



# **IDP REVIEW**

## **2011-2012**

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## **FOREWORD BY EXECUTIVE MAYOR OF CHDM**

Our Reviewed Integrated Development Plan is a culmination of one process and the beginning of another. It is closing the term of office for the current Council which will close its chapter on the 18<sup>th</sup> May 2011 and usher in a new Council for the next term of a democratic local government.

The needs of our communities always outweigh available resources hence municipalities are obliged to develop tactics to meet their developmental goals. The IDP therefore lists priorities for five years and at the same time prioritises activities or projects for each financial year. Alignment of our programs become key in realising the dream of sustainable development in order for us to witness great and desired impact on the lives of our people, particularly the poor in our society.

As we assumed the responsibilities of democratic government in the local sphere about ten years ago, we had to define the Freedom Charter to an actual programme of government in order for everyone of us to feel that South Africa belongs to all who live in it, black and white and that no government can justly claim authority unless it is based on the will of all the people. It is against this understanding that the IDP with all its processes must also be seen as a tool that is used to democratise the state and society. This therefore calls upon all our people to participate meaningfully in the process as it also seeks to empower our society with knowledge and vice versa.

Information such as the Situational Analysis (clearly outlined in the document) helps us to take informed decisions on where the greatest needs are in order for us to spend our limited resources relevantly. Various programmes had been developed with an objective of enhancing and mainstreaming alignment of the work of government such as integrated planning. These programmes include Integrated Sustainable Rural Development Programme, Project Consolidate, Siyenza Manje, and Local Government Turnaround Strategy and so on. These are aimed at strengthening our IDPs and therefore enhance delivery of quality, effective and efficient services in a sustained manner.

We appreciate the support of sector departments, parastatals, the IDP Representative Forum, civil society, business, management and the IDP steering committee for their contribution to this reviewed IDP, for it is their effort and contributions that have resulted in this document.

We, therefore, present our Reviewed IDP document for everyone to make use of as it attempts to provide clear, realistic and achievable programmes that will inform our budget allocations for 2011/2012 financial year. It is an integrated, coherent and viable programme geared towards qualitatively and quantitatively meeting the needs of our people

Please make use of this document

Yours in Service Delivery



**Cllr Mafuza Sigabi**  
**Executive Mayor**

## **MESSAGE BY THE MUNICIPAL MANAGER**

The Chris Hani District Municipality has undergone its last review for the Integrated Development Plan since 2006. This review has been enriched by a number of sessions that have been held since the last review. The District Municipality adopted the Municipal Turn-Around Strategy which highlighted Water Services and Operation Clean Audit 2014 as key areas of focus. A summit on Water and Rural development was held in November 2010 which came up with resolutions and commitments in the following areas:

- Water Scarcity, Backlogs and Alternatives
- Rural Development Initiatives
- Sustainable Development Initiatives and the Green Economy

As part of implementing the Water and Rural Development Summit, an Agricultural Indaba was held in February 2011 and resolutions were made in the following areas:

Irrigation schemes and Agricultural Water Use  
Livestock Improvement and Value addition  
Dry Land Crop Production

The resolutions of all the above-mentioned sessions have been incorporated into the IDP. The municipality in an effort to realise the institutional vision has developed 5 Broad Strategic Objective as aligned to the National KPA. These are a way of responding to key issues confronting the municipality and are aligned to the 5 National KPA's (5 year Local Government Strategic Agenda).

We have further noticed a gradual improvement in the participation of stakeholders in the IDP representative forum. There is also a considerable improvement on the information coming from sector departments and parastatals. The District Municipality will be conducting IDP/Budget roadshows in all local municipalities during April 2011 as part of our consultation strategy. Government departments will join us for the first time in our roadshows so that we can share projects/programmes with our communities together. It is our wish that all programmes/projects that will be implemented in 2011/12 financial year contribute in creating more job opportunities.

Working together we could do more to speed up service delivery!!!!

Yours in Service Delivery

.....  
**MPILO MBAMBISA**  
**MUNICIPAL MANAGER**

## **THE EXECUTIVE SUMMARY**

### **Background to this Document**

This document represents the Final Integrated Development Plan (IDP) as prepared by the Chris Hani District Municipality (CHDM) and adopted by Council as Final IDP on the 6<sup>th</sup> of May 2011. It is submitted and prepared in fulfilment of the Municipality's legal obligation in terms of Section 32 of the Local Government: Municipal Systems Act 32 of 2000.

In addition to the legal requirement for every Municipality to compile an Integrated Development Plan, the Municipal Systems Act 32 of 2000 also requires that:

- the IDP be implemented;
- the Municipality monitors and evaluates its performance with regards to the IDP's implementation;
- the IDP be reviewed annually to effect improvements.

Section 25 of the Municipal Systems Act deals with the adoption of the IDP and states that:

"Each municipal council must adopt a single, inclusive and strategic plan for the development of the municipality which –

- links, integrates and co-ordinates plans and takes into account proposals for the development of the municipality;
- aligns the resources and capacity of the municipality with the implementation of the plan;
- Forms the policy framework and general basis on which annual budget must be based."

### **CHDM's Broad Strategic Objectives**

In an effort to realise the institutional vision, CHDM has developed 5 Broad Strategic Objective as aligned to the National KPA. These are a way of responding to key issues confronting the municipality and as said are aligned to the 5 National KPA's (5 year Local Government Strategic Agenda).

### **Report outline**

The report is structured as follows:

#### **Chapter 1: The Planning Process**

This section of the IDP will outlines the planning process with specific reference to the IDP process, and organisational arrangements. This chapter provides the reader with an understanding of the process followed by the Chris Hani District Municipality in compiling the Integrated Development Plan of 2011/12 financial year.

#### **Chapter 2: The Situational Analysis**

This section will provide a detailed situational analysis of Chris Hani District Municipality.

#### **Chapter 3: Objectives, Strategies and Projects**

This section will provide a concise summary of the municipal vision, mission and values, and a detailed breakdown of objectives, strategies and project programmes.

#### **Chapter 4: Spatial Development Framework Analysis**

This section will provide a detailed analysis of the District Spatial Framework

**Chapter 5: Sector Plans**

**This section will** provide a list of all CHDM sector plans and their status together with new ones.

**Chapter 6: Financial Plan**

**This section will** provide the district municipality's financial strategies, the proposed budget for the 2011/12 and the following two outer years, as well as the 3 Year Financial Plan.

**Chapter 7: Performance Management System**

**This section will** provide the legal context of the municipality's performance management system, an overview of the monitoring and evaluation process, a background to the CHDM Performance Management Framework as well as the Municipal Scorecard model adopted by the district municipality.

# **CHAPTER 1:**

## **THE PLANNING PROCESS**

### **1.0 The IDP Review Process**

Prior to the commencement of the IDP, CHDM prepared and adopted a District IDP Framework Plan that served as a guide to the overall process throughout the district, as well as the CHDM IDP/Budget Process Plan. The Council resolution for the adoption of the District IDP Framework Plan and the IDP/Budget Process Plan is attached as Annexure 'A' and 'B' respectively.

#### **□ District IDP Framework Plan**

A District Framework Plan was formulated and adopted on 28 July 2010 to serve as a guide to all of the local municipalities within the CHDM area of jurisdiction, in the preparation of their respective Process Plans. In brief, the District Framework Plan outlines the time frames of scheduled events/activities, structures involved and their respective roles and responsibilities.

#### **□ CHDM IDP/Budget Process Plan**

The IDP/Budget Process Plan was also formulated and adopted on 28 July 2010. The IDP/Budget Process Plan outlines in detail, the way in which the CHDM embarked on its IDP and Budget processes from its commencement in August 2010 to its completion in June 2011. In brief, the Process Plan outlines the time frames of scheduled events, structures involved and their respective roles and responsibilities.

On 28 July 2010, the Chris Hani District Municipality adopted a framework plan for the IDP throughout its area of jurisdiction, followed by a Process Plan. These plans were adopted in accordance with the relevant legal prescripts and have dictated the process to be followed for developing the IDP.

Organisational arrangements were put in place as per the Process Plan and all legislative prescripts were adhered to. Of particular note have been the effective and efficient operations of structures such as the District Managers Forum (DIMAFO), IDP Representative Forum and the IDP Steering Committee. These have executed their mandates in terms of the adopted Process Plan and ensured the achievement of key milestones and deliverables.

During this review, particular attention was paid to institutional issues, IDP-budget linkage, CHDMs vision and mission. An analysis was conducted in respect of various sector plans attached to the CHDM's IDP and some were found to be still relevant and required minor update, others required a review, whilst new ones were developed.

Strict compliance with Regulation 3(5) has been ensured through an ongoing process of consultation between the CHDM and all local municipalities through the operations of the said structures.

### **1.1 Organizational Arrangements**

#### **□ CHDM IDP Structures**

Structures guided the IDP Process within the CHDM:

- IDP/PMS/Budget Representative Forum
- IDP/Budget/PMS Steering Committee
- District Managers' Forum (DIMAFO)

### ❑ Roles and Responsibilities

A number of role-players participated in the IDP Review Process. The role-players together with their respective roles and responsibilities are outlined in the table below.

PERSON/STRUCTURE	ROLES AND RESPONSIBILITIES
<b>Executive Mayor</b>	<ul style="list-style-type: none"> <li>▪ Manage the drafting of the IDP;</li> <li>▪ Assign responsibilities in this regard to the Municipal Manager;</li> <li>▪ Submit the draft Framework Plan and Process Plan to the Council for adoption;</li> <li>▪ Submit the draft IDP to the Council for adoption and approval;</li> </ul> <p>The responsibility for managing the drafting of the IDP was assigned to the Municipal Manager, assisted by the IDP Manager.</p>
<b>Municipal Manager / IDP Manager</b>	<p>The Municipal Manager had the following responsibilities, assigned to the IDP manager:</p> <ul style="list-style-type: none"> <li>▪ Preparation of Framework Plan;</li> <li>▪ Preparation of the Process Plan;</li> <li>▪ Day-to-day management and coordination of the IDP process in terms of time, resources and people, and ensuring:               <ul style="list-style-type: none"> <li>➢ The involvement of all relevant role-players, especially officials;</li> <li>➢ That the timeframes are being adhered to;</li> <li>➢ That the planning process is horizontally and vertically aligned and complies with national and provincial requirements;</li> <li>➢ That conditions for participation are provided;</li> <li>➢ That the outcomes are documented; and</li> <li>➢ Chairing the IDP Steering Committee;</li> </ul> </li> </ul>
<b>DIMAFO (District Manager's Forum)</b>	<p>The DIMAFO is the institutional structure to monitor alignment and integration of the IDP process between CHDM, its local municipalities, sector departments and parastatal bodies.</p> <p><b>Chairperson:</b></p> <p>The Municipal Manager of Chris Hani District Municipality</p> <p><b>Secretariat:</b></p> <p>The secretariat for this function is provided by the Municipal Managers office.</p> <p><b>Members:</b></p> <ul style="list-style-type: none"> <li>• Municipal Managers of local Municipalities;</li> <li>• Chairpersons of the IDP Steering Committees, (Municipal/IDP Managers) from the eight Local Municipalities.</li> <li>• District Managers within Chris Hani Region from sector departments and parastatals.</li> </ul> <p>The DIMAFO is responsible for co-ordinating roles regarding district municipality and local municipalities by:</p> <ul style="list-style-type: none"> <li>• Ensuring horizontal alignment of the IDPs of the local municipalities in the district area of jurisdiction;</li> <li>• Ensuring vertical alignment between district and local planning;</li> <li>• Facilitation of vertical alignment of IDPs with other spheres of government; and</li> <li>• Preparation of joint strategy workshops with local municipalities,</li> </ul>



	provincial and national role-players.
<b>IDP Steering Committee</b>	<p>The IDP Steering Committee comprised of a technical task team of dedicated officials who supported the Municipal Manager to ensure a smooth planning process. The Municipal Manager was responsible for the process but often delegated functions to the officials that formed part of the Steering Committee.</p> <p><b>Chairperson:</b></p> <p>Municipal Manager (or IPED Director)</p> <p><b>Secretariat:</b></p> <p>The secretariat for this function is provided by the Planning Unit</p> <p><b>Members:</b></p> <p>Heads of Departments (HODs) CHDM Management at large Project Managers Internal audit Communication</p> <p>The IDP Steering Committee is responsible for the following:</p> <ul style="list-style-type: none"> <li>▪ Commission research studies;</li> <li>▪ Consider and comment on: <ul style="list-style-type: none"> <li>▪ Inputs from subcommittee(s),</li> <li>▪ Inputs from provincial sector departments and support providers.</li> </ul> </li> <li>▪ Process, summarise and draft outputs;</li> <li>▪ Make recommendations to the Representative Forum;</li> <li>▪ Prepare, facilitate and minute meetings</li> <li>▪ Prepare and submit reports to the IDP Representative Forum</li> </ul>
<b>IDP/PMS/Budget Representative Forum</b>	<p>District-wide participation took place through a number of related structures. The Rep Forum which was formed in the previous years was resuscitated. The Representative Forum comprised of CHDM Councillors and staff and its local municipalities, representatives from sector departments, parastatal bodies, NGOs, business fraternity, traditional leaders, and other interested organized bodies.</p> <p><b>Chairperson:</b></p> <p>The Executive Mayor or a nominee</p> <p><b>Secretariat:</b></p> <p>The secretariat for this function is provided by the Planning Unit</p> <p><b>Membership:</b></p> <p>Invitations were submitted to the same members as the previous year, including the representatives of the consultative fora.</p>
<b>Service Providers</b>	<p>Service providers were not utilised for this IDP, instead, the IDP unit provided support for the following:</p> <ul style="list-style-type: none"> <li>▪ Methodological/technical support on the development of objectives, strategies, projects and programmes.</li> </ul>

	<ul style="list-style-type: none"> <li>▪ Budget alignment and other ad hoc support as required;</li> <li>▪ Coordination of planning workshops as required.</li> </ul>
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In addition to the structures reflected in the table above, the following structures were also involved:

## 1.2 Schedule of Meetings

The outline of the public participation process with specific reference to meetings and workshop dates of the various role players are reflected in the table below.

<b>CHDM ACTION PLAN</b>	
<b>PARTICIPATION STRUCTURES &amp; MEETING DATES</b>	
<b>PRE-PLANNING (July – August)</b>	
IDP Steering Committee (pre-planning and review implementation)	
IDP/PMS/Budget Representative Forum	
<b>ANALYSIS (September – Nov/Dec)</b>	
IDP Managers' Feedback Session (Prioritization of local needs and issues)	13 December 2010
IDP Steering Committee on Situational Analysis	10 December 2010
IDP/PMS/Budget Representative Forum [district-wide development priorities]	-
<b>OBJECTIVES; STRATEGIES and PROGRAMMES (December – March)</b>	
IDP Steering Committee Meeting Presenting Situational Analysis	28 January 2011
Mini-Strategic Planning session (mid-year term review and strategic goals)	15 February 2011
IDP Steering Committee Workshop (refine objectives, strategies and draft projects)	28 February 2011
IDP Representative Forum (present draft objectives and strategies)	03 March 2011
Budget Session HOD's	11 March 2011
IDP Steering with Sector Depts Managers	22 March 2011
District Managers' Forum (DIMAFO)	24 March 2011
Council approval of the draft IDP & Budget	30 March 2011
<b>APPROVAL (April – May)</b>	
IDP/ Budget road shows (public presentation hearings at LMs)	11 April – 15 April 2011
IDP Steering Committee to incorporate inputs into the IDP Roadshows	21 April 2011
District Managers' Forum (DIMAFO)	28 April 2011
Council Open Day (present final IDP/Budget)	06 May 2011
Council Meeting (Final Adoption of IDP & Budget)	06 May 2011

**1.3 Community Involvement**

The outline of the public participation process with specific reference to transparency and community involvement during the IDP review process.

Date	Venue - Municipality	Event	Participants
	LM's	Mayor's Cup	Local Teams
	Tsolwana	Exco Outreach	EC EXCO
8 March 2011	Tsolwana	Public meeting	CHDM, LM, Sector Departments, IEC, Stats SA
10 March 2011	Emalahleni	Public meeting	CHDM, LM, Sector Departments, IEC, Stats SA
15 March 2011	Inkwanca	Public meeting	CHDM, LM, Sector Departments, IEC, Stats SA
17 March 2011	Engcobo (Silindini)	Services on Wheels, Public Meeting	CHDM, LM, Sector Departments, IEC, Stats SA
20 March 2011	Inxuba Yethemba	Partner with DSRAC – utilise Human Rights day	CHDM, LM, Sector Departments, IEC, Stats SA, etc
24 March 2011	Lukhanji Ilinge Community Hall	Public meeting	CHDM, LM, Sector Departments, IEC, Stats SA
29 March 2011	Intsika Yethu (Qamata Great Place)	Services on Wheel, Public Meeting	CHDM, LM, Sector Departments, IEC, Stats SA, etc
31 March 2011	Sakhisizwe	Public meeting	CHDM, LM, Sector Departments, IEC, Stats SA, etc
11-15 April 2011	Local Municipality	IDP/Budget Roadshows	CHDM & Sector Depts

**1.4 Relevant Documents**

The following documentation should be read with the IDP:

- Municipal Systems Act and relevant regulations
- IDP Guide Pack, with specific reference to Guide 3 and Guide 6
- District IDP Framework Plan
- CHDM IDP/Budget Process Plan
- CHDM IDP (2006 - 2011) and 2009/2010, Reviewed IDPs
- Various sector plans and programmes
- Category B IDP's (2007 - 2012) and 2009/2010, 2010/2011 Reviewed IDPs
- Performance Management Framework (2010)
- Provincial Growth and Development Plan (2004-2014)

### **1.5      Alignment with National and Provincial Programs**

The following National programs informed the IDP review process:

- State of the Nation Address (SONA)
- Green Paper on National Planning Commission (revised).
- State of Local Government in South Africa
  - Municipal Demarcation Board Reports 2010/2011
- COGTA : Local Government Turnaround Strategy (LGTAS)
- COGTA : Operation Clean Audit 2014
- Powers & Functions :
  - Municipal Demarcation Board
  - Local Government MEC
- ANC Manifesto (2009, 2011)
- ANC January 8<sup>th</sup> Statement (2011)
- KingIII Report & Code on Good Governance for South Africa-2009

During the IDP review process, CHDM has noted that 2011/12 has been declared a “Job Creation Year” through EPWP. CHDM acknowledged that though we work ‘Harder’, we don’t work ‘Smarter’. CHDM thus concur with the observations depicted in the LGTAS about municipalities in general.

The following table depicts how CHDMs 5 key performance areas are aligned with the national and provincial programs:

Key Performance Areas	Manifesto 2009	10 National Priorities	8 Provincial Priorities	12 Outcomes
Good Governance and Public Participation	5. Fight against crime and corruption	Intensifying the fight against crime and corruption	Intensify the fight against crime and corruption	7. Vibrant, equitable, sustainable rural communities contributing towards food security for all
		Build cohesive, caring and sustainable communities	Building cohesive and sustainable communities	9. Responsive, accountable, effective and efficient Local Government system
		Pursuing African advancement and enhanced international co-operation		12. An efficient, effective and development oriented public service and an empowered, fair and inclusive citizenship
		Building a developmental state including improvement of public services and strengthening democratic institutions		11. Create a better South Africa, better Africa and a better world
Municipal Financial Viability and Management	5. Fight against crime and corruption	Intensifying the fight against crime and corruption	Intensify the fight against crime and corruption	9. Responsive, accountable, effective and efficient Local Government system
Municipal Transformation and Institutional Development	5. Fight against crime and corruption	Strengthen skills and human resource base	Strengthen education, skills and human resource base	1. Quality basic education
	2. Education	Pursuing African advancement and enhanced international co-operation		5. Skilled and capable workforce to support an inclusive growth path
		Building a developmental state including improvement of public services and strengthening democratic institutions		3. All people in SA are and feel safe
				9. Responsive, accountable, effective and efficient Local Government system
Basic Service Delivery and Infrastructure Investment	3. Health	Improve health profile of the nation	Improve the health profile of the province	6. An efficient, competitive and responsive economic infrastructure network
		Comprehensive rural development strategy linked to land and agrarian reform & food security	Rural development, land and agrarian transformation, and food security	2. A long and healthy life for all South Africans
		Massive programme to build economic and social infrastructure	Massive programme to build social and economic and infrastructure	8. Sustainable human settlements and improved quality of household life

		Sustainable resource management and use	Building a developmental state	10. Protect and enhance our environmental assets and natural resources
Local Economic Development	1. Creation of decent work and sustainable livelihoods	Speeding up economic growth & transforming economy to create decent work and sustainable livelihoods	Speeding up growth & transforming the economy to create decent work and sustainable livelihoods	4. Decent employment through inclusive economic growth
	4. Rural development, food security and land reform	Comprehensive rural development strategy linked to land and agrarian reform & food security	Rural development, land and agrarian transformation, and food security	6. An efficient, competitive and responsive economic infrastructure network
			Massive programme to build social and economic and infrastructure	7. Vibrant, equitable, sustainable rural communities contributing towards food security for all
			Building cohesive and sustainable communities	8. Sustainable human settlements and improved quality of household life
			Building a developmental state	10. Protect and enhance our environmental assets and natural resources

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## **CHAPTER 2**

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This chapter provides a detailed summary of the Chris Hani District Municipality Situational Analysis.

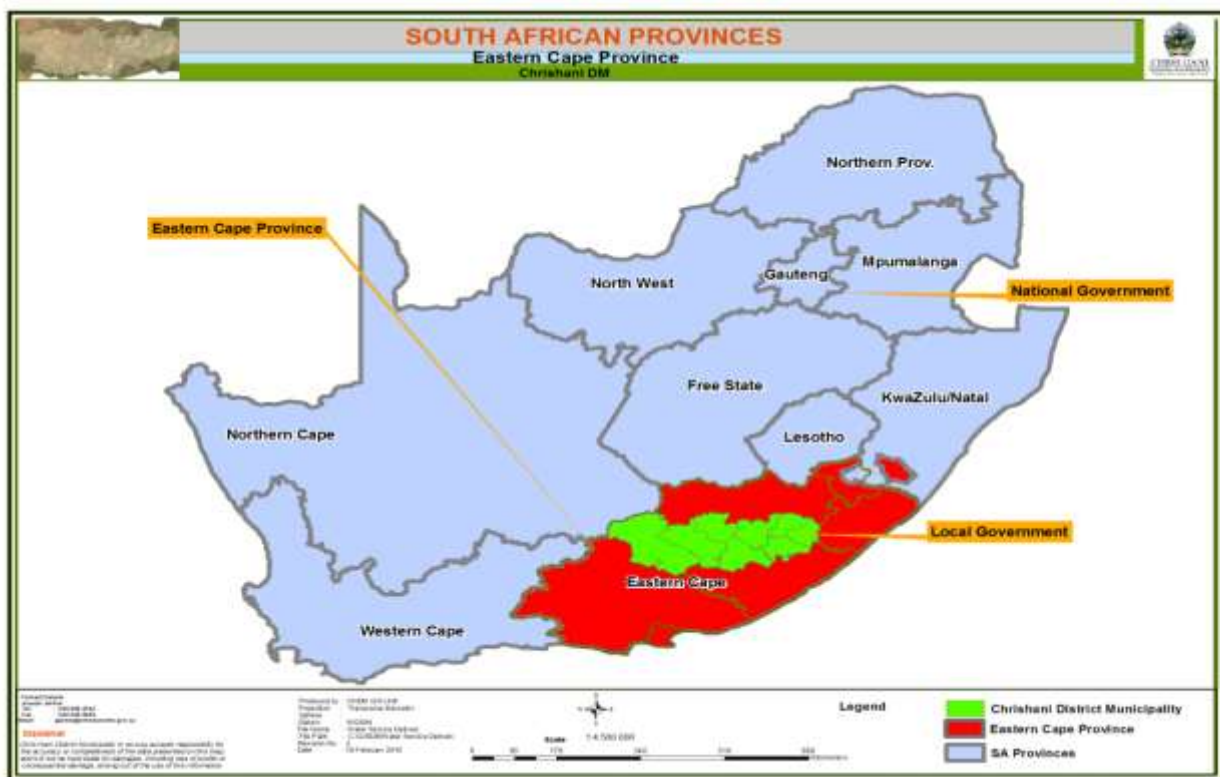
### **2.1 ANALYSIS OVERVIEW**

#### **2.1.1 Introduction**

Chris Hani District Municipality is located within the centre of the Province of the Eastern Cape surrounded by the district municipalities of OR Tambo, Joe Gqabi, Cacadu and Amatole. . It is made up of the following eight local municipalities: Inxuba Yethemba, Tsolwana, Inkwanca, Lukhanji, Intsika Yethu, Emalahleni, Engcobo, and Sakhisizwe.

- Lukhanji local municipality, comprising of Queenstown which is a main town and small town of Whittlesea and numerous peri-urban and rural settlements. This is the home to the District administrative centre.
- Sakhisizwe local municipality, comprising of Cala and Elliot and numerous peri-urban and rural settlements.
- Emalahleni local municipality, comprising of Lady Frere, Dodrecht and Indwe and numerous peri-urban and rural settlements.
- Intsika Yethu local municipality, comprising of Cofimvaba, Tsomo and numerous peri-urban and rural settlements.
- Tsolwana local municipality, comprising of Tarkastad and Hofmeyer and surround rural settlements.
- Inkwanca local municipality, comprising of Molteno and Sterkstroom and surrounding peri-urban and rural settlements.
- Inxuba Yethemba local municipality, comprising of Cradock, Middleburg and numerous peri-urban and rural settlements.
- Engcobo local municipality, comprising of Ngcobo and numerous peri-urban and rural settlements.

Chris Hani District Municipality covers an area of 36, 561 square kilometres in extent. Inxuba Yethemba is the largest single municipality (32%) in the district, followed by Tsolwana (16%); Sakhisizwe and Engcobo are the smallest in terms of size (6% each).





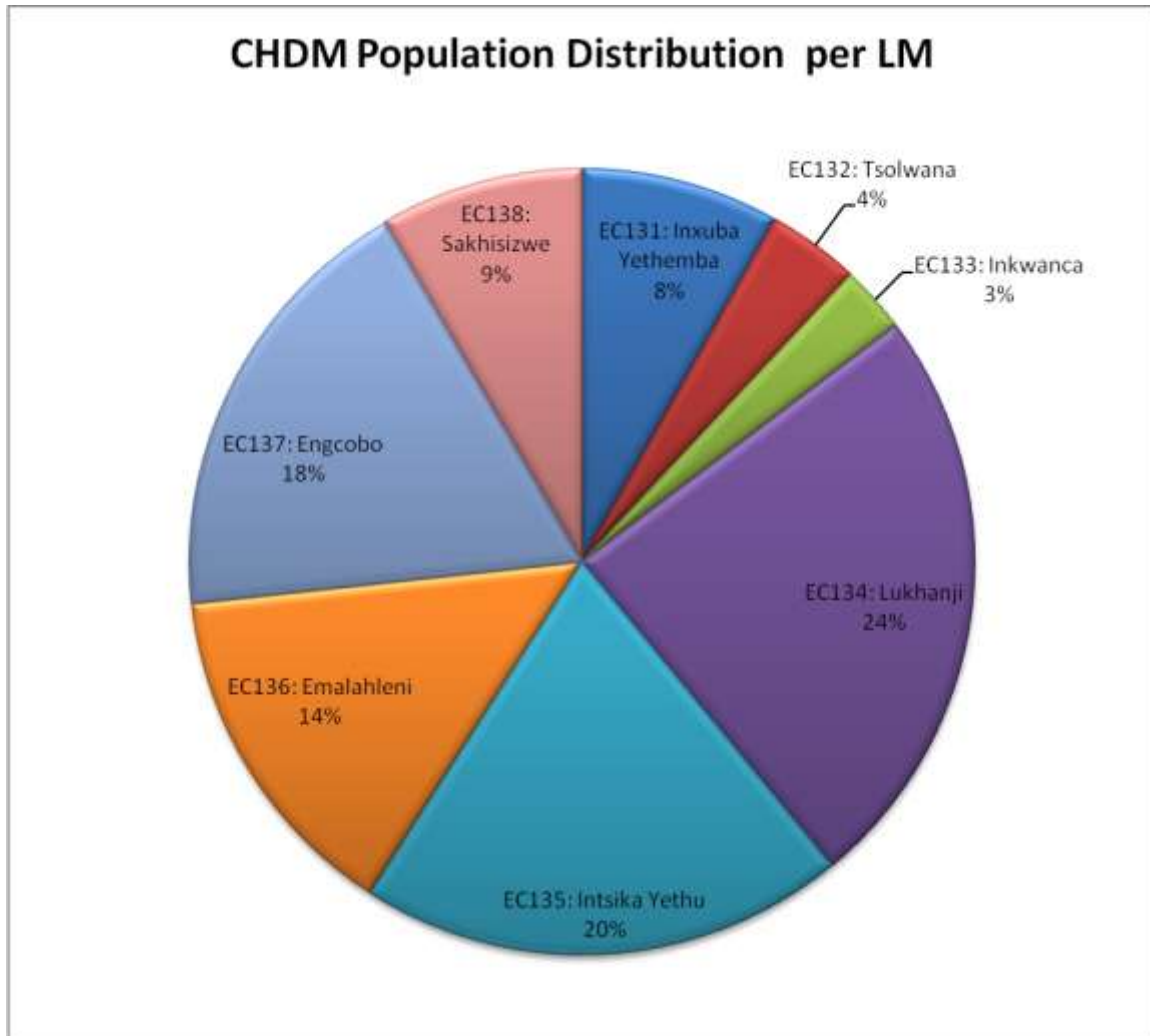
## 2.2 DEMOGRAPHIC OVERVIEW

### 2.2.1 Population

Estimates from the 2001 Census and the 2007 Community Survey indicate that the South African population increased from approximately 44.8 million in 2001 to 48.5 million in 2007. This represented a total increase of 3.7 million. Over the same period, the Eastern Cape population is estimated to have increased by 200 thousand from 6, 3 million to 6, 5 million. However the provincial share of the national population has shrunk from 14 percent in 2001 to 13.5 per cent in 2007. This makes the Eastern Cape to be the third most populous province in the country after Gauteng (21.5 percent) and KwaZulu-Natal (21.2 percent)

According to Statistics South Africa (Community Survey of 2007) the population of CHDM show a decrease in population from 809 581 in 2001 to 798 597 in 2007. Global Insight statistics/update of 2009 which is unofficial shows that the total population for Chris Hani is 809 201 which does not differ much with Community Survey that was conducted in 2007 which reflect 798 597 and as well as with National Stats that was in 2001 which reflect 809 581.

The graph below depicts/shows the population per local municipality in percentages.



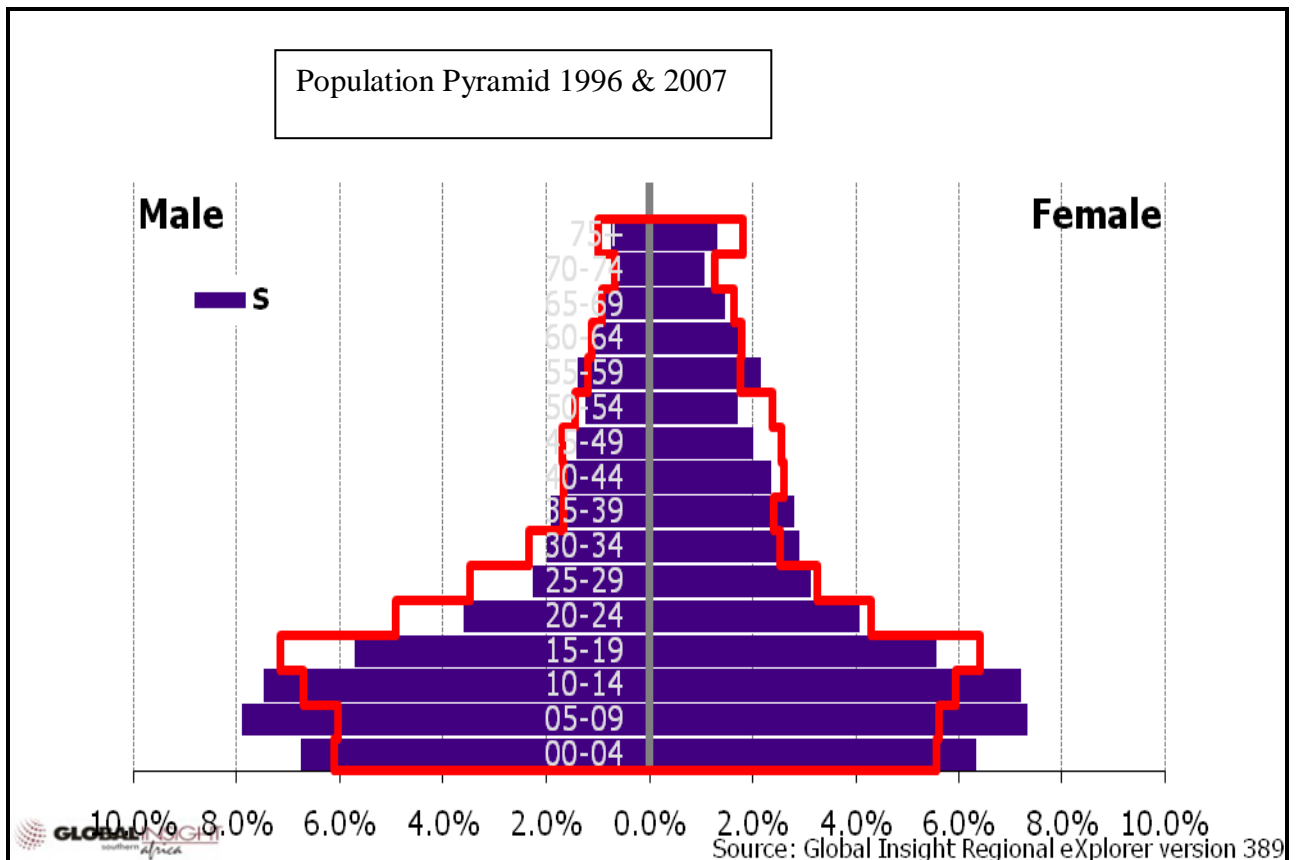
The above pie chart depicts that the largest population in the district utilising the data resides in Lukhanji municipality with a total population of 196 553 and with a percentage of 24% of the CHDM total population.

One may interpret this number of population to migration and to people coming closer to employment opportunities and to job seekers. Intsika Yethu follows with a total population of 162 413 and a percentage of 20% from the district population. Ngcobo municipality follows with a population of 148 313 and has a percentage of 18% from the district population. Emalahleni's has a total population of 115 011 and a percentage of 14% from the district total percentage. Sakhisizwe has a total number of 67 736 and a percentage of 9% from the district percentage. Inxuba Yethemba's population is at 66 076 with a percentage of 8% from the district total percentage. Tsolwana at 30 779 and a percentage of 4% and Inkwanca at 22 321 with a percentage of 3%.

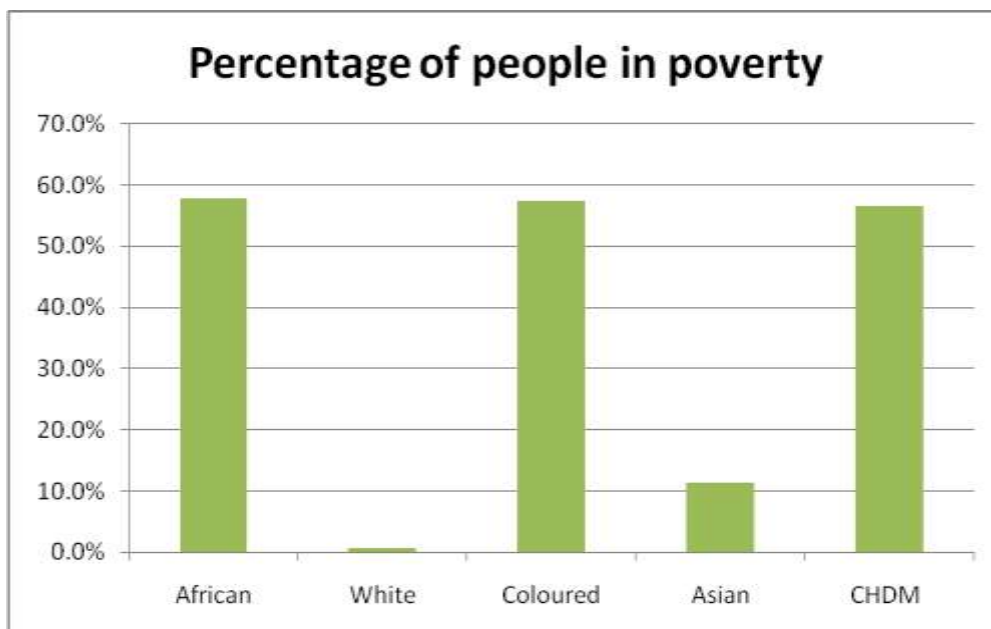
The average population growth rate calculated using Global insight figures from 1996 to 2009 is – 1.93 %. This means that our population is experiencing a negative population growth. There are several factors which contribute to this but the most important are increase in education level and urbanisation. The impact of this on planning is that we will have more and smaller households in the future.

The decrease in annual population growth rate is in line with the situation at national level which shows a significant decline in the Asian, white and black population. However the increase in the Coloured population growth rate is not mirrored on a national scale.

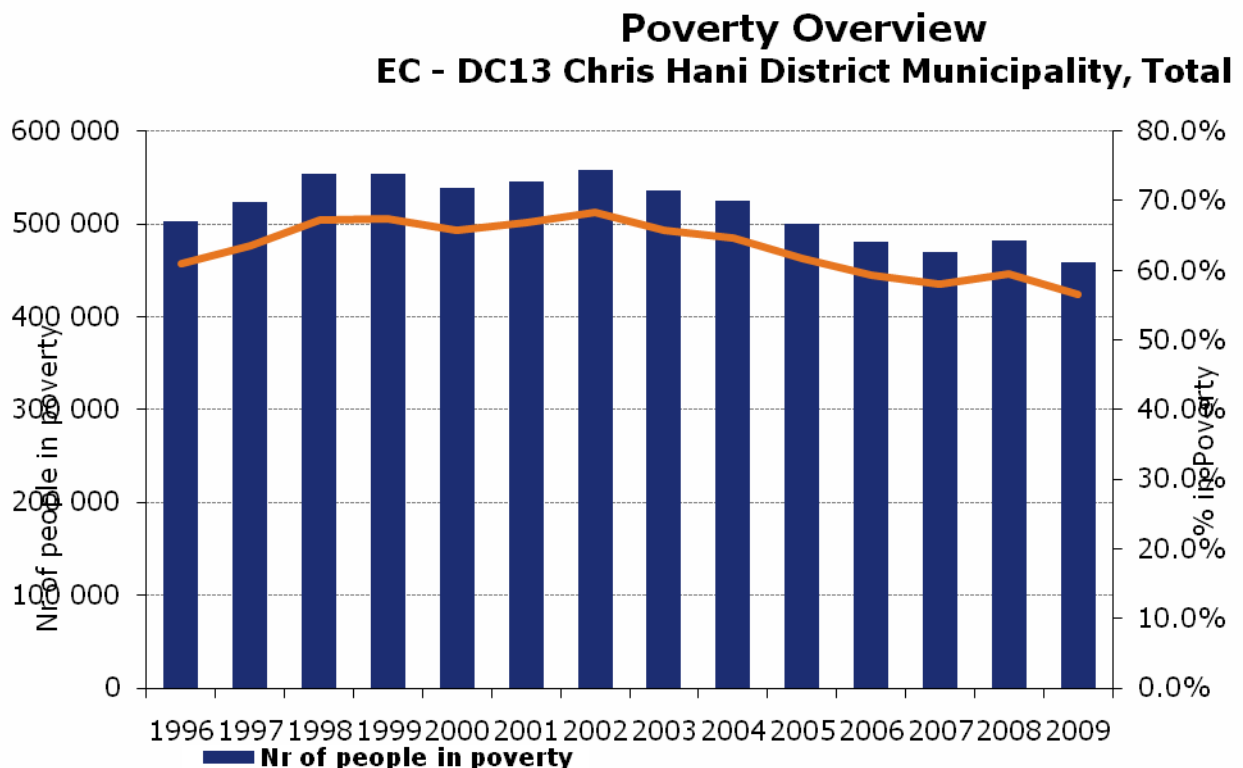
The population pyramid below shows the 1996 population in red versus the 2007 population in blue. It shows a significant decline in male and female aged 15 – 19 and a decline in males 25 – 29. One of the factors for this could be due to out migration for employment and schooling. The decrease in females 44 to 54 is worrying as this is the stage when women are still looking after their teenage children.



The majority of the population are young people of the ages 5 to 20 (54.4%). These are largely children who are of school going ages and therefore, it is necessary for the district to lobby for improved access to schooling infrastructure and resources in their engagement with the Department of Education.



Looking at Percentage of People in Poverty within the district the Bar Grap shows that the Total people on Poverty in percentages within the district is standing at 56,6%, and with Africans being the most vulnerable group standing at 57,8% and Coloureds at 57,4%, Assians at 11,4% and with Whites at 0,8%/.

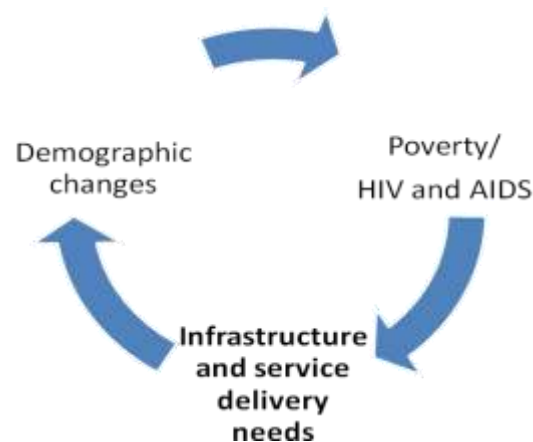


Source: IHS Global Insight Regional eXplorer version 524

The graph above depicts the scinerio of poverty within the area/district as from 1996 up until 2009 and had shown that there is a slight decline on poverty as it currently stands at 56, 6%.

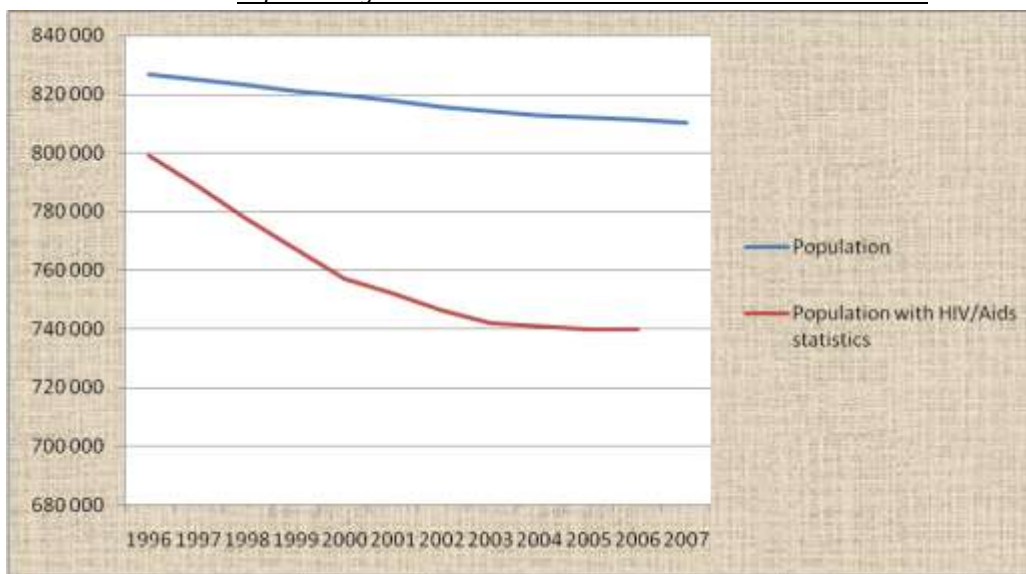
#### The impact of HIV and AIDS within the District

HIV and AIDS affect local economic development as well as health and all other infrastructure and service delivery. HIV and AIDS affects all community members through illness and death associated with the disease. Key community members become ill or spend time in caring for others resulting in the household composition changes with women, youth and elderly assuming even greater burdens. The District may also provide infrastructure that will be redundant in the future as the demand decreases because of the impact of HIV and AIDS. Therefore, if the impact of HIV and AIDS is not addressed in all municipal programmes and services, its effects on the population will result in further poverty which may lead again in an increase of infected and affected people. The circle below clearly demonstrates the linkages between the demographic structure of the population (age and gender), poverty and infrastructural needs and service delivery mechanisms.



Recent studies undertaken in the District Municipality show that HIV and AIDS infection rates have declined and the anticipated mortality rates are not as high as was anticipated in the graph below.

Population growth 1996 to 2007 with and without HIV and AIDS



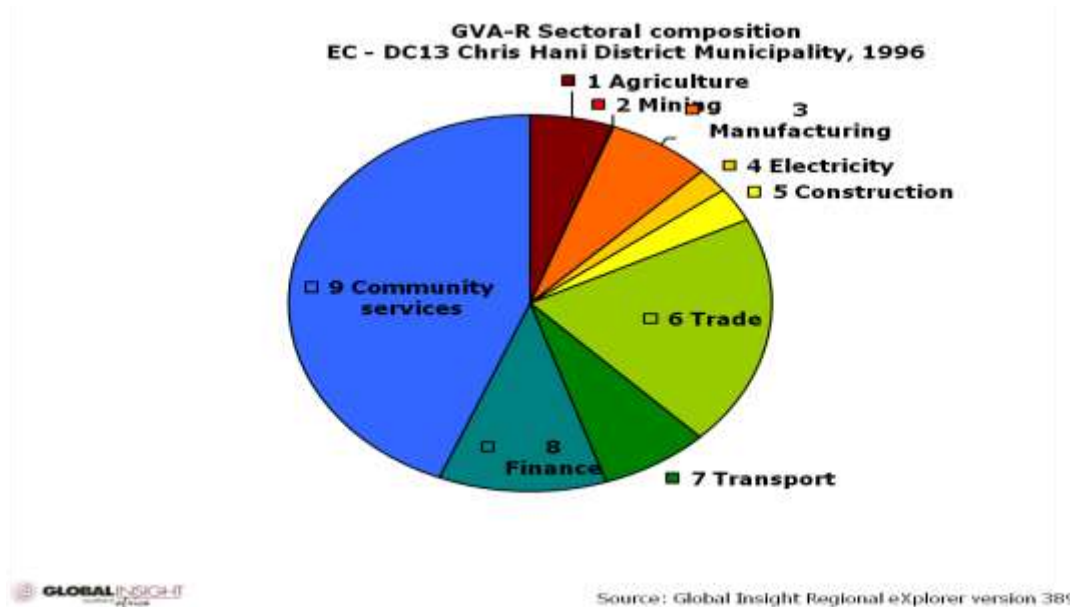
Global Insight 2008

The graph illustrates the current population and what it would have looked like if the HIV and AIDS infection rate had continued increasing.

The decrease in infection rate is due to many factors but the most important of these is increased access to health facilities, increase in education and lastly an increase in nutrition. The food parcels and gardens planted by many departments in various programmes have ensured that people have more access to proper nutrition. In addition people have greater knowledge of safe reproductive practices and thereby STI's are greatly reduced.

## 2.3 ECONOMIC OVERVIEW

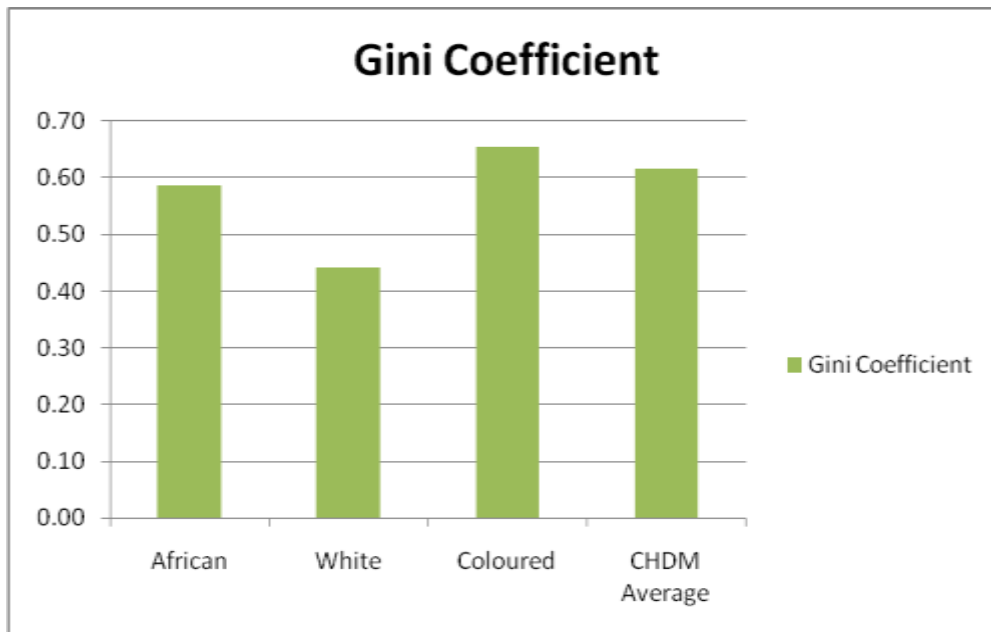
The Chris Hani District economy is heavily reliant on Community Services. In other words in Chris Hani district area without the employment opportunities offered by Government, the economy would be in decline.



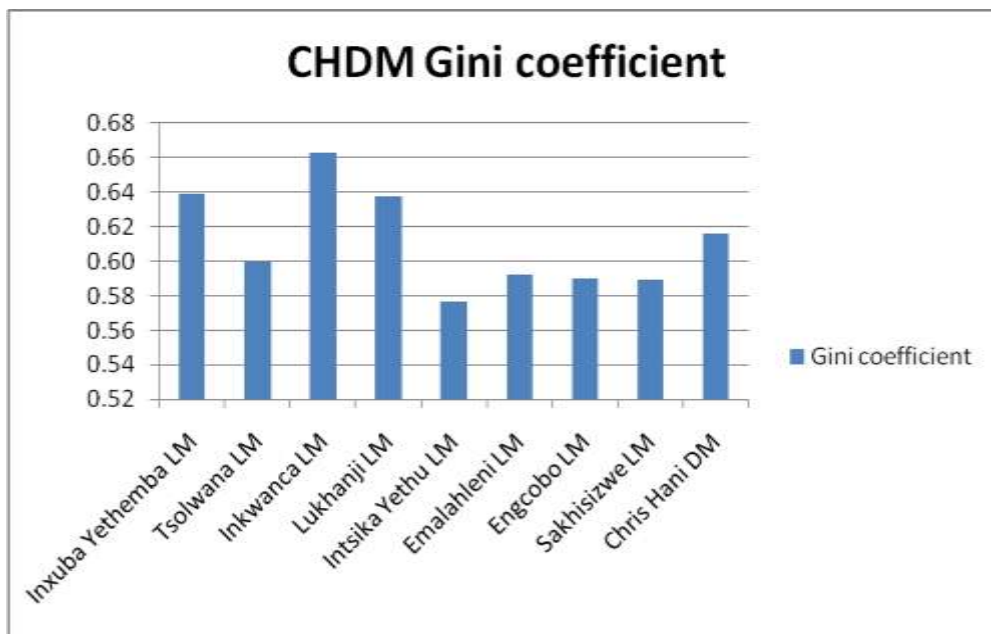
From this it is clear that the slice of each sector in the economy has hardly grown apart from the community services sector. This conclusion is borne out by analyzing the gross value added percentage growth per sector from 1996 to 2009 as shown in the table below. It indicates that many sectors are in decline whilst some have hardly grown at all. In fact the GDP only grew by 1.8 % as opposed to the national average of 5 to 6 % per year.

### 2.3.1 Gini Coefficient Development

The Gini coefficient is a summary statistic of Income Inequality, which varies from 0 (in the case of perfect equality where all households earn equal income) to 1 (in the case where one household earns all the income and other households earn nothing). In practice the coefficient is likely to vary from approximately 0, 25 to 0, 70. The graph for Chris Hani indicates that inequality is there between Africans, Whites and Coloureds within the district. Inequality is more pronounced in the black community. The total Gini Coefficient for the CHDM stands at 0, 62 for 2009 indicating that inequality is existing within the district. The graph below shows that Africans are at 0, 59 and Coloureds at 0, 65 and whites are at 0, 44.

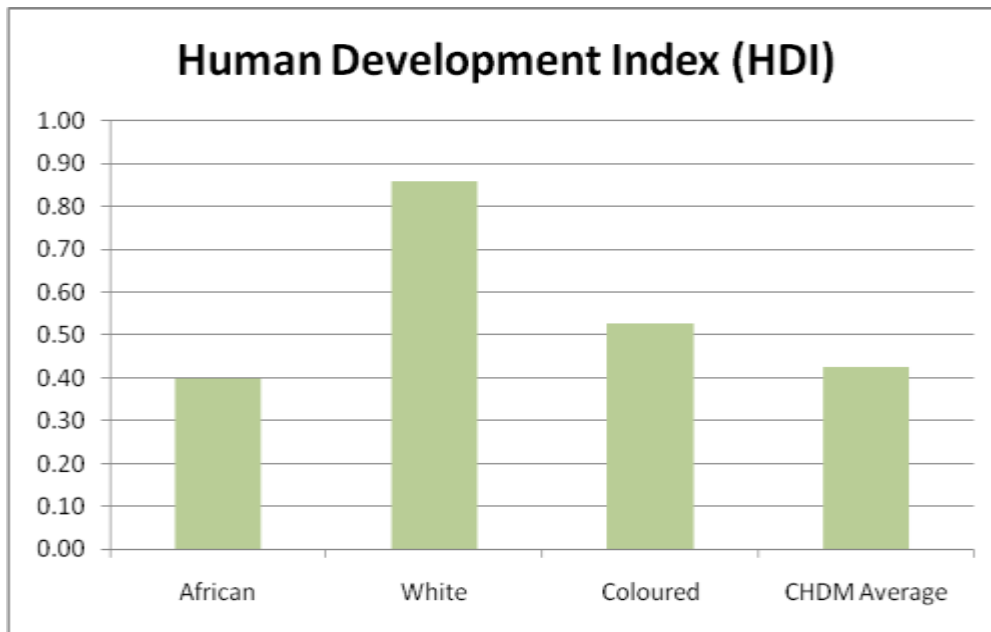


To further highlight the above as the CHDM is made up of eight (08) local municipalities the graph below show the picture per local municipality and reflects that municipalities varies.



### 2.3.2 Human Development Index

The Human Development Index (HDI) is an indicator which measures development. It measures life expectancy, literacy and income of a particular district. It is measured on a scale of 0 to 1 and an HD should preferably be above **0.50** to represent an acceptable level of development.



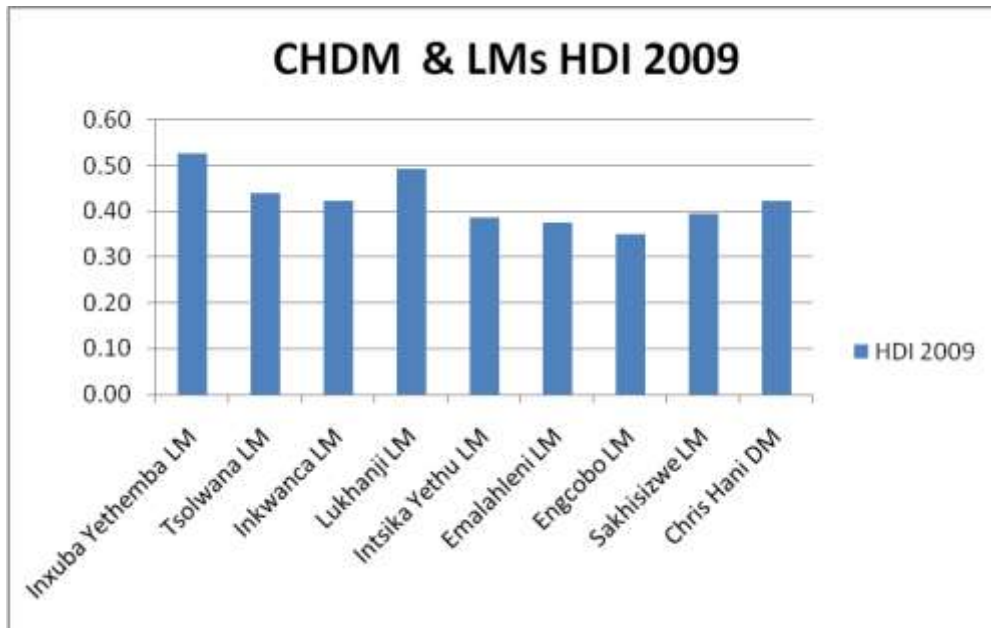
The above graph indicates that the HDI of the ditrict is standing at 0, 42 and with whites within the district at 0.86 and Coloureds at 0, 53 and least being Africans at 0, 40. This means from a development point of view the Human Development Index within the district is just not acceptable as it is below 0,50 which is an accepted figure.

