recoverable taxes, transport costs and any other costs in bringing the inventories to their current location and condition. Where inventory is manufactured, constructed or produced, the cost includes the cost of labour, materials and overheads used during the manufacturing process. Where inventory is acquired by the

municipality for no or nominal consideration (i.e. a non-exchange transaction), the cost is deemed to be equal to the fair value of the item on the date acquired.

1.21.2 Subsequent Measurement

Inventories, consisting of consumable stores, raw materials, work-in-progress and finished goods, are valued at the lower of cost and net realisable value unless they are to be distributed at no or nominal charge, in which case they are measured at the lower of cost and current replacement cost. Redundant and slow-moving inventories are identified and written down in this way. Differences arising on the valuation of inventory are recognised in the Statement of Financial Performance in the year in which they arose. The amount of any reversal of any write-down of inventories arising from an increase in net realisable value or current replacement cost is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

The carrying amount of inventories is recognised as an expense in the period that the inventory was sold, distributed, written off or consumed, unless that cost qualifies for capitalisation to the cost of another asset. In general, the basis of allocating cost to inventory items is the weighted average method. Cost of land held for sale is assigned by using specific identification of their individual costs.

1.22. FINANCIAL INSTRUMENTS

Financial instruments recognised on the Statement of Financial Position include receivables (both from exchange transactions and non-exchange transactions), cash and cash equivalents, annuity loans and payables (both from exchange transactions and non-exchange transactions).

1.22.1 Initial Recognition

Financial instruments are initially recognised when the municipality becomes a party to the contractual provisions of the instrument at fair value plus, in the case of a financial asset or financial liability not at fair value, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability

1.22.2 Subsequent Measurement

Financial Assets are categorised according to their nature as either financial assets at fair value, financial assets at amortised cost or financial assets at cost. Financial Liabilities are categorised as either at fair value, financial liabilities at cost or financial liabilities carried at amortised cost ("other"). The subsequent measurement of financial assets and liabilities depends on this categorisation.

1.22.2.1 Receivables

Receivables are classified as loans and receivables, and are subsequently measured at amortised cost using the effective interest rate method. For amounts due from debtors carried at amortised cost, the Municipality first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. Objective evidence of impairment includes significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation and default or delinquency in payments (more than 90 days overdue). If the Municipality determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognised are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not yet been incurred). The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognised in the Statement of Financial Performance. Interest income continues to be accrued on the reduced carrying amount based on the original effective interest rate of the asset. Loans together with the associated allowance are written off when there is no realistic prospect of future recovery and all collateral has been realised or has been transferred to the municipality. If, in a subsequent year, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognised, the previously recognised impairment loss is increased or reduced by adjusting the allowance account. If a future write-off is later recovered, the recovery is recognised in the Statement of Financial Performance. The present value of the estimated future cash flows is discounted at the financial asset's original effective interest rate, if material. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate.

1.22.2.2 Payables and Annuity Loans

Financial liabilities consist of payables and annuity loans. They are categorised as financial liabilities held at amortised cost, are initially recognised at fair value and subsequently measured at amortised cost using an effective interest rate, which is the initial carrying amount, less repayments, plus interest.

1.22.2.3 Cash and Cash Equivalents

Cash includes cash on hand (including petty cash) and cash with banks. Cash equivalents are short-term highly liquid investments, readily convertible into known amounts of cash that are held with registered banking institutions with maturities of three months or less and are subject to an insignificant risk of change in value. For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand, highly liquid deposits and net of bank overdrafts. The municipality categorises cash and cash equivalents as financial assets carried at amortised cost. Bank overdrafts are recorded based on the facility utilised. Finance charges

on bank overdraft are expensed as incurred. Amounts owing in respect of bank overdrafts are categorised as financial liabilities: other financial liabilities carried at amortised cost.

1.22.3 De-recognition of Financial Instruments

1.22.3.1 Financial Assets

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- the rights to receive cash flows from the asset have expired; or
- the municipality has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the municipality has transferred substantially all the risks and rewards of the asset, or (b) the municipality has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the municipality has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, a new asset is recognised to the extent of the municipality's continuing involvement in the asset. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the municipality could be required to repay.

When continuing involvement takes the form of a written and/or purchased option (including a cash settled option or similar provision) on the transferred asset, the extent of the municipality's continuing involvement is the amount of the transferred asset that the municipality may repurchase, except that in the case of a written put option (including a cash settled option or similar provision) on an asset measured at fair value, the extent of the municipality's continuing involvement is limited to the lower of the fair value of the transferred asset and the option exercise price.

1.22.3.2 Financial Liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the Statement of Financial Performance.

1.22.4 Offsetting of Financial Instruments

Financial assets and financial liabilities are offset and the net amount reported in the Statement of Financial Position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

1.23. REVENUE

1.23.1 Revenue from Non-Exchange Transactions

Revenue from non-exchange transactions refers to transactions where the municipality received revenue without directly giving approximately equal value in exchange. Revenue from non-exchange transactions is generally recognised to the extent that the related receipt or receivable qualifies for recognition as an asset and there is no liability to repay the amount. Revenue from property rates is recognised when the legal entitlement to this revenue arises. Collection charges are recognised when such amounts are legally enforceable. Penalty interest on unpaid rates is recognised on a time proportionate basis as an exchange transaction.

Fine revenue constitutes both spot fines and summonses. Revenue from spot fines and summonses is recognised based on an estimation of future collections of fines issued based on prior period trends and collection percentages. Revenue from public contributions and donations is recognised when all conditions associated with the contribution have been met or where the contribution is to finance property, plant and equipment, when such items of property, plant and equipment qualifies for recognition and first becomes available for use by the municipality. Where public contributions have been received but the municipality has not met the related conditions, it is recognised as an unspent public contribution (liability).

Revenue from third parties i.e. insurance payments for assets impaired, are recognised when it can be measured reliably and is not being offset against the related expenses of repairs or renewals of the impaired assets. Contributed property, plant and equipment is recognised when such items of property, plant and equipment qualifies for recognition and become available for use by the municipality.

After a period of twelve months all unclaimed deposits into the municipality's bank account will be treated as revenue as historical patterns have indicated that minimal unidentified deposits are reclaimed after a period of twelve months. This assessment is performed annually at 30 June. Therefore the substance of these transactions indicate that even though the prescription period for unclaimed monies is legally three years, it is reasonable to recognise all unclaimed monies older than twelve months as revenue. Revenue from the recovery of unauthorised, irregular, fruitless and wasteful expenditure is based on legislated procedures, including those set out in the Municipal Finance Management Act (Act No. 56 of 2003) and is recognised when the recovery thereof is virtually certain. Revenue is measured at the fair value of the consideration received or receivable.

When, as a result of a non-exchange transaction, a municipality recognises an asset, it also recognises revenue equivalent to the amount of the asset measured at its fair value as at the date of acquisition, unless it is also required to recognise a liability. Where a liability is required to be recognised it will be measured as the best estimate of the amount required to settle the present obligation at the reporting date, and the amount of

the increase in net assets, if any, recognised as revenue. When a liability is subsequently reduced, because the taxable event occurs or a condition is satisfied, the amount of the reduction in the liability will be recognised as revenue.

1.23.2 Revenue from Exchange Transactions

Revenue from exchange transactions refers to revenue that accrued to the municipality directly in return for services rendered/ goods sold, the value of which approximates the consideration received or receivable. Service charges relating to electricity and water are based on consumption and a basic charge as per Council resolution. Meters are read on a monthly basis and are recognised as revenue when invoiced. Provisional estimates of consumption are made monthly when meter readings have not been performed. The provisional estimates of consumption are recognised as revenue when invoiced. Adjustments to provisional estimates of consumption are made in the invoicing period in which meters have been read. These adjustments are recognised as revenue in the invoicing period.

