

INTEGRATED DEVELOPMENT PLAN

2022/2023

ELUNDINI LOCAL MUNICIPALITY
No. 01 Seller Street
Nqanqarhu, 5480

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FOREWORD FROM THE MAYOR

Subsequent to Local Government elections that were held on 01 November 2021, a new Council was installed. This new Council, in accordance with legislative prescripts, developed and adopted a strategic plan for the development of the municipality to link integrate and co-ordinate plans for the development of the municipality and to align the resources and capacity of the municipality. The Council developed this principal strategic plan document with a new vision and mission; core values; goals and strategic objectives in February 2022 to guide and inform all planning and development, and all decisions with regard to planning, management and development in the municipality. The Council further developed a for the municipality. We aspire, as this new Council to be pioneers of sustainable rural development. Pioneering is under-pinned by innovation and creativity so we will strive to do things differently as this municipality and to deliver sustainable services

We further developed during the strategic planning session, priorities for our term of office as the Council. We committed ourselves to accelerate service delivery through construction, rehabilitation and maintenance of infrastructure such as access roads, stormwater drainage and bridges; sports-fields; community halls; early childhood development centres and parks. We committed to continue with household electrification program; installation and maintenance of street lights; high mast lights and electricity network. We further committed to continue to support focus groups; the indigent households; job creation initiatives; Small & Micro Enterprises development and to provide refuse collection services to our communities. We further committed to develop Vision 2050 which will be the first long term plan for the municipality and continue to support ward-based planning. We prioritised to support waste recycling initiatives; convert the current material recovery facility in Ugie to develop a buy-back centre; convert illegal dumps into eco-parks and communal gardens; beautify open spaces and parks; establish and maintain proper functioning cemeteries and crematoria. We further prioritised to upgrade our network connectivity in order improve our security system and to explore roll-out for fiber optic throughout Elundini in order to improve the speed and performance of our network. We committed to maintain our good financial management health; reduce our historical debt to 50%; improve the average number of days we take to pay our creditors and to receive payment from debtors; monitor the use of municipal assets. We further committed to ensure that municipal assets are more than liabilities and the municipality is able to service its debt and meet its financial obligations. We also prioritized to invest and spend on capital projects to facilitate growth and service delivery.

These priorities of the Council emanated through community consultative sessions that we had in February 2022. We have a constitutional and legislative imperative to consult and interact with our communities. We continue to pride ourselves as a community-driven Council and various pieces of legislation such as Municipal Finance Management Act; Municipal Structures Act; Municipal System

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Act and the Constitution of the Republic of South Africa all emphasize the importance of community consultation and participation in everything that we do. We also appreciate the contribution of all stakeholders and government departments during the development of this documents. Their plans for development within the jurisdiction of our Council have been intergrated into this document.

Cllr. M.P.S.S Leteba

The Mayor

DATE: _____

OVERVIEW BY THE MUNICIPAL MANAGER

Elundini Municipality with its partners has developed the five- year strategy framework as a developmental road map to guide its 6th administration of government. It has refined its Vision and Mission and identified three strategic goals, 10 strategic objectives and six key priorities which are the centre of its developmental trajectory. The strategy focuses on **infrastructure investment**, maintenance of existing infrastructure, improving the quality of its services, linking its rural areas to urban area through Agro Industrial Development, whilst separating construction sector to deepen the local beneficiation through its procurement.

It has ensured that a public participation model is adopted and implemented during the strategic framework development, which ensures that basic community issues are addressed through the framework and more importantly that public relations with its communities is improved.

The attainment of clean audit for two conservative years remains a significant milestone which reflects a new beginning of sustainable corporate governance. The municipality in its appreciation of the good milestones, has however acknowledged that a formidable task to sustain the present clean audit outcomes lies ahead as one of the challenges that underpin the transitional phase of the new term of council starting in the coming financial year. The municipality is therefore committing to maintain the good financial and performance management practices

N.C Eddie

Acting Municipal Manager

Date

Introduction

Section 34 of the Local Government: Municipal Systems Act, 32 of 2000 as amended, provides for the annual review of the IDP in accordance with an assessment of its performance measurements and to the extent that changing circumstances so demands. This is the first IDP document for the five-year term of the new council 2022- 2027. The strategic objectives and targets contained in this document were reached subsequent to extensive systematic and structured internal and external consultation through various public participation mechanisms with the community and stakeholders within the Elundini Municipal area of jurisdiction.

In terms of the Local Government: Municipal Systems Act, Act 32 of 2000 as amended, Section 25 (1) each municipal Council must, within a prescribed period after the start of its elected term, adopt a single, inclusive and strategic plan for the development of the municipality which, *inter alia*, links, integrates and co-ordinates plans and considers proposals for the development of the municipality and aligns the resources and capacity of the municipality.

Elundini Local Municipality

The ELM is a Category B municipality located within the Joe Gqabi District in the north-eastern portion of the Eastern Cape Province. The ELM is bounded by the Alfred Nzo District in the north, Chris Hani District in the south, OR Tambo District in the east, and Lesotho and Senqu in the west. It is the smallest of three municipalities in the district, making up a quarter of its geographical area (refer to map below). The ELM is one of the most scenic and attractive areas of the province, with considerable potential lying in its deep, fertile soils and high rainfall. Compared to the other municipalities in the Joe Gqabi District, Elundini has prospects of significant growth and upliftment in the quality of life for its residents due to its relative abundance of natural resources. The urban areas and commercial farming district are the highest employers, where people have found employment in the agriculture, commercial and service sectors.

Institutional Arrangement

Elundini Local Municipality has a political and administrative structures reflected as follows:

Table 1: Political and Administrative Structure

Political and Council Structures	Administrative Structures
<ul style="list-style-type: none"> ▶ Her Worship the Mayor ▶ Madam Speaker ▶ Executive Committee ▶ 34 Councilors ▶ 17 wards ward committee ▶ Chief Whips office 	<ul style="list-style-type: none"> ▶ Office of the Municipal Manager ▶ Corporate Services ▶ Budget and Treasury Office ▶ Planning and Development ▶ Infrastructure Planning and Development

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<ul style="list-style-type: none">▶ 5 standing committees▶ Audit committee▶ Municipal Public Accounts Committee (MPAC)▶ Women Cuaucus▶ Mandate Committee▶ Rules Committee▶ Members Interests and Ethics Committee▶ IDP and Budget Steering	<ul style="list-style-type: none">▶ Community Services
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The development of the IDP is led by the political structure through the stakeholder engagements, community-based engagement as reflected clearly on ward profiles, public participation programs ensuring the thorough involvement of the people of Ingquza on developmental programs. The administration ensures the execution of the decisions taken in the Council and provides reports through the Municipal Manager as the direct elect of the Council. This therefore cements the direct link between the administrative and the political arm of the institutions.

Table 2: Ward Information

Ward	Number and Name of Villages	Name and Number of Schools	Health Facilities	Electricity Supply (Estimated Households)	Sanitation (Households Estimates)	No of Community Halls	Most criminal activities	Community Projects	Common Development and Experienced Challenges
01	14, Nkalweni; Sihlahleni; Cikirha; Luthuthu; Ncembu; NyibibaMa plotini; Montgomery; Umnga Farms; Lunyaweni; Trustini; Phalisa; Umnga Flats; Ntendeleshe	12, Genga Ncwazi SPS; Lututu JSS; Ncembu JSS; Dinizulu SSS; Nyibiba JSS; Elunyaweni JSS; Witlands JSS; Montgomery JSS; Daluxolo JSS; Gabulinkungu JSS; Nkalweni JSS; Dalibango JSS)	2 Clinics (Umnga Flats Clinic; Ncembu Clinic) Mobile Clinic comes every 7,8 and 9 th of the month.	Total Households = 2 823 Total electrified = 2 635	2 688	1 (Nkalweni Community Hall)	Assault, House breaking and theft	Zamulwazi HCBC at Ncembu Phandulwazi HCBC at Elunyaweni Family Preservation	Access Roads Mobile Clinic (Palisa) Payment point (Palisa & Lututu)
02	6(Ntokozweni; Land Camp; J K Bokwe; Mandela Park; Extension 3; Ugie Park	2,(Sibabale SSS; E.T. Thabane Primary School	Ugie Town Clinic Old Location Clinic Mobile Clinic comes once in a while	Total households = 3 275 Total electrified = 2 466	3 140	1 (Ntokozweni Community Hall)	Murder, Rape, Robbery and Housebreaking	There are no projects currently operating in the entire ward	Access Road (Land Camp, Soccerfield) Road Maintenance (Mandela Park; Bhekela)
03	12(Old location; Sonwabile; Zakhele; Newrest; Polar Park; Peter Mokhaba; Nqanqarhu Town; Sithole; TV Park; Maxhegwani; Tuin Block;	5,(Maclear Public Primary; Maclear High School; Umthawelanga SSS; Nolufefe Public Primary; Maclear Methodist	Nqanqarhu Town Clinic Sonwabile Clinic Nqanqarhu General Hospital	Total Households = 2 381 Total electrified = 1 823	2 381	2 (Sonwabile Community Hall, Nqanqarhu Town Hall)	Burglary at residential premises; offences under drug trafficking act; burglary at business premises; unlawful	Nqanqarhu Safe home. The home provides shelter to the homeless. It also provides counseling for	Road Maintenance (Maxhegwani) No electricity (Tuin Blocks) Lack of employment Projects are not sustainable

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	Clearview		Mobile Clinics visits all Pre-Schools around Nqanqarhu on a monthly basis.				possession of fire arm	physically, emotionally and sexually abused people.	
04	23,(Ngqwaneni; Saqhuthe; Mlamla; Mission; Ephowulini; Tsikarong; Namba; Matugulu; Qobeni; Khohlomoriti; Sigoga; Komkhulu; Famini; Ndingeni; Mabalane; Eilands height Farms; Joel's Hoek; Popcorn Valley; Top Blocks; Maclear Town; Lenge; Nonkohlongo; Bethule)	9,(Henry Valtain SPS; Upper Tsitsana JSS; Gugwini SPS; Lower Tsitsana JSS; Mdeni SPS; Upper Mhlontlo SPS; Joel's Hoek SPS; Tsitsana Comprehensive SSS; Tenkop SPS	Tsitsana Clinic Mobile clinic visits on Tuesdays	Total Households = 2 336 Total electrified = 1 797	2 086	1,(Tsitsana Community Hall)	Assault GBH; Stock theft	Khulisanani Agricultural project	Toilets; Spring Protection; Electricity Lack of employment Bursaries for further studies Child-headed households
05	14,(Mbonisweni; Khwatsha; Ntushu-ntushu; Lower Ngxaza; St Augustine; Lower Ntywenka; Mtshezi; Mountain; Zwelitsha; Sithana; Hopedale; Ntabelanga; Mcwangele; Mpukone)	14(Mcwangele JSS; Nontatyana SPS; Mbonisweni JSS; Sithana JSS; Zwelidumile LPS; Ngxaza JSS; Thomas Ntaba; Ntaba JSS; Mabandla JSS; Goniwe SPS; Inxu JSS; Zandise JSS;	Mbonisweni Clinic Mobile Clinic visits on the 6 th of every month	Total Households = 2 712 Total electrified = 2 348	2 328	0	Unlawful possession of firearms; housebreaking ; drug abuse; rape	Vegetation project, specifically Cabbage.	Early Childhood Development Centre in (Mountain & Mtshezi); scholar transport (Mbonisweni-Diphini)

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		Lower Ngxaza LPS; Ntushuntushu JSS)							
06	13,(Ngxotho; Mqokolweni; Upper Sinxako; Lower Sinxako; Siqhungqwini; Nkolosane; Ngcele; Ngcele Down; Sommerville; Ntywenka; Upper Ntywenka; Qurana; Ntywenka forest)	12,(Ngxotho JSS; Mqokolweni JSS; Upper Sinxako JSS; Lower Sinxako JSS; Maiyd Sididi JSS; Siqhungqwini JSS; Qurana JSS; Magwaxaza JSS; Ngcele JSS; Sommerville JSS; Ntywenka JSS; Jamangile SSS)	Mobile Clinic visits monthly in all villages in the ward Queen Noti Clinic Mqokolweni Clinic	Total Households = 4 968 Total electrified = 4 732	4 616	0	Rape, Assault with the purpose to inflict grievous bodily harm, Theft of Live stock	Bonangashe Vegetation Project	Spring Protection; Clean drinking water, Access Roads Toilets for the clinic and extension of the clinic even if it is a container No visit by government to early childhood development centres Lack of job opportunities for graduates
07	25,(Ramatee; Ramlane; Hlangalane; Golomani Sigcwabeni; Katkop; Etyeni; Lalini; Khohlopong; Platana; Magwaca; Upper Nxaxa; Rodesia; Zwelitsha; Germiston; Marhombe; Tshikitsha Jojweni; Gamakhulu; Lower Khohlopong; Mfabantu; Nxaxa	14,(Etyeni JSS; Botsabelo JSS; Ngqayi JSS; Mpindweni JSS; Hlangalane JSS; Khohlopong JSS; Lower Khohlopong JSS; Nkahlolo JSS; Tshikitsha JSS; Ntaboduli JSS; Nxaxa Gorge JSS; Sophonia SSS; Kuyasa SSS; Malamlala JSS)	Hlangalane Clinic Katkop Clinic Ngxaxa Clinic	Total Households = 3 378 Total electrified = 2 150	3 037	1	Stock theft, Assault and housebreaking	HCBCs Poultry Project Vegetation Project	Shearing shed; clean drinking water Shortage of nurses at Katkop clinic Bridges to various locations Police Patrol

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	Goerge; Diphini; Phamong; Botsabelo)								
08	16,(Umfanta; Moroka; Nkamani; Mokgalong; Lithoteng; Sekoting; Lahlangubo; Luzie Poort; Nkobongo; Pitseng; Batlokoa; Jojweni; Moreneng; Luzie Drift; Makhatlanyeng; Pitseng Farms)	19(Makhatlanyeng SPS; Lukhanyisweni JSS; Umfanta JSS; Natlane Sekonyela SPS; Nkamane SPS; Mokhalong SPS; Thembeni SPS; Moroka JSS; Luzie JSS; Lengopeng JSS; Luzie Poort SPS; Sigoga SPS; Claude Makeng SPS; Mbizeni SPS; Nomzamo SPS; Lower Kete-kete JSS; Batlokoa JSS; Luzie SS; Thakabanna SSS)	Mobile Clinic comes on the 2 nd of every month	Total Households = 2 502 Total electrified = 988	2 320	1 (Umfanta Pension Hall)	Stock theft, Rape, Housebreakin g, Assault	HCBCs Sewing projects Vegetation project	Lack of electricity, access roads and water in many villages EPWP not doing road maintenance Male citizens above 35 years are not employed
09	6,(Mt Fletcher Town; Thembeni; Katlehong; Ilisolomzi; Khalankomo; Mbeki)	3,(Mount Fletcher Village JSS; Ilingeletu JSS; Ingwe FET)	Solomzi clinic	Total Households = 2 354 Total electrified = 1 648	2 172	2 (Mount Fletcher Town Hall; Tsitsana Community Hall)	Rape, Assault; Burglary, Robbery	Piggery project Amasimi	Upgrading of electricity, upgrading of sanitation, fencing of graveyards Provision of water Improvement of sanitation system Creation of more employment opportunities for various categories

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10	15,(Silindini; Xaxazana; Mathafeni 1; Skote; Westhoek; Mathafeni 2; Nkalweni; Zingonyameni; Siyalwini; Mjika; Mbambangwe; Mpharane; Madzura; Tsolobeng; Mahemeng)	9,(Tsolobeng JSS; Zamuxolo JSS; Mahemeng JSS; St Thomas JSS; Silindini SPS; Mbambangwe JSS; Sondaba SPS; Jongisizwe SPS; Zingonyameni JSS)	The mobile clinic does not really have a specific date but comes every month	Total Households = 3 962 Total electrified = 2 575	3 596	0	Business Buglary, Assaully GBH	HCBCs from Department of Health looking after disabled people Vegetation project	Water, community hall, toilets for churches, Opening and closing hours of the clinic not suitable for emergencies Non-attendance of important meetings by other government department
11	16,(Dengwane; Thambekeni; Tinana; Mjikelweni; Ntatyana; Gobho; Fletcherville; Likonyeleng; Farview; Ligcadweni; Mafusini; Lubisini; Xaxazana; Khalazembe; Ngoliloe No2; Matshoane)	12,(Sidinane SSS; Farview JSS; Ntsasa SPS; Lubisini JSS; Dengwane JSS; Tinana JSS; Fletcherville JSS; Matshoana JSS; Edward Zibi SSS; Khulanathi JSS; Sixhotyeni SPS; Ngaqangana JSS)	There are no clinics at Ward 11, they are dependent on the one at Ward 12, Mangoloaneng clinic	Total Households = 3 065 Total electrified = 1 488	3 042	0	Assault, Murder, Burglary in residential and business properties	Vegetation project HCBCs	Bridges, New toilets, Mobile Clinic Urgent attention on the issue of age restriction for employment in EPWP. No Community Development Worker (CDW) for the ward. Soil erosion Community Hall renovations
12	16,(Setaka; Moleeko; Thabatlala; Popopo; Mahanyaneng; Mangoloaneng ; Ngoliloe; Ntabayikhonjwa;	8,(Morulane JSS; Setaka JSS; Phaphama SPS; Popopo JSS; Polokoe SPS; Ngoliloe JSS;	Mangoloaneng clinic Mobile clinic comes once in a while	Total Households = 4 430 Total electrified = 2 882	4 397	0	Drug Abuse, Assault; Theft and Housebreaking	None in the meantime	Bridges, New Toilets, Project for rehabilitation of dongas/ soil erosion the community members once benefited from that project

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	Kinira Poort; Polokoe; Lehlakeng)	Mangoloaneng JSS; Mahanyaneng JSS))							
13	10,(Lower Nxotshana; Mokoatlane; Phirintsu; Koebung; Mohoabatsane; Ntoko; Maluti; Sethathi; Mashata; Seqhobong)	9,(Khorong SSS; Ntoko SPS; Koebung JSS; Seqhobong JSS; Mohoabatsane JSS; Hlanganisa JSS; Maluti JSS; Makoetlane JSS; Mosana JSS)	Siqhobong Clinic Mobile Clinic comes every month but does not have a specific date	Total Households = 2 773 Total electrified = 749	2 264	1 Mohoabatsane Community Hall	Stock Theft,, Murder, Drug Abuse, Assault	Kopanang Based Club- Sewing project Koebong shearing shed	Toilets and electricity for new households, RDP Houses
14	14,(Vuvu; Makgoaseng; Tabakhubedu; Lehana's Pass; Phuthing; Refele; Litaung; Linokong; Nqalweni; Zindawo; Ntabelanga; Setabataba; Zanyeni; Satube)	11,(Vuvu JSS; Lehana's Pass JSS; Bethania SSS; Upper Pirintsu JSS; Matshaneng SPS; Thabakgubedu JSS; Ulundi JSS; Phuthing JSS; Nqalweni JSS; Khanya SSS; Zanyeni SSS)	Bethania Clinic Lenge Clinic Mobile clinic comes every month	Total Households = 2 708 Total electrified = 486	2 368	0	Assault GBH; Rape; Housebreaking; Business Burglary; Murder	Someleze HCBC 1 House 1 Hector- Agricultural project	Access road Early Childhood Development Centre No electricity in other areas Network signal very poor High Crime Rate Unemployment Funding for projects
15	10,(Makhoaseng; Liphakoeng; Liphofung; Lower Tokoana; Basieng; Makhuleng; Khalatsu; Tsekong; Kutloanong; Nkululekweni)	13(Mamontoeli JSS; Lower Thokoana JSS; Lehana SSS; Bethania SSS; Liphofung SPS; Boithatelo SPS; Upper Thokoana SPS; Liphakoeng SPS; Khalatsu SPS; Remang Motheo SPS;	There are no clinics at Ward 15	Total Households = 8 071 Total electrified = 626	7 919	0	Rape, Assault, House and Business Burglary	Sewing project Agricultural project	Toilets, Water, Network pole, Electricity infills Renovation of damaged toilets Gravel for EPWP workers High Mast lights may assist in reduction of crime

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		Tswelopele SPS; Tsekong JSS; Makhuleng SPS)							
16	25,(Tsekong; Lubalweni; No 5; Ntatyani; Karadokhwe; Njaboya; Zwelitsha; Msasangeni; Chavy Chase; Mfengwini; Qolweni; Bhantini; Koloni; Mlube; Ndingo; Mcambalala; Sekgutlong; Ntabamkhitha; Magedla; Taung; Nondyandya; Sihom; Zinkumbini; Drayini; Kete-kete)	6,(Solomzi JSS; Taung JSS; Tlokoeng SPS; Mcambalala JSS; Magedla JSS; Koloni SPS; Thembaletu SPS; Kete-Kete JSS; Melisizwe JSS; Chavy Chase JSS; Frank Moshoeshoe JSS)	Mcambalala clinic Mobile clinic comes once in a while	Total Households = 3 960 Total electrified = 478	3 617	0	Assault GBH, Stock theft, Rape and Drug abuse	HCBCs- provides counselling to the abused members of the community	Bridges, Electricity infills, water, access roads, library Ill-treatment of established committees by JOGEDA Lack of monitoring of projects Ambulances not responding when called
17	12,(Ghaqhala; Mbidlana; Mdangwini; Maqhinebeni; Ngxothana; Vincent; Greenfields; Retriet Farm; Bhodi; Takalane; Robben; Ugie Town)	6,(Chebenca SPS; Ugie High School; Samuel Nombewu; Gqaqhala JSS; Msobomvu JSS; Mbidlana JSS)	Gqaqhala Clinic	Total Households = 2 866 Total electrified = 1 784	2 743	1 Ugie Veilingskraal	Rape, Burglary, Assault, Murder	Masibambane project	Water tap in each household, cutting of wattle trees, DRDAR must assist with seedling and other projects, maintenance of Thaleni access road, bridge

CHAPTER 1: LEGISLATION AND POLICY ALIGNMENT

1.1. Background

Elundini Local Municipality (ELM) developed its IDP and Budget in accordance with the requirements as set out in the Local Government: Municipal Systems Act (MSA) 32 of 2000, the Local Government: Municipal Planning and Performance Management Regulations 2001 and the Local Government: Municipal Finance Management Act 56 of 2003. In terms of the Local Government: Municipal Systems Act, Chapter 5, Section 25 (1) each municipal Council must, within a prescribed period after the start of its elected term, adopt a single, inclusive and strategic plan for the development of the municipality which:

- a) links, integrates and co-ordinates plans and considers proposals for the development of the municipality;
- b) aligns the resources and capacity of the municipality with the implementation of the plan;
- c) forms the policy framework and general basis on which annual budgets must be based;
- d) complies with the provisions of this Chapter; and
- e) is compatible with national and provincial development plans and planning requirements binding on the municipality in terms of legislation

Section 34 of the Local Government: Municipal Systems Act, 32 of 2000 as amended, provides for the annual review of the IDP in accordance with an assessment of its performance measurements and to the extent that changing circumstances so demands. This is the first document for the new elect council for a five year period starting from 2022-2027. The new council will provide the strategic direction in terms of service delivery in the area of Elundini for the next five years and will be reviewed annually to ensure alignment with National and Provincial Policies as well as the strategic decisions that will be adopted by the council each financial year.

In terms of the Local Government: Municipal Systems Act, Act 32 of 2000 as amended, Section 25 (1) each municipal Council must, within a prescribed period after the start of its elected term, adopt a single, inclusive and strategic plan for the development of the municipality which, *inter alia*, links, integrates and co-ordinates plans and considers proposals for the development of the municipality and aligns the resources and capacity of the municipality.

As far as the status of the IDP is concerned, Section 35 of the MSA clearly states that an Integrated Development Plan adopted by the Council of a municipality: (a) is the principal strategic planning instrument, which guides and informs all planning and development, and all decisions with regard to planning, management and development, in the municipality; (b) binds the municipality in the exercise of its executive authority, except to the extent of any inconsistency between a municipality's Integrated Development Plan and national or provincial legislation, in which case such legislation prevails; and

(c) binds all other persons to the extent that those parts of the IDP that impose duties or affect the rights of those persons have been passed as a by-law.

Section 36 furthermore stipulates that a municipality must give effect to its integrated development plan and conduct its affairs in a manner that is consistent with its integrated development plan. The IDP is the key instrument to achieve developmental local governance for decentralized, strategic, participatory, implementation orientated, coordinated and integrated development.

Preparing an IDP is not only a legal requirement in terms of the legislation but it is actually the instrument for realizing municipalities' major developmental responsibilities to improve the quality of life of citizens'. It seeks to speed-up service delivery by securing a buy-in of all relevant role-players and provides government departments and other social partners with a clear framework of the municipality's development trajectory to harness implementation efforts.

Integrated Development Planning also promotes intergovernmental co-ordination by facilitating a system of communication and co-ordination between local, provincial and national spheres of government. Local development priorities, identified in the IDP process, constitute the backbone of the local government's budgets, plans, strategies and implementation activities. Hence, the IDP forms the policy framework on which service delivery, infrastructure development, economic growth, social development, environmental sustainability and poverty alleviation rests.

The IDP therefore becomes a local expression of the government's plan of action as it informs and is informed by the strategic development plans at national and provincial spheres of government.

In terms of Section 26 of the Local Government: Municipal Systems Act, 32 of 2000 as amended, the core components of an IDP are:

- ▶ The municipal Council's vision for the long-term development of the municipality with special emphasis on the municipality's most critical development and internal transformation needs;
- ▶ An assessment of the existing level of development in the municipality, which must include an identification of communities which do not have access to basic municipal services;
- ▶ The Council's development priorities and objectives for its elected term, including its local economic development aims and its internal transformation needs;
- ▶ The Council's development strategies which must be aligned with any national or provincial sector plans and planning requirements binding on the municipality in terms of legislation;
- ▶ A spatial development framework which must include the provision of basic guidelines for a land use management system for the municipality;
- ▶ The Council's operational strategies;

- ▶ Applicable disaster management plans;
- ▶ A financial plan, which must include a budget projection for at least the next three years; and
- ▶ The key performance indicators and performance targets determined in terms of the Performance Management System.

Guiding Parameters

Within the multitude of government policy frameworks, legislation, guidelines and regulations that seek to advocate for the path, pace and direction for the country's socio-economic development agenda, the section below focuses on National Development Plan Vision 2030; Popular Mandate across Spheres of Government; Government Outcomes; Medium Term Strategic Framework (MTSF); the National Spatial Development Perspective (NSDP); National Growth Path; the Joe Gqabi Growth and Development Strategy; Millennium Development Goals; State of the Nation Address (SONA); and State of the Province Address (SOPA).

National Development Plan, Vision 2030

The RDP formed the basis of government's attempt to attack poverty and deprivation, and to build a united, non-racial and non-sexist South Africa. Informed by the principles of inclusivity, government translated the RDP into policies, programs and budgets. The Diagnostic Report of the National Planning Commission, released in June 2011, sets out South Africa's achievements and its shortcomings since 1994. The Vision Statement of the NDP is a step in the process of charting a new path for our country.

The NDP has the following objectives:

- ▶ Seeks to eliminate poverty and reduce inequality;
- ▶ Seeks a country wherein all citizens have the capabilities to grasp the ever-broadening opportunities available;
- ▶ Plans to change the life chances of millions of our people, especially the youth; life chances that remain stunted by the apartheid history

Priority Programs Of The District

Based on a comprehensive analysis of the District and the Strategic Goals and Objectives, the District has adopted eight "Priority Programs" to drive growth and development in the District over the next five to ten years. These priority programs were endorsed by all the social partners at the Growth and Development Summit held in February 2007 as well as in subsequent public meetings. The Strategic IDP objectives presented in the table below are aligned to the eight priority programs, MTAS and the 12 Outcomes of Government as well as the Millennium Development targets. The eight priority programs are depicted in the table below:

1.1. Purpose of the IDP

An Integrated Development Plan (IDP), once adopted by the Municipal Council, is a key strategic planning tool for the municipality. It is described in the Municipal Systems Act (MSA) 32 of 2000 as:

35(1) (a) "...the principal strategic planning instrument which guides and informs all planning and development, and all decisions with regard to planning, management and development, in the municipality";

(b) "...binds the municipality in the exercise of its executive authority...";

1.2. IDP Contents

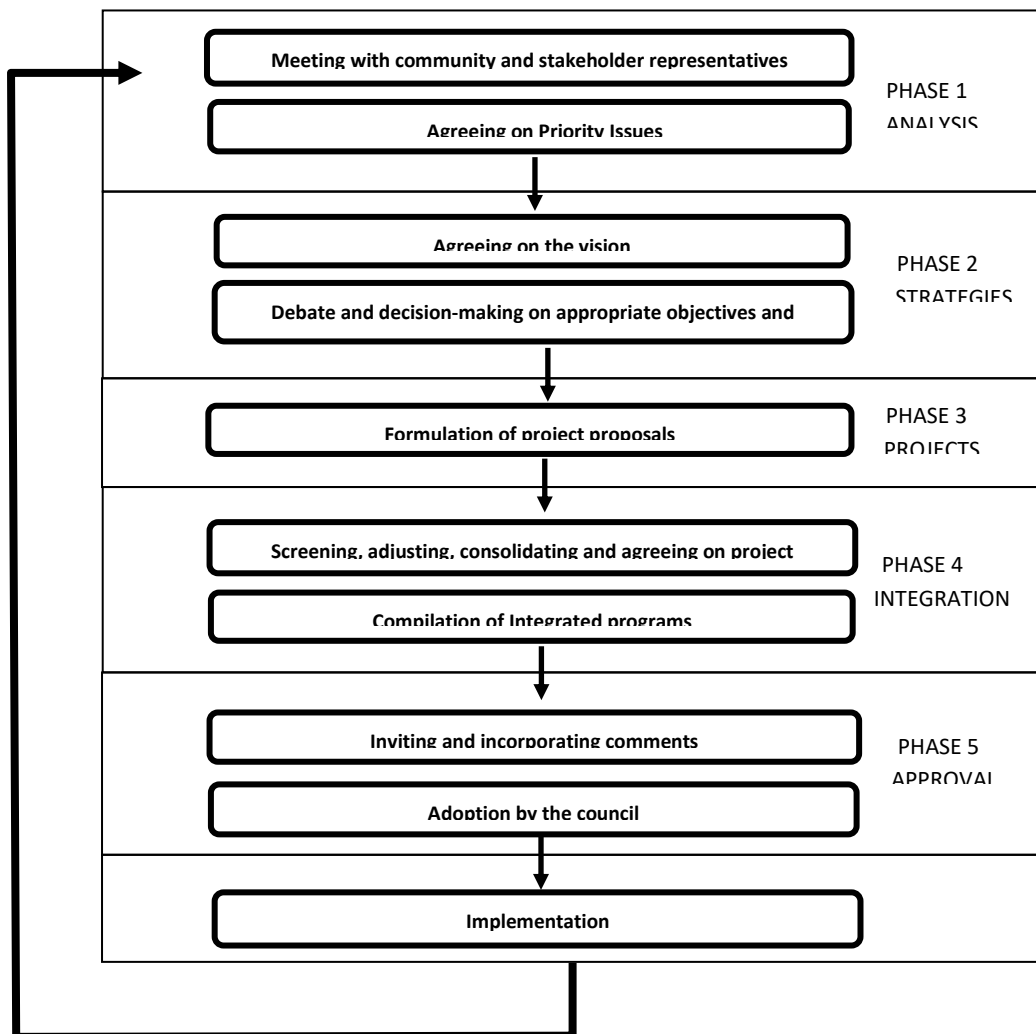
The IDP development and content is informed by legislative framework; situational analysis; National, Provincial and District plans and policies such as the National Development Plan (NDP), the Medium-term Strategic Framework, the National Spatial Development Perspective (NSDP), the Eastern Cape Provincial Spatial Development Plan (ECPSDP), the Eastern Cape Provincial Growth and Development Plan (ECPGDP), the Ukhahlamba District Growth and Development Summit (GDS), the Elundini 5 year Strategy, SONA and SOPA. The IDP also contains performance management system, service delivery and budget implementation plan and financial plan

1.3. IDP/Budget Process Plan for 2022/2023 IDP Review

1.3.1. Introduction

IDP and Budget Process Plan for the review of the IDP for 2022/23 financial year was developed with the IDP for 2021/2022 and was incorporated in this IDP. The ELM 2022/2023 IDP and Budget Process Plan was noted by EXCO on 18 June 2020 with Resolution No. EXCO/82/20 and was adopted by Council on 24 June 2021 Council Resolution No. CON/90/20. The IDP Process as depicted in the figure below is a continuous cycle of planning, implementation and evaluation.

Table 3: IDP Process Flow



1.3.2. Legislative Background

1.3.2.1. The Integrated Development Plan

Section 35 (1) (a) of the Local Government: Municipal Systems Act 32 of 2000 (MSA) states that the IDP is the principal strategic planning instrument, which guides and informs all planning and development, and all decisions with regard to planning, management and development in a municipal area. As stipulated in Section 25 of the MSA, an IDP adopted by a municipal council must:

- ▶ Link, integrate and coordinate plans and consider proposals for the development of the municipality.
- ▶ Align the resources and capacity of the municipality with the implementation of the plan;
- ▶ Form the policy framework and general basis on which annual budgets must be based;
- ▶ Complies with the provisions of the MSA, with the particular reference to Chapter 5; and
- ▶ Be compatible with national and provincial plans and planning requirements binding on the municipality in terms of legislation.

1.3.2.2. Adoption of the Municipal Process Plan

In terms of Section 28 of the Local Government: Municipal Systems Act, 32 of 2000:

- (1) each municipality Council, within a prescribed period after the start of its elected term, must adopt a process set out in writing to guide the planning, drafting, adoption and review of its integrated development plan;
- (2) the municipality must through appropriate mechanisms, processes and procedures established in terms of Chapter 4, consult the local community before adopting the process;
- (3) a municipality must give notice to the local community of particulars of the process it intends to follow.

1.3.2.3. Process to be followed

In terms of Section 29 (1) of the Local Government: Municipal Systems Act, 32 of 2000, the process to be followed by a municipality to draft its IDP, including its consideration and adoption of the draft plan, must: -

- (a) be in accordance with a predetermined programme specifying time-frames for the different steps;
- (b) through appropriate mechanisms, processes and procedures established in terms of Chapter 4, allow for: -
 - (i) the local community to be consulted on its development needs and priorities;
 - (ii) the local community to participate in the drafting of the IDP; and
 - (iii) organs of state, including traditional authorities, and other role players to be identified and consulted on the drafting of the IDP;
- (c) provide for the identification of all plans and planning requirements binding on the municipality in terms of national and provincial legislation; and
- (d) Be consistent with any other matters that may be prescribed by regulation

1.3.2.4. Management of the drafting process

In terms of Section 30 of the Local Government: Municipal Systems Act, 32 of 2000, the Executive Committee of the municipality must, in accordance with section 29: -

- (a) manage the drafting of the municipality's IDP;
- (b) assign responsibilities in this regard to the Municipal Manager; and

(c) submit the draft plan to the Municipal Council for adoption by the Council.

1.3.3. Sector Plans and Binding Plans to be included in the IDP

Various Local Government legislation and regulations provide, among others, for the key sector plans that must be developed, approved implemented by municipalities. Table A below reflects some of the key sector plans that are required.

1.3.3.1. Key Sector Plans

Table 4: Compulsory sector plans to be included in IDPs

NO	SECTOR PLANS
1	Spatial Development Framework
2	Financial Plan
3	Applicable Disaster Management Plan
4	Integrated Transport Plan
5	Housing Sector Plan/Strategy
6	Environmental Management Plan
7	Water Services Development Plan, where applicable
8	(Integrated) Waste Management Plan
9	Public Participation Strategy/Plan (Stakeholder Engagement Strategy/Plan)
10	Communication Strategy/Plan
11	Workplace Skills Development Plan
12	Employment Equity Plan
13	Human Resources Plan
14	Human Resource Development Strategy
15	Performance Management Framework and Policy
16	Recruitment and Selection Strategy
17	Scarce Skills Attraction and Retention Strategy
18	Succession Plan
19	Occupational Health And Safety Plan
20	Anticorruption and Antifraud Strategy
21	LED Strategy
22	Comprehensive Infrastructure Plan
23	Delegations Framework

The legislation requires that if a municipality that has not yet developed its municipal specific sector plans or strategies, it may adopt the relevant District plan or strategy through a Municipal Council's Resolution.

1.3.3.2. Other Plans and Issues to be considered

In terms of Section 153 of the Constitution of the Republic of South Africa, 1996 municipalities must participate in national and provincial development programmes. Moreover, section 25 (1) (a) of the MSA states that an IDP adopted by the Municipality must be compatible with national and provincial development plans and planning requirements binding on the municipality. Thus the following plans and issues must also be considered when drafting the municipal IDP:

- ▶ The National Development Plan
- ▶ New Growth Path
- ▶ National Spatial Development Perspective
- ▶ Medium Term Strategic Framework
- ▶ Provincial Strategic Framework
- ▶ Provincial Growth and Development Plan
- ▶ Mandate of Local Government
- ▶ Millennium Development Goals
- ▶ National and Provincial Service Delivery targets
- ▶ Municipal Turn Around Strategies
- ▶ Comments and inputs emanating from IDP processes
- ▶ Comments emanating from IDP engagement sessions
- ▶ Consideration of outcomes and inputs emanating from stakeholder engagements
- ▶ Amendments due to changing circumstances
- ▶ Need for general improvements of current processes and systems.
- ▶ Resource re-allocation and prioritization
- ▶ Organizational development and its intricacies
- ▶ Alignment with National and Provincial frameworks and plans
- ▶ Review of the previous years' plans and lessons learnt
- ▶ Reviewed sector plans;
- ▶ Council's strategic planning sessions
- ▶ National Key Performance Indicators
- ▶ Credible IDP Framework

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The table B below summarises some other matters that must be considered during the review of the IDPs.

Table 5: Framework Guide for credible IDPs

Focus Area	Delivery Focus Area	Performance Definition
1. Service Delivery	Sanitation	What is the plan, in collaboration with the DM, to achieve the national targets on sanitation and needs of the area?
	Water	What is the plan, in collaboration with the DM, to achieve the national targets on water provision and management needs of the area?
	Electricity	What is the plan, in collaboration with ESKOM, to achieve the national targets on electricity provision and needs of the area?
	Refuse Removal	What is the plan to achieve the national targets on waste removal and management needs of the area?
	Municipal Roads	What plans are in place to address access roads as well as existing roads maintenance?
	Infrastructure plans	Other bulk infrastructure plans for this year.
	EPWP	Projects to be undertaken this financial year and number of job opportunities to be created.
2. Institutional Arrangements	Human Resource Strategy	What is your Human Resource Management Strategy? Organogram, number of posts vacant, when do you expect to fill them, any gaps etc.
	Skills Development Plan	Skills development and attraction strategy to address the delivery needs experienced by the municipality.

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	Performance Management System	How is the system aligned to the IDP delivery targets, plans to monitor the implementation of the SDBIP. Is performance management implemented with respect to all relevant officials?
	Operations and Maintenance	What is the plan of maintaining existing infrastructure (i.e. buildings)
3. Local Economic Development	Alignment (NSDP; PGDS)	What is your LED plan, elements of alignment to the NSDP, PGDS, ASGI-SA projects (where relevant)?
	DM / LM interface	What contribution do we make to the Provincial and National growth and/or vice versa? Local LED contribution to the District economic growth.
	Special groups	Does the LED and the empowerment plans empower the local economy with women, youth and the disabled to participate in the economy?
	1 st and 2 nd Economies	Plans to ensure economic linkages and benefit between the local first and second economies. Specific second economy plans and possible number of beneficiary households.
4. Financial Management and Corporate Governance (Compliance with MFMA and MSA)	Submission of FS	Are the financial statements timeously (two months after end of financial year) submitted to the Office of the Auditor-General?
	Audits	Have the observations of the AG been acted upon in terms of corrective governance procedures and approaches on:

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		<p>a) the financial audit</p> <p>b) the performance audit</p>
	<p>Financial Plan (MSA s 26h)</p>	<p>Is there a financial plan that includes a budget projection for at least three years?</p>
	<p>Budget</p>	<p>Does the compilation and management of the budget comply with the provisions of the MFMA: sections 16 – 26?</p> <p>Are there measurable performance objectives for each vote in the budget, considering the IDP?</p>
	<p>Duties of office bearers re budget (Mayor: MFMA, sections 21-23 and 52 and 54) (Municipal Manager, sections 68-72)</p>	<p>Has the Mayor performed his or her budget duties: coordinated the processes, tabled a schedule 10 months before start of financial year and consulted with relevant stakeholders?</p> <p>Has the MM undertaken his or her reporting and administrative duties re the Act?</p> <p>Is the budget timetable adhered to (July to June)?</p>
	<p>Service Delivery and Budget Implementation Plan (SDBIP) (MFMA: Section 53)</p>	<p>The SDBIP is a tool approved by the Mayor to manage, implement and continuously monitor delivery of services, spending of budget allocations, performance of senior management and achievement of the strategic objectives set by the Council. Is this plan operative?</p>

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	SDBIP: Political and executive accountabilities	Has a Section 53 document been adopted by Council and are systems in place for effective strategic management?
	Division of Revenue DORA Equitable Share: Schedules 2 and 3 MIG (infrastructure transfers) Schedule 4B Capacity building Section 14	Municipalities need to demonstrate financial planning aligned to DORA (ES; MIG; Transfers for capacity-building) and have plans to both manage revenue shortfalls and enhance revenue collection.
	Revenue Management MFMA: s 61; MSA: s 95)	Check that the accounting officer is taking all reasonable steps to comply with legal requirements.
	Project Consolidate interventions	Is the role of CDW's articulated and incorporated into the IDP? Check budget for skills and capacity development projects.
	Community participation – budget (MFMA Section 22 – 23)	Has the draft budget been made public and a meeting held with the community to ascertain development priorities? Are these priorities incorporated into the IDP?
	Anti-corruption	Does the IDP convey a discernible commitment to clean and accountable governance and evidence of investigative action in cases of malpractice?
5. Governance	Public Participation	Check compliance with MSA: Have appropriate mechanisms, processes and procedures been put in place to enable the community to participate in the affairs of the municipality?

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		<p>E.g. Public meetings, availability of IDP to community;</p> <p>involvement of community in development, implementation and review of the municipality's performance management system;</p> <p>Were community involved in setting of appropriate key performance indicators and targets for the municipality?</p> <p>Are these initiatives reflected in the IDP?</p>
	<p>Code of Conduct for Councillors and municipal staff members (Sections 1 and 2, MSA)</p>	<p>Have all staff and members signed the Code of Conduct? Are the provisions of these sections adhered to re general conduct, duties disclosures?</p> <p>Does the community have access to the Codes of Conduct?</p>
	<p>Ward Committees</p>	<p>Total number of Ward Committees established as per the number of demarcated municipal wards;</p> <p>Are Ward Committee functional; do they comply with Terms of Reference of establishment?</p> <p>Does the IDP report on their contribution to development in the municipality?</p>
	<p>Communication</p>	<p>Is the municipality complying with MSA (S21) directives regarding communication to the local community?</p> <p>E.g. Official website should be established (if affordable; if not via an intergovernmental arrangement);</p> <p>Website or public place must contain documents to be made public in terms of the MPFMA and MSA.</p>

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		<p>Are there indications of a positive interface between council, ward committee and community?</p> <p>Does the IDP demonstrate a commitment to communication?</p>
6. Intergovernmental relations	Cooperative governance	MSA S3 defines how local government must develop cooperative approaches to governing, resource share and solve disputes and problems within context of IGR. Are these principles discernible in the IDP?
	Establishment of IGR Forums: Provincial – Premier’s Forum Interprovincial forums; Local: District forums; Inter-municipality forums	<p>The IGRF Act requires that there are provincial and district intergovernmental forum to promote and facilitate IGR between a) provinces and local government, and b) district and local municipalities.</p> <p>Is the IDP benefiting from intergovernmental dialogue?</p>
	Role of IGR Forums to promote service delivery	<p>The forum must meet at least once a year with service providers and other role players concerned with development in the district, to coordinate effective provision of services and planning in the district.</p> <p>Does the IDP reflect engagement with forums?</p>
	Reporting and sector involvement in planning	<p>The Premier of a province must report to PCC on the implementation of national policy and legislation within the province.</p> <p>The role of sectors in local delivery must be clearly articulated.</p> <p>Is the IDP aligned to these obligations?</p>

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	Assignment of Powers and functions	Do appropriate intergovernmental agreements facilitate effective management of assignments within the municipality?
7. Spatial Development Framework	Sustainable Human Settlements	Check that municipalities are familiar with Housing dept policy on SHS and implications of new accreditation framework. Municipalities need to be working inter-governmentally to sustain joint planning in land access, economic and labour profiling, infrastructure delivery and provision of services.
	National Spatial Development Perspective (NSDP)	The updated NSDP is being communicated to provinces and municipalities between February and April. Ensure principles are understood and there are management plans to ensure these are incorporated into joint planning initiatives aligned to the NSDP economic and social profile for that province / region.
	Provincial Growth and Development Strategy (PGDS)	New Guidelines are available for provinces and municipalities to structure their planning aligned to regional profiles and in spirit of economic and resource cooperation.
	Economic profile	Has the NSDP overview been extrapolated and integrated into local economic development initiatives based on local and regional economic realities?
	Geographic profile	Are studies undertaken to understand environmental and geographic characteristics of the region and the

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		implications for economic spatial choices?
	Demographic profile	Have the demographics of the region in terms of household size, poverty statistics, migration, labour preferences, birth and death rates been factored into the spatial strategy of the municipality?

1.3.4. Time Schedule of Key Deadlines

The National Treasury Department provides guidance in terms of the key deadlines and activities for the IDP- Budget process applicable to municipalities as per the Municipal Systems Act of 2000 and the Municipal Finance Management Act of 2003 as reflected in Table 6 below:

Table 6 : Key Deadlines for Process Plan

Mayor to Table in Council 10 Months Prior to Start of Budget Year		
Month	Mayor and Council / Entity Board	Administration - Municipality and Entity
June 2021	<p>Mayor tables in Council a time schedule outlining key deadlines for: preparing, tabling and approving the budget; reviewing the IDP (as per s 34 of MSA) and budget related policies and consultation processes at least 10 months before the start of the budget year.</p> <p style="text-align: center;">MFMA s 21,22, 23;/ MSA s 34, Ch 4 as amended</p> <p>Mayor establishes committees and consultation forums for the budget process</p>	
July 2021	<p>Mayor begins planning for next three-year budget in accordance with co-ordination role of budget process</p> <p style="text-align: center;">MFMA s 53</p> <p>Planning includes review of the previous year's budget process and completion of the Budget Evaluation Checklist</p>	<p>Accounting officers and senior officials of municipality and entities begin planning for next three-year budget</p> <p style="text-align: center;">MFMA s 68, 77</p> <p>Accounting officers and senior officials of municipality and entities review options and contracts for service delivery</p> <p style="text-align: center;">MSA s 76-81</p>

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September 2021	Council through the IDP review process determines strategic objectives for service delivery and development for next three-year budgets including review of provincial and national government sector and strategic plans	Budget offices of municipality and entities determine revenue projections and proposed rate and service charges and drafts initial allocations to functions and departments for the next financial year after taking into account strategic objectives Engages with Provincial and National sector departments on sector specific programmes for alignment with municipalities plans (schools, libraries, clinics, water, electricity, roads, etc)
October 2021		Accounting officer does initial review of national policies and budget plans and potential price increases of bulk resources with function and department officials MFMA s 35, 36, 42; MTBPS
November 2021		Accounting officer reviews and drafts initial changes to IDP MSA s 34
December 2021	Council finalises tariff (rates and service charges) policies for next financial year MSA s 74, 75	Accounting officer and senior officials consolidate and prepare proposed budget and plans for next financial year considering previous years performance as per audited financial statements
January 2022	Entity board of directors must approve and submit proposed budget and plans for next three-year budgets to parent municipality at least 150 days before the start of the budget year MFMA s 87(1)	Accounting officer reviews proposed national and provincial allocations to municipality for incorporation into the draft budget for tabling. (Proposed national and provincial allocations for three years must be available by 20 January) MFMA s 36

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<p>February 2022</p>	<p>Council considers municipal entity proposed budget and service delivery plan and accepts or makes recommendations to the entity</p> <p style="text-align: center;">MFMA s 87(2)</p>	<p>Accounting officer finalises and submits to Mayor proposed budgets and plans for next three-year budgets taking into account the recent mid-year review and any corrective measures proposed as part of the oversight report for the previous years audited financial statements and annual report</p> <p>Accounting officer to notify relevant municipalities of projected allocations for next three budget years 120 days prior to start of budget year</p> <p style="text-align: center;">MFMA s 37(2)</p>
<p>March 2022</p>	<p>Entity board of directors considers recommendations of parent municipality and submit revised budget by 22nd of the month</p> <p style="text-align: center;">MFMA s 87(2)</p> <p>Mayor tables municipality budget, budgets of entities, resolutions, plans, and proposed revisions to IDP at least 90 days before start of budget year</p> <p style="text-align: center;">MFMA s 16, 22, 23, 87; MSA s 34</p>	<p>Accounting officer publishes tabled budget, plans, and proposed revisions to IDP, invites local community comment and submits to NT, PT and others as prescribed</p> <p style="text-align: center;">MFMA s 22 & 37; MSA Ch 4 as amended</p> <p>Accounting officer reviews any changes in prices for bulk resources as communicated by 15 March</p> <p style="text-align: center;">MFMA s 42</p>
<p>April 2022</p>	<p>Consultation with national and provincial treasuries and finalise sector plans for water, sanitation, electricity etc</p> <p style="text-align: center;">MFMA s 21</p>	<p>Accounting officer assists the Mayor in revising budget documentation in accordance with consultative processes and considering the results from the third quarterly review of the current year</p>

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<p>May 2022</p>	<p>Public hearings on the budget, and council debate. Council consider views of the local community, NT, PT, other provincial and national organs of state and municipalities. Mayor to be provided with an opportunity to respond to submissions during consultation and table amendments for council consideration. Council to consider approval of budget and plans at least 30 days before start of budget year.</p> <p style="text-align: center;">MFMA s 23, 24; MSA Ch 4 as amended</p> <p>Entity board of directors to approve the budget of the entity not later than 30 days before the start of the financial year, considering any hearings or recommendations of the council of the parent municipality</p> <p style="text-align: center;">MFMA s 87</p>	<p>Accounting officer assists the Mayor in preparing the final budget documentation for consideration for approval at least 30 days before the start of the budget year considering consultative processes and any other new information of a material nature</p>
<p>June 2022</p>	<p>Council must approve annual budget by resolution, setting taxes and tariffs, approving changes to IDP and budget related policies, approving measurable performance objectives for revenue by source and expenditure by vote before start of budget year</p> <p style="text-align: center;">MFMA s 16, 24, 26, 53</p> <p>Mayor must approve SDBIP within 28 days after approval of the budget and ensure that annual performance contracts are concluded in accordance with s 57(2) of the MSA. Mayor to ensure that the annual performance agreements are linked to the measurable performance objectives approved with the budget and SDBIP. The mayor submits the approved SDBIP and performance agreements to council, MEC for local government and makes public within 14 days after approval.</p> <p style="text-align: center;">MFMA s 53; MSA s 38-45, 57(2)</p> <p>Council must finalise a system of delegations.</p> <p style="text-align: center;">MFMA s 59, 79, 82; MSA s 59-65</p>	<p>Accounting officer submits to the mayor no later than 14 days after approval of the budget a draft of the SDBIP and annual performance agreements required by s 57(1) (b) of the MSA.</p> <p style="text-align: center;">MFMA s 69; MSA s 57</p> <p>Accounting officers of municipality and entities publishes adopted budget and plans</p> <p style="text-align: center;">MFMA s 75, 87</p>
<p><u>Abbreviations:</u> IDP - Integrated Development Plan; MFMA - Local Government: Municipal Finance Management Act, No. 56 of 2003; MSA - Local Government: Municipal Systems Act, No. 32 of 2000, as amended; MTBPS - National Treasury annual publication, Medium Term Budget and Policy Statement; NT - National Treasury; PT - Provincial Treasuries; SDBIP - Service Delivery and Budget Implementation Plan</p>		

1.3.4.1. Submission of Approved IDP to MEC for Department of Cooperative Governance and Traditional Affairs

In terms of Section 32 (1) of the MSA states that: -

- (a) The Municipal Manager of a municipality must submit a copy of the Integrated Development Plan as adopted by the council of the municipality and any subsequent amendment to the plan, to the MEC for local government in the province within 10 days of the adoption or amendment of the plan.
- (b) The copy of the IDP to be submitted must be accompanied by: -
 - (i) a summary of the process in terms of Section 29 (1);
 - (ii) a statement that the process has been complied with, together with any explanations that may be necessary to amplify the statement;

1.3.4.2. Drafting and Adoption of Municipal Budget

The drafting of the municipal budget is regulated in terms of the Local Government: Municipal Finance Management Act of 2003 (MFMA). Section 21(1) of the MFMA states that the Mayor of a municipality must:

- (a) Co-ordinate the processes for preparing the annual budget and for reviewing the municipality's integrated development plan and budget-related policies to ensure that the tabled budget and any revisions of the integrated development plan and budget-related policies are mutually consistent and credible.
- (b) At least 10 months before the start of the budget year, table in the municipal council a time schedule outlining key deadlines for: -
 - (i) the preparation, tabling and approval of the annual budget;
 - (ii) the annual review of: -
 - (aa) the IDP in terms of section 34 of the Municipal Systems Act; and
 - (bb) the budget related policies;
 - (iii) the tabling and adoption of any amendments to the IDP and the budget-related policies; and
 - (iv) any consultative process forming part of the processes referred to in (i), (ii) and (iii) above.

In order for the municipal council to adopt the budget of the municipality, the mayor of the municipality must table the annual budget at a council meeting at least 90 days before the start of the budget year in terms of Section 16 (2) of the MFMA, which annual budget must be approved by the Council, in terms of Section 16 (1) of the same Act, before the start of that financial year.

1.3.4.3. Implementation Management & Monitoring

Chapter 6 of the MSA requires municipalities to develop and implement performance management systems. A municipality's performance management system entails a framework that describes and represents how the municipality's cycle and processes of performance planning, monitoring,

measurement, review, reporting and improvement will be conducted, organised and managed, including determining the roles of the different role-players. A performance management system must be adopted before or at the same time as the commencement by the municipality of the process of setting key performance indicators and targets in accordance with its integrated development plan. The system further provides the municipality with a mechanism of early warning for under-performance and promotes accountability and good corporate governance.

In order to implement the identified performance objectives and targets through the budget, S53 of the MFMA requires that the Mayor approves the municipality's Service Delivery and Budget Implementation Plan (SDBIP) within 28 days after the approval of the budget. The implementation of the SDBIP must be linked to the performance agreement that must be concluded in terms of the Municipal Manager and managers reporting to him, in terms of S57 of the MSA. In order to continually review municipal performance. In terms of the Local Government: Municipal Planning and Performance Management Regulations of 2001 a municipality must, after consultation with the local community, develop and implement mechanisms, systems and processes for the monitoring, measurement and review of performance in respect of the key performance indicators and performance targets set by it. The mechanisms, systems and processes for monitoring and must:

- ▶ provide for reporting to the municipal council at least twice a year;
- ▶ be designed in a manner that enables the municipality to detect early indications of under-performance; and
- ▶ provide for corrective measures where under-performance has been identified.

A municipality must develop and implement mechanisms, systems and processes for auditing the results of performance measurements as part of its internal auditing processes. In order to fully execute the function of auditing performance, S14 (2) (a) of the Regulations require that a municipality must annually appoint and budget for a performance audit committee.

1.3.4.4. Programmes and Time Frames

Due to the Covid-19 pandemic, all meetings will be held virtually to minimize human interaction. Below is a table of the proposed programme that summarizes the overall time frames for various phases and highlights some of the key events and activities:

Table 7 Process Plan Timeframes

PHASES	PHASE DESCRIPTION	KEY EVENTS/ACTIVITIES	RESPONSIBILITY	PERIOD	STATUS
Phase 0 Preparation	IDP and Budget Process plan developed	▶ Prepare IDP and Budget Process Plan	Accounting Officer	June 2021	

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		<ul style="list-style-type: none"> ▶ Submit IDP and Budget and Process Plan to EXCO and Council for approval 			
Phase 1 Situational Analysis	Agreeing on priority issues	<ul style="list-style-type: none"> ▶ Conduct IDP and Budget steering committee to consider: <ul style="list-style-type: none"> ▶ Planning for the next three-year budget ▶ Review options and contracts for service delivery ▶ Determine revenue projections and proposed rates, service charges and draft initial allocations for the next financial year ▶ Conduct Public Consultation Sessions to identify and agree on community needs and priorities through the ward committee system ▶ Conduct IDP Rep forum to engage with provincial and national sector departments on sector specific programmes for alignment with municipality plans ▶ Compile and update existing situational analysis information 	Mayor assisted by Accounting Officer and CFO	August 2021 September 2021 September 2021	
Phase 2 Objective, Strategies, Projects & Programmes	Agreeing on the vision Debate and decision-making on appropriate objectives and strategies	<ul style="list-style-type: none"> ▶ Conduct review of national policies ▶ Review and draft initial changes to the IDP ▶ Consolidate and prepare proposed budget and plans for the next financial year considering previous year performance 	Accounting Officer Accounting Officer Accounting Officer Mayor assisted by Accounting Officer and CFO	October 2021 November 2021 November 2021 December 2021	

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		<ul style="list-style-type: none"> ▶ Convene IDP & Budget Steering Committee to deal with: <ul style="list-style-type: none"> ▶ Community priorities ▶ Review of national policies ▶ budget plans and potential price increases of bulk resources ▶ Reviewed and drafted initial changes to IDP ▶ Proposed budget and plans for the next financial year including tariffs (rates and service charges) policies. ▶ Organise IDP Representative Forum ▶ Review proposed national and provincial allocations to municipality for incorporation into the draft budget for tabling. ▶ Convene IDP & Budget Steering Committee to deal with: <ul style="list-style-type: none"> ▶ Final proposed budget and plan for the next three year budget taking into account the recent media review and any corrective measures proposed as part of the oversight report ▶ Organise strategic planning session to develop municipal objectives, strategies and projects. 	<p>Mayor Accounting Officer</p> <p>Mayor assisted by Accounting Officer and CFO</p> <p>Accounting Officer</p>	<p>December 2021 January 2022</p> <p>February 2022</p> <p>February 2022</p>	
<p>Phase 3 Projects</p>	<p>Formulation and projects proposals</p>	<ul style="list-style-type: none"> ▶ Develop draft institutional and departmental SDBIPs 	<p>Accounting Officer Accounting Officer</p>	<p>March 2022</p>	

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		<ul style="list-style-type: none"> ▶ Conduct budget consultation sessions with municipal departments ▶ IDP & Budget Rep Forum 	Mayor		
Phase 4 Integration	Screening, adjusting, consolidating and agreeing on project proposals and compilation of integrated programs	<ul style="list-style-type: none"> ▶ Submit draft IDP & Budget to council for consideration ▶ Publish tabled budget, plans and proposed revisions to IDP and invite local community comments ▶ Submit the draft IDP & Budget to MEC for Local Government and to National & Provincial Treasury for commenting ▶ Revise budget documentation in accordance with National and Provincial Treasury consultative processes and taken into account the results from the third quarterly review of the current year ▶ Conduct public hearings on the budget to consider views of local community National Treasury, Provincial Treasury, other Provincial and national organs of State ▶ Consider and respond to submissions during consultation and table amendments to council for consideration 	Mayor Accounting Officer Accounting Officer Accounting Officer Mayor Mayor	March 2022 March 2022 March 2022 April 2022 May 2022 May 2022	
Phase 5 Approval	Inviting and incorporating comments and adoption by the council	<ul style="list-style-type: none"> ▶ IDP & Budget Steering Committee ▶ 4th IDP & Budget Rep Forum ▶ Submit final draft of the IDP to council for approval including budget by resolution, setting taxes and tariffs, budget related policies, measurable 	Mayor Mayor Accounting Officer	May 2022 May 2022 June 2022	

		performance objectives for revenue by source and expenditure by vote			
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1.3.4.5. Process for Amending an Adopted IDP

In terms of Municipal Planning and Performance Management Regulations of 2001, Gazette No. R. 796, S3 only a member or committee of a municipal Council may introduce a proposal for amending the municipality's integrated development plan in the Council. Any proposal for amending a municipality's Integrated Development Plan must be aligned with the framework adopted in terms of S27 of the MSA.

In terms of the regulations, no amendment to a municipality's IDP may be adopted by the municipal Council unless:

- ▶ all the members of the Council have been given reasonable notice;
- ▶ the proposed amendment has been published for public comment for a period of at least 21 days in a manner that allows the public an opportunity to make representations with regard to the proposed amendment;
- ▶ the municipality, if it is a district municipality, has consult all the local municipalities in the area of the district municipality on the proposed amendment and has taken all comments submitted to it by the local municipalities in that area into account before it takes a final decision on the proposed amendment;
- ▶ the municipality, if it is a local municipality, has consulted the district municipality in whose area it falls on the proposed amendment, and has taken all comments submitted to it by the district municipality into account before it takes a final decision on the proposed

1.3.5. Mechanisms and Procedures for Public Participation

Notwithstanding the network connectivity challenges in the far-flung rural parts of the municipality and following national government’s lockdown regulations due to the Covid-19 pandemic, all public participation process and community engagements will be held virtually in order to minimize human interaction. The municipality’s Public Participation and Communication Units, together with Ward Councillor and Traditional Leaders will have to devise mechanisms on how best communities can be part of the municipality’s public participation processes during this time of Coronavirus.

One of the main features about IDP and Budget Processes is the involvement of community and stakeholder organizations in the process. This ensures that the IDP addresses the real issues that are being experienced by the citizens. Both the Constitution of the Republic of South Africa, 1996 and the Municipal Systems Act of 2000 stipulate that one of the objectives of municipalities is “To encourage

the involvement of communities and community organizations in the matters of local government". The White Paper on Local Government also put emphasis on public participation.

Through the Municipal Systems Act, participation in the decision-making processes of the municipality, participation of communities, residents and ratepayers is determined to be a right. The IDP is, therefore, also emphasized as a special field of public participation.

It is therefore evident that public participation should be promoted in order to achieve, *inter alia*, the following objectives:

- ▶ Consult with the community on their developmental challenges
- ▶ Form basis for people-centred governance and bottom-up planning process
- ▶ Improve the relationship between council and the communities and thereby improve political accountability and transparency
- ▶ Empower communities through information dissemination/assimilation
- ▶ Establish the community feedback programme, which allows local leaders the opportunity to interact with communities on issues of service delivery.
- ▶ Provide communities with a platform to influence the developmental trajectory of municipalities and government in general
- ▶ Provides the municipality with a project/programme evaluation and implementation monitoring feedback mechanism

1.3.5.1. Participation Mechanism

Provisions of MSA Chapter 4 Section 17 provide for mechanisms for participation:

- ▶ IDP Rep Forum to verify and add data;
- ▶ District Municipality's Rep Forum to ensure that local priorities are adequately reflected on the District's IDP;
- ▶ Use Ward Councillors to call meetings to keep communities informed on IDP progress (including Ward Committees and CDWs);
- ▶ Publish annual reports on municipal progress;
- ▶ Advertise on local newspapers and community radios on the progress;
- ▶ Develop pamphlets and booklets on IDP where necessary;
- ▶ Making the IDP document available to all units and public places for public comments; and
- ▶ Making use of municipal notice boards; municipal website and municipal newsletter.

1.3.5.2. Involvement Of Traditional Leadership

Section 81 of the Local Government: Municipal Structures Act states that traditional authorities may participate in council matters through their leaders and those traditional leaders must be allowed to attend and participate in any meeting of the council". The act further stipulates that the Council should

give traditional authorities a chance to express their views if the matter in question directly affects the area of a traditional authority. It is therefore of vital importance that they continue to contribute in enhancing community participation in council matters and in government at large.

1.3.5.3. Involvement Of Ward Committees and CDWs

Ward committees are key in this process as espoused both in the Municipal Structures Act and the MSA. Ward committees represent the development aspirations and needs of the wards they represent and also form an information assimilation/dissemination mechanism between a municipal council and the community. The ward committees are key in the development, implementation, monitoring and evaluation of municipal performance on service delivery as espoused in the municipal IDPs.

Ward committees as one formal element of public representation in government affairs, in terms of the Structures Act of 1998, should be established in each ward. This will deepen the involvement of local communities in local governance processes such as Integrated Development Planning (IDP), the budget, performance management and service delivery. This applies in respect of implementation, monitoring and evaluation as well as planning. Thus, ward committee members and ward councillors should play a key role in mobilising the communities as well as in the identification of the developmental matters concerning the wards they are representing in the municipalities.

1.3.6. Alignment between the District and Local Municipalities

Alignment is the instrument that synthesises and integrates the top-down and the bottom-up planning process between different spheres of government. Not only is alignment between the District and the Local Municipalities important, but also between the Local Municipalities within the jurisdiction of the District Municipality. The alignment procedures and mechanisms should be incorporated in the process plans of the Municipalities, while the responsibility for alignment rests with the District Municipalities.

Manager: IDP, PMS, RM and M&E of the municipality is responsible for ensuring smooth coordination of local municipal IDP reviews and their alignment with the district IDP compilation through the use of workshops/engagements and bilateral discussions with affected sector departments or municipalities. The Inter-Governmental Forum will also be used to ensure that beneficial alignment of programmes and projects occur.

CHAPTER 2: SITUATIONAL ANALYSIS

2.1 Elundini Local Municipality Profile

The Elundini Local Municipality (ELM) is a Category B municipality located within the Joe Gqabi District in the north-eastern portion of the Eastern Cape Province. The municipality is bounded by the Alfred Nzo District in the north, Chris Hani District in the south, OR Tambo District in the east, and Lesotho and Senqu in the west. It is the smallest of three municipalities in the district, making up a quarter of its geographical area. The Elundini Local Municipality is one of the most scenic and attractive areas of the province, with considerable potential lying in its deep, fertile soils and high rainfall. Compared to the other municipalities in the Joe Gqabi District, Elundini has prospects of significant growth and upliftment in the quality of life for its residents due to its relative abundance of natural resources.

The urban areas and commercial farming district are the highest employers, where people have found employment in the agriculture, commercial and service sectors. There are very low levels of employment in the rural settlements. This can be partly attributed to the fact that these areas do not have a strong economic base, and partly to the fact that most inhabitants are involved in subsistence-related activities with little surplus being produced for economic profit. Due to the migrant system in operation in South Africa, the impact of recessionary downturns in the economy elsewhere (such as in the mining industry, Gauteng and Cape Town) have had an impact on the Elundini area. There is still a heavy reliance on income from migrant sources. The towns in Elundini are Nqanqarhu, Mount Fletcher, and Ugie. The main economic sectors are social services/government (41%), agriculture (28%), and wholesale and retail trade (14%).

ELM is the scenic and attractive area in the Eastern Cape with its potential lying in fertile soil and heavy rainfalls. The analysis of Elundini Local Municipality must be contextualized globally. The municipality covers an area of 5,064 km² and has 17 Wards and according to the recent Community Survey (CS) of 2016 released by Stats SA, the Elundini Local Municipality is the most populous municipality in the Joe Gqabi district with an estimated population of 144 929 an increase of 6 788 people, amounting to 4, 7%, from the Census 2011 figures of 138 141 people. The largest population of Elundini is made up of females which constitute 60,9% (88 247) of the total population and males constitute 39, 1% (56 682) of the total population.

The ELM is one of the most scenic and attractive area of the Province, with considerable potential lying in its deep, fertile soils and high rainfall. Compared to the other municipalities in the Joe Gqabi District, Elundini has prospects of significant growth and upliftment in the quality of life for its residents, due to its relative abundance of natural resources.

MAP SHOWING LOCALITY AND SETTLEMENT DISTRIBUTION

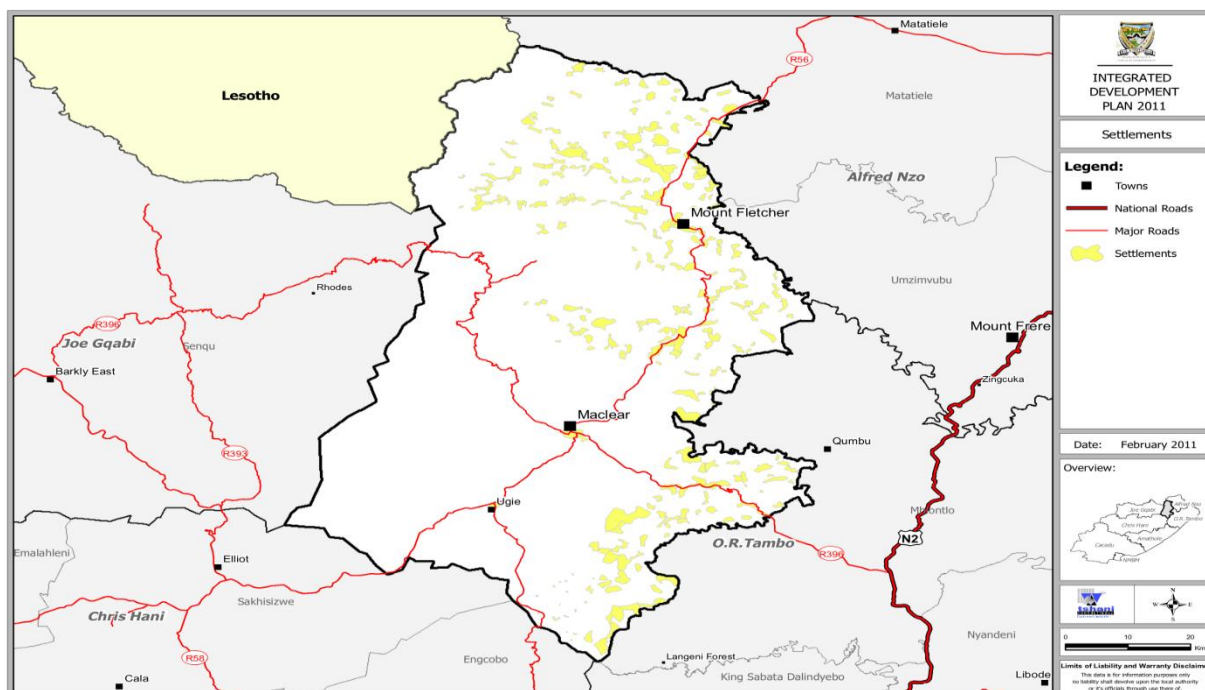


Figure 1: Map showing settlement distribution

2.2 Elundini Local Municipality Demographic Profile

According to the Community Survey 2016 figures, the JGDM total population has increased by 23 144 people from the Census 2011 figures of 349 768 to 372 912 of the CS 2016 figures. This represents a 6, 2% increase between 2011 and 2016 from an increase of 2.3% between 2001 and 2011 figures. From the JGDM total population increase, the ELM has seen a significant increase of 6 790 people representing an increase of 4, 7% between 2011 and 2016 as compared to an increase of 0, 5% between 2001 and 2011. Although there has been an increase in the number of people, between 2011 and 2016, in both the JGDM and the ELM, there is a noticeable decrease in the number of households both in the district and the municipality. Both the municipalities have experienced a decrease of 0, 2% and 0, 5% of households respectively as depicted by the table overleaf. Of the total number of households in both the JGDM and Elundini municipalities, there has been an increase in the formal structures were the formal structures in JGDM increased from 60, 3% to 69, 6% and on ELM increased from 33% to 47, 8%. The table below depicts the changes in the total numbers of households between JGDM and ELM from 2011 to 2016:

ELM DRAFT INTEGRATED DEVELOPMENT PLAN 2022-2023

Table 8: Population Changes

Municipality	2001	2011	2016	% growth			Number of households			% Change
				1996 - 2001	2001 - 2011	2011 - 2016	2001	2011	2016	
JGDM	341 750	349 768	372 912	8.2%	2.3%	6.2%	84 835	95 294	95 107	-0.2%
Elundini	137 394	138 141	144 929	3.7%	0.5%	4.7%	33 209	35 992	35 804	-0.5%

Source: Census 2001, Census 2011 and CS 2016

Elundini Local Municipality accounts for a total population of 152,000, or 38.8% of the total population in the Joe Gqabi District Municipality, which is the most populous region in the Joe Gqabi District Municipality for 2020. The ranking in terms of the size of Elundini compared to the other regions remained the same between 2010 and 2020. In terms of its share the Elundini Local Municipality was slightly smaller in 2020 (38.8%) compared to what it was in 2010 (39.1%).

Table 9 : JQDM Statistical Information

Municipality	Male	Female		Total
Elundini	73,265	78,416		151,681
Senqu	68,713	78,705		147,419
Walter Sisulu	44,842	46,881		91,723
Joe Gqabi	186,820	204,002		390,822

(Source: IHS Markit Regional eXplorer version 2142)

2.3 Distribution Of Total Population By Age and Gender

The graph below depicts the distribution of population by age and gender:

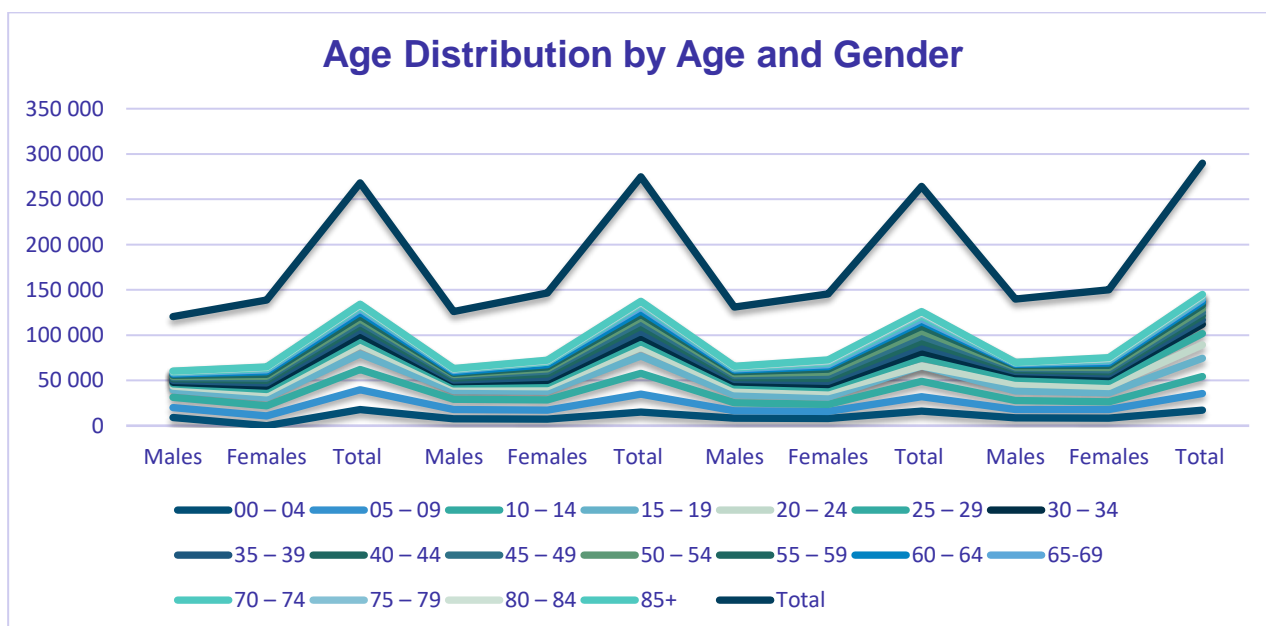


Figure 2: Source: Census 1996, Census 2001, Census 2011 and CS 2016

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Although there has been an overall increase of 4, 7% in the total population in Elundini, there has been a decrease of 3, 2% of the female population and an increase of 6, 8% of the male population between 2011 and 2016. The female population in Elundini makes 51.7% of the total population and males constitute 48, 3% of the total population. In terms of the demographic distribution of the Elundini population, a younger population, between the ages of 15 and 19, comprises the largest population followed by 10 and 14, 05 and 09 and 00 and 04 respectively.

The pyramid below provides a clear depiction of age and sex distribution of the ELM population. In terms of the stages of demographic transition model, the ELM pyramid appears to be at the third stage, which shows stationary growth and mortality particularly in the 25 to 75+ years cohorts. It is clear how many people of each age range and sex are found within the municipality. Moreover, the pyramid shows that the population is generally older on average.