**These may be caused by many factors that include the following:**

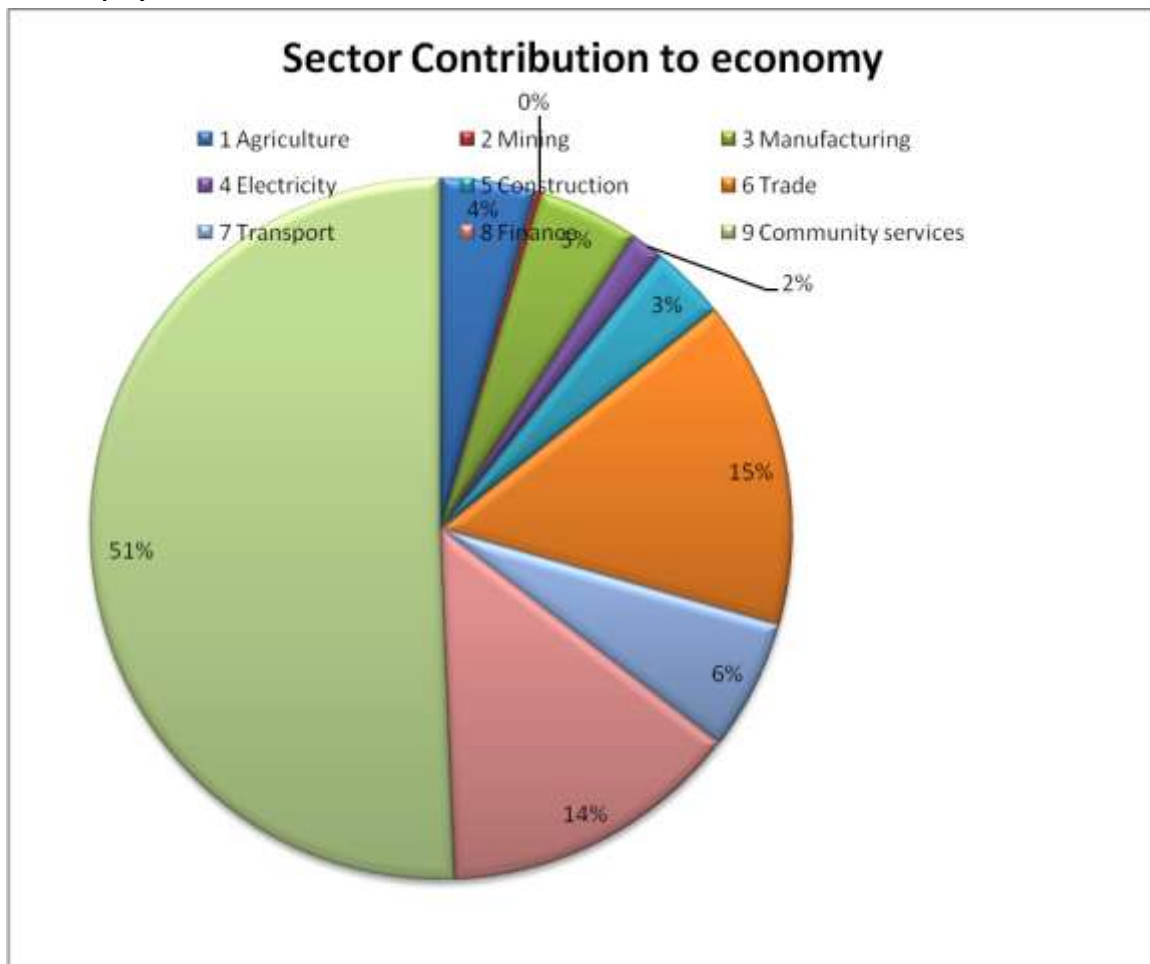
- The region is challenged with a higher demand for Basic services as well as housing/Infrastructure etc.
- The area is largely Rural which negatively influences the health as to some services are sparsely dispered within the district.
- Services such as Education, Reproductive Health, Youth development and development projects to address poverty remain a challenge for local government and government departments.
- The District Municipality has former Homelands ares where limited or no development has taken place over a number of years. This has translated in Chris Hani District experiencing high levels of poverty across the District.
- The public sector dominates the region's economy, which indicates the challenge of a limited production base in the area, and limited private investment growth into the CHDM economy. Economic situation in terms of lack of income and unemployment of the population is increasing.



The graph below indicates that the life expectancy, literacy and development within the local municipalities that are in the district are below 0,50 and are therefore not accepted with the exception of Inxuba Yethemba. Tsolwana is at 0,44; Inkwanca at 0,42; Lukhanji at 0,49; Intttsika Yethu at 0,39; Emalahleni at 0,37; Engcobo at 0,35; Sakhisizwe at 0,39 and with only Inxuba Yethemba accepted norm at 0,53. As these local municipalities make a District the average for the CHDM is at 0, 42.



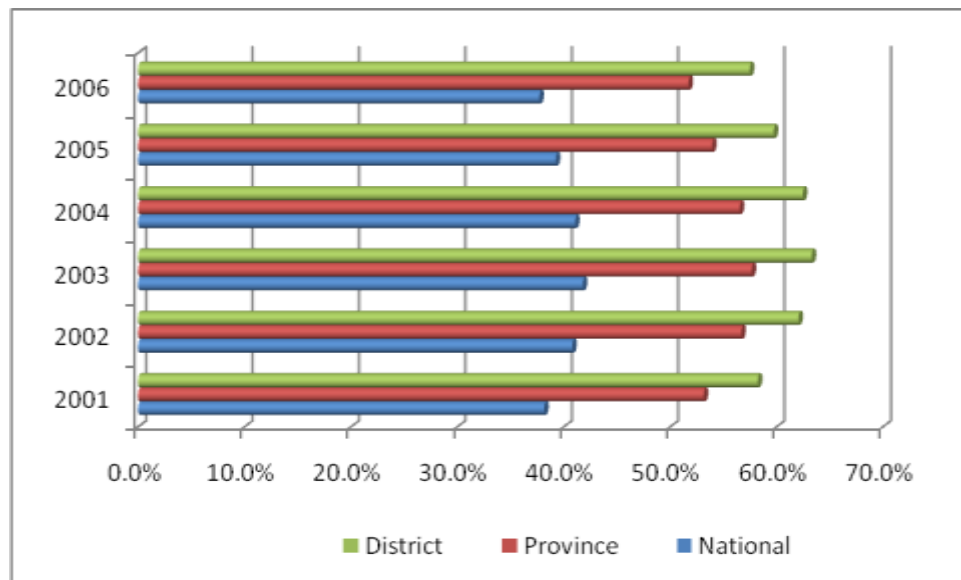
### 2.3.3 Employment



The majority of persons in CHDM are employed in the Community Services (51%) as previously stated with Community services as biggest employer followed by Trade. It is interesting to note the percentage of persons employed in households. This can be both as domestic and self employed. The high percentage employed in agriculture, households and trade shows that the economy is still relatively underdeveloped. A more developed economy should show higher percentages employed in the manufacturing, electricity, finance and construction industries. The reason for the high employment in trade and agriculture could be due to the fact that these industries are reliant on unskilled labour of which the large majority of the labour force is unskilled.

Unemployment is a major challenge in our economy. It is estimated to be about 57% and currently higher than that of the country at 37% and that of the EC Province at 51%.

The figure below shows a comparative perspective of our unemployment challenge. The figure below compares the CHDM rate of unemployment with that of the EC province and country based on Global Insight statistics which uses the expanded definition.



Due to high rates of unemployment there is generally high dependence on grants and remittance (monies sent home by sons and daughters working in urban centres) as the main sources of household incomes in especially the poor areas in our district. In general most people get their money from social grants especially in Emalahleni. Many especially in municipalities like Tsolwana and Engcobo depend on remittances whilst close to half in Inxuba Yethemba and Sakhisizwe get their income from wages (FIVIMS Report).

In the above figure, it is also shown that while the unemployment rate went even higher than 60% at the beginning of 2002, our various interventions (EPWP, Agric scheme revitalization and others) have started to show some results as the trends reflect a declining rate since about 2005.

### 2.3.4 Poverty Alleviation and Food security

The CHDM has a very high malnutrition and hunger index. It has the second highest level of chronic malnutrition amongst the ISRDP nodes. The municipalities of Engcobo, Sakhisizwe and Intsika Yethu are the worst affected according to FIVIMS Report as shown in the table below.

Municipality	Chronic Malnutrition	Underweight Children	Acute Malnutrition
Inxuba Yethemba	1.09	0.69	0.0
Inkwanca	1.16	0.68	0.04
Lukhanji	1.20	0.77	0.06
Emalahleni	1.24	0.78	0.08
Intsika Yethu	1.30	0.88	0.11
Sakhisizwe	1.29	0.81	0.10
Engcobo	1.36	0.96	0.14
Tsolwana	1.16	0.72	0.04

Source FIVIMS

In addition CHDM has the second highest concentration of people going hungry. Intsika Yethu is the worst affected municipality. In fact Intsika Yethu is one of the identified 11 poorest municipalities in the Eastern Cape.

Municipality	H/holds experiencing chronic hunger
Engcobo	11357
Inkwanca	603
Intsika Yethu	25043
Inxuba Yethemba	1869
Lukhanji	7135
Sakhisizwe	5969
Tsolwana	848

Source FIVIMS

With acute concentration of hunger poor households are forced to spend the greatest percentage of their income on food. People in five out of eight municipalities spend more than half of their income on food. This happens even in municipalities with high cultivation rates which suggesting that farming is not a major source of food. The relatively high spending on housing and transport suggests that food costs are high due to the distance from the markets (FIVIMS Report). However a recent study undertaken by the Department of social development suggests that these figures might be inflated due to a poor understanding of how the rural economy operates. The study indicates that in the ISRDP nodes of which the DM is one there has been a decrease in the inability of households to feed children due to the child support grant. However not enough people are taking advantage of the grant and instead rely more on the old age pension grant.

## **2.4 OVERVIEW OF KEY PERFORMANCE AREAS (KPA)**

### **2.4.1 LOCAL ECONOMIC DEVELOPMENT**

#### **2.4.1.1 Introduction**

The White Paper on Local Government<sup>1</sup> (1998) introduces the concept of “developmental local government” which is defined as: “Local government committed to working with citizens and groups within the community to find sustainable ways to meet their social, economic and material needs, and improve the quality of their lives.” However the same document makes it clear that:

*“Local Government is not directly responsible for creating jobs. Rather, it is responsible for taking active steps to ensure that the overall economic and social conditions of the locality are conducive to the creation of employment opportunities.”*

“LED is the process by which public, business and NGO sector partners work collectively to create better conditions for economic growth and employment generation. The aim is to improve the quality of life for all.”

World Bank Definition

Thus, local economic development is about creating a platform and environment to engage stakeholders in implementing strategies and programmes. The White Paper goes on to state that:

- *“The powers and functions of local government should be exercised in a way that has a maximum impact on the social development of communities – in particular meeting the basic needs of the poor – and on the growth of the local economy.”*

The **National Framework for LED** then sets out a clear framework and specific objectives to guide Local Economic Development.

#### **a. Economic Development Principles**

There are various different approaches to local economic development

*The position taken by the Chris Hani Regional Economic Development Strategy is that the government, unless it expands the public service, does not create jobs and that government’s primary responsibility is to:-*

- ✓ *Improve the socio-economic support to prepare people to take up economic opportunities;*
- ✓ *continuously improve the enabling environment by minimising red tape and the transaction cost of doing business, and*
- ✓ *Create an enabling environment for new investment as well as the retention and expansion of existing business.*

#### **b. Drivers of economic growth in our province**

Our economic development planning is informed partly by the NSDP (National Spatial Development Perspective) which advocates the following expenditure principles:

- Focus economic growth and employment creation in areas where this is most effective and sustainable as economic growth is a prerequisite for the achievement of other policy objectives, key among which would be poverty alleviation.

- Foster development on the basis of local potential by ensuring that government spending on fixed investment, beyond the constitutional obligation to provide basic services to all citizens (such as water, electricity as well as health and educational facilities) is focused on localities of economic growth and/or economic potential in order to attract private-sector investment, stimulate sustainable economic activities and/or create long-term employment opportunities.
- Address past and current social inequalities by focusing on people not places so that in localities where there are high levels of poverty and development potential capital investment expands beyond basic service provision to exploit the potential. In localities with low development potential, government spending, beyond basic services, should focus on providing social transfers, human resource development and labour market intelligence to enable people to become more mobile and migrate, if they choose to, to localities that are more likely to provide sustainable employment or other economic opportunities.
- Overcome the spatial distortions of apartheid by channeling future settlement and economic development opportunities into activity corridors and nodes that are adjacent to or link the main growth centres to create regional gateways to the global economy.

The NSDP categorization gives Chris Hani District Municipality low to medium resource potential, low human need and low economic activity thereby implying that the District should focus on the provision of basic infrastructure but increase expenditure on social infrastructure and particularly on human resource development.

The Provincial Growth and Development Plan (PGDP) advocates the “Systematic eradication of poverty through a holistic, integrated and multi-dimensional approach to

- Pro-poor programming.
- Agrarian transformation and strengthening of household food security.
- Consolidation, development and diversification of the manufacturing base and tourism potential”.

These objectives are realised through the support of the three foundation objectives of infrastructure development, human resource development and public sector and institutional transformation. The PGDP goes further to highlight areas of potential developmental activity in the Eastern Cape Provincial Spatial Development Plan (PSDP) which in the Chris Hani District Municipality are the:

- Friendly N6 and Maluti routes
- Conservation of Forests in Engcobo Local Municipality
- Potential for Coal Mining at Indwe, Emalahleni Local Municipality
- Industrial potential of Queenstown
- Karoo heartland i.e. Cradock and Middelburg
- Potential for Agriculture

The Province has since identified the following High Impact Priority Projects (HIPPs).

Economic growth and Infrastructure cluster.

- Infrastructure development
- Umzimvubu Catchment Basin
- Agricultural beneficiation & forestry

Social Needs Cluster.

- Scaling-up Prevention and Treatment of HIV/AIDS
- Community Mobilisation Against Crime

Governance and administration Cluster

- Strategic skills Project (NSF)
- Financial Viability for local government
- Planning , monitoring and evaluation

**c. Regional Economic Development Strategy in the Chris Hani District Municipality**

The CHDM Local and Regional Economic Development Strategy was developed in 2009 through an intensive consultative process with the participation of key stakeholders from the public and private sectors and civil society informed by current agreements, District, Provincial and National policy positions and plans, and relevant legislation. The strategy is reviewed annually so as to conform to changing circumstances. Particular emphasis has been placed in the 2006 Growth and Development Summit (GDS) agreement in the formulation of this strategy. The strategy acknowledges our rural situation and therefore advocates for promotion of rural urban equity in infrastructure development, services expansion and stimulation of economic opportunities.

The strategy provides focused areas around which resources can be leveraged and mobilised in order to contribute to the broad overall objective of ensuring that all people in the district are able to benefit from the economy.

**i. Agricultural Sector as Competitive Advantage of the District**

The achievement of sustained economic growth and development and the creation of a competitive advantage for the District rely absolutely on the prioritisation of interventions which will have the greatest impact both socially and economically. The Competitive Advantage therefore for the district points to the broadly defined agricultural sector as the one with the most potential to contribute to job creation, promoting of livelihoods opportunities and contributing to sustained social and economic growth and development.

The prioritisation of a particular sector implies:

- Dedicated allocation of resources
- Strategic decisions on the distribution of limited resources and funds
- Clear publicly stated focus
- Spin off benefits for other sectors
- Prioritisation within the sector

The two sub-sectors within the broadly defined Agriculture sector that have the strongest comparative advantage and which are best positioned to result in job creation and improvement in livelihood opportunities are:

- Timber production and processing
- Livestock production and processing



Whilst crop production and agro-processing sector remain important areas of intervention within the District, the present cost of transport to high volume markets will most likely render local production uncompetitive until substantial economies of scale and consistent quality can be achieved.



Furthermore, the current business model of irrigations schemes is being reviewed (CHDM, in partnership with the Provincial Department of Agriculture and Rural Development and ASGISA\_EC is in the process of developing comprehensive business plans for the irrigation schemes) in order to ensure the establishment of professional management, encouragement of entrepreneurship, and inclusion of integrated business development support. This sector is of political significance and has the potential to contribute to regional food security, service local markets and social development. This remains an important strategic area of focus for the CHDM and requires a detailed and specific intervention.



The timber and livestock production and processing sub-sectors are already positioned to significantly contribute to the economic growth and development of the District. These two sub-sectors require “special” attention and are to become the focus of a special purpose vehicle or a regional economic development agency.

#### ii. Corridors, value chain integration and cluster development

The CHDM REDS has adopted a specific approach which is integral to its regional economic development. The first component of this approach is that of **Corridor Development**. The second component is that of **Value Chain Integration**, and the third that of **Cluster Development**. It is important to recognise how these approaches differ and how these relate to one another.

#### **2.4.2 CORRIDOR DEVELOPMENT**

The Concept Paper on LED Multi-Sector Based Corridor and Value Chain Addition which was developed in 2009. It has been able to come up with a contextual definition of the Corridor Development and Value Chain Addition where it has defined as: “The LED corridor plans is based on ward profiles that identify communities with common synergies, relation and connection or similarities of economic activities in terms of sector programmes which cut across from ward to ward, wards to local municipalities, Local Municipalities to District Municipalities and District Municipalities to the Province. The LED Corridor Multi-Sector approach is expected to be supported by Value Chain Addition Programmes aimed at creating marketing edge with sound Corridor Projects” However the concept document has also managed to further define the approach makes it clear that:

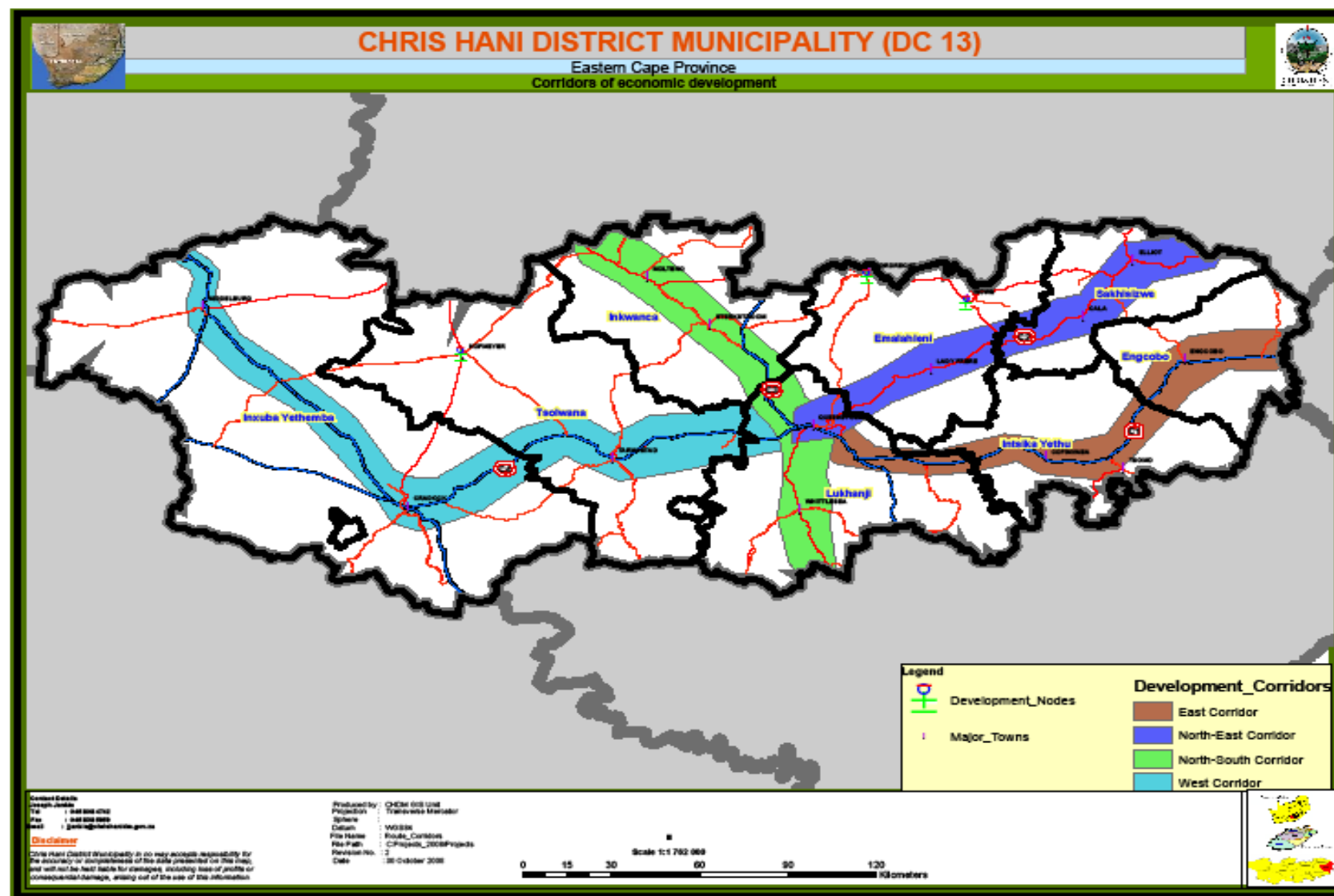


“The purpose of the LED Multi-Sector Based Corridors approach is to support CHDM, during IDP processes, REDS and LEDS in their endeavors to facilitate an enabling socio-economic environment for the eight local municipalities that will unlock the economic potential of the communities or wards within the District. This will go a long way in income generation and job creation, premised on changing the lives of the citizens for better.”

CHDM is committed to a corridor development approach. Integral to this approach is a focus on geographic and spatial initiatives and interventions which link the node towns and small towns surrounding these nodes in an integrated economic development process. Small town regeneration initiatives are central to this approach.

The **East** corridor outlined in brown on the map below runs along the R 61 and links Ngcobo, Cofimvaba and Tsomo to Queenstown. The **North-East** corridor links Elliot, Cala and Lady Frere to Queenstown. The **West** corridor links Middelburg to Cradock along the N10 and then links Cradock, Tarkastad to Queenstown along the R61. The **North – South** corridor links Whittelsea to Queenstown and Molteno.

One of the main objectives of the corridor development approach is to ensure integration and alignment of economic development plans with spatial development plans, land use plans, infrastructure development plans and other relevant sector plans. It allows CHDM to implement a wide range of generic and routine LED initiatives, whilst simultaneously focusing on the defined area of strategic differentiation and the concept of value chain integration.



#### 2.4.2.1 Value Chain Integration

Value chain integration implies looking at all the components of a particular sector and subsector and identifying what can be done or put in place to add value to what already exists, and in doing so, promote job creation and provide more livelihood opportunities.

The timber production value chain is predominantly located within the North Eastern Corridor and the North West Corridor. Timber value adding activities are predominantly located in Queenstown, with potential for early gaps in the value chain (e.g. sawmills, treatment, processing of waste, etc) to be strengthened and/or established within towns along the two defined corridors.

The livestock value chain extends across all corridors in the District, with particular points of focus around the strengthening / establishment of strategically located public goods investments (e.g. abattoirs, tanneries and other value adding facilities).

Value chain analysis can be used to identify “gaps” in a locality or along a corridor in order to make strategic decisions about what interventions to implement (or what not to implement).

The value chain integration approach is particularly important in the development of a competitive advantage for the district and in the understanding of the need to make strategic decisions to allow the district to competitively position itself nationally and globally. Choices then arise as to whether to focus on trying to develop all the components of all the value chains or to focus on part of those value chains where one has a comparative advantage with the most potential to be converted into a competitive advantage.

#### 2.4.2.2 Cluster Development

In order to build a regionally or globally competitive position it is necessary to determine in which part of each value chain one can compete and then relentlessly cluster in all the resources, competencies and technology that will be demanded from everyone who can add value or influence moving forward to achieving the strategic intent. The cluster approach to develop focused and strategically located value chains may well provide the momentum needed to begin the rebuilding and rejuvenating of small towns within these municipalities.

### 2.4.3 **CHDM Regional Economic Development Strategy**

The overall responsibility for the facilitation of economic development lies with the District Municipality. The key issues as identified by the REDS were identified through a consultative process include:

- i. Building on sector specific comparative advantages
- ii. Creation of an enabling environment
- iii. Corridor development
- iv. Regular, mandatory and opportune economic development functions

#### CHDM Regional Economic Development Agency

The primary focus of the Economic Development Agency will be:

- *Targeted resource mobilisation and the management of ring-fenced funds*
- *Access to financing*

- *Sub-sector value chains and clusters development*
- *Targeted skills development*
- *Institutional framework for formal collaboration*
- *Commercialisation of underutilised public assets*
- *Holding strategic interest on behalf of future beneficiaries*

Currently, an investigation of the feasibility and/or viability of establishing the CHDM Development Agency is being conducted. This is done by looking at the lessons learnt from the development agencies that are doing well in the Province to those that are not performing well. The investigation, once completed, will lead to the recommendation to the Council as to whether the Development Agency will be an option. DED (German Economic Development Agency) was meant to assist in this regard, as part of Partnership agreement with CHDM.

#### **2.4.4 SMALL MEDIUM AND MICRO ENTERPRISES**

A Stats-SA Survey (March 2001) found that about 9% (209 000) of all businesses in SA, mostly black or PDI are in the Eastern Cape. The survey further uncovered that women entrepreneurs in the EC outnumbered men by almost three to one in the province – a figure well above the national average. The survey's findings also confirmed that of the 209 000 small businesses, 126 000 were based in rural areas of the Eastern Cape (Programme of Support for LED in the Eastern Cape, 2004).

Small and medium enterprises have a significant contribution (collectively 29%) to the provincial economy as opposed to informal and micro businesses (collectively 6%) in the Eastern Cape. The same scenario prevails in terms of employment contribution by both the small and medium-sized enterprises (collectively 37%).

Estimates suggest that there could well be more than 30 000 small business operators. The majority of businesses are owner-managed or sole proprietors with few business partnerships particularly in the rural areas (ECMAC Database 2005). However, there has been an increase in the number of cooperatives being established as part of government's drive to promote the cooperatives movement. More than 50% of the small businesses have been in existence for more than 5 years which demonstrates resilience by local enterprises.

More than half of the enterprises are in the trade sector, followed by community, social and personal services sector businesses. Catering and accommodation represents a third sector with a relatively high level of commercial activity in terms of district entrepreneurship.

Few enterprises are involved in commercial agriculture despite the numerous agriculturally based poverty alleviation projects being supported by the ISRD programme. The majority of businesses fall within the micro and small business categories in terms of turnover levels and employ an average of 7.5% employees (Local Business Enabling Environment Study 2007). 37% of business owners are between the age group of 30 – 39 years with those under 30-years only making 13% of local businesses (Local Business Enabling Environment Study 2007).

##### **2.4.4.1 The SMME business environment within Chris Hani**

In general the area lacks business support services. Business people have to either travel to Queenstown or outside the municipal area to access business support services.

Lukhanji has the most developed business environment. The area is the main urban centre of the district and its primary economic node.

SMMEs face a swathe of constraints related to the legal and regulatory environment; market access; access to finance and suitable business premises; the acquisition of skills and managerial expertise; access to appropriate resources and technology; the quality of infrastructure, especially in poverty and rural areas; bureaucratic hurdles; and in some cases, the tax regime (Annual Small Business Review, 2001). The District developed its own SMME Development Strategy in 2007 in an attempt to address the mentioned constraints which is continuously reviewed annually and adopted by council.

The District's Growth and Development Summit (**GDS**) was held in November 2006 as a historic milestone to strengthen private-public dialogue and commitment to a shared pro-poor economic and investment growth path for the district. One of the key and relevant resolutions taken at the GDS relate to the establishment of a fully representative district-wide business forum, with various local business forums in each local municipality set up to allow dialogue between the public and private sectors that would act as a single interface to lobby advice and partner government to further common course. The Chris Hani District Business Forum has been established as that structure with seven local business forums out of the eight local municipalities in the District.

The government identified the development of cooperatives as one of its flagship programmes to develop the second economy that supports the majority of the population in as far as creating jobs, increasing household income, reducing poverty, and improving the overall standard of living is concerned. It was for this reason that the District actively supported and facilitated the establishment of the Chris Hani District Cooperative Forum in November 2008 and by extension the eight local cooperative forums that exist in the district. The District also assisted with strong financial support in the coordination of a three day cooperative indaba that was held in June 2009. The indaba was characterized by interactive seminars and commissions on a variety of subjects affecting the development of cooperatives. The cooperatives were also exposed to a variety of funding, procurement, marketing, networking and other opportunities.

The SMME and Cooperatives Business Development programmes were created to, among other things, promote the development of sustainable SMMEs and cooperatives, thereby increasing the number and variety of economic enterprises operating in the formal economy and to create jobs. To this end, R2 425 494.00 was granted to SMMEs and cooperatives and 120 jobs were created during the period 2008/9 and 2009/10 financial years (2 years).

The Chris Hani District Municipality (CHDM) has partnered with the Metropolitan SMME Portal which is involved in the development of SMMEs. This organization has hosted annual SMME business imbizos in the district since 2009. The District sees these Business Imbizos as an opportunity to showcase the existing opportunities, while further capitalising on network vehicles to unleash the economic potential of the District. Through information dissemination at various fora, the District is ably positioned to promote strategic support to the business fraternity under its jurisdiction. These SMME Portal Business Imbizos have been portrayed as a vehicle that promotes dialogue between business and government, the private sector, parastatals and linking SMMEs to opportunities and development agencies. The CHDM has always viewed itself as an important node to synergising, coordinating, and aligning with various actors who invest and contribute in other ways to business development efforts. This is the main reason for CHDM's participation in these Imbizos. It is hoped that the Imbizos, amongst other things, will address the poor economic activity within the District. They will also assist in strengthening the skills and business structures of the SMMEs, allowing them to become sustainable and in a better position to tender on private sector and public sector contracts.

CHDM together with the Border Kei Chamber of Business got into a joint initiative in late 2009 to establish the Chris Hani Enterprise Propeller (CHEP) with financial support from Thina Sinako. This came after the realization that in the District more than R2.5 billion is spent annually on goods and services but 80% of this amount is estimated to be leaving the District. This is due to the fact that local suppliers, possibly, do not have the relevant skills or are inadequately capacitated to successfully apply for tenders. CHEP is there to support emerging and established enterprises in the District to compete more effectively for tenders by providing them with quality business advice, information and mentoring services, and facilitating more effective linkages between them.

#### **2.4.5 AGRICULTURAL DEVELOPMENT**

Agriculture forms one of the key potential growth sectors in the CHDM. The Agricultural Strategy has been adopted by Council and it's in the process of being reviewed for 2011/12, it prioritised the following sectors for investment:

- Agro – processing e.g. cheese production
- Livestock farming particularly Goats and Cattle
- High Value crop production e.g. hydroponics and bio-fuels

Livestock farming is an important source of income for both commercial and communal farming. The western part of the region is increasingly turning to game farming especially in the areas around Queenstown, Cradock, Tarkastad and Molteno. The District Municipality has engaged in partnerships with National Wool Growers Association (NWGA) to improve the quality of wool sheep, develop wool growers associations, train farmers on livestock and veld management and build appropriate infrastructure such as shearing sheds and fences. In the 2009/10 financial Year four Shearing sheds were completed in Intsika Yethu LM, one at Lukhanji and another two shearing sheds in Engcobo and Lukhanji Municipalities.

Further partnerships with the Agricultural Research Council and Department of Agriculture and Rural Development have resulted in the construction of livestock handling facilities. ASGISA-EC and TEBA Development are assisting with development of the livestock improvement programme by introducing the concept of Village Link Persons (VLPs) where community members received training in livestock handling and treatment, in certain areas where infrastructure is in good condition animals are introduced with the main aim of improving livestock quality (goats , sheep and cattle ) , quality rams and provision of veterinary services. The District Municipality has recently formed partnership with Zulukama Investment Trust , a community owned organisation with the main aim of improving livestock quality in 5 Villages in Hewu area. The programme is planned to run for a long period as the affected Institutions are expected to provide after care support.

The greatest challenge to livestock production remains low skills level, access to land, poor veld and livestock management, limited access to market, limited access to financial and credit access by emerging farmers due in part to insecure land tenure, limited mentoring and information from DoA and dilapidated and insufficient infrastructure such as roads, fencing, stock dams and dipping tanks.

Dryland cropping is only feasible in small parts of CHDM within the Intsika Yethu, Sakhisizwe and Engcobo municipalities. The District Municipality in collaboration with both the DARD and Emalahleni Local Municipality is involved in the Sorghum production programme in Emalahleni LM the main aim of this undertaking is to provide adequate raw material to the Mill Plant so as to maintain the project sustainability, DoA have prioritised these areas under the Massive Food Programme. The Siyazondla

homestead food production programme assists with improving household food security. Under High Value Crop Production, the DM supported the pilot project for Hazel Nuts production at Glenbrook irrigation, partnering with ECDC and an Italian Company. The project was initiated by Agrisudafrica and Eastern Cape Development Corporation (ECDC) as a Community Development Project with contributions by various other role players including the Department of Agriculture and Rural Development (DARD).

The project is a pilot project for the evaluation of hazelnut production viability in the area with added value in the form of a successful vegetable business and training programme.

There is presently 8000 ha under irrigation with CHDM containing two of the largest irrigation schemes in the Eastern Cape i.e. Ncora and Qamata. A further 7600 ha could be placed under irrigation if the large Gariep Transfer Project were to be implemented. However there are vast areas of underutilised land within the existing schemes such as Shiloh where only 40% of the scheme is currently utilised. In addition to these schemes there are several large scale commercial farming enterprises.

Any future irrigation development must consider the recommendations from the District's WSDP (Water Services Development Plan) that CHDM should not consider developing any more irrigation schemes apart from the already established schemes and must look at other methods of irrigation such as drip irrigation which ensure that water evaporation is minimised.

CHDM and DoA have prioritised irrigation schemes under their respective revitalisation and resuscitation programmes. Their collaborative efforts are focussed towards attracting investors to run the schemes under private, public partnerships. Funding has been provided for setting up the correct institutions to run the schemes, building of lay dams, centre pivots and irrigation systems, upgrading of office facilities, seed, planting and harvesting operations as well as equipment such as tractors, ploughs and trailers. However due to the complex community structures residing within the schemes, the effort of the District and its partners has not yet resulted in independent and financially sustainable irrigation schemes although considerable progress has occurred.

There is a clear development approach being followed by CHDM and DARD in developing the irrigation schemes. The developments have started at Shiloh Irrigation Scheme (where a Dairy Enterprise has been established). The CHDM and DARD have co-funded the project in the 2009/10 financial year. The focus for 2010/11 Financial year is on developing Ncora Irrigation Scheme. The focus for the coming years will be Qamata and Bilatye Irrigation Schemes. CHDM and DARD are also facilitating the development of comprehensive business plans (commissioned by ASGISA-EC) for Ncora, Qamata and Bilatye Irrigation Scheme. The plans will assist in directing future developments in the schemes.

#### **2.4.6 FORESTRY, TIMBER AND WOOD PRODUCTION**

The Chris Hani District Municipality is richly endowed with a number of forest plantation resources. Most of these forest plantations are found in Intsika Yethu and Engcobo Local Municipalities and are owned by DAFF. There are also some woodlots and few hectares of category A plantations (Pine stands) in Sakhisizwe Municipality. The Forestry development in the district is informed by the Regional Development Strategy which highlights matters around forestry.

Despite the existence of raw material, land for afforestation and market opportunities, the forestry sector in Chris Hani District Municipality remained uninspiring, with very little significance to and impact on the economy of the region. In order to address this and to take advantage of a number of opportunities that the sector presents, specifically in relation to SMME promotion and community empowerment, Chris Hani Municipality and the Local Municipalities have prioritized forestry as one of the sectors that are key to economic development of the region. The Wood Cluster programme was then proposed in the 2003-2004 financial year.

The situational analysis of the forest plantations and woodlots in Chris Hani District Municipality revealed that their management is poor. The operational costs of the forest plantations and woodlots far outweigh the income generated by these plantations. This, in other words, means that these forests are operated at a loss. The quality that is produced is not good. In order to address these issues, the strategy with the following components was proposed:

- Proper management of forest plantations
- Value adding processes.
- Investment promotion
- Meaningful empowerment of communities
- Continued monitoring and evaluation of the process to address the problem areas.
- Capacitation of the existing small sawmillers

The DTI co-funded the Sawmill project for the implementation plan development. A challenge of inadequate supply of raw material for this project is being investigated. The DTI conducted a special study on the sawmillers around Chris Hani on aspects of productivity, yields, issues of safety, technology and skills. Through the study it has been discovered that there is a need for skills development and technology upgrading to improve the productivity and competitiveness. Since the DTI is starting a National Training Programme on small-scale sawmilling, the district municipality has been chosen as a pilot. The dti approached SEDA to conduct training for the Sawmillers on Co-operatives core principles and Business plan development. Training started in May 2010. SEDA is assisting on the registration of the sawmillers as primary Co-operatives.

A skills development programme was conducted by Forestry SETA at Engcobo charcoal project. The training started on 01 March 2010. The SETA introduced a New Venture Creation project (Business skills development programme). The CHDM has also piloted the project at Lukhanji Local Municipality since March 2010.

A number of projects were identified as the key pillars of the Forestry Strategy. Interventions in the form of feasibility studies, business plan development, skills development, workshops and establishment of Project steering committee have all been the build up to the implementation of the Chris Hani Forestry strategy, which together with the business plan were endorsed by the Council.

The local Municipalities have been consulted and brought on board in terms of the projects identified for their areas and programme to unfold in respect of the implementation of the projects. Project beneficiaries and other relevant stakeholders have been brought on board and roles and responsibilities are outlined on individual projects.

Suppliers of services and products for the implementation of the projects have also been identified and some already approached to commence delivery. The projects that were identified are as follows:

- Sawmill project
- Aforestation programme
- Pole treatment plant
- Engcobo Charcoal Manufacturing project
- Sakhisizwe Charcoal manufacturing project
- Tree Nursery Project

Current progress on Charcoal Projects:

- (a) Engcobo Charcoal Manufacturing project :



Project has been registered as Spring Forest Trading cc. Two charcoal kilns have been installed, fencing of the site is still in progress, offices, stores and ablution structures have been ordered. Project is operational as from 09 February 2009. 32 people are employed (Beneficiaries) and 1 project coordinator employed on 6 months contract for infrastructural development and skills transfer. Sasol has been brought on board to assist on market identification, skills development and value-chain establishment. Charcoal tests were done by SASOL and the results were 82% compliant. Training for the beneficiaries was conducted by the Forestry SETA on Charcoal production.

( b) Sakhisizwe Charcoal Manufacturing Project

The project has been started in August 2010. The purpose of the project is to fight alien vegetation. This in turn creates job opportunities through the Charcoal project. The Sakhisizwe project is still on the initial stages. It is not as fully functional as in the case of Engcobo project. However, the project will take the same form of Engcobo project in terms of operation and institutional arrangements.

#### **2.4.7 CONSTRUCTION AND COAL MINING**

The District has a high development profile in terms of the ISRDP nodal status. Its high infrastructure budget allocation presents opportunities for the establishment of a local construction industry and may enhance competitiveness by addressing critical shortcomings in economic infrastructure. The strong growth and development in public housing and construction comes with a huge demand for construction material such as clay and cement bricks. At present illegal brick making activities are prevalent throughout the district mainly to fulfill the demand of private construction needs. Due to low quality and illegal operations, these bricks cannot be used for public sector construction.

The PGDP has identified coal mining at Indwe and Molteno as a HIPPS project. The exploitation of the Molteno/Indwe coalfields is currently being investigated to access their viability. A public private partnership company has been established with Elitheni. Prospective rights for the Indwe Coal Mines have begun and the results look promising.

#### **2.4.8 MANUFACTURING**

Manufacturing represents a significant proportion of the CHDM economy at 8 % GGP and 5 % employment. Lukhanji municipality especially Queenstown has a small furniture, dairy processing and wood products industry and operates as the prime manufacturing centre of the District. Middelburg and Cradock have food processing activities. Manufacturing mainly takes place in Queenstown and the major activities are furniture making, food processing and pressed metal. The three biggest employers in Queenstown are manufacturers' viz. Seating, Twizza, Crickley Dairy and Stateline Pressed Metal. Other manufacturing industries are biltong processing, cheese making, Ouma rusks, leather processing and bone meal production.

#### **2.4.9 AGRO-PROCESSING**

While the districts' agricultural potential is obvious, primary agricultural projects have had a minimal impact on unemployment. This situation necessitates strategies to increase value-added production by exploiting opportunities that exist along the various crop and livestock value chains. Particular advantages lie in food-processing based on resource and crop availability, existing factory infrastructure, as well as relatively well developed road infrastructure when compared to other rural districts.



The bulk of the districts' farm output goes for processing outside the district e.g. milk, beef, wool (as shown in the photograph above), fruit etc which regulates the district to the bottom of the value chain. Opportunities exist in food-processing especially in the areas on convenience food, specialty foods and organic foods. Beside food –processing the District can promote high value crops such as cotton as well as bio-diesel. Bio-diesel initiatives present huge opportunities especially around the existing sugar-beet project near Cradock where Sugarbeet SA, Central energy Funds and the IDC have entered into a partnership that will see 6000ha of sugarbeet planted, construction of ethanol production plant and buying of the ethanol by PetroSA to blend into their stock. It is estimated that this project will create up to 2000 temporary jobs and 500 permanent jobs only in the ethanol plant construction phase.

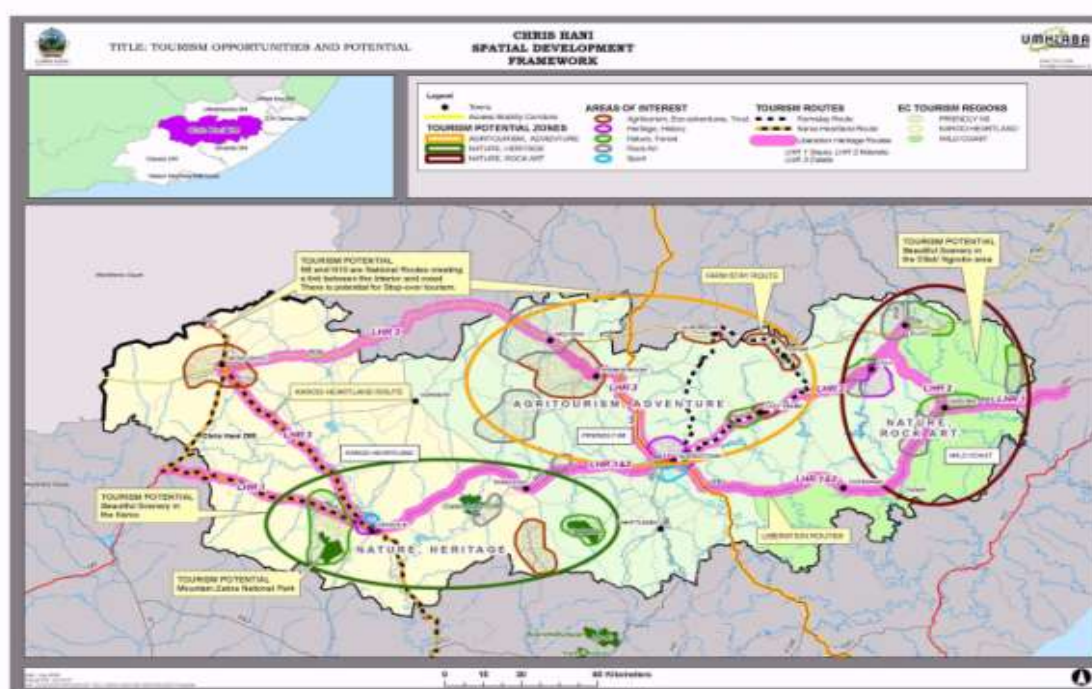
#### Trade and Services

Trade and services contributes in total between 16 % to the District GGP in 2000 and 22 % employment in 2004. The majorities of SMME's are found in the retail and service sector (73%). It is the predominant form of economic activity in CHDM.

#### **2.4.10 TOURISM**

The CHDM has a rich history and natural resources that can promote tourism development in the region. These resources are untapped and are not adequately budgeted for within the District and local municipalities. The District has access to a number of major routes, the friendly N6 and the N10 which link the District with East London, Bloemfontein and Port Elizabeth and the R61 linking Queenstown with Mthatha and the Wild Coast. The region's emergence as a malaria free game farming and nature reserve location has contributed to tourism revenue, a trend that looks set to continue. The growth of this sector may crowd in private sector investment and support the emergence of supporting industry and services.

The District offers a variety of tourism experiences ranging from wildlife (MT. Zebra National Park game, game or nature reserves, game farm etc); Adventure activities e.g. Fish River Canoe Marathon, Hiking trails, abseiling, Fishing etc.: Historical buildings, battle sites, Rock Art, Anglo- Boer War Memorials to Liberation Struggle Icons i.e. Chris Hani, Vuyisile Mini, Cradock Four, Walter Sisulu, DR AB. XuMa, Rev. James Calata etc.



The CHDM Tourism Integrated Master Plan as adopted by council in 2010 and cites that Chris Hani District Municipality has a total of 204 tourist accommodation establishments, providing 3,409 tourist beds.

Using the total number of beds and the average occupancy of the accommodation aggregated from the individual Tourism Sector Plans, the total number of tourist bednights sold per annum (calculated for the over 2008/9 year) is calculated to be 339,810 (see table below), at an overall average bed occupancy of 27.31%.

<b>CHRIS HANI DISTRICT MUNICIPALITY TOURIST ACCOMMODATION OCCUPANCIES &amp; BEDNIGHTS SOLD</b>			
<b>Accommodation Type</b>	<b>Number of Beds in Chris Hani</b>	<b>Average bed occupancy in Chris Hani</b>	<b>Bednights Sold per annum 2007/8</b>
Backpacker & Hostelling	0	0.00%	0
Bed & Breakfast	819	37.79%	112,973
Guest houses & Guest farms	1187	30.60%	132,595
Country House	47	25.32%	4,344
Hotels	298	18.06%	19,640
Lodge	294	17.83%	19,133
Self-Catering	332	23.12%	28,021
Caravan parks and camping sites	432	14.65%	23,105
<b>TOTAL</b>	<b>3,409</b>	<b>27.31%</b>	<b>339,810</b>

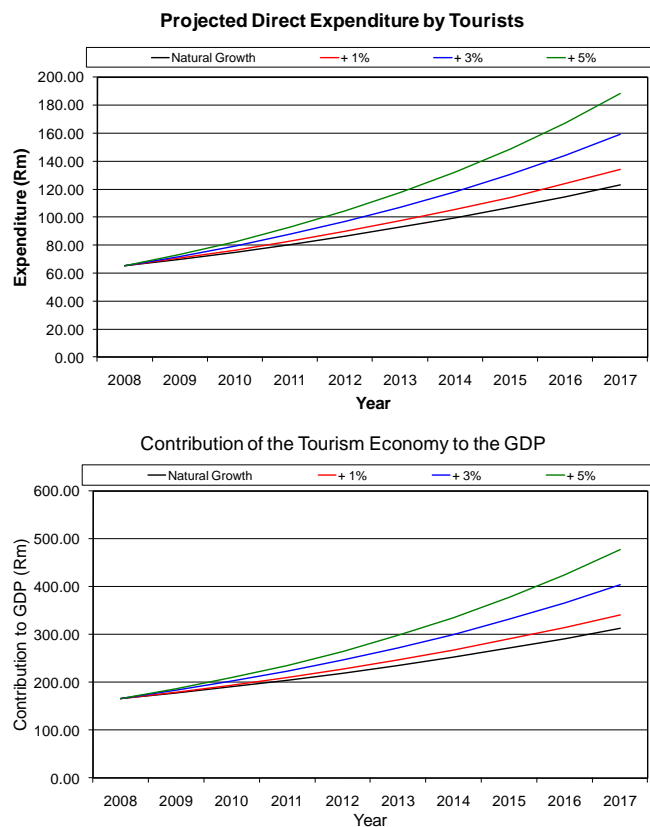
*(Compiled by Kyle Business Projects)*

The average bed occupancies of the different types of accommodation in the Chris Hani District Municipality, and the derived total number of bednights sold per annum for 2008/9. The average bed occupancies are calculated as a weighted average of the bed occupancies in each Local Municipality.

### Economic Impact of Tourism

The economic value of tourism to the Chris Hani area is derived from the direct spend of tourists in the area, and from the jobs supported by tourism. The direct contribution to GDP is calculated from the total tourist bed nights sold in the area, and the average daily spend of tourist. From this data, the projected economic impact of tourism is calculated using the international simulated Tourism Satellite Accounting (TSA) system developed by the World Travel & Tourism Council / Accenture, in conformance with the conceptual structure of the WTO/UN TSA. This model calculates the economic impact of tourism on a geographic economy using the basic direct spend of tourists into the tourism industry, and a system of economic multipliers which define how that direct spend recirculates in the economy.

In the model used in the current study, current TSA multipliers are calculated from the WTTC / Accenture 2007 Report on South Africa. From this base, the economic impact of tourism in the Chris Hani District Municipality has been calculated over the forecast period 2008 to 2016, and is shown in Figure 1, Figure 2, Figure 3, Figure 4, and Figure 5. The potential growth of these economic contributions is also calculated, in four scenarios: Expected natural growth in demand – this growth is driven by the anticipated growth in tourism demand in the Eastern Cape (i.e. the baseline); Impact of additional 1% growth in demand; Impact of additional 3% growth in demand; Impact of additional 5% growth in demand.



**Figure 1:** Economic impact of tourism: the projected direct expenditure by tourists in the Chris Hani District Municipality in 4 growth scenarios over the period 2008 to 2017.

**Figure 2:** Economic impact of tourism: the projected contribution by the tourism economy to the GDP in the Chris Hani District Municipality in 4 growth scenarios over the period 2008 to 2016.

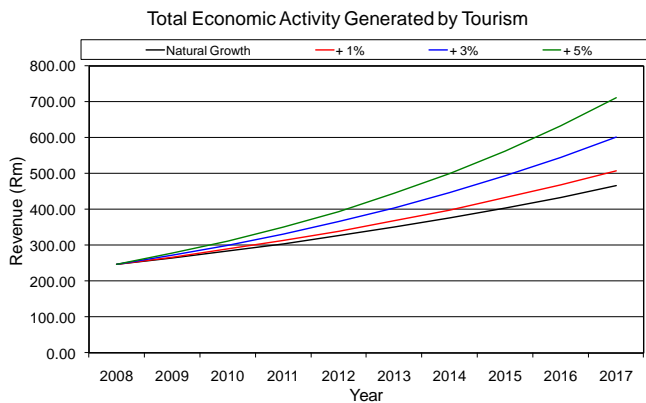


Figure 3: Economic impact of tourism: the projected total economic activity generated by tourism in the Chris Hani District Municipality in 4 growth scenarios over the period 2008 to 2016.

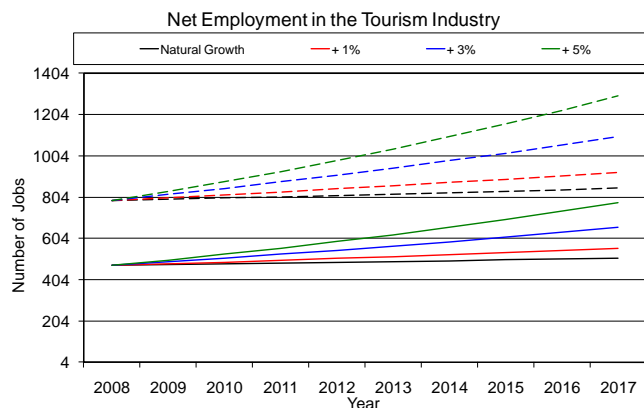


Figure 4: Economic impact of tourism: the projected net contribution of the tourism industry to employment in the Chris Hani District Municipality in 4 growth scenarios over the period 2008 to 2016. (Solid lines - WTTC / Accenture TSA average cost of creating a job; Dashed lines - cost which is 30% lower).

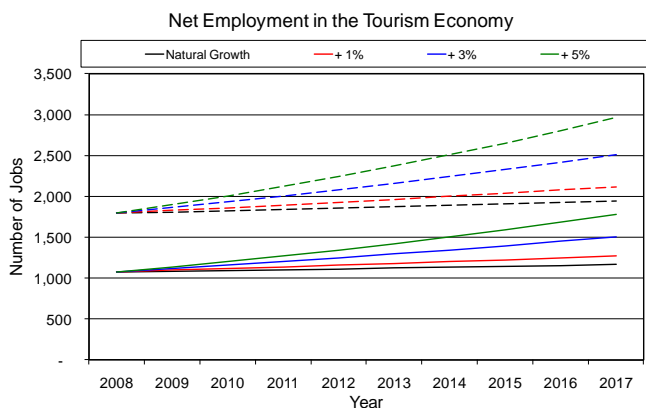


Figure 5: Economic impact of tourism: the projected total contribution of the tourism economy to employment in the Chris Hani District Municipality in 4 growth scenarios over the period 2008 to 2016. (Solid lines - WTTC / Accenture TSA average cost of creating a job; Dashed lines - cost which is 30% lower).

From the model it is calculated that tourism currently contributes as follows to the local economy of Chris Hani:

- R65.3m in direct tourism spend;
- R166.1m contribution to the GDP by the tourism economy;
- R247.2m total economic activity generated by tourism (i.e. total demand);
- supports 473 jobs in the tourism industry;
- supports a total of 1,078 jobs in the tourism economy (including the tourism industry);
- supports the equivalent of 72 SMMEs in the tourism economy, outside the tourism industry.

#### Progress Made so Far in Tourism Development

The District is currently focusing its tourism activities on branding and marketing the various activities available. In addition cultural and heritage sites are being marketed through the implementation of a Chris Hani Liberation Heritage route. The Chris Hani Liberation Heritage Route Icon Site Guide has been developed, launched and distributed nation-wide including the development of marketing materials for each of the individual routes; Sisulu, Ndondo and Calata. A tourism centre has been developed in

Queenstown and is operational. The District has developed Tourism Integrated Plan and ensured the revival of local tourism structures such as the Intsika Yethu Local Tourism Organization, Middleburg Karoo Tourism, Cradock Karoo Tourism, Lukhanji Tourism and the District Tourism organisation.

## 2.5 ENVIRONMENT & TOPOGRAPHY

### Climate

The climate varies from Arid to very cold high veld and falls mainly into 2 climatic zones according to the “Agricultural Development Programme for the Eastern Cape’ – 1986, namely:- Arid and Semi-Arid Moderate Midlands, and Arid and Semi-Arid Cold high lying land.

### Rainfall

The rainfall varies dramatically over the area depending mostly on altitude and distance from the coast. In the western arid areas, the average annual precipitation is between 200mm and 300mm whereas in the eastern high lying areas of Cofimvaba it is 700-800 mm. The greater part of the area is, however, arid to semi-arid and receives less than 400mm per annum.



Rainfall distribution is poor and dry spells are a frequent occurrence. In his study, J.H van Wyk comes to the conclusion that the rainfall of the former Transkei shows little variation and can therefore be classified as reliable.

He points out, however, that the variation of rainfall during the early summer months makes early planting of agronomic crops risky. (*Wood & van Schoor, 1976*).