Revenue from the sale of electricity prepaid meter cards is recognised at the point of sale. An adjustment is made at year-end for unused units. Service charges relating to refuse removal are recognised on an annual basis in advance by applying the approved tariff to each property that has improvements. Tariffs are determined per category of property usage. Service charges from sanitation (sewerage) are recognised on an annual basis in advance by applying the approved tariff to each property that has improvements.

Interest revenue is recognised using the effective interest rate method. Revenue from the rental of facilities and equipment is recognised on a straight-line basis over the term of the lease agreement. Revenue arising from the application of the approved tariff of charges is recognised when the relevant service is rendered by applying the relevant tariff. This includes the issuing of licences and permits. Revenue from the sale of goods is recognised when substantially all the risks and rewards in those goods are passed to the consumer. Revenue arising out of situations where the municipality acts as an agent on behalf of another entity (the principal) is limited to the amount of any fee or commission payable to the municipality as compensation for executing the agreed services.

The amount of revenue arising on a transaction is usually determined by agreement between the entity and the purchaser or user of the asset or service. It is measured at the fair value of the consideration received or receivable taking into account the amount of any trade discounts and volume rebates allowed by the entity. In most cases, the consideration is in the form of cash or cash equivalents and the amount of revenue is the amount of cash or cash equivalents received or receivable. However, when the inflow of cash or cash equivalents is deferred, the fair value of the consideration may be less than the nominal amount of cash received or receivable. When the arrangement effectively constitutes a financing transaction, the fair value of the consideration is determined by discounting all future receipts using an imputed rate of interest. The imputed rate of interest is the more clearly determinable of either:

- The prevailing rate for a similar instrument of an issuer with a similar credit rating; or
- A rate of interest that discounts the nominal amount of the instrument to the current cash sales price of the goods or services.

The difference between the fair value and the nominal amount of the consideration is recognised as interest revenue.

When goods or services are exchanged or swapped for goods or services which are of a similar nature and value, the exchange is not regarded as a transaction that generates revenue. When goods are sold or services are rendered in exchange for dissimilar goods or services, the exchange is regarded as a transaction that generates revenue. The revenue is measured at the fair value of the goods or services received, adjusted by the amount of any cash or cash equivalents transferred. When the fair value of the goods or services received cannot be measured reliably, the revenue is measured at the fair value of the goods or services given up, adjusted by the amount of any cash or cash equivalents transferred.

1.23.3 Grants, Transfers and Donations (Non-Exchange Revenue)

Grants, transfers and donations received or receivable are recognised when the resources that have been transferred meet the criteria for recognition as an asset. A corresponding liability is raised to the extent that the grant, transfer or donation is conditional. The liability is transferred to revenue as and when the conditions attached to the grant are met. Grants without any conditions attached are recognised as revenue when the asset is recognised.

1.24. RELATED PARTIES

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions or if the related party entity and another entity are subject to common control.

(a) Related parties include:

- Entities that directly, or indirectly through one or more intermediaries, control, or are controlled by the reporting entity;
- Individuals owning, directly or indirectly, an interest in the reporting entity that gives them significant influence over the entity, and close members of the family of any such individual;
- Key management personnel, and close members of the family of key management personnel; and
- Entities in which a substantial ownership interest is held, directly or indirectly, by any person described in the 2nd and 3rd bullet, or over which such a person is able to exercise significant influence.

(b) Key management personnel include:

- All directors or members of the governing body of the entity, being the Executive Mayor, Deputy Mayor, Speaker and members of the Mayoral Committee.
- Other persons having the authority and responsibility for planning, directing and controlling the activities of the reporting entity being the Municipal Manager, Chief Financial Officer and all other managers reporting directly to the Municipal Manager or as designated by the Municipal Manager.

1.25. UNAUTHORISED EXPENDITURE

Unauthorised expenditure is expenditure that has not been budgeted or is expenditure that is not in terms of the conditions of an allocation received from another sphere of government, municipality or organ of state, or is expenditure in the form of a grant that is not permitted in terms of the Municipal Finance Management Act (Act No. 56 of 2003). Unauthorised expenditure is accounted for as an expense in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

1.26. IRREGULAR EXPENDITURE

Irregular expenditure is expenditure that is contrary to the Municipal Finance Management Act (Act No. 56 of 2003), the Municipal Systems Act (Act No. 32 of 200), the Public Office Bearers Act, and (Act. No. 20 of 1998) or is in contravention of the municipality's Supply Chain Management Policy. Irregular expenditure excludes unauthorised expenditure. Irregular expenditure is accounted for as expenditure in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

1.27. FRUITLESS AND WASTEFUL EXPENDITURE

Fruitless and wasteful expenditure is expenditure that was made in vain and could have been avoided had reasonable care been exercised. Fruitless and wasteful expenditure is accounted for as expenditure in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

1.28. CONTINGENT LIABILITIES

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. A contingent liability could also be a present obligation that arises from past events, but is not recognised because it is not probable that an outflow of resources embodying economic benefits will be required to the obligation or the amount of the obligation cannot be measured with sufficient reliability. Management judgement is required when recognising and measuring contingent liabilities.

1.29. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

In the process of applying the municipality's accounting policy, management has made the following significant accounting judgements, estimates and assumptions, which have the most significant effect on the amounts recognised in the financial statements:

Post Retirement Medical Obligations and Long Service Awards

The cost of post retirement medical obligations and long service awards are determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, expected rates of return on assets, future salary increases, mortality rates and future pension increases. Due to the long-term nature of these plans, such estimates are subject to significant uncertainty.

Impairment of Receivables

The calculation in respect of the impairment of debtors is based on an assessment of the extent to which debtors have defaulted on payments already due, and an assessment of their ability to make payments based on their creditworthiness. This was performed per service-identifiable categories across all classes of debtors.

Property, Plant and Equipment

The useful lives of property, plant and equipment are based on management's estimation. Infrastructure's useful lives are based on technical estimates of the practical useful lives for the different infrastructure types, given engineering technical knowledge of the infrastructure types and service requirements. For other assets and buildings management considers the impact of technology, availability of capital funding, service requirements and required return on assets to determine the optimum useful life expectation, where appropriate. The estimation of residual values of assets is also based on management's judgement whether the assets will be sold or used to the end of their useful lives, and in what condition they will be at that time.

For deemed cost applied to other assets as per adoption of Directive 7, management used the depreciated replacement cost method which was based on assumptions about the remaining duration of the assets. For deemed cost applied to land and buildings as per adoption of Directive 7, management made use of an independent valuator. The valuator's valuation was based on assumptions about the market's buying and selling trends and the remaining duration of the assets.

Intangible Assets

The useful lives of intangible assets are based on management's estimation. Management considers the impact of technology, availability of capital funding, service requirements and required return on assets to determine the optimum useful life expectation, where appropriate. For deemed cost applied to intangible assets as per adoption of Directive 7, management used the depreciated replacement cost method which was based on assumptions about the remaining duration of the assets.

Investment Property

The useful lives of investment property are based on management's estimation. Management considers the impact of technology, availability of capital funding, service requirements and required return on assets to determine the optimum useful life expectation, where appropriate. The estimation of residual values of assets is also based on management's judgement whether the assets will be sold or used to the end of their economic lives, and in what condition they will be at that time. For deemed cost applied to Investment Property as per adoption of Directive 7, management made use of an independent valuator. The valuator's valuation was based on assumptions about the market's buying and selling trends and the remaining duration of the assets.

Provisions and Contingent liabilities

Management judgement is required when recognising and measuring provisions and when measuring contingent liabilities. Provisions are discounted where the effect of discounting is material using actuarial valuations.

Revenue Recognition

Accounting Policy 1.23.1 on Revenue from Non-Exchange Transactions and Accounting Policy 1.23.2 on Revenue from Exchange Transactions describes the conditions under which revenue will be recognised by management of the municipality.

