

SENQU MUNICIPALITY



Draft March 2019

Adopted 27 March 2019

IDP 2017- 2022

Review 2019/20

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MAYORS FOREWORD

I am honoured to introduce the draft IDP review for 2019/20. The IDP contains the programmes and targets that Council wishes to obtain in its 5-year term. Communities have expressed their needs and issues through outreaches and ward meetings.

The implementation and success of the IDP will rely on strong and constant interactive partnerships with sector departments, private business and traditional leaders. The financial viability of the Municipality is dependent on increasing the rate base. This can only happen through the implementation of Vision 2030 which will result in the formalisation and incorporation of villages around existing urban areas into the formally proclaimed towns. The existing overcrowded CBD in some urban areas must be addressed through the implementation of small town regeneration programmes. Other urban areas with decaying CBD's need to be revived through the implementation of small town regeneration programmes. However, this can only be achieved through strong partnerships with the private and government sectors as well as adherence by residents to bylaws, traffic and building legislation.

The vision of Council for the next 5 years is to ensure that the Municipality delivers the services that it is tasked to render and remain financially viable by collecting revenue from residents who are able to pay for services and subsidise those who are unable to afford to pay for services. In addition, there will be a greater emphasis on public participation, as well as programmes for empowering the youth and women especially through sport and cultural activities.



Cllr N. Mposelwa

Mayor

EXECUTIVE SUMMARY

Purpose of this Document

The purpose of integrated development planning is to ensure a coherent and holistic framework for service delivery within a municipal area. This involves interaction between the various spheres of government and their powers and functions as well as the community and private sector to pool their resources and work together to resolve issues and increase the economic and social environment of the area.

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

Demographic Statistics

The 2011 census figures give Senqu Municipality a population of 134 150 compared to the 2001 Census estimate of 135,141 (Statsaa, Census 2011). The 2016 household survey indicates a population of 140 720 which vindicates the Municipality's assertion that in 2011 the rural areas were not properly enumerated (StatsSA, 2016). This indicates a 1 % growth rate (Statssa,2016)

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

Household numbers were 33 904 (2001) and rose to 38 046 (2011) and dropped to 35 597 (2016). This is due to the effects of urbanisation and participation in a world economy which means that large households are shrinking due to economic costs. Average household size dropped from 4 in 2001 to 3.5 in 2011 and back up to 4 in 2016 (Statssa,2016).

Males in 2011 made up 46,8 % of the population in 2011 which has dropped to 46,2% in 2016 (Statssa,2016). Females are the majority of population with 53,2% in 2011 and 53,8 % in 2016 (Statssa,2016).

The population is youthful with 34% aged between 0-14 in 2011 and 36,9% in 2016. 34 % are aged between 15-34 years of age in 2011 and 40,4% in 2016 (Statssa,2016). The dependency ration is 72,4 % (Statssa,2016). This means that there is a high need for services for the youth. The downside of this, from a financial point of view is that most of these people will not be in employment or low earners as they are starting their careers thereby decreasing the amount of people available to pay for services.

Socio – Economic Summary

Data from the 2011 Census indicates that the average unemployment rate of the Senqu Municipality is 35.5 %. This only includes people that are actively searching for work. Based on the official definition, more than one third (30.34%) of the economic active group in Senqu is unemployed whilst the district average is 23.54%. Including those not actively seeking for work, unemployment in Senqu can be as high as 65% compared to 54% and 48% for the District and Eastern Cape respectively (Statssa,2011).

Between 2000 and 2010 formal employment growth was negative at -2.27%, performing worse than the District (-1.23%) and Province (-0.21%) respectively. The reason for negative formal employment growth can be attributed to:

- ❑ Poor performance of agriculture, trade and manufacturing sector;
- ❑ Over-dependency on the services sector;
- ❑ Recession and global environment.

However, also of concern is the quality of available jobs in Senqu. These jobs tend to be in economic sectors that are not high paying and therefore do not necessarily provide a good quality of life. In addition, they are directly affected by the international economy and climate change and job losses can be sudden.

Despite experiencing positive economic growth between 2000 and 2010, Senqu's economy has been unable to create meaningful benefits for the poor. The poverty rate is 62.93% - much higher than the provincial average of 53.61%. Dependency on social grants is highest in Senqu (37.42%) compared to the district (34.46%), provincial (31.54%) and national (22.68%). Also, the state of household savings reveals a high degree of indebtedness (-R464) for Senqu which further exacerbates the poverty challenge. With about 50.25% of the households earning no income at all and 21.39% earning between R1 and R1600 per month, almost two thirds of Senqu households are indigent. Of these, more than one quarter of households (6134) earn R400 or less per month. This is indicative of Senqu's low economic base, a factor that makes it less attractive to investors. This has negative repercussions for the economy and the municipality as more and more people cannot afford to pay for their livelihoods and services.

Service Delivery Perspective

70 % of households live in a formal dwelling and 68.5 % own their own dwelling. The 2011 census reveals that Senqu has a served population of 81,2% (Statsaa, 2011). Sanitation provision which was lagging behind now only has 6,7 % without any access to sanitation at all (Statssa,2016). Unfortunately bucket provision still occurs in Lady Grey and Rhodes who has very limited sanitation.

The provision of water and sanitation is hampered by the terrain as well as decaying and poorly designed water and sanitation systems that were not designed to cope with the additional demands placed upon them and which have come to the end of their lifespan. Illegal water connections also create problems with water pressure. These problems have led to the phenomenon of false droughts where there is insufficient water to meet the demand due to limited water storage facilities.

The telecommunication network in Senqu is insufficient with poor quality experienced in many areas. Network coverage as well as radio and television reception are not accessible in mountainous areas as well as the main arterial road of the R 58. The electricity network covers most of the area with 93,2 % utilised electricity for lighting purposes (Statssa,2011). Newer extensions are not electrified and villages in very mountainous rocky areas. The main problem with the electrification network in town is the high amount of leakage.

Waste management remains an issue as it does not spread beyond the urban boundaries due to limited staff and vehicles. Waste sites do not meet all environmental legislation but steps are being taken to rectify this

through the MIG grant. The construction of new waste sites is being delayed by sourcing communal ground and non-approved EIA's. Recycling initiatives are small due to the distance from markets.

Environmental management is poor due to limited staff and budget and many by laws are not enforced due to the factors already mentioned. Many town planning by laws are broken and illegal land invasion occurs on a regular basis. However, Peace Officers have been trained and new bylaws are being produced with monetary penalties so enforcement should improve. Maintenance of roads and bridges in the rural area is minimal due to limited funding from provincial sector departments. This has led to decaying infrastructure which actually needs to be reconstructed rather than maintained. Rural people struggle to access services due to this especially during the rainy period when the roads become impassable and flooded. Access to clinics and schools remains a challenge as people still have to walk long distances and the quality of the service is limited. Easy access to healthcare and secondary and tertiary education remain a challenge.

Municipal Priorities

1. Service Delivery – solid waste management, electricity losses in Sterkspruit
2. Access roads (villages)
3. Access to land – shortage, bulk unserviced sites, land tenure, invasions, surveying
4. Local economic development
5. Job creation
6. Youth development and employment
7. Revenue enhancement

CHAPTER ONE: SPATIAL & DEMOGRAPHIC ANALYSIS

Spatial Characteristics of the area

Table 1: Spatial Characteristics

Description	Specifics
Area	7329km².
Neighbours	Walter Sisulu (W), Emalahleni & Sakhisizwe (S), Elundini (E) and Kingdom of Lesotho (N).
Towns	Major: Sterkspruit, Lady Grey & Barkly East
Hamlets	Rossouw, Rhodes & Herschel
Villages	85
Topography	Mountainous. Slopes steeper than 1:8 as part of the southern Drakensberg range. The highest point in the Eastern Cape, Ben MacDhui at 3001m above sea level occurs in the municipality (JGDM Environmental Plan).
Catchment area	Orange river catchment.
Geology	Karoo Supergroup Basaltic lavas of Drakensberg Group Beaufort, Molteno, Elliot & Clarens Groups of sandstone & shale (JGDM Environmental Plan)
Climate	Temperature fluctuations of between 42°C and - 16°C in summer. In winter, the minimum temperature can vary between -7°C and -1°C. Annual average of 150 days of frost. Rainfall varies from between 1000mm and 1400mm of rainfall a year to about 600mm in the lower lying areas (JGDM Environmental Plan)
Soils	Degraded areas due to communal grazing lands not being well maintained or protected under the previous dispensation. The primary cause is the overstocking of livestock and inappropriate grazing methods. (JGDM Environmental plan)

Description	Specifics
Vegetation	<p>There are five vegetation types found in Senqu:</p> <ul style="list-style-type: none"> • Dry Sandy Highveld Grassland • Moist Cold Highveld Grassland • Afro Mountain Grassland • Alti Mountain Grassland. It is important for grazing and generally occurs in water catchment areas • Moist upland Grassland. This is important for maize farming and forestry.
Land use cover	<ul style="list-style-type: none"> • Total cultivated area of arable land of 47 319, 21 Ha. Dry land under commercial Production has 18 178, 39 Ha; • Commercial Irrigated Land of 3 866, 57 Ha • Semi Commercial (Commonages) has 25 274, 25 Ha (Information supplied by the Department of Agriculture). • Limited land available that can sustain intensive agricultural practices. <p>(it should be noted that all maps pertaining to this summary are contained in the SDF 2017 which is a separate document.)</p>

Environmental Opportunities

Senqu Municipality has some of the most beautiful scenery in South Africa. It has most of the highest mountain passes in the country. This can be used to promote self-drives for 4 x 4 enthusiasts.

The rugged terrain can be utilised for adventure and agricultural tourism which is already occurring like the Salmon Skyrun. The numerous sandstone can be utilised for building bricks or paving as is being done at Hershel Sandstone. There is also a lot of fine river sand for building purposes but this needs to be monitored as much illegal sand mining is occurring without permits.

The high amount of wind and solar energy can be utilised for greener energy alternatives such as wind and solar energy (JGDM Environmental Management Plan 2011). However, these alternatives require further study and mapping.

The area also contains many bird species and a vulture restaurant near Lady Grey. It contains many species of unique alpine plants such as one species of red hot poker which does not grow anywhere else.

Many paleontological species are being discovered in the area with many dinosaur skeletons especially in Qhimera as well as rock art.

Environmental Aspects & Challenges

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

- Firewood collection. Persons collect firewood indiscriminately breaking down trees. In addition, the indiscriminate burning of grasslands creates air pollution and loss of biodiversity. It is impossible to determine the extent of air pollution as the municipality does not have **an air quality management plan** as it is not a licensing authority
- The location of dipping tanks. Many of these dipping tanks are located near streams which can poison water supplies
- Borrow pits which are not adequately rehabilitated
- Drainage culverts placing can either hinder or promote gulley erosion
- The proximity of waste water treatment works at both Lady Grey and Barkly East to rivers poses a risk as they could be susceptible to potential flood damage
- Soil erosion, which is the highest in the JGDM due to marginal soils being utilised for inappropriate agricultural practises.
- The registration and management of solid waste disposal sites and lack of recycling.
- Burning of waste and inadequate collection of waste leading to illegal dumping. Lack of human and financial capacity to implement environmental by-laws and act on environmental issues
- Inappropriate land and hygiene practises leading to increased sedimentation and entrophication and pollution of fresh and groundwater sources.
- Increased invasion by alien and undesirable species like Slangbos and blue bush near Lady Grey. Limited protection of environmental sensitive areas
- Poor and crumbling sanitation infrastructure (JGDM Environmental Management Plan 2011)
- Poor protection of vleis, wetlands and springs

In addition to the above, the Municipality struggles with flash flooding due to the terrain which results in rapid runoff and accelerated donga erosion. The geological nature of the soil and poor veld, animal and soil management results in large scale loss of topsoil.

Protection of Natural Assets

Whilst the Municipality is blessed with some of the most beautiful alpine scenery which is one of the prime factors for its tourism industry, very little is done to protect the environment and it lies in the hands of individual land owners to conserve this fragile environment.

The Municipality has a huge quantity of sandstone which is being mined and cut into bricks for building. A large quantity of sand is constantly mined for the making of bricks. The Municipality does not fund any projects which utilises these assets without a mining permit.

The District Municipality is running projects in the area to fence off and conserve springs. In general, environmental protection of assets is stressed in the SDF and the Municipality adheres to this in the planning

of new developments. The protection of environmental assets is poor due to lack of human and financial resources. Large scale education of the public is required as well as strong political will.

The Municipality is busy addressing the issue of poor management of its waste sites and is in the process of building new sites and closing down non-compliant waste management sites.

The Impact of Climate Change

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

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

The main effects for Senqu would be:

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

Climate Change Strategy

1. Temperature increase

An increase in temperature will have a greater impact on communal farmers as a recent study done by CEEPA indicates that farmers with larger areas of ground will be better able to withstand the effects of climate change.

Senqu will therefore be focussing its efforts on training small scale farmers how to compensate for this increase by changing their farming methods and practises.

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

2. A fall in precipitation

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

Senqu Municipality will work with farmers to develop strategies that will increase the positive impacts while reducing the negative impacts for all types of farming. In addition, the Municipality will look at increasing the amount of water storage in the area and implementing by laws which will legislate that all householders have tanks on their property to collect rainfall. There will also be an increase in the maintenance budget for roads, bridges and storm drainage.

A recent Climate Change Vulnerability Assessment and Response Plan done for the JGDM area in November 2017 by DEA highlighted the following areas of concern for Senqu Municipality:

- Crop production yields will be low especially dryland crop production.
- The current grassland biome may be slowly changed to savanna
- Treatment of waste water is poor
- Drinking water quality is good
- Wetlands are under threat
- Increased flooding and wild fire outbreaks
- Increased drought and problems with water for irrigation and consumption together with increased waterborne diseases like cholera

Demographic / Population Analysis

1. SOCIO-ECONOMIC INDICATORS

1.1 Population Dynamics

Senqu Municipality has a population of 134 150 which has grown to 140,720 (Statsaa, 2016). This makes it the most populous municipality in the Joe Gqabi district. This slight increase in population is due to births but it is not a significant increase. It is only a 1 % increase. The Eastern Cape in total in 2015 only has a population of 6 916 200 which makes up 12,6% of the national total (Statsaa 2016). Provincially, for the period 2011–2016 it is estimated that approximately 243 118 people will migrate from the Eastern Cape (Statsaa 2016).

Household numbers are increasing from 33 904 (2001) to 38 046 (2011) with a slight drop to 35 597 in 2016 (Statssa,2016). This is due to the effects of urbanisation and participation in a world economy which means that the cost of large families and households are prohibitive. This is shown in the statistics which show that the average household size has dropped from 4 in 2001 to 3.5 in 2011 and 4 in 2016 (Statssa,2016).

Table 2: Average Household Size

Municipality	Total population			No of H/holds			Average h/hold size		
	1996	2001	2011	1996	2001	2011	1996	2001	2011
Joe Gqabi	324118	336413	337853	71162	84835	97775	4.6	4	3.5
Elundini	134077	135389	131656	29549	33209	37854	4.5	4.1	3.5
Senqu	129673	134326	131981	28056	33904	38046	4	4	3.5
Walter Sisulu	60369	66698	74216	15557	17722	21875	4.5	3.8	3.4
EC Total	6036337	6163009	6246143	1303287	1481640	1687385	4.6	4.2	3.7

Source: Statsaa Census 2011

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

Rural vs. Urban Population

According to the 2001 Census 86% of households are rural in nature. Whilst it is difficult to determine this figure with any accuracy from the 2011 census, indications are that it is at least around 70 %. This dynamic is shifting with the phenomenon of urban in migration occurring in Senqu Local Municipality. The majority of which is situated around the town of Sterkspruit (SDF 2017). This simply means that people are moving to live in villages which are expanding towards the urban centre of Sterkspruit. The concept of a rural countryside with scattered homesteads is disappearing, to be replaced by many villages growing towards each other creating rural urbanisation.

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

“Between 2006 and 2016 the population growth averaged 0.33% per annum which is significantly lower than the growth rate of South Africa as a whole (1.54%). Compared to Joe Gqabi's DM average annual growth rate

(0.65%), the growth rate in Senqu's population at 0.33% was about half than that of the district municipality (SERO,2017:10)".

"Senqu's population is projected to grow at an average annual rate of 0.9% from 142 000 in 2016 to 148 000 in 2021 (SERO,2017:11)." The population projection shows an estimated average annual growth rate of 0.9% between 2016 and 2021 against the "average annual growth for Joe Gqabi District Municipality, Eastern Cape Province and South Africa at 1.1%, 1.0% and 1.4% respectively (SERO,2017:12)".

1.2 Human Settlements

Senqu is a predominantly rural area, characterised by small settlements, limited urbanisation and subsistence agriculture. The majority (85.74%, 2001 Census) of households are rural in nature, including rural villages and farm households and the overwhelming majority (93.27%) of the local population live in the Sterkspruit sub-region. This dynamic is shifting with urban in-migration where "people are moving to live in villages which are expanding towards the urban centre of Sterkspruit. The concept of a rural countryside with scattered homesteads is disappearing." (Senqu IDP 2011).

1.3 Gender and Age

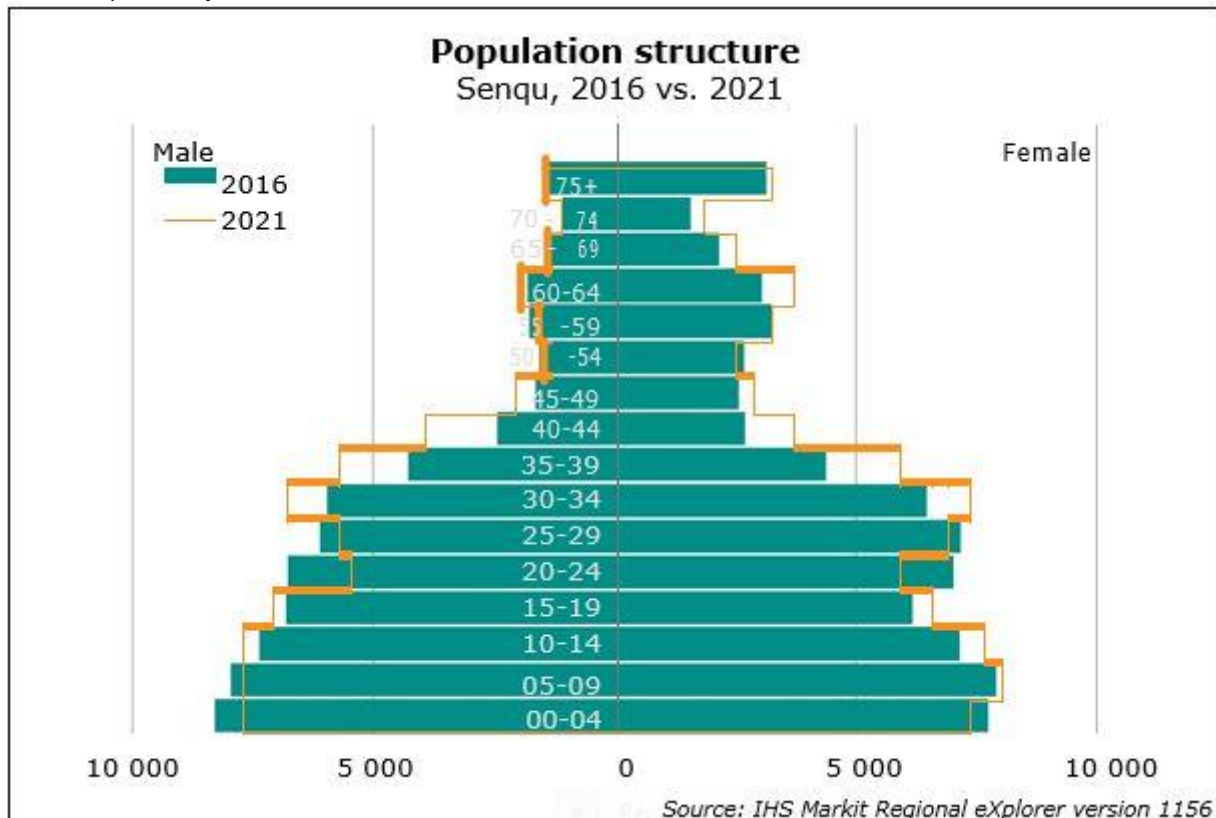
Table 3: Population by gender.

	Male	Female	Total
Senqu	66,400	75,400	142,000
Elundini	70,300	74,700	145,000
Walter Sisulu	41,800	44,200	86,000
Joe Gqabi	178,000	194,000	373,000

Source: IHS Markit Regional eXplorer version 1156

The male/female split in population was 88.1 males per 100 females in 2016. The Municipality has more females (53.17%) than males due to high out migration of males looking for work due to historical factors. In total there were 75 400 (53.17%) females and 66 400 (46.83%) males which differs to the district average of females being 52.12% (Ecsecc,2017:13).

Chart 1. Population Pyramid 2016 vs 2021



The population pyramid shows that in the future there is a decrease of young potential work force aged between 20 to 34 from 27.9 % to 25.7 % as well as a decrease of young children aged between 0 to 14 years from 32.7 % to 31.4%. However, the fertility rate is expected to increase. (Ecsecc, 2017:13).

The largest population group is between 0-14 years of age who make up 32.7 % of the population followed by age 22 to 44 at 27.9 % and then youth (15-24). This share of population is within the babies and kids (0-14 years) age category with a total number of 46 400 or 32.7% of the total population. The age category with the second largest number of people is the young working age (25-44 years) age category with a total share of 27.9%, followed by the teenagers and youth (15-24 years) age category with 26 800 people (Ecsecc,2017:14). This indicates a very youthful population that the LED Strategy needs to find employment opportunities for in the future.

A comparison between the Senqu population pyramids of 2006 and 2016 indicate that persons aged 20-34 increased from 24.8 % in 2006 to 27.9 % in 2016 whilst persons aged 0-14 decreased from 2006 to 2016 from 34.2 % to 32.7 %. The difference between male and female populations was small at 12.5 % for females and 12.3 % for males in 2016 unlike in 2006 where males formed 13.3 % of the population with females 14.6 % (Ecsecc,2017:15).

If the population of 2016 is compared with that of South Africa as a whole it shows that there is a higher fertility rate in the municipality and that the number of children aged 0-14 years is larger at 32.7 % as opposed to 29.2 % (Ecsecc,2017:15).

1.4 Population by population group, gender, age and households

In 2016, the Senqu Local Municipality comprised of 40 500 households which is an average annual growth rate of 1.15% in the number of households from 2006 to 2016. The average household size in the Senqu Local Municipality is decreasing from approximately 3.8 individuals per household to 3.5 persons per household in 2016 (Ecsecc,2017:17).

The composition of the households by population group shows that Africans are the largest group of 97.3% followed by whites at 1.2% and then Coloureds at 0.9%. The smallest population group by households is the Asian population group with only 0.6% in 2016 (Ecsecc,2017:17).

Table 4. Population by population group, gender and age.

	African		White		Coloured	
	Female	Male	Female	Male	Female	Male
00-04	7,620	8,140	31	29	94	89
05-09	7,800	7,820	41	41	76	59
10-14	7,030	7,240	48	33	81	69
15-19	6,070	6,660	25	29	89	91
20-24	6,940	6,610	25	30	60	94
25-29	7,060	5,940	45	59	71	51
30-34	6,370	5,780	36	34	67	67
35-39	4,260	4,130	64	46	50	53
40-44	2,600	2,310	44	50	62	45
45-49	2,470	1,510	57	65	51	48
50-54	2,590	1,460	65	49	40	50
55-59	3,220	1,650	52	71	7	34
60-64	3,020	1,730	33	56	16	0
65-69	2,120	1,340	52	30	6	14
70-74	1,540	1,040	35	23	17	18
75+	3,060	1,290	76	35	9	17
Total	73,800	64,700	728	683	795	799

Source: IHS Markit Regional eXplorer version 1156

The number of female headed households is quite high and can be ascribed to migrant and commuter labour which has resulted in many households having a woman as the head of the household and the chief breadwinner

living away from the home. These impact on the type of development that may occur, especially with regards to manual labour-type employment (SDF 2011). The good news is that female headed households have dropped from 52.2 % (2001) to 50.5 as can be seen in the table below (Statsaa, 2011).