It is a summer rainfall area with 70% - 80% of the precipitation occurring during the summer months in the form of thunderstorms. These storms are often of high intensity and are sometimes accompanied by hail. Only 20 - 30% of the rainfall occurs during the winter month, which usually results in snowfalls on the Chris Hani District Municipality plateau and the high lying mountainous areas of the Compassberg and Winterberg.

The further west, the poorer the rainfall distribution, with severe droughts occurring fairly frequently. The rainfall in the eastern area (Cofimvaba and Ngcobo) is more evenly spread, except for the early summer months when “dry” spells can be expected, which makes the early planting of agronomic crops risky (*Wood & van Schoor, 1976*).

#### Evaporation

Evaporation in the District is much higher than the average annual rainfall. The area thus experiences a negative water balance. The evaporation in the arid western area is 2 146 mm per annum, whereas it is approximately 1 700 mm per annum in the Lady Frere and Cofimvaba Districts. This phenomenon complicates crop production as it requires moisture conservation for dry land cropping and sophisticated irrigation management.

#### Temperatures

The temperature is characterised by extremes during the summer months, the maximum temperature often exceeds 40°C in the lower lying areas in the western (arid) section of the study area. Minimum temperatures in the winter months in the high lying areas are often well below zero and frost and snow is a common occurrence throughout the area.

The average commencing date for frost in most of the area is the Mid April and the average last date for frost is the Mid October. Frost can, however, occur at any time of the year in the Molteno District. This area experiences the largest inter-diurnal variation (change from one day to the next) in temperature. (*A.J. Roets & Associates, 1999*).

The temperature in the eastern part of the District is a bit more moderate with frost occurring from Mid May to Mid September.

#### Prevailing winds

During the summer months, the prevalent wind direction in the study area is north-westerly (berg winds) whereas south-easterly to south-westerly winds prevail during the winter months. Wind, however, is not regarded as a limiting factor in the study area.

#### Geology

The District consists mainly of Beaufort sediments intruded by Dolerite. These comprise Shale, Mudstone and Sandstone.

#### Soils

The soils in the District area are mainly from the Beaufort and Molteno series of the Karoo sequence. As a result, the soils are poorly developed, shallow or duplex (rocky), which are mostly not suitable for crop production. In the valleys, however, deeper soils do occur. In the Fish River Valley as an example, there are 15 soil forms of which the Hutton, Clovelly and Oakleaf forms (Binomial Classification) are dominant.

Soil salinity is, however, a major problem in the irrigation areas in the Cradock, Hofmeyr and Tarkastad Districts. The soils of the more arid areas of the study area are generally shallow and consist mainly of the Mispah, Glenrosa and Swartland forms. In the flood plains, watercourses and plains, deeper soils of the Oakleaf, Dundee and Valsrivier form are more common.

#### Topography, drainage and vegetation

The District is part of what is described as gradual “step” topography. The “steps” are formed by the Winterberg mountain range in the south and the Stormberg range north of Sterkstroom.

The Stormberg Mountain range runs from east to west dividing the area into the high lying Stormberg plateau in the north and the generally lower altitude area in the south. The Winterberg range with an



altitude of 2 370 m above sea level extends into the southernmost section of the area. The altitude of the Compassberg to the west of the Stormberg range is 2 502 m, whereas the Stormberg plateau is  $\pm 1\,800$  m above sea level. The altitude of the lower lying area in the Cofimvaba District is  $\pm 600$  m above sea level. The greater part of the area, however, lies between 500 m and 1000 m above sea level.

The main drainage systems are the tributaries of the Great Fish, Great Kei Rivers and Mbashe river systems, which drain into the Indian Ocean. The western section of Chris Hani District Municipality consists mostly of mixed nama Karoo veld whilst the eastern section consists mostly of moist upland grassland. What is important from a conservation aspect is the valley thicket occurring along the Kei and Mbashe River systems and the pockets of afromontane forest occurring north of Ngcobco.

#### Conservation Areas within CHDM

The known conservation areas in the Chris Hani District Municipality are listed in the table below. Only two of these conservation areas are under the direct control of the municipality, namely Lawrence de Lange and Longhill (Lukhanji). In addition, a National Park (Mountain Zebra National Park), a number of private nature reserves (i.e. Blanco) and three natural heritage areas (i.e. Benghoil & Bushy Park, Carnarvon and Mhoge) are located, at least in part, within the Municipality.

The formal protected area network is relatively extensive with the Mountain Zebra National Park (SANP) and the Commando Drift and Tsolwana provincial reserves. The early selection of protected reserves in the CHDM was based on ad hoc decisions to protect specific mammals rather than objective criteria based on biodiversity mapping. Control of all indigenous forests in the Eastern Cape including the CHDM, was handed over to the Directorate of Nature Conservation of the Eastern Cape Province authorities in 1996, and management plans for all forests are still in preparation. Formally protected water sources include a number of large water catchments, including the dams: Grassridge, Lake Arthur, Commando Drift, Xonxa, Lubisi and Ncora.

#### Water Resources

The CHDM falls within four river systems:

- The Great Fish River draining the central / western area southwards;
- The Kei River draining the central / eastern area southwards;
- The Mbashe River draining the eastern area southwards;
- The Orange River draining to the North.

Of these the Fish and Kei Rivers are the most significant rivers in terms of the catchment areas in the CHDM. The total surface water available in the district has been estimated from the Eastern Cape Water Resources Assessment as follows:

- Potential maximum yield (including dams and transfers) = 1013.5 Mm<sup>3</sup> / annum
- Probable total consumption and losses = 775.8 Mm<sup>3</sup> / annum
- Available surface water resource = 237.7 Mm<sup>3</sup> / annum

It is clear that across the whole district, there is a positive surface water balance and that approximately 23,4% of the potential yield is still available for use, providing drought conditions do not exist.. It is however worth noting that the resource is concentrated at the major dams and rivers and as would be expected is not readily or cheaply accessible to all potential users located a distance from these resources.

#### DAMS, WETLANDS AND SPRINGS

Chris Hani is characterized by a number of major dams, which serve the towns and the various irrigation schemes. The major dams in Chris Hani are:



- The Grassridge Dam between Cradock and Middelburg used as a balancing dam
- The Lake Arthur and Commandodrift Dams near Cradock used for irrigation
- The Xonxa, Lubisi and Ncora Dams between Lady Frere and Ngcobo used for irrigation.

Most of the wetlands occur in the Inxuba Yethemba municipality followed by the Emalahleni and Tsolwana municipalities (4 each). The Engcobo, Inkwanca and Lukhanji municipalities only have one listed wetland. Wetlands occur in the catchments above the Commando Drift, Elands drift, Grassridge, Lake Arthur and Xonxa Dams.

A number of wetlands are located upstream of the dam immediately west of Dordrecht and above what appears to be the Thrift Dam on the Black Kei, although not marked as such on the topographical map (3226BC). All the riparian wetlands are located within Eastern Mixed Nama Karoo vegetation, with the exception of three found within Moist Upland Grassland (Lemoenfontein, Qumanco and Snowdale-Success) and four within South-eastern Mountain Grassland (Clarke's Siding, Dordrecht Town, Driefontein 188 and Geluksvlei).

Springs are an important source of water in the district. They are also used for recreational purposes such as at the Cradock Spa. A number of endorhic pan wetlands occur in the district, two each in the Inkwanca (Coldstream pan, Die Pan wetland complex) and Inxuba Yethemba (Helderwater pan, Rooikop) municipalities and one in the Tsolwana municipality (Rotterdam wetland complex). The Helderwater pan, Rooikop wetland and Rotterdam wetland complex are located within Eastern Mixed Nama Karoo, whereas the Coldstream pan and Die Pan wetland complex are found within South-eastern Mountain Grassland.

Artificial Wetlands in the form of dams, excavations, solar salt extraction works and wastewater treatment works occur to varying extents throughout the district. Solar salt extraction works have the most restricted distribution, being limited to an area west of Hofmeyr. They are all therefore located within the Tsolwana municipality. All these salt works are located within Eastern Mixed Nama Karoo. Although they have been classified here as artificial wetlands they are largely based on existing features, namely Landpan, Middelpa and Soutpan.

#### Heritage Sites

One hundred and two sites were identified in the Chris Hani District Municipal area, categorized according to their nature, namely whether they are human generated structures or natural artifacts. Out of these, the Chris Hani Liberation heritage route has identified iconic sites and a booklet has been printed containing these sites.

Number of sites in each category.

Category	Number of sites
Human Generated Artifacts	
Historical buildings	25
Monuments and memorials	6
Museums	9
Graves	5
Rock Art	6
Living Heritage	7
Open Land	7

#### Environmental Challenges

Government and the District Municipality have long neglected environmental protection. This has led to many environmental disasters in the past, which could have been avoided if environmental policies had been in place and enforced.

Lack of clean and unpolluted water is a major environmental problem in Tsolwana in particular Thornhill area. Limited access to clean water affects mainly Emalahleni, Intsika Yethu, Sakhisizwe, Engcobo and Lukhanji. Inkwanca and Inxuba Yethemba suffer from lack of a guaranteed water supply, which should be rectified in the near future. Limited access to water impacts upon the ability of people to practice good personal and food hygiene. The old and people with disabilities are particularly affected as they have difficulty in gaining access to water. The growing of crops is limited as there is no water to spare for the crops, which creates many nutritional problems. Stock farming may also be limited due to insufficient water being available that has a notable impact upon people's livelihoods.

Limited and poor sanitation creates numerous environmental problems, such as water pollution due to the waste being washed into the rivers by rain. Such water pollution is often directly attributable to a variety of diseases which children playing in these contaminated areas pick up. The smell from improper sanitation also affects quality of life for residents.

The greatest challenge facing government and local government in particular is how to minimise harmful environmental practises that contribute to global warming and ultimately climate change. A summit was recently held on this topic in the District to promote awareness of the problems created by global warming.

Chris Hani District Municipality has produced an Environmental Management Plan (EMP) which has been adopted by Council in order to point out areas of concern, the plan is reviewed annually so as to address current situation. The plan highlights areas of the environment which should be conserved and protected. Animal and vegetation species and cover are mapped and identified. In addition present and future environmental problems are identified per local municipality as well as all renewable resources. It recommends that:

- The DM appoint dedicated environmental staff
- The DM develop an integrated environmental management system
- The DM implement pollution control measures such as air pollution monitoring stations
- The DM assist to develop the capacity of its LM's to deal with environmental issues
- The DM undertake environmental impact assessments (EIA's) for all of its current and future project

However the District Municipality is struggling to finance the implementation of this plan especially regarding pollution control mechanisms.

## **2.4.2 SERVICE DELIVERY & INFRASTRUCTURE DEVELOPMENT**

### **2.6.1 Water Services & Sanitation**

The Chris Hani District Municipality is a Water Services Authority in all local Municipalities within the district in terms of powers and functions as developed by Municipal Structures Act, 117 of 1998. It therefore tasked with addressing a water services backlog. Water supply in larger towns is treated and subject to operational and compliance monitoring while there are small and remote rural communities whose supplies are seldom monitored.

The DM is a legislated WSA for its entire area of jurisdiction hence it has completed an assessment of alternative water service provision mechanism, as required by Section 78 of Municipal Systems Act.

All its 8 local municipalities are Water Service Providers. Strong and healthy relationships with the LMs have resulted in the appointment of 42 critical and technical staff that are deployed to different LMs. These people have assisted in strengthening LM's water service provider staff and also ensured that staff inherited from Department of Water Affairs is managed at the LM level. This has also resulted in the improvement of the operational budget expenditure and vehicles and trucks amounting to R27 million were purchased. As a result an improved customer care relation and limited downtime has been observed.

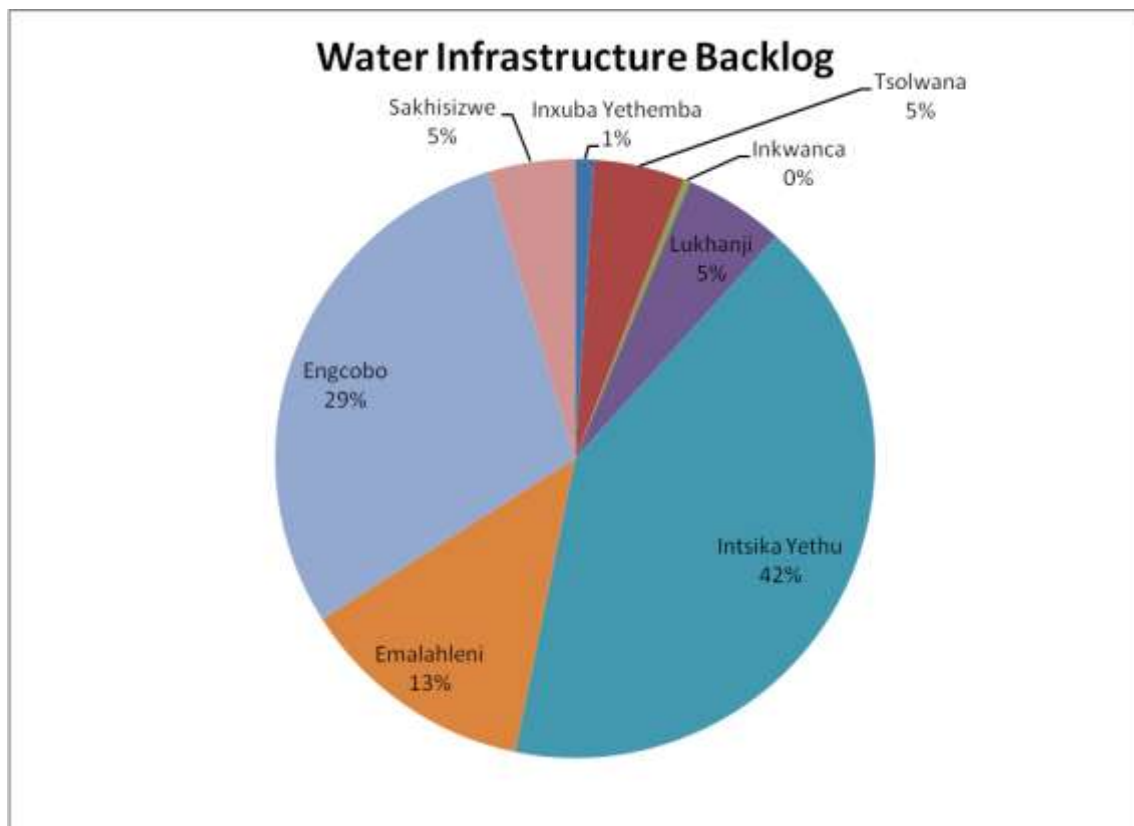
### **2.6.2 Water Services Development Plan**

With the publication of the *Water Services Act* (Act 108 of 1997), all South African water services authorities were required to prepare a Water Services Development Plan (WSDP). The WSDP is a business plan setting out the way in which a specific Water Services Authority delivers water services to individuals and businesses in its area of jurisdiction. It also describes the current and future consumer profile, the types of services that are provided, the infrastructure requirements, a water balance, organisational and financial arrangements to be used, an assessment of the viability of the approach, and an overview of environmental issues. Following these analyses, important issues that may impact on the provision of effective and sustainable water and sanitation services need to be identified and strategies must be formulated to improve service provision.

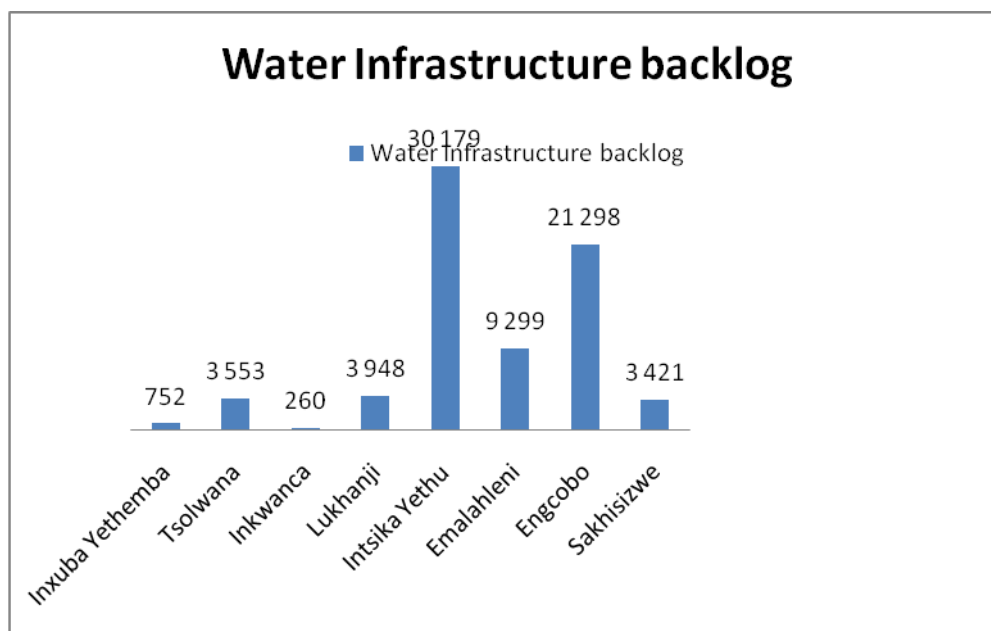
As a WSA the Water Services Development Plan has to be reviewed and was lastly reviewed in 2008. The 2011/2012 Draft WSDP development is being developed the following would be addressed on the WSDP which will be submitted to Council and be adopted together with Final IDP of 2011/12.

- Service Level Objectives
- Water Resources
- Water Conservation and Demand Management
- Bulk Infrastructure
- Institutional Arrangements
- Organisational Support
- Financial Management
- Tariff Policy

### Water and Sanitation Service Backlogs



The above Pie Chart shows the percentage of water infrastructure backlog within the district as information and research conducted by Global Insight Rex 2010. It depicts that Intsika Yethu has more backlog followed by Engcobo Municipality with Inkwanca being the least with water backlog. This became the latest information to the WSDP which has used the Community Survey of 2007. Global Insight research in fact does not show any much difference from the Community survey of 2007 as figures of Global Insight are as follows:



The Water Services Development Plan (WSDP) which is under review currently utilises Statssa figures from the 2007 Community Survey estimate that currently 76% of the total population of Chris Hani

District Municipality (CHDM) is served with water services, whilst 55% are served with sanitation services.

However the WSDP of 2008 relies on household figures instead and based on an extrapolation of the 2007 Statssa figures delivers the following figures contained in the table below.

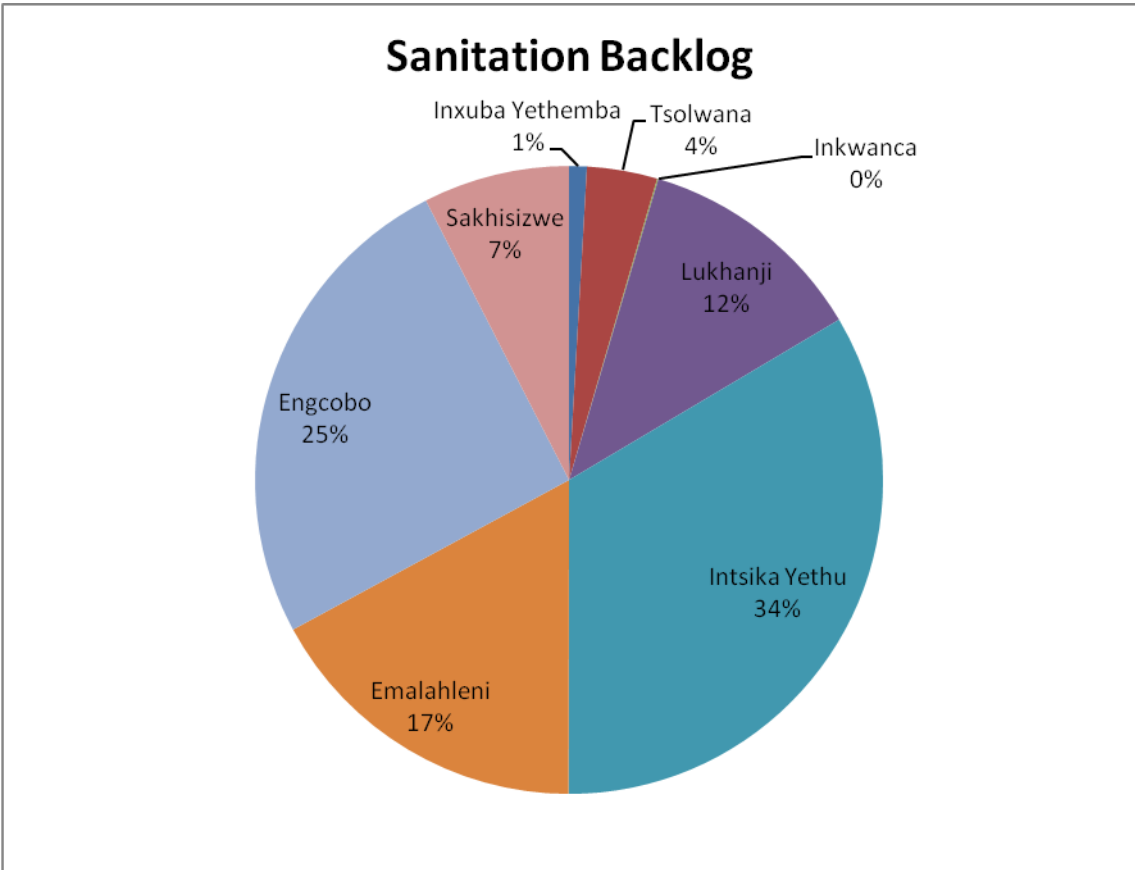
Water and Sanitation Services Delivery Profile

Municipality	Population Served		Population Not Served	
	Water	Sanitation	Water	Sanitation
Emalahleni	29,352	13,108	2,962	19,206
Inkwanca	3,694	2,413	-	1,271
Intsika Yethu	24,491	18,543	23,310	29,258
Inxuba Yethemba	12,483	12,483	-	-
Lukhanji	46,094	14,270	7,571	39,396
Engcobo	15,690	8,540	19,380	26,530
Sakhisizwe	10,589	4,057	3,201	9,734
Tsolwana	7,134	5,142	-	1,992
DMA	23	23	-	-
TOTAL	149,539	78,578	56,425	127,387
PERCENTAGE	73%	38%	27%	62%

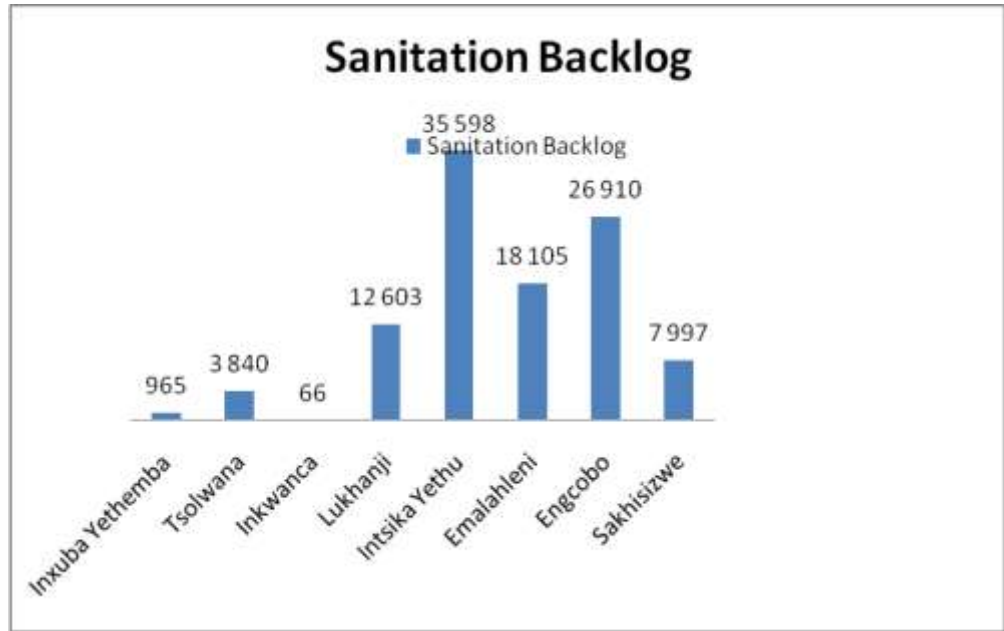
Source: CHDM Water Services Development Plan: 2008

The major challenge is meeting the backlog targets as set out by the national government due to the insufficient capital funds (i.e. MIG allocations). The collapsing infrastructure in towns is not included in the backlog.

Looking at the Sanitation Backlog Global Insight also didn't differ much with community survey as conducted in 2007. The below Pie Chart shows Intsika Yethu again as one municipality within the district with more/high backlog and the least being Inkwanca Municipality.



Actual figures are depicted by a graph below:



The CHDM has identified and quantified all villages with water and sanitation backlogs within their area of jurisdiction and put them into clusters. The District Municipality could not meet the targets it set of eradicating buckets due to financial and capacity constraints and as a result has committed itself in ensuring that it provides free basic services to its communities. Due to the allocated powers and functions the provision of basic level of services is limited to water and sanitation.

Backlogs have made it difficult to provide these services in areas which do not have infrastructure especially in the former Ciskei and Transkei areas. The funding with respect to MIG falls short in eradicating the backlog.

#### Funding required for backlog eradication

The WSDP presents a number of possible developmental scenarios. Given the available and potential resources and capacity, the most viable scenario envisages increasing resources so that the backlogs are addressed by 2014.

Chris Hani DM has also developed a Water Services Backlog Eradication Strategy, whereby all areas with backlogs have been identified and quantified up to the village level. The affected villages have been grouped into nine clusters (i.e regional schemes. Estimated Funding requirement to Address Water and Sanitation Backlog (WSDP 2008)

Clusters	No of Villages	Households	Total Cost	Urban/Rural
1	17	1653	R 102,594,230	Rural
2	38	3919	R 129,726,695	Rural
3	11	2427	R 58,714,048	Rural
4	36	3173	R 162,209,630	Rural
5	37	3146	R 204,188,946	Rural
6	108	4669	R 520,089,290	Rural
7	37	4843	R 213,727,017	Rural
8	34	3055	R 174,996,766	Rural
9	9	593	R 50,425,300	Rural
Xonxa Bulk Supply	-	-	R 80,000,000	Rural
Other areas	-	-	R 1,691,782,787	Rural
<b>TOTAL</b>		<b>56,245</b>	<b>R 3,388,454,710</b>	

It is noted that there is a need to find alternate sources of funding if we are to increase our rate of delivery.

More investment is required in utilising surface water resources. In addition the monitoring of the usage of groundwater requires improvement. A worrying challenge is the minimal pollution contingency measures in place in the district. In addition far more attention has to be paid towards ensuring and implementing water conservation and demand management.

Some of the greatest challenges in eradicating the backlogs are:

- ▣ MIG Allocated funds do not roll over to the next financial year
- ▣ MIG Funds not spent are forfeited
- ▣ MIG Funds are strictly to be spent only on approved projects that meet the MIG conditions
- ▣ MIG Projects must also be recommended by the respective sector departments
- ▣ Contravention of MIG conditions are regarded as unauthorized expenditure and are not reimbursable by MIG unless approved by MIG
- ▣ Serious drought conditions

- ▣ Limited staff with technical expertise wanting to work in the rural areas of Chris Hani District Municipality

#### State of District Raw Water Situation within the District

The majority of the towns in the DM are supplied from surface water sources. Exceptions are the towns of Hofmeyr, Middleburg, Sterkstroom, Tarkarstad, and Cala (partly), which rely on groundwater (boreholes) supplies. Communities in the rural areas generally rely on unprotected springs, streams and boreholes for their water supply. Commercial farms are usually supplied by groundwater from boreholes.

#### **2.6.3 Roads and Stormwater**

The road network in the Chris Hani District consists of a hierarchy of national, provincial and municipal roads. Two national routes pass through the Chris Hani District in a north-south direction i.e. the N10 and N6. The local Trunk and Main roads link the larger towns and villages and mostly run in an east-west direction. The best example is the R61, which runs from Cradock in the west through Queenstown to Mthatha in the east. The total length of the provincial road network amounts to approximately 43 465km. This is made up of approximately 5 102 km (12%) of surfaced roads and 38 363km (88%) of gravel roads. Only 707 km of the total network of nearly 8 900 km in Chris Hani is surfaced.



The overall condition of the road network in the Province and in the Chris Hani District has not improved, mainly due to insufficient funds for maintenance and inherited backlogs. Gravel roads require regular maintenance especially with heavy rains and high traffic volumes as can be seen in the photograph above. From an economic point of view, gravel roads suppress economic development since they lead to high vehicle operating costs and often lead to the damage of crops transported.

The District is responsible for maintaining identified roads in the Inxuba Yethemba area on an agency basis if the Department of Roads and Transport. As the custodian of the secondary roads in the North Westen side of the district. It has met this responsibility in a stalwart manner with the Department of Roads & Public Works and is firmly recognized in the Office of the Premier as one of the trendsetters in Road Construction and Maintenance.

The District Municipality (DM) in particular the Roads Section team managed to successfully secure a new 3 year Service Level Agreement (Road Maintenance Contract) with the Department of Roads & Public Works starting from the beginning of April 2009.



The Contract is limited to Provincial Proclaimed Roads within the Inxuba Yethemba Area. The project has a total budget of 67.5 Million. An allocation of 20 Million was committed for the 2010/11 financial year, continuing with R22.5 Million and R25 Million for the 2011/12 and 2012/13 fiscal years respectively.

The Roads Staff has been commended by DRPW, the Agricultural Union and the Roads Forum for their professional implementation of the programme as their roads are of a high quality and are maintained on par with the private sector. The program is aimed at all road users particularly the local communities, tourists/visitors, Agriculture and National and provincial funded projects to cater for an Ethanol factory in Cradock. Municipalities that are not part of the Service Level Agreement are serviced by the Department of Roads & Public Works.

#### **2.6.4 OPERATION & MAINTENANCE WITHIN CHDM**

The unit is tasked with maintaining the infrastructure within the district of which some of the functions of the unit includes:

- Routine Operation and Maintenance Procedures
- Start and Daily Operations
- Emergency flags
- Equipment Inventory
- Spare parts Inventory
- Equipment repair and Supply information
- Emergency Response and Action Plans
- Water Quality Monitoring
- Water Quality and Regulations Violation response Procedures
- Employee Training
- Monthly Inspection Reports and Observation Report
- System Description which includes
  - (a) Source
  - (b) Treatment
  - (c) Distribution
  - (d) Storage

The technical guidelines assisting in the development of Operation and Maintenance Plans (O & M) for Water and Sanitation are still in the process of development so that they are in conjunction with conservation and demand management as they are in the course of development, but have not yet been approved. The O & M Plan will be developed to satisfy the Licensing of Water Supply and Wastewater Treatment system operator Regulations including the development of reporting all daily procedures of maintenance done on each and every Municipal asset and also a description of water supply source, treatment, storage and distribution. This plan is intended to ensure that the system operates in a manner that satisfies all laws, rules and regulations and that all employees are acquainted with their individual responsibilities.

#### **Climate Change and Drought Mitigation**

After CHDM was declared as a drought affected District, the Department of Water Affairs allocated a Drought Relief Funding and the District Council adopted an action plan to address the crisis in 2010/11. Subsequent to that the Municipality has developed a Climate Change Strategy which is to be adopted by Council together with Final IDP for 2011/12. Some of actions taken by council include the following decisions:

- That to allocate the funds per Local Municipality.

- Funds have been utilised to test, drill and equip boreholes and also to protect the springs.
- Ground water protocol has to be conducted in all 8 local municipalities.
- WSPs were required to use the existing CHDM tender for ground water protocol to fast-track the drought action plan implementation process.
- CHDM to purchase 12 water carts for water supply which where needed
- Springs are to be protected as alternative water supply.
- The Drought Relief Programme is to continue throughout.

The drought situation was further elevated on the 2010 Water and Rural Development Summit.

#### Education

Education levels are low throughout the District, as indicated in the Table below.

Municipalities	No schooling	Some primary	Complete primary	Some secondary	Grade 12	Higher
EC131:Inxuba Yethemba	5 786	9 068	3 152	10 023	4 886	2 099
EC132: Tsolwana	4 841	4 148	1 181	3 645	1 749	747
EC133: Inkwanca	2 641	3 251	943	2 511	1 044	590
EC134: Lukhanji	18 018	20 186	7 689	30 033	14 744	8 238
EC135: Intsika Yethu	30 798	20 167	6 206	18 992	4 521	3 217
EC136: Emalahleni	20 436	12 018	3 197	10 997	2 963	2 384
EC137: Engcobo	25 974	13 660	3 556	12 997	3 499	2 267
EC138: Sakhisizwe	5 824	6 575	1 794	7 048	2 507	1 640
<b>DC 13 Chris Hani DM</b>	<b>114 318</b>	<b>89 073</b>	<b>27 718</b>	<b>96 246</b>	<b>35 913</b>	<b>21 182</b>

The table indicates that in fact the majority of Chris Hani residents are functionally illiterate. The resulting high number of undereducated people entering the workforce places significant demand on the economy to provide unskilled jobs. As no economy can provide for such a large unskilled labour force, it stands to reason that there will be high rates of unemployment which is indeed the case.

A number of reasons contribute to the low levels of education such as:

- Parents lack the money to send children to school
- Limited number of school facilities, and a significant number of poorly constructed and maintained schools without water, sanitation and electricity
- Lack of adequately trained and motivated educators
- Lack of pre-primary, secondary and tertiary institutions in the region
- Lack of educational equipment
- Lack of adult literacy programmes
- High rate of teenage pregnancies

The Departments of Education and Social development, in conjunction with local municipalities and the District Municipality, must, therefore, concentrate on a two pronged approach: (1) whereby learners have access to well equipped and maintained school buildings, crèches and pre-primary facilities as many of these facilities are inadequate for their function, and (2) the necessary funds being made available to encourage learners to complete their high school education.

#### Libraries

There is a significant lack of libraries within the District, resulting in school children and other learners being unable to access information they require for their studies. It is noted, however, that some progress is being made in this regard. Intsika Yethu Municipality with DSRAC are building the library in Cofimvaba for the purposes of assisting learners with information.

#### Sports & Recreation Facilities



The District offers a wide display of sports from the more adventurous such as white water rafting, horse endurance trails to the more sedate such as bowls. Indigenous sporting activities such as horse races and stick fighting are promoted and competitions held throughout the rural areas.

Many sport clubs and codes have a proud tradition and have been going for many years. However, there is a significant lack of sports and recreational facilities within the District, especially in the former homeland areas. This may be directly attributed to the policies of the former government, which did not take into cognisance the health and welfare of people living in the then homelands. As a result many schools do not have their own playgrounds or sporting facilities.

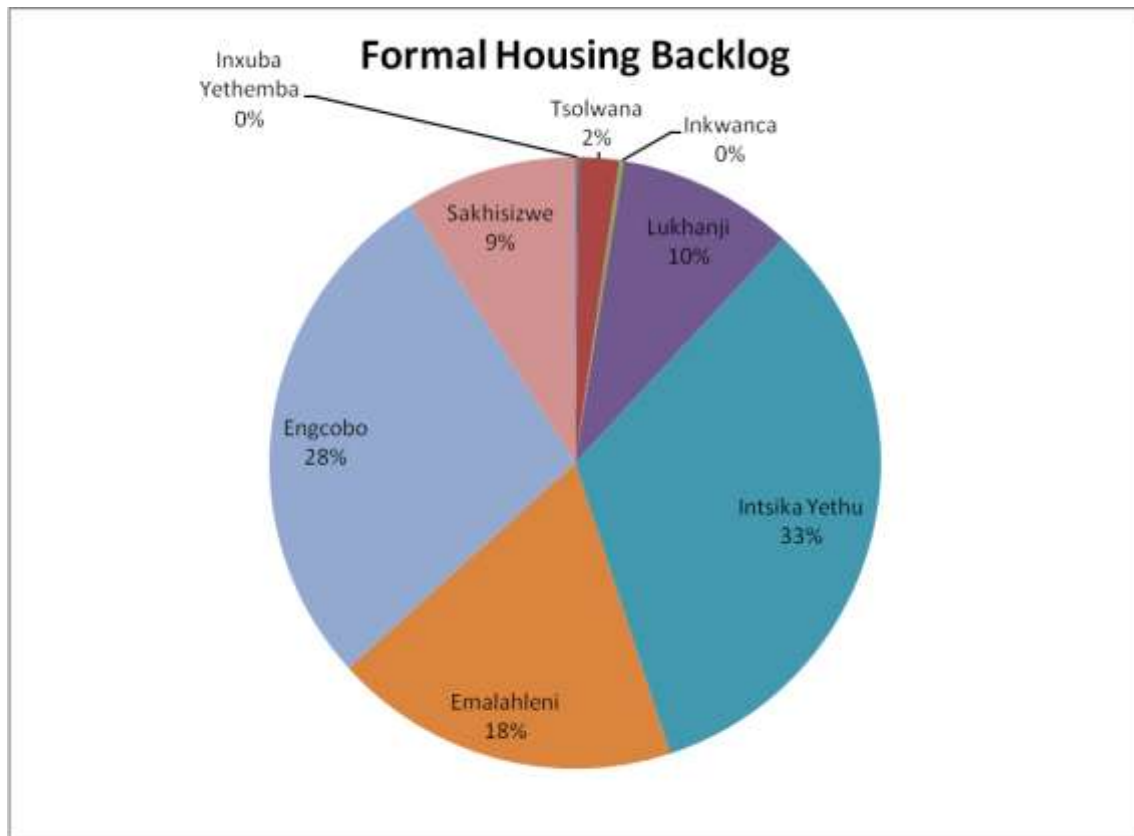
#### Community Halls

Community halls provide multiple opportunities, including a place for people to gather for meetings, a place from which information may be disseminated, and a place from which services (such as pension payouts) may be provided. The lack of community halls means that local communities have no place to gather, partake in recreational and educational activities, and receive pensions or pertinent community information.

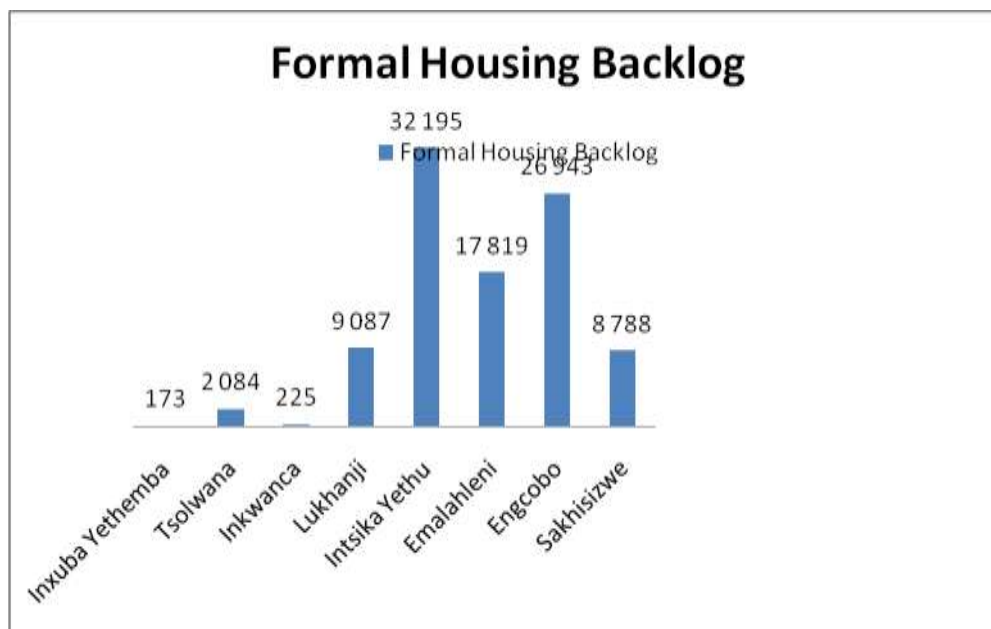
### **2.6.5 HOUSING DEVELOPMENT WITHIN THE DISTRICT**

In terms of the Municipal Structures Act 1998 no 117 a district municipality is expected “to build the capacity of local municipality in its area to perform their functions and exercises their powers where such capacity is lacking.” Chris Hani District Municipality serves to Coordinate; Support; Guide and to facilitate the process of housing development but doesn’t undertake housing delivery.

There are local challenges that are facing Chris Hani District Municipality in terms of housing development in its area of jurisdiction and these challenges require urgent attention to ensure that government objectives are achieved. Bulk infrastructure; availability and ownership of land; need for housing infrastructure and social development are one of the challenges that are affecting our local municipalities in terms of housing delivery.



Global Insight research data/tool of 2010 shows that Intsika Yethu and Engcobo municipalities are the most locals within the district with more housing backlogs as the two graphs and a pie chart depict.



#### STATUS CORE OF THE HOUSING IN THE DISTRICT

Resolution was taken by Council to have a Housing Unit within the Chris Hani District. Housing Manager has been appointed so as to guide the procees and manage stakeholders; some of the responsibilities are to provide support and guidance to local municipalities that are faced with capacity challenges and financial constraints in housing delivery; to co-ordinate infrastructure projects that are directly affecting

housing (sanitation and water) etc, to eliminate duplications; to assist in the monitoring of housing project etc. The district is developing a Housing Development Plan that will assist to guide and to direct the housing programmes and housing projects within the district and that plan would be tabled to Council for adoption.

#### KEY ISSUES OF THE HOUSING DEVELOPMENT PLAN:

##### Skill development programme

Ikhala FET College has been approached by Chris Hani District in terms of forming partnership to provide accredited training and qualification in the housing development areas e.g. bricklaying; plumbing; carpentry; painting; plastering and block/ brick suppliers. Once these trainees get their qualifications they will be engaged on housing projects to construct houses where they be allocated on a performance base. Competent project managers will monitor their performance during the execution of the project. LMs will be requested to compile a database for specific trades e.g. bricklaying; plumbing; carpentry; plastering; painting and also a database for all block/brick suppliers for training purposes.

##### Capacitating of LMs

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

##### Items to be highlighted on Housing Development Plan

- Local Context:-Spatial context; Demographic context; Economic context and Social Context)
- Current Housing Demand
- Land Identification
- Current Housing Situation
- Planned Projects
- Integrated with other sectors
- Spatial Development Plan
- Performance measurement
- Housing Institutional Framework

##### Local economic development strategy

The development pla will address the following issues; ensure that housing project benefit the local economy through all the housing programmes in the district, e.g PHP; Project Linked and others. Ensure that local people are the first preference in terms of employment in the housing project. Ensure that building material for the projects is purchased on the local suppliers of the district. Capacitate our local emerging contractors

RUNNING AND NEW HOUSING PROJECT IN OUR LOCAL MUNICIPALITIES EXCLUDING BLOCKED PROJECTS.

1. SAKHISIZWE LOCAL MUNICIPALITY

	NEW PROJECTS		
NAME OF THE PROJECT	NAME OF THE PROGRAMME	TOTAL NUMBER OF UNITS	STATUS OF THE PROJECT
Cala Ward 2	Rural PHP	2693	New Project
Cala Ward 4	Rural PHP	2662	New Project
Elliot Old Location	Urban	1000	New Project
	RUNNING PROJECTS		
Cala	Rectification Progr	301	Running Project
Elliot	Rectification Progr	302	Running Project
Cala Ext 13&14	Project Linked Subs	1545	Running Project
Elliot	Project Linked Subs	800	Running Project
Cala Phase 2 Ext 15	Project Linked Subs	1070	Running Project

2. EMALAHLENI LOCAL MUNICIPALITY

	NEW PROJECTS		
NAME OF THE PROJECT	NAME OF THE PROGRAMME	TOTAL NUMBER OF UNITS	STATUS OF THE PROJECT
Swartwater	Rural PHP	1000	New Project
Sinako/ Zwelethemba	IRDP Urban	289	New Project
Mavuya Phase 1& 2	IRDP Urban	462	New Project
	RUNNING PROJECTS		
Lady Frere	Project Linked Subs	564	Running Project
Lady Frere	Rectification Progr	715	Running Project

## 3. ENGCOBO LOCAL MUNICIPALITY

	NEW PROJECTS		
NAME OF THE PROJECT	NAME OF THE PROGRAMME	TOTAL NUMBER OF UNITS	STATUS OF THE PROJECT
Deberha	Rural PHP	706	New Project
Engcobo ext 11	IRDP	1854	New Project

## INKWANCA LOCAL MUNICIPALITY

	NEW PROJECTS		
NAME OF THE PROJECT	NAME OF THE PROGRAMME	TOTAL NUMBER OF UNITS	STATUS OF THE PROJECT
Molteno Airstrip	IRDP Urban	1127	New Project
Sterkstroom Masakhane	IRDP Urban	164	New Project

## 4. INTSIKA YETHU LOCAL MUNICIPALITY

	NEW PROJECTS		
NAME OF THE PROJECT	NAME OF THE PROGRAMME	TOTAL NUMBER OF UNITS	STATUS OF THE PROJECT
Joe Slovo	IRDP Urban	608	New Project
Enyanisweni	Urban	431	New Project
Tsomo Ext 2	Project Linked Subs	263	New Project
Lubisi	Rural	1000	New Project
Chris Hani Heritage	Rural PHP	1000	New Project
Vuyisile Mini	Rural PHP	1000	New Project

## 5. INXUBA YETHEMBA LOCAL MUNICIPALITY

	NEW PROJECTS		

NAME OF THE PROJECT	NAME OF THE PROGRAMME	TOTAL NUMBER OF UNITS	STATUS OF THE PROJECT
Middleburg Lusaka R/L 2	IRDP in-situ urban	595	New Project
Rosemeal	IRDP Rural	493	New Project
Cradock Phase 1	Rectification	115	Running Project

## 6. LUKHANJI LOCAL MUNICIPALITY

	NEW PROJECTS		
NAME OF THE PROJECT	NAME OF THE PROGRAMME	TOTAL NUMBER OF UNITS	STATUS OF THE PROJECT
New Rathwick	IRDP	3000	New Project
Lukhanji	IRDP	200	New Project
Queenstown (KSD)	Project Linked Subs	200	New Project
	RUNNING PROJECTS		
Blakkloof	Rural	90	Running Project
Toisekraal	Rural	364	Running Project
Zola	Rural	225	Running Project
Xuma	Rural	126	Running Project
Ilinge	Rectification	405	Running Project
Ezibeleni Phase 2	Rectification	1421	Running Project
Whittlesea	Rectification	745	Running Project

## 7. TSOLWANA LOCAL MUNICIPALITY

	NEW PROJECTS		
NAME OF THE PROJECT	NAME OF THE PROGRAMME	TOTAL NUMBER OF UNITS	STATUS OF THE PROJECT
	IRDP		New Project
	IRDP		New Project
	Project Linked Subs		New Project



	RUNNING PROJECTS		
	Rural		Running Project
	Rural		Running Project
	Rural		Running Project
	Rural		Running Project
	Rectification		Running Project
	Rectification		Running Project
	Rectification		Running Project

These programme are all driven by an existing Housing Steering Committee forum which involves all Local municipalities in the district: -Housing Portfolio Heads; Municipal Housing Managers/officials; Department of Housing in the district and other stakeholders are invited when it's necessary.

Main functions of the HSCF

- To discuss housing challenges and housing demands as to get solutions
- To discuss progress reports submitted by the LMs on their housing projects.
- Identify ways of providing capacity to those LMs that are lacking and also discuss other related housing issues.

Subsequent to the role that the district will play on housing development the CHDM in partnership with Coega Development Corporation intends signing an Agreements on Advanced Socio Economic Development and Transformation through Infrastructure Development which includes Skills Development to local labour including internship programmes, emerging enterprise development including Cooperatives. As well as growing local Manufacturing especially Concrete and Timber Products, Cooperative Forum is mostly targeted in the CHDM area.

#### Telecommunication

Telkom is currently expanding its public phone infrastructure in the rural homeland areas with the result that the majority of Chris Hani residents do have access to some sort of telephones. Cellular phones cannot be used in all areas of the District due to the mountainous terrain, which disrupts television, radio and cell phone reception. The investment into telecommunications infrastructure is further hindered by vandalism and theft. Cellular and television providers should be lobbied to increase their network coverage in these areas so that consumers can experience a more satisfactory service.

There is still very limited access to fax and computer / internet facilities. GCIS has recently completed a survey whereby they wish to install a multi-purpose facility that will give community members access to all tele-communication facilities in each municipality. The only existing facilities of this nature are currently located at the Qamata Great Place in the Intsika Yethu Local Municipal area, Thusong Centres and at Ngcobob town.

#### Transport

When considered from a transport perspective, the Chris Hani District is of importance not only to the local socio-economic climate, but also to the country as a whole. There are two national roads passing through the district in a north-south direction i.e. the N10 and N6 as well as two rail lines. The two rail routes links Port Elizabeth and East London to the interior.

The main east-west road corridors are along the R61 from Cradock, through Queenstown and beyond, the R359 from Queenstown through Lady Frere and Cala to Elliot and the R56 from Queenstown through Sterkstroom, Molteno and Steynsburg to Middelburg.

#### OVERVIEW OF CHDM TRANSPORT MASTER PLAN

The CHDM Transport Master plan has been carried out to prepare the District meet the demand for safe transport services and facilities. The Master plan positions the District to offer maximum accessibility to the amenities offered in cities and towns throughout the District and the many tourist facilities in the neighborhood. The Master plan intends to provide guidance on the infrastructure requirements to improve major roads and key facilities in towns, signage to guide visitors and public transport services and facilities.

The district is currently committed to the implementation of the Transport Master plan. Therefore the intention will be a joint effort with local Municipalities contributing to implementation in their areas.

The structure of the CHDM Transport Master plan includes the following chapters:

- Travel Demand and Situational Analysis
- Data Collection and Assessment
- Transport Operational Plan:
  - Infrastructure Plan
  - Public Transport Plan
  - Aviation Plan
  - Rail Plan
  - Local Mobility Plan
  - Information and Signage Plan
  - Safety and Security Plan
  - Transport Management Plan
- Branding and Marketing
- Contingency Plans
- Implementation and Evaluation Plan

The CHDM Transport Master plan also contains a clear set of recommendations to prepare the District to compliment the transportation services. By preparing this Master plan, the District shows its commitment and pursues the implementation of the Plan as a matter of priority.

#### Taxi services

There are 21 registered taxi associations operating in the 16 towns situated within the Chris Hani District. According to the Registrar there are approximately 1 600 active members in the different associations. This figure excludes operators who are using sedans and bakkies/LDV. It is evident that there are some differences between the Registrar and Taxi Associations due to the frequency of the update of the Registrar's database.

From the records of the Registrar, there are currently 304 registered taxi routes in the Chris Hani District. Bakkie taxis comprise a significant percentage on the routes i.e. +/- 60 % and are dominant in

Engcobo, Cofimvaba, Cala and Tsomo. The sedan operation is largest within the Lukhanji Municipality and particularly Queenstown.

Due to the large number of passengers using taxis in the District, as well as the flexibility of the taxi industry, taxis are the most prominent form of local public transport. The type of vehicles operating in the field varies from the typical minibus, to light delivery vehicles (LDVs) and sedan or passenger cars. There are also many more routes between settlements than there are within settlements. This can be explained by the fact that most of the settlements in Chris Hani are small and thus there is not a great demand for motorised travel within the settlement boundaries. Most daily activities can be accomplished on foot since the distance to be travelled is relatively small in comparison to the greater distances between settlements.

#### Bus Services

There are currently 31 bus operators in CHDM according to the local ECDRT office but only 11 of these have operating permits and the buses only operate in four of the eight district municipalities. The buses operate on 49 routes of which nine are subsidised. Operations on the subsidised routes were suspended due to feasibility and/or un-roadworthy vehicles. Africa's Best 350 scheme has brought 16 new buses to the CHDM routes.

#### Long distance travel

There are marked increases in the number of long distance journeys undertaken during holiday periods such as Christmas (December-January) and Easter (April school holidays), whereas during out-of season times there may be no services on those routes, depending on the mode. Long distance routes include a number of important destinations and include both road and rail based services. There is a close relationship between local and long distance public transport services – passengers from outlying areas would be transported on a local service to reach a main settlement and from there transfer onto a long distance service.

Even though long distance travel in Chris Hani resembles a corridor and feeder system, there is little coordination between and within the schedules and frequencies of modes and equally little consolidated information available on long distance travel.

#### Freight Transport

In Chris Hani, the main freight movement corridors are mainly along the national routes. Cargo is transported nationally through the district from/to the coastal towns of East London and Port Elizabeth primarily to/from Gauteng. The freight is moved by either road or rail. There are no major freight generators within the Chris Hani District other than the typical economic activities in the larger urban area, such as Queenstown.

The movement of freight has become more and more road based in the past few decades. The busiest route being the N10 carries more than 100 long/large heavy vehicles per day. This amounts to approximately 10 interlinks per hour along the route.

#### Rail freight

There are two primary railway lines passing through the Chris Hani District in a north-south direction. They are the East London – Bethulie route (passing through Queenstown, Sterkstroom and Molteno) and the Port Elizabeth – Cradock – Carlton route. There were also a number of other lines in the district but these are not in use or the lines have been lifted.

### Rail Services

The Shosholozha Meyi operated by Transnet Freight Rail operates along two north-south routes through the municipality. The two routes are the following:

- Johannesburg – Bloemfontein – Cradock – Port Elizabeth
- Johannesburg – Bloemfontein – Cradock – Port Elizabeth
- Johannesburg – Bloemfontein – Molteno – Sterkstroom – Queenstown –
- Cape Town – Colesberg – Molteno - Sterkstroom – Queenstown – East London

The area is served well with rail service. These services are mostly passenger services but carry limited freight.

### Air Services

There are not scheduled air services to and from any airports/airfields in the Chris Hani District. There are several airstrips near the larger towns. All the airstrips are unsurfaced, except the Queenstown airfield, which has one surfaced runway. There are a total of 10 airfields/airstrips located in Chris Hani. The airfields are mostly used for recreational and tourism activities.

### Non-motorised Transport

Planning for non-motorised transport (NMT) has historically been neglected even though it is an important method of transport. The main issues witnessed during the assessment process were the unavailability of safe pedestrian facilities, such as walkways and shelters, and accommodation for people with disabilities.

Walking is a major mode of transport in the CBD areas. The surveys indicated that the highest numbers of pedestrians are found in the CBD's of Queenstown, Cofimvaba, Engcobo, Lady Frere and in Cradock and Middelburg. Pedestrians face many problems due to the limited availability of pedestrian facilities.

### Scholar Transport

The importance of intervention in a scholar transport system has its roots in the fact that education levels are low throughout the District, with a literacy rate of 47.1%. It has been found that one of the reasons that contribute to the low levels of education is the lack of convenient access to schools resulting in long travel times, mostly by walking to school.

The issues that the Chris Hani District faces with respect to public transport are the following:

- Multiple small taxi operators that are tied to geographical locations are inflexible and are difficult to coordinate and integrate in a larger system
- Buying power of individual taxi operators is very low.
- Vehicle capacities are not necessarily suited to the demand
- Rail and subsidised buses operated at regional level and are not integrated into local planning
- Operator and regulatory fixation with vehicle type and layout discriminates against passenger volumes / needs and does not provide operational flexibility
- The overloading of heavy vehicles is a major contributor to the premature failure of road pavements .
- Gravel roads often become impassable in wet weather, isolating settlements that can only be reached by such means. .
- The large number of stray livestock on roads.
- Poor management and supply of transfer facilities.
- Derelict passenger rail lines and stations










- Insufficient vehicle testing and licensing facilities
- Unavailability of public transport facilities (including for the disabled)
- Lack of cooperation between Public Transport Operators and the Municipal Authorities
- Lack of Institutional capacity at Local and District level to manage transport planning and implementation.
- Insufficient supply of taxi related information, especially bakkie and sedan operations.
- Outdated information at the Taxi Registrar
- Lack of pedestrian and non-motorised transport facilities
- Lack of accident database for the Chris Hani District
- Lack of District Road Maintenance Programme
- Inadequate pedestrian signs and markings and off loading areas especially within CBD areas
- Limited traffic calming measures within areas of high accidents
- Low visibility of traffic officials and law enforcement
- Insufficient supply of taxi related infrastructure
- Public transport in the rural areas is reliant on bakkies
- By-laws limiting the operation of hawkers on side-walks are not implemented or proclaimed.