In making their judgement, management considered the detailed criteria for the recognition of revenue as set out in GRAP 9: Revenue from Exchange Transactions and GRAP 23: Revenue from Non-Exchange Transactions.). Specifically, whether the municipality, when goods are sold, had transferred to the buyer the significant risks and rewards of ownership of the goods and when services are rendered, whether the service has been performed. Revenue from the issuing of spot fines and summonses has been recognised on the accrual basis using estimates of future collections based on the actual results of prior periods. The management of the municipality is satisfied that recognition of the revenue in the current year is appropriate.

Provision for Landfill Sites

The provision for rehabilitation of the landfill site is recognised as and when the environmental liability arises. The provision is calculated by a qualified environmental engineer. The provision represents the net present value of the expected future cash flows to rehabilitate the landfill site at year end. To the extent that the obligations relate to an asset, it is capitalised as part of the cost of those assets. Any subsequent changes to an obligation that did not relate to the initial related asset is charged to the Statement of Financial Performance.

Provision for Task Implementation and Back Pay

The provision at 30 June 2010 for Task Implementation represents the municipality's obligation towards qualifying officials as a result of a new national grading system for municipalities which came into effect on 1 October 2009. The calculation was based on the difference between the current basic salary compared to the basic salary as per new TASK grading. The difference between these two packages was backdated to the implementation date of the TASK grading system. The provision at 30 June 2011 for Back Pay represents the municipality's obligation towards Section 57 Directors as a result of an amendment in their employment contracts. The calculation was based actual remuneration paid versus the requirements of the amended packages.

Provision for Performance bonuses

The provision for performance bonuses represents the best estimate of the obligation at year end and is based on historic patterns of payment of performance bonuses. Performance bonuses are subject to an evaluation by council.

Provision for Staff leave

Staff leave is accrued to employees according to collective agreements. Provision is made for the full cost of accrued leave at reporting date. This provision will be realised as employees take leave. There is no possibility of reimbursement.

Pre-paid electricity estimation

Pre-paid electricity is only recognised as income once the electricity is consumed. The pre-paid electricity balance (included under payables) represents the best estimate of electricity sold at year end, that is still unused. The average pre-paid electricity sold per day during the year under review is used and the estimate is calculated using between 5 and 10 days worth of unused electricity.

Componentisation of infrastructure assets

All infrastructure assets are unbundled into their significant components in order to depreciate all major components over the expected useful lives. The cost of each component is estimated based on the current market price of each component, depreciated for age and condition and recalculated to cost at the acquisition date if known or to the date of initially adopting the standards of GRAP.

1.30. TAXES – VALUE ADDED TAX

Revenue, expenses and assets are recognised net of the amounts of value added tax. The net amount of Value added tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the Statement of Financial Position.

1.31. AMENDED DISCLOSURE POLICY

Amendments to accounting policies are reported as and when deemed necessary based on the relevance of any such amendment to the format and presentation of the financial statements. The principal amendments to matters disclosed in the current financial statements include fundamental errors, and the treatment of assets financed by external grants.

1.6 Information and Communication Technology

The ICT Software used by Senqu Local Municipality is summarized in Table F5 below:

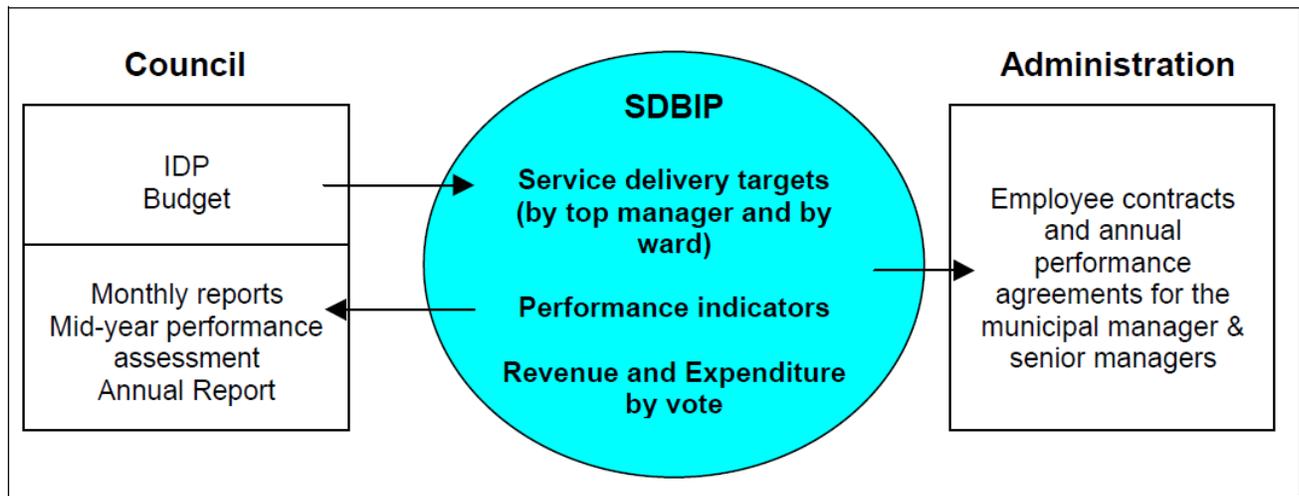
Table F5

Company	Programme	Application
Sebata	Sebata Financial Management Solutions	Sebata Consolidated Billing Sebata Ledger Sebata Payroll Sebata Assets Sebata Stores Sebata Cashbook Sebata Financial Management Solutions
Microsoft	MS Office	MS Word MS Excel MS PowerPoint MS Publisher Adobe MS Outlook

Sophos	Sophos Protection	Sophos Antivirus
Standard Bank	Standard Bank Business Online	Standard Bank Business Online Electronic Banking
SITA	eNatis	Motor Vehicle Registration

2 THE SERVICE DELIVERY BUDGET IMPLEMENTATION PLAN (SDBIP)

The SDBIP marries the Performance Management System (as required under the Municipal Systems Act) with the budget and the IDP. Thus the strategic direction mapped out in the IDP is matched with financial resources and delivery of services as specified in the PMS. The requirement for a SDBIP is stated in the MFMA, Section 69.3 (a) and is the responsibility of the Municipal Manager.



The SDBIP allows the budget to be implemented fully as it identifies:

- The Strategic Imperative – Through links with the IDP.
- The Financial Imperative – Through links with the budget.
- The Performance Imperative – Through links to the PMS.

The National Treasury Circular 13 describes I detail the approach to SDBIP's. Basically there is a high level SDBIP for the purpose of high level monitoring by stakeholders, backed by full detail all the way to the individual employee. Starting from the top (the Municipal Manager), all staff operate under KPI's within the identified KPA's. In effect the SDBIP becomes the implementation tool for the budget and the basis for non-financial monitoring.

At the highest level every vote could be aligned to an IDP strategy and some KPI's. These then form the basis of future monthly and in year reporting.

CHAPTER TEN: PERFORMANCE MANAGEMENT SYSTEM

Introduction

This is a summarised version of the Senqu Performance Management system adopted by Council on the 11 March 2011.

The purpose of the policy is “to ensure good governance and create a culture of performance and accountability”.

Guiding Principles

The Performance Management System and Framework will be guided by the following broad principles:

- Open communication in order to ensure that all parties understand the expectations and challenges facing them, whilst being able to discuss performance difficulties and issues freely;
- The alignment of departmental and individual performance objectives with the strategic objectives of Senqu Municipality (as relating to the Integrated Development Plan);
- Commitment to the application of Performance Management within the prescripts of the framework and policy;
- Recognition of performance which meets or exceeds the required standards;
- Coaching and development in areas where performance does not meet the required standards; and
- Developmental feedback in order to ensure that performance optimisation is fostered.