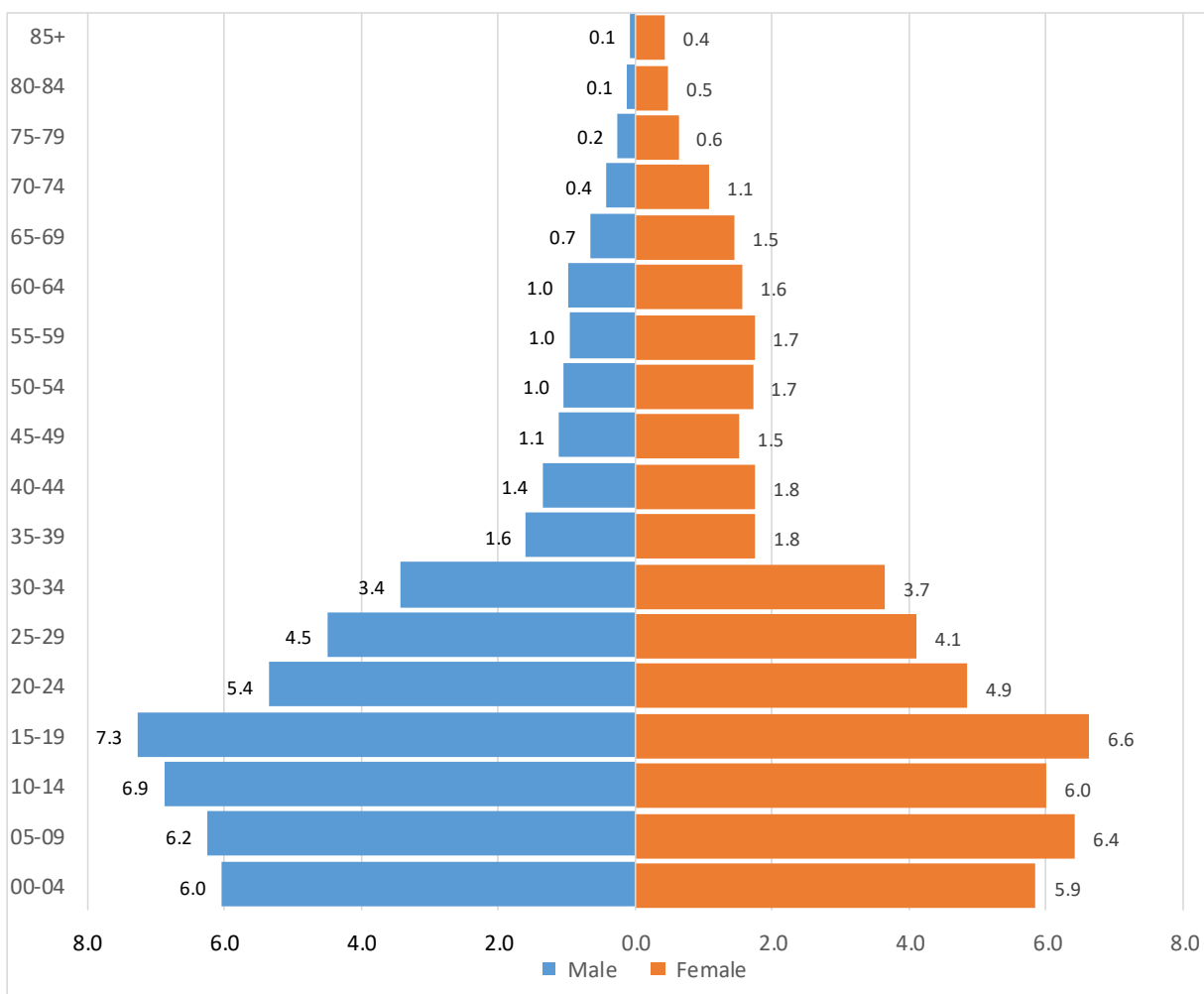


Figure 3: Population Pyramid Source: CS 2016

2.4 Population by Race

According to Community Survey 2016, a large part of Elundini’s population is made up of Black Africans (135 593) this figure translates to 98.01% of the entire population. The remaining 1.09% (2 580) is made up of 1 323 Coloureds (1%); 172 Asians (0.01%) 903 Whites comprising (0.07%) in the other category there are 183 inhabitants contributing (0. 01%) of the entire population. (2011 Statistics SA). The table below is the presentation of the racial distribution in Elundini:

Graph showing racial distribution

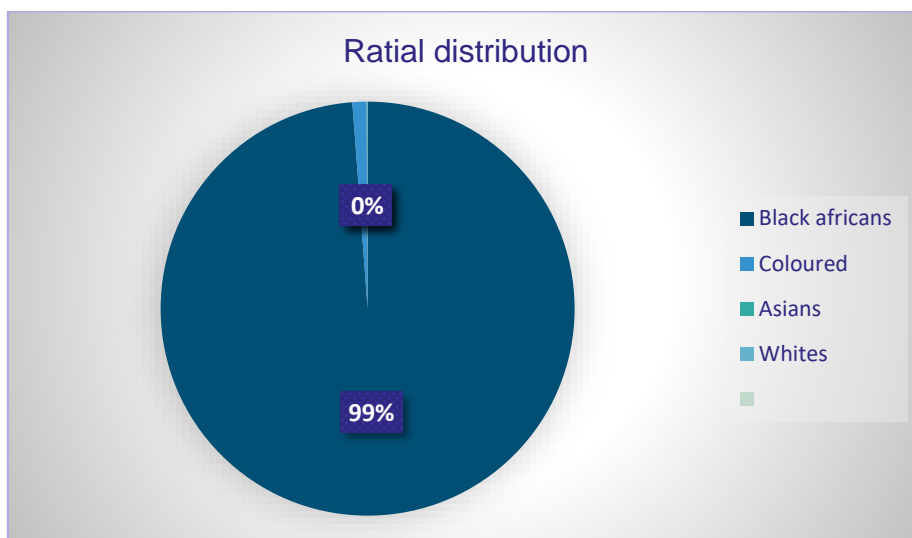


Figure 4: Racial Distribution

2.5 Distribution of Population by Language

As per the Community Survey 2016, the most spoke languages by households in the district including Elundini are isiXhosa, seSotho, Afrikaans and English as depicted by the table below:

Table 10: Table showing language distribution

Languages	Number Of People		
	JGDM	ELUNDINI	%
IsiXhosa	275 521	104 581	
SeSotho	66 419	34 152	
Afrikaans	18 889	1 905	
English	2 514	673	
Others	9 571	3 620	

2.6 Distribution of household by income

Community Survey 2016 has not released any updated information on household income and therefore the Census 2011 were used which showed that 28, 4% of the families earn between R 9 600 – R 38 200 per annum which is R 800 - R 3 183 per month whilst 19, 1% of the households earning R38 200 - R76 400 which is R 3183- 6367. 38% of the households fall in the category which earns less than

ELM DRAFT INTEGRATED DEVELOPMENT PLAN 2022-2023

800 per month or no income at all. The table below depicts the income levels of households within Elundini Municipality:

Table 11: Table showing income levels

Income level	No. of Households	%
No income	6 391	16, 8%
1 – 4800	3 113	8, 2%
4800 - 9600	4 868	12, 8%
9 600 - 38 200	10 770	28, 4%
38 200 - 76 400	7 217	19, 1%
76400 - 153 800	2 501	6, 6%
153 800 - 307600	889	2, 3%
307 600 - 641 400	324	0, 8%
641 400 - 1 228 800	53	0, 1%
1 228 800 - 2 457 600	45	0, 1%
2 457 600 or more	23	0, 06%

2.7 Literacy Levels

Community Survey 2016 indicates that there has been an increase of 4.7% in the levels of education in Elundini for those between 20 years and above from 2011 to 2016 from 11.9% to 16.6% of the entire population having completed Grade 12 but there has been a slight decrease of 0.4% between 2011 and 2016 from 4.9% in 2011 to 4.5% in 2016 of the population who has studied further than Grade 12. Community Survey 2016 also revealed that 10.7% has no schooling at all, 20.7% has some primary education, 7.4% has completed some primary education and 44% has completed some secondary education. The table below depicts the percentage levels of education between the period 2011 to 2016 as provided by Census 2011 and Community Survey 2016: Below is the graph showing the education level in Elundini Local Municipality and the Joe Gqabi District Municipality.

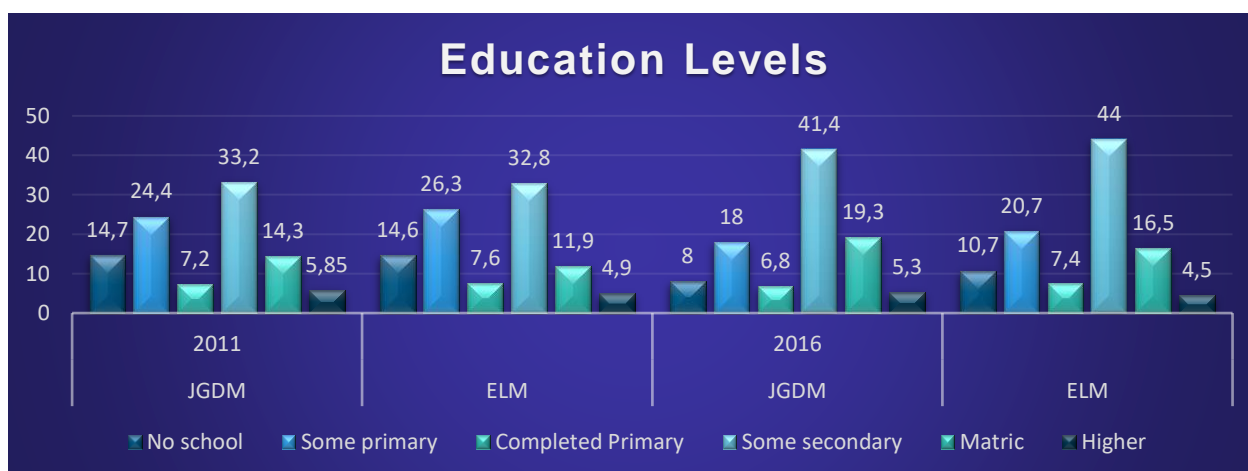


Figure 5: JGDM Literacy levels

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The table overleaf depicts the highest level of education as per the Community Survey 2016 of Elundini population as against that of the district:

Table 12: Literacy Levels

	No schooling		Some primary		Completed primary		Some secondary		Matric		Higher	
	2011	2016	2011	2016	2011	2016	2011	2016	2011	2016	2011	2016
JGDM	14,7 %	8%	24,4 %	18%	7,2%	6,8%	33,2%	41,4%	14,3 %	19,3%	5,85	5,3%
ELM	14,6 %	10,7 %	26,3 %	20,7 %	7,6%	7,4%	32,8%	44%	11,9 %	16,5%	4,9%	4,5%

Table 13: Levels of Education against the District

	Joe Gqabi	Elundini	% Schooling
No schooling	55 899	19 142	13.21%
Grade 0	18 914	7 496	5.17%
Grade 1/Sub A/Class 1	13 943	5 740	3.96%
Grade 2/Sub B/Class 2	11 282	4 243	2.93%
Grade 3/Standard 1/ABET 1	19 375	7 736	5.34%
Grade 4/Standard 2	20 907	9 202	6.35%
Grade 5/Standard 3/ABET 2	19 749	8 309	5.73%
Grade 6/Standard 4	21 373	9 276	6.40%
Grade 7/Standard 5/ABET 3	19 823	8 119	5.60%
Grade 8/Standard 6/Form 1	27 160	11 819	8.16%
Grade 9/Standard 7/Form 2/ABET 4/Occupational certificate NQF Level 1	29 018	12 629	8.71%
Grade 10/Standard 8/Form 3/Occupational certificate NQF Level 2	31 218	12 557	8.66%
Grade 11/Standard 9/Form 4/NCV Level 3/Occupational certificate NQF Level 3	30 892	11 305	7.80%
Grade 12/Standard 10/Form 5/Matric/NCV Level 4/Occupational certificate NQF Level 3	38 641	12 331	8.51%
NTC I/N1	384	41	0.03%
NTCII/N2	231	72	0.05%
NTCIII/N3	308	78	0.05%
N4/NTC 4/Occupational certificate NQF Level 5	710	173	0.12%
N5/NTC 5/Occupational certificate NQF Level 5	362	165	0.11%
N6/NTC 6/Occupational certificate NQF Level 5	539	113	0.08%
Certificate with less than Grade 12/Std 10	83	22	0.02%
Diploma with less than Grade 12/Std 10	304	172	0.12%
Higher/National/Advanced Certificate with Grade 12/Occupational certificate NQF	1 647	470	0.32%
Diploma with Grade 12/Std 10/Occupational certificate NQF Level 6	2 630	801	0.55%
Higher Diploma/Occupational certificate NQF Level 7	1 176	308	0.21%
Post-Higher Diploma (Masters)	971	398	0.27%
Bachelor's degree/Occupational certificate NQF Level 7	1 632	552	0.38%
Honours degree/Post-graduate diploma/Occupational certificate NQF Level 8	929	376	0.26%

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Masters/Professional Masters at NQF Level 9 degree	266	133	0.09%
PHD (Doctoral degree/Professional doctoral degree at NQF Level 10)	144	22	0.02%
Other	715	435	0.30%
Do not know	1 087	513	0.35%
Unspecified	599	181	0.12%
TOTAL	372 911	144 929	38, 86%

2.8 Grant Dependency

As of April 2020, data from SASSA indicated that the total value of state support in the form of grants, e.g. care dependency (disability), child support (0 – 18 years), foster care, grant in aid, old age (below 75 years), old age (75 years & over), permanent and temporary disability and war veterans to the Elundini population amounted to the value of R 49 439 369 per month in the three (3) towns of the municipality. The table below depicts the distribution of grants in Elundini:

Table 14: Grant Dependency

Nqanqarhu/Ugie	Grant Type	No. of Beneficiaries	No. of Children	Expenditure
	Care Dependency	145	150	R 226 500. 00
	Child Support (Total 0-18)	9 978	18 450	R 6 642 000. 00
	Foster Care	1 105	1 580	R 1 406 200. 00
	Grant in Aid	316		R 113 760. 00
	Old Age	4 610		R 6 919 365. 00
	Old Age (75 Years & Over)	1 729		R 2 639 592. 00
	Permanent Disability	1		R 2 384 290. 00
		579		
	Temporary Disability	79		R 119 290. 00
Nqanqarhu/Ugie Total		541	20 180	R 20 450 997. 00
Mount Fletcher	Care Dependency	248	250	R 377 500. 00
	Child Support (Total 0-18)	14 480	27 155	R 9 775 800. 00
	Foster Care	863	1 163	R 1 035 070. 00
	Grant in Aid	1		R 643 680. 00
		788		
	Old Age	5		R 8 941 012. 00
		958		
	Old Age (75 Years & Over)	3		R 5 151 421. 00
		374		

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	Permanent Disability	1		R 2 896 279. 00
		920		
	Temporary Disability			R 167 610. 00
		111		
Mt FLETCHER TOTAL		28 742	28 568	R 28 988 372. 00
GRAND TOTAL		48 283	48 748	R 49 439 369. 00

2.9 People with Disability

ELM established partnerships with two Non-Governmental Organizations (NGOs) – Cheshire Home and Siyamthanda Home. These partnerships are renewed annually based on satisfactory performance of these NGOs and financial support is provided to support the running of the centers and care-givers. A service level agreement is signed with each NGO annually with terms of reference and outputs. Below is the presentation of the categories of disabilities by people in the Elundini municipal area:

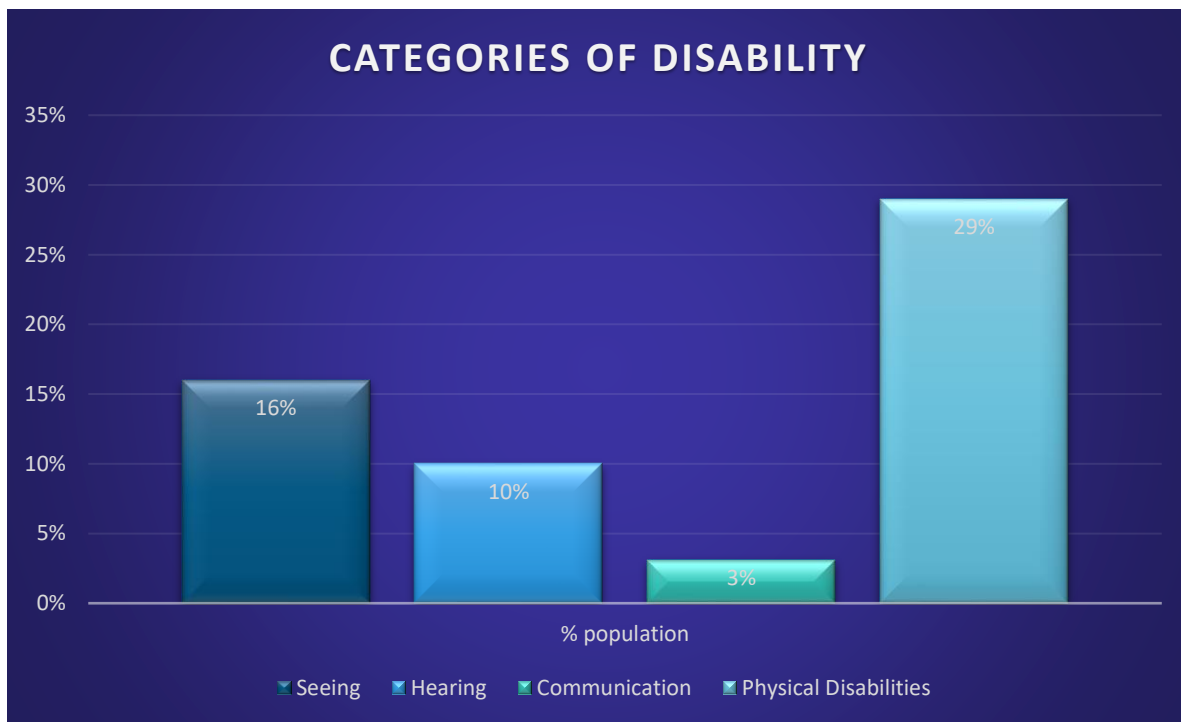


Figure 6: Source: Census 1996, Census 2001, Census 2011 and CS 2016

2.10. Unemployment

Stats SA has not released any new or updated employment statistics and therefore figures used in the analysis of employment for ELM are those that were released in 2011. Assessing employment remains a very complex task to undertake, due to the fact that there are a number of varying methodologies of measuring unemployment. The variations in methods often result in unemployment rates being very different for the same area depending on who has conducted the measurement and which methods were employed in order to do so.

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The table below depicts that 9% of Elundini's population is unemployed. Whilst this percentage may seem quite low it is also important to remember that 4% are classified as discouraged work seekers and are therefore technically also not gainfully employed. There is also 47 040 (34%) of the population which is not economically active. Many of those included in the (Not economically Active) population are of working age and therefore could be working. Regardless of the categories that have been used to describe those that are not employed, what is clearly evident is the fact that only 11% of those assessed in Elundini are considered gainfully employed, which is a low employment rate.

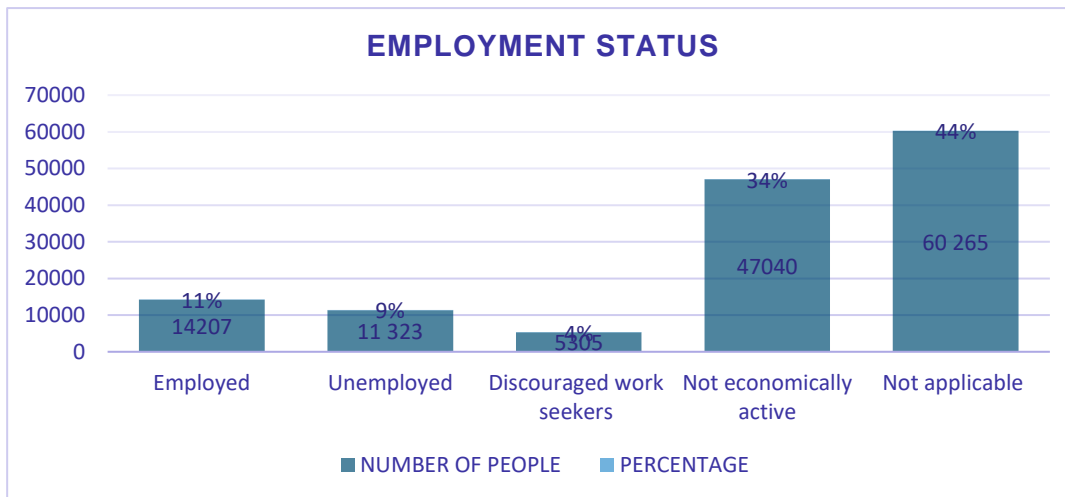


Figure 7: Source: Census 2011 and CS 2016

The working age population in Elundini in 2020 was 92 400, increasing at an average annual rate of 1.37% since 2010. For the same period the working age population for Joe Gqabi District Municipality increased at 1.30% annually, while that of Eastern Cape Province increased at 1.13% annually. South Africa's working age population has increased annually by 1.60% from 33.3 million in 2010 to 39 million in 2020.

The graph below combines all the facets of the labour force in the Elundini Local Municipality into one compact view. The chart is divided into "place of residence" on the left, which is measured from the population side, and "place of work" on the right, which is measured from the business side.

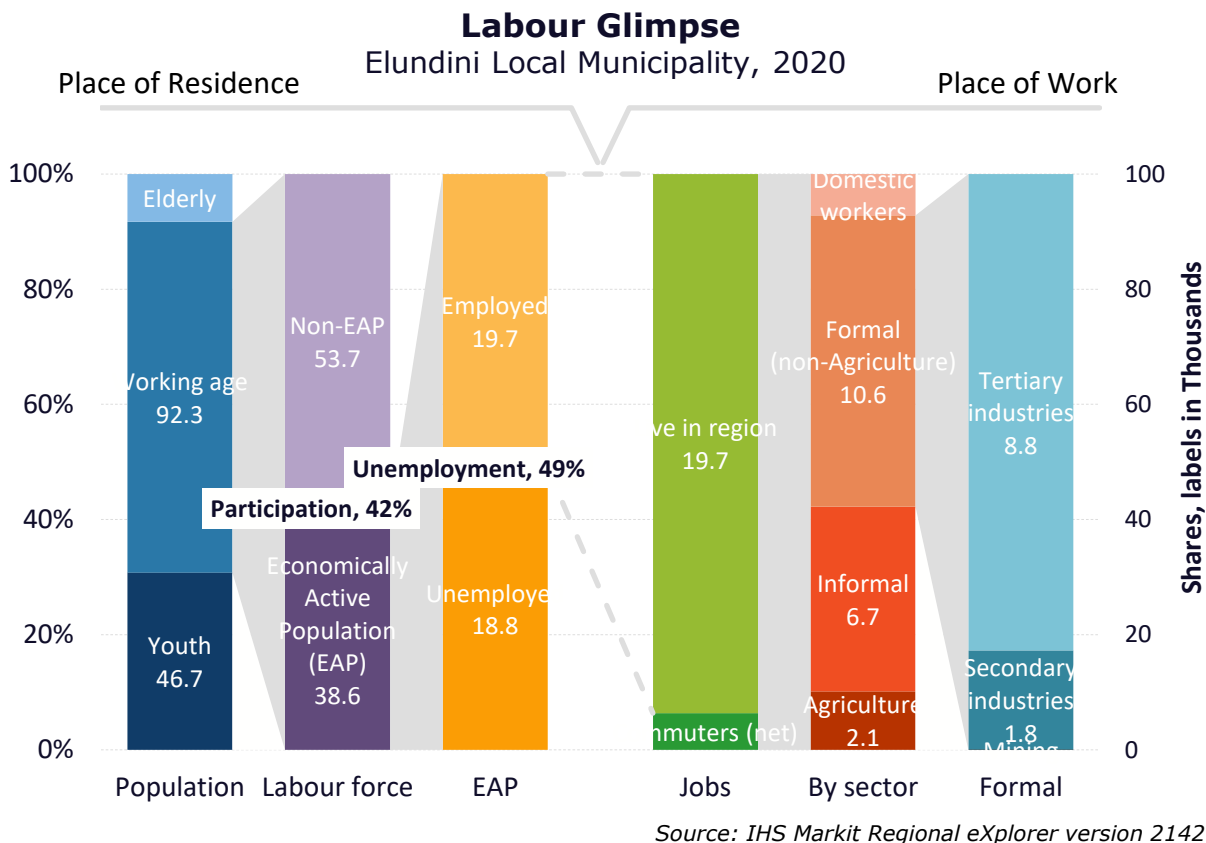


Figure 8: Labour Glimpse

2.11. Economic Indicators

The economic state of Elundini Local Municipality is put in perspective by comparing it on a spatial level with its neighbouring locals, Joe Gqabi District Municipality, Eastern Cape Province and South Africa. The Elundini Local Municipality does not function in isolation from Joe Gqabi, Eastern Cape Province, South Africa and the world and now, more than ever, it is crucial to have reliable information on its economy for effective planning. Information is needed that will empower the municipality to plan and implement policies that will encourage the social development and economic growth of the people and industries in the municipality respectively.

2.11.1. Gross Domestic Product

The Gross Domestic Product (GDP), an important indicator of economic performance, is used to compare economies and economic states.

GDP-R can be measured using either current or constant prices, where the current prices measures the economy in actual Rand, and constant prices measures the economy by removing the effect of inflation, and therefore captures the real growth in volumes, as if prices were fixed in a given base year.

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Table 15: Gross Domestic Product (GDP) - Elundini, Joe Gqabi, Eastern Cape and National Total, 2010-2020

	Elundini	Joe Gqabi	Eastern Cape	National Total	Elundini as % of district municipality	Elundini as % of province	Elundini as % of national
2010	1.4	6.5	211.6	2,748.0	21.5%	0.67%	0.05%
2011	1.5	7.1	226.0	3,023.7	21.2%	0.67%	0.05%
2012	1.7	8.1	252.3	3,253.9	21.1%	0.67%	0.05%
2013	1.8	8.8	273.2	3,540.0	20.9%	0.67%	0.05%
2014	2.0	9.6	293.6	3,805.3	20.8%	0.68%	0.05%
2015	2.1	10.3	316.3	4,049.9	20.7%	0.68%	0.05%
2016	2.3	11.0	334.4	4,359.1	20.6%	0.67%	0.05%
2017	2.4	11.7	358.6	4,653.6	20.5%	0.67%	0.05%
2018	2.5	12.3	375.5	4,873.9	20.4%	0.67%	0.05%
2019	2.6	12.6	387.4	5,077.6	20.4%	0.66%	0.05%
2020	2.5	12.3	378.1	4,973.0	20.2%	0.66%	0.05%

Source: IHS Markit Regional eXplorer version 2142

With a GDP of R 2.48 billion in 2020 (up from R 1.41 billion in 2010), the Elundini Local Municipality contributed 20.20% to the Joe Gqabi District Municipality GDP of R 12.3 billion in 2020 increasing in the share of the Joe Gqabi from 21.52% in 2010. The Elundini Local Municipality contributes 0.66% to the GDP of Eastern Cape Province and 0.05% the GDP of South Africa which had a total GDP of R 4.97 trillion in 2020 (as measured in nominal or current prices). It's contribution to the national economy stayed similar in importance from 2010 when it contributed 0.05% to South Africa, but it is lower than the peak of 0.05% in 2015.

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Table 16: Gross Domestic Product (GDP) - Elundini, Joe Gqabi, Eastern Cape and National Total, 2010-2020

Year	Elundini	Joe Gqabi	Eastern Cape	National Total
2010	0.3%	2.7%	2.4%	3.0%
2011	4.0%	5.1%	3.7%	3.3%
2012	2.6%	2.9%	2.0%	2.2%
2013	0.9%	2.1%	1.4%	2.5%
2014	2.1%	2.3%	1.3%	1.8%
2015	1.0%	1.1%	0.8%	1.2%
2016	-0.3%	-0.1%	0.7%	0.4%
2017	0.5%	0.9%	0.6%	1.4%
2018	-0.6%	0.3%	0.6%	0.8%
2019	-0.6%	-0.1%	0.0%	0.2%
2020	-6.3%	-6.3%	-6.7%	-7.0%
Average Annual growth 2010-2020	0.29%	0.79%	0.41%	0.64%

Source: IHS Markit Regional eXplorer version 2142

In 2020, the Elundini Local Municipality achieved an annual growth rate of -6.25% which is a slightly higher GDP growth than the Eastern Cape Province's -6.71%, but is higher than that of South Africa, where the 2020 GDP growth rate was -6.98%. Contrary to the short-term growth rate of 2020, the longer-term average growth rate for Elundini (0.29%) is slightly lower than that of South Africa (0.64%). The economic growth in Elundini peaked in 2011 at 4.00%.

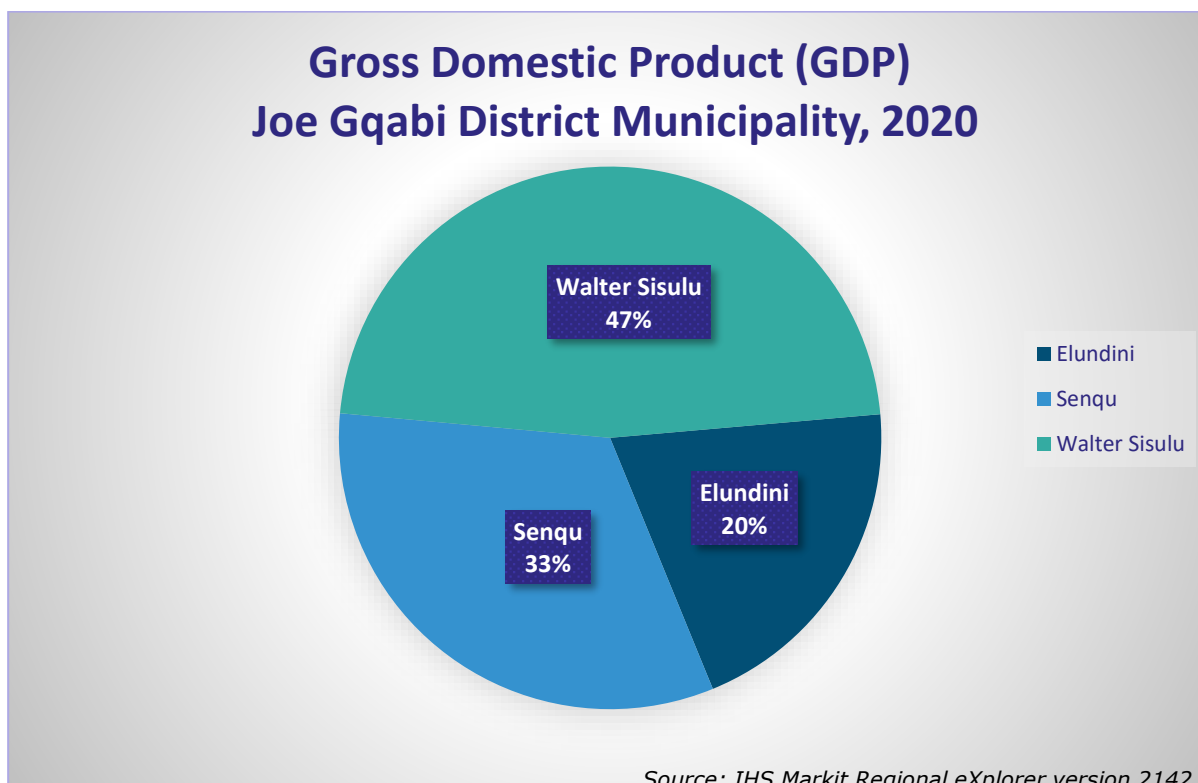


Figure 9: JGM GDP

The Elundini Local Municipality had a total GDP of R 2.48 billion and in terms of total contribution towards Joe Gqabi District Municipality the Elundini Local Municipality ranked lowest relative to all the regional economies to total Joe Gqabi District Municipality GDP. This ranking in terms of size compared to other regions of Elundini remained the same since 2010. In terms of its share, it was in 2020 (20.2%) significant smaller compared to what it was in 2010 (21.5%). For the period 2010 to 2020, the average annual growth rate of 0.3% of Elundini was the lowest relative to its peers in terms of growth in constant 2010 prices.

2.11.2. Gross Value Added

The Elundini Local Municipality's economy is made up of various industries. The GVA-R variable provides a sector breakdown, where each sector is measured in terms of its *value added* produced in the local economy. In 2020, the community services sector is the largest within Elundini Local Municipality accounting for R 1.15 billion or 51.1% of the total GVA in the local municipality's economy. The sector that contributes the second most to the GVA of the Elundini Local Municipality is the trade sector at 25.1%, followed by the finance sector with 6.2%. The sector that contributes the least to the economy of Elundini Local Municipality is the mining sector with a contribution of R 4.96 million or 0.22% of the total GVA.

CHART 1. GROSS VALUE ADDED (GVA) BY BROAD ECONOMIC SECTOR - ELUNDINI LOCAL MUNICIPALITY, 2020 [PERCENTAGE COMPOSITION]

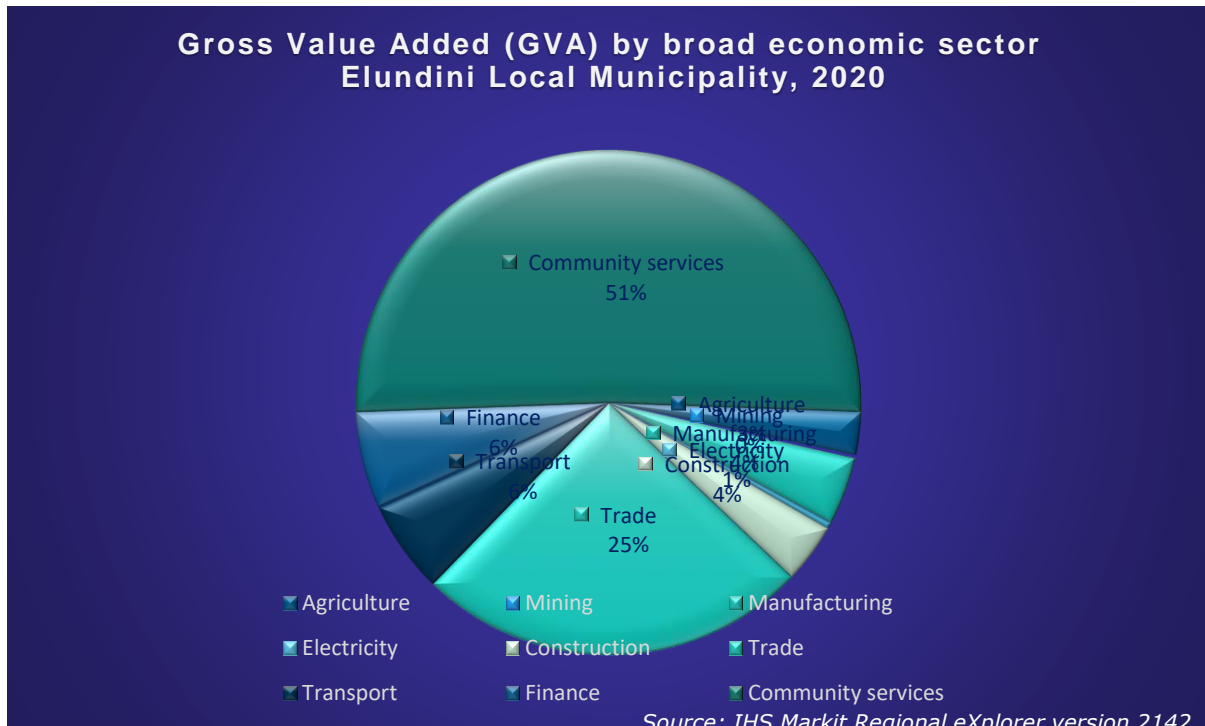


Figure 10: GVA

The community sector, which includes the government services, is generally a large contributor towards GVA. When looking at all the regions within the Joe Gqabi District Municipality, it is clear that the Senqu contributes the most community services towards its own GVA, with 38.46%, relative to the other regions within Joe Gqabi District Municipality. The Senqu contributed R 3.64 billion or 32.96% to the GVA of Joe Gqabi District Municipality. The region within Joe Gqabi District Municipality that contributes the most to the GVA of the Joe Gqabi District Municipality was the Walter Sisulu with a total of R 5.16 billion or 46.73%.

For the period 2020 and 2010, the GVA in the finance sector had the highest average annual growth rate in Elundini at 1.63%. The industry with the second highest average annual growth rate is the community services sector averaging at 0.62% per year. The electricity sector had an average annual growth rate of -1.63%, while the construction sector had the lowest average annual growth of -1.65%. Overall a negative growth existed for all the industries in 2020 with an annual growth rate of -5.48% since 2019.

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Table 17: Gross Value Added (GVA) by broad economic sector - Elundini Local Municipality, 2010, 2015 and 2020 [R millions, 2010 constant prices]

Sector	2010	2015	2020	Average Annual growth
Agriculture	53.3	56.8	45.5	-1.57%
Mining	6.9	6.9	6.3	-0.96%
Manufacturing	54.5	56.9	50.6	-0.73%
Electricity	3.0	2.9	2.6	-1.63%
Construction	59.7	68.2	50.6	-1.65%
Trade	325.0	382.7	343.4	0.55%
Transport	78.6	89.4	75.3	-0.44%
Finance	80.4	96.4	94.5	1.63%
Community services	630.0	671.6	670.1	0.62%
Total Industries	1,291.5	1,431.7	1,338.9	0.36%

2.11.3. Household Income by Income Category

The number of households is grouped according to predefined income categories or brackets, where income is calculated as the sum of all household gross disposable income: payments in kind, gifts, homemade goods sold, old age pensions, income from informal sector activities, subsistence income, etc.). Note that income tax is included in the income distribution.

Income categories start at R0 - R2,400 per annum and go up to R2,400,000+ per annum. A household is either a group of people who live together and provide themselves jointly with food and/or other essentials for living, or it is a single person living on his/her own. These income brackets do not take into account inflation creep: over time, movement of households "up" the brackets is natural, even if they are not earning any more in real terms.

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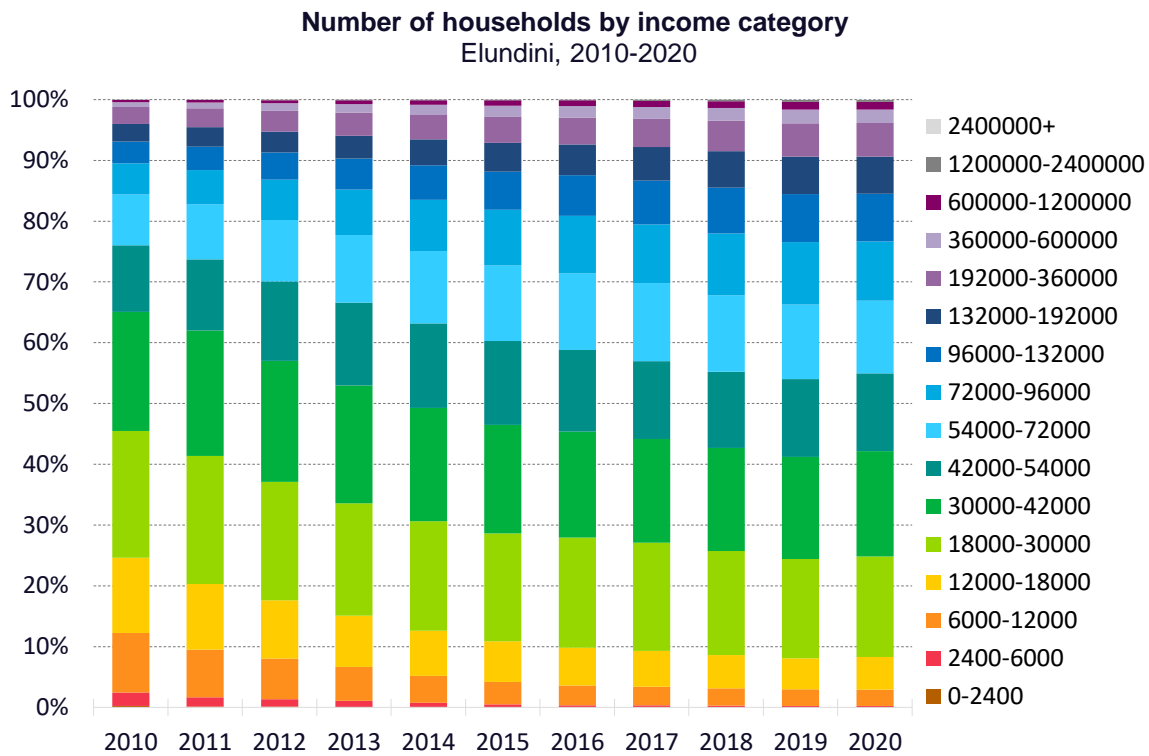
Table 18: Households by income category - Elundini, Joe Gqabi, Eastern Cape and National Total, 2020 [NUMBER PERCENTAGE]

	Elundini	Joe Gqabi	Eastern Cape	National Total	Elundini as % of district municipality	Elundini as % of province	Elundini as % of national
0-2400	5	11	167	1,760	43.9%	2.9%	0.28%
2400-6000	99	226	3,620	34,900	43.8%	2.7%	0.28%
6000-12000	1,110	2,490	38,800	340,000	44.7%	2.9%	0.33%
12000-18000	2,250	5,070	79,600	663,000	44.4%	2.8%	0.34%
18000-30000	6,900	15,700	240,000	1,840,000	43.9%	2.9%	0.37%
30000-42000	7,240	17,100	254,000	1,860,000	42.3%	2.8%	0.39%
42000-54000	5,350	13,200	208,000	1,620,000	40.5%	2.6%	0.33%
54000-72000	5,000	12,900	212,000	1,750,000	38.7%	2.4%	0.29%
72000-96000	4,080	11,000	184,000	1,590,000	37.1%	2.2%	0.26%
96000-132000	3,280	9,180	160,000	1,480,000	35.7%	2.0%	0.22%
132000-192000	2,540	7,640	142,000	1,430,000	33.2%	1.8%	0.18%
192000-360000	2,330	7,750	165,000	1,840,000	30.0%	1.4%	0.13%
360000-600000	920	3,630	91,900	1,170,000	25.3%	1.0%	0.08%
600000-1200000	532	2,450	70,800	974,000	21.7%	0.8%	0.05%
1200000-2400000	135	730	22,900	310,000	18.5%	0.6%	0.04%
2400000+	15	96	3,290	44,900	15.8%	0.5%	0.03%
Total	41,800	109,000	1,880,000	17,000,000	38.3%	2.2%	0.25%

Source: IHS Markit Regional eXplorer version 2142

It was estimated that in 2020 24.81% of all the households in the Elundini Local Municipality, were living on R30,000 or less per annum. In comparison with 2010's 45.49%, the number is close to half. The 30000-42000 income category has the highest number of households with a total number of 7 240, followed by the 18000-30000 income category with 6 900 households. Only 4.9 households fall within the 0-2400 income category.

CHART 2. HOUSEHOLDS BY INCOME BRACKET - ELUNDINI LOCAL MUNICIPALITY, 2010-2020 [PERCENTAGE]



Source: IHS Markit Regional eXplorer version 2142

Figure 11: Household income

For the period 2010 to 2020 the number of households earning more than R30,000 per annum has increased from 54.51% to 75.19%. It can be seen that the number of households with income equal to or lower than R6,000 per year has decreased by a significant amount.

2.12. SOCIAL INDICATORS

2.12.1. Education

The Department of Education has 164 schools in Nqanqarhu, 36 Senior primary schools, 76 Junior secondary school, 51 Senior Secondary Schools and 1 FET.

2.12.1.1. Matric Performance 2016-2021

The following graphs reflects how the matriculants performed in the area of Elundini for the past five years.

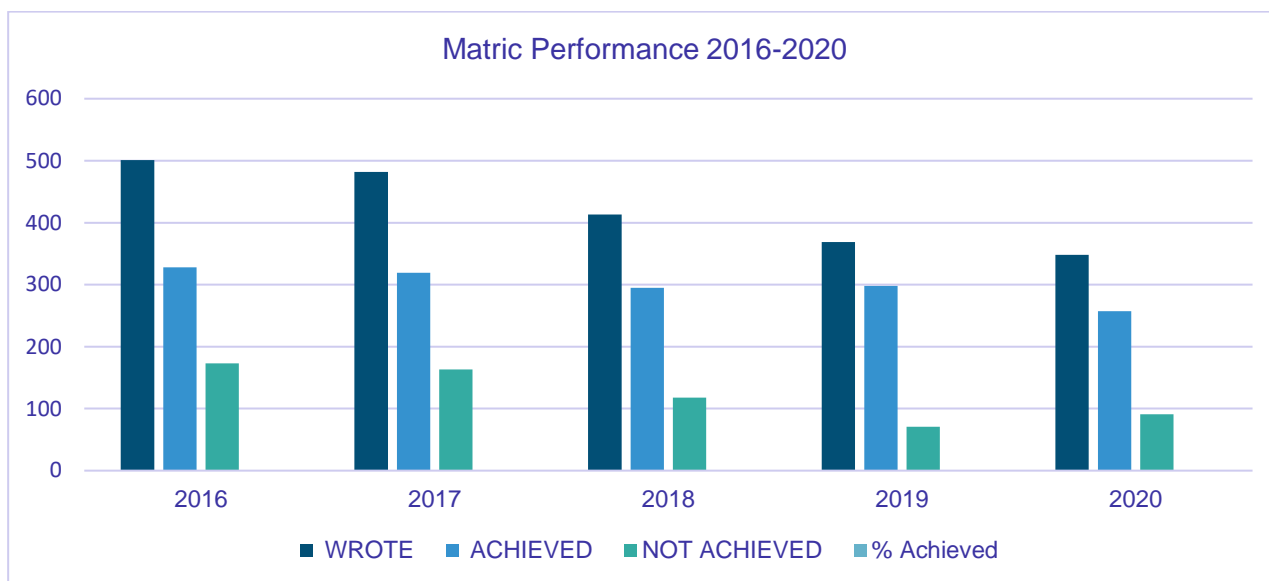


Figure 12: Matric Performance

The following are the challenges within the area that affect the learning which require all affected stakeholders to work together to improve the learning conditions.

2.12.1.2. Infrastructure challenges

Inaccessible roads inavailability of birdges. During the rainy days the learners do not attend school due to bad road conditions which limit the mode of transport to use such roads. This also affects the educators as well, in all the learning is compromised or there is no learning at all during rainy days. The following schools are not easily accessible due to bad roads and lack of bridges.

Samuel Nombewu, Jamangile, Thomas Ntaba and all feeder school in the surrounding area. Khorong SS, Edward Zibi SS, Frank Zibi SS, Khanya SS, Bethania SS, Kuyasa SS, Mhlontlo SS, Tsitsana Comp SS.

Schools with no bridges are as follows:

Samuel Nombewu, Thomas Ntaba, Dinizulu Khorong SS, Edward Zibi SS, Frank Zibi SS, Khanya SS, Bethania SS, Kuyasa SS, Mhlontlo SS, Tsitsana Comp SS.

2.12.1.3. Internet Connectivity challenges:

The following schools have no internet connectivity at all:

- ▶ Samuel Nombewu, Jamangile, Thomas Ntaba. Thakabanna SS, Mhlontlo SS, Kuyasa SS, Solomzi JSS. This affects all primary schools around these secondary schools
- ▶ `12]These schools experience very weak internet connectivity. Sibabale, Ugie High, Bethania SS, Khorong SS, Tsitsana Comp SS, Luzie Drift SS. All primary schools around these secondary schools are directly affected

2.12.1.4. Scholar Transport Challenges

The following schools are in dire need of scholar transport:

- ▶ Tsitsana Comp SS and its feeder schools (Henry Valtyn PS, Upper Tsitsana JSS, Mdeni PS)
- ▶ Kuyasa SS and its feeder schools (schools within Nxaxa area)
- ▶ Mhlontlo SS and its feeder schools (Solomzi JSS)
- ▶ Rationalising & Realigning schools: Tinana Mega School, Etyeni JSS, Upper Tsitsana JSS, Edward Zibi SS, Thakabanna SS, Mhlontlo SS,
- ▶ Samuel Nombewu- feeder schools= Mbidlana, Msobomvu, Enkalweni PS.
- ▶ Thomas Ntaba and its feeder schools (Mbonsweni, Mcwangele)
- ▶ Jamangile and its feeder schools (Mqokolweni, upper esinxaku)

Rationalising & Realigning schools:

Inxu, Zandise, Elunyaweni, Wheatlands, Khohlopong, Mbonisweni, Mcwangele, Mqokolweni, Sinxaku.

Play Grounds and sports facilities

There is a dire need for prepared sports grounds and facilities for schools such as Jamangile-Ngcele, Umthawelanga-Chebenca, Dinizulu –Ncembu.

2.12.2. Health

Elundin Health sub district is comprised of Mt. Fletcher, Nqanqarhu, Ugie and parts of (Tsolo and Qumbu) and is serving a population: 138 141 (Census) and 142 827 (DHIS). The ELM is characterized by a lack of access to health facilities as evident by the number of health facilities found in our area. The ELM has only two (2) hospitals and twenty-one (21) clinics and four (4) mobile clinics in its area of jurisdiction. Areas that are normally serviced by the mobile clinics are usually those that are hard to reach areas due to either population size and mostly due to poor access roads. The Presidential Project of ideal clinics has been started in three (3) clinics of Nqanqarhu Town, Queen Noti and Taylor Bequest who will be functioning for 24 hours. The Emergency Medical Services are also found in Nqanqarhu, Ugie and Mt Fletcher. The two tables below depict the number of health facilities found in Elundini:

Table 19: PHC Facilities per Sub-District

Sub-Districts	Mobiles	Satellites	Clinics
Elundini Sub District	4	0	21
Maletswai Sub District	5	2	11
Senqu Sub District	8	2	20
District total	17	4	52

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2.12.2.1. ELM Health Care Facilities

Table 20: The following is the list of health care facilities and their locations

Ward	Clinic	Ward	Clinic
1	Ncembu and Umnga Flats	11	
2	Empilisweni and Ugie Town	12	Mangoloaneng
3	Sonwabile and Maclear Town	13	Seqhobong
4	Tsitsana and Ulundi	14	Bethania
5	St. Augustine and Ngxaza	15	
6	Mqokolweni and Queen Noti	16	Hlankomo
7	Katkop, Hlangalane and Khungisizwe	17	Gqaqhala
8			
9	Taylor Bequest PHC		
10			

A large number of people in Elundini remain without access to healthcare as there is no mobile service in the Mount Fletcher and the Ugie mobile service is not in operation. In the areas where the mobile clinic is operational, the poor conditions of the roads make it impossible to access some communities. Nqanqarhu has 131 mobile visiting points, but only frequents 120 because of the bad road conditions. There are on-going District Health Council (DHC) meetings which are held monthly in order to discuss plans to roll out primary health care facilities for better and equitable access. Possible extensions to the Ugie Clinic with a view to transforming it to a 24-hour facility/health center are as reportedly being considered by the provincial Government. It is too expensive for all of the communities to access the fixed health facilities in town. This means that they can't attend preventive services such as immunization for children and family planning.

The plan overleaf indicates the spatial location of community facilities in the form of clinics, hospitals, police stations and schools in the Elundini Municipality. Challenges that characterize the functioning of some health facilities in Elundini include, but not limited to, the following:

- ▶ Shortage of staff
- ▶ Lack of running water;
- ▶ Lack of telecommunications;
- ▶ Poor access roads;
- ▶ Lack of electricity;
- ▶ Continuous overflowing of sewerage ponds in clinics around Mt Fletcher

2.12.2.2. Conditions of health care facilities

Maclear Hospital

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- ▶ Maclear Hospital has 48 Gazzeted beds
- ▶ Infrastructural this institution is not conducive for the clients as Casuality and OPD are too small.
- ▶ Security is so compromised in terms of fencing
- ▶ Wards were reduced to accommodate COVID 19 clients

Taylor Bequest Hospital

- ▶ TBH has Gazzeted **141**beds but usable **146** beds
- ▶ This is an old hospital and infrastructural is not in a good condition.
- ▶ No staff accommodation as they use caravans to accommodate themselves and some doctors are using private accommodation in Mount Fletcher and others in Matatiele.
- ▶ Road in the hospital is damaged and that cause difficulties even in ambulances and wheel chairs to be driven properly.

Clinics

- ▶ Umnga Flats
- ▶ Ugie Town
- ▶ Mqokolweni
- ▶ Mangoloaneng
- ▶ Maclear Town
- ▶ Taylor Bequest PHC
- ▶ Queen Noti

The above mentioned facilities are too small to a accommodate their population as during busy day other clients wait outside regardless of the weather conditions.

2.12.2.3. Most prevalent diseases in the Sub-District

- ▶ Diabetes
- ▶ Hypertension
- ▶ Teenage pregnancy is also a problem although it is not a medical condition

2.12.2.4. Challenges in rendering Health Services

- ▶ Due to COVID 19 pandemic the small facilities cannot accommodate all the clients as social distance needs to be practiced.
- ▶ Some wards in the area does not have health facilities and they depend on Mobile Services of they don't meet turnaround time due to the vastness of the Sub-District and the conditions of roads but this matter usually communicated with Traditional Leaders & Ward Councilors.
- ▶ Taylor Bequest Hospital is the only accredited Hospital in the Sub-District for 72 hours' observation of Mental Health Care clients but there is not space to accommodate them.

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- ▶ There is no space to accommodate transfer whom have to be transported to Nelson Mandela Academic in Mthatha but they normally sleep over in OPD in chairs depending on the condition and the age of a client.
- ▶ Maclear Hospital is not accredited for 72 hour observation for Mental Health Care clients.
- ▶ Taylor Bequest PHC, Ugie Town Clinic and Maclear Town Clinic structural does not cope to the client's load as they have to wait outside as the waiting areas are not accommodative.
- ▶ Ulundi Clinic does not have electricity and that pose challenge as other equipment cannot be used.
- ▶ Shortage of staff for Outreach services.

2.12.3. HIV and TB

ELM established partnerships with Home Community Based Care Centres (HCBCs) as the main strategy to fight the scourge of HIV and AIDS within ELM. Through this partnership ELM currently supports 16 HCBCs financially and the partnership is renewed annually. The following are the deliverables for HCBCs:

- ▶ Education and awareness through door to doors, mobilization of communities to big venues and reaching out to areas where people had gathered themselves.
- ▶ Provision of care and support for orphans and vulnerable children
- ▶ Make referrals to relevant institutions like clinics, hospitals and government departments
- ▶ Create support system for people infected and affected

2.12.3.1. Municipal Mandate on HIV/AIDS

The mandate of the municipalities to play an active and proactive role in HIV& AIDS prevention and mitigation is contained within the developmental agenda for local government established by Constitution of South Africa, Act No. 108 of 1996. The Municipal System Act (Act No 32 of 2000) establishes a clear framework for the core processes of planning, performance management, resource mobilization and organizational change within municipalities. The multi-dimensional nature of HIV& AIDS calls for an integrated and partnership-driven response. This positions the IDP as the primary vehicle for developing and implementing local-level responses to HIV and AIDS.

2.12.3.2. Elundini municipal response to HIV&AIDS

In accordance with the above-mentioned mandate, the municipality has done the following:

- ▶ Appointed an HIV and AIDs Coordinator, which is a permanent position incorporated in the Special Programs Unit in the Municipal Managers office. There is an active Local Aid Council chaired by the Mayor. This is a platform for all relevant sector departments, civil society

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organisations, NGOs, FBOs and CBOs meet. This platform is created to ensure a multisectoral response to HIV and AIDs. The Local Aids council meets quarterly and is functional

- ▶ Local Aids council each year develops an implementation plan that is aligned to the SANAC Strategy
- ▶ During 2021/22 financial year, the municipality budgeted an amount of R949 000 to ensure the coordinated response to HIV in Elundini through the Local Aids Council. The municipality supports 17 HCBC's with an amount of R12-000 each quarterly as stipend and in return the HCBC must provide quarterly reports of the services rendered as stipulated in the partnership agreement.

The HCBCs are expected to deliver the following services:

- ▶ Conduct one big education & awareness event
- ▶ Educate communities about the availability and accessibility of services for both infected and affected people.
- ▶ Conduct door to door awareness visits once a week.
- ▶ HIV and AIDS awareness campaigns targeting youth, women, PWD, taverns & children.
- ▶ Provide relevant information for people who need help.
- ▶ Display brochures and other relevant information.
- ▶ Identify public gatherings & disseminate information in funerals, meetings, tournaments, etc.
- ▶ Develop database for Orphaned and Vulnerable Children
- ▶ Identify and develop a database for relevant institutions in your ward for referrals.
- ▶ Register Referrals on the form and keep the records
- ▶ Provide home based care services to the sick and bedridden individuals
- ▶ Provide treatment and support
- ▶ Establish support groups in communities
- ▶ Meet with support groups at least once a week
- ▶ Develop a list of Vulnerable Individuals that need social relief program

Joe Gqabi is currently at 91-73-73 in terms of performance against 90-90-90 across its total population. The District is ranked 3rd out of the 8 districts in the province against 90-90-90. Results for each of the sub-populations vary, with adult females at 93-78-76, adult males at 89-67-68, and children at 77-52-52. For adult males and females, focus must be placed not only on initiation onto ART, but also on ensuring that clients are retained in care. There is a growing number of adults who have been previously diagnosed, but are not on ART.

This includes those who had started ART and defaulted, as well as those who were never initiated. The results do show, that for women who remain on ART, suppression rates are higher. There are gaps across the cascade for children under 15 years. Case finding, ART initiation and retention have all underperformed and should be addressed through focused interventions. To achieve

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90-90-90 targets, the district must increase the number of adult men on ART by 2019, the number of adult women on ART by 2131, and the number of children on ART, by 969, by December 2020.

2.12.4. Safety and Security

The fight against crime remains a challenge in the municipality and this is exacerbated by a very few number of police stations found in our area. Even those that are available, accessing them still remain a challenge because of poor road infrastructure and poor telecommunication. There is a Community Safety Forum chaired by Political Head responsible for Community Safety which sits quarterly. During the year under review Department of Community Safety will introduce a Court Watching Brief programme at Nqanqarhu Magistrate Court for the first time in the Joe Gqabi District. The purpose of this programme is to assess the withdrawn cases to determine if it was due to SAPS inefficiency and ineffectiveness. The focus area would be the Gender Based Violence and Femicide cases. Safety Month has been moved to November with effect from 2020.

Currently ELM does not have an Intergrated Safety Plan, however in response to the Integrated Safety Plan the municipality works with SAPS and other sector departments to perform following operations:

-

- ▶ Traffic department conduct Roadblocks with Saps and provincial traffic department
- ▶ Home affairs conduct foreign screening with Police officials.
- ▶ Social development works with police on cases of elderly visits and whenever a minor is raped or sexual assaulted.
- ▶ Safety and Liaison conduct crime prevention awareness Campaigns with Police.

In addition, the municipality installed and maintains high mast lights and street lights in the three town of the municipality as other means of safety plans. The integrated safety plan will be developed in 2022/23 financial year.

There are only eight (8) police stations in Elundini as indicated by the table below:

Table 21: Ward with police stations

Police Station/Community Service Centre	Area
Ugie	Ward 2
Nqanqarhu	Ward 3
Elands' Height	Ward 4
Katkop	Ward 7
Mbizeni	Ward 8
Mt. Fletcher	Ward 9
Tabase	Ward 13
Zamuxolo	Ward 14

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Crime statistics in Elundini

As reported by Department of Community Safety, out of the eight (8) police stations, four (4) stations experience highest crime statistics as shown in the table below

Table 22: Crime Statistics

Crime category	Area of Occurance	General Comments
Contact Crimes (Robbery; Murder; Rape; Assault GBH & Common Assault)	Mount Fletcher	Decreased by 46.42%
	Nqanqarhu	Decreased by 23.80%
	Ugie	Decreased by 54.28%
	Katkop	Decreased by 24%
Property Crimes		
(Stock theft; House Robbery; Malicious Damage to property; Burglary at business and residential properties;	Mount Fletcher	Increased by 12,76%
	Nqanqarhu	Increased by 7.84%
	Ugie	Increased by 24%
	Katkop	Decreased by 9.25%
Other serious crimes		
(Theft General; Fraud)	Mount Fletcher	Decreased by 53.84%
	Nqanqarhu	Increased by 100%
	Ugie	Decreased by 42%
	Katkop	Increased by 100%

2.13. Basic Service and Infrastructure Development

2.13.1. Road infrastructure

The Elundini Road Network is made up of the following roads of which the ELM is responsible for 750.4 km of municipal unpaved roads and 29.8 km of municipal paved roads as depicted by the table below. As can be seen from the table below, the municipality has 32% unpaved roads and only 1% of paved roads. Provincial Roads are proclaimed roads (51% of road network) which consist of MR (Main Roads), DR (District) roads and MM (Minor) roads. No funding has been provided for the maintenance of Minor Roads. The National Roads (8% of road network), R56 and R396 are maintained by SANRAL. Private Roads (8% of road network) are mainly farm roads.

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Table 23: Types of Roads

Road Type	Category	Length (km)
Tar	Surfaced	40.14
Gravel	Un-Surfaced	594.29
In Situ/ Earth		39.87
Tracks		185.48
Total		860.08

As can be seen from the chart below, the municipality has 32% unpaved roads and only 1% of paved roads. Provincial Roads are proclaimed roads (51% of road network) which consist of MR (Main Roads), DR (District) roads and MM (Minor) roads. No funding has been provided for the maintenance of Minor Roads. The National Roads (8% of road network), R56 and R396 are maintained by SANRAL. Private Roads (8% of road network) are mainly farm roads.

The chart below reflects that, the municipality has 32% unpaved roads and only 1% of paved roads. Provincial Roads are proclaimed roads (51% of road network) which consist of MR (Main Roads), DR (District) roads and MM (Minor) roads. No funding has been provided for the maintenance of Minor Roads. The National Roads (8% of road network), R56 and R396 are maintained by SANRAL. Private Roads (8% of road network) are mainly farm roads.

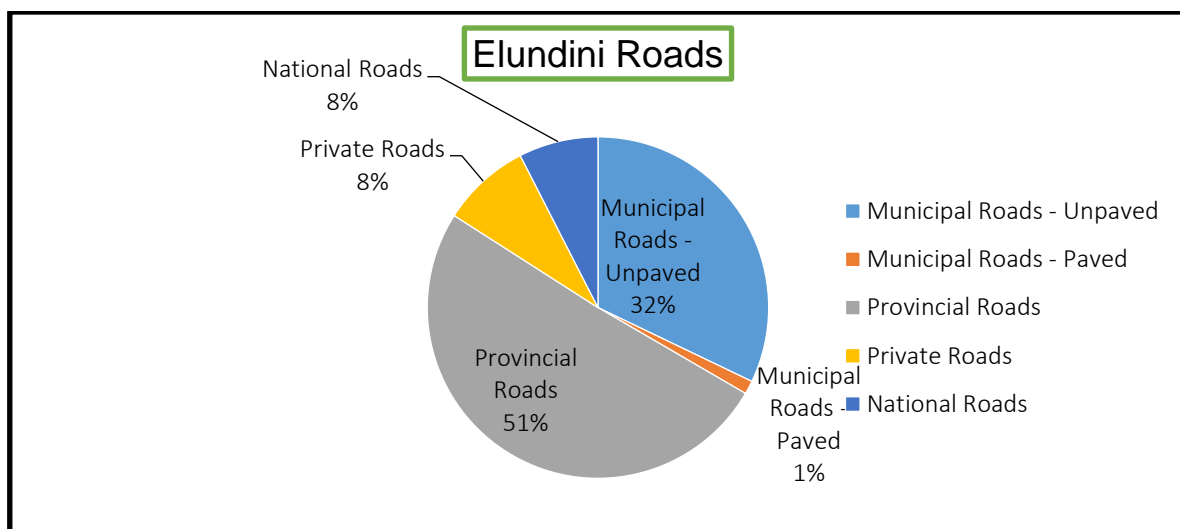


Figure 13: Elundini Roads

The implementation of the SLA between the municipality and the DRPW saw the functioning of the Roads Forum with its meetings sitting quarterly chaired by the Political Head for IP&D and the secretariate from the DRPW. The Roads Section used the EASyRAMS system for the process of establishing a Gravel Road Maintenance Plan. With the discontinuation of the DRPW all district roads now fall under the DoT and which has made its position clear in the discontinuing of the SLA starting in the 2020/21 financial year. No commitment has been made in regard to further continue with road assessment required by the Roads Assesst Management System.

2.13.2. Municipal Paved Roads

The table below depicts the number of Elundini's paved roads:

Table 24: Number of paved roads

Type Of Road	Number Of Kilometres
Tar	33,841 km
Block pave	4,145 km
Concrete	2,153 km
Total	40,139 km

Many of the black top (tar) municipal paved roads are beyond the period of their useful life span resulting in many which need to be reconstructed. The volume of heavy duty traffic has increased considerably damaging roads that were never designed to carry such heavy loads on a regular basis. The municipality is currently in the process of resurfacing priority roads. To date roads that have been constructed or are in the process of been constructed are: -

- ▶ Some identified roads and streets in the town of Mt Fletcher, including the road to Hillgate has being upgraded and surfaced utilizing the grant funding provided by the Office of the Premier, under the Small Town Revitalization Program. The Elundini Local Municipality is continuing with developing the infrastructure of Mount Fletcher. A budget of R106 million over the three years was allocated through the Office of the Premier in the province. The infrastructure to be developed covers water and sewer reticulation increase the supply of electricity to the town and the paving of roads.
- ▶ Some of the streets in the township of Ugie Park/Takalani have been paved by the Provincial Department of Roads and Public Works. This project was left incomplete and the municipality has registered the project for construction for 2022/23 Financial year to 2024/25 Financial year.
- ▶ The municipality has now planned for the prioritisation of the Nqanqarhu streets to be funded under the Municipal Infrastructure Grant (MIG). The municipality completed the upgrade of some key streets in Nqanqarhu such as Municipal Road, Fourie Street and Willow Street that were planned for 2020/21 financial year. The municipality continued and completed the upgrade of additional key streets in Nqanqarhu such as Mill Street and Fourie Street as part of 2021/22.

2.13.3. Municipal Unpaved Roads

The table below depicts the number of Elundini’s paved roads:

Table 25: Municipal unpaved roads

Type Of Road	Number Of Kilometres
Gravel roads	594,29 km
Earth roads	39, 873 km
Tracks	185, 484 km
TOTAL	819,647 km

A last assessment for roads was carried out at the end of 2017 by Engineering Advice Services and a new assessment is critical to ensure the continuation of the Roads Asset Management System. It can also be noted from the above diagram how important a maintenance plan is in order to ensure that our road infrastructure does not deteriorate any further. In the development of a maintenance plan, the above roads are taken into consideration and presented for prioritization.

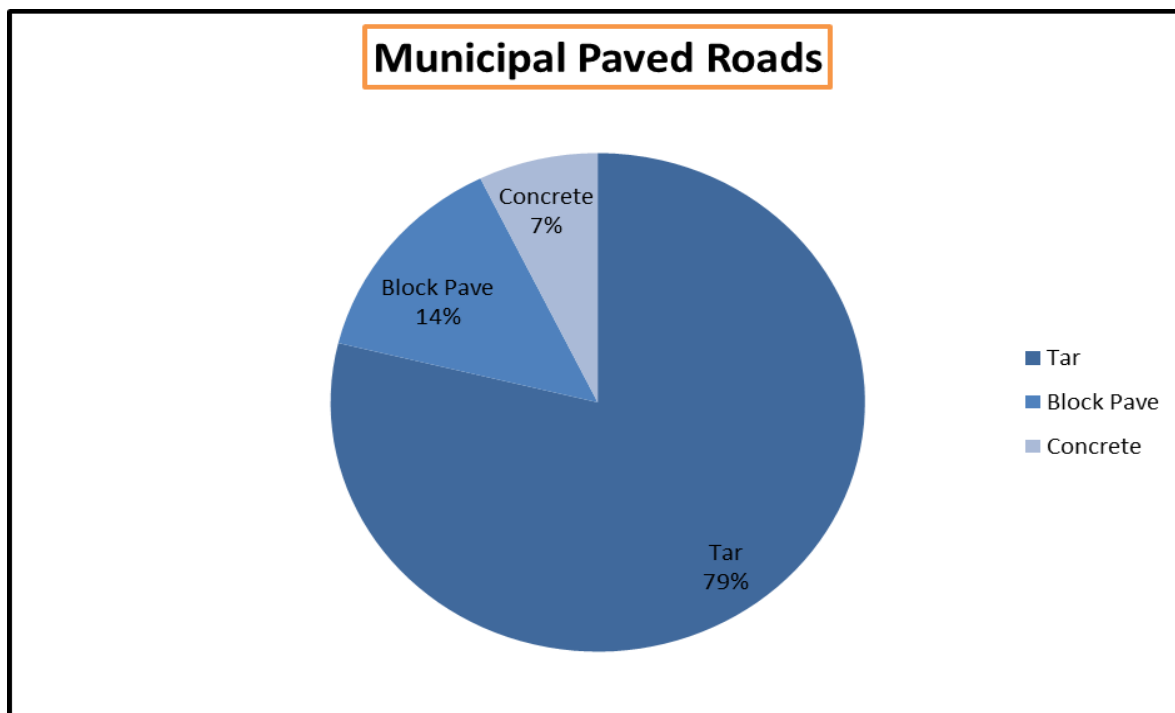


Figure 14: Municipal unpaved roads

From the chart above it can be seen that 5% of unpaved roads are earth roads and 25% of unpaved roads are tracks. No maintenance can be done on these roads and any rain would simply cause tracks to become muddy when bladed with a grader. The above chart does not take into consideration any new roads which require construction. This leaves the Roads Section with a total of 525km of gravel roads to maintain.

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2.9.1 National Roads

These roads are used by heavy freight vehicles and the timber haulage vehicles which have a significant impact in the deterioration of the road pavement design. In the past there were inadequate funds to accommodate road rehabilitation of National Roads but National Roads are now maintained by SANRAL and there has been significant maintenance to the R56 which traverses from the South to North through Elundini Municipality, connecting Ugie, Nqanqarhu and Mount Fletcher. It is assumed that future maintenance will be implemented by SANRAL to the R396 which connects Nqanqarhu to Tsolo.

2.9.2 Provincial Roads

Provincial Roads are proclaimed roads (51% of road network) which consist of MR (Main Roads, the MR00723 which connects Nqanqarhu to Rhodes), DR (District) roads and MM (Minor) roads. Most of provincial gravel roads have deteriorated significantly, due to recent rains, to the level where they would desperately need gravelling rather than occasional patchwork. This has resulted in most of the top surface of roads being eroded to the road bed. Poor drainage leads to roads being impassable in wet weather. No funding is being provided for the maintenance of Minor Roads of which some are in an extremely poor condition. Many of these roads lead to farms and lodges which limits transportation of produce to the market and the travel of tourists into the area.

The DoT is responsible for the maintenance of Provincial Roads and in the past implemented maintenance through the appointment of a service providers. ELM had a service level agreement with the Department of Roads and Public Works for the maintenance of roads in the northern area of Elundini, whereby both municipal and district roads are maintained. Duration of the SLA was from the 30th May 2017 and the completion date was the 29th May 2020. The municipality requested the renewal of the contract but the municipality has been informed that there is no funding available for the 2020/21 financial year. At this point in time it is not clear as to how the DoT will maintain provincial roads in the Elundini area of jurisdiction.

2.13.4. Completed Projects

Table 26: Gravel and Surfaced Roads

Project	Ward	KM	Budget	Status
Elundini Local Municipality				
Emjikelweni A/R and Bridge, phase 2	11	1,47	R4m	Complete
Mbidlana Access Road	17	2.8	R3.5	Complete
Nkolosana A/R	6	7,8	R7,3 m	Complete
Mpindweni- Gamakhulu A/R	07	5.1	R3,2 m	Complete
Tsitsa – Sophonia A/R	07	7,1	R4,1m	Complete

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Vuvu – Nkumandeni A/R	16	4,76	R4,9m	Complete
Mohoabatsane A/R	12	3,10	R3,5 m	Complete
Mbidlana A/R and a Bridge	17	2,1	R2,9m	Complete
Liphofung A/R and a Bridge	13	13	R10,1 m	Complete
Ntabayikhonjwa A/R	14	5,7	R7,6m	Complete
Rehabilitation of Sonwabile streets and stormwater Phase 1	3	5	R23.2m	Complete
Vincent Surfaced road, Stormwater drainage and curbing	17	3,7	R15,4m	Complete
Sithole surfaced road and stormwater drainage and curbing	3	2,3	R10,3m	Complete
Lehlakaneng A/R	12	1,9	R2,9m	Complete
Sithana A/R	5	3,8	R4,6 m	Complete
Koebong A/R	13	7	R6,2m	Complete
T- 83 to Upper Tsitsana and a bridge	4	12	R7,4	Complete
Platana Bridges	4	N/A	R2.6m	Complete
Upgrading of Nqanqarhu streets and Stormwater in Church Street, Sellar and Fourie Streets	3	1.085	R8 m	Complete
Rehabilitation of Sonwabile Streets and Stormwater Phase 2	3	2.9km	R9.1m	Complete
Thambekeni Pedestrian Bridge	11	N/A	R1.1m	Complete
Mount Fletcher Internal Streets	9	5	R40 m	Complete
Tsitsa Bridge	7	N/A	R1.9m	Complete
Embizeni	8	N/A	R1.3m	Complete
Mhlontlo	16	N/A	R1.4m	Complete
2 x Sophonia Bridges	7	N/A	R2m	Design complete
Total KM	94.815			

Table 27: Public Amenities

Project	Ward	Budget	Status
Nkalweni C/H	01	R4.5m	Complete
Botsabelo C/H	07	R4.5m	Complete
Ugie Sportsfield (Ntokozweni)	02	R12.7m	Complete

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TV Park Sportsfield	03	R5.7m	Complete
Rehabilitation of Mt Fletcher Sportsfield	09	R1m	Complete
Rehabilitation of Hopedale sportsfield	05	R1m	Complete
Bongani ECDC	09	R1.2m	Complete
Lower Tsitsana Community Centre	04	R5 m	Complete
Ilisolomzi Community Centre	09	R3.3 m	Complete
Skote Phase 1	10	R4 m	Complete
E-Natis Offices	3	R2 m	Complete
Maclear Public Toilets	3	R1 m	Complete
Ugie Public Toilets	2&4	R1 m	Complete
Mount Fletcher Craft Center	9	R1 m	Complete
Mount Fletcher Taxi Rank	9	R4 m	Complete
Mount Fletcher Sewer Package Plant	9	R10m	Civil Works are complete Eskom connection pending
Mount Fletcher LED plant	9	R2 m	In progress
Phumulong ECDC	8	R2 m	Complete and on defects liability period
Skote Phase 2	10	R1 m	Complete and on defects liability period
Mount Fletcher VTS	9	R13m	In progress

Table 28:Electricity

Project	Ward	h/h	Budget	Status
Trustini	01	125	R2.4m	Complete
Ntendeshe	01	128	R3.8m	Complete
Phalisa	01	78	R1.9m	Complete
Mamfengwini	01	232	R3.6m	Complete
Elunyaweni	01	183	R1.5m	Complete
Luthuthu	01	283	R2.9m	Complete
3 x Highmast lights 2017/18	17, 3	N/A	R2 m	Complete

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20 x Streetlights Nqanqarhu 2017/18	03	N/A	R1.2 m	Complete
Ntushuntushu	05	89	R5.7m	Complete
Mission	01	463	R8.9m	Complete
Moroka	08	251	R5m	Complete
Castle Rock	08	26	R1m	Complete
Embizeni	08	73	R1.4m	Complete
Seqhobong	13	320	R6.7m	Complete
Nxotshana	13	389	R7.5m	Complete
Khalankomo	08	161	R3.8m	Complete
Lahlangubo/ Phezulu/ Jojweni	08	226	R3.8m	Complete
Luzi Drift	08	158	R2.6m	Complete
Batlokoa Linkline	08	10km	R4.2m	Complete
70 x Streetlights Nqanqarhu 2018/19	03	N/A	R2.7 m	Complete
Tabase 13	13	103	R5.6 m	Complete
Moreneng	08	108	R5 m	Complete
Zimbane/ Luxeni	08	104	R2 m	Complete
Amahlubi SP		17km	R6.7m	Complete
Tafeni/ Inkamani	08	99	R1 m	Complete
Ntabelanga	08	84	R1 m	Complete
Mkaka	08	33	R1 m	Complete
Bakoena Linkline	13	9km	R3m	Complete
20 x Streetlights Nqanqarhu 2020/21	03	N/A	R1 m	Complete
5 x Highmast lights 2020/21	17, 3, 9	N/A	R2 m	Complete
79 x Streetlights	09	N/A	R2.7m	Complete
Bakoena Linkline (Part 2)	13	10km	R3.8	Complete
70 x Streetlights Nqanqarhu 2020/21	09	N/A	R2.7 m	Complete

Road maintenance

A number of 879, 94 km of gravel roads was maintained and reshaped in various wards of Elundini Local Municipality and 15 897.5 m² of surfaced road were. Also a total of 26 681m of Stormwater

drainage was maintained. A number of 717, 94 km of District roads were constructed by Department of Transport.

2.13.5. Condition of Gravel Roads Assessed

Results from the road assessment in 2017 the municipality received a second set of roads assessment. It must be understood that another assessment is required to establish current road conditions.

2.13.6. Infrastructure Assets

The municipality has internal plant and some of the projects are done inhouse by an internal plant which includes construction and road maintenance. ELM has the following machinery:

- ▶ 1x 20 Ton Excavator, 2 x Construction Graders, 1 x maintenance Grader, 3x Articulated Dump Trucks, 2 x 4x4 TLB's, 1 x Agrico Town Tractor, 15 Ton Grid Roller, 1 x 18000lt water truck, 2x 12 ton vibratory roller, 1x 8000lt water truck, 1x high pressure jetting machine, 1x 10m³ tipper truck, Bobcat and Low bed.
- ▶ Procured machinery: ELM 5 x LDV, 2x Mahindra Bolera, 2 x Toyota Avanza, 1 Grader, TLB, 1 ADT located in Nqanqarhu and Ugie, 1 Grader, Roller, 1 ADT, TLB, Excavator, Agrico located in Mount Fletcher, 1 Grader, Roller and 800-liter water tanker.