Table 5: Female headed households

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

Source: Statsaa 2011

It should be noted that the number of child headed households have also dropped. However, this statistic should be treated with caution as these households tend to shy away from officialdom.

Table 6: Child headed households

Municipality	1996			2001			2011		
	Children headed H/H	Total H/H	% child headed H/H	Children headed H/H	Total H/H	% child headed H/H	Children headed H/H	Total H/H	% child headed H/H
Joe Gqabi	2214	71162	3.1	1759	84835	2.1	1176	97775	1.2
Elundini	1103	29549	3.7	781	33209	2.4	540	37854	1.4
Senqu	915	28056	3.3	804	33904	2.4	503	38046	1.3
Maletswai	95	6990	1.4	109	9488	1.1	78	12105	0.6
Gariep	101	6587	1.5	64	8234	0.8	55	9770	0.6
EC Total	29900	1303287	2.3	19210	1481640	1.3	16712	1687385	1

Source: Statsaa 2011

1.5 HIV and AIDS Estimates

In 2016, 17 500 people in the Senqu Local Municipality were infected with HIV which reflected “an increase at an average annual rate of 2.43% since 2006, and in 2016 represented 12.36% of the local municipality's total population. Joe Gqabi District Municipality had an average annual growth rate of 2.77% from 2006 to 2016 in the number of people infected with HIV, which is higher than that of the Senqu Local Municipality. The number of infections in Eastern Cape Province increased from 622,000 in 2006 to 786,000 in 2016. When looking at South Africa as a whole it can be seen that the number of people that are infected increased from 2006 to 2016 with an average annual growth rate of 1.67% (Ecsecc, 2017:19).

Table 7: Number of HIV positive People, 2006-2016

	Senqu	Joe Gqabi	Eastern	National	Senqu as % of JGDM	Senqu as % of Province	Senqu as % of National
2006	13,800	34,100	622,000	5,320,000	40.4%	2.2%	0.26%
2011	14,700	37,300	676,000	5,680,000	39.5%	2.2%	0.26%
2016	17,500	44,800	786,000	6,280,000	39.1%	2.2%	0.28%
Average Annual growth							
2006-2016	2.43%	2.77%	2.37%	1.67%			

Source: IHS Markit Regional eXplorer version 1156

1.6 Population Density

Senqu Municipality in 2016 has a higher population density than Joe Gqabi district at 19.3 people per square kilometre compared to 14.5 people per square kilometre. This is an increase from 2006 of 18.71 which is an annual growth rate of 0.33%. This was the lowest average annual growth rate in the District Municipality. This average is however less than the Eastern Cape Province of 41.5 per square kilometre (Ecsecc,2017:70-71).

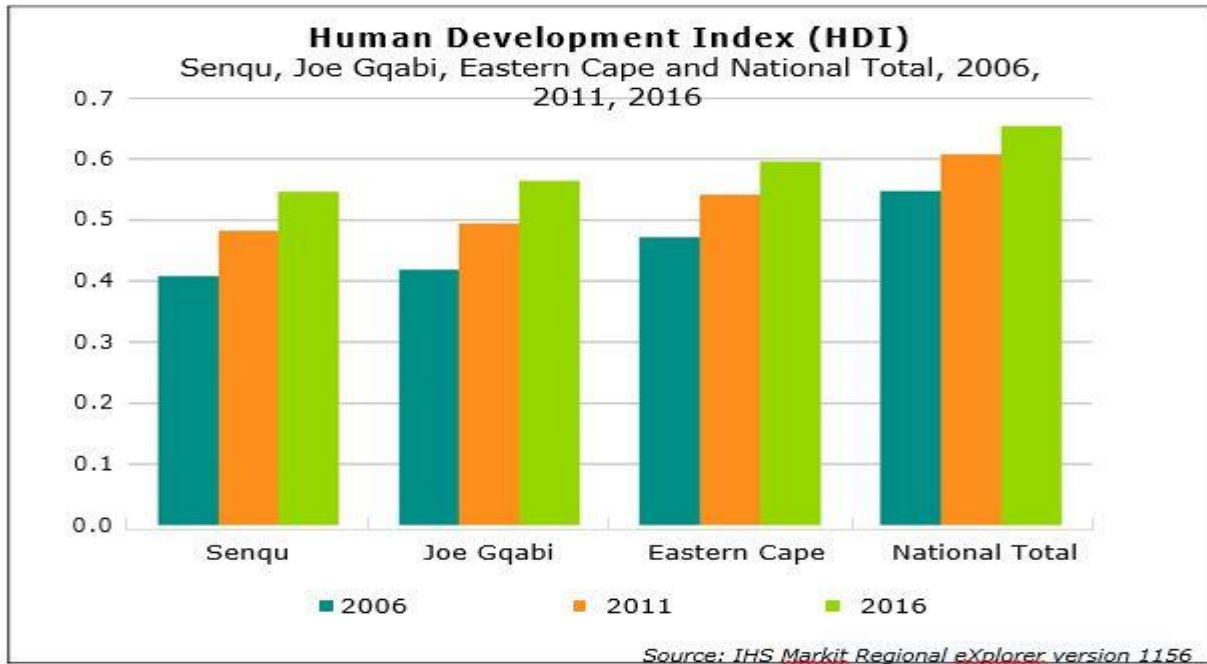
1.7 Development Indicators

“Indicators of development, are used to estimate the level of development of a given region in South Africa relative to the rest of the country. Another indicator that is widely used is the number (or percentage) of people living in poverty. Poverty is defined as the deprivation of those things that determine the quality of life, including food, clothing, shelter and safe drinking water (Ecsecc,2017:56)”.

HUMAN DEVELOPMENT INDEX (HDI)

In 2016 Senqu Local Municipality had an HDI of 0.545 compared to the Joe Gqabi District Municipality with a HDI of 0.564, 0.596 of Eastern Cape and 0.653 of National Total as a whole. This means that Senqu Municipality has a lower HDI than the Eastern Cape. However South Africa's HDI increased at an average annual growth rate of 1.79% which was lower than the Senqu rate of 2.96% (Ecsecc,2017:56). This indicates that improvements are been made.

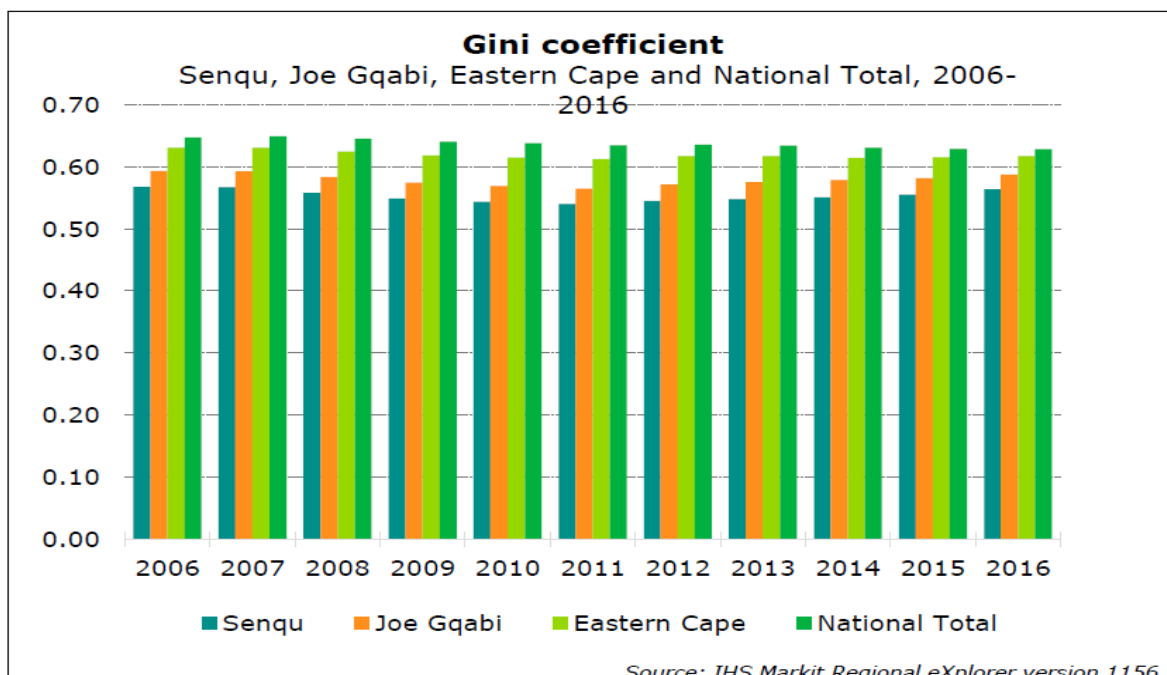
Chart 2: HDI



GINI COEFFICIENT

“The Gini coefficient is a summary statistic of income inequality. It varies from 0 to 1. If the Gini coefficient is equal to zero, income is distributed in a perfectly equal manner, in other words there is no variance between the high and low-income earners within the population (Ecsecc, 2017:57)”. “In 2016, the Gini coefficient in Senqu Local Municipality was at 0.564, which reflects a marginal decrease in the number over the ten-year period from 2006 to 2016. The Joe Gqabi District Municipality and the Eastern Cape Province, both had a more unequal spread of income amongst their residents (at 0.587 and 0.617 respectively) when compared to Senqu Local Municipality (Ecsecc,2017:58)”

Chart 3. Gini coefficient 2006-2016



POVERTY & THE POVERTY GAP

“In 2016, there were 94 100 people living in poverty, using the upper poverty line definition, across Senqu Local Municipality - this is 8.22% lower than the 103 000 in 2006. The percentage of people living in poverty has decreased from 74.79% in 2006 to 66.40% in 2016, which indicates a decrease of 8.39 percentage points. In 2016, the population group with the highest percentage of people living in poverty was the White population group with a total of 0.6% people living in poverty, using the upper poverty line definition. The proportion of the White population group, living in poverty, decreased by -0.411 percentage points, as can be seen by the change from 0.64% in 2006 to 1.05% in 2016. In 2016 67.44% of the African population group lived in poverty, as compared to the 76.11% in 2006 (Ecsecc,2017:61)”.

Table 8. Percentage of people living in poverty by population group 2006-2016

	African	White	Coloured
2006	76.1%	0.6%	54.9%
2007	74.8%	1.0%	50.8%
2008	76.0%	1.6%	50.8%
2009	75.5%	1.7%	49.1%
2010	73.4%	1.2%	48.8%
2011	72.2%	0.8%	49.8%
2012	70.9%	0.8%	49.0%
2013	69.6%	0.8%	47.7%
2014	69.4%	0.8%	47.4%
2015	68.2%	0.9%	46.0%
2016	67.4%	1.0%	45.7%

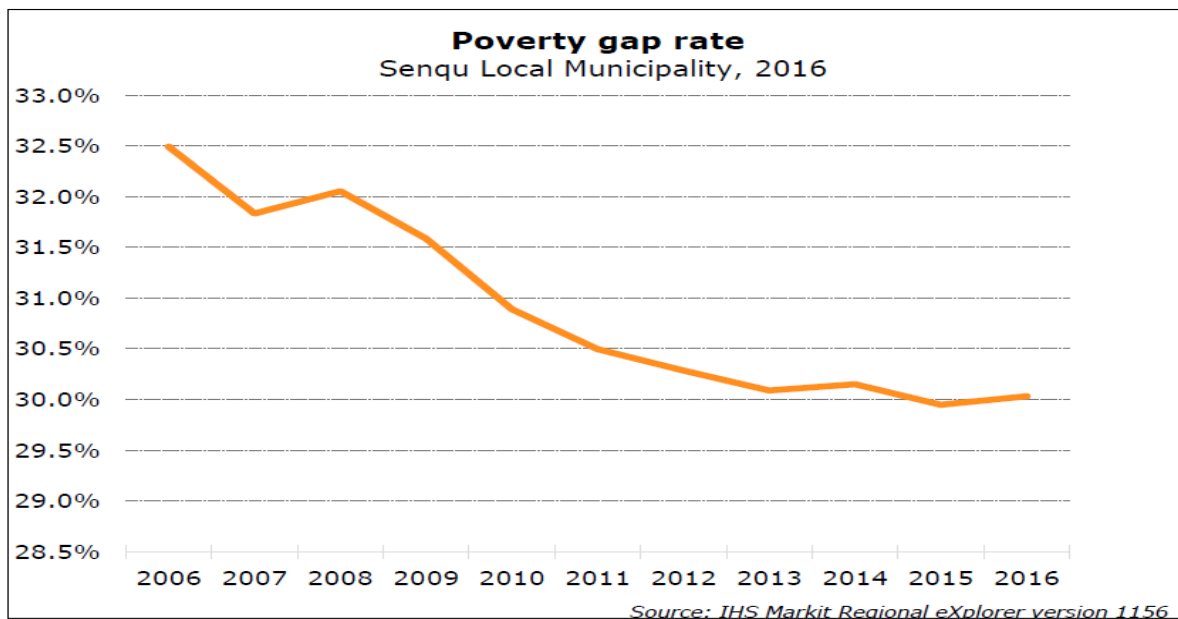
Source: IHS Markit Regional eXplorer version 1156

District wide, Elundini local municipality has the highest percentage of people living in poverty, with a total of 69.5% whilst the lowest percentage of people living in poverty can be observed in the Walter Sisulu local municipality with a total of 51.2% (Ecsecc,2017:62).

The poverty gap measures the depth of poverty by measuring the average distance of the population from the poverty line and is expressed as a percentage of the upper bound poverty line, as defined by StatsSA. “It is estimated that the poverty gap rate in Senqu Local Municipality amounted to 30.0% in 2016 - the rate needed to bring all poor households up to the poverty line and out of poverty. In 2016, the poverty gap rate was 30.0% and in 2006 the poverty gap rate was 32.5%, it can be seen that the poverty gap rate decreased from 2006 to 2016, which means that there were improvements in terms of the depth of the poverty within Senqu Local Municipality (Ecsecc,2017:63)”.

“In terms of the poverty gap rate for each of the regions within the Joe Gqabi District Municipality, Elundini local municipality had the highest poverty gap rate, with a rand value of 30.6%. The lowest poverty gap rate can be observed in the Walter Sisulu local municipality with a total of 28.4% (Ecsecc,2017:63)”.

Chart 4: Poverty Gap Rate



EDUCATION, LITERACY AND SKILLS LEVEL

The level of education and skills levels in Senqu Municipality is low even though the number of people without any schooling did “decrease from 2006 to 2016 with an average annual rate of -4.14%, while the number of people within the 'matric only' category, increased from 7,120 to 12,000. The number of people with 'matric and a certificate/diploma' increased with an average annual rate of 2.45%, with the number of people with a 'matric and a Bachelor's' degree increasing with an average annual rate of 2.88%. Overall improvement in the level of education is visible with an increase in the number of people with 'matric' or higher education (Ecsecc,2017:65)”.

Table 9. Highest level of education 15+ 2006-2016.

	Senqu	Joe Gqabi	Eastern Cape	National Total	Senqu as % of district municipality	Senqu as % of province	Senqu as % of national
No schooling	8,920	20,600	328,000	2,380,000	43.3%	2.7%	0.38%
Grade 0-2	3,930	9,720	123,000	712,000	40.5%	3.2%	0.55%
Grade 3-6	14,900	39,200	561,000	3,180,000	37.9%	2.7%	0.47%
Grade 7-9	20,000	55,500	934,000	6,030,000	36.0%	2.1%	0.33%
Grade 10-11	18,100	45,200	958,000	8,140,000	40.1%	1.9%	0.22%
Certificate / diploma without matric	180	581	14,500	176,000	30.9%	1.2%	0.10%
Matric only	11,900	33,400	841,000	10,100,000	35.8%	1.4%	0.12%
Matric certificate / diploma	2,710	7,660	184,000	1,960,000	35.3%	1.5%	0.14%
Matric Bachelors degree	1,230	4,130	137,000	1,600,000	29.8%	0.9%	0.08%
Matric Postgrad degree	506	1,760	50,700	693,000	28.7%	1.0%	0.07%

Source: IHS Markit Regional eXplorer version 1156

“A total of 66 100 individuals in Senqu Local Municipality were considered functionally literate in 2016, while 29 200 people were considered to be illiterate. Expressed as a rate, this amounts to 69.33% of the population, which is an increase of 0.11 percentage points since 2006 (58.30%). The number of illiterate individuals decreased on average by -2.49% annually from 2006 to 2016, with the number of functional literate people increasing at 2.31% annually (Ecsecc,2017:68)”. This is a very low rate when in order to participate in the world economy high literacy and skills rates are required.

CRIME

Crime is high in the municipality especially with stock theft. Cross border stock theft is a big problem as is violent crime and assaults on women. Overall crime increased from 2006 to 2016 at an average annual rate of 0.06%. Violent crime has decreased by 0.00% since 2005/2006, while property crimes increased by 0.62% between the 2005/2006 and 2015/2016 financial years (Ecsecc, 2017:72-73). This statistic does not show the true rates as many rural people live far from police stations and do not always report crime. Senqu Municipality has the second highest overall crime index at 89.7 of all JGDM Municipalities (Ecsecc, 2017:72-73).

LABOUR

“The labour force of a country consists of everyone of working age (above a certain age and below retirement) that are participating as workers, i.e. people who are actively employed or seeking employment. This is also called the economically active population (EAP). People not included are students, retired people, stay-at-home parents, people in prisons or similar institutions, people employed in jobs or professions with unreported income, as well as discouraged workers who cannot find work (Ecsecc,2017:37)”.

Table 10: Working age population in Senqu, JGDM, EC & National 2006 -2016

	Senqu		Joe Gqabi		Eastern Cape		National Total	
	2006	2016	2006	2016	2006	2016	2006	2016
15-19	18,400	13,000	45,900	33,200	803,000	634,000	5,290,000	4,550,000
20-24	16,900	13,800	38,400	36,500	701,000	694,000	5,260,000	5,000,000
25-29	10,500	13,300	26,400	35,900	530,000	684,000	4,550,000	5,620,000
30-34	6,620	12,400	17,100	31,800	355,000	589,000	3,570,000	5,300,000
35-39	5,090	8,660	13,500	23,200	288,000	438,000	2,930,000	4,240,000
40-44	4,930	5,130	13,200	14,000	286,000	298,000	2,610,000	3,120,000
45-49	5,040	4,220	13,900	11,600	286,000	247,000	2,290,000	2,530,000
50-54	4,680	4,250	12,400	11,700	241,000	249,000	1,880,000	2,260,000
55-59	4,220	5,030	11,600	13,200	205,000	249,000	1,520,000	1,990,000
60-64	3,280	4,860	8,760	12,400	171,000	207,000	1,170,000	1,610,000
Total	79,669	84,619	201,290	223,427	3,866,790	4,289,261	31,071,485	36,220,290

The working age population in Senqu in 2016 was 84 600, increasing at an average annual rate of 0.60% since 2006. For the same period the working age population for Joe Gqabi District Municipality increased at 1.05% annually, while that of Eastern Cape Province increased at 1.04% annually. South Africa's working age population has increased annually by 1.55% from 31.1 million in 2006 to 36.2 million in 2016 (Ecsecc, 2017:37)". Whilst in theory, a higher or increasing population dividend is supposed to provide additional stimulus to economic growth as more people have money to consume goods, the current climate in South Africa is that there has been a decrease in jobs and an increase in social dependency.

The economically active population (EAP) is defined as the number of people (between the age of 15 and 65) who are able and willing to work, and who are actively looking for work. It includes both employed and unemployed people.

Table 11: Economically Active Population (EAP) – Senqu, JGDM, EC & National 2006-2016.

	Senqu	Joe Gqabi	Eastern Cape	National Total	Senqu as % of district municipality	Senqu as % of province	Senqu as % of national
2006	30,300	86,900	1,840,000	17,500,000	34.9%	1.65%	0.17%
2007	30,600	87,700	1,850,000	18,000,000	34.9%	1.66%	0.17%
2008	30,700	87,300	1,840,000	18,400,000	35.2%	1.67%	0.17%
2009	30,100	85,200	1,790,000	18,300,000	35.3%	1.68%	0.16%
2010	29,200	82,500	1,730,000	18,100,000	35.4%	1.68%	0.16%
2011	29,600	82,900	1,740,000	18,300,000	35.7%	1.70%	0.16%
2012	30,000	84,300	1,770,000	18,700,000	35.6%	1.70%	0.16%
2013	31,600	88,900	1,840,000	19,300,000	35.6%	1.72%	0.16%
2014	33,900	95,200	1,940,000	20,100,000	35.6%	1.75%	0.17%
2015	35,700	100,000	2,000,000	20,800,000	35.7%	1.78%	0.17%
2016	36,900	103,000	2,060,000	21,300,000	35.7%	1.80%	0.17%
Average Annual growth							
2006-2016	2.00%	1.75%	1.12%	1.97%			

Source: IHS Markit Regional eXplorer version 1156

"Senqu Local Municipality's EAP was 36 900 in 2016, which is 26.06% of its total population of 142 000, and roughly 35.73% of the total EAP of the Joe Gqabi District Municipality. From 2006 to 2016, the average annual

increase in the EAP in the Senqu Local Municipality was 2.00%, which is 0.251 percentage points higher than the growth in the EAP of Joe Gqabi's for the same period (Ecsecc,2017:38)".

In 2006, 22.1% of the total population in Senqu Local Municipality were classified as economically active which increased to 26.1% in 2016. Compared to the other regions in Joe Gqabi District Municipality, Walter Sisulu local municipality had the highest EAP as a percentage of the total population within its own region relative to the other regions. On the other hand, Elundini local municipality had the lowest EAP with 22.6% people classified as economically active population in 2016 (Ecsecc,2017:38)".

LABOUR FORCE PARTICIPATION & UNEMPLOYMENT RATE

The labour force participation rate (LFPR) is the Economically Active Population (EAP) expressed as a percentage of the total working age population.

Table 12: The Labour Force Participation Rate - 2006-2016

	Senqu	Joe Gqabi	Eastern Cape	National Total
2006	38.0%	43.2%	47.6%	56.4%
2007	38.2%	43.2%	47.3%	57.0%
2008	38.3%	42.7%	46.5%	57.4%
2009	37.4%	41.2%	44.9%	56.2%
2010	36.1%	39.5%	42.9%	54.5%
2011	36.4%	39.3%	42.6%	54.3%
2012	36.8%	39.7%	43.1%	54.7%
2013	38.5%	41.3%	44.4%	55.7%
2014	40.9%	43.8%	46.2%	57.1%
2015	42.6%	45.4%	47.3%	58.1%
2016	43.7%	46.3%	47.9%	58.8%

Source: IHS Markit Regional eXplorer version 1156

"Senqu Local Municipality's labour force participation rate increased from 38.03% to 43.66% which is an increase of 5.6 percentage points. The Joe Gqabi District Municipality increased from 43.17% to 46.28%, Eastern Cape Province increased from 47.58% to 47.93% and South Africa increased from 56.37% to 58.77% from 2006 to 2016. The Senqu Local Municipality labour force participation rate exhibited a higher percentage point change compared to the Eastern Cape Province from 2006 to 2016. The Senqu Local Municipality had a lower labour force participation rate when compared to South Africa in 2016 (Ecsecc,2017:39)".

The unemployment rate is an efficient indicator that measures the success rate of the labour force relative to employment. In 2006, the unemployment rate for Senqu was 28.3% and decreased overtime to 27.1% in 2016. The gap between the labour force participation rate and the unemployment rate decreased which indicates a negative outlook for the employment within Senqu Local Municipality (Ecsecc,20018"40)". In terms of race the Black African population are in the majority. In fact, over 90 % of the population are Black African followed by Whites who are just slightly higher than the coloured population. This indicates that the municipality must ensure that the majority of its communication to the public is in the relevant African languages apart from English and Afrikaans.