Development, reporting and review process

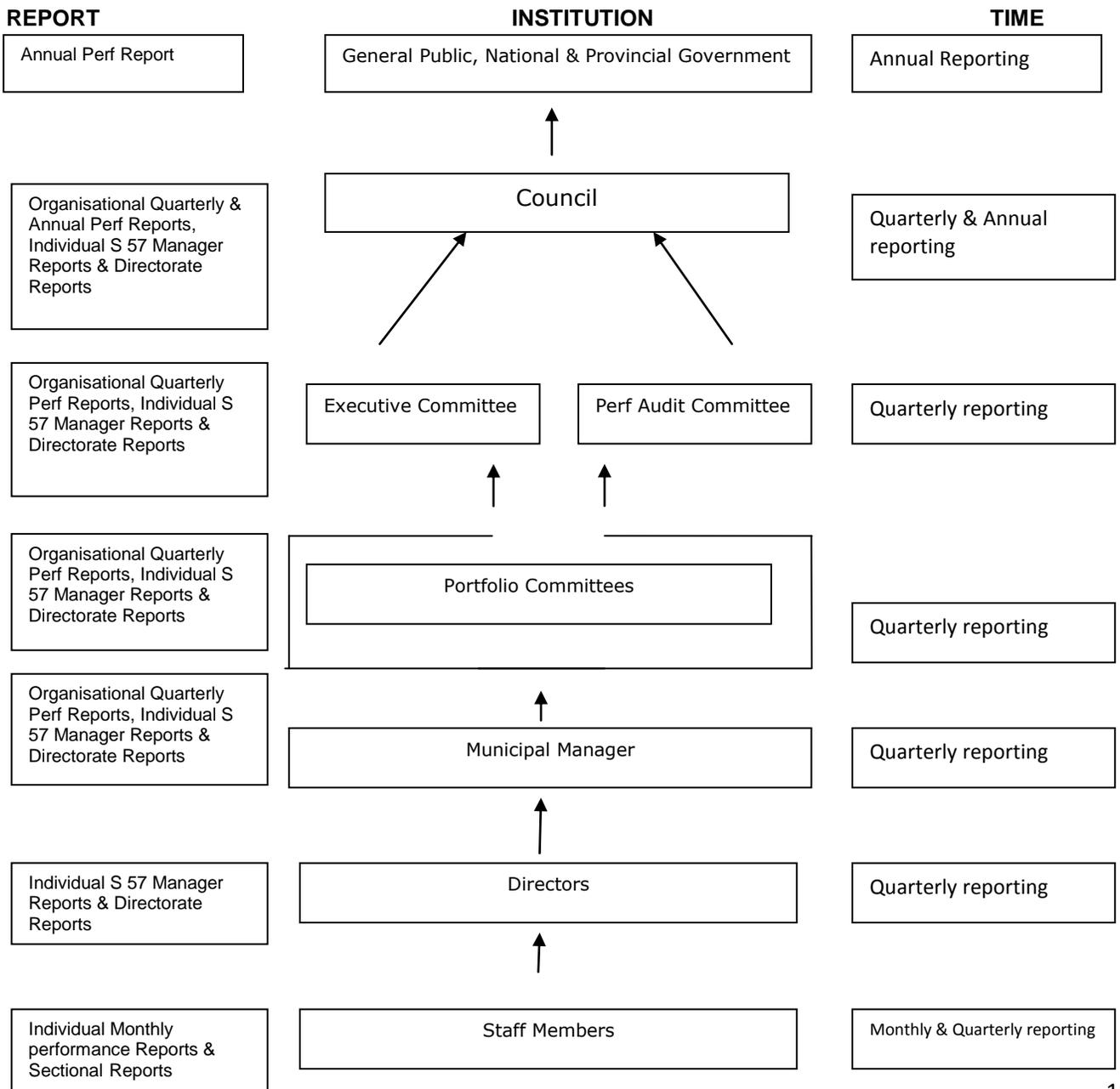
The Performance Management Cycle is an annual cycle, which extends from 1 July to 30 June, during which time performance is measured against performance targets. Through the process of planning, steps are taken to “plan” and set performance targets for the period under review.

These targets will be ultimately linked to the achievement of the IDP objectives, which represent the targets of the Municipality as a whole. These targets in turn, are reflected within the Municipal Scorecard (as high-level strategic

objectives) which is further translated into departmental objectives (as reflected also within the SDBIP's or Service Delivery Budget and Implementation Plans.

These, in turn, are translated into plans, which become increasingly operational, as they cascade from the senior Managers down to the lower levels. Each "subordinates" scorecard (depicting performance objectives and performance indicators) are drawn from the Manager's scorecard immediately above.

The Annual Process of Reporting and Review



Measuring employee performance

The criteria to measure an employee's performance will be reflected on the scorecard as outputs (or agreed upon objectives, i.e. targets). This describes exactly what was required to be achieved during the year. Performance Indicators for each output will be provided and will detail the evidence that will be required to assess whether or not the employee has achieved the required objective. The Inputs are reflected as the knowledge, skills and behaviour required in order achieving these objectives i.e. the inputs or behaviour required.

Actual performance will be evaluated on evidence provision and a Portfolio of Evidence will be required to be presented for each individual in order to substantiate the achievement or non-achievement of required performance in all areas highlighted within the scorecard. A column entitled "Reason for Deviation" will be completed to indicate reasons for over or under achievement, so that ratings may be made within context.

WEIGHTINGS AND INDICATORS (Technical, CMC's and CCR's)

Indicators or inputs will be weighted according to the impact within each Key Performance area on the scorecard. As a standard rule of thumb and to ensure a balanced scorecard-type approach to performance management, 80% of the final score will be made up of the Technical Key Performance Areas for the position in question. CCR's (cross-cutting results) or Core Management Competencies (CMC's) will account for 20% of the final score. KPA's are scored out of 160 points for the technical aspect of the position and 40 points are allocated to the CMC's or CCR's. As in the case of all indicators, these inputs will detail the required targets and the evidence required in order to measure actual performance achieved against the desired objectives.

- *Scoring Process and Procedure*

The process of scoring s57 Managers and employees in terms of the current Performance Management System and in terms of generally accepted practice, requires that the following activities occur:

- Evaluation and scoring of these Managers is required to be undertaken on a quarterly basis. The most critically important reason for doing this quarterly is to ensure that issues are addressed "sooner rather than later", should deficiencies in performance exist. Appropriate action and action in the "best interests of Council" would be enabled, thereby ensuring that Council is most likely to achieve its performance

targets.

- In the case of final evaluations and more specifically within the process of scoring, it is required that scores be made by each contributing member of the panel on a separate Scoresheet. All scores from all parties are then averaged and a single consolidated score is written on the final scorecard (representing the average scores).

The role of the Facilitator will be to lead the Evaluation Panel and the respective s57 Managers through the process of Performance Evaluation and to ensure that this occurs systematically and fairly as per system requirements. This process will apply similarly during subsequent levels.

The following procedure will be undertaken in this process of Performance Measurement and will be facilitated by the Facilitator:

- During each evaluation, the Facilitator will lead the process by outlining each area on the populated scorecard.
- Each member of the panel will rate the Manager/employee under discussion.
- The respective s57 Manager/employee will then be required to give a verbal account on specific achievements/non achievements and the reasons for any deviations. Where requested, formal documentary evidence must be provided to validate performance. SDBIP's/documentary evidence and evidence portfolio's may also be used to substantiate performance or to settle disputes and such evidence will be requested as and when required.
- The chosen areas for the CMC's are clearly defined as per attached guidelines (Annexure A) and this must be used when scoring, so as to ensure consistency of application.
- SDBIP's will be made available up front, so that easy reference can be made and evidence obtained
- Measures or scores from 1 – 5 will be used to rate each area under review and the guidelines and definitions for these ratings will appear for ease of reference on the score sheets. (Refer Annexure B)
- Finally, all scores (as indicated on separate panel members' score sheets) will be added together and divided by the number of panel member's present (who scored). An average or consolidated score will

then be obtained for each area under review.