2.14. Documentation which Influences the Construction and Maintenance of Roads

There are a number of documents which set guidelines to both the PMU Section and the Roads Section when constructing or maintaining roads. They are: -

2.14.1. Local Integrated Transport Plan (LITP)

Minimum contents for a Local Municipality's Integrated Transport Plan:

- ▶ The ELM Local Integrated Transport Plan (LITP) is prepared for every five years and submitted to the district municipality. The plan should be updated annually where appropriate;
- ▶ The plan has been prepared as an input to the District Integrated Transport Plan (DITP) and synchronised with the timing of the preparation of the DITP. The LITP must consist of the chapters as indicated below:
 - I. Introduction
 - II. Transport Status Quo (Inventory and condition of transport infrastructure)
 - III. Transport Needs Assessment
 - IV. Transport Improvement Proposals
 - V. Implementation budget and program
 - VI. The LITP is a working document in which changes are made and updated on an annual basis.

- VII. The LITP is a comprehensive document and it identifies a number of projects that are required to be completed internally.
- VIII. The LITP incorporates the Roads Master Plan which is linked to the municipality's LED Strategy.

2.14.2. Storm Water Master Plan (SMP)

The master plan was developed in conjunction with Aurecon who was contracted to develop the municipal stormwater management plan. This is being utilised during the construction and upgrades of the roads network will continue in all future roads and stormwater projects.

The main aims of developing the SMP are, among others are:

- i. Update the existing records of infrastructure assets
- ii. Manage storm water assets
- iii. Identify problems or problematic areas within the storm water systems
- iv. Develop a rational basis from which to implement improvements
- v. Develop storm water guidelines and standards for future work

2.14.3. Roads Asset Management Policy

The roads asset management policy was adopted by council of Elundini. The document strives to address the issues identified in ISO 55001 that need to be addressed in an Asset Management Policy namely:

- i. are appropriate to the purpose of the organization
- ii. provide a framework for setting asset management objectives
- iii. include a commitment to satisfy applicable requirements
- iv. Include a commitment to continual improvement of the asset management system.

The road infrastructure asset management policy shall:

- i. be consistent with the organizational strategic plan(s)
- ii. be consistent with other relevant organizational policies
- iii. be appropriate to the nature and scale of the organization's assets and operations
- iv. be available as documented information
- v. be communicated within the organization
- vi. be available to stakeholders, as appropriate
- vii. be implemented and be periodically reviewed and updated.

The goal of our road infrastructure asset management policy is:

“To ensure that the Elundini Access Roads provide the best possible level of sustainable service to users and optimal economic growth of the ELUNDINI MUNICIPALITY, subject to budget constraints.”

2.14.6. Road Maintenance Plan

The Elundini Local Municipality has recognised the need to develop a comprehensive Roads and Storm Water Maintenance Plan that provides a structure within the municipality to strategically budget for maintenance of its roads and storm water infrastructure. The purpose of the Maintenance Plan is to provide the Municipality with a broad overview of the Maintenance Strategy and how this is accommodated within the allocated budget. This plan is done on an annual basis taking into consideration available funds and infrastructure condition in critical areas, The following are the main items that are taken into consideration when developing the Maintenance Plan:

- i. Assessing the road network in order to quantify the required road maintenance activities,
- ii. Developing a preliminary road maintenance strategy,
- iii. Develop a priority list of work to be conducted which is acceptable to all stake holders to suite the available budget, and
- iv. Social requirements of the community.

Activities of Road Maintenance are listed below: -

- (i) Paved (Tar) Roads: -
 - a) Pot Hole Patching
 - b) The application of a slurry to the road to seal cracks
 - c) Maintenance of associated storm water

- (ii) Gravel Roads (these roads have existing storm water infrastructure):
 - a) Dry Blading
 - b) Wet Blading
 - c) Special Blading
 - d) Patch Gravelling
 - e) Maintenance of associated storm water
 - f) Rehabilitation of the road by rip, reshape, compact and add a new gravel wearing course to the road

Any roads where there is no gravel on the road and requires the design of storm water infrastructure should be accepted as roads which require construction.

2.14.7. Funding for Road Maintenance

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Road maintenance funding for rural access roads has always been a challenge but recently there have been new developments. Previously, the municipality has taken advantage of the SLA between the municipality and DOT to fund a majority of roads maintenance in the northern part of the municipality. With the SLA coming to an end, alternative means of funding to complement own revenue will have to be sourced.

There has been a change in the Division of Revenue Bill which states that:

- ▶ Local municipalities investing in roads infrastructure must utilise data from the Rural Roads Asset Management System (RRAMS), where available, to identify and prioritise their investment on roads projects; including roads maintenance

ELM therefore is required to develop the Roads Maintenance Plan in line with the Rural Roads Asset Management System (RRAMS) including the funds that will be allocated to the plan.

2.15. Status Quo in the Roads Section

ELM has a full functional Roads Construction Unit with a full set of Plant equipment to ensure quality services are rendered for the maintenance of roads in Elundini.

Table 29: Review Findings on assessment of the roads section

	Finding	Performance Area	Management Response Plan
1	Insufficient reserves built up for replenishing of the fleet	Financial performance	Increase the productivity in order to provide sufficient reserves for the replenishing of the fleet
2	Plant nearing the end of its useful life	Financial performance	Bell has been approached to provide quotations on the refurbishment of plant
3	The Servicing and Maintenance of the plant has not been managed properly	Plant Productivity	Schedule of maintenance of the plant has been developed and additional capacity for plant maintenance was sourced though hiring of two artisan aides for the in house mechanic. This function was strengthened to implement some of the servicing in house to reduce expenditure with Bell Equipment who previously implemented all maintenance and repairs on Bell plant
4	Lack of standard operating procedures or guidelines in the operation of the plant	Plant Productivity	A set of Standard Operating Procedures has been formulated and the policy adopted by Council.
5	Deficiencies in preventative maintenance processes	Plant Productivity	This item has been addressed under item 3 above

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6	Duties and responsibilities on personnel involved in running the plant	Staffing	Staffing in the roads section has been secured so as to augment the internal capacity
7	No continuous training for the key staff running the plant	Staffing	During this financial year the operators and other key personnel have been sent for refresher training
8	Inefficient Records Management	Operations and Management	This was initially resolved through the appointment of a contract roads technician. Further to this, vacancies of the foreman were also filled.
9	Lack of monitoring of actual expenditure	Operations and Management	The post of Finance Manager: Projects attends to this requirement with the assistance of the Administered for Building and Civil Works
10	Lack of project management on previous projects implemented	Operations and Management	The technicians within the unit ensure proper project management for all the projects that utilises the plant
11	Deficiencies noted on the licencing of vehicles	Operations and Management	Licensing deficiencies has been resolved
13	Lack of a letter of good standing.	Operations and Management	Letter of good standing is in place.

2.15.6. Service Level Agreement between ELM and Dept of Transport

The implementation of the SLA between the municipality and the DRPW saw the functioning of the Roads Forum with its meetings sitting quarterly chaired by the Political Head for IP&D and the secretariate from the DRPW. The Roads Section used the EASyRAMS system for the process of establishing a Gravel Road Maintenance Plan. With the discontinuation of the DRPW all district roads now fall under the DoT and which has made its position clear in the discontinuing of the SLA starting in the 2020/21 financial year. No commitment has been made in regard to further continue with road assessment required by the Roads Assesment Management System.

2.16. Implementation of EPWP

ELM participates in the Expanded Public Works Program (EPWP) contributing mainly on the Social Sector, Infrastructure Sector and Environmental Sector. ELM has employed an EPWP Champion Coordinator, located within the Community Services Department to ensure that EPWP programs are run and managed effectively. ELM received two (2) Kamoso awards for two consecutive years and

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recognition of their contribution on EPWP. In 2016 ELM received an award in the Social Sector Category in the Kamoso Award for the employment of CPLWs and in 2017 received an award in Infrastructure Sector Category for Roads and Maintenance.

2.17. Electrification

The municipality is distributing electricity to two of the three towns namely Ugie and Nqanqarhu in the south, with the whole of rural and Mt Fletcher area to the north being supplied by Eskom.

Access to electricity has progressively improved since the last financial year because there have been some areas around the municipality that have been electrified. This is annually implementation on the Integrated National Electrification Programme INEP funded by Department of Mineral Resources and Energy (DMRE). INEP implementing agencies are Eskom, municipalities and non-grid service providers. The most hit areas still without electricity are the rural villages around the Mt. Fletcher area. The progress in electrification was affected by Eskom demarcation which previously located Mt. Fletcher area in KZN. ELM bills its urban consumers of electricity on a monthly basis.

ELM has developed the Electricity Master Plans, for electricity, for both Ugie and Nqanqarhu towns intended for both the development and expansion of electricity infrastructure and supply for both towns. Both the two towns Ugie and Nqanqarhu have total transformer installed capacity of 10985kVA and 7680kVA installed respectively.

2.17.1. Household Access to Electricity

The statistics as per Community Survey 2016 for access to energy is as follows:

Table 30: Access to electricity

Source	JGDM	ELM
In-house conventional meter	21714	6165
In-house prepaid meter	283756	87741
Connected to other source which household pays for	2199	24
Connected to other source which household is not paying for	128	-
Generator	362	170
Solar home system	2832	2322
Battery	-	-
Other	4206	3659
No access to electricity	57715	44847

Source: Community Survey 2016

2.17.2. Household usage of candle

Table 31: Use of candle

	Yes	No	Unspecified
DC14: Joe Gqabi	197556	128730	46626
EC141: Elundini	94124	32907	17899

Source: Community Survey 2016

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2.17.3. Electricity Distribution Licence

ELM was given license by NERSA to supply and distribute electricity to the towns of Ugie and Nqanqarhu. The municipality is also providing alternative energy, solar system, to Wards 4, 8, 11, 12, 13, 14, 15 and 16. The electrification of rural households is largely dependent on the electrification program by ESKOM. The municipality has also approved the implementation of the Solar Water Heating Systems (Solar Geysers) for low income households.

2.17.4. Electricity Backlogs

ELM, through its Public Participation Unit, together with the Ward Councillors consolidated a list of all households in all the wards that are still not have been electrified. The electrification backlogs below reflect that there are still 24 221 households, equalling 41% of households who are still not have been electrified and 31 655 households, equalling 59% of households that have been electrified.

The table below depicts the electrification backlogs and planned electrification by ELM:

Table 32: Installation of Solar Heating System

Areas	Number of Units
Bhekela (Ugie)	1 456 units
Takalane (Ugie)	664 units
Ugie Park	250 units
Nqanqarhu Phase 1	665 units
Greenfields Nqanqarhu	250 units
Mangoloaneng	365 units
Ngcele	500 units
Katkop	500 units
Isinxako (under construction)	486 units

The table below depicts the electrification backlogs and planned electrification by ELM:

Table 33: Electrification backlog

Ward	Villages	Total Households	Electrified	2021/22		Not Electrified	% Not Electrified
				Eskom	ELM		
1	12	2 823	2 635			780	28%
2	7	3 275	2 466			809	25%
3	12	2 381	1 823			558	23%
4	21	2 336	1 797			539	23%
5	15	2 712	2 348			364	13%
6	10	4 968	4 732			236	5%
7	24	3 378	2 150			594	18%
8	21	2 502	988		793	764	31%
9	6	2 354	1 648			706	30%

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10	15	3 962	2 575			1 387	35%
11	16	3 065	1 488			1 542	50%
12	12	4 430	2 882			359	8%
13	10	2 773	749			834	30%
14	15	2 708	486			2 222	82%
15	10	8 071	626			7 445	92%
16	25	3 960	478			3 371	85%
17	16	2 866	1 784			611	21%
TOTAL	247	58 564	31 655		793	23 121	39%

2.17.5. Energy Efficiency and Demand Side Management

In an attempt to reduce energy consumption in municipal infrastructure, Elundini Local Municipality has secured an EEDSM grant from the Department of Energy and National Treasury through section 5(b) of the Division of Revenue Act (DORA) to measure and quantify the current energy consumption baseline and energy savings potential of the municipality. The measurement and quantification of energy consumption baseline are to be achieved through historical electricity bills, and the installation of smart meters, whilst energy savings will be achieved by the replacement of inefficient technologies with energy efficient technologies such as Light-emitting diode (LED) for buildings, public lighting and traffic signals; efficient Heating, Ventilation, and Air-Conditioning (HVAC) system; and efficient motors and variable speed drives for water services plants.

This project consists of two parts to be implemented simultaneously for the following towns: Nqanqarhu, Ugie and Mount Fletcher. The EEDSM project shall be implemented in three phases (pending allocations on the EEDSM Grant), namely:

- ▶ Replacements of High-Pressure Sodium and Induction Street lights with (Light Emitting Diode) LED lighting. The existing public lighting fittings varies from 40W to 1000W;
- ▶ Retrofitting of tubes and bulbs on the fluorescent lights and other fittings in the Municipal buildings namely (Offices, Libraries and Community Halls, etc). Most lightings in these buildings consists of various types ranging from 14WCFL to 150W mercury vapour fittings. The intention is to replace the bulbs and rewire the fittings to accommodate the new LED tubes/bulbs and fittings occupancy sensors in all offices. It is envisaged that in some cases T5 bulbs and fittings;
- ▶ Replacements of existing 46 High Mast each consisting of 6 x 1000w on 40m light fittings with a **MAXIMUM** 400W LED fittings. There are also a number of 9 x 400W fittings on 30m High Mast Lighting that need to be replaced with a **Maximum** of 200W LED fittings. (Please see tender for technical details of high mast fitting.

2.17.6. Solar Water Heater Geysers

The municipality has also approved the implementation of the Solar Water Heating Systems (Solar Geysers) for low income households in the following areas:

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Table 34: Solar Beneficiaries

Township	No Of Beneficiaries Submitted
Bhekela	343
Takalane & Robben Island	370
Mandela Park	273
Ntokozweni	460
Old Location Ugie	255
Ugie Park	1 212
Vincent Park	270
Nqanqarhu	19
Ugie	2
Greenfields	410
Ntokozweni (Ugie)	460
Landcamp (Ugie)	382
Clearview (Nqanqarhu)	29
Soccerfield (Ugie)	74
Sithole Park (Nqanqarhu)	151
Sonwabile (Nqanqarhu)	542
Ugie Town	2
Mount Fletcher	284
JK Bokwe (Ugie)	72
TOTAL	5 610

Additional qualifying areas were identified and submitted to DMRE and the sample of 10% feasibility study was conducted. An estimated 160 SWH installers have been earmarked to be trained within the municipality.

2.17.6.1. Enrolment of Small Scale Embedded Generation (SSEG) Transition in Our Municipality

Due to increases in the price of electricity from the national grid and a steady decline in the price of decentralised generation options such as solar PV small-scale embedded generation (i.e. 'rooftop' type systems), decentralised generation sources such as SSEGs are becoming financially more attractive in South Africa. Increasingly such systems are being installed by businesses and residences. It is therefore important that approval procedures are established and standards are adhered to by municipal distributors to regularise this fast changing situation.

Considering these dynamics, municipalities are compelled to re-define their role in the electricity value chain and adapt their funding and operating models. The South African – German Energy Programme (SAGEN) in cooperation with the Department of Energy (DOE) and the South African Local Government Association (SALGA) is providing technical support to municipalities on aspects of this transition. The Council for Scientific and Industrial Research (CSIR) and Sustainable Energy Africa NPC (SEA) are implementing partners on the SAGEN programme and are focusing on the safe integration of Small-Scale Embedded Generators (SSEG) into municipal infrastructure as well as the development of sustainable business models for municipal utilities. In this regard, our municipality has been granted support among other five municipalities in the Eastern Cape in this transition.

2.17.6.2. Support to Municipal Energy Management System

Since municipalities in South Africa differ widely in terms of their size, capacity and resources as well as their levels of awareness and implementation of energy efficiency measures. The project accommodated this by identifying three different "categories" of municipalities (Innovators – Aspirants – Beginners) and will implement different and adapted approaches of support suited to the needs of each. In this light, the South African-German Energy Programme (SAGEN) GIZ and its partners, the Department of Energy and South African Local Government Association (SALGA) is supporting selected municipalities to enable them to implement municipal energy management systems (MEMS) within the operational structures of the municipality, with the aim to reduce their own consumption of electricity. In this context, an energy management system refers to a structured process to identify energy cost centres, measure energy supply, identify opportunities for energy savings, plan energy saving interventions, implement interventions and measure and report impact. The Municipal Energy Management Systems (MEMS) programme offers intense Support for 4 – 6 municipalities in developing a MEMS.

2.18. Water Services and Sanitation

Joe Gqabi District Municipality is the Water Services Authority and provides Bulk infrastructure. The water provision services are the responsibility of District Municipality and they have been sensitized of

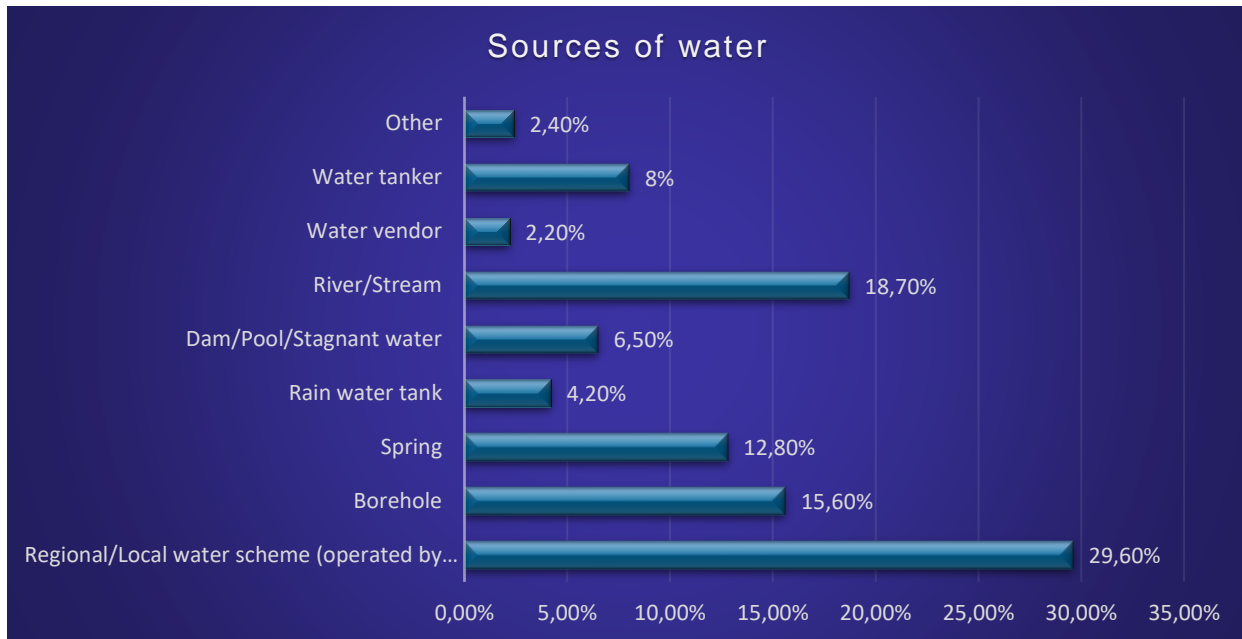


Figure 15:StatsSA Community Survey (2016)

In terms of access to water, 46.09% of households in the Elundini area do not have access to piped water at all. This percentage is quite high and speaks to major challenges in the delivery of this service to households. Only 7% of households have access to water inside the yard whilst 34% of households use a community stand as the main access to water. With regards to the sources of water, 29.06% of households in Elundini use municipal water as a main source of water whilst 15.60% of households use boreholes. 18.07% or 7071 households still use rivers or stream as a main source of water and another 6.49% of households use dams as the main source. It is clear from the statistics presented above that there are significant challenges in terms of ensuring that access to water for all households in Elundini is realized, some of the challenges include the following:

- ▶ Many areas in Elundini Local Municipality do not have access to piped water;
- ▶ Most urban areas in Elundini have access to water, but shortages are occasionally experienced in Ugie and Nqanqarhu;
- ▶ In Mount Fletcher a borehole is being utilized which also results in occasional water shortages;
- ▶ Along with the issue of poor access to potable water is the need to improve water resource management;
- ▶ In the IDP ward analysis of needs identified that 50% of wards indicated that access to water or water supply was a service delivery issue.

The growth of towns such as Ugie is placing increased strain on the existing water infrastructure. Future growth will need to be supported by additional bulk water infrastructure. The insufficient bulk water and purification infrastructure is a significant constraint to future growth as any new residential, office or industrial development in Nqanqarhu, Ugie or Mount Fletcher will require additional infrastructure investment. The situation within Mount Fletcher is critical due to the current borehole system being

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unable to supply for the demand. Since the municipality is busy with the rollout of the Ward based Planning program in all its wards, more accurate figures of people with access to water will be available. The District has embarked on a process of formulating a District Water Forum which is responsible for the monitoring of the implementation of the Water Services Master Plan.

2.18.1. Sanitation

Elundini Local Municipality had a total number of 9 010 flush toilets (21.15% of total households), 23 600 Ventilation Improved Pit (VIP) (55.46% of total households) and 6 670 (15.66%) of total household's pit toilets.

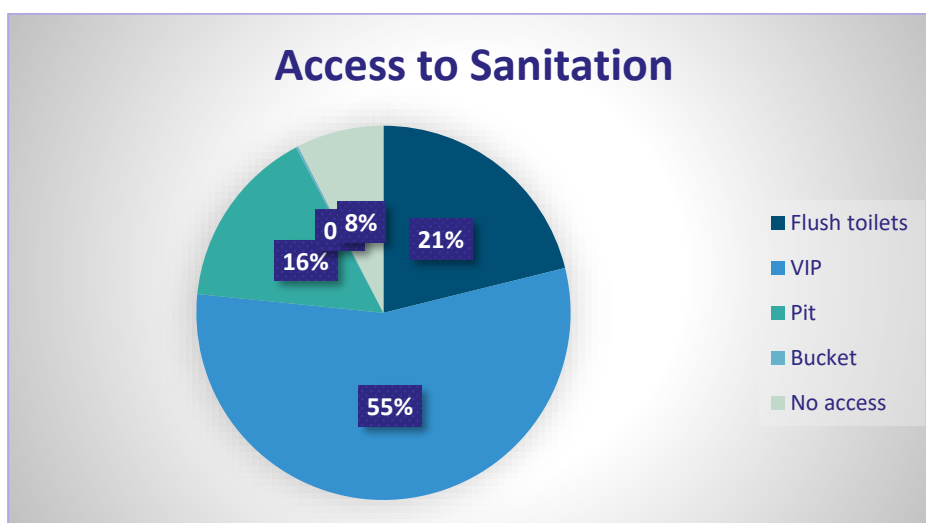


Figure 16: Access to Sanitation

HOUSEHOLDS BY TYPE OF SANITATION - ELUNDINI LOCAL MUNICIPALITY AND THE REST OF JOE GQABI, 2019 [NUMBER]

Table 35: Household type of Sanitation

Municipality	Flush toilet	Ventilation Improved Pit (VIP)	Pit toilet	Bucket system	No toilet	Total
Elundini	9,010	23,632	6,673	83	3,214	42,612
Senqu	8,939	22,065	8,491	623	2,538	42,656
Walter Sisulu	23,439	1,098	262	299	989	26,086
Total Joe Gqabi	41,388	46,795	15,425	1,005	6,741	111,355

Source: IHS Markit Regional eXplorer version 2142

2.19. LOCAL ECONOMIC DEVELOPMENT

The LED Strategy was reviewed and adopted by Council in 2020. The revised Elundini LM's Local Economic Development Strategy 2019-2024 seeks to set out a strategic path and trajectory for local economic development over the next 5 years from 2019 – 2024. The model that has been utilised to review the strategy has six pillars such as implementation review of 2012-2017 LED strategy, the

situational analysis which includes socio economic factors of the area including the sector based analysis in terms of its GGP contribution, Strength, weakness, opportunities and threats (SWOT) analysis for key economic sectors which are the focus on the future strategic framework for 2019-24, the strategic framework review, program and project focus implementation plan for the next five years and the institutional arrangement of the strategy implementation and monitoring and evaluation.

The municipality in developing the strategy considered the key guiding principles of Local Economic Development set up by National Local Economic Development Framework with emphasis of a development approach, which works with National and Provincial Governments, Private sector, regional institutions, faith based institutions, civil society and many others to fulfil a local vision of Economic Development hence the sources of information is not a result of only the LED unit but a:

- ▶ Consultative sessions with local stakeholders
- ▶ Statistics available (Formal publications & Reports)
- ▶ Previous implementation reports
- ▶ Consultative session with National and Provincial Department
- ▶ Interaction with all Municipal Department

The main strategic goal of the Elundini Local Economic Development Strategy is to attain a sustainable economic growth, with a growth rate of 1% which is characterised by increase in output, employment growth and increase in household income in urban and rural areas in the next five years.

In order to change the present economic outlook of the local economies of Elundini, ten strategic issues have been highlighted:

- 1) The sector-based plans should be developed and be aligned to the local Economic Development Strategy.
- 2) Appropriate options for institutional arrangement of the implementation of the LED strategy should be recommended and implemented.
- 3) The focus of the strategy should be on labour absorbing sectors with potential to create more jobs
- 4) Programs with linkages with neighbour municipalities to take advantage of opportunities and encourage economies of scale should be encouraged.
- 5) The existing LED projects which were not fully implemented should be strengthened
- 6) and proper models and governance framework be encouraged, and new potential LED projects be initiated
- 7) Economic Infrastructure Development should focus on key infrastructure development programs which will link the local urban areas to the bigger towns and create conducive environment to local investors.

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- 8) Private Public Partnership with National, Provincial, International partners should be strengthened
- 9) SMME development should be encouraged through tailor made programs of support and development
- 10) The skills development plan for Elundini Municipality is very critical tool to be developed to tackle the skills shortage in local areas.
- 11) A five-year project implementation plan which will yearly be reviewed with all contributing stakeholders should be developed.

The Strategy sets out seven strategic objectives which will be underpinned by various programs and projects such as follows:

- 1) Strengthen the contribution of the primary sector with the GGP of 1 % by 2024.
 - 2) Increase local manufacturing sector contribution through Agro processing
 - 3) (Agri and Forestry) by 2 % by 2024
 - 4) Increase local investment in economic infrastructure, land and property development by 2024
 - 5) Strengthen the SMME development support programs to benefit individual businesses and cooperatives by 2024
 - 6) Create enabling environment for retention, attraction and expansion of business through policy, by laws development and implementation by 2024
 - 7) Develop and implement institutional arrangement for strategy implementation, monitoring and evaluation by 2020
- The successful implementation of the Revised LED Strategy will be underpinned by a commitment of both financial and non-financial resources by Local and District municipality, Provincial and National Government and Private sector.

The ELM's Local Economic Development program focusses on the following areas:

2.19.1. Formal and Informal Trade Development

ELM recognizes the key role that informal trading plays in poverty alleviation, income generation and entrepreneurial development and, in particular, the positive impact that informal trading has on historically disadvantaged individuals and communities. The Municipality will continue playing its central role in supporting the employment and economic initiatives of micro-enterprises, and prioritized the informal economy in its local economic development strategies.

In the next five years the municipality will be developing guidelines to adopt a more developmental approach towards the informal economy and review the by law which related to street trading/ informal trading. The Formal & Informal Business Regulations Compliance which focuses on ensuring that businesses have the necessary permits and licenses to conduct their operations within the legal framework will remain as a focus in trade management. The municipality is also contributing in the

sector by ensuring that the three towns have the main street trading zones in place and also provides infrastructure to the traders.

2.19.2. SMME and Cooperative Development

The National Business Act defines the small business as a separate and distinct business entity including cooperatives and the non-governmental organization's managed by one or more owners. As per the act they are categorized into four such as the micro enterprises, very small enterprises, small enterprise and medium enterprises. Presently the SMME sector is not sustainable, it operates on a survival basis rather than growing the enterprises to create sustainable employment opportunities. ELM has begun a process of creating a necessary infrastructure to support SMMEs to operate on a platform that will grow their businesses to enter the formal sector of business. Furthermore the ELM will work on providing programs to equip SMMEs with critical skills to become more competitive and sustainable.

This will concentrate on:

- ▶ Programs for separate segments as per the act;
- ▶ Policy development and review;
- ▶ Nonfinancial entrepreneurial support initiatives with a particular focus on entrepreneurial training;
- ▶ Research on specific sectors and the role of SMMEs in building partnerships
- ▶ Business network development and support;
- ▶ Capacity building initiatives;
- ▶ Public private partnerships for sector development

The municipality has committed itself to sustainable and meaningful socio-economic transformation of the construction sector, it has put in place a construction procurement strategy to implement in the next five years which is aiming at growing the local construction grades. A local association has also been established which serves as a voice of the sector to the municipality. The local contractor development programs developed by the municipality is being implemented and it has been also embraced by other government institutions who are working with the municipality to support the local contractors. The municipality will do the sector analysis report to reflect on the impact that is made by government as a whole in the growth of the sector

ELM has a dedicated Cooperative Development Centre (CDC) that plays a role in promoting cooperatives through various support initiatives so that a wider spectrum of the community is able to participate in economic opportunities made available to cooperatives. The CDC also plays a role in identifying the needs for skilling local cooperatives and individuals. Secondary cooperatives are being setup to support primary cooperatives operating within the same sector.

The intention is to develop the CDC into a self-sustainable institution which is able to support its local enterprises. The Municipality is concentrating on its governance as one of the elements of its sustainability and will ensure that it has a functional board in place, Centre Manager and Chairperson of the audit committee. The intention is to ensure accountability to the envisaged government funding that will be implemented through the CDC from different government institutions

2.19.3. Property Development

Property development aims to increase value of the Elundini Municipality land portfolio and generate long term recurring income for Elundini, by facilitating development of Council owned land by third party private sector developers, through private partnerships. Discussions are underway between ELM and the Department of Public Works to develop land owned by the state within Elundini. Development facilitation includes project packaging, project preparation, development contracting & actual development.

The municipality will:

- ▶ Brand strategic municipal and state owned land;
- ▶ Acquire title deeds for all municipal owned land that has been identified for strategic development to expedite property development transactions;
- ▶ Revenue maximisation;
- ▶ Leveraging of private sector investment

The municipality has enhanced this function with the appointment of a skilled Project Officer in property development. The intention of the municipality going forward is also to empower municipal personnel within the LED section to effectively manage and develop municipal-owned properties. The municipality is facilitating, through its supply chain process, commercial developments in Mount Fletcher and Nqanqarhu. It is also focusing on housing development programs through the department of housing, JoGeda whilst some are directly facilitated by the municipality

2.19.4. Industrial Development

Rural industrialization means focus on promoting the rural based industries by involving local people, resources and expertise or exploring the new business opportunity related with available resources in that particular rural area or cluster in a professional way. Primary beneficiary must be local farmer, artisan and labour in small or medium enterprise establishment in the rural areas and also support the local eco-system and economy. The basic purpose of rural industrialization is to create alternate model for overall development of rural society to avoid over dependency on farming by utilizing available opportunities to establish small and medium industries.

ELM will concentrate on a three-way approach which will help in exploring the rural industrialization, and they are:

- i. Agriculture diversification by exploring the opportunities by farming a completely new range of grains, fruits or vegetables;
- ii. Establish agro-food processing initiatives; and
- iii. Non-farm product business establishment by promoting suitable rural enterprises

2.20. Types of Rural Industry available in Elundini (Competitive and the Comparative Advantages)

There are various types of rural industrial possibilities present in Elundini rural areas such as:

2.20.1. Agro Based Industries

This industry is related with the processing of agro products such as wool, fruit, oil from oil seeds and other related processing from raw agro products.

2.20.2. Forest Based Industries

There are possibilities to establish industries related to wood products, bamboo products, honey, preparing manure from plant leaves, herbal medicines production and others.

2.20.3. Mineral Based Industries

Minerals identified in the rural areas should be primarily processed in the nearby villages and therefore creating industries within the rural areas.

2.20.4. Arts and Craft Industry

Industries like handloom, handicraft and other local artisan product manufacturing have immense potential to become professionally managed as a small and medium industry. There is a considerable high demand in the market for traditional handloom and handicraft products and a tie-up in between local artisan and private SMEs can create a scope for small or medium scale industry in the rural areas for better growth. ELM has developed a Craft and Art Centre in Mt Fletcher which started its operation in 2016 as a centre of support to the Art and Craft industry.

2.20.5. Renewable Energy Industry

Rural areas can be converted into industry hub for producing renewable energy by setting up of commercial alternative energy plant. The municipality will develop a renewable energy strategy which will guide the municipality of the enterprises that it should pursue in the sector.

2.20.6. Agriculture Development

ELM intends to use the partnership it has with Chris Hani CDC and Joe Gqabi Development Agency to attract a direct foreign investment with Argentinians and other countries. The investment aims at both extensive and intensive farming as well as livestock development. ELM and the local farmers will enter into partnership agreements that will allow large scale production which will include local

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processing as well. Estimated total hectares to be planted in the next five years is 30 000 for the district of Joe Gqabi and 15 000 for Elundini municipality.

The Ugie Industrial park will serve as a processing site for the commercial production. The intention of the municipality, though, is to have Industrial development site in each of the three towns. Whilst the municipality supports the strategic initiatives which aims in promotion of commercial agriculture, with the aim to increase its local production and creating better jobs in the sector (RAFI), it has also partnered with the National Department of Rural Development on the programs that will sustain the food security which will also be integrated into the bigger production (1HA/1 Household).

The municipality will through its political leadership champion rural development programs that seek to alleviate poverty by targeting rural household leaving below the poverty levels. The program will concentrate on development of Farmer Support Centres that serve economic and social needs of the community as well as extensive and intensive agricultural activities. The table below depicts number of stock ownership and the type of agricultural activity undertaken in Elundini according to Community Survey 2016:

Table 36: Stock ownership

Agriculture	2016	
	Number	Percent
Agricultural households	15 209	42.5%
CATTLE		
1 – 10	5 547	75.5%
11 – 100	1 708	23.3%
100+	89	1.2%
TOTAL	7 344	100%
SHEEP		
1 – 10	1 778	30.2%
11 – 100	3 841	65.2%
100+	271	4.6%
TOTAL	5 890	100%
GOAT		
1 – 10	2 776	55%
11 – 100	2 226	44.1%
100+	46	0.9%
Total	5 048	100%
TYPE OF AGRICULTURAL ACTIVITY		
Livestock production	11 518	84.5%
Poultry production	10 549	81.1%
Vegetable production	4 730	52.3%
Other	5 145	15.3%

2.20.7. Tourism Development

Tourism as an economic sector has a potential to grow the local economy and create sustainable jobs and entrepreneurial opportunities. The municipal LED section has created internship posts to provide students who studied Tourism to get the necessary experience required for their studies and this in turn gives the municipality the necessary resources to keep the Tourism Information Centre on weekends opened. ELM in partnership with Elundini Tour guides are in the process of conducting awareness's in all the wards with attractions that were identified during the ward based plan outreach. Various other programs offered by IDC through the national department of tourism will be introduced to the owners of the hospitality facilities.

During the process of developing ward based plans, a number of tourist attractions sites were identified and the Tourism Unit with LED Section is engaging with ward councillors to identify even more attractions that will be used in the tourism marketing material. The LED section will resource itself through the budgeting process to enable it to empower start-up entrepreneurs and community-based organisations within the tourism industry. ELM also provides financial and non-financial support to community initiatives that are tourism related and have a potential to empower local communities. ELM plans to actively participate in the tourism routes like R56 Route, Madiba Corridor, Maluti Route and any other initiatives in partnership with neighbouring municipalities and the district municipality that have been established.

ELM is also looking at exploring other funding opportunities that made available by various government departments and agencies in order to address the following challenges:

- ▶ Limited funding from municipal resources for tourism;
- ▶ Tourism education, training and awareness;
- ▶ Protection of the environment;
- ▶ Tourism infrastructure, particularly in rural areas;
- ▶ Marketing material

The Municipality has renovated its Tourism information Centre and resourced it to be able to respond to the tourists coming into the area from national international. The National Department of Tourism

2.20.8. Level of Economic Growth

The average annual GGP growth for Elundini Municipality over the period 1995 - 2011 is 7.9%;

This outpaces the growth of the Joe Gqabi District, which has an average growth rate of 5.1% and far.

Outpaces the growth of the Eastern Cape, over the same period, which only shows growth of 2.8%.

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Elundini economic outlook has improved, but requires that we actively pursue a different trajectory if we are to address the challenges ahead.

2.20.9. Sector Contribution to GGP

The table below depicts the contribution of different sector into the GDP in our area:

Table 37: sector distribution to DGP

Sector	2004	2007	2011
Agriculture	8%	6%	4%
Manufacturing	6%	10%	12%
Construction	2%	3%	4%
Trade	12	13%	15%
Transport and communication	9%	9%	7%
Finance and business services	19%	27%	30%
Government	40%	33%	30%

2.20.10. Sector Contribution to Employment: (Census 2011)

Table 38: Contribution to employment

Sector	2004	2007	2011
Agriculture	42%	33%	26%
Manufacturing	2%	4%	6%
Construction	8%	8%	9%
Trade	19%	18%	17%
Transport and communication	2%	2%	4%
Finance and business services	4%	7%	10%
Government	26%	27%	28%

As per the statistic above agriculture contribution to employment as well as contribution to the GGP has decreased whilst the manufacturing has increased. There is a need to diversify the composition of products by value adding products. The broadening of economic space through larger consumer markets can give Elundini Municipality the opportunity to develop its economy and increase its competitiveness. Elundini should focus or target high growth markets with the objective of creating investment and export opportunities in the manufacturing sector especially in forestry and agriculture value adding initiatives which are the back bone sectors of this economy. Exporting however should be pursued at the expense of producing for the local market must be ignored as the combination of both could stabilize the income.

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2.20.11. Gross Value Added (GVA)

The table below demonstrates how the secondary sector which deals with economic activities such as manufacturing continues to be the largest earner in terms of Gross Value Added.

Table 39:GVA

Gross value added at basic prices, Rm (current prices and constant 2005 prices)				
Industries	Prices	2008	2009	2010
Primary sector	R millions, constant 2005 prices	119	120	112
Secondary sector	R millions, constant 2005 prices	1,540	1,760	1,954
Tertiary sector	R millions, constant 2005 prices	119	120	112

2.20.12. Small Town Regeneration Program

The Eastern Cape Office of the Premier allocated R106m over the MTEF beginning 2017/18 ending 2021 for small town revitalisation which covers upgrading of roads, electricity upgrades, sewer reticulation and other bulk services for revitalisation of Mt Fletcher. A contractor has been appointed to oversee these upgrades over the next three years. A project steering committee has been established and is led by the municipal manager and it is responsible for overseeing the success of the project and ensuring that necessary resources to maintain the infrastructure moving forward are provided.

In support of this initiative the ELM entered into an agreement with the National Department of Public Works and agreed upon a property exchange initiative that will best suit the needs of the community. A property developer has been appointed to build shopping mall that will serve the needs of Mt Fletcher and surrounding areas. Corrective measures have been put to finalise the Mt Fletcher Taxi Rank as part of small town revitalisation. It is however that the municipality has no control over the finalisation of the building of government offices in Mt Fletcher that are also part of the small town revitalisation program. Below is the breakdown of cost for the development of Mt Fletcher:

Table 40: Projects Planned for Mt Fletcher

List of projects		Estimations based on engineer's report			
		Estimated cost	Year 1	Year 2	Year 3
1.	Mt Fletcher Government office block development and electricity supply	R 3 million	R 3m		
2.	Mt Fletcher low cost and middle income housing development and electricity reticulation	R 2,510,000. 00		R 2,510,000. 00	
3.	Mt Fletcher Main Street electrical supply upgrade	R 2,073,000. 00	R 2,073m		

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4.	Mt Fletcher substation and electrical network supply	R 8,250,000. 00		R 8,250m	
5.	Mt Fletcher Hillgate surfaced road	R 4 million	R 4m		
6.	Mt Fletcher housing bulk sewer supply	R 18 million	R 4,056m	R 7m	R 7m
7.	Mt Fletcher housing bulk water supply	R 19 million	R 5m	R 7m	R 7m
8.	Mt Fletcher residential access streets unpaved	R 24,5 million	R 11, 167m	R 14,167m	R 166 000
9.	Mt Fletcher sewer treatment plant	R 5,3 million	R 5, 3m		
10.	Mt Fletcher Thembeni surfaced ring road	R 10 million			R 10m
11.	Mt Fletcher town alternative surface route	R 8 million			R 8 m
	TOTAL	R 106 636 000. 00			

2.20.13. Partnership with P.G. Bison

The municipality has partnered with the private sector, i.e. P.G Bison, in improving various issues in Elundini around Local Economic Development and Social Development. The following are among the examples:

2.20.13.1. Business Adopt a Municipality Project

In the area of Business Adopt a Municipality, P.G. Bison has partnered with the municipality around the following areas:

- ▶ Disaster Management
- ▶ Small town revitalization – Nqanqarhu & Ugie
- ▶ Furniture factory
- ▶ Skills Transfer

2.20.13.2. Community Afforestation Project

A formal strategic partnership agreement has been developed where skills transfer over a ten-year period is guaranteed through the partnership arrangement with PG Bison. PG Bison is currently offering management, administration and technical support as it is anticipated that timber in close proximity of the PG Bison board plant will be sold to PG Bison at the time of harvesting.

PG Bison has employed a Social Forester; whose responsibility is solely to provide all the support to the community Afforestation Projects. The Social Forester has been allocated a vehicle that she uses to travel to these communities on a daily basis. PG Bison offers a forestry learnerships, through funds made available by the Forestry Seta.

2.20.13.3. Imfundo Schools Learning Program

The Imfundo Schools Learning Program is an educational program aimed at assisting High School teachers in Ugie and Nqanqarhu by equipping them with better teaching skills in Mathematics, Science, Accounting and English.

2.20.13.4. Joe Gqabi and PG Bison Community Vegetable Garden

The community vegetable garden started in March 2014, and is under the ownership of 15 people from the community. The project is an initiative by Joe Gqabi District Municipality as well as PG Bison, with the hope to include Elundini Local Municipality as a partner since the project is in the municipality's jurisdiction.

2.21. Housing Provision

The provision of houses remains the sole responsibility of the Department of Human Settlement and the Elundini Municipality only plays the facilitation role. The facilitation responsibilities of the municipality include but not limited to:

- ▶ Identification of suitable land for building of houses in line with the SDF;
- ▶ Engaging communities on the suitable type of houses to be built on their areas;
- ▶ Collect National Housing Needs Data to all wards of Elundini Municipality
- ▶ Capture the forms to the National Housing needs register Database system for their need for adequate shelter by providing information about their current living conditions household composition and to indicate the type of housing assistance they require from government.
- ▶ The department then develops a project list of new houses to be built in dealing with the housing demand;
- ▶ Compiling of beneficiary lists and submitting it to the department for scanning;
- ▶ Engaging other sector departments for the provision of other services;

The Department of Human Settlement, in its endeavors in building more houses is confronted by the following challenges:

- ▶ Shrinking Fiscus- HSDG allocation is diminishing every year
- ▶ Over-reliance on Subsidy (RDP) conventional approach,
- ▶ Backlog on approved Beneficiaries whose houses have not been constructed due to budget constraints,
- ▶ Growing Disaster Cases vs interpretation vs limited emergency assistance / interventions,
- ▶ Lack of Material supply within Joe Gqabi Region / District,
- ▶ High Expectation vs understanding of Emergency assistance on Disaster / emergencies/ Destitute.

The Department of Human Settlement, together with the ELM, undertook a second round of reviewing the Elundini Housing Sector Plan (HSP). The review of the HSP has led to a substantive status quo analysis, aiming to meaningfully identify and assess the housing and infrastructure situation as it related to demand, supply and integration. Importantly so, when reviewing the HSP, much was put on the implementability of desired projects to ensure accelerated development of sustainable human settlement and therefore, for each identified project, a feasibility study was conducted. As a result, the

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HSP lists all implementable projects as 'planned', whereas the non-implementable ones are reflected as 'desired'. Other housing projects for ELM can also be seen on Section G of this document.

The pivotal foci of the HSP review process were: integration – characterized by visits to the broader community, sectorial departments and stakeholders; inclusivity – characterized by presentation of the HSP to the municipal Council for endorsements, resulting in ultimate approval of the HSP by the MEC for Human Settlements; and analysis – characterized by a study of the human settlement situation, latest statistical data and other relevant documentary evidence. The HSP, with further details on human settlement is attached to this document as an annexure. Although the housing provisioning rests with the department of Human Settlement, the municipality together with the officials from the department has identified all blocked and defective housing projects and those that are ready to be implemented. The identified housing projects are located in the urban areas as well as in the prioritized areas.

ELM in line with the Municipal Property Rates Act, develops a valuation roll of all the registered properties within its area of jurisdiction. The Act requires that local municipalities to generate a valuation roll every 4 years and a supplementary valuation roll every year to update relevant information on the roll. The value of the properties reflecting on the valuation roll serves as the basis for the property rates billed to property owners to generate municipal revenue as depicted in the annual budget report. Due to the alignment process with the amended property rates Act, CoGTA has requested all municipalities to extend the validity period of the valuation roll with one year in order to facilitate an improved reporting and assessment process for all municipalities to ensure compliance to the Act.

ELM was due for general valuation whose valuation date was 01 June 2017. The Municipality's Valuation Roll was approved in June 2018 for implementation on 01 July 2018. A supplementary valuation was made available for objections and commenting from 01 May 2019 and objections closed on 31 May 2019.

ELM is in the process of revising existing town planning schemes and policies in order to align with the Spatial Planning and Land Use Management Act. The municipality's GIS system is being upgraded in order to ensure accuracy of all available information on properties and municipal assets and infrastructure. Importantly in line with the Property Rates Act, the municipality has a Municipal by-law and Property Rates Policy, property owners are billed rates monthly which are due and payable within 30 days of date of invoice. Of importance to note is that in ELM there were no land claims lodged in our municipal area and this was verified by the letter received by the municipality from the Land Claims Commissioner.

2.22. Transportation

2.22.1. Freight transport

Being a rural municipality, freight transport is an important facility for the Elundini. The various businesses and institutions rely on freight transport services to import most of the food, products and goods needed for local consumption. The growing timber industry in the area places a significant burden on the road network and damage to the roads is evident on most routes. National government has developed a strategy around freight transportation through rail systems. A railway line exists within the municipality but is defunct.

A truck stops in Ugie, owned by PG Bison was completed in 2008 and is operational, creating a significant impact on freight transportation in the area. PG Bison has proposed a by-pass route from MR 723 to R56 via Nqanqarhu. There are problems that are brought about by the heavy duty trucks ferrying logs in particular between Nqanqarhu and Ugie towns resulting in excessive silt on surfaced streets and blocking storm water drainage system. In the process of negotiating a bypass around Nqanqarhu with PG Bison, there is a need for PG Bison to provide wheel washing bays for their trucks. ELM is also looking at the possibility of constructing a weigh bridge so that the money generated from it can be used back in repairing and upgrading our roads as they are being damaged by the heavy loads carried by the heavy trucks.

2.22.2. Public Transport

Related to provision of public transport is the need for basic essential services such as water, sanitation and shelters at key facilities. There is a need to provide these services at all the nodes (rural and urban) as defined in the Spatial Development Plan. Areas with high dependency on public transport especially the primary and secondary nodes should receive priority. These are mostly remote rural of ELM. ELM currently has no vehicle testing station and a weigh bridge in place but there are plans in place for the construction of these two facilities. It must be noted that the municipality only provides for driving licensing for Code 8 and vehicle registration only on behalf of the Department of Transport.

There is no official taxi rank in Ugie but an informal taxi rank, on the main street is being used. This arrangement is not suitable for commuters and there are no shelters, however there are ablution facilities. There is a formal taxi rank in Nqanqarhu in Fourie Street. This taxi rank functions well as it has taxi / bus shelters and ablution facilities for commuters. The taxi rank is insufficient for all the taxis as taxis can be seen using other areas around town as informal taxi ranks. The ablution facilities in the Nqanqarhu taxi rank are not well maintained and need to be upgraded. There is a plan to close the storm water drain in the south eastern side of Fourie Street with a view to provide hawkers facilities.

The municipality has completed the construction of the Mount Fletcher Taxi Rank and is now embarking on the construction of the Mount Fletcher Vehicle Testing Station. The taxi rank facility provides for

both modes of transport, taxis and busses and as well has facilities for hawkers through the construction of hawkers' stalls. The facility also has a management building for the operators of the taxis and the busses.

The following modes of public transport are prevalent in the Elundini Municipality:

- ▶ Long distance buses,
- ▶ Mini buses and taxis,
- ▶ LDV bakkies with canopies which also provide scholar transportation,
- ▶ Horseback,

Problems relating to public transportation include the following:

- ▶ Non availability of a local integrated transport plan. However the municipality is currently developing such a plan,
- ▶ Poor road conditions,
- ▶ Lack of designated public transport route,
- ▶ Lack of capacity at local authority levels to address public transport planning,
- ▶ Lack of sustainable and dedicated funding for public transport services, facilities and maintenance,
- ▶ Inadequate scholar, disabled and elderly transport,
- ▶ The illegal use of "bakkies" as public transport vehicles,
- ▶ Ageing of minibus-taxi vehicle fleets,
- ▶ Lack of public transport information,
- ▶ Public transport safety and security and,
- ▶ Lack of roadworthy testing station

2.22.3. Railway services

The weekly railway transport passenger services between Johannesburg and the Eastern Cape is only accessible at Burgersdorp to the West of the district and has very little impact on the rest of the area, especially Elundini, which is situated in the East of the district. The branch line which used to serve as a freight and passenger facility is no longer operational

2.22.4. Airfields

There are two airfields in the area, which comprise grassed surfaces without lighting for night use. The airfield at Nqanqarhu is 1790 meters in length and the airfield at Ugie is 1000 meters in length.

2.22.5. Non-motorised transportation

Mostly, pedestrians in the township walk to various destinations, few use bicycles. The municipality has also constructed sidewalks for use of bicycles.

2.23. Natural Environment

2.23.1. Topography and Hydrology

The municipal area has a distinctive topographical character with mountain ranges along the western side overlooking a central plateau, giving way to an escarpment sloping down towards the eastern side and the lower reaches of the Tsolo and Mthatha regions. Much of Elundini has slopes steeper than 1:8 as it forms part of the southern Drakensberg range. This area located along the north and western side of the municipality, due to its high altitude, is unsuitable for arable farming. The mountainous terrain also limits accessibility and therefore hampers service and infrastructure delivery in the region. The Southern Drakensberg creates a scenic environment conducive to adventure and eco-tourism activities such as mountain biking, hiking, skiing etc. The mountains form a watershed which separates the eastern and western parts of the Joe Gqabi District.

MAP SHOWING ELEVATION AND TOPOGRAPHY

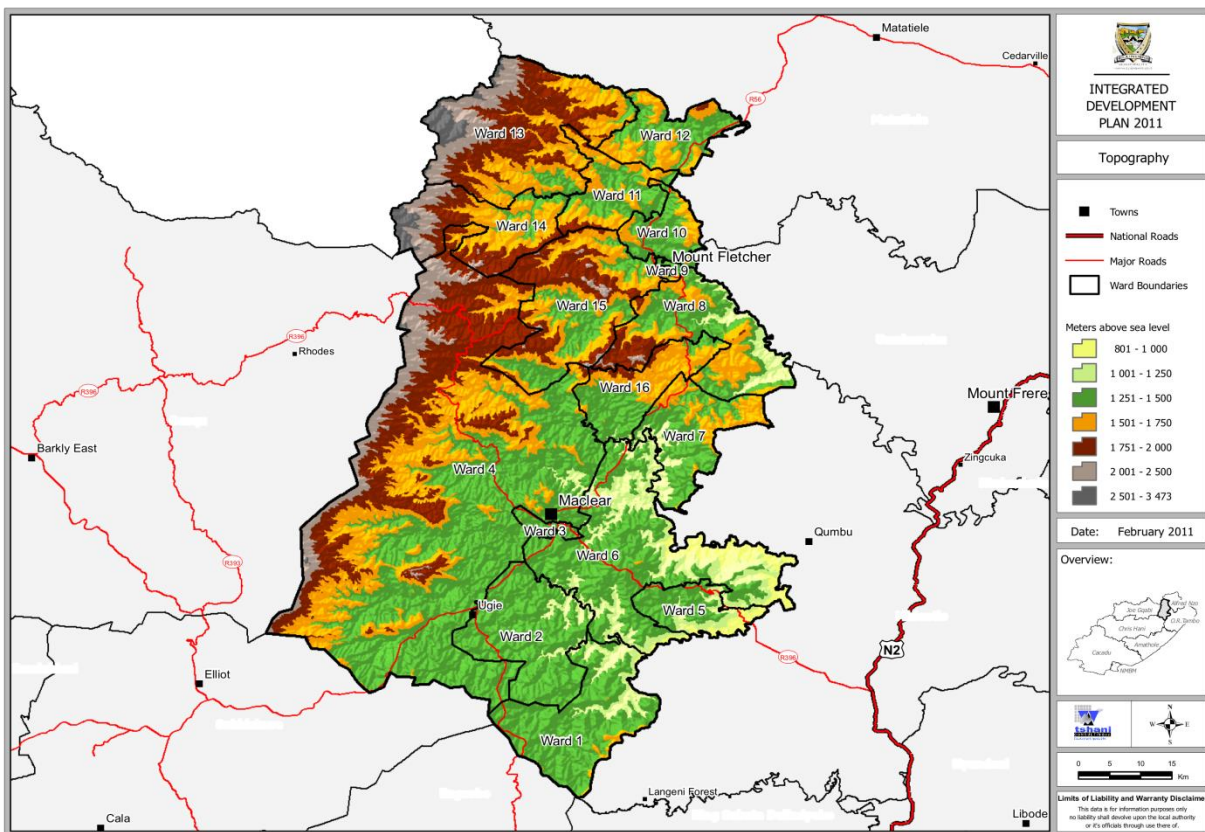


Figure 17: Topography Map

Topography influences the type of land use activities that occur, the nature and extent of settlement development and the type of agricultural activities, which are viable. Agriculture is accordingly limited to specific land pockets in the central, southern and eastern portions where the topography, water and

soils are very suitable for agriculture and residential uses. The nature of slopes found within the municipality contributes to the high rate of erosion.

2.23.2. Climate and Rainfall

2.23.2.1. Temperature

The region is well known for its temperature fluctuations with temperatures ranging between 42°C and 11°C. On average there are 150 days of frost during the year, usually between March and November. During the winter season, areas affected mostly by snowfall are Nqanqarhu stretching to the higher lying areas of Mt Fletcher and temperatures are recorded to reach an average of -5°C.

2.23.2.2. Rainfall

The higher mountain peaks in Elundini have between 800mm – 1200mm rain per annum. Mount Fletcher which is within the municipality falls within the wettest rainfall region. The rest of the area receives an average of 600-800mm per annum.

2.23.2.3. Predominant wind

The area is vulnerable to strong winds which are coming from a westerly direction. They are mostly travelling at an average speed of 60 km/h and are very damaging to property and the environment. Coupled to damaging winds, is an observed increase of thunderstorms, lightning and hailstorms. Winds which are associated with light rain are coming from the easterly direction.

2.23.2.4. Climate change

With regards to environmental tools, the municipality has not yet developed its Climate Change Strategy as well as an Environmental Management Plan (EMP) due to budget constraints. As advised, we have prioritized the review of the existing IWMP for the new financial year, 2022/23. The municipality has requested the JGDM (Environmental Management Unit) as well as DEDEAT for assistance with the development of these tools but due to their schedules, they have not been able to assist, budget will be allocated in the next financial year, 2023/24 for the development of these tools.

Climate change is affecting Elundini as the drier climate in the west moves towards the central portions of the province, wetter, higher rainfall and more frequent storms affect the eastern regions. The mountainous character of the region also has a bearing on the effects of climate change over time. The drier regions will experience loss of biomes and find water resources under increased pressure over time. The eastern regions are expected to experience increased rainfall. This is already being seen in Elundini in the form of increased storm activity resulting in disasters affecting settlements, roads and bridges, buildings, crops and livelihoods. Flooding, high winds and hailstorms are increasing in severity. Higher rainfall is also affecting the incidence of pests in the agricultural sector. Higher

temperatures as a result of global warming could affect the growing characteristics of trees to the extent that certain species may no longer be viable for the forest industry in the area. If this occurs, there may be impact on the forestry sector and the municipal economy.

2.23.3. Hydrology

ELM is dissected by rivers like Tsitsa, Thina, Luzi. Within the municipality there are boreholes as well as springs. River sources within the municipality drain its water from Umzimvubu catchment area. Rivers flow eastwards draining towards the Indian Ocean. Water studies conducted for the district indicate that ELM. Elundini has very high groundwater development potential. Mooi River, Inxu River (Wildebeesrivier) and the Pot River are the main tributaries of Tsitsa River. The Nqanqarhu Dam on the Inxu River supplies water to Nqanqarhu town and the Ugie Dam on the Mooi supplies water to Ugie town. This municipality forms the catchment for the Umzimvubu River, which bisects the region and supplies large volumes of water down to the Indian Ocean.

2.23.3.1. Tsitsa River Basin Land Use and Environmental Management Plan

The Tsitsa River Basin Land Use and Environmental Management Plan were commissioned by ASGI-SA Eastern Cape, Elundini and Mhlontlo Municipalities to investigate possible development opportunities in the Tsitsa River basin area. The study was in response to a need for commercial land use developments in the catchment area that could assist in alleviating poverty in communal areas. The first phase of the study was to undertake a Situation Assessment of the whole catchment that could be used to inform the planning process.

As part of this situation assessment, a number of potential land use development options suitable to the area were identified. The completion of the Situation Analysis was then followed by a more detailed land use planning process for a part of the Tsitsa River Catchment referred to as the focus area. This area was located in the middle of the catchment in the poverty stricken communal areas along the banks of the Tsitsa River and included 15 specific villages and eight Administrative Areas. A Land Use Planning Report was the final outcome of the study.

The study analyzed the status quo within administrative areas within Mhlontlo and Elundini that fell within the focus area. In Elundini these included Mqokolweni, Qurana and Sinxako all falling within Ward 6. The study considered the impact of the development of a dam, which would inundate 2,293ha of land with water. Mqokolweni and Sinxako are both areas that would lose land if a dam was constructed. The study looked at the possibility of interventions in these areas and the priority assigned to them by community representatives, these interventions included Forestry development.

2.23.4. Geology and Soils

ELM is the only area with soils suitable for cultivation in the JGDM, however, degradation is high in the communal land areas of Elundini with the primary cause found to be the overstocking of livestock and

inappropriate grazing methods. The provision of infrastructure to enable the practice of controlled grazing is necessary to prioritize the rehabilitation of severely degraded areas.

2.23.4.1. Erosion

Degradation is high in the communal land areas of Elundini, with the primary cause found to be the overstocking of livestock and inappropriate grazing methods. The Department of Agriculture estimates that between 300 and 400 tons per hectare of soil are lost annually in the District, ELM being the highest eroded region. In addition to the provision of infrastructure to enable the practice of controlled grazing, the EMP recommends it is necessary to prioritize the rehabilitation of severely degraded areas. The district municipality has various land rehabilitation programs that it implements in the municipality to address land degradation

2.23.5. Biodiversity

2.23.5.1. Vegetation and land cover

Vegetation types represent an integration of the climate, soils and biological factors in a region and as such are a useful basis for land use and conservation planning. Unimproved Grassland dominates the Municipality, covering 56.40% of the total surface area. This is followed by Degraded Unimproved Grassland (22.70%) and Semi- Commercial or Subsistence Dryland Cultivation (10.56%). The State of the Eastern Cape Province Report (2010) highlights the serious impact of settlement sprawl that is taking place throughout most rural areas, with an increase of 47% in the cover of built up areas compared to the year 2000. Coupled with this sprawl of settlements, is the depletion of resource areas by an estimated 33% and this is expected to have a serious effect on future sustainability of rural communities.

2.23.5.2. Critical bio-diversity areas

The Eastern Cape Bio-diversity Plan has analyzed the characteristics of the various environmental attributes throughout all municipalities. The critical bio-diversity areas in Elundini have been identified (refer to map below) and these need to be conserved for the benefit of future generations and preservation of the ecological balance in the area. These are primarily associated with the environmental sensitivity of the mountain range and foothills near Nqanqarhu and Ugie. It is of paramount importance that the critical biodiversity areas be reflected in the Spatial Development framework for Elundini so as to ensure effective land use management is achieved in future, in accordance with the requirements of the National Environment Management Act and the Provincial Spatial Development Plan.

2.23.5.3. Biodiversity conservation

According to the EMP, mountain areas contain a high number of endemic species, and have been identified as being important for the protection of biodiversity and ecosystem services. Grasslands dominate the district, but in general they have been severely degraded and transformed areas dominate much of the landscape, as revealed by the Eastern Cape Biodiversity Conservation Plan (ECBCP).

An opportunity therefore exists to formally protect the remaining intact grasslands, especially those classified as vulnerable and endangered, to ensure the important ecological functions they play in this area are preserved, and to build on the attractive and ecologically important landscape for tourism. One of the most important ecological ecosystem services provided by the district is the provision of good quality water, and the large numbers of wetlands found in the upper elevations within a range of vegetation types are critically important in this regard. The EMP suggests there is an opportunity to apply Payment for Ecosystem Principles for water resource protection therefore exists to ensure the protection of vegetation types dominated by wetlands.

2.23.5.4. Threats to biodiversity

The EMP states the unsuitable agricultural practices such as increasing irrigation in areas of poor soils and cash crop cultivation in marginal areas, is another threat to biodiversity in the Elundini area. The continuation of degradation of the District's land cover increases erosion. This is especially evident in Senqu and Elundini, but also prevalent in Gariiep and Maletswai (now Walter Sisulu) where there is an increase of the Karoo scrubland. Unsustainable agricultural practices such as increasing irrigation in area of poor soils also contribute to erosion and undermine cash crop cultivation in marginal areas. Very little is being invested into land-care in proportion to the amount of degraded land. Ongoing urbanization and the growth of informal settlements around urban centers is increasing pressure on the environment and stretching infrastructure beyond capacity limits. The municipal area has no dedicated persons looking at environmental issues. Fire, especially in the grassland areas to the east of the District is another factor affecting the environment. Illegal sand mining threatens the aquatic and terrestrial biodiversity.

MAP SHOWING CRITICAL BIO-DIVERSITY AREAS

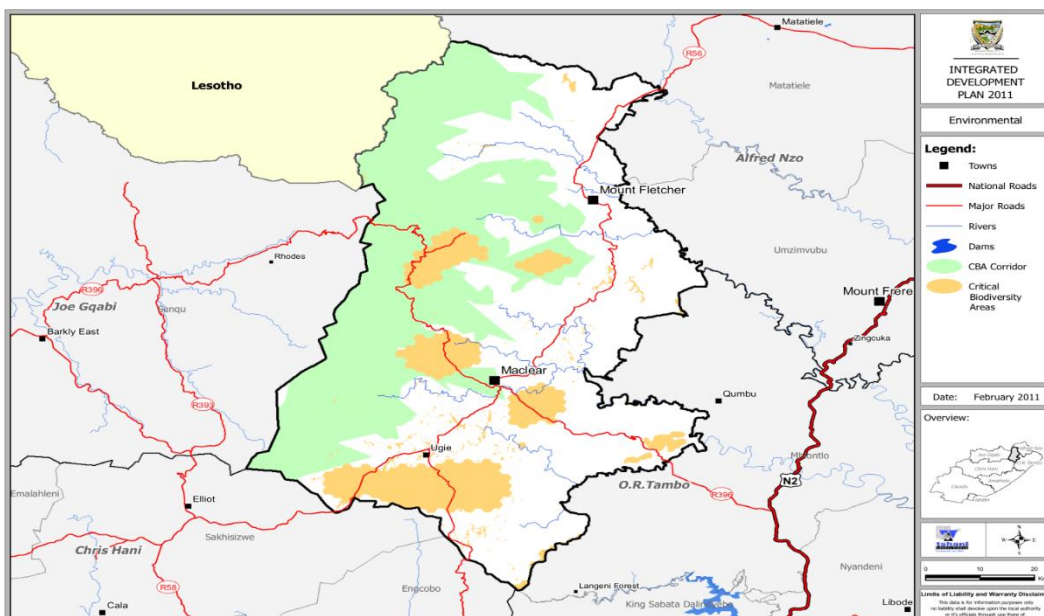


Figure 18: Map Showing Biodiversity Areas

2.24. Spatial Planning

In terms of Section 35 (2) of the Municipal Systems Act, the Spatial Development Framework for local Municipality has statutory status and overrides any other plan for the area or portions of the municipality that may have been compiled previously and which is described in the Physical Planning Act (Act No. 125 of 1991). Such plans would include regional and local development plans, regional and local structure plans and more localized plans such as Precinct Plans/Urban Structure Plans and/or Area Based Plans. As such, the Elundini Spatial Development Framework becomes the principle instrument for forward planning and also guide decision-making on land development in the Elundini Municipal area. The municipality appointed Umhlaba Consulting to review and update its SDF to be in line with SPLUMA and other applicable regulations. The reviewed SDF has since been approved by the council in December 2018 with Council Resolution No. CON/297/18.

The ELM has embarked in developing the inner-city /town precinct plans for its three town so as to:

- ▶ To create efficient and productive cities/ towns with less poverty and sustained by dynamic Economies
- ▶ To reduce existing infrastructure and service disparities
- ▶ To provide better housing and shelter and greater security of tenure for urban residents
- ▶ To encourage affordable growth of local economies
- ▶ To tackle spatial inefficiencies, especially the mismatch between where people live and work - to improve the quality of the urban environment
- ▶ To transform local authorities into effective and accountable local government institutions

- ▶ To establish safe and secure living and working environments

All the three town, Ugie, Nqanqarhu and Mount Fletcher have the finalised precinct plans. However, gaps were identified and as such, project proposals have been submitted to EC CoGTA and DBSA for funding in order to further develop the precinct plan which will incorporate local spatial development strategies for each of the three towns. Strategic projects identified through these plans will be implemented in the next four years in alignment with the budget availability.

SPLUMA implementation

SPLUMA requires that each municipality adopt and implement Spatial Planning and Land Use Management By-law to inform processes and procedures within the Spatial Planning and Land Use Management System. SPLUMA then advocates for development of wall to wall Spatial Development Framework (SDF) and Land Use Scheme (LUS) in order to align with relevant legislation. The Municipality must also put in place decision making structures on Land Use and Land Development applications while also categorizing applications in line with established decision make structures.

The By-law was adopted by Council and gazetted for implementation in July 2016. In 2021, the Municipality further embarked on the process to further customise and strengthen its bylaw on Spatial Planning Land Use management. These amendments were adopted for public participation by Council in the June 2021 and will now be taken through public participation and stakeholder consultative sessions. Thereafter, the Bylaw will be finalised in line with Council resolution and processes and published on the provincial gazette for implementation.

The Municipality has also adopted the wall to wall Zoning Scheme Regulations, updated its zoning register and zoning maps as per the requirements of SPLUMA for Land Use Scheme

The Municipality adopted the SPLUMA aligned MSDF in December 2018 and approved categorization of applications in March 2021.

For decision making structures, the Municipality also forms part of the District Municipal Planning Tribunal, while authorised officials have also been appointed with the Appeal Authority also in place.

To fast-track processing of Land Use and Land Development applications, the municipality has also approved the Standard Operating Procedure that clearly outline the whole land use and land develop application process

The application forms for town planning related applications have also been adopted by Council June 2021. In terms of internal Capacity, the Municipality have three registered professional planners (including manager spatial planning) appointed to deal with technical assessment and processing of land use and land development applications.

(i) Work in the planning stages for SPLUMA implementation

The Municipality has already adopted, gazetted and Implemented Spatial Planning and Land Use Management Bylaw, 2016, Establishment of Decision-Making Structure in terms of SPLUMA and reviewing the MSDF in line with requirements of SPLUMA. Furthermore, SPLUMA also requires that each institution compile a wall to wall Use Scheme (LUS) in order to align with relevant legislation. To accomplish this planning work, it is the intention of the Town Planning Unit to first compile Ward Based Plans and then the SDF and LUS. The above was to be accomplished within 5 years' transition phase since the implementation of SPLUMA on the 1st of July 2015.

Due to covid and other unprecedented delays, the Minister for Department of Agriculture, Land Reform and Rural Development granted the 18 months' extension from August 2020. Notably, Elundini Municipality has accomplished most of the things that needed to be accomplished, except the implementation of the Wall to Wall Land Use Scheme. The Municipality is also on course to have the wall to wall scheme implemented as this has been adopted by Council in the Meeting of June 2021. The wall to wall scheme will now be taken through the public participation and consultative sessions which will be finalised before end of September 2021, then the Scheme will be published in provincial gazette for implementation.

(ii) By- Laws

Of the five standard by-laws received from the Department of Rural Development and Land Reform (model planning and land use by-laws; model framework for delegations; model of tariffs; transitional provision and supporting document); the institution has customised and adopted the Spatial Planning and Land Use Management by-law; This bylaw informs on the processes to be followed when undertaking spatial planning, land use management and development management initiatives. The Zoning Scheme By-law was adopted in the Council Meeting of June 2021 (Con/171/21). The Municipality has also adopted the wall to wall Zoning Scheme Regulations, updated its zoning register and zoning maps as per the requirements of SPLUMA for Land Use Scheme. The Municipality adopted the SPLUMA aligned MSDF in December 2018 and approved categorization of applications in March 2021.

For decision making structures, the Municipality also forms part of the District Municipal Planning Tribunal, while authorised officials have also been appointed with the Appeal Authority also in place. To fast-track processing of Land Use and Land Development applications, the municipality has also approved the Standard Operating Procedure that clearly outline the whole land use and land develop application process

The application forms for town planning related applications have also been adopted by Council June 2021. In terms of internal Capacity, the Municipality have three registered professional

planners (including manager spatial planning) appointed to deal with technical assessment and processing of land use and land development applications.

(iii) The establishment of Municipal Tribunal and Appointment of Authorised Official

The ELM Council has resolved that the municipality will form part of the District Tribunal with Joe Gqabi and the other local municipalities under this district and the JGDM will be a stakeholder as the WSA. The municipality has thus signed the service level agreement into this effect. The different stakeholders have identified the expertise which are required to sit in the District Tribunal. The Director: Planning and Economic Development has been appointed as the main Authorised Official for Elundini Municipality to adjudicate on applications that are in line with MSDF and recived no objections.

(iv) Processing of Land Use and Land Development Applications

The Elundini Spaial Planning and Land Use Management Bylaw, 2016, sets out the process and procedure for submission and processing of land use and land development applications. These have also been further simplified through a Standard Operating Procudure (SOP)that has been approved by the Municipal Manager in terms of Section 84 of the said Bylaw. Furthermore, difrent application forms have also been developed and approved by Council in the June 2021 Council meeting. The SOP and checklist included as part of the application forms factored in the provisions and pronouncements of the Act (SPLUMA) as well as the SPLUMA Regulations for qlignment purposes. The Municipal has two registered professional planners who are responsible for processing land use and land development applications as well as preparing recommendation reports to Municipal Decision-Making Structures (MPT amd Authorised Official) established in line with SPLUMA requirements.

2.24.1. Spatial Planning Elements

2.24.1.1. Land use package

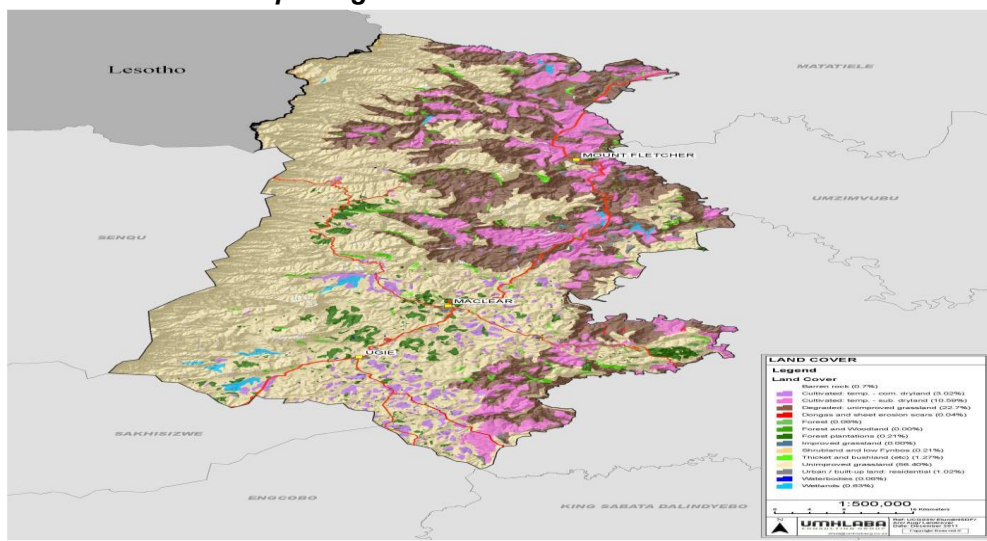


Figure 19: Land Use Package

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.

An overall view of land use (cover) in Elundini LM indicates the following:

- ▶ Unimproved grassland dominates the Municipality, covering 56.40% of the total surface area. This is followed by degraded unimproved grassland (22.70%) and semi-commercial/subsistence dry land cultivation (10.56%)
- ▶ The presence of grasslands indicates the potential for livestock and game farming in the agricultural economy of the area.
- ▶ A concern however, is the fact that some 23% of the total land area is classified as degraded/eroded. The majority of this area falls within the rural settlement areas of the former Transkei. This is indicative of:
 - ▶ An imbalance between the resident population and the available land resource; and/or
 - ▶ Inefficient land management practices in regard to agricultural activities. In this instance, it is likely that overstocking and overgrazing is largely responsible for the state of the land.
 - ▶ The importance of agriculture in the region is highlighted by the fact that 6.3% of the land cover is forestry and commercial farming, with a further 10, 56% subsistence farming.
 - ▶ Land upon which urban development and/or human settlements have been developed comprises only 1.02% of the total land area, which is indicative of a low-density settlement pattern. This emphasizes the opportunity presented now by ensuring that future development is undertaken in an environmentally friendly manner, so securing the greatest asset of the area for future generations.
- ▶ Of environmental significance is that wetlands cover 0.62% of the Municipal area.

2.24.1.2. Land Ownership

Plans illustrate the current land ownership patterns prevailing across the municipal area, as well as within the main urban settlements. The following points are noted:

- ▶ There is a lack of ownership information for the urban areas in particular the town of Mount Fletcher.
- ▶ From the information that is available, it is evident that the majority of land ownership is private
- ▶ The distribution of land ownership indicates that any meaningful land reform program to be pursued in the Elundini LM area will be reliant on restitution and land redistribution programs.

2.24.2. Development priorities in alignment to Spatial Development Framework

The development priorities of the municipality focus on infrastructure and service delivery. The situational analysis revealed that there is a severe shortage of essential services and infrastructure in some areas of Elundini, especially in the former Transkei. There are also discrepancies in the service

delivery between the rural and the urban areas. The spatial implications in providing these basic essential services and infrastructure are:

- ▶ To identify the areas in greatest need of basic essential services and those areas must be prioritise for level one investment.
- ▶ To provide affordable and sustainable level of housing, services and infrastructure.
- ▶ To ensure that the environmental factors and constraints are taken into account in the delivery of services.
- ▶ To ensure equitable distribution of infrastructure and services.

2.24.3. Addressing Spatial Fragmentation

- ▶ Spatially fragmented settlement patterns, often comprising of low density, sprawling settlements areas are costly and difficult to service. Therefore, it is necessary to develop a means to prioritise service delivery and attempt to encourage more efficient settlement patterns by focusing on areas of potential and/or greater accessibility.
- ▶ The urban nodes of Ugie, Nqanqarhu and Mount Fletcher play a vital role in the functioning of the Municipality. It is where the largest concentration of economic activities, resources and services are situated. In order for the effective utilization of these resources and services, it is important that the towns' forms promote efficiency. In order to achieve this, the following approaches need to be adopted:
 - ▶ Urban sprawl needs to be contained through the development of an adequate Housing Sector Plan that clearly earmark areas of future growth and development while ensuring compact urban growth and development by means of urban intensification (infill projects & promotion of higher densities).
 - ▶ Development incentives policy needs to be developed and adopted by Council in order to attract investors and developers to Elundini Municipal area of jurisdiction. This included deliberate and concise effort to prioritise processing of land use and land development applications that are critical for the economic prosperity of the three towns within the Municipality.
 - ▶ Absorption of population growth within the existing urban edge. The benefits achieved from this relate to efficiency, cost, convenience and resource utilization. The continuity of urban development, as opposed to fragmentation, so as to functionally integrate urban areas. There must be integration of uses and activities, to maximize convenience and vitality.
 - ▶ There must be multi-functionality and sharing of public spaces and facilities in order to make the most efficient use of public investment the integration of built and non-built environments, in order to achieve the economic, environmental and recreational interaction that potentially exists between them and to make maximum productive use of urban resources. Equitable distribution of public facilities and services throughout the Municipality.

