

NGQUSHWA LOCAL MUNICIPALITY FINAL 2016/2017 INTEGRATED DEVELOPMENT PLAN



FINAL INTERGRATED DEVELOPMENT PLAN

2016 - 2017

NGQUSHWA LOCAL MUNICIPALITY IDP REVIEW 2016/2017

REPORT OUTLINE

The structure of IDP is as follows:

Chapter 1: THE VISION

Chapter one of this IDP provides a concise summary of the municipal vision, mission and values.

Chapter 2: DEMOGRAPHIC PROFILE

This chapter provides a detailed profile of Ngqushwa Local Municipality.

Chapter 3: STATUS QOU ASSESSMENT

This chapter provides the situational analysis of Ngqushwa in relation to all Key Performance Areas.

Chapter 4: 2015/2016 and 2016/2017 PROJECTS BY NGQUSHWA MUNICIPALITY AND SECTOR DEPARTMENTS

This chapter provides detailed projects funded by Ngqushwa Local Municipality through its municipal infrastructure grant (MIG) and equitable share. This chapter also provide projects funded by sector departments within the jurisdiction of Ngqushwa Local Municipality.

Chapter 5: SECTOR PLANS

This chapter provides a list of all Ngqushwa sector plans and their status, with executive summaries of the newly Developed Sector Plans. The sector plans contains strategic interventions that respond to the status quo assessment.

Chapter 6: FINANCIAL PLAN

Chapter six provides Ngqushwa financial strategies, medium term expenditure, proposed budget as well as the 3 year Capital Plan.

Chapter 7: PERFORMANCE MANAGEMENT SYSTEM

Chapter seven provides an overview of the monitoring and evaluation process, a background to the Ngqushwa Performance Management Framework.

Chapter 8: SPATIAL DEVELOPMENT FRAMEWORK

This chapter provides a high level overview of our SDF, which is due for review.

LIST OF ACRONIMS

ACRONYMS	DESCRIPTIONS
AG	Auditor General
ADM	Amathole District Municipality
AIDS	Acquired Immune Deficiency Syndrome
ASGISA	Accelerated Shared Growth Initiative of South Africa
BSD	Basic Service Delivery
CFO	Chief Financial Officer
DBSA	Development Bank of Southern Africa
DEAT	Department of Environmental Affairs and Tourism
DFA	Development Facilitation Act
DFID	Department for International Development
COGTA	Department of Cooperative Governance & Traditional Affairs
ADM	Amathole District Municipality
DoHS	Department of Human Settlement
DoL	Department of Labour
DoE	Department of Energy
DoE	Department of Education
DSRAC	Department of Sport Recreation Arts and Culture
DoH	Department of Health
DoMR	Department of Minerals Resources
DTI	Department of Trade and Industry
DOS	Department of Social Development and Special Programs
DAFF	Department of Agriculture Forestry & Fisheries
DoLRD	Department of Land Reform & Rural Development
DoARD	Department of Agriculture and Rural Development
ECDC	Eastern Cape Development Corporation
EHO	Environmental Health Offices
ECDC	Eastern Cape Development Corporation
EHO	Environmental Health Offices
EMP	Environmental Management Plan
EPWP	Expanded Public Works Programme
ES	Equitable Share
FBS	Free Basic Services
FET	Further Education and Training
FV & M	Financial Viability and Management
GG & PP	Good Governance and Public Participation
GKLM	Great Kei Local Municipality
HH	Households
HIV	Human Immune-deficiency Virus
HR	Human Resources
IDP	Integrated Development Plan
ID & OT	Institutional Development and Organizational Transformation
IDPRF	Integrated Development Plan Representative Forum
IGR	Inter-Governmental Relations
ISRDP	Integrated Sustainable Rural Development Programme
KPA	KPI: Key Performance Area
KPI	KPI: Key Performance Indicator
LED	Local Economic Development

LGSETA	Local Government SETA
LUMS	Land Use Management System
MDG	Millennium Development Goals
MIG	Municipal Improvement Grant
MM	Municipal Manager
MSIG	Municipal Systems Improvement Grant
MPAC	Municipal Public Accounts Committee
NSDP	National Spatial Development Perspective
OHS	Occupational Health and Safety
PGDP	Provincial Growth and Development Plan
PMS	Performance Management System
PMTCT	Prevention of Mother to Child Transmission
SAPS	South African Police Services
SEA	Strategic Environmental Assessment
SDBIP	Service Delivery and Budget Implementation Plan
SDF	Spatial Development Framework
SLA	Sustainable Livelihood Approach
SMME	Small Medium and Micro Enterprises
STATSSA	Statistics South Africa
ToR	Terms of Reference
WSA	Water Services Authority

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MAYOR'S FOREWORD



On 18th May 2011, the five year term of this current council came into effect and that has also ushered my stewardship of this council, for which I am forever grateful to the entire community of Ngqushwa. The purpose of this however, is to present 2016/2017 reviewed Integrated Development Plan, as the last review in line with the term of this council. The constitution of the Republic of South Africa is quite categoristic in its prescription of the developmental roles of local government.

To this effect; sections 152 and 153 of the constitution puts local government in charge of the development process in municipality, and notably in charge of planning for the municipal area. The constitutional mandate is to relate planning, budgeting, management, and functions to its objectives and gives a clear indication of the intended purposes of municipal integrated development planning:

- To ensure sustainable provision of services;
- To promote social and economic development;
- To promote a safe and healthy environment;
- To give priority to the basic needs of communities; and
- To encourage involvement of communities.

I am quite happy that our planning and consultation processes have, over the last few months evolved to become among the best in terms of actual consultation and the processes of inputs received. We have always held that ours is not merely compliance but a genuine belief in the need for development to be people centred and driven. The responses we have received during our IDP consultation processes have been very encouraging. We can only hope that this cooperation would continue for the next five years of the new council in the office.

I would not have done any justice, if I cannot take this opportunity to recognise and applaud the sterling administration work done by the entire administration of Ngqushwa Local Municipality under the governance of the Accounting Officer Mr. Themba Thandekile. Mnyimba, who has been a blessing to this organisation in ensuring sound administration.

I would also like to thank all Councillors for their contribution in this organisation, all up and downs have made me to conclude and say it was not easy to be in the office, but above all I appreciate the opportunity given to me by the African National Congress through its deployment processes and by the entire community of Ngqushwa for allowing me to be the first citizen of the area.

I thank you

S.E. Ndwayana
Mayor

MUNICIPAL MANAGER'S EXECUTIVE SUMMARY



The reviewed Integrated Development Plan for 2016/2017 serves as a roadmap of Ngqushwa local municipality development path. This document will inform all operational plans within the municipality, in particular Service Delivery and Budget Implementation Plan (SDBIP); and therefore ensure the integration of the Performance Management System (PMS) and its assessment.

The Local Government: Municipal Systems Act, (Act No 32 of 2000) Chapter 5 five defines Integrated Development Planning as one of the essential functions of a municipality in relation to its developmental agenda and mandate. It should then be framed in a way that it incorporates all available resources such as: human, financial, and other related resources.

This document does not only fulfil the legal requirement, but also represents the popular aspirations of the community under Ngqushwa Local Municipal Jurisdiction. Therefore an inclusive, participatory approach was adopted in this particular review. Also it is important to be mindful of alignment with all spheres of government i.e. National, Provincial and Local Government and also to ensure that there is a clear link between the strategic objectives agreed with the community, the IDP, the budget, SDBIP. Therefore the IDP is the delivery plan of the entire government plan.

Institutional mind-set as planning for 2016/2017 financial year

After undergoing a diagnostic process to identify and interrogate what is working and not working for Ngqushwa Local Municipality, the management has agreed to opt for the organisational development and design which has received blessings from the Council. This extensive project will kick start at the beginning of 2016/2017 financial year. The financial recovery plan, improved audit outcome and 100% expenditure of the municipal infrastructure grant (MIG) are one of the key focus areas for the organisation.

Other crucial issues that are on top of the agenda for this organisation, it is to review the Local Economic Development Strategy through conducting the Local Economic Development Summit and also revitalisation of agriculture as one of the key primary sectors of LED within Ngqushwa Local Municipality. The other fundamental area of focus is to ensure practical implementation of the national principle of back to basics, which is informed by the most important pillar of putting people first through public participation processes. The organisation has committed itself to perform the following activities for 2016/17.

- Review of ward based plans.
- Develop ward profiles.
- Development of a new five (5) year strategic agenda.
- Development of a 2030 vision.

Under basic service delivery, the organisation has put aside a budget of R5 million for roads and storm water drainage, Peddie Town Roads surface and general refurbishment of roads. The Department of Energy has committed R4 Million for electricity upgrade and maintenance in Ngqushwa general.

The strategic planning session discussed mechanisms of intensifying efforts in the collection of revenue as well as maintaining good financial management and stability, furthermore to have financial recovery plan, which will be guided mostly by the Municipal turnaround strategy.

I would like to thank all key stakeholders who took it upon themselves as individuals and organised bodies to contribute to the development of this Integrated Development Plan. The political leadership, management and staff have all played a crucial role in ensuring the production of this implementable document. This document will serve as a governing tool for councillors and officials for 2016/17 financial year. Hope we will all pull together to the right direction towards mission and vision of Ngqushwa Local Municipality as contained in this strategic document.

“Sikhula simanyene”

Yours in service delivery

T.T.Mnyimba
Municipal Manager

2. THE INTERGRATED DEVELOPMENT PLAN REVIEW PROCESS

In order for Ngqushwa Local Municipality to comply with Legislative Framework the following activities were performed towards review of 2016/2017 IDP:

- The IDP/Budget and PMS Process Plan was presented to the IDP/Budget and PMS Representative Forum in August 2015.
- The IDP/PMS and Budget Process Plan for the review of 2016/17 IDP was also approved by the Council in August 2015, in terms of council resolution.
- On the 22 of October 2015 there was an IDP/PMS Budget representative forum to present the draft situational analysis.
- From the 2rd – 19th November 2015 there were IDP/Budget and PMS Road shows to solicit community needs as presented below.
- On 11th March 2016 IDP/Budget and PMS Steering committee was held to present Draft IDP/Budget, sources of revenue and expenditure inputs from all departments.
- On the 22-23 March 2016 there was an institutional Strategic Plan Session
- On the 18th March 2016 there was IDP/Budget Rep forum to present 2016/2017 IDP Objectives, Strategies and 2016/2017 Proposed projects, and to solicit inputs from members.
- Council Tabled Draft 2015/2016 IDP, Draft 2015/2016 Budget, Tariffs on the 31st March 2016.
- On the 12th May 2016, the Mayor conducted Mayoral Imbizo to talk to Draft 2016/17 IDP and Budget also five year service delivery milestone.

In order to address the IDP comments from the MEC all departments were escalated with the areas of focus as per the assessment results in order to be able to maintain credible IDP outcomes from the Office of the MEC.

The participatory structures and meetings dates have been covered under IDP Review process.

3. LEGISLATIVE FRAMEWORK

The IDP's were made a legal requirement for municipalities in the **Local Government Transition Act (LGTA)/ Second Amendment, (1996)**.

- **The White Paper** presented a sound contextual justification of integrated development planning as a tool for “developmental local government” for objective orientated resource allocation, institutional transformation, interaction within other spheres of government and transparent interaction between municipalities and residents, in line with the principle of accountability.

- **The Constitution of the RSA (1996)** provides the primary, overarching framework within which local government planning must be contextualized. The Constitutional mandate given to local government is to provide democratic and accountable government for all communities and ensure the provision of services to communities in a sustainable manner which promotes social and economic development, a safe and healthy environment thereby encouraging the involvement of communities and community organizations in the matters of local government.

4. WHAT IS INTEGRATED DEVELOPMENT PLAN (IDP)?

The Integrated Development Plan is the Municipality's principal strategic planning document and aims to maximize social development and economic growth through the promotion of a local democracy thereby meeting the basic needs and achieving the identified developmental goals.

This document is reviewed annually in terms Section 34 of municipal systems act, thus the municipality has undertaken to review its five (5) year plan. As the key strategic plan of the Municipality, the IDP priorities will inform all financial planning and budgeting undertaken by the institution and will enable the municipality to align these with the institutional resources behind agreed upon policy objectives and programmes thereby offering substantive benefits to local residents, communities, provincial and national spheres of government and the nation as a whole. A special emphasis shall be placed on local economic development, community empowerment and redistribution.

Extremely rapid changes at the global, regional, national and local levels have forced Ngqushwa LM to rethink the way they are organized and governed. Ngqushwa LM intends to find new ways to sustain their economy, build their society, protect their environment and eliminate poverty.

Ngqushwa LM is of the opinion that national frameworks and support from other levels of government are critical in order to ensure sustainability. This requires trust between individuals and open and accommodating relationships between all stakeholders. In practical terms, Ngqushwa LM aims to focus on building social conditions favourable to development through:

- Building the kind of political leadership that is able to bring together coalitions and networks of local interests towards realizing a shared vision.
- Working in partnerships with business, trade unions and community based organizations.
- Ensuring that knowledge and information are acquired and managed in a way that promotes continuous learning and which anyone can access easily and quickly.
- Enhancing local democracy
- Building an awareness of environmental issues.
- Investing in youth development
- Seeking to empower marginalized groups.
- Mobilizing community resources for development.

The need for Integrated Development Plan

In terms of the Municipal System's Act 2000, "all local authorities are required to prepare Integrated Development Plans for their areas of jurisdiction."

According to this act, IDP's must aim at integrating the development and management of municipal areas in terms of the powers and duties of these municipalities.

The Integrated Development Planning Process puts in place a new system of planning and delivery in line with a shared vision of reconstruction and development.

Key characteristics of the IDP Process

- Integrated Development Planning is a participatory process. It aims to promote effective, sustainable development through improved co-operation, co-ordination and integration across a broad range of stakeholders.
- Integrated Development Planning integrates the various strategies required for development: economic, sectional, spatial, social, institutional, environmental and fiscal. It also integrates strategic planning and operational planning.
- Integrated Development Planning helps to ensure that clear developmental objectives and priorities are set.
- Integrated Development Planning involves all spheres and sectors of government and demands synchronization (working in harmony) between the activities of government.

Fundamental principles of the Integrated Development Planning Process

1. Transformation

Ngqushwa Local Municipality via Integrated Development Planning seeks to promote the objectives of developmental local government as outlined in the White Paper on Local Government 1998, thereby facilitating local processes of democratization, empowerment towards achieving social and economic transformation.

2. Process

The planning process will determine the direction and course of development action within Ngqushwa. All legislative prescripts will be clearly understood and developed. Implementation procedures will be adhered to.

3. Comprehensive Planning Approach

Ngqushwa Local Municipality will embark on a comprehensive planning approach thus allowing the local authority to continuously evaluate performance of past practices from a strategic angle and to thereafter develop comprehensive action plans for the efficient implementation of programmes and projects.

4. Democratizing the Planning Process

Ngqushwa Local Municipality shall promote local democracy through the direct involvement of citizens and community groups in the design and delivery of municipal programmes.

Ngqushwa LM acknowledges that while regulation remains an important municipal function, it shall be supplemented with leadership, encouragement, practical

support and resources for community action. Special emphasis shall be placed on the involvement of youth organizations in this regard.

Poor and marginalized communities in Ngqushwa will be empowered in accordance with the Amathole District and Economic Development Strategies as well as the Provincial Growth and Development Plan.

5. Integration

Ngqushwa Local Municipality commits itself to promoting the spatial integration of settlements in order to enhance economic efficiency, facilitate the provision of affordable services and enable social development. The IDP will be considered as a tool for ensuring the alignment of local government activities with other spheres in development planning at Provincial, National and International levels by serving as a basis for communication and continuous interaction. The integration of urban and rural areas; the eradication of spatial segregation through infrastructural development; the social and economic integration of different communities; the integration of strategic, operational, sectoral and spatial planning, the integration and management of institutional activities; the integration of various developmental processes such as planning, management, implementation, monitoring and review and the integration of development information shall receive particular attention during the implementation of action plans identified.

6. Sustainability

Local economic development will support the community and the benefits of development should be equitably distributed in order to sustain them over the long term.

7. Quality of life

All developmental initiatives identified will be assessed in order to ascertain its true worth and contribution to improving the quality of life.

8. Co-operative governance

The principle of co-operative governance will be adopted. Conscious attempts will be put in place to ensure the alignment and co-ordination of National, Provincial and local development policies, frameworks, plans, programmes and initiatives.

9. Realism and feasibility

It must be acknowledged from the outset, that limited financial and institutional resources exist at local level to resource not only the planning process, but also the implementation of reconstruction and development. In order to make projects and programmes a reality, it is imperative that commitment, honesty and reliability form the cornerstones of involvement in a fair process of reconstruction and development.

10. Prioritization

Given the vast demands for development, synergy should allow for the realization of Systematic progression towards economic transformation and reform thus putting in place an ethic of cooperation.

11. Building the future today

Ngqushwa LM realizes the urgency for the realization of a better life for all.

12. Cyclical and Progressive

The proposed approach realizes the urgency to build a new planning system, methodologies and products in response to global, national, provincial and local turmoil experienced. The approach will be highly interactive, responsive to stipulated needs and must be adaptable and flexible in order to benefit from a "learning by doing" concept.

13. Timeframe

Time is of the essence in ensuring synergy between short (1 year action plans), medium (5 year action plans) and long term (up to 25 years) developmental plans.

14. The Methodology

The Integrated Development Plan methodology adopted, adhered to and recommended by the Department of Provincial and Local Government involves five prescribed phases. Each phase involves numerous actions, interventions and activities and includes an analysis of the current situation; the development and presentation of strategies through the identification of objectives for each priority issue identified; project formulation and an integration phase.

Why an Integrated Development Plan review?

Local government functions within an ever-changing environment. The dynamic nature within the global, national and local environments, constantly presents local government with new challenges and new demands. Also the needs of communities of Ngqushwa Local Municipality change. The five year developmental plans will be reviewed annually so that the local municipality is confident that the needs being addressed are real, actual, current, accepted, identified and raised by the community thereby promoting good corporate governance.

The IDP annual review:

- Is legislated in terms of the requirements of the Local Government Municipal Systems Act 32 of 2000.
- Establishes a platform for critically re-examining current legislation in order to acquire a deeper insight into achieving the objectives of local government.
- Assists in the recognition of linkages between development, delivery and democracy through the continuous engagement with business, citizens and community groups.
- Is critical in assisting Ngqushwa Local Municipality to assess performance, accountability and overall state of local government therefore ensuring that the plans are being implemented. It also helps the municipality to assess the impact and effectiveness of previous development strategies adopted so as to update information in collaboration with the Central Statistical Service and make the necessary adjustments to the plans as required.
- Allows for Ngqushwa LM to assess their administrative and financial capacity demonstrated in order to allow for the allocation of executive and legislative powers and functions between category B municipalities and district governments.

ALIGNMENT WITH OTHER GOVERNMENT PROGRAMMES/POLICIES

To ensure that all relevant binding and non-binding national and provincial legislation including policies, government priority programmes and strategies are considered in the IDP process of the municipality, as the Local Municipality we looked at the relevant information pertaining to Ngqushwa Local Municipality to address issues emanating from the programmes/policies listed below.

5.1 EIGHT MILLENNIUM DEVELOPMENT GOALS

The country produced MDG country reports in 2005, 2010 and 2013 with updates in 2007 and 2008. The MDG 2013 report, including the previous ones, seeks to provide an account of progress or otherwise made on the targets set out in the goals. Below we list the goals.

1. To eradicate extreme poverty and hunger
2. To achieve universal primary education
3. To promote gender equality and empower women
4. To reduce child mortality
5. To improve maternal health
6. To combat HIV/AIDS, malaria, and other diseases
7. To ensure environmental sustainability
8. To develop a global partnership for development

5.1 NATIONAL DEVELOPMENT PLAN 2030

The National Development Plan (NDP) offers a long-term perspective. It defines a desired destination and identifies the role different sectors of society need to play in reaching that goal, Minister in The Presidency: National Planning Commission, Trevor Manuel, said at a media briefing on the implementation of the plan on 19 February 2013. The NDP aims to eliminate poverty and reduce inequality by 2030. According to the plan, South Africa can realise these goals by drawing on the energies of its people, growing an inclusive economy, building capabilities, enhancing the capacity of the state, and promoting leadership and partnerships throughout society. Minister Manuel highlighted the processes in the implementation of the plan:

- The NDP and its proposals will need to be implemented in the right order over the next 17 years. Three phases have been identified.
- Government has already started a process to align the long term plans of departments with the NDP and to identify areas where policy change is required to ensure consistency and coherence.
- The NDP is a plan for the whole country. Government will engage with all sectors to understand how they are contributing to implementation, and particularly to identify any obstacles to them fulfilling their role effectively.
- The Plan will shape budget allocation over the next 17 years.
- The Plan identifies the task of improving the quality of public services as critical to achieving transformation. This will require provinces to focus on identifying and overcoming the obstacles to achieving improved outcomes, including the need to strengthen the ability of local government to fulfil its developmental role.

- Planning and implementation should be informed by evidence-based monitoring and evaluation.
- The President and Deputy President will be the lead champions of the Plan within Cabinet, in government and throughout the country. Premiers and Mayors will need to be visible and active champions of the Plan, with their offices being the catalytic agencies to drive implementation at provincial and municipal levels.
- Read more about the implementation in Minister Manuel's statement

5.1 National Government Priority Areas

The National Government has committed itself to make a difference in the lives of people by addressing five key priority areas being education, fighting crime, health, employment and rural development. Government is moving with speed to ensure that the aims of its five key priorities are met.

a) Improved Health care Services

Plans are already in place to set up a National Health Insurance (NHI) by 2013. This will ensure that all South Africans, even those who are not on medical aid, will have access to affordable quality healthcare.

b) Rural Development

On rural development, government, through the Department of Rural Development and Land Reform, started the Comprehensive Rural Development Programme in provinces that were hardest hit by under-development.

This has seen government's War on Poverty Programme being the central point of the Rural Development Programme. It involves various other departments including Social Development, Agriculture and Water Affairs.

c) Job Creation through New Growth Path

Late last year, the National Government through the Department of Economic Development announced its plan to create more than 50 000 jobs every year. The plan is known as the New Growth Path (NGP) and all government stakeholders need to play a role towards realization of the national government approach towards creation of decent jobs. This approach will assist in reducing high dependence on social security grants.

d) Fighting Crime

Government has recently strengthened its crime-fighting programmes with more resources. These include equipment and vehicles, as well as more staff for the South African Police Force.

e) Improved quality of basic Education

On the education front, the Department of Higher Education and Training announced that government would begin fulfilling its promise of providing free education to poor students at institutions of higher learning. These include universities, universities of technology and colleges for Further Education and Training (FET).

Government Outcome Based Approach

The Cabinet Lekgotla adopted 12 Outcomes Approach that strategically address the main strategic priorities for government and these strategic outcomes and outputs will be the strategic focus for of government until 2014. As Local Government Sphere, Great Kei Local Municipality will put more emphasis in realizing within its planning and implementation of IDP outputs (Output 7-Single Window of Coordination where local government is the entry point of coordination of government programmes) for Outcome 9 and that does not exclude other Outcomes, however the municipality can play a coordinating role in relation to other Outcomes.

New Growth Path

There is growing consensus that creating decent work, reducing inequality and defeating poverty can only happen through a new growth path founded on a restructuring of the South African economy to improve its performance in terms of labour absorption as well as the composition and rate of growth. To achieve that step change in growth and transformation of economic conditions requires hard choices and a shared determination as South Africans to see it through. The Government is committed to forging such a consensus and leading the way by Identifying areas where employment creation is possible on a large scale as a result of substantial changes in conditions in South Africa and globally. Developing a policy package to facilitate employment creation in these areas, above all through:

- A comprehensive drive to enhance both social equity and competitiveness;
- Systemic changes to mobilize domestic investment around activities that can create sustainable employment; and Strong social dialogue to focus all stakeholders on encouraging growth in employment-creating activities.

The New Growth Path must provide bold, imaginative and effective strategies to create the millions of new jobs South Africa needs. It must also lay out a dynamic vision for how we can collectively achieve a more developed, democratic, cohesive and equitable economy and society over the medium term, in the context of sustained growth. The strategy sets out critical markers for employment creation and growth and identifies where viable changes in the structure and character of production can generate a more inclusive and greener economy over the medium to long run. To that end, it combines Macro-economic and microeconomic interventions.

The shift to a new growth path will require the creative and collective efforts of all sections of South African society. It will require leadership and strong governance. It takes account of the new opportunities that are available to us, the strengths we have and the constraints we face. We will have to develop a collective national will and embark on joint action to change the character of the South African economy and ensure that the benefits are shared more equitably by all our people, particularly the poor. Achieving the New Growth Path requires that we address key trade-offs. Amongst other decisions, government must prioritize its own efforts and resources more rigorously to support employment creation and equity; business must take on the challenge of investing in new areas; and business and

labour together must work with government to address inefficiencies and constraints across the economy and partner to create new decent work opportunities. It was therefore imperative for Ngqushwa LM to outline its 5 year strategic development plan with legislative framework as summarized above. Chapter 6 & Chapter 7 Objectives and Strategies, Projects of the IDP directly link the National Priorities, Provincial Priorities with Ngqushwa LM Strategic Priorities.

5.2 National Spatial Development Perspective

A number of initiatives have been launched over the past couple of years, one of which, the National Spatial Development Perspective (NSDP), was launched by the Presidency in May 2003. The NSDP describes the national spatial development vision of government and the normative principles that underpin this vision. The basic principles of the NSDP underpinning this vision are:

- Economic growth as a prerequisite for the achievement of other policy objectives, key among which would be poverty alleviation.
- Government spending on fixed investment,
- Efforts to address past and current social inequalities should focus on people not places.

In order to overcome the spatial distortions of apartheid, future settlement and economic development opportunities should be channelled into activity corridors and nodes that are adjacent to or link the main growth centres.

5.3 Accelerated and Shared Growth Initiative for South Africa

The following are the highlights that will be considered in the municipal IDP:

- Expanding women's access to economic opportunities.
- Improve budgeting in government, particularly at micro level where they tend revenue and overestimate expenditure.
- Ensure improvement in expenditure management particularly in government capital investment.
- Address human capacity issues including skills development.

5.4 THE PROVINCIAL DEVELOPMENT PLAN

The NDP sets out nine key challenges, which are also addressed in detail in the Eastern Cape's *Diagnostic Overview*. These challenges are summarised below, with details relevant to the Eastern Cape:

- **Too few people work.** Unemployment statistics for the Eastern Cape – at 27.8 percent (narrow rate) and 43.5 percent (expanded rate including discouraged work-seekers) – fall below the national averages of 24.1 percent and 34 percent respectively.⁵ The situation is worse still in the economically depressed rural regions where the majority of the province's population resides – a stubborn inheritance from the colonial and apartheid era.
- **The standard of education for most black learners is poor.** The Eastern Cape has fared worse than other provinces, despite its early history of educational leadership. Over the period 2000 to 2011, about 22 percent of learners who entered Grade 1 progressed to Grade 12 within the 12-year period, with only 14 percent successfully completing the National

Senior Certificate examination. Children from poor backgrounds perform significantly worse than their richer counterparts in reading, writing and maths, and there is an uneven regional distribution of resources and infrastructure.

- **Infrastructure is poorly located, under-maintained and insufficient to foster higher growth and spatial transformation.** Despite efforts to address backlogs, infrastructure needs remain high, especially in rural regions. The road network is severely stressed and deteriorating. There is inadequate bulk infrastructure for services due to persistent underinvestment and poor maintenance. Energy transmission and distribution networks are under-maintained and undercapitalised. While the province's infrastructure budget has increased from R2.3 billion in 2005/06 to R6.2 billion in 2011/12 and Municipal Infrastructure Grant allocations to municipalities have also increased, these allocations are inadequate to address historical backlogs and needs.
- **Spatial patterns exclude the poor from development.** Development patterns still reflect the inherited structure of the colonial, apartheid and Bantustan economies. Historically unequal land ownership patterns persist and exacerbate stresses on the land. In the west of the province, freehold white-owned farms still make up the bulk of the province's agricultural output. In the centre is the border patchwork of quitrent, white-owned farms, marginal black-owned freehold farms, colonial and apartheid expropriations, and a trickle of restitutions. In the east, customary tenure continues, while land administration and planning in the former Ciskei and Transkei is still governed by old-order proclamations and ordinances dating back to 1921 – a situation exacerbated by patrilineal patterns of inheritance and leadership.
- The province's two metropolitan areas together account for 65.5 percent of gross value added (GVA) to the provincial economy (42.5 percent in Nelson Mandela Bay Municipality and 23.0 percent in Buffalo City Municipality). A further seven municipalities contribute 17.6 percent
- **The economy is overly and unsustainably resource intensive.** A different challenge confronts the Eastern Cape – an over-reliance of the provincial economy on the motor manufacturing industry and small manufacturing sector. The province has the smallest primary sector in the country (both absolute⁶ and as a percentage of provincial gross domestic product [GDP]), a relatively small agricultural sector, and the largest tertiary services sector of all the provinces. Despite its infrastructure backlogs, the province has smaller utilities and construction sectors than the country as a whole (as a percentage of GDP). The contribution of government services to the provincial economy is significantly higher than the national average.
- **A widespread disease burden is compounded by a failing public health system.** Low life expectancy and high infant and maternal mortality are clear indications of a dysfunctional health system, as well as a symptom of poverty and other adverse socioeconomic conditions. Other critical challenges faced by the health system in the province include instability in leadership at all levels; inadequate financial resources; poor financial

management; a low ethos of care among those who should care for the sick; and dilapidated health infrastructure. Some parts of the population seek healthcare either in the private health sector or outside the province. The rural nature of the Eastern Cape, with dispersed settlements, poor infrastructure and inaccessibility in some areas, also contributes to the complexities of providing healthcare services.

- **Public services are uneven and often of poor quality.** The province's civil service is unprofessional and underperforms across all spheres. It is characterized by poor administration, a poor work ethic and weak consequence management. Central coordination mechanisms are weak and systems of accountability for both political representatives and public officials need to be revisited and consolidated.
- **Corruption is widespread.** Corruption in the public service continues, including fruitless and wasteful expenditure and unaccounted-for funds. This is further exacerbated by low levels of closure of cases referred to the province by the National Anti-Corruption Hotline. But systemic corruption in the private sector also deserves attention. Tighter regulatory mechanisms led by the state serve as an important check on corrupt practices if they are diligently applied. Corruption must be tackled in the province as a societal matter, and there is a need to build a social compact and active programmes involving all key stakeholders in combating corruption. This calls for a holistic and integrated approach with a balanced mix of prevention, investigation, prosecution, public participation, education and awareness-raising, joint campaigns between government, civil society and the private sector, and societal shaming of corruption.
- **South Africa remains a divided society.** The landlessness of dispossessed black citizens in the province and across the rest of the country, the slow pace of land reform and other forms of redress, and the stresses of continued exclusion from the economy still pose significant hurdles to social stability and cohesion. The pace of movement towards the creation of a new society that the provincial primary sector GVA in 2010 was R4.3 billion. The next-smallest primary sector GVA was the Western Cape at R14.7 billion – more than three times larger.

5.5 Provincial Growth and Development Plan

The Provincial Growth and Development Plan underline the strategic key focus areas for intervention which are:

- The systematic eradication of poverty
- The transformation of the agrarian economy.
- Developing and diversifying our manufacturing and tourism sectors.
- Building our human resources capabilities.
- Infrastructure, including eradication of backlogs and the development of enabling infrastructure for economic growth and development.
- Public sector and institutional transformation in support of improved service delivery.

5.6 Eastern Cape Provincial Spatial Development Plan 2010

In order to plan and manage the spatial implementation of development in the Province it is crucial that all core values of the province are seriously considered by all stakeholders. The core values are intended to achieve integration between stakeholders through better linkages between sectoral programmes, aligned infrastructure, social services, government spending, private sector investment and economic development. The core values or broad development codes for the Eastern Cape Province are recommended to be the following:-

- Environmental integrity and sustainability through achieving a balance between safeguarding natural resources, optimizing the livelihoods of communities and developing a flourishing economy;
- Optimum use of existing resources including agriculture, forestry, renewable energy potential, already impacted land (brown field areas) minerals, bulk infrastructure, roads, transportation and social facilities;
- Reduced settlement sprawl and more compact formalized settlement through densification and diverse, mixed land uses;
- Economy and efficiency of development clustered along strategic transport routes;
- Integration, synergy and linkages between urban and rural areas supported by appropriate infrastructure;
- Community based spatial planning and enforceable land use management based on agreed sustainable community development codes with unified provincial legislation; and
- Correction of the historically distorted spatial patterns of settlement with optimum use of existing infrastructure, integration of residential and employment opportunities in close proximity to each other;
- Achieving integrated development at community level;

Moving towards sustainable communities in our province will require adaptation of the way we plan and focus our resources to address seven major components of sustainability (Governance, transport and connectivity, appropriate and adequate services, environmental quality, a flourishing and diverse economy, a quality built and natural environment and finally vibrant harmonious and inclusive communities).

5.7 Community Based Planning and Sustainable Livelihoods

The municipality is engaged in community based planning and promotion of sustainable livelihoods approach. All IDP projects to be implemented will be the results of the above approach.

5.8 Expanded Public Works Programme

Programmes like the Expanded Public Works Programme (EPWP) are already being implemented through implementation of municipal projects: of the Ngqushwa Municipality IDP, the EPWP policy has been approved by council. Also Ngqushwa Local Municipality through EPWP under LED has created 146 job opportunities for 2015/2016 financial year. The primary objective and strategy under LED activities is to ensure robust local economic development by 2017 and beyond.

5.9 Community Development Workers Programme

Community Development Workers (CDWs) are a key programme of the South African government emanating from the president's 2003 state of the nation address aimed at bridging the gap between government and communities. CDWs are community-based resource persons who liaise, co-ordinate, inform, and assist communities with access to services provided by government with the aim of learning how to progressively meet their needs, achieve goals, realize their aspirations and maintain their well-being. They are participatory change agents who work with and within communities in which they live, to foster the implementation of Government's programmes. The CDWs are accountable to Government and supported financially and functionally by a range of government spheres and departments.

MUNICIPAL POWERS AND FUNCTIONS

PART A

- (1) A municipality has executive authority in respect of, and has the right to administer-
 - (a) The local government matters listed in Part B of Schedule 4 and Part B of Schedule 5; and
 - (b) Any other matter assigned to it by national or provincial legislation.
- (2) A municipality may make and administer by-laws for the effective administration of the matters which it has the right to administer.
- (3) A municipality has the right to exercise any power concerning a matter reasonably necessary for, or incidental to, the effective performance of its functions."

PART B

The following local government matters to the extent set out in section 155 (6)(a) and (7):

- Air pollution
- Building regulations
- Child care facilities
- Electricity and gas reticulation
- Fire-fighting services
- Local tourism
- Municipal airports
- Municipal planning
- Municipal health services
- Municipal public transport
- Municipal public works only in respect of the needs of municipalities in the discharge of their responsibilities to administer functions specifically assigned to them under this Constitution or any other law
- Pontoons, ferries, jetties, piers and harbours, excluding the regulation of international and national shipping and matters related thereto Storm water management systems in built-up areas
- Trading regulations
- Water and sanitation services limited to potable water supply systems and domestic waste-water and sewage disposal systems.

PART C

The following local government matters to the extent set out for provinces in section 155(6)(a) and (7):

- Beaches and amusement facilities
- Billboards and the display of advertisements in public places
- Cemeteries, funeral parlours and crematoria
- Cleansing
- Control of public nuisances
- Control of undertakings that sell liquor to the public
- Facilities for the accommodation, care and burial of animals
- Fencing and fences
- Licensing of dogs
- Licensing and control of undertakings that sell food to the public
- Local amenities
- Local sport facilities
- Markets
- Municipal abattoirs
- Municipal parks and recreation
- Municipal roads
- Noise pollution
- Pounds
- Public places
- Refuse removal, refuse dumps and solid waste disposal
- Street trading
- Street lighting
- Traffic and parking

INTERGRATED DEVELOPMENT PLAN

Chapter One

Vision and Mission



CHAPTER ONE: VISION AND MISSION

VISION

To be the preferred, vibrant, socio-economically developed municipal area that embraces a culture of human dignity, good governance, and characterized by good quality of service for all.

MISSION

Ngqushwa Local Municipality will strive to become a benchmark institution in the country in respect of good quality and affordable services, through efficient resource mobilization and management, stimulation of economic growth and good governance practices.

CORE VALUES

Linked to the mission the municipality also identified the following CORE VALUES to be adhered to by the councillors, management and the officials of the Municipality:

COMPETENCY

We commit to attract and retain a competent workforce to service our customers

HONESTY AND INTEGRITY

We will demonstrate complete honesty and integrity in everything we do

DILIGENCE

We will demonstrate caution, commitment and due diligence in discharging our duties

TRANSPARENCY

We will be transparent and fair in all our dealings for utmost accountability

ACCOUNTABILITY

We will create an environment to be held to account by our stakeholders and customers

PROFESSIONALISM

We will always uphold and maintain a professional behaviour in executing our mandate and individual responsibilities for the furtherance of service delivery

VALUE FOR MONEY

We commit derive value for money as return on investment in all business engagements with service providers.

BATHO PELE

The White Paper on Transforming Public Service Delivery (Batho Pele) puts forward eight principles for good public service. Our municipality is duty bound to uphold these principles:

Consultation:

Communities should be consulted about the level and quality of public service they receive, and, where possible, should be given a choice about the services which are provided.

Service standards:

Communities should know what standard of service to expect.

Access:

All communities should have equal access to the services to which they are entitled.

Courtesy:

Communities should be treated with courtesy and consideration.

Information:

Communities should be given full and accurate information about the public services they are entitled to receive.

Openness and transparency:

Communities should know how departments are run, how resources are spent, and who is in charge of particular services.

Redress:

If the promised standard of service is not delivered, communities should be offered an apology, a full explanation and a speedy and effective remedy; and when complaints are made communities should receive a sympathetic, positive response.

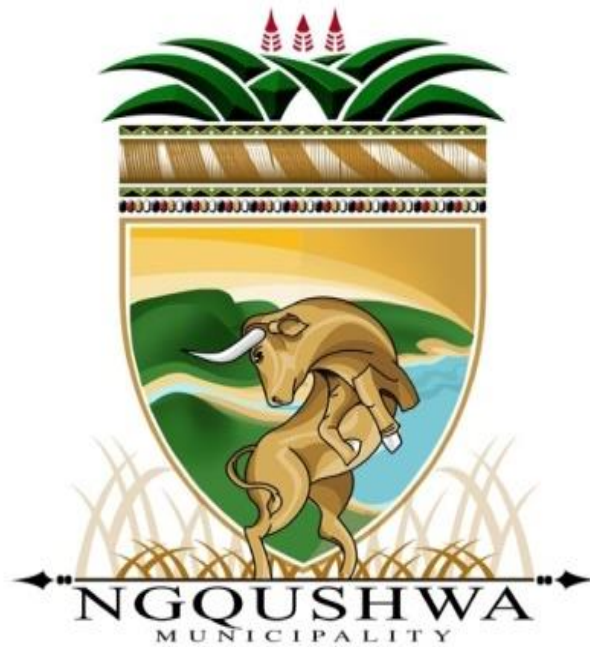
Value-for-money:

Public services should be provided economically and efficiently in order to give communities the best possible value-for-money. Importantly, the Batho Pele White Paper notes that the development of a service-oriented culture requires the active participation of the wider community. Municipalities need constant feedback from service-users if they are to improve their operations. Local partners can be mobilized to assist in building a service culture. "For example, local businesses or non-governmental organisations may assist with funding a helpline, providing information about specific services, identifying service gaps or conducting a customer survey" - The White Paper on Local Government (1998).

INTERGRATED DEVELOPMENT PLAN

Chapter Two

Demographic Profile



Chapter Two: Demographic Profile

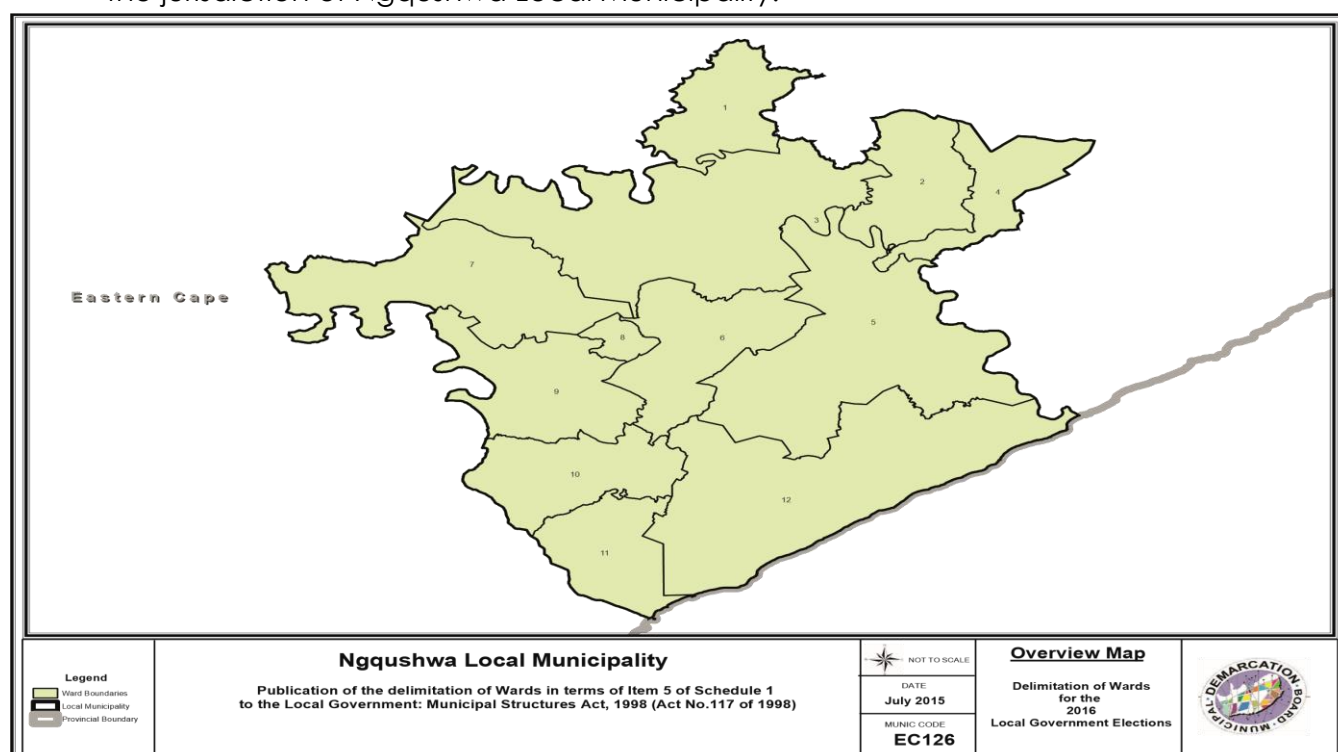
1. NGQUSHWA GEOGRAPHICAL INFORMATION

Ngqushwa Local Municipality falls within the jurisdiction of the Amathole District Municipality which is situated in the Eastern Cape Province, Amathole District Municipality and covers an area of 23 573km² and the Ngqushwa municipal area covers 2245 square kilometres which accounts for 10% of the district. The administrative seat of the Municipality finds itself in Peddie and the municipal area is divided into 12 wards.

Ngqushwa is located in the west of the Amathole district and consists of two towns Peddie and Hamburg. It is one of the seven municipalities that fall within the Amathole District Municipal jurisdiction. Ngqushwa Municipality consists of 108 villages. Ngqushwa is bordered by the Great Fish River to the west and the Keiskamma River to the East. The southern boundary comprises a part of the coastline of the Indian Ocean.