#### Recommendations

- Public transport should provide connectivity where private transport is unfeasible
- Each settlement condition requires a particular development and transport approach
- Strong land use management should be accompanied by integrated transport provision to achieve more compact, efficient settlements and transport services
- Tourism potential should not be ruined by uncontrolled settlement growth or insensitive transport connections

#### 2.6.6 MUNICIPAL HEALTH SERVICES

State of the Municipal Health: "Municipal health services", for the purposes of the National Health Act, Act no 61 of 2003 perform the following functions-

-  water quality monitoring;
-  food control;
-  waste management;
-  Health surveillance of premises;
-  surveillance and prevention of communicable diseases, excluding immunisations;
-  vector control;
-  environmental pollution control;
-  the disposal of the dead
-  chemical safety, but excludes port health, malaria control and control of hazardous substances

A municipal Health service conducts the following activities that are performed by qualified Environmental Health Practitioners as per definition of the Scope of profession as listed below:

HEALTH PROFESSIONS ACT, 1974 (ACT NO.56 OF 1974)

REGULATIONS DEFINING THE SCOPE OF THE PROFESSION OF ENVIRONMENTAL HEALTH

SCOPE OF PRACTICE OF ENVIRONMENTAL HEALTH PRACTITIONER

In addition to the scope of the profession as prescribed in regulations, the following acts falls within the Scope of Practice for Environmental Health Practitioners of the Chris Hani District Municipality.

Environmental Health Services include performance of the following acts;

(1) Water

- (a) Monitoring water quality and availability, including mapping of water sources.  
Enforcement of laws and regulations related to water quality management.
- (b) Ensuring water safety and acceptability in respect of quality (microbiological, physical and chemical), and access to an adequate quantity for domestic use as well as in respect of the quality of water for recreational, industrial, food production and any other human and animal use.
- (c) Ensuring that water supplies are readily accessible to communities and to the planning, design, management and health surveillance.
- (d) Ensuring monitoring of and effective waste water treatment and water pollution control, including the collection treatment and safe disposal of sewage and other water borne waste and surveillance of the quality of surface water (including the sea) and ground water.
- (e) Advocacy on proper and safe water usage and waste water disposal.
- (f) Water sampling and testing in the field and examination and analysis in a laboratory.

(2) Food Control

- (a) Food safety in respect of acceptable microbiological and chemical standards and quality of all food for human consumption and optimal hygiene control throughout the food supply chain from the point of origin, all primary ground, or raw products production up to the point of consumption.
- (b) Food inspection at production, distribution and consumption area.
- (c) Informal Street trading monitoring.
- (d) Food premises inspection and control of statutory nuisances.
- (e) Enforcement of food legislation and Codex Alimentarius.
- (f) Food quality monitoring programmes and principles through various techniques e.g HACCP audits.
- (g) Promote the safe transportation, handling, storage and preparation of foodstuffs used in the Primary School Nutrition programme (NSNP), Prisons and Health establishments, Airports etc.
- (h) Promote safe handling of meat and meat products including meat inspection and examination at abattoirs.
- (i) Promote the safe handling of milk and milk products

3) Waste Management

- (b) Waste management and general hygiene monitoring including:
- (c) Ensuring proper refuse storage, collection, transportation and transfer, processing and materials recovery and final disposal.
- (d) Liquid waste management including sewage and industrial effluents.
- (e) Ensuring the proper storage, treatment collection, transportation, handling and disposal of health care waste and hazardous waste.
- (f) Sampling and analysis of any waste or product (sewage) refuse or other wastes.
- (e) Investigations and inspections of any activity relating to the waste stream or any product resulting there from.

- (f) Advocacy on appropriate sanitation.
  - (g) Control of the handling and disposal of diseased animal tissue.
  - (h) Ensuring safe usage of treated sewage sludge and the health and safety of reclaimed waste.
  - (i) Ensuring waste management including auditing of waste management systems and ensuring the “cradle to grave” approach is adhered to.
- (4) Health Surveillance of Premises and these includes -
  - (a) Environmental Health Impact Assessment including housing projects and indoor air quality monitoring.
  - (b) Assessment of factors including ventilation, lighting, moisture-proofing, thermal quality, structural safety and floor space.
  - (c) Assessment of an overcrowded, dirty or unsatisfactory condition in any residential, commercial, industrial or other occupied premises.
  - (d) Monitoring all buildings and all other temporary or permanent physical structure for residential, public or institutional use (including health care and other care, detainment, work and recreation including travel, tourism, holiday resorts and camping sites) as well as the facilities in connection therewith and the immediate precincts thereof.
  - (e) Ensuring the urban and rural land-use planning and practices that are conducive to sustainable development through sound environmental health impact and other assessments.
  - (f) Ensuring prevention and abatement of any condition on any premises which is likely to constitute a danger to health.
  - (g) Ensuring the health safety of the public passenger transportation facilities such as busses, trains, taxis, boats and aeroplanes as well as all other facilities in connection therewith.
  - (h) Ensuring compliance with the principles of agenda 21, Healthy Cities approach to integrated service rendering and the practical minimizing of any detrimental environmental health risk.
- (5) Surveillance and prevention of Communicable diseases which excludes Immunizations.
  - (a) Health and hygiene promotion aimed at prevention of environmentally induced diseases related communicable diseases
  - (b) Collection, analysis and dissemination of epidemiological data and information.
  - (c) Use of Participatory Hygiene and Sanitation Training (PHAST) approaches for effective control measures at community level.
  - (d) Epidemiological surveillance of diseases.
  - (e) Establishment of effective Environmental Health Surveillance and Information System at different spheres of governance.
  - (f) Develop environmental health measures with protocols with reference to epidemics, emergencies, diseases and migrations of populations.
- (6) Vector control monitoring which includes: -
  - (a) Identification of vectors, their habitats and breeding places.
  - (b) Vector control of public health interest including the control of arthropods, molluscs, rodents and other alternative hosts of diseases.

- (c) Removal or remedying of conditions resulting in or favouring the prevalence or increase of rodents, insects, disease carriers or pest.
- (d) Residual spraying of premises and surrounds.
- (e) Investigate zoonotic diseases and other vector borne diseases in the working and living environment.
- (f) Surveillance of imported cargo and livestock for the prevalence of disease vectors.
- (g) Serological tests of rodents, dogs and other pets.

(7) Environmental Pollution Control

Including: -

- (a) Ensuring hygienic working, living and recreational environments.
- (b) Identification of polluting agents and their sources, i.e air, land and water.
- (c) Conducting environmental health impact assessment of development projects and policies, including Major Hazardous Installations.
- (d) Identifying environmental health hazards and conduct risk assessment and mapping.
- (e) Accident prevention e.g. paraffin usage.
- (f) Approval of environmental health impact reports and commenting on Environmental Impact Assessment applications.
- (g) Ensuring clean and safe air externally (ambient and point sources), including emission inventories monitoring, modeling and toxicological reports reviews and complaint investigations.
- (h) Control and prevention of vibration and noise pollution.
- (i) Prevention and control of land pollution detrimental to human, animal or plant life.
- (j) Ensuring compliance with the provisions of Occupational Health and Safety Act and its regulations including anticipation, identifying, evaluating and controlling of occupational hazards.
- (k) Preventative measures required to ensure that the general environment is free from risk health.
- (l) Ensuring the registration, permitting, monitoring and auditing of all industries, activities, trade, etc, which involves the control of internal impacts on the worker and external impacts on the community and the environment.
- (m) Infrastructure integrity management including pipelines and tankage.
- (n) Ensuring emergency preparedness under abnormal operating conditions and disasters jointly with other role players.
- (o) Develop sustainable indicators appropriate for monitoring the effectiveness of environmental management systems of industry.

(8) Disposal of the Dead

- (a) Control, restriction or prohibition of the business of an undertaker or embalmer, mortuaries and other places or facilities for the storage of dead bodies.



- (c) Regulating, control and prohibition of graves, cemeteries/ crematoria and other facilities for the disposal of dead bodies.

- (d) Manage, control and monitor exhumations and reburial or disposal of human remains.

(9) Chemical Safety

Including: -

- (a) Listing of all operators, fumigation firms, formal and informal retail premises, which deal with the manufacturing, application, transport and storage of chemicals.
- (b) Permitting and auditing of premises e.g. Scheduled Trade permit.
- (c) Facilitating pesticides and/or chemical safety advice, education and training.

(10) Noise Control

- (a) Assessment of the extent of noise pollution and its effect on human health.
- (b) Facilitate noise control measures.
- (c) Measuring of ambient sound and noise levels.

(11) Radiation (Ionising and Non Ionising) Monitoring and Control

Including: -

- (a) Ensuring that ionising and non-ionising radiation sources are registered with Department of Health.
- (b) Ensuring that the registered ionising and non-ionising radiation sources meet the license conditions.
- (c) Monitoring the safe transportation of radioactive material to ensure compliance.
- (d) Ensuring that radioactive sources are licensed with the Nuclear Energy Council of South Africa.
- (e) Ensuring that all radiation material wastes from hospitals and other licensed establishments are properly disposed of.
- (f) Ensuring safety against any form or sources of electro-magnetic radiation.

(12) Control of Hazardous Substances

In terms of control/monitoring the following is undertaken by the district:-

- (a) Ensure that substances are correctly labeled.
- (b) Ensure that all active ingredients are indicated.
- (c) Ensure that warning signs are indicated.
- (d) Ensuring that precautions are taken during storage/transportation and appropriate protective gear is utilized during handling.
- (e) Ensure that all substances are registered with the Departments of Agriculture and Environmental Affairs.

- (f) To ensure control of substances to prevent injury, ill-health or death by reason of their toxic, corrosive, irritant or flammable nature.
- (g) To control the importation, manufacture, sale, operation, application, modification or dumping of such substance.
- (h) To undertake licensing and registration of premises.
- (i) Inspection of premises to ensure safety, storage, compliance, precaution measures, etc.
- (j) Ensure sampling is done according to approved procedure.
- (k) Ensure that all labeling regulations are complied with.
- (l) Check on all stock records and ensure hazardous substance register is up-dated.
- (m) Ensure that empty containers are disposed of according to statutory requirements.

#### Status of Municipal Health Services in the District Municipal area

The District Municipality has a fully functioning Municipal Health Services and Environmental Management Section and delivers the full range of functions as defined in the Health Act and the Scope of Profession of Environmental Health. After the promulgation of the Health Act the Council conducted a section 78 assessment for the transfer of the full service to the Chris Hani District Municipality in 2006.

The full transfer never materialized due to funding mechanisms that would place an enormous burden on the DM. However all local Municipal staff has been transferred to the DM in 2006 and are currently placed in the respective Municipal areas delivering the Municipal Health Service function. Currently SALGA as well as the SALGBC are busy with driving the process to finalize full devolution by July 2011. Additional 29 Environmental Health Practitioners's and Environmental Health Assistants will be devolved to the District.

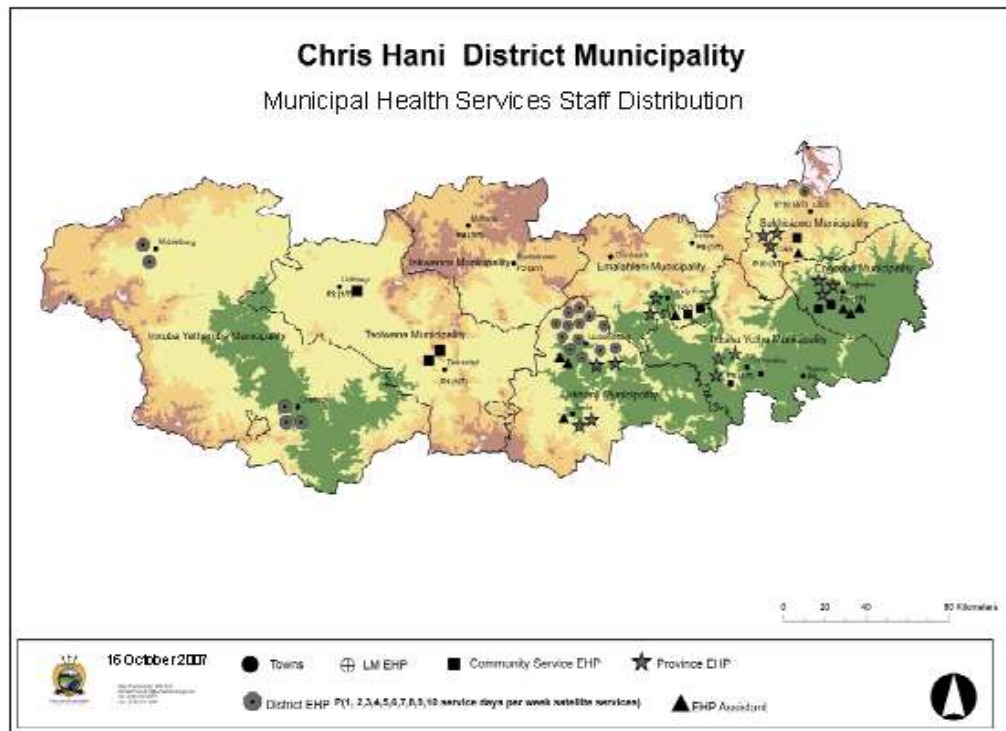
The above figure will assist in delivering better services within the DM are but are still way under the National norm of 1:1500 EHP's per population.

Municipality	Population (2006 Mid year estimates)	# Manageme nt EHPs	# Functional EHPs	# EHAs	# Com. Serv EHPs	# Admin Support staff	# Other Personell	Functional EHP to Pop Ratio
Chris Hani	810,300	3	23	1	3	1		35,230

The section is grossly under resourced in terms of staff to deliver the full package of functions as per applicable legislation. Support services are also nonexistent and one admin assistant supports all EHP's within the DM area. After devolution there will still be 24 Vacancies in the structure of this section.

#### Staff Distribution within the DM area

One of the main challenges facing the MHS section is the over population of EHP's in the peri urban areas. Currently all new appointed staff are placed in rural Municipalities where our biggest needs are and disease and Environmental and Health issues are of major concern.



Support functions:

The following support functions are delivered by CHD Municipal Health services / Environmental Management:

- Building Control:
  - The support of Local Municipalities in Health aspects relating to building control
- Disposal of the dead:
  - Support relating to safe disposal of the dead, this include:
    - Pauper burials (Financial support as well as oversee safe disposal and exhumations)
- Water Quality monitoring – WSA / WSP (See Scope)
  - Compliance monitoring in terms of the regulatory frame work as well as reporting
  - Ensure safe water supply at all time
- Environmental pollution control (See Scope)
  - Ensure the protection of the environment relating to any possible risk factors and advice municipalities accordingly
- Problem Animal Control
  - Support farmers unions in the control of problem animals within the DM are
  - Policy development
  - Financial support
- Waste Management
  - Pollution control
  - Financial support relating to waste management activities

- Hawker control and development
  - Financial assistance i.t.o development
  - Health and Hygiene education
- Alien vegetation
  - Financial support for eradication
  - Education
- Outbreak response
  - Response to disease outbreaks
  - Investigations
  - Education
- Complaint investigations relating to: (LM support)
  - Noise pollution
  - Environmental pollution
  - Waste Management
  - Overgrown premises
  - Illegal dumping
  - Air pollutions
  - Illegal transport and selling of meat
- Abattoir inspections
  - Deliver functions at privately owned Abattoirs
  - Support Department of Agriculture i.t.o inspections
- PHC – Investigation of Communicable disease
- PHC – Circumcision programme
- Working for Water – Implementing Agent for National programme
- Sanitation Co – ordination (Engineering)
  - Responsible for Health and Hygiene as per the white paper on Sanitation
  - Management of Sanitation resource centre
  - Reporting to DSTT / PSTT
  -

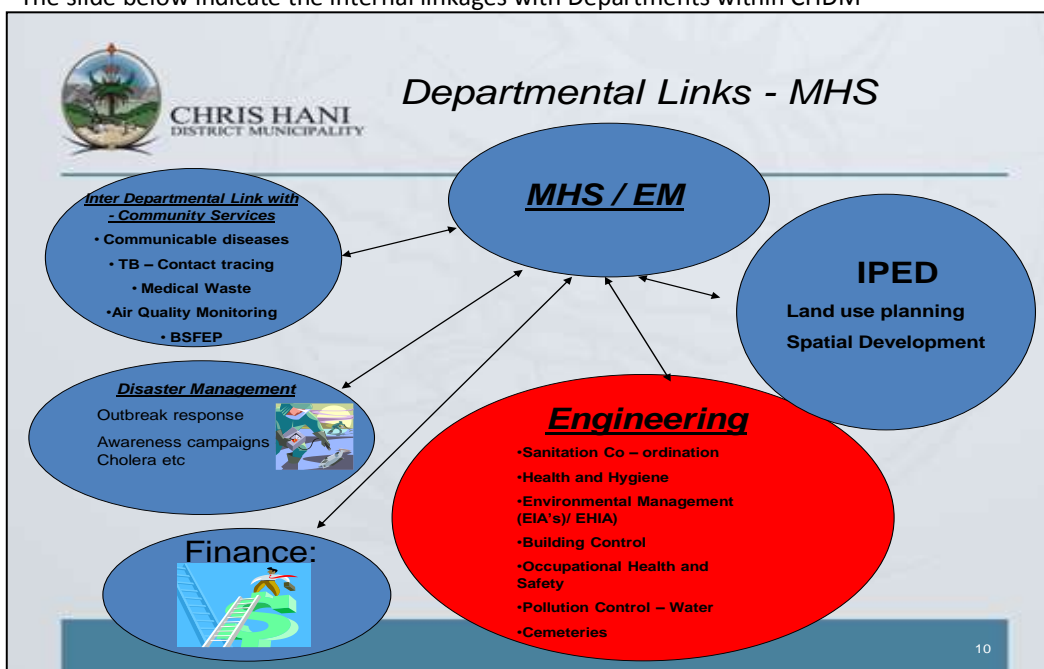
Current projects and programmes:

- Sustainable commons projects - key aspects:
  - Climate change
  - Nutrition
  - Waste Management
  - Renewable energy
  - Alternative technologies
  - Education
- Observation of Environmental related days - key aspects
  - Observation of National and international Environmental programmes:
    - Water week
    - World Environment day
    - World Environmental Health day
    - Arbor day
- Food premises competition – Key aspects
  - Increase compliance
  - Ensure quality products to communities

- Education
- Health and hygiene
- Compliance to relevant legislation
- Land care Management
  - Support to LM's with highly invested areas of Lapesi / Black Whattle
    - Management of programme
    - Identification of areas
    - Funding allocations
    - Education with DOA i.t.o grazing practises
- Hawker development project
  - Support of informal sector to ensure compliance with minimum requirements of the relevant legislation
    - Provision of equipment
    - Health and hygiene
    - Monitoring of food vendors
- Mainstreaming of HIV / AIDS
  - Support of HIV&AIDS organisations
    - Nutritional programme
    - Establishment of food gardens
    - Provision of equipment
- Water Quality unit
  - Support DWS and WSP's in terms of legal mandate to ensure safe water supply to communities.
    - Water quality analyses
    - Reporting as per legal mandate and framework
    - Interventions
    - Education
- Waste Management
  - Support of Local Municipalities to ensure compliance with the National Waste Act
    - Provision of infrastructure
    - Cleanup campaigns
    - Pollution Control

#### Linkages with CHDM internal Departments

The slide below indicate the internal linkages with Departments within CHDM



#### Challenges

- Lack of internal support for functions
- Lack of funding (National / DM)
- Lack of Human resources to perform all aspects of Scope
  - Support staff
  - Line Management
  - EHP's
- Funding and support from WSA for Water Quality monitoring function
  - Linkages with WSP
  - Linkages with WSA
  - Inclusion of MHS as part of WSA function
- Finalization of the devolution of MHS
- Lack of By – Laws (Developed await promulgation)
- Exclusion of MHS in Municipal turnaround strategy

#### Sanitation Resource Centre

Main aim of the centre is to promote safe sanitation within the DM.

Support communities in taking informed decisions regarding appropriate technology. Host EHP's, Sanitation Promotion officer: Health and Hygiene education, Support to LM's, Promotion of Sanitation messages

#### 2.6.7

#### ENVIRONMENTAL MANAGEMENT

Main aim of the unit is to assist Local Municipalities in terms of their responsibility according to National Environmental Management Act as well as the implementation of Environmental related projects and programmes. The municipality has developed an Environmental Management Plan which was adopted in 2008 and is to be reviewed and adopted by council in 2011. The plan highlights areas which are to be conserved and protected. There is an uneven distribution of environmental health services in the District. To illustrate, Lukhanji has Ten Environmental Health Officer's in total, Inxuba Yethemba has 4 in Cradock and 2 in Middleburg, while the other sub-districts have roughly one or two for the entire sub-district.

This situation will be rectified when the power and function of municipal health becomes a district power and function( the situation will be address once the process of MHS devolution processes has been finalised which means the transfer of provincially employed EHP to the CHDM as articulated in the section 78.) .

However the issue of adequate funding for this function needs to be resolved after the finalisation of devolution processes. Section 78 assessments has been conducted and finalised in December 2004 in giving to effect as to how MHS will be rendered within CHDM area of jurisdiction.

Food Safety is one of the critical elements in safe guarding the health of the communities within CHDM area of operation. Food Handling Premises competition continues to be implemented as one of the strides towards assisting owners to comply with the legislation that governs Food Quality. Sakhisizwe Local Municipality hawkers have been targeted as part of the food quality in receiving Gazebos, tables and cooler boxes. Food samples are being taken to check the quality and the standard of Food that is being sold and consumed by the public. Where challenges are found interventions are implemented.

Lapesi eradication under Environmental Management has been implemented the EPWP approach on both funding allocations i.e. DEDEA and CHDM. Through these two funding 610 people benefitted from the project in three (3) municipalities which are Lukhanji; Emalahleni & Intsika Yethu.

#### Waste Management and Environmental Management

Solid Waste disposal sites occur in all municipalities apart from Engcobo and Intsika Yethu. The only registered site occurs in Elliot (CHDM EMP 2004). Most of these sites are in a bad state, poorly managed and inappropriately positioned close to water sources. In general the problems can be summarised as follows:

- Limited if any staff training
- Infrequent covering of waste
- Burning of waste
- Close proximity to water courses
- Uncontrolled access
- Limited formal recycling or waste minimisation
- Disposal of medical and industrial waste in some Municipal Waste sites
- Uncontrolled storm water
- Inadequate staffing
- Inadequate budget allocation and equipment
- Lack of provincial government support in registering other landfill sites

In order to address these issues the Integrated Waste Management Plan has been adopted by Council in 2010 and it gives the following recommendations:

- The development and implementation of a integrated waste management system/plan
- The capacity building of all LM's regarding waste management sites. This is due to the fact that the majority of LM solid waste sites do not comply with legislation, are poorly managed and unlicensed
- Waste management sites must be identified and co-ordinated
- Local Municipalities must be capacitated to see waste management as a potential revenue source for the municipality
- Greater allocation of resources and budgeting by LM's for waste management
- Immediate licensing and correct management of waste management sites
- DM to ensure that LM's understand its role as a facilitator and co-ordinator

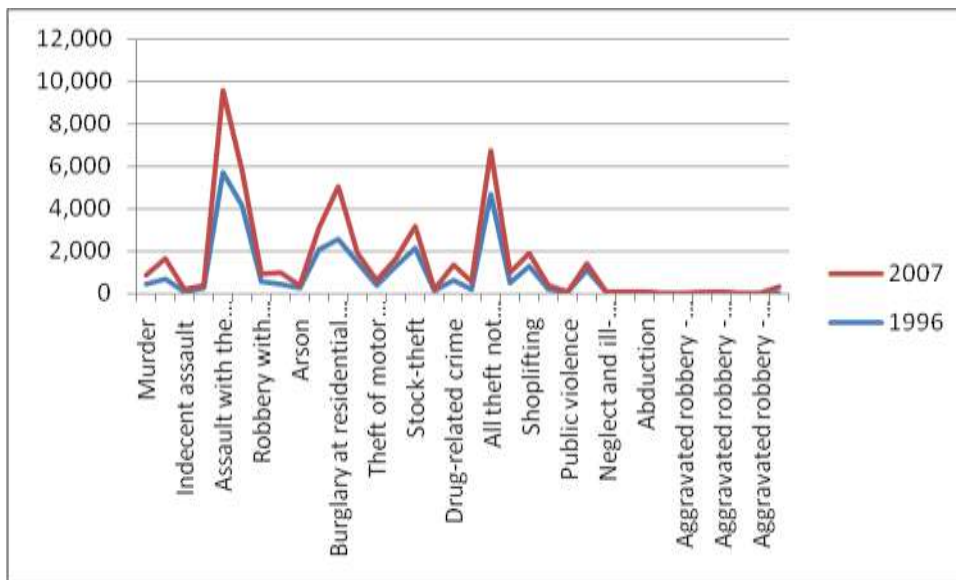
The DM continues to encourage environmental cleanliness through its waste management. A pilot on Wheelie Bins has been implemented at Inkwanca LM with 1200 wheelie bins purchased accompanied by a Compactor Refuse Truck. Intsika Yethu and Emalahleni LMs also got assistance towards Land Fill Site improvements.

In observing Environmental Days CHDM has hosted a Climate Change Workshop in capacitating LMs and the district and sector departments. A pledge was then signed in committing stakeholders on strides towards combating practices that contribute negatively towards the climate change. In celebrating Water Week and Arbour Day, door to door campaigns were conducted at Qumanco and with the launch of a newly built Sanitation Resource Centre. In line with climate change a school greening project has been implemented in four (4) schools which are Three Crowns; Gobinamba, Kleinbooi and Mbewula with the component of Bio-Gas and Hybrid Energy systems as an alternative energy solution pilot.

The District is poised to become one of the best green energy providers with 3 wind farms being situated near Molteno, Dordrecht and on the edge of the Inxuba Yethemba Municipality.

### 2.6.7 Safety and Security

Whilst crime remains a serious issue within the District, the SAPS are undertaking numerous strategies through which to combat crime. SAPS records the incidence of crime on a daily basis, and utilises this information to manage the crime situation in the region. The most significant rises in crime as indicated by the chart below are in indecent assault, residential burglary and theft not covered in other categories. A study done by the department of Social development have indicated that there is a rise in the gender based violence index from 0.16 in 2006 to 0.29 which is worrying and can be linked to the rise in assaults on women.



Some of the key challenges faced by SAPS in addressing crime relate to the poor quality of some roads which lead to police stations. This is most notable in rural areas. The result is such that it is difficult for the residents of the area to access police stations. In addition, infrastructure capacity – particularly with regards to the holding cells is an issue. There is currently insufficient jail accommodation in the area. As a result, many convicted prisoners are kept in holding cells.

It is noteworthy that the SAPS boundaries and those of the Local and District Municipalities do not coincide. As a result, the coordination of activities is often a challenge.

### 2.6.8 Disaster Management

CHDM has a well established Disaster Management Centre which was officially opened in 2005. It operates with minimal staff and very limited resources, especially on the communication side which is quite critical when dealing with disasters in terms of issuing of Early Warnings, Receiving calls and dispatching response vehicles and making Incidents Reports. Within the district there are six Satellite Centres that are located in strategic municipalities which are operating with three officials each.

These satellite centres are also lacking proper infrastructure and we have requested municipalities to donate a site for the district municipality to build these satellite centres. The officials in the satellite centres are assisting us by responding when there is an incident reported in the areas they work and as well they do preliminary assessment which looks for the immediate needs of the affected community and provide relief where possible. They also make a snapshot of the extent of damages sustained and come back the following day to do proper damage assessment which they cost and submit to the main centre.



They also take part in our Disaster Prevention strategies of which high the list is a Public Awareness program.

In dealing with the Disaster Management issues they are guided by:

- The Constitution of the Republic of South Africa
- The Disaster Management Act, 57 of 2002
- The Disaster Management Framework of 2005
- The Municipal Systems Act, 32 of 2000 as Amended
- The Municipal Structure Act, 20 of 2002 as Amended
- The Municipal Finance Management Act, 56 of 2003

#### Dealing with disasters

The municipality has developed its own Disaster Management Policy Framework in terms of Section 42(1) and Section 53 of the Disaster Management Act which has been adopted by Council. The final draft was presented in November 2010 to councillors and management to Council for its adoption. This document is a critical policy document that should guide all our activities.

#### **Fire Fighting Services**

Fire fighting services are located at the Disaster management centre. There is currently a Chief Fire Fighter and 8 firefighters. The district is at great risk from both naturally occurring and man made veld fires. The unit therefore spends a great deal of time educating communities about the risks of fire and fire prevention. In the urban areas, particularly the former homeland towns, fire hydrants are scarce or non existent. As a result fire fighting efforts are unsuccessful or limited.

The Department of Local Government and Traditional Affairs is in a process of building a fully fledged Fire Station at Engcobo LM. A Service Provider has been appointed by the department. The following equipment were procured which are three (3) Toyota Land cruisers of which two (2) are for Engcobo; one (1) for Molteno and Hazmat trailer that will be stationed centrally to assist whenever there is a hazardous substance spillage. Two (2) Hino- medium pumps will be delivered for Middleburg and Elliot.

#### **HIV & AIDS EPIDEMIC**

The issue of HIV&AIDS Coordination needs to be clearly articulated as contained in the DPLG framework and SALGA country plan of HIV&AIDS within the local government environment.

CHDM continues to invest in its employees and Councillors through implementation of internal HIV&AIDS programs. Internal World AIDS Day was conducted in partnership with Emalahleni LM. During the STI and Condom week a VCT massive campaign was conducted with 189 employees participating in knowing their status campaign. The program was done in collaboration with Sakhisizwe LM as part of the technical support with the EAP unit being part of the program. A Base-line anonymous survey was conducted by Sakhisizwe LM with 106 people participating. For the candle light memorial Engcobo LM was part of the program with also EAP unit. Peer educators as part of internal programs are being capacitated on the needs that have been identified by them so as to assist employees that might have any issues relating to HIV&AIDS. The door to door campaigns have further helped to create awareness of this menace.

The District AIDS Council (DAC) through external programs has conducted door to door campaigns during the women's month at Tsolwana LM and World AIDS day at Intsika Yethu LM. In capacitating our communities on HIV&AIDS matters Ward AIDS Councils have been established for the above mentioned LMs respectively. In understanding their mandate inductions have been conducted whereby plans of actions have been established. In commemorating candlelight CHDAC in partnership with the Council of

Churches and the Department of Health conducted the event at Lukhanji LM and also launched the HIV Counselling and Testing( HCT).

#### HIV & AIDS PROGRAMMES WITHIN THE CHRIS HANI DISTRICT MUNICIPALITY

The municipality has developed some plans and Strategies to combat and deal with HIV/AIDS within the district and these were adopted by council and whatbhas to happen is review of those plans and strategies.

- HIV and AIDS Workplace Policy adopted in 2007, due for reviewal.
- HIV and AIDS Strategic Plan Document for Workplace Programme developed in 2010 and not yet adopted by council.
- District HIV and AIDS Strategy Document 2008 – 2011adopted in 2008, reviewed and adopted in 2010.
- Framework on Mainstreaming & Integration of HIV & AIDS into the Core Business of the Chris Hani District Municipality, not yet adopted by Council.

According to HIV and AIDS Strategic plan document for workplace programme HIV and AIDS prevalence among CHDM employees and councilors was found to be 16% in the baseline survey conducted in February 2009. Out of this survey, a Strategic Plan was also developed and finalized in 2010. Key issues within this Plan found that:

1. Levels of HIV infection among the participants, according to five-year age bands, are listed below. HIV infection levels were highest among employees below age 50 years.
  - a. Age 26–30 years – 25% infected
  - b. Age 31–35 years – 19% infected
  - c. Age 36–40 years – 24% infected
  - d. Age 41–45 years – 5% infected
  - e. Age 46–50 years – 29% infected
  - f. Age 51–55 years – 11% infected
  - g. Age 56 + – 5% infected.
2. Due to the fact that the Chris Hani District Municipality has a relatively older workforce (with about 60% of the employees tested being over age 40 years) it can be expected that many employees with HIV infection may be moving into the later stages of infection and that increasing numbers will be getting sick.
3. Stigma levels are high, with 99% of the employees surveyed believing that they will lose their job if they disclose their HIV status. This means that the municipality's HIV and AIDS policy needs to be better communicated, and that there is a need for HIV and AIDS-related training among management personnel in order to enable communication and implementation of the policy.
4. The employees appear to face high levels of exposure to HIV; 2 out 3 of those surveyed reported that they had nursed a person with HIV. Thus, there is a need for more HIV and AIDS-related training for municipal employees.
5. Among the municipality's employees, the peer educators are not effectively training their peers, and meanwhile they require tool kits to training their peers. This is a serious gap in the current peer education programme.
6. The employees generally believe that the municipality's HIV and AIDS workplace programme is of value, but they would like it to focus more on HIV and AIDS-related treatment and life skills.
7. About 50% of the employees surveyed knew their HIV status. Overall, the employees would like VCT offered annually through the workplace.

8. Several other health problems were reported by the employees: 88 reported having high blood pressure, 17 had asthma, 20 had diabetes, and 54 said they had symptoms of TB.
9. Mental illness is perhaps the fastest-growing disability problem. The survey found significant levels of mental illness among the municipal staff who participated. A large number of employees reported symptoms of stress and depression. About 70 employees said they suffered from stress, did not sleep well at night, have headaches, or are tired all the time. About 30 employees said they were depressed.
10. More than 50% of the employees reported money problems and consequently needed financial training.
11. The results also indicate that gambling is a problem as a large percentage of the employees reported that they gamble.

#### HIV AND AIDS STRATEGY DOCUMENT 2008 – 2011

The HIV and AIDS Strategic Document for 2008- 2011 is informed and based on the HIV and AIDS and STI National Strategic Plan (NSP) 2007- 2011 formulated by South African National AIDS Council (SANAC). The Alliance of Mayors' initiative for community action on AIDS at the local level (AMICAALL) together with South African Local Government Association (SALGA) made a call to all African local government leaders to ensure that municipalities play a central role in facilitating and co-ordinating local responses to HIV and AIDS pandemic.

The Strategic Plan Document 2008- 2011 puts emphasis on 6 Priority areas that are important in response to HIV & AIDS within the Chris Hani District Municipality area of jurisdiction.

Priority 1: Prevention, Education, Awareness and Condom distribution

Priority area 2: Care and support for people living with HIV and AIDS (PLWHA)

Priority area 3: Care and Support for orphans and vulnerable children (OVC)

Priority Area 4: Circumcision

Priority area 5: Access to Human Rights and Justice

Priority area 6: Research, Monitoring and Evaluation

The strategic plan document also gives guidance to the concept of Multisectoral coordination of HIV and AIDS programmes within the district through the District AIDS Council (DAC). The DAC is a multisectoral, multi-stakeholder structure that is coordinated within the CHDM.

It is located in the office of the Executive Mayor, Chaired by the Portfolio Councillor for SPU, Public Participation and HIV and AIDS and administratively coordinated within the office of the Director, Health and Community Services by the HIV and AIDS unit. The DAC has subcommittees that are formulated according to the priority areas mentioned above. The sub-committees ensure the implementation of the council programmes and projects that are related to HIV and AIDS within the entire district.

#### HIV AND AIDS PREVALENCE WITHIN CHRIS HANI DISTRICT MUNICIPALITY

National Antenatal Sentinel HIV and Syphilis Prevalence Survey in South Africa 2009 showed that HIV and AIDS prevalence was 27.1% in 2006, then increased to 30.2% in 2007, then decreased to 27.0% in 2008 and remained at 27.0% in 2009.

HIV and AIDS prevalence among CHDM employees and councillors was found to be 16% in the baseline survey conducted by Epicentre in February 2009.) HIV and AIDS prevalence among CHDM employees and councillors was found to be 16% in the baseline survey conducted by Epicentre in February 2009.

### **Expanded Public Works Programme**

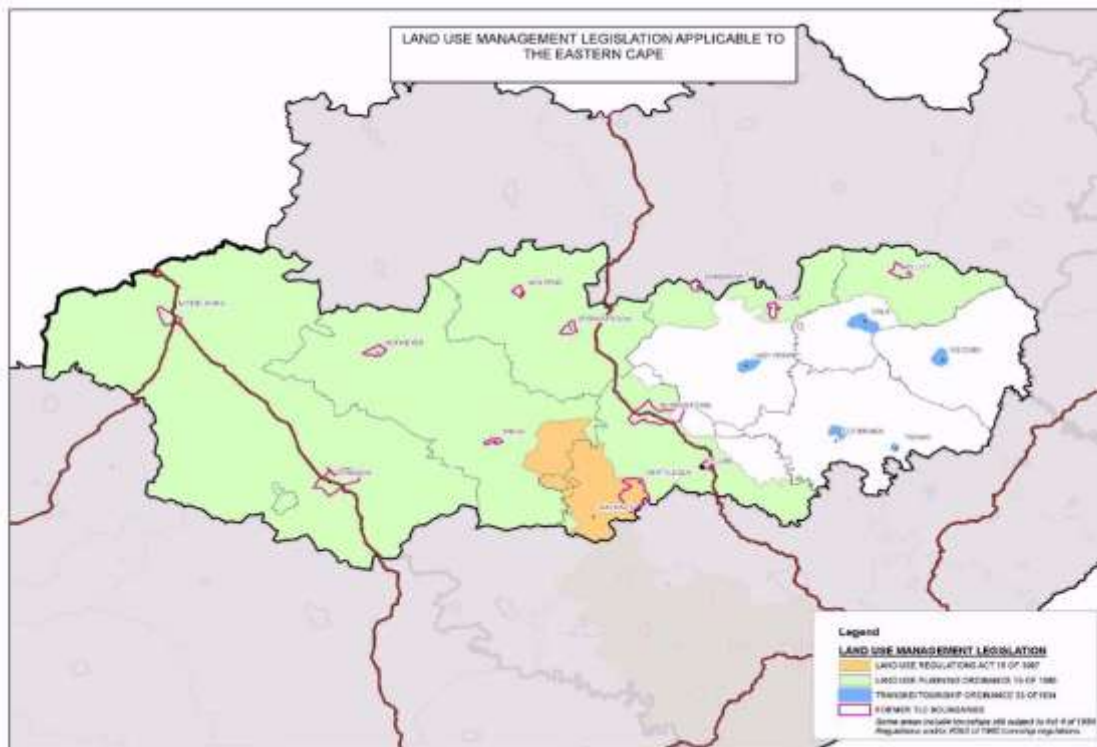
#### **Learnership**

From the programme 24 learner contractors had been appointed for the next intake of learnership on EPWP. The project Intsika Yethu Sanitation has been identified as one of the labour intensive project that will be done by these learner contractors. Tenders for these contractors closed in mid March 2011. Service providers for this project will submit the adjudication report and this project comprises of 3900 units of VIP's with an amount of R27million.

#### **Job creation**

Under the EPWP the municipality has also been allocated R16.4million incentive grant for 2011/12 financial year. To earn this allocation, three directorates/ departments within the institution, IPED, Technical Services and Municipal Health Services, are participating on EPWP. A total number of 4645 people are employed in all EPWP projects as was reported to the Department of Public Works, 561 jobs are created by IPED and 200 jobs created through by Municipal Health services. Further than that the municipality has earned an amount of R4, 5 million from July 2010 to December 2010 for the job creation programme.

## **2.7 SPATIAL ANALYSIS and RATIONALE (Refer to Chapter 4 detailed analysis of SDF)**



The Map above illustrates the legislative environment that our district operates within, and reflects the challenges that it faces in terms of coordinating of land use within the district (refer to SDF). The legislative framework is fragmented and therefore poses challenges for the district in its endeavour to create a more efficient and integrated settlement pattern in towns and settlement areas within the district. The district is addressing this challenge through its District Spatial Development Framework which has been adopted by Council. The majority of this information is contained in the Spatial Development Framework which is a separate chapter on this IDP document.

### 2.7.1 Land Tenure and Ownership

The Chris Hani District Municipality comprises parts of the former Transkei and Ciskei homelands and CPA areas. The most common form of tenure in the former Transkei areas is the communal land tenure system. Ownership of land in the urban areas and former CPA areas is held by Free-hold Title Deeds. A considerable amount of land in the area of the former Transkei is still state – owned. This situation results in difficulty in obtaining land for developmental purposes. There have been calls from communities in the rural areas in the former Transkei areas to be given title to their land on an individual basis. This will ensure tenure security and also safeguard them against future claims from others or loss through potential reorganization of village land at a later stage. It is envisaged that the Communal Land Rights Act (Act No. 11 of 2004) also known as ClaRA will inform proposals for short term actions even though the Municipality will not be able to rely on its provisions until the Act comes into effect (Emalahleni Housing sector plan).

Spatial planning professionals working within the district are faced with developmental challenges due to the dynamic legislative character of the district caused by different planning legislations that are applicable to the different towns in the district. This has led the district to focus on the creating of development plans that outline the development direction of the key nodes within our area, namely SDFs, Small town development plans, Land Use Management systems. These initiatives have been new to our district but are evidence of the district and its LMs' commitment to the spatial coherent

development within the district, ensuring that the developmental nature of the urban environment thrives to ensure economic growth that benefits the residents, the business environment and the Local municipalities.

### **2.7.2 Small Town Development**

In its endeavour to define the district's spatial rationale, the CHDM Spatial Development framework focuses on the strengthening of linkages between the deferent centres within the CHDM area and their relationship with centres outside the boundaries of CHDM. This led the CHDM adopting the Small Town Development approach that is aimed at accelerating development through alignment of economic activities to ensure value chain addition. The Small Towns Development approach looks at the redesigning of the town layout with the aim of ensuring the potential of the space in and around the town are fully realised.

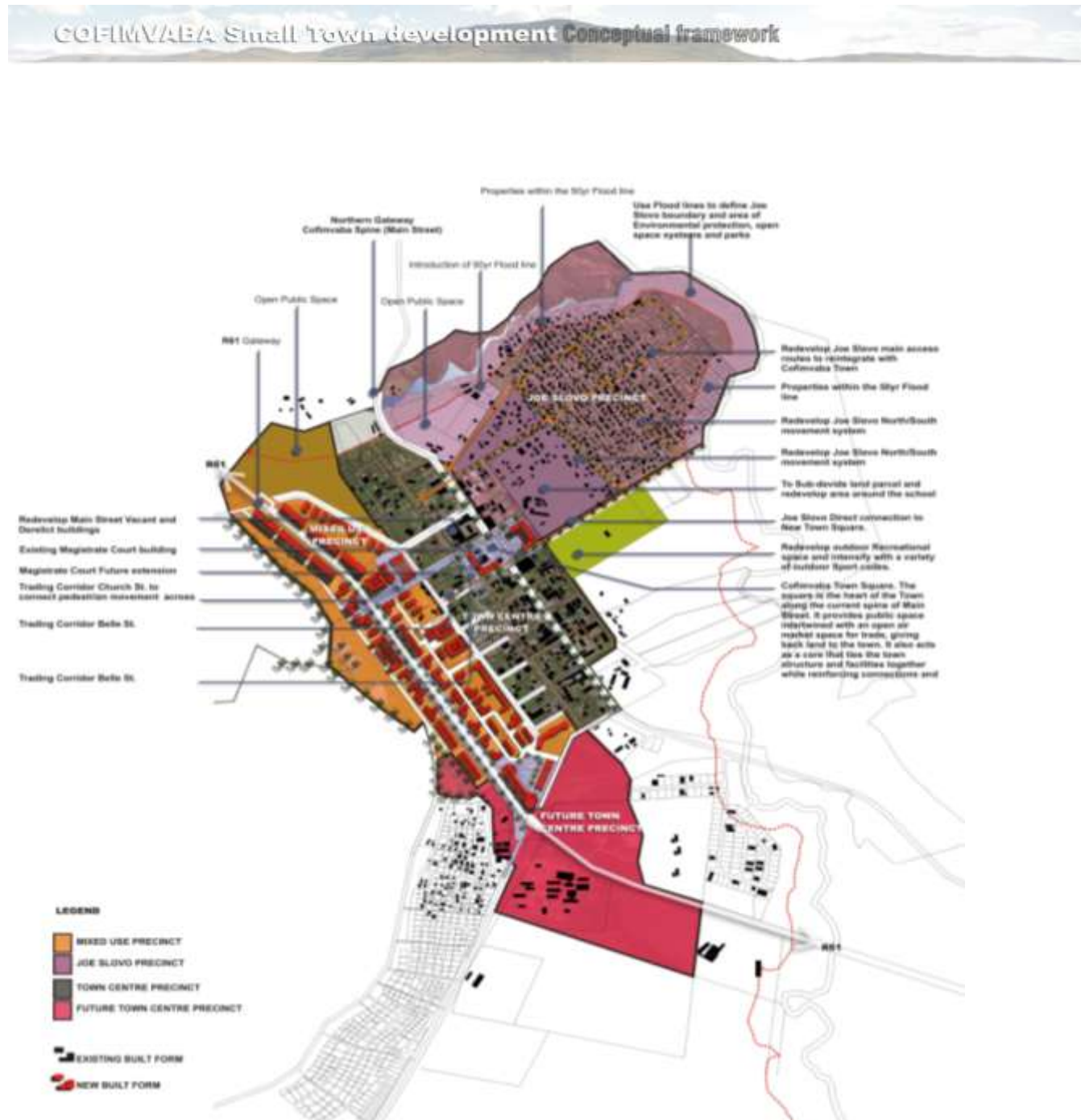
The Chris Hani Regional Economic Development Strategy highlighted the need to identify and prioritise small towns along the economic corridors that have the potential to participate actively in the value chain of the differentiated sector and implement small town development initiatives.

Cofimvaba was identified as one of the towns that had the potential to grow as it is one of the main service centres on the R61 east corridor, this culminated in CHDM and Intsika Yethu local municipality with the assistance of Local Government and traditional affairs embarking on the Small town Development plan for Cofimvaba and Tsomo town.

The Small Town Regeneration concept is aimed at create a development plan with a 30 year future outlook of it growth potential and creating a plan that seeks to realise that potential. The plan does not place the district and IYLM as the sole role players in the realising the developmental objectives of the Cofimvaba and Tsomo towns but instead looks at creating plans to be used as a spatial guiding foundation that assists stakeholders/ investors to define their role in the overall growth/development of these towns.

The following reflect the aim behind Small Town Development:

- Strengthen the retail, business, industrial and employment role of the Town Centres.
- To develop the community, civic and educational roles of the two Centres as key attributes of vibrant Town Centres.
- Build on the unique function of each of the sub-centres serviced by these major Centres as a defining characteristic of these areas and a contribution to the Corridor Development initiative in the District.
- Improve connections between the sub-centres and encourage activities adjoining access routes between the major Centres and the sub-centres to create a more physically contiguous and integrated Town Centre service area.
- Consolidate the individual roles of the Centres so that they can better serve the sub-centres, and act as destinations for sub-centre communities by providing an extensive and unique range of retail, community and leisure opportunities.
- Encourage new housing in and around the Town Centres that increases the range of housing choices.
- Create an attractive and distinctive built environment that supports the range of activities of the Town Centres.
- Create a positive urban image for each part of the Town Centres through the design of buildings and spaces.



Source: Cofimvaba Small town Development plan

### **2.7.3 Land restitution and redistribution**

The Land Reform Area Based Plan is a sector plan of the Municipality, to be implemented in partnership with the Department of Rural Development and Land Reform, the Department of Agriculture, and Chris Hani District Municipality. The Area Based Plan is a plan aimed at ensuring the achievement of local land reform objectives and targets in a coordinated and integrated manner with other development initiatives.

The Land Reform ABP Vision is:

#### ***A transformed farming community that is:***

- *Reflective of a racially diverse rural population living in harmony, with tenure, social and economic security;*
- *Agriculturally productive in all municipal areas, producing food for the population in an economic and environmentally sustainable manner.*

#### ***Transformed communal settlement and land areas that are:***

- *Reflective of households with secure and defined tenure rights, which are protected by law;*
- *Reflective of an efficient and effective system of administration of the land and the management of the use of the land;*
- *Agriculturally productive, with allotments and commonages producing food for the household and, and where appropriate, on a commercial basis, in an economic and environmentally sustainable manner.*

Objectives and Targets for the Municipal ABP are:

#### **REDISTRIBUTION**

- a. In terms of the national policy objective of achieving a 30% redistribution of white owned farmland:
- b. In terms of the national policy objective of productivity on redistributed farms: Farms redistributed achieve at least 80% of envisaged production output estimated in the Project Business Plan, and generate at least 75% of envisaged beneficiary income estimated in the Project Business Plan within 5 years from land occupation by the beneficiaries, with output and income steadily increasing from its baseline in year one.

#### **COMMUNAL LAND MANAGEMENT**

The key Focus Areas for land reform in the communal land areas have been identified as:

1. Land Administration (by which is meant, in this ABP, dealing with the key issues of land allocations, and recording and managing land rights in communal land areas);
2. Tenure reform or, more specifically, land rights clarification, upgrading or formalization (achieving recognized security of tenure); and
3. Dealing with issues of settlement planning and land use management (for example, to better permit natural resource utilisation for economic development and/or manage such natural resources to ensure appropriate land use and prevent resource degradation).

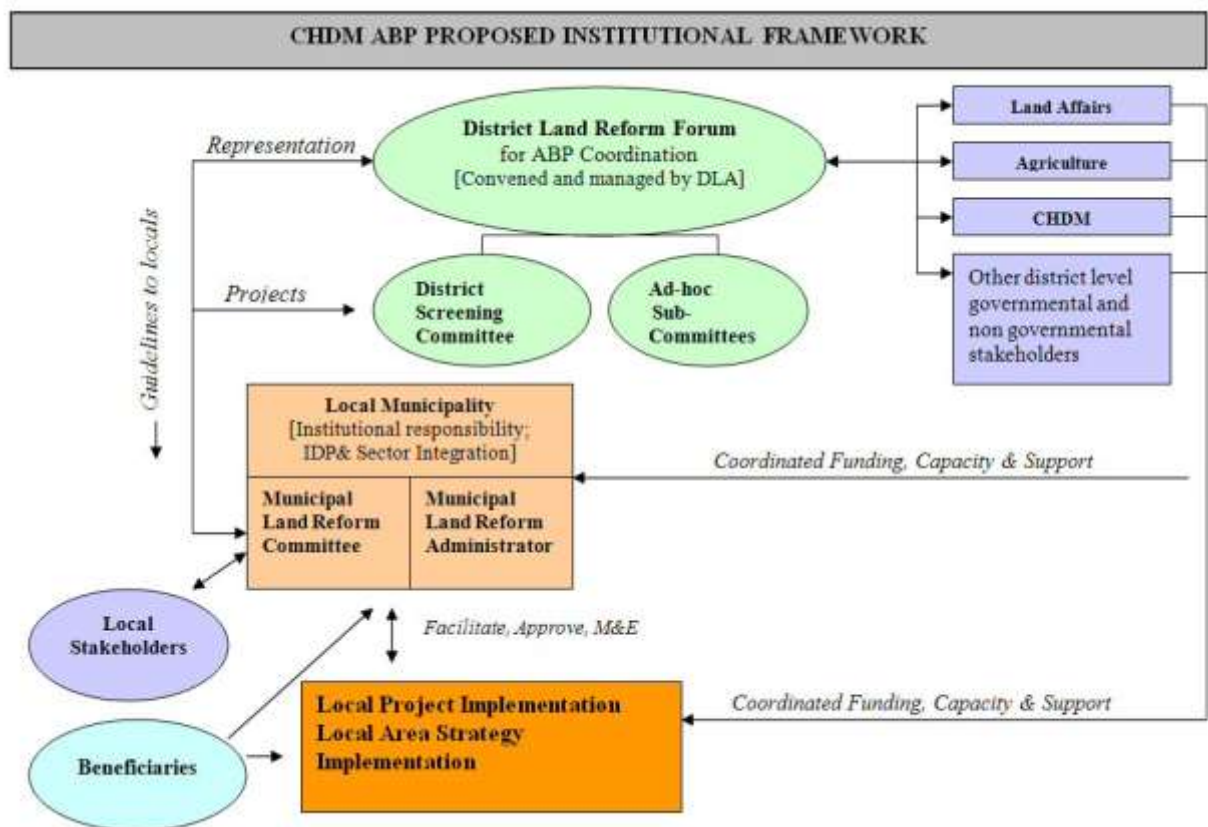


Strategies applied to deal with these focus areas are:

1. To implement a targeted programme of Local Planning Processes in areas prioritized by local municipalities.
2. To secure management support from the District Municipality and the Department of Rural Development and Land Reform for Local Planning Processes projects.
3. To establish a capacity building programme in support of local planning projects being implemented.

The Institutional Framework for Implementing the ABP is:

- a. Establish local land reform offices with a Land Reform Administrator
- b. Establish and convene the local Land Reform Committee
- c. Participate in the District Land Reform Forum
- d. Implement and manage the Small-Scale Farmer Support Programme



All programme institutional and projects are subject to implementation funding from the Department of Rural Development and Land Reform, and (for relevant aspects) from the Department of Agriculture or other Departments.

**Programme Institutional Costs:**

The cost of the project is enormous (table below) in light of budget constraints. It is however obvious that the District will not meet the target under present conditions and that the timeframes for the plan need to be extended if the target of 30% is to be met.

Annual Programme Targets/Ha Enterprises		Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Total
Municipality	Cost Item	2008/9	2009/10	201/11	2011/12	2012/13	2013/14	
Chris Hani	Land price	63,869,550	184,038,580	285,374,152	356,786,936	419,411,652	474,303,060	1,783,930
	Enterprise cost	17,246,767	53,748,383	80,800,565	101,036,662	118,207,573	132,376,979	503,416,949
	Planning Costs	3,715,000	11,340,000	17,089,400	21,315,600	25,053,600	28,126,000	106,648,600
	Support costs	13,920,000	41,990,430	63,475,200	79,161,600	93,139,200	104,832,000	396,518,400
	<b>Total</b>	<b>98,751,317</b>	<b>291,117,363</b>	<b>446,748,337</b>	<b>558,300,798</b>	<b>655,812,025</b>	<b>739,638,039</b>	<b>2,790,367,879</b>

The high costs are due to the amount of land which needs to be redistributed contained in the table below.

Annual Programme Targets (ha/enterprise)		Year 0 (pre-ABP initiation)	Year 1	Year 2	Year 3	Year 4	Year 5	Total
Municipality	Ha/enterprise	2008/9	2009/10	2010/11	2011/12	2012/13	2013/14	
Emalahleni	Hectares	748	2,444	3,936	4,581	4,577	4,577	20,861
	Projects	2	7	11	12	13	13	58
Inkwanca	Hectares	3,166	11,298	16,156	17,630	20,059	21,642	89,951
	Projects	4	14	20	22	25	27	112
Inxuba Yethemba	Hectares	15,550	37,400	52,900	62,250	71,500	79,250	318,850
	Projects	11	28	38	45	50	55	250
Lukhanji	Hectares	3,415	8,430	10,460	12,490	12,980	14,270	62,045
	Projects	5	12	15	18	19	21	90
Sakhisizwe	Hectares	0	460	460	460	460	460	2,300
	Projects	0	1	1	1	1	1	5
Tsolwana	Hectares	7,481	19,095	27,949	33,538	36,877	36,653	161,953
	Projects	7	17	25	30	33	33	145
<b>Total Hectares</b>		<b>30,718</b>	<b>79,127</b>	<b>111,861</b>	<b>130,949</b>	<b>146,453</b>	<b>156,852</b>	<b>655,960</b>
Total Projects		29	79	110	128	141	150	660

#### **2.7.4 Land Administration Concerns**

There is much concern about land administration in terms of land allocation, the recording of issued land rights, the management of land use processes in rural settlement areas, in the former Ciskei and Transkei area. This result from the breakdown of formal system in the communal land areas which has resulted in informalisation of practices whereby various role-players like, traditional Authorities, Department of Agriculture, ward Councillors, allocate land and record such allocations. The problem of land administration has repercussion on land management because it results in conflict between land uses in the rural areas. The issues are further clarified in the attached SDF.

##### **Development issues**

All the land for development in the urban areas is owned by the Municipality and private individuals whilst the State owns the rural land in the former Transkei and Ciskei. Whilst land is available for development, it is not quantified, ownership issues are unclear and zoning schemes and spatial development frameworks are outdated and inadequate in providing direction for future and current development needs.