- ▶ Incorporated into the principle of urban efficiency is the orderly use and development of land through adequate urban growth management strategies. A trend of urbanization is evident in the Municipality especially in Ugie and Nqanqarhu, while land invasions and haphazard use and development of land has been noted as a major challenge in the Mount Fletcher core urban area. The pressure of urbanization is not only in the need for land for housing but also increased pressure on commonage land, cemeteries, social infrastructure e.g. sports field etc.
- ▶ Land use and development decisions must promote a harmonious relationship between the built and the natural environment while ensuring that land development is sustainable over the longer-term period'. Therefore Land use planning and development in the Elundini Municipality should protect existing natural, environmental and cultural resources. It is also important that the prime agricultural land should remain in production.
- ▶ Environmental Management principles dictate that land use and land development must be sustainable, and not to the detriment of future development. This places great emphasis on the linkage between sound land use management and environmental management and highlights the need to integrate the two functions in an operational manner in the land management functions of the Elundini Municipality.

2.24.4. Kei Development Corridor

The Kei Development Corridor is an initiative to promote economic development in the area surrounding the main road and rail links from East London to Mthatha. The Kei Rail Project is the "anchor" project in the Kei Development Corridor and is centered on the upgrading of the railway line between East London and Mthatha. While the focus of the project has been on improvements to the rail infrastructure, the project also aims to stimulate and sustain socio-economic growth and development within the Kei Development Corridor.

The Kei Rail Project is just one of a number of identified Mega Projects in the Kei Development Corridor, other Mega Projects include Wild Coast Meander, N2 Toll Road EIA, Kei Rail Business Plan, East London Harbour, Umzimvubu Basin Water Projects, Ugie-Langeni Road, East London IDZ, MELD Corridor and Massive Food Production Program.

The Ugie-Langeni Road and The Umzimvubu Basin Scheme Mega Projects impact on ELM. The Kei Development Corridor Report highlighted the importance of The Ugie-Langeni Road with regard to providing access for timber and agricultural produce to markets and production facilities and increase freight opportunities for the Kei rail. In addition, the construction of the Ugie-Langeni road will have positive 'spin-offs' for the tourism industry and travel patterns by unlocking the natural resources of the Ugie and Engcobo areas.

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2.24.5. Alignment with National and Provincial Policy Frameworks

A set of key national, provincial and district policy frameworks with implications for LED implementation were analysed as part of the review process, these include the following:

Table 41: Aignment with National and Provincial Policy Framework

National	EC Provincial	Joe Gqabi	Elundini LM
▶ MTSF (2009-2014)	▶ PGDP	▶ SDF	▶ SDF
▶ NDP	▶ ECIS	▶ IDP	▶ IDP
▶ NDP	▶ Eastern Cape Vision 2030 Provincial Development Plan	▶ SDF	▶ SDF
▶ NDP	▶ The Integrated Urban Development Framework (IUDF)	▶ SDF	▶ SDF
▶ NGP ▶ NIPF	▶ Integrated Wild Coast Development Strategy	▶ IDP ▶ LED Strategy ▶ Regional Industrial Roadmap	▶ IDP ▶ LED Strategy ▶ Tourism Sector Plan ▶ SMME Sector Plan
	▶ Wild Coast Conservation and Sustainable Development Project		
	▶ Wild Coast Development Policy		
▶ National Tourism Strategy	▶ Eastern Cape Tourism Master Plan	▶ LED Strategy ▶ Tourism Strategy	▶ IDP ▶ LED Strategy ▶ Tourism Sector Plan

2.25. Social and Community Services

2.25.1.1. Sports and Recreation Facilities

The municipality has seen to the construction of TV Park Sport field which was officially handed over to the community. It is also in the process of completing Ugie Sport Field Phase 2 as well as the completion of Hopedale/Ngcele Sport Field and Mt Fletcher Sport Field.

The sport fields comprise of a combined soccer/rugby field with irrigation system, synthetic running track, tennis court, netball/basketball combi-court, palisade fencing, flood lights, ticketing room, change rooms and ablution facilities Engagements and interventions have since been made with Eskom but to date the power supply to the stadium has not been upgraded and energized. The sporting facilities are usually prone to vandalism after completion and a more community centred approach is being

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developed to ensure the efficient management of the sporting facilities. The municipality plans on approaching the Department of Sport and Recreation for further funding opportunities on sporting facilities.

2.25.2. Community halls

From the table below, it shows that only 11 Wards in ELM have community halls and 6 wards do not have community halls. Some of the halls are either not accessible to the communities as there is no clear-cut policy of utilization or their accessibility is a challenge because of poor roads leading to them. Most rural communities are struggling as there are no halls within their areas of residence. In every community engagement with the Mayor the issues of the construction of community halls is always raised as a need in all the wards that do not have them. Construction of Ilisolomzi Community hall in ward 9 has been completed and handed over, Tsitsana community hall in Ward 4 is still under construction. Most of the community halls in rural areas need some renovations.

The table below depicts the number of wards that have community halls and those that don't have community halls:

Table 42: Community halls

Ward No	Number Of Halls	Name Of Village(S)
01	1	Nkalweni
02	1	Ntokozweni
03	1	Sonwabile
04	1	Nqanqarhu Town
05	1	Hopedale / Ngcele
06		Hopedale Ngcele
07	1	Botshabelo
08	0	
09	1	Mt Fletcher Town Ilisolomzi Community Hall
10	0	
11	0	
12	1	Mangoloaneng
13	1	Moabatsane Village
14	0	
15	1	Bethania Village
16	0	
17	1	Ugie Municipal Hall

2.25.3. Cemeteries

Most of the cemeteries in the municipality are generally nearing maximum capacity and a cemetery management system is required to co-ordinate their effective use. Of critical urgency are the numerous informal cemeteries/grave yards which are being used in and around the informal settlements of the three towns. These burial places are not registered and are not compliant in terms of environmental and other legal provisions such as EIA compliance. In Nqanqarhu, the only possible land for expansion is located on a vacant land owned by Public Works and used by the Magistrates Court. A new cemetery has been reserved on the outskirts of Nqanqarhu and this could accommodate 3000 graves. Unfortunately the community is currently refusing to utilize this new facility.

Generally, the key challenge regarding cemeteries in the municipality is around communities being reluctant to use formally established cemeteries to avoid paying user charges. They instead resort to using informally established and unplanned cemeteries which must be closed down as a matter of urgency since this severely compromises the natural environment. Recently an assessment report was developed for all sites that are being used for burial purposes to determine their suitability or otherwise. The report found among other things that most identified burial sites were informal and involved no technical investigations as required.

The municipality based on this has undertaken a process towards formalization of existing sites, closure of unsuitable sites as well as identification of new land for formal establishment of cemeteries in each town. This process will be undertaken in anticipation of the introduction of a electronic cemetery management system which is already procured.

2.25.4. Pounds for small and large animals

In terms of the powers and functions, pound management is the responsibility of the municipality. Supporting legislation includes the relevant Pound Ordinance which is still applicable as well as the municipal bylaw. All three animal pounds are not in a good state and do not conform to common standards for animal keeping and care. The Nqanqarhu pound which has been located within municipal office premises has since been relocated to a suitable area on the outskirts of Nqanqarhu town. Even the above is not ideal by any measure of standard and require much more extensive infrastructure development than currently exist. In this regard a business plan has been developed in order to assist with proper project budgeting in order effect the necessary facility improvements.

2.25.5. Parks and Open Spaces

There are five (5) existing parks in ELM located in Ugie, Nqanqarhu and Mount Fletcher. Four of these parks were beautified. Caravan Park in Nqanqarhu was revamped and refurbished into an income-generating park for tourists. The refurbishment entailed the construction of swings, a braai area, tables

and chairs, upgrading of electricity connections, building of walkways and installation of geysers and showers.

A lot, though, still needs to be done on the established parks in ensuring that they are well cared for and maintained. Upgrading of these which must include re-grassing, landscaping and fencing are matters which must receive priority attention. Installation of playground equipment as well as outdoor furniture within parks themselves and on pavements are features that have a potential of making our parks practical and user friendly spaces. There is still a challenge of providing secured ablution facilities on our parks to promote health and hygiene. Some of the parks like the one opposite the entrance to the municipal offices may need to be transformed into botanical gardens also in line with the “greenest concept” embraced as part of the municipality’s strategic goals. A Public Amenities Maintenance and Management Plan has been developed and approved by council and is being implemented.

2.25.6. Library and Information Services

Libraries are a function of the district sphere of government currently performed by the municipality on an agency basis. To give effect to this arrangement a Service Level Agreement has recently been signed with the district municipality who have committed to funding the services by way of a subsidy to the amount of R750 000 for 2022/23 financial year.

All three towns operate library facilities through seconded professional librarians assisted by staff appointed by the municipality. Some of the challenges regarding libraries include:

- ▶ Lack of access to internet services (in some libraries)
- ▶ Space constraints (no discussion rooms, offices etc.)
- ▶ Lack of dedicated maintenance plans
- ▶ Adequate funding
- ▶ Non-existence of a Memorandum of Agreement

Notwithstanding the above the municipality has made provision during adjustment budget to cater for roll out of internet connection to all the libraries. This improvement will include replacement and fitment air conditioning equipment. It is expected that these improvements will make libraries more user friendly.

2.26. Public Safety

2.26.1. Traffic Services

3. The municipality maintains services of traffic officials to administer its two Driver Learner Testing Centers located in Nqanqarhu and Mt Fletcher (DLTCs). A Vehicle Testing Station in Mount Fletcher is currently under construction and is expected to be completed in the next financial year. The employment of Law Enforcement Officers has somehow eased the challenge on the implementation of by-laws although the unit is still receiving attention in terms of more law enforcement staff being employed. Currently there is a number of 6(six) law enforcement officers

for Elundini Local Municipality. The DLTC offices in Nqanqarhu has relocated and operating near Nqanqarhu Town Clinic. All services related to licensing, registration of vehicles, payment of fines, are currently in operation in the new building. This is important to decentralise and bring the services closer to the centre of town which is easily accessible by all. New electronic machines for learners and driving licenses have been installed and are operational.

3.19. Waste Management

The Solid Waste Management Section located in the Community Services Department is charged with the responsibility of rendering all Solid Waste Management activities, environmental plans and programs. The Section is responsible for refuse collection, street cleaning, and waste information or waste data management, recycling, awareness and landfill site management. The Municipality adopted its IWMP which was sent to MEC for DEDEAT for endorsement and was duly endorsed in 2016 and will be reviewed in 2022-2023. The municipality has also formally appointed the Manager: Waste and Environment as its designated waste management officer. The Municipality has also been screened by DEDEAT as part of their process of updating the Provincial IWMP with specific focus to Joe Gqabi District Municipal Area.

The department has introduced a plan to implement the polluter pay principle through the revision of refuse tariffs to ensure sustainability of the service and minimal cost recovery. In this regard the tariff policy has been reviewed to incorporate cost elements for services that the municipality render for the public good.

3.19.1. Refuse Removal / Waste Collection

The refuse removal service only focuses in the CBD and peri-urban areas of Elundini Municipality. ELM provides a weekly waste collection service to all the households and daily service to businesses in Nqanqarhu, Ugie and Mt. Fletcher. In residential areas, household waste is placed on the kerb outside the house and collected from there by municipality. This domestic waste should be contained in refuse bags which are tied or knotted. ELM provides daily refuse collection services in town focusing on Businesses and Government Institutions.

3.19.2. Street Cleaning / Cleansing

Street cleaning is conducted daily with the main focus being in the CBD and adjoining streets. Clearing of Illegal Dump Sites and Township Street Cleaning is done through a combination of departmental staff and EPWP workers allocated to the department. The Good Green Deeds program of the department of Environmental Affairs recently launched is planned to second around 22 local youth who will assist the municipality in heightening awareness on issues of cleanliness and environmental education among communities. They will also largely deal with cleaning illegal dumps. There is also a skip service available and sidewalk bins placed at strategic points in Mt. Fletcher, Ugie and Nqanqarhu

town to ensure that Businesses and people have access to them and ultimately reduce levels of littering. Sixty (60) street litter bins were procured and installed in Maclear, Ugie and Mount Fletcher in 2019/20. The aim is to ensure proper waste / refuse containment in all urban areas.

3.19.3. Waste Disposal/Landfill Site

ELM has three landfill sites that are licenced for operation namely: Nqanqarhu transfer which is currently not in use, Ugie and Mt. Fletcher landfill sites. The three sites came into operation in 2004. The Elundini municipality entered into PPP agreement with Interwaste (PTY) Ltd. Interwaste started operating and managing the sites on the 1 July 2014. The main responsibility of Interwaste is the operation and management of Ugie, Mt Fletcher and Nqanqarhu Landfill Sites and to ensure that the permit conditions of the waste facilities are adhered to. The Nqanqarhu landfill site is utilised as a transfer station, while Ugie and Mt. Fletcher are being utilised as disposal sites.

Other responsibilities for Interwaste in the operation and management landfill sites, is to provide monthly reports on waste volumes and also ensure that the sites are operated in accordance with the permit conditions. The Municipality regularly visits the sites to ensure compliance with the Permit Conditions of the Sites and with the terms of the Contracts with Interwaste. In addition to this monitoring regime the district Environmental Health Practitioners visit the sites on a monthly basis to check on compliance with the Department of Environmental Affairs conducting random inspections. The Public Private Partnership agreement is due to be reviewed in 2019 to appraise the contractor's performance as well as to make any other necessary adjustments aimed at ensuring improvement in performance.

3.19.4. Recycling

ELM is working closely with Elundini Cooperative Development Centre to ensure that Cooperatives in the Recycling Sector are organised and assisted. This platform created an opportunity for the Municipality to consolidate the different requests that are submitted by Cooperatives and will ensure that everyone benefits from any assistance that is offered by the Municipality. There are currently six recycling cooperatives which are formally registered and plying their trade albeit on a smaller scale. ELM also has a Material Recovery Facility located at the Ugie Landfill Site. Currently the MRF is not in a suitable condition to be accepted by the Municipality and operated accordingly. The Municipality will make efforts to rectify the structure and be able to offer recyclers an opportunity to be involved in the sector. Ongoing discussions between the municipality and the implementing agents of the MRF project have yielded positive results. Accordingly, the MRF is undergoing repairs towards finalisation to enable planned operations.

ELM aims to promote waste minimization and recycling in the three towns and to create employment opportunities through that MRF. The MRF will contribute towards local economic development and increase the lifespan of landfill site. Currently the MRF is due to be repaired through internal funding mechanisms to pave way for its use and operation by local recycling cooperatives.

3.19.5. Education and Awareness

ELM has initiated programs to increase awareness concerning waste management and particularly to promote a cleaner environment to live in, and around urban areas. Efforts to strengthen this program has been made possible by the creation of the position of Environmental Awareness and Education Practitioner who among others is also responsible for championing waste minimisation activities. The main purpose of the programs is to raise awareness and educate Elundini Municipality residents/community about issues related to cleanliness, waste, environmental management and sustainable development. The waste management awareness focuses on the anti-littering programs for the public/clean up campaigns. The Municipality intended to hold a minimum of two Campaigns per year in order to influence community mind set on waste and environmental management matters. Clean-up Campaigns and Awareness Campaigns have been conducted in all three towns. The position of an education and awareness officer has recently been approved and awaiting filling. ELM is an active participant of the Climate Change, Waste and Environment SALGA Forum, DEDEAT Waste Management Forum and the Joe Gqabi District Environmental Management Forum. ELM also participates on quarterly basis in the District Environmental Forum.

(a) *The achievements in the waste management program*

- ▶ Collection Services to more than 7336 households and 222 Businesses
- ▶ Daily Street Cleaning and Skip Bin Removal Services for Businesses
- ▶ Purchase of 2 new 4 Ton Truck for servicing Ugie and Mt Fletcher
- ▶ Use of a vehicle tracking system to monitor fleet movements
- ▶ Purchase of 6 additional Skip Bins for Ugie and Nqanqarhu and refurbishment of about 8 bins in Mt Fletcher
- ▶ Provision of additional Skip Bins for Mt Fletcher
- ▶ Strictly monitoring the implementation and performance of Interwaste on poor performance in terms of the PPP Agreement through various monitoring and inspections
- ▶ The employment and secondment of one local young person under the Good Green Deeds program of DEA

(b) *Challenges*

- ▶ Inability to extend basic waste/lack of refuse removal services in rural areas
- ▶ Shortages of personnel for effective Management of Solid Waste

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- ▶ Poor Condition of the Ugie MRF
- ▶ Poor road conditions for accessing landfill sites and some townships
- ▶ Landfill airspace running out
- ▶ Lack of sector plans such as the Air Quality Management Plan and the Environmental Management Plans

Table 43: Available Fleet – Refuse Removal Vehicles

Nqanqarhu	Ugie	Mt Fletcher
Supervisor vehicles X 2	Supervisor vehicles X	Supervisor vehicle X 2
1 x REL Compactor Truck	2 x Tractor and Trailers	1 x Tractor and Trailer
1 x 4 Ton truck	1 x 4 Ton Truck	1 x Tractor and Skip Loader
2 x Tractor and trailers		1 x 4 Ton truck

3.20. By-Laws and Enforcement (Promulgation of By-laws)

ELM has recently revised and adopted its waste by-laws in order to comply with the NEMWA Act, 2008. Due to lack of adequate capacity to enforce the by-laws, there are numerous sporadic cases of illegal dumping and littering by both residents and commercial businesses. Even though these are usually identified and cleared on a monthly basis they soon reoccur due to lack of enforcement. Council also passed a specific resolution for the imposition of a R4500 fine to those found to have illegally dumped waste upon investigation. At times community members with full knowledge and access to regular collection service still dump their waste indiscriminately.

Other relevant municipal bylaws being enforced include the street bylaws, informal trading, nuisance, impoundment of stray animals bylaw, cemetery and road traffic bylaws to name but a few. ELM has also introduced regular programs aimed at raising awareness among communities against illegal dumping and other activities likely to damage the environment. To date the municipality has initiated a monthly program aimed at clearing identified illegal dumps as part of its budgeted operations and has also appointed six (6) Law Enforcement Officers to ease the challenge on the implementation of by-laws. Over and above this the municipality developed a fine schedule to enable immediate enforcement of bylaws through imposition of spot fines. Both Nqanqarhu and Mt Fletcher Magistrates courts have been furnished with the fine schedule for their approval and signatures.

3.21. List Of Bylaws and Gazette Dates

Table 44: Municipal By Laws

	Name Of By-Law / By Law Description	Date Adopted	Date Gazetted	Gazette No.	Date Reviewed	Con. No.	Res.
1	Childcare Services	14/06/2007	30/07/2008	1929 (Provincial)			
2	Standing Rules and Orders	14/06/2007	30/07/2008	1929 (Provincial)	Sept. 2016		

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3	Parking attendants / car attendance	14/06/2007	30/07/2008	1929 (Provincial)		
4	Encroachment By-law	14/06/2007	30/07/2008	1929 (Provincial)		
5	Street Trading	14/06/2007	30/07/2008	1929 (Provincial)		
6	Bed and Breakfast, Guest House facilities	14/06/2007	30/07/2008	1929 (Provincial)		
7	Property Rates	14/06/2007	30/07/2008	1929 (Provincial)		
8	Tariffs	14/06/2007	30/07/2008	1929 (Provincial)		
9	Credit and Debit Collection	14/06/2007	30/07/2008	1929 (Provincial)		
10	Standing Rules and Orders	14/06/2007	30/07/2008	1929 (Provincial)		
11	Parking attendants / car attendance	14/06/2007	30/07/2008	1929 (Provincial)		
12	Fire Brigade	14/06/2007	30/07/2008	1929 (Provincial)		
13	Fire Safety	14/06/2007	30/07/2008	1929 (Provincial)		
14	Fireworks	14/06/2007	30/07/2008	1929 (Provincial)		
15	Funeral Undertakers	14/06/2007	30/07/2008	1929 (Provincial)		
16	Impoundment of animals	14/06/2007	30/07/2008	1929 (Provincial)		
17	Keeping of Animals, Poultry and Bees control	14/06/2007	30/07/2008	1929 (Provincial)		
18	Keeping of dogs control	14/06/2007	30/07/2008	1929 (Provincial)		
19	Law-enforcement	14/06/2007	30/07/2008	1929 (Provincial)		
20	Lease of halls & conference facilities	14/06/2007	30/07/2008	1929 (Provincial)		
21	Library	14/06/2007	30/07/2008	1929 (Provincial)		
22	Liquor	14/06/2007	30/07/2008	1929 (Provincial)		
23	Municipal Commonage	14/06/2007	30/07/2008	1929 (Provincial)		
24	Municipal Taxi Rank	14/06/2007	30/07/2008	1929 (Provincial)		
25	Nuisance	14/06/2007	30/07/2008	1929 (Provincial)		
26	Outdoor Facility and Outdoor municipal building	14/06/2007	30/07/2008	1929 (Provincial)		
27	Parks and Open	14/06/2007	30/07/2008	1929 (Provincial)		
28	Parks for Caravans & Mobile Homes	14/06/2007	30/07/2008	1929 (Provincial)		
29	Refuse removal	14/06/2007	30/07/2008	1929 (Provincial)		
30	Swimming Pools	14/06/2007	30/07/2008	1929 (Provincial)		
31	Cemetries	14/06/2007	30/07/2008	1929 (Provincial)		
32	Barbers, Hairdressers and beauticians	14/06/2007	30/07/2008	1929 (Provincial)		
33	Aerodrome-Municipal Airports	14/06/2007	30/07/2008	1929 (Provincial)		
34	Aerial Systems	14/06/2007	30/07/2008	1929 (Provincial)		
35	Traffic By-law	14/06/2007	30/07/2008	1929 (Provincial)		

3.22. Air and Noise Pollution

ELM does not have an Air Quality Management Plan and Air Pollution By-laws in place and will have to consider developing these as part of its compliance to Air Quality Act, 2004 (NAMAQA). As a

member of the relevant air quality forum which sits on a quarterly basis ELM understand the need to monitor and manage air pollution sources in the area given various natural and manmade sources and P.G Bison industrial operations which is a major source of air pollution in the area. Other sources of air pollution such as manmade agricultural activities, burning of fossil fuels, vehicular traffic and natural sources as wind will receive corresponding priority.

This plan will also ensure that air and noise pollution, especially in urban areas are effectively monitored and by-laws are enforced. Plans are at an advanced to designate one of the employees as an air pollution control officer. Currently the forms of pollution are dealt with through existing framework of legislation such as the approved Integrated Waste Management Plan (IWMP), waste and nuisance bylaws. Currently pollution control is achieved through various municipal bylaws such as nuisance bylaw and fire brigade bylaws. The waste disposal site bylaws also disallow any form of burning within areas demarcated as landfill sites.

3.23. Sewage Spillages

Sewerage spillages (water and land pollution) are also monitored. These are the most frequent type of environmental pollution. Unfortunately, their frequency is very high especially in the central business district of Nqanqarhu town due to lack of bulk services capacity, poor management and insufficient funding for maintenance. The water services authority, Joe Gqabi district, has offices stationed in Nqanqarhu in order to facilitate easy and quick response in the event of any such spillages, leakages and other water nuisances occasioned by burst water pipes.

3.24. Environmental Opportunities

The ELM does not have its own Environmental Management Plan and will consider developing it and is currently using the one developed by the district municipality. Some areas of the District area are endowed with scenic beauty that has significant potential for agriculture and tourism sectors. In addition, a number of endemic species contributes to the potential of the District. In addition, climatic, soil and topographic aspects show that Elundini has an environment more suited to a variety of agricultural activities. The recently adopted Spatial Development Plan and SPLUMA are implemented in a manner that ensures checks and balances are in place to ensure that any development takes cognisance of the environment and its sensitivity. Even though this plan is not in existence, our realization is such that it will be prioritized within the short budgeting period.

3.25. Southern Drakensberg Sustainable Development and Conservation Strategy

The Southern Drakensberg Sustainable Development and Conservation Strategy, developed for the Elundini and Senqu Local Municipalities, has the following vision: “Improving the quality of life for all by facilitating sustainable economic opportunities in balance with the environment”. This long-term developmental vision contains the following key principles:

- ▶ Improving quality of life
- ▶ Facilitating local economic development
- ▶ Sustainability
- ▶ Creating opportunities
- ▶ In balance with the environment

These principles enforce the strategy’s primary objective which is to investigate the opportunity to unlock the economic potential of the region in a sustainable manner. It aims to strengthen the environmental sustainability of the IDPs and SDFs and address key structural and systems issues that are inhibiting the economic potential of the area. The overarching goal of this strategy is to improve the quality of life of individuals in the eastern portion of the JGDM. These goals are influenced by the principles of sustainable development with the strategy using the moderate to strong definition of sustainable development which entails the improvement of human and social capital without the loss of natural capital. Through this sustainability process the strategy aims to conserve all forms of capital in the area i.e. Natural, Human, Social, Financial, and Manufactured capital. To achieve these goals, the Southern Drakensberg Sustainable Development and Conservation Strategy identified five strategic pillars. These pillars are:

- ▶ Sector Development
- ▶ Environmental Management
- ▶ Investment in Infrastructure
- ▶ Creation of Strategic Partnerships and Institutional development
- ▶ Human Resource Development

3.25.1. Waste Collection Services: Refuse Removal

Table 45: JGDM Refuse Removal

SOURCE	JGDM	ELM	%
Removed by local authority/private company/community members at least once a week	117 381	28 395	19, 59%
Removed by local authority/private company/community members less often than once a week	5 696	308	0, 21%

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Communal refuse dump	6 160	2 047	1, 41%
Communal container/central collection point	1 329	108	0, 08%
Own refuse dump	220 293	96 419	66, 53%
Dump or leave rubbish anywhere (no rubbish disposal)	17 120	13 074	9, 02%
Other	4 933	4 579	3, 16%
	372 912	144 930	100%

Source: CS 2016

Elundini LM has addressed the issue of unlicensed landfill sites since 2007 when the first LED Strategy was compiled. There are capacity issues with the expansion of the existing waste site in Ugie, however a program for recycling has been put in place and it is hoped that this will reduce the volume of waste entering the site. The recycling program is to be a Public Private Partnership (PPP). Landfill sites abound in the rural areas where refuse is not collected.

3.26. District Disaster Management Plan

The disaster risk assessment was conducted by the district in 2008, the district is in the process of developing disaster management plan. The District has formulated a Disaster Management Framework, a generic Disaster Management Framework and a Corporate Disaster Management Plan. These plans are used by the District to exercise its powers and conduct its duties in disaster management. The District Disaster Management Centre is developing a Scientific Based and Proven District Disaster Management Plan. This quantifies various risks, and provides strategies on how to identify and classify risks, ensures proper prevention, mitigation and response mechanisms, which are to be managed by all stakeholders.

The current institutional arrangement regarding fire and disaster management is not adequate for the purposes of discharging the municipality's mandate towards its citizens. At the helm of providing response to the various incidents and disasters only two Fire and Disaster Management officers have been employed. These efforts are assisted by participation and affiliation to the local Fire Protection Agency under the auspices of PG Bison and the local farming community. Various efforts have been made to conclude a Service Level Agreement with the Joe Gqabi district municipality for the release of a Hino fire engine truck aimed at improving ELM's capacity to render a comprehensive fire response. Up till now the municipality relies on a skid vehicle, being a small bakkie carrying a mini water tank.

ELM does not have its own approved Disaster Management Plan but fully recognizes the value and importance associated with having one and is currently on a draft phase, however, the fire management

plan is in place and was approved by Council. While continuing to use the district wide Disaster plan, plans are at an advance stage to free resources in order to develop one. The ability of the municipality to maintain its operations and service delivery following major incidents and or natural disasters is highly dependent on its disaster preparedness. The municipality had incorporated the disaster function in the organogram to accommodate the planned shared fire services model in partnership with Joe Gqabi District municipality and Working on Fire. Electing to participate in the shared model will yield various benefits to the municipality which include a complete revamp of existing fire hydrants, erection of fully equipped fire stations/disaster centers, secondment of staff from Working on Fire as well as provision of state of the art fire fighting engines and equipment. The premium that the municipality will have to pay for all this would be considerably far less in comparison with what costs it would incur were it to provide these itself.

3.27. Municipal Transformation and Organizational Development

3.27.1. Institutional Structure

At present the Elundini Municipal Council consists of 34 Councillors and has 17 Wards, half of which are elected in terms of proportional representation and the remaining Councillors are directly elected, i.e. are Ward Councillors. The Elundini Municipality has a Collective Executive System with a Ward Participatory System. The Executive Committee consists of 5 members as appointed by Council and is chaired by the Her Worship the Mayor, Cllr M. S Leteba. Hon Madam Speaker, Cllr V.V. Hokwana is the chairperson of the Council.

The following are the members of the Executive Committee of Elundini:

Table 46: Members of the Executive Committee

Name	Portfolio
Hon Cllr M.S Leteba	The Mayor and Exco chairperson
Hon Cllr S. Mdoda	Infrastructure Planning and Development
Hon Cllr M. Siphamla	Planning and Local Economic Development
Hon Cllr B. Nqodi	Corporate Services (Whip)
Hon Cllr T. Tsoaeli	Budget and Treasury
Hon Cllr T. May	Community Services

The Executive Committee is the principal committee of the Council. It is the Committee which receives reports from the Standing or Portfolio Committees of Council and it must forward these reports together with its recommendations to the Council when it cannot dispose of matters in terms of its delegated authority.

The chairperson of the Municipal Council is the Speaker. The Council has defined the following roles for the Speaker (over and above the roles assigned by the Municipal Structures Act): -

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- ▶ Leader of council in respect of the oversight function;
- ▶ Custodian of the interests of the members of the municipal council;
- ▶ Politically in charge of the community development workers' program; and
- ▶ Responsible for the training and development of ward committees

In terms of Section 72 – 78 of the Municipal Structures Act, council has not yet elected the Ward Committees in compliance with the Act. The ward committees are consultative community structures without any formal powers accorded to them. Where a ward committee is fully functional and effective, it is able to influence the decision taken in Council.

ELM has established seven (7) Section 79 committees (i.e. Audit Committee; Municipal Public Accounts Committee; Women Caucus; Mandate Committee; Rules Committee; Members Interests and Ethics Committee and Budget Steering Committee) and five (5) Section 80 Committees (i.e. Corporate Services; Financial Services; Infrastructure Planning and Development; Planning and Economic Development; Community Services and Strategic Governance Portfolio Committee) which are aligned to the administrative departments and are chaired by members of the Executive Committee. These committees sit their meetings according to the adopted municipal council calendar.

The following are Section 79 Committee Members:

Table 47: Section 79 Committee members

Name	Portfolio
Hon Cllr Z. Mampintsha	MPAC chairperson
Hon Cllr C.L Marrandi	Chairperson Women Cuacus
Hon Cllr M. Thokozwayo	Chairperson Mandate Committee
Hon Cllr V.V Hokwana	Chairperson Rules Committee
Hon Cllr M. Telile	Chairperson Members interest and Ethics Committee
Hon Cllr M.S Leteba	Chairperson IDP & Budget Steering Committee

Administrative Structure

The ELM's executive management structure consists of the Municipal Manager, appointed in terms of section 54 (a) of the Local Government: Municipal Systems Act; five directors appointed by the municipal council in terms of Section 56 of the Municipal Systems Act and one non-section 56 senior manager directly accountable to the municipal manager. The ELM macro organizational structure consists of the following departments: -

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Table 48: Top Management

No.	Name	Position	Department	Period
1.	Vacant	Municipal Manager	Office of the Municipal	Vacant
2.	Mrs Nonkuselo Sokutu	Senior Manager: Strategic Support Services	Manager	Permanent
3.	Mrs Ntomboxolo Eddie	Director	Planning and Economic Development	5 year fixed contract
4.	Vacant	Director	Corporate Services	5 year fixed contract
5.	Mrs Sisekho Sako	Director	Infrastructure Planning and Development	5 year fixed contract
6.	Vacant	Director	Community Services	5 year fixed contract
7.	Mr. Jack Mdeni	CFO	Budget and Treasury Office	5 year fixed contract

The municipality's main political and administrative offices are situated in Nqanqarhu with two administrative units in Mount Fletcher and Ugie headed by their respective unit heads. Only the Municipal Manager and Directors reporting directly to the Municipal Manager are on a 5 year performance-based contracts and have all signed their performance agreements which are reviewable annually. All other employees are employed on permanent basis except for the EPWP workers and interns.

3.27.2. Elundini Organizational Structure Overview

As part of the annual IDP & Budget review processes, the Municipality is in the process of reviewing its institutional Organogram in order to reflect whether the municipality will be able to deliver on its Constitutional mandate and as circumstances so demand. The reviewed Organizational structure will be adopted with the adoption of the final IDP and Budget. The Municipal Manager and Directors directly accountable to the Municipal Manager have all been appointed on a 5-year performance contract. Other employees that are recruited on a contractual basis are experiential learners and those who are employed on an EPWP program. Managers that report directly to the Directors and Senior Manager annually sign their performance agreements that are aligned to the municipality's SDBIP. Below is the municipality's macro structure that was reviewed and adopted with the adoption of the IDP and Budget. The whole structure of the municipality is attached as an annexure to the document. The following are the municipal departments:

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3.28. Municipal Functions

The table below illustrates the powers that Elundini Local Municipality is authorised to perform the terms of Part B of schedule 4 and 5 of the Constitution.

Table 49: Municipal Functions

Part B of Scheduled 4	Part B of schedule 5
<ol style="list-style-type: none"> 1. Air pollution 2. Building regulations 3. Child care facilities 4. Electricity and gas reticulation 5. Local tourism 6. Municipal Planning 7. Municipal Health services 8. Municipal public transport 9. Storm water management 10. Trading regulation 11. Pontoons, faires, settees, piers and harbours excluding the regulations of international and national shipping 	<ol style="list-style-type: none"> 12. Beaches and amusement facilities 13. Billboards and display advertisement in public places 14. Cemeteries, funeral parlours and cemetoria 15. Cleansing 16. Control of public nuisance 17. Control of undertaking that sell liquor to the public 18. Facilities for the accommodation care and burial of animal 19. Fencing and fences 20. Licensing and controlling of undertaking that sell food to the public 21. Local amenities 22. Local sports facilities 23. Markets 24. Municipal abattoirs 25. Municipal parks and recreation 26. Municipal roads 27. Noise pollution 28. Pounds 29. Public places

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	<p>30. Refuse removals, refuse dumps and solid waste disposals</p> <p>31. Street trading</p> <p>32. Street Lighting</p> <p>33. Traffic and parking</p>
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Of 39 functions listed in Parts B of schedule 4 and 5 of the Constitution, Elundini I Local Municipality has been allocated 34 functions which it is required to deliver on, the following 24 functions are being performed ELM.

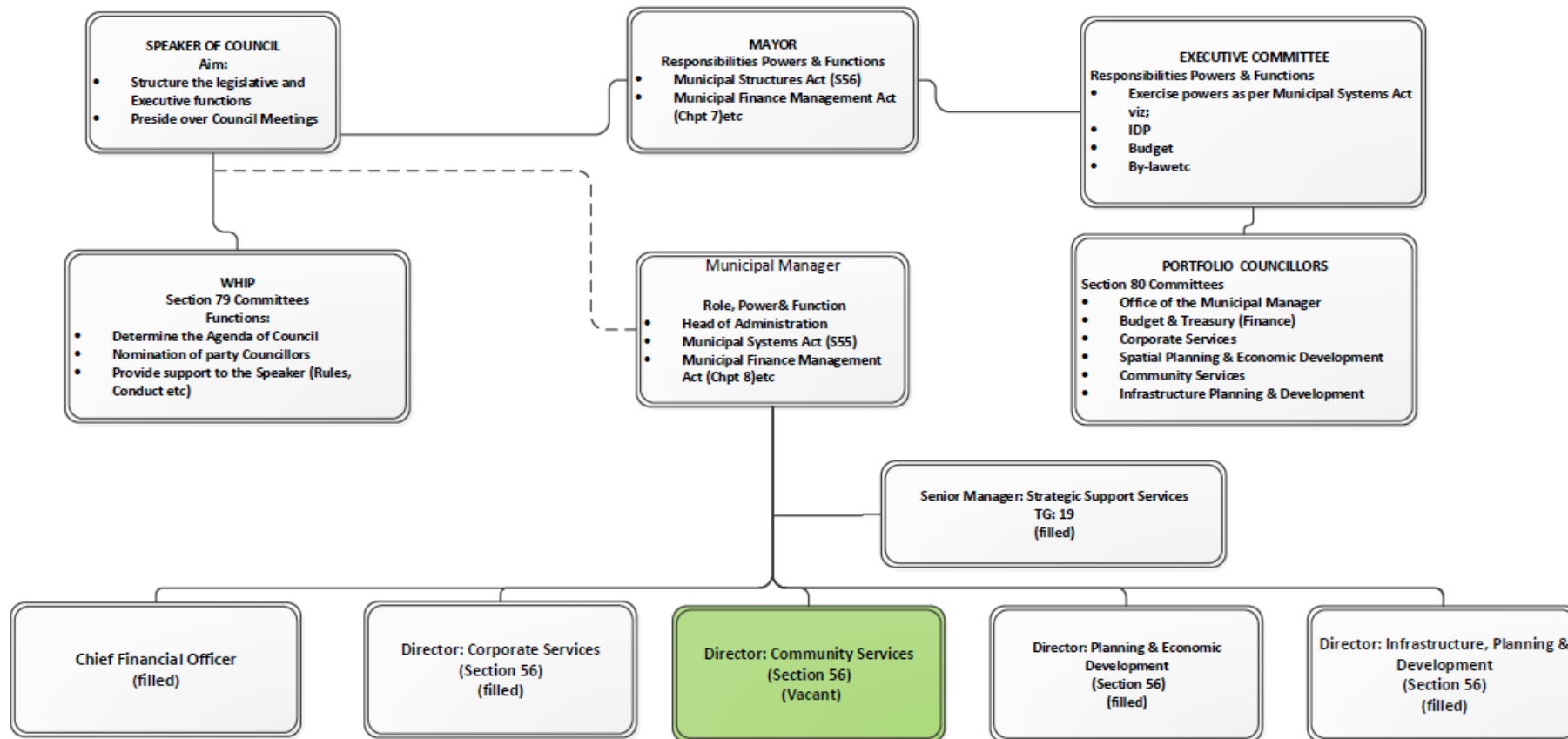
Part B of schedule 4	Part of B schedule 5
1. Solid waste	10. Cemeteries, funeral parlour and crematoria including DM function
2. Municipal Planning	11. Cleansing
3. Storm water management	12. Local sport facilities
4. Municipal public transport	13. Municipal parks and recreation
5. Trading regulations	14. Municipal roads
6. Local Tourism	15. Public places
7. Building regulation	16. Refuse removal, refuse dumps and solid waste disposal
8. Electricity reticulation (agency)	17. Traffic and parking
9. Child care facilities	18. Municipal public works
	19. Beaches and amusement
	20. Billboards and display advertisement in public places
	21. Street trading
	22. Control of undertaking that sell liquor to the public
	23. Street lighting

The table below reflects function that Elundini is authorised but is not being performed:

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Part B of Schedule 4	Part B of Schedule 5
<ol style="list-style-type: none">1. Air pollution2. Child care facilities3. Electricity and gas reticulation (not authorised function but its performed)4. Firefighting services5. Municipal airport6. Municipal public transport7. Pontoons and ferries8. Electrification reticulation	<ol style="list-style-type: none">9. Control of public nuisance10. Fencing and fences11. Municipal abattoirs12. Nose pollution

MACRO STRUCTURE



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Status on Vacancies

The Municipality's approved organizational structure consists of 342 positions in total. Only 290 positions have been filled as from 01 February 2022 and 21 positions are still vacant, making it 15,3% vacancy rate. The number of vacant positions include those of the Municipal Manager and Director Community Services, only (03) directors reporting directly to Municipal Manager are filled. The filling of some budgeted vacant positions has been due to the delays in the job evaluation process. Below is the breakdown in the filling of posts per department:

Table 50: Status on vacancies

Department	Total Posts	Filled Posts	Vacant and Funded Posts	Vacant & Not Funded	Vacancy %
Office of the MM	33	29	4	0	12 %
Corporate Services	49	45	3	1	8 %
Budget & Treasury Office	45	40	2	3	12 %
Community Services	144	112	9	23	20 %
Spatial Planning & Local Economic Dev.	11	9	1	1	19 %
Infrastructure Planning & Dev.	63	58	3	2	8 %
TOTAL	345	293	22	30	15%

3.28.1.1. Records Management

ELM has a functional Records Management Unit located within the Corporate Services Department. The File Plan of the municipality has standards of record-keeping which are followed accordingly. The ELM's file plan has goals which are not limited to the following that are followed in the Registry office:

- ▶ To provide a systematic framework for the classification of all records in their active, semi-active and inactive stages;
- ▶ To assist registry staff in the orderly filling and retrieval of records;
- ▶ To ensure that records are retained and destroyed or preserved in accordance with legal and fiscal requirements, archival value and operational needs;
- ▶ To reduce the volume of records in the offices by providing guidelines on the retention and destruction of records.
- ▶ Transfer of records to the filling room.

3.28.1.2. Employment Equity Plan

ELM has adopted its three-year employment equity plan and annually reviews it and approves the review before the start of each financial year. The reviewed equity plan shows the relationship between the current workforce profile and possible barriers in employment equity policies and procedures. Below is the gender breakdown of staff compliment of ELM per occupational level: The table below contains information on all employees, including people with disabilities:

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Table 51: Employees including people with Disabilities

Occupational Levels	Male				Female				Foreign Nationals		Total
	A	C	I	W	A	C	I	W	Male	Female	
Top management (Municipal Manager)	1										1
Senior management (Directors)	3				2						5
Professionally qualified and experienced specialists and mid-management	8			1	7						16
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents	29	1		1	49			1			81
Semi-skilled and discretionary decision making	59				41						100
Unskilled and defined decision making	53				48	2					102
Total Permanent	153	1		2	147	2		1			305
Temporary employees / Experiential	2				3						5
GRAND TOTAL	155	2		2	150	2		2			310

Due to the geographic location of the municipality, as well as the size and economic level, the municipality experiences challenges in the recruitment and retaining of designated groups and scarce skills. In an attempt in meeting the employment equity target and employing more females, there has been a slight improvement from the previous financial year, where the municipality had a total of 131 females and 168 males. As at end of 2020/21 financial year, female employees constituted a total of 150, which amounts to 49% of the total workforce, while male employees amount to 156, which is equivalent to 51% of the total workforce. This shows an increase of 5% female workforce from the 44% of 2019/20 financial year.

3.28.1.3. Human Resources/ Skills Development

Elundini Municipality develops and submits the Workplace Skills Plan (WSP) to LGSETA by 30th April each financial year. The WSP is mainly based on training needs identified in the employee's personal development plan for each financial year, skills audit results, as well as the training needs identified for councilors. Processes leading to the final submission of the WSP to LGSETA includes the submission of the WSP to the Skills Development and Employment Equity Committee for consultation and subsequently, to Council for approval. The municipality also capacitates employees and councilors through bursaries for long term programmes e.g. Local Government Law and Administration, Public Administration, etc, in order to improve skills and knowledge. The municipality further focuses on the development of Elundini Community members, specifically the Youth, through various community

learnership programmes, Career guidance, and community focused Internships and Experiential Trainings. Pipeline organizational development projects for the municipality include the development of a competency requirements analysis and configuration of the skills needs of the employees to address future needs of the municipality.

3.28.1.4. Job Evaluation

Elundini Local Municipality, in line with the Municipal Systems Act, reviews its organizational structure annually as part of the IDP review process. A requirement of the structural review requires the costing of an organogram which is effected by the job evaluation process. Job description writing and job evaluation processes are conducted for all new positions and those that have a job content which has significantly changed. All job descriptions for new positions and positions affected by change are subjected to the SALGA job evaluation process which is conducted through District Job Evaluation Committee for evaluation and audited by the Provincial Audit Committee for confirmation of final TASK Grades. ELM uses the TASK job evaluation system that was adopted by the local government sector in 2003.

3.28.1.5. Occupational Health And Safety

Elundini Local Municipality is currently in the process of implementing the Occupational Health and Safety strategy that is intended to minimize occupational related risk and incidents, as well as promoting a healthy and safe environment. The implementation of the approved strategy will be in line with the Occupational Health and Safety Act, and related legislations. The municipality established an Occupational Health and Safety Committee which aims to improve ELM performance in terms of health and safety, increase employee knowledge on OHS matters as well as to ensure compliance to relevant legislation governing the function. The Health & Safety Committee is comprised of municipal employees from various municipal departments and levels of employment.

3.28.1.6. Employee Health and Wellbeing

ELM is currently implementing its Employee Wellness Strategy that was adopted by council. There are numerous activities that employees are embarking on which include among others counselling, referrals for counselling, sports events; FUN walks, observation of National Health Calendar which is done in conjunction with the Department of Health and this is done to encourage and foster Inter Governmental Relations. The municipality has also resolved to give those employees who participate in sports afternoon off on Wednesdays from 15:30 to go and participate in their various sporting codes.

3.28.1.7. Leave Management

The Human Resources Department has revised its policy and procedures in order to address shortcomings that have been raised by the Auditor-General and have implemented various steps aimed at improving Leave Management. An electronic system is used to record all kinds of leaves that

employees have taken. The system enables the manager responsible for the leave to approve it in the system and human resource is able to assess all filed leaves in the system.

3.28.1.8. Labour Relations

There is general labour peace in the institution in so far as labour related issues are concerned. Management is trying by all means to consult with labour on all matters of concern. The employer has developed an open door approach to consult with the trade unions even outside the legitimate structure created for consultation. The council calendar also include the monthly sitting of Local Labour Forum (LLF) so as to further enhance sound labour relations and compliance with the Organizational Rights Agreement. Councillors, management and employees adhere to the Code of Conduct for both Councillors and employees.

3.28.1.9. Information Communication Technology and Support

Formulation of various ICT Governance Documents and Strategies

ELM operates with high integrity ICT Governance Standards to ensure compliance with regulations both local and internationally recognised standards. In this regards ELM took upon itself to ensure that it complies with aforementioned ICT Governance Standards in line with KING IV, ISO/IEC 38500,ISO 27001/2 POPI ACT and other relevant standrads and practices by reviewing and benchmarking its existing policies, procedures, frameworks and strategies annually in order to align them with current updated standards. As part of implementing IT Governance as per the KING IV and COBIT recommendations, ELM reviewed the following ICT Policies:

- ▶ Reviewed Disaster recovery plan, operationalize and update to talk to the IT setup;
- ▶ Reviewed Procedure manuals and team notes for disaster recovery;
- ▶ Supply and install Water and food prohibition signs at the main and disaster recovery site;
- ▶ Identified key documents and equipment for recovery plans and move copies to the recovery site;
- ▶ Developed IT Physical Access to Server Room Procedure;
- ▶ Reviewed IT Risk Register;
- ▶ Developed IT Risk Management Procedure;
- ▶ Developed Change Control Procedure;
- ▶ Developed Backup and Recovery Procedure;
- ▶ Developed Patch Management Procedure;
- ▶ Developed Firewall Management Procedure;
- ▶ Developed Antivirus Management Procedure.

a) Implementation of Information Security:

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- ▶ Carry out IT security awareness initiatives and campaigns.
- ▶ Support day-to-day administration of various firewalls.
- ▶ Proactively assess potential items of risk and opportunities of vulnerability in the network.
- ▶ Design and implement IT Security policies and procedures for the administration of security measures over the network, operating system.
- ▶ Implement strong password controls to authenticate system access. Incorporate this aspect in the IT Security policy.
- ▶ Ensure the ELM correctly configures firewalls routers within the network environment to ensure optimal protection against unauthorised access.
- ▶ Ensure that there is anti-virus software across the organisation to protect information systems.
- ▶ Ensure there is patch management process to prevent exploitation of vulnerabilities.
- ▶ Ensures that activities within the system network, including databases are tracked by using audit trails by someone independent of administration functions.
- ▶ Ensure that system configuration detect security vulnerabilities and that incidents are monitored, reported and resolved on a regular basis.
- ▶ Carry out checks / tests for effectiveness that Firewall, Anti-Virus and Spyware solutions to ensure the ELM's email, intranet and internet are protected.
- ▶ Perform additional related responsibilities as required to ensure compliance with the Auditor General's requirements and relevant laws and regulations.

b) Development of IT Master Systems Plan:

- ▶ Interview key stakeholders.
- ▶ Conduct the Business, Information, Applications, and Technology GAP Analysis.
- ▶ Develop IT Master Systems Plan that incorporates Implementation Plan.

c) Implementation of POPI:

- ▶ Conduct POPI Readiness Assessment.
- ▶ Develop Plan of Action for POPI Compliance that includes the development of Data Protection Policy and Procedures, Data Privacy Plan.
- ▶ Conduct POPI Compliance Assessment to comprehensively evaluate how Plan of Action is implemented to comply with POPI.

d) Development and Implementation of Business Continuity (BC) and IT Disaster Recovery (DR) Plans:

- ▶ Conducted Business Impact Analysis and Risk Assessment.
- ▶ Identified the Recovery Strategies.
- ▶ Prepared Business Continuity and IT Disaster Recovery Plans.
- ▶ Educated and Trained on BC and IT DR Plans.

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- ▶ Tested BC and IT DR Plans and update accordingly.

The above-mentioned activities were presented to Council for approval and adoption and are considered as official municipal guideline documents that will enhance service delivery.

3.28.1.10. Installation of new telephone system and cost containment strategy implementation

- ▶ ELM has previously been using a telephone system that was dependent on ordinary telephone lines. The new telephone system that has been deployed is referred to VOIP (Voice Over Internet Protocol) system. The system works over ELM's LAN (Local Area Network) instead of ordinary telephone lines. The main purpose to deploy this system within ELM's is to save costs when making calls to remote sites (Ugie and Mount Fletcher) as the system will read the sites as internal extensions instead of a foreign external phone number which bills the municipality.
- ▶ The telephone system has been deployed at the main site in Nqanqarhu and is now fully functional.
- ▶ All network cabling was renewed and new networking cables in newly developed offices and areas that were previously connecting via wireless were added. The main purpose of the renewal is to ensure full compliance of the VOIP system as it cannot work through wireless connections.
- ▶ In terms of implementing the cost containment strategy, pins with airtime limits have been allocated to users and are being monitored by the new Ipecs system which automatically cuts off the user pins should they reach their monthly allocated pins.
- ▶ In addition to the above-mentioned, the municipality has cut allocated phone call pins into half in order to implement the cost containment strategy.

3.28.1.11. ICT Challenges

- ▶ Infrastructural incapacity
- ▶ Limited Budget
- ▶ Inadequate business continuity
- ▶ Lack of human capacity

3.28.1.12. Action plans to address ICT challenges

- ▶ Upgrade of Network connectivity
- ▶ Upgrade of Telephone system
- ▶ Increase budget allocation for ICT
- ▶ Upgrade of Electronic communication to address business continuity.
- ▶ Skills audit within the existing ICT official must be done and training must be provided.

3.29. Good Governance and Public Participation

The Council adopted the good governance committee to ensure oversight is exercised over governance issues and adherence to compliance with legislation. The key principle of good governance is the establishment of ethical leadership within the institution by ensuring the clearly defined roles and responsibilities of the leadership both political and administrative. This therefore ensure that good governance principles are and the Batho Pele principles are adhered to.

3.29.1. Council Oversight Role

Part 2 of Section 99 of Elundini Local Municipality By-Laws Relating to Standing Rules and Orders gives guidance to the establishment of Section 79 Committees. This section highlights the process, the Council would need to follow towards the establishment of a Section 79 Committees and areas of consideration such as the capacity, financial implications, and qualifications of members to be considered to lead these committees. These committees are required to sit on a quarterly basis to deal with issues delegated to each committee. Elundini Local Municipality established four Section 79 Committees as contained in the By-Laws Relating to Standing Rules and Orders. These Committees are: -

3.29.1.1. Audit Committe

The current ELM Audit Committee, which is functional, was appointed in terms of Section 166 of the Municipal Finance Management Act, No 56 of 2003. The audit committee is comprised of four members, two of them had their contracts renewed effective from 1 July 2018 and will run until June 2021. The other two members were appointed on 1 October 2019 and their contract will run until 31 August 2022. The ELM Audit Committee performs its functions in terms of the adopted ELM Audit Committee Charter.

3.29.1.2. Performance Management Committee

ELM has no performance committee but the Audit committee serves a performance committee and reviews municipal performance in audit committee meetings including the review of Annual Performance Report before submission to Auditor General SA

3.29.1.3. Municipal Public Accounts Committee (MPAC)

In order to meaningfully play its Oversight Role, the Elundini Municipal Council has formally appointed the current Municipal Public Accounts Committee (MPAC) on 30 November 2021 which will run its term with the current term of Council. Prior to this, an Oversight Committee established in terms of Circular 32 of the MFMA was operational.

The purpose of the committee is to strengthen the oversight arrangements in the municipality and to ensure the efficient and effective use of municipal resources. The committee is a link in the accountability chain of the municipality. The committee will assist Council to hold Executive Committee to account as well as to ensure the effective and efficient use of public funds. The committee conducts

its affairs in a non-party political manner so as to maximize the effectiveness of its work. The committee can invite media and public in their meetings to enhance transparency and accountability. The committee can invite Auditor General to their meetings to assist them on their oversight

3.29.1.4. Members Interests and Ethics Committee

A Members' Interests and Ethics Committee has been established by the council as a Standing Committee in accordance with section 79 of the Structures Act read with item 14(1) of the code of conduct and subject to the provisions of this part. The committee is responsible for carrying out investigations, submitting findings and making appropriate recommendations to the council pertaining to the alleged contravention by a councillor of the code of conduct; developing standards of ethical conduct for members, monitoring and overseeing all processes relating to the declaration of interests of councillors in terms of the code of conduct including the establishment of any registers which may be required in this regard;

3.29.1.5. Rules Committee

The Rules Committee is established by the council in terms of section 79 of the Structures Act and By-Laws Relating to Standing Rules and Orders; and Policy on Roles and Responsibilities. The Rules Committee is responsible for the development, formulation and adoption of policy concerning the exclusive business of the Council including its proceedings, procedures, rules, orders. It is also responsible for monitoring and overseeing the implementation of policy; make recommendations to the Council on any matter falling within the functions and powers of the Committee; appointing sub-committees to assist it with the performance of any of its functions or the exercise of any of its powers.

3.29.1.6. Women Caucus Committee

Women Caucus is a Section 79 Committee established by the Council in terms of Section 79 of the Municipal Structures Act. The principal function of Women Caucus is to perform a monitoring function on behalf of the council and shall advise the council, the political office bearers, the accounting officer and the management staff of the municipality on matters relating to women empowerment programs; gender; employment Equity planning and implementation; organization of awareness campaigns against harmful cultural practices; Promotion, protection and defending principles of human rights; especially those of young girls, young boys, children and mothers, gender parity, democracy and peace; enhancement of the participation of women in the political, economic and social life at a local level.

3.29.1.7. Mandate Committee

Mandate Committee has been established as a Section 79 Committee for the term of Council 2022-2027 to fulfil the obligation of cooperative governance that municipalities have in terms of Section 3(1) of the Local Government: Municipal Systems Act, 2000. This Committee has been established to

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mandate Council members who sit in the District Council on service delivery issues that require District Council attention and report back to the Committee the District outcomes/resolutions on those matters. The responsibility of this committee is to consider service delivery issues and reports from all municipal departments on issues that need district attention; consider reports from Councillors deployed to the district to represent the municipality.

3.29.2. Risk Management

ELM has Risk Management Policy, Risk Management Strategy and Implementation Plan in place. ELM has reviewed its Risk Management Policy, Risk Management Strategy and Implementation Plan. ELM has also established a Risk Management Committee (RMC) constituted by municipal management and is chaired by the Municipal Manager. The RMC sits quarterly and functions within the municipality's Risk Management Charter that further provides terms of reference for the Risk Management Committee. A risk register is developed annually where the municipality classifies its risks and then develops mitigating factors to deal with the identified risks.

3.29.3. Anti-Corruption, Fraud and Complaints Management

ELM has developed a Fraud Prevention Strategy, Fraud Prevention Plan and Whistle Blowing Policy which have been reviewed together with the Risk Management Strategy. ELM also established a fraud prevention hotline managed by an independent firm of auditors, Deloitte. As part of awareness, the municipality's website, newsletter, municipal letterheads and municipal accounts bear details of the hotline prevention numbers. ELM, likewise, maintains a fully functional customer care service that receives and deals with all service delivery related complaints, including billing related queries. ELM manages all logged complaints in line with the service standards charter, which inter alia, regulates communications protocols and stringent turnaround times.

3.29.4. Complaints Management System

Elundini Local Municipality uses 03 systems to manage complaints. The first system is Deloitte Anonymous Hotline was established to manage fraud and corruption cases. The second system is the Presidential Hotline which is used to receive cases or complaints that were reported through this system. The last one is the IMIS Customer Care system which is used to manage walk-in/telephone/social media complaints as a practical way of improving customer and strengthening relations with local communities. These services are customer care help desks and IMIS electronic system. Help desks is established in the main office (Nqanqarhu) and two satellites office in Ugie and Mt Fletcher to feed the main office. These offices were established to:-

- ▶ Handle customers who want to report problems and complaints
- ▶ Deal with general enquiries on municipal services
- ▶ Collect and disseminate relevant information to customers.

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- ▶ Help customers with various basic needs, viz. filling of forms, translating and clarifying information, etc.
- ▶ Attend to suggestion boxes every day and process the information then submit it to relevant municipal structure like Complaints Handling Committee.

The second service is e-Scripting Service. This service was initially implemented by the municipality few years ago but the license of the system expired and in the process of renewing the contract, mSCOA was introduced in municipalities by national government. The introduction of mSCOA required municipalities to put into a halt procurement of systems because it was expected that this approach would bring about system integration. The municipality had to wait for this process to unfold. In 2018/2019 IMIS was introduced as part of the institutional system with different modules relevant for the municipalities. Project Steering Committee was established and modules required were identified. Departments were consulted by the service provider to assess their needs and to make sure that each module is responsive to client requirements. Customer Care Consultants were trained on how to use the customer care service. The purpose of this system is to offer an electronic scripting customer service to:

- ▶ Dealing with complaints
- ▶ Receiving complaints
- ▶ Redirecting complaints
- ▶ Responding to a complaint
- ▶ Record and analyse information
- ▶ Compile a report
- ▶ Update the system on progress

Petitions and complaints from communities are received by the Speaker of the council or a nominated councillor. The Troika then meets assisted by the Municipal Manager to establish an **Adhoc** committee to attend to the petition and submit a report to the Speaker. A feedback meeting is then organised with the complaining community.

3.30. Intergovernmental Relations

The ELM has prioritized the IGR as one of its priority areas of focus to strengthen and has thus established an IGR structure that incorporates all IGR activities in the municipality that will also ensure that the structure is used as a reporting structure for all government activities. The ELM uses various platforms to promote intergovernmental relations and to interact with other government departments and State Owned Entities. These IGR platforms include, but not limited to, IDP & Budget Rep Forums, MUNIMEC, DIMAFO, SALGA Working Groups, Provincial and District Speakers' Forum, Local Communicators Forums, LED Forums, Roads Forums, Project Steering Committees, Local AIDS Forums, etc. One-on-one engagements where possible are usually held for strategic projects.

3.30.1. MUNIMEC

The MUNIMEC has been established in terms of the provisions of the Intergovernmental Relations Act as a consultative forum between the Eastern Cape Provincial Government and the 39 municipalities in the Eastern Cape Province. To give credence to output 7 of delivery outcome 9, the provincial department of Local Government and Traditional Affairs is responsible for coordinating the activities of MUNIMEC. The MUNIMEC is attended by Mayors and Municipal Managers of municipalities. The department has also constituted a technical MUNIMEC which is a forum between the departmental management as led by the Superintendent General and the Municipal Managers from municipalities. At the technical MUNIMEC and the MUNIMEC, reports from the 6 district municipalities and the Nelson Mandela Metro, inter alia, whose main focus is progress with the implementation of the municipal turnaround strategies within the DMs and their constituent local municipalities as well as the Metro are presented and discussed. Both the Mayor and the Municipal Manager of the ELM participate and contribute in the provincial MUNIMEC.

3.30.2. District Mayors Forum: DIMAFO

The District Mayors Forum of Joe Gqabi District, chaired by the Mayor of JGDM, which is supposed to sit quarterly to align key programs and issues between municipalities. DIMAFO is a Section 79 Committee. This is a special committee of council made up of Councillors (in this case the Mayors of the local municipalities and the Executive Mayor of the district) that deals with issues within the Municipal Managers office (communications, IGR, Special Programs dealing with Women, Youth, Disabled, People living with Aids, Elderly and Children) as well as internal audit functions. Key elements that form part of the performance of the municipal manager also form part such as statutory compliance issues.

3.30.3. Traditional Leadership – Partnerships

Currently there are no traditional leaders that are serving in the Council, the MEC CoGTA decides on the number of traditional leaders to serve in the Council. However, due to the rural nature of the Elundini Municipality, the participation and cooperation with Traditional Leaders is critical for the success of the municipality's development programs. To this end the municipality has categorized Traditional Leaders as a key stakeholder that the Mayor converses with on a regular basis under the guise of Mayor's Conversations with stakeholders. In recognition of the valuable contribution of Traditional Leadership authorities in the programs of Elundini Municipality, the previous Council adopted guidelines in terms of assistance to be provided to Traditional Leaders on certain defined occasions.

3.31. Public Participation

One of the main features about integrated development planning and budget process is the involvement of community and stakeholder organizations in the process. This ensures that the IDP addresses the real issues that are experienced by the citizens. The Constitution stipulates that one of

the objectives of municipalities is “to encourage the involvement of communities and community organizations in the matters of local government”. The White Paper on Local Government also put emphasis on public participation. Through the Municipal Systems Act participation in the decision making processes of the municipality is determined to be a right of communities, residents and ratepayers. Integrated development planning is emphasized as a special field of public participation.

The ELM has a fully functional Public Participation Unit located in the Office of the Municipal Manager which is responsible for coordinating all public participation activities of the municipality. The ELM reviewed and approved its Public Participation Strategy in June 2018.

3.31.1. Public Participation Mechanisms

The following are some of the public participation mechanisms that the ELM uses in engaging with its communities:

- ▶ Ward Based Planning processes;
- ▶ Ward War Room meetings;
- ▶ IDP Representative Forum;
- ▶ Mayor’s conversations with different stakeholders;
- ▶ Public Participation Forum;
- ▶ Ward community meetings convened by Councilors on quarterly basis;
- ▶ Published annual reports on municipal progress;
- ▶ Ward Committee meetings;
- ▶ Newspaper advertisements and notices;
- ▶ Making the IDP document available to all members of the public;
- ▶ Outreaches by Elundini Municipality to communities and Stakeholders;
- ▶ Use of loud hailers to invite communities to meetings;
- ▶ Information dissemination through the Blue Snow/ Lehloa Le Bolou newsletter and The Back of the Horizon;
- ▶ Stakeholder Forums such as Farmers’ Forum; Local Communicators Forums; Local AIDS Council; Roads Forums; Elundini Sports Council; Elundini Youth Council; PWD Structure; etc.

3.31.2. Public Participation Challenges

Functionality of public participation platforms such as ward Committees, village and township-based meetings and war rooms was assessed. The following issues were identified as challenges for effective participation of communities in the affairs of the municipality:

Ward Committees

- ▶ Lack of capacitation of the ward committees
- ▶ Lack of capacity of chairpersons of the ward committees
- ▶ Lack of proper mechanism to uplift the issues raised at ward committee level to relevant structures and eventually to council for implementation and feedback
- ▶ Poor or lack of monitoring of wards performance

Village Meetings

- ▶ Poor sitting of village meetings which leads to ineffective utilization of CPLWs.
- ▶ Lack of training in minute taking and report writing for the CPLWs
- ▶ Lack of proper system for information management from the community to the municipality and sector departments for report back
- ▶ Minimal commitment from CPLWs who resign frequently
- ▶ Chairpersons' competing commitments mostly with programs of the district municipality to the detriment of local municipal programs

Information Management

- ▶ Poor recording of information including minutes during public participation engagements
- ▶ Lack of information management system to process and
- ▶ There is no clear flow of information between the different platforms
- ▶ No relationship between the IDP outreaches, the village meetings, the ward committee meetings and the Public Participation Forum

3.32. Communications

Elundini Local Municipal (ELM) council approved a five-year communication strategy in 2017 implementable until 2022, aimed at improving levels of communicating the affairs of the municipality and service delivery between ELM and the community using advanced platforms. A fundamental difference between the previous strategy and the reviewed strategy is the embracing of social media as one of the key strategic communication platforms for effective and instant communication. Social media has been added as the fourth pillar in the strategy and in 2018/2019 ELM developed a Social Media Policy that will guide how the social media platforms will be managed including the rules of engagement by users. To date the municipality is found in five social media platforms namely; Facebook, Twitter, Instagram and YouTube communicating service delivery. In addition, the municipality procured LED video wall to elevate municipal mechanism aimed at closing the communication gap between the municipality and the communities with a long-term plan of assisting in revenue generating.

The strength of this communication strategy will lie heavily on social media, meet and greet, and print communication. Information Technology-based communication will be used whenever

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possible and feasible or whenever resources allow. As a means of interacting and providing information to its communities, the municipality quarterly distributes its newsletter, Blue Snow, to its communities where communities are kept informed by the developments in their areas. ELM maintains its website, primarily to respond to legislative imperatives but also, developmentally, to provide meaningful feedback to communities.

3.32.1. Community Participation and Community Issues

Community/Ward Based Planning (CBP/WBP) is a tool that is used to enhance participation of communities in local developmental processes. It was introduced to encourage ownership by communities in any development initiative in their areas.

Ward Committees have been established in all the seventeen (17) wards. Ward Committees contribute tremendously in the development of ward priorities because their meetings are the first level where ward development issues are deliberated. Below are the Issues raised in ward committee meetings that are held every quarter which are tabled before council and submitted to relevant sector departments for action. There has been no support for the functioning of the ward committees received from the District Municipality.

Table 49: Issues raised in Outreach meetings and Community meetings held from the 11-12 MAY 2022

Responsible Department	Priorities
All Sectors	<ul style="list-style-type: none"> ▶ Skills Development of Youth in ward 5 ▶ Non-employment of community members of ward 5 due to tribalism
Infrastructure Planning & Development	<ul style="list-style-type: none"> ▶ Official handover of Ntokozweni sport ground in ward 2 ▶ Need for access road from old township to Ntokozweni in ward 2 ▶ Request for hall in Bhekela ward 2, ward 5 ▶ Request for preschools in ward 2, Lower Ntywenka, Mcwangele, Mtshezi and Sdakeni in ward 5, Ngxotho in ward 6, Leratong and Likonyeleng in ward 11 ▶ Reconstruction of access road in Bhekela, Mandela Park in ward 2, Gobho ward 11 ▶ Issuing of title deeds for ward 2, ward 3, Ilisolomzi in ward 9

- ▶ Request for community art centre and training centre in ward 2
- ▶ Youth development centre is needed in ward 3
- ▶ Request for the rehabilitation of ward 02 bridges.
- ▶ Artificial turf and Guard house is needed for TV Park sportsfield
- ▶ Access road is needed in Tuin Blocks and in Polar Park to Old Location ward 3, Diphini, Sithana to Nontatyana school and Kwatsha, access road to Mncetyana and Qolombana, access road from Ntywenka Junction via Sankunku shop to Madasa, access road through Ntabelanga village to Esinxako, access road from Lower Ngxaza bridge to be graded and lowered, access road from bus shelter via Zwelidumile SPS to Zinkampini, 2km access road from Mbonisweni branch to Mcwangele and from Sithana to Mcwangele, access road from busstop to Mthandeni SPS, access road in Mpunkone in ward 5, Upper Sinxako, Queen Noti, Ngcele and Ntywenka in ward 6, Mbambangwe, Nkalweni and Mathafeni No2 in ward 10, Tabase, Fletcherville, Portsef, Khalazembe, Likonyeleng, Leratong, Mabalane, Matsoane and Qalabosha, Tinana Mega school in ward 11, Hlankomo, Msasangeni, Njaboya, No5 to Ntatyani, Mlube to Ndingo in ward 16; road from Jojweni to Mabangweni, maintenance of road from bus shelter to Mokgalong in ward 8
- ▶ Problem of electricity tempering in Polar Park ward 3
- ▶ Bridge between Vincent Park and Polar Park in ward 3, from Fletcherville to Lugcadweni (across Tina river), Tinana river in ward 11 is

	<p>needed; bridge in Magabada to the shearing shed in ward 8</p> <ul style="list-style-type: none">▶ Pedestrian bridge from Sithole to Nolufefe JSS▶ Streets are in bad condition in Cleaview ward 3▶ Sportfield is requested in Clearview ward 3▶ High Mast lights are needed in Clearview ward 3▶ Solar geysers are requested in Clearview ward 3▶ Electricity is needed in Tuin Blocks ward 3, Sihungqwini in ward 6, Skote and Silindini in ward 10, Ngoliloe in ward 11▶ Bridge in Ntushu-ntushu village, Ngxaza river, Sidakeni village ward 5 is needed▶ Road from Hopedale to Mbonisweni in ward 5 is very bad▶ Pedestrian bridge to Mtshisana village and from Lower Ngxaza to Thomas Ntaba in ward 5 is needed▶ Playing grounds needed in ward 5, Mathafeni No 2 in ward 10▶ Pedestrian Bridge to Thomas Ntaba SSS in ward 5▶ High mast lights are needed in Mountain ward 5 to reduce crime▶ Isolomzi Community hall in ward 9 needs to be electrified and improved, it had been constructed in very low standards.▶ Road maintenance is requested in Khalankomo in ward 9▶ Electricity box must be installed in Transido ward 9 because the municipality expects people to rent.▶ Public toilets are requested in Mount Fletcher town
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	<ul style="list-style-type: none"> ▶ Maintenance of road from No.5 to Koloni in ward 16 ▶ Request for community hall in Luzie and Mokgale in ward 8 ▶ Early Childhood Development Centre in Mbonisweni.
Corporate Services	<ul style="list-style-type: none"> ▶ Securities must be employed by the municipality to decrease the number of unemployed people
Spatial Planning	<ul style="list-style-type: none"> ▶ The craft centre in ward 9 needs to function
Community Services	<ul style="list-style-type: none"> ▶ Need for stalls at the bus rank in Ugie ▶ Provision of refuse bags in Mandela Park ward 2 ▶ Skip bin is requested in Transido in ward 9
Office Of The Municipal Manager	<ul style="list-style-type: none"> ▶ Request for youth training in ward 2 ▶ Farming projects for young people in ward 3 ▶ Network needs to be upgraded, there is always poor cellular phone signal in St Augustine and Mpunkone in ward 5, Fletcherville in ward 11
Budget and Treasury	<ul style="list-style-type: none"> ▶ Municipality electricity should be sold in Nqanqarhu townships ▶ Free electricity for indigent people in Lower Ntywenka
Joe Gqabi District Municipality	<ul style="list-style-type: none"> ▶ Need for water provision in Bhekela and Newrest in ward 2, Peter Mokhaba, Newrest, Tuin Blocks in ward 3, Lower Ntywenka, St Augustines, Hopedale and Goniwe in ward 5, Ngcele, Nkolosane, Ntywenka and Ngxotho in ward 6, Khalankomo and Ephanet Mbeki in ward 9, Xaxazana, Siyalwini, Mbambangwe and Nkalweni in ward 10, Lugcaqweni and Thambekeni in ward 11, Ketekete in ward 16 ▶ Fixing of overflowing pit toilets in ward 2 ▶ JGDM to visit ward 2 regarding the wetlands ▶ Request for water provision at Sibabalwe SSS

	<ul style="list-style-type: none"> ▶ There is no access to water in Polar Park ward 3 ▶ Toilets are overflowing in Polar Park ward 3 ▶ Toilets in Ng'ong'ong'o and infills in Ntushu-ntushu and Kwatsha ward 5, Nkolosane and Ntywenka in ward 6 are requested ▶ Request spring protection needed in Ntywenka ward 6, Nkangala in ward 16 ▶ Toilets left unfinished in Chevy-chase in ward 16 ▶ Toilets in Tuin Blocks ▶ Luzie and Mbizeni in ward 8 need water ▶ Ward 5 community (Kwatsha / Mountain) complains about non involvement or inclusion of community in boreholing ▶ Installed taps are not working in St Augustine / Mpunkone, also boreholing has not been done in the villages. ▶ Ward 5 villages complain about non implementation of Orio programmes, district JGDM is requested to come and account.
<p>Department Of Education</p>	<ul style="list-style-type: none"> ▶ Request for a new structure to be used by Sibabalwe SPS in ward 2 ▶ Construction of Mbonisweni school in ward 5 is needed ▶ Fence in Mhlontlo Primary School needed
<p>Department Of Health</p>	<ul style="list-style-type: none"> ▶ Urgent upgrading of Maclear General Hospital and construction of hospital in Ugie ▶ Mobile clinic is no longer visible in the Ntushu-ntushu village in ward 5 ▶ Clinic is needed in Lower Ntywenka and Mcwangele in ward 5, Tabase and Fletcherville in ward 11, Mdeni in ward 16, Luzie in ward 8 ▶ Mobile clinic is needed in Hopedale in ward 5, Siphungqwini, Mqokolweni and Ngxotho in

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	<p>ward 6, Mokgale in ward 8, Tabase and Fairview in ward 11, Magedla in ward 16</p> <ul style="list-style-type: none"> ▶ Extension of Maclear clinic to cater for various illnesses
South African Police Service	<ul style="list-style-type: none"> ▶ Police Station is needed in Mcwangele in ward 5 ▶ High crime rate which needs satellite police station in Hlankomo in ward 16 ▶ More police officers in Katkop police station
Department Of Public Works	<ul style="list-style-type: none"> ▶ Construction of speed humps in Ntokozweni Location in ward 2
DRDAR	<ul style="list-style-type: none"> ▶ Request for farming assistance in ward 2 ▶ Farming projects for young people in ward 3 ▶ Shearing shed is needed in Hopedale and Sithana in ward 5 ▶ Rehabilitation of Dongas in St Augustines and Mpunkone in ward 5 ▶ Fencing on agricultural projects in Magedla in ward 16 is needed ▶ Department to assist livestock owners with coding and counting of animals and issue animal cards in Ntabelanga.
Human Settlements	<ul style="list-style-type: none"> ▶ RDP houses are requested in Zakhele, TV Park Peter Mokaba in ward 3, Mountain, Sithana, Hopedale and Ntushu-ntushu in ward 5, Ntywenka in ward 6, Tsolobeng in ward 10, Tabase in ward 11, RDP house for an elderly person whose house was burnt in ward 8.
Department Of Transport	<ul style="list-style-type: none"> ▶ Request Scholar transport in Ngxotho, Mpukane to Jamangile SSS in ward 6, scholar transport from Mcwangele to Thomas Ntaba
EPWP	<ul style="list-style-type: none"> ▶ Walking bus (EPWP programme) is needed in Nqanqarhu ▶ Ward 5 complains about contractors who bring their labourers and not considering the unemployed people of the ward.

	<ul style="list-style-type: none"> ▶ Request for tools, material and equipment for EPWP in Mbonisweni and Ntushu-ntushu / Lower and replacement of retired or resigned people in EPWP
ESKOM	<ul style="list-style-type: none"> ▶ Upgrading of electricity in Ntabelanga and non-responsive in electricity faults in ward 5

3.32.2. King IV Code

ELM commits to align its policies, strategy and its operational procedures to the King IV Code. As indicated in the King IV Code, it applies to municipalities because they operate in a system of corporate governance which requires that the various spheres of government (National, Provincial and local) cooperate in exercising powers and performing their functions. In adhering aligning itself to the code, the municipality, will consider:

King IV Code’s objectives which as follows:

- ▶ To promote corporate governance as integral to running an organisation and delivering governance outcomes such as Ethical Culture, Good performance, Effective Control and legitimacy;
- ▶ Broaden the acceptance of King IV Code to be acceptable and fit for implementation across the various sector and organisation types;
- ▶ Reinforce corporate governance as a holistic and interrelated set of arrangement to be understood and implemented;
- ▶ Encourage transparent and meaning reporting to stakeholder;
- ▶ Present corporate governance as a concerned with not only structure and processes but also with ethical consciousness and conduct.