MAP OF NGQUSHWA LOCAL MUNICIPALITY

The table and the map below depicts the number of wards and villages that are within the jurisdiction of Ngqushwa Local Municipality:



Ward	Villages
1	Zalara, Mtati, Tyeni, Ngqwele, Bhele, Nonibe, Goboza, Nxopho
2	Upper & Lower Mthombe, Thyatha, Mtyholo, Qugqwala, Dlova, Nquthu, Tildin, Tapushe, Rode, Zimbaba & Mavathulana.
3	Qawukeni, Mabongo, Khalana, Shushu, Ntsinekana, Mqwashu, Bongweni A, Gcinisa North, Hlosini, Bongweni B, Maqosha, Nqwenerhana, Crossman/ Mgwangqa, Nomonti & Torr
4	Machibi, Upper & Lower Dube, Madliki, Phole, Moni, Ngxakaxha & Mdolomba
5	Tyityaba/Ferndale, Bodium, Bell, Lover's Twist, Crossroads, Tuku A, B & C, Wooldridge, Hoyi, Legeni, Begha,
6	Cisira, Feni, Dam-dam, Makhahlane, eleyuma, Mahlubini/Nyaniso
7	Ndlambe, Ndwayana, Glenmore, Qamnyana, Gwaben, Mankone, Horton, Luxolo & Rura
8	Peddie Town, Peddie Extension, Power, Luxolweni, German village, Durban Location
9	Runletts, Woodlands, Pikoli, Nobumba, Ntloko, Mgwala, Lewis & Paradise
10	Mtati, Ngqowa, Upper Gwala, Mabaleni, Ntshamazi, Newtongale, Maxhegweni, Upper Qeto, Lower Qeto, Lower Mgwala, eSingingqini
11	Mpheko, Mgababa, Prudhoe, Mkhanyeni
12	Hamburg, Benton, Gcinisa-South, Wesley, Bhingqala/Soweto, Mqhelani, Tarfield/Nier, Qobo-qobo/Nuloets, Daninge

2. DEMOGRAPHIC PROFILE

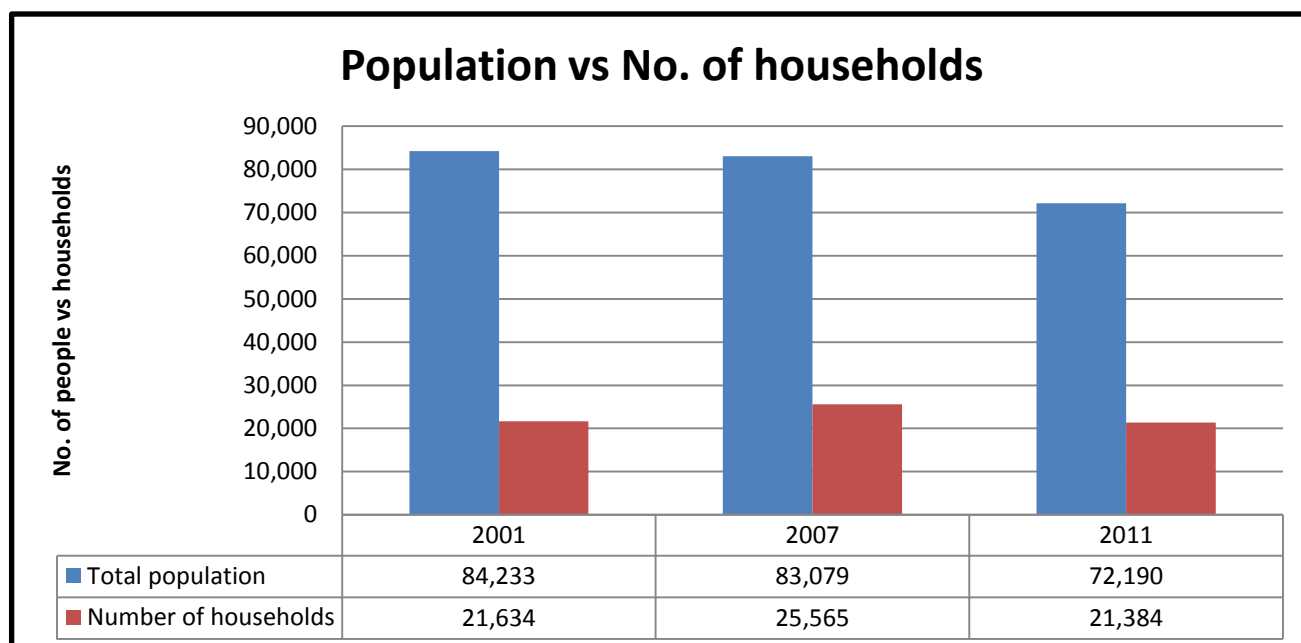
2.1 Population

In accordance with the information from the census it is revealed that the total population was estimated to be 84 233 for the year 2001, with an observed slight decrease to 83 079 in 2007 to an alarming 72 190 in 2011 and overall decrease estimated

to 64 134 after amalgamation of ward 2 and part of ward 5 to Buffalo City Metro Municipality. The number of population of 2011 vs the number of households being 21384 has also decrease to +-20 000 clearly stipulates that in each household there is quite a number of inhabitants distributed unevenly in all households. It is also shocking to note that numbers of households have also decreased over the years. This state of affairs has to be further studied to understand the prevailing dynamics within

the municipality and also in the Province as a whole. The figure below displays how these changes have affected both population and the number of households.

Total population v/s households
Source: Statistics SA (2011)



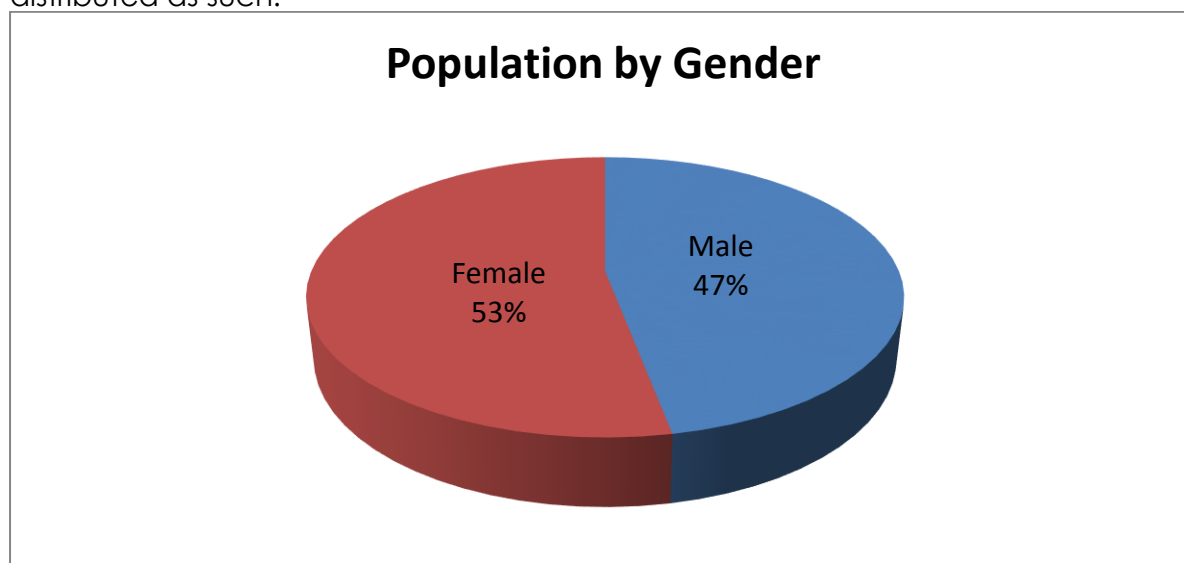
2.2 Population by Gender

When observing the population at ward level, it is unevenly distributed as depicted on the table below as distributed on gender basis: The following table shows a summary of key statistics by gender from statics (2011):

WARD	POPULATION BY WARD		
	MALE	FEMALE	TOTAL
1	2 593	2 962	5 555
2	2 899	3 166	6 065
3	2 658	2 902	5 559
4	2 789	3 041	5 830
5	2 798	3 167	5 964
6	2 531	2 812	5 343
7	2 543	2 847	5 390
8	2 323	2 688	5 011
9	2 322	2 574	4 897
11	2 180	2 603	4 783
10	2 658	3 120	5 777
12	2 827	3 224	6 051
GRAND TOTAL	28 576	35 106	63 6822

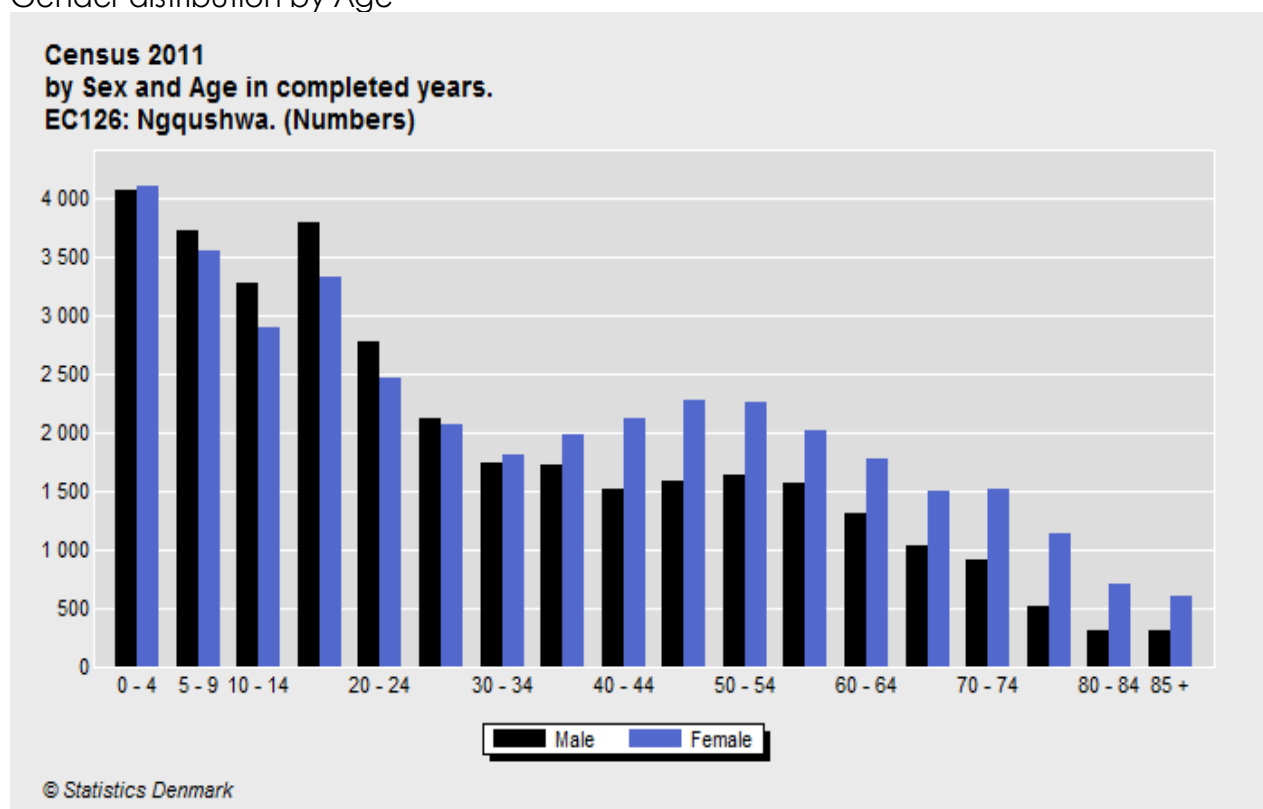
Source: Statistics SA (2011)

Thus in total on the composition of male and female with the jurisdiction of Ngqushwa is distributed as such:



2.3 Population by Age

Gender distribution by Age



Source: Statistics SA (2011)

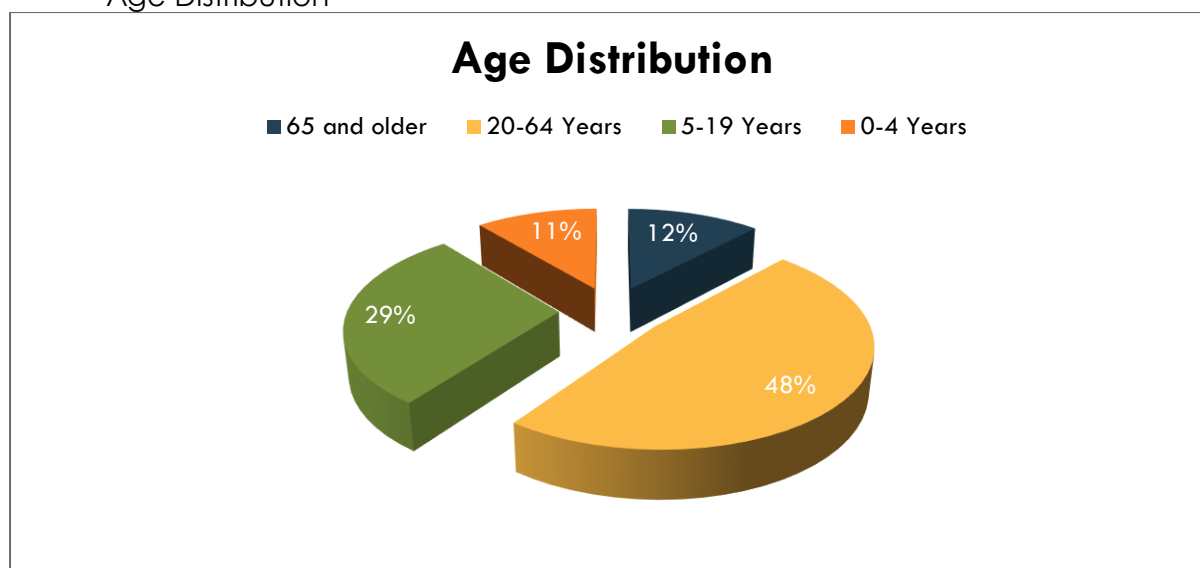
The above figure reflects a high dependency rate with numbers of children aged 4 between 0 and 19 years, school going age estimated at 28 800 with approximately 14 899 being males and 13 901 females. On the other hand, the numbers of those who fall above the economically active population (above 60 years) are estimated at 11 675. Of those, approximately 7 260 are women and about 4 415 are men. This means that the total number of children, youth and elderly is 40 475 which accounts for about

56% of the total population. This is very high and means that the municipality has to focus more efforts and funding towards children and youth development as well as caring for the aged.

There is a high rate of school drop outs as well as high unemployment rate. This further promotes the need to develop social and youth development programs, provision of basic services and vigorous job creation programs.

Furthermore the Ngqushwa LM Age is distributed as depicted the figure below where it shows the vast number of population is with the age 20-64 which takes 48% of the entire population. Whereas 0-4 years takes 11%, 5-19 is at 29% and lastly the older persons from 65 years and older take 12% of the population.

Age Distribution



3. SOCIO ECONOMIC PROFILE

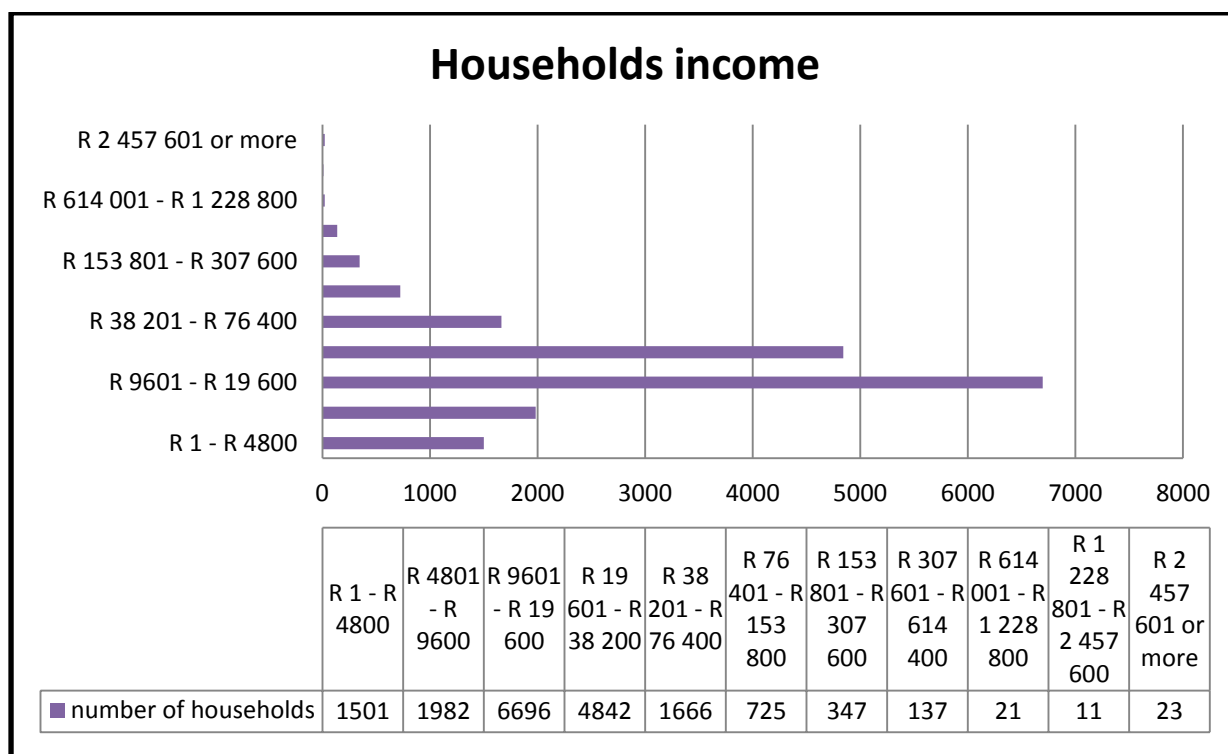
a. Labour Force Income and Wages

3.1 Household Income

The figure below depicts the economical standing of the population within Ngqushwa. It is potent in such that it stipulates how much the majority earns and thus economically directs the income distribution potential. It is reflected that the majority of households are earning very low incomes. Statistics SA information shows the number of the employed households being 11 538 earning between R9 601 and R38 200 per annum. Ward meetings revealed that the majority of the population relies on social grants. They raised that there is a need for projects to provide the community with food security. Proposals for skills development and provision of institutions of higher learning that will ensure improvement of the labour force also came up strongly from the wards.

The Department of Social Development, Special Programmes and the Local Economic Development is engaged and has funded a number of projects and co-operatives , ranging from vegetable, livestock & poultry farming, sewing etc. The majority of these

projects and co-operatives are active and have challenges related to shortage of funding, skills and infrastructure like water, electricity, fencing, medication etc.

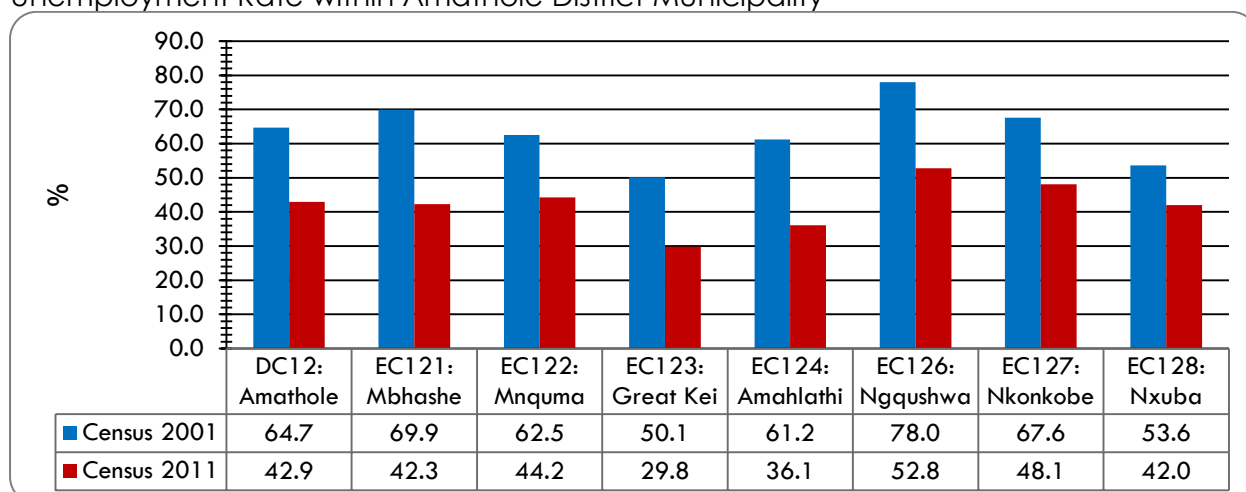


Source: Statistics SA (2011)

3.2 Unemployment Rate vs Poverty Rate

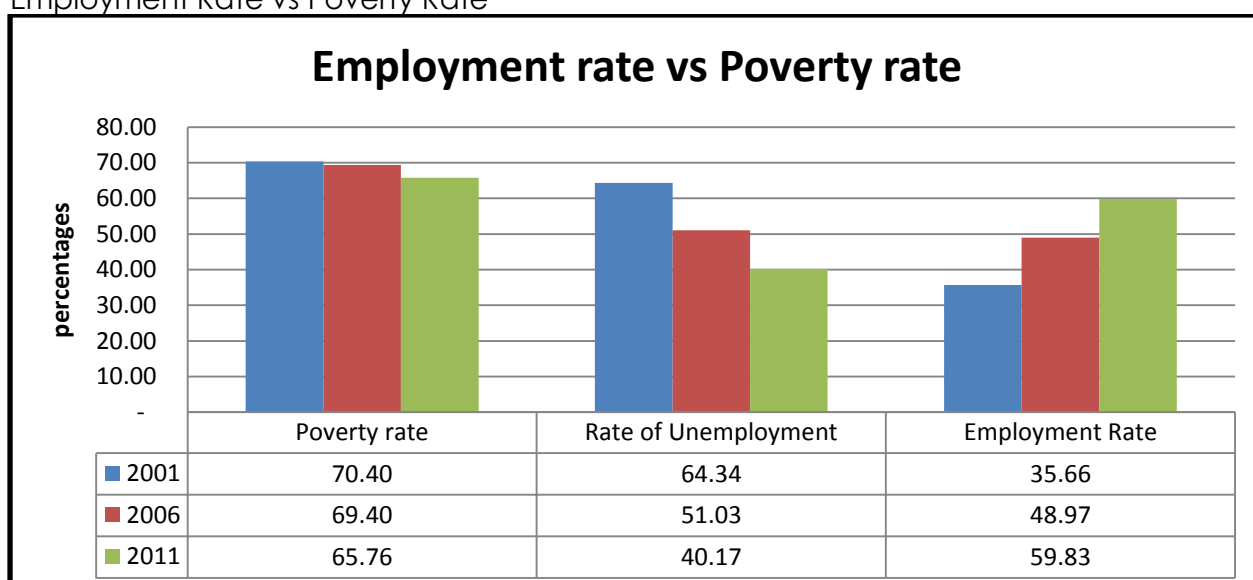
According to the information released by Statistics SA, the jurisdiction of Ngqushwa in 2001 had an unemployment rate at an atrocious rate of 78% which over the years has gradually improved to the last release of 2011 to be 52.8%. This is still rather a high rate for any economic enabling environment, but it rather depicts that there has been improvements over the years even though not that lucrative when looking at the economic scales. It is of note that as much as there has been a national decrease of the unemployment rate, looking at the Amathole District, Ngqushwa LM has always maintained a significantly higher level compared to other local municipalities.

Unemployment Rate within Amathole District Municipality



Source: Statistics SA (2011)

Employment Rate vs Poverty Rate



Source: ECSECC (2011)

The above figure reflects decreasing poverty levels between 2001, being about 70% to 66% in 2011. Unemployment on the other hand also shows a decrease from 64,34% in 2001 to about 40,17% in 2011. The employment rate is on the increase from 36% in 2001 to 60% in 2011.

Ward meetings cited poverty and unemployment as one of the major challenges. These meetings also suggested that government should provide more support to orphans and child-headed households. Over the years the government has been indeed implementing strategies that are in-line with alleviating the unemployment rate such as the Expanded Public Works Program (EPWP).

4. ACCESS TO SOCIAL GRANTS

As a result of the low level of education and high unemployment rate, the municipality experiences high levels of poverty, thus increasing dependency on government social grants. This was also confirmed by the ward meetings with communities having expressed the need for the grant to be increased as it is inadequate for their monthly commitments.

As the government provides a number of social grants, there are many challenges that have been enlightened when applicants are making their first applications. Such challenges can be from being rejected nor when a reviewal period reaches individuals no longer qualify, or themselves have not went in for reviewal at South African Social Security Agency (SASSA). Some of these challenges inherently from the Home Affairs Department where a number of dynamics link with the social grant applications thus formulate rejections. Outlined below are the list of challenges from the sister departments

4.1 Challenges noted by the South African Social Security Agency:

- Old age Grant is paid out to South Africans aging from the age of 60 and above. Some of the old age group are unable to qualify for this grant due to the incorrect birth dates on their Identity Documents (ID).
- In most circumstances disability grant applicants get rejected by SASSA due to in-house doctors as referred by medical doctors whom find applicants still fit to be employable.
- Granting Aid grant applicants take a longer awaiting approval period.
- With some of the grants there are a number of fraudulent applicants which in-turn delay the process of qualifying applicants, due investigation and process that have to take place before any applications is approved.

4.2 Challenges noted by the Department Home Affairs:

- Some applicants have issues of appearing to be married while they are not. This is due to the foreigners whom are illegally, in possession of identity documents.
- Incorrect information on identity documents, for example age, names to name a few, such that grant applications are rejected.
- Duplication of identity documents. This is rectified by the Head office and requires supportive documents proving their differences. However the process takes long to be verified and corrected and so put a number of people in a difficult position.

5. SAFETY AND SECURITY

The Ngqushwa Local Municipality established the Community Safety Forum as it was resolved by the MUNIMEC and is chaired by Portfolio head Councillor of Community Service. Currently its administrative support is rendered through the secretary of the Community Services Executive Manager, however personnel is needed. An administrator for all Community Safety issues is an ideal position.

There is an Integrated Community Safety Plan which is still on its draft stages and has not gone through the Council for its approval. A Community Safety Policy has been developed but has not yet been approved through the correct Council Structures. Engagement with SAPS and CPFs within the district, liquor is playing a major role in the commission of crime. The district also has a high number of drugs within the communities and some illegal firearms and ammunition. People are assaulting each other while drunk and coming from the taverns and shebeens. Elderly women and children are most victims of rape and ladies from taverns also get raped. Perpetrators are mostly known to the victims. Houses mostly left alone are broken into though some, owners were inside. Stock in some areas is stolen in the grazing lands and some in the kraals. The Community Safety Forum is thus working on a by-law on Liquor trading licence is in the process of being promulgated with its stakeholders which will in turn mitigate some of the faced challenges.

5.1 Crime Levels

Figure 5: Crime Levels



Source: ECSECC (2011)

Figure 5 above reflects numbers of reported cases of crime between 2006 and 2011. The highest numbers are for cases of drug related crimes but have decreased from about 2632 cases in 2006 to about 2 140 in 2011. Sexual crimes have slightly increased from 542 to 587 for the same years. On the other hand, numbers of reported cases of robbery have also decreased from 438 to 326. This is commendable as the

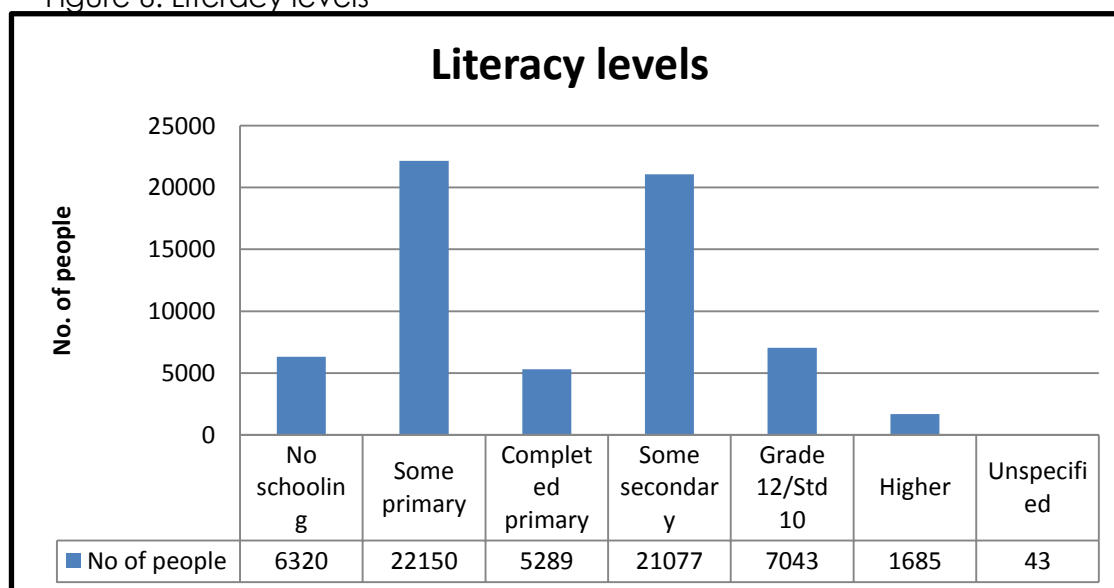
improvement is great in the area of crime prevention. Many communities have cited crime as one of the major issues. This could be attributed to the fact that some of the cases are not reported. Highlighted from SAPS reports is that burglary in residential areas, and stock theft are rated the highest crimes in the Ngqushwa area. On the table below, listed is the number of available police station with Ngqushwa and the average number of Police Officers availability on the fields as well as at the stations on daily basis.

Police officers on the field and on duty on a daily average:

POLICE STATION NAME	FIELD PERSONNEL	ON DUTY PERSONNEL
Peddie	2	5
Moyeni	3	4
Bell	4	6
Hamburg	2	3
Thyefu	2	2
TOTAL	13	20

5.1.1. Levels of Literacy

Figure 6: Literacy levels



Source: Statistics SA (2011)

According to Figure 6, of the total population of 72 190 people, approximately 31%, being 22 150 have a primary education, whereas about 29%, being 21 077 have secondary education and only 10% have a Matriculation Certificate. This reveals a very low level of education, coupled with a high number of children dropping out of school.

Some challenges were revealed during the ward visits, including shortage of classrooms, lack of infrastructure like access roads, water, electricity and sanitation. Increasing numbers of school drop outs were also cited as some of the issues resulting from teenage pregnancy and other related challenges. Numbers of children per

grade, per school were calculated. Figure 8 below reflects that at junior level, numbers of children fluctuate probably as a result of children having to move from school to school as some only offer junior primary. At high school level, a trend of numbers drastically decreasing between grade 10 and 12 has been noted. This is as a result of either high failure rates or high rate of children dropping out of school.

It is proposed that the Department of Education should form partnership with the municipality to raise awareness and also assist to improve the failure rate. This will entail in more children completing grade 12 and thereby forming part of the community's labour force.

5.10 Human Development Index (HDI)

The Human development index (HDI) is used as an indicator of development. The HDI is calculated by measuring the overall achievement in respect of the three basic dimensions of human development namely longevity (life expectancy), knowledge (literacy) and standard of living (income). Amathole District Municipalities HDI is 0.48 which is an indication of the low level of development. The HDI for Ngqushwa is 0.46 which is one of the lowest for the district but comparable to others in the district (e.g. Mbashe-0.42 and Buffalo City-0.59).

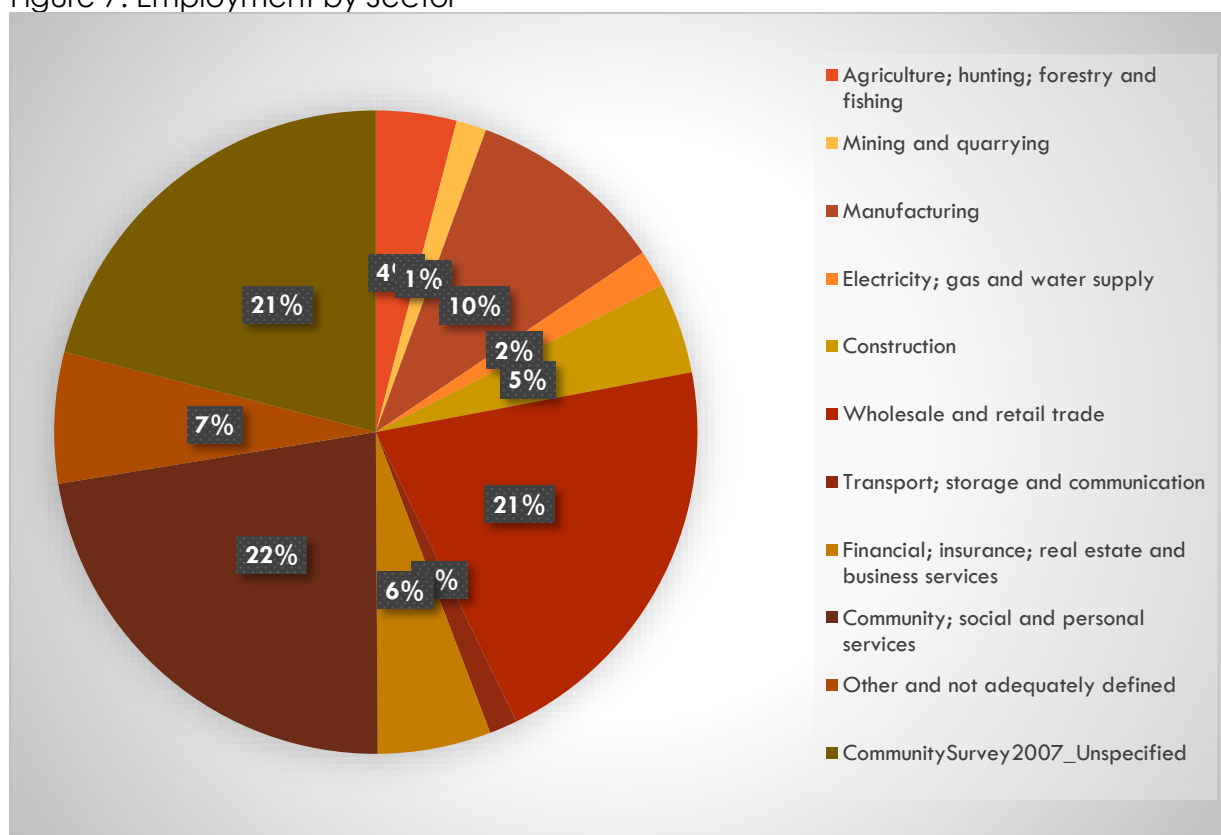
The skills levels of the population are very low as reflected by the district picture. 29% of workers in the Amathole District have either elementary skills or are unskilled workers. 4% of Amathole's working people fall into the skilled category and 14% have profession.

1. Findings

- Only 23.5% (21 263) of the people in the area are employed.
- The situation impacts negatively on the population's dependency on social grants.
- These figures will have a negative impact on the area's growth and development potential, as there is little money in circulation.
- The low income levels reflect the inability of residents to provide basic shelter to support themselves financially and to pay for municipal services, thus influencing the functioning of the municipality.
- Human development index is low due to low life expectancy, low literacy levels and low income levels/standard of living.
- It is imperative to raise the human development index in order to be successful in project and programme implementation.

2.3.1 Economic Overview

Figure 7: Employment by Sector



The Economy of Ngqushwa is vastly distributed within the Community, Social and Personal Services sector by 22%. The Wholesale and Trade Sector is only out-numbered by 1% by Community, Social and Personal Services, which in turn both contribute the largest contribution of 43% of the entire economy. The other 21% could not be specified as per the Community Survey 2007.

Agriculture being the largest identified sector that ought to provide a number of household with employment. Off note is that many people are involved in agriculture, but this does not reflect in economic contribution. What is reflected is only 4% contribution in the economy. This is due to its informal nature that it possess. Mining and Quarrying contribute the least at 1% of the economy. Which is slightly believed to improve over the years as per identified nodal points within Ngqushwa. The unemployment rate of Ngqushwa is thus too high at 52.8%

INTERGRATED DEVELOPMENT PLAN

Chapter Three

Status Quo Assessment



3.1 KPA 1: MUNICIPAL TRANSFORMATION AND INTSITUTIONAL DEVELOPMENT

Strategic Goal: Improve organizational cohesion and effectiveness

Strategy	Objective	Indicator	KPI No
Filling of all vacant and budgeted post within 90 days after receiving request of filling of post form	To ensure timeous filling of vacant and budgeted positions by 2017 and beyond	Number of days taken to fill vacant and budgeted posts (turnaround time)	IDOP:01
Implementation of the Employment Equity Plan (EEP) in line with the Employment Equity Act no.55 of 1998	To ensure continuous compliance the Employment Equity Plan by 2017 and Beyond	Number employees from designated groups	IDOP:02
Adherence to Skills Development Act no.97 of 1998 through implementation of WSP	To continuously build capacity and improve performance at all levels of the municipality by 2017 and beyond	Number of trainings implemented per WSP	IDOP:03
Implementation of the PMS framework and policy (cascading of PMS)	To continuously improve performance at all levels of the municipality by 2017 and beyond	Implement PMS on employees below Section 56 Managers	IDOP:04
Adherence to OHS Act No.85 of 1993 through implementation of H&S policy	To continuously create a conducive and safe working safe environment by 2017	No. of interventions in the OHS Audit Action Plan	IDOP:05
Implementation of HR Plan	To ensure continuous implementation of Municipal vision and mission through Human Resources Management plan	Number of interventions (no.)implemented per HR Plan	IDOP:06
Coordinate forum meetings as per Collective agreement	Continuously maintain a conducive working relationship between the employer and employees of NLM for the furtherance of service delivery	Number of LLF meetings held	IDOP:07
Conduct employee wellness awareness workshops to management, councillors and staff	Effective implementation of wellness programmes	No. of employee wellness awareness workshops conducted	IDOP:08

Strategy	Objective	Indicator	KPI No
Provision of effective and efficient council support services to council structures such as Standing committee/EXCO/Council.	To continuously ensure the provision of effective and efficient council support services to the council and its structures by ensuring the availability and adherence to the Municipal Institutional Calendar aligned to all applicable legislations	number of reports of council and council structures meetings held as per the adopted institutional calendar	IDOP:09
Provision of effective and efficient council support services to council structures such as Standing committee/EXCO/Council.	To continuously ensure the provision of effective and efficient council support services to the council and its structures by ensuring the availability and adherence to the Municipal Institutional Calendar aligned to all applicable legislations	Number of council notices distributed to council.	IDOP:10
		Council Structures 5 days before the meeting.	
% of employees that have signed Code of conduct.	Promote Accountable & Efficient Administration by 2017 and beyond.	100 % of new employees signing code of conduct	IDOP:11
Adherence to the records management policy and registry procedures.	To achieve centralization of record keeping and improved records management processes by 2017 and beyond.	Number of reports on implementation and adherence to the records management policy and registry procedures	IDOP:12
Implementation of Council Resolutions talking to Corporate Services Department.	To continuously provide effective and efficient implementation of Council resolutions talking to Corporate Services Department by 2016/17.	Number of reports on the progress on implementation of council resolution submitted to Council by 30 June 2017.	IDOP:13
Coordinate implementation of MANCO resolutions that talks to Corporate Service Department.	To continuously provide effective and efficient implementation of MANCO resolutions by 2016/17.	% Implementation of Council and MANCO resolutions.	IDOP:14

Strategy	Objective	Indicator	KPI No
Attend to correctives measures as identified in internal audit.	Reduce RISK within the Department of Corporate Services by 2016/17.	Attend to correctives measures as identified in internal audit reports to reduce risk areas within the department.	IDOP: 15
Attend to correctives measures as identified by AG.	To ensure contribution to improved audit outcome by 2016/2017.	Attend to correctives measures as identified by AG talking to the department.	IDOP: 16

3.5.1 Municipal Structure

There are 148 positions on the organisational structure of the municipality. The draft organogram was adopted on the 31st of March 2015 and final organogram on the 28th May 2015. The Municipal Manager is the Administrative Head and Accounting Officer of the Municipality. He/ she is responsible for the implementation of the IDP and SDBIP under the direction and guidance of the Municipal Council. The Municipal Manager is supported by a team of executive managers appointed in terms of section 56 of the Municipal Systems Act, 2000 in this context. Efforts should be made to develop leadership and management skills at this level to ensure proper succession planning.

3.5.1.1 Office of the Municipal Manager

This is the administrative nerve centre that sends pulses throughout the Municipality and therefore, the office needs to be capacitated to fulfil its mandates in support of the Municipal Manager. The Municipal Manager's office is composed of the following personnel: IDP and PMS section, Communications section, Internal Auditor section, Special programme (SPU) the youth coordinator is located within this unit and also deals with gender issues, Office Manager in Mayor's office, Office of the Manager in Speakers office, Information Communication Technology (ICT) Section and Legal Compliance Section all reporting to the Office of the Municipal Manager.

Directors of departments report to the Office of the Municipal Manager. In realizing the administrative objectives of the Municipality, top management discusses administrative strategies at Management Committee (MANCO) meetings.

3.5.1.2 Infrastructure Development Department

The Infrastructure Development Department, formerly the Technical Services, is responsible for the development and implementation of processes, systems and strategies designed to procure and sustain infrastructural capacity required by the Municipality in its quest to provide

quality services to the community as well as ensuring that resources at the Municipality's disposal are equitably distributed to all areas of operation to enhance service delivery to benefit the people.

This entails ensuring the provision of acceptable technical services in respect of sewerage/ water purification / electricity and building projects. The Department is also responsible for the following:

- Ensure acceptable water and sanitation services (Develop and implement monitoring mechanisms for provision of water services by the District Municipality), Provide approved building plans and site inspections,
- Ensure effective electricity distribution to consumers (Develop and implement monitoring mechanisms for provision of electricity by Eskom),
- Ensure effective project design, planning and management of technical projects,
- Provision of effective repairs and maintenance of municipal infrastructure,
- Management of all sewer plants and operations (Develop & implement monitoring mechanisms for the actual management of sewerage system by the District Municipality)
- Appraise/ report to Council and EMT on any infrastructure related projects of the Municipality,
- Ensure compliance to building maintenance regulations as per National Building Regulations,
- Ensure compliance to building health regulations,
- Provision of municipal public works to any of the functions within the Municipality,
- Development and management of waste disposal sites,
- Construction and maintenance of roads and storm water infrastructure,
- Execution of council resolutions relating to infrastructure and technical services.

The Community Services Department is responsible for ensuring provision of acceptable standard of Social Services, Emergency Services, Environmental and Health Services, Community Safety and Road Traffic Management as well as Sports, Arts and Cultural Services to the communities. The Department will also be responsible for the following:

- Provision of efficient and coordinated health and occupational health services,
- Manages and monitors the implementation of pollution and environmental degradation prevention strategy (Develop and implement monitoring mechanisms for the provision of this services by the District Municipality),
- Provision of efficient and coordinated fire fighting services (Develop and implement monitoring mechanisms for provision of this services by the District Municipality),
- Manages and monitors the implementation of crime prevention strategies thereby improving safety and security in communities,
- Develops and implements strategies to stimulate, promote and develop Sports, Arts and Culture and other recreational activities.
- Manages the provision of efficient and coordinated community welfare services such as:
 - Day-care centres,
 - Proper pension payouts,
 - HIV/AIDS Education / Awareness,
 - Sports, Arts and Culture Development,
 - The Aged and the Disabled,
- Protection and maintenance of sensitive, vulnerable areas and cultural heritage sites to sustainable levels,
- Proper management of Municipal community facilities including, sports, community halls,

- Public spaces and recreation centres, parks, facilities, etc.

The primary responsibility of the department is to promote the local economic development initiatives and job creation in sectors such as commerce: small, medium and micro enterprises; agriculture; tourism; and labour intensive public works and includes Town Planning, land and housing and Estate. The Department will also be responsible for the following:

- Management and stimulation of economic development within the Municipality
- Develops and implements the strategic plan, policies and programmes for the local economic rejuvenation,
- Identify local economic opportunities and advise local businesses to take advantage of them,
- Identify suitable land for agricultural purposes, developed business people and render a coordinated advisory service on economic development issues,
- Develop and maintain the LED Strategy/ Plan,
- Develops investment policies that will attract funding and investment growth for various basic community needs and projects
- Conduct proper research in terms of local economic development and planning,
- Approval of Building plans and building control function.

3.5.1.5 The Budget & Treasury Department

The department is responsible for providing strategic direction on financial planning, management and accounting as well as guidance and support to the senior managers within the Municipality regarding the implementation of and compliance with the Municipal Finance Management Act and related Treasury Regulations. The Department is also responsible for the following:

- Establish/maintain an efficient and transparent system of financial management and internal controls to ensure sound financial control by developing, implementing and monitoring financial control systems.
- Establish/maintain appropriate policies, systems and procedures to ensure effective and efficient management of resources by maintaining updated financial guidelines and ensuring adherence to these policies & procedures.
- Prepare financial statements for each financial year in accordance with the generally recognized accounting practices by ensuring the production of financial reports of the Municipality as well as providing oversight and management of reconciliations of sundry and suspense accounts.
- Ensure that revenue and expenditure of the Municipality are in accordance with internal controls (budgets) and legislative prescripts governing finance within the Municipality by maximizing revenue collections, optimizing expenditure, monitoring cash flow as well as ensuring that expenditure is within allocation limits.
- Follow up on the implementation of actions resulting from Audit Committee and Auditor-General's reports by developing effective implementation strategy for implementation of corrective measures
- Supply chain management.

3.5.1.6 The Corporate Services Department

The department is responsible for the general operations of the Municipality including administration, human resources and document management. In addition to oversight of the central administrative functions of the Municipality, the role of the Corporate Services Department will also be to provide secretarial services and guidance to Council and other governance structures of the Municipality, and safeguarding the interests of the municipal stakeholders (communities, staff, etc.). The Municipal Structures Act, 1998 identifies three primary areas that fall under the auspices of the corporate services:

- **The Council support:** Guides the councillors as to their duties and responsibilities and makes them aware of relevant legislation and regulations; ensures proper orientation and induction of councillors; provides practical support and guidance (including training) and raises matters of importance; ensures that councillors have access to information and manages council papers and documents (council resolutions and record keeping).
- **The Municipality:** Ensures statutory and regulatory compliance; ensure council resolutions are communicated to relevant persons for execution; provides guidance and advice on ethics and good governance.
- **Human Resources:** The section is responsible for all functions of Human Resources. Ensuring professionalism at all times, implementation of policies and procedures relating to HR, including recruitment, training and development, disciplinary procedures, Performance Management System, development of Workplace Skills Plan and Annual Training Report and condition of employment. Ensuring that all levies due to be refunded by the SETA are claimed and received. Payroll Administration (actual payment done by finance departments) The Human Resources Section amongst other functions, coordinate development, review and implementation of municipal organisational structure. The organogram has been adopted on the 28 May 2015. See the table below.