Land tenure issues whereby ownership of land in the urban areas and former CPA areas is held by free-hold Title Deeds but in the rural areas is generally communal is creating tension and delays in development projects. This current fragmented land tenure system and the different planning legislation aligned to it creates difficulty in:

- accessing of land for development, primarily for housing, grazing or farming
- more effective utilization of existing land, addressing land rights, provision of title deeds and management and rights on the municipal commonage.
- Developing an effective land administration system

### **2.4.3 MUNICIPAL TRANSFORMATION & ORGANISATIONAL DEVELOPMENT**

People focused municipal transformation and organisational development is central to service delivery hence the emphasis on the implementation of Batho Pele principles in all municipal structures, systems, procedures, policies and strategies. The continuous development of the Municipality's human resources is key in this regard. Furthermore, the Municipality needs to constantly review and improve the way in which it delivers services and develops appropriate methods and mechanisms. Importantly, the Municipality is entrenching itself as a learning organisation, with the emphasis on knowledge management. The institutional analysis and structure of the Chris Hani District Municipality is as stated below. The structure provides for accountability and transparent governance, in addition to enhancing legislative compliance.

#### **2.8.1 POLITICAL GOVERNANCE**

##### **Council**

The Council has 38 Councillors of which 17 of them are Proportional Representation (PR) and 21 Councillors are representatives from Local Municipalities within the District. Out of 17 PR Councillors seven of them are Members of Mayoral Committee. The Speaker is the Chairperson of Council. The party political and demographic representation of Councillors is reflected in the table below:

## Party-political and demographic representation of Councillors

POLITICAL PARTY	NO OF COUNCILLORS	GENDER DISTRIBUTION	
		MALE	FEMALE
ANC	33	17	16
DA	3	3	-
UDM	2	1	1

## Executive Mayoral System

The Executive Mayor governs together with a team of Chairpersons of Standing Committees within an Executive Mayoral Committee system. The following Committees of Council have been established in terms of Section 79 of Municipal Structures Act 117 of 1998 as amended for the effective and efficient performance on any of its function or exercise its powers.

- (a) Finance & Fiscal
- (b) Governance & Institutional
- (c) Infrastructure
- (d) Health & Community Services
- (e) Integrated Planning and Economic Development

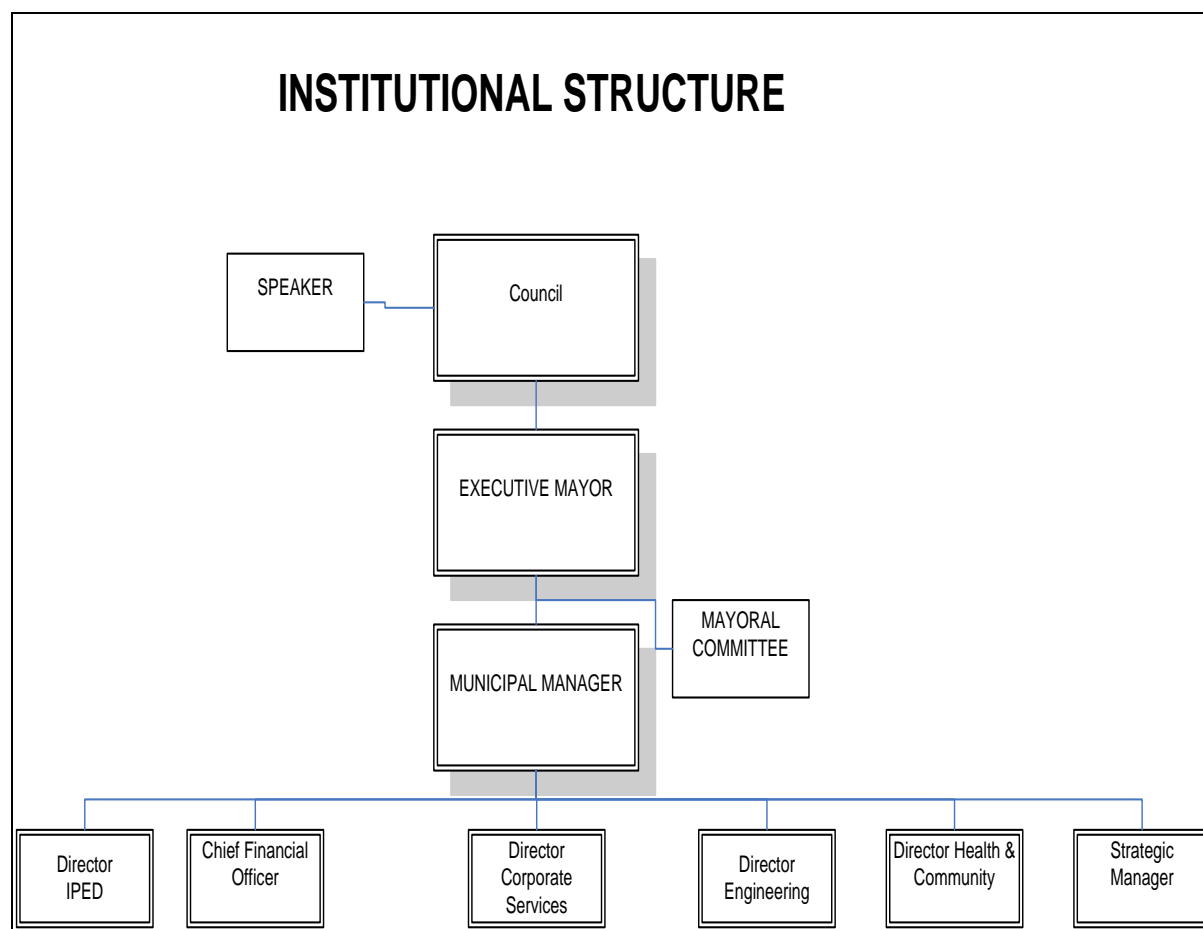
The Standing Committees are permanent committees, established to deal with Council-related matters. They have some delegated functions and are required to submit reports to Council. Councillors chair all Standing Committees, except the Audit Committee, which is chaired by an independent person in line with the prescriptions of the Municipal Finance Management Act No 56 of 2003(MFMA).

**2.8.2 ADMINISTRATION**

The Municipal Manager is the Head of the administration and Accounting Officer as defined in the Municipal Structures Act 117 of 1998. The responsibilities of the Municipal Manager include managing the financial affairs and service delivery in the municipality and is assisted and supported by the Chief Financial Officer and the Directors of respective departments. The political leadership and the administration complement each other to achieve the objectives of the IDP.

The diagrams below reflect the structure (both political and administrative) of the institution.





### 1. HUMAN RESOURCE

The Municipality is committed to an efficient human resources system and has reviewed a number of policies to ensure the effective development, compliance and welfare of employees. Currently, the municipality employs 443 personnel, of whom 324 are employed in the core departments which are Engineering Services and Health and Community Services. The municipal organogram is reviewed annually as informed by objectives of the municipality within that financial year. The organogram is attached at the back of the document for ease of reference.

#### Employment Equity

The Municipality strives to meet the Employment Equity targets to comply with the Employment Equity Act and redress past imbalances. Over 80% of Section 57 employees are black (inclusive of African and Coloured) and 30% of Section 57 employees are female.

The Council of the Municipality has further adopted an Employment Equity Plan for implementation in the financial year 2010 -2011 and 2011 - 2012 with clear numeric targets to be achieved in each year of the plan.

#### Human Resources Policy Review

Human resources policies were approved by Council and are being implemented. Some of them have been reviewed due to operational requirements and legislative imperatives. The related policies include:

- S & T Policy
- Overtime Policy

- Recruitment and Selection Policy
- Experiential Training Policy

Work Place Skills Development was adopted by Council in 2010 and then is undergoing minor reviews internally.

The Municipality also implemented a number of skills development-related programmes, which include:

- Implementation of the Workplace Skills Plan 2009/10;
- Internships Programme
- Learnerships Programme
- Study Assistance Programme;
- National Treasury Minimum Competency Requirement

The Internships programme provided graduates with practical learning experience, while the Learnerships programme targets unemployed youth from communities within Chris Hani area of jurisdiction. The latter is designed to provide opportunities for theoretical and practical learning, culminating in a nationally recognised qualification. The Learnership and Internship were made possible by the programme from the Office of the Premier through National Skills Fund Project and funding from National Treasury..

The municipality has implemented its approved Workplace Skills Plan in the previous financial year. 76 Employees received training in the 2009/2010 financial year at a cost of R 544 060.00. A total of eleven [11] training interventions were implemented.

In line with the Government Gazette No 29967 on Minimum Competency Level, the municipality has commenced with the implementation of the regulations in that:

- Five senior managers, eight managers have been capacitated through Wits Business School
- One Accountant has completed the Municipal Finance Management Programme with University of Pretoria and the other accountant is currently participating in the programme. The programme is at NQF Level 6 and is sponsored by the LGSETA & ABSA.
- 36 employees from both the District and Local municipalities are part of the Local Government Accounting Certificate Learnership on NQF Level 3. The aim of the learnership is to meet the minimum competency levels as set to ensure effective service delivery. Municipalities that are currently participating are Tsolwana, Lukhanji, Sakhisizwe, Intsika Yethu and CHDM. 75% of the learners are female and 100% from designated groups in terms of Employment Equity. The anticipated date of completion of the programme is the financial year 2010-2011.

#### Internships, Learnership and Experiential Training

Thirteen [13] unemployed graduates participated in Internships for the 2009/2010 financial year. Three [3] Finance Interns were appointed in collaboration with the Provincial Treasury for a duration of two years. Through National Skills Fund [NSF] Project done by the Office of the Premier as part of the Eastern Cape Strategic Skills Project, the municipality also benefited on the Internal Audit Internship wherein 10 interns from the District were involved. Eight interns were placed in various local municipalities within the district to provide support.

Eight students received experiential training for the duration of 3 months in the following fields as part of their curriculum. The fields are environmental health, public management, agricultural business studies, communications and information technology and social sciences.

A total of 86 unemployed youth [18.2 learners] took part in various Learnerships within the Chris Hani District Municipality. The learnerships were as follows: Crop Production, Professional Cookery, Mixed Farming, Automotive Maintenance and Road Construction. 67% of the learners were females, 100% youth and previously disadvantaged individuals [PDI]. Also the Engineering Directorate has implemented learnership for contractors. During the 2009/2010 financial year ten learner contractors were appointed to complete their third contracts as part of their learnership in Engcobo and Intsika Yethu Local Municipal areas. To date the five contractors that were based in Engcobo have completed their projects and the other five based in Intsika Yethu Local Municipality are scheduled to complete their projects by mid September 2010.

Vukuphile learner contractors program that commenced in March 2010 with the recruitment and screening of twenty four learner contractors within the Chris Hani District Municipality boundaries. On appointment of these contractors in the new financial year they will then undergo training and then be awarded a sanitation project to implement as part of their learner ship.

#### Study Assistance for Employees

As part of building capacity of the workforce the District is providing study assistance to those employees who wish to further their studies. The above is of assistance to both the employee and the organization in that when the skills of employees are enhanced also the level of performance or productivity is also improved.

Within the financial year 09/10 twenty five [25] employees have received assistance to further their studies in the following fields:

- Environmental Health
- Financial
- Engineering
- Administration

## **2. EMPLOYEE ASSISTANCE PROGRAMME**

The Employee assistance programme is a performance management programme designed to assist/ help employees and councillors who are experiencing personal, family, social, work-related challenges that may have a negative effect on the employees/ councillors' performance.

The programme attempts to restore or improve employee's well-being holistically and job performance to acceptable levels with minimal interference in the private lives of individuals.

EAP is based on the following legislative framework:

- The Constitution of the Republic of South Africa, Act 108 of 1996
- The Basic Conditions of Employment Act, Act 75 of 1997,
- Compensation for Occupational Injuries and Diseases Act, Act 130 of 1993 as amended
- The Employment Equity Act, Act 55 of 1998,
- The Labour Relations Act, Act 66 of 1995,

The Employee Assistance Programme will address social and psychological problems of the employee only from both a curative and/or educative level on an individual and/or collective basis.

Benefits of Employment Assistance Programme are to adhere to the following:

- Improve productivity in order to reduce absenteeism, sick leave, accidents and improve the morale of the employee



- Focussed interventions builds the employee's capacity to deal with problems and allow employees to take responsibility for their own mental health;
- Provide a system to enable employees to address their psycho-social lifestyle;
- Assist line managers and Heads of Departments to deal with work performance issues;
- Enhance the organisations image within the community as an organisation, which cares for its employees.

EAP has the following principles and values:

- Confidentiality
- Developmental
- Empowerment
- Performance based/oriented
- Voluntary
- Neutrality

Values

- Ubuntu
- Teamwork
- Enjoyment
- Achievement

Scope of Apliations

- All Councillors
- All Employees- Directors, managers, supervisors& general employees
- Close family members of the employees and councillors (spouse, immediate children) that directly affects employee and councillor performance.

#### SERVICES OFFERED BY THE EMPLOYEE ASSISTANCE PROGRAMME

PROGRAMME	PROJECT DESCRIPTION	
Therapeutic services	<p>Counselling – trauma, bereavement, grief counselling, coping change</p> <ul style="list-style-type: none"> <li>• individual,</li> <li>• telephonic,</li> <li>• group counselling/family</li> </ul> <p>Referral to external service providers, rehabilitative services or short/long term institutionalization.</p> <p>After care/ follow-up programmes</p>	
Healthy lifestyle	<p>Education, accessibility to treatment, care and support programmes on the following:</p> <ul style="list-style-type: none"> <li>• Substance abuse and addiction</li> <li>• Smoke free challenge</li> <li>• CANCER</li> <li>• Diabetes and other terminal illnesses</li> <li>• Diet-nutrition</li> <li>• Physical fitness</li> <li>• Positive mental well-being</li> <li>• Occupational health and safety</li> </ul>	
Life coaching and	workshops on:	

life skills programme	<ul style="list-style-type: none"> <li>• trauma debriefing, coping with loss/change-family, children of the employees</li> <li>• Time management</li> <li>• Anger management</li> <li>• stress management</li> <li>• conflict management</li> <li>• building healthy marriages</li> <li>• developmental parenting</li> <li>• positive communication</li> <li>• self awareness,</li> <li>• financial management</li> <li>• Legal issues</li> </ul>	
Change management programmes	<ul style="list-style-type: none"> <li>• Team building and talent management programmes</li> <li>• Long service awards</li> <li>• Performance uplifting programmes</li> <li>• EAP for managers programmes</li> </ul>	
Preparation for retirement and healthy retirement	<ul style="list-style-type: none"> <li>• emotional</li> <li>• physical</li> <li>• financial</li> <li>• social</li> </ul>	
Care for carers programme	<ul style="list-style-type: none"> <li>• Trauma debriefing sessions for employees encountering traumatic experiences. Eg. Disaster and fire, health and other</li> </ul>	
Technical support to LM's on establishment of wellness programmes	<ul style="list-style-type: none"> <li>• Policy development</li> <li>• Strategy development</li> <li>• Wellness committee formulation</li> <li>• Wellness programmes formulation and implementation</li> </ul>	

## PROCEDURES FOR THE REFERRAL AND TREATMENT OF EMPLOYEES

### Voluntary or self referral

Through marketing and promotion of the programme, self-referral which is the ideal, will be encouraged. This implies that any employee, who wishes to seek professional help for a personal problem, will have the right to contact the EAP programme directly for an appointment. Should the employee require proof of attendance for his/her employer, a certificate of attendance of the EAP will be supplied. Time offs and leaves must be arranged with the supervisor to attend the EAP sessions.

### Peer referral

Any person within the workplace (excluding direct supervisors) who is of the opinion that an employee could benefit from the services offered by the EAP, can effect a referral with the employee's consent. This category of persons refers to peers, union representatives, or any staff member who by virtue of specific and specialist contact in the course of duty with the employee is of the opinion that referral to EAP will be beneficial to the employee.

## Mandatory referral

Managers and supervisors who become aware that an employee's work performance is sub-standard or impaired, can through a process of job action encourage or suggest to the employee to consult the EAP. The focus of the manager or supervisor is on the employee's work performance and NOT the personal problem, which may be the cause of poor work performance. Job action is validated by keeping a record of the employee's job performance, which will also serve as the only basis whereby the employee can be counselled by his/her management. If the employee at the time of counselling acknowledges experiencing a personal problem and accepts the suggestion that the EAP be consulted, the referral agent should arrange for an interview. If the person does not wish to participate in the EAP, his job performance should be continued to be monitored and the normal procedure followed.

## TREATMENT PROCESS

- A professional assessment of the employee's problem is done by the EAP Practitioner.
- If necessary, additional input may be sought from the Occupational Health and Safety Service or, Human Resources Business Unit.
- If the employee does not agree with the assessment, or feels that she/he not wishes to participate in the treatment, she/he is referred back to the referral agent by means of a feedback report from the EAP Practitioner.
- Depending on the nature and complexity of the problem, the employee may also be referred to specific community resources for assistance. eg substance abuse rehabilitation centre
- All such referrals will be at the employee's own expense- Medical aid
- If services provided by the EAP result in a positive outcome, services will be terminated and the referral agent (where applicable) informed accordingly.
- Should the employee not co-operate with the services offered by the EAP, or should the treatment not result in a positive outcome, the employee will be referred back to the referral agent (where applicable). In such cases job performance must continue to be monitored and normal disciplinary procedures be followed.

## ACHIEVEMENTS

- All employees and councillors are informed about the programme
- Counselling and therapeutic services were rendered to employees and councillors
- EAP policy has been developed
- Employee wellness strategy has been developed and adopted by the council
- Employee wellness calendar in place
- 2 after care groups for substance abuse were established
- Educational and awareness programmes on substance and alcohol abuse, cancer, healthy lifestyle-diet and nutrition, financial management, relationship and marriage building were implemented.
- Trauma debriefing sessions were implemented
- Technical support on establishment and strengthening of wellness programmes to some LM's has been provided.
- Anger and conflict management workshops were conducted for all employees

## CHALLENGES

- Insufficient personnel for implementation

### 3. AUDIT FUNCTION

The Internal Audit Unit of the Chris Hani District Municipality was established in terms of Municipal Management Act ,56 of 2003 which states that Accounting Manager is responsible for managing the financial administration of the municipality and that the municipality has and maintains, effective and transparent systems of internal audit, operating in accordance with any prescribed norms and standards. The Internal Audit Unit is under the office of the Municipal Manager reports administratively to the Municipal Manager and functionally to the Audit Committee

The Unit has got a staff complement of 6 headed by the Internal Audit Manager, The Internal auditors are professional qualified and affiliate with the Institute of Internal Auditors.

The Audit Manager, in the discharge of her duties, is accountable to the Municipal Manager and the Audit Committee to:

- Assess the adequacy and effectiveness of the municipality's processes for controlling its activities and managing its risks in the areas set forth under the mission and scope of work.
- Report significant issues related to the processes for controlling the activities of the Council, including potential improvements to these processes, and provide information concerning such issues through resolution.
- Periodically provide information on the status and results of the annual audit plan and the adequacy of resources.
- Coordinate with and provide oversight of other control and monitoring functions (risk management, compliance, performance management, ethics, external audit).
- The Audit Committee and Performance Audit Committees comprise of members who are neither Councillors nor officials of the district municipality. The municipality shares an Internal Audit committee with other local municipality.

The mission of the Internal Audit Activity is to provide the District Municipality with a value adding internal audit function by assisting management in controlling risk, monitoring compliance, corporate governance and improving efficiency and effectiveness of the internal control system.

Key objectives of the Internal Audit are:

- To provide an independent, objective assurance and consulting activity designed to add value and improve the Municipality's operations.
- To evaluate and improve the effectiveness of the Risk Management and Internal Control processes.
- To assess, evaluate and improve the effectiveness of the Corporate Governance processes.

Responsibilities

The Internal Audit Unit has the responsibility to:

- Operate under the policies, procedures, laws and regulation established by all statutory bodies.
- Develop a flexible annual Operational and Strategic Internal Audit plan using an appropriate risk-based methodology, including any risks or control concerns identified by management, and submit that plan to the Audit Committee for review and approval. The plan should allocate Internal Audit resources to the areas where the greatest risks are present and also reflect the cost of those resources necessary for it to be fulfilled. In addition, it should also indicate the timing and frequencies of the audit activities.
- Maintain a professional audit staff with sufficient knowledge, skills, experience and professional certifications to meet the requirements of this Charter.
- Evaluate and assess significant new or transforming services, processes, operations and control processes coincident with their development, implementation and / or expansion.
- Issue quarterly reports to the Audit Committee, and Municipal Manager summarising the results of audit activities.

Issue quarterly reports to the Performance Audit Committee, and Municipal Manager on Audits of performance information.

- To make suggestions on the improvement of the standard of services, processes and / or procedures.

- To keep the Audit Committee informed of emerging trends and successful practices in internal auditing.
- Provide a list of significant measurement goals and results to the Audit Committee.
- To report suspected fraudulent activities if and when identified while respective internal audit reviews are being conducted.
- Assist in the investigation of significant suspected fraudulent activities within the organisation and notify Council, management and the audit committee of the results.

## **2.4.4 MUNICIPAL FINANCIAL VIABILITY and MANAGEMENT**

### **Financial Management and Legislative Framework:**

The Municipal Finance Management Act 56 of 2003 (MFMA) prescribes that the Council of a municipality must for each financial year approve an Annual Budget for the municipality before the start of that financial year. Section 16 (2) of the same Act stipulates that in order for the municipality to perform what is prescribed, the Mayor of the municipality must table the Annual Budget at a Council meeting at least 90 days before the start of the financial year. The processes involved during the 90 day period enable transparent engagements amongst the Communities, Councillors, the Executive and Administration to finalise the budget. The consultative and Public Participation processes also promote oversight over the adoption and implementation of the budget. The departmental budget statements provide Council with information on how different departments within Chris Hani District Municipality (CHDM) intend to spend the funds that will be appropriated by Council, to enable Council and communities keep departments accountable for their delivery commitments contained in the Service Delivery Budget Implementation Plans (SDBIP) and to ensure that Council Committees effectively perform their oversight functions.

### **BUILDING & MAINTAINANCE INFRASTRUCTURE**

Present MTEF budgets reflect large increases in fiscal allocations for public infrastructure. These can be used to create employment and incomes through EPWP, and thereby further stimulating chains of employment creation and income generation multiplier reactions. It has been repeatedly suggested that one of the major factors contributing to the low level of economic competitiveness, and the failure to exploit economic potential, has been the poor state of infrastructure and infrastructure-related services.

The CHDM is clearly grappling with very entrenched problems of poverty & unemployment, and progress seems to have been quite slow so far in addressing these problems. It is of concern that while public investment in the investment in the District is increasing, there seem to be very few substantial private sector projects in the pipe-line.

## **1. REVENUE MANAGEMENT**

Chris Hani District Municipality is almost 100% Grant-funded. The major sources of funding consist of:

- Equitable Share (which makes up most of the Grant)
- MSIP
- MIG
- Water services operating subsidy,
- Free Basic services
- Environmental Health Subsidy
- Primary Health Subsidy
- Roadwork's Contribution

- Loc. Gov. Finance Management Grant
- Disaster Risk Management Subsidy
- Water Services Operating Subsidy (Dwaf)
- Disaster Risk Management Subsidy
- Intergrated Development Planning(IDP)/LGTA
- Municipal Performance Management Systems
- Local Economic Development Capacity
- Local Economic Development Profiling.

There are other incomes these are listed below:

INTEREST AND INVESTMENT INCOME:

- Interest on debtors,
- Interest on Investment

OTHER INCOME (OPERATING):

- Commission on Collection,
- Water service fees,
- Rental-External staff housing,
- Other sundry income,
- Contribution from accumulated surplus.

Capital Programs are funded by:

- MIG,
- Regional Bulk Infrastructure Grant,
- MSIG, Equitable share contribution,
- Rural Transport services & infrastructure,

CHDM also perform agency work for the Province such as Roadworks contribution, Subsidy for Library Services, LED funding/DEDEA

EQUITABLE SHARE DISTRIBUTION:

The Equitable share is nationally collected revenue, this revenue is from the National fiscas to the Provincial and local spheres of Government. The Equitable share is determined based on a formular with the following variables:

Unemployment rate, populations size (STATSSA), poor households & number of councillors.

Allocation of Equitable Share forms a major part for Water and Sanitation Services.

An SLA has been agreed upon and signed by both district and local municipalities within the district local municipalities to be Water Service Provider, therefore the district concede the water income to the municipalities.

FINANCE REPORTING

Financial Reporting is a financial requirement that happens on a monthly basis internally to the Finance , Audit , Mayoral and Council Committees, externally the finance reporting is made to various funders of programmes such as Department of Sports, Department of Water Affairs, National Treasury, Department of Roads, MSIG, MIG for which we perform agency work.

However there have been challenges with regard to Finance Reporting , the following challenges have been encountered:

- ❖ Due to staff turnover there's a need to for training with treasury, in order to meet the minimum competency standards.
- ❖ Bringing up to date outstanding reports.A staff member has been appointed to correct these challenges.

## **2. ASSET MANAGEMENT**

An asset register is in place and is updated on a monthly basis to keep record of all the municipalities' current assets. Asset Management Policy has been adopted by council and it provides guidelines on the use and handling of the municipal assets. The Council has approved and ensures the implementation of the asset management policy, which is adhered to at all times. In the event of loss and stolen assets is reported to the asset manager and the asset register is updated. This is a plan to unify the asset management function and financial management system. All the District Municipality's assets are bar-coded; the person for whom the asset is bought for signs the asset list form to acknowledge receipt of the asset, then that person has the responsibility of safeguarding the asset. Chris Hani District Municipality endeavours for more stock counts.

## **3. SUPPLY CHAIN MANAGEMENT**

The unit is the custodian of the institution's Supply Chain Management Policy which has been adopted by Council and ensures its implementation in its procurement processes at all times. The policy itself is in line with Treasury Guidelines of the Municipalities Procurement Policies and is renewable by-annually. The unit comprise of 3 components and 9 employees i.e, Demand Management, Acquisition Management and Logistics & Contract Management, the employee structure is comprised of the Manager, 3 Procurement Officers, 2 Procurement Clerks, 1 Senior Order Clerk, 1 Order Clerk and 1 receiving clerk. The institution follows that bidding system as per legislation in terms of appointments and according to the delegations. There are three bid committee structures that are active and have own set of dates that they normally follow to attend to matters.

The Bid Committees are: the Adjudication Committee *that* is comprised of Senior Managers, SCM Manager and is chaired by the CFO of the institution, the Bid Evaluation & Specification Committees. That is comprised of project managers and SCM officials. The unit is also implementing a database rotation system for the procurement for goods and services for the operational budget depending on delegation as per legislation, and is using an electronic order system for purchases.

The challenges that the unit faces is the limited capacity has in terms of dealing with the institutions demand in as far as the resources are concerned i.e limited staff, computers and most of all working space. Also what posed as the great challenge is the quality of the service providers that are registered in the database that proves to be deteriorating as the years goes by; this has resulted in a number of issues like late deliveries, poor quality of goods delivered etc. Also the unit has a challenge of not having a centralised receiving point which emanated from the challenge of the non availability of space highlighted above and as a result there is no proper monitoring of the goods received.

**Demand management:** This is the beginning of the supply chain, and must begin with a needs assessment, to ensure that goods or services are required in order to deliver the agreed service, that specifications are precisely determined, that requirements are linked to the budget and that the supplying industry has been analyzed.

**Acquisition management:** It is the management of procurement by a municipality/municipal entity to decide on the manner in which the market will be approached; to establish the total cost of ownership of a particular type of asset; to ensure that bid documentation is complete, including evaluation criteria.

**Logistics management:** This aspect addresses the setting of inventory levels, placing of orders, receiving and distribution of material and goods, stores, warehouse and transport management, expediting orders, the review of vendor performance, maintenance and contract administration.

**Disposal management:** A supply chain management policy must provide for an effective system of disposal or letting of assets no longer needed, including unserviceable, redundant or obsolete assets, subject to sections 14 and 90 of the MFMA.

**Risk management:** A supply chain management policy must provide for an effective system of risk management for the identification, consideration and avoidance of potential risks in the supply chain management system. Risk management must include identification of risks on a case-by-case basis;

Performance management: This is a monitoring process, undertaking a retrospective analysis to determine whether the desired objectives were achieved. Some of the issues that may be reviewed are: compliance to norms and standards; cost efficiency of procurement process (i.e. the cost of the process itself).

#### 4. ACCOUNTING SYSTEMS ADMINISTRATION

- Objective
  - To maintain the financial management systems for the District Municipality and its Local Municipalities.
  - Integration of data and or information between the systems that the district municipality use.
- Systems on hand
  - eVenus
    - This is Financial Management System that we use for:-
      - Processing of payments
      - General Ledger
      - Bank control
      - Assets and Fleet management
  - Cashdrawer
    - For receipting all income received and general enquiries.
  - Pay Day Software
    - The system helps us with Payroll, Human resources, Posts, Equity, Skills.
  - Bankit
    - We use the system for uploading payments for creditors and salaries to our FNB account.  
Collection of money from our debtors and down loading the bank statements.
  - ESS Pay Day
    - This system gives access to employees to be able to view and print their payslips, IRP5. Apply for leave and overtime online.
  - Supplier Database(Saratoga)
    - This system does supplier database management including rotation of suppliers.
  - TRU Reports
    - This tool assists us with reporting to National Treasury i.e section 71 reports and Budget forms.
- Future Systems
  - Asset tracking and Management
  - Workflow and Notifications
  - Business Intelligence
- Support to LM
  - The following local municipalities are using the same accounting packages that are used by the district municipality. They get shared support, skills transfer and systems administration on the systems above with district municipality.
    - Lukhanji Local Municipality
    - Intsika Yethu Local Municipality



- Inkwanca Local Municipality

## **5. FINANCIAL PLANNING/BUDGETING.**

Municipal budget is the annual financial plan of revenue and expenditure of local government units, revenues and expenditures of budgetary establishments, auxiliary units, etc. It is passed in the form of a budget resolution. Construction of the contents of the budget is determined by a team of budgetary principles, among which the most important are the principles: unity, transparency, anteriority, balance, detail.

There are 5 Directorates (Budget & Treasury, Technical Services, Primary Health, Environmental Health & Disaster Management) within the District Municipality. Each Directorate has been allocated funds in the budget, the Directors are responsible to manage their allocated funds and accuracy is maintained. Currently there is a Virement Policy which is in draft and be tabled to council for adoption. The virement policy is a financial requirement to regulate the number of virements. There's a substantial number of virements which indicates financial planning weakness.

### **LINKAGE OF BUDGET TO IDP (LINKAGE AND ALIGNMENT)**

Operations budget: the linkage between Budget & IDP is almost 100% as the committees are in place as the Steering committee it's called IDP/PMS/Budget Steering cause the three go together. All operational are incurred in terms of IDP. The capital allocation is mainly for the Water & Sanitation services as informed by Powers and Functions. Capital expenditure consists of MIG, RBIG, which is 100% aligned to IDP as it spent on water & sanitation services.

### **IDP ALIGNMENT**

CHDM Municipal IDP gives attention to building its own delivery capacities and IDP's have improved over the last few years and are generally aligned to PGDP in terms of agrarian transformation, human resource development, economic diversification and tourism, infrastructure provision, and fighting poverty. However, there are some important gaps in the context of provincial alignment (e.g housing, EPWP, malnutrition).

The Chris Hani IDP devotes considerable attention to building its own capacity and that of the local municipalities. Perhaps more attention could be given to how to improve co-operation with other arms of Government.

### **AG'S OPINION AND AUDIT ACTION PLAN**

Issues that were raised by AG are being attended to and there's an ongoing process to rectify these issues. An action plan has been drawn up by the Directorates to achieve a clean report from AG. A Disclaimer of opinion was expressed by AG due to our approach to provision of water services. The District has pronounced as a Water Services Authority (WSA), however control and handling of water is completely under the control of Local Municipalities. Local Municipalities have autonomy thus handle water services independently. Any weakness in accounting of water places a negative impact on CHDM and to address such challenges Service Level Agreements are to be redesigned.

### **MIG FUNDING MANAGEMENT**

Management of MIG is solely done fully at Technical Services directorate. There are Project Managers, Project Area Managers to manage & ensure proper utilisation of the MIG Funding. The budget & Treasury office has a role to ensure funds are properly recorded, the claims are correctly recorded. MIG funders also give specification as to how the funds will be utilised. The use of MIG Funds creates an asset; therefore the asset register is updated. MIG funds are used for Primary healthcare, Roads, Library services.

Coming to Donor management the municipality does not have a donor strategy as yet however there is a need for CHDM to have a Donor Management strategy. Current practise is that the municipality adheres to conditions specifically attached to programmes by the funders (Library services, Primary healthcare, Department of Roads). CHDM is embarking on strategy for other programmes to be done via donor funding.

## WATER AND SANITATION TARIFFS

CHDM have inherited tariffs as charged by local municipalities. The tariffs are based on the cost of the service- a cost recovery methodology. Cost recovery analysis still has to be conducted at Local Municipalities to determine the non-affordability of tariffs. Meter reading is done at the Local Municipality in terms of water services service level agreement. Meter reading is done monthly; statements are released to consumers monthly and are linked to a billing system. Directors/Councils annually review all fees, service charges and other charges to be included in the operating budget in such a way that:

- Users and consumers are treated fairly, equitably and without bias in application of tariffs;
- The amount of a user-pay for services is in proportion to the use of that service;
- Tariffs reflect the cost of the service;
- Tariffs are set at levels that secure the financial sustainability of the service;
- It encourages and promotes the efficient use of scarce resources.

The CFO must calculate property rates and levies to balance the budget and to ensure the credit worthiness of the municipality is maintained by providing for: Bad debts

Working capital  
Debt servicing costs  
Provisions and reserves.

## 6. CREDIT CONTROL POLICY, REVENUE ENHANCEMENT

Chris Hani District Municipality has a finance department and has established an Internal Audit function responsible for Monitoring financial and other controls. In addition, Council is committed to sound financial management and the maintenance of a sound economic base with Chief Finance Officer (CFO) and Deputy who heads the Budget and Treasury Office.

The District Municipality has implemented a new electronic financial system e-Venus that has enabled it to become GAMAP compliant. Financial management policies and procedures for the entire municipality will be implemented as follows:

- Cash forecasts and cash flow monitoring against forecasts
- Budgeting methods
- Management reporting
- Credit risk management
- Credit policies with emphasis on minimum debtors
- Supply chain management policies
- Supplier selection and monitoring procedures
- Supplier payment periods
- Investment policies

Council has approved the following Policies to guide the financial procedures and operations. These policies include a reviewed - SupplyChain Management policy,

Tariff Policy,  
Indigent Policy,  
Financial Codes and By-laws,  
Credit Control and Debt collecting policy.

To combat crime and fraud the municipality has a **Fraud Prevention plan**, which aims to discourage fraudulent/corrupt activities in the municipal order of business. The need to strengthen fraud prevention plan must be a priority as part of our normal business. In the event where there are allegations which is substantiated by evidence such issues will be investigated. The municipality subscribe to obligation to report suppliers who get business fraudulently, and are also reported to Treasury. Adherence to the fraud policy must be continuously monitored.

## PUBLIC PARTICIPATION ON MUNICIPAL BUDGET PROCESSES

A public participation process that involves all Local Municipalities is drafted and teams are constituted which consists of political office bearers and budget issues are presented to municipalities and the communities of that municipality including Traditional Houses. Issues are looked at and dealt with in terms of the draft budget. This current financial year the municipality also intends to visit some recognised Traditional leaders and present Budget and IDP on roadshows.

#### INDIGENT POLICY ISSUES

Indigent Policy implementation takes place at Local Municipality as local municipalities are WSP for water & services. Local Municipalities have their Indigent Policies, however there are commonalities but they are not the same. Indigent Policies are reviewed annually. Indigent Policies are based on remuneration per household. The Indigent Policy in the Municipality is a subsidy against charges for Municipal services. People are requested to register annually as indigent. Other relief programs are linked to people that qualify as indigent.

#### DATA CLEANSING

Data cleansing is the verification of the consumer details, on the billing system. Data that warrants cleansing is under local municipality control. Changes in households, change of homeowners, change of occupants, warrant data cleansing exercise to be conducted. The municipality aims to assist Local Municipality with their data cleansing exercises as the debtors also a negative impact on the District Municipality. Data cleansing provides an assurance that the debtors and amounts disclosed to District Municipality is correctly stated. The data needs to be monitored and updated as an ongoing process. Changes in households, change of homeowners, change of occupants, warrant data cleansing exercise to be conducted.

#### DISTRICT TARIFFS COLLECTION RATE

Collection rate at each municipality is not conducive for financial viability and sustainable services.

#### OWN REVENUE

Allocation of funds is from savings account, from prior years. No own revenue exist to project. Revenue consists of interest on investment, the revenue relates to the provision of water services. Water revenue is conceded to the Local Municipality and set-off against their water expenditure.

## **2.4.5 GOOD GOVERNANCE and PUBLIC PARTICIPATION**

Good corporate governance underpins all the programmes and projects presented in this IDP. Good governance dictates that the Municipality should conduct its business in an open, transparent and accountable manner. For this to be realised, community participation is essential. The establishment of a caring environment requires emphasis not only on community participation, but also on customer care and responsiveness. With regard to customer care, the Municipality has embarked on a programme to engage customers with regard to their level of satisfaction with municipal services and the development of a new Customer Care Framework. In the current IDP review period, foundational work has been done in terms of the completion of a comprehensive survey of all types of customers. Soon thereafter, the focus will shift to embedding a robust system of customer relations management, anchored in clear service standards, customer responsiveness, and the monitoring and evaluation of ongoing customer perceptions and feedback. The revival of the Batho Pele Campaign will complement this effort and galvanise the institution to embrace a culture of putting people first.

### **1. COMMUNICATIONS**

The Communications unit was established in order to provide a link between the municipality and the community, providing communication service for all CHDM Directorates. The communication function is politically accountable to the Executive Mayor and administratively accountable to the Municipal Manager. This function is a legislative requirement as guided by The Constitution of the Republic of South Africa, Act 108 of 1996, Section 32 that gives a right to every citizen to Right to Access any information held by the state. The Municipal Systems Act 32 of 2000 Chapter 4, which requires Public Participation of communities and stakeholders in decisions of councils. The Promotion of Access to Information Act No. 14 of 2000 which indicates how communities can access information at any given time. The Municipal Finance Management Act 56 of 2003 which encourages publication of information and consultation with communities. The District IDP which seeks to achieve the prescripts of the mission and vision and further the National Government Communications Plan which provides framework for government communication and the SALGA National Communications Conference Resolutions of May 2006.

The Unit is guided by the following Strategic Objectives

- To strategize for municipal communication per communication challenges of the District
- To regulate municipal communication
- To maintain uniform corporate identity and image that promotes the municipal vision, mission and values
- To facilitate a coordinated two way flow of communication between municipality and its internal and external publics
- To provide communication support to all Directorates

#### Communication Strategy

Communication Strategy has been developed and approved by Council so that the unit would develop and implement a responsive communication strategy with a programme of action that is aligned to the municipal IDP, to guide communication activities of the municipality and should be linked to the term of Council. The strategy had to be reviewed annually and adopted by Council after a consultative process with relevant stakeholders.

The objectives of the strategy are : To encourage meaningful public participation through promotion of government programmes; To promote and articulate CHDM plans, policies and achievements; To facilitate proactive communication on matters of disaster risk management, health and environmental issues; To strengthen and improve internal communication systems;

To reinforce intergovernmental relations through coordination of communication programmes and activities amongst the three spheres of government and to create and maintain sound relations with the media. Communication Policy was further developed and this has to be developed and implementation of a communication policy haad to set out clear regulations and procedures for communication in the municipality. The policy is currently incorporated in the Communication Strategy and is reviewed annually.

Communication Structures are in place to ensure establishment of vibrant communication structures within the district to ensure smooth flow of information and alignment of programmes. A District Communication Forum is chaired by the Head of Communications has been established. Local Communication Fora are established. The Head of Communications participate in the Municipal Managers' Forum, an IGR structure that includes government departments and parastatals. A Communication Task Team (CommTask) is also established as an internal communication structure.

#### Marketing and Branding

The unit develops and implements a marketing plan that seeks to ensure promotion of the municipality and its activities and programmes for the benefit of its publics, tourists and investors. This function requires maximum utilisation of various platforms in the print, electronic media arenas and exploitation of unmediated opportunities. The unit further develops marketing material such as banners, posters, leaflets, booklets and any promotional material.

The unit also develops and oversee implementation of Branding Guidelines which regulate use of the municipal symbol, playing a leading role in the production of all branded material such as name tags, business cards, stationery, corporate wear, corporate gifts, vision and mission statements, also maintaining brand visibility through office and boundary signage.

#### Website content authoring

The District Web site is a marketing, public participation and information dispensing tool. The unit is therefore responsible to constantly update the website with relevant content while the ICT section is responsible for the technical side.

#### Advertising

The unit is responsible for all advertising pertaining to: Council meetings, council announcements / messages, events, project launches, annual reports, budget processes, IDP etc.

#### Media Liaison and Monitoring

The unitt liaise with various media houses (radio, television and newspapers) for the purposes of disseminating information to the public and responding to media queries, record and keep track of what is publicized about the municipality and any news relating to local government and report to council.

#### News letters

The unit publishes a quarterly newsletter called **"Uphuhliso"** , currently in two languages (isiXhosa and English). The main objective of the publication is to disseminate information, encouraging public participation in the process. The content is sourced from various directorates.

An internal news letter "InnerView", is also published to keep internal stakeholders informed of Council business also affording them a platform to air their views. The publication is done in house and produced monthly.

### ***Presidential Hotline Queries***

The unit is also charged with monitoring and coordination of hotline queries on line, facilitate responses and report.

#### **Events**

The unit plays a prominent role in the coordination of ALL Council events by providing communication support, such as media liaison, branding, photography etc. The events range from Outreach, IDP Road shows, Chris Hani Month, Tourism / Heritage month, Institutionalized days such as Womens' Day, ISDR etc.

**Production of Annual Report** The unit is responsible to produce a compliant annual report: this involves sourcing of information from Directorates, collating and editing and ensure commissioning of printing services.

## **2. SPECIAL PROGRAMMES UNIT**

The Special Programmes Unit (SPU) is a developmental office coordinating the upliftment of designated groups (i.e. Gender, Youth, and People with Disabilities, Children and The Elderly) and ensures that all CHDM Directorates mainstream their programmes. The Special Programmes Unit is located in the Office of the Executive Mayor, politically and administratively accountable to the Executive Mayor and the Municipal Manager respectively.

This function is a legislative requirement guided by The Constitution of the Republic of South Africa, Act 108 of 1996, Section 9 that declares everyone is equal before the law and has the right to equal protection and benefit of the law. The Local Government Municipal Systems Act 32 of 2000 Chapter 4 which requires public participation of communities and Municipalities to take into account the special needs of designated groups. The Promotion of Equality and Prevention of Unfair Discrimination Act 4 of 2000 and South Africa's National Policy Framework for Women's Empowerment and Gender Equality of 2000 that promote and protect women's rights towards achieving gender equality.

The Integrated National Disability Strategy of 1997 requires us to drive the government's equity, equality and empowerment agenda in terms of those living with disabilities. The National Youth Policy of 2008 is a framework for youth development across the country which endeavours to ensure that all young women and men are given meaningful opportunities to reach their full potential, both as individuals and as active participants in society.

The Constitution of the Republic of SA, The South African Children's Charter, and Children's Act 38 of 2005 encourages government to develop a non-sexist, discrimination-free, equitable and inclusive society that protects and develops the human potential of its children. The Older Persons Act 13 of 2006 seeks to promote the rights, prevent and combat the abuse of older persons. The District IDP which seeks to obtain the vision, mission and promote the values of a caring society.

#### **STRATEGIC OBJECTIVES OF THE SPU**

- To assist CHDM in monitoring and evaluation of the integration and mainstreaming of Special Programmes in the IDP and sector plans.
- To facilitate and coordinate the development of District Gender Policy, District Integrated Disability Strategy, District Youth Strategy and Coordinate and Monitor the implementation of Children's and Older Persons Rights Strategies.
- To coordinate the participation of vulnerable groups in development through their designated forums.
- To capacitate designated groups forums in order to manage their programmes and projects effectively.
- To promote civic education on legislation, policies and programmes affecting designated groups to strengthen social cohesion.
- To coordinate the commemoration of institutionalised days.

The unit develops a holistic policy that responds to the changing conditions of vulnerable groups in partnership with other stakeholders to ensure that they grow, develop and prosper as fully engaged responsive and productive citizens. It shall articulate the values of respect, participation, access, equity, diversity, redress, responsiveness, transparency, gender sensitive, team work and ubuntu.

The unit shall develop and implement a responsive special programmes strategy with a clear programme of action that is aligned to the district IDP linked to the term of council. The strategy must be reviewed by all relevant stakeholders annually and be adopted by council.

The strategy highlights priority targets and interventions to be actioned for the betterment of the vulnerable groups in areas such as education and skills development, employment and economic development, health and wellbeing, social cohesion and public participation, information and communication, violence and abuse against women and children, access and integration of people with disabilities, arts, sports and culture.

The unit intends to establish the District Special Programmes Unit Forum to support, coordinate and mainstream the programmes in the departments and the IDP. This forum shall be made up by representatives from all local municipalities and the district. The district technical task team shall be established to support the local municipalities to plan and integrate their programmes adequately. The Special Programmes shall have the requisite personnel to attend to the challenges of the designated as recommended by SALGA and COGTA.

The unit shall support and advise the local municipalities, monitor the implementation of the strategy, liaise with Chapter 9 institutions, advise and brief the political and administrative heads respectively on all matters affecting designated groups.

The SPU Section has identified areas which need to be resolved to ensure that youth, people with disabilities, the elderly, children and gender issues are addressed within the institution:

- Strategic focus responds to a need for skills development through education and training.
- Demographic analysis does not provide accurate picture about youth. It provides no information about the levels and types of disability. It provides no information about children. This unclear picture compromises targeted programming, impact benchmarking and evaluations.
- IDP does not provide a district skills profile. It only assumes the need for education and training on the basis of high number of youth in the district, without even quantifying that number. Information is neither disaggregated according to gender nor disability. In the absence of such skills profile training interventions are compromised in terms of impact benchmarking and evaluation.
- It is not clear how the 26% youth ownership of SMMEs is distributed across economic sectors in the district. The same is not said about women ownership, except that their dress-making enterprises make up 44% of the manufacturing sector. Nothing is said about disability. The determination of any support for promotion of enterprise development would be compromised if based on such inadequate planning information.
- IDP emphasizes the lack of recreational facilities for youth especially in former homeland areas. It is silent on recreational needs of women and people with disabilities, children and the elderly.
- Need to focus on land tenure is limited only to youth and women, to the exclusion of people with disabilities. This may lead to this group being excluded from housing beneficiation as well as land for commercial purposes.
- IDP silent on HIV/Aids and disability, children and the elderly. This may lead to inappropriate strategies and resource misallocation.
- IDP acknowledges need for appropriate baseline information for proper planning. It acknowledges need for policies, mechanisms, processes and procedures for mainstreaming. It acknowledges need for improving coordination.

### **3. Inter-Governmental Relations (IGR)**

The function of the structure is to align the planning cycles of the different spheres of government to ensure that IDP is a reflection of national plans at a local level.

The Executive Mayor of the CHDM is convening the IGRF of the District. It is composed of : -

- All Mayors in 8 municipalities
- The Departmental officials in the District
- The District Manager's Forum

The technical MMF supports the DMAFO in terms of the : -

- Technical advise on policy / program debate
- Develop an agenda
- Report on progress
- Attend such DMAFO

The Executive Mayor attends the Premier's Co-ordinating Forum to raise issues that talk to Strategic positioning of the CHDM in the fight against poverty. The MM attends the Technical Forum with the Director General of the Province. SALGA is an integral part of all these processes as the organized body of the local government

#### Challenges

- Failure by government structures to utilise Intergovernmental Relations as a planning tool;
- Lack of joint implementation of projects by government structures;

#### **Risk Management**

The District adopts an annual risk management plan. It is not the job of Internal Audit but unfortunately due to the lack of an appointed Risk Manager, the unit manages the process and the Municipal Manager assesses the implementation of risk management plans. For the 2011/12 financial year the risk manager will be appointed. The progress on the implementation of risk management plans is monitored by the performance audit committee. The District Municipality will be engaging a risk and compliance Manager for the 2010/11 financial year.

### **4. Public Participation**

A recent study by the Department of Social Development has indicated that residents in ISRDP nodes rate their local authorities higher than other spheres of government but cynicism is beginning to increase. There is a growing perception that all spheres are not doing anything to improve the lives of residents. In addition there is a growing sense of alienation i.e. that a person has no influence on their surrounds or community and a growing lack of apathy towards attending community participation programmes like the IDP. It is therefore even more important that CHDM increases its public participation and feedback mechanisms.

CHDM currently runs IDP and Budget roadshows on a yearly basis in all municipalities. In addition it hosts several public knowledge sharing days on health issues, hygiene, water and sanitation usage, supply chain management, disaster and fire prevention strategies and fire, occupational health and safety, LED, GIS and Planning. To strengthen the relations with Traditional Leadership the House of Traditional Leadership of the region is a stakeholder that sits on our Representatives Forum. In accordance with the Local Government Municipal Systems Act, the CHDM holds regular Integrated Development Plan (IDP) Representative Forum meetings in drafting its IDP. At the beginning of the planning cycle, advertisements are placed in the local newspapers calling for interested parties to contact the CHDM.



Once the IDP and budget have been drafted and tabled at Council, the CHDM places another advertisement calling for public comments. Copies of the document are lodged at all the Libraries within the district and at Local Municipalities. After this process, the CHDM further embarks upon IDP and Budget Roadshows to the communities' at all local municipalities. This is done in conjunction with the support and assistance of the local municipalities who assist the CHDM's officers, through their Ward Councillors, to mobilize the ward community members to attend the roadshow events. The Draft IDP is summarized and presented to communities in English and isiXhosa for comment and discussion.

Records of these meetings are kept and a document is drafted to keep track of the responses and to disseminate to other government departments for follow up and actioning, where necessary, through intergovernmental forum meetings and Rep Forum. Once all the comments and discussions have been taken into consideration towards an amended IDP and Budget, the above process is followed up by a Council Open Day, where ward committees and members of the community are invited to a Council meeting. The amended/Draft IDP and Budget is again presented for the last time before they are submitted to Council for adoption. Council procedures are relaxed for the Council Open Day to allow the communities to speak and voice their comments after the presentations have been made. These comments are again collated into a document.

The IDP/Budget Road-shows are scheduled as follows:

MUNICIPALITY/AREA	VENUE	DATE	TIME
1. Engcobo Local Municipality	Engcobo Town Hall	11 April 2011	10h00
2. Nkwanca Local Municipality	Nomonde Community Hall (Molteno)	11 April 2011	10h00
3. Tsolwana Local Municipality	Zola Community Hall	12 April 2011	10h00
4. Sakhisizwe Local Municipality	D.M. Skosana S.S.S.	12 April 2011	10h00
5. Inxuba Yethemba Local Municipality	Kwanonzame Community Hall	13 April 2011	10h00
6. Emalahleni Local Municipality	Lady Frere Town Hall	13 April 2011	10h00
7. Intsika Yethu Local Municipality	Tsomo Town Hall	14 April 2011	10h00
8. Lukhanji Local Municipality	Ward 26, Zingquthu Village	14 April 2011	10h00

## **CHAPTER 3**

### **CHDM BROAD STRATEGIC OBJECTIVES**

CHDM long term vision has been born out of Analysis of the Chris Hani Status Quo and developed through intensive participatory processes.

**Vision:** “A well capacitated Municipality, characterised by a good quality of life and a vibrant, self- sufficient economy driven by skilled communities living in a safe and healthy environment”

**Mission:** “To provide affordable quality services, alleviate poverty and facilitate social and economic development of the area, through integrated development planning, co-operative governance, skills development and the sustainable utilisation of resources” reflects the vision.

In an effort to realise the institutional vision, CHDM has developed 5 Broad Strategic Objective as aligned to the National KPA. These are a way of responding to key issues confronting the municipality and as said are aligned to the 5 National KPA's (5 year Local Government Strategic Agenda).

### **CHDM 5 KEY BROAD STRATEGIC OBJECTIVES**

1. Ensuring an Effective, Efficient and Co-ordinated Financial Management that enables CHDM to deliver its mandate.
2. To consistently create an enabling environment for economic growth, Rural Development and Employment opportunities.
3. Ensuring provision of Basic Services in a well structured, efficient and integrated manner.
4. To encourage the involvement and collaboration of Communities and Stakeholders through working together to achieve good governance in an integrated manner.
5. To establish and maintain a skilled labour force guided by policies to function optimally towards the delivery of services to communities.