The governance outcomes:

These are the benefits that the organisation could realise if the underlying principles are achieved. The governance outcomes are:

- ▶ Ethical culture
- ▶ Good performance
- ▶ Effective control
- ▶ Legitimacy

King IV principles such as following

- ▶ The governing body should lead ethically and effectively;
- ▶ Govern the ethics of the organisation in a way that supports the establishment of an ethical culture;
- ▶ Ensure that the organisation is and is seen to be a responsible corporate citizen;

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- ▶ The governing body should appreciate that the organisation's core purpose, its risks and opportunities, strategy, business model, performance and sustainable development are all inseparable elements of the value creation process;
- ▶ The governing body should ensure that reports issued by the organisation enable stakeholders to make informed assessments of the organisation's performance, and its short, medium and long-term prospects;
- ▶ The governing body should serve as the focal point and custodian of the corporate governance in the organisation;
- ▶ The governing body should serve as the focal point and custodian of the corporate governance in the organisation;
- ▶ The governing body should comprise the appropriate balance of knowledge, skills, experience, diversity and independence for it to discharge its governance role and responsibilities objectively and effectively;
- ▶ The governing body should ensure that its arrangements for delegation within its own structures promote independent judgement, and assist with balance of power and the effective discharge of its duties;
- ▶ The governing body should ensure that the evaluation of its own performance and that of its committees, its chair and its individual members, support continued improvement in its performance and effectiveness;
- ▶ The governing body should ensure that the appointment of, and delegation to, management contribute to role clarity and effective exercise of authority and responsibilities;
- ▶ The governing body should govern risk in a way that supports the organisation in setting and achieving its strategic objectives;
- ▶ The governing body should govern technology and information in a way that supports the organisation setting and achieving its strategic objectives;
- ▶ The governing body should govern compliance with applicable laws and adopted, non-binding rules, codes and standards in a way that it supports the organisation being ethical and a good corporate citizen

ELM has infused the broad principles of the King IV report in its systems and processes in 2017/2018 financial year, by undertaking an ethics management maturity assessment, through an instrument that contains indicators that are structured around the following categories:

- ▶ Leadership commitment
- ▶ Community ownership
- ▶ Governance structures
- ▶ Integrity management strategy

- ▶ Prevention:
 - ▶ Promoting a professional ethical culture
 - ▶ Policies and procedures
 - ▶ Corruption risk management
 - ▶ Pre-employment screening
 - ▶ Conflict of interest management
- ▶ Detection
- ▶ Investigations
- ▶ Resolution
- ▶ Monitoring and reporting

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3.32.3. Legal Services Section

Currently, the legal services unit has not been established, only one post for Legal Services Manager and is filled. The municipality has a litigation register is currently dealing with 11 cases. (state cases instituted against and by municipality)

3.32.3.1. Litigation Register

During the year under review, the legal section of ELM facilitated the following litigation matters:

Table 52: Litigation Register

#	Case	Municipal Attorney	Particulars of the matter	Claim Amount	Status/ Progress
1	D.P. Madalane// Elundini Local Municipality	Internally handled	Claim for services rendered: Elundini Rural Turnkey Electrification Programme Phase 1	R779 148.49	The Claimant attorneys have not responded to the request for particulars of the claim
2	Lexis Nexis // Elundini Local Municipality	Internally handled	A letter of demand was received from Lexis Nexis attorneys Claiming an amount of R177 642.09 for alleged non-payment of subscription fees.	R177 642.09	The Claimant attorneys were requested to provide the Municipality with particulars of the claim and we have not received any response from them.
3	Lion Of Africa// Elundini Local Municipality	Internally handled	The Municipality received a letter of Demand to recover the amount of R154 686.12, which was payment made to the Municipality for the vehicle claim which occurred on the 07 December	R154 686.12	A correspondence was sent to the Claimant attorneys, enquiring about the value of the scrap in the possession of the insurer in order to determine the setoff against the payment to be made.

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			2018 for vehicle Toyota Corolla HPY707EC. After the payment was made the claim was repudiated by the insurer.		The matter was settled at an amount of R98 931.24 and it was paid to the insurers' attorneys
4	Xoliswa T, Rwexana // Elundini Local Municipality	Magqabi Seth Zitha Attorneys	Plaintiff is claiming from the municipality an amount of R3, 035, 000.00 in respect of injuries she allegedly suffered after she allegedly fell into a trench that was left uncovered at night where roadworks were being carried out at Back Street, Mt Fletcher.	R3 035 000	A Notice of Intention to Defend has been filed and served, and Rule 35(14) Notice served and filed, wherein we were requesting the Plaintiff to supply us with additional information in preparation for trial, in particular, documents upon which her claim is based. The Plaintiff has not responded to our Rule 35(14) notice, and have now applied for an order compelling a reply. In the event that the Plaintiff fails to respond to the order compelling a reply we will apply for the dismissal of the claim. Since the attorney passed on the processes of winding up the firm have started, the instructions will be terminated and another attorney will be appointed to proceed with the matter. Magqabi Seth Zitha Attorneys were appointed to take over the matter. Consultation and

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					inspection in loco were done and Court papers were drafted and served.
5	ELUNDINI LOCAL MUNICIPALITY // UNCEDO TAXI ASSOCIATION	Gwabeni Inc	The Municipality appointed the attorney to lodge an application for Eviction proceedings against Uncedo Taxi Association in respect of Erf. 442, Ugie for illegal occupation of municipal property	None	Eviction proceedings against Uncedo Taxi Association in respect of Erf. 442, Ugie – illegal occupation of municipal property is in process. Mthatha High Court Application papers were completed however the attorney that was handling the matter passed on and instructions were withdrawn and another attorney was appointed to handle the matter. Court Papers were drafted by the newly appointed attorneys and will be forwarded for Municipal Manager’s signature. Court Papers were signed and sent to the correspond attorneys in Grahamstown. We received a request for mediation of the matter from the Applicants and that the matter be transferred to Umtata High Court. Their request was not accepted and an answering affidavit was drafted and signed and will be served and filled in court.

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6	ZILWA CONTRACTORS // ELUNDINI LOCAL MUNICIPALITY	Mgxaji Incorporated	A legal matter was instituted by Zilwa Contractors claiming an amount of R1 250.000.00 for alleged Unlawful termination of a contract by the Municipality. (Mt Fletcher Craft Centre).	R1 250.000.00	A Special plea for lack of jurisdiction was filed. The attorneys applied for the trial date matter is awaiting trial but due to COVID 19, The registrar of the high court will start allocating trial dates in August 2020
7	NANGAMSO CIVILS //ELM	Joubert Searle Gaplin	Summons received for the claim of additional services rendered (LEHANA TO UPPER TOKWANA)	R961 155.60	The matter was Set down for trial on the 18 th June 2020 by virtue of the lockdown and the directives from the judiciary not to conduct face-to-face trials during this period it was not proceeded with. The correspondent attorney was requested to apply for an alternative trial date which have now been favoured with being 23 November 2020. There was an amendment done to the plaintiff's particulars of claim and defendant's plea. The trial date for the matter is the 23 rd of November 2020
8	MASHATA AND 31 OTHERS // ELM	Fikile Ntayiya and associates	Interdict for land invasion in Mount Fletcher.	none	The matter is Awaiting trial date

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9	WIKUS VAN RENSBURG ATTORNEYS//ELUNDINI LOCAL MUNICIPALITY	Klark Lain Inc	Summons were received for a Claim for fees for professional services rendered to the Municipality. The Municipality felt that the fees were excessive and requested that their bill be subjected to taxation.	R103 370.10	Attorney entered a notice of intention to defend the matter and they have requested that the bill be taxed however there was no response. The plea has been drafted served, and filled.
10.	D.P. Madalane// Elundini Local Municipality	Internally handled	Claim for services rendered: Elundini Rural Turnkey Electrification Programme Phase 1	R779 148.49	The Claimant attorneys have not responded to the request for particulars of the claim

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3.33. IDP Assessment

Every effort is made by the municipality in addressing all issues raised on our IDP when IDPs are assessed. As can be noted from the table below, the municipality has improved and has consistently been getting high rating in all the KPAs assessed on over the last four (5) years: In review of the 2022/23 IDP MEC comments that were raised during the assessment of 2021/22 were taken into consideration. Below is the IDP assessment results for the past 5 years:

Table 53: IDP Assessment Results

KPA	RATING 2017/2022	RATING 2018/2019	RATING 2019/2020	RATING 2020/2021	RATING 2021/2022
Spatial Development Framework	High	High	High	High	High
Service Delivery	High	High	Medium	Medium	High
Financial Viability	High	High	High	High	High
Local Economic Development	High	High	High	High	High
Good Governance & Public Participation	High	High	High	High	High
Institutional Arrangements	High	High	High	High	High
Overall Rating	High	High	High	High	High

3.33.1. IDP Assessment response plan

3.34. Audit Outcomes

The Accounting officer is responsible for the preparation of the Annual Financial Statements and submission of the Annual report together with the AFS to the Auditor General each financial year.

The following is the table reflecting the municipal audit performance for the past five years:

Table 54: Audit Outcomes

Financial Year	Audit outcomes
2020/2021	Unqualified with no findings/ Clean Audit
2019/2020	Unqualified with no findings/ Clean Audit
2018/2019	Unqualified with three compliance findings
2017/2018	Adverse
2016/2017	Unqualified with three compliance findings

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3.34.1. Audit Action Plan

The audit action plan was presented together with the annual report for 2020/21 financial in a council meeting held on the 31st January 2022 and was noted by the Council

Table 55: Audit Action Plan

Reference	Query	Audit finding	Auditors Recommendation	Management Response	Auditor's conclusion	Responsible Official	Target date	Remedial action	Progress from last report date
Coaf 1	Inconsistent planned targets as per SDBIP AND APR (adjusted)	Differences between planned targets reported on the APR and the planned targets as per SDBIP were identified Differences between reported achievement on the APR and the planned target as per SDBIP were identified	Management should review and validate information reported on the APR to ensure that it is aligned to the approved planning documents (SDBIP)..	Agree with the finding, management will make adjustments on APR	Management responses have been noted. Management did subsequently adjust the Annual Performance Report to include the actual performance of 2020/21 for the indicators. The adjusted Annual Performance Report has been evaluated to be accurate, valid and complete, thus the finding was adequately addressed and has since been resolved.	Senior Manager Strategic Support Services	Inconsistent planned targets as per SDBIP AND APR (adjusted)	Differences between planned targets reported on the APR and the planned targets as per SDBIP were identified Differences between reported achievement on the APR and the planned target as per SDBIP were identified	Management will review quarterly and validate information reported on the APR to ensure that it is aligned to the approved planning documents (SDBIP)..

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Coaf 2	Deviation: Incorrect disclosure note (adjusted)	During the audit of the deviations, the following deviations that were awarded in 2019/20 financial year were included in the 2020/21 deviation register and disclosed on the AFS	Management should ensure proper review of the financial statements and adjust the balance of the deviation note on the AFS.	Management agrees with the finding, an amount that was paid during 2021 financial year is R318 396.60 as the monthly fee is R26 533.05	Managements comment noted, the adjusted AFS were assessed and the adjustment was effected correctly.	SCM Manager	2022/08/31	The summary deviations register will be reviewed for accuracy prior to finalisation of the AFS	
Coaf 3	ICT Charter and terms of reference not reviewed for 2020/21	The ICT steering committee charter and terms of reference were not reviewed for 2020/21.	Management should ensure that ICT Charter and Framework are reviewed and approved on a periodically basis to ensure that any changes to legislations or standards are taken into account.	Management is in agreement with the finding. There is a plan in place to review ICT Charter and ICT Steering Committee TOR by December 2021. The above mentioned form part of specification for ICT project "Review and develop ICT Governance and Policies". The project was advertised in the first quarter but due to unavailability of suitable services provider, the project was re-advertised.	Management agree. Finding remains.	Director - Corporate Services	2022/06/30	Review of ICT steering committee charter and terms of reference by June 2022	Service provider to assist the institution with review of ICT policies has been appointed. The project commenced in January 2022.

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Coaf 3	Planning: Policies not reviewed	The below listed policies were not reviewed and or approved by the council.	Management should: 1. Ensure that policies are being reviewed and approved by council timeously. 2. Regularly communicate the policies and procedures to ensure all employees understand what is required of them in terms of those policies and procedures. 3. Design controls (for example regular reviews) that will ensure that the policies and procedures are implemented effectively. 4. The policies and procedures should be aligned to the relevant laws and regulations where applicable	Management is in disagreement with the finding on HR policies. Please see attached a memorandum that was provided to AG dated 07 September 2020 to Management advising that the Human Resource Policies that were approved by Council for 2018/19 are still in use as there were no gaps identified.	Management's comment noted. The finding relating to the fixed asset policy is resolved as the policy reviewed for the 2020/21 financial period was attached to the response. Management has not responded to the finding relating to the IT policies, therefore the finding remains and will be reported in the management report.	Director - Corporate Services	2022/06/30	Facilitate adoption of the draft ICT policies.	Service provider to assist the institution with review of ICT policies has been appointed. The project commenced in January 2022. Currently we have draft policies in place.
Coaf 4	COAF 4 Limitation of Scope - Legal Confirmations Non-submission (Resolved)	Section 74(1) of the MFMA states that the accounting officer of a municipality must submit to the AGSA such information, returns, documents, explanations and motivations as may be prescribed or as may be required.	The management should ensure that all records for contingent liabilities are kept by the attorneys and available when required.	Management is in agreement with the finding. We have communicated with our legal practitioners to submit the legal confirmations, which they subsequently did.	A legal confirmation confirming the first two legal cases on the finding was subsequently received from the attorneys with amounts R950 000 and R1 250 000. The remaining factual limitation misstatement is R103 371.13, which	Legal Officer	2022/10/31	The legal officer will be in touch with the legal practitioners to ensure their timeous response to the confirmations	

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					is below the trivial threshold.				
Coaf 5	Material Losses : Percentage of Material Losses above normal rate	The material losses of 22.8% disclosed in the current period is above the 7% - 10% acceptable threshold.	Management should ensure that there are controls in place to monitor and minimise the material losses.	Management is in agreement with the finding. Various measures are being put in place to reduce the electricity distribution losses. These include installation of smart meters, commissioning SARPA (South African Revenue Protection Association) to review the processes and policies in place at Elundini and making recommendations for improvement.	Management should ensure that there are controls in place to monitor and minimise the material losses.	Director - Infrastructure & Planning	2022/06/30	SARPA recommendations are being implemented. An action plan has been developed as informed by the SARPA recommendations	

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Coaf 5	Employee Related Costs: Payments made in excess of the approved allowance the per the allowance policy	Differences were noted between amounts paid for allowances and overtime to employees and auditors recalculated amounts which are based on the approved allowance and overtime policy.	Management should ensure that calculation of allowances and overtime are reviewed to ensure that accuracy.	We disagree with the findings.	Management comments noted, the remaining misstatements after recalculations and discussion with management are as follows:	Director - Corporate Services	2022/02/28	Payroll calculations will be reviewed before payment is processed by finance.	Payroll calculations are being reviewed before payment is processed by finance.
Coaf 5	SCM: Internal control deficiency identified	During the audit of contract management, the following issues were identified: The performance of the suppliers below was assessed and noted as inadequate, however, no applicable penalties were invoked or no contract was terminated for default. Supply, Delivery and Rental of Sanitary Hygiene Services within the Elundini Local Municipality Offices for a Period of Months - Bidvest Steiner	The management should ensure that problems identified during the monitoring of the contracts are followed up and are rectified immediately as to ensure effective monitoring and avoid losses.	Management is in disagreement with the finding	The process for the procurement for the supply, delivery and rental of sanitary hygiene services within the Elundini Local Municipality Offices only commenced in November 2021 (the specification was approved on 05 November 2021) however the contract ended on 31 October 2021 as evidenced by the specifications committee report submitted in response to this	SCM Manager	2022/04/30	The SCM Manager will review all vendor performance forms monthly and present a summary report to CFO and make recommendations on the steps to be taken for identified poor performance. The recommendations may include serving the affected service provider(s) with a demand for performance, etc.	

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					finding, therefore the finding remains.				
Coaf 6	Service Charges: Availability charge disclosed as exchange transactions	The revenue relating to availability charges is disclosed in the financial statements as revenue from exchange transactions instead of revenue from non exchange transactions. As the municipality does not give approximately equal value to consumers in return from the fixed availability/ basic component of the monthly charge that consumers are required to pay, this revenue should be accounted as non-exchange revenue.	Management should ensure revenue that does not meet the definition of exchange revenue is disclosed as non exchange revenue.	Management is not in agreement with the finding. There are two types of basic services	Management comments noted, however as Elundini LM does not give approximately equal value to consumers in return from the fixed availability/ basic component of the monthly charge that consumers are required to pay, Elundini LM should account for the fixed availability/ basic charge as non-exchange revenue.	Income and Expenditure Manager	2022/08/31	Proper identification of properties in terms of vacant and occupied properties, and properly disclose them between revenue from non-exchange and revenue from exchange	

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Coaf 8	Exchange revenue - Non-exchange interest revenue incorrectly classified	There is no split between interest charged on exchange and non-exchange receivables in note 21 of the financial statements. Therefore interest charged on property rates (non - exchange) receivables has been incorrectly disclosed under exchange revenue on the annual financial statements.	Management should disclose the above interest revenue as a separate line item on the annual financial statements based on its significant category, being revenue from non - exchange transactions.	Management agrees with the finding. Interest levied on outstanding property rates does not have its own segment in order to link it to a separate GRAP line-item in the AFS. With the use of billing reports, Management was able to determine the interest levied on outstanding property rates, which amounts to R1 379 918 (2020 - R1 061 401). Kindly refer to the Excel document accompanying this response for the extracts from the billing reports.	The municipality is not required to adjust the AFS in the current year, however going forward this must be taken into account in the financial statements.	Income and Expenditure Manager	2022/08/31	Allocation of interest between revenue from exchange and revenue from non-exchange and effecting appropriate disclosure in the AFS	
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CHAPTER 3. STRATEGIES AND OBJECTIVES

3.1. Introduction

The municipality began a process of developing the strategies and objectives for the 5-year term (2022-2027) in consideration of the situational analysis of the municipality. The municipality has also developed the vision and its mission looking at the future developments in the municipality. The strategic planning paved the way for the comprehensive vision development and mission for the municipal leadership.

3.2. PESTEL FACTORS

Table 56: PESTel Factors

Political Factors	Economic Factors
<ul style="list-style-type: none"> ▶ The amendments to section 25 of the Constitution in relation to the expropriation of land without compensation has become a political football that is causing uncertainty to those who need land for development or settlement. ▶ Nullification of legislation leading to a change in municipal policies. [i.e Systems act] ▶ PPPFA 2017 used by government to advance local SMME government has been repealed by the constitutional court, meaning that the sub-contracting clause has been nullified by courts. This will lead to manipulation of SCM processes on sub-contacting threshold. Municipality will therefore need to address the sub-contracting procedures and advancement of designated groups (HDI) in its internal policies. ▶ New regulations vs agreements (overregulation), No local government consultation processes followed. ▶ Political contestations at provincial level (resolutions of provincial conference of the ruling party) may affect service delivery at local government level. 	<ul style="list-style-type: none"> ▶ South African economy has a potential for growth and development, however, poor planning for economic growth, proper implementation as well as monitoring of introduced plans lead to poor economic state. ▶ COVID-19 damaged an economy that was already limping. ▶ Unemployment is a huge problem and has a direct impact on corruption. Moreover, the government is creating citizens that are dependent on the government. ▶ Education system is not channelled at producing entrepreneurs, but more on producing people who will still require employment from other employers. i.e the state. ▶ Employment and corruption affect the development of Elundini community. ▶ The municipality is attracting a more foreign nationals who see business opportunities. ▶ Difficulties in adapting to the Fourth Industrial Revolution with current low skills base ▶ Youth unemployment rate stands at 52%: Likely to result in Increased social ills (in crime, substance abuse)

<ul style="list-style-type: none"> ▶ Regulations guiding the recruitment of senior management causes instability and has a negative impact in the operations of municipality, municipal performance and service delivery. ▶ Government has put measures in place to fight corruption, however, there is poor and inconsistent implementation of laws, and as a result, corruption is still on the rise. 	
<p>Social Factors</p>	<p>Technological Factors</p>
<ul style="list-style-type: none"> ▶ Societal standards that resulted from apartheid channel the behaviour of citizens away from economic independence. ▶ Elundini is a rural area that exports the limited skills it produces to other areas resulting in the brain drain particularly for skills in areas such as agriculture, information communication and technology, and construction. ▶ Education levels are fairly low, and fewer citizens with post graduate qualifications. ▶ The levels of crime rate are very high especially in relation to murder cases, GBV, assault, and robbery. ▶ Youth unemployment, substance abuse, and child headed families has led to high crime rate in the District and Elundini. ▶ It has an impact on the Municipal operations due to when an essential worker is involved. ▶ When there's a challenge of ICT network, we are unable to conduct virtual meetings, and for service delivery we are unable to process payments and purchasing of electricity token. ▶ We need to be very vigilant due to well of health and hygiene by visiting offices and Ablution facilities twice a day 	<ul style="list-style-type: none"> ▶ Installation of network fibre from N2 to Maclear will improve performance of network around Elundini area. ▶ New technologies will be used to conduct business. i.e virtual /remote functioning ▶ Positive impact, as there will be improved network connectivity, and increase in revenue collection through fibre rental. ▶ Introduction of artificial intelligence to execute functions. ▶ Introduction of renewable energy initiatives to complement current sources of energy ▶ Renewable energy will address the issues relating to illegal connections and distribution losses ▶ Government identifies and supports science and technology as drivers for economic growth. ▶ Government focused on the improvement and development of human capabilities, reskilling to avoid job losses.

<p>People need to be transparent to disclose any diseases or health issues</p>	
<p>Environmental Factors</p>	<p>Legal Factors</p>
<ul style="list-style-type: none"> ▶ Sensitive environmental areas limiting developable areas ▶ The effects of climate change are being felt in rural parts of the province which has resulted in soil erosion due to heavy rains. ▶ Invasive fauna and flora affecting water sources ▶ Illiteracy on Waste Management and as such poor participation in Recycling, Re-use and ▶ Optimal weather conditions for Solar Power to reduce dependency on mainstream electricity. ▶ Renewable energy will impact positively impact Elundini because of clean energy, and we will be able to service more customers (as gas supply and solar systems assist more people to have access to energy), and this will contribute more on limiting over-utilisation of the grid. 	<ul style="list-style-type: none"> ▶ Review of Municipal Systems Act likely to impact recruitment processes and professionalising of local government sphere. ▶ Handling Personal information and disclosing such as prescribed in terms of POPI Act likely to affect day-to-day operations ▶ The Local Government Demarcation Bill likely to provide for the criteria and procedures for the determination and redetermination of municipal and ward boundaries and the establishment of an appeals authority. ▶ Uncertainty in implement the Municipal Property Rates Act and subsequent a proper rates policy. ▶ Possible end toward Ending Spatial Fragmentation through the proposed Land Use Management Bill

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SWOT ANALYSIS

Table 57: SWOT Analysis

KPA	INTERNAL		EXTERNAL	
	STRENGTHS	WEAKNESSES	OPPORTUNITIES	THREATS
Infrastructure and Basic Service Delivery	<ul style="list-style-type: none"> ▶ Quality & Competent staff minimising need for procuring external service providers. ▶ Adopted policies in place, plans and agreements ▶ Availability of tools of trade for employees and specialised fleet ▶ Achieved 143km of road network ▶ Existing roads infrastructure maintenance plan ▶ Effective Procurement Strategy for implementing Service Delivery 	<ul style="list-style-type: none"> ▶ Vacant and unfunded positions ▶ Poorly managed and ageing fleet ▶ Poorly implementation of internal controls ▶ Lack of consequence management ▶ Outdated Municipal by-laws that are long overdue for review and implementation ▶ Poor maintenance of existing infrastructure ▶ Poor quality of new roads infrastructure due to poor planning of infrastructure roll-out 	<ul style="list-style-type: none"> ▶ We have grant funding for the implementation of Infrastructure and Basic service delivery. ▶ Favourable Government framework for enhancement of massive job creation. ▶ Operationalising the Vehicle Testing Station ▶ Placement of sufficient Skip Bins closer to communities to improve waste management. ▶ Expansion for Public Transport Facilities (Taxi & Bus Ranks) 	<ul style="list-style-type: none"> ▶ We have the perception of poor service delivery from community. ▶ Insufficient funding for infrastructure development for all Municipal wards. ▶ High poverty rate resulting in poor revenue collection. ▶ Settlements Geographical Sparsity (Settlements are located far apart) ▶ Difficulty in accessing all areas and settlements under

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	INTERNAL		EXTERNAL	
KPA	STRENGTHS	WEAKNESSES	OPPORTUNITIES	THREATS
	<ul style="list-style-type: none"> ▶ On the brink of achieving universal access to Electricity ▶ Effective Operational Systems and Policies in place 	<ul style="list-style-type: none"> ▶ Inadequate Project Formulation, Management, Implementation, Handover and Monitoring 		<ul style="list-style-type: none"> Jurisdiction (Terrain & Geo-location) ▶ Limitations with Pandemics (Not limited to Covid-19) ▶ Climate change and its impact on infrastructure
	<ul style="list-style-type: none"> ▶ There are existing facilities (Public amenities) ▶ Approved Integrated Waste Management Plan ▶ Improved maintenance of public amenities (Public Parks) ▶ Functioning Drivers Licencing Testing Centre and Registering Authority ▶ Existence of municipal fire services 	<ul style="list-style-type: none"> ▶ Outdated Waste Management plan that needs review ▶ Poor enforcement of by-laws ▶ Abuse of municipal Fleet ▶ Poor contract management (PPP) ▶ Lack of land for development on new cemeteries ▶ No disaster management plan and lack of capacity for fire services. 	<ul style="list-style-type: none"> ▶ Tourism that improves revenue collection ▶ Green City (Healthy environment/Eco System) ▶ Revenue collection through DLTC ▶ Massive job creation ▶ Attract external funding 	<ul style="list-style-type: none"> ▶ Illegal Dumping ▶ Public protests ▶ Vandalism of public amenities ▶ Low electrical cables leading inaccessible roads for refuse collection ▶ Incurrence of fines due to non –compliance with environmental Legislation

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	INTERNAL		EXTERNAL	
KPA	STRENGTHS	WEAKNESSES	OPPORTUNITIES	THREATS
		<ul style="list-style-type: none"> ▶ Poor management and vandalism of public Amenities. ▶ Land invasion on key spaces earmarked for future projects geared at service delivery 		<ul style="list-style-type: none"> ▶ Unavailability of airspace for waste disposal (Landfills)
Local Economic Development	<ul style="list-style-type: none"> ▶ Existence of LED Section, Strategies & Policies ▶ SMME development (EPWP opportunities) 	<ul style="list-style-type: none"> ▶ LED Strategies that do not fit local context. ▶ Insufficient Marketing of ELM as a viable Tourism Destination ▶ Inadequate resources Available to support/ implement Local Economic Development ▶ Poor implementation of LED programmes ▶ Least contributing in JGDM GDP 	<ul style="list-style-type: none"> ▶ Tourist Attraction ▶ Favourable National policies for economic stimulation ▶ Wool production ▶ Youth empowerment programmes ▶ Business development opportunities. ▶ Access to community Wi-fi ▶ Farming hub ▶ Capacitation of designated groups. 	<ul style="list-style-type: none"> ▶ Low economic profile ▶ Least contributing in JGDM GDP

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	INTERNAL		EXTERNAL	
KPA	STRENGTHS	WEAKNESSES	OPPORTUNITIES	THREATS
		<ul style="list-style-type: none"> ▶ Poor monitoring of implementation of current By-Laws (Street Trading By-Laws, Hygiene, etc). 	<ul style="list-style-type: none"> ▶ There is a room for private partnership ▶ Prospects of business and job creation ▶ Sustain relations with PG Bison 	
Good Governance and Public Participation	<ul style="list-style-type: none"> ▶ Good and Stable Governance ▶ Established and functioning Council Committees ▶ Achievement of Clean Audit for past 2 consecutive years ▶ A Largely Functional Municipality ▶ Adopted Participation and Communication processes ▶ Credible IDP as approved by COGTA MEC ▶ Automated Performance Management System 	<ul style="list-style-type: none"> ▶ Delayed election of ward committees ▶ Poor stakeholder feedback ▶ Poor Participation from internal and External IDP Process ▶ Poor Coordination of Public Participation Process. 	<ul style="list-style-type: none"> ▶ Improved service delivery ▶ Good implementation of Batho Pele Principles ▶ Political Stability ▶ Public Trust emanating from good credit worthiness ▶ Positive Credit rating from financial institution ▶ Exploring and Maintaining Effective Inter Governmental Relations ▶ Twinning with other municipalities to share good practices. 	<ul style="list-style-type: none"> ▶ Possible Political Instability as a result of provincial elections in the ruling party ▶ Service Delivery Unrest ▶ Vandalism of community infrastructure

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	INTERNAL		EXTERNAL	
KPA	STRENGTHS	WEAKNESSES	OPPORTUNITIES	THREATS
	<ul style="list-style-type: none"> ▶ Operation Internal Audit Committee ▶ Good public participation turn-out ▶ Available communication platforms 			
Financial Viability and Management	<ul style="list-style-type: none"> ▶ Sound financial controls in place ▶ Financial Viability in accordance with National Treasury norms ▶ Optimisation of allocated budget/ No rollovers from conditional grants ▶ Spending 100% of budget allocation ▶ Achievement of Clean Audit for past 2 ▶ Implementation of revenue enhancement strategy ▶ Effective MSCOA Reporting 	<ul style="list-style-type: none"> ▶ Poor revenue collection ▶ Poor implementation of internal controls ▶ Inconsistent financial reporting. ▶ No ring-fencing of municipal collected revenue ▶ Non enforcement of by-laws impact revenue collection ▶ Poor re-registration of deregistered indigent beneficiaries. 	<ul style="list-style-type: none"> ▶ Increase revenue base to supplement operational costs ▶ Increases in budget allocation as a result of effective implementation of infrastructure and basic service delivery. ▶ Implementation of retention strategy ▶ Expand revenue generating streams ▶ Implement Private Public Partnership for efficient 	<ul style="list-style-type: none"> ▶ Exposure to fraud and corruption in departments ▶ Political interference ▶ Illegal electricity connection ▶ Over reliance on grants as source of revenue that own revenue generating schemes

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KPA	INTERNAL		EXTERNAL	
	STRENGTHS	WEAKNESSES	OPPORTUNITIES	THREATS
			and enhanced generation and collection of revenue ▶ Optimal Use of Investment Properties to generate Revenue	
Institutional Transformation and Organisational Development	<ul style="list-style-type: none"> ▶ Adopted HR policies ▶ Approved Organogram ▶ Existing ICT policies ▶ Existence of Local Labour Forum ▶ Adopted and implemented human resource policies ▶ ICT systems in place ▶ Compliance to relevant legislative authorities (Department of Labour, LGSETA etc.) 	<ul style="list-style-type: none"> ▶ Silo mentality ▶ Low staff morale ▶ Low staff salaries ▶ ineffective staff retention strategy ▶ Inadequate awareness of Labour Relations policies among employees. ▶ Decentralised document management ▶ Lack of ICT innovative strategies (old laptops and printers) ▶ Ineffective LLF ▶ Preference only given post-graduate bursaries 	<ul style="list-style-type: none"> ▶ Existence of labour relations framework ▶ Training of youth on ICT to reduce high unemployment rate ▶ Introduction of fourth industrial revolution 	<ul style="list-style-type: none"> ▶ Brain drain / High staff turnover ▶ Ineffective staff retention strategy. ▶ Increase in cyber crimes ▶ Too many vacancies at senior management level.

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	INTERNAL		EXTERNAL	
KPA	STRENGTHS	WEAKNESSES	OPPORTUNITIES	THREATS
		<ul style="list-style-type: none"> ▶ Lack of succession planning ▶ Non-functioning of Local Labour Forum ▶ Lack of review of HR Policies ▶ Inconsistencies and incorrect implementation of HR Policies. ▶ Poor records management system. ▶ Poor network connectivity. ▶ High staff turnover ▶ Non standardised departmental structures. ▶ Poor communication across different levels of employees. ▶ Resistance to change. 		

3.3. VISION

“A pioneer for sustainable rural development”

3.4. MISSION

“To deliver quality services through good governance and administration



3.5. COUNCIL PRIORITIES

- ▶ Infrastructure Development: Includes both social and economic infrastructure
- ▶ Agricultural Development: Include both Primary and secondary production
- ▶ Property Development: To enhance municipal revenue through leveraging from Council owned property portfolio
- ▶ SMME Development: Reduce economic linkage through leveraging from the municipal procurement
- ▶ Tourism Development: Promoting Tourism through Marketing

Top three projects responding to the identified priorities

Table 58: Council Priorities

Project Name and description	Budget	Beneficiaries	Start date & End Date
Enhancement of procurement strategy for SMME participation	10m /annum	Minimum of 10 local contractors	July 2022 and is on going
Agri Hub Development to enhance Manufacturing	2m (Master Plan)	Communities	July 2022 on going

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	1,5 Million		
MIG & INEP Funded infrastructure development project	44 M / Annum 14 400 M/ Annum (Communities	July 2022 and on going

3.6. STRATEGIC GOALS

The Municipality is in pursuit of these three Strategic Goals in this term of office:

Goal One: Accelerate delivery of reliable basic services and resilient infrastructure

Goal Two: Promote economic growth, environmental sustainability through job absorbing sectors

Goal Three: To improve the effectiveness of governance administrative and financial systems

3.7. STRATEGIC OBJECTIVES

During this term of office, the Strategic Objectives supporting the overarching Strategic Goals are as follows:

▲ **Goal One:** Accelerate service delivery and infrastructure development.

- ▶ To ensure efficient construction, rehabilitation and maintenance of municipal infrastructure
- ▶ To promote environmental health and safety of local communities
- ▶ To provide reliable basic services to households and the business sector.

▲ **Goal Two:** Promote economic growth, environmental sustainability through job-absorbing sectors

- ▶ To facilitate industrialisation that unlocks the manufacturing potential of the local economy
- ▶ To support the development of SMME to participate in a diversified and growing economy.
- ▶ To increase investment through land and socio-economic infrastructure development.
- ▶ To promote the protection and conservation of natural resources through green lifestyle.

▲ **Goal Three:** Improve the effectiveness of governance administrative and financial systems.

- ▶ To improve public participation and oversight to enhance accountability.
- ▶ To strengthen integrated planning, monitoring and evaluation of municipal programmes.
- ▶ To enhance organisational performance, financial viability and management of municipal resources.

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3.8. STRATEGIC PRIORITIES 2022-2027

The Strategic Planning process produced the following priorities for the Council over the next five years.

Table 59: Strategic Priorities

LOCAL GOVERNMENT KPA	5-YEAR PRIORITIES
Infrastructure and Service Delivery	<ul style="list-style-type: none"> ▶ Improve contract management capacity and increase local beneficiation to 50% on infrastructure projects. ▶ Review by-laws and create a business-friendly environment that will attract investment to the Municipal area. ▶ Refurbishment/maintenance of infrastructure as per National Treasury norm of 8%.
Local Economic Development	<ul style="list-style-type: none"> ▶ Develop an extended SMME strategy that incorporate an incubation and capacity development programme for local SMMEs and Cooperatives. ▶ Work with ECRDA and other partners to establish an Agro-Hub by 2027.
Financial Viability	<ul style="list-style-type: none"> ▶ Leveraging on the property portfolio for revenue enhancement.
Good Governance And Public Participation	<ul style="list-style-type: none"> ▶ Improve public participation through ward-based planning and implementation
Municipal Transformation	<ul style="list-style-type: none"> ▶ To improve internal efficiencies and effectiveness through collaboration and partnerships

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KPA: Basic Service Delivery and Infrastructure Development

Table 60: Strategies and Objectives

Goal 1: Accelerate delivery of reliable basic services and resilient infrastructure													
STRATEGIC OBJECTIVE	FOCUS AREA	STRATEGY	PROJECT	BUDGET	OUTPUT INDICATOR	BASELINE	5YEAR TARGET	ANNUAL TARGET					INDICATOR CUSTODIAN
								22/23	23/24	24/25	25/26	26/27	
To ensure efficient construction, rehabilitation and maintenance of municipal infrastructure	Project Management Unit	Up-skilling of PMU staffers	Road construction	R138 Million	kms of Road constructed	591 historic (5 past years = 62.34)	69	11.78	12	11	10.89	10.86	Director Infrastructure Planning and Dev
	Project Management Unit	Framework Contracts for Main Contractors and SMMEs	Construction of ECDC in Ward 2	R 4,4 Million	Number of Public Amenities constructed	3	1	1	0	0	0	0	Director Infrastructure Planning and Dev
	Project Management Unit	Framework Contracts for Main Contractors and SMMEs	Construction of community halls in Wards 5, 6, 8, 11, 13, 14, 15	R20 Million	Number of Public Amenities constructed	13	2	0	1	0	1	0	Director Infrastructure Planning and Dev
	Project Management Unit	Framework Contracts for Main Contractors and SMMEs	2 New Sports fields; Rehabilitation of 3 Sport fields	R70 Million	Number of Public Amenities constructed	4	5	1	1	1	1	1	Director Infrastructure Planning and Dev
	Buildings and Civil Works	Efficient construction, rehabilitation and	Maintenance of road network	7 Million	KMs of access roads maintained	750km	750km	150	150	150	150	150	Director Infrastructure Planning and Dev

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		maintenance of municipal infrastructure											
	Buildings and Civil Works	Efficient construction, rehabilitation and maintenance of municipal infrastructure	Construction of stormwater in urban towns	13.34 Million	% completed of storm water maintenance	2	100%	100%	100%	100%	100%	100%	Director Infrastructure Planning and Dev
	Buildings and Civil Works	Efficient construction, rehabilitation and maintenance of municipal infrastructure	Repairs to damaged bridges	17.2 Million	No of bridges rehabilitated	4	5	1	1	1	1	1	Director Infrastructure Planning and Dev
	Buildings and Civil Works	Efficient construction, rehabilitation and maintenance of municipal infrastructure	Refurbishment of 1km of road network in Ugie		No of kms of roads in urban area to rehabilitate.	5	1	1	1	1	1	1	Director Infrastructure Planning and Dev
Accelerate service delivery and infrastructure development	Electrification	Efficient construction, rehabilitation and maintenance of municipal infrastructure	Rural electrification	57 Million	Number of households with access to electricity	Number of households in electrified	2406	480	763	533	400	230	Director Infrastructure Planning and Dev
Accelerate service	Electrification	Efficient construction,	Link line constructed	8.9 Million	No of villages benefited on	No of kilometers	33	0	10	16	7	0	Director Infrastructure

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delivery and infrastructure development		rehabilitation and maintenance of municipal infrastructure			bulk infrastructure constructed	constructed								re Planning and Dev
Accelerate service delivery and infrastructure development	Electrification	Efficient construction, rehabilitation and maintenance of municipal infrastructure	Public lighting – High masts	15 Million	No of households with access to public lighting	No of highmast lights installed	17	10	2	2	2	2	2	Director Infrastructure Planning and Dev
Accelerate service delivery and infrastructure development	Electrification	Efficient construction, rehabilitation and maintenance of municipal infrastructure	Public Lighting – Street Lights	3.7 Million	No of streets with public lighting	No of streetlights installed	218	100	20	20	20	20	20	Director Infrastructure Planning and Dev
Accelerate service delivery and infrastructure development	Electrification	Efficient construction, rehabilitation and maintenance of municipal infrastructure	Network upgrades	21 Million	Improved performance of electrical network	Network upgrades completed	7	10	2	2	2	2	2	Director Infrastructure Planning and Dev
Accelerate service delivery and infrastructure development	Electrification	Efficient construction, rehabilitation and maintenance of municipal infrastructure	Maintenance of electricity network	17.2 Million	Improved performance of electrical network	% of network maintained	100%	100%	100%	100%	100%	100%	100%	Director Infrastructure Planning and Dev

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Accelerate service delivery and infrastructure development	Electrification	Efficient construction, rehabilitation and maintenance of municipal infrastructure	Maintenance of Public Lights	2.9Million	Improved public lighting.	% Public lighting maintained	100%	100%	100%	100%	100%	100%	Director Infrastructure Planning and Dev
Accelerate service delivery and infrastructure development	Infrastructure Grant expenditure	Efficient construction, rehabilitation and maintenance of municipal infrastructure	Expenditure of infrastructure Grant	R 58 574 000	% expenditure on all infrastructure grants	100%	100%	100%	100%	100%	100%	100%	Director IP&D
STRATEGIC GOAL: To promote environmental health and safety of local communities													
To provide reliable basic services to households and the business sector	Waste management and cleansing	Reviewal of the Integrated Waste management Plan	Council Adopted Integrated Waste Management Planning,	R,00	% Implementation of IWMP (annual milestones)	60%	100%	100%	100%	100%	100%	100%	Director Community Services
	Waste Management and Cleansing	Refuse Collection	Refuse Collection	R,00	% Implementation of the approved refuse collection schedule for households	100%	100%	100%	100%	100%	100%	100%	Director Community Services
	Waste Management	Refuse Collection	Refuse Collection	R,00	% Implementation of the approved	100%	100%	100%	100%	100%	100%	100%	Director Community Services

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	ent and Cleansing				refuse collection schedule for commercial properties								
	Waste Recycling	Waste Recycling	Waste minimization	R0,00	Number of Recycling SMME” s supported	6	10	10	10	10	10	10	Director Community Services
	Waste Managem ent	Conversion of recovery facility to mini buyback Centre	Mini buy back Centre Development	R500 000	Number of buy back centre developed	New	1	N/A	1	N/A	N/A	N/A	Director Community Services
	Landfill managem ent	Landfill site Management	Landfill Site management and operation.	R300 000	Number of landfill site audit conducted on a quarterly basis.	New	20	4	4	4	4	4	Director Community Services
To provide reliable basic services to households and the business sector	Parks and Public Amenities	By instilling a culture of reading and lifelong learning and upgrading the existing libraries	Library Services		Number of functional libraries managed through the SLA with Department of Sports, Recreation, Arts and Culture.	4	4	4	4	4	4	4	Director Community Services
	Parks and Public Amenities	Cemetery layouts	Cemetery Management	R250 000	Number of cemetery layout plan develop			1	N/A	N/A	N/A	N/A	Director Community Services
	Parks and Public Amenities	Provision of Cemeteries Infrastructure	Cemetery Management	R500 000	Number of cemeteries provided with			N/A	1	1	1	1	Director Community Services

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					fully compliant infrastructure								
	Public Safety	Awareness Program	Registration & Licensing / DLTC & VTS	R,00	Number of workshops outreach programs conducted for leaners	New	20	4	4	4	4	4	Director Community Services
	Public Safety	Road Traffic Infrastructure improvement	Registration & Licensing / DLTC & VTS	R150 000	Number of Road Traffic infrastructure provided (Signage and traffic calmers)			3	3	3	3	3	Director Community Services
To provide reliable basic services to households and the business sector	Public Safety	Licensing	Registration & Licensing / DLTC & VTS	R,00	No of Leaners Licenses Issued	10 000 learners' licenses	15 000	2000	4000	4000	2000	3000	Director Community Services
	Public Safety	Licensing	Registration & Licensing / DLTC & VTS	R,00	Number of Driving Licenses Issued	5000 driving licenses	5000	1000	1000	1000	1000	1000	Director Community Services
	Public Safety	Vehicle registration	Revenue Generation	R,00	Revenue generated from vehicle's registration and licensing	New	5 million	1 million	1 million	1 million	1 million	1 million	Director Community Services
To provide reliable basic services to households	Public Safety	Vehicle Testing	Registration & Licensing / DLTC & VTS	R,00	Number of vehicles tested	New indicator	5000	1000	1000	1000	1000	1000	Director Community Services

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and the business sector					for road worthiness								
	Parks and amenities	Stray Animal Impounding	Stray Animal Impounding	R,00	100% impounding of stray livestock	NEW	100%	100%	100%	100%	100%	100%	Director Community Services
	Parks and amenities	Maintainance of Impounding facilities	Maintainance of Impounding facilities	R500 000	Number of animals holding facilities maintained	3	3	1	1	1	-	-	Director Community Services
	Public Safety	Fire incidents response	Fire Prevention		% of reported fire incidents responded to	80%	80%	100%	100%	100%	100%	100%	Director Community Services
To provide reliable basic services to households and the business sector	Public Safety	Fire incidents response	Equipment and apparatus for provision of fire rescue services (Fire Hydrants)	R,00	% procurement of equipment to respond to fire and rescue services (disaster vehicle , jaws of life)	New	100%	-	100%	100%	100%	100%	Director Community Services
	Poverty Alleviation	Expanded Public works program	Expanded Public Works Programs	R2 569 000	Number of jobs created through Expanded Public Works Program		1250	250	250	250	250	250	Director Community Services

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	Poverty Alleviation	Community Works Programme	Community Works Programme	R14 000 000	Number of Jobs created through CPW		1100	1100	1100	1100	1100	1100	Director Community Services
KPA: Municipal Transformation and organisational Development													
STRATEGIC OBJECTIVE	FOCUS AREA	STRATEGY	PROJECT	BUDGET	OUTPUT INDICATOR	BASELINE	5YEAR TARGET	ANNUAL TARGET					INDICATOR CUSTODIAN
								22/23	23/24	24/25	25/26	26/27	
To enhance organisational performance, financial viability and management of municipal resources.	Human Resource Development	Enhance organisational performance in order to achieve organisational objectives.	Sound Labour relations	R100 000	Number engagements with Labour	11	20	4	4	4	4	4	Director Corporate Services
	Human Resource Development	Enhance organisational performance in order to achieve organisational objectives.	Review of Employment Equity Plan	R100 000	Number of letters of good standing obtained from Department of Labour	1	5	1	1	1	1	1	0-\
	Human Resource Development	Enhance organisational performance in order to achieve organisational objectives.	Implementation of Workplace Skills Plan	R 10 million	Number of workplace skills plan submitted to LGSETA	1	5	1	1	1	1	1	Director Corporate Services

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	Human Resource Development	Enhance organisational performance in order to achieve organisational objectives.	Review of the Organizational Structure for 2022/23	R4 million	Number of organizational structures reviewed	1	5	1	1	1	1	1	Director Corporate Services
	Human Resource Development	Enhance organisational performance in order to achieve organisational objectives.	Review and implementation of Wellness calendar	R100 000	Number of reviewed employee wellness strategies	1	5	1	-	-	-	-	Director Corporate Services
	Human Resource Development	Enhance organisational performance in order to achieve organisational objectives.	Implementation of Occupational Health and safety strategy	R500 000	Number of OHS strategies reviewed	1	1	1	-	-	-	-	Director Corporate Services
	Human Resource Development	Enhance organisational performance in order to achieve organisational objectives.	Policy review	R,00	Number of reviewed HR policies reviewed	New	31	10	10	10	1	-	Director Corporate Services

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	Information Communication Technology	Improvement of security system to all administrative Units and facilities.	Network connectivity (LAN)	R2.5 mil	Number of offices upgraded to cat 6e		150	100	50	-	-	-	Director Corporate Services
	Information Communication Technology	Improvement of security system to all administrative Units and facilities.	Network connectivity (LAN)	R,00	Number of new offices linked to LAN	New	50	N/A	50	N/A	N/A	N/A	Director Corporate Services
	Information Communication Technology	Improvement of security system to all administrative Units and facilities.	Cloud based solutions	R3 mil	Number of applications migrated to cloud based solutions	New	5	1	1	1	1	1	Director Corporate Services
	Information Communication Technology	Improvement of security system to all administrative Units and facilities.	Fiber optic from n2.	R1 mil	Number feasibility study done for fiber optic rollout throughout Elundini	new	1	N/A	1	N/A	N/A	N/A	Director Corporate Services
	Information Communication Technology	Improvement of security system to all administrative Units and facilities.	Safeguard municipal data	R 500 000	% of remote backup on municipal systems conducted	100%	100%	100%	100%	100%	100%	100%	Director Corporate Services

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	Information Communication Technology	Improvement of security system to all administrative Units and facilities.	Protection of municipal data	R 500 000	Number ICT security applications monitored (Anti-virus, Firewall, encryption)	new	3	3	3	3	3	3	Director Corporate Services
	Information Communication Technology	Improvement of security system to all administrative Units and facilities.	ICT Asset Register	R300 000	Number of Updated ICT Asset Registers Annually.	1	5	1	1	1	1	1	Director Corporate Services
	Information Communication Technology	Improvement of security system to all administrative Units and facilities.	Reviewed ICT related Governance framework	R500 000	% of ICT Governance framework reviewed	New	100%	100%	100%	100%	100%	100%	Director Corporate Services
	Admin and Auxiliary Services	Promote good governance by providing efficient administrative support to councillors, traditional leaders and council	Security Systems Master plan	R1.5 Million	Number of Security Systems Master Plans developed	New	1	1	N/A	N/A	N/A	N/A	Director Corporate Services
		Promote good governance by providing	Security Systems Master plan	R,00	% Implementation of Security Systems Master	NEW	100%	N/A	100%	100%	100%	100%	Director Corporate Services

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		efficient administrative support to councillors, traditional leaders and council			Plan (annual milestones)								
	Document Management	Promote good governance by providing efficient administrative support to councillors, traditional leaders and council	Document Management	R1,5 m	Number of document management Systems reviewed (File Plan, Records Management Policy & Registry Procedure Manual	New	3	3	N/A	N/A	N/A	N/A	Director Corporate Services
	Council Support	Promote good governance by providing efficient administrative support to councillors, traditional leaders and council/l	Circulation of resolutions within 7 days after the meeting		Turnaround time for EXCO & Council resolutions to be circulated to departments	7 days	7 days	7 days	7 days	7 days	7 days	7days	Director Corporate Services
GOAL 2: Promote economic growth, environmental sustainability through job-absorbing sectors													
Strategic Objective	FOCUS AREA	STRATEGY	PROJECT	BUDGET	OUTPUT INDICATOR	BASELINE	5YEAR TARGET	ANNUAL TARGET					INDICATOR

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													CUSTODIAN
								22/23	23/24	24/25	25/26	26/27	
To support the development of SMME to participate in a diversified and growing economy	LED - SMME	Prevent Economic linkage	SMME& Cooperative Development Program	R10 000 000	% of budget spent through SMMEs and cooperatives	30%	50%	N/A	50%	50%	50%	50%	Director – Planning & Economic Development
	LED - SMME	Capacity Building	Sector Based Training and Mentorship	R 500 000	Number of SMMEs and Cooperatives trained.	Sub construction plan	50	10	10	10	10	10	Director – Planning & Economic Development
	LED - SMME	Compliance of business with applicable legislation	Business Regulation	R0.00	Number of businesses licensed	100	100	20	20	20	20	20	Director – Planning & Economic Development
To facilitate industrialization that unlocks the manufacturing potential of the local economy	LED Agriculture	Increase Primary Production	RAFI Beef	R1 500 000	Number of Individual farmers supported through RAIFI Beef program	New indicator	15	3	3	3	3	3	Director – Planning & Economic Development
	Tourism Development	Tourism Initiatives	Trade and Exhibition Shows	R500 000	Number of trade exhibition shows utilised as marketing platform	8	10	2	2	2	2	2	Director – Planning & Economic Development

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	Industrial development	Industrial Development	Agri Hub Development	R2 Million	Master plan developed for Industrial hub	New Indicator	Master plan & its implementation	Master Plan	Implementation	Implementation	Implementation	Implementation	Director – Planning & Economic Development
To increase investment through land and socio-economic infrastructure development	Property development	Maximize Property Portfolio	Property investment	N/A	Number of Partnership Agreements concluded for LED initiatives	4 Partnership in place	4	4	4	4	4	4	Director – Planning & Economic Development
To increase investment through land and socio-economic infrastructure development	Land use management	Rural spatial development	Local spatial plans for rural areas	DBSA Funding	Number of Traditional Areas Planned	1 Land Use Scheme	6	N/A	2	2	2	N/A	Director – Planning & Economic Development
	Spatial Planning	Identify strategic land parcels for development	Land development Parcel	N/A	No. of strategic land parcels packaged to support social and economic development	Data of Sites with irregular boundaries	10	2	2	2	2	2	Director – Planning & Economic Development
	Spatial Planning	Property Development	Land development parcels	R 250 000	Percentage sites put into market (Approved by the Council for selling)	70 Sites Sold	100%	100%	100%	100%	100%	100%	Director – Planning & Economic Development
Goal1: Accelerate delivery of reliable basic services and resilient infrastructure													

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STRATEGIC OBJECTIVE	FOCUS AREA	STRATEGY	PROJECT	BUDGET	OUTPUT INDICATOR	BASELINE	5YEAR TARGET	ANNUAL TARGET					INDICATOR CUSTODIAN
								22/23	23/24	24/25	25/26	26/27	
To provide reliable basic services to households and the business sector.	Income & Expenditure	Increase quantum of households receiving free basic services	Verification of indigents on MIE (Managed Integrity Valuation) to improve authenticity of the indigent register.	R9 000 000	Number of Households registered for Free Basic Services	4 657	9000	5 000	6 000	7 000	8 000	9 000	
Goal 3. To improve the effectiveness of governance, administrative and financial systems													
To enhance organisational performance, financial viability and management of municipal resources.	Income & Expenditure	Payment of Creditors within 30 Days	Payment of Creditors within 30 Days	R0.00	Average Number of days taken to pay Creditors	11 Days	30 Days	30 Days	30 Days	30 Days	30 Days	30 Days	
	Income & Expenditure	Enhance organisational performance and management of municipal resources	Collection of Payments from Debtors within 30 Days	R.00	Average Number of days to receive payment from debtors	107 Days	150 Days	150 Days	150 Days	150 Days	150 Days	150 Days	

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	Income & Expenditure	Improve efficiencies in management of financial resources	Collection Rate	R0.00	Percentage collection on billed revenue	93%	95%	95%	95%	95%	95%	95%	
		Incentivize Customers to keep their accounts up to date	Debtors Amnesty	R0.00	% Reduction in level of historical Debt owed	New Indicator	50% of Debt owed written off	90% of Debt owed written off	80% of Debt owed written off	70% of Debt owed written off	60% of Debt owed written off	50% of Debt owed written off	
To enhance organisational performance, financial viability and management of municipal resources.	Asset & Fleet Management	Improve efficiencies in management of financial resources	Asset Verification	R0.00	Number of Asset Verification Conducted	8	20	4	4	4	4	4	
	Asset & Fleet Management	Improve efficiencies in management of financial resources	Update and Maintenance of GRAP Compliant FAR	R0.00	Percentage update and reconciliation of asset register to GL	100%	100%	100%	100%	100%	100%	100%	
	Asset & Fleet	Enhance organisational	Improved vehicle control	R0.00	Number of vehicle exception	4	20	4	4	4	4	4	

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	Management	Improve performance and management of municipal resources			reports generated with flagged areas for consequence.								
	Budget & Reporting	Improve efficiencies in management of financial resources	Liquidity Ratio		Current ratio maintained within national guidelines	1.9:1	1.5:1	1.5:1	1.5:1	1.5:1	1.5:1	1.5:1	
	Budget & Reporting	Improve efficiencies in management of financial resources	Cost Coverage Ratio		Cost coverage ratio maintained within national guidelines	5 months	3 months	3 months	3 months	3 months	3 months	3 months	
	Budget & Reporting	Improve efficiencies in management of financial resources	Capital vs Total Expenditure Ratio		Capital vs Total Expenditure Ratio per budget	25%	15%	20%	20%	15%	15%	15%	
STRATEGIC OBJECTIVE	FOCUS AREA	STRATEGY	PROJECT	BUDGET	OUTPUT INDICATOR	BASELINE	5YEAR TARGET	ANNUAL TARGET					INDICATOR CUSTODIAN
								22/23	23/24	24/25	25/26	26/27	
GOAL3: Improve the effectiveness of governance administrative and financial systems													
To strengthen integrated planning,	IDP Planning and	Develop a long-term plan for	Vision 2050	R1,2 million	Number of municipal long-term plans developed.	New Indicator	1	-	1	-	-	-	Senior Manager Strategic Support

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monitoring and evaluation of municipal programmes.	implementation	future development.											
	IDP Planning and implementation	Improve short, medium & long-term planning.	Corporate Planning	R500 000	Number of institutional strategic plans developed.	5	5	1	1	1	1	1	Senior Manager Strategic Support
	IDP Planning and implementation	Improve short, medium & long-term planning.	Departmental Planning	R600 000	Number of departmental plans developed.	0	5	1	1	1	1	1	Manager: IDP/PMS & RM
	IDP Planning and implementation	Synergy of municipal planning with that of national, provincial, District and other parties that operate in the space of the municipality	Integrated Development Planning.	R,00	Number of IDP Process Plans developed.		5	1	1	1	1	1	Manager: IDP/PMS & RM
	IDP Planning	Alignment of ward-based plans with municipal planning	Ward-based planning	R,00	Number of consolidated ward-based plans developed.	17	17	1	-	-	-	-	Manager: IDP/PMS & RM
To strengthen integrated planning,	IDP Planning and	Synergy of municipal planning with that of	Integrated Development Planning.	R,00	% implementation of IDP process plan.	100%	100%	100%	100%	100%	100%	100%	Manager: IDP/PMS & RM

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monitoring and evaluation of municipal programmes	implementation	national, provincial, District and other parties that operate in the space of the municipality											
	IDP Planning and implementation	Synergy of municipal planning with that of national, provincial, District and other parties that operate in the space of the municipality	Integrated Development Planning.	R,00	Number of credible IDPs developed.	5	5	1	1	1	1	1	Manager: IDP/PMS & RM
To strengthen integrated planning, monitoring and evaluation of municipal programmes	Performance Management	Efficient and effective performance management system.	Institutional PMS	R,00	Number of institutional PMS process plans reviewed.	New Indicator	5	1	1	1	1	1	Manager: IDP/PMS & RM
	Performance Management	Efficient and effective performance management system.	Institutional PMS	R,00	% implementation of institutional PMS process plan.	100%	100%	100%	100%	100%	100%	100%	Manager: IDP/PMS & RM
Objective : To enhance organisation	Risk Management	Promote risk awareness and risk-	Risk Management	R,00	Number of reviews conducted for	New Indicator	2	-	1	-	-	1	Senior Manager: Strategic

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al performance, financial viability and management of municipal resources		based decision-making processes	Anti-fraud & Corruption		risk management and related policies.								Support Services
	Risk Management	Promote risk awareness and risk-based decision-making processes	Monitoring of risk management and anti fraud and corruption plans	R,00	% of risk management & anti-fraud & corruption plans implemented.	New Indicator	100%	100%	100%	100%	100%	100%	Manager: IDP/PMS & RM
	Risk Management	Promote ethical conduct	Review of ethics and intergrity management strategy	R,00	Number of ethics & integrity management strategies reviewed.	1	1	1	-	-	-	-	Senior Manager Strategic Support Services
	Risk Management	Promote ethical conduct	Monitoring of ethics and intergrity management plans	R,00	% of ethics and integrity management plans implemented.	???	100%	100%	100%	100%	100%	100%	Manager: IDP/PMS & RM
Objective : To enhance organisation al performance, financial viability and management of municipal resources	Internal Audit	Improve effectiveness and efficiency of the internal audit	Audit Plan	R1,3 M	% completed of internal audit plan.	100%	100%	100%	100%	100%	100%	100%	Manager internal audit

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	Internal Audit	Improve effectiveness and efficiency of the internal audit	Automated Audit management system	R700 000	Number of Integrated automated Audit Management System established/used.	New indicator	1	1	-	-	-	-	Manager: Internal Audit
To improve public participation and oversight to enhance accountability	Public participation	Strengthen functionality of ward committees	Development of ward committee plans	R,00	Number of ward committee plans developed.	New Indicator	17	17	17	17	17	17	Senior Manager: Strategic Support Services
	Public participation and communications	Strengthen functionality of ward committees	Ward committee meetings	R,00	Number of quarterly ward committee meetings held.		20	4	4	4	4	4	Manager: Public Participation, Communications & Customer Care.
	Public participation and communications	Increase & diversify community participation	Community-Based Engagements	R,00	% of support provided for community-based meetings convened by councillors.	100%	100%	100%	100%	100%	100%	100%	Manager: Public Participation, Communications & Customer Care.
To improve public participation and oversight to	Public participation and communications	Improve effectiveness & efficiency of	Social Media	R,00	Number of social media platforms operational.	5	5	5	5	5	5	5	Manager: Public Participation, Communic

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enhance accountability		communications											ations & Customer Care
	Public participation and communications	Improve effectiveness & efficiency of communications	Municipal Publications	R,00	Number of municipal publications issued.	3	3	2	2	3	2	3	Manager: Public Participation, Communications & Customer Care
	Public participation and communications	Improve effectiveness & efficiencies of customer care service	Customer Satisfaction Survey	R,00	Number of customer satisfaction surveys conducted	3	20	4	4	4	4	4	Senior Manager: Strategic Support Services.
	Public participation and communications	Improve functionality & efficiency of Section 79 Committees.	S79 Committee Induction		Number of Section 79 Committees inducted.	5	5	5	5	5	5	5	Senior Manager: Strategic Support Services
	Public participation and communications	Improve functionality of council committees	S79 Annual Plans	R,00	Number of Section 79 Committee Plans developed. (MPAC, Women Caucus, Rules, Mandate, Members Interest & Ethics)	5	25	5	5	5	5	5	Senior Manager: Strategic Support Services

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To improve public participation and oversight to enhance accountability	Public participation and communications	Improve functionality of council committees	S79 Meetings	R,00	Number of Section 79 Committee meetings held.		20	4	4	4	4	4	4	Manager: Public Participation, Communications & Customer Care
	Public participation and communications	Effectiveness of municipal by-laws	By-laws	R1.8 million	Number of by-laws reviewed.	2	30	10	10	10	-	-	Manager: Legal Services	
To improve public participation and oversight to enhance accountability	Legal Services	Ensuring Council compliance with relevant regulatory framework through the provision of legal opinion.	Legal Opinions	R1.2 million	% provision of legal opinion to management, Council & Committees.	New Indicator	100%	100%	100%	100%	100%	100%	100%	Manager: Legal Services
	Legal Services		Contract Management	R,00	% of Service Level Agreements vetted.	New Indicator	100%	100%	100%	100%	100%	100%	100%	Manager: Legal Services
To support the development of SMME to participate in a diversified	Special Programs	Youth Development	Youth Development Projects 1.Youth enterprise development fund.	R566 560 ,00	Number of PWD projects implemented	New Indicator	3	3	3	3	3	3	3	Manager SPU

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and growing economy			2. Mayoral cup 3.Sports officials training 4.Mayoral Horse racing event										
	Special Programs	Empowerment of Women	Women empowerment projects 1. Women enterprise 2.Project Sithasolwazi, 3. New business registration and training support 4. Project Masilime 5. Girls with positive attitudes & RMR)	R 803 132,00	Number of youth development projects implemented.	5	4	4	4	4	4	4	Manager SPU
To support the development of SMME to participate in a diversified	Special Programs	Empowerment of People with Disabilities	People with disabilities projects 1. PWD NGO partnership 2. EPWP job creation for	R566 560,00	Number of women empowerment projects implemented	4	5	5	5	5	5	5	Manager SPU

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and growing economy			PWD caregivers 3. People with disability enterprise development fund										
	Special Programs	Mayors Social Investment	1. Bursary 2. Adopt a school 3. Bridge of Hope	R 763 000,00	Number of PWD projects implemented	3	3	3	3	3	3	3	Manager SPU
	Special Programs	Youth Development	Youth Development Projects 1.Youth enterprise development fund. 2. Mayoral cup 3.Sports officials training 4.Mayoral Horse racing event	R 763 000	Number of MSI projects implemented.	3	3	3	3	3	3	3	Manager SPU
	Special Programs	Empowerment of Women	Women empowerment projects 1. Women enterprise	R1071 024	Number of HIV/AIDS projects implemented	3	3	3	3	3	3	3	Manager SPU

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			2. Project Sithaslwazi, 3. New business registration and training support 4. Project Masilime 5. Girls with positive attitudes & RMR)										
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3.9. ONE PLAN

The Elundini Local Municipality is based on the *DDM Theory of Change* which postulates six transformations to move from the current problematic situation to a desired better future. Whilst existing plans across government seek to align to the NDP and to each other, there is no clear single line of sight and logical rationale or relations in terms of commonly agreed priorities, joint and coherent way of addressing them within the socio-economic, inclusive and integrated placemaking dynamics within specified spaces. The six DDM Transformation Focal Areas are:

3.9.1. People Development and Demographics

The process of understanding the current population profile and development dynamics and by which a desired demographic profile and radical improvement in the quality of life of the people is achieved through skills development and the following 5 transformations discussed below (economic positioning, spatial restructuring and environmental sustainability, infrastructure engineering, housing and services provisioning, and governance and management).

3.9.2. Economic Positioning

The process by which a competitive edge is created that enables domestic and foreign investment attraction and job creation on the basis of an inclusive and transformed economy. The economic positioning informs the spatial restructuring and has to be sustained through protecting, nurturing and harnessing natural environment and resources.

3.9.3. Spatial Restructuring and Environmental Sustainability

The process by which a transformed, efficient and environmentally sustainable spatial development pattern and form is created to support a competitive local economy and integrated sustainable human settlements. Spatial restructuring informs infrastructure investment in terms of quantum as well as location and layout of infrastructure networks.

3.9.4. Infrastructure Engineering

The process by which infrastructure planning and investment especially bulk infrastructure installation occurs in order to support the transforming spatial pattern and form, meet the needs of a competitive and inclusive local economy and integrated human settlements, and ensure demand for housing and services is met in a sustainable way over the long-term.

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3.9.5. Integrated Services Provisioning

The process by which integrated human settlement, municipal and community services are delivered in partnership with communities so as to transform spatial patterns and development for planned integrated sustainable human settlements with an integrated infrastructure network. This also requires holistic household level service delivery in the context of a social wage and improved jobs and livelihoods.

3.9.6. Governance and Management

The process by which leadership and management is exercised that planning, budgeting, procurement, delivery, financial and performance management takes place in an effective, efficient, accountable and transparent manner. It also includes spatial governance, that is, the process by which the spatial transformation goals are achieved through assessing and directing land development and undertaking effective land use management and release of municipal/public land.

3.10. CATALYTIC PROJECTS

Project Name	Project Description	Budget Spent	Comments
RAFI programme	Increase crop yield	R1,5 million	72 Ha harvested and currently 60 Ha is under production and harvesting is expected to be completed by end of July 2022
Potato Project	Assist local farmers on potato production	R60 000	2 farmers have planted and the progress is monitored. Business case is being developed.
Elundini Middle-income	Building of adequate middle-income housing	R27 million	Project concept has been completed and awaiting approval funding application from DBSA for underground services
SMME Development Programme	Assist Emerging Small Businesses around the Joe Gqabi District	R5,2 million R1,4 million for 2022/23	118 SMME's trained and recruited 22 to be trained and graduate in the 2022/23 FY.
District Wide Wool Project	Contribute to an improvement in the	R50 000 (Other costs)	Sheering shed in N dofela is currently operational and more shearers will be recruited to operate in the 2022/23 FY

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	wool quality produced in the district.	absorbed by SP)	
Maize Meat Hub	Development of the red meat value chain	R4 million	Department of Rural Development and Land Reform has funded the project and Secondary Co-op has been formed and a technical partner is being sourced to operate the Feedlot.
Tourism Liberation Route	Preservation of Liberation Heritage	R 1 million	The project is at its infancy stage
Elundini MIG Sanitation	Construction of precast concrete VIP Toilets	R99,9 million	Completed 7 444 units and approx. 3412 units remaining. Continuation of Phase 6 in the 2022/23 FY
Augmentation of Clear Water Storage	Provision of water storage tanks and associated pipeline work	R15 million	The project has commenced and it is expected to be handed over in July 2022 in Maletswai, Rhodes, Rossouw and Nqanqarhu.

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CHAPTER 4: BUDGET

4.1.1. Financial Viability and management

In accordance with the outcomes of the latest assessment conducted as part of the mid-term review for the 2021/22 financial year in accordance with the provisions of section 72 of the Municipal Finance Management Act, the Elundini Local Municipality remains financially sustainable and is able to meet its financial commitments.

Significant reforms within the adoption of new accounting standards, being Generally Recognised Accounting Practice (GRAP), coupled with significant reforms within Municipal Budgeting and Reporting Regulations has significantly enhanced the credibility, sustainability, transparency, accuracy and reliability of financial planning, management and reporting within the Elundini Local Municipality

In meeting the demands associated with modernised practices towards sustaining and enhancing financial viability; and addressing the specific needs of Elundini LM within the context of limited resources and mounting service delivery expectations, has necessitated that a comprehensive integrated approach towards financial sustainability be developed.

In terms of the approach adopted, the report will clearly define financial risks which have been identified as being a financial threat to the long termed sustainability of the Organisation, linked to key challenges, with a detailed focus on effective strategies employed to mitigate against financial threats and weaknesses, concluded by a detailed analysis of the service delivery package and associated financial implications on the operations, statement of financial position and cashflows for the MTREF which collectively aims to position Elundini LM on a sustainable approach to service delivery.

4.1.1. Financial risks and key challenges

In order to maintain and improve on the financial efficiencies and position of Elundini LM, certain risks need to be managed, while financial management practices need to be continuously improved.

The key financial risks confronting the Municipality can be summarised as follows:

- (a) Limitation on Revenue Raising Capacity due to high poverty indices;
 - (b) Maintaining existing collection levels and arresting the debt composition associated with Low level Service Offerings;
 - (c) Financial Distress- ratio analysis- specific on Working capital elements - containment of costs within set benchmarks as established within the budget process;
 - (d) The escalation of electricity costs due to tariff increases imposed by Eskom and the effect on affordability and non-payment levels;
-

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- (e) Deficit position associated with trading services
- (f) Electricity distribution losses estimated in excess of 20%
- (g) Increases associated with deferred maintenance and backlog eradication;

Key Challenges

- (a) Maintaining an unqualified audit opinion, and achieving a clean audit by 2022
- (b) Affordability of a desired Organisational Structure;
- (c) Reducing overall cost exposure, maximise productivity and enhance revenue streams;
- (d) The need to improve customer care functioning;
- (e) The need to ensure legal compliance through all procedures and programmes;
- (f) Recurring under spending of the capital budget;
- (g) % Capital budget allocations to refurbishment of existing infrastructure;
- (h) Deficit position of trading services operations

4.2. Financial Strategies

The Financial Strategy has been formulated to ensure that the Elundini Local Municipality maximises all available opportunities that would enhance Councils financial strength especially considering the cost-shift environment that has been created with the implementation of assigned powers and functions. Council's overall Financial Strategy is structured into the following core components to allow for a clearer understanding of the overall task:

- ▶ Revenue enhancement and maximisation Strategies
- ▶ Asset Management strategies
- ▶ Financial Management Strategies
- ▶ Capital Financing Strategies
- ▶ Operational Financing Strategies
- ▶ Supply Chain Management turn-around Strategy
- ▶ Cost Containment Strategies
- ▶ Free Basic Services and indigent Support

These segments are intended to provide operational guidance to staff to assist them in achieving identified objectives and goals.

Importantly the Strategies formulated are deemed to be primary mitigating tool against the financial risks identified, and giving effect to the objectives of the Integrated Development Plan, through ensuring that the performance targets as per the Budget underlying the IDP are achieved.

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The strategies are premised on ensuring compliance with adopted financial policies, modelled on modernised reform practices applicable to Local Government

4.2.1. Revenue Enhancement and Maximisation Strategy

The purpose of this strategy is to ensure that all possible avenues are explored to maximise the receipt of any monies available to Council by way of intergovernmental transfers and Grants or Donations, including expanding the billing database and maximising income opportunities on every registered serviced site within the LM's jurisdiction.

The second component of this strategy focuses on strengthening and building capacity within credit control and debt management practices and processes of Council, ensuring the attainment and exceeding of collection rates in line with key budgetary requirements.

The third component of the strategy focuses on maximising the registration of households eligible for participation within the Free Basic Services programme of Council, this component is aimed at arresting spiralling debts associated with this user group, and limiting consumption of services in line with the FBS allocation threshold.

In line with the strategy employed, Council has formalised the appointment of a Specialist Service Provider on a contingency arrangement over three years to undertake revenue enhancement and debt reduction, with a special focus on skills transfer to a dedicated internal unit that will be created during this financial year. The success of this programme has been profound, in that the organisation has effectively been able to sustain collection rates in excess of 80% in line with budget expectations over the Medium Term Revenue Expenditure Framework.

Financial performance as per the adopted mid termed assessment reveals that the organisation is poised to achieve the anticipated revenue inflows underpinning the budget framework adopted, being a minimum of 95%. The additional revenue inflows beyond planned performance has provided significant impetus to funding additional programmes to enhance service delivery offerings eg. Outsourcing of the solid waste management site within Ugie estimated at R 2.7 Million per annum.

The targeted debt collection rate over the MTREF is positioned at 95%, increasing to 100%, and 100% respectively.

4.2.2. Valuation of Property Rates

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ELM was due for general valuation whose valuation date was 01 June 2017. The Municipality's Valuation Roll was approved in June 2018 for implementation on 01 July 2018. A supplementary valuation is made available for objections and commenting from every year towards the end of the financial year. Every three years we appoint a service provider to assist with the general valuation and supplementary valuations and the budget is included on the operational budget. Every time the property rates policy and by-laws are amended, they are published and gazette in the provincial gazette, notices on libraries and also to the municipal website. Every occurrence of a general or supplementary valuation is publicized soliciting comments and objections from rate payers

4.2.3. Subsidies and Grants

In order for Elundini LM to obtain maximum benefit from external monies available, a policy laying out the relevant procedures has been put in place within the Institution to ensure that all grants, donations and subsidies are investigated, applied for and received at the appropriate times. The policy will ensure that Council receives maximum benefit from external funding available. The Municipality has prioritised an initiative to appoint a funding agent over the MTREF to conclude business plan development and applications through various government funding agents.

4.2.4. Capital Transfers- MTREF Elundini LM.

In terms of the DORA the indicative allocations as defined within table A4 clearly defines that over the MTREF Elundini LM will receive R 190.7 Million prioritised for road infrastructure.

4.2.5. In Kind Allocation

Eskom's electrification program funded through the Integrated National Electrification Grant (INEG) will see R59.4 million being invested over the MTREF within Elundini service area to address inherent service delivery backlogs.

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Finance Policies – Implementation Approach

The policies below are in a process of being reviewed and will be adopted with the IDP and Budget for implementation in the 2022/23 financial year.

Table 61: Financial Policies

Document	Purpose	Status
Admin Fee Policy	<p>The Administration Fee Policy has been updated to address the needs of Council with regards to administration of contracts on behalf of third parties.</p> <p>Importantly, this component will result in R207.5 Million being appropriated to own revenue over the MTREF from conditional grants held within the Organisation</p>	In place
Credit Control and debt collection Policy	<p>The Policy sets out to control and manage the recovery of outstanding debt due to Council. This policy is in place and is subject to regular updates.</p> <p>The policy lays down the basis for distribution of accounts, collection procedures, interest and penalties to be charged in the event of non-payment, with strong focus on management reporting requirements pursuant of key legislative requirements and performance management.</p> <p>Giving effect to the administration of this policy, Council through the appointment of a revenue specialist has invested in a Revenue Management and Debt Collection System fully compliant with Municipal Bylaws and objects of the policy framework, the system effects have result in macro approach to debt management and collection being effected, in an effective and efficient manner, maximise the return on investment and per household</p>	In place
Tariff Policy	<p>This policy sets key guidelines on what should be considered when pricing services and guiding principles for the compilation of water, sanitation, solid waste and electricity tariffs.</p> <p>This policy is subject to constant review, given significant reforms within the electrification and water sectors, which</p>	

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	<p>impact on the price cost of services rendered, and ultimately on the sustainability of trading services. Through the policy framework adopted and implemented, Council has for the MTREF prioritised the continuation of the revenue protection strategy employed during the current financial year to further reduce existing losses of 25% to an acceptable technical loss of 10%.</p>	
Irrecoverable debt Policy	To provide a framework for the writing off of irrecoverable debt, in order to ensure that Council is in a position where it is not carrying debt that is irrecoverable	In place
Rates Policy	To ensure that all the stipulation of the Municipal Property Rates Act are effected administratively and also lay-out and stipulate all the requirements for rebates for all qualifying property owners	In place
Budget Policy	Sets out the budgeting principles which Elundini Local Municipality will follow in preparing each annual budget To give effect to the requirements and stipulations of the MFMA	In Place
Borrowing, Funding and Reserves Policy	To provide a framework to ensure that the annual budget of Elundini Local municipality is fully funded To give effect to the requirements and stipulations of the MFMA	In place
Cash Management and Investment Policy	To regulate and provide directives in respect of investment of funds and maximise returns from authorised investments consistent with the primary objective of minimising risk	In place
Accounting Policy	To provide the accounting framework applicable to the finances of the municipality and is informed by the MFMA	In place
Petty Cash Policy	To stipulate clear processes and procedures to ensure that all transactions are processed effectively and efficiently in a bid to ensure prudent financial control	In place
Virementation Policy	The policy sets out the virement principles and processes which the Elundini Local Municipality will follow during a financial year. These virements will represent a flexible	In place

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	mechanism to effect budgetary amendments within a municipal financial year	
Asset Management Policy	<p>This policy is deemed necessary in order to facilitate the effective management, control and maintenance of the assets. The policy is in place and is subject to regular review.</p> <p>The prime objectives of the policy are to ensure that the assets of Elundini are properly managed and accounted for by:</p> <ul style="list-style-type: none"> ▶ Ensuring the accurate recording of asset information ▶ The accurate recording of asset movements ▶ Exercising strict control over all assets ▶ Providing correct and meaningful management information ▶ Compliance with Council's Insurance Policy and Payment Procedure ▶ Effecting adequate insurance of all assets ▶ Maintenance of Council's Assets 	In place
Supply Chain Management Policy	<p>To provide a system of procurement gives effect to the principles of:</p> <ul style="list-style-type: none"> • Fairness • Equity • Transparency • Competitiveness • Cost Effectiveness 	In place

4.2.6. Asset Management Strategy

The purpose of the strategy is to optimise the use of all assets under the control of Elundini Local Municipality, given the financial exposure and the revenue streams earned by the Municipality in the rendering of services to the community. Due to the strategic importance that the entire asset base presents around the continued viability of the organisation R 204.5 million will be invested over the MTREF in capital expansion programmes.