Migration Plan

Senqu Municipality has no migration plan in place as funding still has to be sourced for this. This does have to be addressed as the Municipality borders on the Kingdom of Lesotho and has many illegal aliens who reside within the municipal area. The Municipality is looking at partnerships with government departments on how to address this issue as it is both a problem in that resources are drained and no taxes paid but also an opportunity in terms of trade and skills being imported into the region. Another in-migration which is occurring is that of Bangladeshi and Chinese nationals who run and operate many of the small shops in rural areas. This does create problems, when they rent or run shops out of RDP houses. The money generated by them does not return to the economy, as in general they either buy in bulk from Lesotho or in Bloemfontein. The Departments of Trade and Industry, Home Affairs and SARS need to assist the municipality in ensuring that the region benefits from these economic activities. It needs to be noted that these shop keepers are a boon to local communities as they provide a service which the community would otherwise be forced to travel long distances to access.

Population Concerns

The Municipality has a very high youthful population which indicates a high need for employment. There is also a greater need for secondary and tertiary education in the region. However, the only tertiary opportunities are offered outside the region. The traditional employment opportunities in agriculture and the commercial sector for low skilled workers do not appeal to the better educated and more global orientated youth of today. This is why the Municipality in its LED strategy is aiming to develop entrepreneurs in various service sectors in order to cater for this gap. However greater assistance is required from the Department of Education and Higher Education to provide the necessary skills and institutions to build the entrepreneurial mind set.

The other population concern is that of the influx of Lesotho citizens. The border is porous and there has always been traditional movement between the two countries unhindered by border posts. As a result, there is a greater demand for educational, health and housing. Thus, all of these departments come under pressure to provide services for persons who have been born in South Africa and lived here but without any documentation. In a sense, these people are not foreigners but are in fact South Africans. Their illegal status causes many social problems for them and their families and the Department of Social Development is often faced with abandoned children without papers.

Incorporation of Population Issues into Planning

Table 13: Population issues and efforts to mitigate

Issue	Status Quo	Proposed Sector intervention
Gender and age	Youth constitute more than 51% of the total population 55% of population are females	Youth development to be strengthened. LED Strategies to have relevant youth development initiatives

HIV and AIDS	High levels of prevalence	Focus on awareness campaigns and access to treatment Strengthen and implement the HIV and AIDS Strategy
Migration	Higher out-migration rate which is above provincial rate	Local Economic Development strategy to deal with business retention and attraction. Introduce small town regeneration programmes
Overall population	Stable population growth throughout the District	Increase in housing need to be reflected in the HSP

Table 14: Sustainable Development Goals

Sustainable development Goal	Strategic focus areas	Key programmes
Goal 1: No Poverty	No Poverty - End poverty in all its forms everywhere	
Goal 2: Zero Hunger	Increase agricultural production Increase investment in agriculture	Agri parks
Goal 3: Good Health and Well-being	Enforcement of traffic bylaws to prevent deaths	Employee wellness programmes Increase traffic police
Goal 4: Quality Education	Promotion of access to all bursaries by communities Skills programmes Internships	Municipal Bursaries Training Internships
Goal 5: Gender Equality	Employment Equity Plan	Recruitment according to EEP
Goal 6: Clean Water and Sanitation	DM function	
Goal 7: Affordable and Clean Energy	Utilising solar power in mountainous areas	Solar geyser and electricity programme
Goal 8: Decent Work and Economic Growth	Functioning Local Labour forum Training for LLF	EPWP CWP
Goal 9: Industry, Innovation and Infrastructure	Build infrastructure to promote investment	Regular sittings of the Economic development forum
Goal 10: Reduced Inequalities	Increase community skills to enable better work opportunities	Utilise social investment programmes of the private sector
Goal 11: Sustainable Cities and Communities	SDF SPLUMA	Enforcement of town Planning legislation
Goal 12: Responsible Consumption and Production	Waste awareness campaigns to make people aware of responsible consumption	Waste recycling programmes
Goal 13: Climate Action	Climate change strategy	Training on climate change reduction strategies
Goal 14: Life Below Water	No marine resources in the area	
Goal 15: Life on Land	Donga filling	Training on stock management reduction Donga filling programmes through DRDAR
Goal 16: Peace, Justice and Strong Institutions	Participate in IGR forums around safety	Regular sitting of Integrated Community Safety forum
Goal 17: Partnerships for the Goals	Improve IGR relationships	Develop partnerships & MOU's

Conclusion

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

CHAPTER TWO: SOCIO – ECONOMIC AND LED ANALYSIS

Economic Overview

The major world economies experienced an economic depression in 2007 from which they are slowly starting to emerge. A recent IMF report states that “world economic growth is expected to rise from 3.1 percent in 2016 to 3.5 percent in 2017 and 3.6 percent in 2018”. However, “while growth is still expected to pick up notably for the emerging market and developing economies group, weaker than-expected activity in some large countries has led to small downward revisions to the group’s growth prospects for 2017 (Ecsecc,2017:4). South Africa is one of these countries which is expected to show a slow growth. “According to the IMF, South Africa’s economic growth is projected to increase to 1 percent in 2017. This is a 0.2 of a percentage point more than an earlier projection of 0.8 percent. However, South Africa’s National Treasury expects growth of 1.3 percent in 2017 (Ecsecc,2017:4). This is not a reasonable assumption as the South African Economy has experienced 3 recessions from 1997 to present due to the secondary and tertiary sectors recorded negative growth rates. In 2017, the “trade and manufacturing industries were the major heavyweights that stifled production, with trade falling by 5,9% and manufacturing by 3,7%. On the positive side, agriculture and mining industry contributed positively to growth, but not enough to avoid the recession. Trade experienced production falls across the board, particularly in catering and accommodation, and wholesale trade. Manufacturing found itself hamstrung by lower production levels primarily in food and beverages and petroleum and chemical products (Ecsecc, 2017:4)”.

“The Eastern Cape contributed 7.5% to national GDP in 2015 and 9.1% to total South African employment in the third quarter of 2016. Despite possessing a significant share of the country’s manufacturing sector, estimated at approximately 7.5%, primarily centred on the automotive industry in the two metros, the regional economy continues to be dominated by the non-tradable sectors (trade, finance and general government services) (SERO,2017: XV11-XV111).

Table 15: EC Macro-economic Indicators and Projections 2014-2018

	2014	2015	2016	2017	2018
GDP at current prices (R billion)	228.9	230.3	231.3	233.6	237.3
Real GDP growth (%)	1.0	0.6	0.4	1.0	1.6

Source: Urban-Econ calculations based on StatsSA, 2016b

“The GDP growth rate of the Eastern Cape economy has declined sharply over the last decade from a high of 5.3% per annum in 2007 to 0.6% in 2015. This decline in the province’s GDP growth rate however, is in line with the national trend. The two largest economies in the Eastern Cape, Nelson Mandela Bay and Buffalo City, experienced low GVA-R growth rates in 2015 of 0.9% year-on-year. Alfred Nzo exhibited the highest growth in the province at 2.9%, but it should be noted that this growth is occurring off a low base and is more difficult to estimate given the relatively small size of the district’s population (SERO,2017: XV11-XIX)”.

Table 16: EC DM (GVA-R)

	GVA-R (R billions), 2015	GVA-R Growth Rate (%), 2015
Sarah Baartman	18.8	1.6
Amathole	14.5	1.6
Chris Hani	16.3	1.9
Joe Gqabi	7.2	2.3
O.R. Tambo	20.9	2.0
Alfred Nzo	9.8	2.9
Nelson Mandela Bay	81.2	0.9
Buffalo City	41.2	0.9

Source: Urban-Econ calculations based on Quantec, 2017b

“The Eastern Cape contributed 4.5% of the total South African exports and 5.2% of the country’s total imported merchandise in 2015. Between 2014 and 2015, total merchandise imports grew by 18.4% compared to 12.4% for exported merchandise. This high growth rate resulted in the Eastern Cape’s import and export growth rates outperforming the national averages of 0.5% and 4.2% respectively. Despite this strong performance, the Eastern Cape’s trade balance deteriorated in 2015, increasing by R3.7 billion to R11.0 billion. This deterioration was driven by higher imports relative to exports (SERO, 2017: XIX)”. The economic state of Senqu 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 as it does not function in isolation from them.

2. GROSS DOMESTIC PRODUCT BY REGION (GDP-R)

The Gross Domestic Product by Region (GDP-R) represents the value of all goods and services produced within a region, over a period of one year, plus taxes and minus subsidies and can be measured either by using current or constant prices, where the current prices measure 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.

Table 17: GDP -R – Senqu, JGDM, EC & National 2006-2016 [R BILLIONS, CURRENT PRICES]

	Senqu	Joe Gqabi	Eastern Cape	National Total	Senqu as % of district municipality	Senqu as % of province	Senqu as % of national
2006	1.2	3.9	142.2	1,839.4	30.0%	0.82%	0.06%
2007	1.4	4.8	168.2	2,109.5	30.0%	0.85%	0.07%
2008	1.5	5.0	174.1	2,369.1	30.3%	0.88%	0.06%
2009	1.7	5.7	191.2	2,507.7	30.3%	0.91%	0.07%
2010	1.9	6.4	211.6	2,748.0	30.5%	0.92%	0.07%
2011	2.1	6.9	226.1	3,023.7	30.4%	0.93%	0.07%
2012	2.3	7.7	252.2	3,253.9	30.1%	0.92%	0.07%
2013	2.5	8.4	273.2	3,539.8	29.8%	0.91%	0.07%
2014	2.7	9.0	293.9	3,807.7	29.5%	0.90%	0.07%
2015	2.9	9.7	315.6	4,049.8	29.4%	0.90%	0.07%
2016	3.1	10.4	337.8	4,338.9	29.4%	0.91%	0.07%

Source: IHS Markit Regional eXplorer version 1156

“With a GDP of R 3.07 billion in 2016 (up from R 1.16 billion in 2006), the Senqu Local Municipality contributed 29.42% to the Joe Gqabi District Municipality GDP of R 10.4 billion in 2016 increasing in the share of the Joe Gqabi from 29.97% in 2006. The Senqu Local Municipality contributes 0.91% to the GDP of Eastern Cape Province and 0.07% the GDP of South Africa which had a total GDP of R 4.34 trillion in 2016 (as measured in nominal or current prices). It’s contribution to the national economy stayed similar in importance from 2006 when it contributed 0.06% to South Africa, but it is lower than the peak of 0.07% in 2012 (Ecsecc, 2017:22)”.

Table 18: GDP 2006-2016 [ANNUAL PERCENTAGE CHANGE, CONSTANT 2010 PRICES]

	Senqu	Joe Gqabi	Eastern Cape	National Total
2006	6.7%	5.5%	5.3%	5.3%
2007	9.4%	8.8%	5.3%	5.4%
2008	5.8%	5.8%	3.2%	3.2%
2009	2.4%	2.5%	-1.0%	-1.5%

2010	2.5%	2.2%	2.4%	3.0%
2011	3.9%	4.4%	3.7%	3.3%
2012	0.9%	1.6%	2.0%	2.2%
2013	-0.4%	0.9%	1.4%	2.5%
2014	0.3%	1.2%	1.1%	1.7%
2015	1.1%	1.1%	0.7%	1.3%
2016	0.7%	0.1%	0.2%	0.3%
Average Annual growth				
	2.61%	2.85%	1.89%	2.12%
2006-2016+				

Source: IHS Markit Regional eXplorer version 1156

“In 2016, the Senqu Local Municipality achieved an annual growth rate of 0.65% which is a slightly higher GDP growth than the Eastern Cape Province's 0.25%, but is higher than that of South Africa, where the 2016 GDP growth rate was 0.28%. Similar to the short-term growth rate of 2016, the longer-term average growth rate for Senqu (2.61%) is also slightly higher than that of South Africa (2.12%). The economic growth in Senqu peaked in 2007 at 9.42%. (Ecsecc, 2017:22)”

“The Senqu Local Municipality had a total GDP of R 3.07 billion and in terms of total contribution towards Joe Gqabi District Municipality the Senqu Local Municipality ranked second relative to all the regional economies to total Joe Gqabi District Municipality GDP. This ranking in terms of size compared to other regions of Senqu remained the same since 2006. In terms of its share, it was in 2016 (29.4%) slightly smaller compared to what it was in 2006 (30.0%). For the period 2006 to 2016, the average annual growth rate of 2.6% of Senqu was the second relative to its peers in terms of growth in constant 2010 prices (Ecsecc, 2017:23)”.

Table 19: GDP JGDM Region 2006-2016 share and growth

	2016	Share of local	2006	2016	Average Annual
	(Current prices)	Municipality	(Constant prices)	(Constant prices)	growth
Senqu	3.07	29.42%	1.61	2.09	2.61%
Elundini	2.10	20.10%	1.22	1.43	1.60%
Walter Sisulu	5.27	50.48%	2.50	3.54	3.55%

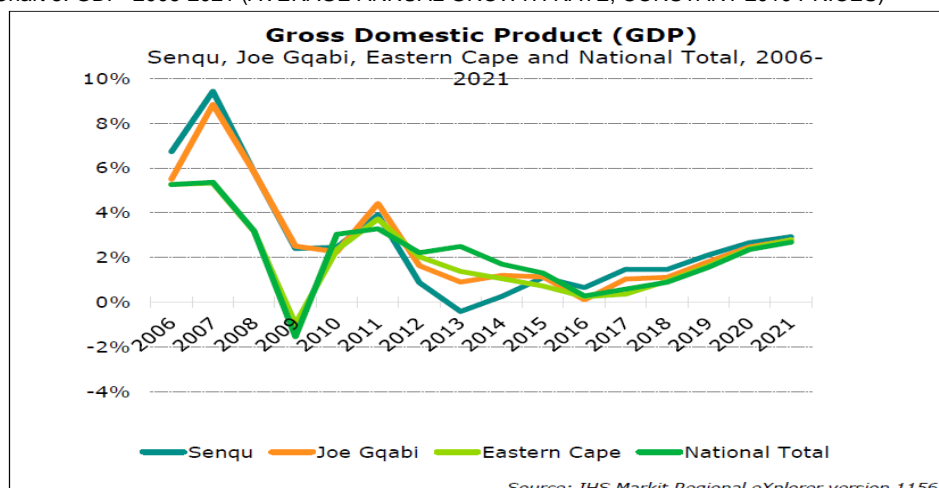
Source: IHS Markit Regional eXplorer version 1156

“Walter Sisulu had the highest average annual economic growth, averaging 3.55% between 2006 and 2016, when compared to the rest of the regions within Joe Gqabi District Municipality. The Senqu local municipality had the second highest average annual growth rate of 2.61%. Elundini local municipality had the lowest average annual growth rate of 1.60% between 2006 and 2016 (Ecsecc,2017:24)”. This is primarily due to the fact that Walter Sisulu actually has some industries operating in its region and has larger urban areas.

3.ECONOMIC GROWTH FORECAST

“It is expected that Senqu Local Municipality will grow at an average annual rate of 2.13% from 2016 to 2021. The average annual growth rate in the GDP of Joe Gqabi District Municipality and Eastern Cape Province is expected to be 1.84% and 1.62% respectively. South Africa is forecasted to grow at an average annual growth rate of 1.61%, which is lower than that of the Senqu Local Municipality (Ecsecc,2017:25)”.

Chart 5: GDP 2006-2021 (AVERAGE ANNUAL GROWTH RATE, CONSTANT 2010 PRICES)



“In 2021, Senqu's forecasted GDP will be an estimated R 2.32 billion (constant 2010 prices) or 30.0% of the total GDP of Joe Gqabi District Municipality. The ranking in terms of size of the Senqu Local Municipality will remain the same between 2016 and 2021, with a contribution to the Joe Gqabi District Municipality GDP of 30.0% in 2021 compared to the 29.6% in 2016. At a 2.13% average annual GDP growth rate between 2016 and 2021, Senqu ranked the highest compared to the other regional economies (Ecsecc,2017:25).

Table 20: GDP JGDM, 2006 TO 2021, SHARE AND GROWTH

	2021 (Current prices)	Share of district municipality	2006 (Constant prices)	2021 (Constant prices)	Average Annual growth
Senqu	4.42	57.21%	1.61	2.32	2.45%
Elundini	2.89	37.42%	1.22	1.52	1.50%
Walter Sisulu	7.46	96.47%	2.50	3.89	2.99%

Source: IHS Markit Regional eXplorer version 1156

4. GROSS VALUE ADDED BY REGION (GVA-R)

The Senqu 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. Gross Value Added (GVA) is a measure of output (total production) of a region in terms of the value that was created within that region.

Table 21: GVA by Broad economic sector – Senqu 2016 [R BILLIONS, CURRENT PRICES]

	Senqu	Joe Gqabi	Eastern Cape	National Total	Senqu as % of district municipality	Senqu as % of province	Senqu as % of national
Agriculture	0.1	0.5	5.9	94.4	24.9%	2.2%	0.14%
Mining	0.0	0.0	0.5	306.2	46.4%	1.6%	0.00%
Manufacturing	0.1	0.7	36.3	517.4	14.4%	0.3%	0.02%
Electricity	0.0	0.1	6.2	144.1	38.1%	0.6%	0.03%
Construction	0.2	0.4	13.2	154.3	38.0%	1.3%	0.11%
Trade	0.5	1.9	61.5	589.7	27.7%	0.9%	0.09%
Transport	0.2	0.8	27.5	389.2	27.6%	0.8%	0.06%
Finance	0.3	1.2	60.5	781.7	28.0%	0.6%	0.04%
Community services	1.2	3.6	89.7	894.1	34.1%	1.4%	0.14%
Total Industries	2.8	9.4	301.2	3,871.2	29.6%	0.9%	0.07%

Source: IHS Markit Regional eXplorer version 1156

In 2016, the community services sector is the largest within Senqu Local Municipality accounting for 1.23 billion or 44.2% of the total GVA in the local municipality's economy. The sector that contributes the second most to the GVA of the Senqu Local Municipality is the trade sector at 19.4%, followed by the finance sector with 12.4%. The sector that contributes the least to the economy of Senqu Local Municipality is the mining sector with a contribution of R 7.08 million or 0.25% of the total GVA (Ecsecc, 2017:26)”

The community sector, which includes the government services, is generally a large contributor towards GVA. This is due to historical factors such as most government offices being based in Aliwal North. “Walter Sisulu contributes the most community services towards its own GVA, with 42.90%, relative to the other regions within Joe Gqabi District Municipality. The Walter Sisulu contributed R 4.71 billion or 50.24% 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 Senqu with a total of R 2.78 billion or 29.63% (Ecsecc, 2017:27)”.

HISTORICAL ECONOMIC GROWTH

“For the period 2016 and 2006, the GVA in the construction sector had the highest average annual growth rate in Senqu at 4.83%. The industry with the second highest average annual growth rate is the finance sector averaging at 4.52% per year. The electricity sector had an average annual growth rate of -1.71%, while the

mining sector had the lowest average annual growth of -2.60%. Overall a positive growth existed for all the industries in 2016 with an annual growth rate of 0.74% since 2015 (Ecsecc,2017:28)".

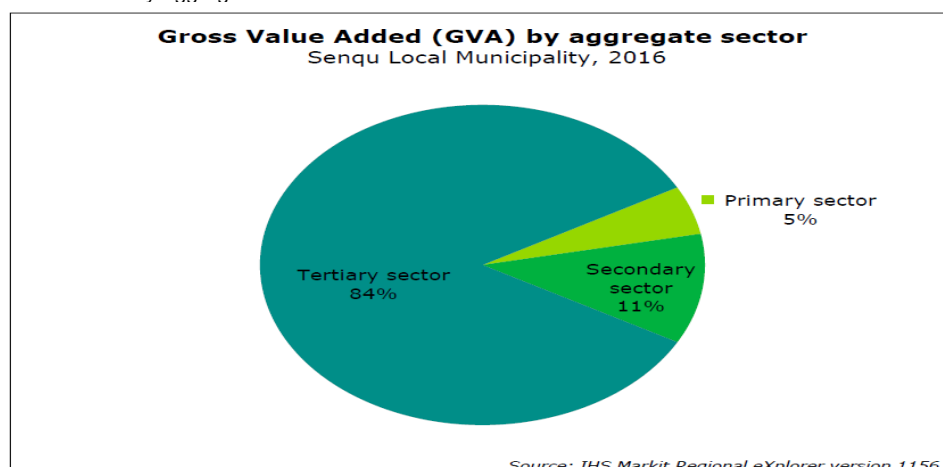
"The tertiary sector contributes the most to the Gross Value Added within the Senqu Local Municipality at 83.9%. This is significantly higher than the national economy (68.6%). The secondary sector contributed a total of 11.1% (ranking second), while the primary sector contributed the least at 4.9% (Ecsecc,2017:28)".

Table 22: GVA by Broad economic sector 2006-2016 (R millions 2010 constant prices)

	2006	2011	2016	Average Annual growth
Agriculture	49.7	70.4	68.1	3.20%
Mining	10.8	9.4	8.3	-2.60%
Manufacturing	66.4	75.2	77.3	1.53%
Electricity	19.2	23.0	16.1	-1.71%
Construction	65.3	93.4	104.6	4.83%
Trade	269.2	331.7	372.4	3.30%
Transport	111.4	132.1	144.1	2.60%
Finance	156.4	212.4	243.2	4.52%
Community services	730.5	919.0	878.8	1.87%
Total Industries	1,478.8	1,866.6	1,912.9	2.61%

Source: IHS Markit Regional eXplorer version 1156

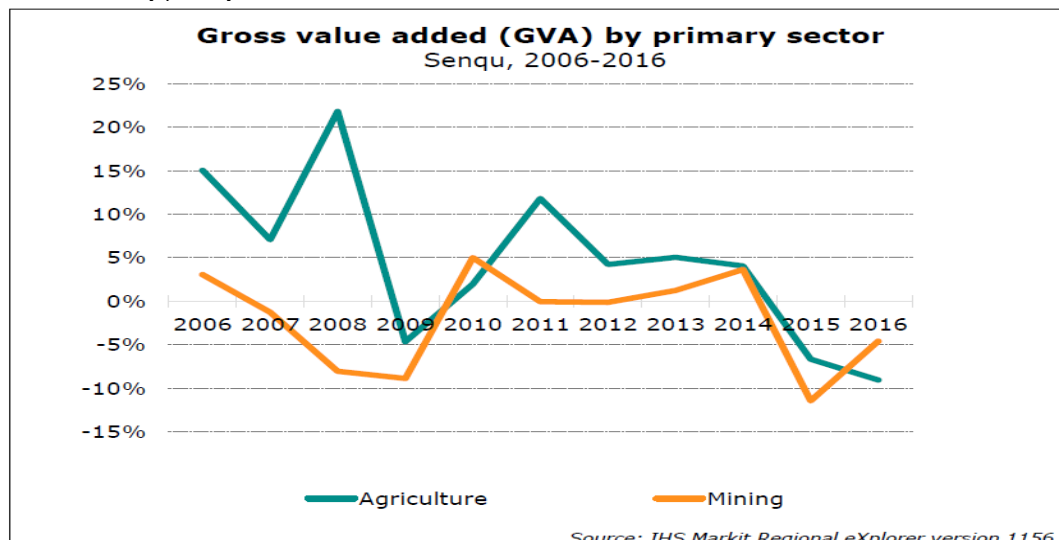
Chart 6: GVA by aggregate Sector 2016



Primary Sector

The primary sector consists of two broad economic sectors namely the mining and the agricultural sector. It constitutes only 5 % of GVA which is alarming as it is a sector that is being touted as a future growth possibility. Mining is minimal and restricted to mainly illegal sand mining for brick making. Chart 7 indicates how both mining and agriculture have decreased; from 15% for agriculture in 2006 to -10 in 2016 (Ecsecc,2017;29).