**3.1 KPA: MUNICIPAL TRANSFORMATION & INSTITUTIONAL DEVELOPMENT OBJECTIVES AND STRATEGIES**

PRIORITY AREA	OBJECTIVE	OBJECTIVE CODE	STRATEGY	INDICATOR	INDICATOR CODE	MEASUREMENT SOURCE AND FREQUENCY	BASE-LINE	TARGET: 11/12	TARGET: 12/13	TARGET: 13/14	ACCOUNTABLE OFFICIAL
Municipal governance	To ensure compliance with applicable legislation, regulations, policies and procedures on an ongoing basis		Monitoring and review of current service level agreements	Service Level Agreements reports		Quarterly reports	SLA register	Service Level Agreements reports	Maintain and review	Maintain and review	Municipal Manager
			Facilitate and coordinate development of municipal by-laws	Approved by-laws		Quarterly reports	nil	Approved by-laws	Maintain and review	Maintain and review	Municipal Manager
			Implementation of Water Conservation and Demand Management	Development and implementation of WC&DM		Quarterly	nil	Implementation	Implementation	Implementation	Director Engineering
			Implementation and enforcement of all by-laws	Reduction of by-law infringements		Quarterly reports	nil	4 Assessment reports	4 Assessment reports	4 Assessment reports	All relevant HOD's
			Development of 5 yr Integrated Development Plan	Adopted 5 yr Integrated Development Plan		Council resolution - annually	11/12 IDP	12/13 IDP 5 yr IDP	13/14 IDP review	14/15 IDP review	IPED Director
			Operationalise Performance Management System	Adopted Reviewed Performance Management Framework		Council resolution - annually	PM Framework	Adopted PM Framework	Review	Review	IPED Director
				Performance assessment reports		Quarterly reports	10/11 reports	4 reports	4 reports	4 reports	All HODs
			Development of the Annual report	Adopted annual report		Council resolution - annually	09/10 annual report	10/11 annual report	11/12 annual report	12/13 annual report	Municipal Manager/CFO
Budget Reform	To ensure sound and sustainable management of Municipal Finances		Development of the Budget according to National Treasury Regulations	Adopted Budget		Council Resolution - annually	11/12 Budget	12/13 Budget	13/14 Budget	14/15 Budget	Chief Financial Officer
GIS	To ensure implementation, management and maintenance of accurate GIS Database		Development of GIS Policy	Adopted GIS Policy		Quarterly Report	GIS Plan	Adopted GIS Policy	Reviewed GIS Policy	Reviewed GIS Policy	Director: IPED

PRIORITY AREA	OBJECTIVE	OBJECTIVE CODE	STRATEGY	INDICATOR	INDICATOR CODE	MEASUREMENT SOURCE AND FREQUENCY	BASE-LINE	TARGET: 11/12	TARGET: 12/13	TARGET 13/14	ACCOUNTABLE OFFICIAL
Sector Plan Development	To ensure development of each sector plan per priority need identified		Coordinate development of all sector plans, strategies and policies	Status quo sector plan report		Sector plan report - Quarterly	10/11 IDP sector plan chapter	4 sector plan reports per annum	4 sector plan reports per annum	4 sector plan reports per annum	All HOD's
	To promote district-wide coordination of environmental management activities		Review of Environmental Management Plan	Adopted Reviewed EMS		Annual Report	Environmental Management Strategy	Adopted Reviewed EMS	Review	Review	Director Health & Community Services
	To Ensure a good quality of air space		Development of Air Quality Management Plan	Adopted air quality management Plan		Annual report	0	Adopted Air quality Plan	Review	Review	Director Health & Community Services
			Compliance to Air Quality Act	No of premises complying over registered premises		Quarterly	0	100%	100%	100%	Director Health & Community Services
	To ensure positive contribution towards Disaster reduction within the District		Review of Disaster Management Plan	Adopted DMP		Quarterly report	Disaster Management Plan	Adopted Disaster Management Plan	Review	Review	Director: Health & Community Services
	To facilitate implementation of HIV/AIDS Strategies and Programmes within the district		Development of District Strategic Plan document on HIV& AIDS	Adopted plan		Quarterly reports	0	Adopted Strategic plan	Review	Review	Director: Health & Community Services
	To promote economic development in the District		Review of Chris Hani Regional Economic Development Strategy	Adopted CHREDS		Quarterly report	CHREDS	Adopted CHREDS	Review	Review	Director IPED
	To promote enabling environment on business operations		Development of Cooperative Strategy	Adopted Co-op Strategy		Quarterly Report	0	Adopted Co-op Strategy	Review	Review	Director IPED
			Review of SMME& Cooperative Strategy	Adopted SMME & Coop Strategy		Quarterly report	SMME Strategy	Adopted SMME & Coop Strategy	Review	Review	Director: IPED

PRIORITY AREA	OBJECTIVE	OBJECTIVE CODE	STRATEGY	INDICATOR	INDICATOR CODE	MEASUREMENT SOURCE AND FREQUENCY	BASE-LINE	TARGET: 11/12	TARGET: 12/13	TARGET 13/14	ACCOUNTABLE OFFICIAL
			Development of Integrated Agricultural Dev Plan	Adopted Integrated Agricultural Plan		Quarterly report	Agricultural Plan	Adopted Integrated Agricultural Plan	Review	Review	Director: IPED
	To facilitate development of sustainable Human Settlements by 2014		Development of Housing Development Plan	Adopted Plan		Quarterly report	0	Adopted Plan	Review	Review	Director: IPED
	To ensure coherent strategic Spatial planning and development in the District		Review District Spatial Framework	Adopted SDF		Quarterly report	CHDM SDF	Adopted Spatial Development Framework	Review	Review	Director IPED
			Co-ordinate CHDM Sector Plan compliance with CHDM SDF	SDF Compliance Report		Quarterly report	0	SDF Compliance Report	Review	Review	Director IPED
	To coordinate water services authority by 2014		Review of Water Services Development Plan	Adopted WSDP		Quarterly report	WSDP	Adopted WSDP	Review	Review	<b>Director: Engineering</b>
	To ensure coordination & Integration of public transport services by 2014		Development of Integrated Transport plan	Adopted ITP		Quarterly report	0	Adopted ITP	Review	Review	<b>Director: Engineering</b>
	To ensure Compliance with legal framework on waste management services by 2012		Review of Integrated waste management plan	Adopted IWMP		Quarterly report	10/11 IWMP	Adopted IWMP	Review	Review	Director: Health & Community Services
	To have an enterprise wide risk management by 2011		Reduction of Risk Impact	Implemented risk management Plan		Quarterly reports	Risk management strategy	100 % implementation	100 % implementation	100 % implementation	All HoDs
Institutional readiness	To ensure CHDM fully exercises its assigned powers and functions		Conduct Assessment of Performance of District Powers and Functions	Assessment report		Annual report	Devolved powers and functions	Assessment report	Assessment report	Assessment report	Municipal Manager

PRIORITY AREA	OBJECTIVE	OBJECTIVE CODE	STRATEGY	INDICATOR	INDICATOR CODE	MEASUREMENT SOURCE AND FREQUENCY	BASE-LINE	TARGET: 11/12	TARGET: 12/13	TARGET 13/14	ACCOUNTABLE OFFICIAL
Supply Chain Management (SCM)	To ensure creation of enhanced opportunities for Historically Disadvantaged Individuals by 2014		Review SCM policy	Adopted reviewed SCM policy		Council Adoption	SCM Policy	Adopted reviewed policy	Review	Review	Chief Financial Officer
			Development and maintenance of Demand Management Plan	Adopted Demand Management Plan		Quarterly Report		Developed Demand Management Plan	Review	Review	Chief Financial Officer
Support to Local Municipalities	To ensure LM's are fully capacitated to effectively render services that are within their powers and functions		Facilitate Integrated Development Planning	No of sessions held with LMs		Quarterly report	Nil	12/13 IDP and SDBIPs	13/14 IDP and SDBIPs	13/15 IDP and SDBIPs	Director IPED
			Implementation of Shared Services on Internal audit	No of LM's assisted Internal Audit		Quarterly Reports	8 LMs	8 LMs	8 LMs	8 LMs	Municipal Manager
			Facilitate Human Resources and EAP development and management support to LM's	No of assistance provided		Quarterly Reports	-	4 LMs	6 LMs	8 LMs	Director Corporate Services
Special Programmes	To strengthen support of previously disadvantage groups		Development of Special Programmes Policy on Youth, Women & People with Disability	Adopted Special Programmes Policy		Quarterly report	0	Adopted Special Programmes Policy	Review	Review	Municipal Manager
			Mainstreaming of HIV & AIDS	Adopted HIV & AIDS Mainstreaming Plan		Quarterly report	0	Adopted HIV & AIDS Mainstreaming Plan	Review	Review	All HOD's
Communications	To promote and enhance communication in all CHDM Programmes		Develop Communications & Marketing Strategy	Adopted Communications Strategy		Quarterly report		Adopted Communications Strategy	Review	Review	Municipal Manager
Public Participation	To promote public participation in CHDM activities		Develop Public Participation Policy	Adopted Public Participation policy		Quarterly Reports	Public Participation Framework	Adopted Public Participation Policy	Review	Review	Municipal Manager
	To ensure involvement of communities in the affairs of the district		Strengthening of community based project steering committees	Developed projects register		Quarterly reports	nil	6 registers	6 registers		All HoDs
			Develop policy on private public partnerships	Approved policy		Council resolution - annually	nil	Adopted policy	Review	Review	Chief Financial Officer

PRIORITY AREA	OBJECTIVE	OBJECTIVE CODE	STRATEGY	INDICATOR	INDICATOR CODE	MEASUREMENT SOURCE AND FREQUENCY	BASE-LINE	TARGET: 11/12	TARGET: 12/13	TARGET 13/14	ACCOUNTABLE OFFICIAL
Asset Management	To ensure that all assets are adequately managed and maintained		Review Asset Management Policy	Adopted Asset Management Policy		Council resolution - annually	Asset management policy	Adopted reviewed Asset management policy	Review	Review	CFO
			Review Fleet Management Policy	Adopted Fleet Management policy		Council resolution - annually	Fleet management policy	Adopted Fleet management policy	Review	Review	Director: Corporate Services
Policies	To create a healthy working environment within CHDM		Review of HR Policies & Strategies	Reviewed HR Policies		Quarterly reports	HR Policies	HR Policies	Implementation	Implementation	Director: Corporate Services
Council Support	To co-ordinate and schedule Council statutory and other Businesses		Development of CHDM Council Calendar	Adopted Council Calendar		Quarterly reports	Policies & By-laws	Adopted Council Calendar	Review	Review	Director: Corporate Services
Skills Development	To attract, develop, and retain skilled and effective human capital		Implementation of internship, LED Learnership	No of employees benefitted in learnership		Quarterly Reports	0	15 learners by June 2012 at NQF 05	15 learners by June 2013 at NQF 05	15 learners by June 2014 at NQF 05-	Director: Corporate Services
			Implementation of MFMA regulations on minimum competencies	No of designated positions trained		Annual Report	10	8 to be trained by June 2012	4 to be trained by June 2013	8 trained by June 2014-	Director: Corporate Services
			Co-ordination and implementation of training for Officials and Councillors [WSP]	Development and Submission of WSP		Quarterly reports	Workplace skills plan	Adopted Workplace Skills Plan	Developed Workplace Skills Plan	Developed Workplace Skills Plan -	Director: Corporate Services
				% of councilors trained		Quarterly reports	25	100% trainings conducted	100% trainings conducted	100% trainings conducted	Director: Corporate Services
				% of officials that have undergone training		Quarterly Reports		100% of approved trainings conducted	100% of approved trainings conducted	100% of approved trainings conducted	Director: Corporate Services

PRIORITY AREA	OBJECTIVE	OBJECTIVE CODE	STRATEGY	INDICATOR	INDICATOR CODE	MEASUREMENT SOURCE AND FREQUENCY	BASE-LINE	TARGET: 11/12	TARGET: 12/13	TARGET 13/14	ACCOUNTABLE OFFICIAL
Employment Equity	To ensure compliance with employment equity Act		Implementation of the reviewed employment equity plan	No of people employed in highest level as per EEP  % annual targets met		Quarterly / annually	EEP  60%	% adherence to targets as per EEP	Review EEP	Review EEP	Director: Corporate Services
Organizational Structure	To review and maintain an organizational structure that will ensure efficient and effective service delivery		Align human capital needs to strategic objectives of the municipality	% of vacant positions filled		Quarterly		80% of vacant positions filled	80% of vacant positions filled	80% of vacant positions filled	Director Corporate Services
				% intake of experiential trainees		Quarterly Reports		50 % intake of experiential trainees	50 % intake of experiential trainees	50 % intake of experiential trainees	Director Corporate Services
Employee Wellness	To create a healthy, optimum & efficient workforce		Implementation of intergrated wellness programmes	No of programmes implemented that Improved employee moral, performance and well being		Quarterly: Evaluation Reports	Intergrated Wellness Programme	Implementati on and review of wellness	Implementati on and review of wellness	Implementati on and review of wellness	Director Corporate Services
OHS	To ensure a healthy optimum & efficient workforce		To ensure safe working environment	% reduction in occupational hazatrds & incidents		Quarterly Reports& SHE Plan	SHE PLAN	Implementati on	Implementati on	Implementati on	Director Corporate Services
Legal	To ensure compliance with municipal legislation & attend to litigations		Development of policies, strategies and procedural manual	No of policies developed and approved		Annually	Policies in place	5 policies to be developed	3 policies to be developed	4 policies to be developed	Municipal Manager
			Minimize litigations	% reduction in litigation		Annually	0	50% REDUCTION OF LITIGATION	60% REDUCTION OF LITIGATION	80% REDUCTION OF LITIGATION	Director Corporate Services
Labour Relations	To promote sound labour relation and compliance with collective agreements		Compliance with working conditions	% decrease in labour disputes & grievances		ANNUALY	-	40% decrease on disputes	60% decrease on disputes	80% decrease on disputes	Director Corporate Services
Assets	To ensure that municipal buildings are properly maintained		Development of maintainance plan for municipal buildings	Developed and approved maintcne plan		Annually:	0	Approved Building Maintenance Plan	Approved Building Maintenance Plan	Approved Building Maintenance Plan	Director Corporate Services



PRIORITY AREA	OBJECTIVE	OBJECTIVE CODE	STRATEGY	INDICATOR	INDICATOR CODE	MEASUREMENT SOURCE AND FREQUENCY	BASE-LINE	TARGET: 11/12	TARGET: 12/13	TARGET 13/14	ACCOUNTABLE OFFICIAL
ICT	To ensure provision and improvement of ICT support services		To ensure provision of timeous and efficient ICT support services	% of Helpdesk calls resolved timeously		Helpdesk system, weekly		95% of calls resolved timeously	95% of calls resolved timeously	95% of calls resolved timeously	Director: Corporate Services
	Ensure reliable, available and robust network to enable continuous communication		Improving network so as to perform at optimum levels	% Decrease in network down times		Network monitoring system, monthly	95%	98%	99%	99%	Director: Corporate Services
	To ensure a highly secured network with an excellent recovery system		To Acquire a functional network backup system	Percentage of backup tapes stored offsite		Quarterly Reports	0%	90%	95%	95%	Director: Corporate Services
				100% complete and approved DRP (Disaster Recovery Plan)		Quarterly Reports	80% complete	100%	100%	100%	Director: Corporate Services
	Ensuring that software used at CHDM is licenced		Appoint a Microsoft Large Account Resell	LAR appointment and 90% software licenced		Quarterly Reports	80%	100%	100%	100%	Director: Corporate Services

**3.2 KPA: LOCAL ECONOMIC DEVELOPMENT OBJECTIVES AND STRATEGIES**

PRIORITY AREA	OBJECTIVE	OBJECTIVE CODE	STRATEGY	INDICATOR	INDICATOR CODE	MEASUREMENT SOURCE AND FREQUENCY	BASE-LINE	TARGET: 11/12	TARGET: 12/13	TARGET 13/14	ACCOUNTABLE OFFICIAL
Economic Development	To enhance the regional economic recovery from recession by 3% in 2015		Implementation of CHREDS	No of Corridor development and small towns Development projects done		Quarterly Reports	2	8 projects	9 projects	10 projects	Director: IPED
Enterprise Development	To create an enabling environment for business to thrive in the district by 2014		Facilitate training provision to enterprises within the District	Number of training sessions provided to enterprises		Quarterly Report	0	4 trainings	4 trainings	4 trainings	Director: IPED
			Facilitate information sharing with funding agencies	No. of information days held with funding agencies including banks		Annual Report	0	3 information days	6 information days	12 information days	Director: IPED
			Facilitate the establishment of partnerships with institutions of higher learning to improve entrepreneurial development skills	Number of partnerships established		Annual Report	3	4 partnerships	6 partnerships	8 partnerships	Director: IPED
			Empowerment of HDIs	% HDI Appointments		Quarterly SCM Reports	0	20%	60%	100%	Chief Financial Officer
			Monitoring of service providers' performance	Monthly Reports on Supplier Performance		HOD Items - monthly	Database of service providers	12	12	12	Chief Financial Officer

PRIORITY AREA	OBJECTIVE	OBJECTIVE CODE	STRATEGY	INDICATOR	INDICATOR CODE	MEASUREMENT SOURCE AND FREQUENCY	BASE-LINE	TARGET: 11/12	TARGET: 12/13	TARGET 13/14	ACCOUNTABLE OFFICIAL
			Assist all the Suppliers by providing training on the SCM policy	% of suppliers trained		Existing Supplier database	-	50%	75%	100%	Chief Financial Officer
Housing Development	To ensure facilitation and Coordination of Housing Development within CHDM		Implementation of Socio-Economic Development and transformation programmes	No of Emerging Contractors to be developed		Quarterly Reports	0	20 Contractors	25 Contractors	30 Contractors	Director IPED
Agricultural & Forestry Development	To increase CHDMs contribution towards agriculture ,Forestry and agrarian Development		Implementation of the CHREDS	No of Improve livestock programme conducted		Quarterly Reports		6 programmes	8 programmes	8 programmes	Director IPED
				No of Aforestation, Wood, Charcoal development and related initiatives undertaken		Quarterly Reports	2	2 programmes undertaken-	2 programmes undertaken	2 programmes undertaken	Director IPED
				No of Wool Production programme supported		Quarterly Reports	-	2 programmes supported	2 programmes supported	-2 programmes supported	Director IPED
				No of Improved dairy production scheme supported		Quarterly Report	2	4 supported	4 supported	4 supported	Director IPED
				No. of irrigation schemes supported		Quarterly Report	4	4 supported	6 supported	8 supported	Director: IPED

PRIORITY AREA	OBJECTIVE	OBJECTIVE CODE	STRATEGY	INDICATOR	INDICATOR CODE	MEASUREMENT SOURCE AND FREQUENCY	BASE-LINE	TARGET: 11/12	TARGET: 12/13	TARGET 13/14	ACCOUNTABLE OFFICIAL
				No. of Massive food programmes implemented		Annual Report	2	2 implemented	2 implemented	2 implemented	Director IPED
Tourism promotion and development	To develop and promote tourism within the district		Implementation of Tourism Master Plan	No of tourism festivities/initiatives supported		Quarterly Report	-	10 supported	10 supported	10 supported	Director: IPED
				No. of trade/Exhibitions show organised		Annual Report	-	4 attended	6 attended	8 attended	Director: IPED
				No of events hosted		Quarterly Report	2	2 Events	2 Events	2 Events	Director: IPED
Environment	Mainstream environmental management into all Council operations		Coordinate environmental management events within district	No of environmental events per year		Quarterly reports	4	4	4	4	Director Health & Community Services
Solid Waste	To ensure reduction of Waste by 2014		Promotion of recycling and composting	% of Waste recycled and composted		Quarterly reports	-	15%	20%	25%	Director : Engineering
Social Facilitation & Community Development	To ensure LED programmes are smoothly communicated to communities		Facilitate Implementation of Community Development Programmes	Number of Community facilitations conducted		Quarterly Reports	0	8	10	14	Director IPED
EPWP	To ensure all Programmes are aligned to EPWP		Implementation of Projects in line with the EPWP	No of Capital projects complying with EPWP		Quarterly reports	-	EPWP compliance report	EPWP compliance report	EPWP compliance report	ALL HODs

PRIORITY AREA	OBJECTIVE	OBJECTIVE CODE	STRATEGY	INDICATOR	INDICATOR CODE	MEASUREMENT SOURCE AND FREQUENCY	BASE-LINE	TARGET: 11/12	TARGET: 12/13	TARGET 13/14	ACCOUNTABLE OFFICIAL
Finance	To ensure all Indigent consumers are registered by 2012		Utilization of communities in Indigent registration	Amount spent on registration to enhance local economy		Quarterly report		Report on Indigent support on LED	Report on Indigent support on LED	Report on Indigent support on LED	Chief Financial Officer
Municipal Health	To provide comprehensive food control programmes		Inspection & Evaluation of Food Premises & Handling	% of inspections		Quarterly report	-	95 % Food Handling	95% Food Handling	95 % Food Handling	Director : Health & Community Services
Corridor Development	To ensure linkage and collaboration of CHDM anchor Projects		Promotion and Marketing of Anchor Projects	No of Anchor Projects Marketed & Promoted		Marketing of Anchor Projects	0	3	4	6	Director IPED

### 3.3 KPA: BASIC SERVICE DELIVERY AND INFRASTRUCTURE INVESTMENT OBJECTIVES AND STRATEGIES

PRIORITY AREA	OBJECTIVE	OBJ CODE	STRATEGY	INDICATOR	IND CODE	MEASUREMENT SOURCE AND FREQUENCY	BASE-LINE	TARGET: 11/12	TARGET: 12/13	TARGET 13/14	ACCOUNTABLE OFFICIAL
Water & Sanitation Infrastructure	To provide basic infrastructure on water and sanitation Services in an integrated manner within the district by 2014		Reduction of backlog by providing basic infrastructure on water to households	No of households with access to water		Quarterly reports	6645	9236	9236	9236	<b>Director: Engineering</b>
			Implement continuous drinking water and waste water quality monitoring program	Number of drinking water samples taken that comply with prescribed standards		Quarterly reports	0	2400	2600	2600	<b>Director: Health &amp; Community Services</b>
				% waste water samples taken that comply with prescribed standards		Quarterly reports	-	80%	80%	80%	<b>Director: Health &amp; Community Services</b>
			Reduction of backlog by providing basic infrastructure on sanitation to	No of Households with adequate sanitation		Quarterly reports	Nil	22785	22000	22000	<b>Director: Engineering</b>

PRIORITY AREA	OBJECTIVE	OBJ CODE	STRATEGY	INDICATOR	IND CODE	MEASUREMENT SOURCE AND FREQUENCY	BASE-LINE	TARGET: 11/12	TARGET: 12/13	TARGET 13/14	ACCOUNTABLE OFFICIAL
			Households								
			Compliance of water services authority with drinking water quality standards	% compliance with drinking water quality management standards for treated water		Quarterly reports	-	97%	98%	99%	<b>Director: Engineering &amp; Director Health &amp; Community Services</b>
Municipal Health	To deliver effective ,quality and equitable MHS within the jurisdiction of CHDM area		Evaluation of Funeral undertakers	% of Funeral Parlours evaluated and registered		Quarterly		100%	100%	100%	<b>Director Health and Community Services</b>
			Evaluation of Chemical Supplies	% of Chemical supplies inspected and evaluated		Quarterly		100%	100%	100%	<b>Director Health and Community Services</b>
			Implementation of Sustainable Environmental Programmes	No of Environmental Programmes Implemented		Quarterly		3 Sustainability Projects	4 Sustainability Projects	5 Sustainability Projects	<b>Director Health and Community Services</b>
			Taking of Food Samples	No of Food Samples Taken by EHP		Quarterly	800	800 samples	800 samples	800 samples	<b>Director Health and Community Services</b>
			Environmental Pollution Control	% of complaints received over % of complaints dealt with		Quarterly	-	100%	100%	100%	<b>Director Health and Community Services</b>
GIS	To ensure implementation,managing and maintenance of accurate GIS Database		Mapping and maintenance of accurate database	% of Projects mapped/captured		Quarterly reports	-	100%	100%	100%	<b>Director:IPED</b>
HIV & AIDS Coordination	To facilitate implementation of HIV/AIDS Strategies and Programmes within the		Integration and coordination of HIV & AIDS programmes through DAC strucures	No of functional LAC's & WAC's established		Quarterly Reports	2	2 LAC's & 25 WAC's	3 LAC's & 25 WAC's	4 LAC's & 25 WAC's	<b>Director Health and Community Services</b>

PRIORITY AREA	OBJECTIVE	OBJ CODE	STRATEGY	INDICATOR	IND CODE	MEASUREMENT SOURCE AND FREQUENCY	BASE-LINE	TARGET: 11/12	TARGET: 12/13	TARGET 13/14	ACCOUNTABLE OFFICIAL
	district		Observation of National Health Calendar days on HIV/AIDS	No of HIV/AIDS calendar events held		Quarterly Reports	HIV& AIDS National Calendar	2 events	2 events	2 events	<i>Director Health and Community Services</i>
Waste Management	To facilitate provision of compliant waste management by local municipalities in the district by 2014		Support maintenance of waste sites	No of waste sites maintained		Quarterly reports	8	8	8	8	<i>Director Health and Community Services</i>
			Enhance institutional capacity for monitoring non compliance	No. of Landfill sites complying with DEAT permit conditions		Quarterly reports	19	21	21	21	<i>Director Health and Community Services</i>
			Ensure all permitted waste sites are operated to permit conditions	No of sites assisted		Quarterly reports	nil	2	2	3	<i>Director Health and Community Services</i>
Disaster Management	To increase community awareness of all hazardous & Disaster issues		Provide disaster risk prevention, management, response and rehabilitation services to the CHDM community.	No of disaster prevention response and rehabilitation initiatives undertaken		Quarterly Reports	Needs driven	Needs Driven	Needs Driven	Needs Driven	Director: Health and Community Services
				No of capacity building initiatives undertaken		Quarterly Reports	-	8	8	8	Director: Health and Community Services
			Implementation of SLA between CHDM & Dept of Human Settlements	Development & Implementation of Emergency Disaster Housing Framework		Quarterly Reports	0	Implementation of Disaster Housing Framework	Implementation of Disaster Housing Framework	Implementation of Disaster Housing Framework	Director IPED
Municipal Health	To promote Integrated waste management plan implementation		Implementation and integration of waste management plans	% of Waste management plans integrated into LM's IDP's		Quarterly Reports		100%	100%	100%	<i>Director : Health &amp; Community Services</i>
Roads	To provide well maintained and accessible roads through the SLA with DoR&PW		Implementation of the SLA	No of KM's bladed		Quarterly Report	2148	2148	2148	2148	<i>Director: Engineering</i>
			Implementation of SLA	No of KM's Regravellled		Quarterly Report	30	30	30	30	<i>Director: Engineering</i>

**3.4 KPA: MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT OBJECTIVES AND STRATEGIES**

PRIORITY AREA	OBJECTIVE	OBJECTIVE CODE	STRATEGY	INDICATOR	INDICATOR CODE	MEASUREMENT SOURCE AND FREQUENCY	BASE-LINE	TARGET: 11/12	TARGET: 12/13	TARGET 13/14	ACCOUNTABLE OFFICIAL
Funds Management	To ensure sound and sustainable management of financial affairs of the district in line with national and provincial norms and standards		Timely and sound expenditure of all budget funds	MIG funding Amount spent		Quarterly Reports	100%	100%	100%	100%	Director : Engineering & CFO
				RBIG Amount spent		Quarterly Reports	R112 million	R112 million	R112 million	R112 million	Director : Engineering
				% of operational costs spent on CHDM funds		Quarterly Reports	100%	100%	100%	100%	ALL HODs
				% of External funds spent		Quarterly Reports	100%	80%	80%	80%	ALL HODs
Revenue Enhancement	Increase the municipality's revenue by 2%		Development and Implementation of Revenue Enhancement Strategy	Restructured and approved tariff list		Annually	LM's inherited tariffs	100%	100%	100%	CFO
				Number of programmes funded by donors		Annually	0	2	3	5	CFO
				Reports by LMs on tariff increase		Quarterly Reports	Nil	Reports from LMs	Reports from LMs	Reports from LMs	CFO
System Administration	Ensure reliable timely financial management information which is easily accessible		Develop and maintain GRAP complaint chart of accounts aligned to CHDM reporting structure	GRAP complaint structure working on the system		Quarterly Reports	1	Functional System	Functional System	Functional System	CFO
			Ensure training on new updates on system	Number of Trainings held per year		Quarterly	0	2 Training	3 Trainings	3 Trainings	CFO



PRIORITY AREA	OBJECTIVE	OBJECTIVE CODE	STRATEGY	INDICATOR	INDICATOR CODE	MEASUREMENT SOURCE AND FREQUENCY	BASE-LINE	TARGET: 11/12	TARGET: 12/13	TARGET 13/14	ACCOUNTABLE OFFICIAL
	To ensure automation of business processes		Ensure availability of systems	% of working hours of time whereby the system was available		Quarterly	90%	100 Fully Functional	100 Fully Functional	100 Fully Functional	CFO
			Ensure automation of the section 71 and 72 reports	% of reports that are done automatically by the system		Quarterly	40%	100%	100%	100%	CFO
			Develop and maintain Dashboard for easy access of information	% Fully implemented dashboard system		Quarterly	0%	100% implementation	100% implementation	100% implementation	CFO
Annual Financial Statements / Reports	Ensure timeous submission of accurate AFS and Reports		Develop & monitor Year End Action Plan	Adopted & auctioned Year End Action Plan		Quarterly Reports	80%	Completed Year End Action Plan	Completed Year End Action Plan	Completed Year End Action Plan	CFO
			Compilation and submission of accurate AFS	Submission of accurate and GRAP compliant AFS by 31 August to AG & NT and council		Annually		Submitted AFS	Submitted AFS	Submitted AFS	CFO
Budget	To have a council approved budget developed and implemented		Table a budget for council approval before the start of the new financial year	% of council approved budget submitted before the start of the new financial year.		Annually	80%	100%	100%	100%	CFO
			To monitor , Adviser & Report Budget Implementation	% implementation of Opex & Capex Budget		Quarterly	50%	80%	95%	100%	CFO
Asset register	To have a complete and accurate asset register		Update the asset register	% of Updated Asset Register conducted		Quarterly	30%	100%	100%	100%	CFO
Supply chain management	To ensure effective, economical and efficient procurement of goods and services		Maintainance of effective Database	Monthly Revision of CHDM of Database		Quartely		Revised Database	Revised Database	Revised Database	CFO
			Payment of Service providers within 30 days	% reduction of outstanding commitments		Quarterly	60%	90%	95%	95%	CFO

PRIORITY AREA	OBJECTIVE	OBJECTIVE CODE	STRATEGY	INDICATOR	INDICATOR CODE	MEASUREMENT SOURCE AND FREQUENCY	BASE-LINE	TARGET: 11/12	TARGET: 12/13	TARGET 13/14	ACCOUNTABLE OFFICIAL
Capital Expenditure	Enhance expenditure on capital projects		Monitor & Advise on capital expenditure	% of capital expenditure		Quarterly	46%	80%	85%	90%	CFO

### 3.5 KPA: GOOD GOVERNANCE AND PUBLIC PARTICIPATION OBJECTIVES AND STRATEGIES

PRIORITY AREA	OBJECTIVE	OBJECTIVE CODE	STRATEGY	INDICATOR	INDICATOR CODE	MEASUREMENT SOURCE AND FREQUENCY	BASE-LINE	TARGET: 11/12	TARGET: 12/13	TARGET 13/14	ACCOUNTABLE OFFICIAL
Intergovernmental Relations	To facilitate sound Intergovernmental Relations systems by 2014		Strengthening up the Intergovernmental relations core team	Established IGR planning core team		Quarterly reports	0	Functioning core team	Functioning core team	Functioning core team	Municipal Manager
			Monitoring of the IGR Forum	Progress Implementation Plan		Quarterly reports	0	4 IGR Forums	4	4	Municipal Manager
			Facilitate and coordinate learning and sharing sessions	No of sessions held		Quarterly Reports	0	2	2	2	Municipal Manager
Special Programmes	To ensure that institutional plans / programmes and projects impact on Youth, Disabled, Women, Children, Elderly and other designated groups on an ongoing basis		Mainstreaming of Special Programmes in all CHDMs programmes / plans and projects	No of projects / programmes implemented for designated groups.		Quarterly reports	Nil	Mainstreaming of all designated programmes	Mainstreaming of all designated programmes	Mainstreaming of all designated programmes	Municipal Manager
			Coordinate commemoration of historical events within the district	Awareness campaigns		Quarterly reports	Nil	Commemoration of Historical events	Commemoration of Historical events	Commemoration of all Historical events	Municipal Manager

PRIORITY AREA	OBJECTIVE	OBJECTIVE CODE	STRATEGY	INDICATOR	INDICATOR CODE	MEASUREMENT SOURCE AND FREQUENCY	BASE-LINE	TARGET: 11/12	TARGET: 12/13	TARGET 13/14	ACCOUNTABLE OFFICIAL
Sport development	To promote and develop different sporting codes throughout the district		Empowerment and development of communities through participation in sports	No of annual sports activities undertaken		Quarterly reports	0	6 per annum	8 per annum	8 per annum	Municipal Manager
			Support district representative teams / individuals during provincial and national events	No of teams / individuals assisted		Quarterly reports		7	7	7	Municipal Mnager
			Provide support to CHDM employees through participation in sport	No of sport activities undertaken		Quarterly reports	nil	5	5	5	Director Cooperate Services
GIS	To ensure implementation,man aging and maineinance of accurate GIS Database		Assist the LM's in capturing the spatial data and accuracy	No of LM's assisted on capturingSpatial data		Quarterly Report	3	4	6	8	Director : IPED
Auditing	To achieve an unqualified audit opinion by 2014		Develop & Monitoring of Audit Action Plan to Resolve audit queries reported by AG in the External Audit report and audit management letter	Number of Audit queries previously reported by AG that have been resolved		Quarterly reports	Audit report	Reduction in Audit Queries	Reduction in Audit Queries	Reduction in Audit Queries	Municipal Manager
			Develop and Implement a risk based annual audit plan approved by ac	No of completed audit projects per the annual plan		Quarterly Report	Audit Plan	100% Audited Projects	100% Audited Projects	100% Audited Projects	Municipal Manager
			Develop and maintain GRAP Compliant Fixed Asset Register	Completed and GRAP Compliant Asset Register		Quarterly Report	Fixed Asset Register	Completed and GRAP Compliant Asset Register	Completed and GRAP Compliant Asset Register	Completed and GRAP Compliant Asset Register	CFO
			To assist in ensuring a functional Internal audit committee	No of Audit Committee meetings held		Quarterly Reports	8 Audit Committee meetings	8 Audit Committee meetings	8 Audit Committee meetings	8 Audit Committee meetings	Municipal Manager

PRIORITY AREA	OBJECTIVE	OBJECTIVE CODE	STRATEGY	INDICATOR	INDICATOR CODE	MEASUREMENT SOURCE AND FREQUENCY	BASE-LINE	TARGET: 11/12	TARGET: 12/13	TARGET 13/14	ACCOUNTABLE OFFICIAL
			Develop and Maintenance of commitments register	Updated register		Quarterly reports	nil	Commitments register in place	Maintain register	Maintain register	Chief Financial Officer
			Coordinate performance reporting, monitoring and review	Audited performance reports		Quarterly reports	10/11 Audited reports	4 reports per annum	4 reports per annum	4 reports per annum	Municipal Manager
				Performance panel review		Bi-annual reports	10/11 panel review reports	2 reports per annum	2 reports per annum	2 reports per annum	Municipal Manager
Council Support	To ensure councillors well capacitated to deliver on their mandate		Coordinate effective functioning of the council committees	Minutes of meetings of Section 79 committees		Quarterly reports	2 committees met quarterly	4 committees quarterly	4 committees quarterly	4 committees quarterly	Director Cooperate Services
				Minutes of meetings of Section 80 committees		Quarterly reports	Standing Mayoral	Standing Mayoral	Standing Mayoral	Standing Mayoral	Director: Corporate Services
			Facilitate training of Section 79 committees and councillor workshops	No of training initiatives conducted		Quarterly reports	nil	5	5	5	Director: Corporate Services
Public Participation	To ensure accountable and democratic governance by involving communities in the affairs of the district		Strengthen relations with Traditional & Community Leaders	No of initiatives to strengthen relations		Quarterly reports	4	4 per annum	4 per annum	4 per annum	Municipal Manager
			Development of Community Newsletters	No of community newsletters developed		Quarterly reports	2	4 Community Newsletters per annum			Municipal Manager

PRIORITY AREA	OBJECTIVE	OBJECTIVE CODE	STRATEGY	INDICATOR	INDICATOR CODE	MEASUREMENT SOURCE AND FREQUENCY	BASE-LINE	TARGET: 11/12	TARGET: 12/13	TARGET 13/14	ACCOUNTABLE OFFICIAL
			Conduct IDP & Budget Roadshows to communities within the district	No of Roadshows conducted		Annually	1	1	1	1	CFO
Forums	To improve co-ordination between CHDM and other Stakeholders		Facilitate establishment of DTO Forum	No of sitting of the DTO Forum		Quarterly Report	0	4	4	4	Director IPED
			Facilitate Technical Manager's Forum	No of Technical Managers Sitzings		Quarterly Reports	2	4 Technical Manager's Forum	4 Technical Manager's Forum	4 Technical Manager's Forum	Director Engineering
			Facilitate Co-operative Forum	No of sitting of the Co-ops Forum		Quarterly Report	0	4 Co-operatives Forums	4	4	Director IPED
			Facilitate SMME Forum	No of sitting of the SMME Forum		Quarterly Report	0	4 SMME Forums	4	4	Director IPED
			Facilitate establishment of Agriculture Forum	No of sitting of the Agriculture Forum		Quarterly Report	0	4 Agriculture Forums	4	4	Director IPED
			Facilitate establishment of Environmental Health & Climate Change Forum	No of sittings of of Environmental Health & Climate Change Forum		Quarterly Report	0	4 Environmental Health & Climate Change Forums	4	4	Director: Heath & Community Services
			Facilitate District SPU Forum	No of Sitzings of SPU Forums		Quarterly Reports	4	4 SPU Forums	4 SPU Forums	4 SPU Forums	Municipal Manager
			Coordinate District Support Team	No of sitting of the District Support Forum		Quarterly Report	4	4 Sitzings	4 Sitzings	4 Sitzings	Director IPED
			Facilitate establishment of LED Forum	No of sitting of the LED Forum		Quarterly Report	0	4 LED Forum reporst	4	4	Director IPED
			Coordinate Housing Programmes within the District	No of Housing Forums/Steering meeting held		Quarterly Report	2	4 Housing Forums	4 Housing Forums	4 Housing Forums	Director IPED

PRIORITY AREA	OBJECTIVE	OBJECTIVE CODE	STRATEGY	INDICATOR	INDICATOR CODE	MEASUREMENT SOURCE AND FREQUENCY	BASE-LINE	TARGET: 11/12	TARGET: 12/13	TARGET 13/14	ACCOUNTABLE OFFICIAL
			Development of CHDM Municipal IDP	Adopted IDP		Quarterly reports	-	IDP quarterly reports	4	4	Director IPED
			Facilitate Communications Forum	No of sittings of the Communications Forum		Quarterly Reports	2	4 Communication Forums	4	4	Municipal Manager
			Facilitate establishment of CFO's Forums	No of sittings of the CFO's Forums		Quarterly Reports	-	4 Forums sitting	4	4	CFO
SCM	To ensure proper Contract Management within the district		Maintaining updated Contract Register	No of updated Register		Quarterly Reports		Updated Contract Register	Updated Contract Register	Updated Contract Register	
			Maintainance of valid Contracts/ Agreements	No of valid contracts		Quarterly Reports		Maintainance of valid Contracts	Maintainance of valid Contracts	Maintainance of valid Contracts	CFO
			Maintainance of Proper deliverables to minimize Deviations	% of deviations/ variations reported		Quarterly Reports		100% maintainance of deliverables	100% maintainance of deliverables	100% maintainance of deliverables	CFO

**CHRIS HANI DISTRICT MUNICIPALITY 3 YEAR CAPITAL BUDGET/PLAN:****A. MIG PROJECTS 2011/12 – 2013/14**

PROJECTS	2011/12	2012/13	2013/2014	2011/2012		
				WATER	SANITATION	OTHER
<b>1. EMALAHLENI MUNICIPALITY</b>						
Indwe Rehabilitation of Rds &S/water	R 3 000 000	R 100 000	R 0			R 3 000 000
Cacadu Villages Water	R 100 000	R 0		R 100 000		
Mackay's Nek Sanitation	R 10 000 000	R 10 000 000	R 8 000 000		R 10 000 000	
Vukani Bulk Services water & roads	R 2 000 000	R 250 000	R 0	R 2 000 000		
Qoqodala Access Road	R 500 000	R 0	R 0			R 500 000
Dubeni Access Road	R 350 000	R 0	R 0			R 350 000
Cluster 1 Waterbacklog (Wards 7,8 ,10,13,14)	R 10 000 000	R 14 000 000	R 13 000 000	R 10 000 000		
Cluster 2 Water Backlog (Wards 1,2,4&6)	R 4 000 000	R 5 000 000	R 8 000 000	R 4 000 000		
Cluster 4 Water Backlog	R 2 674 886	R 12 000 000	R 13 000 000	R 2 674 886		
Cluster 4 sanitation (Wards 2,3,4,5,15,16,Vukani Guba,& Percy Villages)	R 10 000 000	R 11 000 000	R 12 000 000		R 10 000 000	
Cluster 3 Sanitation( Wards 7,8,9,10,11,12,13& 14)	R 10 000 000	R 9 000 000	R 12 000 000		R 10 000 000	
Dodrecht Bucket Eradication	R 1 000 000	R 3 800 000	R 2 000 000		R 1 000 000	
<b>TOTAL: EMALAHLENI LM</b>	<b>53 624 886.00</b>	<b>65 150 000.00</b>	<b>68 000 000.00</b>	<b>18 774 886.00</b>	<b>31 000 000.00</b>	<b>3 850 000.00</b>

<b>2. INKWANCA MUNICIPALITY</b>	<b>2011/12</b>	<b>2012/13</b>	<b>2013/2014</b>	<b>WATER</b>	<b>SANITATIO</b>	<b>OTHER</b>
Molteno Oxidation Ponds	R 6 000 000	R 500 000			R 6 000 000	
Bulk Services Water and Sanitation Molteno ( WWTW, WTW)	R 600 000	R 1 500 000	R 2 300 000		R 600 000	
Bulk Services Water and Sanitation Sterkstroom ( WWTW, WTW)	R 500 000	R 1 500 000	R 2 000 000		R 500 000	
Molteno Sport Complex	R 3 000 000	R 1 000 000	R 0			R 3 000 000
<b>TOTAL: INKWANCA LM</b>	<b>R 10 100 000</b>	<b>R 4 500 000</b>	<b>R 4 300 000</b>	<b>R 0</b>	<b>R 7 100 000</b>	<b>R 3 000 000</b>
<b>3. INTSIKA YETHU MUNICIPALITY</b>	<b>2011/12</b>	<b>2012/13</b>	<b>2013/2014</b>	<b>WATER</b>	<b>SANITATIO</b>	<b>OTHER</b>
Cofimvaba Sewer (Bulk line and treatmworks)	R 2 500 000.00	R 5 000 000.00	R 6 000 000.00		R 2 500 000.00	
Tsomo RDP 2 Water supply	R 2 000 000.00	R 0.00	R 0.00	R 2 000 000.00		
Tsomo RDP 3	R 2 500 000.00	R 0.00	R 0.00	R 2 500 000.00		
Cofimvaba Ward 15 - Water Reticulation Phase 2	R 1 500 000.00	R 0.00	R 0.00	R 1 500 000.00		
Cofimvaba - Roads in Wards 7, 9, 12, 14(528)	R 2 000 000.00	R 0.00	R 0.00			R 2 000 000.00
Luthuli water supply	R 2 000 000.00	R 0.00	R 0.00	R 2 000 000.00		
Ward 8 Sanitation	R 2 500 000.00	R 2 000 000.00	R 500 000.00		R 2 500 000.00	
Ward 3 Sanitation	R 2 000 000.00	R 2 000 000.00	R 500 000.00		R 2 000 000.00	
Qamata water Project(877)	R 2 500 000.00	R 2 000 000.00	R 3 000 000.00	R 2 500 000.00		
Intsika Yethu Ward (6,9,12,21 old phase 2) Water Supply	R 1 118 222.00	R 1 000 000.00	R 4 000 000.00	R 1 118 222.00		
Kuluqolo Access Roads	R 300 000.00	R 0.00	R 0.00			R 300 000.00
Intsika Yethu Sanitation Ward 4, 7,8 & 23- Amanzabantu	R 3 000 000.00	R 2 000 000.00	R 500 000.00		R 3 000 000.00	
Cofimvaba water reticulation	R 3 000 000.00	R 500 000.00	R 0.00	R 3 000 000.00		
Cluster 6 Sanitation (Wards 1,2,3,6,9&22 )	R 6 500 000.00	R 12 000 000.00	R 13 000 000.00		R 6 500 000.00	



PROJECTS	2011/12	2012/13	2013/2014	2011/2012		
				WATER	SANITATION	OTHER
Cluster 8 Sanitation (Wards 15,16,17,18,19)	R 4 500 000.00	R 12 000 000.00	R 13 000 000.00		R 4 500 000.00	
Cluster 2 Water backlog(Ward1,4,5,6,7)	R 2 500 000.00	R 12 000 000.00	R 13 000 000.00	R 2 500 000.00		
Cluster 4 Water backlog(Ward 21,22)	R 3 500 000.00	R 10 000 000.00	R 12 000 000.00	R 3 500 000.00		
Cluster 8 Water backlog(Ward 16,17,18)	R 3 000 000.00	R 4 901 000.00	R 10 384 000.00	R 3 000 000.00		
Cluster 9 Water backlog (Ward 13)	R 1 500 000.00	R 8 000 000.00	R 10 000 000.00	R 1 500 000.00		
Upgrading of Tsojana Treatment Works and Bulkline	R 2 000 000.00	R 7 000 000.00	R 3 000 000.00	R 2 000 000.00		
Tsomo Bulk Services( New Housing Development In Tsomo)	R 500 000.00	R 8 000 000.00	R 6 000 000.00	R 500 000.00		
<b>TOTAL: INTSIKA YETHU LM</b>	<b>R 57 418 222</b>	<b>R 100 401 000</b>	<b>R 107 884 000</b>	<b>R 27 618 222</b>	<b>R 27 500 000</b>	<b>R 2 300 000</b>
<b>4. INXUBA YETHEMBA MUNICIPALITY</b>	<b>2011/12</b>	<b>2012/13</b>	<b>2013/2014</b>	<b>WATER</b>	<b>SANITATIO</b>	<b>OTHER</b>
Rosmead Rural Water	R 5 000 000	R 4 500 000	R 3 000 000	R 5 000 000		
Lingelihle Sewer Pump Station	R 1 000 000	R 1 500 000	R 500 000		R 1 000 000	
Cradock Water Treatment Works	R 500 000	R 1 500 000	R 3 500 000	R 500 000		
Cradock Clear Water Reservoir	R 500 000	R 1 000 000	R 1 900 000	R 500 000		
<b>TOTAL: INXUBA YETHEMBA LM</b>	<b>R 7 000 000</b>	<b>R 8 500 000</b>	<b>R 8 900 000</b>	<b>R 6 000 000</b>	<b>R 1 000 000</b>	<b>R 0</b>
<b>5. LUKHANJI MUNICIPALITY</b>	<b>2011/12</b>	<b>2012/13</b>	<b>2013/2014</b>	<b>WATER</b>	<b>SANITATIO</b>	<b>OTHER</b>
RA 60 Hewu Bulk Water Supply (Reticulation)	R 2 500 000	R 5 000 000	R 5 000 000	R 2 500 000		
Rathwick Water and Sanitation	R 5 000 000	R 4 000 000	R 6 000 000	R 5 000 000		
Upgrading Whittlesea/Sada WTW	R 500 000	R 1 000 000	R 1 000 000		R 500 000	
Ilinge Bulk Services	R 500 000	R 1 000 000	R 1 000 000	R 500 000		

PROJECTS	2011/12	2012/13	2013/2014	2011/2012		
				WATER	SANITATION	
Cluster 1 Water backlog (ward 27)	R 2 000 000	R 9 000 000	R 9 000 000	R 2 000 000		
Cluster 3 water backlog (Ward 1 )	R 6 500 000	R 9 000 000	R 9 000 000	R 6 500 000		
Cluster 1 Sanitation (Wards 5,11,12,13,14,18,27)	R 8 960 892	R 6 000 000	R 6 000 000		R 8 960 892	
Cluster 2 Sanitation (Wards 1,2,3,4,6,23,19,20,23,24,25,26,	R 8 000 000	R 6 000 000	R 6 000 000		R 8 000 000	
<b>TOTAL: LUKHANJI LM</b>	<b>R 33 960 892</b>	<b>R 41 000 000</b>	<b>R 43 000 000</b>	<b>R 16 500 000</b>	<b>R 17 460 892</b>	<b>R 0</b>
6. NGCOBO MUNICIPALITY	2011/12	2012/13	2013/2014	WATER	SANITATIO	OTHER
Nkondlo/Gqobonco water supply (Bulk supply)	4 000 000.00	-	-	4 000 000.00		
Lower Gqaga water supply	500 000.00	-	-	500 000.00		
Bojane Skobeni Water Supply	3 500 000.00	500 000.00	-	3 500 000.00		
Engcobo treatment works	4 000 000.00	8 000 000.00	10 000 000.00		4 000 000.00	
Extension 11 Bulk Services	1 000 000.00	3 000 000.00	6 000 000.00	1 000 000.00		
Augmentation of Nkobongo Water Scheme	2 000 000.00	5 000 000.00	5 000 000.00	2 000 000.00		
Cluster 6 Water Backlog(Ward 9,13,15,16))	15 000 000.00	10 000 000.00	10 000 000.00	15 000 000.00		
Cluster 5 Water Backlog(Ward6'12,13,14)	1 000 000.00	5 000 000.00	10 000 000.00	1 000 000.00		
Cluster 7 Water Backlog(Ward 7,8,9,10,11,15)	5 000 000.00	17 000 000.00	12 000 000.00	5 000 000.00		
Cluster 9 Sanitation (Wards 1,2,3,4 & 6)	16 500 000.00	12 500 000.00	12 500 000.00		16 500 000.00	
Cluster 10 Sanitation ( Wards 7,8,9,10,11 &12)	16 500 000.00	12 000 000.00	12 000 000.00		16 500 000.00	
PROJECTS	2011/12	2012/13	2013/2014	2011/2012		
				WATER	SANITATION	OTHER
Cluster 11 Sanitation ( Wards 13,15 & 16)	16 000 000.00	12 000 000.00	12 000 000.00		16 000 000.00	

<b>TOTAL: NGCOBO LM</b>	<b>R 85 000 000</b>	<b>R 85 000 000</b>	<b>R 89 500 000</b>	<b>R 32 000 000</b>	<b>R 53 000 000</b>	<b>R 0</b>
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<b>7. SAKHISIZWE MUNICIPALITY</b>	<b>2011/12</b>	<b>2012/13</b>	<b>2013/2014</b>	<b>WATER</b>	<b>SANITATIO</b>	<b>OTHER</b>
Elliot Waste Water Treatment Works	4 800 000.00	5 800 000.00	500 000.00		4 800 000.00	
Cluster 5 Sanitation (Wards 2,3,4,7 and Taleni )	12 000 000.00	9 000 000.00	10 500 000.00		12 000 000.00	
Cluster 4 waterbacklog(Wards 6,7,& 4)	2 500 000.00	8 000 000.00	8 000 000.00	2 500 000.00		
Cala Bulk Water and Sanitation Services	200 000.00	3 000 000.00	8 000 000.00	200 000.00		
Xalanga Ward 4 Water Supply	R 1 500 000	R 0		1 500 000.00		
<b>TOTAL: SAKHISIZWE LM</b>	<b>R 21 000 000</b>	<b>R 25 800 000</b>	<b>R 27 000 000</b>	<b>R 4 200 000</b>	<b>R 16 800 000</b>	<b>R 0</b>
<b>8. TSOLWANA MUNICIPALITY</b>						
Cluster 1 Sanitation (Ward 2 & 3	R 9 000 000	R 9 000 000	R 9 000 000		R 9 000 000	
Tarkastad Bucket Eradication	R 3 000 000	R 200 000	R 0		R 3 000 000	
Rehabilitation of Sewer Ponds	R 500 000	R 1 000 000	R 1 500 000		R 500 000	
Thembaletu Water Supply	R 500 000	R 1 000 000	R 1 500 000	R 500 000		
Hofmeyer Pump station	R 500 000	R 1 500 000	R 1 500 000		R 500 000	
<b>TOTAL : TSOLWANA LM</b>	<b>R 13 500 000</b>	<b>R 12 700 000</b>	<b>R 13 500 000</b>	<b>R 500 000</b>	<b>R 13 000 000</b>	<b>R 0</b>
<b>PMU Operational Budget 2011/12</b>	<b>R 3 000 000</b>	<b>R 3 000 000</b>	<b>R 3 000 000</b>			<b>R 3 000 000</b>
<b>MIG FUNDS TOTAL</b>	<b>R 284 604 000</b>	<b>R 346 051 000</b>	<b>R 365 084 000</b>	<b>R 105 593 108</b>	<b>R 166 860 892</b>	<b>R 12 150 000</b>

### 3 CHRIS HANI DISTRICT MUNICIPALITY CAPITAL BUDGET 2011/12 – 2013/14: BULK INFRASTRUCTURE GRANT FUND

Project Number (1)	Project Name	2011/12	2012/13	2013/14
<b>INTSIKA YETHU MUNICIPALITY</b>		<b>2011/12</b>	<b>2012/13</b>	<b>2013/14</b>
ECR023	Cluster 9 Water backlog (Ward 13)	R 21 500 000.00	R 35 500 000.00	R 45 000 000.00
	Cluster 4 Water Backlog	R 8 500 000	R 23 250 000	R 40 000 000
<b>TOTAL: INTSIKA YETHU LM</b>		<b>R 30 000 000</b>	<b>R 58 750 000</b>	<b>R 85 000 000</b>
	-			
<b>INXUBA YETHEMBA MUNICIPALITY</b>		<b>2011/12</b>	<b>2012/13</b>	<b>2013/14</b>
ECRO05a	Middleburg Water Provision	R 12 000 000	R 9 250 000	R 0
<b>TOTAL: INXUBA YETHEMBA LM</b>		<b>R 12 000 000</b>	<b>R 9 250 000</b>	<b>R 0</b>
<b>LUKHANJI MUNICIPALITY</b>		<b>2011/12</b>	<b>2012/13</b>	<b>2013/14</b>
	Augment Queenstown water supply(Xonxa)	R 38 000 000	R 45 100 000	R 55 000 000
<b>TOTAL: LUKHANJI LM</b>		<b>R 38 000 000</b>	<b>R 45 100 000</b>	<b>R 55 000 000</b>
<b>NGCOBO MUNICIPALITY</b>		<b>2011/12</b>	<b>2012/13</b>	<b>2013/14</b>
ECR025b	Cluster 6 Water Backlog(Ward 9,13,15,16))	20 000 000.00	57 000 000.00	70 000 000.00
<b>TOTAL: NGCOBO LM</b>		<b>R 20 000 000</b>	<b>R 57 000 000</b>	<b>R 70 000 000</b>
	-			
<b>TSOLWANA MUNICIPALITY</b>		<b>2011/12</b>	<b>2012/13</b>	<b>2013/14</b>
ECRO05b	Hofmeyer Water Supply	R 12 000 000	R 9 250 000	R 0
		<b>R 12 000 000</b>	<b>R 9 250 000</b>	<b>R 0</b>
<b>TOTAL: TSOLWANA LM</b>				
<b>CHRIS HANI DISTRICT MUNICIPALITY</b>				
<b>GRAND TOTAL: BIG PROJECTS</b>		<b>R 112 000 000</b>	<b>R 179 350 000</b>	<b>R 210 000 000</b>

**Local Economic Development Projects**

<b>PROJECT DESCRIPTION</b>	<b>ANNUAL BUDGET 2011/2012</b>
Corridor Development	500 000.00
SMME Support	500 000.00
Charcol Manufacturing - Sakhisizwe	250 000.00
Corridor Development	500 000.00
Animal Improvement	250 000.00
Ncora Irrigation Schemes	2 000 000.00
High Value Crop Production	750 000.00
Cheese Factory	300 000.00
Livestock Marketing	200 000.00
TEBA Partnership	2 000 000.00
Sabalele Multi-purpose Centre	1 500 000.00
Cala Abattoir	3 800 000.00
SMME Support	500 000.00
Sorghum Production and Mill	2 000 000.00
Destination Management and Marketing	300 000.00
Chris Hani Liberation Route	200 000.00
Tourism SMME Support	300 000.00
Chris Hani Month	2 000 000.00
Info Sharing through EXPO's	100 000.00
<b>LED PROJECTS</b>	<b>R 19 400 000.00</b>

**Sector Departments Projects for 2011-2012****1. ESKOM**

SEQ	BUDGET YEAR	PROJECT NAME	FSA/CSA	MUNICIPALITY	BUSINESS CATEGORY	JOB CATEGORY	COST	ELECTRIFICATION CONNECTIONS
	2011	Lady Frere Ph8A2	QNT	Emalahleni	Electrification	Major	R 6,781,617	492
	2011	Lady Frere Extensions	QNT	Emalahleni	Electrification	Major	R 348,499	0
	2011	Cofimvaba Rural Ph 2B1 Phase 1	E.L.	Emalahleni	Electrification	Major	R 2,398,388	150
	2011	Engcobo Rural Ph 2C	UMTATA	Engcobo	Electrification	Major	R 4,068,132	267
	2011	Mcambalala Bholotwa Ph B	E.L.	Intsika Yethu	Electrification	Major	R 2,175,000	150
	2011	St Marks Housing	E.L.	Intsika Yethu	Electrification	Major	R 4,662,000	518
	2011	Tsomo Rural Ph 3A	E.L.	Intsika Yethu	Electrification	Major	R 2,025,000	150
	2011	Tsomo Rural Ph 3B	E.L.	Intsika Yethu	Electrification	Major	R 2,025,000	150
	2011	Xonya Electrification Ph 2	E.L.	Intsika Yethu	Electrification	Major	R 5,400,000	400
	2011	Sakhisizwe Extension 2	UMTATA	Sakhisizwe	Electrification	Major	R 4,352,449	283
	2011	Cala Town Extension	UMTATA	Sakhisizwe	Electrification	Major	R 368,416	0
	2011	Hofmeyer Ph 2 Housing Development	QNT	Tsolwana	Electrification	Major	R 3,205,847	350
	2011	Inxuba Yethemba Infills	QNT	Inxuba Yethemba	Electrification	Major	R 111,694	20
	2011	Inkwanca Infills	QNT	Inkwanca	Electrification	Major	R 139,617	25
	2011	Lukanji Infills	QNT	Lukanji	Electrification	Major	R 195,464	35
	2011	Inxuba Yethemba Farm Dweller Houses	QNT	Inxuba Yethemba	Electrification	Major	R 189,200	43
	2011	Tsolwana Farm Dweller Houses	QNT	Tsolwana	Electrification	Major	R 26,400	6
	2011	Inkwanca Farm Dweller Houses	QNT	Inkwanca	Electrification	Major	R 66,000	15
	2011	Lukanji Farm Dweller Houses	QNT	Lukanji	Electrification	Major	R 44,000	10
							<b>R 38,582,723</b>	<b>3064</b>