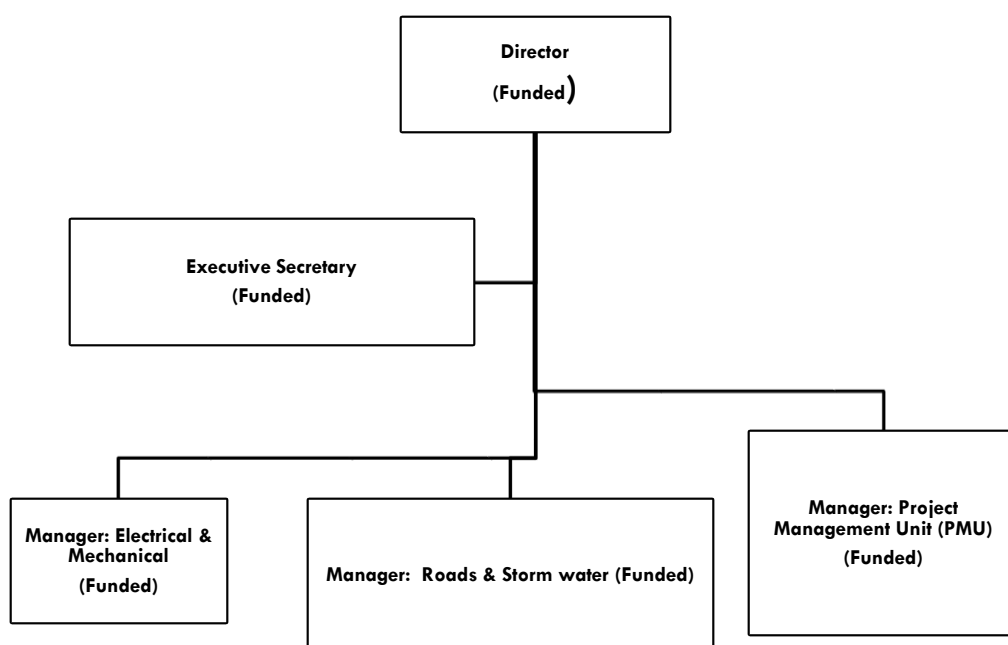
Functional areas per organogram

Approved positions	Number of approved posts per department	Filled posts	Vacant posts
Municipal Manager	30	17	13
Corporate Services	17	16	01
Community Services	33	27	05
Budget and Treasury	22	14	08
Technical Services	31	13	18
Planning and Development	16	06	10
TOTAL NUMBER	148	93	55

Infrastructure Development Department staff registered with professional bodies

Infrastructure Development Department	Total number of technical service Managers	Total number registered in the accredited professional body	Total number pending registration confirmation in the accredited professional body	Total number not yet registered in the accredited professional body
	4	2	0	2

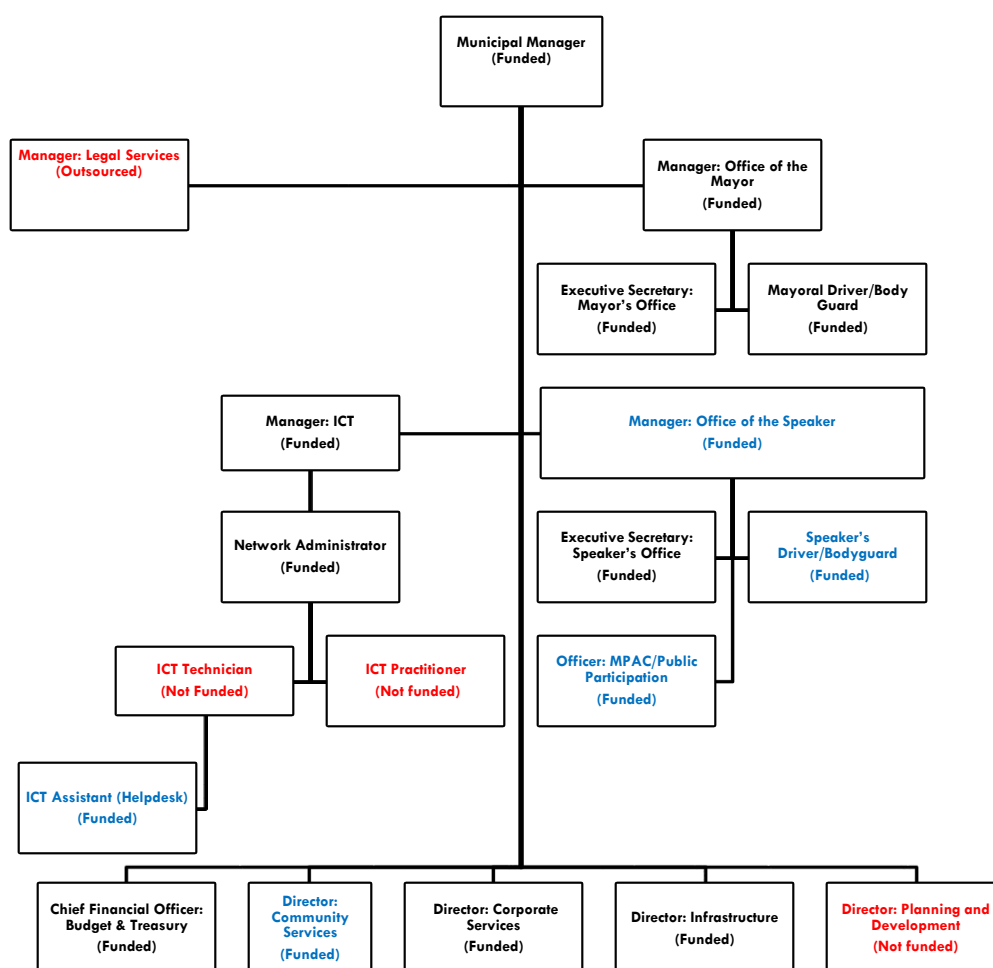
DEPARTMENT: INFRASTRUCTURE 2016/17 ORGANOGRAM



Office of the Municipal Manager staff registered with professional bodies

Office of the Municipal Manager	Total number of Managers in the Office of MM	Total number registered in the accredited professional body	Total number pending registration confirmation in the accredited professional body	Total number not yet registered in the accredited professional body
	8	1	0	7

DEPARTMENT: OFFICE OF THE MUNICIPAL MANAGER 2016/17 ORGANOGRAM



Corporate Services staff registered with professional bodies

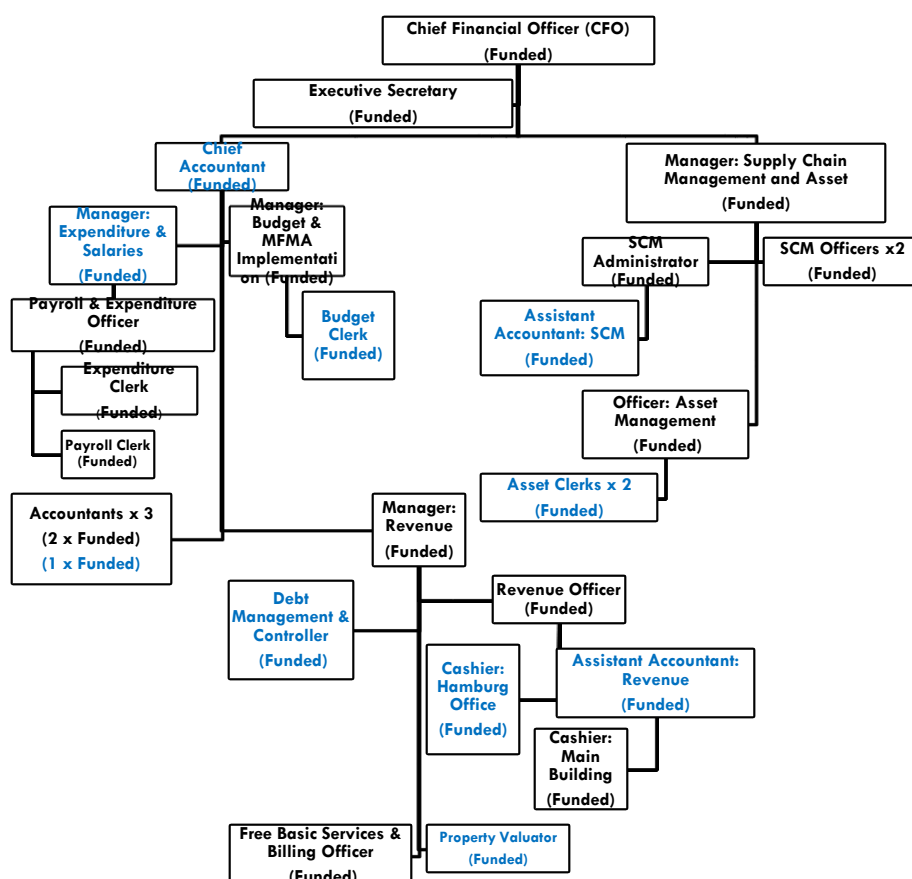
Corporate Services Department	Total number of Corporate Services Managers incl. HOD	Total number registered in the accredited professional body	Total number pending registration confirmation in the accredited professional body	Total number not yet registered in the accredited professional body
	3	0	0	3

DEPARTMENT: CORPORATE SERVICES 2016/17 ORGANOGRAM

BTO staff registered with professional bodies

Budget & Treasury Office	Total number of BTO Managers incl. HOD	Total number registered in the accredited professional body	Total number pending registration confirmation in the accredited professional body	Total number not yet registered in the accredited professional body
	6	1	0	5

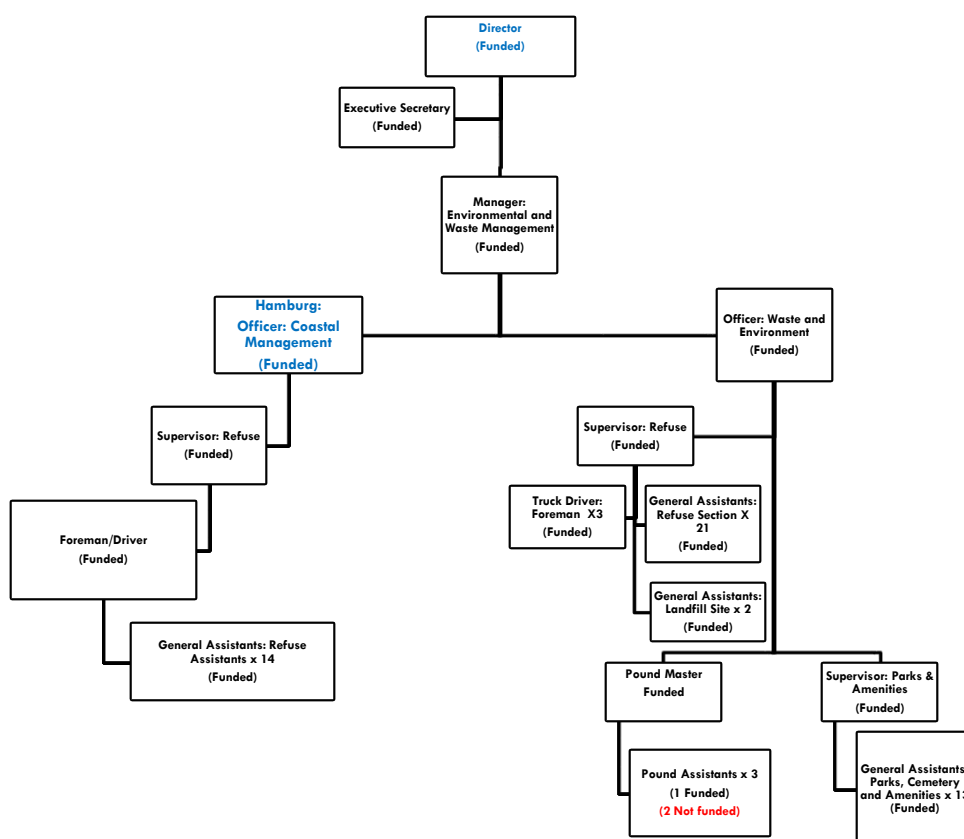
DEPARTMENT: BUDGET AND TREASURY 2016/17 ORGANOGRAM



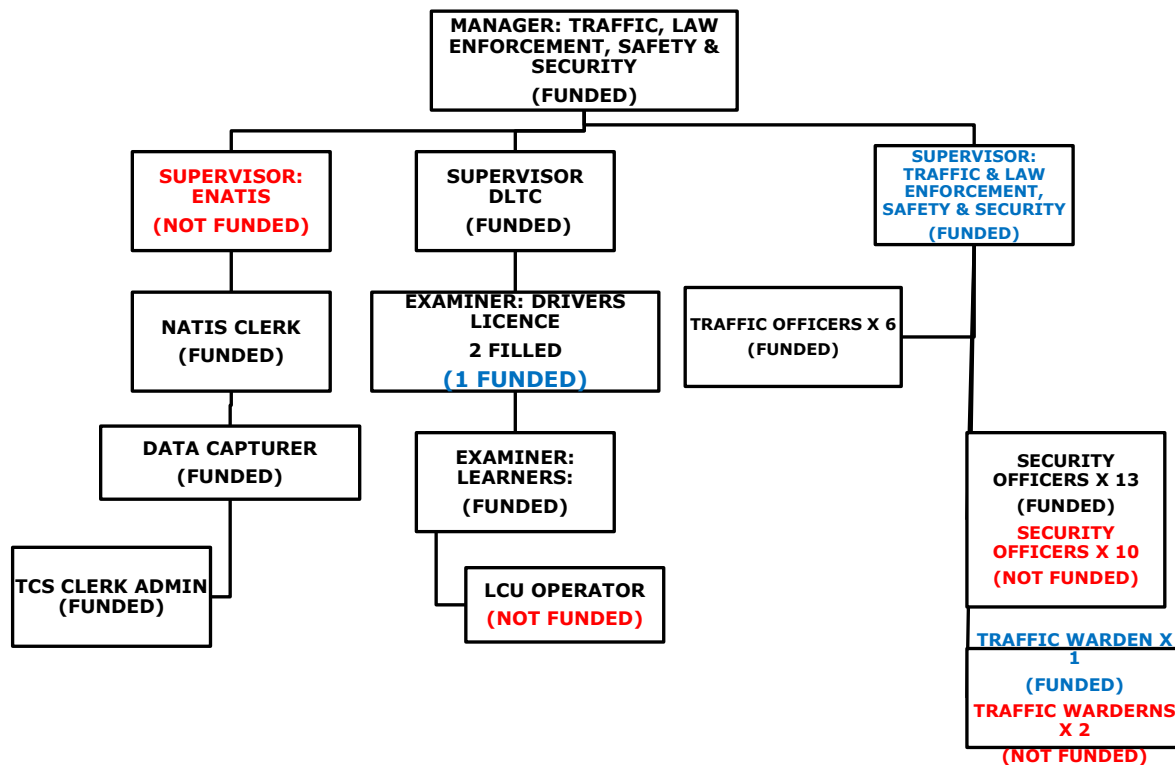
Community staff registered with professional bodies

Community Services Department	Total number of Community Services Managers	Total number registered in the accredited professional body	Total number pending registration confirmation in the accredited professional body	Total number not yet registered in the accredited professional body
	3	0	0	3

DEPARTMENT: COMMUNITY SERVICES 2016/17 ORGANOGRAM



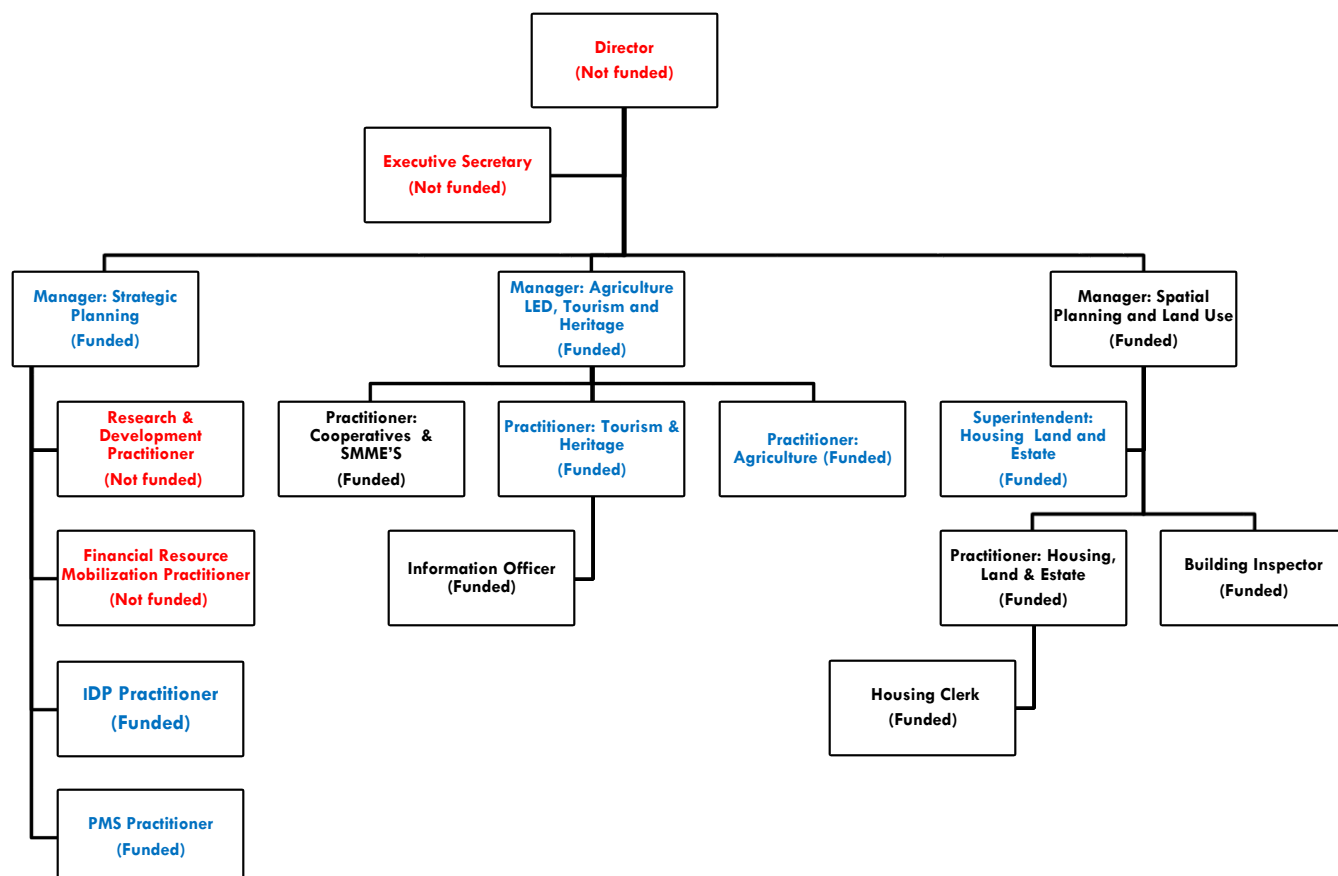
TRAFFIC SECTION: 2016/17 ORGANAGRM



DEPARTMENT: PLANNING AND DEVELOPMENT 2016/17 ORGANOGRAM

Planning and Development registered with professional bodies

Planning and Development Department	Total number of Planning and Development Managers	Total number registered in the accredited professional body	Total number pending registration confirmation in the accredited professional body	Total number not yet registered in the accredited professional body
	4	1	0	3



3.5.2 Employment Equity

Ngqushwa Local Municipality recognizes the legacy of past discrimination during which people were denied opportunities to quality education, employment and development on the basis of race, gender, HIV/AIDS, marital status, sexual orientation, religion; ethnic/social origin, age and disabilities. In endeavour to redress those imbalances, Ngqushwa LM has committed itself to the principles of equal opportunities, fair employment practices and people development, including gender equity access to economic opportunities.

- The Ngqushwa LM is committed to the implementation of employment Equity to redress the legacy of past discrimination during which people were denied access to equal opportunities based on their race, gender, HIV/AIDS, marital status, sexual orientation, religion; ethnic/social origin, age and disabilities;
- NLM is committed to redress the past legacies through the establishment of EE Forum;
- In order to guide its implementation process and review, the municipality developed an Employment Equity Plan covering a period between 2012 and December 2016;
- The plan needs to be continually reviewed and updated annually to ensure that it is consistently in line with the economic realities of the Municipality.
- In 2016/2017, the department will develop/review Employment Equity Plan in line with the provision of EE Act of 1998. This follows expiry of the current Employment Equity plan. The achievements and success of the current plan will be analysed.
- The municipality will also analyse the challenges which lead to barriers that prevent the municipality to achieve the planned targets for example there is no single disabled employees and a white woman as per our plan.

3.5.3.1 Human Resource Development

The Ngqushwa Local Municipality has a primary purpose to provide accredited, quality training for both employed and unemployed candidates within its jurisdiction. This is in line with the Skills Development Act No. of 97 of 1998, Skills Development Levy Act No. 09 of 1999, South African Quality Assurance (SAQA) Act No 58 of 1995 and Employment Equity Act No 55 of 1998.

The unit co-ordinates, monitors and evaluates all skills development initiatives to ensure that they enhance Service Delivery and Corporate Governance, as well as improve financial viability of the municipality within its jurisdiction, stimulate local economic development which would subsequently alleviate poverty, and being change agents for effective Municipal Transformation and Institutional Development. In 2016/17 Ngqushwa LM had planned to implement training for Councillors and officials. This is in line with Workplace Skills Plan (WSP) and Skills Development Act. The training programmes are aligned to applicable Legislation, Policies, Political pronouncements and IDP linkage as follows;

Councillors

- Councillor development practises
- Councillor Induction
- Training programme on ethics
- Training on legislative framework for Local Government
- Training programme on roles and responsibilities
- Media relations and stakeholders engagement for municipal Leaders
- Governance and oversight focused capacity building programmes

- Leadership and Governance programme
- Training on terms of reference and system of delegation
- MPAC and general oversight

Officials

- Masters in Industrial Psychology.
- Diploma/Masters in Public Administration.
- Safety Management Course.
- Microsoft certified systems engineering.
- Diploma/Short course in fleet management.
- Advanced excel.
- Advanced certificate in accounting.
- Post graduate diploma in labour relations.
- BTech in construction management.
- Post graduate Archives and records Management diploma/certificate.
- Bachelor in Human Resource Management.
- Certificate in animal care.
- Advanced driving course.
- Report writing certificate.
- National Certificate in construction plant operation.
- Maintenance of rural roads certificate.
- Bituminous pavement repairs.
- Diploma in environmental management.
- Computer certificate.
- Drivers licence.
- Diploma in development studies.
- Diploma in purchasing and supply chain management.
- Diploma Contract Management.
- Management representative Course.
- Higher certificate/Diploma in disaster management.

Ward Committees

- Skills programme on Public participation.
- Ward committee training.
- Skills programme on Report writing.

Unemployed

- National Certificate in construction road works.
- Skills Programme on Community based planning.
- Internship programme.

3.5.5 Employee Assistance & Occupational Health & Safety Office

The objectives of the Employee Assistance and Occupational Health & Safety Office are to promote health by providing the employees with ongoing education, information and communication in all health related aspects. They are also encouraged to be proactive about their health and modify their lifestyle for their own health benefits. The office has a responsibility of ensuring a safe work environment of all

the employees at work and safety during operations. This is to comply with the Occupational Health and Safety Act 85 of 1993, Medicine and Related Substances Control Act 101 of 1965, Employment Equity Act 55 of 1998 and the Compensation of Occupational Injuries and Diseases Act 130 of 1993.

During 2016/17 financial year the section will engaged in different programmes for Ngqushwa Municipal Councillors, Management and employees including those based in our Hamburg satellite office, to meet its objectives.

In 2016/2017, HR section will also implement Health & Safety audit action plan which was developed in 2015/2016 by Internal Audit section.

Amongst the intervention is to implement the following:-

- Ensuring that employees wear protective clothing at all times.
- Facilitate improvement of conditions in the land fill site.
- Develop and implement evacuation plan.

3.5.6 Employee Assistance Programme

As part of Employee Assistance Programme, Ngqushwa Local Municipality is committed to the health and wellbeing of its employees and recognises that a variety of personal problems can disrupt their personal and work lives.

The municipality had conducted the following programmes and interventions in 2015/2016 financial year:

On the 03 November 2015 we had Health awareness programme. The following was done:

- Diabetic education and screening
- TB & HIV education and screening
- High blood pressure education and screening.
- It was done by Peddie Extension clinic staff in partnership with Ngqushwa Municipality.

On the 25 November 2015 we had World Aids Day event. The following was done:

- We had our Guest Speaker on HIV & AIDS Dr. Munai from Nompumelelo Hospital.
- We had another speaker from Cancer Association (CANSa) presenting about all kinds of Cancer.
- We done Candle lighting in remembrance of those died due to HIV related diseases. It was done by Rev. Leleki in partnership with Keiskama.
- Screening also was done by Peddie Ext. clinic.

On the 21 January 2016 we had Wellness Day. The theme was MEN TESTING MEN. The following was done:

- Weights, Heights and BMI screening
- HIV and pregnancy testing
- Breast, Prostate and Pap smear screening
- Hypertension screening
- It was done by Peddie Ext. clinic staff in partnership with Beyond Zero.

On the 22 March 2016 we planned to have World TB day that was postponed due to Strategic Planning. On the 26 May 2016 we had 5km fun run and 2.5km walk with the following presentations

- Budget by Old Mutual
- Investment by Metropolitan
- Will talk and education by Discovery
- Orthotics & Prosthesis talk by Vanto & Associates.

Help desks from the following:

- Avbob
- Assupol

- Dignity Group
- LA health

Sport

On the 16 March 2016 there was a match between employees representing Management and employees below management level.

In 2016/2017 financial year the Corporate Services will continually conducting awareness programmes on quarterly basis. This programme seeks to have employees that are able to deal with the following life challenges:-

- Financial difficulties
- Marital challenges'
- Physical challenges
- Work and family matters

The municipality will also conduct team building for all departments in 2016/2017 financial year and we will continue have sport activities.

CETA Learnership

The project aims at empowering youth of Ngqushwa with skills in order to find employment. This project is sponsored by CETA and is involving 300 learners and to develop their skills. There are 200 learners are enrolled with skills programme in the following fields: - Carpentry, tilling, painting, brick laying, paving and plastering and 100 learners are enrolled with National Certificate in Road Construction. The programme resumed in April 2016 and is taking place at Knight Marambana High School. The municipality provided support in the form of appointing and paying of an Administrator on a fixed term contract appointment. Ngqushwa Local Municipality and Namuntlha Training and Development PTY LTD entered into an MOU to regulate their institutional and business relationship, organisational interfaces, performance, reporting and other administrative aspects throughout the period delivering the Short Skill training project.

ORGANISATIONAL DEVELOPMENT AND DESIGN PROJECT

Ngqushwa Local Municipality intends to undertake an organisational development and designs process that will culminate in re-alignment of organisational structure and re-alignment of functions. The project will prelude to the development of a performance management system.

Ngqushwa LM wishes to appoint a service provider that specialises in development and change management processes to facilitate the implementation of the municipality's revised strategy, development and re-design.

Ngqushwa LM will be undergoing an organisational development and re-design process and will appoint experienced and qualified service provider to support the municipality with development and implementation.

The project is expected to deliver on the following:

- A comprehensive situational analysis report with a defined roadmap
- A comprehensive organisational development and design report
- A comprehensive Municipal turnaround strategy (MTAS) 2016 to 2021
- A comprehensive and high level of ODS implementation plan for 2016 to 2021
- A detailed project management plan for 2016 to 2019
- A detailed skills transfer for 2 year programme.

Individual Performance Management System

Performance Management is a systematic process by which a municipality involves elected representation, residents and communities and its employees in improving organizational effectiveness in the accomplishment of legislative mandates and strategic imperatives. In giving effect to this definition, the Ngqushwa Local Municipality has adopted a comprehensive framework that translates the municipal strategy into a coherent set of performance measures and strategic initiatives. The Ngqushwa L M believes that its Performance Management System is a vehicle to promote mutually reinforcing activities which:

- Promotes accountability;
- Ensures certainty and predictability;
- Corrects lack of performance; and
- Rewards excellent performance

Currently performance assessment is conducted at top management level. There are plans though to cascade the assessment of individuals PMS to middle managers. The plans is to start at the start of next financial year 2016/2017.

3.1.7 COMMUNITY SURVEY

In the next financial year 2016/17 Ngqushwa Local Municipality intended to conduct community survey but Chief Financial Officer proposed to cut it due to budget constraints. This desk top analysis report is a synthesis of the status quo analysis as presented in existing policy documents in the municipality. The information has been synthesized with the ward profiling information gathered during the ward visits for the Ward Based Planning Process. The purpose of this process is to present a yardstick with which to evaluate the collected data. It serves as the situational analysis to inform the Ward Based Plans and subsequently form the basis for the Integrated Development Plan Situational Analysis phase.

3.1.8 Ward Priorities as captured per ward:

Ward 1

Village	Priority 1	Priority 2	Priorities 3
Zalara	Hall	Water - Newly built houses	Creche
Mtati	Access Roads	Dipping Tank	Water(Ext sites)
Tyeni	Access Roads	Dam Purification	Fencing
Ngqwele	Access Roads	Water - (Ext sites)	RDP Houses
Bhele	Hall	Access Roads	Funding for Co-ops
Nonibe	Hall	Access Roads	RDP Houses
Gobozana	Water on Newly built houses.	Electricity - Newly built houses	RDP Houses
Nxopho	Access Roads	Water - (Ext sites)	Fencing

Ward 2

Village	Priority 1	Priority 2	Priorities 3
Machibi	Roads- Internal	Fencing of Camps	Cleaning of Dams

Moni	Community Hall	Fencing of Camps	Roads- Internal
Twecu	Community Hall	Fencing of Camps	Roads- Internal
Upper Dube	Roads- Internal	Fencing of Camps	Crech
Lower Dube	Roads to projects	Fencing of Camps	Roads- Internal
Cwecweni	Roads- Internal	Fencing of Camps	Roads
Madliki	Access Roads and a Bridge	Fencing of Camps	Roads- Internal
Phole	Roads- Internal	Fencing of Camps	Cleaning of Dams
Nxwashu/TyipTyip	Community Hall	Phase 2-Roads	Dipping Tank
Ngxakaxha	Roads to projects	Roads- Internal	Fencing of Camps
Mdolomba	Community Hall	Fencing of Camps	Roads- Internal

Ward 3

Village	Priority 1	Priority 2	Priorities 3
Mabongo	Roads (maintenance of main access road)	Hall	RDP houses
Khalana	Roads- Internal	Scheme revalitazation	Water (in-fills)
Shushu	Hall	Roads (maintenance of main access road)	
Ntsinekana	Hall	RDP houses	Dip
Mqwashu	Clinic	Hall	RDP houses
Bongweni A	Clinic(Mqwashini Villages as the center)	Hall	Roads (maintenance of main access road)
Gcinisa North	Hall	Water	Clinic(Mqwashini Villages as the center)
Hlosini	Clinic(Mqwashini Villages as the center)	RDP houses	Roads (maintenance of main access road)
Bongweni B	Clinic(Mqwashini Villages as the center)	RDP houses	Roads (maintenance of main access road)
Maqosha	Clinic(Mqwashini Villages as the center)	Roads (maintenance of main access road)	RDP houses
Nqwenerhana	Hall	Clinic(Mqwashini Villages as the center)	Roads (maintenance of main access road)
Crossman	Dip	RDP houses	Roads (construction of access roads)
Nomonti	RDP houses	Roads (maintenance of main access road)	Transport
Torr	RDP houses	Roads (maintenance of main access road and widen existing bridge on main access road)	Water

Village	Priority 1	Priority 2	Priorities 3
Bulukazi	RDP houses	Roads (maintenance of main access roads and access road)	Water
Baltein	RDP houses	Roads (maintenance of main access road)	Fencing
Mrhathaza	RDP houses	Roads(Mrhataza to Torr)	Roads(Internal Roads)
Qawukeni	Roads-Internal	Water	Clinic (Centre for Shushu, Kalana and Mabongo)

Ward 4

Village	Priority 1	Priority 2	Priorities 3
Upper Mthombe	Roads- Internal	Community Hall	Electricity-New Extensions
Lower Mthombe	Roads- Internal	Community Hall	Dipping Tank
Tyatha	Roads- Internal	Toilets	Water
Quqgwala	Roads- Internal	Fencing of Grave Yards	Funding of Projects
Dlova	Roads- Internal	Toilets	Water (in-fill households)
Nguthu	Roads- Internal	Community Hall	Water-New Extensions
Tildin	Community Hall	Roads	Electricity-New Extensions
Tapushe	Community Hall	Roads	Electricity-New Extensions
Rode	Community Hall (Not Complete)	Roads- Internal	Fencing
Mavathulana	Community Hall	Roads	Toilets
Nyatyorha	Roads (complete incomplete main access roads)	Electricity	Water (in-fill households)
Zimbaba	Roads- Internal	Community Hall	Water Taps (New Ext)
Zondeka	Roads- Internal	Community Hall Renovation	Funding of Projects

Ward 5

Village	Priority 1	Priority 2	Priorities 3
Hamburg	Road (R72 – Hamburg)	Sanitation	Villages access roads
Benton	Road (R72 – N2)	RDP housing	Villages access roads
Gcinisa - South	RDP Houses	Village access roads	Sanitation
Wesley	RDP Houses	Sanitation	Village access roads

Bhinqala/Soweto	Road (Mahlubini–Bhinqala)	RDP Houses	Water Taps on newly built houses
Mqheleni	RDP houses	Road (Wesley–Mqheleni)	Sanitation
Tarfield/Nier	RDP houses	Road (Peddie – Nier – R72)	Sanitation
Qobo-Qobo/Nuloets	Water Taps	Sanitation	Roads (R72 – Qobo/Qobo – Hamburg)
Daninge	Water Taps	Sanitation	Roads (Gcinisa – Daninge)

Ward 6

	Priority 1	Priority 2	Priorities 3
Cisira	Village Access Roads	Taps to newly built houses	Sanitation
Feni	Water taps on new sites	Sanitation	Roads (Dabane – Feni - Mvemve – Magqaza)
Mahlubini/Nyaniso	Road(N2 – Mahlubini)	Sanitation	Houses
Makhahlane	Road (R345 - Makhahlane)	RDP Houses	Water taps on new houses
Celetyuma	Road (Celetyuma – Mahlubini)	RDP Houses	Electricity on new houses
Dam-Dam	Electricity on new houses	RDP houses	Water taps on new houses

Ward 7

Village	Priority 1	Priority 2	Priorities 3
Ndlambe Ndwayana Glenmore	RDP houses	Roads (maintenance of road from R345 to Rura)	More transport services (need for bus to operate in village)
Qamnyana	RDP houses	VIP toilets	Roads (maintenance of road from R345 to Rura)
Gwabeni	VIP toilets	RDP houses	Roads (maintenance of road from Gwabeni to Zizeni)
Mankone Horton	RDP houses	VIP toilets	More transport services (need for bus to operate in village)
Rura	RDP houses	Roads (maintenance of road from R345 to Rura)	More transport services (need for a bus to operate in village)
Luxolo	VIP toilets	RDP houses	Roads (maintenance of road from R345 to Rural)

Ward 8

Village	Priority 1	Priority 2	Priorities 3
Peddie town	Sewerage system	Roads	
Peddie Extension	Community Hall	RDP houses	
Power	Grave Yard	Roads- Internal	Solid Waste Disposal
Luxolweni	Roads- Internal & Access	Electricity Extensions	Water
German Village	Roads	Electricity	RDP houses
Durban Location	Roads- Internal & Access	RDP houses	Bush Clearing(Path from Durban to Nompulelo Hospital)
Ndlovini	RDP houses	Roads- Internal & Access	Electricity

Ward 9

Village	Priority 1	Priority 2	Priorities 3
Runletts	Roads (maintenance of main access road from Peddie extension to Runletts)	RDP houses	Transport
Woodlands	Roads (construction of main access road from N2 to Woodlands)	RDP houses	Toilets
Pikoli	Roads (maintenance of main access road from N2 to Greyfish to Pikoli)	Water	RDP houses
Nobumba	RDP houses	Toilets	Water
Ntloko	RDP houses	Roads (maintenance of main access road from N2 to Ntloko)	Toilets
Mgwalana	RDP houses	Toilets	Roads (maintenance of main access road from R72 to Mrhelentuba)
Lewis	RDP houses	Toilets	Roads (maintenance of main access road from N2 to Lewis)
Paradise	RDP houses	Electricity (in-fill households)	Roads (construction of main access road from Runletts road to Paradise)

Ward 10

Village	Priority 1	Priority 2	Priorities 3
Mtati	Roads (maintenance of road from tar to Ezicrossini)	Transport	Toilets
Ngqowa	Roads (maintenance of road from tar to Ngqowa)	Transport	RDP houses
Upper Gwalana	RDP houses	Roads (maintenance of road from tar to village)	VIP toilets
Mabaleni	Roads (maintenance of road from tar into the village)	VIP toilets	Taps
Ntshamanzi	VIP toilets	Roads (maintenance of road from tar into the village)	RDP houses
Newtondale	Roads (maintenance of road from tar into the village)	VIP toilets	Transport
Maxhegweni	VIP toilets	RDP houses	Roads (maintenance of road from tar into the village)
Upper Qeto	Roads (maintenance of road from tar to village)	RDP houses	Transport
Lower Qeto	Roads (construction of road)	Toilets	RDP houses
Lower Mgwawana	Roads (maintenance of road from tar into village)	Transport	RDP houses
Lower Gwalana	Roads (maintenance of road from tar into village)	RDP houses	VIP houses

Ward 11

Village	Priority 1	Priority 2	Priorities 3
Mpheko	RDP houses	Roads (maintenance of main access road from N2 to Mpheko)	Water
Mgababa	RDP houses	Electricity (street lights to be maintained)	Roads (maintenance of main access road from N2 to R72)
Prudhoe	Roads (maintenance of main access road from R72 to Prudhoe)	Electricity (street lights to be maintained)	Water
Mkhanyeni	RDP houses	Electricity	Roads (maintenance of main access road from Fungiso to Mkhanyeni)

Ward 12

Village	Priority 1	Priority 2	Priorities 3
Tyityaba	RDP houses	VIP toilets	Roads (maintenance of road from R345 to Tyityaba)
Bodium	RDP houses	Interior roads	VIP toilets
Bell	RDP houses	VIP toilets	Roads (maintenance of interior roads)
Lovers Twist	RDP houses	Roads (informal road – construction)	Toilets
Crossroads	RDP houses	VIP toilets	Roads (maintenance of road from R345 into Crossroads)
Tuku A	VIP toilets	Roads (maintenance of road from R345 into Tuku A)	RDP houses
Tuku B	RDP houses	Roads (maintenance of road from Mthwebu area to Tuku B)	VIP toilets
Tuku C	Roads (maintenance of interior access roads)	RDP houses	VIP toilets
Wooldridge	RDP houses	VIP toilets	Roads (from Mthwebu to town)
Hoyi	RDP houses	VIP toilets	Roads (maintenance of road from R345 into Hoyi)
Leqeni	RDP houses	VIP toilets	Roads (maintenance of road from R345 into Leqeni)

3.1.9 NEEDS Assessment Analysis: WARD REPORTS

In preparation of 2016/17 IDP Ngqushwa LM clustered all wards into 3 clusters, where all wards were represented. The needs assessment analysis were held as per clusters in order to ascertain the challenges faced by each individual ward. The needs assessment analysis took place in November 2014 and involved the participation of all ward committee members; community development workers; ward councillors; chairpersons of various associations, example sport bodies, school governing councils, etc. ; tribal authorities; and members from the Royal Houses all communities. A report was then as follows:

Ward Reports: Needs Assessment Analysis.

Prioritised Needs	Challenges	Wards
Water	Access to clean, good quality running water.	5; 6; 7; 11; 12;
	No taps installed (New Ext)	2; 6;
	Community dependent on water stored in tanks and drums.	2
	No taps, but water pipes present.	6; 9; 10; 11; 12
	Water pipes and taps required.	2
	No water available for agricultural activities.	5; 7; 8; 9; 10; 11; 12
	No watering holes/dams for cattle farming.	5; 13
	Existing dams and rivers need to be cleaned.	5
	Waste and alien vegetation needs to be removed from dams.	7; 12
	Frequent water interruptions	12
	Better water supply and infrastructural delivery.	6; 8; 9; 10; 11
	Water tanks needed.	10; 13
Health	Mobile clinic needed.	1; 3; 13
	Doctors more readily available	1; 3; 6; 7; 9
	Central Clinic Needed	4;
	Anti-retro viral supply programmes needed.	1; 3; 5; 6
	Patient transport system needed.	1; 9
	Poor health linked to poor water quality.	2; 5; 7
	Clinics needed due to far distances travelled	3; 6; 9
	HIV/AIDS education needed.	All Wards
	Better services at clinics with medication	All Wards
	More staff needed in clinics due to lengthy waiting period.	All Wards
Skills development training	Need skills to create employment opportunities and to eliminate poverty.	All Wards
	Conduct skills audits	11; 10; 9; 5
	Mentoring and monitoring of projects and programmes	All Wards
	Need for the establishment of co-operatives.	All Wards

Prioritised Needs	Challenges	Wards
Roads	Roads to be maintained more regularly.	All Wards
	Tarred roads to replace main access roads	All Wards
	Improved quality of access roads.	All Wards
	Upgrading of tarred roads.	5
	Tarring of roads.	All Wards
	Civil engineering Infrastructure required to maintain roads.	All Wards
	Roads inaccessible during rainy periods.	All Wards
	Need for fencing along main access roads	9
	Maintenance of access roads leading to villages.	10
	Bridges to be constructed over rivers.	13
Sanitation	Pit latrines seen as unhygienic and unsafe.	2; 7; 8; 9; 10; 11
	Need for improved sanitation	5; 12
	Poor sanitation linked to poor water infrastructure and water shortage.	8; 9; 10; 12; 13; 7; 11
	Need for flush system to replace pit latrines	7; 8; 9; 10; 11; 12;
Employment and poverty	Need for jobs.	All Wards
	Need for skills programmes to improve employability.	2; 5; 6; 12
	Request for business skills training.	All wards
	Need for skills audit.	2; 5; 6; 10
	Training on establishments of co-operatives.	5; 6; 12
	Need for food security.	All Wards
	House breaking, violent assault and theft linked to unemployment.	2; 10
	Need for improved community police forums, law enforcement structures and job creation.	2; 10
	Need for more police stations or more personnel at existing stations.	8
	Need to establish cause of criminal activities.	8
	Need for improved resources (equipment and staff)	9; 10; 11
	Need for improved response time from police stations.	9; 10; 11; 10
	Police vehicles needed.	12
	Theft of livestock due to lack of fencing and marketing.	5; 7; 10
	Rape.	13
Transport	Conditions of taxis poor.	2; 5; 6
	Unreliability of pick up times.	2; 5
	Safety of passengers.	2; 5

Prioritised Needs	Challenges	Wards
	Poor roads linked to poor transport.	2; 5
	Need for state buses.	6
	Need for transport to clinics for frail and elderly. (Increase number of vehicles.)	9; 12
	Need for efficient, safe and reliable public transport service.	11; 12
	Vehicles not roadworthy.	11
	Transport for children to school.	11
	Need for bridges to improve access to villages.	5
Sport and Recreation facilities	Need for better sport facilities.	2; 5
	Sport facilities not level.	2; 5
	Demarcation of municipal boundaries affecting sporting competition resulting in traveling distances to compete in sporting events.	2
	Need for community halls.	8; 7; 10
	Need for multi-purpose centres.	7; 12; 10
	Need for indoor facilities	5; 11
	Need for sports fields at schools.	10; 11
	Need to investigate sport across cultural divides	10; 11
	Need to develop water sports like canoeing, sailing and surfing.	10; 11
	New sport facility needs to be developed.	11
	Incomplete community halls or contractors not paid	8; 10; 11; 10
	Poor security at halls leading to vandalism.	8
	Need for community security education.	8
Economic Development	Improved agricultural development and intervention planning.	3
	Pursue commercial farming	3; 10
	Make tractors available on rotational basis between villages	3
	Ensure fencing to reduce stock losses	5; 7
	Infrastructure for farming activities must be well coordinated.	6
	Secure machinery for agricultural farming and cattle farming.	6
	Agricultural and beef farming potential to be investigated.	9; 10; 11; 12
	Tourism development and awareness campaigns for Xhosa and indigenous cultural groups as beneficiaries.	11
	Land redistribution challenge to be expedited.	12; 10

Prioritised Needs	Challenges	Wards
	Churches requested to conduct audit of arable land.	13
	Integrated LED approach required.	12
	Land released for tourism potential.	12
Housing	Need for housing	6; 8; 9; 10; 11; 12
	Skills development in housing delivery needed.	9
Electricity	Need for electricity in future developed houses	6; 7; 8; 9; 10; 11; 12
	Need for street lighting or high mast lighting.	7; 8; 12
	Need for infrastructure to supply good quality electricity.	8
	No electricity (Gwabeni)	8
	Low voltage causing electricity supply to trip regularly.	8
Schooling	Need for properly managed and resourced schools. (Stationary and equipment).	8
	Need for qualified teachers.	8
	Need for reliable transport to schools to reduce absenteeism.	8
	Need for a Further Education and Training	All Wards(One that will be housed in Ngqushwa)
Good governance	Need for improved communication between the local, district municipalities and sector Department	12

3.2 KPA 2: BASIC SERVICE DELIVERY AND INFRASTRUCTURE

Strategic Goal: To ensure effective, efficient and economical provision of basic services to the community of Ngqushwa by 2017 and beyond

Strategy	Objective	Indicator	KPI No
Maintenance of lights in rural areas	To ensure effective, efficient and economical provision of electrical services and street lighting to the community of Ngqushwa by 2016/17	No of street lights maintained in a villages	IDSD :1
Maintenance of municipal buildings	To ensure effective, efficient and economical provision of electrical services and street lighting to the community of Ngqushwa by 2016/17	6 Municipal buildings to be maintained	IDSD:2
Maintenance of municipal community halls	. To ensure effective, efficient and economical provision of electrical services and street lighting to the community of Ngqushwa by 2016/17	No of community halls to be maintained	IDSD:3
Maintenance of street lights in urban areas	To ensure effective, efficient and economical provision of electrical services and street lighting to the community of Ngqushwa by 2016/17	200 street lights to be maintained in urban areas	IDSD:4
Maintenance of high mast in urban areas	To ensure effective, efficient and economical provision of electrical services and street lighting to the community of Ngqushwa by 2016/17	22 high masts lights to be maintained	IDSD:5
Electrification of villages extensions by NLM	To ensure effective, efficient and economical provision of electrical services and street lighting to the community of Ngqushwa by 2016/17	258 Extensions in villages	IDSD:6
Arranging and attending of meetings for water and sanitation	To ensure a proper communication between Ngqushwa LM and ADM in issues of water and sanitation by 2016/17 and beyond.	No of meetings attended	IDSD:7

Strategy	Objective	Indicator	KPI No
Construction of Prudhoe internal streets	To ensure Construction of existing access roads and internal streets by 2016/17 and beyond.		IDSD:8
Construction of Tyhatha Internal streets	To ensure Construction of existing access roads and internal streets by 2016/17 and beyond.	No of km's of gravel road constructed	IDSD:9
Surfacing of Peddie town streets	To ensure Construction of existing access roads and internal streets by 2016/17 and beyond.	No of km's surfaced	IDSD:10
Construction of Mabaleni Internal streets	To ensure Construction of existing access roads and internal streets by 2016/17 and beyond.	No of km's of gravel road constructed	IDSD:11
Development of storm-water management plan and construction of storm water in Peddie town and Hamburg.	To develop Storm water Master plan and upgrade the existing storm water in Peddie town and Hamburg by 2016/17 and beyond	Development of master and construction of 5km of storm water.	IDSD:12
Construction of Ntsinekana community hall	To ensure construction of community halls by 2016/17 and beyond	% Completion of Ntsinekana community hall	IDSD:13
Construction of Rhode community hall	To ensure construction of community halls by 2016/17 and beyond	% Completion of Rhode community hall	IDSD:14
Construction of Bell community hall	To ensure construction of community halls by 2016/17 and beyond	% completion of Bell community hall	IDSD:15
Coordinate connections of all community halls	To that ensure all community halls are connected	100% connection of all unconnected community halls.	IDSD:16
100% Spending of MIG funds for 16/17 FY	To spend 100% to all Capital Projects	% Completion of MIG funds for 16/17 FY	IDSD:17
Blading of existing gravel roads in rural	To ensure maintenance of existing access roads and related storm water by 2016/17 and beyond	145 km's of existing gravel roads bladed (Dry blading)	IDSD:18
Pothole patching in urban areas	To ensure maintenance of existing municipal roads and related storm water by 2016/17 and beyond.	1200 Square meters of pothole patching in urban areas (Surfaced roads)	IDSD:19
Re-gravelling and cleaning of storm water drains in urban and rural arrears	To ensure maintenance of existing access roads and related storm water by 2016/17 and beyond.	No of kilometres re-gravelled. No of storm water drains cleaned.	IDSD:20

Strategy	Objective	Indicator	KPI No
Facilitate the maintenance of provincial roads by the department of roads and transport	To facilitate the maintenance of provincial roads and related storm water by 2015/17 and beyond.	No of meetings arranged and attended between NLM and DRPW.	IDSD:21
Coordinate implementation of MANCO resolutions that talks to the Infrastructure development.	To ensure compliance and accountability by 16/17	Implementation of Council and MANCO resolution	IDSD:22
Attend to correctives measures as identified in internal audit	Reduce RISK within the Department by 2016/17 Financial year.	Attend to correctives measures as identified in internal audit reports to reduce risk areas within the department	IDSD:23
Attend to correctives measures as identified by AG	To ensure contribution on improved audit outcome by 2016/17 and beyond.	Attend to correctives measures as identified by AG talking to the department.	IDSD:24
Develop municipal road database in 2016/17.	To establish road infrastructure backlog within Ngqushwa Municipal area by 2016/2017	Database of all Municipal roads.	IDSD:25
Monitoring of funds in MIG projects	Monthly expenditure monitoring in 2016/17 FY projects	% funds spent in each project.	IDSD:26
100% Spending of EPWP funds	Commitment of EPWP expenditure for 2016/17 financial year	% Completion of EPWP funds for 2015/16 FY	IDSD:27
Adherence to fleet management policy and procedures	To ensure effective, efficient and economical administration and utilization of Municipal resources on ongoing basis through systems and business process that are aligned to the organisation by 2016/17 FY	Number of reports on the Implementation of Fleet management policy and procedures X	

The Basic Service Delivery and Infrastructure department comprises of the following units:

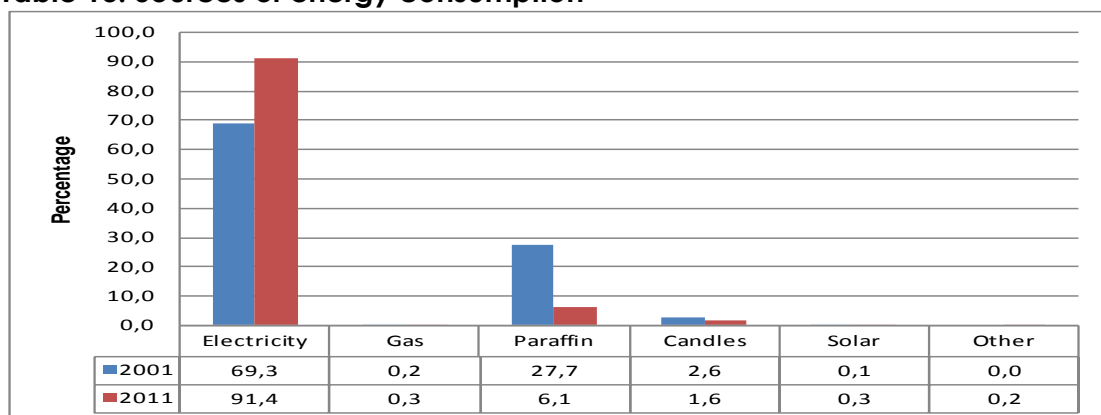
1. Electricity
2. Water and Sanitation
3. Road and Storm water
4. Fleet Management
5. Project Management Unit (PMU)

3.2.1 ELECTRICITY

The electricity supply to the area is provided and maintained by ESKOM in accordance with their Rural Electrification Programme. Approximately 90% of the population has access to electricity. In the near future the municipality will look at its capacity to sell and maintain electricity taking over from Eskom.