The implication of this policy on the administration and planning of assets has been profound, in that the organisation has a comprehensive understanding of all assets under the Management Control of the Municipality, has an acute understanding of the conditions and remaining lifespan

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etc of the asset base, all of which are aimed at ensuring that sound financial planning occurs, especially around investment choices and reserve creation to safe guard against ageing infrastructure; the Funding and Reserves policy is directly influenced through the outcomes of the annualised conditional assessment on all infrastructural assets.

The Municipality likewise has incurred losses amounting to R1.5 million due to loss on disposal on monitory assets adequately verified and accounted for in line with GRAP requirements, and has received no negative audit reports in this regard. Most importantly the municipality has and maintain a GRAP Compliant Register. It is envisaged that strict adherence to policy framework will continue to be applied in order to protect the resource of the community, and ensure the continued viability of the Municipality.

4.2.6.1. Asset Movement System

At the time of commissioning a GRAP compliant Asset Register, an asset tracking system using bar-coded discs and scanners was put in place. With the completion of the Asset Register, the asset tracking system is now fully operational. The system allows for regular audits of all assets to be completed in a shorter time frame and therefore allowing for more regular updates of the register.

Asset verifications are undertaken twice a year for purposes of validating the existence and proper recording of all assets; all assets not accounted for are thoroughly investigated and reported to Council.

4.2.7. Financial Management Strategy

The purpose of this strategy is to ensure that the Financial Systems in place at Elundini Local Municipality are of such quality to allow for the generation of accurate and timely reporting at all times.

The Strategy has culminated in the institution being able to effectively make informed decisions around service delivery, identify financial risks and impeding financial problems, through having an acute understanding of the financial affairs of the Municipality, through a simplified qualitative analysis being provided based on the in-year reports focusing on budgeted performance(revenue, expenditure, capital); impact of the trading activity on the financial position and cash-flows within the Organisation, this is in compliance with international standards on in year reporting.

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4.2.8. Supply Chain Management Turnaround Strategy

The Municipality has during the course of the financial year implemented a comprehensive SCM turnaround strategy aimed at significantly enhancing overall compliance with SCM regulations and addressing internal control deficiencies addressed within the last year's audit report issued by the Auditor-General, whilst improving significantly on operational efficiencies aimed at promoting quicker turnaround times and improving overall internal and external client satisfaction. This strategy has been hailed a success as evidenced by the fact that the organisation for the audited financial year received less findings relating to SCM processes. Importantly the turnaround strategy employed has seen the creation of a fully-fledged SCM unit fully compliant with SCM regulations, reporting to the office of the Chief Financial Officer.

The organisational structure has been redesigned to ensure logical arrangement of critical functions overseen by the Supply Chain Manager, and is segmented into the following core functional areas, namely:

- ▶ Demand and Acquisition Management
- ▶ Bid Administrations and Contracts Management
- ▶ Logistics Management
- ▶ Disposal Management

In terms of the systems of delegations adopted, the Municipality currently uses a fully functional bid committee system that regulates all competitive bids ranging from R 200 000. In terms of the committee system in use, three distinct committees are in existence, each comprising of specialists within various fields that assist in the discharge of roles and responsibilities assigned, the committees system in use comprise the following:

- ▶ Bid Specifications Committee
- ▶ Bid Evaluation Committee
- ▶ Bid Adjudication Committee

The Chairmanship in all bid committees are highly regulated and all appointment are authorised by the Accounting Officer in line with Municipal Regulations issued; all committees are furthermore represented by a senior supply chain practioner. Importantly in terms of the code of conduct applicable to bid committees, all members are required to declare annually, financial interests.

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4.3. Budget and Finance Reform

A considerable amount of time and effort has been expended on ensuring that Elundini Local Municipality has the capacity to deliver on the finance and budget reporting requirements as prescribed by National Treasury. The institution has reaffirmed its commitment to the development of capacity to service local government interest within financial management and administration and as such has invested R 5 Million towards this program over the MTREF.

The process is being overseen by a Finance Standing committee and significant progress has been made in some areas. Specific tasks being performed are:

- ▶ Employment of 5 interns and short term contract workers
- ▶ Reconciliation of assets
- ▶ Training
- ▶ Supply Chain Management
- ▶ Liability Management
- ▶ Revenue Management
- ▶ Financial Systems Reporting
- ▶ Automation of Section 71 reporting

4.3.1. Policy for Accessing Donor Funds

Due to the large number of projects that are being requested from the community, a policy has been developed and implemented which creates a framework for accessing funds both locally and internationally. The policy outlines the type of donors available and the conditions related to the donations. All procedures and special conditions attributable the different donors will be catalogued in the policy to ensure the smoothest approach to these donors when the occasion arises.

This policy implementation lies with the Municipal Manager's Office as an extension of the Subsidies and Grants Policy. Please refer to section on Subsidies and Grants around the successful application of the policy framework.

4.3.2. Operational Financing Strategy

The purpose of this strategy is to assess the viability (IA) of any association or alliance or partnership that may arise from time to time. Elundini Local Municipality has been assigned various functions and authorities by the MEC for Local Government, Housing and Traditional Affairs or Structures Act.

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Council, through National Treasury have begun a formal process of exploring a PPP option on the landfill sites within the areas of Maclear, Ugie and Mt Fletcher on a 10 year outsourced option, aimed at significantly passing financial risk onto the private party (R30 Million over 10 years); Council has provided R 9.5 Million over the MTREF for this purpose financed through enhanced debt collection initiatives.

4.3.3. Strategies to Enhance Cost Effectiveness

The purpose of this strategy is to ensure that Elundini Local Municipality employs the most cost effective operating practices. Importantly, this strategy is driven on the principles enshrined within the Costing policy, which amongst other things advocates that the sustainability of Elundini LM is not primarily driven on resource generation capacity, rather a combination of effective resource utilisation, premised on cost conscious decision making practices and processes. The Municipality over the MTREF has adopted a formal cost reduction plan in line with the strategy requirements that will see a material shift away from consumptive based practices in favour of enhancing allocations towards building internal working capital reserves and capital replacement reserves.

4.3.4. Benchmarking and Performance Indicators

A set of performance indicators will be developed in so as to conform to Local Government benchmark indicators set for financial sustainability and performance; the Long Term Plan presented is modelled to ensure a sustain approach to align existing performance to that of a desired performance level. Benchmarking these against similar organisations will allow for regular internal assessment and upgrading. These bench mark indicators will supplement the battery of indicators that have been developed as part of the new budget reporting formats and regulations, aimed at gauging the efficacy of financial performance and management.

4.3.5. Training and Staff Development

Training sessions and courses are continually being planned to ensure that all financial as well as non-financial, senior staff and councillors will be in a better position to evaluate the financial position of the Municipality. The Council also has an approved skills development plan, which is being implemented and is used to guide training of both Councillors and Officials. The training related budget provided over the MTREF supporting the workplace skills plan equates to R 5.9 Million. Similarly, the organisation has enrolled 2 employees on the Minimum Municipal Competency training programme for the current financial year; it is anticipated that by the end of

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March 2023 all officials required to be fully competent would have complied with the regulations issued.

4.3.6. Cost - Effectiveness

In line with the cost containment strategy formulated and implemented, line functions are thoroughly assessed from a business process perspective, in terms of the outcomes reports furnished line departments will be engaged in business process reengineering aimed at enhancing overall performance and reducing ELM's cost footprint. Departments will be required to develop departmental specific reduction strategies for approval and implementation in line with the key strategy developed.

4.3.7. Post Retirement Benefits

Post-retirement benefit obligations have been quantified and disclosed with the AFS in compliance with relevant accounting standards, the Funding and Reserves policy adopted has quantified the basis of cash back provisioning required to provide to wholly fund the obligations presented.

4.4. Free Basic Services

The basic principles of this policy are captured by indicating that the policy is to ensure that poor households are not denied their constitutional right of access to services, the Elundini LM is required to implement an indigent support policy that makes adequate financial provision to ensure the provision of efficient and sustainable services to all residents within the area of jurisdiction.

The indigent support policy is an integral part of the Elundini's tariff policy that is developed and implemented in a transparent manner to ensure the sustainability of local public services to all of its citizens at an affordable cost. The indigent policy is intended to provide poor households ongoing access to a specified level of service. The subsidies contained in the policy should not compromise the quality or efficiency of service delivery.

Critically as part of Elundini LM commitment to improve continued access to service and provide a basket of free services as part of the poverty alleviation programme, Council has resolved to accelerate the provision of solar system to non-grid electrified homes within the region(7 500 new applications over the MTREF), to this effect the service delivery targets have been amended to

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reflect this target; indigent support funding envelope has significantly increased to R 14 Million over the MTREF.

4.4.1. The indigent support policy:

The basic principles of this policy are captured by indicating that the policy is to ensure that poor households are not denied their constitutional right of access to services, the Elundini LM is required to implement an indigent support policy that makes adequate financial provision to ensure the provision of efficient and sustainable services to all residents within the area of jurisdiction.

The indigent support policy is an integral part of the Elundini's tariff policy that is developed and implemented in a transparent manner to ensure the sustainability of local public services to all of its citizens at an affordable cost.

The indigent policy is intended to provide poor households ongoing access to a specified level of service. The Indigent Register is reviewed on yearly bases. The subsidies contained in the policy should not compromise the quality or efficiency of service delivery.

The municipality has a fully fladged Free Basic Services unit and Indigent Steering Committee to deal with indigent and free basis services matters. The amount budgeted for FBS in 2022 amounted to R17.2 million and in 2023 it amounted to R15.2 million. Critically as part of Elundini LM commitment to improve continued access to service and provide a basket of free services as part of the poverty alleviation programme, Council has resolved to accelerate the provision of solar system to non-grid electrified homes within the region(7 500 new applications over the MTREF), to this effect the service delivery targets have been amended to reflect this target; indigent support funding envelope has significantly increased to R 14 Million over the MTREF.

4.4.2. mSCOA (Municipal Standard Chart of Accounts)

The Constitution of the Republic of South Africa, Act 108 of 1996, substituted by section 1(1) of Act 5 of 2005, section 216 deals with treasury control and determines generally recognised accounting practices, Uniform expenditure classifications, Uniform treasury norms and standards. Section 168 (1) of the MFMA states that:

The minister of finance, acting with the concurrence of the Cabinet member responsible for local government, may make regulations for, among the other things-

- a) any matter that may be prescribed
 - b) any other matter that may facilitate the enforcement and administration of the Act.
-

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Elundini Municipality has conformed to the above legislation in terms of the implementation of MSCOA in the municipality. Implementation of MSCOA came into effect on the 01 July 2017 where all municipalities expected to prepare budget in terms of MSCOA. All legislative requirements were met and the budget has been prepared in terms of the new legislation.

The municipality is incompliant with the mSCOA, the IDP and budget data strings are being uploaded in compliance with the regulations.

The mSCOA regulations have been implemented within the municipality. mSCOA steering committee has been established, mSCOA implementation team has also been established. The mSCOA champion and mSCOA project manager.

4.4.3. FINANCIAL PLAN

4.4.3.1. Executive Summary

The application of sound financial management principles for the compilation of the Municipality's financial plan is essential and critical to ensure that the Municipality remains financially viable and that municipal services are provided sustainably, economically and equitably to all communities. The Municipality's business and service delivery priorities were reviewed as part of this year's planning and budget process. Where appropriate, funds were transferred from low- to high-priority programs so as to maintain sound financial stewardship.

The Municipality has embarked on implementing revenue enhancement strategy to optimize the collection of debt owed by consumers. Furthermore, the Municipality has undertaken various customer care initiatives to ensure the municipality truly involves all citizens in the process of ensuring a people lead government.

National Treasury's MFMA Circular No. 115 was used to guide the compilation of the 2022/23 2024/25 MTREF. The main challenges experienced during the compilation of the 2023/25 MTREF can be summarized as follows:

- ▶ The ongoing difficulties in the national and local economy;
 - ▶ Inadequate resources to reduce roads and electricity infrastructure backlogs;
 - ▶ The need to reprioritize projects and expenditure within the existing resource envelope given the cash flow realities and declining cash position of the municipality;
 - ▶ The increased cost of bulk electricity (due to tariff increases from Eskom), which is placing upward pressure on service tariffs to residents.
 - ▶ Covid 19 pandemic resulting to a need to cater for cemeteries, protective clothing and sanitizers.
-

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The following budget principles and guidelines directly informed the compilation of the MTREF:

- ▶ The 2021/22 Adjustments Budget priorities and targets, as well as the base line allocations contained in that Adjustments Budget were adopted as the upper limits for the new baselines for the 2022/23 draft budget;
- ▶ Intermediate service level standards were used to inform the measurable objectives, targets and backlog eradication goals;
- ▶ Tariff and property rate increases should be affordable and should generally not exceed inflation as measured by the CPI, except where there are price increases in the inputs of services that are beyond the control of the municipality, for instance the cost of bulk electricity. In addition, tariffs need to remain or move towards being cost reflective, and should take into account the need to address infrastructure backlogs;
- ▶ There will be no budget allocated to national and provincial funded projects unless the necessary grants to the municipality are reflected in the national and provincial budget and have been gazetted as required by the annual Division of Revenue Act;
- ▶ There's also a budget allocation set for the following items:
 - Special Projects;
 - Consultant Fees;
 - Assets;
 - Special Events;
 - Subsistence, Travelling & Conference fees (national & international).

In view of the arforementioned, the following table is a consolidated overview of the proposed Medium-term Revenue and Expenditure Framework:

Table 62: Consolidated Overview of the 2021/22 MTREF

R thousand	Adjustments Budget 2021/2022	Budget Year 2022/2023	Budget Year 2023/2024	Budget Year 2024/2025
Total Operating Revenue	R340.8	R422.9	R440.0	R461.1
Total Operating Expenditure	R340.8	R388.1	R400.8	R417.9
(Surplus)/Deficit	R 0.0	R 34.7	R 39.2	R 43.3
Total Capital Expenditure	R119.8	R 91.1	R 103.1	R 109.0

Total operating revenue has increased by 19.4 per cent or R82.1 million for this financial year when compared to the previous financial year on budgeted revenue. For the two outer years, operational revenue increased by 3.9% and 4.6%.

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Total operating expenditure increased by 12.2% or R47.3 million for this financial year when compared to previous financial year budgeted expenditure. For two outer years, operating expenditure increased by 3.2% and 4.1%. Operating expenditure has been appropriated at R388.1 million for the budget year, R400.8 million and R417.9 million for the two outer years and translates into a budgeted surplus of R34.7 million, R39.2million and R43.3 million for the two outer years. It must also be noted budget circular 115 requires us to fund the depreciation costs from our own revenue or Equitable share and we are not allowed to use non-funding items when preparing this MTREF.

The capital program is positioned to R91.1 million, R103.1 million and R109 million in the outer years. A substantial portion of the capital budget will be funded by government grants from National, and Internal generated funds over the MTREF.

4.5. Operating Revenue Framework

In order for Elundini Municipality to continue improving the quality of services provided to its citizens it needs to generate the required revenue. In these tough economic times strong revenue management is fundamental to the financial sustainability of every municipality. The reality is that we are faced with development backlogs and poverty. The expenditure required to address these challenges will inevitably always exceed available funding; hence difficult choices have to be made in relation to tariff increases and balancing expenditures against realistically anticipated revenues. The municipality's revenue strategy is built around the following key components:

- ▶ National Treasury's guidelines and macroeconomic policy;
- ▶ Growth in the Municipality and continued economic development;
- ▶ Efficient revenue management, which aims to ensure a 95 per cent annual collection rate for property rates and other key service charges;
- ▶ Electricity tariff increases as approved by the National Electricity Regulator of South Africa (NERSA);
- ▶ Determining the tariff escalation rate by establishing/calculating the revenue requirement of each service;
- ▶ The municipality's Property Rates Policy approved in terms of the Municipal Property Rates Act, 2004 (Act 6 of 2004) (MPRA);
- ▶ The municipality's Indigent Policy and rendering of free basic services; and
- ▶ Tariff policies of the municipality.

The following table is a summary of the 2023/2025 MTREF (classified by main revenue sour

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Table A4 Summary of revenue classified by main revenue source

Choose name from list - Table A4 Budgeted Financial Performance (revenue and expenditure)

Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22				2022/23 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
R thousand	1										
Revenue By Source											
Property rates	2	28 822	30 281	31 392	32 530	32 530	32 530	20 195	34 092	35 592	37 193
Service charges - electricity revenue	2	30 260	33 062	36 769	40 676	40 676	40 676	25 543	48 811	53 692	59 061
Service charges - water revenue	2	-	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue	2	7	1	5	-	-	-	8	-	-	-
Service charges - refuse revenue	2	684	709	857	3 585	3 585	3 585	623	3 757	3 923	4 099
Rental of facilities and equipment		8 033	6 243	1 653	2 142	2 142	2 142	1 157	2 244	2 343	2 449
Interest earned - external investments		5 515	5 419	4 821	4 891	4 891	4 891	3 153	5 125	5 351	5 592
Interest earned - outstanding debtors		4 783	5 058	5 869	1 759	1 759	1 759	3 681	1 843	1 925	2 011
Dividends received		-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		1 166	3 133	1 010	333	333	333	131	383	415	450
Licences and permits		989	785	1 714	2 409	2 409	2 409	977	2 525	2 636	2 754
Agency services		-	-	-	565	565	565	-	592	618	646
Transfers and subsidies		147 878	162 589	204 645	174 002	173 252	173 252	128 021	187 532	194 296	204 355
Other revenue	2	4 873	5 282	7 260	60 791	74 897	74 897	2 940	98 722	103 501	108 628
Gains		(1 259)	(1 279)	(741)	468	468	468	-	491	513	536
Total Revenue (excluding capital transfers and contributions)		231 752	251 282	295 253	324 150	337 506	337 506	186 430	386 117	404 802	427 775
Expenditure By Type											
Employee related costs	2	98 709	107 489	106 167	114 967	115 677	115 677	66 509	123 985	129 423	135 229
Remuneration of councillors		12 028	12 562	12 601	13 602	13 602	13 602	6 266	14 255	14 882	15 552
Debt impairment	3	10 085	19 233	15 193	6 004	6 900	6 900	(1 995)	7 235	7 553	7 893
Depreciation & asset impairment	2	35 521	30 067	29 817	49 443	49 443	49 443	13 926	52 236	54 534	56 988
Finance charges		1 816	1 971	1 630	234	259	259	203	61	64	67
Bulk purchases - electricity	2	20 821	22 235	24 593	26 588	29 596	29 596	18 648	35 516	39 067	42 974
Inventory consumed	8	963	483	774	1 862	1 916	1 916	-	1 243	1 297	1 356
Contracted services		69 223	59 623	58 965	58 703	65 413	65 413	27 438	69 404	70 150	73 274
Transfers and subsidies		304	1 553	1 092	-	-	-	-	-	-	-
Other expenditure	4, 5	46 393	42 179	44 985	64 944	54 699	54 699	54 565	53 710	55 115	57 579
Losses		-	-	-	-	-	-	-	-	-	-
Total Expenditure		295 861	297 396	295 818	336 347	337 506	337 506	185 561	357 644	372 086	390 912
Surplus/(Deficit)		(64 109)	(46 114)	(564)	(12 197)	(0)	(0)	889	28 473	32 716	36 862
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		85 798	80 829	63 094	58 719	58 719	58 719	35 710	53 042	60 039	60 337
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)	6	-	-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (in-kind - all)		-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		21 689	34 716	62 530	46 523	58 719	58 719	36 579	81 515	92 756	97 199
Taxation		-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after taxation		21 689	34 716	62 530	46 523	58 719	58 719	36 579	81 515	92 756	97 199
Attributable to minorities		-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality		21 689	34 716	62 530	46 523	58 719	58 719	36 579	81 515	92 756	97 199
Share of surplus/ (deficit) of associate	7	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year		21 689	34 716	62 530	46 523	58 719	58 719	36 579	81 515	92 756	97 199

In line with the formats prescribed by the Municipal Budget and Reporting Regulations, capital transfers and contributions are excluded from the operating statement, as inclusion of these revenue sources would distort the calculation of the operating surplus/deficit. Our total revenue mix comprises of revenue generated rates and services charges which are Electricity and solid waste and other revenue derived from rentals, plant income investment income and others.

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4.5.1. Property Rates

Property rates cover the cost of the provision of general services. Determining the effective property rate tariff is therefore an integral part of the municipality's budgeting process.

Revenue generated from Property Rates totals to R34 million for the budget year and has increased to R35.6 million and R37.1 million for the two outer years.

The following stipulations in the Property Rates Policy are highlighted:

- ▶ The first R15 000 of the market value of a property used for residential purposes is excluded from the rate-able value (Section 17(h) of the MPRA). In addition to this rebate, a further R25 000 reduction on the market value of a property will be granted in terms of the Municipality's own Property Rates Policy;
 - ▶ 35 per cent rebate will be granted on all residential properties (including state owned residential properties);
 - ▶ 100 per cent rebate will be granted to registered indigents in terms of the Indigent Policy;
 - ▶ For pensioners, physically and mentally disabled persons, a maximum/total rebate of 50 per cent (calculated on a sliding scale) will be granted to owners of rate-able property if the total gross income of the applicant and/or his/her spouse, if any, does not exceed the amount equal to twice the annual state pension as approved by the National Government for a financial year. In this regard the following stipulations are relevant:
 - The rate-able property concerned must be occupied only by the applicant and his/her spouse, if any, and by dependents without income;
 - The applicant must submit proof of his/her age and identity and, in the case of a physically or mentally handicapped person, proof of certification by a Medical Officer of Health, also proof of the annual income from a social pension;
 - The applicant's account must be paid in full, or if not, an arrangement to pay the debt should be in place, and
 - The property must be categorized as residential.
 - ▶ The Municipality may award a 100 per cent grant-in-aid on the assessment rates of rate-able properties of certain classes such as registered welfare organizations, institutions or organizations performing charitable work, sports grounds used for purposes of amateur sport. The owner of such a property must apply to the Chief Financial Officer in the prescribed format for such a grant
-

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4.5.2. Revenue from Services

4.5.2.1. Electricity

Electricity and Solid waste services are the main revenue sources for the municipality. Revenue generated from Electricity totals to R48.8 million for the budget year and increases to R53.7 million and R53.7 million for the two outer years. NERSA has announced the revised bulk electricity pricing structure of 20% for 2023 and 10% for the two outer years as detailed in budget circular 115. The tariff structure will be will be effective from 1 July 2022. Considering the Eskom increases, the consumer tariff had to be increased by 20% to offset the additional bulk purchase cost from 1 July 2022. Furthermore, it should be noted that given the magnitude of the tariff increase, it is expected to depress growth in electricity consumption, which will have a negative impact on the municipality's revenue from electricity.

Registered indigents will again be granted 50 kWh per 30-day period free of charge. In addition, those residential customers that are not registered as indigent, but that consume less than 50 kWh per 30-day period will receive 50 kWh free of charge.

Currently Electricity is operating at a deficit. It is widely accepted that the rendering of this service should at least break even, which is currently not the case. Considering the deficit, it is recommended that a comprehensive investigation into the cost structure of Electricity function be undertaken, and that this include investigating alternative service delivery models. The outcomes of this investigation will be incorporated into the next planning cycle. Currently the smart meters are being installed in order to minimize the electricity losses.

4.5.2.2. Solid Waste

Revenue generated from Solid waste totals to R3.7 million for the budget year and increases to R3.9 million R4 million for the two outer years. An increase of 4.8% has been applied as this service is operating at a deficit. It must also be noted that an amount of free basic refuse has been reduced from the total revenue expected from refuse removal.

These services are operating at a deficit, the revenue derived from these services is unable to cover expenditure in relation to these services. It is important that the municipality should consider come up with a cost recovery strategy to ensure that they are cost reflective. It is widely accepted that the rendering of this service should at least break even, which is currently not the case. The Municipality will have to implement a revenue enhancement strategy to ensure that this service can be rendered in a more sustainable manner over the medium to long-term. The main contributors to this deficit are repairs and maintenance on vehicles, increases in general

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expenditure such as petrol and diesel and the cost of remuneration as well as to some extent lack of billing of commercial businesses in terms of the recognized Polluter Pays Principle as outline in the National Waste Management Strategy of 2008. Considering the deficit, it is recommended that a comprehensive investigation into the possibility of reviewing our approach to billing in terms of the existing tariff structure as approved by Council.

4.5.2.3. Other Revenue

Other sources of revenue' which consists of various items such as income received from permits and licenses, building plan fees, connection fees, vat income, investment income and interest from debtors. Departments have been urged to review the tariffs of these items on an annual basis to ensure they are cost reflective and market related

4.5.2.4. Operating Grants

Operating grants and transfers totals R187.5 million in the budget year and steadily increases to R194.3 million and R204.3 for the two outer years. The following table gives a breakdown of the revenue and operating grants and subsidies allocated to the municipality over the medium term:

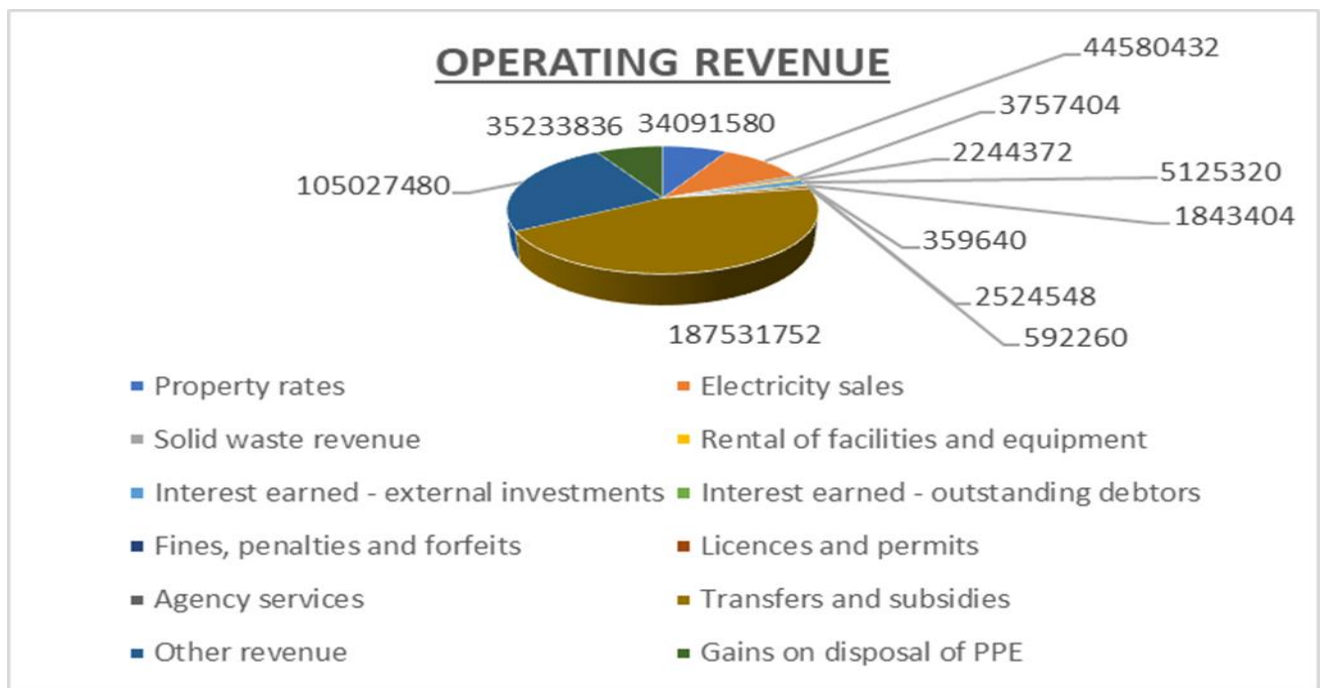


Figure 20: Operating Revenue

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4.5.2.5. Tariff-Setting

Tariff-setting is a pivotal and strategic part of the compilation of any budget. When rates, tariffs and other charges were revised, local economic conditions and the affordability of services were considered to ensure the financial sustainability of the Municipality. National Treasury continues to encourage municipalities to keep increases in rates, tariffs and other charges as low as possible. Municipalities must justify in their budget documentation all increases in excess of the 6 per cent upper boundary of the South African Reserve Bank's inflation target. Excessive increases are likely to be counterproductive, resulting in higher levels of non-payment.

The table below indicates the tariffs increases as per circular No. 99 and Nersa guidelines in tariff determination.

Table 63: Tariff Setting

Category	2021/2022 Budget Year	2022/2023 Budget Year	2023/2024 Budget Year	2024/2025 Budget Year
Property Rates	3.9%	4.8%	4.4%	4.5%
Electricity	15.6%	9.6%	4.4%	4.5%
Solid waste	3.9%	4.8%	4.4%	4.5%

The following table compares Solid Waste's current and proposed amounts payable from 1 July 2020 with previous year's tariffs:

Refuse Removal - Per Month	2021/2022	2022/2023
Households	R138.2	R151.4
Business	R274.3	R 300.6
Townships	R56.9	R 62.4
Loads per removal Business & Refuse garden	R417.8	R 457.9
Building Rubble per Load	R773.7	R 847.9
Use of refuse site where the public off load refuse - Price is per cubic meter (Prepaid Coupon)	R37.6	R 41.2
Illegal Dumping- Fine	R5013.6	R5 494.9

Electricity's current and proposed amounts that will be payable from 1 July 2022 are detailed on the tariff list which will be approved as the budget related document.

Overall impact of tariff increases on:

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4.5.2.6. Households

The following table shows the overall expected impact of the tariff increases on a large and small household, as well as an indigent household receiving free basic services.

4.6. Operating Expenditure Framework

The municipality's expenditure framework for the MTREF is informed by the following:

- ▶ Balanced budget constraint (operating expenditure should not exceed operating revenue) unless there are existing uncommitted cash-backed reserves to fund any deficit;
- ▶ Funding of the budget over the medium-term as informed by Section 18 and 19 of the MFMA;
- ▶ The capital program is aligned to the asset renewal strategy and backlog eradication plan;
- ▶ Operational gains and efficiencies will be directed to funding the capital budget and other core services; and
- ▶ Strict adherence to the principle of *no project plan no budget*. If there is no business plan no funding allocation can be made.

The following table is a high level summary of the MTREF (classified per main type of operating expenditure):

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Table A4 Summary of operating expenditure by standard classification item

Choose name from list - Table A4 Budgeted Financial Performance (revenue and expenditure)

Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22				2022/23 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Revenue By Source											
Property rates	2	28 822	30 281	31 392	32 530	32 530	32 530	20 195	34 092	35 592	37 193
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Service charges - water revenue	2	-	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue	2	7	1	5	-	-	-	8	-	-	-
Service charges - refuse revenue	2	684	709	857	3 585	3 585	3 585	623	3 757	3 923	4 099
Rental of facilities and equipment		8 033	6 243	1 653	2 142	2 142	2 142	1 157	2 244	2 343	2 449
Interest earned - external investments		5 515	5 419	4 821	4 891	4 891	4 891	3 153	5 125	5 351	5 592
Interest earned - outstanding debtors		4 783	5 068	5 869	1 759	1 759	1 759	3 681	1 843	1 925	2 011
Dividends received		-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		1 166	3 133	1 010	333	333	333	131	383	415	450
Licences and permits		989	785	1 714	2 409	2 409	2 409	977	2 525	2 636	2 754
Agency services		-	-	-	565	565	565	-	592	618	646
Transfers and subsidies		147 878	162 589	204 645	174 002	173 252	173 252	128 021	187 532	194 296	204 355
Other revenue	2	4 873	5 282	7 260	60 791	74 897	74 897	2 940	98 722	103 501	108 628
Gains		(1 259)	(1 279)	(741)	468	468	468	-	491	513	536
Total Revenue (excluding capital transfers and contributions)		231 752	251 282	295 253	324 150	337 506	337 506	186 430	386 117	404 802	427 775
Expenditure By Type											
Employee related costs	2	98 709	107 489	106 167	114 967	115 677	115 677	66 509	123 985	129 423	135 229
Remuneration of councillors		12 028	12 562	12 601	13 602	13 602	13 602	6 266	14 255	14 882	15 552
Debt impairment	3	10 085	19 233	15 193	6 004	6 900	6 900	(1 995)	7 235	7 553	7 893
Depreciation & asset impairment	2	35 521	30 067	29 817	49 443	49 443	49 443	13 926	52 236	54 534	56 988
Finance charges		1 816	1 971	1 630	234	259	259	203	61	64	67
Bulk purchases - electricity	2	20 821	22 235	24 593	26 588	29 596	29 596	18 648	35 516	39 067	42 974
Inventory consumed	8	963	483	774	1 862	1 916	1 916	-	1 243	1 297	1 356
Contracted services		69 223	59 623	58 965	58 703	65 413	65 413	27 438	69 404	70 150	73 274
Transfers and subsidies		304	1 553	1 092	-	-	-	-	-	-	-
Other expenditure	4, 5	46 393	42 179	44 985	64 944	54 699	54 699	54 565	53 710	55 115	57 579
Losses		-	-	-	-	-	-	-	-	-	-
Total Expenditure		295 861	297 396	295 818	336 347	337 506	337 506	185 561	357 644	372 086	390 912
Surplus/(Deficit)											
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		(64 109)	(46 114)	(564)	(12 197)	(0)	(0)	869	28 473	32 716	36 862
		85 798	80 829	63 094	58 719	58 719	58 719	35 710	53 042	60 039	60 337
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)	6	-	-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (in-kind - all)		-	-	-	-	-	-	-	-	-	-
		21 689	34 716	62 530	46 523	58 719	58 719	36 579	81 515	92 756	97 199
Surplus/(Deficit) after capital transfers & contributions		-	-	-	-	-	-	-	-	-	-
Taxation		21 689	34 716	62 530	46 523	58 719	58 719	36 579	81 515	92 756	97 199
Surplus/(Deficit) after taxation		21 689	34 716	62 530	46 523	58 719	58 719	36 579	81 515	92 756	97 199
Attributable to minorities		-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality		21 689	34 716	62 530	46 523	58 719	58 719	36 579	81 515	92 756	97 199
Share of surplus/ (deficit) of associate	7	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year		21 689	34 716	62 530	46 523	58 719	58 719	36 579	81 515	92 756	97 199

4.6.1. Employee Related Costs

The budgeted allocation for employee related costs for the budget year totals R138.3 million, which equals 36 per cent of the total operating expenditure. Given the current economic condition

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exacerbated by the COVID-19 pandemic, municipalities are urged to consider projecting increases by 4.8% plus 2.5% notch increase.

4.6.2. Remuneration of Councilors

The cost associated with the remuneration of councilors is determined by the Minister of Co-operative Governance and Traditional Affairs in accordance with the Remuneration of Public Office Bearers Act, 1998 (Act 20 of 1998). The most recent proclamation in this regard has been taken into account in compiling the Municipality's budget. Budget appropriation in this regard totals to R14.2 million and equates to 4 percent of the total operating expenditure.

4.6.3. Debt impairment Provision

The provision of debt impairment was determined based on an annual collection rate of 1.9 per cent and the Debt Write-off Policy of the municipality. For the budget year this amount equates to R7.3 million and equates to 1.45% of the total operating expenditure and escalates to R7.6million and R7.9 million for the two outer years. While this expenditure is considered to be a non-cash flow item, it informed the total cost associated with rendering the services of the municipality, as well as the municipality's realistically anticipated revenues.

4.6.4. Depreciation Provision

Provision for depreciation and asset impairment has been informed by the Municipality's Asset Management Policy. Depreciation in this regard refers to the systematic write off of assets over their useful lives. Budget appropriations in this regard total R51.8 million for the budget year financial and equates to 13.3% of the total operating expenditure.

4.6.5. Bulk purchases

Bulk purchases are directly informed by the purchase of electricity from Eskom. The annual price increases have been factored into the budget appropriations and directly inform the revenue provisions. Budget appropriations in this regard total to R32.4 million for the budget year and equates to 8.4 percent of the total operating budget. The expenditure also includes distribution losses.

4.6.6. Other Material

Budget appropriations in this regard totals to R1.3 million and equates 0.3% for the budget year and escalates to R1.4 and R1.5 million for the two outer years.

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4.6.7. Contracted Services

Contracted expenditure totals to R85.1 million and equates to 21.9% of the total operating budget.

4.6.8. Other Expenditure

Other expenditure comprises of various line items relating to the daily operations of the municipality. Budget appropriations in this regard totals to R57.7 million and equates to 15 percent. The following graph gives a breakdown of the main expenditure categories for the 2022/23 financial year.

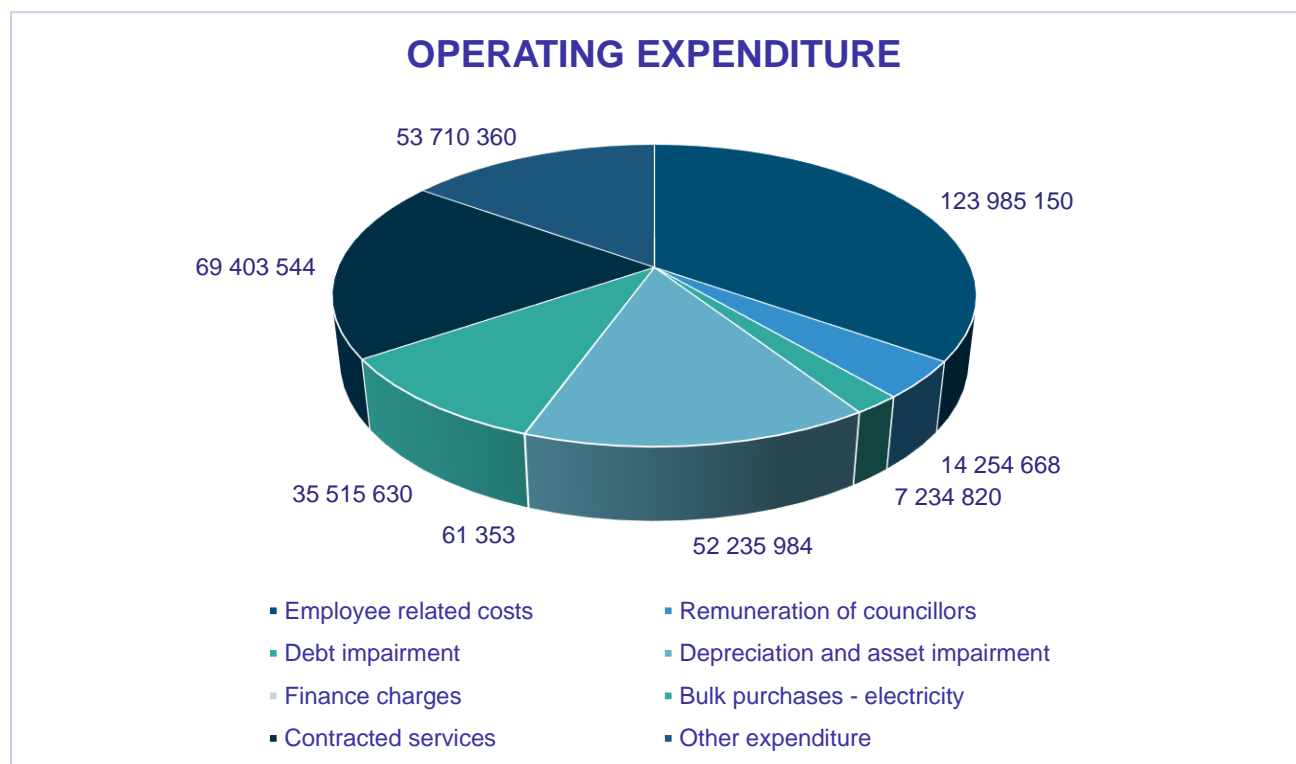


Figure 21: Operating Expenditure

Free Basic Services: Basic Social Services Package

The social package assists households that are poor or face other circumstances that limit their ability to pay for services. To receive these free services, the households are required to register in terms of the Municipality's Indigent Policy. The target is to register 10 000 or more indigent households during this budget year, a process reviewed annually. Detail relating to free services, cost of free basis services, revenue lost owing to free basic services as well as basic service delivery measurement is contained in Table SA21.

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The cost of the social package of the registered indigent households is largely financed by national government through the local government equitable share received in terms of the annual Division of Revenue Act. In this budget year the municipality made a provision of R15.2 million, R15.9 and R16.7 for the two outer years for free basic services.

Expenditure by major type

- ▶ Bulk purchases have increased over the MTREF period escalating to R32.4 million, R33.8 million and R35.3 million. These increases can be attributed to the substantial increase in the cost of bulk electricity from Eskom.
 - ▶ Employee related costs and bulk purchases are the main cost drivers within the municipality and alternative operational gains and efficiencies will have to be identified to lessen the impact of wage and bulk tariff increases in future years.
-

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4.7. Capital expenditure

The following table provides a breakdown of budgeted capital expenditure by vote:

For this budget year an amount of R91.1 million has been appropriated for the development of infrastructure which represents 18 per cent of the total expenditure budget. The amount totals to R103.1 million and R109.0 million for the outer years.

Choose name from list - Table A5 Budgeted Capital Expenditure by vote, functional classification and funding

Vote Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22				2022/23 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
R thousand	1										
Capital expenditure - Vote	2										
<i>Multi-year expenditure, to be appropriated</i>											
Vote 1 - Executive and Council		-	-	-	-	-	-	-	-	-	-
Vote 2 - BTO		-	-	-	-	-	-	-	-	-	-
Vote 3 - Corporate Services Department		-	-	-	-	-	-	-	-	-	-
Vote 4 - Strategic Development Services		-	-	-	-	-	-	-	-	-	-
Vote 5 - Community Services Department		-	-	-	-	-	-	-	-	-	-
Vote 6 - Infrastructure Development		-	-	-	-	-	-	-	-	-	-
Vote 7 -		-	-	-	-	-	-	-	-	-	-
Vote 8 -		-	-	-	-	-	-	-	-	-	-
Vote 9 -		-	-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-	-
Vote 15 -		-	-	-	-	-	-	-	-	-	-
Capital multi-year expenditure sub-total	7	-	-	-	-	-	-	-	-	-	-
<i>Single-year expenditure, to be appropriated</i>	2										
Vote 1 - Executive and Council		589	2 022	2 587	1 200	2 235	2 235	51	-	-	-
Vote 2 - BTO		(7 168)	(4 065)	5 281	36 370	42 242	42 242	2 378	800	835	873
Vote 3 - Corporate Services Department		47	98	2 222	2 100	2 630	2 630	737	3 250	3 393	3 546
Vote 4 - Strategic Development Services		47 119	47 297	395	1 760	1 640	1 640	1 089	2 543	2 655	2 775
Vote 5 - Community Services Department		5 804	10 674	8 320	28 519	28 477	28 477	15 388	24 089	32 115	33 558
Vote 6 - Infrastructure Development		123 273	152 093	57 093	43 279	42 609	42 609	26 322	50 825	52 994	55 302
Vote 7 -		-	-	-	-	-	-	-	-	-	-
Vote 8 -		-	-	-	-	-	-	-	-	-	-
Vote 9 -		-	-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-	-
Vote 15 -		-	-	-	-	-	-	-	-	-	-
Capital single-year expenditure sub-total		169 664	208 120	75 898	113 228	119 833	119 833	45 965	81 507	91 992	96 053
Total Capital Expenditure - Vote		169 664	208 120	75 898	113 228	119 833	119 833	45 965	81 507	91 992	96 053
Capital Expenditure - Functional											
<i>Governance and administration</i>		(6 533)	(1 944)	10 090	39 670	47 107	47 107	3 166	4 050	4 228	4 418
Executive and council		589	2 022	2 587	1 200	2 235	2 235	51	-	-	-
Finance and administration		(7 122)	(3 967)	7 503	38 470	44 872	44 872	3 115	4 050	4 228	4 418
Internal audit		-	-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		2 813	2 878	138	450	1 575	1 575	108	1 490	1 556	1 626
Community and social services		257	321	138	250	575	575	-	300	313	327
Sport and recreation		935	935	-	150	150	150	108	480	501	524
Public safety		1 621	1 621	-	50	850	850	-	710	741	775
Housing		-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		170 393	199 390	57 487	45 039	44 249	44 249	27 412	53 368	55 649	58 077
Planning and development		47 119	47 297	395	1 760	1 640	1 640	1 089	2 543	2 655	2 775
Road transport		123 273	152 093	57 093	43 279	42 609	42 609	26 322	50 825	52 994	55 302
Environmental protection		-	-	-	-	-	-	-	-	-	-
<i>Trading services</i>		2 991	7 796	8 183	28 069	26 902	26 902	15 280	22 599	30 559	31 933
Energy sources		(4 068)	(387)	5 407	27 669	25 802	25 802	14 763	22 329	30 278	31 638
Water management		-	-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-	-
Waste management		7 060	8 183	2 776	400	1 100	1 100	517	270	282	295
Other		-	-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Functional	3	169 664	208 120	75 898	113 228	119 833	119 833	45 965	81 507	91 992	96 053
Funded by:											
National Government		94 441	97 960	30 258	58 719	58 969	58 969	38 365	58 575	68 051	71 035
Provincial Government		22 102	20 067	20 047	-	-	-	-	-	-	-
District Municipality		-	-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporators, Higher Educational Institutions)		-	-	-	-	-	-	-	-	-	-
Transfers recognised - capital	4	116 543	118 027	50 305	58 719	58 969	58 969	38 365	58 575	68 051	71 035
Borrowing	6	-	-	-	30 000	30 000	30 000	-	-	-	-
Internally generated funds		-	10 163	21 885	24 509	30 864	30 864	7 430	22 932	23 941	25 018
Total Capital Funding	7	116 543	128 190	72 190	113 228	119 833	119 833	45 794	81 507	91 992	96 053

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The following chart gives a breakdown of the Capital expenditure by vote for the 2022/23 financial year.

Funding of Capital Budget

The capital program is funded from National grants, borrowing and internally generated funds from previous year surpluses. Capital transfers totals to R58.79 million and escalates to R68.0 million and R71 million and R32.31 million internally funded.

The chart below illustrates the funding sources for Capital Expenditure year.

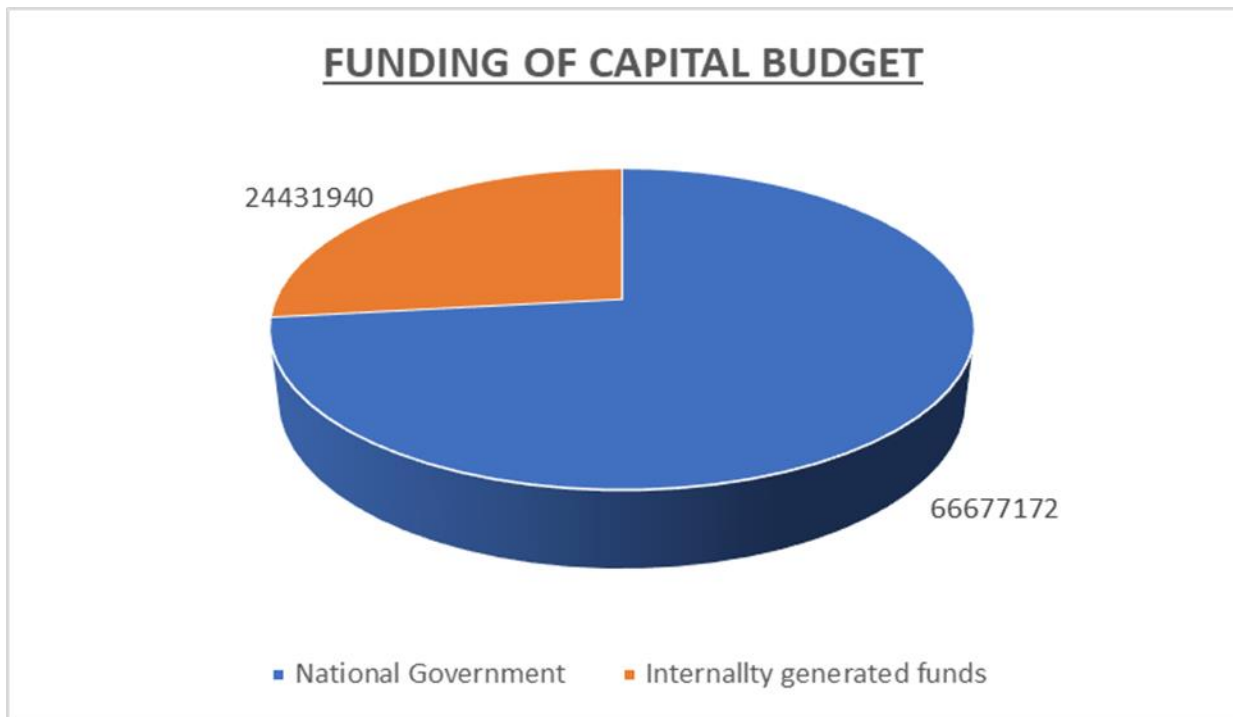


Figure 22: Capital Budget

ELM DRAFT INTEGRATED DEVELOPMENT PLAN 2022-2023

Table A1 is a budget summary and provides a concise overview of the Municipality's budget from all of the major financial perspectives (operating, capital expenditure, financial position, cash flow, and MFMA funding compliance).

The table provides an overview of the amounts approved by Council for operating performance, resources deployed to capital expenditure, financial position, cash and funding compliance, as well as the municipality's commitment to eliminating basic service delivery backlogs. Financial management reforms emphasize the importance of the municipal budget being funded. This requires the simultaneous assessment of the Financial Performance, Financial Position and Cash Flow Budgets, along with the Capital Budget. The Budget Summary provides the key information in this regard:

- a. The operating surplus/deficit (after Total Expenditure) is positive over the MTREF
- b. Capital expenditure is balanced by capital funding sources, of which
 - i. Transfers recognized is reflected on the Financial Performance Budget;
 - ii. Internally generated funds are financed from a combination of the current operating surplus and accumulated cash-backed surpluses from previous years. The amount is incorporated in the Net cash from investing on the Cash Flow Budget. The fact that the municipality's cash flow remains positive, and is improving indicates that the necessary cash resources are available to fund the Capital Budget.

The Cash backing/surplus reconciliation indicates that the municipality is paying much attention in managing of its finances mainly building of internal reserves that can be cash-backed to fund the budget.

Even though the Council is placing great emphasis on securing the financial sustainability of the municipality, this is not being done at the expense of services to the poor. The section of Free Services shows that the amount spent on Free Basic Services and the revenue cost of free services provided by the municipality continues to increase. In addition, the municipality continues to make progress in addressing service delivery backlogs.

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Table A2 - Budgeted Financial Performance (revenue and expenditure by standard classification)

Choose name from list - Table A2 Budgeted Financial Performance (revenue and expenditure by functional classification)

Functional Classification Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Revenue - Functional	1									
Governance and administration		176 743	193 823	235 527	263 350	276 881	276 881	315 511	330 593	346 824
Executive and council		-	-	65	-	-	-	-	-	-
Finance and administration		176 743	193 823	235 462	263 350	276 881	276 881	315 511	330 593	346 824
Internal audit		-	-	-	-	-	-	-	-	-
Community and public safety		6 161	5 860	8 580	7 095	6 920	6 920	7 063	4 690	4 868
Community and social services		2 614	3 625	4 302	4 083	3 908	3 908	3 906	1 394	1 423
Sport and recreation		-	-	-	23	23	23	24	25	27
Public safety		3 547	2 235	4 278	2 989	2 989	2 989	3 133	3 270	3 418
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
Economic and environmental services		68 299	66 752	49 443	41 723	41 723	41 723	41 572	41 099	40 542
Planning and development		62	548	2 088	2 744	2 744	2 744	2 934	3 060	3 194
Road transport		68 237	66 204	47 355	38 979	38 979	38 979	38 642	38 039	37 349
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		66 348	65 676	64 798	70 702	70 702	70 702	75 009	88 460	95 878
Energy sources		60 867	60 117	58 640	67 116	67 116	67 116	71 252	84 537	91 778
Water management		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		5 481	5 559	6 158	3 585	3 585	3 585	3 757	3 923	4 099
Other	4	-	-	-	-	-	-	-	-	-
Total Revenue - Functional	2	317 551	332 111	358 348	382 870	396 226	396 226	439 159	464 842	488 111
Expenditure - Functional										
Governance and administration		129 165	152 115	128 196	161 827	158 847	158 847	171 534	178 428	186 391
Executive and council		45 757	42 894	43 892	50 717	48 436	48 436	57 755	59 665	62 360
Finance and administration		83 408	109 221	84 305	111 111	110 411	110 411	113 779	118 763	124 031
Internal audit		-	-	-	-	-	-	-	-	-
Community and public safety		21 910	15 881	24 831	28 237	27 952	27 952	26 986	25 543	26 693
Community and social services		5 095	5 684	7 309	5 382	5 290	5 290	4 565	2 136	2 232
Sport and recreation		8 267	8 445	6 973	7 864	7 663	7 663	7 305	7 627	7 970
Public safety		8 548	1 752	10 548	14 992	14 999	14 999	15 115	15 781	16 491
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
Economic and environmental services		62 964	47 439	57 515	74 535	75 211	75 211	82 951	86 601	90 498
Planning and development		11 725	11 879	13 142	14 553	14 776	14 776	20 080	20 963	21 907
Road transport		51 239	35 560	44 373	59 981	60 435	60 435	62 872	65 638	68 592
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		81 822	81 960	85 276	71 748	75 496	75 496	76 173	81 514	87 330
Energy sources		61 580	60 003	62 381	47 910	50 904	50 904	56 752	61 238	66 143
Water management		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		20 242	21 957	22 895	23 838	24 593	24 593	19 421	20 275	21 188
Other	4	-	-	-	-	-	-	-	-	-
Total Expenditure - Functional	3	295 861	297 396	295 818	336 347	337 506	337 506	357 644	372 086	390 912
Surplus/(Deficit) for the year		21 689	34 716	62 530	46 523	58 719	58 719	81 515	92 756	97 199

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Explanatory notes to Table A2 - Budgeted Financial Performance (revenue and expenditure by standard classification)

- ▶ Table A2 is a view of the budgeted financial performance in relation to revenue and expenditure per standard classification. The modified GFS standard classification divides the municipal services into 15 functional areas. Municipal revenue, operating expenditure and capital expenditure are then classified in terms of each of these functional areas which enables the National Treasury to compile 'whole of government' reports.
 - ▶ Note the Total Revenue on this table includes capital revenues (Transfers recognized – capital) and so does not balance to the operating revenue shown on Table A4.
 - ▶ Note that as a general principle the revenues for the Trading Services should exceed their expenditures. The table highlights that this is not the case for Electricity and Waste management functions. As already noted above, the municipality will be undertaking a detailed study of this function to explore ways of improving efficiencies and provide a basis for re-evaluating the function's tariff structure.
 - ▶ Other functions that show a deficit between revenue and expenditure are being financed from rates revenues and other revenue and Equitable share.
-

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Table A3 - Budgeted Financial Performance (revenue and expenditure by municipal vote)

Explanatory notes to Table A3 - Budgeted Financial Performance (revenue and expenditure by municipal vote)

1. Table A3 is a view of the budgeted financial performance in relation to the revenue and expenditure per municipal vote. This table facilitates the view of the budgeted operating performance in relation to the organizational structure of the municipality. This means it is possible to present the operating surplus or deficit of a vote.

Choose name from list - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)

Vote Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
R thousand										
Revenue by Vote	1									
Vote 1 - Executive and Council		-	-	65	-	-	-	-	-	-
Vote 2 - BTO		176 616	193 823	235 436	263 350	276 881	276 881	315 511	330 593	346 824
Vote 3 - Corporate Services Department		127	-	26	-	-	-	-	-	-
Vote 4 - Strategic Development Services		62	548	2 088	2 744	2 744	2 744	2 934	3 060	3 194
Vote 5 - Community Services Department		72 509	71 536	73 377	77 797	77 622	77 622	82 072	93 150	100 745
Vote 6 - Infrastructure Development		68 237	66 204	47 355	38 979	38 979	38 979	38 642	38 039	37 349
Vote 7 -		-	-	-	-	-	-	-	-	-
Vote 8 -		-	-	-	-	-	-	-	-	-
Vote 9 -		-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-
Vote 15 -		-	-	-	-	-	-	-	-	-
Total Revenue by Vote	2	317 551	332 111	358 348	382 870	396 226	396 226	439 159	464 842	488 111
Expenditure by Vote to be appropriated	1									
Vote 1 - Executive and Council		45 136	42 895	43 489	50 261	48 010	48 010	57 308	59 199	61 873
Vote 2 - BTO		68 147	86 170	64 876	89 119	87 503	87 503	86 423	90 203	94 186
Vote 3 - Corporate Services Department		15 261	23 051	19 428	21 992	22 908	22 908	27 356	28 560	29 845
Vote 4 - Strategic Development Services		11 725	11 879	13 142	14 553	14 776	14 776	20 080	20 963	21 907
Vote 5 - Community Services Department		103 733	97 841	110 106	99 985	103 448	103 448	103 159	107 057	114 023
Vote 6 - Infrastructure Development		51 860	35 560	44 775	60 437	60 861	60 861	63 318	66 104	69 079
Vote 7 -		-	-	-	-	-	-	-	-	-
Vote 8 -		-	-	-	-	-	-	-	-	-
Vote 9 -		-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-
Vote 15 -		-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	2	295 861	297 396	295 818	336 347	337 506	337 506	357 644	372 086	390 912
Surplus/(Deficit) for the year	2	21 689	34 716	62 530	46 523	58 719	58 719	81 515	92 756	97 199

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Table A4 - Budgeted Financial Performance (revenue and expenditure)

Explanatory notes to Table A4 - Budgeted Financial Performance (revenue and expenditure)

Choose name from list - Table A4 Budgeted Financial Performance (revenue and expenditure)

Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22				2022/23 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Revenue By Source											
Property rates	2	28 822	30 281	31 392	32 530	32 530	32 530	20 195	34 092	35 592	37 193
Service charges - electricity revenue	2	30 260	33 062	36 769	40 676	40 676	40 676	25 543	48 811	53 692	59 061
Service charges - water revenue	2	-	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue	2	7	1	5	-	-	-	8	-	-	-
Service charges - refuse revenue	2	684	709	857	3 585	3 585	3 585	623	3 757	3 923	4 099
Rental of facilities and equipment		8 033	6 243	1 653	2 142	2 142	2 142	1 157	2 244	2 343	2 449
Interest earned - external investments		5 515	5 419	4 821	4 891	4 891	4 891	3 153	5 125	5 351	5 592
Interest earned - outstanding debtors		4 783	5 058	5 869	1 759	1 759	1 759	3 681	1 843	1 925	2 011
Dividends received		-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		1 166	3 133	1 010	333	333	333	131	383	415	450
Licences and permits		989	785	1 714	2 409	2 409	2 409	977	2 525	2 636	2 754
Agency services		-	-	-	565	565	565	-	592	618	646
Transfers and subsidies		147 878	162 589	204 645	174 002	173 252	173 252	128 021	187 532	194 296	204 355
Other revenue	2	4 873	5 282	7 260	60 791	74 897	74 897	2 940	98 722	103 501	108 628
Gains		(1 259)	(1 279)	(741)	468	468	468	-	491	513	536
Total Revenue (excluding capital transfers and contributions)		231 752	251 282	295 253	324 150	337 506	337 506	186 430	386 117	404 802	427 775
Expenditure By Type											
Employee related costs	2	98 709	107 489	106 167	114 967	115 677	115 677	66 509	123 985	129 423	135 229
Remuneration of councillors		12 028	12 562	12 601	13 602	13 602	13 602	6 266	14 255	14 882	15 552
Debt impairment	3	10 085	19 233	15 193	6 004	6 900	6 900	(1 995)	7 235	7 553	7 893
Depreciation & asset impairment	2	35 521	30 067	29 817	49 443	49 443	49 443	13 926	52 236	54 534	56 988
Finance charges		1 816	1 971	1 630	234	259	259	203	61	64	67
Bulk purchases - electricity	2	20 821	22 235	24 593	26 588	29 596	29 596	18 648	35 516	39 067	42 974
Inventory consumed	8	963	483	774	1 862	1 916	1 916	-	1 243	1 297	1 366
Contracted services		69 223	59 623	58 965	58 703	65 413	65 413	27 438	69 404	70 150	73 274
Transfers and subsidies		304	1 553	1 092	-	-	-	-	-	-	-
Other expenditure	4, 5	46 393	42 179	44 985	64 944	54 699	54 699	54 565	53 710	55 115	57 579
Losses		-	-	-	-	-	-	-	-	-	-
Total Expenditure		295 861	297 396	295 818	336 347	337 506	337 506	185 561	357 644	372 086	390 912
Surplus/(Deficit)		(64 109)	(46 114)	(564)	(12 197)	(0)	(0)	869	28 473	32 716	36 862
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		85 798	80 829	63 094	58 719	58 719	58 719	35 710	53 042	60 039	60 337
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)	6	-	-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (in-kind - all)		-	-	-	-	-	-	-	-	-	-
		21 689	34 716	62 530	46 523	58 719	58 719	36 579	81 515	92 756	97 199
Surplus/(Deficit) after capital transfers & contributions		-	-	-	-	-	-	-	-	-	-
Taxation		-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after taxation		21 689	34 716	62 530	46 523	58 719	58 719	36 579	81 515	92 756	97 199
Attributable to minorities		-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality		21 689	34 716	62 530	46 523	58 719	58 719	36 579	81 515	92 756	97 199
Share of surplus/ (deficit) of associate	7	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year		21 689	34 716	62 530	46 523	58 719	58 719	36 579	81 515	92 756	97 199

Total revenue is 314 million in the budget year and escalates to R328 million and R342 for the outer years. Revenue to be generated from property rates is R31.3 million in the budget year and increases to R32.7 million and R32.4 million in the outer years.

The property Rates represents 5.7 per cent of the operating revenue base of the municipality and clearly shows that the municipality is grant depended it cannot sustain itself should the grants be taken away. Services charges relating to electricity, and refuse removal constitutes the biggest component of the revenue basket of the municipality totaling R37.6 million in the budget year and increasing to R39.3 million and R41.1 million for the outer years. For the budget year services

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charges amount to 8 per cent of the total revenue base and grows by 9 per cent per annum over the medium-term.

Transfers recognized – operating includes the local government equitable share and other operating grants from national and provincial government. It needs to be noted that in real terms the grants receipts from national government are decreasing over the MTREF

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

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Choose name from list - Table A5 Budgeted Capital Expenditure by vote, functional classification and funding

Vote Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22				2022/23 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
R thousand	1										
Capital expenditure - Vote											
Multi-year expenditure, to be appropriated	2										
Vote 1 - Executive and Council		-	-	-	-	-	-	-	-	-	-
Vote 2 - BTO		-	-	-	-	-	-	-	-	-	-
Vote 3 - Corporate Services Department		-	-	-	-	-	-	-	-	-	-
Vote 4 - Strategic Development Services		-	-	-	-	-	-	-	-	-	-
Vote 5 - Community Services Department		-	-	-	-	-	-	-	-	-	-
Vote 6 - Infrastructure Development		-	-	-	-	-	-	-	-	-	-
Vote 7 -		-	-	-	-	-	-	-	-	-	-
Vote 8 -		-	-	-	-	-	-	-	-	-	-
Vote 9 -		-	-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-	-
Vote 15 -		-	-	-	-	-	-	-	-	-	-
Capital multi-year expenditure sub-total	7	-	-	-	-	-	-	-	-	-	-
Single-year expenditure, to be appropriated	2										
Vote 1 - Executive and Council		589	2 022	2 587	1 200	2 235	2 235	51	-	-	-
Vote 2 - BTO		(7 168)	(4 065)	5 281	36 370	42 242	42 242	2 378	800	835	873
Vote 3 - Corporate Services Department		47	98	2 222	2 100	2 630	2 630	737	3 250	3 393	3 546
Vote 4 - Strategic Development Services		47 119	47 297	395	1 760	1 640	1 640	1 089	2 543	2 655	2 775
Vote 5 - Community Services Department		5 804	10 674	8 320	28 519	28 477	28 477	15 388	24 089	32 115	33 558
Vote 6 - Infrastructure Development		123 273	152 093	57 093	43 279	42 609	42 609	26 322	50 825	52 994	55 302
Vote 7 -		-	-	-	-	-	-	-	-	-	-
Vote 8 -		-	-	-	-	-	-	-	-	-	-
Vote 9 -		-	-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-	-
Vote 15 -		-	-	-	-	-	-	-	-	-	-
Capital single-year expenditure sub-total		169 664	208 120	75 898	113 228	119 833	119 833	45 965	81 507	91 992	96 053
Total Capital Expenditure - Vote		169 664	208 120	75 898	113 228	119 833	119 833	45 965	81 507	91 992	96 053
Capital Expenditure - Functional											
Governance and administration		(6 533)	(1 944)	10 090	39 670	47 107	47 107	3 166	4 050	4 228	4 418
Executive and council		589	2 022	2 587	1 200	2 235	2 235	51	-	-	-
Finance and administration		(7 122)	(3 967)	7 503	38 470	44 872	44 872	3 115	4 050	4 228	4 418
Internal audit		-	-	-	-	-	-	-	-	-	-
Community and public safety		2 813	2 878	138	450	1 575	1 575	108	1 490	1 556	1 626
Community and social services		257	321	138	250	575	575	-	300	313	327
Sport and recreation		935	935	-	150	150	150	108	480	501	524
Public safety		1 621	1 621	-	50	850	850	-	710	741	775
Housing		-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-
Economic and environmental services		170 393	199 390	57 487	45 039	44 249	44 249	27 412	53 368	55 649	58 077
Planning and development		47 119	47 297	395	1 760	1 640	1 640	1 089	2 543	2 655	2 775
Road transport		123 273	152 093	57 093	43 279	42 609	42 609	26 322	50 825	52 994	55 302
Environmental protection		-	-	-	-	-	-	-	-	-	-
Trading services		2 991	7 796	8 183	28 069	26 902	26 902	15 280	22 599	30 559	31 933
Energy sources		(4 068)	(387)	5 407	27 669	25 802	25 802	14 763	22 329	30 278	31 638
Water management		-	-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-	-
Waste management		7 060	8 183	2 776	400	1 100	1 100	517	270	282	295
Other		-	-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Functional	3	169 664	208 120	75 898	113 228	119 833	119 833	45 965	81 507	91 992	96 053
Funded by:											
National Government		94 441	97 960	30 258	58 719	58 969	58 969	38 365	58 575	68 051	71 035
Provincial Government		22 102	20 067	20 047	-	-	-	-	-	-	-
District Municipality		-	-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)		-	-	-	-	-	-	-	-	-	-
Transfers recognised - capital	4	116 543	118 027	50 305	58 719	58 969	58 969	38 365	58 575	68 051	71 035
Borrowing	6	-	-	-	30 000	30 000	30 000	-	-	-	-
Internally generated funds		-	10 163	21 885	24 509	30 864	30 864	7 430	22 932	23 941	25 018
Total Capital Funding	7	116 543	128 190	72 190	113 228	119 833	119 833	45 794	81 507	91 992	96 053

Explanatory notes to Table A5 - Budgeted Capital Expenditure by vote, standard classification and funding source

Table A5 is a breakdown of the capital program in relation to capital expenditure by municipal vote (single-year appropriations); capital expenditure by standard classification; and the funding

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sources necessary to fund the capital budget, including information on capital transfers from national and provincial departments.

Single-year capital expenditure has been appropriated at R75.8 million for the budget year and R80.3 million and R83.8 million for the two outer years.

Unlike multi-year capital appropriations, single-year appropriations relate to expenditure that will be incurred in the specific budget year such as the procurement of vehicles and specialized tools and equipment. The budget appropriations for the two outer years are indicative allocations based on the departmental business plans as informed by the IDP and will be reviewed on an annual basis to assess the relevance of the expenditure in relation to the strategic objectives and service delivery imperatives of the municipality. For the purpose of funding assessment of the MTREF, these appropriations have been included but no commitments will be incurred against single-year appropriations for the two outer-years

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Table A6 - Budgeted Financial Position

Choose name from list - Table A6 Budgeted Financial Position

Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22				2022/23 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
ASSETS											
Current assets											
Cash		76 454	83 919	87 862	118 306	105 740	105 740	97 368	156 818	53 890	56 456
Call investment deposits	1	671	1 334	22 867	164 277	164 277	164 277	21 615	164 277	-	-
Consumer debtors	1	23 246	26 080	24 810	78 144	103 192	103 192	42 641	92 861	3 531	3 897
Other debtors		9 696	7 529	7 803	11 343	11 343	11 343	5 671	9 309	(2 123)	(2 219)
Current portion of long-term receivables		-	-	-	-	-	-	-	-	-	-
Inventory	2	-	-	-	-	390	390	-	-	(0)	0
Total current assets		110 067	118 853	143 142	372 070	384 943	384 943	167 295	423 265	55 298	58 134
Von current assets											
Long-term receivables		-	-	-	-	-	-	40	-	-	-
Investments		-	-	-	-	-	-	-	-	-	-
Investment property		46 067	45 587	45 107	42 007	42 007	42 007	44 888	42 007	-	-
Investment in Associate		-	-	-	-	-	-	-	-	-	-
Property, plant and equipment	3	525 078	498 160	541 118	685 396	691 485	691 485	600 770	725 756	146 526	153 042
Biological		-	-	-	-	-	-	-	-	-	-
Intangible		0	5	2	7	522	522	2	-	-	-
Other non-current assets		-	-	-	-	-	-	-	-	-	-
Total non current assets		571 145	543 752	586 228	727 410	734 014	734 014	645 680	767 763	146 526	153 042
TOTAL ASSETS		681 213	662 614	729 370	1 099 479	1 118 957	1 118 957	812 975	1 191 028	201 824	211 176
LIABILITIES											
Current liabilities											
Bank overdraft	1	-	-	-	-	-	-	-	-	-	-
Borrowing	4	65	288	270	-	-	-	270	-	-	-
Consumer deposits		385	383	656	377	377	377	717	377	-	-
Trade and other payables	4	56 288	58 450	57 937	59 997	67 279	(67 279)	55 421	58 690	0	0
Provisions		19 251	24 926	28 028	5 277	5 277	5 277	27 932	-	-	-
Total current liabilities		75 968	84 048	86 890	65 651	72 933	(61 625)	84 340	59 067	0	0
Von current liabilities											
Borrowing		93	417	147	30 000	30 000	(30 000)	(2 519)	-	-	-
Provisions		13 269	14 667	16 170	19 151	19 151	(19 151)	16 170	49 151	-	-
Total non current liabilities		13 362	15 084	16 317	49 151	49 151	(49 151)	13 651	49 151	-	-
TOTAL LIABILITIES		89 330	99 132	103 208	114 802	122 084	(110 776)	97 991	108 218	0	0
NET ASSETS	5	591 883	563 482	626 162	984 677	996 874	1 229 733	714 984	1 082 810	201 824	211 176
COMMUNITY WEALTH/EQUITY											
Accumulated Surplus/(Deficit)		465 985	499 165	612 653	826 637	838 834	838 834	659 075	978 338	92 756	97 199
Reserves	4	-	-	-	59 154	59 154	(59 154)	-	-	-	-
TOTAL COMMUNITY WEALTH/EQUITY	5	465 985	499 165	612 653	885 791	897 988	779 680	659 075	978 338	92 756	97 199

Explanatory notes to Table A6 - Budgeted Financial Position

- ▶ Table A6 is consistent with international standards of good financial management practice, and improves understandability for councilors and management of the impact of the budget on the statement of financial position (balance sheet).
- ▶ This format of presenting the statement of financial position is aligned to GRAP1, which is generally aligned to the international version which presents Assets less Liabilities as “accounting” Community Wealth. The order of items within each group illustrates items in order of liquidity; i.e. assets readily converted to cash, or liabilities immediately required to be met from cash, appear first.
- ▶ Table A6s supported by an extensive table of notes (SA3) providing a detailed analysis of the major components of a number of items, including:
 - Call investments deposits;

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- Consumer debtors;
 - Property, plant and equipment;
 - Trade and other payables;
 - Provisions noncurrent;
 - Changes in net assets; and
 - Reserves
- ▶ The municipal equivalent of equity is Community Wealth/Equity. The justification is that ownership and the net assets of the municipality belong to the community.
- ▶ Any movement on the Budgeted Financial Performance or the Capital Budget will inevitably impact on the Budgeted Financial Position. As an example, the collection rate assumption will impact on the cash position of the municipality and subsequently inform the level of cash and cash equivalents at year end. Similarly, the collection rate assumption should inform the budget appropriation for debt impairment which in turn would impact on the provision for bad debt. These budget and planning assumptions form a critical link in determining the applicability and relevance of the budget as well as the determination of ratios and financial indicators. In addition, the funding compliance assessment is informed directly by forecasting the statement of financial position.
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Choose name from list - Table A/ Budgeted Cash Flows

Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22				2022/23 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Property rates		6	-	-	32 530	30 253	30 253	-	31 705	33 100	34 590
Service charges		14 503	16 215	18 604	50 725	41 163	41 163	13 143	48 888	53 581	58 739
Other revenue		25 381	14 576	21 522	61 882	61 882	61 882	29 215	104 466	109 513	114 927
Transfers and Subsidies - Operational	1	193 905	180 360	197 485	174 002	173 252	173 252	337 914	187 532	194 296	204 355
Transfers and Subsidies - Capital	1	77 239	15 785	11 602	58 719	58 719	58 719	50 787	53 042	60 039	60 337
Interest		3 661	5 289	2 725	4 891	4 891	4 891	73	5 125	5 351	5 582
Dividends		-	-	-	-	-	-	-	-	-	-
Payments											
Suppliers and employees		(234 101)	(229 864)	(28 812)	(280 901)	(274 719)	(274 719)	(139 657)	(298 118)	(309 941)	(325 971)
Finance charges		(1 766)	(1 920)	-	(234)	(59)	(59)	-	(61)	(64)	(67)
Transfers and Grants	1	-	(461)	-	-	-	-	-	-	-	-
NET CASH FROM/(USED) OPERATING ACTIVITIES		78 826	(20)	223 127	101 614	95 382	95 382	291 475	132 579	145 875	152 502
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE		-	-	-	468	468	468	-	-	-	-
Decrease (increase) in non-current receivables		-	-	-	-	-	-	(40)	-	-	-
Decrease (increase) in non-current investments		-	-	-	-	-	-	-	-	-	-
Payments											
Capital assets		-	-	(71 901)	(113 588)	(119 746)	(119 746)	(51 491)	(81 507)	(91 992)	(96 053)
NET CASH FROM/(USED) INVESTING ACTIVITIES		-	-	(71 901)	(113 120)	(119 278)	(119 278)	(51 531)	(81 507)	(91 992)	(96 053)
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans		-	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing		-	-	-	30 000	30 000	30 000	-	-	-	-
Increase (decrease) in consumer deposits		-	-	54	-	-	-	61	-	-	-
Payments											
Repayment of borrowing		-	-	-	-	-	-	-	-	-	-
NET CASH FROM/(USED) FINANCING ACTIVITIES		-	-	54	30 000	30 000	30 000	61	-	-	-
NET INCREASE/ (DECREASE) IN CASH HELD		78 826	(20)	151 280	18 495	6 104	6 104	240 004	51 072	53 883	56 449
Cash/cash equivalents at the year begin:	2	-	-	84 300	263 855	263 855	263 855	107 863	270 018	321 089	374 972
Cash/cash equivalents at the year end:	2	78 826	(20)	235 581	282 350	269 959	269 959	347 868	321 089	374 972	431 421

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Choose name from list - Table A8 Cash backed reserves/accumulated surplus reconciliation

Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22				2022/23 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Cash and investments available											
Cash/cash equivalents at the year end	1	78 826	(20)	235 581	282 350	269 959	269 959	347 888	321 089	374 972	431 421
Other current investments > 90 days		(1 702)	85 274	(125 052)	234	59	59	(228 884)	6	(321 082)	(374 965)
Non current assets - Investments	1	-	-	-	-	-	-	-	-	-	-
Cash and investments available:		77 125	85 254	110 529	282 584	270 018	270 018	118 984	321 095	53 890	56 456
Application of cash and investments											
Unspent conditional transfers		1 048	913	682	-	-	-	17 381	-	-	-
Unspent borrowing		-	-	-	-	-	-	-	-	-	-
Statutory requirements	2	-	-	-	-	-	-	-	-	-	-
Other working capital requirements	3	43 000	49 557	46 886	(29 704)	(28 805)	(163 363)	4 146	(97 982)	(1 350)	(1 609)
Other provisions		-	-	-	-	-	-	-	-	-	-
Long term investments committed	4	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments	5	-	-	-	-	-	-	-	-	-	-
Total Application of cash and investments:		44 048	50 470	47 569	(29 704)	(28 805)	(163 363)	21 527	(97 982)	(1 350)	(1 609)
Surplus(shortfall)		33 077	34 784	62 961	312 287	298 823	433 380	97 457	419 077	55 240	58 065

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Choose name from list - Table A3 Asset management

Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
<i>Information and Communication Infrastructure</i>		-	-	-	-	-	-	-	-	-
Infrastructure		4 405	1 777	2 630	4 559	13 321	13 321	10 049	10 491	10 963
Community Facilities		87	388	79	-	-	-	-	-	-
Sport and Recreation Facilities		-	-	-	-	-	-	-	-	-
Community Assets		87	388	79	-	-	-	-	-	-
Heritage Assets		-	-	-	-	-	-	-	-	-
Revenue Generating		338	170	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
Investment properties		338	170	-	-	-	-	-	-	-
Operational Buildings		9	26	0	4 573	2 053	2 053	5 250	5 481	5 728
Housing		-	-	-	-	-	-	-	-	-
Other Assets		9	26	0	4 573	2 053	2 053	5 250	5 481	5 728
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		-	-	-	-	-	-	-	-	-
Intangible Assets		-	-	-	-	-	-	-	-	-
Computer Equipment		5	-	89	500	250	250	500	522	545
Furniture and Office Equipment		-	-	-	-	-	-	-	-	-
Machinery and Equipment		1 091	1 796	925	3 060	3 334	3 334	1 890	1 950	2 038
Transport Assets		704	459	794	3 129	2 957	2 957	1 240	1 295	1 353
Land		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
TOTAL EXPENDITURE OTHER ITEMS		36 797	34 683	34 334	65 263	71 356	71 356	71 165	74 273	77 615
<i>Renewal and upgrading of Existing Assets as % of total capex</i>		30.5%	26.2%	1.3%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<i>Renewal and upgrading of Existing Assets as % of deprecn</i>		171.6%	181.5%	3.3%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<i>R&M as a % of PPE</i>		1.3%	0.9%	0.8%	2.3%	3.2%	3.2%	2.6%	13.5%	13.5%
<i>Renewal and upgrading and R&M as a % of PPE</i>		15.0%	14.0%	1.0%	3.0%	4.0%	4.0%	188.0%	-59.0%	-59.0%

4.9. Overview of the annual budget process

The above is tabled in the process plan on page 37 of the document

4.9.1. IDP and Service Delivery and Budget Implementation Plan

This is the first review of the IDP as adopted by Council in June 2022. It started in September 2021 after the tabling of the IDP Process Plan and the Budget Time Schedule for the 2023/25 MTREF in September. The Municipality's IDP is its principal strategic planning instrument, which directly guides and informs its planning, budget, management and development actions. This framework is rolled out into objectives, key performance indicators and targets for implementation

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which directly inform the Service Delivery and Budget Implementation Plan. The Process Plan applicable to the fourth revision cycle included the following key IDP processes and deliverables:

- ▶ Registration of community needs;
- ▶ Compilation of departmental business plans including key performance indicators and targets;
- ▶ Financial planning and budgeting process;
- ▶ Public participation process;
- ▶ Compilation of the SDBIP, and
- ▶ The review of the performance management and monitoring processes.