**2. DEPARTMENT OF PUBLIC WORKS**

NO	ACTIVITY	SCOPE	BUDGET
1	Bensonvale Phase 2A	Conversion of hostel to offices	R12m
2	Paul Kruger	Conversion of hostel to offices	R10.5m
3	Komani Block E,I and C	Conversion of wards to offices	R22m
4	Cala Convent	Conversion of old Cala Convent to offices	R27m
5	Lady Frere Phase 3	Construction of new offices for Dept of Education	R55m
6	Renovation and Rebranding of DRPW offices QTN	Refurbishment and Rebranding of the Regional offices	R6m
7	Aliwal Noord (CPA Library)	Construction of new offices for Dept of Provincial Treasury, DSRAC, DEDEA & DOSD	R53m
8	Lab Relocation And Conversion of existing Lab to Offices	Relocation of Existing Laboratory and convert the existing to DRE offices	R10m
9	Renovation of DPW houses	Renovate 11 identified DPW houses	R1,5m
10	Renovation of eight Libraries		

**Projects Implemented by In-house teams with Aptcod and NYS students**

NO	ACTIVITY	SCOPE	BUDGET
1	Mgcawezulu SSS (Instika Yethu LM)	Construction of 5 classrooms block	Section 20 school (Funding from school budget)
2	Shasha Primary school (Intsika Yethu LM)	Construction of 2 classrooms	Section 20 school (Funding from school budget)
3	Lower Tsojana SSS (Intsika Yethu))	Construction of 5 classroom block	<b>Sponsored by Alliance Group</b>
4	Siyakhula Primary School (Emalahleni LM)	Contruction of 5 classroom block, 2 ablution blocks and conversion of another blocks to classrooms	Section 20 school (Funding from school budget)
5	Renovation to Dipping Tanks ( Chris Hani DM)	Renovation of Dipping Tanks	Dept of Agriculture and Rural Development
6	Sukey Pre-school (Elundini LM)	Fencing of pre- school	DRPW Budget
7	John Noah (Lukhanji)	Replacing of the roof structure to 3 classrooms	Dept of Education

**Projects completed by In-house Teams with Aptcod and NYS students**

No	ACTIVITY	SCOPE	FORMAL HANDING OVER DATE	ANTICIPATED NUMBER OF JOBS CREATED
	Zibuthe JSS (Ngcobo LM)	Construction of 4 classrooms	Apr-11	In-house Teams
	Ekuphumleni (Lukhanji LM)	Construction of 4 classrooms	Apr-11	In-house Teams
	Nompumelelo SSS (Lukhanji LM)	Construction of 14 Toilets	Apr-11	In-house Teams
	Mthawelanga JPS (Lukhanji LM)	General renovations	Apr-11	In-house Teams
	Masakhane JPS (Lukhanji LM)	General renovations	May-11	In-house Teams

**4. DEPARTMENT OF ENVIRONMENTAL AFFAIRS**

**List of the New Approved Projects for Chris Hani District Municipality by the Department of Environmental Affairs (2011/12-2013/14 Cycle)**

Local Municipality	Name of the Project	Project description	Budget
Intsika Yethu	Intsika yethu Cleanup Project	Cleaning, greening and beautification of the Intsika Yethu Municipality in Tsomo and Cofimvaba towns. Also construction of paving , parkways and recreational parks	5,000. 000.00.
Intsika Yethu	Eradication of Alien Species	Control of alien invasive and land rehabilitation	8, 000,000.00
Intsika Yethu	Soil Rehabilitation	Rehabilitation of soil and protection of soil against degradation	18, 000.000.00
Tsolwana LM	Greening Project	Cleaning, greening and beautification of towns and public places in Tarkastad and Hofeyer	7,000.000.00
Emalahleni	Eradication of Alien Species	Removal of Alien invasive and fencing off where radication has taken place	18,000,000,00
Inkwanca	Creation of community park	Creation of community park which has ablutions, a picnic site and fencing off in the area of Nomonde	2,800.000.00
Engcobo LM	(Town) Engcobo public space design, street tree planting	Beautification and re-designing an eco-park linked to open space management and environmetal education in High school	8,000.000.00
Engcobo LM	Engcobo Alien Vegetation Removal and Conservation	Alien removal, wetland rehabilitation and conservation of Olea Africana	18,000,000,00

**List of running DEA Projects at Chris Hani DM**

Local Municipality	Name of the Project	Project description	Budget
Lukhanji LM (Queenstown, Wheatlesea, Lessyton, Linge, Ezibeleni)	EC - Komani River Clean-up and Greening	Cleaning of Komani River, cleaning, greening and beautification of illegal dump sites, fencing of Ezibeleni dam as well as construction of safety and recreational parks, environmental awareness and development of open space management plan for Lukhanji Local municipality.	19,000,000,00
Inxuba Yethemba Local Municipality (Middelburg)	EC- Middleburg Waste Management	Renovation of the office, strong room and three warehouses (Buy-back Centres).Construction of entrance gate and guard house. Removal of existing fence and erection of fence. Purchase of a bigger and faster bailing machine, fencing and landscaping.	9,500,000
Engcobo Local Municipality (Ngcobo)	EC - Ngcobo Waste / Alien Species Removal Project – Phase 2	Construction of a waste buy- back centre made of steel structure with the all the required equipment for recycling .i.e fork lift, trolley jack, scale, can bailer and provision of a weigh bridge. Removal of alien plants. Provision of refuse bins and signage for no dumping sites, creation of a co-operative as a business entity to manage waste together with the municipality and construction of security guard house with a parking for the landfill site.	9,500, 000
Local Municipality	Name of the Project	Project description	Budget



Sakhisizwe Local Municipality (Elliot & Cala)	EC - Sakhisizwe Greening Project	Greening and Beautification of Cala and Elliot areas by planting indigenous trees and beautifying entrances in towns, Landscaping and fencing of a Park in Cala. Building of a guardhouse in Elliot, Renovation of the Lapa and Braai Stands, Installation and Upgrading of park facilities, and erection of Palisade Fence at Thompson Dam.	6,650,000
Engcobo Local Municipality (Gubenxa AA)	EC - KwaNota Land Rehabilitation and Greening	Land rehabilitation and greening of KwaNota through: Establishment of food gardens. Erection of gabion structures Erection of Concrete Structures General Landscaping Tree planting Signage	R 7,600,000

5 Dept of Human Settlements 2011/12 ProjectsEMALAHLENI LOCAL MUNICIPALITY HOUSING PROJECTS

PROJECTS	STATUS	BUDGET FOR F/Y 2011-12
Dordrecht Phase 1	OLD	R19, 200.00
Dordrecht Phase 2		R216,000.00
Indwe (500)		R391,200.00
Indwe (513)		R19,200.00
Lady Frere 700		R206,400.00
Lady Frere 564	RUNNING	R 5,360,310.00
Mavuya 462		R 39,598,366.00
Sinako Zwelethemba	PLANNING	R 600,000.00
Zwartwater –Rural project	RURAL	R 440,000.00
Dordrecht Phase 1&2	RECTIFICATION	R1,483,000.00
Lady Frere 700 - (715 rectification)		R2,600,000.00
Lady Frere 700 (services)		R 8,100,000.00

SAKHISIZWE LOCAL MUNICIPALITY HOUSING PROJECTS

PROJECTS	STATUS	BUDGET FOR F/Y 2011-12
Cala 13&14 (1545)	RUNNING	R 27,175,000.00
Cala 15 (1070)		R 7,550,000.00
Elliot 800		R 3,320,000.00
Elliot Old Location 1000	NEW	R1,500,000.00
Cala ward 2 (2693)	RURAL	R440,000.00
Cala ward 4 (2662)		R440,000.00
Cala 301	RECTIFICATION	R0
Elliot 302		R0
Cala 13&14 (1545)		R2,017,620.00
Cala 15 (1070)		R2,017,620.00
Cala 420		R2,017,620.00
Cala 420		R466, 666.67

## ENGCOBO LOCAL MUNICIPALITY HOUSING PROJECTS

PROJECTS	STATUS	BUDGET FOR F/Y 2011-12
Engcobo 952 Consolidation (104 b locked units)	OLD	R3,334,760.00
Engcobo ext. 11 (1854)	NEW	R5,400,000.00
Deberha (706)	RURAL	R440,000.00
Engcobo 952 Consolidation (562 Rectification)	RECTIFICATION	R1,838,276.00
Engcobo 952 Consolidation (952 rectification of serviced		R3,087,240.00
TOTAL		

## INTSIKA YETHU LOCAL MUNICIPALITY HOUSING PROJECTS

PROJECTS	STATUS	BUDGET FOR 2011-12
Cofimvaba 284	OLD	R0
Cofimvaba 93		R0
St. Marks 500		R0
Enyanisweni 431	RUNNING	R7,221,500.00
Joe Slovo 608	NEW	R1,312,500.00
Tsomo ext. II 263		R600,800.00
Intsika Yethu Rectification 117	RECTIFICATION	R113,000.00
Chris Hani Heritage 1000	RURAL	R440,000.00
Lubisi 1000		R440,000.00
Vuyisile Mini 1000		R400,000.00
Housing Voucher System	NEW	-

## LUKHANJI LOCAL MUNICIPALITY HOUSING PROJECTS

PROJECTS	STATUS	BUDGET FOR F/Y 2011-12
Zola (225)	RUNNING	R4,762,500.00
Xuma (126)		R2,619,000.00
New Rathwick (3000)	NEW	R900,000.00
Quality Coffins (18)		R1,836,000.00
Lukhanji Project (200)		R11,600,000.00
Ilinge (405)	RECTIFICATION	R2,129,710.00
Imvani (145)		R204,000.00
Ezibeleni ext (1421)		R3,750,000.00
Ilinge (1012)		R1,206,820.00
Whittlesea (754)		R2,700,000.00
Comdev 3021	OLD	-

## TSOLWANA MUNICIPALITY

PROJECTS	STATUS	BUDGET FOR F/Y 2011-12
HOFFMEYR (204)	OLD	R.00
HOFFMEYR 500 - S.C.		R59,200.00
HOFFMEYR 500 - YOUTH.		R325,000.00
TARKASTAD 1000		R204,000.00
TARKASTAD 671		R176,000.00
THORNHILL 1400		R.00
MITFORD 700	RUNNING	R4,550,000.00
ROCKLANDS/BACCLESFARM 688		R4,472,000.00
TENDERGATE/KHAYALETHU 1101		R15,250,000.00
SPRINGGROVE/THEMBALETHU 535		R20,277,500.00
KWEZI VILLAGE 512	RECTIFICATION	R11,608,000.00
HOFFMEYR 500 - YOUTH.		R672,540.00
TARKASTAD 1000		R1,700,000.00
TARKASTAD 671		R1,700,000.00
TARKASTAD 1671		R1,186,754.00
HOFFMEYR 500 - YOUTH. (145 UNITS RECTIFICATION)		R672,540.00
THORNHILL 1400 - (145 UNITS RECTIFICATION)		R1,345,080.00
TOTAL		

**INXUBA YETHEMBA**

PROJECTS	STATUS	BUDGET FOR F/Y 2011-12
Cradock Ph1 (1700)	OLD	R0
Cradock Ph2 (1500)		R0
Cradock Michausdal (1000)		R0
Middleburg (1628)		R0
Middleburg Lusaka (324)		R0
Middleburg Lusaka (595)		R4,800,000.00
Midros 500	NEW	R440,000.00
Rosemead 220		R440,000.00
Cradock 2700		R0
Middleburg 1628	RECTIFICATION	R956,224.00
TOTAL		

**INKWANCA**

PROJECTS	STATUS	BUDGET FOR F/Y 2011-12
Molteno Nomonde (412)	OLD	R0
Molteno Ph2 (800)		R13,600.00
Molteno Ph2 RL (116)		R0
Molteno Dennekruin (97)		R18,400.00
Sterkstroom (493)		R12,000.00
Sterkstroom (721)		R0
Molteno (136)		R1,600,000.00
Molteno Airstrip (1127)	NEW	R8,000,000.00
Sterkstroom Masakhe (164)		R1,064,799.00
Molteno 907 (Rectification)	RECTIFICATION	R426,536.00
Sterkstroom 1214 (Rectification)		R1,428,602.00
TOTAL		

**SOCIAL DEVELOPMENT PROJECTS FOR 2011/12**

The Distribution of the following project is according to the budget allocated to the District

Su-programme	Budget Allocation
3.2 Youth Development	500 000,00
3.3 a Sustainable Livelihoods	9 750 000,00
3.3 b Women Development	4 000 000,00

**3.2 YOUTH DEVELOPMENT**

Local Municipality	Sub-programme	Project Name	Village	Nature	Problems to be addressed	Budget
Sakhisizwe	Youth Development	Zenzeleni Project	Cala	Carpentry	Limited Job Opportunities	R500,000

**3.3. (a) SUSTAINABLE LIVELIHOODS**

Local Municipality	Sub-programme	Project Name	Village	Nature	Problems to be addressed	Budget
Intsika Yethu	Sustainable livelihood	Nobokhwe Agricultural Project	Nobokhwe	Crop Production	Inadequate food supply, Limited skills, Limited access to nutritious food	R375 000 2 <sup>ND</sup> Tranche
Intsika Yethu	Sustainable livelihood	Masiphuhle Farming Project	Mkwinti	Crop Production	Inadequate food supply, Limited skills, Limited access to nutritious food	R375 000 2 <sup>nd</sup> tranche
Intsika Yethu	Sustainable livelihood	Spy Farming Project	St Marks	Crop Production	Inadequate food supply, Limited skills, Limited access to nutritious food	R375 000 2 <sup>nd</sup> tranche
Intsika Yethu	Sustainable livelihood	Siyamover Project	Ncorha	Crop Production	Inadequate food supply, Limited skills, Limited access to nutritious food	R750, 000
Ngcobo	Sustainable livelihood	Masikhulenathi Project	Upper Qebe	Crop production	Inadequate food supply, Limited access to nutritious food, Limited Skills	R750, 000

Ngcobo	Sustainable livelihood	Goboti Sizakhe Project	Goboti	Crop production	Inadequate food supply, Limited access to nutritious food, Limited Skills	R375, 000 2nd tranche
Ngcobo	Sustainable livelihood	Masakhane Gubenxa	Gubenxa	Crop production	Inadequate food supply, Limited access to nutritious food, Limited Skills	R375, 000 2nd tranche
Ngcobo	Sustainable livelihood	Qingqa Yawa	Yawa	Crop production	Inadequate food supply, Limited access to nutritious food, Diverse skills not utilized	R750, 000
Emalahleni	Sustainable livelihood	Mgwalana Development Project	Mgwalana	Crop & veg production	Inadequate Food Supply, Limited Skills, Limited access to nutritious food	R750, 000
Emalahleni	Sustainable livelihood	Icebo Lendoda Project	Luthuthu	Crop & veg production	Inadequate Food Supply, Limited Skills, Limited access to nutritious food	R750, 000
Emalahleni	Sustainable livelihood	Nceduluntu Development Project	Cumakala	Crop & veg production	Inadequate Food Supply, Limited Skills, Limited access to nutritious food	R375, 000 Top-up
Sakhisizwe	Sustainable livelihood	Mzamomhle Project	Nyalasa	Crop production	Inadequate Food Supply, Limited Skills, Limited access to nutritious food	R750, 000
Sakhisizwe	Sustainable livelihood	Sinethemba Project	Manzimdaka	Crop production	Inadequate Food Supply, Limited Skills, Limited access to nutritious food	R750, 000
Inkwanca	Sustainable livelihood	Molteno Community Garden	Molteno	Crop Production	Inadequate food supply, Limited skills, Limited/insufficient source of income	R750 000
Lukhanji	Sustainable livelihood	Thandisizwe Food Security Project	kolomane	Crop Production	Inadequate food supply, Limited skills, Limited/insufficient source of income	R375 000 2nd tranche
Lukhanji	Sustainable livelihood	Gallawater Food Security Project	Gallawater	Crop Production	Inadequate food supply, Limited skills, Limited/insufficient source of income	R375 000 2nd Tranche
Lukhanji	Sustainable livelihood	Birchfarm Food Security Project	Birchfarm	Crop Production	Inadequate food supply, Limited skills, Limited/insufficient source of income	R750 000

### 3.3. (b)WOMEN DEVELOPMENT

Local Municipality	Sub-programme	Project Name	Village	Nature	Problems to be addressed	Budget
Emalahleni	Women Development	Inkwenkwezi Project	Vaalbank	Poultry Production	Limited Job Opportunities, Insufficient income, limited skills	R500, 000
Sakhisizwe	Women Development	Masinedane Project	Upper Gubenxa	Poultry	Limited Job Opportunities, Insufficient income, limited skills	R500,000
Ngcobo	Women Development	Siyavuka Qulunqu	Qulunqu	Poultry	Unemployment, Insufficient source income	R250,000
Ngcobo	Women Development	Sijongokuhle	Mkhanzi Project	Poultry	Unemployment, Limited Skills	R500,000
Tsolwana	Women Development	Mzamomhle poultry project	Mitford	Poultry project	Insufficient income, Limited jobs and employment opportunities, Inadequate skills	R500, 000
Inkwanca	Women Development	Siyokhana poultry project	Molteno	poultry	Limited skills, High levels of unemployment, insufficient source of income	R250, 000

Lukhanji	Women Development	Masithandane Poultry Project	Gwatyu	poultry	Limited skills, High levels of unemployment, Limited/insufficient source of income	R250, 000
Lukhanji	Women Development	Masizame Project	Whittlesea	Dry Cleaner	Limited skills, High levels of unemployment, Limited/insufficient source of income	R250, 000
Intsika Yethu	Women Development	Siyahluma Kethi Poultry Project	Kethi	Poultry	Limited job opportunities Insufficient income Limited skills to unemployed women	R500, 000
Intsika Yethu	Women Development	Nkuthazo Brick-Making Project	Banzi	Poultry	Limited job opportunities Insufficient income Limited skills to unemployed women	R500 000



**Dept. of Agriculture 2011/12 Projects**

<b>Project name</b>	<b>Municipality</b>	<b>Project Description</b>	<b>Budget (R '000's)</b>	<b>Grant type</b>	<b>Sub-Prog.</b>	<b>Detailed type</b>	<b>Type Category</b>
Dip tanks	Chris Hani All municipalities	Dip tank renovations - All municipalities	662 000	CASP	3.1	Livestock:wool	dip Tanks
Rhodana shearing shed	Emalahleni	Shearing shed	650	CASP	3.1	stock water	shearing Sheds
Macubeni	Emalahleni	Infrastructure,Awareness and Land rehabilitationj	562	Landcare	2.2	Soil covervation works	soil Conservation structure
Rosebank	Emalahleni	Stock water system	400 000	CASP	3.1	Dip	Stock Water Provision
Ngcobo Rulral development Pilot sites	Engcobo	Fencing	1 850	CASP	3.1	Fence	Fencing
Sidindi	Engcobo	Infrastructure,Awareness and Land rehabilitationj	611	Landcare	2.2	Soil covervation works	soil Conservation structure
Fredenheim	Inkwanca	Stock water system	400 000	CASP	3.1	Dip	Stock Water Provision
Xhashimaba	Lukhanji	Abbatoir	7 000 000	CASP	3.1	Abbatoir	Abbatoir
Imbumba	Sakhisizwe	Infrastructure,Awareness and Land rehabilitationj	562	Landcare	2.2	Soil covervation works	soil Conservation structure
Beestekraal	Sakhizwa	Fencing	500 000	CASP	3.1	Fence	Fencing

**DEPT. OF HEALTH PROJECTS 2011/12**

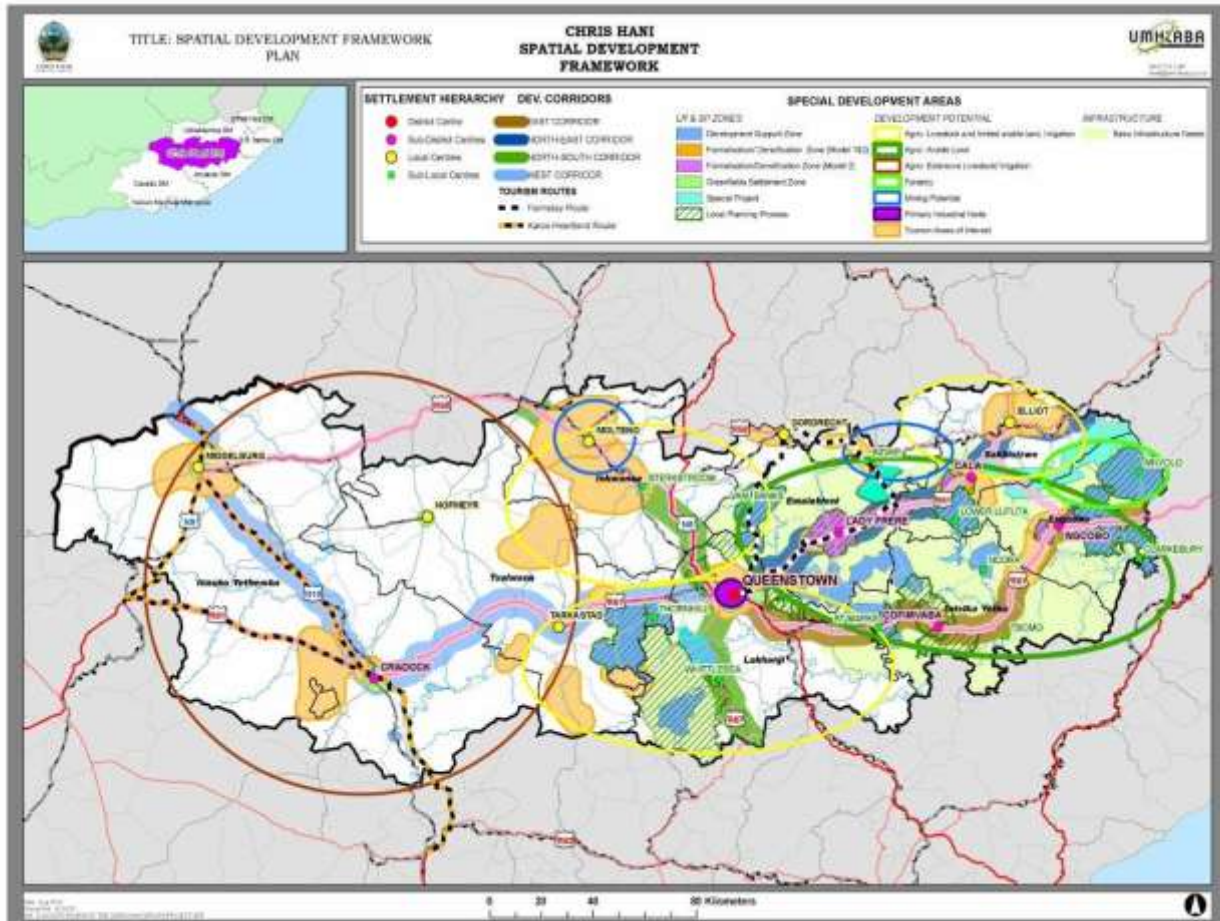
Name of Project	Budget Allocated	Location of the Project
EMS Satellite Base Commissioning	10.990.000	Ngcobo
Water and Sanitation plant upgrade	300,000	Ngcobo: All Saints Hospital
Water and Sanitation plant maintenance	300,000	Ngcobo: All Saints Hospital
Building Repairs	200,000	Ngcobo: Mjanyana Hospital
Emergency Repairs to Water + Sewage Networks, Sanitation plant maintenance and operations	375,000	Ngcobo:Mjanyana Hospital:
Hospital final phase Security fence	1,200,000 6,886,338	Ngcobo: All Saints Hospital
EMS Satellite Base	4,700,600	Intsika yethu
Kuyasa Clinic (Currently operating in a container)	8,999,949	Intsika yethu
Sanitation plant maintenance	120,000	Sakhisizwe: Cala Hospital
Sanitation plant upgrade (connect to municipality)	120,000	Intsika yethu : Cofimvaba Hospital
Ntsimba clinic	8,000,000	Ngcobo

Name of Project	Budget Allocated	Location of the Project
Procurement of Parkhomes	R1.5 m	Elliot Hospital Ncedolwethu Nyalasa Askeaton Gubenxa & Clarkbury clinic
Installation of air conditioners , burglar doors & windows and , shelving , in the dispensary	R500,000	Elliot Hospital Ncedolwethu Nyalasa Askeaton Gubenxa Clarkbury Magwala & Qombolo clinic
Building repairs & Civil Services	5,500,000	Sakhisizwe: Cala Hospital
Phase I: Building Repairs & Civil Services	9,000,000	Sakhisizwe: Elliot Hospital
Bacclesfarm	7,500,000	Inxuba Yethemba
Thorn Hill CHC Renovations	3,322,065	Inxuba Yethemba
Ngonyama CHC Repairs (Nurses Home)	3,876,000	Emalahleni
Water and Sanitation plant maintenance	150,000	Emalahleni: Glen Grey Hospital
Lower Didimana Clinic	7,594,299	Lukhanji
Building repairs & Civil Services	5,500,000	Sakhisizwe: Cala Hospital

# **CHAPTER 4**

## **CHDM SPATIAL DEVELOPMENT FRAMEWORK ANALYSIS**

### **SPATIAL DEVELOPMENT FRAMEWORK**

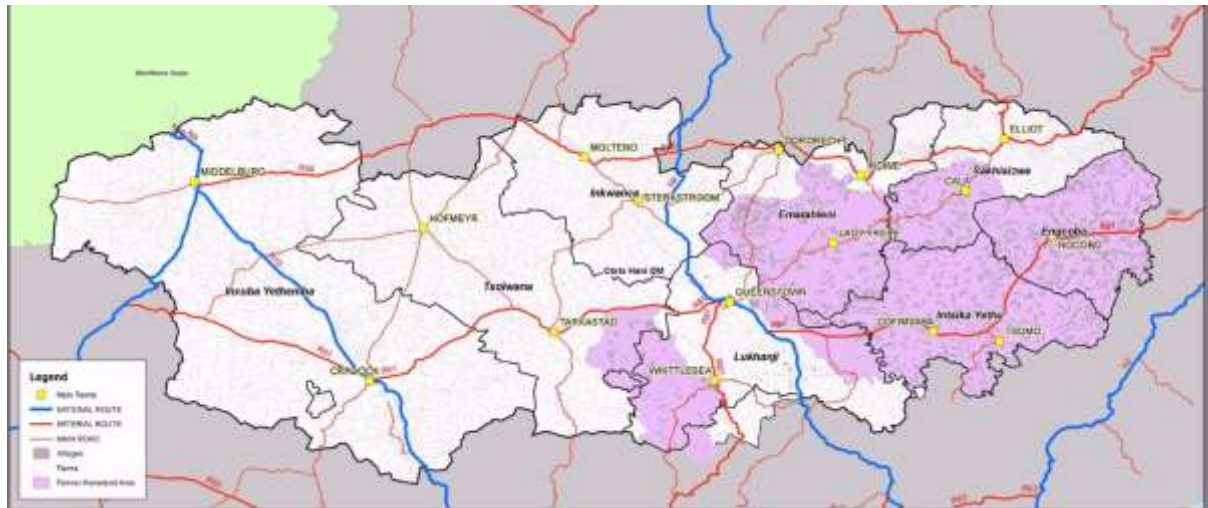


The Chris District Municipality adopted its Spatial Development Framework in 2010, the SDF spatially represents the developmental direction and approach of the institution that was adopted through its Regional Economic Development Strategy (REDS) that identified the use of corridors to align development initiatives within the district. This approach further required the identification of developmental nodes and developing a hierarchy category based on their functions. These nodes were distinguished.

Due to the nature of the district, this SDF acts as framework guide for development approaches for local municipalities within the district. It further provides detailed study of the key development centres, categorising them into District Centres, Sub- District Centres, Local Centres and Sub-local Centres.

#### **Locality Context**

The Chris Hani District municipality is the central to the Eastern Cape Province. It lies south of the Joe Gqabi District Municipality. It is flanked by the Cacadu District Municipality to the south west, the Amatole District Municipality to the south and south east and OR Tambo District to the East. From the east to the west the district measures 366 km, north to south 130km and it measures 36, 756km<sup>2</sup> in extent.



The Chris Hani District is comprised of three historically distinct areas, the result of which is seen in the spatial development of the district.

The former Ciskei – made up of Hewu and Glen Grey magisterial district – and the former Transkei – which includes primarily the districts of Ngcobo, Cala, Cofimvaba, Tsomo and Lady Frere magisterial districts – are characterised by significant underdevelopment and high level of poverty. This primarily due to historical policies which saw such areas as providing migrant labour to the former Republic of South Africa, while ensuring the dependents remain settled within the homelands.

The balance of the Chris Hani District Municipality area is made up of former RSA magisterial districts, which were administered under the Stormberg and Midlands Regional Services Councils. These areas are generally characterised by a higher level of services and comparatively more affluent population.

### **Challenges to urban planning**

#### **1. Migration**

There is evidence of both migrations between the District and Major Metropolitan centres and within the District itself.

The migration of males to look for work in major metropolitan areas is evident by the fact that women head 58% of households in Chris Hani District Municipalities. According to the community Survey, 2007 the level of out-migration from the Eastern Cape is 23%. This is the highest in the country. This high rate of migration patterns is attributed to a combination of limited local economy, access to tertiary education and significant challenges in local services infrastructure and delivery. Refer to the figure below.

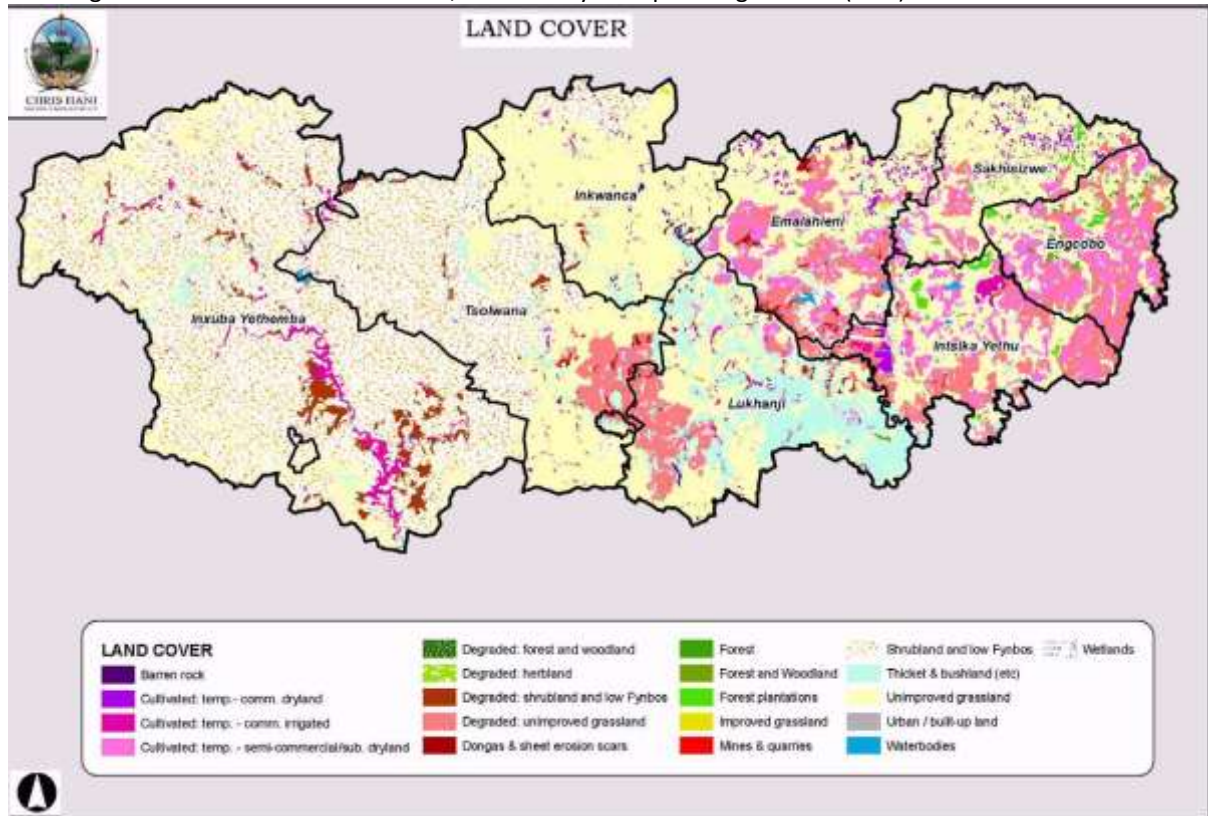


Out- migration does not just occur outside the district, but also occurs from rural areas to the District's towns.



## Land cover

The land cover pattern is largely determined by topographical and climatic factors. However past political engineering; current tenure arrangements and population densities have impacted on the type of land cover. The land classifications that dominate the Chris Hani DM are shrubland and low fynbos, covering 38% of the total area of the DM, followed by unimproved grassland (33%).



### 1. Urban Built Up Areas

Most of the towns are developing without any strategic direction; peri-urban areas have developed close to the town itself, which is functionally part of the town.

Within the overall urban structure of Chris Hani DM, the Central Business Districts of all towns are of great current and potential strategic importance for transportation, business, commercial and service activities. CBD regeneration was identified as a major local economic development opportunity by the CHDM. The CBD's of the former homelands towns experience structural problems. Queenstown is identified as a strategic Development Zone in the Provincial Spatial Development Plan. This is where most goods and services and higher order infrastructure are located. The secondary urban areas within the District are Cradock and Middleburg. Here, fewer goods and services are available, and a generally lower level of infrastructure and housing is found than is the case in Queenstown.

### 2. Conservation Areas

Three conservation areas are under the direct control of the municipality, namely Koos Ras (Inkwanca), Lawrence de Lange (Lukhanji) and Longhill (Lukhanji). In Addition, a national Park (mountain Zebra National park), a number of private nature reserves and three natural heritage areas are located, at least in part, within the CHDM. There is also the Provincial Tsoelwana Game Reserve, and an LED project, the Masizakhe Game Farm.

### 3. Forestry

There are vast forestry resources located in and around Intsika Yethu, Sakhisizwe and Ngcobo including existing sawmill infrastructure near Cofimvaba and Ngcobo. Plantation forestry is the foundation for

number downstream processing activities. The value chain for the overall wood cluster consists of three segments, namely; forestry, milling and furniture manufacturing.

#### 4. Farming Areas

Commercial Farming is limited to parts of the district that fall within the former “RSA”. These include farming districts of Elliot, Molteno, Sterkstroom, Hofmeyer, Cradock, Tarkastad, Queenstown and Wodehouse. Those regions that were part of the Ciskei and Transkei remain as subsistence farming areas. In recent years, there has been a decline in the contribution of commercial farming to the economy. However, agriculture remains one of the key potential growth sectors. The agricultural strategy has prioritised the following sectors for investment; Agro-processing e.g. Cheese production, livestock farming particularly goats and cattle and high value crop production e.g. hydroponics and bio-fuels.

#### 5. Game Farming

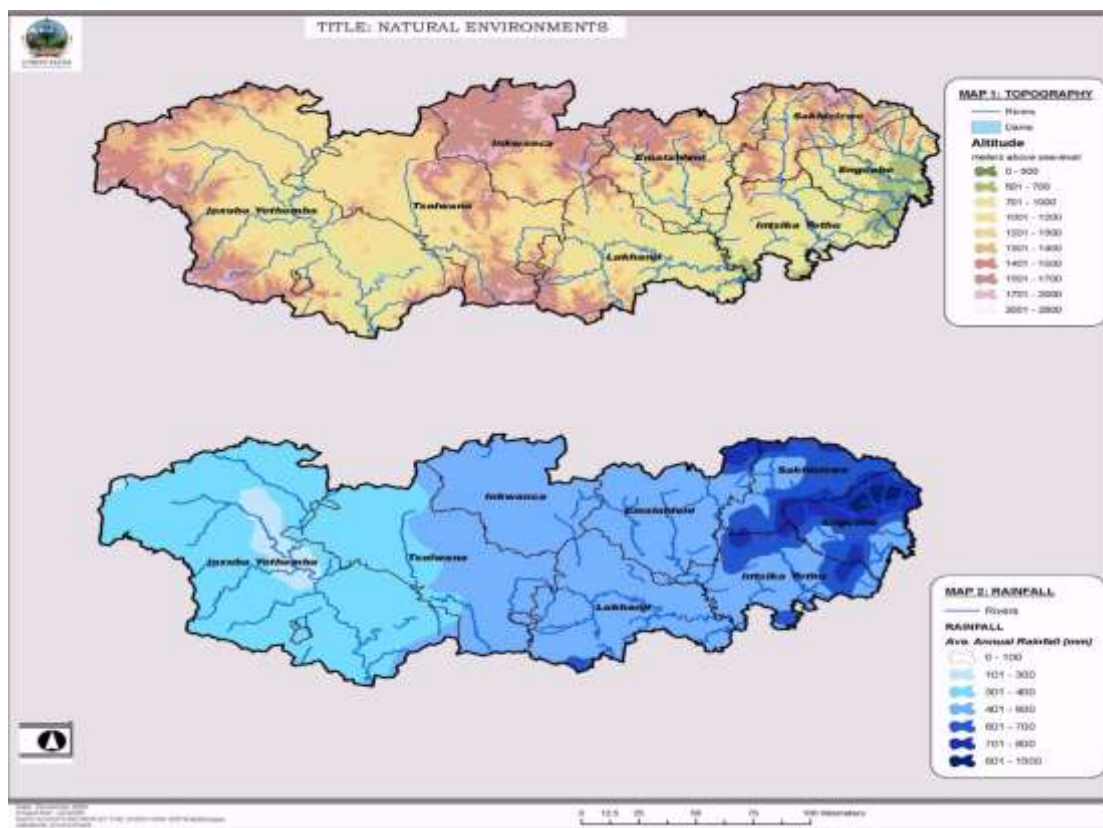
The western part of the region is increasingly turning to game farming especially in the areas around Cradock, Tarkastad and Molteno. The District Municipality has engaged in partnerships with National Wool Growers Associations (NWGA) to improve the quality of wool sheep, develop wool growers associations, train farmers on livestock and veld management and build appropriate infrastructure such as shearing sheds and fences.

#### 6. Water Surfaces

Chris Hani is characterised by a number of major dams, which serve the towns and the various irrigation schemes. These include; the Grass ridge Dam, Lake Arthur and Commandodrift Dams near Cradock and Xonxa, Lubisi and Ncora Dams between Lady Frere and Ngcobco.

There are also a number of wetlands, most of which occur in the Inxuba Yethemba municipality. Wetlands occur in the catchments above the Commando Drift, Elands Drift, grassridge, Lake Arthur and Xonxa Dams

### Natural environment



### **1. Topography**

The district is part of what is described as gradual 'step' topography. The 'step' are formed by the Winterberg mountain range in the south and the Stormberg range north of Sterkstroom. The Stormberg mountain range runs from east to west dividing the area into the high lying Stormberg plateau in the north and the generally lower altitude area in the southernmost section of the area. The altitude of the Compassberg to the west of the Stormberg range is 2502m, whereas the Stormberg plateau is about 1800m above sea level (ASL). The altitude of the lower lying area in the Cofimvaba area is 600m ASL. The greater part of the area lies between 500m and 1000m ASL.

### **2. Temperature**

The temperature is characterised by extremes. During the summer months, the maximum temperature often exceeds 40°C in the lower lying areas in the western (arid) section of the study area. Minimum temperatures in the winter months in the high lying areas are often well below zero and frost is a common occurrence throughout the area. The frost period in most of the area is from mid April to early October. Frost can occur at any time in Molteno as its weather changes from one day to the next. The temperature in the eastern part of the district is a bit more moderate with frost occurring from May to September.

Prevailing winds

During the summer months, the prevalent wind direction in the study area is north-westerly (berg winds) whereas south-easterly to south-westerly winds prevail during the winter months. Wind, however, is not regarded as a limiting factor in the study area.

### **3. Soil**

The district consists mainly of Beaufort sediments intruded by dolerite. These comprise shale, mudstone and sandstone. The soils are poorly developed, shallow or duplex (rocky), which are mostly not suitable for crop production. In the valleys, however, deeper soils do occur. In the Fish River Valley as an example, there are 15 soil forms which the Hutton, Clovelly and Oakleaf forms (Binomial Classification) are dominant.

### **4. Hydrology**

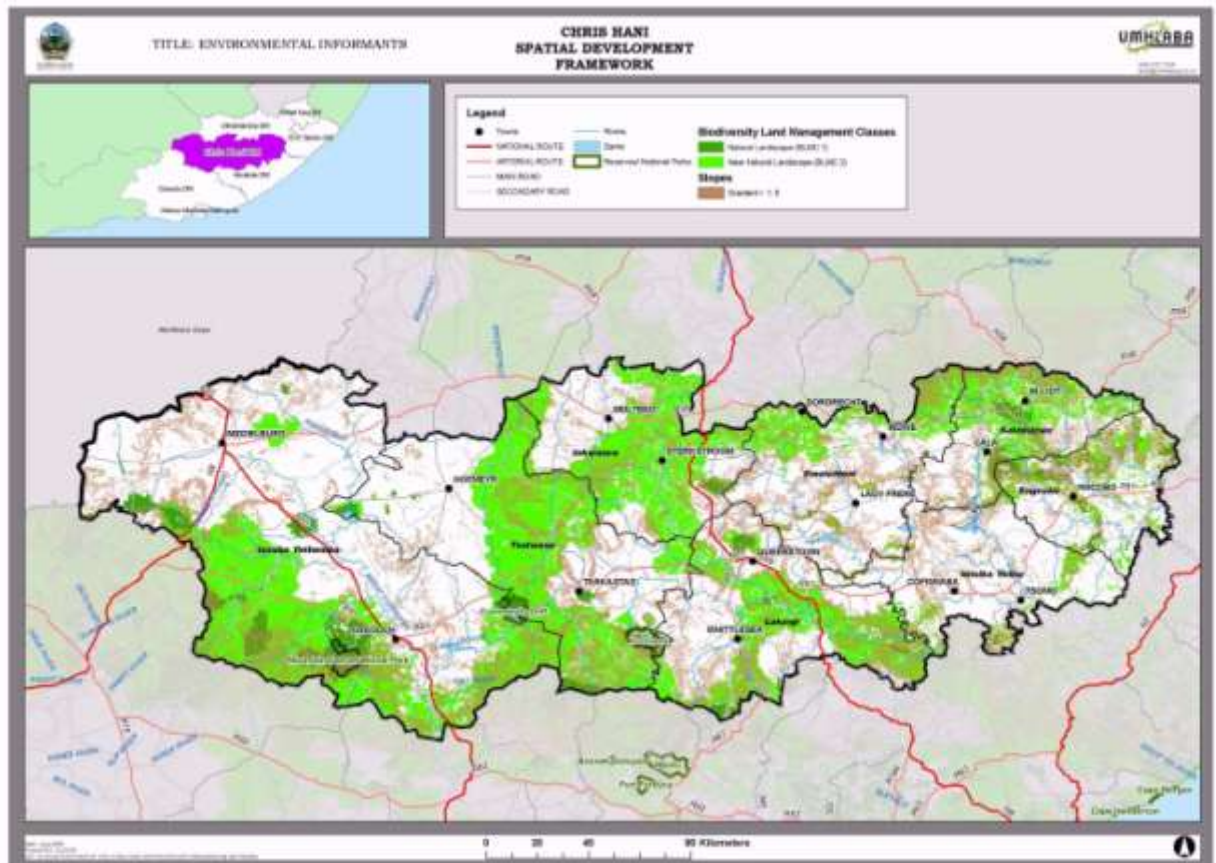
The main drainage systems are the tributaries of the Great Fish, Great Kei rivers and Mbashe river systems, which drain into the Indian Ocean.

### **5. Rainfall**

This is a summer rainfall area with 70% - 80% of the precipitation occurring during the summer months in the form of thunderstorms often accompanied by hail. The rainfall varies dramatically over the area depending mostly on altitude and distance from the coast. In the western arid areas, the average annual precipitation is between 200mm and 300mm whereas in the eastern high lying areas of Cofimvaba it is 700-800 mm. The greater part of the area is, however, arid to semi-arid and receives less than 400 mm per annum.

### **6. Evaporation**

Evaporation in the District is much higher than the average annual rainfall. The area thus experiences a negative water balance. The evaporation in the arid western area is 2 146 mm per annum, whereas it is approximately 1 700 mm per annum in the Lady Frere and Cofimvaba Districts. This phenomenon complicates crop production as it requires moisture conservation for dry cropping and sophisticated irrigation management.



## TOURISM SECTOR

The tourism sector has been identified in the Chris Hani as a sector with potential growth. An integrated Tourism Plan for Chris Hani DM has been undertaken on order to establish the tourism trends and opportunities in the Municipal Area and to guide the tourism strategy for the whole district.

The following was identified as the Tourism products for the district

- Nature-based attractions and activities: National Park, nature reserves, game reserves, geological features, karoo experiences, palaeontology-based attractions (fossils etc), farm stays and activities;
- Heritage-based attractions and activities: the built heritage in the towns (architecture), the cultural heritage, liberation heritage, rock art;

### Tourism Clusters

Three Tourism Clusters were identified in the Integrated Tourism Plan

- Natural and heritage based tourism in the South Western Section of the district. This area incorporates the Tsolwana and commando Drift Nature Reserves and mountain Zebra National Park. It is part of the Karoo heartland with its beautiful scenery. There are a number of heritage sites in the area, with the Sisulu liberation route transcending this cluster.
- Agri-tourism and adventure based tourism centred around the N6 incorporating the towns of Queenstown, Lady Frere, Molteno, Dordrecht, Indwe and Sterkstroom.
- Nature and Rock Art based tourism in the eastern section of the District.







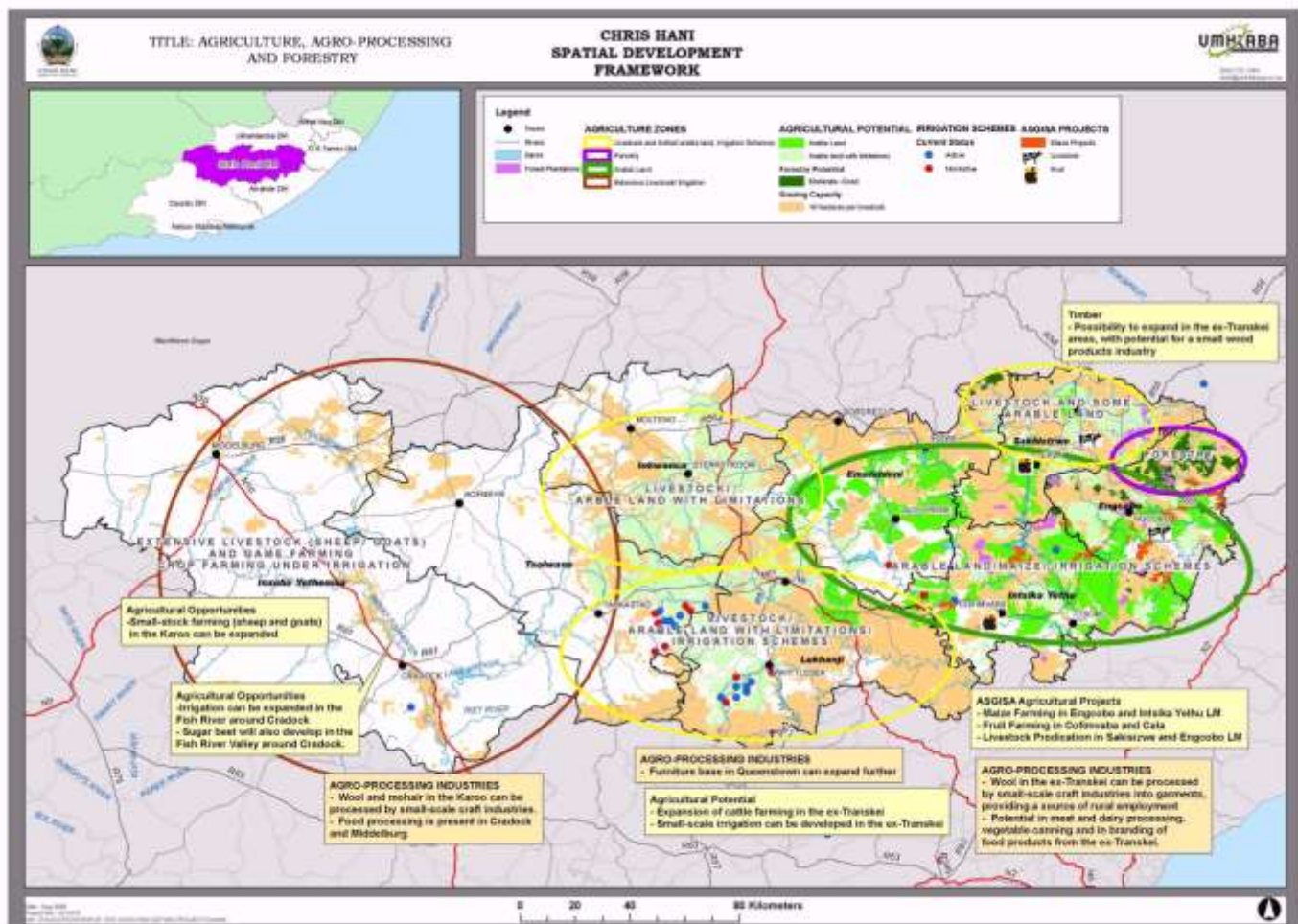
## AGRICULTURE AND FORESTRY

In the comparative and competitive advantage study undertaken in the regional economic Development Strategy (REDS), the broadly defined agriculture sector and timber production and related value-adding activities were clearly identified as the sectors that have the most economic development potential in the district. The agricultural strategy has prioritised the following sectors for investment:

- Livestock production and agro- product processing
- High value crop production
- Timber and its processing

The eastern part of ChrisHani DM has the most potential for agriculture and forestry because of the climatic and physical endowments e.g. rainfall, soil type etc. The following agriculture projects and resources are located in the Eastern part of the CHDM.

- Irrigation and agriculture from Xonxa Dam, Lubisi Dam and Ncora Dam
- ASGISA driven agricultural projects i.e. fruit growing in the Cofimvaba and Cala areas and livestock production in Sakhisizwe and Engcobo LM's
- Forestry in the mountainous areas north of Ngcobo



# **CHAPTER 5**

## **SECTOR PLANS**

The Situational Analysis has been conducted on all CHDM sector plans it has been discovered that some sector plans are still relevant and others are to be developed some from scratch whilst others just need a minor review and update.

<b>CHDM SECTOR PLANS</b>	<b>YEAR ADOPTED</b>	<b>2011/12 REVIEW</b>	<b>KEY ISSUE</b>
Regional Economic Development Strategy	2009	Yes	The strategy acknowledges our rural situation and therefore advocates for promotion of rural urban equity in infrastructure development, services expansion and stimulation of economic opportunities.
Corridor Development Plan Concept	2009	No	“The Corridor plan is based on ward profiles that identify communities with common synergies, relation and connection or similarities of economic activities in terms of sector programmes which cut across from ward to ward, wards to local municipalities, Local Municipalities to District Municipalities and District Municipalities to the Province.
SMME Development Strategy	2007	Yes	It is an attempt to address constraints related to the legal and regulatory environment; market access; access to finance and suitable business premises; the acquisition of skills and managerial expertise; access to appropriate resources and technology; the quality of infrastructure, especially in poverty and rural areas; bureaucratic hurdles for SMME’s to benefit.
Integrated Agricultural Strategy	2008	Yes	Revitalisation of Irrigation Schemes, livestock improvement and development, Agro-processing, high value crop production are the key issues within the strategy.
Tourism Integrated Plan	2010	No	That the district has access to major routes N6 and N10 and R61 and that competitive advantage be utilised. Resurrection of LTO’s such as Intsika Yethu LTO, Middleburg Karoo Tourism, Cradock Karoo Tourism, Lukhanji LTO etc.
Environmental Management Plan {EMP}	2008	Yes	The plan highlights areas of the environment which should be conserved and protected. Animal and vegetation species and cover are mapped and identified. In addition present and future environmental problems are identified per local municipality as well as all renewable resources
Waste Service Development Plan {WSDP}	2008	Yes	It states that 76% of the total population of CHDM is served with water services whilst 55% is served with sanitation services.
Climate Change Strategy	2010/11	No	
Housing Development Plan	Developed		The plan will assist to guide and to direct the housing programmes and housing projects within the district when developed.
Integrated Waste Management Plan		Yes	It makes the recommendation about the development and implementation of a integrated waste management system/plan and intends to build the capacity of all LM’s regarding waste management sites. This is done due to the fact that the majority of LM solid waste sites do not comply with legislation, are poorly

			managed and unlicensed
Disaster Management Policy Framework	2010	Yes	
HIV/AIDS Strategy	2008	Yes	
District SDF			
❖ Employment Equity Plan	2010	No	This is an attempt to restore or improve employee's well-being holistically and job performance to acceptable levels with minimal interference in the private lives of individuals.
❖ Workplace Skill Development	2010	Yes	This plan is designed to provide opportunities for theoretical and practical learning, culminating in a nationally recognised qualification.
❖ Asset Management Policy		Yes	
❖ Virement Policy		Yes	
❖ Fraud Prevention Plan		No	It is an attempt to combat crime and fraud in the municipality and it further aims to discourage fraudulent/corrupt activities in the municipal order of business.
❖ Communication Strategy		Yes	
❖ GIS Policy	Never adopted	2011	
❖ Risk Management Plan			
❖ Performance Management Framework	2009	Yes	It is there to provide a mechanism for ensuring increased accountability between the communities of Chris Hani district and the municipal council and as well between the political and administrative components of the municipality and between each department and the office of the municipal manager.
<b><u>LIST OF SECTOR PLANS TO BE DEVELOPMENTS by 2011/12 financial year</u></b>			
Air Quality Management Plan			
Housing Development Plan			
Integrated Transport Plan			
Public Participation Strategy			



# **CHAPTER 6**

## **CHDM FINANCIAL PLAN**

The purpose of this financial plan is to create the medium-term strategic financial framework for allocating resources through the municipal budgeting process and to ensure the financial viability and sustainability of the Chris Hani district municipality's investments and operations. Other important reasons for developing the financial plan are:

- to ensure a close planning and budgeting link;
- to inform municipal budgeting over tier;
- to facilitate inter-governmental alignment with regard to capital requirements and sources of funding;
- assess financial management arrangement and financial strategy; and
- to outline revenue and expenditure forecast.

The needs and demands of the various communities far exceed the resources available to the municipality. Consequently it is necessary to weigh the competing demands and to prioritize expenditure. In such a process there are always trade-offs and politicians and senior officials need to focus on the poorer areas where the greatest need exists. Without proper financial planning, sustainability and sound financial management will not be achieved. Given the nature of Integrated Development Planning, it will be necessary to revise and update financial strategies on a continuous basis. This will ensure realistic monitoring and the implementation of pro-active adjustments to the status quo.

### **FINANCIAL STRATEGIES**

The financial strategies adopted by Council include a basic strategy which will apply to the detailed strategies, a financial resources (capital and operational) strategy, Revenue raising strategy, Asset Management Strategy, Capital financing strategy, operational financing strategy and cost effectiveness strategy.

All aspects of matters relating to the financial matters will take into account Council's social responsibilities and these include Council's indigent policy and recognizing that certain sections of the community do not have the ability to pay for services. A further aspect of social responsibility will focus on transformation and empowerment as called for in Council's supply chain management policy.

#### **(a) Financial Resources**

For the purpose of this plan, council has considered financial resources for both capital projects and operation purposes. The various resources available to council are summarized below.