Chart 7: GVA by primary sector 2006-2016

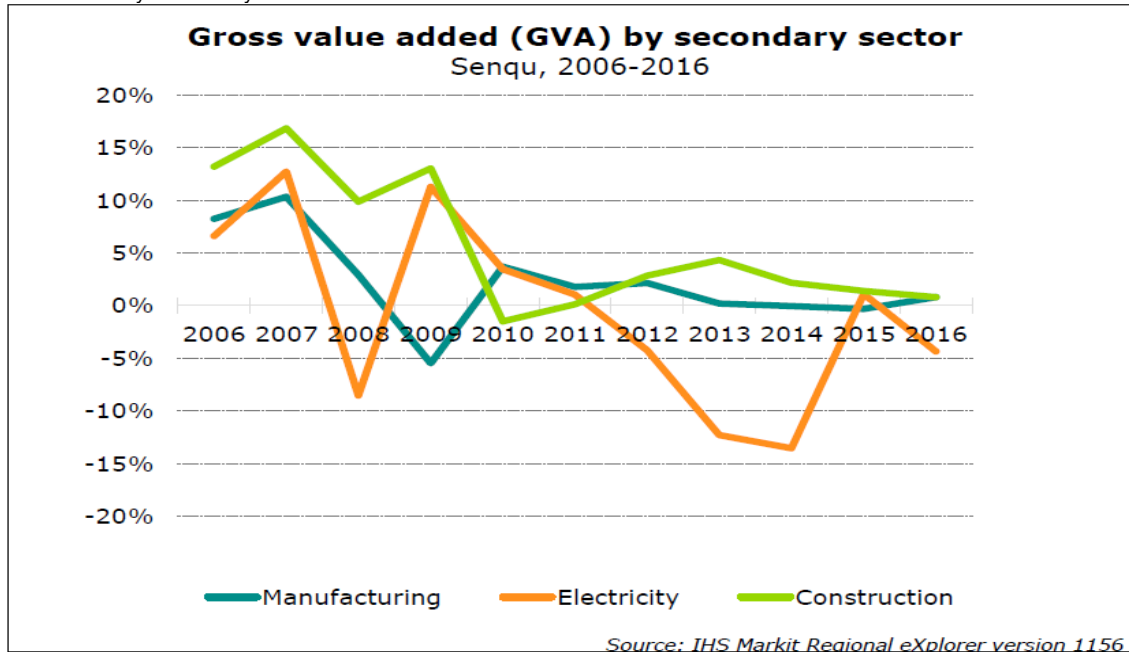


“Between 2006 and 2016, the agriculture sector experienced the highest positive growth in 2008 with an average growth rate of 21.8%. The mining sector reached its highest point of growth of 5.0% in 2010. The agricultural sector experienced the lowest growth for the period during 2016 at -9.1%, while the mining sector reaching its lowest point of growth in 2015 at -11.5%. Both the agriculture and mining sectors are generally characterised by volatility in growth over the period (Ecsecc,2017:29)”.

Secondary Sector

The secondary sector consists of three broad economic sectors namely the manufacturing, electricity and the construction sector. “Between 2006 and 2016, the manufacturing sector experienced the highest positive growth in 2007 with a growth rate of 10.3%. It is evident for the construction sector that the highest positive growth rate also existed in 2007 and it experienced a growth rate of 16.8% which is higher than that of the manufacturing sector. The manufacturing sector experienced its lowest growth in 2010 of -5.5%, while construction sector reached its lowest point of growth in 2010 with -1.5% growth rate. The electricity sector experienced the highest growth in 2007 at 12.7%, while it recorded the lowest growth of -13.6% in 2014 (Ecsecc,2017:30)”.

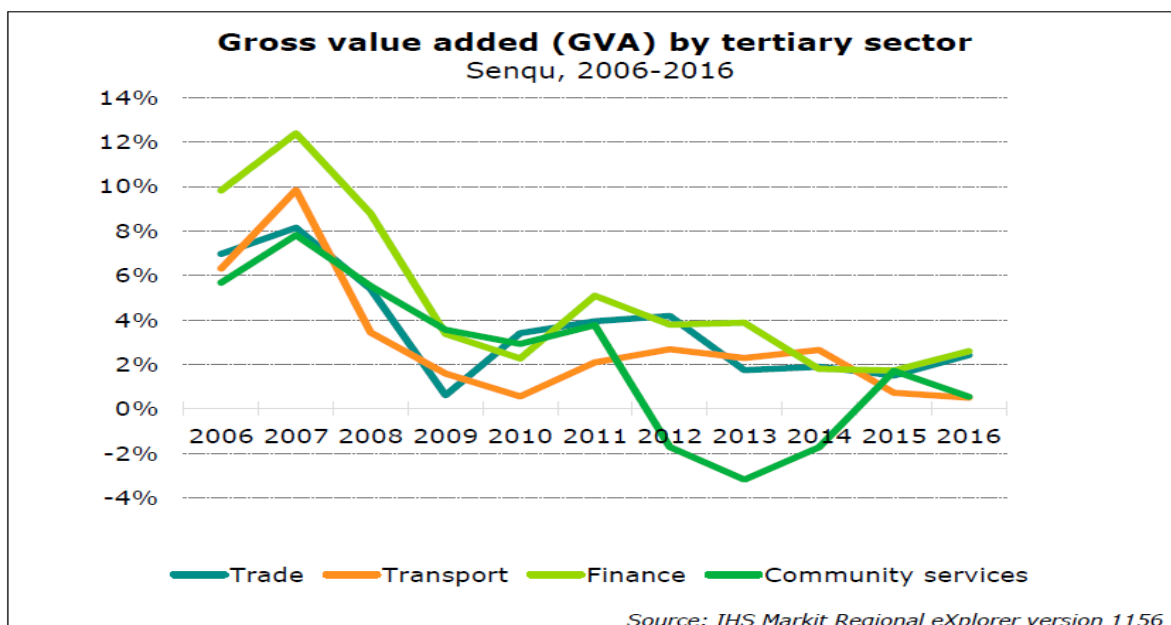
Chart 8: GVA by Secondary sector 2006-2016



Tertiary Sector

The tertiary sector consists of four broad economic sectors namely the trade, transport, finance and the community services sector.

Chart 9: GVA by tertiary sector 2006-2016



It can be seen that the Finance sector has declined in prominence from 2006 to 2016 and this can be seen by the decline in the number of banks in the towns. "The trade sector experienced the highest positive growth in 2007 with a growth rate of 8.1%. It is evident for the transport sector that the highest positive growth rate also

existed in 2007 at 9.8% which is higher than that of the manufacturing sector. The finance sector experienced the highest growth rate in 2007 when it grew by 12.4% and recorded the lowest growth rate in 2015 at 1.7%. The Trade sector had the lowest growth rate in 2009 at 0.6%. The community services sector, which largely consists of government, experienced its highest positive growth in 2007 with 7.8% and the lowest growth rate in 2013 with -3.2% (Ecsecc,2017:31)".

SECTOR GROWTH FORECAST

"The GVA forecasts are partly based on the notion that regions that have performed well in the recent past are likely to continue performing well (and vice versa) and partly on the notion that those regions that have prominent sectors that are forecast to grow rapidly in the national economy (e.g. finance and telecommunications) are likely to perform well (and vice versa) (Ecsecc,2017:32)". The agriculture sector is expected to grow fastest at an average of 4.12% annually from R 68.1 million in Senqu Local Municipality to R 83.3 million in 2021. The community services sector is estimated to be the largest sector within the Senqu Local Municipality in 2021, with a total share of 44.4% of the total GVA (as measured in current prices), growing at an average annual rate of 1.4%. The sector that is estimated to grow the slowest is the mining sector with an average annual growth rate of 1.04% (Ecsecc,2017:33)". The Primary sector is expected to grow at an average annual rate of 3.80% between 2016 and 2021, with the Secondary sector growing at 2.49% on average annually. The Tertiary sector is expected to grow at an average annual rate of 2.00% for the same period (Ecsecc,2017:33)".

Table 23: GVA Added by broad economic sector 2016-2021 (R Millions, constant 2010 prices)

	2016	2017	2018	2019	2020	2021	Average Annual growth
Agriculture	68.1	74.0	76.0	78.3	80.9	83.3	4.12%
Mining	8.3	8.5	8.5	8.6	8.7	8.8	1.04%
Manufacturing	77.3	77.3	78.8	80.3	82.8	85.7	2.10%
Electricity	16.1	16.0	16.0	16.3	16.8	17.3	1.45%
Construction	104.6	106.6	109.3	112.1	115.7	120.8	2.92%
Trade	372.4	377.4	385.6	395.8	409.8	424.8	2.67%
Transport	144.1	146.3	149.5	152.8	157.7	163.1	2.51%
Finance	243.2	246.5	252.8	260.3	268.8	277.9	2.70%
Community services	878.8	895.0	897.6	909.6	924.4	943.5	1.43%
Total Industries	1,912.9	1,947.6	1,974.1	2,013.9	2,065.7	2,125.3	2.13%

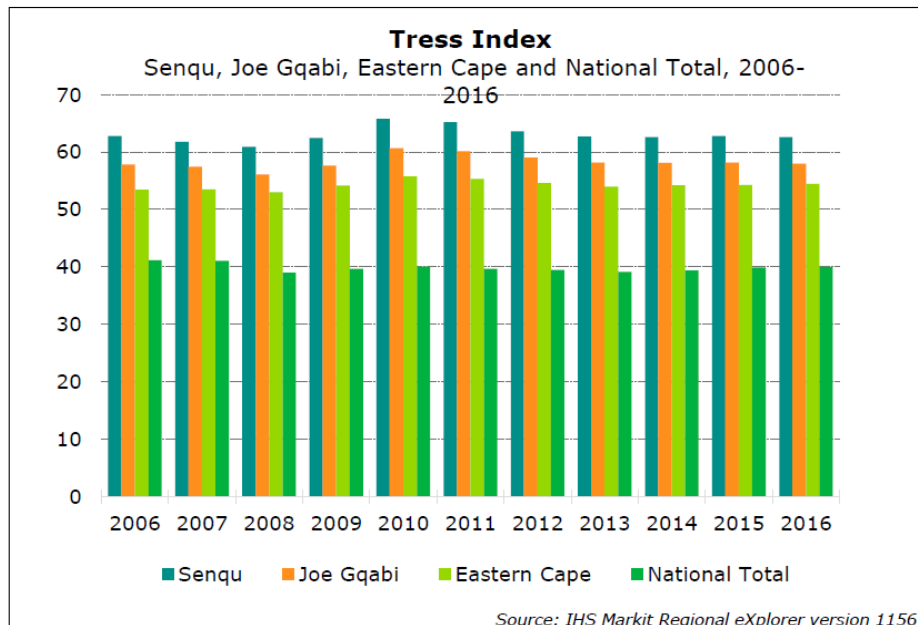
Source: IHS Markit Regional eXplorer version 1156

5.TRESS INDEX

"The Tress index measures the degree of concentration of an area's economy on a sector basis. A Tress index value of 0 means that all economic sectors in the region contribute equally to GVA, whereas a Tress index of 100 means that only one economic sector makes up the whole GVA of the region. In 2016, Senqu's Tress Index was estimated at 62.6 which are higher than the 58 of the district municipality and higher than the 58 of the province. This implies that - on average - Senqu Local Municipality is less diversified in terms of its economic

activity spread than the province's economy as a whole (Ecsecc,2017:34)". A more diversified economy means that an economy is better able to withstand economic pressure like recessions.

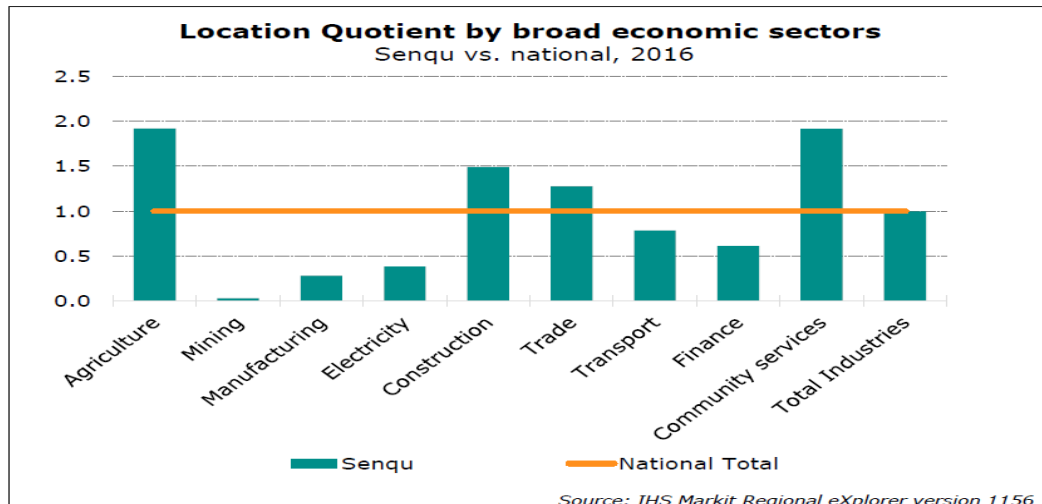
Chart 10. Tress Index 2006-2016



6.LOCATION QUOTIENT

"The location quotient measures comparative advantage of economic sectors. If the location quotient is larger than one for a specified sector within a region, then that region has a comparative advantage in that sector. This is because the share of that sector of the specified regional economy is greater than the same sector in the national economy (Ecsecc,2017:35)". "For 2016 Senqu Local Municipality has a very large comparative advantage in the agriculture sector. The community services sector also has a very large comparative advantage. The construction also has a comparative advantage when comparing it to the South Africa economy as a whole, although less prominent. The Senqu Local Municipality has a comparative disadvantage when it comes to the mining and manufacturing sector which has a very large comparative disadvantage. In general mining is a very concentrated economic sector. Unfortunately, the Senqu Local Municipality area currently does not have a lot of mining activity, with an LQ of only 0.0322 (Ecsecc,2017:36)".

Chart 11: Location quotient Senqu vs National 2016



7.TOURISM

Tourism is one of the growth sectors of the economy. It can be defined in many ways. One of these is via trips.

Table 24: No of trips by purpose of trips 2006-2016

	Leisure / Holiday	Business	Visits to friends and relatives	Other (Medical, Religious, etc)	Total
2006	3,420	1,770	43,200	3,900	52,300
2007	3,670	1,780	48,200	4,320	58,000
2008	3,680	1,830	50,300	5,070	60,900
2009	3,470	1,810	51,700	5,090	62,000
2010	3,530	1,900	52,900	5,040	63,400
2011	3,230	1,910	51,900	4,680	61,800
2012	3,010	1,950	50,400	4,500	59,900
2013	2,990	1,920	51,700	4,400	61,000
2014	2,830	1,790	46,800	3,880	55,200
2015	2,620	1,680	43,500	3,480	51,300
2016	2,660	1,650	40,000	3,200	47,500
Average Annual growth 2006-2016	-2.47%	-0.70%	-0.77%	-1.94%	-0.95%

Source: IHS Markit Regional eXplorer version 1156

“Business trips, relative to the other tourism, recorded the highest average annual growth rate from 2006 (1 770) to 2016 (1 650) at -0.70%. Visits to friends and relatives recorded the highest number of visits in 2016 at 40 000, with an average annual growth rate of -0.77%. The tourism type that recorded the lowest growth was Leisure / Holiday tourism with an average annual growth rate of -2.47% from 2006 (3 420) to 2016 (2 660) (Ecsecc,2017:86)”. The tourism sector is the area that Senqu tourism wishes to grow. “Visits to friends and relatives at 84.19% has largest share the total tourism within Senqu Local Municipality. Other (Medical, Religious, etc) tourism had the second highest share at 6.74%, followed by Leisure / Holiday tourism at 5.60% and the Business tourism with the smallest share of 3.47% of the total tourism within Senqu Local Municipality (Ecsecc,2017:87)”.

ORIGIN OF TOURISTS

“The number of trips by tourists visiting Senqu Local Municipality from other regions in South Africa has decreased at an average annual rate of -1.87% from 2006 (47 900) to 2016 (39 600). The tourists visiting from

other countries decreased at a relatively high average annual growth rate of 5.97% (from 4 430 in 2006 to 7 910). International tourists constitute 16.64% of the total number of trips, with domestic tourism representing the balance of 83.36% (Ecsecc, 2017:87)".

Table 25: Origin of tourists

	Domestic tourists	International tourists	Total tourists
2006	47,900	4,430	52,300
2007	53,300	4,650	58,000
2008	56,200	4,710	60,900
2009	57,300	4,690	62,000
2010	58,200	5,180	63,400
2011	56,600	5,150	61,800
2012	54,300	5,580	59,900
2013	54,900	6,110	61,000
2014	48,400	6,850	55,200
2015	44,600	6,670	51,300
2016	39,600	7,910	47,500
Average Annual growth			
2006-2016	-1.87%	5.97%	-0.95%

BEDNIGHTS BY ORIGIN OF TOURIST

This is the measurement of one night away from home on a single person trip. "From 2006 to 2016, the number of bed nights spent by domestic tourists has decreased at an average annual rate of -5.05%, while in the same period the international tourists had an average annual increase of 6.46%. The total number of bed nights spent by tourists decreased at an average annual growth rate of -2.54% from 356 000 in 2006 to 275 000 in 2016 (Ecsecc,2017:89)". The emphasis should be on increasing the amount of bed nights by domestic tourists as internal tourism is a volatile industry and prone to fluctuations.

Table 26: Bed nights by origin of tourist 2006-2016

	Domestic tourists	International tourists	Total tourists
2006	306,000	49,600	355,000
2007	346,000	54,200	400,000
2008	364,000	58,400	423,000
2009	366,000	60,700	426,000
2010	360,000	69,800	430,000
2011	328,000	70,800	399,000

2012	291,000	75,700	367,000
2013	255,000	81,900	337,000
2014	226,000	88,700	315,000
2015	198,000	84,400	282,000
2016	182,000	92,800	275,000
Average Annual growth			
2006-2016	-5.05%	6.46%	-2.54%

Source: IHS Markit Regional eXplorer version 1156

TOURISM SPENDING

Tourism spending is seen as all expenditure by visitors for their trip to the particular region. It is important to note that this type of spending differs from the concept of contribution to GDP. Tourism spending merely represents a nominal spend of trips made to each region. "Senqu Local Municipality had a total tourism spending of R 140 million in 2016 with an average annual growth rate of 3.1% since 2006 (R 103 million). Joe Gqabi District Municipality had a total tourism spending of R 384 million in 2016 and an average annual growth rate of 4.3% over the period. Total spending in Eastern Cape Province increased from R 9.3 billion in 2006 to R 12 billion in 2016 at an average annual rate of 2.6%. South Africa as whole had an average annual rate of 7.7% and increased from R 127 billion in 2006 to R 267 billion in 2016 (Ecsecc,2017:90)"

Table 27: Total Tourism spending 2006-2016 (R Billions Current Prices)

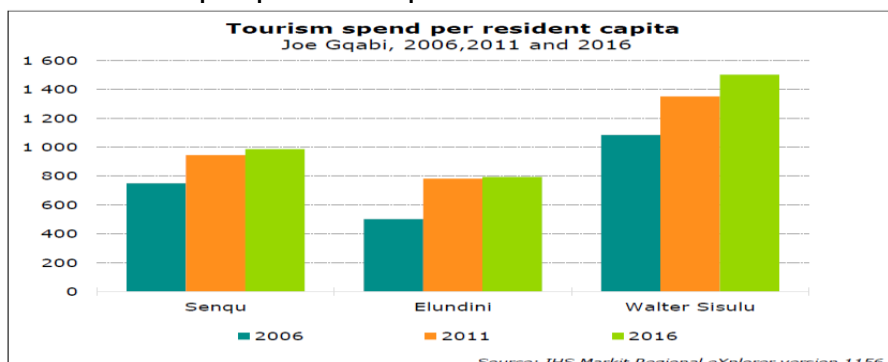
	Senqu	Joe Gqabi	Eastern Cape	National Total
2006	0.1	0.3	9.3	126.9
2007	0.1	0.3	9.9	138.7
2008	0.1	0.3	10.9	152.5
2009	0.1	0.3	10.8	153.4
2010	0.1	0.3	11.5	167.2
2011	0.1	0.3	11.4	174.6
2012	0.1	0.4	12.1	199.9
2013	0.1	0.4	12.4	218.3
2014	0.1	0.4	12.6	238.7
2015	0.1	0.4	12.0	238.1
2016	0.1	0.4	12.0	266.9
Average Annual growth				
2006-2016	3.13%	4.27%	2.62%	7.72%

Source: IHS Markit Regional eXplorer version 1156

TOURISM SPEND PER RESIDENT CAPITA

“This is the total amount of tourism spending in the region is divided by the number of residents living within that region. This gives a relative indication of how important tourism is for a particular area. In 2016, Senqu Local Municipality had a tourism spend per capita of R 986 and an average annual growth rate of 2.79%, Senqu Local Municipality ranked second amongst all the regions within Joe Gqabi in terms of tourism spend per capita. The region within Joe Gqabi District Municipality that ranked first in terms of tourism spend per capita is Walter Sisulu local municipality with a total per capita spending of R 1,500 which reflects an average annual increase of 3.30% from 2006. The local municipality that ranked lowest in terms of tourism spend per capita is Elundini with a total of R 793 which reflects an increase at an average annual rate of 4.69% from 2006 (Ecsecc,2017:91)”.

Chart 12: Tourism spend per resident capita



TOURISM SPEND AS A SHARE OF GDP

This indicates tourism spending as a percentage of the GDP of a region. It provides a gauge of how important tourism is to the local economy. “In Senqu Local Municipality the tourism spending as a percentage of GDP in 2016 was 4.55%. Tourism spending as a percentage of GDP for 2016 was 3.68% in Joe Gqabi District Municipality, 3.56% in Eastern Cape Province. Looking at South Africa as a whole, it can be seen that total tourism spending had a total percentage share of GDP of 6.15% (Ecsecc,2017:92).

Table 28: Tourism spend as a share of the GDP 2006-2016

	Senqu	Joe Gqabi	Eastern Cape	National Total
2006	8.9%	6.5%	6.5%	6.9%
2007	8.1%	5.9%	5.9%	6.6%
2008	8.4%	6.3%	6.2%	6.4%
2009	7.4%	5.6%	5.6%	6.1%
2010	7.0%	5.4%	5.4%	6.1%
2011	6.1%	5.0%	5.0%	5.8%
2012	5.6%	4.7%	4.8%	6.1%
2013	5.4%	4.5%	4.5%	6.2%
2014	5.3%	4.3%	4.3%	6.3%
2015	4.7%	3.9%	3.8%	5.9%
2016	4.6%	3.7%	3.6%	6.2%

Source: IHS Markit Regional eXplorer version 1156

8. INTERNATIONAL TRADE

“The merchandise export from Senqu Local Municipality amounts to R 1.62 million and as a percentage of total national exports constitutes about 0.00%. The exports from Senqu Local Municipality constitute 0.05% of total

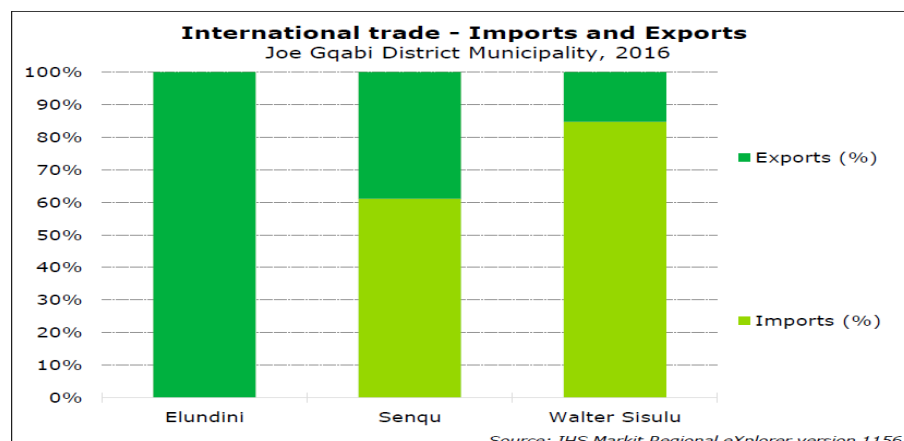
Senqu Local Municipality's GDP. Merchandise imports of R 2.55 million constitute about 0.00% of the national imports. Total trade within Senqu is about 0.00% of total national trade. Senqu Local Municipality had a negative trade balance in 2016 to the value of R 926,000. Analysing the trade movements over time, total trade increased from 2006 to 2016 at an average annual growth rate of 30.14%. Merchandise exports decreased at an average annual rate of 0.00%, with the highest level of exports of R 4.21 million experienced in 2014. Merchandise imports increased at an average annual growth rate of 23.88% between 2006 and 2016, with the lowest level of imports experienced in 2013 (Ecesecc,2017:94-95)".