70% of the population makes use of electricity for lighting purposes, but only 11% make use of electricity for cooking purposes. Wood is the most commonly used source of energy for cooking purposes (52%) which can have serious environmental consequences. Paraffin is the second most commonly used fuel for both lighting and cooking. The Municipality is aware of the load shedding taking place in the country and the distribution disruptions and will endeavour to save and conserve energy. The Municipality will also investigate ways to conserve energy in view of the current national problem of load shedding and resultant distribution disruptions. The Municipality is aware of the load shedding taking place in the country and the distribution disruptions and will endeavour to save and conserve energy. The Municipality will investigate the use of alternative renewable energy sources, such as wind turbines, solar heating and electricity generated from solid waste should industrial and commercial expansion require such. The Municipality will also investigate ways to conserve energy in view of the current national problem of load shedding and resultant distribution disruptions.

Table 13: Sources of energy consumption



Source: Stats SA 2011

NGQUSHWA MUNICIPALITY ELECTRIFICATION PROJECTS BY DEPARTMENT OF ENERGY 2016/2017

Project	No. of households	Cost per project	Type of the area
Mkhanyeni	20	R 311 635.20	Rural
Cisira	50	R 779 088.00	Rural
New Rest	105	R1 522 500.16	Urban
German village	11	R 171 399.36	Rural
Lower Gwalane	11	R 171 399.36	Rural
Wesley	30	R 467 405.80	Rural
Lewis	15	R 233 702.92	Rural
Lower Mgwala	11	R 171 399.36	Rural
Qugqwala	11	R 171 399.36	Rural
Total	264	R 4000 000.00	Total

ESKOM ELECTRIFICATION PROJECTS FOR 2015/16

Project	No. of households
Shushu	30
Dam dam	12
Nqwenerana	12
Ntloko	37
Cisira	30
Luxolweni	30
Tildin	16

ESKOM ELECTRIFICATION PROJECTS FOR 2016/17

Project	No. of households
Ngwalana	6
Makhahlane	5
Wooldridge	22
Loverstwest	2
Cheletyuma	10
Wesley	52
Mtati	7
Baltein	8

REPAIRS AND BUDGET FOR ELECTRICITY SECTION

Project	Costs per project
Repairs of building electricity	R600 000
Electrical Equipment	R280 000
Repairs and maintenance	R50 000
Electricity high master	R 400 000
Tools and Equipment	R100 00
Electricity strengths	R 1300 00
TOTAL	R 2 730 000.00

3.2.2 WATER AND SANITATION

3.2.2.1 Water Services

UWP Consulting (UWP) were appointed by the Amathole District Municipality (ADM) on 22 December 2011 to prepare a water services master plan for the Ngqushwa Local Municipality (NLM) to guide water services infrastructure investment within the NLM area over the next 20 years, and in particular to identify the requirements needed to meet the National 2014 Water Services backlog targets. The study area for this Water Services Master Plan is the entire Ngqushwa LM area including all rural villages, as well as the towns of Peddie and Hamburg.

This plan provides strategic direction to the municipality in this sector and identifies the most crucial projects. It should be noted that Ngqushwa Local municipality is not a water service authority nor a water service provider, therefore the function of water and sanitation is solely function of the Amatole district municipality.

The rural areas of the NLM are serviced by a number of regional, local, stand alone and rudimentary schemes providing some 91% of the rural population of the NLM with at least a RDP level of service. The balance of the population are reliant on own (rainwater tanks) or informal supplies (local rivers and streams).

The towns are serviced by regional water supply schemes providing high levels of service to the older formally zoned Ervin, RDP or sub-RDP levels of services to the formally zoned low income housing areas and sub-RDP or informal levels of services to the informal settlement areas.

Bulk water

Bulk water infrastructure is provided by a number of dams and water purification works within the municipal area which is operated by the Amatola Water Board. Table 14 gives an indication of these facilities.

Dams operated by Amatola Water Board in Ngqushwa Municipal area.

DAM	DAM'S CAPACITY	FIRM YIELD (Mm3/pa)
Dabi Dam	0.23	0.50
Mankazana Dam	1.85	1.38
Ndlambe Dam	0.06	0.06
Rura Dam	0.05	0.05
Sandile Dam	7.4	4.14
Laing Dam	5.55	2.76
TOTAL	2.84	2.14

Source: Extract from the Amatola Water-Amanzi

The Amatola Water Board also manages and operates six water treatment plants which collectively supply 2.84 million litres of portable water. These water treatment plants are as follows:

- Dabi water treatment works

- Peddie Regional water treatment works
- Glenmore (Enxuba) water treatment works
- Sandile Dam water treatment works

Laing dam water treatment works In Ngqushwa there is only one pump station which is located at the Water Works in Nqwennerana also known as Kingslyn. The water treatment works at Tyefu has been closed down and all the areas it used to serve are now being served by Glenmore Water Treatment works.

In Peddie, adequate water is supplied from the King's Lynn scheme which is also operated by the Amatola Water Board. In Hamburg, water is supplied by Amatola Water Board from Birha scheme which is also considered adequate for the present purposes. This source is however supplemented by three boreholes which constituted the town's original supply and which are capable of supplying 25% of the town's average requirement.

3.2.3 SANITATION SERVICES

Access to sanitation is one of the most important basic services as it concerns the health and dignity of human beings. The older formally planned areas of the towns are serviced by means of waterborne sanitation, either with off-site or on-site treatment (i.e. sewage networks draining to waste water treatment works or conservancy/septic tanks). The new formally planned low income areas are generally serviced by means of VIP's, whilst the informal areas are generally un-serviced or have no formal services. The rural areas, where formally serviced, are serviced by means of VIP's.

Table: Type of sanitation by ward

Ward	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	Grand Total
1	178	10	15	78	57	1291	4	67	1701
2	135	14	24	221	379	870	1	40	1686
3	28	21	15	192	1114	410	5	7	1792
4	36	5	6	-	605	790	6	111	1558
5	178	3	9	13	221	483	-	8	914
6	80	15	13	13	479	1049	2	16	1667
7	36	19	13	8	599	1262	1	5	1943
8	107	10	6	4	1020	717	2	4	1871
9	22	7	8	5	1109	342	-	5	1497
10	35	821	20	14	301	356	1	81	1630
11	123	53	77	2	826	728	1	29	1839
12	27	11	15	1	150	1210	3	1	1418
13	67	6	27	14	229	1499	1	27	1870
Grand Total	1052	996	248	564	7090	11007	27	400	21384

Source: Stats SA 2011

According to the 2011 statistics, only 5.8% of the population has access to flush toilets which are either connected to a sewerage system or a septic tank. This results in a backlog of 96%. Almost 84.6% of the population makes use of pit latrines. The majority of these pit latrines have no ventilation. 2.5% of the population makes use of chemical

toilets. 0.1% use bucket system and 6.8% of the population has no access to toilet facilities.

3.2.3 ROADS

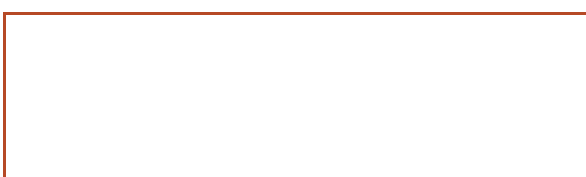
Ngqushwa Local Municipality Roads and Stormwater division is primarily responsible for the maintenance and rehabilitation of roads and storm-water within the Ngqushwa Municipal jurisdiction. Road network within the Municipal boundary comprises of national roads, trunk roads, district roads, minor roads and access roads. The total length of road network is $\pm 1271.38\text{km}$ which comprises of 153.9km (12%) surface roads, then the rest is gravel roads. The roads linking the various rural settlements are in the poor state of restoration and they are not adequately maintained. The total length of Municipal roads that is maintained by roads and storm-water division is $\pm 490\text{km}$, 12 km of these roads is surfaced (tarred) roads; 121 km is gravel roads in good condition and 357km is earth roads in poor condition.

BUDGET FOR ROADS AND MAINTAINANCE

PROJECT	BUDGET
Repairs and Maintenance	R 365 200.00
Repairs and Maintenance	R4 000 000
TOTAL COST	R4 365 200.00

3.2.4 TRANSPORT

The Amathole District Municipality (hereafter referred to as ADM) undertaken a major review of its Integrated Transport Plan (ITP) in the 2012/13 financial year. Since this major review there have been physical land developments, transport systems planning and legislative changes within the transportation environment which substantiate the requirement of another review of the existing ITP. As a Type 2 Planning Authority it is required according to the National Department of Transport (DoT) Minimum Guidelines of the National Land Transport Act No 5 of 2009 (NLTA) to prepare a DITP. The ADM utilised internal resources for the review of the 2015 ADM ITP.



This document represents the 2015/16 annual review of the District Integrated Transport Plan (DITP). This document intends to align the existing 2011/12 Amathole DITP with the National Land Transport Act (Act 05 of 2009 - NLTA), and in accordance with the latest

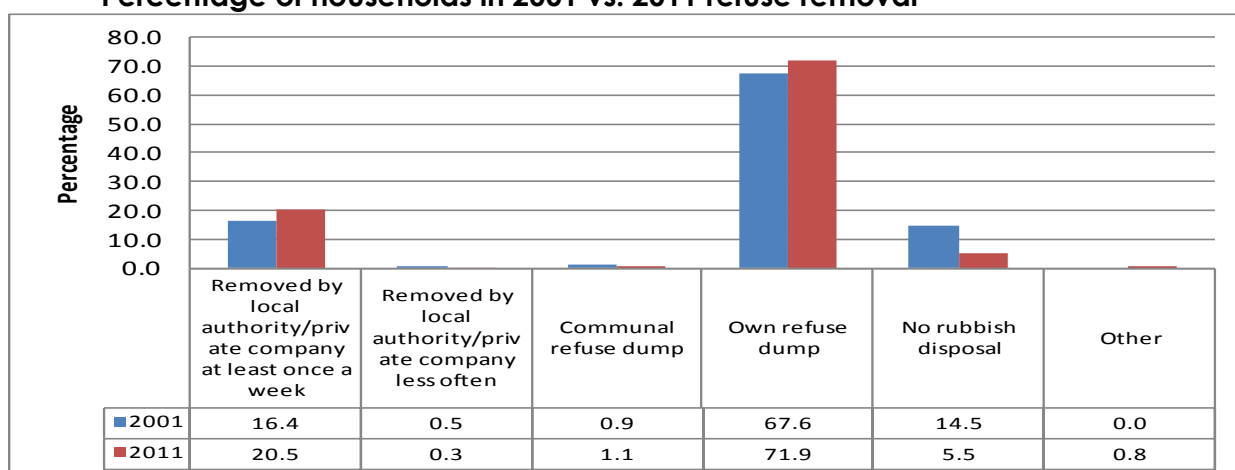
minimum requirements for the preparation of a DITP (Government Gazette Notice No. 30506, 30 November 2007).

The key underpinnings of prevailing transport policy and legislation today are the provision of sustainable transport, especially the need to drive public transport over private transport. The provisions of prevailing legislation encourage public transport to be seen as one of the principal drivers of the economy. This update of the DITP for the Amathole District Municipality (ADM) will therefore serve as a platform to enhance the transport system within ADM, conformity to prevailing legislation, and guide to vital inputs required for the development of a new ADM DITP that must meet new developmental challenges and other imperatives in the future. This review and update of the DITP for the ADM has been prepared to ensure that the updated document keeps within the legislation, specifically the National Land Transport Act, 2009 (Act No. 05 of 2009). The

Department of Transport has taken note of the disjuncture between the National Land Transport Act and the Municipal Structures Act and was already in the process of addressing it. The public transport system in NLM area is limited and primarily constituted by private minibus taxis that service the area on a regular basis. There are inadequate facilities to accommodate this form of public transport and organized taxi ranks and commuter shelters are needed at all settlements. The municipality does not have an integrated transport plan to mitigate the above. There are privately owned cars and bicycles and the majority of the population is pedestrians who have to rely on foot as a mode of travel. Pedestrians are not adequately catered for especially in terms of safety. There are no formal crossing arrangements to cater for pedestrians and animals between settlements and to compound this problem many of these informal crossings traverse national and trunk roads which has adverse effects on safety within the area.

3.2.5 SOLID WASTE DISPOSAL SITES

Percentage of households in 2001 vs. 2011 refuse removal



Source: Stats SA (2011)

There are two approved and licensed landfill sites in the municipal situated at Peddie and Hamburg and which is regarded as being adequate for the current usage. 20.7% of the people have access to refuse removal service by the municipality. Where the refuse removal service is rendered it is done by means of door to door refuse removal twice a week. There are no refuse removal sites in the rural areas and as a result of the predominantly rural nature of the population this in effect means that 78% of the population either make use of informal and unlicensed dump sites or have no access to landfill sites whatsoever. A further 1% makes use of communal refuse dumps.

Ngqushwa Local Municipality has got Integrated Waste Management Plan which was adopted by Council in 2012 and approved by the (DEDEAT) MEC, the IWMP is envisaged in section 11 of the NEMA: Waste Act 59 of 2008. The municipality is confronted with a challenge of gazetiting waste management bylaws, however these bylaws have been developed and the municipality is in a process of engaging stakeholders and ensure gazetiting of these bylaws will take place in 2016/2017 financial year.

Waste management is mostly assisted by the Department of Environmental Affairs, which has funded waste management project at Peddie Town for the amount R13 Million, which temporally employed 120 people for the period of 18 months.

3.2.5 COMMUNITY FACILITIES

The previous town hall in Peddie has been converted to library and 51 community halls have been built so far in 108 villages. The only challenge we have in community halls is that every community want its own community hall.

List of community halls

Ward	Community Hall	No of Villages in the ward
1	Tyeni Mtati Gobošana Nxopho Ngqwele	8
2	Dubu Masele Qaga Jubisa Tsolo	6
3	Zondeka Dlova Qhugqwala Tyhatha	12
4	Qaukeni Mgwanqa Mqwashu Tyeni Bhogweni	15
5	Machibi Phole Madliki	8
6	Bell Tuku A Crossroads Leqeni	12
7	Cisira Feni Cheletyuma Nyaniso Location	6
8	Qamnyana Mankone Ndlambe Glenmore Baltein Ndwayana multi-purpose Gwabeni	9
9	Pikoli Lower Qeto Woodlands Runlets	8
10	Ncumisa kondlo indoor sport centre Durban Location Peddie Extension	6
11	Hamburg Wesley Benton Mabeleni Nier	9
12	Mphekweni Mgababa Mkanyeni Prudhoe	4
13	Upper Gwalana Lower Gwalana Mabeleni-Mthathi	11
Total Number	51 Community Halls	108

3.2.6 SPORTS FACILITIES AND MUNICIPAL FACILITIES

3.2.6.1 Sport Facilities

Sports facilities are being provided by the Municipality. There are three sports facilities provided in the following areas, Nobumba, Ntloko and Mpekweni villages that are attached to schools. The Municipality is currently constructing Glenmore sports fields, Hamburg sports field and Jubisa sports field. The Municipality is working towards improvement of sports facilities within Ngqushwa Municipal area.

3.2.6.2 Municipal Facilities

There is one registered cemetery in Peddie town. All other cemeteries that are in use are not registered. One library situated in the former Peddie town is under construction and there are two semi libraries in Mpekweni and Hamburg but they are not fully fledged. This could be a compounding factor to the low literacy and education levels in the area. There are no community facilities that can be utilized by other community organizations which are catering for the welfare and well-being of the residents.

3.2.7 INTEGRATED INFRASTRUCTURE INVESTMENT PLAN

Ngqushwa Local Municipality has a Comprehensive Infrastructure Plan (CIP) 2011 that was adopted by the council. The district municipality, local municipality and government departments fully participated in the development of the comprehensive infrastructure plan for local municipality. For the investment plan Ngqushwa LM utilizes, MIG grant over the MTEF period. Currently the local municipality is dependent on grants as source of income for infrastructural programmes. The CIP currently covers the capital budget only.

3.2.8 ALTERNATIVE VEHICLES TO AID INFRASTRUCTURE INVESTMENT

Ngqushwa Local Municipality has lodge application for funding to DBSA, DPLG and DoRT, for infrastructure investment these application

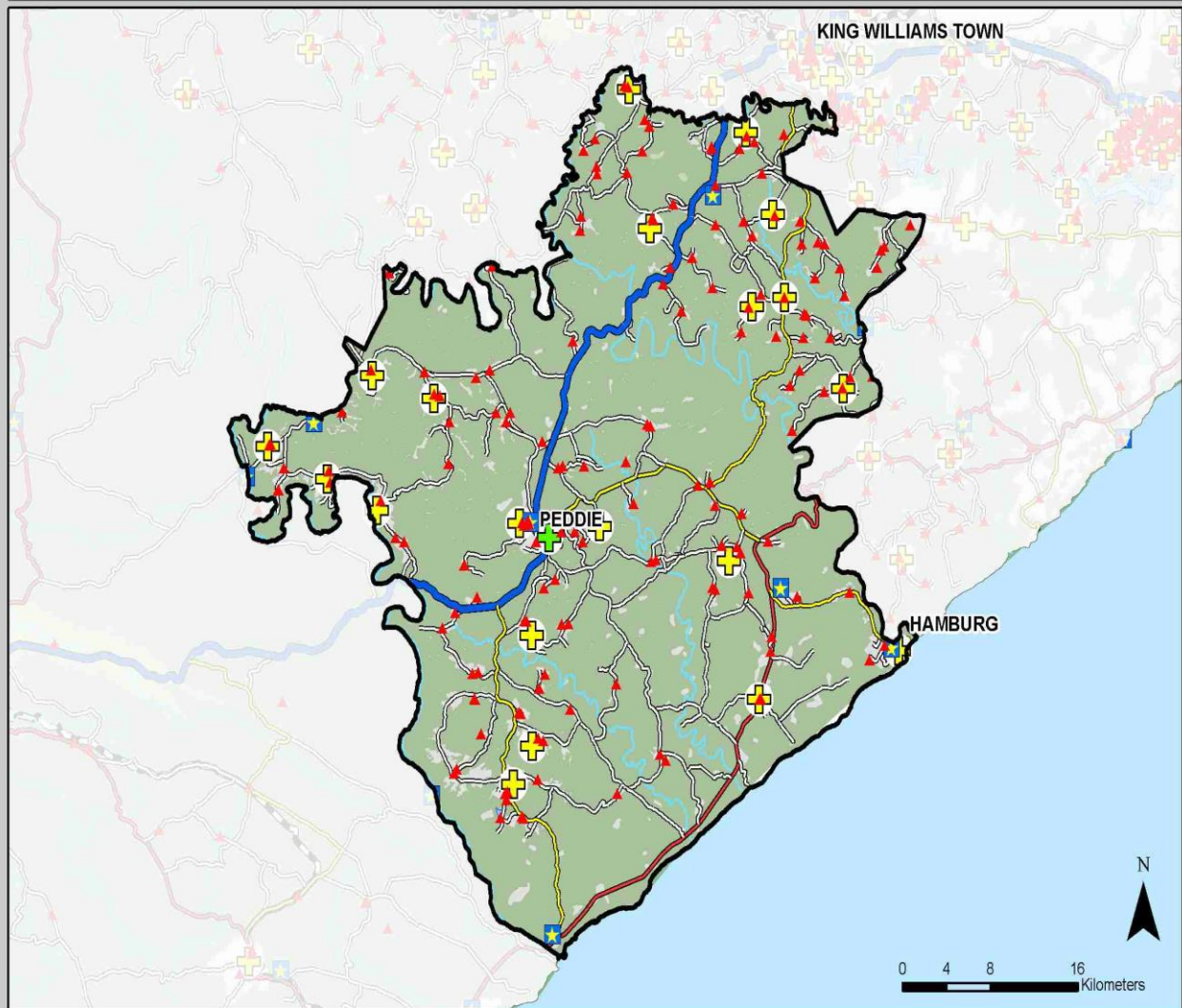
SOCIAL SERVICES

Ward	High Schools	Junior Secondary Schools	Primary School	Junior Primary Schools	Crèches	Clinics	Hospitals	Community Halls	Police stations	Sports Facilities (formal)	Post office	Pension pay points	Libraries	Dipping tanks
1	2	0	6	0	8	2	0	4	0	0	0	4	0	3
2	2	1	4	0	5	2	0	2	1	0	0	1	0	2
3	3	0	13	0	5	4	0	4	0	0	0	0	0	4
4	2	1	13	0	9	0	0	2	0	0	0	0	0	5
5	4	0	6	0	2	1	0	3	1	0	0	1	0	3
6	3	1	8	0	6	1	0	4	1	0	0	1	0	9
7	1	0	3	4	5	1	0	2	0	0	0	2	0	4
8	3	0	5	0	3	5	0	5	1	1	0	1	0	1

9	5	0	8	0	2	2	0	3	0	0	0	0	0	6
10	3	0	2	0	2	1	1	2	1	1	1	2	1	2
11	2	1	4	0	3	2	0	2	1	1	0	1	0	5
12	2	0	4	1	6	1	0	3	0	0	0	0	0	3
13	2	2	4	0	5	1	0	3	0	0	0	1	0	4
Total	34	6	80	5	61	23	1	39	6	3	1	14	1	51

Table 3: Social Services Analysis.
Source: Community Survey (2012)

NGQUSHWA LM HOUSING SECTOR PLAN SOCIAL FACILITIES AND SERVICES



• Main Towns	▲ Schools	Health Facilities
Blue line National	★ Police	✚ Clinic
Red line Trunk	■ Settlements	✚ Community Health Centre
Yellow line Main		✚ District Hospital
Black line District		

setplan

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Date: JUNE 2011
Project Ref: D:\1402_Housing
SectorPlanReview

3.3 KPA 3: MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT

Strategic Goal: To improve overall financial management in the municipality by developing and implementing appropriate financial management policies, procedures and systems.

Strategy	Objective	Indicator	KPI No
Sound Financial Planning and reliable and Compliant Financial reporting	To ensure effective, economical and compliant financial management processes culminating sound financial viability by 2017 and beyond	Adopted policies(Budget policy and Virement policy) and Council Resolution	MFV:1
Sound Financial Planning and reliable and Compliant Financial reporting	To ensure effective, economical and compliant financial management processes culminating sound financial viability by 2017 and beyond	No of Section 71,72 and 52 reports prepared	MFV:2
		Budget process plan for 2017/2018)	
		Proof of submission of 2017/18 mSCOA Compliant Approved Budget	
		2015/16 Annual Financial Statement	
Sound Financial Planning and reliable and Compliant Financial reporting	To ensure effective, economical and compliant financial management processes culminating sound financial viability by 2017 and beyond	Developed Interim (July to Dec)Financial Statements and 9 months financial statements(July to March)	MFV:3
		Developed Audit Action Plan and risk register	
Reviewing of existing policies, Implementation and monitoring implement thereof.	To ensure effective, efficient and economical financial management processes culminating sound financial viability by 2016/17	Approved Expenditure Policies	MFV:4
Maintain sound controls by preparing and reviewing monthly reconciliations.		Monthly Reconciliation (Bank, Creditors, and VAT reconciliation).	MFV:5

Strategy	Objective	Indicator	KPI No
Maintain an effective and efficient payroll processes.	Payment of all Officials, Councillors and third parties within the required period.	Prepare monthly reports.	
	Preparation and submission of EMP201	Submissions of VAT 201 by the 30th of every month.	
	Developed financial recovery implementation plan for 2016/17		
Maintain an effective and efficient payroll processes.	To ensure effective, efficient and economical financial management processes culminating sound financial viability by 2016/16	Payment of all Officials, Councillors and third parties within the required period.	
Sound revenue management systems in place	To ensure efficient and effective systems of revenue management by 2017 and beyond through revenue collection and expansion.	Developed financial recovery implementation plan for 2016/17	MFV:6
	Implementation of financial recovery plan 2016/2017	Development financial recovery implementation plan for 2016/17	
	Increase collection levels and proof of written letters of demand to our debtors. Reduction of outstanding amount for long outstanding debtors	Loading of approved tariffs and correction of billing information in our financial system	
	Updated indigent register for 2016/2017 and beyond	Full implementation of credit control and debt management to increase revenue collection to achieve 70% collection of current and outstanding debtors	
	To ensure and maintain an effective, efficient, fair, economical and compliant system of supply chain management in pursuit for		

Strategy	Objective	Indicator	KPI No
	clean administration by 2016/17 and beyond.	Conducting of awareness campaigns for indigent registration households	
Effective and Compliant Supply Chain Management Processes	To ensure and maintain an effective, efficient, fair, economical and compliant system of supply chain management in pursuit for clean administration by 2016/17 and beyond.	Approved Reviewed Policies	MFV:7
		Updated of Irregular fruitless, waist full and unauthorised expenditure and deviation registers signed off by CFO.	
		Effective performance of service providers(meeting of deadlines as per SLA by our service providers)	
Effective, Efficient and Compliant Asset Management.	To ensure and maintain an effective, efficient, fair, economical and compliant system of supply chain management in pursuit for clean administration by 2016/17 and beyond.	Complete Asset Register	MFV:8
Implementation of Council Resolutions talking to Budget and Treasury Department.	To continuously provide effective and efficient implementation of Council resolutions talking to Budget and Treasury Department by 2016/17.	Number of reports on the progress on implementation of council resolution submitted to Council by 30 June 2017.	MFV:9

Strategy	Objective	Indicator	KPI No
Coordinate implementation of MANCO resolutions that talks to Budget and Treasury Department.	To continuously provide effective and efficient implementation of MANCO resolutions by 2016/17.	% Implementation of Council and MANCO resolutions.	MFV:10
Attend to correctives measures as identified in internal audit.	Reduce RISK within the Department of Budget and Treasury by 2016/17.	Attend to correctives measures as identified in internal audit reports to reduce risk areas within the department.	MFV: 11
Attend to correctives measures as identified by AG.	To ensure contribution to improved audit outcome by 2016/2017.	Attend to correctives measures as identified by AG talking to the department.	MFV: 12

3.4.1 State of Financial Administration

Budget and Treasury Office is responsible for:

Financial Management:

- Cash management, insurance and investments
- Revenue management [billing and collection]
- Expenditure managements
- Expenditure on staff benefits
- Funds transferred to the municipality (e.g. Grants)
- Budget preparations and implementations
- Assets and liability management

Other responsibilities:

- Banking and bank reconciliation
- Supply chain management
- Financial reporting to Council and other stakeholder
- Annual Financial statements

The rural nature of Ngqushwa, results in having a low income base from assessment rates. The levels of high unemployment rate also contributes in the municipalities' inability to collect assessment rate and this contributes to the high debtor's turnover which is currently 727 days. This means that it is essential for the municipality to consider

ways and means to enhance its own revenue base. To mitigate the above, the municipality is in the process of appointing debt collector on a commission bases.

The municipality has a Revenue enhancement strategy which seeks to address the shortages in Revenue collection and maximise revenue sources the municipality will in the course of the financial year employ other strategies to increase its revenue base and decrease the dependency on grants this will be done through the development and implementation of the Financial Recovery Plan. The municipality strives to pay all its creditors within a 30 day period though there are challenges in meeting this target. The municipality develops Annual Financial Statement Process Plan at the beginning of June every year it details items in the Annual Financial Statements to be submitted to the Office of the Auditor General by the reporting date.

The credit control by-law was adopted by the council in the year 2014/15 financial year, however the municipality still have a challenge of fully implementing the by-law because the municipality does not provide water and electricity as they both provided by Amatole District municipality and Eskom respectively. The municipality received a Qualified Audit Opinion in the previous financial year and is working tirelessly to ensure that the Audit opinion is improved. Ngqushwa LM has made the necessary institutional arrangements to facilitate its financial management such as the development of policies, insurance control mechanisms and IT systems. The municipality has a practice. The municipality has all key financial management policies and procedures in place and they are currently reviewed annually.

3.4 STATUS OF FINANCIAL POSITION

CASH AND CASH EQUIVALENTS

During 2014/15 the municipality had favourable balance, however net creditors were more than the available cash.

1. SUPPLY CHAIN MANAGEMENT

The municipality has a functional Supply chain management unit reporting directly to the Chief Finance Officer. The unit is in compliance with the Supply Chain Management Regulation with the three bid committees being appointed by the Accounting Officer; Bid Specification Committee, Bid Evaluation Committee and the Bid adjudication Committee.

The Contract Management is under the Supply Chain management Unit. The turnover rate for the procurement processes is one to two weeks depending on the procurement ranges and the nature of the service to be procured.

The Municipality also has a functional Asset Management section reporting to the Supply Chain Manager. The asset register is prepared according to Grap 17 standard and infrastructure assets are part of the register.

2. REVENUE MANAGEMENT

Revenue Management is under the Budget & Treasury Office with its core mandate is to generate revenue to ensure that the institution is financially viable to carry its mandate of service delivery to its community. Revenue Management Section is composed of billing, debt management and Free Basic. The municipality has a

General Valuation Roll that has been approved and is currently used as a base for billing. This section is doing its best to reduce debtor's figures despite challenges we are facing and we will maximise collection for 2016-2017 and we will be appointing a Debt Collector and developing a Financial Recovery Plan. The municipality has also established a Free Basic services committee. In 2016-2017 the municipality will embark on the registration of all indigent households in our jurisdiction. The percentage of budgeted income that was realised in the past years is as per the below template:

2014/2015	2015/2016 July to March 2016
Rates & services – 58.2%	Rates & services 41%

There will be an improvement on the collections during 2016/2017 compared to 2015/2016 due to the invoice verification that is currently performed by National Public Works this will result to the increase of rates in 2016/2017 as well as the implementation of the above mentioned strategies such as the Financial Recovery Plan.

2.1 Collection

2015/2016	2016/17 July to May
11935 389	10676 056.97

2.2 Valuation roll

The Municipality has a Valuation Roll which was adopted and implemented in July 2012 and for 2012-2017. The current Supplementary Valuation was issued by the valuator and adopted by council in 2014 and is being implemented currently.

2.3 Financial Recovery Plan

The municipality will develop Financial Recovery Plan to extend revenue base, so that we can be self-sufficient within the next three years this will enable the municipality to have reserves that will financially secure. In the first quarter a process plan & a draft Financial Recovery Plan will be done and in the second quarter till the end of the year these will be fully implemented. The supplementary valuation has been conducted for 2015/16.

2015-18 BUDGET OVERVIEW

NGQUSHWA LOCAL MUNICIPALITY TOTAL REVENUE VS TOTAL OPERATING FOR 2015-2018 FINAL BUDGET			
Description	2015/2016 Budget	2016/2017 Budget	2017/2018 Budget
Total Operating Income	R 162 326 483.80	R 171 903 746.40	R 181 530 356.20
T Operating Expenditure	R 124 365 522.60	R 131 703 088.45	R 139 078 461.40
Capital Expenditure	R 31 960 961.20	R 33 846 657.91	R 35 742 070.75
TOTAL: (SURPLUS/DEFICIT)	R 6 000 000.00	R 6 000 000.00	R 6 000 000.00

CHALLENGES AFFECTING THE MUNICIPALITY

The municipality has a low revenue base due to its rural nature and we are grant dependant, this is a huge challenge as it is impractical to respond to the bulk needs of our community due to our limited financial resources. Amongst the challenges faced by the municipality is the implementation of mSCOA which will affect financial management. This will require financial resources and capacitated staff for the smooth transitioning. The municipality is working tirelessly to ensure that mSCOA is fully and timeously implemented in compliance with mSCOA regulations by 2017/2018. Through the implementation of mSCOA the municipality has ensured that all processes are followed in order to comply with National Treasury's time frames so as not to delay the process. The project will self-require more cash injection in order to fully implement it this might pose a challenge for the municipality.

AUDIT REPORT/OPINIONS

Ngqushwa Local Municipality has over the past Five years obtained the following Audit opinions;

- Qualified opinion in 2014/2015.
- Disclaimer opinion in 2013/2014.
- Disclaimer opinion in 2012/2013.
- Disclaimer opinion in 2011/2012.
- Disclaimer opinion in 2010/2011.

An audit action plan to address the audit findings for 2014/15 financial year was tabled to Council in January 2016. This plan is being implemented on daily and monthly bases by all Departments. The primary objective is to have improved audit outcome that of the ADM (Unqualified audit outcome).

Ngqushwa Local Municipality have budget and treasury related policies, which are reviewed annually such as;

- Supply Chain Management Policy.
- Borrowing Policy.
- Asset management and disposal policy.
- Credit Control Policy and debt collection.
- Tariffs policy.
- Rates policy.
- Borrowing policy.
- Financial recovery plan.
- Virement Policy.
- Free Basic Services Policy.
- Revenue enhancement Strategy.
- Revenue Management Policy.

AUDIT ACTION PLAN: FOR ISSUES RAISED IN 2014/15 AUDIT

NO.	AUDIT REPORT #	HEADING OF FINDING	ROOT CAUSE	ACTION PLAN	RESPONSIBLE PERSON	INTERNAL AUDIT COMMENTS	REVISED STATUS	PROGRESS TO DATE
1	6	Payable from Exchange Transaction: The payables in the creditors listing are incomplete	Lack of centralised invoice receipt, No proper invoice tracking register at SCM, insufficient creditors reconciliations (no proper controls for creditors recons)	Centralise all invoices received, proper liaison between SCM and expenditure on all outstanding invoices vs commitments, monthly supplier recons to age analysis	Chief Financial Officer	Expenditure manual has not yet been submitted to confirm development thereof.	In Progress	Expenditure manual has been developed, awaiting for Approval of Management.
2	7	Payable from Exchange Transaction: No invoices and payment vouchers submitted for audit	This is due to poor/lack of proper record keeping system in place, payments made through quotations.	Secure out of office storage for all the archived documents that are older than five years to create space for the current year and less than five years documents. To maintain document movement register. To scrutinise all the files for payment vouchers starting from July. Prior to authorisation of the payment Chief Accountant will ensure that every document is attached and sign the payment compliance checklist as an evidence that relevant documents are attached, no payment will be made if the necessary documents are not attached.	Chief Financial Officer	Sample checklist was inspected, but implementation thereof cannot be confirmed as not all sample expenditure items that have been made had attached a completed checklist.	In Progress	During the third quarter casual workers have been appointed to commence to archive all the documents that are older than five years to an outside storage. Compliance checklist is used for each payment to ensure that all supporting document is attached. The compliance checklist is prepared by Expenditure intern and reviewed by Acting Expenditure Manager.
4	9	VAT: Non-VAT compliant invoices included in the VAT input provision	This is due to lack of proper review on invoices paid by Municipality, Payments made with quotation, culture of payments hasty	VAT training to attended by Finance Staff Adjust prior year errors in the Current year Annual Financial Statements as well as in SARS records VAT returns submitted timeously Develop VAT	Chief Financial Officer	Training of staff and submission of Vat returns was confirmed by inspection of relevant POE, however, the compliance	In Progress	The VAT compliance checklist has been completed. Vat compliance checklist has been attached to all

				requirement compliance checklist, Expenditure clerk to use the checklist when processing payment		checklist for Invoices is not attached to all payment vouchers processed for payment		payments that were processed during the third quarter.
6	11	Repairs and Maintenance : Invalid creditor incorrectly off-set against repairs and maintenance	This is due to lack of oversight responsibility by management in ensuring the correct accounting treatment of transactions.	Appoint qualified, experienced and competent staff to specifically assist in ensuring an adequate recognition of transaction and preparation of the the Interim and Annual Financial Statements. Adjust and disclose material prior year errors identified in the current year Interim and Annual Financial statements. Prepare interim Financial Statements, to ensure misstatement are detected and corrected on time. Internal Auditors to review Interim and Annual Financial Statements prior being submitted to Audit Committee for further review. Appoint an external indepent reviewer to review the Annual Financial Statements.	Chief Financial Officer	Subject to review of the Bi-Annual Financial Statements	In Progress	The Interim Financial statements were prepared and reviewed by internal audit (Co-sourcing Unit) and Audit Committee
8	13	Irregular expenditure: Completeness of irregular expenditure disclosure (current year)	Inadequate monitoring of compliance with SCM processes and all applicable laws and regulations. Lack of oversight by management to identify and prevent irregular expenditure	To report the identified irregular expenditure Provide Supply Chain Management Training to all the officials involved in Supply Chain Management. Workshop all Senior Managers and Managers on supply chain management policy and Supply Chain Management process flow. Develop document checklist to ensure all required documents are attached prior to processing of an order. Irregular Expenditure register to be	Chief Financial Officer	Quarter Report on identified Unauthorised Irregular and fruitless & wasteful expenditure is sent to treasury within 10 days of the end of a quarter. No supporting evidence could be obtain to confirm that all Senior mgt and Managers	In Progress	Reports are submitted to Treasury within 10 days. Workshop was held from the 08-10 December 2016 for Senior Management and SCM officials. Register is still maintained by SCM. (All POE's will be mailed)

				circulated to expenditure unit to update it with any identified irregular expenditure during payment process. Senior official in Supply Chain Management and Expenditure to meet and review the register on a monthly basis.		<p>were workshopped on SCM process flow.</p> <p>Developed checklist to be utilised before processing of an order could not be provided for Audit nor could we confirm implementation thereof from a sample of expenditure documents inspected</p> <p>Register for Unauthorised, Fruitless and Wasteful Expenditure is maintained and updated by the SCM section.</p>		
9	14	(Prior year) Unauthorised, irregular and fruitless and wasteful expenditure: Incomplete register	Lack of proper review by management to ensure accurate and complete financial reporting,	<p>Fruitless, Irregular and Unauthorised Expenditure that was identified in prior year audit will be checked and reported to Council for Condonement</p> <p>Maintain monthly accurate and complete unauthorised expenditure register.</p> <p>Senior official to review monthly unauthorised expenditure register.</p> <p>Budget Manager and SCM manager review the identified unauthorised.</p> <p>Supply Chain Manager to report the unauthorised expenditure to the CFO on a monthly basis</p> <p>Reconcile the unauthorised register with the unauthorised reported in the</p>	Chief Financial Officer	<p>Process for condonement of previously identified Unauthorised, Fruitless and wasteful expenditure is in progress and has not yet been finalized.</p> <p>We could not confirm for certain the accuracy and completeness of the register as instance of fruitless expenditure were noted that were not included in the municipality'</p>	In Progress	With regards to the double payment of salaries FNB has reversed those payments from individual accounts back to the Municipal bank account. Letters have been distributed to all employees that have been overpaid as well as tax.

				monthly report and Annual Financial Statement		s register. These include for example Overpayment of Tax to employee, Overpayment to staff for Job Evaluations, double payment of salaries to certain staff members as well as the recognition or recording of the financial implications incurred to recover such monies.		
10	15.1	Revenue: Revenue traffic fines incorrectly recognised	This is due to the inappropriate application of policies and adherence to iGRAP.	Review and update Accounting policy as per the GRAP standard and also as the past performance. If necessary this will have to be retrospectively adjusted.	Chief Financial Officer	Subject to review of the Bi-Annual Financial Statements	In Progress	Bi-annual AFS have been prepared , awaiting for reviewal.
11	15.2	Employee Cost: Amounts reported in the AFS do not agree to the payroll report	This is as a result of improper controls over daily and monthly processing and reconciling of transactions.	Payroll officer to prepare monthly reconciliation between Payroll Report and General Ledger Review of monthly payroll reconciliation by Expenditure Manager Expenditure Manager to review monthly variance/ exception reports for new changes, and investigate any unusual entries Review of monthly salary journal by Accountant Chief Financial Officer to review of Monthly bank reconciliations	Chief Financial Officer	Inspected a sample of the VIP and pastel reconciliations. VIP is the is payroll or salary system and pastel is the financial system that produce the general ledger. Inspected the variance report from the payroll system, but there is no evidence of review thereof. Inspected a sample of bank reconciliations and	In Progress	Pay reconciliation is done on monthly basis. POE is available.