#### **Capital expenditure:**

- Internal borrowings using existing funds
- External borrowings
- National government funding – equitable share
- Provincial funding
- National government grants
- Capital markets
- Public / private partnerships
- Disposal of unutilized assets

#### **Operational expenditure:**

- Normal revenue
- Short term borrowings
  - Internal
  - External

## DC 13 CHRIS HANI DM BUDGET SUMMARY

Description	2009/10	Current Year 2010/11				2011/12 Medium Term Revenue & Expenditure Framework		
R thousands	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
<b>Financial Performance</b>								
Property rates	–	–	–	–	–	–	–	–
Service charges	53 165	5 000	62 482	62 482	62 482	–	–	–
Investment revenue	21 053	15 741	8 500	8 500	8 500	25 454	25 454	25 454
Transfers recognised - operational	231 727	317 977	323 858	323 858	323 858	370 691	417 911	409 473
Other own revenue	1 905	634	6 782	6 782	6 782	1 490	1 490	1 490
	307 850	339 352	401 622	401 622	401 622	397 634	444 855	436 417
<b>Total Revenue (excluding capital transfers and contributions)</b>								
Employee costs	102 764	129 753	117 474	117 474	117 474	135 131	128 278	141 114
Remuneration of councillors	5 543	5 590	6 668	6 668	6 668	7 286	7 755	8 143
Depreciation & asset impairment	1 412	3 085	85	85	85	3 085	3 085	3 085
Finance charges	569	630	1 043	1 043	1 043	1 398	1 477	1 700
Materials and bulk purchases	9 009	9 522	21 411	21 411	21 411	13 834	11 011	12 007
Transfers and grants	131 842	139 357	139 273	139 273	139 273	171 285	181 562	201 848
Other expenditure	53 634	50 824	57 900	57 900	60 978	126 869	97 704	68 519
<b>Total Expenditure</b>	304 773	338 762	343 854	343 854	346 933	458 888	430 872	436 417
<b>Surplus/(Deficit)</b>	3 078	590	57 768	57 768	54 689	(61 253)	13 982	0
Transfers recognised - capital	–	–	–	–	–	–	–	–
Contributions recognised - capital & contributed assets	–	–	–	–	–	–	–	–
	3 078	590	57 768	57 768	54 689	(61 253)	13 982	0
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>								
Share of surplus/ (deficit) of associate	–	–	–	–	–	61 253	–	–
<b>Surplus/(Deficit) for the year</b>	3 078	590	57 768	57 768	54 689	0	13 982	0
<b>Capital expenditure &amp; funds sources</b>								
<b>Capital expenditure</b>	412 593	323 132	359 332	359 332	36 200	673 689	531 791	582 014
Transfers recognised - capital	260 075	322 632	339 848	339 848	339 848	409 189	531 791	582 014
Public contributions & donations	–	–	–	–	–	44 000	–	–
Borrowing	–	–	–	–	–	–	–	–
Internally generated funds	–	500	500	500	500	220 500	500	500
<b>Total sources of capital funds</b>	260 075	323 132	340 348	340 348	340 348	673 689	532 291	582 514
<b>Financial position</b>								
Total current assets	469 042	392 067	449 549	449 549	449 549	287 000	287 000	287 000
Total non current assets	412 593	300 797	333 297	305 297	305 297	412 889	525 498	575 181
Total current liabilities	299 413	295 757	310 712	433 927	433 927	458 114	405 550	400 583
Total non current liabilities	31 991	15 358	15 083	15 083	15 083	21 346	23 803	26 657
Community wealth/Equity	550 230	381 749	457 050	305 835	305 836	220 429	383 146	434 942
<b>Cash flows</b>								
Net cash from (used) operating	246 318 (158 025)	323 954 (323 132)	402 687 (376 548)	402 687 (376 548)	340 205 (376 548)	388 597 (673 689)	541 702 (531 791)	589 132 (582 014)
Net cash from (used) investing	(974)	–	(516)	(516)	(516)	(1 037)	(1 000)	(1 230)
Net cash from (used) financing								
<b>Cash/cash equivalents at the year end</b>	342 080	342 907	367 708	367 708	305 226	19 096	28 008	33 895
<b>Cash backing/surplus reconciliation</b>								
Cash and investments available	342 085	387 067	387 067	387 067	387 067	287 000	287 000	287 000
Application of cash and investments	195 516	572 236 (185)	484 472 (97)	730 902 (343)	787 276 (400)	420 923 (133)	665 000 (378)	660 000 (373)
<b>Balance - surplus (shortfall)</b>	146 569	168	404	834	208	923	000	000

Description	2009/10	Current Year 2010/11				2011/12 Medium Term Revenue & Expenditure Framework		
R thousands	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
<b>Asset management</b>								
Asset register summary (WDV)	412 593	323 132	359 332	331 332	673 689	673 689	531 791	582 014
Depreciation & asset impairment	1 412	3 085	85	85	3 085	3 085	3 085	3 085
Renewal of Existing Assets	–	–	–	–	7 910	7 910	–	–
Repairs and Maintenance	21 952	3 391	3 050	3 050	3 730	3 730	3 688	3 909
<b>Free services</b>								
Cost of Free Basic Services provided	–	–	–	–	–	–	–	–
Revenue cost of free services provided	–	–	–	–	–	–	–	–
<b>Households below minimum service level</b>								
Water:	–	–	–	–	–	–	–	–
Sanitation/sewerage:	–	–	–	–	–	–	–	–
Energy:	–	–	–	–	–	–	–	–
Refuse:	–	–	–	–	–	–	–	–

**DEVISION OF REVENUE ALLOCATIONS AT CHDM****DC13 Chris Hani - Supporting Table SA18 Transfers and grant receipts according to DORA**

Description	2009/10	Current Year 2010/11			2011/12 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
<b>RECEIPTS:</b>							
<b>Operating Transfers and Grants</b>							
<b>National Government:</b>	<b>198 379</b>	<b>295 452</b>	<b>295 667</b>	<b>295 667</b>	<b>354 860</b>	<b>375 442</b>	<b>395 759</b>
Equitable share	195 764	281 530	281 530	281 530	325 908	360 052	384 758
Finance Management	1 611	1 250	1 250	1 250	1 250	1 500	1 500
Municipal Systems Improvement	1 005				790	1 000	850
Department of Water Affairs		9 815	10 030	10 030	7 512	9 242	5 000
Municipal Infrastructure Grant/EPWP		2 857	2 857	2 857	19 400	3 648	3 651
<b>Provincial Government:</b>	<b>35 964</b>	<b>22 525</b>	<b>28 191</b>	<b>28 191</b>	<b>15 831</b>	<b>1 315</b>	<b>1 388</b>
Health subsidy	13 996	10 207	19 296	19 296			
Housing			1 426	1 426	1 241	1 315	1 388
Roads and Public Works	21 968	12 318	7 469	7 469	14 590		
<b>District Municipality:</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<i>[insert description]</i>							
<b>Other grant providers:</b>	<b>22 453</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
Other Subsidies	21 977						
Agriculture	476						
<b>Total Operating Transfers and Grants</b>	<b>256 796</b>	<b>317 977</b>	<b>323 858</b>	<b>323 858</b>	<b>370 691</b>	<b>376 757</b>	<b>397 147</b>



Description	2009/10	Current Year 2010/11			2011/12 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
<b><u>Capital Transfers and Grants</u></b>							
<b>National Government:</b>	<b>204 717</b>	<b>297 700</b>	<b>320 446</b>	<b>320 446</b>	<b>401 279</b>	<b>531 791</b>	<b>582 014</b>
Municipal Infrastructure (MIG)	137 881	233 779	233 779	233 779	281 604	342 403	361 433
Public Transport	5 078	1 100	1 100	1 100	1 688	1 780	1 869
Water Affairs	61 316	42 250	45 250	45 250	112 000	179 350	210 000
Sport and Recreation	406		5 530	5 530	5 987	8 258	8 712
Water Affairs			14 216	14 216			
EPWP	37	20 571	20 571	20 571			
<b>Provincial Government:</b>	<b>–</b>	<b>12 531</b>	<b>12 531</b>	<b>12 531</b>	<b>7 910</b>	<b>–</b>	<b>–</b>
Roads and Public Works		12 531	12 531	12 531	7 910		
<b>District Municipality:</b>	<b>50 832</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<i>equitable share</i>	45 069						
<i>Treasury Grant</i>	5 763						
<b>Other grant providers:</b>	<b>1 435</b>	<b>12 401</b>	<b>6 871</b>	<b>6 871</b>	<b>–</b>	<b>–</b>	<b>–</b>
<i>Economic Development</i>	1 435	11 651	6 121	6 121			
<i>MSIG</i>		750	750	750			
<b>Total Capital Transfers and Grants</b>	<b>256 983</b>	<b>322 632</b>	<b>339 848</b>	<b>339 848</b>	<b>409 189</b>	<b>531 791</b>	<b>582 014</b>
<b>TOTAL RECEIPTS OF TRANSFERS &amp; GRANTS</b>	<b>513 779</b>	<b>640 609</b>	<b>663 706</b>	<b>663 706</b>	<b>779 880</b>	<b>908 548</b>	<b>979 161</b>

# **CHAPTER 7**

## **PERFORMANCE MANAGEMENT SYSTEM**

**NB!** From the onset Chris Hani District municipal council make use of the **Municipal Scorecard Model** as its model for Performance Management.

### **POLICY AND LEGISLATIVE CONTEXT**

The Chris Hani District Municipality Performance Management Policy Framework is centrally informed by legislation, policy and regulations relevant to performance management in local government. It is designed to comply with all the requirements specified therein, as well as to reflect the vision of developmental local government centered on improving the quality of the lives of local communities.

#### **2.1. The White Paper on Local Government, 1998**

The White Paper on Local Government (1998) puts forward Performance Management as one of the tools and approaches that assist municipalities to realise their developmental outcomes. The white paper notes that:

#### **2.2. The Municipal Systems Act, 2000**

Chapter 6 of the Municipal Systems Act, 2000 sets out requirements in terms of the establishment, development, monitoring and review of performance management systems for municipalities. The Act specifies the core components of the system as well as requirements for community involvement. It further requires the setting of appropriate key performance indicators and targets, performance measurement audits and performance reporting. Chris Hani District Municipality Performance Management Policy Framework is designed to meet these requirements.

#### **2.3. Municipal Planning and Performance Management Regulations, 2001**

The Municipal Performance Management Regulations (2001) describes the nature of performance management systems required in municipalities as follows:

In developing its performance management system, a Municipality must ensure that the system-

- complies with all the requirements set out in the Act;
- demonstrates how it is to operate and be managed from the planning stage up to the stages of performance review and reporting;
- defines the roles and responsibilities of each role-player, including the local community, in the functioning of the system;
- clarifies the processes of implementing the system within the framework of the integrated development planning process;
- determines the frequency of reporting and the lines of accountability for performance;
- links organisational performance to employee performance;
- provides for the procedure by which the system is linked with the Municipality's integrated development planning processes; and
- shows how any general key performance indicators envisaged in section 43 of the Act will be incorporated into the Municipality's planning and monitoring processes.

#### **2.4. Municipal Finance Management Act (2003)**

The purpose of the Act is to secure sound and sustainable financial management of municipalities and other institutions in terms of local norms and standards. The Municipal Finance Management Act stipulates requirements for reporting and setting Key Performance Indicators and Targets. The Act also proposes that the performance agreements of the Municipal Manager, Senior Managers and any other categories of officials as may be prescribed, are made public no later than 14 days after the approval of the Municipality's Service Delivery and Budget Implementation Plans. Copies of these Performance Agreements must be submitted to the Council and the MEC for Local Government in the Province.

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.

#### 2.5. Municipal Performance Regulations for Municipal Managers and Managers Directly Accountable to Municipal Managers (2006)

The regulations seek to set out how the Performance of Municipal Managers will be uniformly directed, monitored and improved. The regulations address the Employment Contract of a Municipal Manager and Managers directly accountable to Municipal Managers. They also address the Performance Agreement that is entered into between respective municipalities, Municipal Managers and Managers directly accountable to Municipal Managers. These instruments will, in combination, ensure a basis for performance and continuous improvement in local government.

- **INITIALIZING THE PMS**

In initiating the process it is crucial that the roles of various stakeholders are well defined and the institutional arrangements are set. It is also important to have a rigorous change management process to ensure that the principles governing the system are adhered to

#### 4.1. Delegation of Responsibilities

In terms of the MSA, the Executive Mayor of Chris Hani District Municipality is responsible for the development and management of the PMS and it is the responsibility of Council to approve and adopt the system. The Executive Mayor then assigns the responsibility for the management and development of PMS to the Municipal Manager. However, the Executive Mayor remains accountable for PMS. The Directors (Section 57 appointees) are responsible for implementing PMS in their respective Departments according to the approved framework.

#### 4.2. PMS Infrastructure in the District

A project team led by the Municipal Manager is responsible for organisational performance management. The project team consists of the Director: IPED, and Internal Auditor(s). The PM Team is responsible for the following core activities:

- Responsible for the development and implementation of the organisational PMS.
- Ensuring CHDM's implementation and compliance of all legal aspects in respect of the PMS policy.
- Facilitating further development and refinement of the PMS.
- Continuously supporting CHDM with implementation, assessment, review and monitoring of the process.
- Responsible for compiling the annual status report to the Council.

### **DEVELOPMENT OF PMS**

#### **.1 The Revised Municipal Scorecard Model**

The Chris Hani municipal council will make use of the Municipal Scorecard Model as its model for performance management. This model is useful for the following reasons. It is:

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

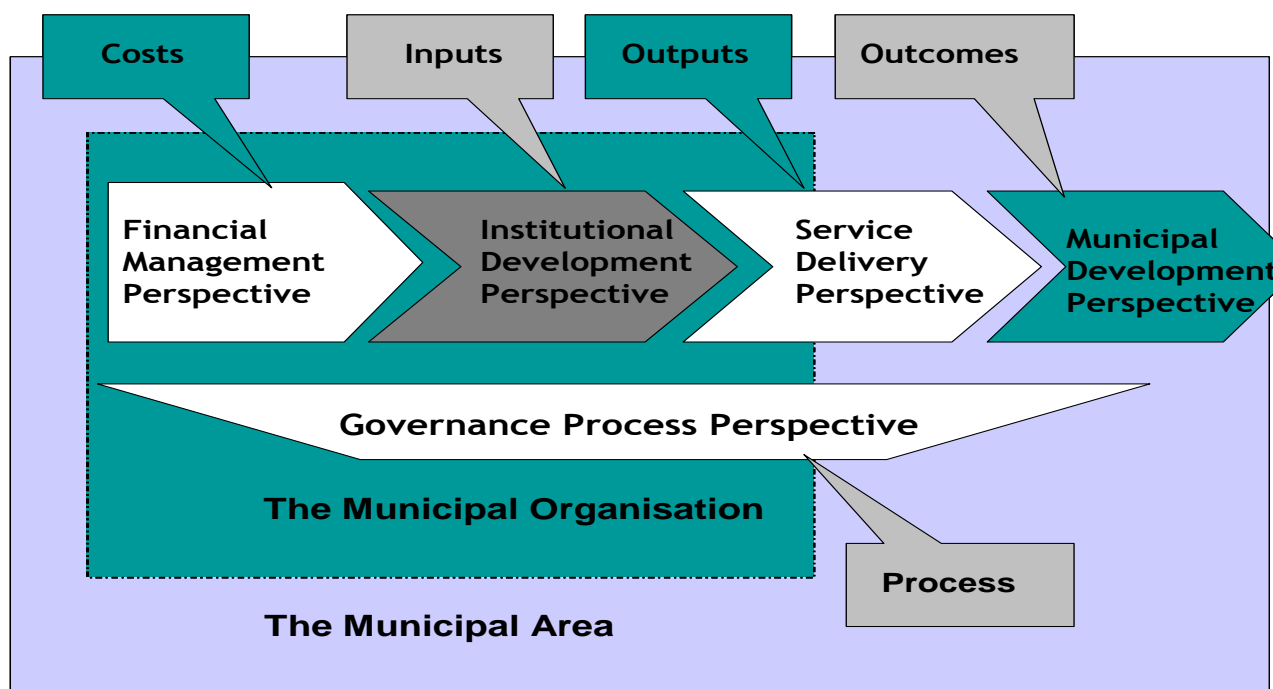
The 5 Key Performance Areas from the Five Year local Government Strategic Agenda are

- Municipal Transformation & Organisational Development
- Infrastructure Development and Service Delivery

- Local Economic Development
- Municipal Financial Viability & Management
- Good Governance & Public Participation

The Municipal Scorecard Model is based on five key perspectives outlined in the following figure:

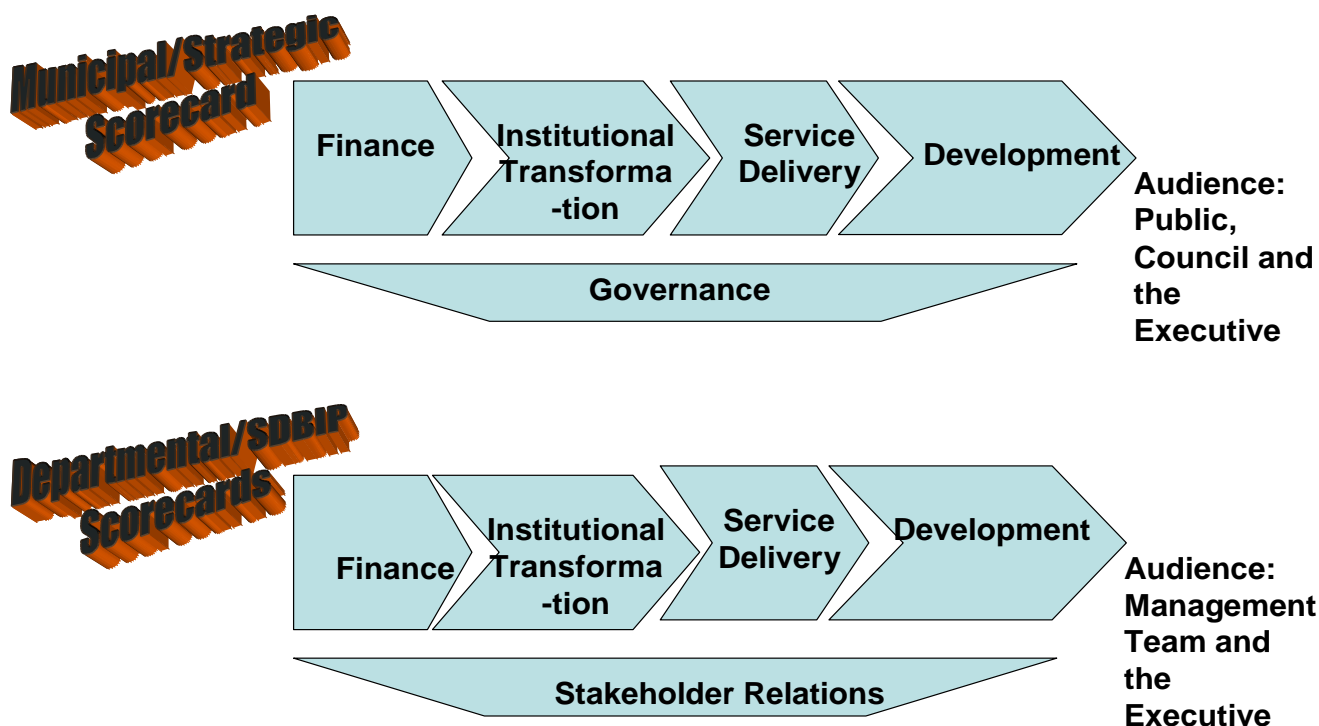
Figure 6: Structure of the Municipal Scorecard



## .2 Organisational Scorecards at different levels

The municipality uses two levels of scorecards for Chris Hani District Municipality as depicted in figure-2 that follows.

Figure 7: Two Levels of Scorecards



## .2.1 The Municipal/Strategic Scorecard

The Municipal/Strategic scorecard that provides 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 use it, after review, as a basis for reporting to the Executive Committee, Council and the public. It is then reported to the Executive Committee quarterly, to Council bi-annually and the Public annually for review.

It also notes that the Municipal Manager is primarily responsible for performance on the Municipal Scorecard. As such, the strategic scorecard is closely linked and forms the largest component of how the municipal manager's performance will be appraised.

The SDBIP scorecards will capture the performance of each municipal department. Unlike the Municipal/Strategic scorecard, which reflects on the strategic priorities of the municipality, a Departmental/SDBIP scorecard provides a comprehensive picture of the performance of that department. It consist of objectives, indicators and targets derived from the SDBIP's.

Departmental/SDBIP Scorecards is 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 includes service delivery targets and performance indicators for each quarter.
- Institutional Transformation perspective, which sets out how the department manage and develop its Human Resources, Information and Organisational Infrastructure
- Financial Management Perspective include
  - projections of revenue to be collected by source
  - projections of operational and capital expenditure by vote

Performance reporting on this section of the scorecard is in terms of actual against projections

- Stakeholder Relations, which sets out how the department improve its relationship with its key stakeholders

Therefore in addition to the requirements of the MFMA and the National Treasury Guidelines for SDBIPs, the Departmental/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 is reported to the Municipal Manager and relevant portfolio committees for review. This happens quarterly. It must be noted that the relevant Section 57 Manager are primarily responsible for performance on the Departmental/SDBIP Scorecard. As such, the Departmental/SDBIP scorecard is closely linked and forms the largest component of how the Section 57 manager's performance is appraised

### .3 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
- Internal Audit Unit
- IPED Director

The Municipal Manager, as the acting chairperson of this team is accountable to the Executive Mayor with regard to the work of the team.

The responsibility for organisational performance management and the IDP are to be located together, in IPED. IPED will be accountable to the Municipal Manager.

### **Performance Reporting & Reviews**

#### **Departmental Reviews**

It is intended that departments review their performance monthly, using their SDBIP Scorecards. Decision-makers should be immediately warned of any emerging failures to service delivery such that they may 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 office of the Municipal Manager. Changes in indicators and targets may be proposed at this meeting but can only be recommended for approval by the Municipal Manager to the Executive Mayor.

On a monthly basis the Directors (Head of the Department) will submit a report on the department's performance using the SDBIP Scorecards to the Municipal Manager and PMS Team.

#### **Municipal Manager's Review Panel**

Twice annually, the review panel setup by the Municipal Manager will review the departmental performance (HoD or manager reporting directly to the municipal manager) using the SDBIP Scorecards for departments. It will then submit reports from this review to the Municipal Manager for HOD, Performance Audit Committee then to the Executive Mayor to submit to Council.

The Municipal Manager's Review Panel 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 Municipal Manager can endorse these, for recommendation to the Executive Mayor for approval.

In preparation for and prior these reviews, the office of the Municipal Manager must develop an analysis of performance.

#### **Executive Mayor's Review Panel**

Twice annually, the review panel setup by the Executive Mayor will review the top organisational performance (municipal manager) using the Municipal Scorecard. It will then submit reports from this review to the Executive Mayor to submit to and Council.

The Executive Mayor's Review Panel 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, a recommendation will be submitted to the Executive Mayor for approval.

In preparation for and prior these reviews, the office of the Municipal Manager must develop an analysis of performance.

### **Performance Audit Committee Reviews**

On a quarterly basis, the Performance Audit Committee will review the departmental and municipal performance (municipal manager) using the SDBIP Scorecard. Other function that is linked to the Performance Audit Committee is the auditing and assurance guarantee on the assessment and processes of the framework and the system. This is further detailed in section dealing with Auditing and Quality Control.

The quarterly report will be submitted to the Executive Mayor and quarterly and bi-annually to council.

The Performance Audit Committee 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. Furthermore, they will verify and give assurance to the process of reviews undertaken by the panels and recommendation.

Where targets need to be changed, a recommendation will be submitted to the Executive Mayor for approval.

### **Council Reviews**

At least twice annually, the council will be required to review municipal performance based on the performance report submitted by the Executive Mayor. The council will use the report submitted by the Executive Mayor from the Performance Audit Committee.

The first review will be in January in preparation for the budget adjustments. The second review will be an annual performance review. This will form part of the annual report as required by the Municipal Systems Act.

A report annually will be submitted to the provincial government in the form of an annual report.

### **Public Reviews**

The evaluation panels cater for this... they will receive reports through IGR...

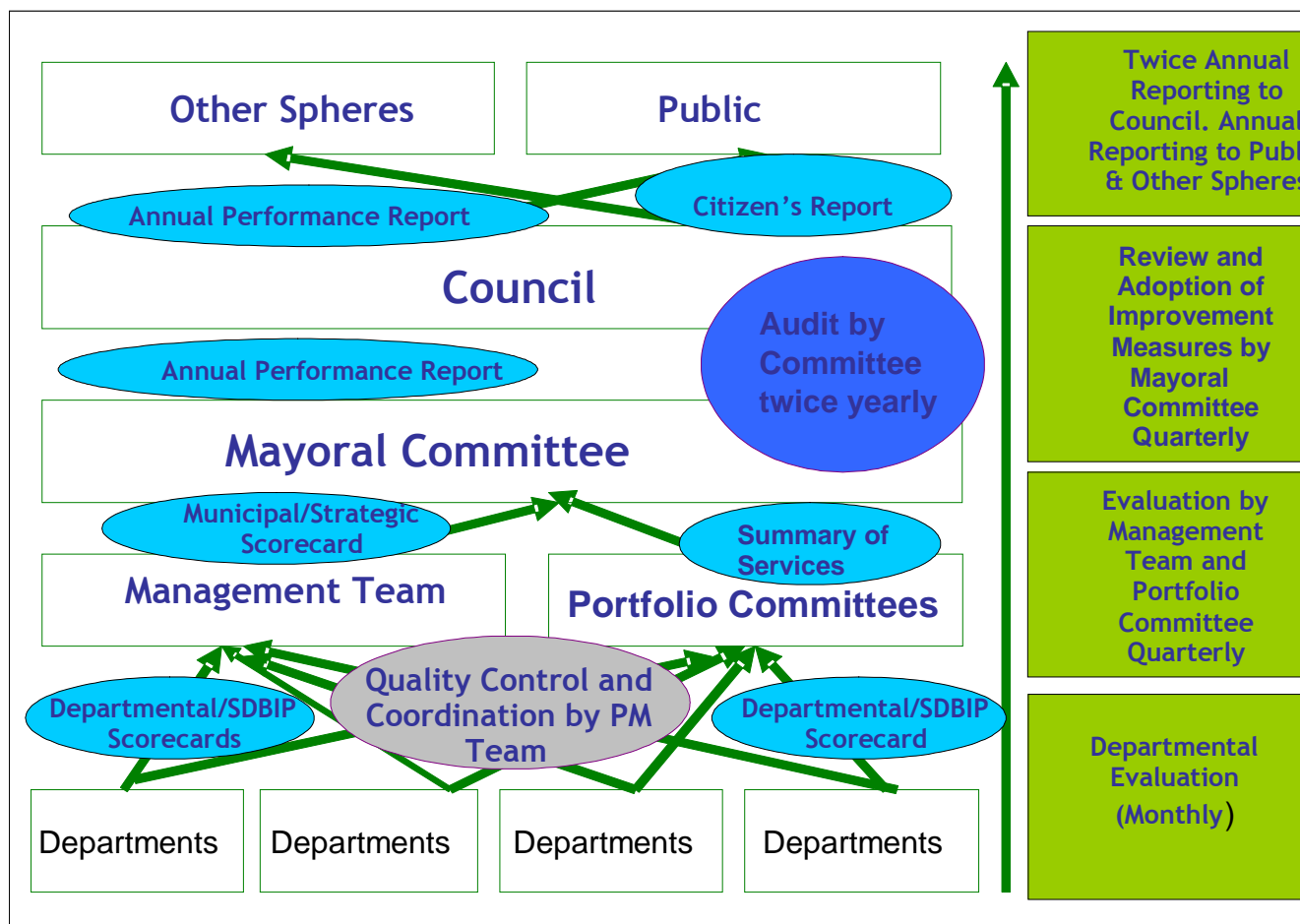
The Municipal Systems Act requires the public to be given the opportunity to review municipal performance and they will be part of the panels established by the district municipality. Furthermore, a citizen's report will be produced for public consumption and submitted to the IGR structures established by Chris Hani District Municipality. A citizen's report should be a simple, easily readable and attractive document that summarises the performance of the municipality public consumption.

Annually an annual report will be developed and be open for public comments on the assessment of the municipality's performance.

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:

- 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.

Figure 8: The Annual Process of Reporting and Review



### .3.1 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.

Table 1: Reporting and Reviews

Reporting Structure	Reviewing Structure	Report
Departments	Management Team	Departmental/SDBIP Scorecard
Departments	Portfolio Committee	Departmental/SDBIP Scorecard
Portfolio Committee	Executive Committee	High Level Summary
Management Team	Executive Committee	Municipal/Strategic Scorecard
Executive Committee	Council	Municipal/Strategic Scorecard
Council	Public (IDP Forum)	Citizen's Report
Council	Province	Annual Report



### **.3.2 Quality Control and Co-ordination**

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

### **.3.3 Performance Investigations**

The Executive Committee or Audit Committee must 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 must be used to conduct these investigations, it is preferable that external service providers, who are experts in the area to be audited, should be used. Clear terms of reference must be adopted by the respective committee.

### **.3.4 Internal Audit**

The municipality's internal audit function must continuously be involved in auditing the performance reports of Departmental/SDBIPs and the Municipal/Strategic scorecard. As required by the regulations, they shall 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 must 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.

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

### **.3.5 Audit Committee**

In ensuring an objective and functional Audit Committee the Council shall ensure that the

- majority of members are not councilors or employees of the municipality;
- chairperson of the committee is neither a councilor nor an employee of the municipality;
- members of the committee have credibility within all Chris Hani's communities and organs of civil society; and the
- composition of the audit committee sufficiently caters for the following competencies:
  - an understanding of performance management
  - an understanding of municipal finances
  - an understanding of development, including rural development
  - an insight into the municipality's IDP objectives

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

As per the regulations, the performance audit committee shall

- 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

The audit committee shall also be tasked with assessing the reliability of information reported.

In order to fulfill its 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.

## GLOSSARY OF TERMS

ABET	Adult Based Education and Training
ABSA	Amalgamated Banks of South Africa
AG	Auditor-General
AIDS	Acquired Immune Deficiency Syndrome
CBO	Community Based Organization
CPF	Community Policing Forum
CSIR	Council for Scientific and Industrial Research
DBSA	Development Bank of South Africa
DEAT	Department of Tourism, Environment and Economic Affairs
DEDEA	Department of Economic Development & Environmental Affairs
DFA	Development Facilitation Act No 67 of 1995
DHS	District Health System
DRDLR	Department of Rural development & Land Reform
DLG & TA	Department of Local Government & Traditional Affairs
DM	District Municipality
DME	Department of Mineral and Energy
DARD	Eastern Cape Department of Agriculture & Rural Development
DoE	Department of Education
DoH	Department of Health
DoSD	Department of Social Development
DoT	Department of Transport
COGTA	Department of Co-operative Governance & Traditional Affairs
DPSS	Department of Public Safety and Security
DRPW	Department of Roads & Public Works
DSAC	Department of Sport, Arts and Culture
DWA	Department of Water Affairs
DAFF	Department of Agriculture, Forestry & Fisheries
ECA	Environmental Conservation Act
EIA	Environmental Impact Assessment
ES	Equitable Share (grant)
FBO	Faith Based Organizations
ECDC	Eastern Cape Development Corporation
PGDP	Provincial Growth & Development Plan
GCIS	Government Communication and Information Systems
GGP	Gross Geographic Product
GIS	Geographical Information System
GTZ	German Technical Cooperation
GVA	Gross Value Added
HDI	Human Development Index
HIV	Human Immune Deficiency Virus
HR	Human Resource

IDC	Independent Development Corporation
IDP	Integrated Development Plan
IDT	Independent Development Trust
ICT	Information Communication Technology
ITP	Integrated Transportation Plan
IWMP	Integrated Waste Management Plan
JOC	Joint Operational Centre
LDO	Land Development Objectives
LED	Local Economic Development
LSA	Local Service Area (Primary Health)
MAYCO	Mayoral Committee
MEC	Member of the Executive Committee
MIG	Municipal Infrastructure Grant
MFMA	Municipal Finance Management Act
MSIG	Municipal Support & Institutional Grant
MSyA	Municipal Systems Act, 2000
MStA	Municipal Structures Act, 1998
NDC	National Development Corporation
NEMA	National Environmental Management Act
NER	National Electrification Regulator
NGO	Non Governmental Organizations
NSS	National Sanitation Strategy
PATA	Promotion of Administrative Justice Act
PMS	Performance Management System
PPP	Public Private Partnership
RDP	Reconstruction and Development Programme
REDs	Regional Electricity Distributors
SADC	Southern African Development Community
SALGA	South African Local Government Association
SANDF	South African National Defense Force
SAPS	South African Police Service
SGB	School Governing Body
SMME	Small, Medium and Micro Enterprises
STDs	Sexual Transmitted Diseases
TB	Tuberculosis
UYF	Umsobomvu Youth Fund
VAT	Value Added Tax
VIP	Ventilated Improved Pit (dry sanitation facility)
WSDP	Water Services Development Plan
ASGISA	Accelerated and Shared Growth Initiative of South Africa
BDS	Business Development Services
CASP	Comprehensive Agriculture Support Programme
CHARTO	Chris Hani Regional Tourism Organisation

CHDM	Chris Hani District Municipality
RTP	Responsible Tourism Planning
SLA	Service Level Agreement
SMME	Small Medium and Micron Enterprises
SOE	State Owned Enterprises
SoR	State of Environment Report
Statssa	Statistics South Africa

#### **IDP APPROVAL**

The process of approval for this IDP involved a series of consultative meetings with all stakeholders including: all municipalities within CHDM, representative forum members, sector departments, internal departments and some comments from MEC for Local Government. After approving a draft document on the 30<sup>th</sup> March 2011, the stakeholders are given an opportunity to make comments on the document. When comments are received from various interests groups, the drafting team will consider their comments and amend the document accordingly for Final Council adoption that will be on the 06<sup>th</sup> May 2011.

#### **DECLARATION OF DRAFT IDP REVIEW 11/12 ADOPTION**

COUNCIL RESOLUTION & DATE OF ADOPTION:

#### **SIGNATURE**

.....

**Mr M. Mbambisa**

**MUNICIPAL MANAGER**

.....

**DATE**

.....

**Cllr M Sigabi**

**MAYOR**

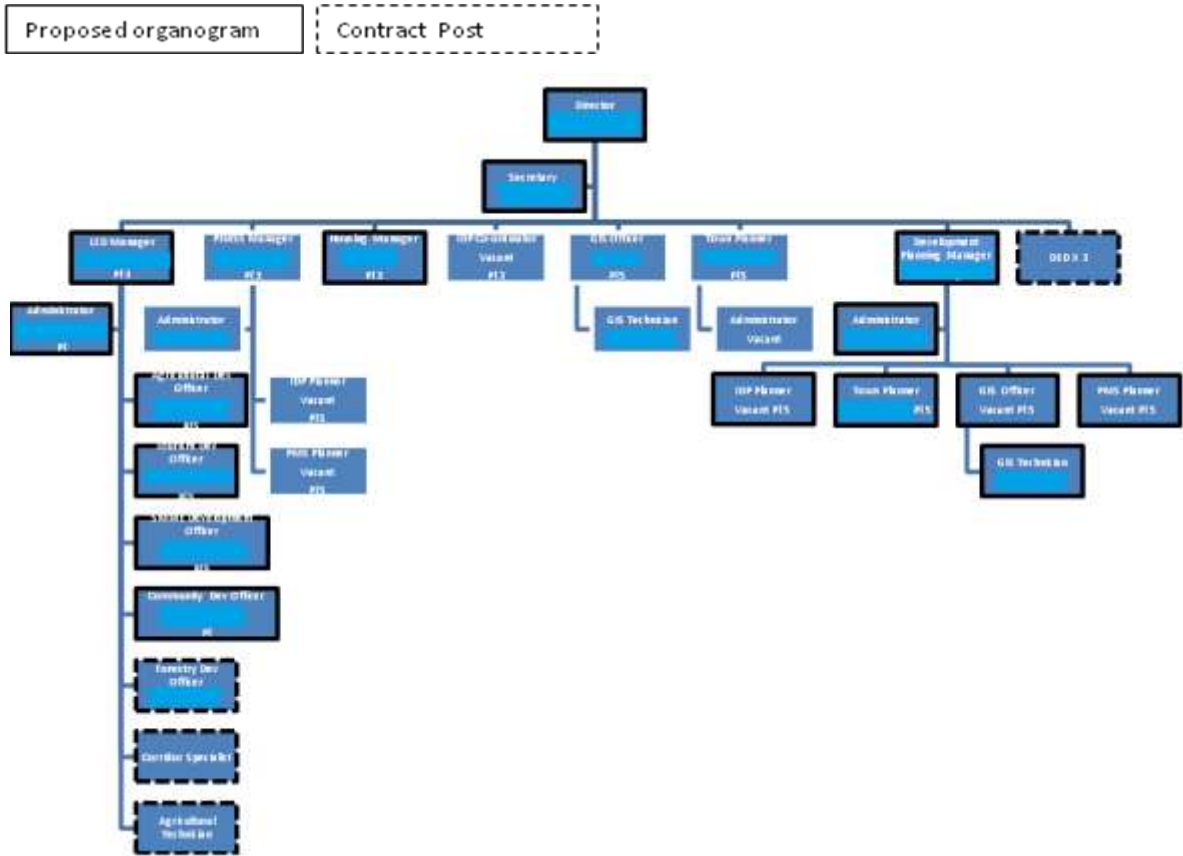
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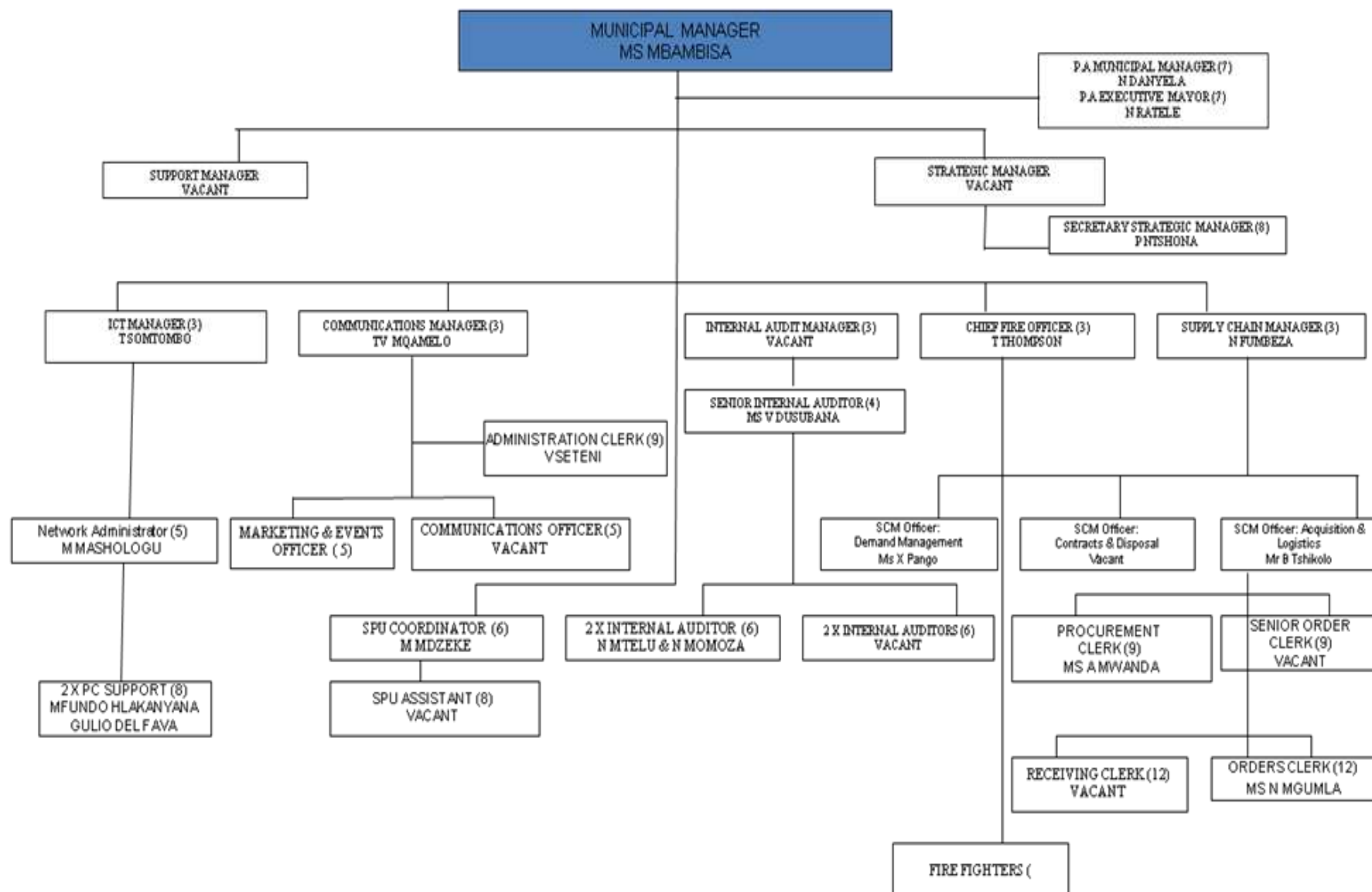


ORGANIZATIONAL ARRANGEMENTS

Integrated Planning & Economic Development Directorate (IPED)

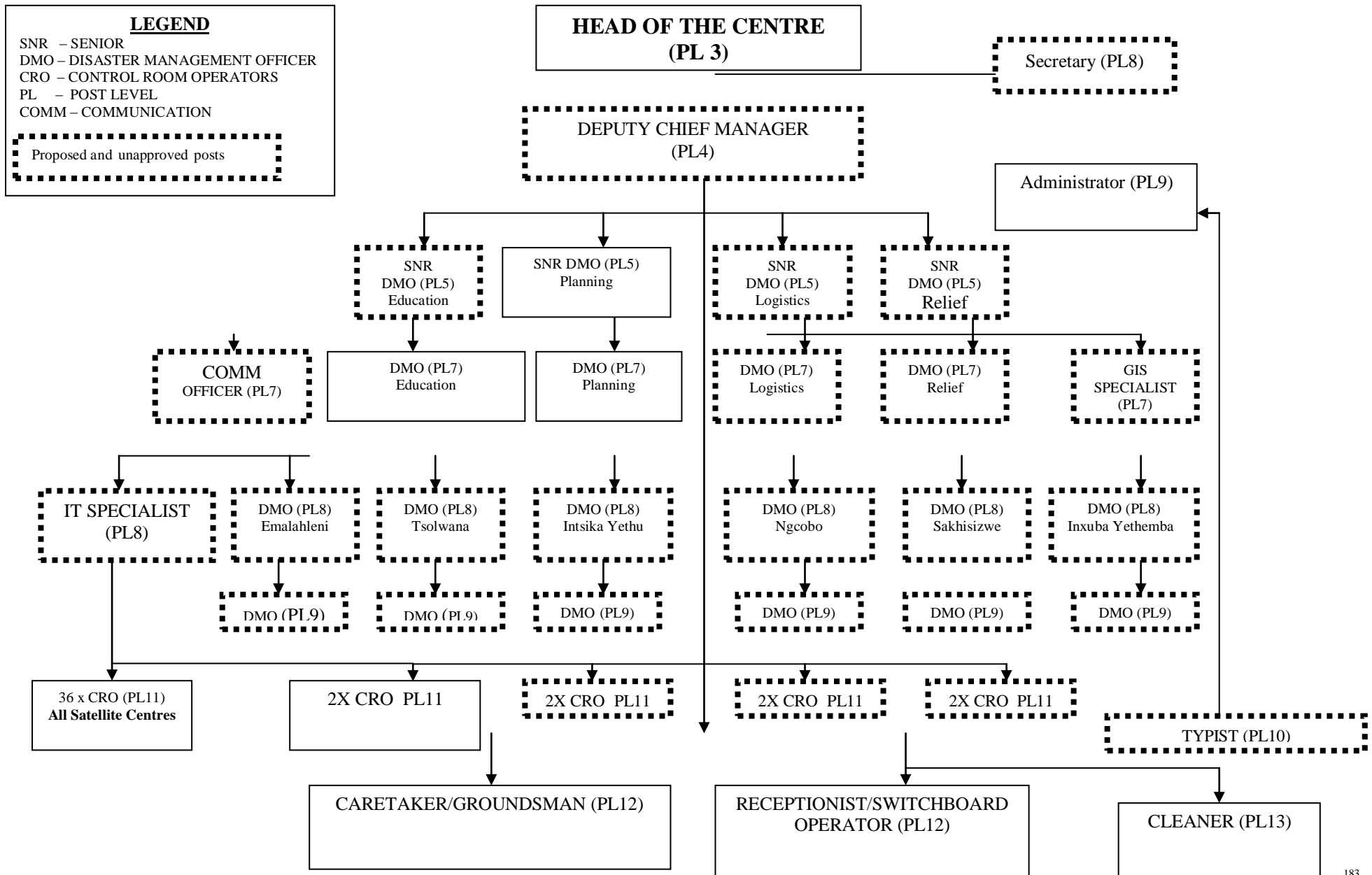


## Office of the Municipal Manager

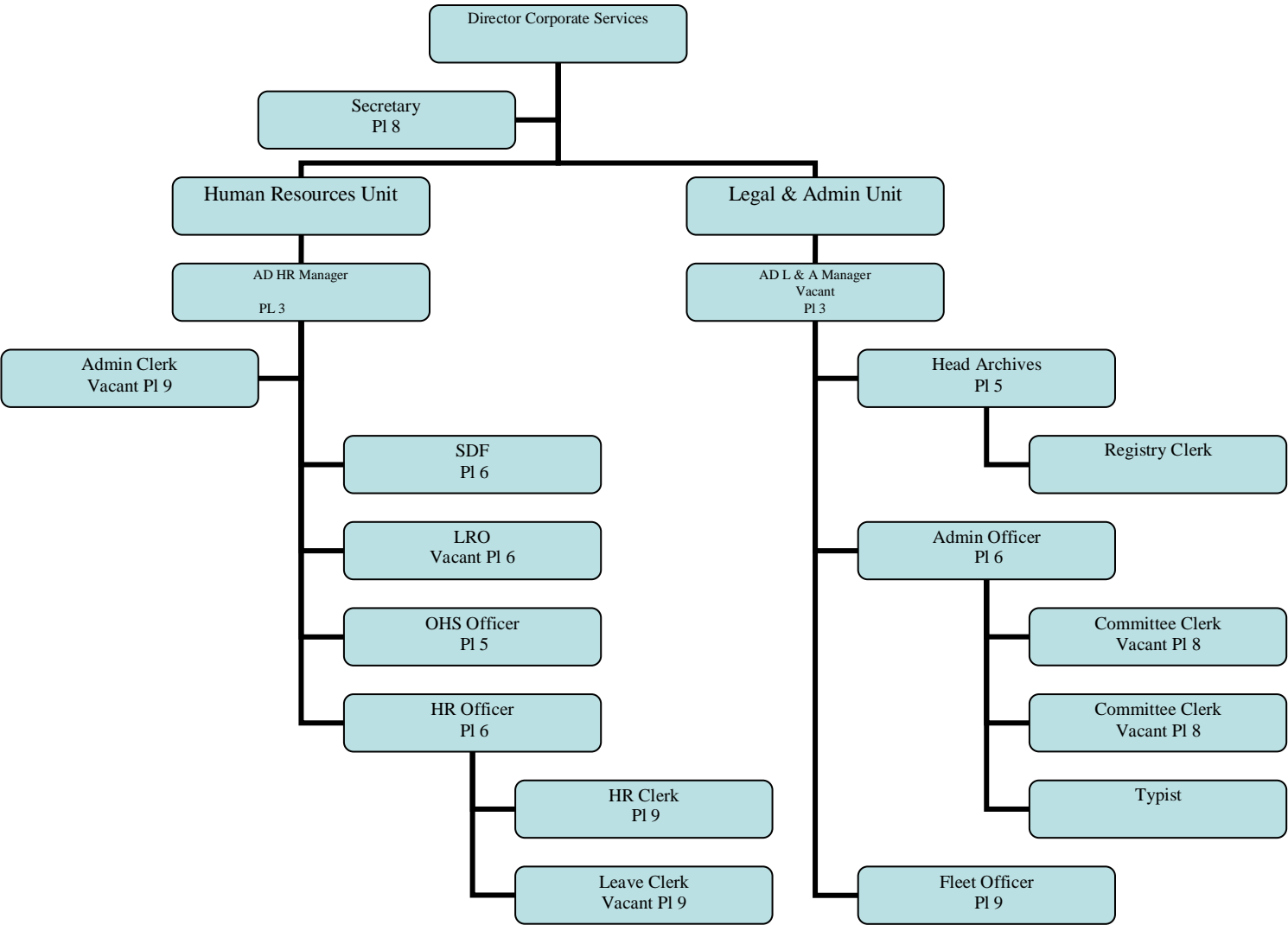




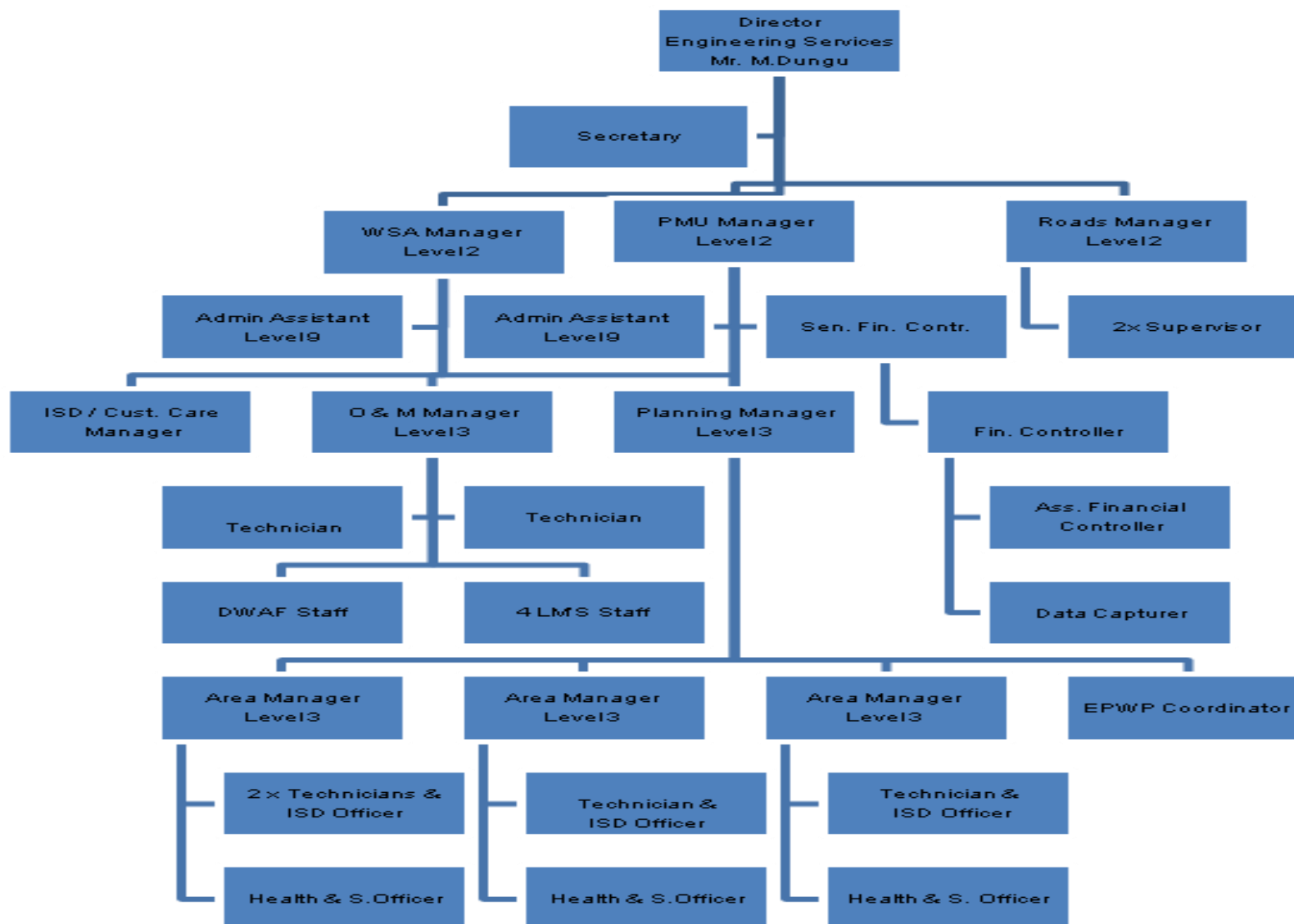
## DISASTER MANAGEMENT



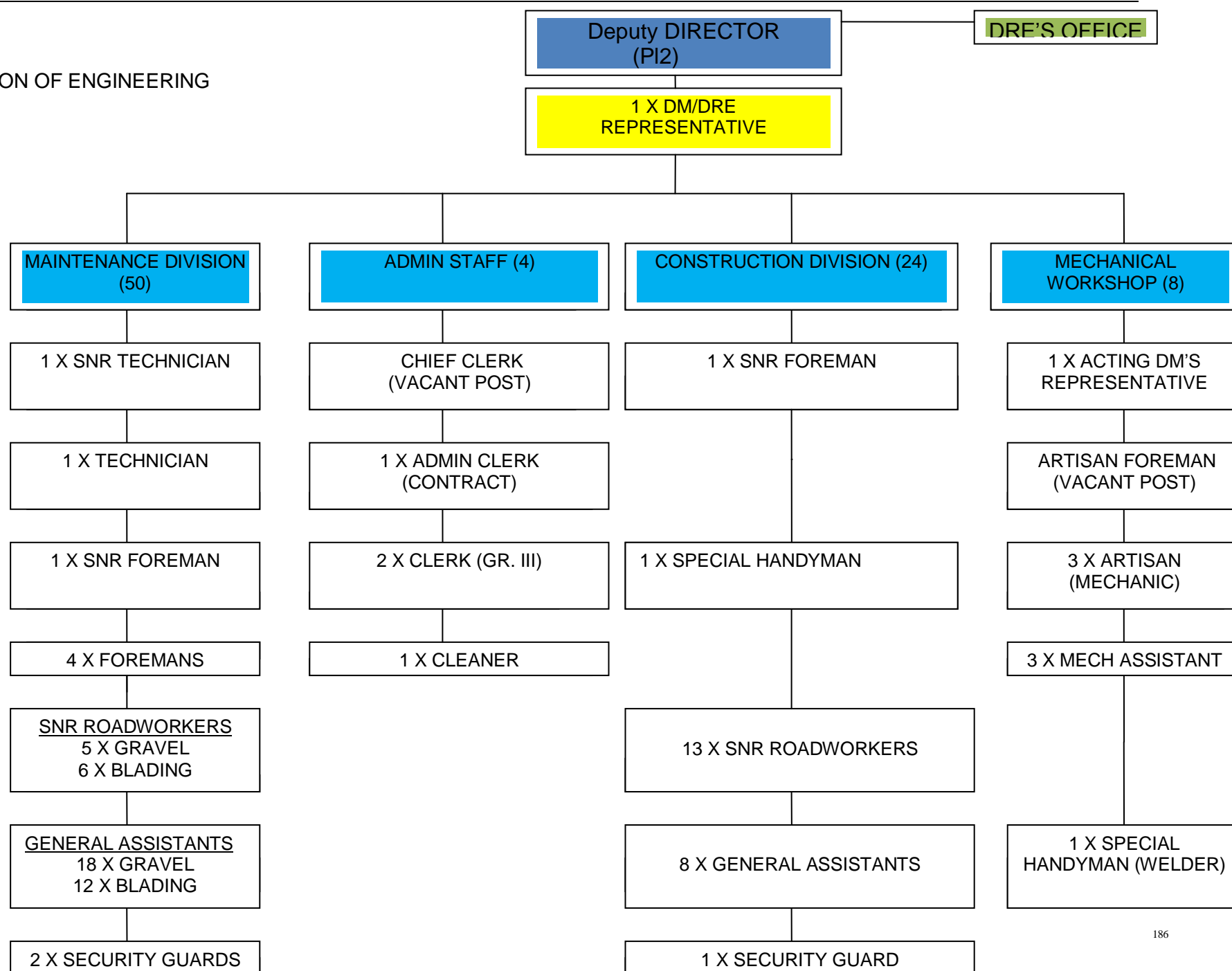
Corporate Services Organogram



## ENGINEERING ORGANOGRAM



ROADS SECTION OF ENGINEERING



# Health & Community Services Organogram