- A column that reads “*Reason for Deviations*” will be completed for all scored areas and scores in order to offer insight where deviations have occurred.
- A report indicating all consolidated scores will be submitted within one (1) week to the Municipal Manager. These scores must be verified as correct by the Internal Audit Committee and thereupon; bonuses will be authorized for all deserving Managers and employees.

Every effort must be made to evaluate performance objectively, realistically and accurately. Failure to do so (resulting in over- or under-stating performance) can only be detrimental – both to the organization and to the individual.

Recognition and Qualifying for Bonuses - s57 Employees

The Municipal performance regulations for s57 Managers promulgated in August 2006 in respect of the management of performance evaluation outcomes indicate that a performance bonus ranging between 5% and 14% of all-inclusive remuneration package may be paid in order to recognize **outstanding** performance.

s57 Managers (In terms of Municipal performance regulations promulgated in August 2006)

- A score of 130% to 149% is awarded a performance bonus ranging from 5 – 9% and
- 150 and above is awarded a performance bonus ranging from 10% - 14%.

On the “new” performance management system the Managers need to have their bonus worked out on the sliding scale framework. This score is now out of 200 points. The KPA’s must constitute 80% of the final score and the CCR’s must constitute 20% of the final score. This means that the KPA’s must be scored out of 160 and the CCR’s must be scored out of 40 points.

Scoring

If the KPA’s received an individual score based on the 5-point rating scale, then you would determine the weighted scores as follows :

Merit Increases (s57)

Merit increases for Section 57 (special cases included) employees are determined by performance against targets. Once performance criteria have been established, performance targets are reviewed regularly. At the end of the financial year, actual performance is compared against the agreed performance targets to determine the magnitude of the merit increase. The merit increase is calculated as a percentage of the total annual package of the employee. Budgetary provision must be made on an annual basis for the payment of performance bonuses and merit increases as indicated above.

All other employees

Bonuses will be awarded between 2% and 5% of the total package.

- 80% achievement i.e. scores of 160 and above will be entitled to a performance bonus of 5%.
- 75% - 80% i.e. scores of 150 to 159 will receive a bonus of 4%.
- 73% - 75% ie. scores 146 to 149 will receive a bonus of 3%; and
- 70% - 72% ie. scores of 140 to 145 will receive a bonus of 2%.

Scores of below 70% will not receive a bonus.

Merit Increase (Employees below s57)

Merit increases for employees below s57 will be phased in once the necessary Budgetary provisions have been made and only employees achieving 80% and above will receive 1% of total package as a "once off" payment in lieu of a merit increase.

MANAGEMENT OF POOR PERFORMANCE

Poor performance will be required to be managed through ongoing coaching, however, formal coaching is required to be conducted during the September and March reviews.

Failing the required improvement in performance, the employees will be managed as per the terms of their performance contracts and agreements (as per s57 and fixed-term contract positions) whilst other employees will have performance managed as per the Disciplinary and Grievance Procedure and Code.

ANNEXURE 1: MUNICIPAL PLANS & BY LAWS

PLANS	STATUS
Detailed Spatial Dev. Framework,	Reviewed 2011 from 2009. Adopted 29 April 2011
Detailed Disaster Management Plan	Adopted 29 April 2011
Land Use Management Framework	Principles contained in SDF
Land Use Management System	Principles contained in SDF
Waste Management Plan	Yes as part of JGDM but requires reviewing as done in 2004/5
Air quality management plan	Not done as have insufficient funding to undertake
Environmental Plan	Yes as part of the JGDM Environmental Management Plan
3 year financial plan	Yes and draft adopted 30 March 2012
Work Place Skills Plan	Yes done annually
Employment Equity Plan	Yes done annually
HR Strategy	Yes done annually
Organogram	Draft adopted March 2012 and highlighted in IDP
PMS framework and policy	Adopted 2010. Revised 2011 and draft adopted 11 March 2011
A. Water Service Development Plan (all WSAs) B. Water Resources Plan C. Forestry Plan	Not applicable but utilised information from JGDM WSDP 2010
Integrated Transport Plan	Not applicable as not transport authority but utilised JGDM revised ITP 2010
Housing Plan	Developed 2007 but not adopted. Consultant appointed 1 April 2011 by Department of Human Settlement to do new plan. Draft included
Energy Master Plan (Electricity Master Plan)	Not applicable as not a REDS
Local Economic Development Plan	Strategy developed in 2007 but outdated and new strategy is being developed with funding from DLG &TA. Will be complete during the 2012/13 Financial year.

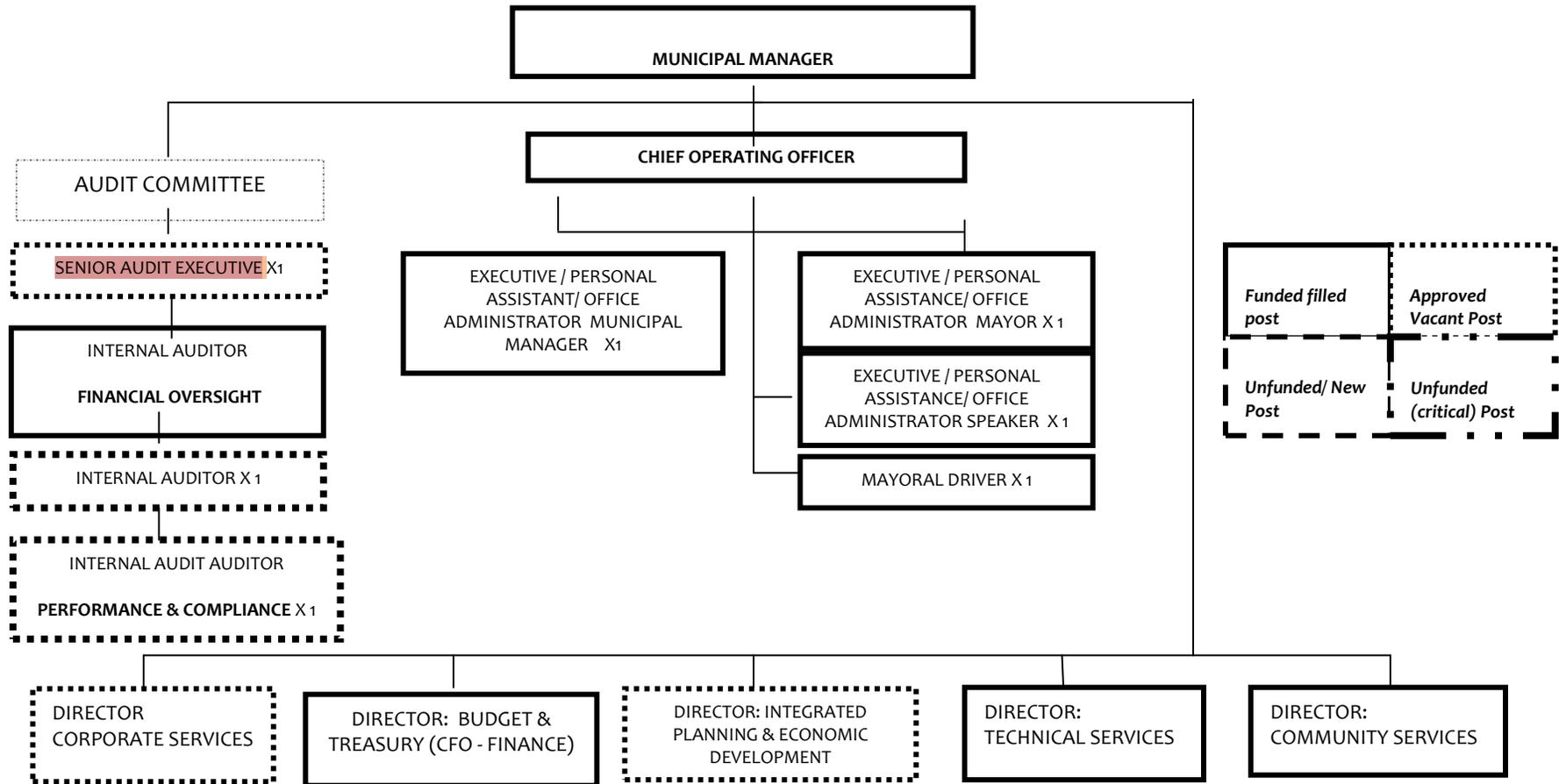
PLANS	STATUS
Infrastructure Investment Plan (EPWP)	Yes as part of the CIP and EPWP but will be changed
Area Based Plans (Land Reform)	Not applicable as done for DM's but utilised JGDM ABP 2010
Anti Corruption Strategy	Yes
Municipal turn around strategy	Yes but completed