						confirmed implementation of the proposed action Plan		
12	15.3	Councillors Remuneration - Amount per Payroll Report does not agree to amount disclose on the AFS	This is due to inadequate review of the Annual Financial Statement and reconciliations between payroll and GL not done for the better half of the year	Chief Accountant and Accountants to prepare interim Financial Statements, to ensure misstatement are detected and corrected on time. Internal Auditors to review Interim and Annual Financial Statements prior being submitted to Audit Committee for further review. Appoint an external independent reviewer to review the Annual Financial Statements.	Chief Financial Officer	NB: Interim in this regard refers to Bi-annual Financial Statements and not Quarterly Financial Statements. These have since been prepared but are still to be submitted to internal Audit for review. The Internal Audit co-sourcing partner OHS ca(sa) will be performing the review of the Interim financial statements.	In Progress	Bi-annual AFS have been prepared , awaiting for reviewal.
13	15.4	Receivables from non-exchange transactions: Total as per age analysis does not agree with total disclosed in the AFS	This is as a result of lack management oversight to ensure that a proper disclosure accurate and complete age analysis is maintained. A proper reconciliation in the system between the age analysis and the control account maintained as per SLA. Lack of Proper monitoring of service providers and their upgrade of the system	Revenue Manager to review Debtor's Age analysis and Debtors Ledger on a monthly basis Investigate any negative or unusual amounts on the Debtors account. Perform reconciliation between Debtor's age analysis and Debtors account in the General ledger. Cleaning up of age analysis so that it accommodates recoverable debt. Write off of all deceased and unknown owners to the Council	Chief Financial Officer	Recommendation for write off of irrecoverable debt to council could not be provided to confirm implementation of proposed action plan. The reasonability of the provision for doubtful debt will be considered during the review of the Interim Financial Statements	In Progress	The credit control and bad debt write off policy has been reviewed to give guide as to when debt has to be written off , awaiting for Council approval.
15	15.6	Property Plant and Equipment	This is due to the fact that there is no adequate record keeping system in place	Secure out of office storage. File all documents both in hard copy and soft copy Document movement	Chief Financial Officer	Confirmed by inspection of relevant POE Document movement	In Progress	Currently the documents have been moved to BTO store room.

				form register to be maintained.		register is in place and implemented . Agreed upon action plan has not been fully implemented as proposed in that "out of office storage has not yet been secured.		
16	15.7	Commitment s: The amount disclosed in listings does not agree to the expenditure to date incurred	This is due to lack of competent and shortage of staff in the Supply Chain Management Unit. Furthermore is as a result of not having contract management system in place. Lack of proper review between AFS and supporting documents. Commitments not reconciling to contracts register	Provide Contract Management training to the relevant staff in the SCM unit. Appoint competent and knowledgeable staff to deal with contract management Develop Procedure Manual on Contract Management and workshop the relevant officials on the approved manual. Quality checks should be performed on all information provided for audit. Proper reconciliations between AFS,TB,GL and systems should be performed (especially at year end). Supply Chain Manager to review the contract register on a monthly basis	Chief Financial Officer	Developmen t of the Procedure Manual on Contract Management and workshoping of relevant officials thereon could not be confirm owing to supporting evidence. Supply Chain Manager reviews the contract register on a monthly basis however, evidence of of review and follow up thereon is lacking.	In Progress	Contracts procedure manual has not yet been developed , it will be in place in Q4
17	15.8	Employee costs: Remuneratio n of key management personel disclosure is not accurate in the notes to the AFS	This is as result of inadequate reviews by management to ensure that correct amounts are disclosed on the AFS. Lack of understanding between MFMA requirements and accounting principles disclosure	Update disclosure notes as per accounting GRAP principles, thereby showing all acting and salary for the directors in the disclosure notes	Chief Financial Officer	Subject to review of the Bi-Annual Financial Statements	In Progress	Bi-annual AFS have been prepared , awaiting for reviewal.
18	15.9	Cash flow: Disclosed amounts does not agree with	This is lack of oversight by management in preparing and reviewing ,	Prepare interim Financial Statements, to ensure misstatement are detected and	Chief Financial Officer	NB: Interim in this regard refers to Bi-annual Financial	In Progress	NB: Interim BI- Annual AFS have been developed

		the calculated amounts	accurate and complete financial and performance reports that are supported and evidenced by reliable information, No clear template of cash flow disclosures	corrected on time. Internal Auditors to review Interim and Annual Financial Statements prior to being submitted to Audit Committee for further review. Appoint an external independent reviewer to review the Annual Financial Statements. Quality checks should be performed on all information provided for audit. Proper reconciliations between AFS, TB, GL and systems should be performed (especially at year end). Supply Chain Manager to review the contract register on a monthly basis		Statements and not Quarterly Financial Statements. These have since been prepared but are still to be submitted to internal Audit for review. The Internal Audit co-sourcing partner OHS ca(sa) will be performing the review of the Interim financial statements.		, awaiting for Council approval..
35	63	Procurement and contract management : Bids not submitted	Lack of proper record keeping	Keeps all tender documents in a lockable storage, access for storage to be limited to relevant users. Develop document movement register. Develop tender checklist for both formal tender and informal tender to ensure completeness of tender documents. Supply chain Manager to review the tender checklist on monthly basis to identify missing documents on time and follow up on those documents. Create procurement file on shared drive where scanned documents can be saved and easily accessible	Chief Financial Officer	a sample of Tender checklist was inspected, however implementation thereof could not be confirmed as not all tenders have the checklist completed and attached. Interview with staff at SCM revealed that the said checklist was used in prior periods but was no longer utilised.	In Progress	The tender checklist will be fully implemented by the end of the quarter all contract files will be inclusive of the checklist. The implementation started towards the end of the 3rd quarter the checklist is in existence.
36	64	Procurement and contract management : Discrepancies with R 2 000 - R 10 000	Lack of proper record keeping	Keeps all tender documents in a lockable storage, access for storage to be limited to relevant users. Develop document movement register. Develop tender checklist for both formal tender and	Chief Financial Officer	Proposed action plans have not yet been fully implemented.	In Progress	The storage for filing of the SCM documentation is being cleared. Documents will be filled in the

				informal tender to ensure completeness of tender documents. Supply chain Manager to review the tender checklist on monthly basis to identify missing documents on time and follow up on those documents. Create procurement file on shared drive where scanned documents can be saved and easily accessible				lockable storage at the end fourth quarter.
42	71	Procurement and contract management : Awarded quotes to service provider who does not have tax clearance	Non-compliance with laws and regulation	Develop document checklist prior to the approval of an order	Chief Financial Officer	Developed checklist was inspected, implementation thereof can however not be confirmed as not all payment vouchers have the checklist attached.	In Progress	Check list has been developed, the checklist will be fully implemented during the fourth quarter.
49	78	Expenditure: Money owing by the Municipality was not always paid within thirty days or agreed time.	Lack of proper system on submission and payment of invoices	On receipt of invoice stamp received on the invoice Record the received invoice in the invoice register on a weekly basis Expenditure Manager to review the invoice register to determine the long outstanding invoices Investigate any long outstanding invoices and record the reasons for delaying payment.	Chief Financial Officer	Follow up of long outstanding invoices could not be confirmed as instances were noted where invoices were outstanding for a long period.	In Progress	Follow up of long outstanding invoices has been done and the age analysis has been cleared.
50	79	Expenditure: Ineffective expenditure system Service provider not paid within 30 days	This is a result of not having documented procedure and process expenditure	Develop and table the Expenditure and Payables procedure Manual, Communicate the procedure manual to staff	Chief Financial Officer	Expenditure and payables manual has not yet been submitted to confirm development thereof.	In Progress	Expenditure has been developed, awaiting for Council approval
52	81	Expenditure: No action taken to prevent Unauthorised, Irregular, Fruitless and	Non Compliance with Laws and Regulation	Section Heads and Budget Manager to adequately monitor the departmental budget. Unauthorised Expenditure register is monitored by	Chief Financial Officer	No evidence of training of Section Heads could be provided nor POE to confirm that Unauthorised	In Progress	Yes training has been done

		Wasteful Expenditure		Supply Chain Manager on a monthly basis. Section Heads to be trained on how to monitor their Budget on the system. All the identified unauthorised to be reported to Council during January 2016.		d expenditure already identified in the 2014/15 financial year was reported to council for investigation and condonement.		
54	83	Revenue Management : Non Implementation of Credit Control & Debt Collecting Policy	Unknown ownership of majority of properties e.g farms, 92 vacant properties, unregistered properties, unknown contact details, properties registered under Republic of Ciskei	To consult ECDC to advise us, Issue advert in local media to invite contact detailed addresses for properpertis without addresses owners Realistic solution to be developed in consultation with Legal Adviser.	Chief Financial Officer	Credit Control & Debt Collecting Policy partially implemented . Process of Data cleansing is still in progress.	In Progress	Credit control policy has been reviewed ,awaiting for Council approval . ADM appointed service provider to proceed with phase 2 data cleansing project the project will be completed in June 2016
55	84	Lack of Internal Control for Debtors and Revenue	Lack of knowledge on how to use the accounting system.	Review Revenue and Receivable proceduure manual.	Chief Financial Officer	Revenue and Receivables procedure manual awaiting council approval could not be provided to confirm assertions made.	In Progress	Revenue procedure manual has been developed 2016/2017 , awaiting for Council approval.
56	85	Inadequate liability system in place	Lack of proper procedures and processes in place	Develop and Implement trade payable procedure manual.	Chief Financial Officer	Payables manual has not yet been submitted to confirm development thereof.	In Progress	Payables manual has been developed, awaiting for Council approval
57	86	Effective system of Internal Control for Liabilities	Lack of proper procedures and processes in place	Develop and Implement trade payable procedure manual.	Chief Financial Officer	Payables manual has not yet been submitted to confirm development thereof.	In Progress	Payables manual has been developed, awaiting for Council approval
59	88	Significant Internal Control Deficiencies	Lack of proper procedures and processes in place	Develop and Implement trade payable procedure manual.	Chief Financial Officer	Payables manual has not yet been submitted to	In Progress	Payables manual has been developed,

						confirm development thereof.		awaiting for Council approval
65	94	No review processes to monitor compliance with all applicable laws and regulations	This is as result of not having a tool to monitor compliance	Develop Compliance checklist Senior Managers to report to Management meeting on compliance issues that relate to their units Accounting Officer to give report on compliance on a quarterly basis to council	Chief Financial Officer	Compliance monitoring tool has been developed and will be presented to management on the 12 April 2016 for approval and subsequent implementation	In Progress	Compliance monitoring tool has been developed and will be implemented in Q 4

BUDGETING

Ngqushwa local Municipality has been preparing a three multiyear budget plan, the first year being the budget year and the two forecasting years, it is not different case with the financial year 2016-2017.

Below is the summary of Ngqushwa Local Municipality Annual Budget for 2016/17. The Total Revenue anticipated for 2016/2017 financial year amounts to **R 167 419 100.00**, this includes grants allocations from National Treasury through DORA and internally generated revenue. The total revenue will finance both capital and operational expenditure for 2016/2017 financial year.

GRANTS SUMMARY FOR 2016/2017

Revenue sources	2015/2016	2016/2017
Equitable Share	R 82 854 000.00	R 76 828 000.00
MSIG	R 930 000.00	R 0.00
FMG	R 1 875 000.00	R 2 010 000.00
MIG	R 23 484 000.00	R 21 854 000.00
EPWP	R 1 000 000.00	R 1 000 000.00
Department of Energy	R 0.00	R 4 000 000.00
Ceta Project	R 0.00	R 6 300 000.00
Total Grants	R 110 143 000.00	R 111 992 000.00

The Municipality generate its revenue from the listed sources:

REVENUE - BTO:	2015/2016	2016/2017
Property rates	R 16 840 000.00	R 17 235 690.08
Refuse	R 645 001.00	R 674 160.00
Outstanding debtors	R 10 000 000	R 12 600 000.00
Sundry income	R 12 612 108.00	R 15 712 710.00
Interest on bank balance	R 2 000 000.00	R 4 411 406.00
Disposal of assets	R 600 000.00	R 350 000.00
Other revenue	R 3 942 745.00	R 4 442 584.00
Total Revenue	R 46 639 854.00	R 55 426 550.00

SUMMARY OF 2016/17 TOTAL EXPENDITURE:

Expenditure descript:	2015/2016	2016/2017
General expenditure	R 44 156 050.00	R 59 308 034.00
Staff benefits	R 50 308 701.00	R 57 867 621.00
Cllrs allowances	R 7 792 576.00	R 8 415 982.00
Repairs and maintenance	R 9 025 182.00	R 10 310 180.00
Capital expenditure	R 30 649 590.00	R 31 517 284.00
Depreciation	R 9 432 297.00	R 21 268 923.00
Debt Impairment	R 9 000 000.00	R 1 788 594.00
TOTALS EXPENDITURE	R 158 892 841.00	R 190 476 617.00

Analysing revenue and expenditure, Operating Income for 2013-14 was 76.78 % and Capital Income was 23.22 %. Operating Income for 2014-15 was 76.48 % and Capital Income was 20.73%. The percentage spent was 75.6 % for the last years Capital Budget

Roads as a Capital project – we are currently leasing plant to assist in ensuring that service delivery is carried out without any glitches. The plant has assisted with the construction of internal projects.

Job creation is also identified as a priority and interns have been appointed and other permanent vacancies have been filled to ensure that the department is fully functional.

3.5 KPA 4: LOCAL ECONOMIC DEVELOPMENT

Strategic Goal: Create an enabling environment that promotes the development of local economy and facilitate job creation.

Strategy	Objective	Indicator	KPI No
Development of a five year strategic document that guide the overall implementation of local economic development initiatives in Ngqushwa.	To continuously provide adequate and effective support to local SMMEs for increased local economy by 2017 and beyond	Submission of LED Strategy 2016 to Council	LED:1
To build partnerships with relevant stakeholders and to establish platforms from where continuous engagements will take place	To continuously provide adequate and effective support to local SMMEs for increased local economy by 2017 and beyond	Submission of SMME Strategy to Council	LED:2
Provide technical and business support to local contractors	To continuously provide adequate and effective support to local SMMEs for increased local economy by 2017 and beyond	List of Contractors Assisted through sub-contracting and trainings	LED:3
Implementation and monitoring of Environmental management plan	To ensure effective, efficient and economic management of the environment by 2017 and beyond.	No of quarterly reports on the implementation of EMP	LED:4
Implementation of waste information system	To protect and preserve the environment of Ngqushwa through effective ,efficient, and economical methods of waste management by 2017	% implementation of the EMP Procurement of appropriate machinery for refuse collection	LED:5
Renewal of landfill site permit			
To conduct feasibility study for relocation Peddie landfill site			
Establish a new cemetery			

Strategy	Objective	Indicator	KPI No
Review, implementation and monitoring of Coastal Management Plan	To ensure effective, efficient , and economical coastal area to stimulate local and international tourists inflow and access into the Ngqushwa Municipal area by 2017 and beyond	Adopted Coastal Management Plan	LED:7
Implementation of maintenance plan	To ensure effective, efficient , and economical coastal area to stimulate local and international tourists inflow and access into the Ngqushwa Municipal area by 2016 and beyond	Approved maintenance plan	
Transfer disposed properties to owners	To continuously maintain an updated municipal assets by 2017 and beyond	No of properties to be transferred to owner	LED:6
Development of a Housing Needs Register	To ensure provision of adequate and sustainable human settlements by 2017 and beyond	Housing Needs register development	LED:7
Repairs to vandalised RDP houses	To ensure provision of adequate and sustainable human settlements by 2017 and beyond	No of repaired vandalised RDP houses	LED:8
To develop strategic document that are conducive to Agricultural production and investment.	To ensure provision of adequate and sustainable human settlements by 2017 and beyond	Agriculture Sector plan developed and completed	LED:9
Facilitate livestock improvement through provision of Infrastructure and medication.	To ensure provision of adequate and sustainable human settlements by 2017 and beyond	Number of farmers/co-ops supported	LED:10
Formalisation of grain and citrus production for creation of sustainable markets	To ensure provision of adequate and sustainable human settlements by 2017 and beyond	No of Mechanization and citrus program supported	
Revitalisation of Agricultural Schemes through provision of production inputs	To ensure provision of adequate and sustainable human settlements by 2017 and beyond	No of irrigation schemes supported	

Strategy	Objective	Indicator	KPI No
Facilitate value chain linkage to ensure, among other things that agriculture commodities find markets		Coordination of Agro processing promotion within Ngqushwa and outside	
To continuously ensure effective regulation of the environment	Effective enforcement of by-laws	Number of bylaws developed	LED:11
Implementation, monitoring and review of policies and bylaws	To continuously ensure that property development in Ngqushwa is in line with building laws and regulations by 2017 and beyond	No. of submitted and adjudicated business plans	LED:12
Implementation Spluma SDF (wall to wall) and related Town planning legislation	To ensure access to land and properties for development and continuous of an efficient and integrated settlement pattern by 2017	compliance with legislation	LED: 13
To enhance Municipal revenue	Adjudicating building plans	To ensure that building plans are submitted so as to enhance revenue collection	LED: 14
	Workshops		
	Engagement with prospective developers		
Monitoring of implemented project	To modernise and beautify the image of Peddie/Hamburg in order to attract investors by 2017	No. of business plans developed	LED: 15
		Availing land for survey as and when needed	
To continuously reduce road accident	To ensure reduction of road accidents within the jurisdiction of NLM through road blocks and awareness's for 2016/ 2017	No of road blocks and workshops/aw arenesses to be conducted	LLED: 16

Strategy	Objective	Indicator	KPI No
To continuously reduce road accident	To ensure reduction of road accidents within the jurisdiction of NLM through road blocks and awareness's for 2016/ 2017	No of road blocks and workshops/aw areness's to be conducted	LED:17
Development of Ngqushwa safety and security plan	To ensure safety and security within the Municipality for 2016/2017	development of safety and security plan	LED:18
Promoting Community tourism development	To promote tourism in order to position Ngqushwa municipality as the Tourism destination by 2030	Number of community tourism projects funded	LED:19
Improve the existing hiking trail and heritage sites	To promote tourism in order to position Ngqushwa municipality as the Tourism destination by 2030	Number of heritage sites/hiking trail maintained	LED:20
Implementation of Council Resolutions talking to Budget and Treasury Department.	To continuously provide effective and efficient implementation of Council resolutions talking to Budget and Treasury Department by 2016/17.	Number of reports on the progress on implementation of council resolution submitted to Council by 30 June 2017.	LED:21
Coordinate implementation of MANCO resolutions that talks to Community Services Department.	To continuously provide effective and efficient implementation of MANCO resolutions by 2016/17.	% Implementation of Council and MANCO resolutions.	LED: 22
Attend to correctives measures as identified in internal audit.	Reduce RISK within the Community Services Department by 2016/17.	Attend to correctives measures as identified in internal audit reports to reduce risk areas within the department.	LED: 23

Strategy	Objective	Indicator	KPI No
Attend to correctives measures as identified by AG.	To ensure contribution to improved audit outcome by 2016/2017.	Attend to correctives measures as identified by AG talking to the department.	LED: 24

3.4.1 INSTITUTIONAL ARRANGEMENT

Ngqushwa Local Municipality, Amathole District Municipality, Department of Economic Development Environment, and Tourism, the Department of Rural Development and Agrarian Reform, other government departments, development institutions and agencies have a responsibility of ensuring that Local Economic Development does take place. The LED section is comprised of Agriculture and Rural development, Smmes & Cooperatives, and Tourism all which fall under the Development Planning Department. The Municipality has an LED strategy which was adopted in 2009 and is due for review. However, the Municipality is in the process of developing a new strategy in 2016-17. Several summits will be held in preparation of the development of the LED Strategy. Below is a process plan than will be followed in 2016/17.

LED Strategy Process Plan:

- Organize, conduct and facilitate a Local Economic Development (LED) Summit;
- Organize, conduct and facilitate a Local Tourism Indaba;
- Organize, conduct and facilitate a Local Small, Medium and Micro Enterprise Summit;
- Develop an LED Strategy for the municipality;
- Develop a Tourism Sector Plan for the municipality;
- Develop a Small, Medium and Micro Enterprise Development Strategy for the municipality;
- Develop an Agricultural Sector Plan for the municipality;
- Develop a Poverty Alleviation Strategy for the municipality that is based on Ward Profiles and Ward based plans; and
- Develop a Concept Document/ Business Model for the Small, Medium and Micro Enterprises Incubation Centre that includes a Funding Model.

According of its Spatial Development Framework, the Ngqushwa Local Municipality has identified its key LED Principles as follows:

- Guiding developments in a spatially efficient and effective way, whilst ensuring linkage and alignment to regional and national development policies and programmes;
- Improving linkages within Ngqushwa Municipality and beyond its boundaries to stimulate effective and sustainable integrated development;

- Directing investment to areas of greatest potential and target areas of greatest need to alleviate poverty and promote economic growth;
- Directing public and private investment in areas that would ensure the most sustainable return on investment (ROI);
- Directing Development Agencies in decision – making which directly or indirectly impacts on the municipal area;
- Creating a strategic framework for the formulation of an appropriate land use management system, and
- Protecting the eco-systems (environmental stewardship) in the Ngqushwa municipal area.

In terms of human resource, the section has the following posts, though some are vacant

- LED Manager (Vacant)
- Agriculture & Rural Development Manager
- Agriculture and Rural Development Officer (Vacant)
- Tourism Manager
- Tourism Officer, and the
- Cooperatives Administrator

However, the Amathole District Municipality has allocated interns to the Municipality. They are placed as follows:

- Intern: Agriculture and Rural Development
- Intern : LED (SMMs and Cooperatives)
- Intern: Tourism Development.

It is strongly believed that LED is a mainstream issue and that all departments and organizations have a role to play in the creation of an enabling environment.

3.4.2 ECONOMIC PROFILE

Contribution by Sector to Employment

According to Census survey conducted by Statistics South Africa 2011 (Stats SA: Census 2011) a small portion (8.6%) of the Ngqushwa population is formally employed with 91.4% of the population unemployed or not economically active. The official figure of unemployment in the municipality stands at 40% as per 2011 stats SA results. This tallies to some extent with the population distribution and indicates that most of those who are employed live either in Peddie or Hamburg. The employment levels are way below the national average and the unemployment levels are 24% above the Provincial unemployment figures. The number of people living in poverty in the municipality has risen from 64.19% in 1996 to 65% for 2011 (Stats SA). Consequently, there is a high dependence on social grants with seventy-two point five percent 72.5% of households receiving grants. Furthermore, this also means that the rates base for the local municipality is almost non-existent. As a result, the municipality is almost completely dependent on provincial and national government for funding to support the provision of basic services. There is a desperate need for local economic development in the municipal area that will create permanent jobs for the local population.

The traditional economically active concerns such as mining, manufacturing, construction and retail make a total of 1042 for the area while there are only 136 agricultural concerns. By comparison Community Services industries total 2 411 and the

overarching majority of industries – 80 235 are undetermined. Therefore, a total of 5 876 people are formally employed (Stats SA 2011). A glimpse of the occupations in which people are employed in the formal sector reveals that the majority are semi-skilled and skilled labourers or employees. The figures indicated that only 351 people are legislators or senior officials and professionals. This figure points to the fact that the human resource base in the NLM is limited, especially in terms of the skills required to develop and support LED. The available educational achievement levels figures support this conclusion.

3.4.3 SMME and Cooperative Development

Currently, Ngqushwa Local Municipality has many informal trading stalls, with the bulk of them being hawkers. Based on the above, Ngqushwa local municipality aims to develop and invest in the SMME sector in order to create employment opportunities. The need for business advisory services was identified to be highly imperative to assist in this regard. In addition, the Municipality is taking the issue of SMME development very seriously as it remains one of the key pillars and priorities for accelerated and sustainable local economic development. Annually, Ngqushwa Local Municipality holds a Cooperatives Indaba for the SMME in her jurisdiction in order to plan, develop and to track progress in how far Cooperative development has grown, furthermore to retain existing businesses and attract further investment. Local government is an important sphere, within which service delivery is expected to take place; this of course takes into cognisance the creation of tools and methods necessary to aggressively deal with the impediments of smooth and accelerated socio-economic development. As the Municipality it is our responsibility therefore to take lead in the quest of bettering the standards of living and the livelihood of the locals. The model of Cooperative development as a mechanism and a vehicle to drive meaningful and sustainable rural socio-economic development has been most welcome by Ngqushwa local authority. To enhance the realisation of the outcome of the vision through the model, the Municipality has taken bold steps to support the initiative. With fairness the inadequacy of Municipal financial resource and muscle would not be able to demonstrate the significance, resilience and will towards supporting this sector. Whilst it is strongly believed that this could be the break-through for Ngqushwa, resource mobilisation is an imperative input towards the process of transforming SMME development in Ngqushwa.

The Municipality has adopted Cooperative development as a vehicle to transform the smme sector in the Municipality, and the Cooperative Development Centre (CDC) is to be established as a facility to transform the Coop and SMME sector.

The CDC is offering various services to cooperatives in Ngqushwa including:

- Facilitating registration of Cooperative with Companies and Intellectual Property Commission (CIPC).
- Provide business development advice and services
- Where an organised and sectorised database is updated and readily made available.
- A one stop shop to access all government services and programmes relating to cooperative development
- Meaningful and high impact market linkages for cooperatives
- Centre for coordinated cooperatives activity including value addition.

- Location where the Cooperatives Representative structure can hold developmental meetings for the development of cooperatives.
- A centre to accommodate other related service offerings by other spheres of government and development agencies, such as DEDEAT, the DTI, SEDA, etc.
- A centre where cooperation amongst cooperatives is facilitated, highly encouraged, and realised within and outside the Ngqushwa Municipal area.

3.4.4 Tourism and Heritage

Tourism development is dominant in the Municipality, both in inland and coastal areas. There are Tourism and Heritage Nodal points which tourism attractions. The Ngqushwa is rich in Heritage that dates back to the 1800s. These nodal areas provide Tourism packages in the form of Tourism Attractions and Accommodation. Listed below are the Tourism and Heritage Attractions with Ngqushwa Municipality.

- Peddie Fort
- Uhambo Loxolo Hiking Trail
- Makana Route
- Ntsikana memorial
- Fish festival
- Madliki Heritage
- Ayliff church heritage site
- Accommodation (B&B's)
- Heritage sites,
- Isikhumbuzo saseMqwashini
- Great Fish Reserve.
- Visitors Information Centre is operational Calvary Barracks.
- The Keiskamma Art Project
- Hamburg Beach Festival which will be revitalised and be an annual event will be held to advertise unspoilt natural beach (only beach with a blue flag status) and provide opportunities to locals to showcase their products during the event.

Hamburg has great potential for tourism development since it lies along the Coastal belt. However there are other resorts such as Fish River Sun and Mpekweni Resort.

3.4.5 AGRICULTURE

Rural Development and Agriculture

The Municipality comprises of rural subsistence communities that rely solely on agricultural production as well as the government social security services for survival. The municipality has however strategies in place to reverse these high levels of dependency on social grants by stimulating agricultural development

The core function of LED - Rural Development and Agriculture office is to facilitate agricultural production in Ngqushwa through the provision of community based initiatives and the creation of a conducive environment for increased investment in agriculture. In many instances the office of Agriculture will actively intervene and

support initiatives in order to enhance development of local economy in order to enhance food security, job creation and the quality of life for the benefit of all. These interventions will be mainly directed at improving the quality of life of those operating in this sector and redressing the inequalities created by the past.

NGQUSHWA AGRICULTURE FARMING ENTERPRISES:

1. Livestock farming

The Livestock sector within Ngqushwa, is dominated by the Cattle, Goats and Sheep enterprises. Beef, sheep and wool are in most instances farmed as integrated enterprises for optimum utilization of the natural pasture. Livestock also includes Poultry and Piggery farming.

The table below is the enterprises and numbers: Source DRDAR

ENTERPRISES	NO.
Cattle	29 127
Sheep	24 321
Goats	23 580
Cats & Dogs	6003
Poultry	14530
Pigs	1180
Horses	240
Donkeys	189

6. Ostrich Farming

The Peddie ostrich project is a significant showpiece of Ngqushwa. The projects currently need continual support from stake holders that are the key drivers of agricultural success.

7. Crop farming

Ngqushwa prides itself with 7 irrigation schemes which produce various crops, particularly vegetables. The irrigation have potential to turn around the rural economy in the area. Crop farming also entails opportunities for diversified crop production including household vegetables and Maize production which is significant field crop grown within the communal areas of Ngqushwa Local Municipality.

8. Exotic fruit

Citrus, pineapples and pomegranate are the only fruit crops of any significance grown in Ngqushwa Municipality and identified.

9. **Household food security and poverty alleviation**

Coordination with other role-players in food security – This programme is ensuring sustainable household food security.

10. **Agriculture Farming**

Ngqushwa Local Municipality has potential in beekeeping farming. Majority of these beekeeping projects are managed by groups, while few of them are individually owned. Beekeeping is advantageous for rural livelihoods as production costs is low.

11. **Agro –processing**

The Municipality has huge potential for agricultural development and agro-processing. **Ngqushwa Local Municipality is committed to the promotion of sustainable agriculture through a participatory approach in the execution of the following programmes:**

- Development of Agriculture Sector Plan
- Coordinate and Facilitate Agricultural development in Ngqushwa
- Revitalization of irrigation schemes
- Support and encourage intensive crop-farming such as pineapples and citrus
- Support crop farmers to acquire agricultural inputs (fertilizers, seeds, seedlings, etc.)
- Provision of support in Livestock production
- Facilitate value adding activities to agricultural production (Agro-processing)

3.4.6 ANCHOR PROGRAMMES IN THE MUNICIPALITY

Small Town Revitalization Programme

In 2012-13 Amathole District Municipality, through Aspire, developed a feasibility study for Small Towns Revitalisation for both Peddie Town and Hamburg. The Hamburg Development Initiative project has been completed in 2013. Due to financial constraints, the small town's revitalisation in Peddie has been slower than expected. For Peddie Town, the following anchor projects were identified:

1. **Upgrading of N2:** the project has been completed though there is an issue of Engen Garage access that the Municipality are attending to. Pending SANRAL agreement, Robots will be erected in 2016-17.
2. **Upgrading of Taxi Rank:** the project is at a design stage. Phase 1 of the implementation will be done in 2016-17. The Municipality in conjunction with Engen Garage will implement this phase.

3.4.7 HEALTH SERVICES

The Amathole District Municipality is responsible for the provision of comprehensive primary health care to the community. National and Provincial agencies are responsible for welfare and developmental social services as well as social security and support services. The Eastern Cape is divided into five health regions which differ from district council boundaries. The Amathole District Municipality and subsequently Ngqushwa Local Municipality fall within Region C which also includes Fort Beaufort,

Albany, King William's Town, East London and Butterworth. It is believed that the regional position will provide an adequate reflection of the situation in Ngqushwa.

The mortality rate in this region is the lowest in the province with a rate of 33 deaths per 1000 live births, which is even lower than the national average of 59 deaths per 1000 live births. The low rate is an expression of the low immunization rate of 58% painting a clear picture that better access to health facilities could bring about an improvement in health to the region.

The biggest threat to adult's health status in the district is HIV/AIDS. The Eastern Cape Province is rated the fifth largest province with a high HIV/AIDS prevalence, where the Amathole region is the third highest within the region. The average prevalence rate is 27.10% as recorded for the region. This relates to an infection rate of between 20300 and 24090 of the 84234 residents of Ngqushwa LM. In region C where Ngqushwa falls the rate is 17.8%. Despite statistics indicating an increasing infection rate, the rate of infection appears to be slowing in the Ngqushwa area which is a positive indicator. Since Ngqushwa is mostly rural, HIV prevention programmes have to deal with problems surrounding access to primary health facilities and services. The impact of HIV/AIDS is exacerbated by the prevalence of tuberculosis. TB prevalence in region C is 5.9% compared with the provincial average of 10.3%. The region therefore has the lowest incidence of tuberculosis in the Eastern Cape. TB is generally associated with poverty and over-crowding. These factors are also evident in Ngqushwa and it is essential that this be monitored to prevent an escalation of this figure. It is because of the above prevalence that the ADM developed an HIV/AIDS, STI, TB and Cancer strategy plan whose main objective is ensure and facilitate a coherent approach towards the implementation of programmes and strategies that seek to reduce the spread and impact of HIV/AIDS, STI, TB, and Cancer within the ADM.

Six percent (6% of the population of Ngqushwa has some form of disability. The highest number of people have visibility impairments (25%) followed by those with physical impairments (11%). 26% have emotional and intellectual impairments.

There is one hospital to serve the entire municipal area namely the Peddie Nompumelelo General Hospital which has 656 beds. The hospital has undergone major repairs and maintenance. The remainder of the municipal area is served by 26 clinics and 3 mobile clinic units (however only 1 vehicle in operation, therefore there is need for more vehicle) that provide access to lower level health care. This means that primary health care facility serves 4476 persons. The figure was compared with the World Health Organization's indicator of one primary health care facility per 10 000 people and on the surface appears adequate however most facilities are located more than an hour's travel by local transport or foot, which reduces the adequacy of the provision. The mobile clinics provide health services on a regular monthly basis varying from once per week, to three times a week. However during the under review

the department of health had indicated the challenge around mobile clinic due to non-availability of vehicles to serve this purpose. The most crucial issue facing these primary health care facilities is to improve the services and quality of services rendered which is currently hampered by inadequate equipment and to ensure that there are facilities in each ward.

NB: There are 6 Medical doctors employed full time and 1 roving medical doctor and 1 dentist for the clinics.

3.4.8 ENVIRONMENTAL INDICATORS

3.1.2.1 Climate

The municipal area is characterized by different levels of elevation and this result in climatic variation. The coast is subtropical and is usually cool and humid whereas the conditions inland are hot and semi-arid. Rainfall is low to moderate and varies between 400mm in inland areas and 700mm per annum along the coast. The area falls within the summer rainfall climatic zone. The coastal areas are characterized by high velocity winds.

However, the effects of global warming are starting to be felt. During the 2015/16 financial year the Municipality felt the effects of climatic change in the form of El Nino. The whole of Eastern Cape felt the extreme hot temperatures and less rainfall. These conditions led to shortage of food for animals and also water shortages as reservoirs were at their lowest. Huge winds also created havoc within the Municipality as houses were destroyed in several wards.

3.1.2.2 Biophysical Environment

The local bio-physical environment of the Ngqushwa Local Municipality is experiencing a steady decline. The decline has accelerated in recent years as the effects of lack of education. This decline is evidenced by a prevalence of the following:

- Soil erosion, which is caused by poor veld management, uncontrolled burning of the veld and overgrazing. These practices result in a loss of fertile agricultural soils and cause a general ecological decline of the area. This is especially prevalent in ward 8.
- Deforestation, which is caused by the indiscriminate felling of trees for domestic purposes including firewood, construction and medicinal purposes. These practices result in a reduction of botanical diversity, loss of aesthetic value and economic potential of the area.
- Environmental pollution, resulting from domestic fuel burning, vehicle emissions, veld fires, landfill site gas emissions, unpaved roads, indiscriminate solid waste disposal, smoke from the burning of refuse and uncontrolled veld fires. These practices result in air, soil and water pollution especially in rural areas.

- The establishment of alien and invader plants, which is caused by the introduction of alien and invader plants. This problem is compounded by deforestation and erosion which create a climate that facilitates the dispersion of these plants. The result is a loss of arable land. The Department of agriculture and the Department of Water Affairs (DWA) have programmes to address this issue by eradicating these plants thus at the same time create jobs.
- A lack of environmental regulation which results in indiscriminate utilization of natural resources and which ultimately impacts on the eco-tourism potential of the municipality.

The biophysical environment of Ngqushwa is characterized by diverse ecologically sensitive areas. The area has a high degree of aesthetic appeal and is also rich in natural resources that are ideal for the eco-tourism industry such as the physical landscape (mountains, valleys, the coastline, dune systems, sand beaches, estuaries, wetlands, etc.)

Areas of conservation importance and eco-tourism potential include:

- The coast line and marine resources
- Coastal forests occurring in close proximity to the coastline
- Wetlands including coastal and inland wetlands
- Estuaries, streams and rivers
- Nature reserves

The municipality has recognized the need and importance of developing conservation policies and practices to ensure the conservation of these areas and ensure that they are utilized in an ecologically sustainable manner which will not only promote the economic potential of the area but also ensure that they are available for use by future generations.

Awareness campaigns have increased as to the importance of environmental issues, celebrating of environmental days through planting of trees in need areas. Stressing the necessity for the sustainable management of development and settlements. This has included a special focus on the persistence of poverty and the effects of economic and environmental change on low-income and population groups with limited resources.

There is also a realization that it is impossible to separate economic development issues from environmental issues. Many forms of unsustainable development models and approaches erode the environmental resources upon which they are based and environmental degradation can undermine economic development and vice versa.

Ngqushwa LM in conjunction with ADM, DEA and DEDEAT have work towards the development of documents such as Integrated Environmental Management Plan for ADM with Ngqushwa being one of the beneficiaries. With the assistance of ADM, the Hamburg beach has achieved a Blue flag status. DEA and DEDEAT has assisted in many projects that deal specifically with Coastal management, litter picking and town upgrade in Ngqushwa.

Ngqushwa Local Municipality has a functional environmental management unit, which in one of its mandates is to look after environmental project implemented in Ngqushwa called coast care project. There is an environmental bylaw in place

3.4.9 LAND AND HOUSING

3.4.9.1 Settlement Patterns

Ngqushwa is predominantly rural with only 5% of the population living in the urban areas, as opposed to 95% of the population who reside in the rural areas. The settlement patterns of Ngqushwa can be divided into the following categories:

Urban Areas

Peddie and Hamburg are the only two proclaimed towns within the municipality. There are peri-urban settlements establishes outside of both of these nodes which in the case of Peddie almost encircle it.

Peddie can be regarded as a regional hub for service rendering to the entire municipal area. The majority of the region's services and facilities are located here and economic and social functions are performed from here. It also plays an important administrative role as the seat of the municipality is also in Peddie. Not all areas of the town are serviced, particularly the lower income areas which are found in the main part of the town. Hamburg is primarily a holiday destination. The municipality is gradually developing Hamburg and wants it to be a suitable site for tourism.

Rural Areas

The majority of the population that is 95% resides in the rural area which means that access to essential services and facilities by the majority of the population is also limited. This also compromises the municipality's ability to raise revenue on the basis of services. These limitations have been recognized by the municipality and are in the process of being addressed.

There are 118 rural villages which are scattered throughout the municipal area. These villages are surrounded by commonage land that is used for a mix of agricultural purposes including crops and livestock which are farmed primarily on a subsistence basis.

Rural villages can be classified as follows:

Traditional rural villages such as Bell, Bodium, Crossroad, Lover's Twist, etc. which owe their establishment to their proximity to an agricultural resource base. Rural villages established in response to commercial agricultural needs in terms of labour on commercial farms. These villages are primarily in ward 6, 7 and 11 and include Benton, Tharfield, Jamesdale, Stourpoort and Lewis.

Holiday resorts such as Birha, Mgwaland, and Mpekweni resorts which are newly developed in response to the localized resort potential of the coastal area. Minor and isolated farm communities scattered throughout the municipal area.

Conservation Areas

There are a number of environmentally sensitive areas which are categorized as conservation areas and which are primarily situated along the coast.

3.4.9. 2 Land tenure availability and distribution

There is sufficient rural and urban land available in Ngqushwa municipal area to accommodate the short, medium and long term demand for land. Land release is however problematic and numerous tenure and distribution issues needs to be addressed. In the Ngqushwa municipal area, most urban land is owned by the Municipality. Rural land is however primarily state owned and interspersed with a number of informal land rights. A need was identified to convert the tenure of the large tracts of state owned land to communal ownership. Land release for housing projects has either been very slow, or has not been responded to in spite of the submission of applications to that effect. Ngqushwa is also characterized by a diversity of land uses and land tenure which is primarily attributable to the previous dispensation as evidenced by historical forms of land rights, such as African freehold, quitrent and permission to occupy (PTO) which are still prevalent in the area.

The land tenure arrangements prevalent in Ngqushwa are summarized in table below:

Land tenure arrangements within Ngqushwa

Bell/Bodiam	Freehold/Quitrent
Thyefu Irrigation Scheme communities of Glenmore, Ndwayana, Pikoli-Kalekeni and Ndlambe. Glenmore established late 70's early 80's, Ndwayana	PTO's in dense settlement Others old nineteenth century settlements PTO's under TA New tenure arrangements introduced by Ulimocor/irrigation scheme, with foot plots, etc., but never with full community sanction.
All other rural settlements	PTO's
Surveyed farms, formerly white owned, purchased by SANT to consolidate former Ciskei	Currently black owned or "leased" pending transfer to black farmers (conveyancing problems) or to be transferred to groups of occupiers with IPILRA rights-CPA.
Former Ulimocor Pineapple farms, same as above. Three separate blocks of land in the south east.	Tenure still under the state, Company (Pineco) running pineapple production, workers organized under Peddie Pineapple Development Trust-intention to investigate transfer of land to Trust over time.

There are a number of surveyed farms which were acquired from former white owners, some of which are in the process of being transferred to black commercial farmers and holders of IPILRA rights. There are also farms which have been transferred to former lessees who had Deeds of Sale under the Ciskei regime. Delays are however being experienced with the transfers of the above properties due to a number of reasons including unregistered subdivisions. Land redistribution of land is also a complex issue and is a major issue within this municipality. The Amathole District Land Reform and Settlement Plan identified the following crucial issues in respect of the current state land disposal process.

- There is a lack of consultation between the local municipality and Department of Rural Development and Land Reform (DRDLR)/.Department of Rural Development and Agrarian Reform (DRDAR) over decisions regarding the disposal of state farms.
- There is insufficient information about the extent and availability of land earmarked for disposal available to the local authority and communities.
- Legitimate land owners do not have their title deeds.
- The process whereby the legal occupant of land is identified needs to be done faster.
- Communities need to be given information on how to access land for farming and the relevant policy provisions.
- There is a need for greater support and communication from DLA

The restructuring agreements and subsequent land rights and transfers between the former parastatal, Ulimocor and the Peddie Community Development Trust need to be finalized as there are economic benefits to this. There are unresolved land claims that still needs to be resolved

3.4.10 HOUSING

The SDF indicates that the housing demand is 19 380 housing units. Figures provided by municipality and the discrepancies will need to be addressed in future reviews. According to Stats SA 2011, Ngqushwa Municipality has 21,384 households, of which 78.8% are privately owned. **Table 7 Access to housing**

Type of dwelling	%
Formal	72.1
Informal, Traditional and other	27.9

Source: Statistics South Africa, 2011

3.4.10.1 Current housing projects Incomplete Project

Peddie 500 was unfinished with 106 units outstanding. The department of Housing has prepared an application for funding to complete the project.

Table 10 Project Schedule – Planned Housing Projects

Project Name	Area/ Ward	No. of sites	Project Type	Status Quo 2016-17		
				Yr. 1 2016	Yr. 2 2017	
Mpekweni	12	500	Rural housing	500		Adjudication phase.
Gcinisa South	11	500	Rural housing	500		Adjudication phase.
Hamburg	11	500	In-situ upgrading	500		Adjudication phase.
Total				150	100	

3.10.4.2 Planned and surveyed sites

The following settlements (Table 5) within the Municipality have recently been planned and surveyed as pilot projects in order to facilitate service and infrastructural provision as advanced by the Rapid Land Development and People's Housing Process.

Table: Planned and surveyed sites

Area	Approximate number of sites
1. Hamburg	600
2. Mpekweni	1000
3. Gcinisa	500
4. Ntilini	350
5. Glenmore	600
6. Prudhoe	350
7. Feni	1000
8. Qaga	500
9. Pikoli	820
10. Cisira	500
11. Runlets	450
12. Tuku A	527
13. Durban	500
14. Madliki	500
15. Crossroads	440
16. Upper Gwalana	598

17. Nonibe	623
18. Ntilini	121
19. Mgababa	780
20. Tamara	500
Total	11259

Additional areas have been identified and a business plan submitted to the Department of Housing, Local Government and Traditional affairs for their survey and planning. The surveying and planning of Mavathulana was in progress at the time of compilation of this report.

Table 6 Areas identified for survey and planning

Area	Approximate number of sites
Mavathulana	600
Dlova	300
Lewis	250
Mankone	500
Total	1650

3.10.4.3 Housing Infrastructure

According to Stats SA 2011, people who have access to piped water inside dwelling is 6.1%. People with access to weekly removal of refuse is 6.7%, and 4.7% of the population has access to flush toilets connected to the sewerage. For the rest of the municipality, VIP toilets and septic tanks are the main form of sanitation. During 2014-16, the ADM hired the services of Siyenza Constructors for the construction of VIP toilets in all the ADM municipalities, including Ngqushwa. The challenge facing the municipality is the difficulty in extending bulk infrastructural services to the outlying areas due to the scattered nature of the settlements. Efforts have been made to provide water up to the IDP standard (public stand pipes) but it has not been possible to connect pipes to individual households. This problem equally affects electricity supply because the cost of providing new connections for new extensions will further stretch the resources of the Municipality. Another challenge facing housing delivery was the difficulties experienced in transporting building materials due to the poor state of rural road networks. Suppliers of materials are also not able to supply the required quantities at the given times. Local contractors are also not able to obtain contracts because they are not registered with the NHBRC. These challenges will be addressed and explored in terms of Local Economic Development opportunities. Information from the Amathole District indicates that there is MIG funding projects within the Ngqushwa Municipality that will assist in the promotion of housing delivery.

3.6 KPA 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION

Strategic Goal: To promote a culture of participatory and good governance.

Intended outcome: Entrenched culture of accountability and clean governance.