Table 29: Merchandise exports and imports 2016 (R 1000 Current Prices)

	Senqu	Joe Gqabi	Eastern Cape	National Total
Exports (R 1000)	1,620	11,809	56,187,528	1,107,472,999
Imports (R 1000)	2,547	56,678	55,585,538	1,089,677,002
Total Trade (R 1000)	4,167	68,487	111,773,066	2,197,150,001
Trade Balance (R 1000)	-926	-44,869	601,990	17,795,997
Exports as % of GDP	0.1%	0.1%	16.6%	25.5%
Total trade as % of GDP	0.1%	0.7%	33.1%	50.6%
Regional share - Exports	0.0%	0.0%	5.1%	100.0%
Regional share - Imports	0.0%	0.0%	5.1%	100.0%
Regional share - Total Trade	0.0%	0.0%	5.1%	100.0%

Source: IHS Markit Regional eXplorer version 1156

Chart 12: International trade – Imports & Exports JGDM 2016



Source: IHS Markit Regional eXplorer version 1156

When comparing the Senqu Local Municipality with the other regions in the Joe Gqabi District Municipality, Walter Sisulu has the biggest amount of international trade (when aggregating imports and exports, in absolute terms) with a total of R 63.9 million. This is also true for exports - with a total of R 9.77 million in 2016. Elundini had the lowest total trade figure at R 421,000. The Elundini also had the lowest exports in terms of currency value with a total of R 421,000 exports (Ecsecc,2018:94)".

9 TOTAL EMPLOYMENT

Employment data is a key element in the estimation of unemployment. In addition, trends in employment within different sectors and industries normally indicate significant structural changes in the economy. Employment data is also used in the calculation of productivity, earnings per worker, and other economic indicators. Total employment consists of two parts: employment in the formal sector, and employment in the informal sector (Ecsecc,2017:41)”

“In 2016, Senqu employed 24 400 people which is 32.18% of the total employment in Joe Gqabi District Municipality (75 700), 1.67% of total employment in Eastern Cape Province (1.46 million), and 0.16% of the total employment of 15.7 million in South Africa. Employment within Senqu increased annually at an average rate of 2.10% from 2006 to 2016. The Senqu Local Municipality average annual employment growth rate of 2.10% exceeds the average annual labour force growth rate of 2.00% resulting in unemployment decreasing from 28.35% in 2006 to 27.05% in 2016 in the local municipality (Ecsecc,2017:41-42)”

Table 30: Total employment per broad economic sector JGDM 2016

	Senqu	Elundini	Walter Sisulu	Total Joe Gqabi
Agriculture	2,720	2,120	3,120	7,963
Mining	27	23	24	75
Manufacturing	1,050	1,060	1,500	3,622
Electricity	45	92	100	237
Construction	3,190	4,140	3,020	10,358
Trade	5,520	4,860	5,420	15,802
Transport	808	1,040	973	2,823
Finance	1,480	1,680	2,410	5,566
Community services	6,680	6,150	8,050	20,874
Households	2,830	1,680	3,860	8,366
Total	24,400	22,900	28,500	75,686

Source: IHS Markit Regional eXplorer version 1156

“Senqu Local Municipality employs a total number of 24 400 people within its local municipality. The local municipality that employs the highest number of people relative to the other regions within Joe Gqabi District Municipality is Walter Sisulu local municipality with a total number of 28 500. The local municipality that employs the lowest number of people relative to the other regions within Joe Gqabi District Municipality is Elundini local municipality with a total number of 22 800 employed people. In Senqu Local Municipality the economic sectors that recorded the largest number of employment in 2016 were the community services sector with a total of 6 680 employed people or 27.4% of total employment in the local municipality. The trade sector with a total of 5 520 (22.7%) employs the second highest number of people relative to the rest of the sectors. The mining sector with 27.3 (0.1%) is the sector that employs the least number of people in Senqu Local Municipality, followed by the electricity sector with 45.1 (0.2%) people employed (Ecsecc,2017:41-42)”.

FORMAL AND INFORMAL EMPLOYMENT

“Formal employment is much more stable than informal employment. Informal employment is much harder to measure and manage, simply because it cannot be tracked through the formal business side of the economy.

Informal employment is however a reality in South Africa and cannot be ignored. The number of formally employed people in Senqu Local Municipality counted 16 400 in 2016, which is about 67.33% of total employment, while the number of people employed in the informal sector counted 7 960 or 32.67% of the total employment. Informal employment in Senqu increased from 6 590 in 2006 to an estimated 7 960 in 2016. Some of the economic sectors have little or no informal employment: Mining industry, due to well-regulated mining safety policies, and the strict registration of a mine, has little or no informal employment. The Electricity sector is also well regulated, making it difficult to get information on informal employment. Domestic Workers and employment in the Agriculture sector is typically counted under a separate heading (Ecsecc,2017:43)".

In 2016 the Trade sector recorded the highest number of informally employed, with a total of 3 480 employees or 43.75% of the total informal employment. This can be expected as the barriers to enter the Trade sector in terms of capital and skills required is less than with most of the other sectors. The Finance sector has the lowest informal employment with 394 and only contributes 4.95% to total informal employment (Ecsecc,2017:43)".

Table 31: Formal and informal employment by broad economic sector 2016

	Formal employment	Informal employment
Agriculture	2,720	N/A
Mining	27	N/A
Manufacturing	629	425
Electricity	45	N/A
Construction	1,770	1,430
Trade	2,040	3,480
Transport	167	641
Finance	1,080	393
Community services	5,090	1,590
Households	2,830	N/A

Source: IHS Markit Regional eXplorer version 1156

The informal sector is vital for the areas with very high unemployment and very low labour participation rates. Unemployed people see participating in the informal sector as a survival strategy. The most desirable situation would be to get a stable formal job. But because the formal economy is not growing fast enough to generate adequate jobs, the informal sector is used as a survival mechanism (Ecsecc,2017:44)".

UNEMPLOYMENT

This includes all persons between 15 and 65 who are currently not working, but who are actively looking for work. In 2016, there were a total number of 9 990 people unemployed in Senqu, which is an increase of 1 410 from 8 590 in 2006. The total number of unemployed people within Senqu constitutes 35.76% of the total number of unemployed people in Joe Gqabi District Municipality. The Senqu Local Municipality experienced an average annual increase of 1.53% in the number of unemployed people, which is better than that of the Joe Gqabi District Municipality which had an average annual increase in unemployment of 1.77%.

Youth unemployment remains a crucial issue on a national and provincial level. The South African youth unemployment rate was recorded at 39.0% in 2018Q3. Free State (48.6%) and Eastern Cape (47.3%) had the highest youth unemployment rates. Youth unemployment in the Eastern Cape continues to rise, reaching 47.3% in 2018Q3. Unemployment rate though, has risen to 35.6 % (EASTERN CAPE LABOUR MARKET OVERVIEW QUARTER 3 – 2018)

Table 32: Unemployment official definition 2006-2016

	Senqu	Joe Gqabi	Eastern Cape	National Total	Senqu as % of district municipality	Senqu as % of province	Senqu as % of national
2006	8,590	23,400	512,000	4,510,000	36.6%	1.68%	0.19%
2007	8,430	23,100	503,000	4,460,000	36.5%	1.68%	0.19%
2008	8,130	22,400	488,000	4,350,000	36.3%	1.66%	0.19%
2009	7,950	22,000	483,000	4,370,000	36.1%	1.65%	0.18%
2010	7,840	21,800	480,000	4,490,000	36.0%	1.63%	0.17%
2011	7,860	21,900	485,000	4,570,000	35.9%	1.62%	0.17%
2012	8,440	23,500	508,000	4,690,000	35.9%	1.66%	0.18%
2013	9,070	25,300	542,000	4,850,000	35.9%	1.67%	0.19%
2014	9,540	26,500	569,000	5,060,000	36.0%	1.68%	0.19%
2015	9,720	27,000	583,000	5,290,000	36.0%	1.67%	0.18%
2016	9,990	27,900	603,000	5,600,000	35.8%	1.66%	0.18%
Average Annual growth							
2006-2016	1.53%	1.77%	1.65%	2.19%			

Source: IHS Markit Regional eXplorer version 1156

Table 33: Unemployment rate 2006-2016

	Senqu	Joe Gqabi	Eastern Cape	National Total
2006	28.3%	27.0%	27.8%	25.8%
2007	27.5%	26.4%	27.2%	24.8%
2008	26.5%	25.6%	26.6%	23.6%
2009	26.4%	25.8%	26.9%	23.8%
2010	26.8%	26.5%	27.7%	24.8%
2011	26.6%	26.4%	27.9%	24.9%
2012	28.1%	27.9%	28.7%	25.0%
2013	28.7%	28.5%	29.4%	25.1%
2014	28.1%	27.8%	29.4%	25.1%
2015	27.3%	27.0%	29.1%	25.5%
2016	27.1%	27.0%	29.3%	26.3%

Source: IHS Markit Regional eXplorer version 1156

In 2016, the unemployment rate in Senqu Local Municipality (based on the official definition of unemployment) was 27.05%, which is a decrease of -1.29 percentage points. The unemployment rate in Senqu Local Municipality is higher than that of Joe Gqabi. Comparing to the Eastern Cape Province it can be seen that the unemployment rate for Senqu Local Municipality was lower than that of Eastern Cape which was 29.34%. The unemployment rate for South Africa was 26.33% in 2016, which is an increase of -0.563 percentage points from 25.77% in 2006 (Ecsecc,2016:46)". When comparing unemployment rates among regions within Joe Gqabi District Municipality, Elundini local municipality has indicated the highest unemployment rate of 36.0%, which has increased from 32.5% in 2006. It can be seen that the Walter Sisulu local municipality had the lowest unemployment rate of 18.3% in 2016, this decreased from 19.8% in 2006 (Ecsecc,2017:47)".

10. INCOME AND EXPENDITURE

In a growing economy among which production factors are increasing, most of the household incomes are spent on purchasing goods and services. Therefore, the measuring of the income and expenditure of households is a major indicator of a number of economic trends. It is also a good marker of growth as well as consumer tendencies.

NUMBER OF HOUSEHOLDS BY INCOME CATEGORY

“It was estimated that in 2016 21.81% of all the households in the Senqu Local Municipality, were living on R30,000 or less per annum. In comparison with 2006's 59.71%, the number is about half. The 30000-42000 income category has the highest number of households with a total number of 6 100, followed by the 18000-30000 income category with 5 740 households. Only 5.5 households fall within the 0-2400 income category (Ecsecc,2017:49)”.

Table 34: Households by income category 2016

	Senqu	Joe Gqabi	Eastern Cape	National Total	Senqu as % of district municipality	Senqu as % of province	Senqu as % of national
0-2400	6	14	206	1,880	38.4%	2.7%	0.30%
2400-6000	95	246	3,800	33,300	38.8%	2.5%	0.29%
6000-12000	1,010	2,470	38,400	314,000	40.9%	2.6%	0.32%
12000-18000	1,980	4,820	76,400	624,000	41.1%	2.6%	0.32%
18000-30000	5,740	14,000	220,000	1,720,000	41.0%	2.6%	0.33%
30000-42000	6,100	15,000	231,000	1,730,000	40.6%	2.6%	0.35%
42000-54000	5,280	13,100	204,000	1,520,000	40.3%	2.6%	0.35%
54000-72000	5,490	13,800	217,000	1,630,000	39.9%	2.5%	0.34%
72000-96000	4,480	11,500	185,000	1,490,000	39.1%	2.4%	0.30%
96000-132000	3,470	9,160	156,000	1,390,000	37.9%	2.2%	0.25%
132000-192000	2,610	7,270	133,000	1,320,000	35.9%	2.0%	0.20%
192000-360000	2,320	7,010	150,000	1,690,000	33.1%	1.5%	0.14%
360000-600000	1,090	3,630	88,200	1,090,000	29.9%	1.2%	0.10%
600000-1200000	635	2,220	59,000	785,000	28.6%	1.1%	0.08%
1200000-2400000	173	634	17,600	238,000	27.2%	1.0%	0.07%
2400000+	21	84	2,670	39,100	25.3%	0.8%	0.05%
Total	40,500	105,000	1,780,000	15,600,000	38.6%	2.3%	0.26%

Source: IHS Markit Regional eXplorer version 1156

“For the period 2006 to 2016 the number of households earning more than R30,000 per annum has increased from 40.29% to 78.19%. 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 (Ecsecc,2018:50)”.

ANNUAL TOTAL PERSONAL INCOME

“Annual total personal income is the sum of the total personal income for all households in a specific region. Senqu Local Municipality recorded an average annual growth rate of 9.92% (from R 1.62 billion to R 4.18 billion) from 2006 to 2016, which is less than Joe Gqabi's (10.69%), but more than Eastern Cape Province's (9.52%) average annual growth rates. South Africa had an average annual growth rate of 9.05% (from R 1.26 trillion to R 3 trillion) which is less than the growth rate in Senqu Local Municipality. The total personal income of Senqu Local Municipality amounted to approximately R 4.18 billion in 2016. The African population group earned R

3.82 billion, or 91.26% of total personal income, while the White population group earned R 264 million, or 6.30% of the total personal income. The Coloured and the Asian population groups only had a share of 1.63% and 0.81% of total personal income respectively. When looking at the annual total personal income for the regions within Joe Gqabi District Municipality it can be seen that the Walter Sisulu local municipality had the highest total personal income with R 4.68 billion which increased from R 1.54 billion recorded in 2006. It can be seen that the Elundini local municipality had the lowest total personal income of R 3.85 billion in 2016, this increased from R 1.44 billion in 2006 (Ecsecc,2017:50-51)".

Table 35: Annual total personal income 2006-2016

	Senqu	Joe Gqabi	Eastern Cape	National Total
2006	1.6	4.6	106.6	1,259.4
2007	1.8	5.2	121.0	1,432.2
2008	2.0	5.8	134.0	1,587.9
2009	2.2	6.2	143.3	1,695.1
2010	2.3	6.7	154.3	1,843.3
2011	2.5	7.3	168.2	2,033.0
2012	2.8	8.2	187.5	2,226.5
2013	3.1	9.1	204.6	2,414.5
2014	3.4	10.0	220.0	2,596.7
2015	3.7	11.0	239.4	2,783.4
2016	4.2	12.7	264.5	2,995.4
Average Annual growth				
2006-2016	9.92%	10.69%	9.52%	9.05%

Source: IHS Markit Regional eXplorer version 1156

ANNUAL PER CAPITA INCOME

"This takes the total personal income per annum and divides it equally among the population and is often used as a measure of wealth particularly when comparing economies or population groups. The per capita income in Senqu Local Municipality is R 29,500 and is lower than both the Eastern Cape (R 37,800) and of the Joe Gqabi District Municipality (R 34,100) per capita income. The per capita income for Senqu Local Municipality (R 29,500) is lower than that of the South Africa as a whole which is R 53,800 (Ecsecc,2017:52-53)".

Table 36: per capita income by population group 2016 (R current prices).

	African	White	Coloured
Senqu	27,600	187,000	42,700
Elundini	25,300	N/A	44,000
Walter Sisulu	39,900	244,000	47,900

Source: IHS Markit Regional eXplorer version 1156

“Walter Sisulu local municipality has the highest per capita income with a total of R 54,400. Senqu local municipality had the second highest per capita income at R 29,500, whereas Elundini local municipality had the lowest per capita income at R 26,600. In Senqu Local Municipality, the White population group has the highest per capita income, with R 187,000, relative to the other population groups. The population group with the second highest per capita income within Senqu Local Municipality is the Coloured population group (R 42,700). Some of the population groups - where there are less than 1,000 people living in the area were excluded from the analysis (Ecsecc,2017:52-53)”.

INDEX OF BUYING POWER

“The Index of Buying Power (IBP) is a measure of a region's overall capacity to absorb products and/or services. The index is useful when comparing two regions in terms of their capacity to buy products. Values range from 0 to 1 (where the national index equals 1) and can be interpreted as the percentage of national buying power attributable to the specific region. Regions' buying power usually depends on three factors: the size of the population; the ability of the population to spend (measured by total income); and the willingness of the population to spend (measured by total retail sales) (Ecsecc,2017:54)”.

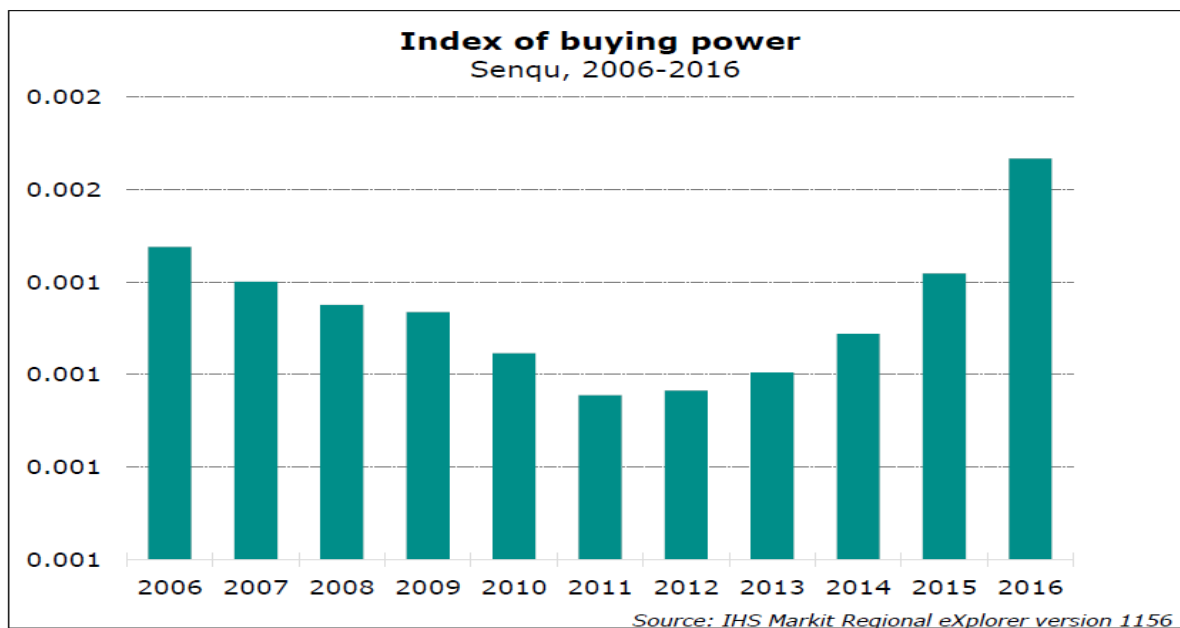
Table 37: Index of buying power

	Senqu	Joe Gqabi	Eastern Cape	National Total
Population	141,751	372,742	7,006,876	55,724,934
Population - share of national total	0.3%	0.7%	12.6%	100.0%
Income	4,184	12,716	264,506	2,995,448
Income - share of national total	0.1%	0.4%	8.8%	100.0%
Retail	1,310,827	4,031,982	79,545,670	926,561,000
Retail - share of national total	0.1%	0.4%	8.6%	100.0%
Index	0.00	0.00	0.09	1.00

Source: IHS Markit Regional eXplorer version 1156

“Senqu Local Municipality has a 0.3% share of the national population, 0.1% share of the total national income and a 0.1% share in the total national retail, this all equates to an IBP index value of 0.0015 relative to South Africa as a whole. Joe Gqabi has an IBP of 0.0045, were Eastern Cape Province has and IBP index value of 0.091 and South Africa a value of 1 relative to South Africa as a whole. The considerable low index of buying power of the Senqu Local Municipality suggests that the local municipality has access to only a small percentage of the goods and services available in all of the Joe Gqabi District Municipality. Its residents are most likely spending some of their income in neighbouring areas.

Chart 13: Index of buying power 2006-2016



Between 2006 and 2016, the index of buying power within Senqu Local Municipality increased to its highest level in 2016 (0.001517) from its lowest in 2011 (0.001389). Although the buying power within Senqu Local Municipality is relatively small compared to other regions, the IBP increased at an average annual growth rate of 0.32% (Ecsecc,2017:55)".

Comparative and Competitive Advantages

Competitive Advantages

- **Basic Services and Infrastructure**

The Municipality performs above District average in respect of access to all **basic services** but refuse removal, where only 13.45% households in Senqu enjoy regular municipal refuse collection services. The majority of Senqu households enjoy access to the RDP minimum levels of basic services in respect of housing (95.16%), energy (66.28%) and sanitation (56.13%).

- **Tourism**

Scenic beauty, hiking and wildlife attractions and trout fishing. South Africa's **only ski resort at Tiffendell**. Tiffendell Ski Resort is the only ski resort in South Africa and is uniquely positioned to capture the local skiing market. Reopening of the **historic railway line** between Aliwal North and Barkly East passing through Lady Grey is also a unique development options that will attract tourists. The area has a well-developed road network that enters beautiful valleys and mountains. It is favoured by off road enthusiasts, trail runners and mountain bikers.

- **Agriculture**

Agriculture is one of the major economic drivers of the local economy and is considered one of the New Growth path's job drivers. The total cultivated area of arable land is 47 319, 21 Ha, dry land under commercial Production has 18 178, 39 Ha; commercial irrigated Land of 3 866, 57 Ha, semi commercial (Commonages) has 25 274, 25

Ha (Information supplied by the Department of Agriculture). In general, however the area has limited land available that can sustain intensive agricultural practices. This is due to its highly erodible soils and unchecked poor veld management which has led to massive loss of topsoil and the growth of extensive dongas and gulleys.

The area is more suited towards stock farming than crop production due to its mountainous profile, short growing season and shallow erodible soils. However due to this fact and the changing climate newer crops are being investigated such as grapes. However, where soils are suitable, dryland crops such as beans, maize, sorghum and cabbage can be produced. Fodder is also grown for winter feed and Lucerne is grown under irrigation on many commercial farms. Stocking rates tend to be low due to the mountainous area but sheep, cattle and goats are in the majority. Accurate stock rates could not be received from the Department but the table below from Statsa, Community Survey 2016 indicates stock ownership which gives an idea of stock.

Agriculture	2011		2016	
	Number	Percent	Number	Percent
Agricultural households			9 921,0	27,9
Cattle				
1 - 10			2 746	56,4
11 - 100			948	19,5
100+			1 173	24,1
Total			4 867	100,0
Sheep				
1 - 10			596	20,5
11 - 100			985	33,9
100+			1 321	45,5
Total			2 902	100,0
Goat				
1 - 10			1 657	49,6
11 - 100			1 601	47,9
100+			82	2,5
Total			3 340	100,0
Type of agric activity				
Livestock production			7 233,0	75,1
Poultry production			3 567,0	46,8
Vegetable production			3 384,0	54,4
Other			3 349,0	13,1

In general, agricultural infrastructure has been installed in the former homeland and communal region but farmers still express needs in particular for fencing, tractors, stock dams, shearing sheds and dip for the dipping tanks. There is the following infrastructure available:

- 15 Dipping tanks in various states of disrepair requiring water and dip
 - 30 shearing sheds
 - 11 stock dams
- (Source: Municipal ward survey 2017)

The most common complaint is for roads to be fixed in all commercial and communal areas and especially to the lands. The former homeland is also being invaded by plants which reduce grass from growing and affect animal health like the jointed cactus and Slangbos. DRDAR will be starting programmes to eradicate the cactus and DEDEA have funded projects to eradicate Slangbos but more needs to be done as it is spreading throughout the district. Stock theft remains a constant threat to both commercial and non -commercial farmers. A positive note is the growth of farming co-operatives building relationships with commercial farmers to utilise underutilised communal land such as the Tugela co-operative near Sirisena.