BY LAW	SUBJECT
Abattoirs	Abattoirs
Advertising signs and the disfigurement of the front or frontages of streets	Advertising signs and the disfigurement of the front or frontages of streets
Air pollution	Air pollution
Airport	Airport
Animals, birds and domestic pets	Animals, birds and domestic pets
Building control regulations	Building control regulations
Business and street trading	Business and street trading
Cemeteries	Cemeteries
Childcare services	Childcare services

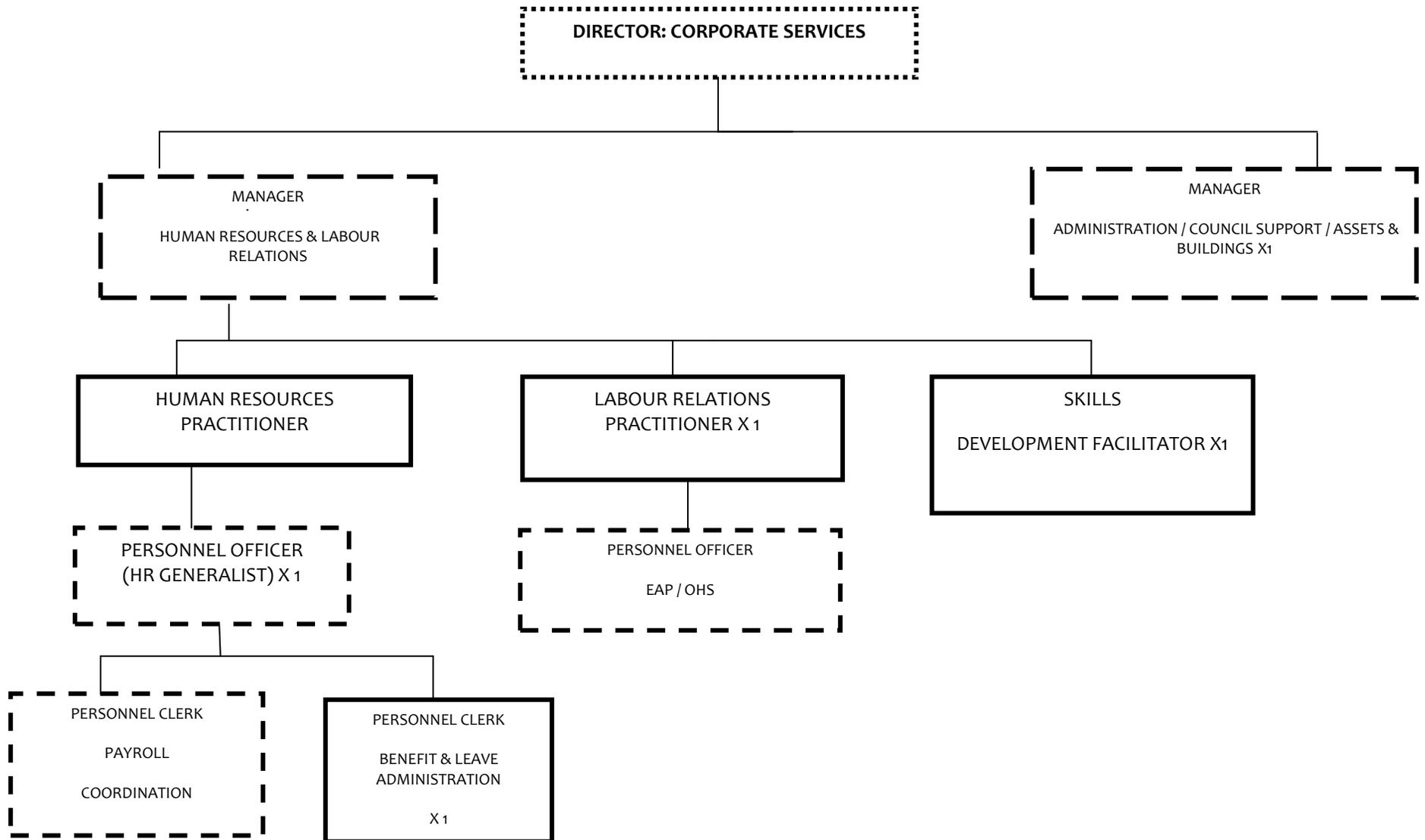
BY LAW	SUBJECT
Commonage	Commonage
Community Fire services	Community Fire services
Corporate Identity	Corporate Identity
Dumping and littering	Dumping and littering
Electricity supply	Electricity supply
Keeping of dogs	Keeping of dogs
Liquor trading	Liquor trading
Municipal Honours	Municipal Honours
Noise pollution	Noise pollution
Preparation of foods at registered private kitchens	Preparation of foods at registered private kitchens
Prevention of nuisances	Prevention of nuisances
Public amenities	Public amenities
Public roads	Public roads
Road Traffic	Road Traffic
Street Lighting	Street Lighting

BY LAW	SUBJECT
Taxi ranks and Taxi ranking	Taxi ranks and Taxi ranking
Unsightly & Neglected Buildings and premises	Unsightly & Neglected Buildings and premises
Ward committees	Ward committees
Water supply sanitation services	Water supply sanitation services