Strategy	Objective	Indicator	KPI No
Submission of advisory Audit Committee reports to Council.	To ensure effective and compliant systems of assurance on internal controls, service delivery and financial reporting in line with legislation by 2017 and beyond	Number of Audit committee meetings	GGP:01
Implementation of AG's Action Plans	To ensure effective and compliant systems of assurance on internal controls, service delivery and financial reporting in line with legislation by 2017 and beyond	Quarterly implementation status of the AG Action Plans	GGP:02
Implementation of the Risk Based Audit Plans	To ensure effective and compliant systems of assurance on internal controls, service delivery and financial reporting in line with legislation by 2017 and beyond		GGP:03
Implementation of AG's Action Plans	To ensure effective and compliant systems of assurance on internal controls, service delivery and financial reporting in line with legislation by 2017 and beyond		GGP:04
Conduct risk assessments (operational and strategic)	To continuously ensure that the NLM has and maintains an effective processes of risk management by 2017 and beyond	Quarterly Report on the Implementation Status of a Risk Management Plan.	GGP:05
Coordinate the Implementation of Risk Action Plans			GGP:06
To continuously ensure mainstreaming and effective functionality of special programmes within Ngqushwa L M by 2017 and beyond.	Implementation of the Special Programmes Unit strategy - sustainable special programmes	Number of Audit committee meetings	GGP:07

Strategy	Objective	Indicator	KPI No
	Implementation of the Special Programmes Unit strategy - sustainable special programmes		GGP:08
	Establishment of Youth Advisory Centres in 13 Wards	Functional Ward-based Youth Advisory Centres	GGP:09
To continuously promote the unearthing and nurturing of talent in various sporting codes within NLM by 2017 and beyond	Adoption and Implementation of the Ngqushwa Sports Development Strategy	Ngqushwa Sports Development Strategy adopted by council and Implemented	GGP:10
Improving quality of IDP in line with prescribed processes, monitor, evaluate and report performance information.	To continuously ensure effective, economical and compliant integrated planning, resourcing implementation reporting monitoring and evaluation by 2017 and beyond.	Improved quality of IDP.	GGP:11
Implementation of the ICT governance framework	To ensure an integrated, responsive and efficient ICT function for NLM by 2017 and beyond	Quarterly implementation status of the ICT governance framework	GGP:12
Implementation of the ICT governance strategy	To ensure an integrated, responsive and efficient ICT function for NLM by 2017 and beyond	Quarterly implementation status of the ICT strategy	GGP:13
Quarterly sitting of MPAC	To continuously ensure an effective and compliance system of municipal governance by 2017 and beyond	No. of MPAC sittings	GGP:14
Implementation of MPAC Programme of action	To continuously ensure an effective and compliance system of municipal governance by 2017 and beyond	No. of MPAC Reports to Council	GGP:15
Implementation of the annual Report Process Plan	To continuously ensure effective stakeholder consultation by 2017 and beyond	MPAC Annual Report Roadshows	GGP:16

Strategy	Objective	Indicator	KPI No
Streamlined programme for Ward Committee reporting on a quarterly basis	To ensure effective, efficient, compliant and economical Public Participation Systems by 2017 and beyond	To ensure effective, efficient, compliant and economical Public Participation Systems by 2017 and beyond	GGP:17
Streamlined programme for Ward Committee reporting on a quarterly basis	To ensure effective, efficient, compliant and economical Public Participation Systems by 2017 and beyond	4 Quarterly Ward Committee Reports to Council	GGP:18
Effective implementation of the Petitions Policy	To Continuously ensure effective, efficient and compliant Customer Management by 2017 and beyond	4 Quarterly Reports to Council from the office of the Speaker	GGP:19
Coordination of the implementation of programmes of action	To ensure effective and efficient functioning of MRM and Women's Caucus	4 Quarterly Reports to Council from the office of the Speaker	GGP:20
Development of the 5 year communication strategy and action plan	To ensure effective, efficient, economical and compliant public participation systems by 2017 and beyond.	2016/17 Communication action plan adopted by council	GGP:21
To ensure an effective and efficient IGR function by 2017 and beyond	To ensure an effective and efficient IGR function by 2017 and beyond	MOU signed by municipality and department	GGP:22
Facilitate the sitting of IGR	Coordinate planning and reporting by sector departments in line with 2015/2016 IDP through IGR	Monitor seating s of IGR meetings.	GGP:23
Implementation of Council Resolutions talking to Municipal Managers Department.	To continuously provide effective and efficient implementation of Council resolutions talking to Municipal Managers Department by 2016/17.	Number of reports on the progress on implementation of council resolution submitted to Council by 30 June 2017.	GGP:24
Coordinate implementation of MANCO resolutions that talks to Municipal Managers Department.	To continuously provide effective and efficient implementation of MANCO resolutions by 2016/17.	% Implementation of Council and MANCO resolutions.	GGP:25

Strategy	Objective	Indicator	KPI No
Attend to correctives measures as identified by AG.	To ensure contribution to improved audit outcome by 2016/2017.	Attend to correctives measures as identified by AG talking to the department.	GGP: 26

3.5.1 POLITICAL GOVERNANCE

Ngqushwa Local Municipality is governed by the Executive Committee type led by the Mayor who is the political head of the IDP processes. The municipality has four Standing Committees which are chaired by political heads. These Standing Committees report to the Executive Committee which is chaired by the Mayor. The Executive Committee reports on the progress on implementation of processes to Council. The Council consists of 24 Councillors including the Mayor, the Speaker and the Portfolio Councillors, however the 2015 demarcation process has reduced the number of wards from 13 wards to 12 wards.

Standing Committees:

- Infrastructure Development Committee
- Budget and Treasury Office Committee
- Corporate Services Committee
- Community Services Committee

3.5.2 MECHANISMS AND PROCEDURES FOR COMMUNITY AND STAKEHOLDER PARTICIPATION

The Constitution stipulates that one of the objectives of municipalities is to encourage the involvement of communities and community organizations in the matters of local government. The White Paper on Local Government also put emphasis on public participation. Through the Municipal Systems Act participation in the decision-making processes of the municipality is determined to be a right of communities, residents and ratepayers. The IDP has to a large extent addressed these legal requirements. In quest for sustained communication and engagement with local communities and other stakeholders, the municipality embarked on a Ward Based Planning and engagement processes. This process seek to achieve mini IDP's which were ward specifics. The municipality also engaged on the verification process, where the objectives of the workshops were as follows:

- Verify the data collected and reflected in the baseline survey 2012
- To build and strengthen relationships between communities and the municipality
- To empower communities on Integrated Development Planning

The following methods are utilized for reaching out to communities:

- IMBIZO focus weeks are set by the cabinet and enable the community to interact with politicians and officials, from all spheres and to discuss the service delivery and government programmes and opportunities available for the public. The municipality is involved in the planning of these events and liaise with the Office of the Premier and Government Information Systems for the deployment of Ministers and MECs;
- In line with the legal prescripts of the Municipal Systems Act the establishment of the Representative forum is advertised in the local newspaper, calling upon interested parties to be part of these forums; during IDP and Budget preparation all community stakeholders are invited to attend and newspaper adverts are being made as well to ensure meaningful community participation in IDP and Budget design processes.
- Language used is observed to limit the language barrier that could cause the public not to participate fully in matters of government. Two languages are being utilized in communicating with the public namely, English and Xhosa;
- IDP/Budget Roadshows are conducted after the draft IDP and Budget has been finalized for comment by the public;
- The Ward Committees, the CDWs, and Ward Councillors assist in mobilization of communities towards ward meetings and the relations between the municipality and ward committees, CDWs is cordial. A community participation plan is in place and fully implemented.
- The municipality involves traditional leaders and their communities in the IDP/Budget processes and they play a meaningful role.
- Ngqushwa Local Municipality Council has adopted IDP/Budget and PMS process plan in August 2015, which guide all processes in terms of IDP phases.

MEC comments and action plan in addressing comments by the MEC

KPA	RATING 2013/14	RATING 2014/2015	RATING 2015/2016
Spatial Development Framework	High	High	High
Basic Service Delivery	High	High	Medium
Financial Viability	High	Medium	Medium
Local Economic Development	High	High	High
Good Governance & Public Participation	High	High	Medium
Institutional Arrangements	High	High	High
Overall Rating	High	High	Medium

- **Action plan** is to focus on the comments raised by the MEC further to that, improve on areas which the municipality happens to have low/medium ratings. The action plan includes focus on Good Governance and Public Participation; Basic Service Delivery; Financial viability key performance areas.
 - Incorporation of the Census 2011
 - Review and refinement of the objectives and strategies
 - Review and refinement of the projects
 - Amendments in response to changing circumstances; and
 - Improving the IDP process and content.
 - Also include full budget information.

Ward based planning programme

Ngqushwa Local Municipality embarked on the ward based planning programme through the assistance of the Department of Cooperative Governance and Traditional Affairs. All 13 wards were visited through this extensive exercise. The situational analysis for all wards was presented and respective ward members were afforded an opportunity to comment and provide feed backs through IDP road shows programme.

- The ward based programme was in terms of the Municipal Systems Act has made many references to participation. For example section 29(b) of the Systems Act states that: "The process to be followed in developing an IDP-must allow for:
 1. The local community to be consulted on its development needs and priorities
 2. The local community to participate in the drafting of the IDP/Budget and Performance information.

The Municipal Structures Act defines the structures of local government and defines the ward as the unit for participation in the Municipality. It is in this particular context that Ngqushwa LM has prepared ward based planning.

The summary of ward based plans

- The Department of Local Government and Traditional Affairs has embarked on the preparation of Ward Based Plans for Ngqushwa Local Municipality, as part of the Integrated Development Plan support mechanisms. This serves as a status quo report for all Wards and the approach thereof, which gives a summary of the areas which were taken into cognisance. The first section presents the location and historical background of the ward. Backed up by demographic information the report presents the socio-economic, environmental as well as community development trends. The next section deals with an assessment of the level of existing infrastructure and social services. A summary of these services is then demonstrated before the community's prioritized needs and services are revealed. The SWOT analysis, the vision of the ward, objectives and strategies as well as proposed interventions form part of the subsequently section. This is followed by a conclusion.

3.5.3 COMMUNICATION STRATEGY

The Ngqushwa Local Municipality has developed and approved a communication strategy in 2015 however the strategy was again reviewed in 2016. The strategy has been developed in alignment with the National Communication Framework of Government, Government priorities and it supports the municipality's Vision, Mission and strategic objectives. The purpose of developing the communication strategy is to focus in the light of changing internal and external communications that has an impact on the priority issues, objectives, strategies, and programmes of the IDP that are aimed at improving the lives of people. The municipality head of administration, Councillors, tribal authorities, ward committees, Community development workers (CDWs), electronic media (radio and TV), and print media (newspapers and newsletters) are utilized for communication with the communities and the stakeholder mobilisation strategy is utilised together with the communication strategy.

3.5.4 INTERGOVERNMENTAL AND INTERNATIONAL RELATIONS

The municipality has and holds quarterly Intergovernmental Relations Forum that are attended by sector departments and government agencies, part of the role played by this is facilitate relevant intergovernmental dialogues which most of the time talks to national and provincial issues. There is improvement in the attendance of IGR forum though some departments are not consistent in attending the forum.

Another challenge that is still faced by the community of Ngqushwa is that many Government Departments do not have local offices within the municipality which makes it difficult for the communities to access other services.

Furthermore, the municipality aspires to engage on the tourism twinning project between our own Hamburg and the Hamburg in Berlin/Germany for tourism and agricultural development. The learning and sharing between our tourist destination and the city in Germany will stimulate economic development. In ensuring inter-municipal planning Ngqushwa Municipality is planning to engage Great Kei Municipality regarding agriculture and coastal management information.

- **Anti- Corruption/Fraud strategy**

The Municipality has Fraud prevention strategy, which has been reviewed to ensure its alignment with National and Provincial Legislative Framework. The strategy has been approved by Council and is fully implemented.

- **Social Cohesion Programs**

In partnership with the Department of Home Affairs the municipality has established a Home Affairs Forum.

An annual event of Mayor's Cup is coordinated annually with the aim of ensuring integration of all sporting activities at ward level to municipal level.

Moral Regeneration Movement has been established with the aim of championing and initiating dialogues and enhance social cohesion amongst communities.

3.5.5 COUNCIL OVERSIGHT

3.5.5.1 Internal Audit

The Municipality has an internal audit unit that it established in terms of the requirements of Section 165 of the Municipal Finance Management Act. The Ngqushwa Local Municipality's internal audit is augmented by a professional audit firm for co-sourcing of the Internal Audit Unit.

The Internal audit unit operates within approved formal terms of reference, which are reviewed annually and duly approved by the audit committee.

The main responsibilities of the unit in terms of the charter is to conduct performance, financial, compliance and electronic data processing audits of all departments, offices, activities and programs under the control of the municipality. Performance audits include economy, efficiency and program audits, while financial audits include high level review of Annual Financial Statements and financial related audits. Over and above internal audit will perform consulting engagements as required by the definition of internal auditing.

The unit is also responsible for facilitation of Risk Management activities for the municipality.

3.5.5.2 External Audit

For the past three years Ngqushwa Local Municipality received disclaimer opinion except for the 2009/2010 financial year where the municipality received a qualified audit opinion. As a corrective action the municipality prepared an action plan with the assistance of the Provincial Treasury to deal with the issues raised by the Auditor General's office.

3.5.5.3 Audit Committee

The Municipality has a functional Audit Committee that has been established as an Independent Committee, in terms of section 166 of the Municipal Finance Management Act 56 of 2003 (the MFMA). The Committee has adopted formal terms of reference, which are reviewed annually and duly approved by Council.

In terms of the Council approved Audit Charter, the Chairperson of the Committee reports on a quarterly basis, or more frequently if necessary to the council on the operations of the internal audit unit, ICT Governance, Risk management and Internal Controls, Performance Management (i.e. Implementation of the IDP), External Audit, Governance and Compliance with applicable legislation.

The term of the current audit committee end in February 2017 and the institution will during the 2016/17 financial year embark on the recruitment process for the new committee and will also accordingly revise the fee structure of the committee.

The current audit committee is constituted as follows:

1. Dr. A. Plaatjes (Chairperson)
2. Mr. G. Bana
3. Ms. N. Hlongwane

3.5.5.4 Oversight Committee/Municipal Public Accounts Committee (MPAC)

The Ngqushwa Local Municipality Municipal Public Accounts Committee is currently led by Cllr S Jali. This committee is comprised of the below listed 8 Councillors and 1 Traditional Leader.

- Councillor S.A Jali
- Councillor T.M.Dyani
- Councillor N.Y. Ndabazonke
- Councillor A. Ndanda
- Councillor T. Tusani
- Councillor N.C. Gxasheka
- Councillor T.G. Dyibishe
- Councillor M.C. Mapuma
- Councillor G. Ntonjane
- Prince G.L Zitshu

3.5.6 Special Programmes Mainstreaming.

To continuously ensure mainstreaming and effective functionality of special programmes within Ngqushwa by 2017 and beyond:

3.5.6.1 Youth Advisory Centres

The Municipality will establish Youth Advisory Centres in all 12 wards using community halls small rooms from all the ward centres. These centres will see atleast one youth being assigned to administer the centres, currently youth/disabled and gender issues are being mainstreamed and youth advisory centres will further assist in ensuring further engagement on youth issues.

3.5.6.2 CETA Project

Ngqushwa Local Municipality has partnered with Construction Education and Training Authority (CETA). This partnership is worth R6, 3 million and will see 300 Ngqushwa Learners benefitting from Short Skills (200) and Learnership programmes. The Short Skills will run for 3 months, with Learnership running for 12 months. The Learners will receive stipend of R1500 (Learnership) and Short Skills (R1000) per month. Ngqushwa LM has forged a partnership with the Department of Education, King Williamstown District. This partnership yielded good results as we were given permission to use Knight Marambana Commercial School as a training venue. Ngqushwa Local Municipality has committed to transport Learners from their respective wards.

3.3.5.3 National Days

National Days are celebrated in an attempt to recognise the needs of Women, Youth, People Living with Disabilities, People Living with HIV/AIDS and Older Persons.

The following National Days will be celebrated:

- Mandela Day (18 July)
- Women's Day (9th August)
- 16 Days of Activism (25th November ; 1 December ; 3rd December and 10th December)
- Human Rights Day (21st March)
- Freedom Day (27th April)
- Youth Day (16th June)

The Municipality will celebrate some of the National Days and in some we will join the District and the Province and in some cases the National Government.

3.3.5.4 Sport Development

Strategic Objective: To continuously promote the unearthing and nurturing of talent in various sporting codes by 2017 and beyond.

Project to be carried out in this financial year:

- Resuscitation of School through the Mayors Cup
- Mayors Cup for Local Clubs
- Running of Sport Leagues in 6 Sporting codes i.e Football; Rugby; Netball; Boxing; Goal Ball and Cricket also people with disabilities will be taking part.

Oversight

The portfolio head holds at least weekly one on one meeting with the HOD of the department.

3.3.8 IDP Approval

The draft IDP and the budget was adopted by the Council on the 31st March 2016 and the final IDP document will be approved by Council in June 2016, there after the documents will be submitted to Government Departments and the District Municipality. The documents will be distributed to all relevant stakeholders within the Ngqushwa Local Municipality jurisdiction.

3.5.9 Ward Committee

The municipality has 12 functional ward committee structures with 120 ward committee members who receive a monthly stipend of R1000.00 a month. The ward committee meeting is chaired by the Ward Councillor. Ward committees reports to the Speaker's office and all the reports are channelled through this office. The Ward Committees' term of office is in line with the term of Councillors. The community participation plan in place is assisting ward councillors and ward committees in dealing with their respective wards, furthermore ward committees contribute in the develop of priorities in the IDP and in the budget allocation as well.

3.5.10 Traditional Leaders

The Member of the Executive Council responsible for Local Government and Traditional Affairs in the Eastern Cape Province published in terms of Section 81(2) (a) and (4) of Local Government: Municipal Structures Act, 1998 of (Act No. 117 of 1998) the names of

the identified traditional leaders who may participate in the proceedings of the municipal council as listed in schedule 1 and also the guidelines regulating the participation of Traditional Leaders in the municipal council

Below is the Traditional Leaders identified for participation in the Ngqushwa Local Municipal Council and IDP processes.

- Prince G.L. Zitshu
- Prince N. Mhlauli
- Prince S. Stofile
- Chief P. Z Njokweni
- Prince A. Goni
- Princess N. Ngqondi

3.3.11 Community Development Workers

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

3.3.11 Complaint Management System

The complaint management system is in place, which deals with all complaints in the form of walk-ins, petitions etc., all complains are centralised in the office of the Speaker and some are escalated to the management for action and others find space in the council agenda.

INTEGRATED DEVELOPMENT PLAN

CHAPTER 4

SECTOR PLANS



4.1 LED STRATEGY

The Ngqushwa Local Municipality has adopted the reviewed LED strategy as an component of a Master Plan development process which was also approved in February 2013. The development of the municipality is based on the National Economic Development Framework; Growth and Development priorities as agreed upon by the social pact and compact; the Provincial Growth and Development pillars as well as the National Spatial Development Perspective principles. This is further entrenched in the activities of the clusters and all the IGR structures operating within the jurisdiction of Ngqushwa LM.

Platform for Participation

- The following platforms are utilised for participation:
- Intergovernmental Relations
- Community-based Planning; Representative Forum
- Area-based Planning; SMME/Co-operatives Forum
- Local Tourism Organisation
- Ngqushwa Agricultural Stakeholders Forum
- Small Towns Revitalisation Technical Committee
- Hamburg Steering Committee.

According to the AREDS report, the historic lack of, or inappropriate, investment in Amathole District, considerable challenges to economic development are faced due to

- low level of human capital development,
- under-developed infrastructure and
- Ineffective governance.

The following specific issues are considered barriers to economic growth in Amathole in general. These can be grouped into the following categories:

- **Infrastructure** – outdated, inadequate and poorly maintained infrastructure is an impediment to cost effective enterprise. This issue is a very high priority because of the distance of the district from markets and the lack of raw materials locally. As Ngqushwa Municipality we are in the process developing a Regenerating/Master plan and part of this process is the analysis of the existing infrastructure and its capacity to absorb investment opportunities and develop means and projects to increase these in order to deal with these barriers indicated.
- **Land related issues** – this includes the resolution of land ownership and use rights, land use planning and land use management to exploit (where applicable) and protect (where applicable) the environment. The land issue relates to both rural and urban localities. In the former, it relates to use for agriculture and settlements, while in the latter it relates to land for investment in production facilities, offices and housing. A Land Audit process has been long concluded by the Department of Public Works, and the Municipality together with its stakeholders is in the process of ensuring these are transferred to the Municipality for the benefit of attracting development opportunities and unlocking development potential that exist in these land parcels.
- **Lack of competitiveness of the sectors and localities.**

This resolves into two key aspects:

1. Support systems and services – there is inadequate technical and systemic (e.g.: for maintenance, provision of supply, production) support across all the sectors. However the Municipality has capacitated the LED section with human and financial resources (though not sufficient) able to create a conducive environment for the sectors to thrive. Therefore internal capacity has been built in order to drive the sectors and provide development support.
 2. Skills –inadequate and inappropriate skills are a constraint to growth. There is constant engagement with relevant institutions to provide training interventions in order to address the issues of inadequate and inappropriate skills in the Municipality.
- **Governance** – across sectors and areas lack of governance systems and capacity are impediments to enterprise growth and development. The Municipality has provided platforms for engagements and to deliberate issues affecting the sectors, hence the establishment of sector forums, such as the agricultural stakeholder's forum, hawker's forum and others.

The economic activity that exists in the Ngqushwa LM is mainly found in the Peddie town, similarly most tourism development and facilities are mainly found along the coast but with some in the inlands of the Municipality. Peddie is the economic hub in the municipality, with economic activities concentrated within the CBD. There is a need for the development of more by-laws in the town to try and regulate the trading sector. The town is characterised by the retail shop, various shops, and informal traders. Other economic activities include a number of agricultural enterprises such as but not limited to pineapples, cattle farming, honey production, and some citrus. Some economic activities outside the CBD of the Municipality rely on available natural resources being used for various purposes such as:

- Water
- Land
- Fuel woods; cooking, lighting and heating
- Timber for construction material and wood carving
- Fruit
- Bark; medicinal products, ropes and weaving
- Honey production
- Grass; thatching, grazing and weaving etc.

This means that trees, tree products and woodlands play an important role for rural communities in this area both for survival and to generate a source of income. The municipality should devise means of providing support to these initiatives as part of the SMME development Strategies. The LED strategy identifies the following economic development initiatives for priority spending:-

- Tourism
- Livestock (beef, and small stock)
- Aquaculture
- Subsistence Farming (community and household food gardens)
- Arts and Crafts
- Economic activities in the coastal zone
- Citrus
- Irrigation schemes
- Poultry (layers and broilers)

- Crop production (maize, wheat, etc.)

4.2 REVISED PROJECT PROPOSALS

These serve as planning documents for project implementation or for further feasibility studies. The IDP projects identified were screened by the officials, members of the community and politicians and are in line with the strategic guidelines, objectives and resource frames. Project proposals were mutually agreed upon and reflect the people's priority needs. They were planned in a cost effective manner and can be implemented in a well-co-ordinated manner.

Detailed project proposals will be drafted in a bid towards implementation readiness. These project proposals shall be related to the Methodology selected, compliance factors (environmental, poverty alleviation, gender equity, and LED potential), feasibility and the alignment with other projects.

A systematic, criteria-based and transparent process, which can be considered as fair by all parties involved for acceptance of the outcomes, will be adhered to.

4.3 CONSOLIDATED SECTORAL PROGRAMMES/SECTOR PLANS.

4.3.1 HOUSING SECTOR PLAN

The municipality adopted the housing sector plan in August 2012, however, in 2014 Kantey and Templer were appointed by Provincial Department of Human Settlement to develop a sector plan for Ngqushwa Local Municipality, which was submitted in May 2016 due to some unforeseen delays, thus delaying its adoption by the Municipality. The purpose of this report is to update the 2011 – 2016 Housing Sector Plan (HSP) that was prepared in 2011.

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

The current status of Human Settlement Projects is described as well as new planned projects in the municipality.

The Housing Sector Plan therefore aims to outline the needs and demands for housing, respond to issues underlying provision of housing and make proposals for strategic housing interventions. The purpose of the Housing Sector Plan is as follows:

The main purposes of a Housing Sector Plan (HSP) as per the Housing Sector Plan Manual (2006) are as follows:

- Serve as a planning and measuring instrument for housing delivery.
- Identify both the overall quantity and quality of housing to be delivered and identify areas of strategic priority.
- Become need orientated and respond to the specific housing development challenges of the Municipal area.
- Co-ordinate and facilitate alignment between district and provincial housing strategies, policies, delivery systems and other related initiatives.
- Ensure the effective allocation of limited resources (specifically financial and human) to a large pool of potential development interventions.
- Provide a formal and practical method of prioritizing housing projects and obtaining political consensus for the sequencing of their implementation.

- Ensure more integrated development through bringing together the relevant cross-sectoral role players to coordinate their development interventions in one plan.
- Ensure that there is a definite housing focus for the IDP of Council and all other relevant sectoral plans, such as; Water Services, Disaster Management, etc.
- Provide greater spatial linkages between the spatial development framework (SDF) and the physical implementation of projects on the ground.
- Provide a critical link between integrated development planning and the practical reality of delivering housing projects on the ground.
- Deal with all forums – not only formal and informal, but also living spaces environments within them are situated in.
- Ensure effective subsidy budgeting and cash flows both at the local municipal and provincial levels.
- Align with the Eastern Cape Human Settlement Plan, policies as well as national legislation and policy frameworks pertaining to housing in the Republic of South Africa.
- Harmonise between demand and supply – different state assisted housing typologies.

4.3.2 WATER SECTOR PLAN

The Municipality is building capacity to develop and implement the various sector plans as well as review existing sector plans. The sector plans will assist in managing the implementation of projects as they provide a concise summary of all related measures, aspects and activities indicating how the sector issues of the analysis is being addressed. Ngqushwa has embarked on a process in order to determine whether all the sectoral activities are in line with available personnel and financial resources and has considered the time and location aspects for project implementation.

4.3.3 ONE 5-YEAR FINANCIAL PLAN

This serves as a mid-term financial framework for managing municipal revenue collection and for expenditure planning. Ngqushwa Local Municipality shall develop a 5 year financial plan to create the medium term strategic financial framework for allocating municipal resources through the municipal budgeting process in order to ensure the financial viability and sustainability of the Municipality's investments and operations. This is to ensure a close-"planning-budgeting link"Ngqushwa LM has developed a Revenue Enhancement Strategy. The Municipality will be a financially viable institution. This will be achieved through effective Revenue Management and Revenue Enhancement programmes. The Municipality will maximize revenue collection and will minimize unnecessary expenditure. Intergovernmental grants will be used to achieve its strategic objectives.The Municipality will also initiate a sound investment policy and strategy to ensure that the returns on investments are maximized and fully compliant with legislation. Ngqushwa LM is committed to establishing a sound financial platform, aims for legislative compliance, accurate billing, providing an accurate and clean customer data base and billing system, an effective indigent subsidization and support programme and an effective credit control and revenue collection system through the provision of LED opportunity for people to work, demonstrating an improved local economy.Ngqushwa LM has developed a tariff policy, a credit control and a debt collection policy. A financial strategy has also been identified as a project to be undertaken by the local authority

and shall include financial guidelines and procedures, capital and operating financing strategies, revenue raising strategies, asset management strategies and cost effective strategies. The financial plan indicating a revenue collection and expenditure forecast for 5 years with appropriate adjustments has been prioritized as a project for implementation.

4.3.3 AN INTEGRATED MONITORING & PERFORMANCE MANAGEMENT SYSTEM

This includes development objectives as well as performance indicators. The development of an integrated monitoring and performance management system is an imperative control tool to ensure accountability. Refer to Chapter 6.

Ngqushwa Local Municipality will develop a monitoring and performance management system as part of the implementation plan. This plan will depict the development indicators for the IDP, the objectives, output targets for all IDP projects, a time schedule, a list of performance indicators, an action plan including resource requirements and responsible actors.

The Performance Management System is in place. It considers the five Key Performance Areas, namely:

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

Currently the Performance Management System focuses on the Managers of the departments through Departmental Service Delivery and Budget Implementation Plan (SDBIP). Section 57 Managers are responsible for the implementation of their respective SDBIP and this in turn will give an indication of their performance.

The institution is in the process of cascading down the PMS to the Middle Managers. This therefore means that the SDBIP's will be cascaded down to sections which will be monitored by the Section Heads and through the performance of Middle Managers will be individually measured.

In order to ensure that the function receives the attention it deserves the Institution will have the services of a full time dedicated individual who will devote his/her time to the Integrated Development Plan and Performance Management System.

4.3.4 WORKPLACE SKILLS DEVELOPMENT PLAN

The municipality has a Workplace Skills Plan in place. The plan for 2016/17 was submitted to the Local Government Seta on the 30th April 2016. This plan seeks to identify training needs aligned to the scarce skills and IDP implementation processes. The processes are co-ordinated by the Skills Development Facilitator working together with the Training Committee as stipulated in the Skills Development Act.

4.3.5 EMPLOYEE ASSISTANCE PROGRAMME

The municipality as an employer is committed to look after the physical emotional, psychological and social well-being of its employees. To this end an Employee Assistance Programme (EAP) is in existence but not well established to provide to employees. Policies are also in place or being developed for adoption by the Council.

4.3.6 INFORMATION AND COMMUNICATION STRATEGY

The Ngqushwa Local Municipality has a draft I.C.T. Strategy. The objective of the strategy is to provide a secure IT infrastructure which delivers appropriate levels of data Confidentiality, Integrity and availability and also incorporate effective governance and Project Management practices to promote a close alignment between ICT and Municipal Departments. The strategy also highlights the key strategic actions to be implemented in the next three years.

4.3.7 SPATIAL DEVELOPMENT FRAMEWORK

The Ngqushwa Local Municipality has adopted the framework on the 04 July 2014. On the review, the alignment with the Provincial Growth Development Strategy had been considered. The Ngqushwa SDF is informed by the Provincial Spatial Development Plan that seeks to identify key spatial development issues in the context of identified nodal points and zones. In the new financial year, 2016-17, Ngqushwa Municipality will be developing a Spatial Development Framework that will be Spluma (Spatial Planning and Land Use Management Act 16 of 2013) aligned. However the Municipality has customised and adopted Spluma By-laws. The by-laws has since been forwarded to both Department of Rural Development and Land Reform, and Amathole District Municipality for funding and gazetting.

In terms of Sections 26(e) of the Municipal Systems Act of 2000 (Act No 32 of 2000), every Municipality is required to formulate a SDF as part of the contents of the IDP. The SDF highlights these spatial development challenges experienced by Ngqushwa, namely poverty; development integration and co-ordination; rural- urban interface; dispersal and fragmentation of settlements; development planning challenges (understaffing); underutilization of resources; environmental sustainability versus economic development and housing.

The current Ngqushwa Municipality Spatial Development Framework (SDF) was developed to create a strategic, indicative and flexible forward planning tool to guide planning and decisions on land development. The SDF provides for a spatial logic which guides private sector investment and at the same time ensures social, economic and environmental sustainability of the area. Spatial priorities were identified, and places where public-private partnerships are a possibility and where areas of greatest economic potential and need for poverty alleviation are highlighted and promoted. The SDF depicts a settlement hierarchy indicating the regional centre, sub regional centre, ward centre and village centres. It also indicates the settlements development nodes distinguishing between rural settlements, urban settlements and coastal zones. A social services development framework, a local economic development framework, conservation areas, an infrastructural development framework, the distribution of social services (schools, clinics, hospitals, sports stadiums), road networks, rivers, villages and power lines are all indicated in the maps found in the SDF attached. Projects identified in the IDP will be considered against the backdrop of the SDF in order to spatially arrange the locations in a logical and practical manner.

4.3.8 SOCIAL DEVELOPMENT (MINISTER BATHABILE DLAMINI) 2016/17 PRONOUNCEMENTS

The honourable Minister Bathabile Dlamini, of Social Development visited Ngqushwa Local Municipality in April 2016 and made some pronouncements. These pronouncements will be implemented through Project Imikhondzo. Listed below are Ministers pronouncements:

ISSUES	SHORT	MEDIUM TO LONG TERM
<ul style="list-style-type: none"> Household profiling Community profiling 	<ul style="list-style-type: none"> The National Office to support household profiling within the next two weeks. Conduct community profiling to identify community assets, resources and needs. 	<p>Profile 1000 households per quarter.</p> <p>Profile all communities around Ngqushwa Municipality.</p>
<ul style="list-style-type: none"> Teenage Pregnancy (Integrated School Health Programme). 	<ul style="list-style-type: none"> Focused dialogues on teenage pregnancy (Ezabasha) 1 per ward in May and June 2016. Conduct awareness campaigns on teenage pregnancy in all schools. 	<p>Capacitate Life Orientation teachers in comprehensive sexuality education by the end of the 2nd quarter.</p>
<ul style="list-style-type: none"> ECD 	<ul style="list-style-type: none"> Conduct dialogues with ECD Sector within two weeks. Introduce mobile ECD to reach out to communities by the end of June 2016. Start the registration of unregistered ECD centres working with stakeholders such as municipality. 	<p>NDA to provide training of practitioners by the end of the July 2016.</p> <p>Continuous registration of ECD centres by the end of the financial year 2016/17.</p>
<ul style="list-style-type: none"> Facilitation of the establishment of cooperatives in Peddie. 	<ul style="list-style-type: none"> Awareness session on coops in the next two weeks. 	<p>Capacity building and registration with the central database.</p>

<ul style="list-style-type: none"> • VEP 	<ul style="list-style-type: none"> • Provide continuous support of the White Door/ safe houses • Follow-up an assessment of the identified pregnant children by May 2016. • Perpetrator programmes to be implemented in the Municipality • Training and implementation of Everyday Heroes awareness programme. 	Perpetrator programme for men to be on board on issues of victim empowerment June 2016.
<ul style="list-style-type: none"> • Unauthorized deductions 	<ul style="list-style-type: none"> • Identify, verify and address the reported cases immediately. 	Continuous awareness campaigns through ICROP.

4.3.9 AN INTEGRATED ENVIRONMENTAL MANAGEMENT PLAN

The Environmental protection is the function of ADM. Therefore, the ADM developed the Integrated Environmental Management Plan (IEMP) so as to provide guidelines that will enhance the positive aspects of a project and prevent undue adverse impacts on the environment. IEMP need to guide management planning and decision making. Therefore the approach taken on this project is informed by the state of existing environmental management planning for the district, and the need to formulate a practical and relevant environmental management plan for implementation within ADM.

Ngqushwa Local Municipality has customised the ADM Integrated Environmental Programme in order to contribute to a healthy environment by ensuring that urgent environmental issues are adequately addressed and envisaged projects have no negative impact on the natural environment. Projects requiring EIA's were also identified and the Municipality will ensure that its projects comply with the NEMA principles and the national environmental norms and standards. Once again it is a tool for mainstreaming the environmental contributions from all IDP projects in context.

4.3.10 STATE OF THE ENVIRONMENTAL REPORT FOR ADM

Amathole District Municipality has developed an Environmental Management System that will govern all the ADMs functions so as to ensure environmental compliance and sustainability as well as form basis for environmental management within ADM. Among other issues that this report covers is the issue of pollution which is largely caused by air pollution affecting air quality that poses threats to human health.

4.3.11 AN INTEGRATED LOCAL ECONOMIC DEVELOPMENT PROGRAMME

Ngqushwa Local Municipality, Amathole District Municipality, Department of Economic Development Environment, and Tourism, the Department of Rural Development and Agrarian Reform, other government departments, development institutions and agencies have a responsibility of ensuring that Local Economic Development does take place. The LED section is comprised of Agriculture and Rural development, SMMEs & Cooperatives, and Tourism all which fall under the Development Planning Department. The Municipality has an LED strategy which was adopted in 2009 and is due for review. However, the Municipality is in the process of developing a new strategy in 2016-17. Several summits will be held in preparation of the development of the LED Strategy. Below is a process plan that will be followed in this process

LED Strategy Process Plan:

- Organize, conduct and facilitate a Local Economic Development (LED) Summit;
- Organize, conduct and facilitate a Local Tourism Indaba;
- Organize, conduct and facilitate a Local Small, Medium and Micro Enterprise Summit;
- Develop an LED Strategy for the municipality;
- Develop a Tourism Sector Plan for the municipality;
- Develop a Small, Medium and Micro Enterprise Development Strategy for the municipality;
- Develop an Agricultural Sector Plan for the municipality;
- Develop a Poverty Alleviation Strategy for the municipality that is based on Ward Profiles and Ward based plans; and
- Develop a Concept Document/ Business Model for the Small, Medium and Micro Enterprises Incubation Centre that includes a Funding Model.

4.3.12 HIV/AIDS, STI, TB, AND CANCER STRATEGY 2014-18

The HIV/ AIDS is a major challenge facing societies. Therefore, in responding to these challenges posed by HIV/AIDS, Sexual Transmitted Infections (STIs), Tuberculosis (TB) and Cancer; the government working with civil society organisations has to develop strategies and plans to ensure reduction and impact of the pandemic.

Based on the above, ADM has developed such strategy for implementation within its jurisdiction, with its main objective being that of ensuring and facilitating a coherent approach towards the implementation of programs and strategies that seek to reduce the spread and impact of HIV/AIDS, STI, TB and Cancer.

4.3.13 A DISASTER MANAGEMENT PLAN

In terms of the Disaster Management Act No. 57 of 2002¹, the Amathole District Municipality is primarily responsible for the coordination and management of local disasters that occur in its area. However, despite the fact that the ADM has the responsibility for *coordinating and managing* local disasters, there is also a statutory responsibility on every local municipality in the area of the Amathole District Municipality to develop and implement a

disaster management plan for its area that inter alia “facilitates emergency preparedness and contains contingency plans and emergency procedures in the event of a disaster which makes provision for:

1. the allocation of responsibilities to the various role players and the coordination of their actions in the carrying out of those responsibilities;
2. structures and procedures to facilitate prompt disaster response and relief;
3. the procurement of essential goods and services;
4. the establishment of integrated emergency communication links;
5. an integrated system for the dissemination of information; and
6. other matters that may be prescribed.”

This All Hazards Contingency Plan thus serves to detail the corporate arrangements for emergency preparedness and for providing the initial response to the most commonly encountered disasters that occur in its area of jurisdiction of the Ngqushwa Local Municipality. It details the emergency procedures and sequence of operations to be followed and assigns responsibilities to the municipal manager, heads of departments and key personnel within the municipality and to other relevant emergency and essential services (agencies) operating within the area of the Ngqushwa Local Municipality. The last Municipal contingency plan was signed by the Mayor of Ngqushwa Municipality in 2012.

4.3.14 EDUCATION SECTOR PLAN

The integrated intervention on education seeks to address systematically entrenched inequities that thwart the progression of transformation within the education sector, with basic education as the focal point.

The strategy is being developed with aim of strategically positioning the municipality, as the local sphere of government, to play an effective coordinating role across all key sectors in addressing the disparities and barriers identified within the sector as they manifest themselves within our rural municipality.

Barriers identified have a structural and socio-economic undercurrent. A strong correlation is thus drawn between the nature and extent of socio-economic patens (as demonstrated by the 2011 Census Population Statistics, which indicate a 12 000 decline in the total population) and the nature and extent of structural disparities within centres of basic education. The logical deduction is that the municipality has not provided the infrastructure and opportunities that our developing constituents require.

While education falls outside of municipal functions and powers, as a developmental municipality, informed by the National Key Priorities, the Municipal Systems Act as well as the RSA Constitution, a diagnostic multi-stakeholder Education Indaba was undertaken in August 2013 in order to correctly classify, analyse and rectify the limiting factors within the education sector. As a continuation of the process, a multi-pronged approach premised on out-reach campaigns, Career Exhibitions and Anti-Drug Abuse campaigns continue to unfold.

Immediate goals of the plan are:

- Facilitation of access to well-resourced centres of basic and higher education {Everyone has a right to a basic education...and to further education which the state, through reasonable measures, must make progressively available and accessible-Bill of Rights}

- Facilitation of access to quality infrastructure in both basic and higher centres of learning.
- Facilitation of the mitigation of poverty, unemployment and other adverse social dynamics, as limiting factors to access to educational opportunities for NLM constituents.

4.3.15 CORPORATE SERVICES SECTOR PLANS

Name	Responsible Person
Human Resources Strategy	H.R. Manager
Employment Equity Plan	H.R. Manager
File Plan	Administration Manager
Information in Communication Technology Strategy	ICT Manager

4.3.16 HUMAN RESOURCES STRATEGY

The Human Resources Strategy was developed and adopted in 2013 for five (5) years until 2017. The aim of the strategy was to align, plan and direct employees towards realising the municipal vision and mission.

In order for Ngqushwa Municipality to succeed in its effort *'to be the preferred, vibrant, and socio-economically developed municipal area that embraces a culture of human dignity, good governance, and characterised by good quality service for all'*, it must put its employees first, as service can only be delivered to the community through capacitated, motivated, willing and satisfied employees.

The Human Resource Strategy had developed in line with the municipality's vision, mission and goals. In developing a human resource strategy, the municipality must analyse the characteristics of its environment, determine its competitive advantage, and identify key processes and key people. Creating different strategies for all groups of people in the municipality may be necessary, depending on their skills, knowledge and responsibilities. The strategy must look at the municipality's culture, structure, people and systems. This is the approach which the facilitator followed and promoted.

4.3.17 EMPLOYMENT EQUITY PLAN

Ngqushwa Local Municipality recognizes the legacy of past discrimination during which people were denied opportunities to quality education, employment and development on the basis of race, gender, HIV/AIDS, marital status, sexual orientation, religion; ethnic/social origin, age and disabilities. In endeavour to redress those imbalances, NLM has committed itself to the principles of equal opportunities, fair employment practices and people development

- The NLM is committed to the implementation of employment Equity to redress the legacy of past discrimination during which people were denied access to equal opportunities based on their race, gender, HIV/AIDS, marital status, sexual orientation, religion; ethnic/social origin, age and disabilities;

- NLM is committed to redress the past legacies through the establishment of EE Forum;
- In order to guide its implementation process and review, the municipality developed an Employment Equity Plan covering a period between 2012 and December 2016;
- The plan needs to be continually reviewed and updated annually to ensure that it is consistently in line with the economic realities of the Municipality.
- In 2016/2017, the department will develop/review Employment Equity Plan in line with the provision of EE Act of 1998. This follows expiry of the current Employment Equity plan in December 2016.

The municipality will also analyse the challenges which lead to barriers that prevent the municipality to achieve the planned targets for example there is no single disabled employees and a white woman as per our plan.

4.3.18 FILE PLAN

The Ngqushwa Local Municipality is required by Section 13 of the National Archives and Records Service of South Africa Act, 1996 to manage its records in a well-structured record keeping system, and to put the necessary policies and procedures in place to ensure that its record keeping and records management practices comply with the requirements of the Act.

In January 2014 the Ngqushwa Local Municipality submitted for approval to the Provincial Archives the developed file plan. On 14 January 2014 the file plan was examined in accordance with Section 13(2) (b) of the Eastern Cape Provincial Archives and Records Service Act No. 7 of 2003 and was found in order.

4.3.18 INFORMATION AND COMMUNICATION TECHNOLOGY (I.C.T.) STRATEGY

The development of I.C.T. Strategic Plan has been identified as a crucial step towards achieving good I.C.T. governance in the Municipality. Amathole District Municipality appointed a service provider to review the strategy that was adopted by Council in August 2015. The reviewed I.C.T. strategy was adopted by the Council in December 2016. A key objective of this document is to enable and ensure alignment between NLM's ICT and the business strategies and priorities.

Secondly, this document serves as the communication tool between the ICT unit, senior management, the Executive Committee, Council and key stakeholders in establishing the necessary processes to achieve the desired state as outlined in this document. The strategy also highlights the key strategic actions to be implemented in the next 5 years. The strategy is being implemented although there are financial constraints in implementing some of the activities. To address financial constraints the Municipality will develop a business plan and seek funding in order to implement all the activities that will address the current challenges.

INTERGRATED DEVELOPMENT PLAN
CHAPTER FIVE
CAPITAL PROJECTS: 2015/16-2016/17



CHAPTER FIVE: CAPITAL PROJECTS FOR 2015/16 – 2016/17

CURRENT AREA'S PROJECTS

Ngqushwa Area Wide Sanitation – Region 2;
Peddie Waste Water Treatment Works;
Hamburg Sewerage Treatment Plant;
Ngqushwa Villages – Water Reticulation.

Villages continued

- Hamburg
- Ntilini A and B
- Nyulutsi/Sandfla
- Qoboqobo/Blue Krans
- Wesley A, B & C
- Grassridge/KwaNdlambe
- Lovers twist A & B
- A total of 2016 units were completed.

Below are the completed are projects and the villages that have been completed under Phase 1 to date and a total of 1200 households have been served with portable/ piped water.