The IDP has been taken into a business and financial planning process leading up to the 2022/23-2024/25 MTREF, based on the approved 2021/22 MTREF, Mid-year Review and adjustments budget. The business planning process has subsequently been refined in the light of current economic circumstances and the resulting revenue projections.

With the compilation of the 2022/23-2024/25 MTREF, each department/function had to review the business planning process, including the setting of priorities and targets after reviewing the mid-year and third quarter performance against the 2021/22 Departmental Service Delivery and Budget Implementation Plan. Business planning links back to priority needs and master planning, and essentially informed the detail operating budget appropriations and three-year capital programme.

4.9.2. Financial Modelling and Key Planning Drivers

As part of the compilation of the 2022/23-2024//25 MTREF, extensive financial modelling was undertaken to ensure affordability and long-term financial sustainability. The following key factors and planning strategies have informed the compilation of the 2022/23-2023/25 MTREF:

- ▶ Municipality's growth
 - ▶ Policy priorities and strategic objectives
 - ▶ Asset maintenance
 - ▶ Economic climate and trends (i.e inflation, Eskom increases, household debt, migration patterns)
 - ▶ Performance trends
 - ▶ The approved 2021/22 adjustments budget and performance against the SDBIP
-

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- ▶ Cash Flow Management Strategy
- ▶ Debtor payment levels
- ▶ Loan and investment possibilities
- ▶ The need for tariff increases versus the ability of the community to pay for services;
- ▶ Improved and sustainable service delivery

In addition to the above, the strategic guidance given in National Treasury's MFMA Circulars 115 has been taken into consideration in the planning and prioritisation process.

4.9.3. Community Consultation

The final 2023/25 MTREF as tabled before Council on 31 March 2022 for community consultation was published on the municipality's website, and hard copies were made available at customer care offices, municipal notice boards and various libraries. In addition, a further development of this year's consultation process included the launch of E-based consultation. E-mail notifications were sent to all organisations on the municipality's database, including ratepayer associations, community-based organisations and organised business. The opportunity to give electronic feedback was also communicated on the Municipality's website, and the Municipality's call centre was engaged in collecting inputs via e-mail, fax and SMS.

All documents in the appropriate format (electronic and printed) were provided to National Treasury, and other national and provincial departments in accordance with section 23 of the MFMA, to provide an opportunity for them to make inputs.

Ward Committees were utilised to facilitate the community consultation process from 11-13 May 2022, in all 17 wards of Elundini Municipality. The applicable dates and venues were published in municipal website. This is up on the previous year's process. Individual sessions were scheduled with organised business and imbizo's were held to further ensure transparency and interaction. Other stakeholders involved in the consultation included churches, non-governmental institutions and community-based organisations.

Submissions received during the community consultation process and additional information regarding revenue and expenditure and individual capital projects were addressed, and where relevant considered as part of the finalisation of the 2022/24 MTREF. Feedback and responses to the submissions received are available on request.

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4.10. Overview of alignment of annual budget with IDP

The Constitution mandates local government with the responsibility to exercise local developmental and cooperative governance. The eradication of imbalances in South African society can only be realized through a credible integrated developmental planning process.

Municipalities in South Africa need to utilise integrated development planning as a method to plan future development in their areas and so find the best solutions to achieve sound long-term development goals. A municipal IDP provides a five-year strategic programme of action aimed at setting short, medium and long term strategic and budget priorities to create a development platform, which correlates with the term of office of the political incumbents. The plan aligns the resources and the capacity of a municipality to its overall development aims and guides the municipal budget. An IDP is therefore a key instrument which municipalities use to provide vision, leadership and direction to all those that have a role to play in the development of a municipal area. The IDP enables municipalities to make the best use of scarce resources and speed up service delivery.

Integrated developmental planning in the South African context is amongst others, an approach to planning aimed at involving the municipality and the community to jointly find the best solutions towards sustainable development. Furthermore, integrated development planning provides a strategic environment for managing and guiding all planning, development and decision making in the municipality.

It is important that the IDP developed by municipalities correlate with National and Provincial intent. It must aim to co-ordinate the work of local and other spheres of government in a coherent plan to improve the quality of life for all the people living in that area. Applied to the Municipality, issues of national and provincial importance should be reflected in the IDP of the municipality. A clear understanding of such intent is therefore imperative to ensure that the Municipality strategically complies with the key national and provincial priorities.

The aim of this revision cycle was to develop and coordinate a coherent plan to improve the quality of life for all the people living in the area, also reflecting issues of national and provincial importance. One of the key objectives is therefore to ensure that there exists alignment between national and provincial priorities, policies and strategies and the Municipality's response to these requirements.

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The national and provincial priorities, policies and strategies of importance include amongst others:

- ▶ Green Paper on National Strategic Planning ;
- ▶ Government Programme of Action;
- ▶ Development Facilitation Act of 1995;
- ▶ Provincial Growth and Development Strategy (GGDS);
- ▶ National and Provincial spatial development perspectives;
- ▶ Relevant sector plans such as transportation, legislation and policy;
- ▶ National Key Performance Indicators (NKPIs);
- ▶ Accelerated and Shared Growth Initiative (ASGISA);
- ▶ National 2021 Vision;
- ▶ National Spatial Development Perspective (NSDP) and
- ▶ The National Priority Outcomes.

The Constitution requires local government to relate its management, budgeting and planning functions to its objectives. This gives a clear indication of the intended purposes of municipal integrated development planning. Legislation stipulates clearly that a municipality must not only give effect to its IDP, but must also conduct its affairs in a manner which is consistent with its IDP. The following table highlights the IDP's five strategic objectives for the 2022/23 MTREF and further planning refinements that have directly informed the compilation of the budget:

Table 64: IDP Strategic Objectives

2021/22 Financial Year		2022/23 MTREF	
1.	Accelerate service delivery and infrastructure development	1.	Accelerate service delivery and infrastructure development
2.	Promote economic growth, environment sustainability and creation of decent jobs	2.	Promote economic growth, environmental sustainability and creation of decent jobs
3.	To improve the effectiveness of governance administrative and financial systems	3.	To improve the effectiveness of governance administrative and financial systems

In order to ensure integrated and focused service delivery between all spheres of government it was important for the Municipality to align its budget priorities with that of national and provincial

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government. All spheres of government place a high priority on infrastructure development, economic development and job creation, efficient service delivery, poverty alleviation and building sound institutional arrangements.

Local priorities were identified as part of the IDP review process which is directly aligned to that of the national and provincial priorities.

1. Provision of quality basic services and infrastructure which includes, amongst others:
 - ▶ Provide electricity;
 - ▶ Provide waste removal;
 - ▶ Provide roads and storm water;
 - ▶ Constructing and maintaining the infrastructure of the Municipality.

 2. Economic growth and development that leads to sustainable job creation by:
 - ▶ Ensuring there is a clear structural plan for the Municipality;
 - ▶ Ensuring planning processes function in accordance with set timeframes;
 - ▶ Facilitating the use of labour-intensive approaches in the delivery of services and the building of infrastructure.

 - 3.1. Fight poverty and build clean, healthy, safe and sustainable communities:
 - ▶ Effective implementation of the Indigent Policy;
 - ▶ Working with the provincial department of health to provide primary health care services;
 - ▶ Extending waste removal services and ensuring effective city cleansing;
 - ▶ Ensuring all waste water treatment works are operating optimally;
 - ▶ Working with strategic partners such as SAPS to address crime;
 - ▶ Ensuring safe working environments by effective enforcement of building and health regulations;
 - ▶ Promote viable, sustainable communities through proper zoning; and
 - ▶ Promote environmental sustainability by protecting wetlands and key open spaces.

 - 3.2. Integrated Social Services for empowered and sustainable communities
 - ▶ Work with provincial departments to ensure the development of community infrastructure such as schools and clinics is properly co-ordinated with the informal settlements upgrade programme

 4. Foster participatory democracy and Batho Pele principles through a caring, accessible and accountable service by:
 - ▶ Optimizing effective community participation in the ward committee system; and
-

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- ▶ Implementing Batho Pele in the revenue management strategy.

5.1. Promote sound governance through:

- ▶ Publishing the outcomes of all tender processes on the municipal website

5.2. Ensure financial sustainability through:

- ▶ Reviewing the use of contracted services
- ▶ Continuing to implement the infrastructure renewal strategy and the repairs and maintenance plan

5.3. Optimal institutional transformation to ensure capacity to achieve set objectives

- ▶ Review of the organizational structure to optimize the use of personnel;

In line with the MSA, the IDP constitutes a single, inclusive strategic plan for the Municipality. The five-year programme responds to the development challenges and opportunities faced by the Municipality by identifying the key performance areas to achieve the five the strategic objectives mentioned above.

In addition to the five-year IDP, the Municipality undertakes an extensive planning and developmental strategy which primarily focuses on a longer-term horizon; 15 to 20 years. This process is aimed at influencing the development path by proposing a substantial programme of public-led investment to restructure current patterns of settlement, activity and access to resources in the Municipality so as to promote greater equity and enhanced opportunity. The strategy specifically targets future developmental opportunities in traditional dormitory settlements. It provides direction to the Municipality's IDP, associated sectoral plans and strategies, and the allocation of resources of the municipality and other service delivery partners.

This development strategy introduces important policy shifts which have further been translated into seven strategic focus areas/objectives as outlined below:

- ▶ Developing dormant areas;
 - ▶ Enforcing hard development lines – so as to direct private investment;
 - ▶ Maintaining existing urban areas;
 - ▶ Strengthening key economic clusters;
 - ▶ Building social cohesion;
 - ▶ Strong developmental initiatives in relation to the municipal institution as a whole; and
 - ▶ Sound financial fundamentals.
-

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Lessons learned with previous IDP revision and planning cycles as well as changing environments were taken into consideration in the compilation of the fourth revised IDP, including:

- ▶ Strengthening the analysis and strategic planning processes of the Municipality;
- ▶ Initiating zonal planning processes that involve the communities in the analysis and planning processes. More emphasis was placed on area based interventions, within the overall holistic framework;
- ▶ Ensuring better coordination through a programmatic approach and attempting to focus the budgeting process through planning interventions; and
- ▶ Strengthening performance management and monitoring systems in ensuring the objectives and deliverables are achieved.

The 2022/23- 2024/25 MTREF has therefore been directly informed by the IDP revision process and the following tables provide a reconciliation between the IDP strategic objectives and operating revenue, operating expenditure and capital expenditure.

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Choose name from list - Supporting Table SA1 Supporting detail to 'Budgeted Financial Performance'

Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22				2022/23 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
R thousand											
REVENUE ITEMS:											
Property rates											
Total Property Rates	6	28 822	30 281	31 392	32 530	32 530	32 530	20 195	34 092	35 592	37 193
<i>Less Revenue Foregone (exemptions, reductions and rebates and impermissible values in excess of section 17 of MPRA)</i>		-	-	-	-	-	-	-	-	-	-
Net Property Rates		28 822	30 281	31 392	32 530	32 530	32 530	20 195	34 092	35 592	37 193
Service charges - electricity revenue											
Total Service charges - electricity revenue	6	30 260	33 062	36 769	36 897	36 897	36 897	25 543	44 276	48 704	53 574
<i>Less Revenue Foregone (in excess of 50 kwh per indigent household per month)</i>		-	-	-	(3 779)	(3 779)	(3 779)	-	(4 534)	(4 988)	(5 487)
<i>Less Cost of Free Basis Services (50 kwh per indigent household per month)</i>		-	-	-	-	-	-	-	-	-	-
Net Service charges - electricity revenue		30 260	33 062	36 769	40 676	40 676	40 676	25 543	48 811	53 692	59 061
Service charges - water revenue											
Total Service charges - water revenue	6	-	-	-	-	-	-	-	-	-	-
<i>Less Revenue Foregone (in excess of 6 kilolitres per indigent household per month)</i>		-	-	-	-	-	-	-	-	-	-
<i>Less Cost of Free Basis Services (6 kilolitres per indigent household per month)</i>		-	-	-	-	-	-	-	-	-	-
Net Service charges - water revenue		-	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue											
Total Service charges - sanitation revenue	6	7	1	5	-	-	-	8	-	-	-
<i>Less Revenue Foregone (in excess of free sanitation service to indigent households)</i>		-	-	-	-	-	-	-	-	-	-
<i>Less Cost of Free Basis Services (free sanitation service to indigent households)</i>		-	-	-	-	-	-	-	-	-	-
Net Service charges - sanitation revenue		7	1	5	-	-	-	8	-	-	-
Service charges - refuse revenue											
Total refuse removal revenue	6	684	709	857	900	900	900	623	943	984	1 029
Total landfill revenue		-	-	-	-	-	-	-	-	-	-
<i>Less Revenue Foregone (in excess of one removal a week to indigent households)</i>		-	-	-	(2 686)	(2 686)	(2 686)	-	(2 815)	(2 938)	(3 071)
<i>Less Cost of Free Basis Services (removed once a week to indigent households)</i>		-	-	-	-	-	-	-	-	-	-
Net Service charges - refuse revenue		684	709	857	3 585	3 585	3 585	623	3 757	3 923	4 099
Other Revenue by source											
<i>Fuel Levy</i>		-	-	-	-	-	-	-	-	-	-
<i>Other Revenue</i>		4 873	5 282	7 260	60 791	74 897	74 897	2 940	98 722	103 501	108 628
Total 'Other' Revenue	1	4 873	5 282	7 260	60 791	74 897	74 897	2 940	98 722	103 501	108 628
EXPENDITURE ITEMS:											
Employee related costs											
Basic Salaries and Wages	2	65 656	70 503	75 097	81 111	81 821	81 821	46 648	87 658	91 497	95 596
Pension and UIF Contributions		10 998	12 292	13 197	14 729	14 729	14 729	8 289	15 804	16 500	17 242
Medical Aid Contributions		4 032	4 660	5 109	5 569	5 569	5 569	2 993	5 976	6 239	6 520
Overtime		4 108	3 324	3 125	3 550	3 550	3 550	2 317	3 809	3 977	4 156
Performance Bonus		6 319	6 955	3 802	6 643	6 643	6 643	4 443	7 128	7 442	7 777
Motor Vehicle Allowance		1 234	3 421	1 218	714	714	714	492	766	800	836
Cellphone Allowance		326	281	322	103	103	103	44	110	115	120
Housing Allowances		88	136	96	103	103	103	71	111	116	121
Other benefits and allowances		3 768	2 381	1 983	2 444	2 444	2 444	758	2 623	2 738	2 861
Payments in lieu of leave		781	2 924	1 521	-	-	-	353	-	-	-
Long service awards		587	834	940	-	-	-	102	-	-	-
Post-retirement benefit obligations		813	(223)	(244)	-	-	-	-	-	-	-
<i>Less: Employees costs capitalised to PPL</i>	sub-total	98 709	107 489	106 167	114 967	115 677	115 677	66 509	123 985	129 423	135 229
Total Employee related costs	1	98 709	107 489	106 167	114 967	115 677	115 677	66 509	123 985	129 423	135 229
Depreciation & asset impairment											
Depreciation of Property, Plant & Equipment	1	30 157	30 063	29 814	49 443	49 443	49 443	13 926	52 236	54 534	56 988
Lease amortisation		-	5	3	-	-	-	-	-	-	-
Capital asset impairment		5 364	-	-	-	-	-	-	-	-	-
Total Depreciation & asset impairment	1	35 521	30 067	29 817	49 443	49 443	49 443	13 926	52 236	54 534	56 988
Bulk purchases - electricity											
Electricity bulk purchases	1	20 821	22 235	24 593	26 588	29 596	29 596	18 648	35 516	39 067	42 974
Total bulk purchases	1	20 821	22 235	24 593	26 588	29 596	29 596	18 648	35 516	39 067	42 974
Transfers and grants											
Cash transfers and grants		-	-	-	-	-	-	-	-	-	-
Non-cash transfers and grants		-	-	-	-	-	-	-	-	-	-
Total transfers and grants	1	-	-	-	-	-	-	-	-	-	-
Contracted services											

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Choose name from list - Supporting Table SA1 Supporting detail to 'Budgeted Financial Performance'

Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22				2022/23 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
R thousand											
<i>Outsourced Services</i>		45 082	34 099	24 469	22 352	22 365	22 365	9 917	24 033	22 900	23 841
<i>Consultants and Professional Services</i>		3 629	5 578	5 020	10 582	12 264	12 264	4 299	17 400	18 172	18 943
<i>Contractors</i>		20 513	19 946	29 475	25 769	30 785	30 785	13 222	27 970	29 178	30 491
Total contracted services		69 223	59 623	58 965	58 703	65 413	65 413	27 438	69 404	70 150	73 274
Other Expenditure By Type											
Collection costs		847	1 722	806	421	320	320	320	335	350	366
Contributions to 'other' provisions		-	-	-	-	-	-	-	-	-	-
Audit fees		3 496	5 292	3 740	4 900	3 530	3 530	3 396	3 039	3 173	3 316
<i>Other Expenditure</i>		42 049	35 165	40 439	59 623	50 849	50 849	50 849	50 336	51 592	53 898
Total 'Other' Expenditure	1	46 393	42 179	44 985	64 944	54 699	54 699	54 565	53 710	55 115	57 579
by Expenditure Item	8										
Employee related costs		-	-	-	-	-	-	-	-	-	-
Inventory Consumed (Project Maintenance)		-	-	-	-	-	-	-	-	-	-
Contracted Services		-	-	-	15 820	21 914	21 914	-	18 929	19 738	20 627
Other Expenditure		-	-	-	-	-	-	-	-	-	-
Total Repairs and Maintenance Expenditure	9	-	-	-	15 820	21 914	21 914	-	18 929	19 738	20 627
Inventory Consumed											
Inventory Consumed - Water		-	-	-	-	-	-	-	-	-	-
Inventory Consumed - Other		-	-	-	1 862	1 916	1 916	-	1 243	1 297	1 356
Total Inventory Consumed & Other Material		-	-	-	1 862	1 916	1 916	-	1 243	1 297	1 356

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Choose name from list - Supporting Table SA3 Supporting detail to 'Budgeted Financial Position'

Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22				2022/23 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
R thousand											
Finished Goods											
Opening Balance		-	-	-	-	-	-	-	-	-	-
Acquisitions		-	-	-	635	713	713	-	568	593	620
Issues	7	-	-	-	(635)	(713)	(713)	-	(460)	(480)	(501)
Adjustments	8	-	-	-	-	-	-	-	-	-	-
Write-offs	9	-	-	-	-	-	-	-	-	-	-
Closing balance - Finished Goods		-	-	-	-	-	-	-	109	113	118
Materials and Supplies											
Opening Balance		-	-	-	-	-	-	6	-	-	-
Acquisitions		-	-	-	842	1 208	1 208	-	675	704	736
Issues	7	-	-	-	(842)	(901)	(901)	-	(675)	(704)	(736)
Adjustments	8	-	-	-	-	-	-	-	-	-	-
Write-offs	9	-	-	-	-	-	-	-	-	-	-
Closing balance - Materials and Supplies		-	-	-	-	307	307	6	-	-	-
Work-in-progress											
Opening Balance		-	-	-	-	-	-	-	-	-	-
Materials		-	-	-	-	-	-	-	-	-	-
Transfers		-	-	-	-	-	-	-	-	-	-
Closing balance - Work-in-progress		-	-	-	-	-	-	-	-	-	-
Housing Stock											
Opening Balance		-	-	-	-	-	-	-	-	-	-
Acquisitions		-	-	-	-	-	-	-	-	-	-
Transfers		-	-	-	-	-	-	-	-	-	-
Sales		-	-	-	-	-	-	-	-	-	-
Closing Balance - Housing Stock		-	-	-	-	-	-	-	-	-	-
Land											
Opening Balance		-	-	-	-	-	-	-	-	-	-
Acquisitions		-	-	-	-	-	-	-	-	-	-
Sales		-	-	-	-	-	-	-	-	-	-
Adjustments		-	-	-	-	-	-	-	-	-	-
Correction of Prior period errors		-	-	-	-	-	-	-	-	-	-
Closing Balance - Land		-	-	-	-	-	-	-	-	-	-
Closing Balance - Inventory & Consumables		-	-	-	-	390	390	-	-	(0)	0
Property, plant and equipment (PPE)											
PPE at cost/valuation (excl. finance leases)		472 682	482 561	525 685	635 953	642 043	642 043	571 651	673 520	91 992	96 053
Leases recognised as PPE	3	202	799	400	-	-	-	400	-	-	-
Less: Accumulated depreciation		(52 193)	(14 800)	(15 033)	(49 443)	(49 443)	(49 443)	(28 719)	(52 236)	(54 534)	(56 988)
Total Property, plant and equipment (PPE)	2	625 078	498 160	541 118	685 396	691 485	691 485	600 770	725 756	146 526	153 042
LIABILITIES											
Current liabilities - Borrowing											
Short term loans (other than bank overdraft)		-	-	-	-	-	-	-	-	-	-
Current portion of long-term liabilities		65	288	270	-	-	-	270	-	-	-
Total Current liabilities - Borrowing		65	288	270	-	-	-	270	-	-	-
Trade and other payables											
Trade Payables	5	59 505	61 796	62 010	59 997	67 279	(67 279)	41 211	-	0	0
Other creditors		-	-	-	-	-	-	-	-	-	-
Unspent conditional transfers		1 048	913	682	-	-	-	17 381	-	-	-
VAT		(4 286)	(4 258)	(4 756)	-	-	-	(3 171)	58 690	-	-
Total Trade and other payables	2	56 268	58 450	57 937	59 997	67 279	(67 279)	55 421	58 690	0	0
Non current liabilities - Borrowing											
Borrowing	4	-	-	(270)	30 000	30 000	(30 000)	(2 519)	-	-	-
Finance leases (including PPP asset element)		93	417	417	-	-	-	-	-	-	-
Total Non current liabilities - Borrowing		93	417	147	30 000	30 000	(30 000)	(2 519)	-	-	-
Provisions - non-current											
Retirement benefits		1 437	1 319	1 434	19 151	19 151	(19 151)	1 434	49 151	-	-
Refuse landfill site rehabilitation		11 832	13 348	14 736	-	-	-	14 736	-	-	-
Other		-	-	-	-	-	-	-	-	-	-
Total Provisions - non-current		13 269	14 667	16 170	19 151	19 151	(19 151)	16 170	49 151	-	-
CHANGES IN NET ASSETS											
Accumulated Surplus/(Deficit)											
Accumulated Surplus/(Deficit) - opening balance		431 652	499 165	533 566	780 114	780 114	(780 114)	596 123	896 823	-	-
GRAP adjustments		-	-	-	-	-	-	-	-	-	-
Restated balance		431 652	499 165	533 566	780 114	780 114	(780 114)	596 123	896 823	-	-

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Choose name from list - Supporting Table SA3 Supporting detail to 'Budgeted Financial Position'

Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22				2022/23 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
R thousand											
Surplus/(Deficit)		21 689	34 716	62 530	46 523	58 719	58 719	36 579	81 515	92 756	97 199
Transfers to/from Reserves		-	-	-	-	-	-	-	-	-	-
Depreciation offsets		-	-	-	-	-	-	-	-	-	-
Other adjustments		(34 333)	-	-	-	-	-	-	-	-	-
Accumulated Surplus/(Deficit)	1	419 008	533 881	596 096	826 637	838 834	(721 395)	632 701	978 338	92 756	97 199
Reserves											
Housing Development Fund		-	-	-	-	-	-	-	-	-	-
Capital replacement		-	-	-	59 154	59 154	(59 154)	-	-	-	-
Self-insurance		-	-	-	-	-	-	-	-	-	-
Other reserves		-	-	-	-	-	-	-	-	-	-
Revaluation		-	-	-	-	-	-	-	-	-	-
Total Reserves	2	-	-	-	59 154	59 154	(59 154)	-	-	-	-
TOTAL COMMUNITY WEALTH/EQUITY	2	419 008	533 881	596 096	885 791	897 988	(780 549)	632 701	978 338	92 756	97 199

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Table SA6 - Reconciliation between the IDP strategic objectives and budgeted capital Expenditure

Choose name from list - Supporting Table SA6 Reconciliation of IDP strategic objectives and budget (capital expenditure)

Strategic Objective	Goal	Goal Code	Ref	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
R thousand												
Financial Viability		A								800	835	873
		B										
		C								74 914	85 109	88 859
Basic Service delivery		D										
		E										
		F										
Good governance And Institutional		G								3 250	3 393	3 546
		H										
		I										
		J										

Choose name from list - Supporting Table SA6 Reconciliation of IDP strategic objectives and budget (capital expenditure)

Strategic Objective	Goal	Goal Code	Ref	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
R thousand												
Local Economic Development		K								2 543	2 655	2 775
		L										
		M										
		N										
		O										
		P										
Allocations to other priorities			3									
Total Capital Expenditure			1	-	-	-	-	-	-	81 507	91 992	96 053

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4.1. Overview of budget assumptions

4.1.1. External factors

It must be noted that Elundini municipality is predominantly rural, therefore there are limited job opportunities within the municipal area. Be that as it may the municipality has managed to give jobs to many households through Expanded Public Works Programme. The municipality has set aside from its own reserves an amount of R2 million for the expansion of the EPWP programme in order to give more jobs to the community.

Financial resources are limited due to the non-payment of debtors, most households are indigent they cannot afford to pay municipal accounts. The municipality is forced to implement Indigent policy and write off debts for the qualifying debtors.

4.1.2. General inflation outlook and its impact on the municipal activities

There are five key factors that have been taken into consideration in the compilation of the 2022/23 MTREF:

- ▶ National Government macro economic targets;
- ▶ The general inflationary outlook and the impact on municipality's residents and businesses;
- ▶ The impact of municipal cost drivers;
- ▶ The increase in prices for bulk electricity
- ▶ The increase in the cost of remuneration. Employee related costs comprise 34 per cent of total operating expenditure for the 2020/21 MTREF.

4.1.3. Collection rate for revenue services

The base assumption is that tariff and rating increases will increase at a rate of 4.8%. It is also assumed that current economic conditions, and relatively controlled inflationary conditions, will continue for the forecasted term. The rate of revenue collection is currently expressed as a percentage (80 per cent) of annual billings. Cash flow is assumed to be 80 per cent of billings, plus an increased collection of arrear debt from the revised collection and credit control policy. The performance of arrear collections will however only be considered a source of additional cash in-flow once the performance has been carefully monitored.

4.1.4. Salary increases

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The collective agreement regarding salaries/wages came into operation on 1 July 2022 and shall remain in force until 30 June 2023. The salary increase that has been applied is 7.3 percent for the 2022/2023 budget year.

4.1.5. Impact of national, provincial and local policies

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

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

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

4.1.6. Ability of the municipality to spend and deliver on the programmes

It is estimated that a spending rate of at least 97 per cent is achieved on operating expenditure and 100 per cent on the capital programme for the MTREF of which performance has been factored into the cash flow budget.

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4.2. Consolidated Investment Register for each and every grant received Bank Accounts

ELUNDINI INVESTMENT REPORT							
01 FEBRUARY 2022 TO 28 FEBRUARY 2022							
NAME OF INVESTMENT	PURPOSE	ACCOUNT NO	BALANCE AS AT 01/02/2022	INTEREST RECIVED	WITHDRAWALS	DEPOSIT	TOAL AS AT 28/02/2022
ELUNDINI EXPAND PUBLIC WORKS	EX PUBLIC WORKS PROGRA	388497173-001	R 1,823,259.84	R 5,452.04		R 770,000.00	R 2,598,711.88
ELUNDINI VOTER STATION	INFRASTRUCTURE GRANT	388497165-001	R 1,523.79	R 1.11			R 1,524.90
EQUITABLE SHARE FNB	SUBSIDY FOR POOR	62189194170	R 41,985,852.06	R 105,165.04	R 12,069,805.98		R 30,021,211.12
FINANCE MANAGEMENT GRANT	CONDITIONAL GRANT	388493410-002	R 1,673,086.24	R 3,593.70			R 1,676,679.94
MAYOR'S SOCIAL INVESTMENT		62378875226	R 552,489.93	R 1,117.09			R 553,607.02
MUNICIPAL DISASTER GRANT	CONDITIONAL GRANT	388493003-001	R 1,493.56	R 1.09			R 1,494.65
MIG	CONDITIONAL GRANT	62189180111	R 6,393,691.73	R 11,250.01	R 2,203,637.80		R 4,201,303.94
NER	ELECTRICITY UPGRADING	388490810-001	R 446,142.54	R 581.82	R -		R 446,724.36
WORKING CAPITAL RESERVE	RESEVERS	62284785121	R 52,838,567.86	R 217,796.23		R -	R 53,056,364.09
JOE GQABI	WATER AND SANITAION	62557779322	R 5,889,552.20	R 15,813.04			R 5,905,365.24
ENERGY EFFICIANCY	CONDITIONAL GRANT	62785909650	R 3,308.94	R 8.89			R 3,317.83
SOLIDARITY FUND		62852498023	R 133,622.35	R 358.77			R 133,981.12
			R 0.00				
TOTAL			R 111,742,591.04	R 361,138.83	R 14,273,443.78	R 770,000.00	R 98,600,286.09

ELM DRAFT INTEGRATED DEVELOPMENT PLAN 2022-2023

4.2.1. Grants receipts and Expenditure

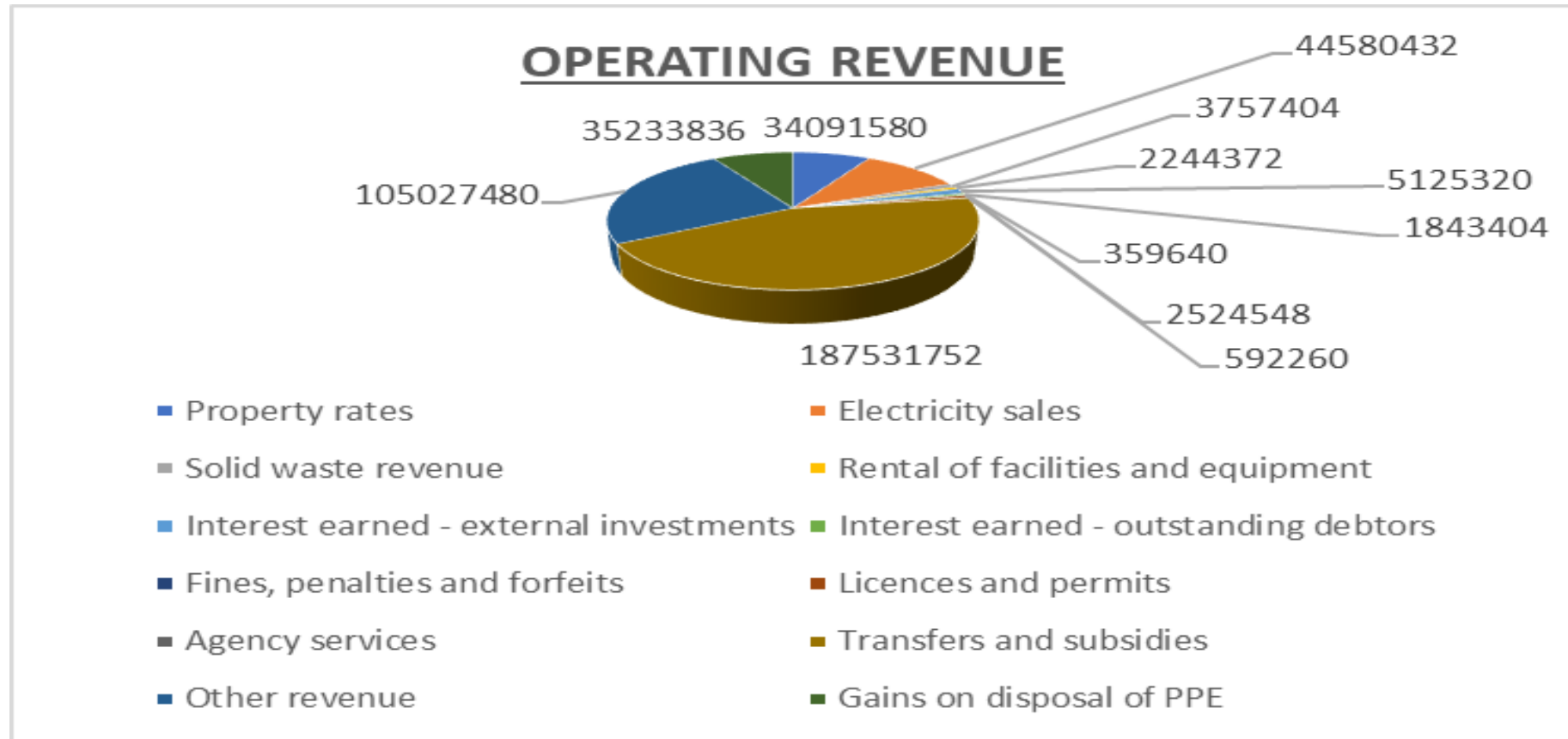
ELUNDINI LOCAL MUNICIPALITY				
FINAL BUDGET 2022/2023				
CONDITIONAL GRANTS				
Segment Desc	2021 Year Receipts	2021 % Spent	2022 Year Receipts	2022 % Spent
Operational Grants				
Equitable Share	192,290,000	100%	166,231,000	33%
Financial Management Grant	1,700,000	100%	1,650,000	88%
EPWP	3,333,000	100%	2,569,000	40%
Disaster Management Grant	596,000	100%	-	-
INEP	18,739,000	100%	19,740,000	64%
Energy efficiency	5,000,000	100%	-	
Capital Grants				
Municipal Infrastructure Grant	38,703,000	100%	41,031,000	66%
Premiours Office Grant	14,520,000	100%	-	-
Total	274,881,000		231,221,000	

ELM DRAFT INTEGRATED DEVELOPMENT PLAN 2022-2023

4.3. Overview of budget funding

4.3.1. Medium-term outlook: operating revenue

The following chart is a breakdown of the operational revenue per main category for the 2022/23 financial year



ELM DRAFT INTEGRATED DEVELOPMENT PLAN 2022-2023

Basic charge/fixed fee (Rands/month)									
Service point - vacant land (Rands/month)									
Waste water - flat rate tariff (c/kl)									
Volumetric charge - Block 1 (c/kl)		(fill in structure)							
Volumetric charge - Block 2 (c/kl)		(fill in structure)							
Volumetric charge - Block 3 (c/kl)		(fill in structure)							
Volumetric charge - Block 4 (c/kl)		(fill in structure)							
Other	2								
<u>Electricity tariffs</u>									
Domestic		20A & 60A							
Basic charge/fixed fee (Rands/month)			88,89	100,51	106,54	112,29	119,03	125,46	132,36
Service point - vacant land (Rands/month)									
FBE		(how is this targeted?) units	50	50	50	50	50	50	50
Life-line tariff - meter		(describe structure)							
Life-line tariff - prepaid		(describe structure)							
Flat rate tariff - meter (c/kwh)									
Flat rate tariff - prepaid(c/kwh)									
Meter - IBT Block 1 (c/kwh)		0 - 50	96,74	109,38	115,94	122,20	129,54	136,53	144,04
Meter - IBT Block 2 (c/kwh)		51 - 350	117,56	132,93	140,91	148,51	157,43	165,93	175,05
Meter - IBT Block 3 (c/kwh)		350 - 600	162,67	183,93	194,97	205,49	217,82	229,59	242,21
Meter - IBT Block 4 (c/kwh)		600+	192,37	217,51	230,56	243,01	257,59	271,50	286,43
Meter - IBT Block 5 (c/kwh)		(fill in thresholds)							

ELM DRAFT INTEGRATED DEVELOPMENT PLAN 2022-2023

<u>Waste water tariffs</u>									
<i>[Insert blocks as applicable]</i>		(fill in structure)							
		(fill in structure)							
		(fill in structure)							
		(fill in structure)							
		(fill in structure)							
		(fill in structure)							
		(fill in structure)							
		(fill in structure)							
		(fill in structure)							
		(fill in structure)							
		(fill in structure)							
		(fill in structure)							
		(fill in structure)							
		(fill in structure)							
		(fill in structure)							
		(fill in structure)							
		(fill in structure)							
<u>Electricity tariffs</u>									
<i>Domestic 60A</i>		(fill in thresholds)	133,85	151,34	160,42	169,08	179,23	188,91	199,30
<i>Basic charge/fixed fee (Rands/month)</i>									
<i>Service point - vacant land (Rands/month)</i>									
<i>FBE</i>		(how is this targeted?) units							
<i>Life-line tariff - meter</i>		(describe structure)							
<i>Life-line tariff - prepaid</i>		(describe structure)							

ELM DRAFT INTEGRATED DEVELOPMENT PLAN 2022-2023

<i>Flat rate tariff - meter (c/kwh)</i>									
<i>Meter - IBT Block 1 (c/kwh)</i>		0 - 350	113,37	128,19	135,88	143,22	151,81	160,01	168,81
<i>Meter - IBT Block 2 (c/kwh)</i>		351+	164,03	185,47	196,60	207,21	219,65	231,51	244,24
<i>Meter - IBT Block 3 (c/kwh)</i>									
<i>Meter - IBT Block 4 (c/kwh)</i>									
<i>Meter - IBT Block 5 (c/kwh)</i>									
<i>Meter - IBT Block 1 (c/kwh)</i>		0 - 350	113,37	128,19	135,88	143,22	151,81	160,01	168,81
<i>Meter - IBT Block 2 (c/kwh)</i>		351+	164,03	185,47	196,60	207,21	219,65	231,51	244,24

ELM DRAFT INTEGRATED DEVELOPMENT PLAN 2022-2023

SA15 – Detail Investment Information

Choose name from list - Supporting Table SA15 Investment particulars by type

Investment type	Ref	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
R thousand										
Parent municipality										
Securities - National Government										
Listed Corporate Bonds										
Deposits - Bank								110 420	115 279	120 466
Deposits - Public Investment Commissioners										
Deposits - Corporation for Public Deposits										
Bankers Acceptance Certificates										
Negotiable Certificates of Deposit - Banks										
Guaranteed Endowment Policies (sinking)										
Repurchase Agreements - Banks										
Municipal Bonds										
Municipality sub-total	1	-	-	-	-	-	-	110 420	115 279	120 466
Entities										
Securities - National Government										
Listed Corporate Bonds										
Deposits - Bank										
Deposits - Public Investment Commissioners										
Deposits - Corporation for Public Deposits										
Bankers Acceptance Certificates										
Negotiable Certificates of Deposit - Banks										
Guaranteed Endowment Policies (sinking)										
Repurchase Agreements - Banks										
Entities sub-total		-	-	-	-	-	-	-	-	-
Consolidated total:		-	-	-	-	-	-	110 420	115 279	120 466

Table SA16 – Investment particulars by maturity

ELM DRAFT INTEGRATED DEVELOPMENT PLAN 2022-2023

Choose name from list - Supporting Table SA16 Investment particulars by maturity

Investments by Maturity Name of institution & investment ID	Ref	Period of Investment	Type of Investment	Capital Guarantee (Yes/ No)	Variable or Fixed interest rate	Interest Rate %	Commission Paid (Rands)	Commission Recipient	Expiry date of investment	Opening balance	Interest to be realised	Partial / Premature Withdrawal (4)	Investment Top Up	Closing Balance
		Yrs/Months												
Parent municipality														
FNB										110 799	16		6 764	117 579
STANDARD BANK										4 612	352	(14 273)	2 151	(7 159)
														-
														-
														-
Municipality sub-total										115 410		(14 273)	8 915	110 420
Entities														-
														-
														-
														-
Entities sub-total										-		-	-	-
TOTAL INVESTMENTS AND INTEREST	1									115 410		(14 273)	8 915	110 420

Table SA16 – Investment particulars by maturity

Choose name from list - Supporting Table SA16 Investment particulars by maturity

Investments by Maturity Name of institution & investment ID	Ref	Period of Investment	Type of Investment	Capital Guarantee (Yes/ No)	Variable or Fixed interest rate	Interest Rate %	Commission Paid (Rands)	Commission Recipient	Expiry date of investment	Opening balance	Interest to be realised	Partial / Premature Withdrawal (4)	Investment Top Up	Closing Balance
		Yrs/Months												
Parent municipality														
FNB										110 799	16		6 764	117 579
STANDARD BANK										4 612	352	(14 273)	2 151	(7 159)
														-
														-
														-
Municipality sub-total										115 410		(14 273)	8 915	110 420
Entities														-
														-
														-
														-
Entities sub-total										-		-	-	-
TOTAL INVESTMENTS AND INTEREST	1									115 410		(14 273)	8 915	110 420

For the medium-term, the funding strategy has been informed directly by ensuring financial sustainability and continuity. The MTREF therefore provides for a budgeted deficit of R38.1 million, R39.7 million and R41.5 million in each of the financial years. This deficit has to be cleared by building capital replacement fund account in order to be able to replace assets that are fully depreciated.

ELM DRAFT INTEGRATED DEVELOPMENT PLAN 2022-2023

4.3.2. Medium-term outlook: capital revenue

The following table is a breakdown of the funding composition of the 2020/21 medium-term capital programme:

Table A5 Sources of capital revenue over the MTREF

Choose name from list - Table A5 Budgeted Capital Expenditure by vote, functional classification and funding

Vote Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22				2022/23 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
R thousand	1										
Funded by:											
National Government		94 441	97 960	30 258	58 719	58 969	58 969	38 365	58 575	68 051	71 035
Provincial Government		22 102	20 067	20 047	-	-	-	-	-	-	-
District Municipality		-	-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)		-	-	-	-	-	-	-	-	-	-
Transfers recognised - capital	4	116 543	118 027	50 305	58 719	58 969	58 969	38 365	58 575	68 051	71 035
Borrowing	6	-	-	-	30 000	30 000	30 000	-	-	-	-
Internally generated funds		-	10 163	21 885	24 509	30 864	30 864	7 430	22 932	23 941	25 018
Total Capital Funding	7	116 543	128 190	72 190	113 228	119 833	119 833	45 794	81 507	91 992	96 053

Internally generated funds consist of a mixture between surpluses generated on the operating statement of financial performance and cash backed reserves. In determining the credibility of this funding source it becomes necessary to review the cash flow budget as well as the cash backed reserves and accumulated funds reconciliation, as discussed below. Internally generated funds consist of R37.4 million in 2020/21, R20.1 million and R20.5 million for the two outer years.

ELM DRAFT INTEGRATED DEVELOPMENT PLAN 2022-2023

4.3.3. Cash Flow Management

Cash flow management and forecasting is a critical step in determining if the budget is funded over the medium-term. The table below is consistent with international standards of good financial management practice and also improves understandability for councillors and management. Some specific features include:

- ▶ Clear separation of receipts and payments within each cash flow category;
- ▶ Clear separation of capital and operating receipts from government, which also enables cash from 'Ratepayers and other' to be provide for as cash inflow based on actual performance. In other words the *actual collection rate* of billed revenue.

4.3.4. Cash Backed Reserves/Accumulated Surplus Reconciliation

This following table meets the requirements of MFMA Circular 42 which deals with the funding of a municipal budget in accordance with sections 18 and 19 of the MFMA. The table seeks to answer three key questions regarding the use and availability of cash:

- ▶ What are the predicted cash and investments that are available at the end of the budget year?
- ▶ How are those funds used?
- ▶ What is the net funds available or funding shortfall?

A surplus would indicate the cash-backed accumulated surplus that was/is available. A shortfall (applications > cash and investments) is indicative of non-compliance with section 18 of the MFMA requirement that the municipality's budget must be 'funded'. Non-compliance with section 18 is assumed because a shortfall would indirectly indicate that the annual budget is not appropriately funded (budgeted spending is greater than funds available or to be collected).

Table A8 -

ELM DRAFT INTEGRATED DEVELOPMENT PLAN 2022-2023

Cash backed reserves/accumulated surplus reconciliation

Choose name from list - Table A6 Cash backed reserves/accumulated surplus reconciliation

Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22				2022/23 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
R thousand											
Cash and investments available											
Cash/cash equivalents at the year end	1	78 826	(20)	235 581	282 350	269 959	269 959	347 868	321 089	374 972	431 421
Other current investments > 90 days		(1 702)	85 274	(125 052)	234	59	59	(228 884)	6	(321 082)	(374 965)
Non current assets - Investments	1	-	-	-	-	-	-	-	-	-	-
Cash and investments available:		77 125	85 254	110 529	282 584	270 018	270 018	118 984	321 095	53 890	56 456
Application of cash and investments											
Unspent conditional transfers		1 048	913	682	-	-	-	17 381	-	-	-
Unspent borrowing		-	-	-	-	-	-	-	-	-	-
Statutory requirements	2	-	-	-	-	-	-	-	-	-	-
Other working capital requirements	3	43 000	49 557	46 886	(29 704)	(28 805)	(163 363)	4 146	(97 982)	(1 350)	(1 609)
Other provisions		-	-	-	-	-	-	-	-	-	-
Long term investments committed	4	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments	5	-	-	-	-	-	-	-	-	-	-
Total Application of cash and investments:		44 048	50 470	47 569	(29 704)	(28 805)	(163 363)	21 527	(97 982)	(1 350)	(1 609)
Surplus(shortfall)		33 077	34 784	62 961	312 287	298 823	433 380	97 457	419 077	55 240	58 065

References

1. Must reconcile with Budgeted Cash Flows
2. For example: VAT, taxation
3. Council approval for policy required - include sufficient working capital (e.g. allowing for a % of current debtors > 90 days as uncollectable)
4. For example: sinking fund requirements for borrowing
5. Council approval required for each reserve created and basis of cash backing of reserves

Other working capital requirements

Debtors	16 505	12 239	15 124	89 701	96 084	96 084	37 065	97 982	1 350	1 609
Creditors due	59 505	61 796	62 010	59 997	67 279	(67 279)	41 211	-	0	0
Total	(43 000)	(49 557)	(46 886)	29 704	28 805	163 363	(4 146)	97 982	1 350	1 609

Debtors collection assumptions

Balance outstanding - debtors	32 942	33 609	32 613	89 486	114 535	114 535	48 352	102 170	1 408	1 678
Estimate of debtors collection rate	50.1%	36.4%	46.4%	100.2%	83.9%	83.9%	76.7%	95.9%	95.9%	95.8%

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4.3.5. Funding compliance measurement

National Treasury requires that the municipality assess its financial sustainability against fourteen different measures that look at various aspects of the financial health of the municipality. These measures are contained in the following table. All the information comes directly from the annual budgeted statements of financial performance, financial position and cash flows. The funding compliance measurement table essentially measures the degree to which the proposed budget complies with the funding requirements of the MFMA. Each of the measures is discussed below.

Table SA10 – Funding compliance measurement

4.3.6. Summary of Council and Staff Benefits

ELM DRAFT INTEGRATED DEVELOPMENT PLAN 2022-2023

Choose name from list - Supporting Table SA22 Summary councillor and staff benefits

Summary of Employee and Councillor remuneration	Ref	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
R thousand										
Senior Managers of Entities										
Basic Salaries and Wages										
Pension and UIF Contributions										
Medical Aid Contributions										
Overtime										
Performance Bonus										
Motor Vehicle Allowance	3									
Cellphone Allowance	3									
Housing Allowances	3									
Other benefits and allowances	3									
Payments in lieu of leave										
Long service awards										
Post-retirement benefit obligations	6									
Sub Total - Senior Managers of Entities		-	-	-	-	-	-	-	-	-
% increase	4	-	-	-	-	-	-	-	-	-
Other Staff of Entities										
Basic Salaries and Wages										
Pension and UIF Contributions										
Medical Aid Contributions										
Overtime										
Performance Bonus										
Motor Vehicle Allowance	3									
Cellphone Allowance	3									
Housing Allowances	3									
Other benefits and allowances	3									
Payments in lieu of leave										
Long service awards										
Post-retirement benefit obligations	6									
Sub Total - Other Staff of Entities		-	-	-	-	-	-	-	-	-
% increase	4	-	-	-	-	-	-	-	-	-
Total Municipal Entities		-	-	-	-	-	-	-	-	-
TOTAL SALARY, ALLOWANCES & BENEFITS		110 736	120 051	118 768	128 569	129 279	129 279	-	138 240	144 305
% increase	4		8.4%	(1.1%)	8.3%	0.6%	-	(100.0%)	-	4.4%
TOTAL MANAGERS AND STAFF	5,7	98 709	107 489	106 167	114 967	115 677	115 677	-	123 985	129 423

ELM DRAFT INTEGRATED DEVELOPMENT PLAN 2022-2023

4.4. Annual budgets and SDBIPs – internal departments

Choose name from list - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)

Vote Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
R thousand										
Revenue by Vote	1									
Vote 1 - Executive and Council		–	–	65	–	–	–	–	–	–
Vote 2 - BTO		176 616	193 823	235 436	263 350	276 881	276 881	315 511	330 593	346 824
Vote 3 - Corporate Services Department		127	–	26	–	–	–	–	–	–
Vote 4 - Strategic Development Services		62	548	2 088	2 744	2 744	2 744	2 934	3 060	3 194
Vote 5 - Community Services Department		72 509	71 536	73 377	77 797	77 622	77 622	82 072	93 150	100 745
Vote 6 - Infrastructure Development		68 237	66 204	47 355	38 979	38 979	38 979	38 642	38 039	37 349
Vote 7 -		–	–	–	–	–	–	–	–	–
Vote 8 -		–	–	–	–	–	–	–	–	–
Vote 9 -		–	–	–	–	–	–	–	–	–
Vote 10 -		–	–	–	–	–	–	–	–	–
Vote 11 -		–	–	–	–	–	–	–	–	–
Vote 12 -		–	–	–	–	–	–	–	–	–
Vote 13 -		–	–	–	–	–	–	–	–	–
Vote 14 -		–	–	–	–	–	–	–	–	–
Vote 15 -		–	–	–	–	–	–	–	–	–
Total Revenue by Vote	2	317 551	332 111	358 348	382 870	396 226	396 226	439 159	464 842	488 111
Expenditure by Vote to be appropriated	1									
Vote 1 - Executive and Council		45 136	42 895	43 489	50 261	48 010	48 010	57 308	59 199	61 873
Vote 2 - BTO		68 147	86 170	64 876	89 119	87 503	87 503	86 423	90 203	94 186
Vote 3 - Corporate Services Department		15 261	23 051	19 428	21 992	22 908	22 908	27 356	28 560	29 845
Vote 4 - Strategic Development Services		11 725	11 879	13 142	14 553	14 776	14 776	20 080	20 963	21 907
Vote 5 - Community Services Department		103 733	97 841	110 106	99 985	103 448	103 448	103 159	107 057	114 023
Vote 6 - Infrastructure Development		51 860	35 560	44 775	60 437	60 861	60 861	63 318	66 104	69 079
Vote 7 -		–	–	–	–	–	–	–	–	–
Vote 8 -		–	–	–	–	–	–	–	–	–
Vote 9 -		–	–	–	–	–	–	–	–	–
Vote 10 -		–	–	–	–	–	–	–	–	–
Vote 11 -		–	–	–	–	–	–	–	–	–
Vote 12 -		–	–	–	–	–	–	–	–	–
Vote 13 -		–	–	–	–	–	–	–	–	–
Vote 14 -		–	–	–	–	–	–	–	–	–
Vote 15 -		–	–	–	–	–	–	–	–	–
Total Expenditure by Vote	2	295 861	297 396	295 818	336 347	337 506	337 506	357 644	372 086	390 912
Surplus/(Deficit) for the year	2	21 689	34 716	62 530	46 523	58 719	58 719	81 515	92 756	97 199

ELM DRAFT INTEGRATED DEVELOPMENT PLAN 2022-2023

4.5. Contracts having future budgetary implications

In terms of the Municipality's Supply Chain Management Policy, no contracts are awarded beyond the medium-term revenue and expenditure framework (three years). In ensuring adherence to this contractual time frame limitation, all reports submitted to either the Bid Evaluation and Adjudication Committees must obtain formal financial comments from the Financial Management Division of the Treasury Department.

4.6. Capital expenditure details

The following three tables present details of the Municipality's capital expenditure programme, firstly on new assets, then the renewal of assets and finally on the repair and maintenance of assets.

4.7. Legislation compliance status

Compliance with the MFMA implementation requirements have been substantially adhered to through the following activities:

4.7.1. In year reporting

Reporting to National Treasury in electronic format was fully complied with on a monthly basis. Section 71 reporting to the Executive Mayor (within 10 working days) has progressively improved and includes monthly published financial performance on the municipality's website.

4.7.2. Quarterly Reports

Reporting to National Treasury in electronic format was fully complied with on quarterly basis. Section 52(d) reporting to the Executive Mayor (within 30 working days) has progressively improved and includes quarterly published financial performance on the municipality's website.

4.7.3. Mid Year Reporting

Reporting to National Treasury in electronic format was fully complied with on half yearly basis. Section 72 reporting to the Executive Mayor on the 25th of January each year has progressively improved and includes mid-year published financial performance on the municipality's website.

4.7.4. Annual Reporting

Reporting to National Treasury in electronic format was fully complied with on annual report which is reported on annual bases, each year has progressively improved and it is published on the municipality's website.

4.7.5. Internship programme

The Municipality is participating in the Municipal Financial Management Internship programme and has employed five interns undergoing training in various divisions of the Financial Services Department.

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4.7.6. Budget and Treasury Office

The Budget and Treasury Office has been established in accordance with the MFMA.

Budget Steering committee has been established and it's fully functional, its purpose is to look at budget and IDP, and indigent and free basic services matters. mSCOA steering committee and implementation committee has been established and it is fully functional.

ELM INTEGRATED DEVELOPMENT PLAN AND BUDGET 2021-2022

4.8. ELUNDINI THREE YEAR CAPITAL PLAN

ELUNDINI MUNICIPALITY: MIG THREE YEAR CAPITAL IMPLEMENTATION PLAN										
2020/2021/2023-2024 FINANCIAL YEAR										
NO	PROJECT NAME	WARD NO	EXTENT OF WORKS	STATUS	PROJECT VALUE	REGISTRATION STATUS (YES/NO)	FUNDER	2021/2022	2022/2023	2023/2024
								R 41 031 000,00	R 44 174 000,00	R 46 051 000,00
1	Project Management Unit	-	-		-		MIG	R 2 051 550,00	R 2 208 700,00	R 2 302 550,00
2	Upgrading & Rehabilitation of Maclear Roads (Cluster 1 Roads) - Phase 3	3	1.2km	Design	R 31 527 721,71				R 7 600 000,00	
3	Construction of Refele Sport Field			Construction	R 20 779 792,97					R 2 000 000,00
4	Construction of Chevy-Chase - Nkangala Access Road	8	4km	Design	R 4 602 191,14					
5	Construction of Castle Rock Access Road & Bridge	8	2km	Design	R 6 865 088,88	No	MIG	R 6 832 849,66	R 1 500 000,00	
6	Construction of Refele Sport Field	14	1 Unit	Design	R 20 779 792,97	Yes	MIG	5 294 984,40	R 8 641 656,41	R 6 843 152,16
7	Ntokozweni / Kuyasa Preschool	2	1 unit	Construction	R 3 419 503,78	No	MIG			
8	Construction of Chevy Chase Access Road	16	4,5km	Design	R 4 708 212,47	No	MIG		R 4 708 212,47	
9	Thutsing Access Road	14	1,7km	Design	R 3 286 487,78	No	MIG		R 3 286 487,78	
11	Seqhobong Access Road and Causeway	13	2km	Design	R 3 320 504,00	No	MIG		R 3 320 504,00	
	Surfacing of Ugie Streets & Stormwater	2	TBC	require business plan	R 11 250 951,00	No	MIG		R 2 250 951,00	R 9 000 000,00
13	Surfacing of Greenfields Streets & Stormwater	17	TBC	Designs	R 7 749 086,00	No	MIG		R 1 828 730,36	R 5 744 179,56

ELM DRAFT INTEGRATED DEVELOPMENT PLAN 2022-2023

14	Delibawo via Maweni Access Road	1	TBC	Requires business plan	R 6 624 637,19	Yes	MIG		R 6 624 637,19	
15	Construction of Bhethula to Mrhorwana Access Road	4	2km	Require Business Plan	R 3 500 000,00	No	MIG		R 3 500 000,00	
16	Community Hall for ward 14	14	1 Unit	Require Business Plan	R 4 366 870,96	No	MIG			R 4 366 870,96
17	Construction of Marhombe streets	7	5km	Require Business Plan	R 5 250 951,00	No	MIG			R 5 250 951,00
18	Construction of Epainette Mbeki Access Road	9	2,5km	Require Business Plan	TBC	No	MIG			R 3 828 730,36
21	Construction of Kose to Mbonisweni via Diphini	5	14,1km	Requires business plan	TBC	No	MIG			R 3 295 062,18
22	Khalankomo Access road	9	1,5km	Require Business Plan	TBC	No	MIG			
23	Construction of St Augustines Access Road	6	3,5km	Design	R 5 286 487,78	Yes	MIG			
24	Construction of Ilisolomzi Streets	9	4,5km	Design	R 6 320 504,00	Yes	MIG			
25	Construction of Mpukone Access Road	6	2,4km	Require Business Plan	TBC	No	MIG			
26	Construction of Mpukane Access Road	5	2,4km	Require Business Plan	TBC	No	MIG			
27	Queen Noti Clinic to Jamangile SSS AR	6	TBC	Require Business Plan	TBC	No	MIG			
28	Construction Dengwana Special School Road	11	TBC	Require Business Plan	TBC	No	MIG			
29	Tembeni housing project: infrastructure roads	9	TBC	Require Business Plan	TBC	No	MIG			

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30	Community Hall for ward 12 at Kinira Poort	12	1 Unit	Require Business Plan	TBC	No	MIG			
	Mt Fletcher Urban Roads - Paved Roads & SW	15	TBC	Require Business Plan	TBC	No	MIG			
	R56 to Khalankomo - Upgrade	15	TBC	Require Business Plan	TBC	No	MIG			
	Mabekang AR	12	TBC	Require Business Plan	TBC	No	MIG			
	Ntywenka Ars	6	TBC	Require Business Plan	TBC	No	MIG			
	upper Sinxako to Govani AR	6	TBC	Require Business Plan	TBC	No	MIG			
30	Community Hall for ward 05	5	1 Unit	Require Business Plan	R 4 366 870,96	No	MIG			
31	Community Hall for ward 06	6	1 Unit	Require Business Plan	R 4 366 870,96	No	MIG			
32	Community Hall for ward 08	8	1 Unit	Require Business Plan	R 4 366 870,96	No	MIG			
33	Community Hall for ward 11	11	1 Unit	Require Business Plan	R 4 366 870,96	No	MIG			
34	Community Hall for ward 13	13	1 Unit	Require Business Plan	R 4 366 870,96	No	MIG			
35	Community Hall for ward 14	14	1 Unit	Require Business Plan	R 4 366 870,96	No	MIG			
36	Community Hall for ward 15	15	1 Unit	Require Business Plan	R 4 366 870,96	No	MIG			
34	Mt Fletcher Public Toilets	9	1 Unit	Procurement of Contractor	R 3 000 000,00	N/A	EQS			R 3 000 000,00

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35	Maqorha to Sophonia Bridges	7	2 units	Procurement of Contractor	R 2 800 000,00	N/A	EQS		R 2 800 000,00	
36	Completion of Ward 5 & 6 Sportsfield	5 & 6	1 unit	Require Business Plan	R 12 000 000,00	N/A	EQS			R 12 000 000,00
37	Refurbishment of Mt Fletcher and Ugje Sportsfield	9 & 2	2 units	Require Business Plan	R 10 000 000,00	N/A	EQS			R 10 000 000,00
38	Sonwabile Streets Upgrade Phase 1 & 2 Remedial Works	3	5km	Design	R 8 400 000,00	N/A	EQS		R 8 400 000,00	
	<u>TOTAL FOR MIG PROJECTS</u>							R 14 179 384,06	R 45 469 879,21	R 42 631 496,22
				DATE						
MUNICIPAL MANAGER										

4.8.1. INEP THREE YEAR PROJECT IMPLEMENTATION PLAN

IMPLEMENTATION PLAN					19 740 000,00
Ward	Village Name	Number of Connections	Bulk Link Line		Original 3-year plan budget
13	Koebong	290 connections and Associated MV&LV infrastructure		21 606,02	6 265 746,00
11	Tabase	98 connections and Associated MV&LV infrastructure		44 009,43	4 312 924,00
13	Bakoena 10 SP		9km		1 964 421,00

ELM DRAFT INTEGRATED DEVELOPMENT PLAN 2022-2023

				11 421,05	
8	Nkobongo Pitoli	172 connections and Associated MV&LV infrastructure		29 439,09	5 063 523,00
8	Nkobongo Linkline		10km	213 338,70	2 133 387,00
Various	Monitoring				
Various	Pre-engineering	2022/2023 financial year			
Total					19 740 001,00

INEP IMPLEMENTATION PLAN 2022/2023					25 000 000,00
Ward	Village Name	Number of Connections	Bulk Link Line		Original 3-year plan budget
4	Khohlong	160 connections and Associated MV&LV infrastructure		30 000,00	4 800 000,00
4	Elenge	150 connections and Associated MV&LV infrastructure		30 000,00	4 500 000,00
4	Batlokoa 02 Linkline		16km	28 750,00	4 600 000,00
4	Bhetula	110 connections and Associated MV&LV infrastructure		30 000,00	3 300 000,00

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4	Ulundi	60 connections and Associated MV&LV infrastructure	10km	30 000,00	1 800 000,00
3	Tuin Blocks Linkline		7km	361 068,39	2 527 478,76
Various	Pre-engineering	2022/2023 financial year			1 650 000,00
Various	Pre-engineering	2023/2024 financial year			1 822 521,24
Total					25 000 000,00

INEP IMPLEMENTATION PLAN 2023/2024					22 000 000,00
Ward	Village Name	Number of Connections	Bulk Link Line		Original 3-year plan budget
3	Tuin Blocks	116 connections and Associated MV&LV infrastructure		22 750,00	3 640 000,00
3	Top Blocks	90 connections and Associated MV&LV infrastructure		28 083,10	2 527 478,76
15	Tsekong Extensions	71 connections and Associated MV&LV infrastructure		22 360,00	1 587 560,00
10	Tsolobeng Extensions	92 connections and Associated MV&LV infrastructure		20 939,13	1 926 400,00
5					2 300 000,00

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	Ward 5 Extensions (Mchwangele, Mountain, Sidakeni, Mtshezi, Hopedale)	95 connections and Associated MV&LV infrastructure		24 210,53	
4	Ward 4 Extensions (Matuguru, Tsikarong, Saqhuthe, Khohlomoriti, Qobeni, Palini,)	144 connections and Associated MV&LV infrastructure		26 513,19	3 817 900,00
1	Ward 1 Extensions (Palisa, Ntendesheshe, Lututu, Nyibiba, Elunyaweni)	155 connections and Associated MV&LV infrastructure		27 230,07	4 220 661,24
Various	Pre-engineering	2024/2025 financial year			1 980 000,00
Total					22 000 000,00

4.8.2. ROAD MANTAINENCE PLAN

Financial Year 2022-23 - Maintenance Schedule						
Quarter	Months	Road Condition	Quantity(km)	Discription of Works	Village	Ward
1	July to September 2022	Poor	7,2	Regarvelling of an Access Roads	Nkalweni ,JosefuMdeni,Ncembu	1
		Fair	16,1	Reshaping and Maintainance of Structures	Mdeni to Nkalweni,Luthuthu,Mdeni	1
		Poor	2	Regravelling	Ugie(Land Camp, Ugie Park)	2
Total km's			25,3			
Quarter	Months	Road Condition	Quantity(km)	Discription of Works	Village	Ward
2	October to December 2022	Poor	4,1	Regravelling	Gqaqhala-C,	17
		Fair	4,35	Reshaping	Green Fields,Mbidlana,	17
		Poor	4	Regravelling	Maclear Unpaved streets	3&4
		Poor	2	Regravelling	Ugie-(unpaved streets)	2
Total km's			14,45			

ELM DRAFT INTEGRATED DEVELOPMENT PLAN 2022-2023

Quarter	Months	Road Condition	Quantity(km)	Discription of Works	Village	Ward
3	January to March 2023	Poor	4,2	Regravelling	Mountain A,Ntushu Ntushu	5
		Fair	26,04	Reshaping	Sithana,Hopedale,St Augustines,Mtshezi,Sidakeni,Ntushu ntushu	5
Total km's			30,24			
Quarter	Months	Road Condition	Quantity	Discription of Works	Location	
4	April to June 2023	Fair	22,31	Reshaping	Govane,Didi-Qurana ,Mambulwini,Ntywenka,Mqokolweni	6
		Poor	3,4	Regravelling	Block A- Siqhingwini	6
		Poor	4,3	Regravelling	Mount Fletcher	9
		Total km's			30,01	
<u>Total km's</u>			<u>100</u>	-	-	-

ELM DRAFT INTEGRATED DEVELOPMENT PLAN 2022-2023

CHAPTER 5: PROJECT IDENTIFICATION

5.1. Municipal Programs

5.1.2. Infrastructure Planning and Development

Focus Area	Strategy	Project Identified	Budget	Output Indicator	Baseline	5 Year Target	2022/23 Financial Year	Custodian
PMU	Up-skilling of PMU staffers	Civil Designer Training, Training on Standard Forms of Contracts	R150 000	No. of PMU staff trained	1	3	1	Manager-PMU
PMU	Construction of gravel roads	Castle Rocks A/R & Brdge, Nqanqarhu Street, Greenfield Streets, Ugie (Takalani) Streets, Chevy Chase Nkangala AR, Thutsing A/R ward, Delibawo to Maweni AR and Bridge ward 1, Mpukone AR, Mpukane AR, Construction of Kose to Mbonisweni via Diphini, Bhethula to Mrhorwana AR, A/R to Ntsasa Special School, Seqhobong A/R and causeway, Surfacing of Ugie Streets and stormwater, Surfacing of greenfields streets and storm water.	R138 000 000.00	kms of Road construction completed	591 historic (5 past years = 62.34)	65	7.78	Manager-PMU

ELM DRAFT INTEGRATED DEVELOPMENT PLAN 2022-2023

PMU	Construction of ECDC'S	Ntokozweni/ Kuyasa Preschool, Ward 2	R 4,4m	No. Public Amenities constructed	3	1	1	Manager-PMU
PMU	Construction of community halls in wards 5,6,8,11,13,15, &15	Wards: 5, 6, 8, 11, 13, 14, 15,	R20m	No. Public Amenities constructed	13	2	0	Manager-PMU
PMU	Framework Contracts for Main Contractors and SMMEs	Refele Sports field ward 14; Rehabilitation of 3 Sportfields	R70m	No. Public Amenities constructed	4	2	1	Manager-PMU
Building and Civil Works	Routine road maintenance	Maintenance of road network	R 7 million	KMs of access roads maintained	750km	750km	150	Manager Building & Civils
Building and Civil Works	Identified stormwater upgrades	Construction of stormwater in urban towns	R13,34 million	100% achieved	2	100%	100%	Manager Building & Civils
Building and Civil Works	Rehabilitation of Bridges	Repairs to damaged bridges	R17,2 million	Completion of 1 bridge per annum	5	1	1	Manager Building & Civils
Electrification	Efficient construction, rehabilitation and maintenance of municipal infrastructure	Rural electrification	R57 million	Number of households in electrified	2406	2000	480	Manager Electricity
Electrification	Efficient construction, rehabilitation and	Link line constructed	R8,9 milliom	No of kilometers constructed	32	32	16	Manager Electricity

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	maintenance of municipal infrastructure							
Electrification	Efficient construction, rehabilitation and maintenance of municipal infrastructure	Public lighting – High masts	R15 million	No of highmast lights installed	17	10	2	Manager Electricity
Electrification	Efficient construction, rehabilitation and maintenance of municipal infrastructure	Public Lighting – Street Lights	R3,7 million	No of streetlights installed	218	100	20	Manager Electricity
Electrification	Efficient construction, rehabilitation and maintenance of municipal infrastructure	Network upgrades	R21 million	Network upgrades completed	7	10	2	Manager Electricity
Electrification	Efficient construction, rehabilitation and maintenance of municipal infrastructure	Maintenance of electricity network	R17,2 million	% of network maintained	100%	100%	100%	Manager Electricity
Electrification	Efficient construction, rehabilitation and maintenance of municipal infrastructure	% of Public Lightning maintained	R2,9 million	% Public lighting maintained	100%	100%	100%	Manager Electricity
Community Services								

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Waste management and cleansing	Reviewal of the Integrated Waste management Plan	Council Adopted Integrated Waste Management Planning,	R,00	% Implementation of IWMP (annual milestones)	60%	100%	100%	Director Community Services
Waste Management and Cleansing	Refuse Collection	Refuse Collection	R,00	% Implementation of the approved refuse collection schedule for households	100%	100%	100%	Director Community Services
Waste Recycling	Waste Recycling	Waste minimization	R,00	Number of Recycling SMME” s supported	6	10	10	Director Community Services
Landfill Management	Land Fill Development & Management	Landfill Site management and operation.	R300 000	Number of landfill site audit conducted on a quarterly basis.	New	20	4	Director Community Services
Parks and Public Amenities	By instilling a culture of reading and lifelong learning and upgrading the existing libraries	Library Services	R,00	Number of functional libraries managed through the SLA with Department of Sports,	4	4	4	Director Community Services

ELM DRAFT INTEGRATED DEVELOPMENT PLAN 2022-2023

				Recreation, Arts and Culture.				
Cemetery Management	Provision of Cemeteries Infrastructure	Cemetery Management	R500 000	Number of cemeteries provided with fully compliant infrastructure	1	1	1	Director Community Services
Awareness Program	Awareness Program	Registration & Licensing / DLTC & VTS	R,00	Number of workshops outreach programs conducted for learners	New	20	4	Director Community Services
Road Traffic Infrastructure	Road Traffic Infrastructure improvement	Registration & Licensing / DLTC & VTS	R150 000	Number of Road Traffic infrastructure provided (Signage and traffic calmers)			3	Director Community Services
Licencing	Licencing	Registration & Licensing / DLTC & VTS	R,00	No of Learners Licenses Issued	10 000 learners' licenses	15 000	3000	Director Community Services

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Licencing	Licencing	Registration & Licensing / DLTC & VTS	R,00	Number of Driving Licenses Issued.	5000 driving licenses	5000	1000	Director Community Services
Vehicle licencing and registration	Vehicle registration	Revenue Generation	R,00	Revenue generated from vehicle's registration and licensing	New	5 million	1Million	Director Community Services
Vehicle testing	Vehicle Testing	Registration & Licensing / DLTC & VTS	R,00	,000	New indicator	5000	1000	Director Community Services
Impounding services	Stray Animal Impounding	Stray Animal Impounding	R,00	100% impounding of stray livestock	NEW	100%	100%	Director Community Services
Impounding services	Stray Animal Impounding	Stray Animal Impounding	R500 000	Number of animals holding facilities maintained		3	3	Director Community Services

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Fire Prevention	Fire incidents response	Fire Prevention	R,00	% of reported fire incidents responded to	80%	80%	100%	Director Community Services
Poverty Alleviation	Expanded works program	Expanded Public Works Programs	R,00	Number of jobs created through Expanded Public Works Program		1250	250	Director Community Services
Fire Prevention	Fire incidents response	Fire Prevention	R,00	% of reported fire incidents responded to	80%	80%	100%	Director Community Services

5.1.2. Corporate Services

Focus Area	Strategy	Project	Budget	Output Indicator	Baseline	5year Target	2022/23 Financial Year	Indicator Custodian
Human Resource Development	Promoting sound labour relations and compliance to relevant labour legislations in order to maintain labour peace	Sound Labour relations	R100 000	Number engagements with Labour	11	20	4	Director Corporate Services

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Human Resource Development	Promote a fair discrimination in the workplace in order to achieve employment equity targets	Review of Employment Equity Plan	R100 000	Number of letters of good standing obtained from Department of Labour	1	5	1	Director Corporate Services
Human Resource Development	Capacitation of council, the workforce and the unemployed community	Implementation of Workplace Skills Plan	R 10 million	Number of workplace skills plan submitted to LGSETA	1	5	1	Director Corporate Services
Human Resource Development	Enhancing service delivery through the development and implementation of the organizational structure	Review of the Organizational Structure for 2022/23	R4 million	Number of organizational structures reviewed	1	5	1	Director Corporate Services
Human Resource Development	Creating a healthy and motivated workforce	Review and implementation of Wellness calendar	R100 000	Number of reviewed employee wellness strategies	1	5	1	Director Corporate Services
Human Resource Development	Promoting a healthy and safe environment through compliance	Implementation of Occupational Health and safety strategy	R500 000	Number of OHS strategies reviewed	1	1	1	Director Corporate Services

ELM DRAFT INTEGRATED DEVELOPMENT PLAN 2022-2023

	with health and safety regulations							
Human Resource Development		Policy review		Number of reviewed HR policies reviewed	New	31	10	Director Corporate Services
Information Communication Technology	Improvement of ICT efficiency in order to support municipal objectives.	Network connectivity (LAN)	R2.5 mil	Number of offices upgraded to cat 6e		150	100	Director Corporate Services
Information Communication Technology	Improvement of ICT efficiency in order to support municipal objectives.			Number of new offices linked to LAN	new	50	N/A	Director Corporate Services
Information Communication Technology	Improvement of ICT efficiency in order to support municipal objectives.	Cloud based solutions	R3 mil	Number of applications migrated to cloud based solutions	new	5	1	Director Corporate Services
Information Communication Technology	Improvement of ICT efficiency in order to support municipal objectives.	Fiber optic from n2.	R1 mil	Number feasibility study done for fiber optic rollout throughout Elundini	new	1	N/A	Director Corporate Services
Information Communication Technology	Improvement of ICT efficiency in order to support municipal objectives.	Safeguard municipal data	R 500 000	% of remote backup on municipal systems conducted	100%	100%	100%	Director Corporate Services