In 2010/11, 46 099 196 kilograms of greasy wool was produced in South Africa. Out of this the Eastern Cape produced 14 300 585 kilograms. The Barkly East magisterial district produced 897 677 kilograms and the Lady Grey district 197 727. The entire Transkei produced 3 467 686 kilograms. In 2011/12, 44 807 741 kilograms were produced out of which the Eastern Cape produced 13 950 406 kilograms. Barkly East 876 812, Lady Grey

178, 107 and the Transkei 3,357,008 (Cape Wool production figures 2010-2012). This makes Senqu one of the largest producers of wool in the Eastern Cape. Its climate and topography make it well suited to expand this type of farming.

- **Bottling of fresh spring water** is a potential niche. Senqu has pure, clear water that is already being bottled on a small scale. Potential may exist for further expansion.
- **Strategic location and proximity to Lesotho** provides development opportunities near the Telle Bridge border post as well as for the revitalisation and upgrade of Sterkspruit. These provide major tourism development opportunities for both Senqu and Lesotho. The proximity of the area to Lesotho, the Free State allows it to tap into these potential markets as well as being only 60 km from the N6 route from East London to Johannesburg allows it to ship goods relatively easier.

Comparative advantages

- **LED Support System**

The Senqu Municipality has a dedicated LED Unit located within its planning department. The Unit is responsible for coordination and facilitation of LED processes in Senqu as well as advise Council on LED matters. The LED Unit is fully staffed.

Senqu is one of the key partners of the Joe Gqabi Economic Development Agency (JoGEDA) which is tasked to drive special economic development projects on behalf of the district municipality and the four local municipalities in Joe Gqabi. With respect to Senqu, the Agency has prioritised commercial property development and plastic manufacturing as its immediate flagship projects. Its other partners are the local tourism organization (Senqu Tourism Association) and the Small Enterprise Development Agency (SEDA) which provides support services to tourism enterprises and other small businesses in the area. Other partners include the JGDM, ECDC, DLGTA, DEDEA and the Department of Agriculture.

- **EPWP, CWP & Enterprise development**

EPWP & CWP programmes are operated very effectively in the Municipality. Enterprise development is however struggling as SMME's and Co-operatives struggle to become financially viable. The Municipality continues however to support these initiatives through its percentages in its supply chain management policy.

Challenges

- **Geographic Challenge**

The majority (86%) of the Senqu population lives in predominantly rural areas consisting of rural villages and farm households. The average population density is 3.24 households per square kilometre, lower than the district and provincial population density of 3.27 and 3.89 households per square kilometre, respectively. The population density is 17.23 persons per square kilometre - indicating that people are scarcely located, making it extremely costly and difficult to provide the prerequisite services and conditions to address unemployment and poverty.

- **Dependency Challenge**

For every formally employed person there are 8.08 people that depend on the same income resources in Senqu. However, despite a large potentially economic active population (57% or 72 003 people), the economy is unable to provide the required economic and employment opportunities for all these people. In the current form and conditions, the local economy can only provide employment and economic opportunities for only a quarter (25.13%) of the potentially EAP.

- **Poverty Challenge**

Despite experiencing positive economic growth between 2000 and 2010, Senqu's economy has been unable to create meaningful benefits for the poor. The poverty rate is 62.93% - much higher than the provincial average of 53.61%. Dependency on social grants is highest in Senqu (37.42%) compared to the district (34.46%), provincial (31.54%) and national (22.68%). Also, the state of household savings reveals a high degree of indebtedness (-R464) for Senqu which further exacerbates the poverty challenge.

Although the Municipality has and continues to support a number of poverty alleviation projects, in many instances the impact of these poverty alleviation projects remains unknown. This is why the Municipality completed a poverty alleviation strategy for the 2014/15 financial year.

- **Employment Challenge**

Based on the official definition, more than one third (30.34%) of the economic active group in Senqu is unemployed while the district average is 23.54%. Including those not actively seeking for work, unemployment in Senqu is as high as 65% compared to 54% and 48% for the district and Eastern Cape respectively.

Between 2000 and 2010 formal employment growth was negative at -2.27%, performing worse than the district (-1.23%) and province (-0.21%) respectively. However, also of concern is the quality of available jobs in Senqu. These jobs are not high paying and therefore do not necessarily provide a good quality of life.

- **Income Challenge**

With about 50.25% of the households earning no income at all and 21.39% earning between R1 and R1600 per month, almost two thirds of Senqu households are indigent. Of these, more than one quarter of households (6134) earn R400 or less per month.

- **Literacy Challenge**

Only 58.66% of the adult population can read and write compared to the provincial 66.7% and national average of 73.62%.

- **Skills Challenge**

Majority of adult population (32.21%) are unskilled. There is a major shortage of technical skills (currently only 0.19%). However, Senqu has a relatively high proportion of professionally skilled persons (23.46%) compared to the district (15.49%) and province (13.53%).

- **Infrastructure and Land Challenge**

While Senqu performs above district average in respect to all basic services with the exception of refuse removal where only 13.45% households are provided with the municipal refuse collection services, infrastructure backlogs remain an area of constraint that must be addressed to unlock better growth and new investments into the area. For example: - Surfacing the 562-km gravel road backlog and improving maintenance on existing access roads and bridges. The effect of migration into urban areas such as Sterkspruit is also putting major strain on existing infrastructure in these areas. A more integrated approach addressing social, economic and infrastructural issues is critical.

- **Land**

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

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

- **Growth Challenge**

Between 2000 and 2010 average growth was 3.03%. Despite outstripping the average population growth (-0.89%) for the same period, this growth has not been sufficient to cause any significant dent on unemployment and poverty. It is also far below the national target of 4% to 7% required to necessary positive employment growth.

Skills and Education Levels

In general skills levels are low, with the majority of residents reliant on government/community services for employment or primary economic activities such as agriculture. 40 111 beneficiaries receive grants with a value of R 32 480 001 paid out monthly. It must be remembered that 41 854 people actually receive grants but as they are children only their parents are counted as beneficiaries (SASSA 2013).

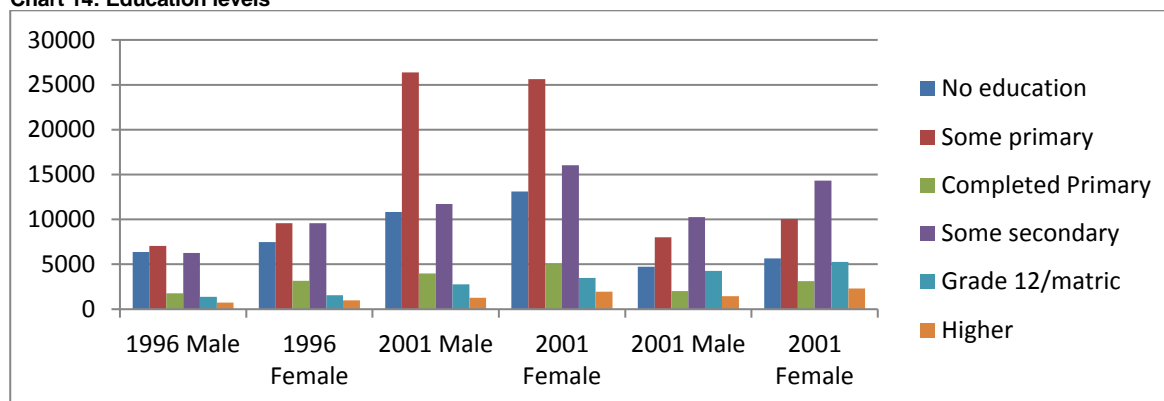
Skills and Professions

An indication of **skills and professions** is afforded by the 2007 Community Survey (StatsSA 2009). Considering only the survey population for which a profession is specified, the dominant occupational group across all areas is 'Elementary', applicable to almost one third of the Senqu (32.21%) and JGDM (31.78%) economies, as well as the Elundini (32.93%) and Maletswai (32.79%) economies. The Province (24.30%) and Gariep (23.76%) reflect proportions closer to one quarter for "elementary occupations". "Professionals" are the next most prominent occupation within Senqu (23.46%) as well as for Elundini (14.36%), the District (15.49%) and the Province (13.53%). By contrast, "Skilled agricultural and fishery workers" are well represented in Gariep, while "Service workers; shop and market sales workers" are next most prominent, after elementary occupations, for Maletswai (11.91%). Service and sales workers account for around one tenth (9.71%) of Senqu professions, followed closely by "Craft and related trades workers" (8.94%) then skilled agricultural workers (8.88%), while "Technicians and associate professionals" (0.19%) are the least represented in the local economy.

About 39% of Senqu Municipality workforce is made up of elementary or unskilled workers, the largest percentage in the District. Senqu Municipality has low levels of senior management and technical staff, 3%

and 4% respectively. This corresponds with low levels of educational facilities in the area and indicates a need for skills development and education programmes. SLM has the second lowest levels of education behind Elundini Local Municipality in the District, with 58.85% of the population having only received a primary school education. SLM area has 153 schools of which 68 are Primary, 17 are Secondary, 63 are Combined and 5 are ECD. SLM has the lowest levels of education, with 47% of the population having only received a primary school education as can be seen in the chart below. There is only one tertiary education facility (FET College) in the Municipality in Sterkspruit.

Chart 14: Education levels



Source Statsaa 2011

This chart indicates that the number of illiterate people is steadily declining and the Municipality is doing well in achieving the goal of universal primary school access. It is also good to note the increase in secondary and tertiary education. Attendance of educational facilities is also increasing as can be seen in the table above.

Table 38: No of persons aged 5-24 attending educational facilities

	1996			2001			2011		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Attending	25766	26890	52656	27123	27336	54460	23262	21904	45166
Not attending	6110	7845	15954	7878	7546	15425	5509	6226	17735
Total	33875	34735	68610	35001	34883	69884	28771	28130	56900

Source: Statsaa 2011

Stakeholder Involvement

The Municipality has an Economic Development Forum. The aim of the forum is to:

- Provide LED facilitation and support within the Senqu municipality
- Advise on development choices by understanding the local context enough to validate claims made about local potential
- Mobilise local stakeholders
- Facilitate local partnerships within and between local public and private organisations
- Develop an annual work plan to implement the LED strategy that is reported on quarterly
- Assist with and advise on local economic development initiatives
- Coordinate all local economic development initiatives within the municipality
- Provide information and create awareness about LED within the municipality
- Monitoring and evaluation of local economic development projects

The forum meets quarterly. Other stakeholder forums include the LTO, small farmer's association and agricultural forum. However, these forums require more capacitation and engagement to keep the functioning effectively. The Municipality engages with sector departments through District Support team meetings on a quarterly basis and IDP Representative Forum meetings.

Investment Attraction, Small Town Revitalisation and Policy Framework

The Municipality is expending great effort to attract investors to the municipal areas by ensuring that towns are kept clean and that grass and trees are cut and pruned regularly. Senqu has won several awards in the cleanest town competition. In addition, the Municipality has spent its neighbourhood development grant on beautifying the entrance to Lady Grey by planting trees and providing pathways linking the township to the CBD. The emphasis in Sterkspruit is on consolidation of neighbouring settlements into the existing town and resolving land tenure issues. A small-town regeneration plan has been developed for Sterkspruit and Barkly East. As part of this initiative walkways have been paved and 18 hawkers' huts handed over in Sterkspruit. Community parks in Lady Grey funded by DEA has been built. The lack of available land is preventing the development of similar parks in Sterkspruit.

The Municipality has also begun Vision 2030 which aims to increase revenue by expanding the rates base through formalisation of adjoining rural areas to existing urban centres as well as implementing the small-town plans. The policy framework regarding businesses is in the process of being revisited in order to determine areas of hindrance for business development. These include the bylaws on building control regulations, business and street trading, liquor trading, preparation of foods at registered private kitchens and taxi ranks and taxi ranking. This is all part of the Municipality's drive to assist the development of business in the area including the ultimate adoption of informal trading regulations and the draft trade and investment policy.

Expanded Public Works & Community Works Programme

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

- To create job opportunities through reviewing the manner that municipalities implement existing projects/programmes
- To identify and propose programmes that will contribute to additional job creation opportunities
- To ensure that the proposed job creation programmes form part of the service delivery mandates of the municipality

These principles have been incorporated into the municipality's efforts to increase employment opportunities for its residents. Projects consist of basic road maintenance, paving of streets, picking up refuse, pothole repair and storm water channel maintenance. Over 196 jobs were created in 2011,2012,2013. 252 jobs were created in 2014/15 for mass job and 450 on MIG projects. Jobs were created in 2017/18 through mass job creation as part of the EPWP programme and over 2000 through CWP. Future projects include maintenance of municipal property, cleaning in urban areas, storm water management in townships and data collection. However, management is currently in the process of revising the current EPWP and CWP programmes to ensure that sustainable work opportunities are created and that graduates from the programme acquire skills which increase their employment activities. The CWP programme was increased to cover 2 more wards.

The EPWP policy was adopted by Council on the 25th October 2012. The policy outlines the institutional arrangements for implementing EPWP, roles and responsibilities, the employment opportunities, training and EPWP target, conditions of employment, target groups and reporting process. The Director of Technical Services is responsible for implementing EPWP but the co-ordination will be done by the EPWP Steering Committee. The Committee will consist of all director's and all relevant sector heads. The responsibility of the Committee will be to:

- Coordinate the overall municipal wide coordination of EPWP and related issues
- Review the EPWP policy
- Setting departmental EPWP targets
- Enabling environment for the successful implementation of EPWP
- Reporting to the management meeting
- Monitoring and evaluation of the EPWP programme
- Setting of performance standards
- Compiling an EPWP management plan

The EPWP framework for Phase 3 was adopted by Council in May 2016.

An amount of R 6,480,000 was budgeted for the 2014/15 financial year and a similar amount for 2015/16. 2017/17 R 4,753,818, 2018/19 R 5,038,050 and in 2019/20 R 4 952 783.

The map 1 below from the SDF 2017 indicates the relationship between the LED priorities and the spatial realities.

Source SDF 2017



Alignment between the NDSP, SDF, NGP & LED Strategy

Table 39: Alignment between the NDSP, SDF, NGP & LED Strategy

NSDP Category	Applicability in Senqu Municipal Area	New Growth Path	LED Strategy
Innovation and experimentation.	<ul style="list-style-type: none"> Not applicable 	Jobs driver 3: Seizing the potential of new economies	
Production: High value, differentiated goods (not strongly dependent on labour costs).	<ul style="list-style-type: none"> Not applicable 	Jobs driver 3: Seizing the potential of new economies	
Production: Labour-intensive, mass-produced goods (more dependent on labour costs and/or natural resource exploitation).	<ul style="list-style-type: none"> Formal agricultural sector in Senqu Need for investigating further the potential for intensive, irrigation-fed agriculture in under-developed rural settlement areas Land most suited to crop production is found in the Sterkspruit area Stock farming is assessed as the agricultural activity with the highest potential, if correctly managed. 	Jobs driver 2: main economic sectors Jobs driver 3: Seizing the potential of new economies	Development Thrust 3: Sustainable Livelihoods Development Thrust 2: Enterprise Development
Public services and administration.	<ul style="list-style-type: none"> Barkly East and Lady Grey are centres for District and Local Government administration 	Job driver 4: investing in social, capital and public services	Development Thrust 3: Sustainable Livelihoods Development Thrust 4: Skills Development Development Thrust 5: Institutional Development
Retail and services.	<ul style="list-style-type: none"> Sterkspruit is a high order regional service centre, providing access to goods and services to a large catchment population. 	Job driver 1 infrastructure Jobs driver 5: spatial development	Development Thrust 1: Locality Development
Tourism.	<ul style="list-style-type: none"> There are areas with development potential as tourism sites of interest relating to the Drakensberg and the Maloti Tourism Route. 	Jobs driver 2: main economic sectors	Development Thrust 2: Enterprise Development

LED Strategy

The Municipality has a LED strategy which was adopted in June 2013. The strategy has been revised in the 2017/18 Financial year and the final strategy was adopted in May 2018.

LED Strategy Objectives

This draft 20-year Senqu LED Strategy aims to achieve the following economic outcomes:

- 1) Improving urban infrastructure to attract investment
- 2) Development of partnerships between public sector and the private sector to encourage investment and skills development in the area
- 3) Improve youth entrepreneurship and participation in the mainstream economy
- 4) To build strong and sustainable LED institutions and resources
- 5) 30 % of all infrastructure projects to benefit SMME's
- 6) To alleviate poverty by utilising labour-intensive programmes and projects such as CWP and EPWP

LED Strategy Development Thrusts

The Senqu LED Strategy (2018) has 5 integrated LED development thrusts and priorities

Development Thrust 1: Locality Development

The Locality Development Programme will be premised on achieving the following outcomes:

- ❑ Making the municipal area more attractive to investors, tourists and individuals;
- ❑ Improving the physical and environmental appeal of the area

Development Thrust 2: Enterprise Development

The purpose of Enterprise Development Programme is to:

- ❑ Create a conducive environment for existing, new and start-up businesses;
- ❑ Improve profitability, competitiveness and sustainability of locally-based enterprises;
- ❑ Prioritise development of key growth and employment sectors eg Agriculture, Tourism and Green Economy.

Development Thrust 3: Livelihoods

The purpose of the sustainable livelihoods programme is to:

- ❑ Facilitate labour intensive projects that create employment opportunities

Development Thrust 4: Skills Development

The purpose of the skills development priority is to:

- ❑ Build the necessary skills base for economic growth and development;
- ❑ Improve employability and active economic participation;
- ❑ Support key growth and employment sectors.

Development Thrust 5: Institutional Development

LED institutional development in Senqu is designed to:

- ❑ Foster sustainable partnerships with key and relevant stakeholders
- ❑ Improve monitoring and evaluation of LED projects and initiatives.

LED IMPLEMENTATION PLAN & ALIGNMENT WITH NATIONAL & PROVINCIAL PLANS

Table 40: LED Implementation Plan

To be inserted after final adoption

Setup phase

Setup Phase (Year 0-1)

The purpose of the phase is to prepare for the implementation of the strategy by ensuring that fundamental or pre-conditions are addressed to support the successful execution of the strategy. The setup phase will focus on:

- Incorporating flagship programmes and projects in the municipal IDP and SDBIP
- Securing the necessary budgets to support annual programmes
- Establishing the Senqu Local Action Group
- Negotiating key local agreements with sponsors and funders

Planning Phase (Year 1- Year 2)

This will focus on the planning of the priority initiatives identified in the strategy. This phase focuses on:

- Appointment of project champions and teams
- Development of project plans

Implementation Phase (Year 3 -18)

This will focus on the actual implementation of the priority initiatives identified in this strategy. In particular, this phase will involve:

- Execution of project plans
- Project Management
- Progress Reporting (Council, EDF)

Monitoring, Feedback and Learning Phase (Year 19-20)

This phase represents the last stage in the implementation of the Strategy. It is fundamentally focused on:

- Monitoring and evaluating outcomes and impact of executed projects
- Providing continuous feedback to stakeholders on strategy projects
- Documenting lessons to improve learning
- Identifying future improvement areas

Current LED Unit Staffing and Budget

Municipality has an LED Unit which is based in the Directorate: Development & Town Planning Services Directorate. The Unit has 1 Enterprise Development Officer and 1 Tourism Office. It is headed by the IPED Manager. The office has been granted an operational budget of R 3 052 969.52 for LED and R 1 181 612.50 for tourism.

Conclusion

The LM's lack of annual growth has resulted in an unprecedented high unemployment in the Senqu area with high dependence on government grants. This coupled with access to basic household and community services which is below optimal creates tension amongst communities who compete for relatively scarce resources. Therefore, it becomes absolutely crucial that the municipality creates conducive conditions for job creation and participation in agricultural activities by availing land for development. Businesses are not growing as SMME's as they do not receive strategic support from government institutions. Areas for great concern are centred around food security and land reform. The tourism sector is underdeveloped and needs strategic intervention to revive and contribute to the local economy meaningfully. In this regard, a responsible tourism sector plan has to be developed which could provide direction to optimise the potential that exist in the area. Agriculture remains central to the development of the area. However, it has to be done in conjunction with other programmes. Land administration and town planning seem to have been relegated to the background of the municipal priorities. This approach does impact negatively on the development trajectory of the municipality.

CHAPTER THREE: BASIC SERVICE DELIVERY

SLA's and other Institutional Arrangements

Community Services has an SLA with DSRAC. In terms of the SLA Senqu runs the library service on behalf of DSRAC. This SLA is signed annually. Technical Services has an SLA regarding electricity sales with ESKOM whereby the municipality procures electricity from ESKOM and then sells it via its internal network to urban customers.

Spatial Analysis and Rationale

The SDF which was adopted in **March 2017** proposes the following ***General Policies and Guidelines for Land Development in Senqu***. The following general policies and guidelines are to be applicable to land development in the Senqu Municipal area: -

- The following basics Disaster Management guidelines: -
 - No development should take place on land within the 1 in 100-year flood line. In certain cases, exemption may be granted for development up to the 1 in 50-year flood line (but commonly only in cases where existing development has occurred).
 - Development is prohibited on slopes steeper than 18% (or 1-in-5 gradients), with exemptions on merit in certain cases being permitted, except in the case of public-funded housing developments.
 - Engineering Geotechnical reports should be undertaken prior to planning of new areas for settlement/development.
 - Wherever possible mitigation steps should be taken to prevent informal settlement development within 1: 100-year flood areas. Where such settlement has occurred, appropriate steps should be taken to clear the area and secure it from future settlement.
 - Controlled Areas around municipal and infrastructure installations such as Waste Disposal Sites; Waste Water Treatment Works etc. shall stipulate minimum distances from installations within which specified land use development shall not take place, based on environmental and health considerations.
- A Controlled Area shall be established around any Airstrip/aerodrome to include the following stipulations: -
 - Areas where $L_{Rdn} = 55$ dBA: Residential developments not allowed; nor are other noise-sensitive uses such as hospitals, educational institutions, conference facilities and places of worship;
 - Areas where $L_{Rdn} = 60$ dBA: Commercial uses are permitted, including retail/shopping, offices, consulting rooms.

- Areas where $L_{Rdn} = 65$ dBA: Commercial/Industrial uses are permitted, including CBDs, motor trade, warehousing. Also, agricultural uses involving livestock and breeding and cemeteries.
 - Areas where $L_{Rdn} = 70$ dBA: Industrial activities are permitted; i.e. manufacturing, assembly, repairing, packaging, bus depots, builders' yards etc.
 - Areas where $L_{Rdn} = 75$ dBA: Agricultural land uses not involving livestock are permitted, as well as picnic facilities and open space (vacant land).
 - Areas where $L_{Rdn} = 80$ dBA: Prohibited area; i.e. no land development to be permitted.
 - Any land uses proposed within the 55 dBA and 60 dBA noise contours surrounding an airport must be referred to the Airport Authority and/or the Airports Company of South Africa (ACSA) for approval.
- For the purposes of settlement planning, the standards for settlement design and development set out in the *Guidelines for Human Settlement Planning and Design* (the so-called "Red Book" compiled by CSIR Building and Construction Technology, 1998) be adopted and used in the scrutiny of relevant land developments.
 - All land developments should be undertaken in accordance with an approved Layout Plan and/or Site Development Plan. After approval, only minor deviations from the applicable plan are to be permitted
 - The National Building Regulations are applicable in all land development areas.
 - The Development Principles and Norms and Standards set in terms of Chapter 2 of the Spatial Planning and Land Use Management Act, 16 of 2013 are applicable to every land development application.