COMPLETED PROJECTS	COMPLETED VILLAGES
New Loots (Gcinisa	Nqwenerana
Nqula Daninge and Dninge B	Forosi
Wesley, Mbekeni (Eastern Section)	Mxaxa Ext
Mgwaalana Ext	Magwazeni (Feni) phase 1
Gwalana (Upper & Lower)	Cisira Ext
Mahulbini Ext	Ncala Ext
Celetyuma Ext.	
Lujiko 1&2 Ext	
Mtati	
Mrathaza (Fairfield A)	

SERVICE DELIVERY PLAN 2015/16

RURAL DEVELOPMENT AND AGRARIAN REFORM PROJECT DONE BY DOCTOR DAA 03 DECEMBER 2015

PROGRAM	DESCRIPTION	AMOUNT (R)
Household Food Production		181 250.00
Dam Scooping	1	350 000.00
Cropping Program	830ha	2 656 000.00

Dip Tanks	5 renovations	350 000.00
Pineapple Development	Inputs for Bingqala and Pineco	4 000 000.00

SERVICE DELIVERY CONTINUED

PROGRAM	DESCRIPTION	AMOUNT (R)
Citrus Development	Ripplemead Packshed	9 238 000.00
	Production Inputs	2 000 000.00
Feedlot	Structure, Fencing, Feed	2 666 000.00
Chicory production	Production inputs	500 000.00
TOTAL		22 691 250.00

SERVICE DELIVERY PROGRESS

- Household: Inputs delivered (seedlings, chicks, etc)
- Dam scooping: Nonibe dam will be done.
- Cropping (17 projects) : 270 ha ploughed and 95 planted. Partnered with Ngqushwa L.M (chemicals). & Amathole D.M. (780 fertilizer bags delivered)
- Dipping Tanks: Material delivered on the 01/12/15
- Home industry-material bought

COMMUNITY WORK PROGRAMME

Cwp performance targets 2015/16

CWP Performance targets 2015/16						
Performance Indicator	Reporting period	Annual target 2015/16	Quarterly Targets 2015 / 2016			
			1 st	2 nd	3 rd	4 th
Outcome 9 Performance Indicator and Target						

Total number of work opportunities created through the community work programme	Quarterly	37 000	35 000	35 000	36 000	38 000
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NGQUSHWA ROADS: UPDATED CONSTRUCTION PROJECTS

No.	Road no.	Brief Description	Comments		Estimated start	Budget	
			Activity	Status		2015 / 2016	2016 / 2017
1		R72 / Hamburg	Consultant	Appointed	2016 / 2017	R 1 500 000,00	R 30 000 000,00
			Geotech invest.	Done			
			Survey	Done			
			OHS	final stage			
			Environmental	final stage			
			Design	In progress			
2		Gcebula bridge	Consultant	Appointed	2016 / 2017	R 1 000 000,00	R 3 000 000,00
			Survey	Done			
			Design	In progress			

List of Roads Completed Projects

No.	Road no.	Length (km)	Brief Description	Activity	Budget	Programme
1	MR00689	3 km	Ginsburg / Crossroads	Patch gravelling	R 844 231,00	Planthire contract
2	DR07539	8 km	Qugqwala	Patch gravelling	R 348 000,00	Planthire contract
3	DR07531	10 km	Twecu	Patch gravelling	R 269 120,00	Planthire contract
4	DR07028	10 km	Mqeleni	Patch gravelling	R 538 245,00	Planthire contract
5	DR07017	12 km	Ntloko	Patch gravelling	R 1 000 000,00	Planthire contract
6	DR07022	10 km	Mgwalana	Patch gravelling	R 2 000 000,00	Planthire contract
7	MR00522	9 km	Hamburg	Patch gravelling	R 484 400,00	Planthire contract
TOTAL BUDGET SPENT					R 5 483 996,00	

List of Roads Current Projects

No.	Road no.	Length (km)	Brief Description	Activity	Budget	Programme
1	DR07568	9 km	Zimbaba village	Patch gravelling	R 456 803,00	Planthire contracts
2	DR07564	1 no.	Qugqwala village	Bridge construction	R 500 000,00	Additional Funding
3	DR07021	2 no.	Mgwalana village	Bridge construction	R 1 352 252,00	Additional Funding
TOTAL BUDGET TO BE SPENT					R 2 309 055,00	

STATE OF NGQUSHWA MUNICIPALTY HUMAN SETTLEMENT PROJECTS 03 DEC 2015

Project Name	No. of subsidises	Delivery Planned	Budget	Status	Challenges	Progress to date
Peddie 500	500	Complete 105 new units and 105 VIP Toilets	R 15.1m Spent to date R 7,250,628.69	Running	Slow progress and un-availability of approved beneficiaries. Only 6 houses are occupied.	Slabs to date : 94 Wall plate to date : 94 Roof to date : 94 Finishes : 19 Completed : 19 Happy Letters : 13 VIP : 46
Mphekweni 500	500	Complete state of readiness	R 2.88m	Planning	Beneficiary administration – The list submitted is more than the planned houses. The Department of Human Settlements, Ngqushwa Municipality, PR Councillor, Councillor	90% complete. Beneficiary administration underway. Project is at procurement stage. The

					and the stakeholders of the area had a meeting where we came up with the resolution that the councillor and the stakeholders will do door to door exercise and come up with 500 potential beneficiaries	project is at BEC.
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2015/16 FINANCIAL YEAR

Project Name	No. of subsidies	Delivery Planned	Budget	Status	Challenges	Progress to date
Gcinisa 500	500	Complete state of readiness	R 2.88m	Planning	None	Project is at procurement stage. The project is at BEC.
Qaga 500	500	Complete state of readiness	R 2.88m	Planning	Planning	Project is at procurement stage. The project is at BEC.

INFRASTRUCTURE PROJECTS	Year	Ward	Amount	Source	Beneficiary
Mqwashu Community Hall	2015/16	4	R1 206 586.26	MIG Allocation	Community
Nier Community Hall		11	R1 320426.42	MIG Allocation	Community
Ndlambe Community Hall		8	R1 278 195.93	MIG Allocation	Community

Construction and Roads Maintenance

Mgwalana Access Road	2015/16	9	R4 650 000.00	MIG Allocation	Community
Dube Scheme Access Road		5	R2 000 000.00	MIG Allocation	Community
Ngxakaxha Scheme Access Road		5	R4 000 000.00	MIG Allocation	Community
Poultry structure, fencing & production inputs		3	R60 000.00	Equitable share	Masikhule Co-op: Zimbaba
Poultry structure, fencing & production inputs		7	R60 000.00	Equitable share	Masiphuhlisane Chicken Farm Co-op: Cisira
Irrigation equipment, fencing & production inputs		9	R80 000.00	Equitable share	Nomfanelo Agric Co-op: Pikoli
Poultry structure, fencing & production inputs		12	R60 000.00	Equitable share	Prudhoe Poultry o-op:Prudhoe
Fencing & Production inputs		1	R80 000.00	Equitable share	Qaqamba Irrigation Scheme: Zalarha
Structure, fencing & production inputs		10	R100000.00	Equitable share	Zizamele Co-op: Eluxolweni

AGRICULTURE PROJECTS - 2015/16 PLOUGHING PROGRAMME CROP- MAIZE PRODUCTION - INSECTICIDES AND WEEDICIDES

Project Name	Year	Ward	Funding Spent	Funding Source	Beneficiaries
PLOUGHING PROGRAM: CROP- MAIZE PRODUCTION - INSECTICIDES AND WEEDICIDES	2015/2016	2		Equitable Share	Masele
		2		Equitable Share	Masele
		3		Equitable Share	Thaphushe

		3		Equitable Share	Jubisa
		4		Equitable Share	Qhugqwala
		5		Equitable Share	Zondeka
		6		Equitable Share	Machibi
		11		Equitable Share	Benton
		11		Equitable Share	Tarfield
		12		Equitable Share	Mgababa
		13		Funding Source	Lower Gwalana
		13		Equitable Share	Mtati
		6		Equitable Share	Tuku
		12		Equitable Share	Prudhoe
		11		Equitable Share	Bingqala
		13		Equitable Share	Lower Qeto
POVERTY ELLEVATION PROGRAM Broiler Feed, Layer feed, Piggery feed	2015/2016				
		2		Equitable Share	Amasirayeli (Broiler Feed):Tamara
		9		Equitable Share	Thembizithonga (Broiler Feed): Ntloko
		3		Equitable Share	Malilela Co-op (Broiler Feed):Mtyholo
		5		Equitable Share	Pole poultry co-op (Broiler Feed): Phole
		7		Equitable Share	Khanyisa poultry co-op (Broiler Feed): Feni
		6		Funding Source	Makulime Bodium co-op(Layer Feed): Bodium

		13		Equitable Share	Radie Multi-purpose (Broiler Feed): Nyeleni
		12		Equitable Share	Sakhisizwe piggery project (Piggery Feed): Mkanyeni
		6		Equitable Share	Tyityaba piggery project (Piggery Feed)
		9		Equitable Share	Sdubini Agric Co-op (Piggery feed): Pikoli

GOOD GOVERNANCE – SPECIAL PROGRAMMES

Project Name	Year	Ward	Funding Spent	Funding Source	Beneficiaries
Handing over wheelchair to 3 disabled brothers of Hobana Family in Durban Location.	2015/16	10	R19 500.00	Equitable Share	Youth
Handing over wheelchair to 3 disabled women.	2015/16	6,10,12	R 8 500.00	Equitable Share	Women
Support Siphosethu Dumeduze: Miss Teen Common Wealth Finalist (2015)	2015/16	10	R50 000.00	Equitable Share	Youth
Community Hall Furniture	2015/16	All wards	R173 735.43	Equitable share	Communities

LOCAL

ECONOMIC DEVELOPMENT

SMALL MEDIUM MICRO ECONOMIES (SMME's AND CO-OPERATIVES)

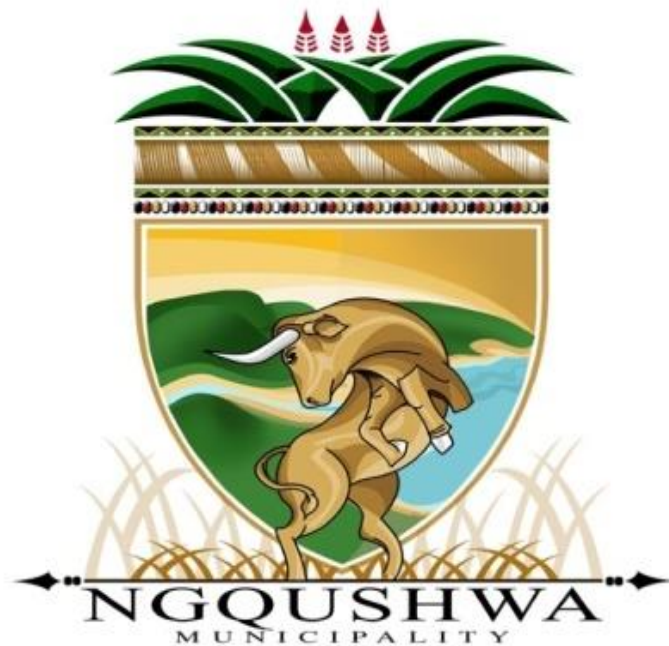
Project Name	Year	Ward	Funding Spent	Funding Source	Beneficiaries
BBBEE Certificates	2015/16	All wards	R100 000.00	Equitable share	Local SMME and Co-operative
Hawkers Formalization		10		Equitable share	Hawkers tables and chairs
Capacity building for SMME's		LED Interna l	R50 000.00	Equitable share	78 Primary Co-operatives: Financial Management Corporate governance

					Marketing Basic Business Skills
PROJECTS BY OTHER GOVERNMENT DEPARTMENTS AND PARASTA					
Household Food Production	2015/16	All Wards	R181 250.00	DRDAR	Households
Dam Scooping	2015/16	All Wards	R350 000.00	DRDAR	Communities
Cropping Program		All Wards	R2 656 000.00	DRDAR	Households
Renovation of Dip Tanks			R350 000.00	DRDAR	Farmers
Citrus Development: Packshed	2015/16	8	R9 238 000.00	DRDAR	Ripplemead Citrus Farmers: Baltein
Production Inputs	2015/16	8	R2 000 000.00	DRDAR	Ripplemead Citrus Farmers: Baltein
Pineapple Development	2015/16	11	R4 000 000.00	DRDAR	Bingqala and Pine-Co Pineapple farmers
Feedlot: Structure, Fencing, Feed	2015/16	All Wards	R2 666 000.00	DRDAR	Farmers
Chicory production: Production Inputs	2015/16		R500 000.00	DRDAR	Communities
Tomato Project: Tyhefu Irrigation Scheme	2015/16	8			
Zimbabwe Poultry Value Chain	2014/15	3	R9 000 000.00	DRDLR	Communities
Revamping of N2 Road: Nobumba – Qaga	2011/12	All		DPW	Communities
Revamping of Lewis - Mpekweni Tarred Road	2015/16	All		DPW	Communities
RDP Houses: Peddie 500	2015/16	10	R15 100 000.00	DHS	Communities
Working on Waste	2015/16	All	R13 000 000.00	DEAT	Communities
Coastal Care/Management	2015/16	All	R13 000 000.00	DEAT	Communities
COMMUNITY WORKS PROGRAMME	2015/16	All	R10 604 553.00	COGTA	Community
Wages			R8 837 549.00	COGTA	Community
Protective Gear			R500 000.00	COGTA	Community
Tools and Material			R560 000.00	COGTA	Community

2016/17 PROPOSED PROJECTS	BUDGET
INTERNAL ROADS	
Prudhoe internal roads	R 2 870 900
Tyhata internal roads	R 3 077 000
Tuku internal roads	R 3 200 000
Surfacing of Peddie Town streets	R5 664 000
Mabaleni internal roads	R 2 100 000
COMMUNITY HALLS	
Rhode Community hall	R 1 500 000
Bell Community Hall	R 80 000
Ntsinekana Community hall	R 1 500 000

INTERGRATED DEVELOPMENT PLAN

CHAPTER SIX **FINANCIAL PLAN**



CHAPTER: FIVE: FINANCIAL PLAN

The financial plan has been prepared which includes the cash flow statement/ projections for the financial year and a budget projection for at least the next 3 years in line with section 26(h) of MSA and Treasury Regulations. Financial viability policies were reviewed and adopted by Council on the 28th May 2015 and listed under policies.

Statutory policies regulating:

1. Tariffs:

- The purpose of this policy is to give effect to Section 74 of the Local Government, Municipal Systems Act 32 Of 2000 which requires a Municipal Council to adopt and implement a tariff policy and by-law on the levying of fees for municipal services provided by the municipality itself or by way of service delivery agreements. This policy applies to Ngqushwa Municipality for the levying of fees for municipal services provided by the municipality. This policy was adopted by Council on 28th May 2015.

2. Rates:

- Tariffs for rates are being guided by the Municipal Property Act No 6 of 2004. The Act stipulates that the tariffs should be charged according to the categories that are being identified by the general valuation, strictly those tariffs must be in line with the budget and must be approved by the Council . This policy was reviewed and adopted by Council on 28th May 2015. The municipal policies are promulgated to by laws and gazetted. The Municipality ensures that billing is done on a monthly basis and bills are thus posted respectively.

3. Credit control and debt collection:

The objective of the Credit Control and Debt Collection Policy of Ngqushwa LM is to:

- Ensure that households pay for the basic services that they are afforded by the municipality
- Ensure that the municipality is able to provide services as approved in its budget or its annual integrated program and
- Ensure that the non-payment of services is minimised to an acceptable level.

4. Investment management policy

- This policy ensures that the Municipality and its dully delegated officials as trustees of public funds effectively exercise their obligation to ensure that the cash resources of the municipality are preserved and safeguarded against loss.

5. Supply Chain Management

- In the preamble of this policy it is stated that the Supply Chain Management Policy seeks to encourage Socio-Economic Transformation within its region in line with PPPFA, BBBEE and CIDB Acts. The policy seeks to achieve the above by implementing the principles of relevant applicable legislation referred to above by providing employment opportunities to BEE companies and communities, enabling Socio-economic transformation objectives procurement practices.

6. Asset management and disposal policy

- The municipal Asset register is per GRAP 16 and 17 requirements.
- This policy ensures the effective and efficient control, utilization, safeguarding and management of a municipality's property, plant and equipment;
- To set out standards of physical management, recording and internal controls to ensure property, plant and equipment are safeguarded against inappropriate loss or utilization;
- To ensure that preventative measures are in place to eliminate theft, loss and misuse and
- To ensure accuracy of the depreciation charge.

7. Indigent Policy

- The purpose of this policy is to ensure the provision of basic services to the community in a sustainable manner within the financial and administrative capacity of Ngqushwa Municipality. This policy should be complement and be an integral part of the Municipality tariffs that is developed and implemented in a transparent manner to ensure that the sustainability of local public service to all of its citizens at an affordable costs.

INTERGRATED DEVELOPMENT PLAN
CHAPTER SEVEN
PERFORMANCE MANAGEMENT SYSTEM



CHAPTER SEVEN: PERFORMANCE MANAGEMENT SYSTEM

1. INTRODUCTION

This document constitutes a framework for Ngqushwa Local Municipality's Performance Management System. It arises out of a revision of Ngqushwa's previous performance management framework completed which was revised in 2012 and has since been then reviewed again in 2015.

The Municipal Planning and Performance Management Regulations (2001) stipulate that "a municipality's performance management-system entails a framework that describes and represents how the municipality's cycle and processes of performance planning, monitoring, measurement, review, reporting and improvement will be conducted, organized and managed, including determining the roles of the different role-players". This document is in line with this requirement:

The framework acts as a municipal policy document that defines its performance management system. It constitutes council policy with regards to:

- The requirements that a PMS for Ngqushwa LM will need to fulfil,
- The principles that will inform its development and application,
- A model that describes what areas of performance will be managed, in Ngqushwa LM,
- What processes will be followed in managing performance,
- What institutional arrangements are necessary for this,
- Who will take responsibility for parts of the system,
- How this links to S57 Performance agreements,
- How S57 Managers will have their performance managed,
- An action plan for the development and implementation of the system.

In other words the framework is a documented record of the municipality's performance management system to be implemented. This document was workshoped with municipal stakeholders on 7th August 2013 and amended accordingly

POLICY AND LEGAL CONTEXT FOR NGQUSHWA PMS

1.1 The White Paper on Local Government (1998)

The White Paper on Local Government (1998) suggested that local government should introduce the idea of *performance management systems*.

The white paper acknowledges that, "involving communities in developing some municipal key performance indicators increases the accountability of the municipality. Some communities may prioritise the amount of time it takes a municipality to answer a query, others will prioritise the cleanliness of an area or the provision of water to a certain number of households. Whatever the priorities, by involving communities

setting key performance indicators and reporting back to communities on performance, accountability is increased, and public trust in the local government system enhanced" (The White Paper on Local Government, 1998).

1.2 The Municipal Systems Act (2000)

The Municipal Systems Act (2000) enforces the idea of local government PMS and requires all municipalities to

- Develop a performance management system
- Set *targets*, monitor and review performance based on indicators linked to their IDP
- Publish an *annual report* on performance for the councillors, staff, the public and other spheres of government
- Incorporate and report on a set of *general indicators* prescribed nationally by the minister responsible for local government
- Conduct an *internal audit* on performance before tabling the report.
- Have their annual performance report audited by the Auditor-General
- *Involve the community* in setting indicators and targets and reviewing municipal performance

The Department of Provincial and Local Government has published national guidelines on performance management systems.

1.3 Municipal Planning and Performance Management Regulations (2001)

The Municipal Planning and Performance Management Regulations set out in detail requirements for municipal PM systems. However the regulations do not sufficiently constitute a framework that fully proposes how the system will work. Each component of the proposed framework in this document is strongly informed by the regulations. The regulations have been attached as Appendix VI.

1.4 Municipal Finance Management Act (2003)

The Municipal Finance Management Act states requirements for a municipality to include its annual municipal performance report with its financial statements and other requirements in constituting its annual report. This must be dealt with by the municipal council within 9 months of the end of the municipal financial year.

1.5 Municipal Performance Management Regulations (2006)

The Local Government Municipal Performance Regulations for municipal managers and managers directly accountable to municipal managers (Government Gazette No.29089, 1 August 2006), sets out how the performance of Section 57 staff will be uniformly directed, monitored and improved. The regulations address both the employment contract and performance agreement of municipal managers and managers directly accountable to municipal managers. It further provides a methodology for the performance management system as well as criteria for performance bonus payments. The regulations also provide an approach for addressing under-performance, should this

occur. The regulations will be discussed in greater detail in a later section of this framework document.

2. OBJECTIVES OF PERFORMANCE MANAGEMENT SYSTEM

Beyond the fulfilling of legislative requirements, Ngqushwa Municipality requires a performance management system that will be constituted as the primary mechanism to plan for performance management, monitor, review and improve the implementation of the municipality's IDP. This will have to be fulfilled by ensuring that we:

3.1. Facilitate increased accountability

The performance management system should provide a mechanism for ensuring increased accountability between

- The communities of Ngqushwa and the municipal council,
- The political and administrative components of the municipality,
- Each department and the office of the municipal manager.

3.2. Facilitate learning and improvement

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

3.3. Provide early warning signals

The performance management system should provide managers, the Municipal Manager, Portfolio Committees and the Executive Committee with diagnostic signal of the potential risks that are likely to affect the realisation of full IDP implementation. It is important that the system ensure decision-makers are timeously informed of risks, so that they can facilitate intervention, where it is necessary and possible to do so.

3.4. Facilitate decision-making

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

The functions listed above are not exhaustive, but summarise the intended benefits of the performance management system to be developed and implemented. These intended functions should be used to evaluate the performance management system, periodically.

4. PRINCIPLES GOVERNING PMS

The following principles are proposed to inform and guide the development and implementation of the Ngqushwa performance management system:

4.1 Simplicity

The system must be a simple user-friendly system that enables the municipality to operate it within its existing capacity of its financial, human resources and information management system.

4.2 Politically driven

Legislation clearly tasks the municipal council and mayor as the owner of the performance management system. The Executive **MUST** drive both the implementation and improvement of the system.

Legislation allows for the delegation of this responsibility or aspects of it to the municipal manager or other appropriate structure as the Executive may deem fit.

4.3 Incremental implementation

It is important that while a holistic performance management system is being developed, the municipality should adopt a phased approach to implementation, dependent on the existing capacity and resources within the municipality.

It is also important to note that municipal performance management is a new approach to local government functioning and therefore requires adequate time to be given to the organization's process of change. The performance management system will not be perfect from the start it should be constantly improved based on its workability.

4.4 Transparency and accountability

Members of the organisation whose performance will be monitored and measured must ensure that the process of managing performance is inclusive open and transparent. This can only be achieved by taking effective participation in the design and implementation of the system within the municipality.

Again, the process must involve and empower communities so that they are able to understand how the municipality and its departments are run, how resources are spent, and who is in charge of particular services. Similarly, all information on the performance of departments should be available for other managers, employees, the public and specific interest groups.

4.5 Integration

The performance management system should be integrated into other management processes in the municipality, such that it becomes a tool for more efficient and

effective management rather than an additional reporting burden. It should be seen as a central tool to the ongoing management functions.

4.6 Objectivity

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

5. WHAT DO WE MONITOR AND REVIEW?

International experience in both the private and public sectors has shown that traditional approaches to measuring performance that have been heavily reliant on only financial measures are severely lacking.

It has become well accepted that in order to assess an organisation's performance, a balanced view is required, incorporating a multi-perspective assessment of how the organisation is performing as seen by differing categories of stakeholders. To ensure this balanced multi-perspective examination of Ngqushwa's performance, a model could be adopted to guide performance management in the entire municipal organisation.

5.1. What is a model?

A model for performance management is a conceptual framework that provides guidance as to what aspects of the municipality's performance should be measured and managed.

5.2. Why do we need a model?

Models have proved useful in performance management for the following reasons. They provide:

5.2.1. BALANCE

A good model will prompt the organisation to take a balanced view in terms of how it measures and manages its performance. It should prevent bias by ensuring that performance measurement does not rely heavily on one facet of performance (ie. financial viability), but rather encapsulates a multi-perspective holistic assessment of the municipality's performance.

5.2.2. SIMPLICITY

A good model should organise simply, what would otherwise be a long list of indicators attempting to comprehensively cover performance, into a set of categories sufficiently covering all key areas of performance. Models differ most significantly in what they assert are the key aspects of performance.

5.2.3. MAPPING OF INTER-RELATIONSHIPS

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

5.2.4. ALIGNMENT TO THE INTEGRATED DEVELOPMENT PLANNING (IDP) METHODOLOGY

A good model for a municipality in South Africa will align the processes of performance management to the IDP processes of the municipality. It will ensure that IDP is translated into performance plans that will be monitored and reviewed. The categories of key performance areas provided by a model should relate directly to the identified priority areas of the IDP.

5.3. The Revised Municipal Scorecard Model

It is recommended that the Ngqushwa municipal council make use of the Municipal Scorecard (Revised 2006) as their model for performance. This model is useful for the following reasons, it is

1. Tightly aligned to the strategic planning and IDP processes of the municipality
2. Directly relevant to the notion of developmental local government
3. A balanced view of performance based on municipal inputs, outputs, outcomes and process
4. A simple portrayal of municipal performance, where inter-relationships can be mapped (municipal-wide, sectoral/departmental and unit/programme levels)
5. Compliant with the requirements of the Municipal Systems act (2002) and its subsequent Regulations (2001)
6. It aligns to 5 Key Performance Areas for Local Government used in the
 - Regulations
 - Five Year Local Government Strategic Agenda
 - Vuna Awards for Performance Excellence

The 5 Key Performance Areas from the Five Year local Government Strategic Agenda are

1. Municipal Transformation & Organisational Development
2. Infrastructure development and Service Delivery
3. Local Economic Development
4. Municipal Financial Viability & Management
5. Good Governance & Public Participation

The Municipal Scorecard Model is based on five key perspectives, outlined in figure-1 below.

5.3.1. THE MUNICIPAL DEVELOPMENT PERSPECTIVE

In this perspective, the municipality will need to assess whether the desired development impact in the municipal area is being achieved. It incorporates social,

environmental and economic development aspects. This perspective will constitute the development priorities for the municipal area and indicators that tell us whether the desired development outcomes are being achieved. It will be difficult to isolate development outcomes for which the municipality is solely accountable. It is expected that the development priorities and indicators, will often lie within the shared accountability of the municipality, other spheres of government and civil society. The measurement of developmental outcomes in the municipal area will be useful in telling us whether our policies and strategies are having the desired development impact.

5.3.2. THE SERVICE DELIVERY PERSPECTIVE

This perspective should tell us how a municipality is performing with respect to the delivery of services and products. This relates to the output of the municipality as a whole.

5.3.3. THE INSTITUTIONAL DEVELOPMENT PERSPECTIVE

This perspective should tell us how a municipality is performing with respect to the management of its resources:

- Human Resources
- Information
- Organizational Infrastructure
- Asset management

This relates to the inputs of the municipality as a whole.

5.4. THE FINANCIAL MANAGEMENT PERSPECTIVE

This perspective tells us how a municipality is performing with respect to its financial management

- Operating income
- Operating expenditure
- Financing infrastructure investment
- Capital expenditure

5.4.1. GOVERNANCE PROCESS PERSPECTIVE:

This perspective should tell us how a municipality is performing with respect to its engagement and relationship with its stakeholders in the process of governance. This perspective should include, amongst others:

- Public participation, including the functionality and impact of ward committees
- Functionality and impact of municipal governance structures (council structures including the offices of the speaker, and portfolio committees and executive)
- Access to information

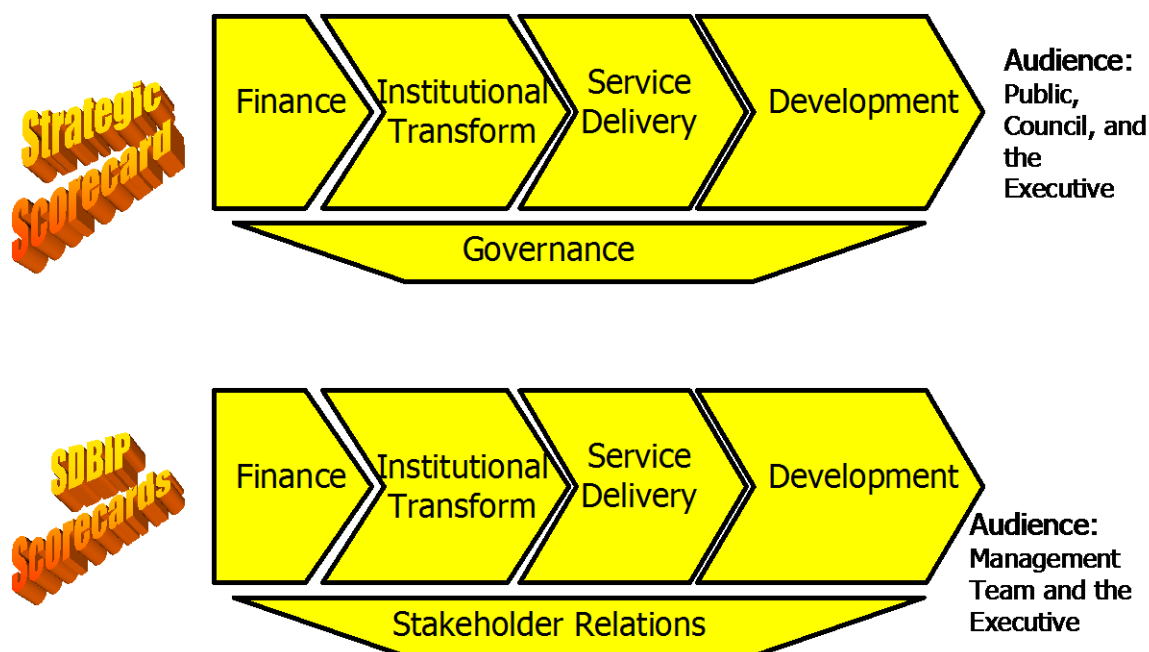
- Intergovernmental relations

This relates to the governance processes of the municipality as a whole.

5.5. Organisational Scorecards at different levels

It is proposed that there be two levels of scorecards for Ngqushwa as depicted in figure-2 that follows.

Figure 1: Two levels of scorecards



5.5.1. THE STRATEGIC SCORECARD

The strategic scorecard will provide an overall picture of performance for the municipality as a whole, reflecting performance on the strategic priorities set in the IDP. The development perspective of this scorecard will therefore necessitate that information be collected from other development role players in the municipal area for reporting purposes. These include other spheres of government, business formations and civil society organisations.

The Municipal Manager and HODs will use it, after review, as a basis for reporting to the Executive Committee, Council and the public. It is proposed that it be reported to the Executive Committee quarterly, to Council bi-annually and the Public annually for review.

It must be noted that the Municipal Manager is primarily responsible for performance on the Strategic Scorecard. As such, the strategic scorecard is closely linked and forms the largest component of how the municipal managers performance will be appraised. This is dealt with in more detail in the section on employee performance.

5.5.2. SDBIP SCORECARDS

The SDBIP scorecards will capture the performance of each municipal department. Unlike the strategic scorecard, which reflects on the strategic priorities of the municipality, a service scorecard will provide a comprehensive picture of the performance of that department. It will consist of objectives, indicators and targets derived from the service plan and service strategies.

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

SDBIP Scorecards will be comprised of the following components:

- A development perspective for departmental outcomes, which set out the developmental outcomes that the service is to impact on - the development perspective of this scorecard will seek to assess the extent to which the strategies that are driven by the department are contributing towards the intended developments in the municipal area
- Service Deliverables, which set out the products and services that the department will deliver. This perspective will include service delivery targets and performance indicators for each quarter.
- Institutional Transformation perspective, which sets out how the department will manage and develop its Human resources, Information and Organisational Infrastructure
- Financial Management Perspective will include
 1. projections of revenue to be collected by source
 2. projections of operational and capital expenditure by vote
- Performance reporting on this section of the scorecard will be in terms of actual against projections
- Stakeholder Relations, which sets out how the department will improve its relationship with its key stakeholders. Therefore in addition to the requirements of the MFMA and the National Treasury Guidelines for SDBIPs, the SDBIP scorecard approach thus provides an additional opportunity to set objectives, indicators, and targets for, as well as report against:
- Service Outcomes
- Institutional Transformation Issues
- Stakeholder Relations

Performance in the form of a SDBIP scorecard will be reported to the Municipal Manager and relevant portfolio committee for review. It is suggested that this happen quarterly.

It must be noted that the relevant S57 Manager is primarily responsible for performance on the SDBIP Scorecard. As such, the SDBIP scorecard is closely linked and forms the largest component of how the S57 manager's performance will be appraised. This is dealt with in more detail in the section on employee performance.

5.6 SCORECARD CONCEPTS

The strategic and SDBIP scorecards should be presented in a consistent format so that they are easy to use and understand. Proposed formats are attached as appendix I and II. Several concepts that are commonly used in the scorecard concept are defined below:

Objectives: are statements (often drawn from the IDP) about what a service wants to achieve.

Indicators: are variables (qualitative or quantitative) that tell us whether we are making progress towards achieving our objectives.

A baseline measure: is the value (or status quo) of the indicator before the start of the programme or prior to the period over which performance is to be monitored and reviewed. For the purpose of standardising the setting of baselines and for the sake of clarity, the following descriptions will be used:

- If the indicator is measurable on an annual basis, the baseline will be its measure in the last financial year.
- The baseline for annual targets that are incrementally measurable per quarter or per month will be the measure at the end of the last financial year but the targets can be set incrementally
- The baseline for quarterly targets that are not incrementally contributing to an annual target will be the indicator's measure in the last quarter it was measured unless by its nature it is seasonally variable in which case it will be an average of the last four quarterly measures
- The baseline for monthly targets, that are not incrementally contributing to a quarterly or annual target, will be its measure in the last month it was measured unless by its nature it varies monthly in which case it will be an average of the last three monthly measurements

A target: is the value (or desired state of progress) of the indicator that is intended to be achieved by a specified time period.

The measurement source and frequency: should indicate where the data for measuring will emanate from, and how frequently the indicator will be measured and reported. This information is crucial for the auditing process.

Indicator custodian: refers to the person that takes responsibility for the monitoring of change in the indicator and report on it. The performance management plan for Ngqushwa LM has suggested various indicators for the goals that are set in the IDP. These indicators including those that will be further developed for SDBIP scorecards should be assessed against the following criteria.

5.6. CRITERIA FOR SETTING GOOD INDICATORS

5.6.1. Focused and specific

Indicators should be clearly focused and stated unambiguously.

5.6.2. Measurable

An indicator should by definition contain a unit of measurement.

5.6.3. Valid and relevant

Validity is the degree to which an indicator measures what is intended to be measured. This correlates strongly to the relevance of the indicator to the objective being measured. It is also important that the whole set of indicators chosen should be contextually relevant to the Ngqushwa LM and South African contexts.

5.6.4. Reliable

Reliability is the degree to which repeated measures, under exactly the same set of conditions will produce the same result. This is particularly relevant to those indicators that use ratios (formulas) and figures.

5.6.5. Simple

Good indicators will be simple, easy to communicate such that their relevance is apparent.

5.6.6. Minimise perverse consequences

Poorly chosen indicators, while nobly intended can have perverse consequences in the behaviours it incentivises. Chosen indicators should ensure that the performance behaviours likely to emerge from its pursuance are those that are intended to contribute to the objectives.

5.6.7. Data availability

Good indicators will also rely on data that is, or intended to be, available on a regular basis.

5.7. CORE LOCAL GOVERNMENT INDICATORS

National indicators

While there is no legal requirement to incorporate a national set of indicators other than that prescribed by the Minister, it is recommendable that Ngqushwa municipality incorporate a core set of local government indicators into its performance management system. The indicators for the Vuna Awards for Municipal Performance Excellence are suggested in this regard for the following reasons:

- It will ensure that the municipality is tracking its performance in line with national priorities, at least the indicators that are valued nationally
- It will ensure that the municipality has the performance information on hand to enter the Vuna Awards

It will allow benchmarking and comparison with other municipalities who are also using the same set of indicators.

A core set of Local Government indicators

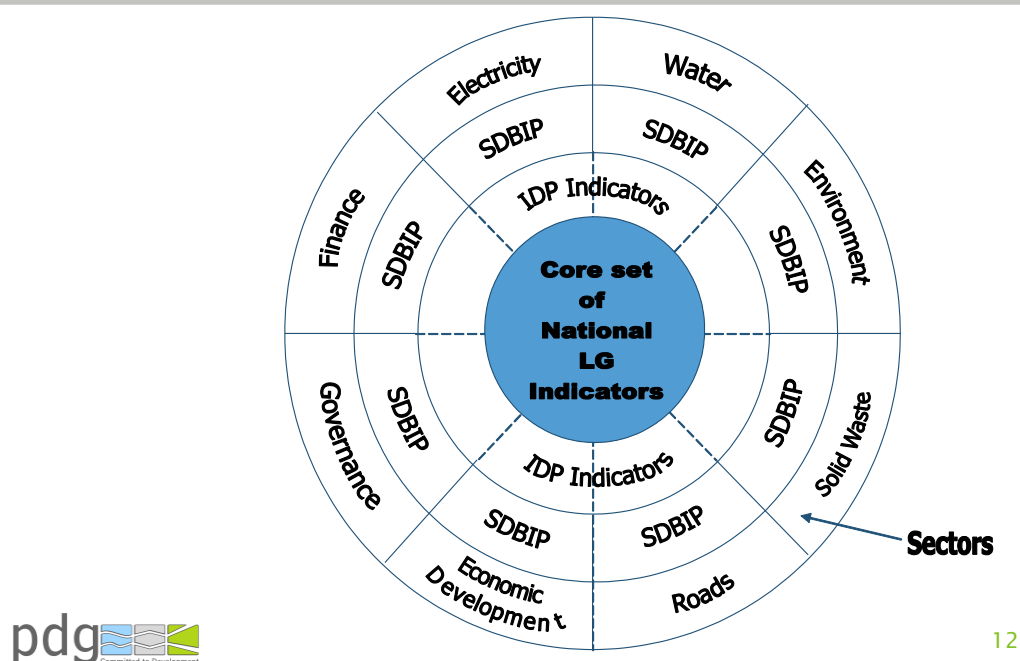


Figure 2: Local Government Indicators

The schematic above suggest an approach to incorporating a core set of LG indicators such as those used in the Vuna Awards into a municipal set of indicators. It notes that they need to be complemented for local use with IDP indicators and SDBIP indicators. Other sets of indicators deemed to be important, in each sector, such as the water sector benchmarking indicators can be included.

There is also a national initiative at dplg on establishing a local government M&E system, that intends to include a core set of local government indicators. If these differ from the Vuna indicators, and are available in time, they may be included as part of the municipality's scorecard.

District indicators

In order to align with a district PMS system, the municipality may also be required to include a core set of indicators required by the district PMS.

6. THE PROCESS OF MANAGING PERFORMANCE

The process of performance management is central to modern notions of management i.e. it is inseparable from the things that a manager must do. It is important that performance management is mainstreamed in municipalities as an approach to daily management.

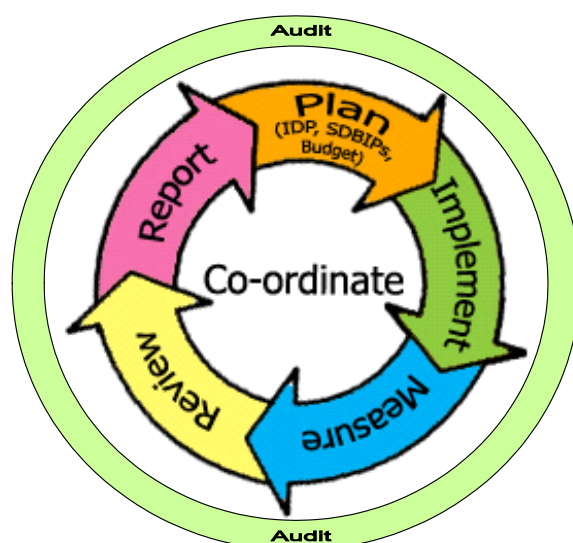


Figure 3: Performance Management as an Approach to Management

The annual process of managing the performance of the Ngqushwa Municipality will involve the following components:

- Co-ordination
- Performance Planning
- Performance Measurement, Analysis
- Performance Reviews & Reporting
- Performance Auditing

For each of these components, this chapter sets out the role stakeholders in the performance management system will play and how these components are to happen.

6.1. Co-ordination

Oversight over co-ordination of the implementation of the planning, measurement, reporting and review process is delegated to a Performance Management Team made up of:

- Municipal Manager
- IDP/PMS Manager
- All Heads of Departments
- The Mayor and two other councillors who are members of the Executive Committee appointed by the Executive Committee

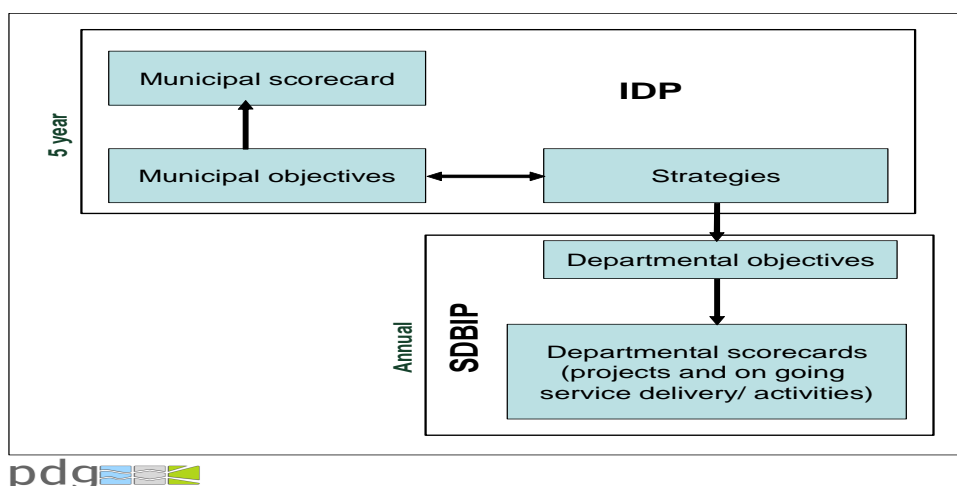
The responsibility for performance management and the IDP are to be located together, in an IDP/PM Office. Furthermore, these functions are to be located in the office of the Municipal Manager and not in any specific line department.

6.2. Performance Planning

The IDP and the Municipal Service Delivery and Budget Implementation Plans constitute the planning components for performance management. Through the IDP review process the strategic objectives, strategies and the strategic scorecard will be finalised. The next step is to develop Departmental scorecards that should support the realisation of the objectives and targets set in the strategic scorecard. These Departmental Scorecards are also known as Service Delivery and Budget Implementation Plans. With these in place, the Municipality is now on track to implement and monitor the implementation of the IDP.

The following diagram shows the link between the IDP objectives and strategies and the SDBIP scorecard

Figure 4: Municipal planning



6.3. Measurement and Analysis

Measurement is the act of collecting data on identified performance indicators while analysis is the act of interpreting the meaning of such data in terms of performance. For each Municipal Scorecard indicator, a relevant custodian has to be designated. The custodian will not necessarily be accountable for performance he/she will be responsible for conducting measurements of the applicable indicators, analysing and reporting these for reviews.

Analysis requires that current performance be compared with targets, past performance and possibly the performance of other municipalities, where data is available, to determine whether or not performance is poor. It should provide reasons for performance levels and suggest corrective action where necessary.

There may be indicators that would require data gathering on municipal-wide outcome indicators and satisfaction surveys. This may need to be co-ordinated centrally instead of each department doing its own. The Office of the Municipal Manager will be responsible for this.

The Office of the Municipal Manager may also undertake the following annual surveys to provide data for indicators organisationally:

- An annual citizen satisfaction survey conducted for households and business in the Ngqushwa Municipality area.
- An employee satisfaction survey that is conducted internally.

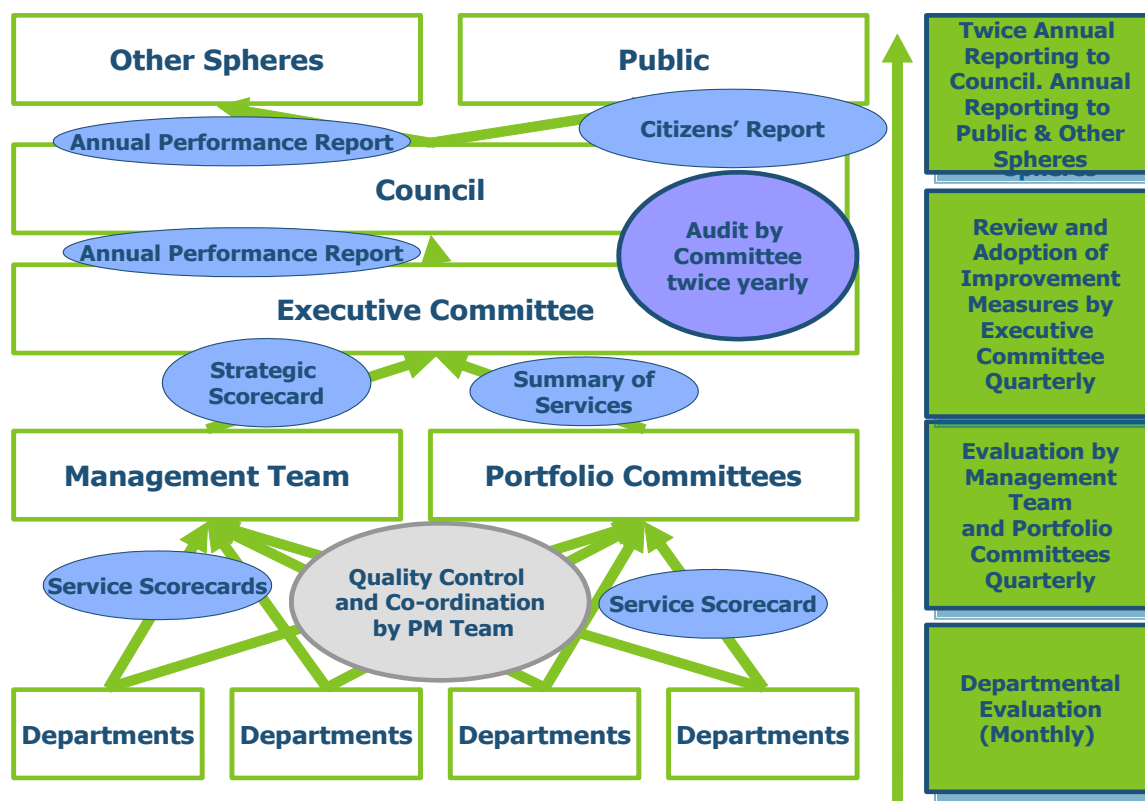
Reviews will be undertaken by the Municipal Manager, a committee of Councillors delegated a responsibility for performance management, and Council. Prior to reviews taking place, performance reporting will need to be tracked and co-ordinated. The Municipal Manager's Office will be responsible for this process.

The Municipal Manager's Office will provide an overall analysis of municipal performance, for quarterly and annual reviews. Such an analysis will aim to pick up trends in performance over time and over all departments.

6.4. PERFORMANCE REPORTING & REVIEWS

The figure below aims to provide a picture of the annual process of reporting and reviews.

Figure 5: The annual process of reporting and review



Once the system is embedded, a web-based reporting system can significantly enhance the reporting process and simplify it. The system can exist outside a software solution. However such a solution needs to be led by the system and not constrain it. A software solution for this methodology has recently been developed and is available. It must however be noted that a software system will only enhance the reporting processes within the municipality and potentially improve review processes. Most aspects of performance management still need human beings.