ELM DRAFT INTEGRATED DEVELOPMENT PLAN 2022-2023

Information Communication Technology	Improvement of ICT efficiency in order to support municipal objectives.	Protection of municipal data	R 500 000	Number ICT security applications monitored (Anti-virus, Firewall, encryption)	new	3	3	Director Corporate Services
Information Communication Technology	Improvement of ICT efficiency in order to support municipal objectives.	ICT Asset Register	R300 000	Number of Updated ICT Asset Registers Annually.	1	5	1	Director Corporate Services
Information Communication Technology	Strengthen Integrated Planning, Monitoring And Evaluation Of Municipal Programs	Reviewed ICT related Governance framework	R500 000	% of ICT Governance framework reviewed	New	100%	100%	Director Corporate Services
Admin and Auxiliary Services	Improved security system to all administrative units and facilities	Security Systems Master plan	R1.5 Million	Number of Security Systems Master Plans developed	New	1	1	Director Corporate Services
Admin and Auxiliary Services	Improved security system to all administrative units and facilities	Security Systems Master plan	R,00	% Implementation of Security Systems Master Plan (annual milestones)	NEW	100%	N/A	Director Corporate Services
Document Management	Sound institutional document & record management	Document Management	R1,5 m	Number of document management Systems reviewed (File Plan, Records Management Policy & Registry Procedure Manual	New	3	3	Director Corporate Services

ELM DRAFT INTEGRATED DEVELOPMENT PLAN 2022-2023

Council Support	Functionality of council and its committees	Circulation of resolutions within 7 days after the meeting	R,00	Turnaround time for EXCO & Council resolutions to be circulated to departments	7 days	7 days	7 days	Director Corporate Services
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4.9. Local Economic Development

Focus Area	Strategy	Project	Budget	Output Indicator	Baseline	5year Target	2022/23 Financial Year	Indicator Custodian
LED SMME	- Support the Development of SMMEs & Cooperatives	SMME& Cooperative Development Program	R10 000 000	Number of SMMEs & Cooperatives benefitted from LED Programs	8 development strategy	50	10	Director Development Planning and Economic
LED SMME	- Prevent Economic linkage	SMME& Cooperative Development Program	R10 000 000	% of budget spent through SMMEs and cooperatives	Status Report and quarterly reports	50%	N/A	
LED SMME	- Capacity Building	Sector Based Training and Mentorship	R 500 000	Number of SMMEs and Cooperatives trained.	Local Economic Development Strategy	50	10	
LED SMME	- Maximize Property Portfolio	Property investment	R 2 000 000	Number of Partnership Agreements concluded for LED initiatives	4 Partnership in place	4	0	

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LED SMME	SMME development	Business Regulation	R,00	Number of businesses licensed	Survey/Plan in place	100	20	
LED Agriculture	Compliance of business with applicable legislation regulating businesses	RAFI Beef	R1,500 000	Number of Individual farmers supported through RAIFI Beef program	New indicator	15	3	
LED Tourism	Increase Primary production	Trade and Exhibition Shows	R500 000	Number of tourism initiatives Supported	Plan in place	10	2	
		SMME& Cooperative Development Program	R,00	Number of SMMEs & Cooperatives benefitted from LED Programs	8 development strategy	50	10	
Tourism Development	Tourism Initiatives	Trade and Exhibition Shows	R500 000	Increase occupancy rate and visitors	Number of tourism initiatives Supported	1 Plan in place	10	
Land use management	Rural spatial development	Local spatial plans for rural areas	R,00	Improved land tenure system and Spatial Development	Number of Traditional Areas Planned	1 Land Use Scheme	3	
Spatial Planning	Identify strategic land parcels for development	Land development Parcel	R250 000	Economic Stimulation	(No. of strategic land parcels packaged to support social and economic development	Data of Sites with irregular boundaries		

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Spatial Planning		Land development parcels	R,00	Access to Housing	Number site put into market (Approved by the Council for selling)	70 Sites Sold	100%	
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4.10. Budget and Treasury

Focus Area	Strategy	Project	Budget	Output Indicator	Baseline	5year Target	2022/23 Financial Year	Indicator Custodian
Income & Expenditure	Increase quantum of households receiving free basic services	Verification of indigents on MIE (Managed Integrity Valuation) to improve authenticity of the indigent register.	R9 000 000	Number of Households registered for Free Basic Services	4 657	9000	5 000	CFO
Income & Expenditure	Payment of Creditors within 30 Days	Payment of Creditors within 30 Days	R0.00	Average Number of days taken to pay Creditors	11 Days	30 Days	30 Days	CFO
Income & Expenditure	Enhance organisational performance and management of municipal resources	Collection of Payments from Debtors within 30 Days	R.00	Average Number of days to receive payment from debtors	107 Days	150 Days	150 Days	CFO

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Income & Expenditure	Improve efficiencies in management of financial resources	Collection Rate	R0.00	Percentage collection on billed revenue	93%	95%	95%	CFO
Income & Expenditure	Incentivize Customers to keep their accounts up to date	Debtors Amnesty	R0.00	% Reduction in level of historical Debt owed	New Indicator	50% of Debt owed written off	90% of Debt owed written off	CFO
Asset & Fleet Management	Improve efficiencies in management of financial resources	Asset Verification	R0.00	Number of Asset Verification Conducted	8	20	4	CFO
Asset & Fleet Management	Improve efficiencies in management of financial resources	Update and Maintenance of GRAP Compliant FAR	R0.00	Percentage update and reconciliation of asset register to GL	100%	100%	100%	CFO
Asset & Fleet Management	Enhance organisational	Improved vehicle control	R0.00	Number of vehicle exception reports	4	20	4	CFO

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	performance and management of municipal resources			generated with flagged areas for consequence.				
Budget & Reporting	Improve efficiencies in management of financial resources	Liquidity Ratio	R0.00	Current ratio maintained within national guidelines	1.9:1	1.5:1	1.5:1	CFO
Budget & Reporting	Improve efficiencies in management of financial resources	Cost Coverage Ratio	R0.00	Cost coverage ratio maintained within national guidelines	5 months	3 months	3 months	CFO
Budget & Reporting	Improve efficiencies in management of financial resources	Capital vs Total Expenditure Ratio	R0.00	Capital vs Total Expenditure Ratio per budget	25%	15%	20%	CFO

4.11. Office of the Muncipal Manager

Focus Area	Strategy	Project	Budget	Output Indicator	Baseline	5year Target	2022/23 Financial Year	Indicator Custodian
IDP Planning and implementation	Develop a long-term plan for future development.	Vision 2050	R1,2 million	Number of municipal long-term plans developed.	New Indicator	1	-	Senior Manager Strategic Support

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IDP Planning and implementation	Improve short, medium & long-term planning.	Corporate Planning	R500 000	Number of institutional strategic plans developed.	5	5	1	Senior Manager Strategic Support
IDP Planning and implementation	Improve short, medium & long-term planning.	Departmental Planning	R600 000	Number of departmental plans developed.	0	5	1	Manager: IDP/PMS & RM
IDP Planning and implementation	Synergy of municipal planning with that of national, provincial, District and other parties that operate in the space of the municipality	Integrated Development Planning.	R,00	Number of IDP Process Plans developed.		5	1	Manager: IDP/PMS & RM
IDP Planning and implementation	Synergy of municipal planning with that of national, provincial, District and other parties that operate in the space of the municipality	Integrated Development Planning.		% implementation of IDP process plan.	100%	100%	100%	Manager: IDP/PMS & RM

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IDP Planning and implementation	Synergy of municipal planning with that of national, provincial, District and other parties that operate in the space of the municipality	Integrated Development Planning.		Number of credible IDPs developed.	5	5	1	Manager: IDP/PMS & RM
Performance Management	Efficient and effective performance management system.	Institutional PMS	R,00	Number of institutional process reviewed. of PMS plans	New Indicator	5	1	Manager: IDP/PMS & RM
Performance Management	Efficient and effective performance management system.	Institutional PMS	R,00	% implementation of institutional PMS process plan.	100%	100%	100%	Manager: IDP/PMS & RM
IDP Planning	Alignment of ward-based plans with municipal planning	Ward-based planning		Number of consolidated ward-based plans developed. of ward-plans	17	17	1	Manager: IDP/PMS & RM
Risk Management	Promote risk awareness and risk-based decision-making processes	Risk Management Anti-fraud & Corruption	R,00	Number of reviews conducted for risk management and related policies.	New Indicator	2	-	Senior Manager: Strategic Support Services

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Risk Management	Promote risk awareness and risk-based decision-making processes	Monitoring of risk management and anti fraud and corruption plans	R,00	% of risk management & anti-fraud & corruption plans implemented.	New Indicator	100%	100%	Manager: IDP/PMS & RM
Risk Management	Promote ethical conduct	Review of ethics and intergrity management strategy	R,00	Number of ethics & integrity management strategies reviewed.	1	1	1	Senior Manager Strategic Support Services
Risk Management	Promote ethical conduct	Monitoring of ethics and intergrity management plans	R,00	% of ethics and integrity management plans implemented.	???	100%	100%	Manager: IDP/PMS & RM
Public participation	Strengthen functionality of ward committees	Development of ward committee plans		Number of ward committee plans developed.	New Indicator	17	17	Senior Manager: Strategic Support Services
Public participation and communications	Strengthen functionality of ward committees	Ward committee meetigns		Number of quarterly ward committee meetings held.		20	4	Manager: Public Participation, Communications & Customer Care.
Public participation and communications	Increase & diversify community participation	Community-Based Engagements		% of support provided for community-based meetings convened by councillors.	100%	100%	100%	Manager: Public Participation, Communications & Customer Care.
Public participation and communications	Improve effectiveness & efficiency of communications	Social Media	R,00	Number of social media platforms operational.	5	5	5	Manager: Public Participation, Communications & Customer Care

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Public participation and communications	Improve effectiveness & efficiency of communications	Municipal Publications		Number of municipal publications issued.	3	3	2	Manager: Public Participation, Communications & Customer Care
Public participation and communications	Improve effectiveness & efficiencies of customer care service	Customer Satisfaction Survey	R,00	Number of customer satisfaction surveys conducted	3	20	4	Senior Manager: Strategic Support Services.
Public participation and communications	Improve functionality & efficiency of Section 79 Committees.	S79 Committee Induction		Number of Section 79 Committees inducted.	5	5	5	Senior Manager: Strategic Support Services
Public participation and communications	Improve functionality of council committees	S79 Annual Plans	R,00	Number of Section 79 Committee Plans developed. (MPAC, Women Caucus, Rules, Mandate, Members Interest & Ethics)	5	25	5	Senior Manager: Strategic Support Services
Public participation and communications	Improve functionality of council committees	S79 Meetings	R,00	Number of Section 79 Committee meetings held.		20	4	Manager: Public Participation, Communications & Customer Care
Public participation and communications	Effectiveness of municipal by-laws	By-laws	R1.8 million	Number of by-laws reviewed.	2	30	10	Manager: Legal Services

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Legal Services	Ensuring Council compliance with relevant regulatory framework through the provision of legal opinion.	Legal Opinions	R1.2 million	% provision of legal opinion to management, Council & Committees.	New Indicator	100%	100%	Manager: Legal Services
Legal Services		Contract Management		% of Service Level Agreements vetted.	New Indicator	100%	100%	Manager: Legal Services
Internal Audit	Improve effectiveness and efficiency of the internal audit	Audit Plan		% completed of internal audit plan.	100%	100%	100%	Manager internal audit
Internal Audit				Number of Integrated automated Audit Management System established/used.	New indicator	1	1	Manager: Internal Audit
Special Programs	Youth Development	Youth Development Projects 1.Youth enterprise development fund. 2. Mayoral cup 3.Sports officials training 4.Mayoral Horse racing event	R 1 511 972,00	Number of youth development projects implemented.	5	4	4	Manager SPU

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Special Programs	Empowerment of Women	<p>Women empowerment projects</p> <p>1. Women enterprise</p> <p>2. Project Sithasolwazi,</p> <p>3. New business registration and training support</p> <p>4. Project Masilime</p> <p>5. Girls with positive attitudes & RMR)</p>	R 803 132,00	Number of women empowerment projects implemented	4	5	5	Manager SPU
Special Programs	Empowerment of People with Disabilities	<p>People with disabilities projects</p> <p>1. PWD NGO partnership</p> <p>2. EPWP job creation for PWD caregivers</p> <p>3. People with disability enterprise development fund</p>	R566 560,00	Number of PWD projects implemented	3	3	3	Manager SPU
Special Programs	Mayors Social Investment	<p>1. Bursary</p> <p>2. Adopt a school</p> <p>3. Bridge of Hope</p>	R 763 000,00	Number of MSI projects implemented.	3	3	3	Manager SPU

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Special Programs	Youth Development	<p>Youth Development Projects</p> <p>1.Youth enterprise development fund.</p> <p>2. Mayoral cup</p> <p>3.Sports officials training</p> <p>4.Mayoral Horse racing event</p>	R 1 511 972,00	Number of youth development projects implemented.	5	4	4	Manager SPU
Special Programs	Empowerment of Women	<p>Women empowerment projects</p> <p>1. Women enterprise</p> <p>2.Project Sithasolwazi,</p> <p>3. New business registration and training support</p> <p>4. Project Masilime</p> <p>5. Girls with positive attitudes & RMR)</p>	R 803 132,00	Number of women empowerment projects implemented	4	5	5	Manager SPU
Special Programs	Coordination of HIV and Aids	<p>1.Local Aids Council</p> <p>2.Partnership agreements with HCBCs</p> <p>3.Training for caregivers</p>	R1 071 024,00	Number of HIV/AIDS projects implemented	4	3	3	Manager SPU

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DISTRICT MUNICIPALITY THREE YEAR CAPITAL PLAN

No.	PROJECT NUMBER	PROJECT NAME	LM	PROJECT TYPE: WATER SANITATION ROADS SOLID WASTE. STREET LIGHTING. PUBLIC MUNICIPAL SERVICES	Project Status for example Not yet registered Design and Tender Construction indicate for any status	APPROVED BUDGET	SOURCE OF FUNDING	BUDGET IMPLICATION	Projected Expenditure for 2022/23 (incl. VAT)	Projected Expenditure for 2023/24 (Incl. VAT)	Projected Expenditure for 2024/25 (Incl. VAT)
		MIG									
1	W/EC/14718/17/23	Elundini Rural water Programme (ORIO)	Senqu	Water	Design & Tender	R 143 813 803	MIG	CAPITAL	R 10 000 000	R 15 000 000	R 20 000 000
2	S/EC/14606/10/16	Jamestown Bucket Eradication and Sanitation Phase 2 (Sewer Lines)	Senqu	Sanitation	Construction :<=25%	R 50 193 464	MIG	CAPITAL	R 10 000 000	R 17 000 000	R 5 000 000
3	W/EC/12333/11/18	Maclear Water Treatment & Distribution Upgrade (WTW)	Elundini	Water	Design & Tender	R 226 644 753	MIG	CAPITAL	R 0	R 10 000 000	R 10 000 000

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4	S/EC/15418/ 17/20	Bulk Sanitation Infrastructure Upgrade for Maclear Phase 3B	Elundini	Sanitation	Construction :<=25%	R 60 447 551	MIG	CAPITAL	R 49 006 769	R 10 000 000	R 10 000 000
5	W/EC/12333 /11/18	Maclear Water Treatment & Distribution Upgrade (AC Pipe Replacement)	WSLM	Water	Construction :<=25%	R 95 995 638	MIG	CAPITAL	R 6 226 881	R 5 000 000	R 0
6	W/EC/16755 /19/21	ALI WAL NORTH WATER TREATMENT WORKS HOLDING DAMS	Elundini	Water	Design and Tender	R 29 185 579	MIG	CAPITAL	R 10 000 000	R 16 000 000	R 10 500 000
7	S/EC/16603/ 20/22	Provision of Sanitation Infrastructure for Ugie: Phase 1	Elundini	Sanitation	Design and Tender	R 27 478 319	MIG	CAPITAL	R 10 000 000	R 16 000 000	R 10 500 000
8	W/EC/18462 /21/24	Senqu Rural Water: Work Package 1	Elundini	Water	Design and Tender	R 82 987 000	MIG	CAPITAL	R 10 000 000	R 6 000 000	R 11 000 000
9	E/EC/18565/ 21/24	Senqu Rural Water: Work Package 2	Elundini	Water	Design and Tender	R 123 848 088	MIG	CAPITAL	R 10 000 000	R 6 000 000	R 11 000 000
10	W/EC/18461 /21/24	Senqu Rural Water: Work Package 3	WSLM	Water	Design and Tender	R 76 309 845	MIG	CAPITAL	R 10 000 000	R 6 000 000	R 11 000 000
11	NYR	Senqu Rural Water: Work Package 4	Elundini	Water	Not Registered	R 68 432 899	MIG	CAPITAL	R 10 000 000	R 6 000 000	R 11 000 000
12	W/EC/186 30/21/23	Senqu Rural Water: Work Package 5	WSLM	Water	Design and Tender	R 54 594 823	MIG	CAPITAL	R 10 000 000	R 6 000 000	R 11 000 000
13	W/EC/18704 /21/24	Senqu Rural Water: Work Package 6	WSLM	Water	Design and Tender	R 31 945 218	MIG	CAPITAL	R 10 000 000	R 6 000 000	R 11 000 000
14	W/EC/18657 /21/25	Senqu Rural Water: Work Package 7	Senqu	Water	Design and Tender	136514258	MIG	CAPITAL	R 10 000 000	R 6 000 000	R 11 000 000
15	NYR	Lady Grey Water Supply: New Trunk and Reticulation Water Mains for KwziNaledi & Transwilger	Senqu	Water	Not Registered	27 486 722.00	MIG	CAPITAL	R 2 000 000	R 10 000 000	R 11 000 000
16	NYR	Aliwal North Asbestos Pipe Replacement	Senqu	Water	Not Registered	138 405 341.36	MIG	CAPITAL	R 2 000 000	R 14 502 404	R 10 000 000
17	NYR	TELLE RIVER BULK WATER SUPPLY SCHEME	Senqu	Water	Not Registered	R 630 000 000	MIG	CAPITAL	R 1 000 000	R 3 703 696	R 10 000 000

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18	NYR	Aliwal North Bulk Water Infrastructure for Housing Development	Senqu	Water	Not Registered	R 88 458 265	MIG	CAPITAL	R 1 000 000	R 20 000 000	R 13 686 800	
19	N/A	PMU ADMIN.	Senqu				MIG	CAPITAL	R 9 012 350	R 9 431 900	R 9 878 200	
		TOTAL								R 180 246 000	R 188 638 000	R 197 565 000
		RBIG (DWS)										
29	ECR046	Sterkspruit Regional Bulk Sanitation	Senqu	Sanitation	Design	240 000 000,00	RBIG	CAPITAL	R 7 500 000	R 10 000 000	R 20 000 000	
30	TBA	Lady Grey Bulk Water Supply	Senqu	Water	Design	260 000 000,00	RBIG	CAPITAL	R 7 500 000	R 10 000 000	R 20 000 000	
		TOTAL								R 15 000 000	R 20 000 000	R 40 000 000
		WATER SERVICES INFRASTRUCTURE GRANT (WSIG)										
31		DC14_P10163-101_District Wide Refurbishment of WWTW	WSLM	Sanitation	Planning	20 000 000,00	WSIG	CAPITAL				
32		Pre-paid Water Meters	District wide	Water	Planning	1 000 000,00	WSIG	CAPITAL				
33		DC14_P10162-101_District Wide Telemetry System	District wide	Water	Implementation	15 000 000,00	WSIG	CAPITAL				
34		Electro-mechanical asset replacement	District wide	water	Planning	4 000 000,00	WSIG	CAPITAL				
35		Aliwal North pipe replacement	WSLM	Water	planning	5 000 000,00	WSIG	CAPITAL				
36		DC14_P10162-102_Rural Rudimentary Water Supply	District wide	Water	Planning	5 000 000,00	WSIG	CAPITAL				
37		DC14_P10162-103_Refurbishments of WTWs	District wide	Water	Implementation	5 000 000,00	WSIG	CAPITAL				
38		DC14_P10162-104_Argumentation of Clear Water Storage	Senqu	Water	Planning	7 000 000,00	WSIG	CAPITAL				

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39		DC14_P10162-105_Acquire Bulk Meters	District wide	Water	Tender	7 000 000,00	WSIG	CAPITAL			
		TOTAL							R 60 000 000	R 38 000 000	R 60 610 000
		DBSA FRONT-LOADING LOAN WITH MIG FUNDS									
40	W/EC/12333 /11/18	Maclear Water Treatment & Distribution Upgrade (WTW & AC Pipe Replacement)	Elundini	Water	Tender	R 226 644 753	MIG	CAPITAL	R 0	R 0	R 0
41	S/EC/15327/ 17/20	Bulk Sanitation Infrastructure Upgrade for Maclear Phase 3B	Elundini	Sanitation	Tender	R 60 447 551	MIG	CAPITAL	R 0	R 0	R 0

ESKOM PROJECTS FOR 2022/23

Project Name	Project Type	DMRE TOTAL Planned CAPEX Excl 15% VAT 2022/20	TOTAL Planned Connections 2022/2023	Beneficiaries- Village names
Amahlubi 03 Pre-Engineering (2023/24 Plan)	Pre-Engineering	R 533 000.00		
Batlokoa 02 SP (2022/23 Plan)	Households	R 18 600 000.00	600	Satube , Thabagobedu, Lehanapass
Batlokoa 02 SP Link line	Infrastructure - Line	R 2 899 905.00		
Batlokoa 02 SP Pre-Engineering (2020/21 Plan)	Pre-Engineering	R -		
Elundini Extensions	Households	R 15 500 000.00	500	Mbeki and Mparane
Elundini Extensions Link Line	Infrastructure - Line	R 2 900 000.00		
ELUNDINI PH 4	Households	R 4 485 000.00	156	Emaromeni and Matuguru
ELUNDINI PH 4 Pre-ng (2023/24 Plan)	Pre-Engineering	R -		
Elundini Extensions Pre-Engineering (2023/24 Plan)	Pre-Engineering	R 633 000.00		
Elundini Schedule 5B Pre-Engineering.	Recoverable Overhead Pool	R 350 000.00		
Elundini Type 1 Infills	Infills	R 1 440 000.00	200	

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Project Name	Project Type	DMRE TOTAL Planned CAPEX Excl 15% VAT 2023/2024	TOTAL Planned Connectio	Beneficiaries- Village Names
Elundini Ext. - Maclear	Households	R11 550 000	350	<u>Ward-3 Extensions 100</u> : Tuin Blocks, Top Blocks. <u>Ward 4 Extension 100</u> : Matuguru, Tsikarong, Saqhuthe, Khohlomoriti, Qobeni, Palini. <u>Ward 5 Extensions 150</u> : Mcwangele, Mountain, Sidakeni, Mtshezi, Hopedale.
Elundini Ext Maclear Pre-En	Pre-Engineering	765000		
Elundini Ext Maclear Link Li	Infrastructure - Line	R1 500 000		
Elundini Ext Mt Fletcher Pr	Pre-Engineering	850000		
Elundini Ext. Mt Fletcher	Households	R15 114 000	458	<u>Ward 15 Extensions 158</u> : Tsekong Ext. <u>Ward 10 Extensions 300</u> : Tsolobeng Ext
Elundini Ext. Ugie Link Line	Infrastructure - Line	R1 500 000		
Elundini Ext. Ugie	Households	R4 950 000	150	<u>Ward 1 Extensions 150</u> : Palisa, Ntendelesehe , Lututu, Nyibiba, Elunyaweni
Elundini Ext. Ugie Pre-Eng (Infrastructure - Line	R700 000		
Elundini Type 1 Infills	Infills	R1 050 000	150	Various villages in Eludini

JOGEDA

Project Name	Project Description	Budget Spent	Comments
RAFI programme	Increase crop yield	R1,5 million	72 Ha harvested and currently 60 Ha is under production and harvesting is expected to be completed by end of July 2022
Potato Project	Assist local farmers on potato production	R60 000	2 farmers have planted and the progress is monitored. Business case is being developed.

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Elundini Middle-income	Building of adequate middle-income housing	R27 million	Project concept has been completed and awaiting approval funding application from DBSA for underground services
Senqu Peach Project	Increase peach produce	R100 000	Soil tests were positive for the project to continue and 2 nd phase of Social Facilitation will continue.
SMME Development Programme	Assist Emerging Small Businesses around the Joe Gqabi District	R5,2 million R1,4 million for 2022/23	118 SMME's trained and recruited 22 to be trained and graduate in the 2022/23 FY.
District Wide Wool Project	Contribute to an improvement in the wool quality produced in the district.	R50 000 (Other costs absorbed by SP)	Sheering shed in N dofela is currently operational and more shearers will be recruited to operate in the 2022/23 FY
RAFI programme	Increase crop yield	R1,5 million	72 Ha harvested and currently 60 Ha is under production and harvesting is expected to be completed by end of July 2022
Potato Project	Assist local farmers on potato production	R60 000	2 farmers have planted and the progress is monitored. Business case is being developed.
Elundini Middle-income	Building of adequate middle-income housing	R27 million	Project concept has been completed and awaiting approval funding application from DBSA for underground services
Senqu Peach Project	Increase peach produce	R100 000	Soil tests were positive for the project to continue and 2 nd phase of Social Facilitation will continue.

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SMME Development Programme	Assist Emerging Small Businesses around the Joe Gqabi District	R5,2 million R1,4 million for 2022/23	118 SMME's trained and recruited 22 to be trained and graduate in the 2022/23 FY.
District Wide Wool Project	Contribute to an improvement in the wool quality produced in the district.	R50 000 (Other costs absorbed by SP)	Sheering shed in Ndofela is currently operational and more shearers will be recruited to operate in the 2022/23 FY
Aliwal North Private Hospital	Development of Private Hospital as a development catalyst	R100 million	The license was issued in 2016 by the Department of Health and currently an investor is currently being sourced. Bonolo Bophelo Health Group is being engaged.
Maize Meat Hub	Development of the red meat value chain	R4 million	Department of Rural Development and Land Reform has funded the project and Secondary Co-op has been formed and a technical partner is being sourced to operate the Feedlot.
Senqu Commercial Property Development	Sterkspruit Town revitalization	R 35 million	Investor has been sourced and committed to the project. The resettlement of illegal occupants is underway.
Tourism Liberation Route	Preservation of Liberation Heritage	R 1 million	The project is at its infancy stage
Elundini MIG Sanitation	Construction of precast concrete VIP Toilets	R99,9 million	Completed 7 444 units and approx. 3412 units remaining. Continuation of Phase 6 in the 2022/23 FY
Senqu MIG Sanitation	Construction of precast concrete VIP Toilets	R121,7 million	Completed 8 937 units and approx. 3659 units remaining. Continuation of Phase 6 in the 2022/23 FY
Burgersdorp WWTW	Refurbishment of waste water treatment works	R6,5 million	The WWTW has been successfully refurbished in line with the approved scope and budget in the 2021/22 FY. The project will target on addressing the pump stations in the 2022/23 FY.

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Senqu Rural Water Supply	Provision of water services starting from source development, water storage and reticulation	R560 million	Construction will commence in the first week of April 2022 and it will continue in the 2022/23 FY. The project will first deal with priority villages such as Ndofela, Mbobo, Bikizana, Storum, Joveleni, Masekeleng, etc.
Augmentation of Clear Water Storage	Provision of water storage tanks and associated pipeline work	R15 million	The project has commenced and it is expected to be handed over in July 2022 in Maletswai, Rhodes, Rossouw and Nqanqarhu.

DRDLAR

PROJECT NAME	APPROVAL STATUS	NUMBER OF TARGETED BENEFICIARIES	APPROVED AMOUNT	TARGETED QUARTER
Procurement of shearing shed equipment for various shearing sheds(Mount Fletcher DRDAR and Elundini LM to provide guidance on the exact shearing sheds)	Approved	Five shearing sheds	Request approved (R1 500 000. 00)	Q2
Elundini FPSU grain production (the coverage will be extended to include Lebenya and Ngxaxha clusters. Assistance of the ward councillors is required to identify suitable farming areas)	Approved	183	Request approved (R5 000 000. 00)	Q3-Q4
Prada Plas Farm (procurement of livestock and machinery for a Land Reform farm through the Stimulus Pacakge programme, the farm is in Ugie)	Approved	1	R4 897 300,00	Q1-Q4

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DRDAR

PROJECT NAME	PROJECT SCOPE (SCOPE INCLUDING NO.OF UNITS)	TABLED BUDGET 2022/23 (R)
Elundini Drought Relief (Boreholes)	installation of Stockwater System at Lusie 3&4 in the Elundini Local Municipality	503 000.00
	installation of Stockwater System on the Farm Lwasisi in the Elundini Local Municipality	503 000.00
	installation of Stockwater System at the Ngqayi Village in the Elundini Local Municipality	503 000.00
Elundini Drought Relief (Boreholes)	Retention: installation of Stockwater System on the Ebden Farm in the Elundini Local Municipality	19 750.00
	Retention: installation of Stockwater System on the Farm Misty Mount in the Elundini Local Municipality	19 750.00
	Retention: installation of Stockwater System on the Farm Oscar in the Elundini Local Municipality	19 750.00
	Retention: installation of Stockwater System at Skansile in the Elundini Local Municipality	19 750.00
	Retention: installation of Stockwater System at St Augustine Village (Zandise Jss) in the Elundini Local Municipality	19 750.00
Elundini Fencing	Supply and Delivery of Material for Boundary (4 297M) and internal Fencing (5 108M) at Bowersdale Farm in the Elundini Local Municipality	500 000.00
	Supply and Delivery of Material and Equipment for Arable Land Fencing (14 500M) at Jojweni and Gamakhulu Villages in the Elundini Local Municipality	734 000.00
	Casual Labourers (10): Wages for the Erection of Arable Land Fencing at Jojweni and Gamakhulu Villages in the Elundini Local Municipality	174 000.00
	Supply and Delivery of Material and Equipment for Arable Land Fencing (2 890M) at Mdilingo Project in the Elundini Local Municipality	171 000.00
	Casual Labourers (5): Wages for the Erection of Arable Land Fencing at Mdilingo Project in the Elundini Local Municipality	35 000.00

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	Supply and Delivery of Material for Boundary (4 680M) and internal Fencing (9 621.5M) at Nekina Farm in the Elundini Local Municipality	749 000.00
Elundini Multipurpose Sheds	Repairs of Wind and Hail Damage to Multipurpose Shed at Mosana Village in the Elundini Local Municipality in the Joe Gqabi District	150 000.00
	Repairs of Wind and Hail Damage to Multipurpose Shed at Phirintshu Village in the Elundini Local Municipality in the Joe Gqabi District	150 000.00
	Retention: Construction of Multipurpose Shed with Shearing Equipment, Portable Kraals and Sheep Dip at the Chevy Chase Landcare Project in the Elundini Local Municipality	481 400.00
Elundini Shearing Sheds	Construction of Shearing Shed with Shearing Equipment, Portable Kraals and Sheep Dip at Mohobatsana in the Elundini Local Municipality	1 488 000.00
	Construction of Shearing Shed with Shearing Equipment, Portable Kraals and Sheep Dip at the Taung Village in the Elundini Local Municipality	1 349 000.00
ELUNDINI TOTAL		7 589 150.00

SOCIAL DEVELOPMENT

SUB-PROGRAMME	LOCATION	PURPOSE	BENEFICIARIES	BUDGET
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ELM DRAFT INTEGRATED DEVELOPMENT PLAN 2022-2023

<p>CARE AND SUPPORT SERVICES TO OLDER PERSONS</p>	<p>Elundini, Nqanqaru Ugie Mt Fletcher</p>	<p>Design and implement integrated services for the care, support and protection of Older Persons.</p>	<p>180 - Older persons accessed community based programs. 36 Older persons accessing community based care and support services. 60-Older persons accessed community based programs. 10 - Older persons accessing community based care and support services. 120 - Older persons accessed community based programs. 20 - Older persons accessing community based care and support services.</p>	<p>R4,976,876.00</p>
<p>SERVICES TO PERSONS WITH DISABILITIES</p>	<p>Elundini, Nqanqaru Ugie Mt Fletcher</p>	<p>Implement integrated programs and provide services that promote well-being and socio economic empowerment of persons with disabilities</p>	<p>100 – Persons accessing community based rehabilitation services 150 - Persons accessing community based rehabilitation services 20 - Persons with disabilities accessing residential facilities 170 - Persons accessing community based rehabilitation services</p>	<p>R655,187.00</p>
<p>HIV AND AIDS</p>	<p>Elundini, Nqanqaru Ugie Mt Fletcher</p>	<p>Implement integrated community based care programmes and services aimed at mitigating the social and economic impact of HIV and AIDS through prevention and psychosocial support programmes.</p>	<p>02 – Implementers trained on social and Behaviour change programmes 200 – Beneficiaries reached through social Behaviour change programmes 250 – Beneficiaries receiving psychosocial support services 11 – Implementers trained on social and Behaviour change programmes 390 – Beneficiaries reached through social Behaviour change programmes 200 – Beneficiaries receiving psychosocial support services 22 – Implementers trained on social and Behaviour change programmes</p>	<p>R2,323,557.00</p>

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			<p>850 – Beneficiaries reached through social Behaviour change programmes</p> <p>400 – Beneficiaries receiving psychosocial support services</p>	
SOCIAL RELIEF	<p>Elundini, Nqanqaru Ugie Mt Fletcher</p>	<p>To respond to emergency needs identified in communities affected by disaster not declared or any other undue hardship through provision of material support</p>	<p>50 – Beneficiaries who benefited from DSD social relief programmes</p> <p>800 – Learners received sanitary pads through integrated school health programmes</p> <p>43 – Beneficiaries who benefited from DSD social relief programmes</p> <p>500 – Learners received sanitary pads through integrated school health programmes</p> <p>55 – Beneficiaries who benefited from DSD social relief programmes</p> <p>1080– Learners received sanitary pads through integrated school health programmes</p>	-

CHAPTER 6. PERFORMANCE MANAGEMENT SYSTEM

6.1. Introduction

ELM's PMS is divided into two, i.e. institutional and individual. The institutional PMS is managed in the PMS, Monitoring & Evaluation Unit in the Office of the Municipal Manager and the individual PMS is managed in the

Corporate Services Department. The municipality has since migrated from a manual PMS System to an automated system and has cascaded performance management to lower levels until Task Grade 09. This process necessitated the review of the municipality's PMS Policy. The PMS review process has taken place and the reviewed PMS Policy has been adopted by the municipal council. ELM conducts quarterly, mid-term and annual performance reviews for all employees on performance management and performance bonuses are therefore paid to all deserving individuals. At the end of every quarter, departments and individuals on performance management system upload their reports backed by supporting evidence on the system, which are then verified and assured by the PMS Unit for correctness. After the assurance process is completed Internal Audit Unit performs its audit function before the performance reports are submitted to the Audit Committee, EXCO and Council.

In terms of the Municipal Planning and Performance Management Regulations (2001), the Performance Management System:

“entails a framework that describes and represent how the municipality's cycle and processes of performance planning, management, measurement, review, reporting and Improvement will be conducted, organised and managed including determining of roles of different role players”

Accepting this definition as contained in the Act, the ELM has reviewed and adopted its PMS Policy to drive towards the following objectives:

- To give effect to the legislative obligations of the ELM in an open, transparent and focused manner;
- To incorporate the already implemented performance management processes applicable to Section 57 Managers and how these relate to and link with the system in a holistic, institution wide, policy;
- To provide a firm foundation from which to steer the process of performance management through all phases of implementation and devolvement; and
- To link and eventually to lock the IDP, the Budget and a Performance Management System in a cycle of prioritised, affordable and accountable municipal planning and effective service delivery involving all staff and the local community.
- The establishment of a system which translates the IDP into measurable objectives and targets;

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- The institutionalisation of sound management principles ensuring effective and efficient governance of service delivery;
- Adequate provision for community consultation and the opportunity to have a clearer insight in the performance of the municipality; and
- The promotion of an accountable municipality.

6.1.2. Principles Governing Elundini PMS

The following principles guided and informed the process of developing the Performance Management System for Elundini Municipality:

- Simplicity
- Politically acceptable
- Transparency and accountability
- Efficiency and Sustainability
- Consultation and Community Involvement
- Incremental Implementation

6.1.3. Role Players in ELM Performance Management System

The roles and responsibilities regarding the implementation of PMS as contained in ELM policy for PMS is discussed in the table below:

Table 65: Role of Council:

PLANNING	MONITORING		
	REVIEW	REPORTING	PERFORMANCE ASSESSMENT
<ul style="list-style-type: none"> • Adopts priorities and objectives of the Integrated Development Plan • Adopts the municipal scorecard • Establishes the oversight committee for the purpose of the annual report. 	<ul style="list-style-type: none"> • Approves the annual review program of the IDP. • Approves the top level SDBIP. • Approves changes to the SDBIP and adjustment Budget • Approves any changes to the priorities, objectives, key performance indicators and performance targets of the municipality. 	<ul style="list-style-type: none"> • Report the performance of the municipality to the Community at least twice a year. (through a public Report). • Receives externally audited performance reports from the Executive Committee twice a year. • Approves the recommendations for the improvement of the PMS. • Annually receives report on the Municipal Manager 	<ul style="list-style-type: none"> • Approves the annual Audit Plan and any substantial standards to it.

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		<p>and the s57 managers' performance.</p> <ul style="list-style-type: none"> • Submits the annual report to the MEC and Auditor General. 	
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Table 66: Role of Municipal Manager:

PLANNING	IMPLEMENTATION	MONITORING		
		REVIEW	REPORTING	PERFORMANCE ASSESSMENT
<ul style="list-style-type: none"> • Submits priorities and objectives of Integrated Development Plan to Council for Approval. • Approves Service Delivery and Budget Implementation Plan. • Enters into Performance Agreement with Municipal Manager on behalf of the Council. • Assigns the responsibility for the management of the PMS to the Municipal Manager. • Tables the budget and the Top level SDBIP to Council for Approval. 	<ul style="list-style-type: none"> • Manages the overall implementation of the IDP. • Ensures that all role players implement the provisions of the role players • Ensures that the Departmental scorecards serve the strategic scorecard of the municipality. 	<ul style="list-style-type: none"> • Formulation of the annual review program of the IDP, including the review of KPI's and targets for consideration by Council and Executive Mayor. • Formulation of the annual performance improvement measures. • Quarterly and annually reviews the performance of Departmental Managers. 	<ul style="list-style-type: none"> • Receives performance reports quarterly from the internal audit unit • Receives performance reports twice a year from Performance Audit Committee. • Submits annual report of the municipality to Council. 	<ul style="list-style-type: none"> • Formulates response to the performance audit report the Auditor General and makes recommendations to the executive mayor.

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Table 67: Role of S57 Managers:

PLANNING	IMPLEMENTATION	MONITORING		
		REVIEW	REPORTING	PERFORMANCE ASSESSMENT
<ul style="list-style-type: none"> Participate in the identification of IDP priorities and the whole IDP. Process. Participate in the Formulation and Revision of the municipal strategic scorecard. Participate in the formulation of the Top level SDBIP. Manages Subordinates performance measurement system. Enters into a performance agreement with the Municipal Manager. Reports quarterly to Municipal Manager. 	<ul style="list-style-type: none"> Manages the implementation of the SDBIP. Ensures that the annual programs are implemented according to the targets and timeframes agreed to. Implements performance improvement measures approved by the Executive Committee. Ensures that performance objectives in the performance agreements are achieved. 	<ul style="list-style-type: none"> Participates in the Formulation of the annual review of the KPI and targets. Annually reviews the performance of the department to improve the economy, efficiency and effectiveness of the departments. Quarterly and annually evaluates the performance of the department Participates in Mid – Term Review. 	<ul style="list-style-type: none"> Submit quarterly departmental performance reports. 	<ul style="list-style-type: none"> Participates in the formulation of the response to the performance audit report of the Auditor-General and makes recommendations to the municipal manager. Participates in the formulation of the response to the recommendations of the internal auditor and PAC.

Table 68: Role of the Audit Committee:

PLANNING	MONITORING	
	REVIEW	REPORTING
<ul style="list-style-type: none"> Participates in the formulation of the annual audit plan. 	<ul style="list-style-type: none"> Review quarterly reports from the internal auditors. 	<ul style="list-style-type: none"> Reports twice a year to the Municipal Council.

The ELM does not have a separate Performance Audit Committee, institutional performance information is reviewed by the Internal Audit Unit and then submitted to the Audit Committee on a quarterly basis.

The KPIs and Targets of the S.57 managers was an essential first step in the implementation of performance management and laid the foundation for the devolvment of the KPIs and Targets process of the system down to the next level of management and thereafter to the entire workforce.

6.2. Performance Agreements with Sectional Heads

Legislation places no obligation on a municipality to enter into performance agreements with sectional heads. However, the Council recognises such agreements as a logical further step to cement the PMS in the administrative executive component of the Municipality provided these agreements are in accordance with applicable legislation.

6.2.1. Culture and Work Situation

The ELM is committed to establish and maintain a culture and work situation conducive for the implementation and maintenance of a performance management system including regular performance appraisals and establishing a factual foundation for the system. The activities to be embarked on will, of necessity, be running concurrently with actual monitoring and measuring of performance and will include the following:

- ▶ To introduce the performance management system via an internal brief prepared by the Management Team, having consulted the Local Labour Forum (in its PMS Subcommittee should this be established) and approved by the Council.
- ▶ The brief will be circulated to all departments and employees via formal communication channels.
- ▶ The brief will inter alia explain the legislative obligations underlying the system, the process to be followed and the principles that will be adhered to by the Council.
- ▶ The system will be regularly reviewed and, in doing so, employee evaluations and constructive suggestions will, where possible, be incorporated to ensure the system is organisation-specific while adhering to the legislative framework.
- ▶ Amendments to the system will be communicated to departments and employees in the same manner as outlined above.
- ▶ To establish and maintain a factual basis for the performance appraisals, the job analysis of each position in the Municipality will be regularly updated with respect to line functional activities and linked to the relevant department's objectives and targets as derived from the IDP.
- ▶ Based thereon, the appraisors and appraisees will determine mutually agreed to performance criteria, based on a format designed and approved by the Corporate Services Department for standardisation and equality purposes.

The annual process of managing performance at organizational level in ELM involves the steps as set out in the diagram overleaf:



Figure 23: PMS

6.3. Planning for Performance

The process of compiling an IDP and the annual review thereof constitutes the process of planning for performance.

6.3.2. Setting Key Performance Indicators

Many of the key performance indicators are prescribed in Section 10 of the Regulations and in terms of Section 43 of the Municipal Systems Act. These are listed as:

- ▶ The percentage of households with access to basic level of water, sanitation, electricity and solid waste removal;
- ▶ The percentage of households earning less than R1100 per month with access to basic free services;
- ▶ The percentage of a municipality's capital budget actually spent on capital projects identified for a particular financial year in terms of the municipality's IDP;
- ▶ The number of jobs created through municipality's LED initiatives including Capital projects;
- ▶ The number of people from employment equity target groups employed in three highest levels of management in compliance with an approved employment equity plan;
- ▶ The percentage of a municipality's budget actually spent on implementing its workplace skills plan;
- ▶ Financial viability.

6.4. Alignment of The PMS to The IDP and Budget

The IDP fulfils the planning stage of Performance Management, which in turn fulfils the implementation, management, of IDPs. The last component of the cycle of OPMS is review, and the outcome of the

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performance review process must inform the next cycle of the IDP compilation/review. There are several components to the integration of the PMS.

PMS determines the visions of the municipality as well as its IDP priorities, objectives, performance management and budget, Council's priorities and objectives. They are based on community needs, the Constitutional mandate of Local Government, national legislation and the general KPIs within the framework of powers and functions of ELM. The Regulations for Municipal Managers and Managers directly accountable to the Municipal Managers (2006) 26(6) outlines five Key Performance Areas for Municipal Manager and the S57 Managers and these are as follows:

- ▶ Basic Service Delivery
- ▶ Municipal Transformation and Institutional Development
- ▶ Local Economic Development
- ▶ Municipal Financial Viability and Management; and
- ▶ Good Governance and Public Participation

The KPA's of the Elundini Municipality IDP 2022/23 has been reviewed and aligned accordingly.

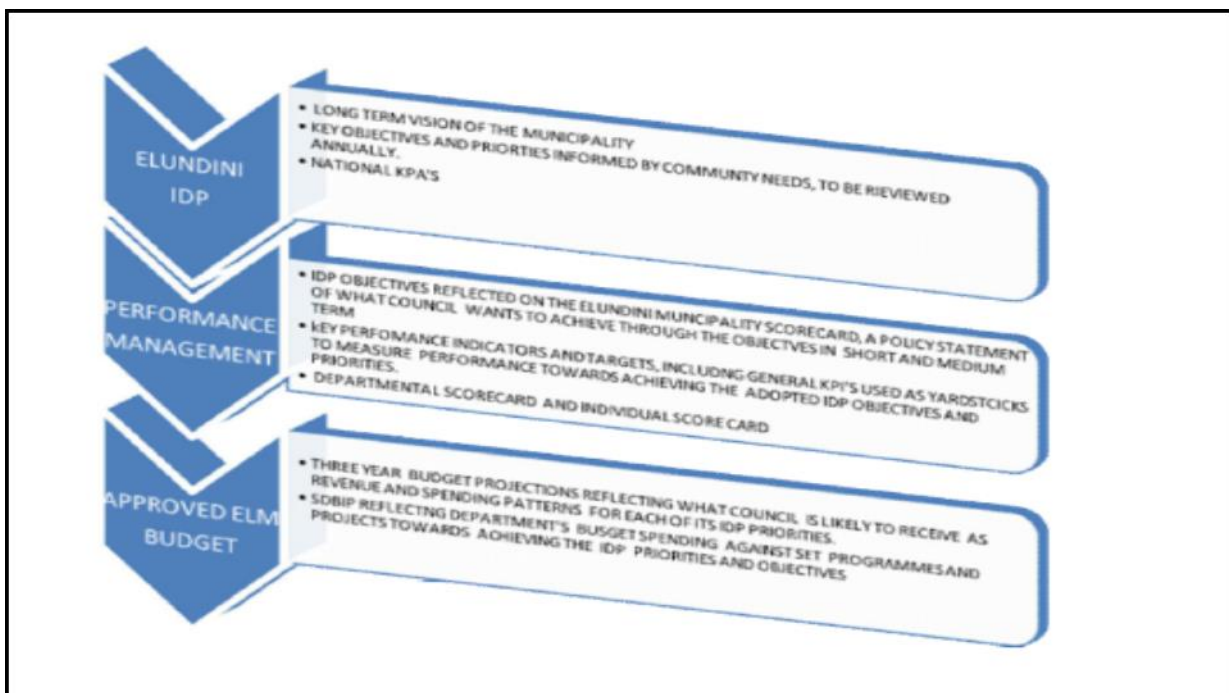


Figure 24: Linkage between IDP Budget & PMS

6.5. Tracking and Reporting Progress

Since the municipality has migrated for the manual performance management system to an automated one, the Office of Municipal Manager through its PMS, Monitoring & Evaluation Unit, verifies the performance reports submitted by departments and develops quarterly reports which it submits to the

Internal Audit Unit to perform audit of performance information and then submits them to the municipal manager, Audit Committee, Standing Committee, EXCO and eventually the municipal council.

- ▶ The Internal Auditors provide quarterly audit reports to the Municipal Manager and the Performance Audit Committee.
- ▶ The Audit Committee convenes at least four times per annum and four audit committee reports are submitted to the Council. These reports must include enough details so that early warning signals of underperformance can be detected. The reports must also indicate corrective measures where such under-performance has been identified.
- ▶ The Municipal Manager oversees the compilation of an annual performance report to the Council, which report is then also submitted to the Auditor General.
- ▶ Within one month of receiving the AG's audit report on the Performance Information and the Audited Financial Statements of the previous financial year, the Municipal Manager must submit to the Council a consolidated Annual Report for adoption. The media, community, AG and MEC must be informed of the meetings at which this report will be tabled. The minutes of the meeting/s should be provided to the Auditor General and the MEC. The adopted annual report must be made available to the media, public and interested parties and submitted to the MEC.

The Consolidated Annual Report to include:

- ▶ Performance of the Municipality and any service provider based on the KPIs and specifying the extent to which targets were achieved;
- ▶ Measurements taken or to be taken to improve performance;
- ▶ Development and service delivery priorities and targets set for the following year and reasons for significant differences in these targets from the one to the other year;
- ▶ A statement by the external auditor concerning the reasonableness of the report.
- ▶ Audited financial statements for the year
- ▶ Annual audit of the Auditor General on the PMS report
- ▶ Any other legislated matters for reporting.

6.6. Publication of Performance Reports

The ELM publishes at least once a year a public report on its performance in terms of the MSA, 2000.

Existing Public Participation Structures and mechanism for ELM which will be used include:

- ▶ IDP Rep Forum
- ▶ Youth & Women Groups
- ▶ Disability Groups
- ▶ Local Newspaper
- ▶ AUDIO MEDIA / LOUD HAILERS

- ▶ Public Notices
- ▶ Municipal Website

6.7. Public Feedback Mechanisms

The public Feedback on reported performance can be obtained if the public are aware of dedicated mechanisms for submitting feedback such as:

- ▶ Telephone numbers (toll free)
- ▶ Fax lines
- ▶ Emails
- ▶ Feedback boxes at Municipal Services offices

The Elundini will develop a comprehensive Communications strategy to among other things propose public feedback mechanism and structures for ELM. Upon its adoption this section will be read together with that policy and or strategy.

6.8. Performance Reviews and Assessments

Performance review is a process whereby the municipality, after measuring its own performance, assesses whether it is doing the right things and doing them right. The municipality is required to identify strengths, weaknesses, opportunities and threats of the municipality in meeting the key performance indicators and performance targets set by it. The Municipal Manager utilises Institutional Scorecard as a basis for reporting to the Mayor, Council and most importantly to the Public through quarterly reports, Mid-Year assessments, Annual Report and performance assessment.

The review framework for Elundini Municipality is conducted based on the following:

- ▶ Baseline Indicators – this entails assessing whether the current level of performance is better than the previous year by using baseline indicators.
- ▶ Community Feedback – survey to obtain feedback from the community about their views of the performance of the municipality in one PMS cycle.
- ▶ Performance Review in ELM will take place annually at least a month after all Performance Information (PI) has been audited and Auditor Report issued on PI.
- ▶ In the review process, a careful analysis of the municipality performance will be done in order to understand why it has performed well or underperformed in that particular financial year.
- ▶ The results of the review will be used to develop measures to improve performance and inform the planning stage of the following years' institutional scorecards and annual programs.

The lines of accountability with regard to Performance Review can be summarized as follows:

- ▶ Managers/Sectional Heads will review performance of their respective functions or sections on a regular basis and should cover all the organisational priorities relevant to the function or section
- ▶ Executive Management:
 - Review performance quarterly to minimise risks and poor performance.
 - Review performance before reporting to the Executive Committee. This will enable them to prepare and control the quality of performance reports and include adequate response strategies in cases of poor performance.
- ▶ Executive Committee: As the delegated authority for the management of development of the performance management system in terms of the Act, the Executive Committee plays a most significant role in reviewing the performance of the administration. Review at this level should be strategic and not restrained by operational discussions. The content of the review should be confined to agreed or confirmed priority areas and objectives.
- ▶ Standing or Portfolio Committees need to review the performance of functions or sections according to their assigned portfolios on a regular basis, i.e. quarterly.
- ▶ Council should review the performance of the municipal council, its committees and the administration at least twice per year.
- ▶ The public: It is required by the Act and the Regulations published in accordance therewith, that the municipality secure community participation in the review process. This could ideally be done when the annual report is compiled at the end of the financial year.

6.9. Monitoring and Measurement Framework

Monitoring is a continuous process of measuring, assessing and analysing and evaluating the performance with regard to the SDBIP, KPI's and targets. Performance measurement is essentially the process of analysing the data provided by the monitoring system in order to assess performance. The preferred and adopted model for Performance Management in Elundini Municipality is the Municipal Scorecard Model.

According to this model, in measuring performance municipalities need to look at:

- ▶ Inputs: (Resources, Financial Perspective)
- ▶ Outputs: (Results, Service Delivery Perspective)
- ▶ Outcomes: (Impact, Customer satisfaction, growth, Quality of Life)

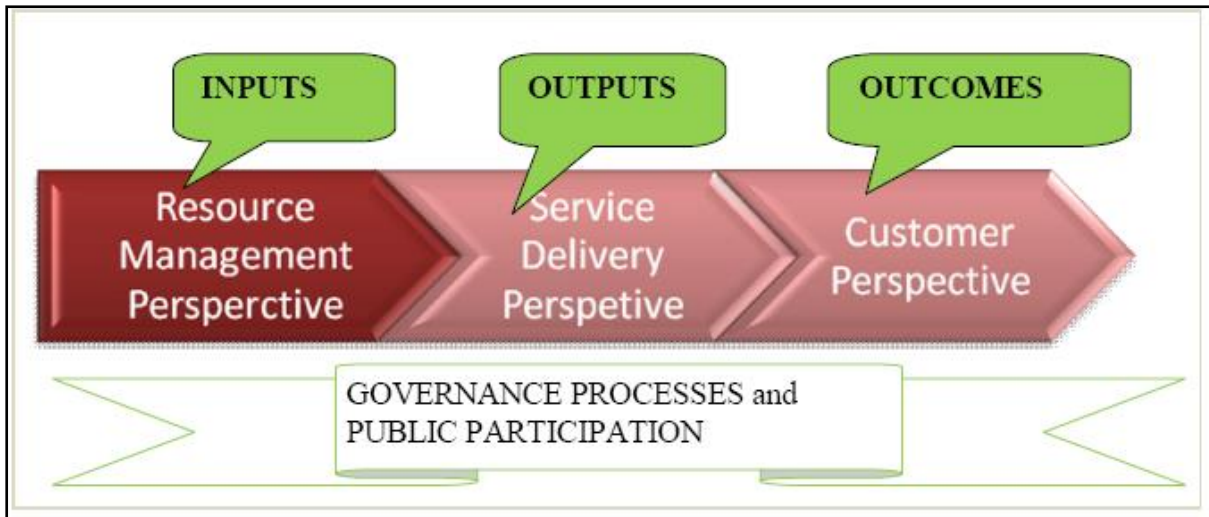


Figure 25: Governance Process and Public Participation

6.9.2. Performance Audit

The Municipal Planning and Performance Management Regulations, 2001, require municipalities to develop and implement mechanisms, systems and processes for auditing results of performance measurements as part of its auditing processes:

- ▶ Internal Auditors audit on a continuous basis which will result in quarterly reports being submitted to the Municipal Manager;
- ▶ Audit Committee receives quarterly reports from the Internal Auditors which it reviews together with PMS’s economy, efficiency, effectiveness and impact based on the KPI’s and Targets;
- ▶ The Audit Committee must submit at least two audit reports to the Council in a financial year.

6.9.3. Evaluation

- ▶ In terms of the adopted PMS, the Municipal Manager evaluates the quarterly performance reports from the S.57 Managers and use them to inform the steps to be taken to improve performance to meet annual targets and to intervene in case of red flag situations.
- ▶ The Municipal Manager must submit a consolidated quarterly report to the Internal Auditors. The Auditors must evaluate these reports together with other information obtained through their auditing obligations and in turn must provide the Municipal Manager with quarterly Audit Reports.
- ▶ The Municipal Manager then submits such reports as prescribed to the Council including a consolidated annual report for adoption by the Council.
- ▶ The Council must assess the performance of the Municipal Manager and S.57 Managers during June/July of each year with the assistance of an independent facilitator as further detailed in their performance agreements.

- ▶ The S.57 Managers must evaluate the quarterly performance reports from the Sectional Heads and use these to inform their own quarterly reports to the Municipal Manager.

6.10. Employee Performance Appraisal

- ▶ The performance appraisal of the Managers/ Sectional Heads will be the responsibility of the S.57 Managers with the assistance of an independent facilitator.
- ▶ These appraisals will be done on an annual basis as further detailed in the performance agreements of Managers and Sectional Heads prior to the Council's appraisal of the S.57 Managers.
- ▶ The S.57 Managers and Managers must ensure performance appraisal interviews are done on a regular basis by the appraisers within their respective departments/sections as further set out below, co-ordinate the results thereof and through their own quarterly reports report on the progress with implementation of the system, successes and failures thereof and problems experienced.
- ▶ Managers will be responsible for the performance interviews with their respective middle management employees.
- ▶ The first round of assessments executed for middle management staff could be done with the assistance of an independent facilitator should the staff so prefer.
- ▶ Thereafter the option of requesting a co-appraiser to be present at their interviews will be available to these employees.
- ▶ The appraisals of lower level employees must be carried out by their immediate supervisor or line manager who has the best knowledge of the content of the job concerned and in a position to observe the employee's performance on a daily basis.
- ▶ If no suitable supervisor or line manager is available to do the performance appraisal, the head of the section must take responsibility for the performance appraisal.
- ▶ If an employee is of the opinion that exceptional circumstances exist which requires a co-appraiser to be present at the appraisal interview, the matter must be taken up with the relevant S.57 Manager. In such circumstances the S.57 Manager or the S.57 Manager of the CSD could also fulfil the role of a co-appraiser.
- ▶ The first formal performance appraisals of a staff level will take place three months after introduction of the system to such a staff level and thereafter on an annual basis.
- ▶ The steps to be taken to rectify substandard performance or enable continued support, coaching and counselling based on the results of the performance appraisals will be implemented on a continuous basis determined by the circumstances of each individual case. These performance meetings must be of a more informal nature but still recorded in writing.

- ▶ The time and place of annual interviews must be mutually agreed between the appraiser and appraisee. An employee must not be given less than two weeks to prepare for the appraisal interview. The time allowed for the actual interview will vary according to the complexity of the job and each individual's circumstances.
- ▶ The place where a performance interview is conducted must be comfortable for both the appraiser and the appraisee and care must be taken that the place is quiet, no interruptions will occur during the duration of the interview and confidentiality is protected.
- ▶ Written feedback on the annual performance appraisal must be given to an employee within a reasonable period after the performance interview. A reasonable period would not exceed four weeks.

6.11. Performance Improvement

Although the municipality should strive to continuously improve performance to meet the needs of communities, it is poor performance that needs to be addressed as a matter of priority:

- The Council must advise the Municipal Manager on steps to be taken to improve performance based on the Auditor General's assessment. The IDP review process must provide a barometer of how well the Municipality performed in terms of service delivery and, if as prescribed, the community is provided with the Consolidated KPIs and Targets document, the latter could serve to inform the community's input in the review process.
- The training needs of staff, originating from their performance appraisals shall be fed into the Workplace Skills Plan and addressed by the sourcing of relevant providers and training courses to largely address the internal capacity shortcomings of the Municipality.

6.12. Performance Incentives and Rewards

- The municipality has reviewed its performance management system in 2018 to accommodate the performance rewards to the deserving lower level staff.
- The performance reward system of the Municipal Manager and the S.57 Managers is built into their contracts of employment and performance agreements as prescribed by the Municipal Performance Regulations for Municipal Managers and Managers directly accountable to Municipal Managers, 2006.
- The Council adopted the Rewards and Incentives Policy and this policy necessitates the existence of performance agreements with employees who may benefit from such a policy.

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6.13. Institutional Scorecard 2022/23

KEY PERFORMANCE AREA (KPA) 1: Basic Service Delivery													
Goal:													
Strategic Objective	Indicator	Indicator Type	Budget Allocation 2022/2023	Baseline	Spatial Reference	Annual Target 2022/2023	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Means of Verification	Custodian	Internal Role Players
Electricity													
Efficient construction, rehabilitation and maintenance of municipal infrastructure	Number of households in electrification programme connected (Khohlong 160, Elenge 150, Bhetule 110, Ulundi 60)	KPI	R 14 400 000	32655	Ward 14	480	Finalising designs	Contractor establishes site	Digging trenches, planting poles	480	Package order, progress reports, Completion certificate	Municipal Manager	Director: Infrastructure Planning & Development
Efficient construction, rehabilitation and maintenance of municipal infrastructure	Number of electricity projects completed (High Mast Installation; Street lights Installation; Network upgrade)	KPI	R 1 244 875	990	Ward 3,4, 17,9	24	Finalising designs, Issue package order.	N/A order long lead materials	Construction of electricity projects	24	Package order, progress reports, Completion certificate	Municipal Manager	Director: Infrastructure Planning & Development
Efficient construction, rehabilitation and maintenance of municipal infrastructure	% of maintenance completed in electricity network	KPI	R 1 908 827,00	New indicator	Ward 2,3,4,9 &17	100%	100%	100%	100%	100%	Package order, progress reports, Completion certificate	Municipal Manager	Director: Infrastructure Planning & Development
Efficient construction, rehabilitation and maintenance of municipal infrastructure	Number of households in electrification programme connected (Khohlong 160, Elenge 150, Bhetule 110, Ulundi 60)	KPI	R 14 400 000	32655	Ward 14	480	Finalising designs	Contractor establishes site	Digging trenches, planting poles	480	Package order, progress reports, Completion certificate	Municipal Manager	Director: Infrastructure Planning & Development
Project Management Unit													
Strategic Objective	Indicator	Indicator Type	Budget Allocation 2022/2023	Baseline	Spatial Reference	Annual Target 2022/2023	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Means of Verification	Custodian	Internal Role Players
Efficient construction,	KMs of roads constructed (Maclear/	KPI	R27,395,069 .91	603.77	Ward 3,16,4,17	8,964	N/A	N/A	3.78km	5.184km	Package order,	Municipal Manager	Director: Infrastruct

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rehabilitation and maintenance of municipal infrastructure	Nqanqarhu streets(1,184km); Nkangala AR(4km); Bhethula Mrhorwana (3.78km); Surfacing of Greenfields (Design); Surfacing of Ugie Park (design)										Progress reports, Completion Certificates		ure Planning & Developm ent
Efficient construction, rehabilitation and maintenance of municipal infrastructure	Number of public amenities constructed (Ntokozweni ECDC, Lower Tsitsana ECDC, Mt fletcher Toilets and VTS	KPI	R6 861 746,49	2, 15, 15	Ward 8, 10, 4, 9,2	3	N/A	N/A	N/A	3	Package order, Progress report, Completion Certificates	Municipal Manager	Director: Infrastructure Planning & Development
Efficient construction, rehabilitation and maintenance of municipal infrastructure	Number of bridges rehabilitated (2 x Ward 7 Bridge in Sophonia)	KPI	R 1.5m	2	Ward 7	2	N/A	N/A	2	N/A	Package order, Progress report, Completion Certificates	Municipal Manager	Director: Infrastructure Planning & Development
Efficient construction, rehabilitation and maintenance of municipal infrastructure	Number of kms of paved roads (Stormwater) rehabilitated (Sonwabile)	KPI	R 8 000 000	New indicator	Ward 3	5km	N/A	N/A	N/A	5	Package order, Progress report, Completion Certificates	Municipal Manager	Director: Infrastructure Planning & Development
Building and civil works													
Efficient construction, rehabilitation and maintenance of municipal infrastructure	KMs of access roads maintained	KPI	R2 288 000.00	336	Southern Area of Elundini	150	40	40	40	30	Maintenance Plan, Maintenance Report	Municipal Manager	Director: Infrastructure Planning & Development
Efficient construction, rehabilitation and maintenance of municipal infrastructure	% completed of Stormwater repairs/ maintenance	KPI	R2 288 000.00	New Indicator	All Wards	100%	10%	30%	60%	100%	Stormwater assessment report, Progress report	Municipal Manager	Director: Infrastructure Planning & Development
Efficient construction, rehabilitation and maintenance	% completed of urban roads maintenance	KPI	R2 288 000.00	New Indicator	Ward 2,3,4,17,9,15	100%	10%	30%	60%	100%	Roads assessment report, Progress report	Municipal Manager	Director: Infrastructure Planning & Development

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of municipal infrastructure													
Efficient construction, rehabilitation and maintenance of municipal infrastructure	% completed of bridges repairs/ maintenance	KPI	R 500 000	New Indicator	All wards	new	10%	30%	60%	100%	Bridge Assessment report. Progress report	Municipal Manager	Director: Infrastructure Planning & Development
KEY PERFORMANCE AREA 2 : INSTITUTION TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT													
Strategic Objective	Indicator	Indicator Type	Budget Allocation 2022/2023	Baseline	Spatial Reference	Annual Target 2022/2023	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Means of Verification	Custodian	Internal Role Players
	Implementation of Workplace Skills Plan	% of the Municipality's budget for training and development actually spent.	R 2 million	100%	Municipal Office	100%	N/A	25 %	50 %	100 %	Training report signed by Director with proof of training evidence, registers ,copies of training certificates & expenditure	Municipal Manager	Director Corporate Services
	Review of the Organizational Structure for 2022/23	Number of organizational structures reviewed	R 1 Million	2018/19	Municipal Office	1	N/A	N/A	N/A	1	Adopted Organizational structure and organizational review report	Municipal Manager	Director Corporate Services
KEY PERFORMANCE AREA 3 : LOCAL ECONOMIC DEVELOPMENT													
Strategic Objective	Indicator	Indicator Type	Budget Allocation 2022/2023	Baseline	Spatial Reference	Annual Target 2022/2023	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Means of Verification	Custodian	Internal Role Players
Promote creation of employment opportunities and decent jobs	Number of work opportunities created through EPWP	KPI	R 0	411	Whole of municipality	165	30	35	50	50	Employment Contract register (physical contracts verifiable on request)	Municipal Manager	Manager Director Planning and Development
KEY PERFORMANCE AREA 4 : FINANCIAL VIABILITY AND MANAGEMENT													
Strategic Objective	Indicator	Indicator Type	Budget Allocation 2022/2023	Baseline	Spatial Reference	Annual Target 2022/2023	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Means of Verification	Custodian	Internal Role Players
Enhance organisational performance and	% expenditure on all infrastructure grants	KPI	R 58 574 000	100%	Whole of municipality	100%	10%	40%	65%	100%	Grant implementation budget, Expenditure	Municipal Manager	Director: Infrastructure Planning &

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management of municipal resources											Reports (physical payments verifiable on request)		Development
Increase quantum of households receiving free basic services	Number of indigent households with access to free basic services	NKPI	R9,000,000	5118	Whole of the municipality	9000	8250	8500	8750	9000	Indigent Quarterly reports with summary pages of the indigent register signed by CFO, supported by approved indigent application forms on request	Municipal Manager	CFO
KEY PERFORMANCE AREA 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION													
Strategic Objective	Indicator	Indicator Type	Budget Allocation 2021/2022	Baseline	Spatial Reference	Annual Target 2021/2022	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Means of Verification	Custodian	Internal Role Players
To improve the effectiveness of governance administrative and financial systems	Number of Circular 88 reports developed and submitted to the Accounting Officer after the end of each quarter on indicators relevant to the directorate.	KPI	R0	New indicator	Whole Municipality	4	1	1	1	Circular 88 Report	Circular 88 quarterly reports	Municipal Manager	All Directors

CHAPTER 7: ALIGNMENT

The strategic approach to the development of the ELM's integrated development plan is underpinned by policies and strategies of the national and the provincial government. The development objectives of these policies have influenced the development of the strategic direction that the Municipality has identified. The national development plan is an overarching national policy that has informed the municipal strategy formulation. The other recent and relevant developmental policies which the municipal strategy has been aligned to are National Strategic Infrastructure Projects, Millennium Development Goals, Service Delivery Agreement Outcome 9, the King IV Code and the Provincial Government Development priorities. The section will also list the sector strategies that led the strategic direction of the municipality.

7.1. National Development Plan

7.1.1. Introduction

Through previous programs (reconstruction and development program) South Africa looks different from 1994. However, there is much that looks the same. There are still short coming in the development path. There is insufficient progress in reducing poverty and inequality and unemployment. South Africa has a potential and capacity to eliminate poverty and reduce in equality over the next decade – Long term development plan. Elundini municipality should in the future have a long term development plan aligned to the National Plan. It should integrate the plans to the IDP and also promotes that people should be champion of their own development and government must work effectively to develop people's capabilities to lead the lives they desire.

The National development plan is based on:

- ▶ effective participation of South African Citizens in their own development;
- ▶ redressing of the injustice of the past effectively;
- ▶ faster economic growth and higher investment and employment;
- ▶ rising standard of education;
- ▶ a healthy population and effective social protection;
- ▶ strengthening the linkages between the social and economic strategies;
- ▶ effective capable government, collaboration between government and private sector, strong sector leadership

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7.1.2. Strategic Projects Priorities by President's Infrastructure Coordinating Commission

The ELM through the district initiatives has also aligned its strategies to the national strategic project initiatives which it could benefit from such as follows:

SIP 6: INTEGRATED MUNICIPAL INFRASTRUCTURE PROJECT

Develop national capacity to assist the 23 least resourced districts (19 million people) to address all the maintenance backlogs and upgrades required in water, electricity and sanitation bulk infrastructure. The road maintenance program will enhance service delivery capacity thereby impacting positively on the population.

SIP 10: ELECTRICAL INFRASTRUCTURE

Electricity transmission and distribution for all. Expand the transmission and distribution network to address historical imbalances, provide access to electricity for all and support economic development. Align the 10-year transmission plan, the services backlog, the national broadband roll-out and the freight rail line development to leverage off regulatory approvals, supply chain and project development capacity.

SIP 11: AGRO PROCESSING INFRASTRUCTURE

Investment in agricultural and rural infrastructure that supports expansion of production and employment, small-scale farming and rural development, including facilities for storage (silos, fresh-produce facilities, packing houses); transport links to main networks (rural roads, branch train-line, ports), fencing of farms, irrigation schemes to poor areas, improved R&D on rural issues (including expansion of agricultural colleges), processing facilities (abattoirs, dairy infrastructure), aquaculture incubation schemes and rural tourism infrastructure.

SIP 18: WATER AND SANITATION INFRASTRUCTURE

A 10-year plan to address the estimated backlog of adequate water to supply 1.4 million households and 2.1 million households to basic sanitation. The project will involve provision of sustainable supply of water to meet social needs and support economic growth. Projects will provide for new infrastructure, rehabilitation and upgrading of existing infrastructure, as well as improve management of water infrastructure.

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7.2. Millennium Development Goals

The Millennium Declaration signed by world leaders of 189 countries in 2000, established 2015 as the deadline for achieving most of the millennium development goals. South Africa adopted vision 2014, which is derived directly from the United Nations Millennium Goals. Vision 2014 outlined the following:

- ▶ Reduce unemployment by half through new jobs, skills development, assistance to small businesses, opportunities for self-employment and sustainable community livelihoods.
- ▶ Reduce poverty by half through economic development, comprehensive social security, land reform and improved household and community assets.
- ▶ Provide the skills required by the economy, build capacity and provide resources across society to encourage self-employment with an education system that is geared for productive work, good citizenship and a caring society.
- ▶ Ensure that all South Africans, including, especially the poor and those at risk – children, youth, women, the aged and people with disabilities- are fully able to exercise their constitutional rights and enjoy the full dignity of freedom.
- ▶ Compassionate government service to the people, national, provincial and local public representatives who are accessible, and citizens who know their rights and insist on fair treatment and efficient service.
- ▶ Massively reduce cases of TB, diabetes, malnutrition and maternal deaths, and turn the tide against HIV and AIDS, and, working with the rest of Southern Africa, strive to eliminate malaria, and improve services to achieve a better national health profile and reduction of preventable causes of death, including violent crime and road accidents.
- ▶ Significantly reduce the number of serious and priority crimes as well as cases awaiting trial, with a society that actively challenges crime and corruption, and with programs that also address the social roots of criminality.
- ▶ Position South Africa strategically as an effective force in global relations, with vibrant and balanced trade and other relations with countries of the South and the North, and in an Africa that is growing, prospering and benefiting all Africans, especially the poor.

The goals consist of quantified targets to address extreme poverty in its many dimensions viz. poverty, hunger, disease, lack of adequate shelter, and exclusion whilst promoting gender equality, education, and environmental sustainability. At the same time the goals also represent basic human rights i.e. the rights of each person on the planet to health, education, shelter, and security.

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7.3. Delivery Agreement: Outcome 9

The aim of Delivery Agreement: Outcome 9 is to ensure a responsive, accountable, effective and efficient local government system so as to restore the confidence of citizens in the local government sphere. As such municipalities need to ensure that the basic needs of communities are met; build clean, effective, efficient, responsive and accountable local government; improve performance and professionalism and strengthen partnerships between local government, communities and civil society. The Outcome consists of seven outputs which need to be achieved, viz.:

- ▶ Implement a differentiated approach to municipal financing, planning and support;
- ▶ Improve access to basic services;
- ▶ Implementation of the Community Work Program;
- ▶ Actions supportive of the human settlement outcome;
- ▶ Deepen democracy through a refined Ward Committee Model;
- ▶ Improve administrative and financial capability;
- ▶ A single window of coordination.

The outputs consist of targets, indicators and key activities which need to be achieved. The achievement of these outputs will go a long way in improving the lives of residents whilst at the same time improving the processes within government so they are able to operate more effectively and efficiently.

7.4. Other Polices and Strategies

The other polices and strategies that the ELM has aligned its strategies to are:

7.4.1. Provincial and National

- ▶ Provincial Growth and Development Strategy
 - ▶ Cooperative Development Strategy
 - ▶ Provincial Job Creation Strategy
 - ▶ Rural Development Strategy
 - ▶ Spatial Development Framework
 - ▶ Investment and Promotion Strategy
-

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7.4.2. District Municipality

- ▶ Integrated Transport Plan
- ▶ District Environmental Plan
- ▶ Water Services Development Plan
- ▶ Integrated Solid Waste Management Plan
- ▶ Disaster Management Plan
- ▶ Environmental Management Plan
- ▶ Agricultural Development Plan
- ▶ Forestry Sector Plan

7.4.3. Elundini Local Municipality

7.4.3.1. Key Sector Plans

Table 69: *Compulsory sector plans to be included in IDPs*

No	Sector Plans	ELM Status	Custodian	Comment	Action	Timeframes
1	Spatial Development Framework	✓	SP&LED	Reviewed and adopted by Council in December 2018	Completed	N/A
2	Financial Plan	✓	CFO	In good standing	N/A	N/A
3	Applicable Disaster Management Plan	X	Community Services	This plan exists at a district level	Draft Disaster management Plan is in place and needs to be workshopped and adopted by the council in 2022/23 Financial Year	2022/23
4	Local Integrated Transport Plan (LITP)	✓	IP&D	To be reviewed	There is currently no budget to review it	N/A
5	Housing Sector Plan/Strategy	✓	SP&ED	Reviewed in 2014/2015	Need to confirm whether the plan requires review or not depending on progress in the implementation of the current housing sector plan. Housing sector plan for RDP in existence. Reviewed in 2016/2017	N/A
6	Environmental Management Plan	✓	Community Services	ELM uses the District EMP of 2011.	Need to develop our own ELM plan instead of relying on the district plan. No progress yet.	2019/2020

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7	Water Services Development Plan	✓	JGDM	This plan only exists at district level	Not applicable to ELM as the district is the water services authority	N/A
8	(Integrated) Waste Management Plan	✓	Community Services	Reviewed in 2016	Review in 2022-23	2022-23
9	Public Participation Strategy/Plan (Stakeholder Engagement Strategy/Plan)	✓	MM's Office	Reviewed	Completed	N/A
10	Communication Strategy/Plan	✓	MM's Office	Recently reviewed	N/A	N/A
11	Workplace Skills Development Plan	✓	Corporate Services	Annually reviewed	Currently being reviewed	2022-23
12	Employment Equity Plan	✓	Corporate Services	Annually reviewed	Currently being reviewed	2022-23
13	Human Resources Plan	✓	Corporate Services	Annually reviewed	Currently being reviewed	2022-23
14	Human Resource Development Strategy	✓	Corporate Services	Annually reviewed	Currently being reviewed	2022-23
15	Performance Management Framework and Policy	✓	Corporate Services	Annually reviewed	Currently being reviewed	2022-23
16	Recruitment and Selection Strategy	X	Corporate Services	Planned to be developed together with HRD Plan and Strategy	Currently being reviewed	2022-23
17	Scarce Skills Attraction and Retention Strategy	X	Corporate Services	Planned to be developed together with HRD Plan and Strategy	Currently being reviewed	2022-23
18	Succession Plan Need to reconsider whether ELM needs it or not. Research further with institutions such as SALGA, etc.	X	Corporate Services	Planned to be developed together with HRD Plan and Strategy	Currently being reviewed	2022-23
19	Occupational Health And Safety Management System	X	Corporate Services	Annually reviewed	Currently being reviewed	2022-23

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20	Draft Integrity Management Strategy					2022-23
20	Anti-corruption and Anti-fraud Strategy	✓	MM's Office	Requires review	Reviewed	2019/2020
21	LED Strategy	✓	SP&ED	Requires review	Reviewed	2019/2020
22	Comprehensive Infrastructure Plan <ul style="list-style-type: none"> • Storm-water Master Plan • 3 Year MIG Capital Plan • 3 Year INEP Capital Plan • 3 Year Roads Maintenance Plan 	✓	IP&D	The plan is developed and broken down into different plans	In good standing Need to be reviewed every two years (storm-water needs to be reviewed) 3 year roads maintenance plan under review-	2020/2021
	Electricity master plan	✓	IP&D	In good standing	Last reviewed in June 2020	N/A
23	Delegations Framework	✓	MM's Office	Recently reviewed in 2016/2017	In good standing	N/A
	Disaster/Emergency Preparedness Plan	X	Community Services & IP&D	Need to be developed	Not in place	2020/2021
	Air Quality Management Plan	X	Community Services	Not in Place	Not in place	2020/2021

7.5. Ward-Based Plans

ELM developed five-year ward development plans for all wards in 2017/2018 financial year which came to an end in June 2022. Currently the municipality is in a process of reviewing ward-based plans that were developed in all wards in 2017/2018 to be in line with the five-year strategy, 2022-2027. Issues that will be identified during the review will be aligned with the project implementation plan.