Development Nodes and Settlement proposals

No towns in SLM have been identified as major nodes on a provincial level. However, on a municipal level the different towns play important and very particular roles and local nodes with specific characteristics can be identified.

The GVA and the settlement categories developed was used to identify these nodes. Most of the GVA in the SLM is generated in Sterkspruit.

Table 41: Main Settlements, Primary Economic Base, Potential Needs and Investment Required.

SETTLEMENT	POPULATION	ECONOMIC BASE	POTENTIAL NEED	INVESTMENT TYPE
Sterkspruit	Large	Retail and commercial services	High Development Potential High Need	Infrastructure, education, entertainment, middle income housing and social facilities
Lady Grey	Medium	Agriculture and administration	High Development Potential High Need	Infrastructure (especially water), business services and social facilities
Barkly East	Small	Agriculture	High Development	Basic services, formal housing,

SETTLEMENT	POPULATION	ECONOMIC BASE	POTENTIAL NEED	INVESTMENT TYPE
			Potential High Need	industry and agro-processing
Rhodes	Very small	Agriculture	Low Development Potential High Need	Basic services, tourism, social facilities and infrastructure
Herschel	Small	Agriculture	Medium Development Potential High Need	Mixed use developments, social facilities, infrastructure and low to middle income housing
Rossouw	Very small	Agriculture	Low Development Potential High Need	Infrastructure, social and housing

The following are the proposed settlement models:

Model 1: Settlements within the Urban Edge

Development Parameters	Spatial Application	Livelihoods Base
<ul style="list-style-type: none"> Small erf sizes (300m² or less, depending on nature of development and setting). A dwelling in terms of Provincial housing parameters. Township layout. Highest <i>feasible</i> Level of Service (LOS - linked to affordability [means] of client community). Freehold title, rent-to-buy or leasehold on individual household basis. Provision of neighbourhood level services and facilities within the community. 	<ul style="list-style-type: none"> For areas located within urban edges or within the fabric of existing urban development (in-fill). Good access to high order goods, services and facilities (e.g. hospitals, commercial districts etc.). Located for integration with main commuter transport networks and tar road access. Located for integration with existing water and sanitation networks servicing the urban setting. 	<ul style="list-style-type: none"> Income generation in the informal sector through use of own skills. May have access to municipal commonage (if available). Livelihood support through small business development, or other municipal LED programmes (such as job creation programmes). Urban economic opportunities for employment in the formal and informal sector.

Model 2: Low Density Peri – Urban / Rural Village Settlement

Development Parameters	Spatial Application	Livelihoods Base
<ul style="list-style-type: none"> Erf sizes: Sizes of existing residential sites in settlements are accepted. New residential sites to have site sizes in the range of 500-1,000m², depending on local conditions and provisions of local planning processes. In new settlements, top structure support to be provided, but can be provided in follow up phase of development. In existing settlements, top structure support is optional, depending on financial availability and development priorities Settlement design options should be available for selection by community. In appropriate circumstances, can combine household/residential sites with arable allotments (i.e. larger site sizes). Township layout is one alternative. LOS likely to be lower than full urban LOS, depending on proximity to existing networks. Will 	<ul style="list-style-type: none"> New developments located in defined Rural <i>Settlement Areas</i>. Existing settlements that get prioritised to be developed within parameters as set out within this table (allowing some flexibility based on local realities and development priorities). Daily / weekly commuting for work & to existing service/facility nodes. Location of settlement and suitability of type of settlement to be related to existing infrastructure networks – i.e. base on principle of "Maximise Existing Opportunities/Build on Strengths". Access to urban centre for access to goods and services should be good but is likely to mean travel from the urban periphery. 	<ul style="list-style-type: none"> A defined objective of providing a household subsistence level based on at least the economically defined 'minimum household subsistence level'. The intention would be to support multiple livelihood options. This would include families potentially having employment in nearby farms or in close by urban employment, by participating in LED projects/enterprises on the commonage, and through access to land for small scale gardening, and access to the commonage for grazing. Specifically, this model will allow space for on-site gardens and access to grazing & arable lands (where possible) on commonage. Commonage planning needs to take account of LED opportunity development. Commonage ideally to be state/LA-owned and managed by a

Development Parameters	Spatial Application	Livelihoods Base
<p>also be impacted on by how community prioritises subsidy expenditure.</p> <ul style="list-style-type: none"> ▪ Tenure/titling options can be individual or group options (e.g. CPA or further options to be provided by CLRB). ▪ Provision of neighbourhood level services and facilities within the community. ▪ This model is seen to offer the potential to densify and develop into the urban model over time, should communities so desire. If densification occurs it must be done within parameters of improvements in LOS and access, as well as a sustainable livelihood base. 	<ul style="list-style-type: none"> ▪ Should have good public transport access but could be gravel road access. ▪ New rural settlements should avoid impacts on high potential agricultural land as far as is possible within each municipal area, taking account other spatial factors. ▪ New settlement location should not be adjacent to key agricultural enterprises (as assessed within the local context) – i.e. must be compatible with surrounding land uses. 	<p>commonage management committee under municipality guidance.</p> <ul style="list-style-type: none"> ▪ <u>But</u> access to commonage capped according to defined parameters (i.e. the objective of minimum household subsistence levels taking account the community's economic position – this practically means that communities with better alternative economic opportunities may have less commonage while more destitute communities may have more).

Model 3: Productive Farming (Small / Medium / Large)

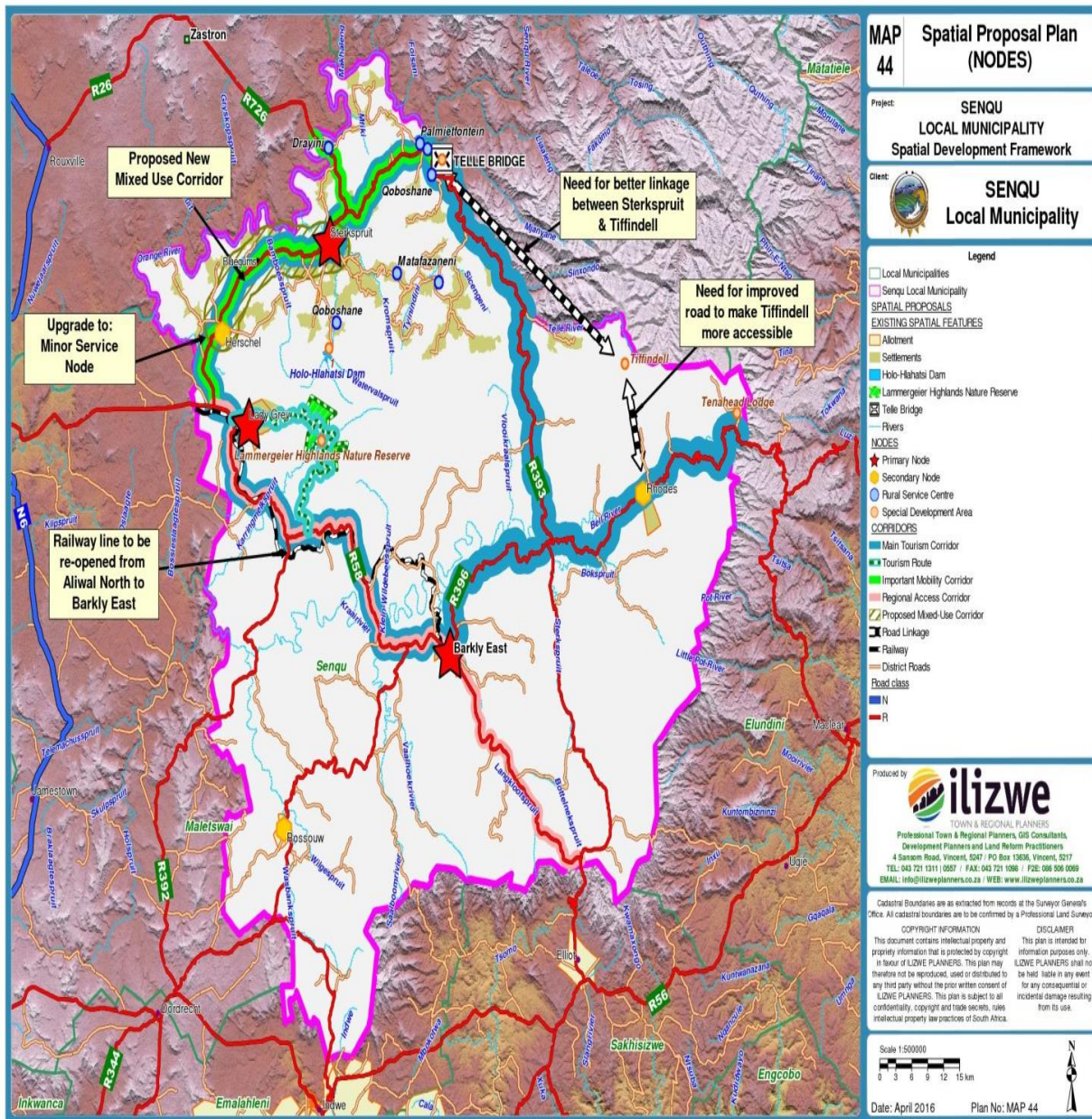
Development Parameters	Spatial Application	Livelihoods Base
<ul style="list-style-type: none"> ▪ In line with DRDLR policy framework – must meet the criteria for LRAD support. ▪ Dwelling will usually be existing farm buildings but any further development comes from LRAD grant or own contribution. ▪ Employment needs of farming enterprise determine scale of permitted settlement on-site. ▪ Infrastructure is owner's responsibility within property boundaries. ▪ Layout is based on farming operations. ▪ Individual or Group ownership (freehold/CPA or other). ▪ No provision of community services other than that usually provided in commercial farming areas (e.g. farm school service local district). 	<ul style="list-style-type: none"> ▪ Can be located on any piece of land within the Municipality. ▪ Can be located within a larger zone where special planning provision has been made for the reservation of a land parcel for productive agricultural use. ▪ Land to have established agricultural potential. ▪ Within communal areas could be on commonage or on PTO/Quitrent held land by agreement of land rights holders. ▪ Land should be able to provide water needs for households. No municipal provision. 	<ul style="list-style-type: none"> ▪ Predominately agricultural production, but households may also utilize other economic related skills or opportunities to enhance agricultural income. ▪ Business Plan for farming to set out livelihoods base for beneficiaries. ▪ The emphasis is on productive use of the land not subsistence, so beneficiaries must demonstrate an interest and skills in farming for profit/surplus.

The SDAs identified within the Senqu Municipal area are noted as follows: -

- (i) The Lammergeyer Game Reserve
- (ii) The Tiffindell Ski Resort
- (iii) Jozanna's Hoek Dam
- (iv) Telle Bridge Border post

Given the understanding that the Senqu Municipality will, in time, proceed to the formulation of a single, integrated Land Use Management System, it is proposed that the identification of Preferred Land Use Outcomes and other relevant information for each SDA will serve as a platform for a new Land Use Management System to proceed with detailing appropriate zoning and other land use management instruments, in future.

Map 2: Development Nodes



Source: Senqu SDF 2017

Table 42: Land Use Zone Policy Guidelines

LAND USE ZONE	LAND USE PERMITTED	POLICY GUIDELINES
Outside the Urban Edge Irrigation Schemes	<ul style="list-style-type: none"> Intensive agriculture New farmer settlements Small farming units Sustainable agriculture-related practices e.g. hydroponics and nurseries Agricultural industry Resort and Tourism related 	<ul style="list-style-type: none"> Agricultural Industry and Resort and Tourism-related developments may not be undertaken that would result in the complete loss intensive agricultural land. Where development applications are inconsistent with the LM SDF, the onus is on the applicant to prove, through a Strategic Environmental Assessment (SEA) and Environmental Impact Assessment (EIA), that the relevant application is consistent with the overarching objectives and directives of the SDF. New development must be undertaken with design guidelines provided by DRD&LR toolkit. Subdivided unit must be capable of sustaining productive/economic farming. Must be self-sufficient with regard to provision of services, or appropriate municipal services contribution must be determined by the Municipality.
Outside the Urban Edge Eco-Estate Development	<ul style="list-style-type: none"> Extensive agriculture Resort and Tourism related Agricultural Industry 	<ul style="list-style-type: none"> Where development applications are inconsistent with the LM SDF, the onus is on the applicant to prove, through a Strategic Environmental Assessment (SEA) and Environmental Impact Assessment (EIA), that the relevant application is consistent with the overarching objectives and directives of the SDF. New development must be undertaken with design guidelines provided by DRD&LR toolkit. Must be self-sufficient with regard to provision of services, or appropriate municipal services contribution must be determined by the Municipality.
Agri- Industry Precinct	<ul style="list-style-type: none"> Industrial activities related agri-processing. Industrial activities that provide support to the agri-processing and the agricultural community. Service centres for agricultural industry. 	<ul style="list-style-type: none"> Must be undertaken in accordance with site-specific design and planning guidelines. All industrial activities must be regulated and managed in accordance with sustainability standards (e.g. ISO 14001). Where development applications are inconsistent with the prescribed uses, the onus is on the applicant to prove, through the undertaking of an Impact Study, that the relevant application is consistent with the overarching objectives of the SDF. New development must be undertaken in line with the agri-Industry Precinct Development Plan.
Industrial Precinct	<ul style="list-style-type: none"> Industrial activities related beneficiation, storage and transport. Light industrial. 	<ul style="list-style-type: none"> New development must be in line with the Industrial Precinct Development Plan. New developments must be undertaken in accordance with site-specific design and planning guidelines. All industrial activities must be regulated and managed in accordance with sustainability standards (e.g. ISO 14001). Where development applications are inconsistent with the prescribed uses, the onus is on the applicant to prove, through the undertaking of an Impact Study, that the relevant application is consistent with the overarching objectives of the SDF.
Extractive Industry	<ul style="list-style-type: none"> Industrial activities related extraction beneficiation, storage and transport. Heavy industrial. Mining 	<ul style="list-style-type: none"> Must be undertaken in accordance with site-specific design and planning guidelines. All industrial activities must be regulated and managed in accordance with sustainable standards (e.g. ISO 14001) Where development applications are inconsistent with the prescribed uses, the onus is on the applicant to prove, through the undertaking of an Impact Study, that the relevant application is consistent with the overarching objectives of the SDF.
Central Business District	<ul style="list-style-type: none"> High intensity, mixed land uses including business, community facilities and social services. High density residential development. 	<ul style="list-style-type: none"> New developments must be in line with the CBD Precinct Development Plan. If the CBD Precinct Development Plan has not yet been developed new developments must be in line with the following guidelines: <ul style="list-style-type: none"> All developments must contribute to high quality public environment. Large parking lots adjacent to streets should not be permitted. Buildings should be placed as close to street boundaries as possible to facilitate pedestrian movement and to define and shape the public space. Land uses on the ground floor of buildings must have an extroverted public façade (e.g. shops, restaurants etc.).

LAND USE ZONE	LAND USE PERMITTED	POLICY GUIDELINES
		<ul style="list-style-type: none"> Site layout and building designs must take cognisance of and support public transport, cyclist and pedestrian movement. Where development applications are inconsistent with the prescribed uses, the onus is on the applicant to prove, through the undertaking of an Impact Study, that the relevant application is consistent with the overarching objectives of the SDF.
Mixed Use	<ul style="list-style-type: none"> Business Offices Community facilities High density residential 	<ul style="list-style-type: none"> New developments must be undertaken in line with the following design guidelines: <ul style="list-style-type: none"> All developments must contribute to high quality public environment. Large parking lots adjacent to streets should not be permitted. Buildings should be placed as close to street boundaries as possible to facilitate pedestrian movement and to define and shape the public space. Land uses on the ground floor of buildings must have an extroverted public façade (e.g. shops, restaurants etc.). Site layout and building designs must take cognisance of and support public transport, cyclist and pedestrian movement. Where development applications are inconsistent with the prescribed uses, the onus is on the applicant to prove, through the undertaking of an Impact Study, that the relevant application is consistent with the overarching objectives of the SDF.
Low Density Residential	<ul style="list-style-type: none"> One dwelling per erf. Other uses supporting residential areas such as schools, churches and other community facilities. 	<ul style="list-style-type: none"> New developments must be undertaken with design guidelines provided in DRD&LR toolkit. Where development applications are inconsistent with the prescribed uses, the onus is on the applicant to prove, through the undertaking of an Impact Study, that the relevant application is consistent with the overarching objectives of the SDF.
New Residential Extension	<ul style="list-style-type: none"> Low and medium-density. Other uses supporting residential areas such as schools, churches and other community facilities. 	<ul style="list-style-type: none"> New developments must be undertaken with design guidelines provided in DRD&LR Toolkit. Where development applications are inconsistent with the prescribed uses, the onus is on the applicant to prove, through the undertaking of an Impact Study, that the relevant application is consistent with the overarching objectives of the SDF.

Spatial Proposals

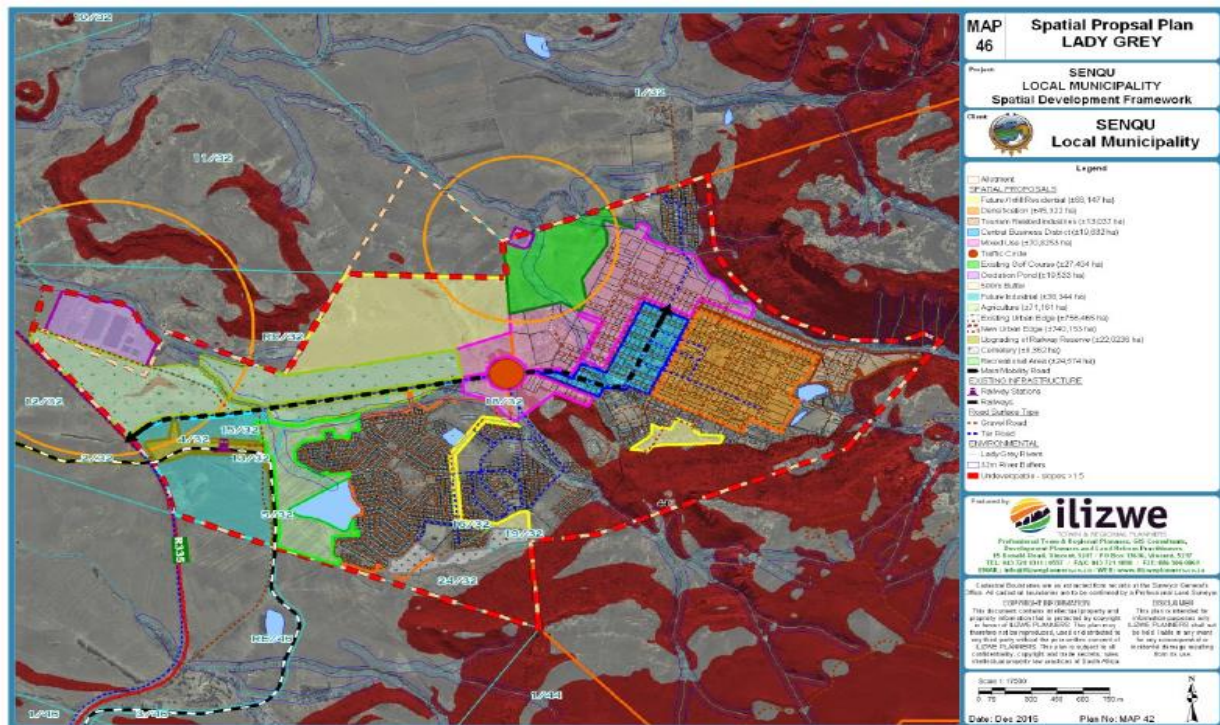
The logic in developing a Spatial Proposals Plan for Lady Grey has been guided by the administrative centre for SLM. In the SDF the following attributes of the town are acknowledged:

- Administrative centre;
- Availability of industrial land;
- Development potential of the river frontage;
- Development potential of existing railway infrastructure;
- Places of historical interest exist. (Heritage sites)
- Potential for tourism, mountain biking, hiking and various other

The land use situation in Lady Grey reflects a typical apartheid fragmented town, with a clear distinction between the former white area in town and the township of Khwezi of town. The spatial logic and SDF plan reflects the following:

- A lot of the land that lies east of Lady Grey is mountainous and steeply sloped thus there is little development that can happen in this area. Most of the land which offers better topography and is more economically feasible to develop is located on the west and north side.
- North of Burnet Street is an area which has been earmarked for future low and medium residential development. A small piece of this land however falls within the 500m buffer area of the oxidation pond.

Map 3: Lady Grey Spatial Proposal Plan



In the next 15-20 years it is foreseen that Lady Grey will grow substantially as it is the administrative centre of the municipality and this role will become more pronounced over in the future. Provision has been made for densification in the township of Khwezi Naledi and future expansion. The future growth of Lady Grey will also allow the railway station to become more and more of a priority to invest in so that more people choose railway transit as their preferred transport option.

Existing tarred roads are indicated as the blue dotted lines, whereas the gravel roads are indicated as the red dotted lines. The main mobility route is indicated as the black dotted line, this road is the main road allowing access into, through and out of Lady Grey. Mobility or activity streets are also proposed along the main roads in order to promote movement/ trade and improve linkages. This is also dependent on the upgrading and maintenance of Cloete Street which can potentially become an important mobility/activity street in future.

LADY GREY: SPATIAL LOGIC

The spatial logic around Lady Grey has been mainly informed by the existing spatial structure and the foreseen growth over the next five to fifteen years. Lady Grey houses the municipal offices, thus there is opportunity for growth in the administrative sector and government offices in this town.

The following two major nodes have been proposed for Lady Grey:

Transport Node

The first node is a transport node and is located at the intersection of Brummer Street and the access road to Khwezi-Naledi. The potential for long distance transport and economic activity (informal and formal) at this intersection is currently not realised. It has a huge potential to become an open market which sells locally manufactured products, vegetables and fruits. This proposed transport node is located at an ideal locale as it is also near the train station. Although the train station is currently underutilized a Joe Gqabi District Municipality Spatial Development Framework and the Comprehensive Infrastructure Plan both aim to reinvigorate railway transportation and divert investment into upgrading of rail infrastructure for the purpose of passenger commuters, this is also echoed by provincial and national policy documents.