6.4.1. Departmental reviews

It is intended that departments review their performance at least monthly, using their SDBIP scorecards. Decision-makers should be immediately warned of any emerging failures to service delivery such that they can intervene if necessary.

Departments should use these reviews as an opportunity for reflection on their goals and programmes and whether these are being achieved. Minutes of these reviews should be forwarded to the performance management team. Changes in indicators and targets may be proposed at this meeting but can only be approved by the relevant portfolio committee, in consultation with the IDP/PM Manager.

6.4.2. Management team reviews

Departments will then need to report on their performance in the service scorecard format to the municipal manager and the heads of departments. Additional indicators

that occur in the strategic scorecard will also be reviewed. The formulation of the strategic scorecard and the process of review will be co-ordinated by the performance management team.

The management team will need to reflect on whether targets are being achieved, what are the reasons for targets not being achieved where applicable and corrective action that may be necessary. Where targets need to be changed, the management team can endorse these, for approval by the portfolio committee. The management team can delegate tasks to the performance management team in developing an analysis of performance prior to management team reviews. These reviews should at least take place quarterly.

6.4.3. Portfolio committee reviews

This has a major finding by the Auditor General in 2014/15 financial year which has led to a disclaimer of Audit outcomes to performance information. Ngqushwa Local Municipality developed a credible system description for 2015/16 SDBIP. The Municipality has also conducted for the first time in the history of Ngqushwa LM performance reviews for Municipal Manager and Managers report directly accountable to the Municipal Manager both formal and informal work conducted.

Each portfolio committee will be required to review the performance of their respective departments against their service scorecard, at least quarterly. Where targets are not being met, portfolio committees should ensure that the reasons for poor performance are satisfactory and sufficient, and the corrective strategies proposed are sufficient to address the reasons for poor performance. Changes in indicators and targets that do not appear in the strategic scorecard may be proposed to and can only be approved by the council. Changes in indicators and targets that fall within the strategic scorecard will need to be approved the council.

6.4.4. Executive committee reviews

- On a quarterly basis, the Executive Committee should engage in an intensive review of municipal performance against both the SDBIP scorecards and the strategic scorecard, as reported by the municipal manager.
- Many of the indicators in the strategic scorecard will only be measurable on an annual basis. The quarterly reviews should thus culminate in a comprehensive annual review of performance in terms of both scorecards.
- The review should reflect on the performance of services and the strategic scorecard. The Executive Committee will need to ensure that targets committed to in the strategic scorecard are being met, where they are not, that satisfactory and sufficient reasons are provided and that the corrective action being proposed is sufficient to address the reasons for poor performance.
- The review should also focus on reviewing the systematic compliance to the performance management system, by departments, portfolio committees and the Municipal Manager.

6.4.5. Council reviews

At least twice annually, the council will be required to review municipal performance. It is proposed that this reporting take place using the strategic scorecard in an annual report. The Municipal Systems Act requires that the annual report should at least constitute a performance report (the strategic scorecard), financial statements and an audit report.

6.4.6. Public reviews

The Municipal Systems Act requires the public to be given the opportunity to review municipal performance. It is proposed that in addition to the annual report mentioned above, a user-friendly community's report should be produced for public consumption. The communities' report should be a simple, easily readable and attractive document that translates the strategic scorecard for public consumption.

It is also proposed that a public campaign be annually embarked on to involve communities in the review of municipal performance. Such a campaign could involve the following methodologies:

- Ward committees be reported to and submit their review of the municipality to council. The performance management team should be used to summarise this input.
- Various forms of media including radio, newspapers and billboards can be used to convey the communities' report. The public should be invited to submit comment via telephone, fax, email and public hearings to be held in a variety of locations.
- The public reviews should be concluded by a review by the IDP Representative Forum.

REPORTING TO OTHER SPHERES AND AGENCIES OF GOVERNMENT

Auditor General and MEC

The Systems Act requires the municipal manager to give written notice of meetings, in which the municipality's the annual report, is tabled or discussed by the Council, to the Auditor-General and the MEC for local government. The Municipal Manager must also submit copies of the minutes of these meetings to the Auditor-General and the MEC for local government in the province. Representatives of the Auditor-General and the MEC for local government in the province are entitled to attend and to speak at such meetings. A copy of the report must be submitted to the MEC for local government in the province and the Auditor-General.

6.4.7. Critical dates and timelines

The municipality commits to influencing its partners and other spheres of government to work towards an annual cycle of municipal performance

management with agreed critical dates and timelines. In such a cycle the following dates will be dates by which to complete key activities.

6.4.8 Auditing and quality control

All auditing should comply with Section 14 of the Municipal Planning and Performance Management Regulations (2001). Auditing of performance reports must be conducted by the internal audit structure prior to submission to the municipality's external audit committee and auditor-general.

6.4.9 Quality control and co-ordination

The Office of the Municipal Manager, overseen by and reporting regularly to the PMS Management Team, will be required on an ongoing basis to co-ordinate and ensure good quality of reporting and reviews. It will be its role to ensure conformity to reporting formats and check the reliability of reported information, where possible.

6.4.10 Performance investigations

The Executive Committee or Audit Committee should be able to commission in-depth performance investigations where there is either continued poor performance, a lack of reliability in the information being provided or on a random ad-hoc basis.

Performance investigations should assess

- The reliability of reported information
- The extent of performance gaps from targets
- The reasons for performance gaps
- Corrective action and improvement strategies

While the internal audit function may be used to conduct these investigations, it is preferable that external service providers, preferably academic institutions, who are experts in the area to be audited, should be used. Clear terms of reference will need to be adopted by the respective committee.

6.4.11 Internal audit

The municipality's internal audit function will need to be continuously involved in auditing the performance reports of SDBIPs and the strategic scorecard. As required by the regulations, they will be required to produce an audit report on a quarterly basis, to be submitted to the Municipal Manager and Audit Committee. The capacity of the internal audit unit will need to be improved beyond the auditing of financial information.

Auditing is necessary to prevent:

- Inconsistencies in performance management definition or methodology of data collection;
- Incorrect processing and poor documentation of performance management;

- Biased information collection and reporting by those whose image is at stake in the performance management process.
- Internal Audit Unit is also responsible for the Risk Management as one of its core functions. The Municipality through this unit has developed and assessed its strategic and operational risk management plan and register for 2014/15 financial year.

The Regulations specify that any auditing must include assessment of:

- The functionality of the municipality's performance management system;
- The compliance of the system with the legislation; and
- The extent to which performance measurements are reliable in measuring performance of the municipality

6.4.8. Audit Committee

The regulations require that the municipal council establish an audit committee, where the majority of members are not councillors or employees of the municipality. It is important for the council to ensure that the chairperson of the committee is neither a councillor nor an employee of the municipality. The operation of this audit committee is governed by section 14 (2-3) of the regulations. The municipality may choose to use an existing audit committee for this purpose. According to the regulations, the performance audit committee must

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

It is further proposed that the audit committee be tasked with assessing the reliability of information reported.

In order to fulfil their function a performance audit committee may, according to the regulations,

- communicate directly with the council, municipal manager or the internal; and external auditors of the municipality concerned;
- access any municipal records containing information that is needed to perform its duties or exercise its powers;
- request any relevant person to attend any of its meetings, and, if necessary, to provide information requested by the committee; and
- investigate any matter it deems necessary for the performance of its duties and the exercise of its powers.

The composition of the audit committee should ensure that the following competencies are sufficiently catered for within the group:

- An understanding of performance management

- An understanding of municipal finances
- An understanding of development, including rural development
- Have insight into the municipality's IDP objectives
- Credibility within all Ngqushwa's communities and organs of civil society

Stakeholders	Performance Planning	Measurement and Analysis	Performance Reporting & Reviews
Community Structures and IDP Forum	<ul style="list-style-type: none"> • Be consulted on needs • Develop the long term vision for the area • Influence the identification of priorities • Influence the choice of indicators and setting of targets 		<ul style="list-style-type: none"> • Be given the opportunity to review municipal performance and suggest new indicators and targets
Council	<ul style="list-style-type: none"> • Facilitate the development of a long-term vision. • Develop strategies to achieve vision • Identify priorities • Adopt indicators and set targets 		<ul style="list-style-type: none"> • Review municipal performance bi-annually
Portfolio (\$79) Committees	<ul style="list-style-type: none"> • Influence the preparation of SDBIP scorecards • Adopt SDBIP scorecards • Ensure involvement of communities in the setting of municipal targets (IDP) 	<ul style="list-style-type: none"> • Monitor performance of relevant services 	<ul style="list-style-type: none"> • Receive reports from service managers • Review monthly SDBIP scorecards • Report to Mayco • Adopt corrective actions where necessary and recommend to Mayco

6.5. RESPONDING TO ORGANISATIONAL PERFORMANCE

This outlines how the municipality may reward good organisational performance and address poor organisational performance.

GOOD OR EXCEPTIONAL ORGANISATIONAL PERFORMANCE

There will be a Mayoral Award for excellent performance that can take the form of rotating trophies or plaques for the best four departments / units annually. These can be designated:

- Platinum
- Gold
- Silver

- Bronze

An annual entertainment fund can be used to provide funds for at least the Platinum winners to entertain themselves as determined by the Executive on an annual basis.

POOR PERFORMANCE

Poorly performing departments should be asked to provide an explanation and analysis of poor performance. If this is insufficient, an investigation should be conducted to deepen the understanding of the underlying problems, whether they be policy-related, systemic, structural or attributed to the poor performance of individuals.

This section does not deal with employee performance and rewarding good performance and addressing poor employee performance. These are dealt with at the end of the next section.

7. EMPLOYEE PERFORMANCE

This section focuses on the performance management arrangements which need to be in place for employees of municipalities. The following framework can be used for all employees. However the legal framework that underpins it requires that it be enforced for all Section 57 Managers. The municipality may choose to roll-out this system for all employees.

The legislation upon which this is based includes:

- *The Local Government Municipal Systems Act, No. 32 of 2000.*
- *The Local Government Municipal Systems Amendment Act, No. 44 of 2003.*
- *Local Government Municipal Performance Regulations for Municipal Managers and Managers directly accountable to Municipal Managers, 2006. Regulation Gazette No. 29089.*
- *Draft competency guidelines for Municipal Managers and Managers directly accountable to Municipal Managers, 2006.*

7.1. Issues related to the implementation of regulations

The performance regulations, as published in Government Gazette No 29089 on 1 August 2006, seek to set out how the performance of section 57 managers will be uniformly directed, monitored and improved.

In the implementation of the regulations, a number of issues may arise that may have an effect on whether an employment contract or a performance agreement has been validly entered into.

This section deals with who bears the responsibility to implement the performance management system, the *ipso facto* (automatic) applicability of national legislation on an employment contract, the effect of a non-existing performance agreement on an employment contract, the legality of a “retrospective” performance agreement, and the legal effect of missing the 90 day deadline.

RESPONSIBILITIES FOR IMPLEMENTING SYSTEM

The Municipal Manager, as head of the administration (see section 55 Municipal Systems Act or MSA) or as accounting officer (see section 60 Municipal Finance Management Act or MFMA) is responsible and accountable for the formation and development of an accountable administration operating in accordance with the municipality's performance management system. She or he is also responsible for the management of the administration in accordance with legislation.

The final responsibility for ensuring that employment contracts for all staff are in place rests with the municipal manager. The final responsibility for ensuring that performance agreements with the relevant managers, including his or her own, are in place, rests with the municipal manager.

EMPLOYMENT CONTRACT

The Systems Act (see section 57) provides that there must be a written employment contract between the municipality and the municipal manager.

Applicable legislation

The regulations (see sub-regulation 4(1)) provide that the employment contract must be subject to the terms and conditions of the Systems Act, the MFMA, and other applicable legislation. In the event that the employment contract does not refer to the applicability of other legislation, that omission will not affect the legal validity of the employment contract. The employment contract will, in any event, be subordinate to any legislation even in the case where the parties themselves are unaware of such legislation.

Validity of employment contract

The regulations (see sub-regulation 4(4)(a)) further provide that employment in terms of an employment contract must be subject to the signing of a separate performance agreement within 90 calendar days after assumption of duty and annually within one month after the commencement of the financial year. The question arises whether the validity of the employment contract will be affected in the absence of a performance agreement as per the dictates of the regulation. It is important to bear in mind that both the employment contract and the performance agreement are entered into separately by the parties. In the event that the performance agreement has not been entered into after the expiration of the time limit, it amounts to a breach of the employment conditions and the party responsible for such breach must be put on terms. It is important to emphasise that the failure to enter into a performance agreement does not automatically render the employment contract invalid. The party responsible for this breach must be given an opportunity to remedy the breach. Failure by the party responsible for the breach to remedy the breach may result in the other party initiating a contract termination process if it so feels.

PERFORMANCE AGREEMENT

The performance agreement (see sub regulation 8(2) read with sub-regulation 23) provides the basis upon which the municipality will reward good performance on the part of the employee. Performance Agreements form the basis upon which the performance of Section 57 staff are measured and monitored against targets. The performance agreement is put in place to comply with the provisions of Section 57 (1)(b), (4A), (4B) and (5) of the Municipal Systems Act as well as the employment contract entered into between the parties. This agreement must be entered into for each financial year and be reviewed annually in June. According to the Performance Regulations for Municipal Managers and Managers directly accountable to Municipal Managers (2006), the performance agreements fulfil the following key purposes:

- specify objectives and targets defined and agreed with the employee and to communicate to the employee the employer's expectations of the employee's performance and accountabilities in alignment with the Integrated Development Plan, Service Delivery and Budget Implementation Plan (SDBIP) and the Budget of the municipality
 - specify accountabilities as set out in a performance plan, which forms an annexure to the performance agreement;
 - monitor and measure performance against set targeted outputs;
 - use the performance agreement as the basis for assessing whether the employee has met the performance expectations applicable to his or her job;
- and in the event of outstanding performance, to appropriately reward the employee;
- give effect to the employer's commitment to a performance-orientated relationship with its employee in attaining equitable and improved service delivery.

Retrospectively

The question arises whether it would be possible to enter into a performance agreement retrospectively, even after the end of the financial year for that financial year. The language of the MSA (see section 57(2)) is peremptory in this regard. It provides that a "performance agreement **must** be concluded with a reasonable time after a person has been appointed" (own emphasis). The regulation provides that the performance agreement must be signed within 90 calendar days after assumption of duty. The municipal council does not have the authority to change these prescripts. The absence of a performance agreement at the end of a financial year will fatally affect the ability of the municipality to pay a performance bonus to the affected employee.

Legal validity after 90 days

A further issue which may arise is the legal validity of a performance agreement that is concluded after the period of 90 days has lapsed. In this regard, it is instructive to consider that the regulation provides that **employment** is subject to the compliance

with sub-regulation 4(4)(a). It would appear that one would still be able to enter into a valid performance agreement after the 90 day period provided that there is consensus between the parties that the employment contract is still in force. Thus, where the performance agreement is entered into after the expiry of the 90 day limit, the agreement can still be entered into for part of that financial year (see sub-regulation 24(1)).

It is understood that a performance agreement comprises a performance plan and a personal development plan.

7.1.1 Personal Development Plan

As part of the performance agreement, a personal development plan should be included. This section should state the activities, including training, that the employee wishes to undertake to improve themselves or is required to take to better fulfil the needs of the job.

7.2 Evaluating performance

The Performance Regulations for Municipal Managers and Managers directly accountable to Municipal Managers (2006), stipulates in detail how the evaluation process should be undertaken.

EVALUATORS

For purposes of evaluating the annual performance of the municipal manager, an evaluation panel constituted of the following persons must be established -

- Executive Mayor or Mayor;
- Chairperson of the performance audit committee or the audit committee in the absence of a performance audit committee;
- Member of the executive committee
- Mayor and/or municipal manager from another municipality; and
- Member of a ward committee as nominated by the Mayor.

For purposes of evaluating the annual performance of managers directly accountable to the municipal managers, an evaluation panel constituted of the following persons must be established

- Municipal Manager;
- Chairperson of the performance audit committee or the audit committee in the absence of a performance audit committee;
- Member of the executive committee
- Municipal manager from another municipality.
-

PROCESS & SCORING

Performance must be reviewed on a quarterly basis. The employer must keep a record of the mid-year review and annual assessment meetings. The performance plan must include a Personal Development Plan, in order to address any weaknesses or skills gaps which may have been identified.

In summary, the annual performance appraisal must involve an assessment of results as outlined in the performance plan, discussed below:

KPA assessment

- Each KPA should be assessed according to whether performance indicators have been met
- An indicative rating on a 5-point scale should be provided for each KPA
- The applicable assessment rating calculator must be used to add to the scores and calculate the final KPA score based on a weighted average score.

CCR ASSESSMENT

- Each CCR should be assessed according to performance indicators have been met
- An indicative rating on a 5-point scale should be provided for each CCR
- The rating is multiplied by the weighting given to each CCR, to provide a score
- The applicable assessment rating calculator must be used to add to the scores and calculate the final CCR score, based on a weighted average score.

Table 1: Scoring suggested by the Regulations (2006)

Level	Terminology	% Range	Description
5	Outstanding performance	Greater than 130%	Performance far exceeds the standard expected of an employee at this level. The appraisal indicates that the Employee has achieved above fully effective results against all performance criteria and indicators as specified in the Performance Assessment and Performance plan and maintained this in all areas of responsibility throughout the year.
4	Performance significantly above expectations	100-129%	Performance is significantly higher than the standard expected in the job. The appraisal indicates that the Employee has achieved above fully effective results against more than half of the performance criteria and indicators and fully achieved all others throughout the year.

3	Fully effective	90-100%	Performance fully meets the standards expected in all areas of the job. The appraisal indicates that the Employee has fully achieved effective results against all significant performance criteria and indicators as specified in the PA and Performance Plan.
2	Performance not fully effective	60-89%	Performance is below the standard required for the job in key areas. Performance meets some of the standards expected for the job. The review/assessment indicates that the employee has achieved below fully effective results against more than half the key performance criteria and indicators as specified in the PA and Performance Plan.
1	Unacceptable performance	Below 60%	Performance does not meet the standard expected for the job. The review/assessment indicates that the employee has achieved below fully effective results against almost all of the performance criteria and indicators as specified in the PA and Performance Plan. The employee has failed to demonstrate the commitment or ability to bring performance up to the level expected in the job despite management efforts to encourage improvement.

The combined KPA and CCR assessment scores, weighted 80% and 20% respectively, will make up the overall assessment score. While the regulations do not specify, it is assumed that the total percentage score is arrived at by dividing the combined weighted average score by three and reflecting as a percentage.

7.2. RESPONDING TO GOOD EMPLOYEE PERFORMANCE

Bonuses

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

1. the annual report for the financial year under review has been tabled and adopted by the municipal council
2. an evaluation of performance in accordance with the provisions of the Regulation
3. approval of such evaluation by the municipal council as a reward for outstanding performance
4. that the council had clean audit opinion from Auditor's General

In addition to the annual cost-of-living increase, the employee shall be eligible to be considered for a performance related increase (pay progression) on an annual basis.

Performance Bonus criteria

The regulations provide that a performance bonus between 5% and 14% of the inclusive annual remuneration package may be paid to the employee after the end of the financial year and only after an evaluation of performance and approval of such evaluation by the Municipal Council, as a reward for excellent performance. In determining the bonus payment, the regulations specify that the relevant percentage depends on the overall rating, calculated by using the applicable assessment rating calculator:

- A score of 130% - 149% is awarded a performance bonus ranging between 5%-9%.
- A score of 150% and above is awarded a performance bonus ranging 10% - 15%.
- In addition to what is suggested in the regulations in Ngqushwa a score of 100%-130% should result in a bonus of between 0% to 5%.

7.2.2. Dispute resolution

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

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

8. EVALUATION AND IMPROVEMENT OF THE PERFORMANCE MANAGEMENT SYSTEM

The municipal systems act requires the municipality to annually evaluate its performance management system. it is proposed that after the full cycle of the annual review is complete, the performance management team will initiate an evaluation report annually, taking into account the input provided by departments. This report will then be discussed by the management team and finally submitted to the executive committee for discussion and approval. The evaluation should assess:

- The adherence of the performance management system to the Municipal Systems Act. The fulfilment of the objectives for a performance management system captured in section 3 of this document.
- The adherence of the performance management system to the objectives and principles captured in section 4 of this document.

- Opportunities for improvement and a proposed action plan

It must once again be emphasised that there are no definitive solutions to managing municipal performance. the process of implementing a performance management system must be seen as a learning process, where there is a conscious buy-in to incremental improvement of the way the system works in order to fulfil the objectives of the system and address the emerging challenges from a constantly changing environment.

PERFORMANCE BELOW SECTION 56 MANAGERS LINKED TO OPMS

Individual or staff performance management deals with *performance on the level of the individual employees*. Individual performance targets are also formulated during the business planning process referred to in par 6.2. Measuring staff performance provides council and management with appropriate information on the behaviour of staff and outcomes in the workplace. Reviewing staff performance at regular intervals also provides information on performance gaps and/or excellence at section 56 level the 2006 municipal performance regulations for municipal managers and managers reporting directly to municipal managers prescribe a legislative framework for linking the individual performance of section 56 managers to the strategy anoperations of a municipality.

The cascading of PMS deals with delegation of performance measures from strategic to operational level, i.e. from IDP to the SDBIP, and forms the link between institutional and individual performance management .This ensures that performance management at various levels relates to one another in line with the MFMA and MSA. The MFMA specifically requires that the annual performance agreements of managers must be linked to the SDBIP of a municipality and the measurable performance objectives approved with the budget (circular 13 of the MFMA). The SDBIP in essence becomes the nucleus mechanism to translate and manage the performance objectives enshrined in the IDP to individual performance.

Furthermore and in order for the PMS to permeate across the entire organisation including levels below section 56, the PMS ought to be cascaded down to allstaff that support heads of departments. The cascading of PMS inculcates a culture of accountability and alignment of the day-to-day individual actions to the broader strategies and objectives of the municipality. The cascading of PMS also enables the recognition of good performance whilst correcting underperformance. To this end the municipality must develop *systems and processes* that ensure that cascading of PMS becomes a reality and is practical.

1. PHASE	2. ACTIVITIES	3. WHAT HAPPENS?	4. TIMEFRAME	5. RESPONSIBLE PARTY
1. Planning & Implementation	<ul style="list-style-type: none"> - Sign Job description - Develop and sign SDAs linked to Supervisor KPIs and targets - Develop Personal Development Plans (PDP's) - Prepare weekly plans - Prepare weekly reports <u>Documents required:</u> <ul style="list-style-type: none"> - Job description - SDA - PDP Forms and structured questions - Departmental scorecard/SDBIP - Weekly Plan 	<ul style="list-style-type: none"> - Both parties together discuss, reach an agreement, and sign SDAs. - PDP's detail required trainings/WSP / interventions/ resources needed to facilitate ability of staff member to reach required standard. 	Before 31 July each year	Hod, manager & subordinate
2. Monitoring & Coaching	<ul style="list-style-type: none"> - Preparation of monthly plans and reports - Preparation of weekly reports - Documentation of coaching session - Signing of action plans - Subsequent reviewal of progress <u>Documents required:</u> <ul style="list-style-type: none"> - SDAs - Action Plan - Follow up meeting notes - Portfolios of evidence - Training records, etcetera 	<ul style="list-style-type: none"> - Both parties discuss work to date against required targets on Weekly plans and SDA. Problems and causes are highlighted and appropriate action detailed on action plan with timeframes. - Follow up meetings and manage progress. 	Weekly and monthly	Hod, manager & subordinate
3. Formal Reviewing	<ul style="list-style-type: none"> • Formal performance report prepared with supporting POEs 	<ul style="list-style-type: none"> • First Review is by the subordinate (self-score) • Manager and subordinate 	Quarterly (Sept, Dec, Mar & Jun)	Evaluation Panel <ul style="list-style-type: none"> • Head of department

	<ul style="list-style-type: none"> • Quarterly internal auditing of performance reports • Quarterly performance review (signed) • Annual performance review (signed) <p>Documents required:</p> <ul style="list-style-type: none"> - SDAs - Quarterly and annual performance reports - Attendance registers - Minutes of the review - Portfolios of evidence - Evaluation Panel score-sheet and Consolidated Score-sheet 	<p>discuss and agree on performance results, agreement sought (re-scores and sign-off of assessments sheets).</p> <ul style="list-style-type: none"> • Final review requires consolidated panel score as per policy. 		<ul style="list-style-type: none"> • Corporate Services representative (secretariat) • Union representatives • M&E representative (observer a0)
4. Rewarding	<ul style="list-style-type: none"> • Submission of results to Corporate Services Manager for processing • Award as per policy (refer to the table below) 	<ul style="list-style-type: none"> • Results audited by Audit Committee • Results read together with policy and reward applied as per policy 	June (applicable for June but only conducted after Final Annual Report tabled and approved.	Hod, manager & subordinate

NOTE: Reporting for individual staff (below section 56) is facilitated by Corporate Services Manager

PERFORMANCE MANAGEMENT IS A PROCESS (DAY TO DAY), NOT A ONE TIME EVENT!

INDIVIDUAL PERFORMANCE PLANNING BELOW SECTION 56

The most efficient and mostly utilised approach is that which delegates the section 56 key performance indicators and targets encapsulated in the municipal scorecard and operational plans to line managers and below, and this is done within the ambits of the employee's job description. **this principle approach integrates and intertwines the performance at various levels of the organisation and that each level is an integral part of the entire value chain performance management system of municipality.**

To this effect, managers below section 56 managers must sign **Service Delivery Agreements (SDAs and Performance Development Plans (PDPs) linked to the Work-place Skills Plan** of the department as demonstration of the will and confidence to deliver the KPIs and targets of the senior managers in the department.

The SDAs and PDPs shall remain in force for a period of a year and reviewed annually or at anytime at the discretion of the supervisor after consultation with the employee.

Individual Performance Monitoring and feedback below section 56

On the basis of the SDAs, each employee shall prepare Weekly Performance Plans (WPPs) to systematically implement the KPIs and targets in the SDAs. Thereafter weekly reports shall be prepared for status quo review by supervisors, decision making and support of subordinates. **Note: a portfolio of evidence and /or reasons and corrective action must form part of the weekly reports to supervisors, this is in line with the “early warning system” prescribed by the MSA.** The advantage and benefit for this is that performance will begin to be an on-going process rather than an event and performance information will be maintained efficiently to inform high-level individual and institutional performance.

Individual Performance Evaluation below section 56

On a quarterly basis, the heads of departments and unit heads must formally assess the performance of staff based on prepared performance reports and portfolio of evidence. The assessment must be based on delegated KPIs and targets from the departmental scorecard. Once completed, this assessment shall inform assessments of managers above until the level of the municipal manager.

MAYOR'S MERIT AWARD

A Mayor's merit award will be introduced for all employees that perform excellently based on the following awards:

Score obtained on Performance Assessment	Reward Scale	The Employee may be eligible to choose ONE of the options listed below
4.5 – 5	Platinum (>100% - 129%)	Medal plus: a) Employee is granted 6 “free” leave days. or b) The Employee is eligible for a 100% study bursary to a maximum of R20000 only for a degree/diploma directly relevant to his/her job function or c) The Employee may select a work tool that will enhance his/her ability to perform better in his/her job that costs a maximum of 6 leave days for that employee
3.9 – 4.5	Gold (100% – 120%)	Medal plus: a) Employee is granted 4 “free” leave days or d) The Employee is eligible for a 70% study bursary to a maximum of R14000 only for a degree/diploma directly relevant to his/her job function or b) The Employee may select a work tool that will enhance his/her ability to perform better in his/her job that costs a maximum of 4 leave days for that employee
3.1 – 3.9	Silver (80% - 100%)	Medal plus: a) Employee is granted 2 leave days or e) The Employee is eligible for a 50% study bursary or R10000 for a degree/diploma directly relevant to his/her job function or b) The Employee may select a work tool that will enhance his/her ability to perform better in his/her job that costs a maximum of 2 leave days for that employee
3 – 3.5	60 % - 79.9%	No specific reward
0 – 4	< 60	Compulsory performance counselling

SALARY ADJUSTMENT

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

8.1.1. SHOULD AN EMPLOYEE WHO HAS RECEIVED A NON-FINANCIAL REWARD IN THE FORM OF A WORK TOOL, LEAVE THE EMPLOYMENT OF NGQUSHWA MUNICIPALITY AND WISHES TO TAKE THE WORK TOOL, THE EMPLOYEE WILL BE REQUIRED TO PAY TAX ON THE VALUE OF THE TOOL.

SPECIAL OPPORTUNITIES

Special opportunities will be created such as special study opportunities and exchange programmes that could benefit high performing employees.

PROMOTION

Employees who consistently perform well will be given more responsibility and promoted where opportunities arise.

8.2. Addressing Poor Employee Performance

In the case of unacceptable performance, the municipality shall:

- Provide systematic remedial and developmental support to assist the employee to improve his/her performance.
- Provide appropriate performance counselling and support, offering reasonable time for improvements in performance.

If performance does not improve, the municipality will consider steps to terminate the contract of the employee on the grounds of poor performance or operational incapacity. The Labour Relations Act, requires an employee to be given two written warnings, before termination of employment can be sought due to poor performance.

APPENDICES

8.3. Appendix III: Extracts of relevant policies and legislation

THE WHITE PAPER ON LOCAL GOVERNMENT (1998)

The White Paper on Local Government (1998)ⁱ nationally introduced performance management systems to local government, as a tool to ensure Developmental Local Government. It concludes that

"Integrated development planning, budgeting and performance management are powerful tools which can assist municipalities to develop an integrated perspective on development in their area. It will enable them to focus on priorities within an increasingly complex and diverse set of demands. It will enable them to direct resource allocations and institutional systems to a new set of development objectives".

The White Paper adds that :

"Involving communities in developing some municipal key performance indicators increases the accountability of the municipality. Some communities may prioritise the amount of time it takes a municipality to answer a query; others will prioritise the cleanliness of an area or the

provision of water to a certain number of households. Whatever the priorities, by involving communities in setting key performance indicators and reporting back to communities on performance, accountability is increased, and public trust in the local government system enhanced".

.governmental organisations may assist with funding a help line, providing information about specific services, identifying service gaps or conducting a customer survey" - The White Paper on Local Government (1998).

THE MUNICIPAL SYSTEMS ACT (2000)

The Municipal Systems Act, enacted in November 2000, requires all municipalities to:

- Develop a performance management system.
- Set targets, monitor and review performance based on indicators linked to their IDP
- Publish an annual report on performance for the councillors, staff, the public and other spheres of government.
- Incorporate and report on a set of general indicators prescribed nationally by the minister responsible for local government.
- Conduct an internal audit on performance before tabling the report.
- Have their annual performance report audited by the Auditor-General.
- Involve the community in setting indicators and targets and reviewing municipal performance.

MUNICIPAL PLANNING AND PERFORMANCE MANAGEMENT REGULATIONS (2001)

The Municipal Planning and Performance Management Regulations set out in detail requirements for municipal PM systems. However, the regulations do not sufficiently constitute a framework that fully proposes how the system will work. Each component of the proposed framework in this document is strongly informed by the regulations.

Municipal Finance Management Act (2003)

Preparation and adoption of annual reports

Every municipality and every municipal entity must for each financial year prepare an annual report in accordance with this Chapter. The council of a municipality must within nine months after the end of a financial year deal with the annual report of the municipality and of any municipal entity under the municipality's sole or shared control in accordance with section 129.

1. The purpose of an annual report is –
 - (a) to provide a record of the activities of the municipality or municipal entity

INTERGRATED DEVELOPMENT PLAN

Chapter EIGHT

Spatial Development Framework



SPATIAL DEVELOPMENT FRAMEWORK

Introduction

In terms of Section 26 (e) of the Municipal Systems Act (Act No. 32 of 2000), a Spatial Development Framework (SDF) in respect of a Municipality's area of jurisdiction is a legally required component of a Municipality's Integrated Development Plan (IDP). The purpose reviewing the Ngqushwa Spatial Development Framework is to update the SDF content to incorporate the outcomes of the **Peddie Local Spatial Development Framework** and the **Ngqushwa Masterplan**. The review of the SDF is also to align with the seven (7) pillars/frameworks of the Eastern Cape Provincial Spatial Development Plan. The Spatial Development Framework (SDF) of Ngqushwa Local Municipality was adopted by council on the 04 July 2014.

Vision

Ngqushwa LM should have well managed settlement zones and the environment, with access to infrastructure and socio-economic services, well developed transport routes, good governance and efficiency.

8.2 SPATIAL PROPOSALS

8.2.1 Spatial Analysis (Settlements)

Hamburg Settlement Zone

Locality and description – it is bounded by the Keiskamma River, which forms the eastern boundary of the municipal area, extending as far as Bodiam.

Objective – To actively promote, develop and market Hamburg as a holiday destination, planning to ensure the proper conservation of the sensitive coastal and river areas and the unblocking of land related problems for tourism development, and revenue enhancement.

Proposals:

- The municipality to partner with Amathole District Municipality, through Aspire and other stakeholders like Department of Public Works, Department of Water Affairs (Aqua-culture), Department of Environmental Affairs, Keiskamma Trust, in the development plans for Hamburg. This will also guarantee capacity building and sustainability of the envisaged programs
- Investigate smallholdings zoned as agricultural to determine intensity of use and make recommendations for densification
- Development of a Local Spatial Development Framework and Land Use Management Schemes to guide development for the next 30 years
- There is a need to develop a tourism association that will drive a calendar of events including the Hamburg Beach Festival
- Investigate infrastructure requirements which will meet the needs and ensure existing potential is fully utilised.
- Surfacing of the portion of R345 road so as to easily access Hamburg.
- Implementation of Prevention of Land Invasion Policy and other related legislation.
- Political intervention as Department of Rural Development and Land Reform are not responding to request for land release or disposal to the Municipality.

8.3. PEDDIE SETTLEMENT ZONE

Locality and description Area around Peddie Town

Objective:

To promote Peddie as the major compact settlement within the municipal area and ensure efficient provision of infrastructure and services to all.

Proposals:

- Preparation and implementation of land use management guidelines
- Political Intervention and negotiation with Department of Public Works to transfer their properties to Ngqushwa Local Municipality
- Implementation of a Master Plan/Structure Plan to guide development for the next 30 years
- Identify infill areas within the town and villages to be earmarked for densification.
- Investigate smallholdings zoned as agricultural to determine intensity of use and make recommendations for densification
- Formalisation of all informal settlements in and around Peddie
- Investigate infrastructure backlogs and make plans to eliminate such backlogs
- Identify market or business sites for informal traders
- Education and skills development amongst the local community.
- Development of adult education centres

Besides Hamburg and Peddie settlement zone the other settlement zones were identified in the previous SDF. These areas have huge potential to develop into vibrant focus areas but have limited services and development.

These include the following:

1. Prudhoe / Mpekweni and Mgababa (Ward 12) Area Settlement Zone – Chicory farm
2. Glenmore/Bre
3. akfast Vlei Area (ward 8) Settlement Zone – Livestock and game reserve
4. Coastal Belt Settlement Zone (ward 11) - Tourism
5. Tyeni/Ntilini/Qaukeni Settlement Zone (ward 4) – Goat Production (Ward 4)
6. Mavatulana/Zondeka Settlement Zone – Goat Production
7. Tuku / Crossroad Settlement Zone (ward 8)– Pineapple Production

8.4 Infrastructure:

Objective

To ensure efficient, integrated spatial development of infrastructure and transport systems in shared focus areas through elimination of infrastructure backlogs wherever they exist from the status quo analysis, it would appear that lower income areas in the main part of town have limited access to services. The roads linking the various rural settlements are in a poor state of repair and are not adequately maintained and therefore making rural areas difficult to access.

Proposals:

- All areas with limited access to services are identified and such services are provided
- Identification of poorly maintained rural access roads

- Drafting of maintenance plans for rural roads and carrying out maintenance work on these roads
- Important roads linking places of economic and social activities need to be maintained and improved.

These include the following:

- N2 (From King William's Town through Peddie to Grahamstown)
- R 72 (Coastal road from East London to Port Alfred)
- Provincial Road (14 km Provincial road from R 72 to Hamburg)
- Provincial road from Cross Road across Keiskamma River to King William's Town villages
- Provincial road from Great Fish River Mouth through Mpekweni location to Lewis location (R72–N2 Grahamstown N2).
- Provincial road from Peddie to Double-drift Game Reserve.
- Investigation of alternative renewable energy sources

8.5 Environment:

Due to the size of the Municipality, Environmental policies implemented are those developed by Amathole District Municipality. There are many environmental challenges facing Ngqushwa Municipality, such as alien plants, landfill site (closer to new Power Settlement) which need to be relocated, cemetery space and other related issues. However, the following themes are considered to be a priority.

Objective

- Ensure compliance with environmental legislation and policy relevant to spatial planning.
- Promote land-use planning that protects terrestrial environmental resources

Proposals:

- Ngqushwa Local Municipality officials to work in unison with ADM officials
- Disseminate information and educate relevant Municipal officials on environmental policy and legislation.
 - Limit expansion of housing and other developments into areas of high conservation value.
 - Exclude developments, except those with minimal impact on the sensitive vegetation (e.g. indigenous forests, coastal dunes, wetlands, thicket etc.).
 - Designate estuaries as suitable for ecotourism ventures
 - Implementation of Land Care projects to rehabilitate degraded areas.
 - Limit further agricultural expansion into natural areas without first attempting to rehabilitate existing areas.
 - Identify areas with high alien species invasion for rehabilitation with the aid of the Working for Water Programme.
 - Identify threatened wetland areas for rehabilitation with the aid of the Working for Wetlands Programme.
 - Focus efforts on arresting encroachment into estuarine and riparian zones

- There is limited information on the groundwater capacity of the NLM area, thus obtain assistance from the Department of Water Affairs to carry out a geo-hydrological assessment of groundwater resources in the municipality.
- Link development to provision of water to communities
- Proposed new housing developments, where possible, allocate land for housing that is not environmentally sensitive, where water supplies are available and proposed sanitation services are suited to the environment.

Proposals

- Commonage needs to be effectively managed and controlled, therefore develop commonage management plan
- Expansion of commercial agricultural developments, identify land suitable for expansion of agriculture that does not conflict with environmental integrity and conservation.
- Expansion of land for communal grazing, identify land suitable for commonage near settlements that does not conflict with environmental integrity and conservation

Objective

Promote sustainable coastal development

Proposals

- Promote distinctly coastal development opportunities.
- Promote nodal development and densification of existing coastal nodes and discourage coastal sprawl
- Identify areas suitable for Mari-culture.
- Refer to EMF guidelines when considering any coastal development or expansion.

Objective

Develop a climate change response programme

Proposals:

- Liaise with ADM to develop a climate change response strategy for the Municipality
- Take guidance from Provincial and ADM climate change response strategy
- Identify locations for renewable energy projects such as wind generated energy, bio-fuels, solar, etc.



Ngqushwa Municipality has wind and solar resources suitable for generating renewable energy

Objective

Ensure wide application of important environmental land-use management policies and programmes

Proposals:

- Ensure that important environmental planning policies and programmes are widely distributed and inform relevant agencies within the municipality.

Objective:

Protection of the core bio-diversity areas, natural resources and the ecological system. The biophysical environment of Ngqushwa is characterized by diverse ecologically sensitive areas. The area has a high degree of aesthetic appeal and is also rich in natural resources that are ideal for the eco tourism industry such as the physical landscape (mountains, valleys, the coastline, dune systems, sand beaches, estuaries, wetlands, etc)

As echoed in the PSDP it is critical that core biodiversity areas (reserves, wetlands, parks, steep slopes and special sensitive bio-diversity areas) should be properly identified and properly managed. The spatial distribution of environmental bio-diversity areas of significance as contained in the **Eastern Cape Biodiversity Conservation Plan (EC BCP)** are considered to be critical. Identification of areas where development needs to be avoided or at best, carefully managed is important.

Areas of conservation importance and eco-tourism potential include:

- The coast line and marine resources
- Coastal forests occurring in close proximity to the coastline
- Wetlands including coastal and inland wetlands
- Estuaries, streams and rivers
- Nature reserves

While it is difficult to develop a set of guidelines that will address conservation considerations for every land parcel in Ngqushwa LM, the following general principles should be considered:

- All indigenous forests must be conserved except under exceptional circumstances
- There should be no development in any riparian area except under exceptional circumstances

- Development within the Coastal Protection Zone should be consistent with the objectives of the White Paper for Sustainable Coastal Development and the Coastal Management Bill
- Where development or land-use change is deemed appropriate, development should first occur in transformed and non-restorable areas before consideration is given to opening up additional areas for development.
- Where development or land-use change of sensitive areas is deemed appropriate, consideration should be given to the establishment of appropriate off-sets in addition to the rehabilitation of existing disturbed areas
- The assessment of proposed development or land-use change should anticipate future land-use pressures
- Development outside the urban edge should only be contemplated if real environmental benefits can be demonstrated or appropriate off-sets are provided.

8.6. Rehabilitation of degraded areas

It is essential that wards where degradation has occurred are identified and mapped. In ward 8, degradation has occurred due to poor veld management, uncontrolled burning and overgrazing. These practices result in loss of fertile agricultural soils and cause a general ecological decline of the area. Good management practices have to be employed to combat these practices. The community also needs to be educated on management practices.

Deforestation which is caused by the indiscriminate felling of trees for domestic purposes including firewood, construction and medicinal purposes has occurred in Ngqushwa LM. These practices which result in a reduction of botanical diversity, loss of aesthetic value and economic potential of the area have to be dealt with. Illegal sand mining also occurs in various locations along the coast and such areas should be identified and rehabilitated. The community has to be educated on the effects of deforestation and afforestation programmes have to be employed. Use of policing and prohibitive fines for those caught in these illegal activities should be employed.

8.7 Rural Development

Land in the rural areas is primarily owned by the state. As a result, the process of releasing land is very slow and has been reported to be very problematic. There is generally lack of tenure security and a weak land administration system in rural areas

Objective:

To improve access to rural land and clarify who is responsible for which land. Working together between different authorities through Intergovernmental Relations.

- Improve relations between traditional authorities and LM and clarification of roles
- Convert the tenure of large tracts of state owned land to communal ownership.

- Obtain support from local government and land claims commission in finalising land Redistribution for Agricultural Development (LRAD) processes and implementing the Communal Land Rights Act

8.8 Economy: Tourism Objective:

Development of the existing tourism potential by harnessing different types of tourism products such as cultural, historical and adventure tourism in different parts of the municipality .

- Great potential for tourism development in the Hamburg Expanded Development Initiative (HEDI) area but it is through the synergy of tourism product development that this area will develop to its full potential.
- Adventure based tourism such as mountain and quad biking, hiking and canoe trials holds great potential in the municipality. This is owing to its natural environment.
- Establishment of a tourism information centre and hub
- Further research on the Amathole Heritage trails.
- Proper mapping of heritage sites and tourism nodes
- Develop existing projects such as the Nguni Bull project, at Wesley and the oyster farm at Hamburg.

Agriculture Objective:

Improve agricultural production, making use of available resources, starting with areas with the greatest potential and available or close to infrastructure.

Proposals

Prioritise development (coupled with sourcing of funding) within areas with potential identified in the previous SDF.

- Sort out land ownership problems and organise funding for purposes of Intensive commercial – orientated agriculture: Areas identified for irrigated crop production - Tyefu Irrigation Scheme area, Keiskamma River Citrus.
- Investigate and identify areas suitable for ranching activities around the coast
- Invest in reviving old but viable irrigation Schemes - mainly along the Keiskamma River watercourse and the existing Tyefu irrigation zones.
- Develop Pineapple Production in the existing pineapple farm areas – Wards 6, 11 (3 pineapple farms) 12 and 14 by inviting potential investors.
- Investigate subtropical fruit, vegetable and fodder crop production along the Keiskamma River.

SMME's Objective:

To focus municipal investment in focus areas within identified settlement zones.

Proposals:

- Improving the level of services in basic infrastructure

- Implementation of poverty alleviation programmes as identified in the LED programme
- The municipality to develop income generating projects to minimise dependency ratio

The local municipality aims to develop and invest in the SMME sector in order to create employment opportunities. The need for business advisory services was identified. This was piloted in the following areas:- Peddie, Hamburg, Lower Mgwalana, Pikoli and Breakfast Vlei. In addition, councillors were tasked to undertake a stimulus programme with the aim of putting emphasis on providing support for the SMME sector.

Potential auxiliary SMME industries identified in the LED Strategy, include; furniture manufacturing, brick making, lime making and sand mining.

Mining Objective:

To conduct municipal wide mining and geological resource assessment and manage existing mining

Proposals

- LM to ensure proper documentation and spatial mapping of all its available resources
- Proposed joint venture with the Gauteng Lime Factory to re-open the lime mine in ward 11 and 7 in the Mpekweni area on Pato's Kop.
- Formalise and regulate illegal sand mining, particularly along the coast.

8.9 Governance Objective:

Effective implementation of the SDF and Land Use Management System

Proposals

- Improve knowledge and understanding on the importance of spatial planning
- Implementation of Land Use Management and discourage informal settlements and urban sprawl
- Monitoring of spatial/growth trends to be in line with future planning
- SDF Review to be in line with IDP Review
- One system of land planning and management legislation will lead to efficient spatial distribution of public sector investment and private sector interests.
- Finalisation of land claims to allow development to proceed

8.10 Human Resources

Objective:

Augmenting existing capacity to deal with land use management and housing issues by increasing knowledge and awareness of the decision makers on the need for planning.

Proposals

- Partnership with District Municipality intended for the development and implementation of legislation

- Awareness creation, training and capacity building about land use management and the SDF.
- Targeted skills attraction and retention. This includes affordable middle-income housing, affordable quality education and health services, affordable public transport systems, good personal safety and security, and leisure and entertainment facilities and choices.
- Targeted capacity development to undertake development planning