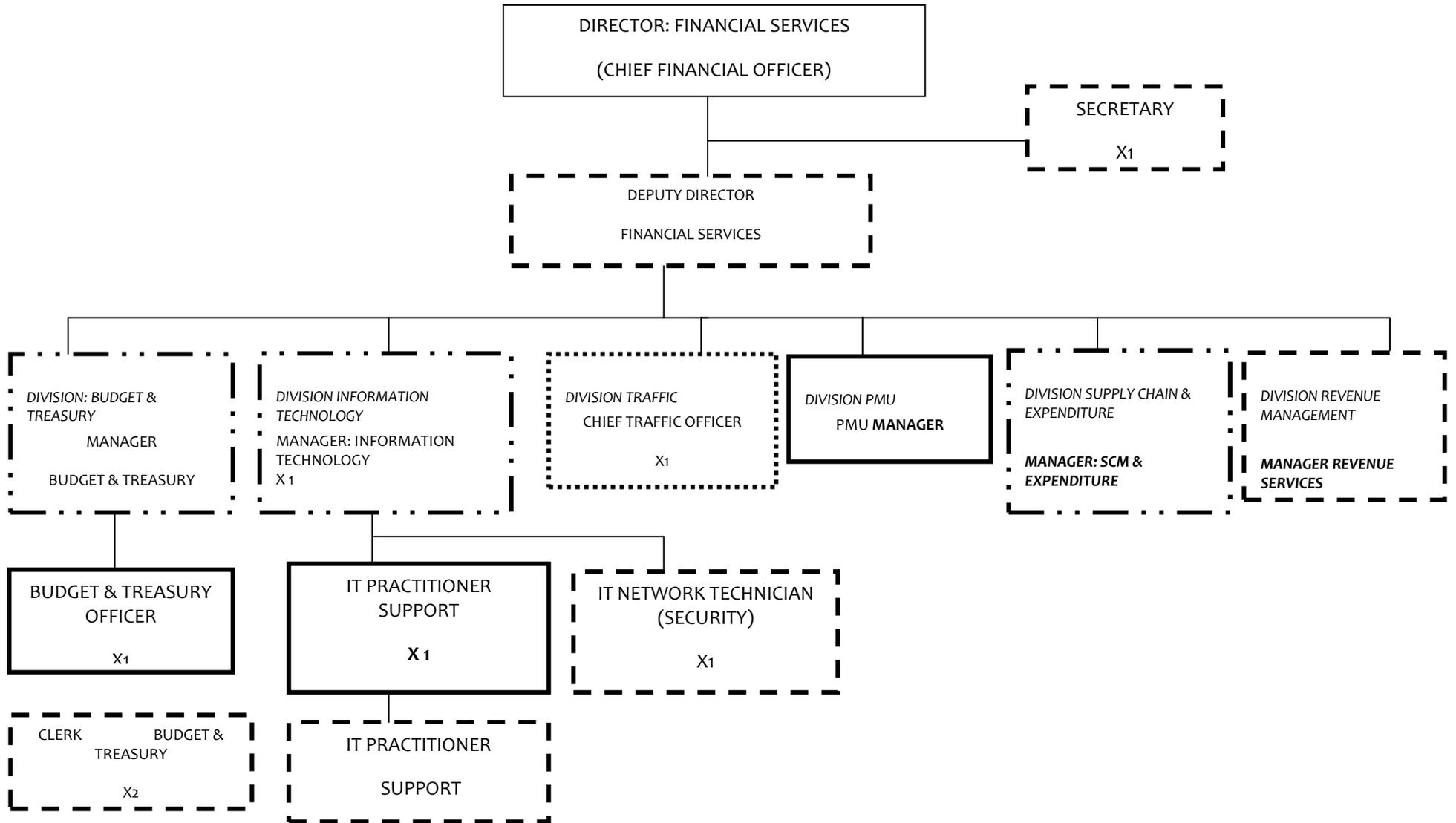
ANNEXURE 2: ABRIDGED ORGANOGRAM



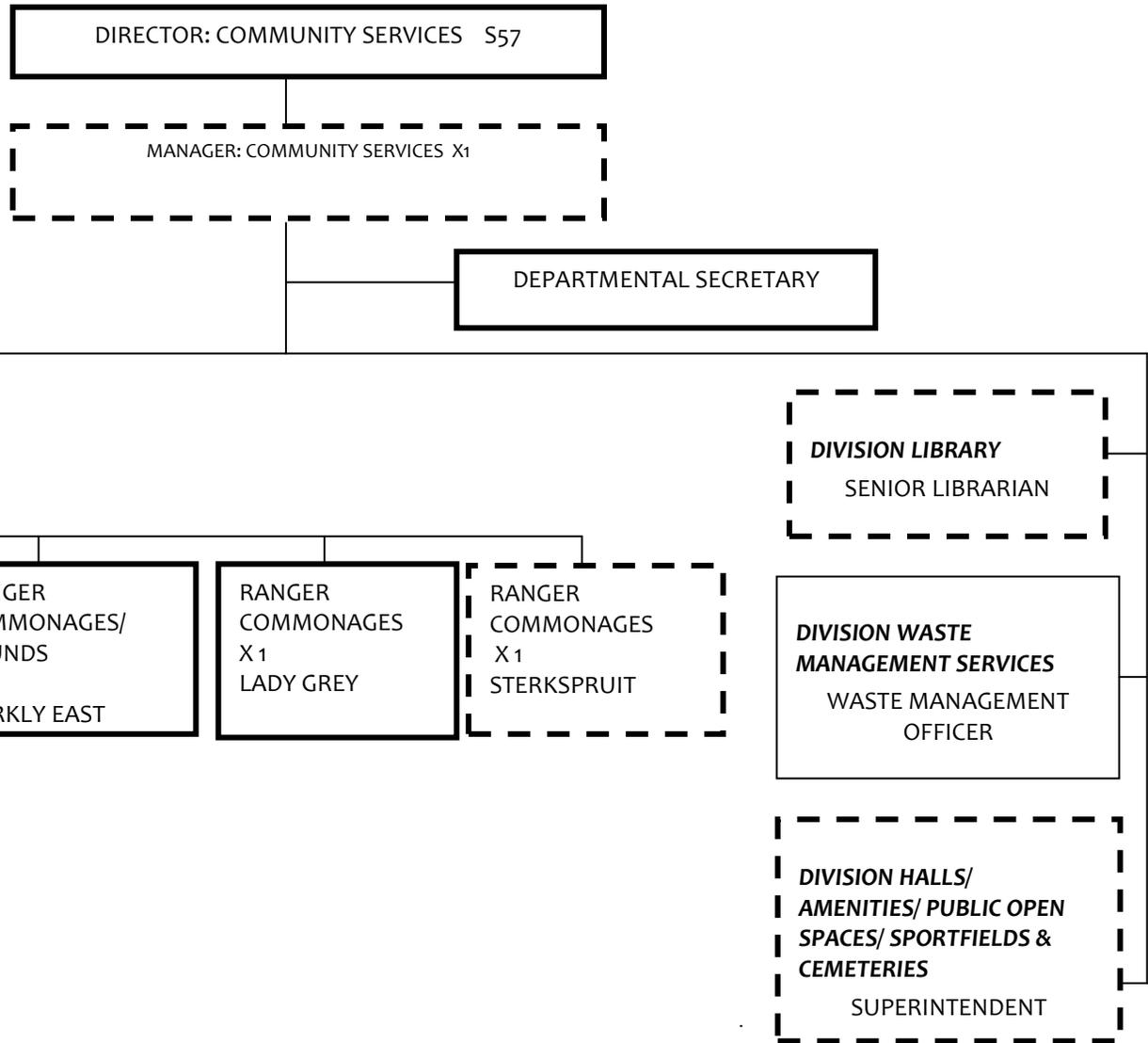
CORPORATE SERVICES



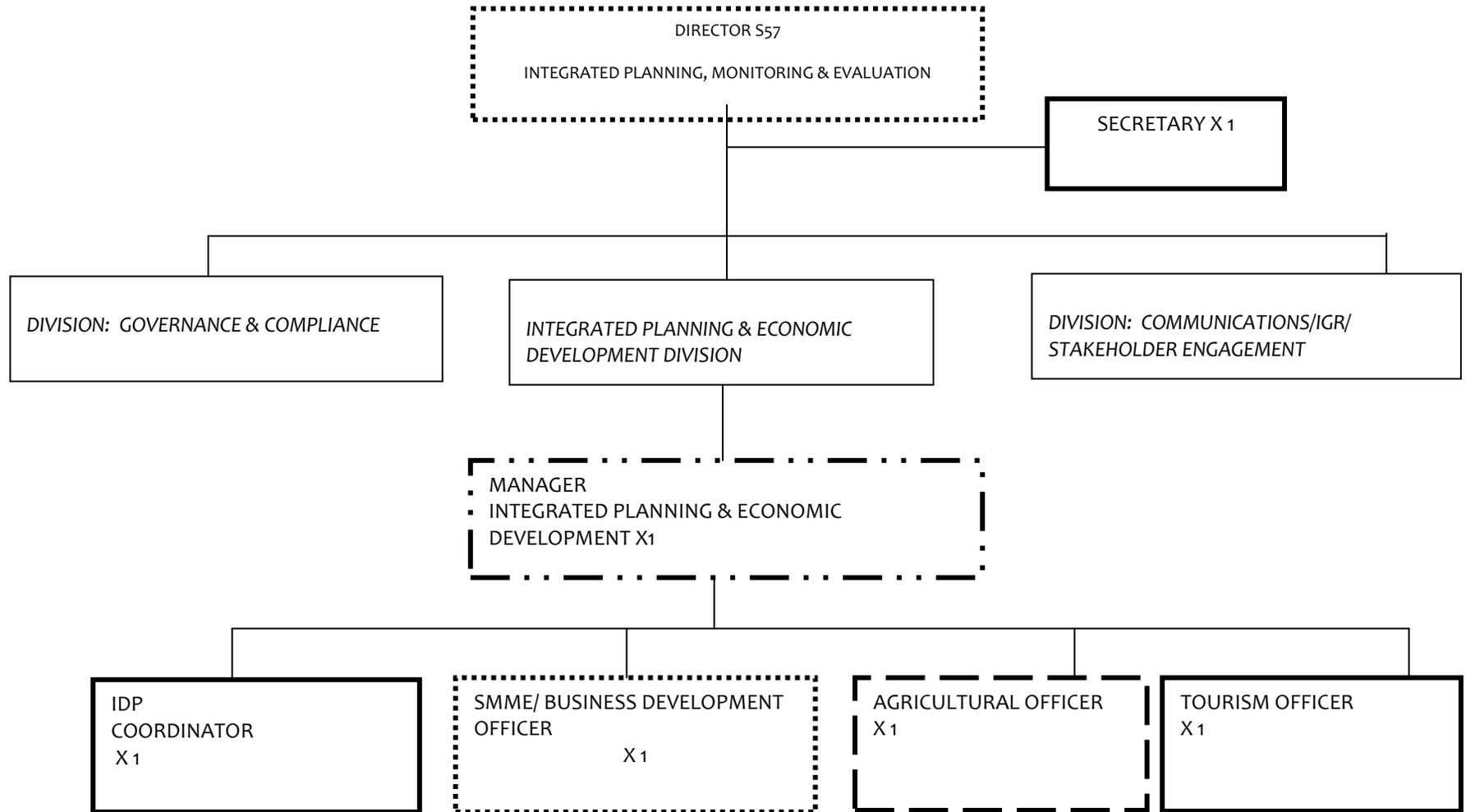
FINANCIAL SERVICES



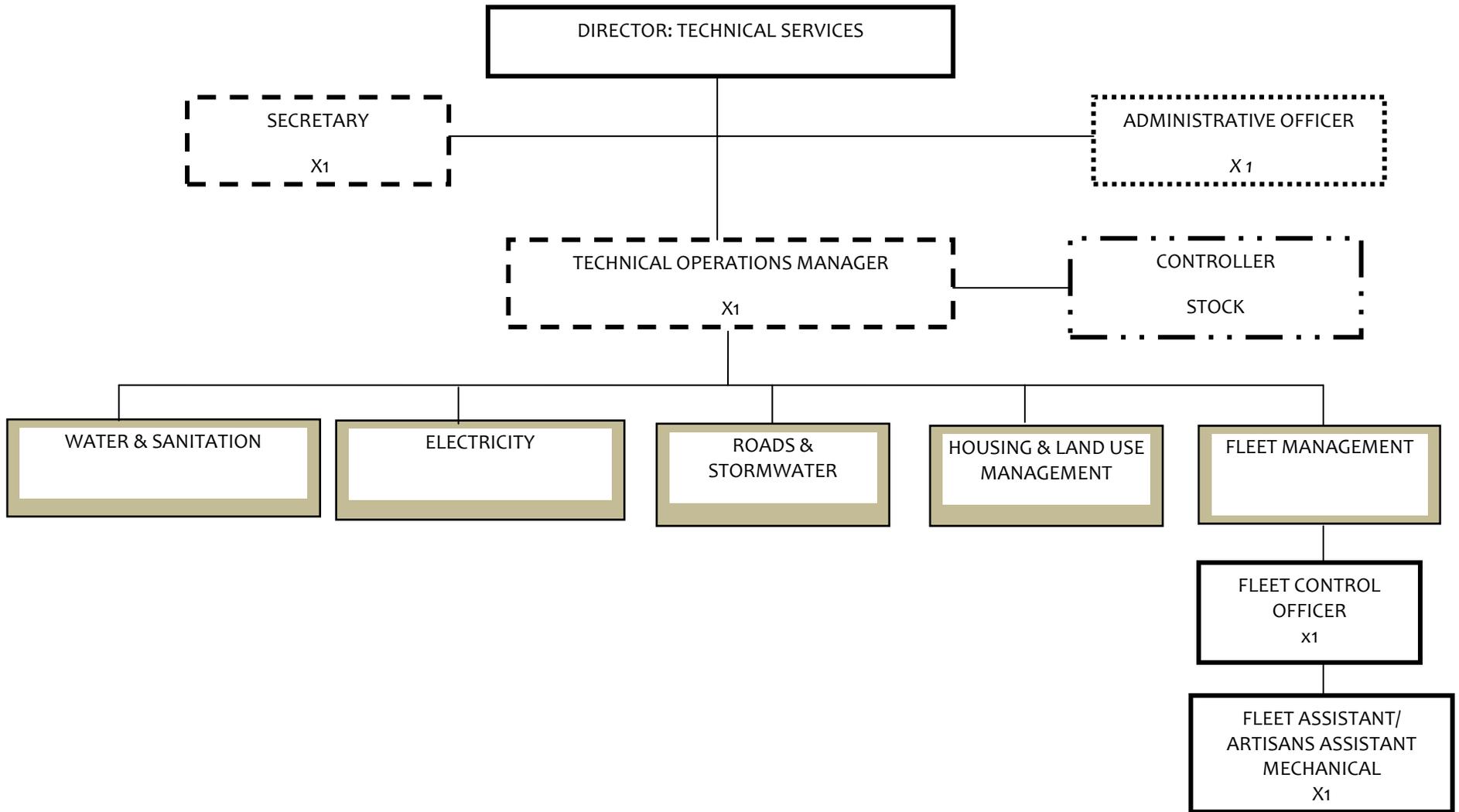
COMMUNITY SERVICES



INTEGRATED PLANNING MONITORING & EVALUATION



TECHNICAL SERVICES



REFERENCES

Auditor General's Management Letter 2011

ECSECC

Global Insight Data 2010

Joe Gqabi Water Services Development Plan 2010

Joe Gqabi Environmental Management Plan 2006

Joe Gqabi Environmental Management Plan Draft December 2011

Joe Gqabi integrated Waste Management Plan 2004

Joe Gqabi Disaster Management Framework 2005

Joe Gqabi Integrated Development Plan 2012/13

Joe Gqabi Integrated Transport Plan 2010

Joe Gqabi Area Based Plan 2010

New Growth Path

National Development Plan

Senqu's Municipal turn around strategy 2010

Senqu Integrated Development Plan 2011/12

Senqu draft budget 2012/13

Senqu 3 year financial plan 2011

Senqu Spatial Development Framework 2011

Senqu Human Resources Strategy

Senqu WSDP

Senqu Employment Equity Plan

Senqu HIV and Aids Mainstreaming Strategy

Senqu CIP

Senqu PMS Framework 2011

Senqu LED Strategy 2007

Senqu Housing Sector Plan 2007 & draft 2011

DEAT website

ECSECC website

CEEPA": Mapping the South African Farming sectors' vulnerability to climate change and variability

Copies of the Document or sector plans may be ordered electronically from the IDP Manager via an email

request to viedgeb@senqu.gov.za or downloaded from the municipal website

<http://www.senqumunicipality.co.za>.