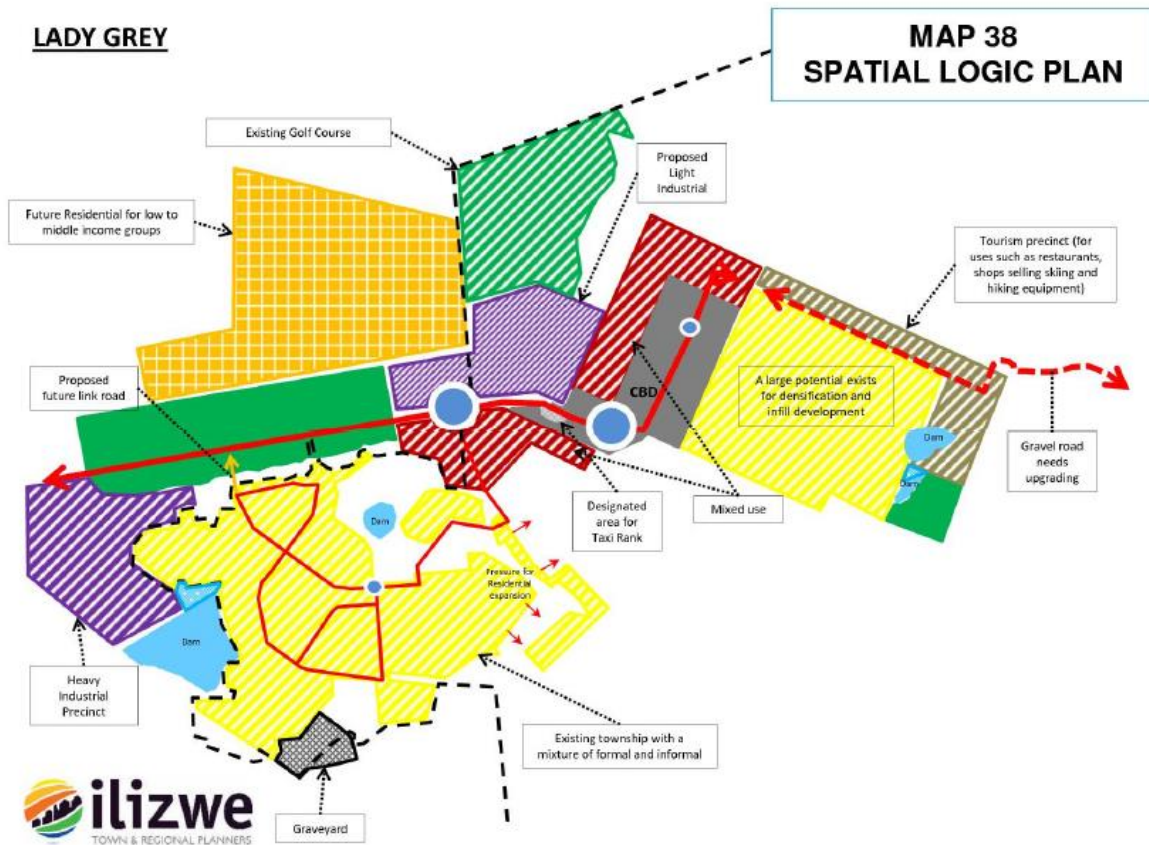
Economic Node

The second proposed node in Lady Grey is an economic node located in the central business district. It is along Brummer Street which is the main road. This node should cater for business uses and other related high order services. Retail stores which receive bulk deliveries via heavy trucks should not be encouraged to operate along this main road, in cases where they already received from back roads or lower order roads and not along the main road as this will cause congestion because of the huge delivery vehicles.

Minor Nodes

Two minor nodes are proposed in Lady Grey:

- The first is at the intersection of Burnet and Cloete Street. This node is to cater for financial services providers such as banks, loan, life insurance and investment related services. Another aspect of this node is restaurants, bars and hotels, this location will be ideal as it is close to the CBD but also a bit further away from the hustle and bustle associated with the core centre of town.
- The second proposed node is in Kwezi as per the map below



Proposed Land Uses

In the Kwezi-Naledi Township, the eastern suburbs are areas that have a large potential for residential densification. It is proposed that certain areas are densified. This can be done by building block flats which will allow for cheaper accommodation. This will allow for a transport system with more viable routes and will stimulate small local businesses at the minor node and at the transport node.

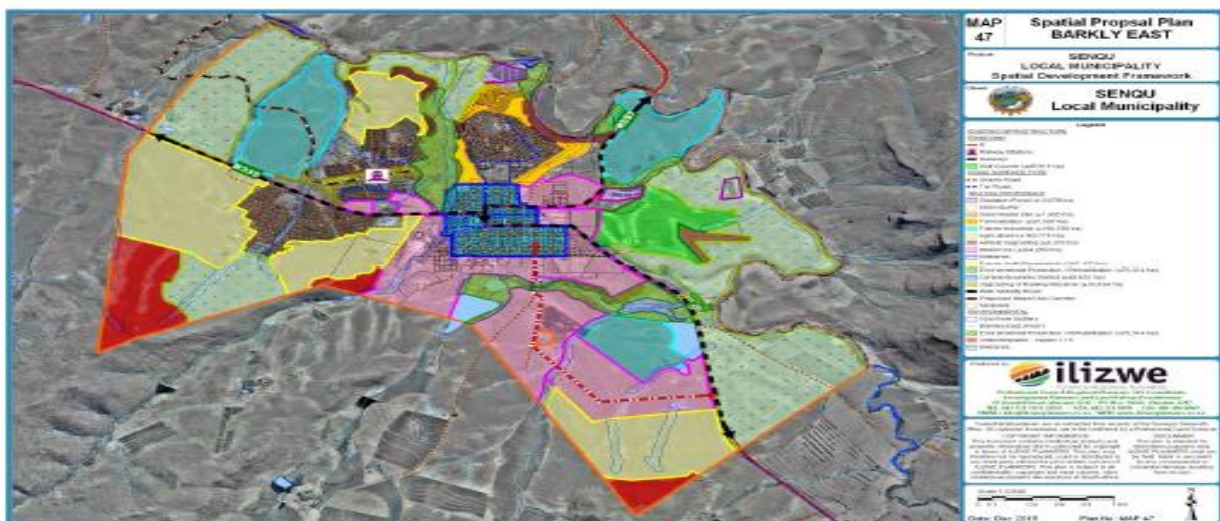
Mixed use developments are encouraged in the outer CBD. These mixed-use developments may cater for mixed use of apartments on upper levels of buildings and shops at the ground level, hardware stores, offices, retail stores, clothing store etc.

The tourism precinct in the eastern side of the town is strategically located on Cloete Street; this street feeds into the gravel road along Joubert's Pass which is known for its spectacular views, hiking trails, stone bridges and historic sites. The tourism precinct may be allowed to house shops which sell hiking equipment, sports gear, river rafts, mountain climbing equipment and other outdoor merchandise. Lastly, the JGDM agri-park has been planned for Lady Grey. An ideal location would be at the location to Lady Grey at the Industrial Park.

BARKLY EAST: SPATIAL

In Barkly East the main spatial element which has guided planning and future development have been the three access roads which leave Barkly East in a northerly, southerly and westerly direction. Barkly East has an existing potential for industrial development and agricultural production. This potential can be exploited in an economically beneficial and sustainable manner. Coupled with the fact that Barkly East is also scenic and boasts beautiful scenic routes it has the potential to do well in agribusiness, agro-processing and agri-tourism.

In the plan below, it is proposed that the town have three future industrial precincts, the largest is located along the R58 and through it runs a railway line. This is particularly advantageous because goods can either be transported on the road and in the medium term when the railway lines are being upgraded and become more functional the industrial and agribusiness sector can develop exponentially. Adjacent to the proposed industrial precincts are large tracts of land earmarked for agricultural production and processing. These agricultural precincts should only be utilized to farm crops and organic products and should not be used for farming livestock. Livestock farming can take place outside of the urban area. Proposed residential developments are located in close proximity to the proposed industrial and agricultural precincts. This will allow for the mainly unskilled and semi proximity to their places of work.



BARKLY EAST: SPATIAL LOGIC

The spatial logic of Barkly East has been guided by the calculated assumption that there will be less growth of high order economic services; however more growth is foreseen in the agro agri-business, agritourism and the industrial sector of the towns economy. When compared to Sterkspruit and Lady Grey, Barkly East plays a slightly different role in that it has the potential to become SLM's bread basket and industrial hub.

Industry and Agribusiness

Barkly East has the potential and needs to develop a chain of industries or sectors directly and indirectly involved in the production, transformation and provision of food and fibre consumables. This entails a diverse but also focused array of activities of which most are commonly JGDM towns. These industries will be accommodated within the future industrial precinct shown on the plan below. Barkly East also has a country side feel to it and has the potential to support Agritourism.

Geoparks is a relatively new concept where the original idea of a natural park is extended to also include culture, environment, heritage, and the wellbeing of its residents. UNESCO drives this concept internationally and the JGDM could have the first Geopark in Africa if they decided to follow the recommendation made in its report.

Urban Edge

The urban edge of Barkly East is proposed to stay as it currently is, this is because there is a large potential within the town's boundaries to densify residential development and there is room to upscale the industrial activities which are currently in existence in this town. Barkly East has vast farmlands which have the potential to produce crops as well as farm livestock, especially cattle and sheep. The commonages need to be managed well in order to make maximum use of the available land within the town's allotment area.

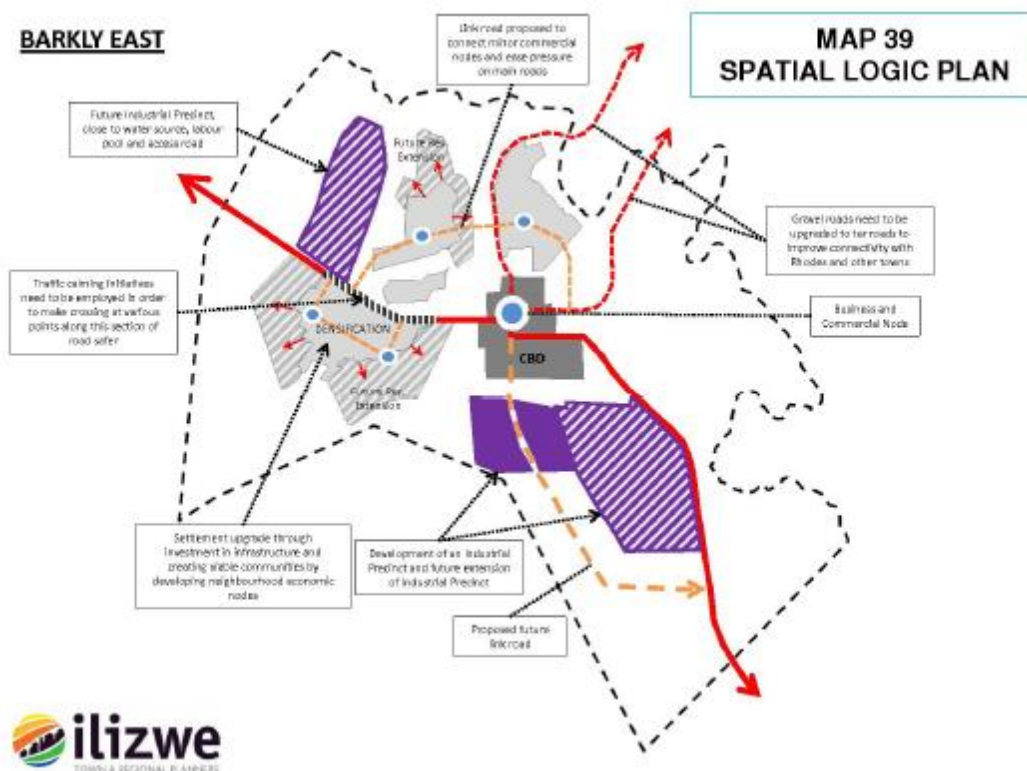
Linkages and Access

The main access routes into and through Barkly East are the R58 and R396. The R396 however is a gravel road which needs to be upgraded to a tar road in order to improve connectivity between Barkly East and Rhodes.

Proposed loop roads are represented on the plan by the orange dotted lines, these proposed roads will take the pressure off the main roads as this town grows. A major link road is proposed to run from the CBD through the proposed industrial precinct and will join onto the R58. This proposed road will allow for goods vehicles, trucks, tractors and other heavy vehicles to access the without causing congestion on the main roads in and out of Barkly East.

Other spatial development features that need to be noted include:

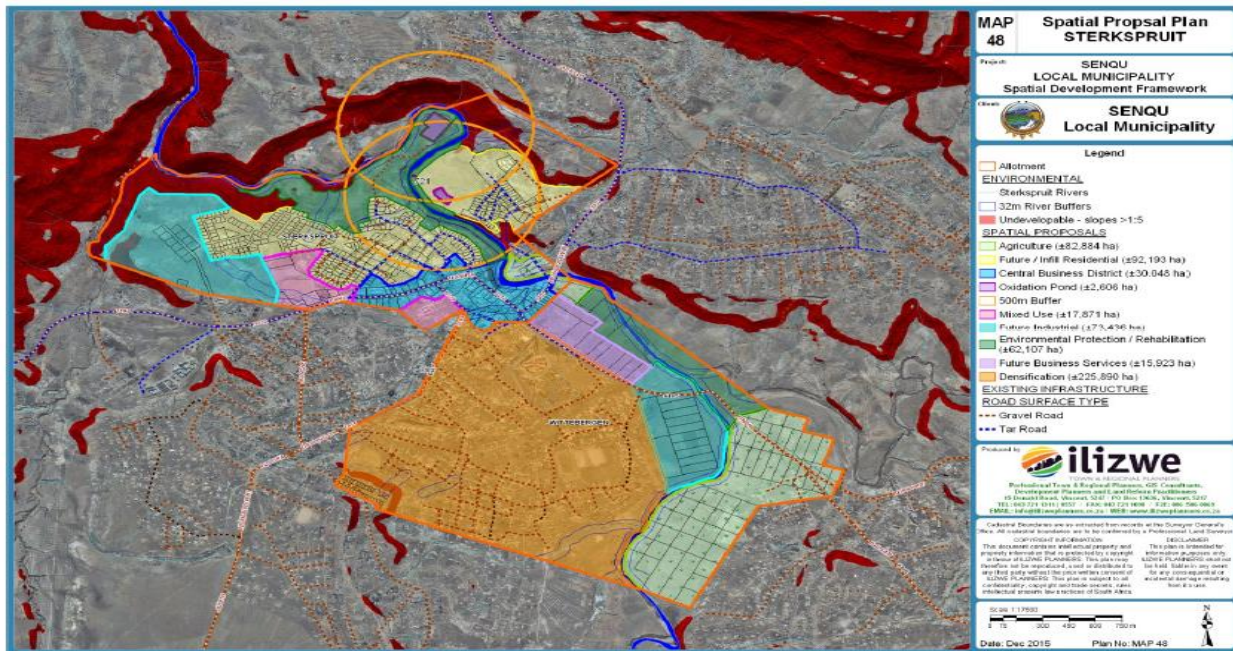
- Public open space identified areas are to be upgraded
- There is intensive small-scale agriculture that should be retained
- Neighbourhood Nodes are earmarked for upgrading and development
- There is a buffer zone around the dam area (open space corridor)
- A mobility street that provides linkages through the settlement



STERKSPRUIT: SPATIAL

The spatial proposals suggested in the plan below are respondent to the spatial issues which have been identified. The Spatial Proposals Plan has been moulded and guided by the following structuring elements:

- The Sterkspruit River
- The major roads
- The current spatial



Environmental Rehabilitation

It is proposed that in order to rehabilitate the Sterkspruit River there needs to be a radical change in land use in certain areas which are close to the river. It is proposed that in areas is indicated on the plan, that this land be used in a manner that will not cause pollution of the river.

Planting of trees, creating park areas, boardwalks etc. can be built or encouraged in such areas in order to promote the protection of the environment. These areas can also be used to host events, indabas and expo's which promote sustainability, green living, renewable energy etc. The environmental rehabilitation areas are in close proximity to the oxidation ponds and some of the area in which they fall within is the 500m buffer where no residential developments are encouraged. The rehabilitation areas also help to act as a buffer around the oxidation ponds.

Agriculture

Agriculture is a very important part of the rural economy and thus needs to be accommodated and promoted within the spatial extent of the town. The majority of land earmarked for agricultural purposes is located in the south eastern corner of the plan and was previously land set aside as quitrents. This agricultural precinct can develop into a packaging and processing plant as well.

Future Residential/ Infill Development

Sterkspruit has a large number of settlements around it, however the densities are lower than one would expect. In order to curb urban sprawl and fragmentation it is important for the municipality to develop a

densification strategy for Sterkspruit as well as the surrounding settlements. A densification strategy can include but is not limited to the adoption of different and developing housing typologies, this can range from semi-detached housing to block flats in some areas.

Industrial Precincts

There are two industrial precincts that have been proposed, the first is an existing proposal from the previous SDF and a new one is proposed to the south east of the plan. The new proposed precinct is situated close to the agricultural precinct and along the main road, which is to be upgraded into a tar road in the future. This will allow for fresh agricultural product to be processed, packaged and made ready for shipping.

Future Offices and Business Services

Sterkspruit Plaza is a mall located on the main road; this mall has had the catalytic effect of drawing more and more investment into the eastern parts. In the years to come even more investment is foreseen in this direction. This is why it has been proposed that an area of land be set aside for the accommodation of business and financial services uses, as well as offices for professional services.

Mixed Use Development Clusters

Mixed use development precincts are proposed along the main road (R392). These mixed-use clusters can accommodate retail shops, clothing stores, small scale manufacturers etc. The mixed-use clusters extend all the way through the town and join the major mixed-use activity corridor proposed between Sterkspruit and Herschel.

STERKSPRUIT: SPATIAL LOGIC

The spatial logic which has informed the development of the plan below has been mainly the fact that Sterkspruit is the economic hub of SLM. Sterkspruit also has to accommodate a large amount of people from the surrounding rural and peri urban settlements which come to buy goods and services in the town. Hence, a great deal of thought has and still needs to go into the movement system in and around Sterkspruit with regard to pedestrian and vehicular traffic.

The following spatial trends and issue

- The historical legacy has left a glaring scar in the spatial structure of Sterkspruit: it is clearly obvious that no planning was done in the early development of this town in comparison to Lady Grey and Barkly East, which are traditionally so called white towns
- A lack of middle income housing in general, but also a lack in the variety of available housing;
- Infill planning and development is possible within the allotment area;
- There is opportunity for extension of the CBD and a

- There are limited business land uses;
- There is a lack of agro industry as well as other industries/manufacturing considering the Sterkspruit River water source as well as proximity to labour and the existing road network
- Absence of a coherent spatial structure to the location of public facilities.
- Lack of access roads into the informal settlements hindering access for ambulances, fire engines, police cars and refuse trucks;
- There is a range of land uses within the allotments with the municipal commonage being the largest land use followed by residential land uses;
- Accessibility and movement is adequate for the most part but traffic and pedestrian congestion on the main roads becomes very problematic during peak hour and on certain days of the month;

Existing Traffic Issues

The traffic congestion situation in Sterkspruit needs urgent attention. Currently the CBD of Sterkspruit, as depicted below, becomes very congested during peak traffic hours. Traffic moves very slowly along the main road, below is a list of some reasons why traffic becomes congested:

- A large number of pedestrians who use the road's shoulder and not the sidewalk.
- Haphazard development of the taxi rank and the lack of co
- No dedicated turning lanes at the traffic lights on the R392.
- Vehicular and pedestrian conflicts due to:
 - Pedestrians within the roadway. Some pedestrians still choose to walk on the roadway as opposed to the newly revamped sidewalks.
 - Roadway easier to push trollies on as opposed to the sidewalk.
 - Frustrated motorists that have experienced excessive delays due to the traffic congestion do not want to wait for crossing pedestrians.
 - Hawkers use up much of the area dedicated to the movement of pedestrians
- Limitations in the detailed planning/designs of the town, including:
 - The physical barrier created between the settlements south of the Sterkspruit River and the surrounding settlements to the north movements.
 - A lack of detailed short, medium and long-term solutions to address the traffic situation in the CBD and surroundings.

Development Trends

Sterkspruit is the economic hub of SLM and thus needs to provide more opportunities for people to gain meaningful employment within this town. Sterkspruit also caters for a lot of people coming from smaller towns who can only access certain goods and services here. Thus, the future development of Sterkspruit needs to

be along the lines of meeting the needs of consumers whilst at the same time providing economic opportunities for the locals to gain employment and creating a conducive environment for doing business.

Spatial provision has been made for the future expansion of the CBD further south of the current CBD, as indicated on the plan. Provision has also been made to the east of Sterkspruit Plaza to accommodate retail, offices, banking services and other related land uses. Further down the main road, onto the gravel road is an area which is currently underutilised and has the potential to becoming economically productive land, it is thus proposed that the gravel road be upgraded to tar and mixed-use precinct be developed in order to encourage more businesses to invest in the local economy. Immediately adjacent to the mixed-use precinct is the proposed industrial precinct. The industrial precinct is relatively close to a number of residential settlements which will supply a labour pool and provide people with job opportunities within close residence.

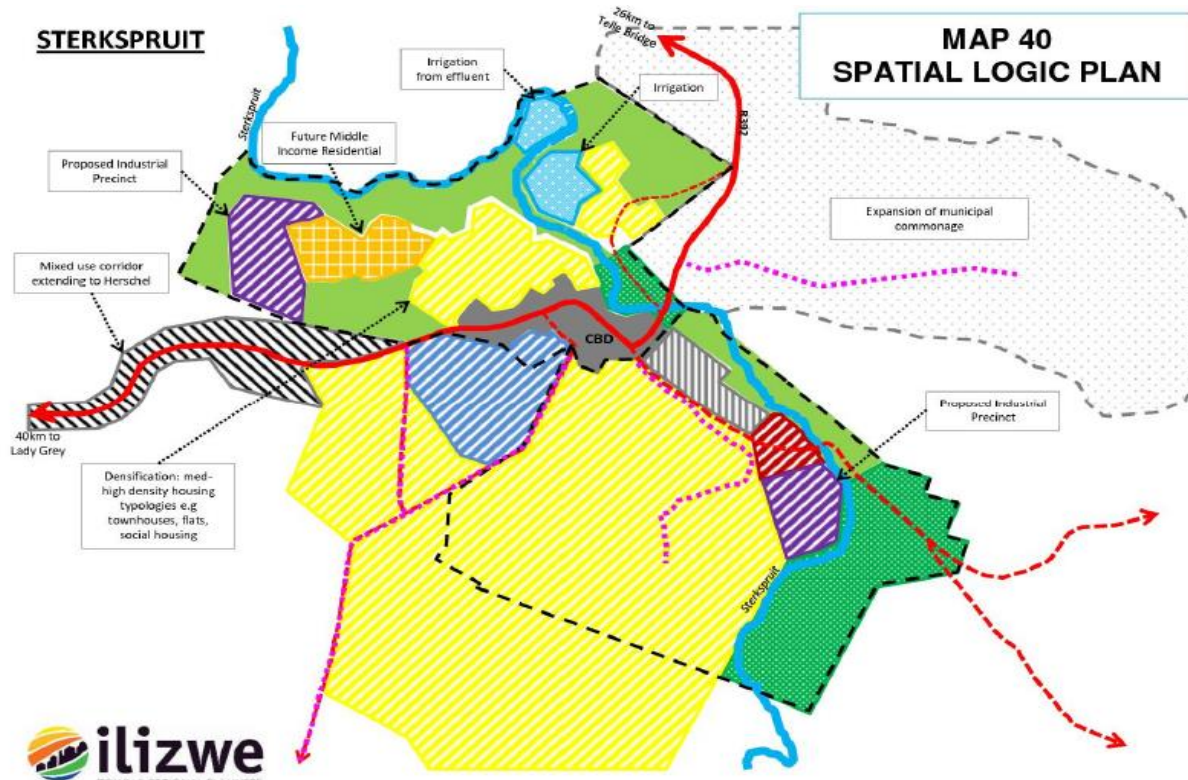
As per the plan below as well as the previous SDF, land has been allocated for industrial purposes. This land is currently being unlawfully invaded by people and structures have already started being built. The municipality needs to work speedily to address this issue before it spirals out of control.

Residential Development

The land grabs which took place in Sterkspruit have had a detrimental effect on the settlement planning process which had already taken place. The situation needs to be dealt with speedily and efficiently as this land is ideal for the development of mixed income housing. As per the plan below and the previous SDF there has been land which has been earmarked for middle income as well as low-income housing.

Mixed Use Corridor/ Activity Spine

A mixed-use corridor is proposed between Sterkspruit and Herschel with a focus on reinforcing and supporting the current nodes and the linear development between them. Such linear development should allow for land use and transportation to support each other and improve the efficiency of the public transport system and the infrastructure network. This corridor will also allow for many of the settlements along the R392 to have access to retail services without having to travel to the Sterkspruit CBD. The corridor will not only ease the pressure of pedestrian and traffic congestion but it will also allow for employment opportunities for those who live along this route. This proposed corridor beautifully encompasses the principles of nodes and corridors talked about in many spatial planning policies.



Land Tribunal

Senqu Municipality decided to join the District land tribunal but this was never convened. The Municipality has therefore decided to form a joint tribunal with Elundini Municipality. The tribunal has yet to be constituted.

Human Settlement

The housing backlog in the Senqu municipality is determined as 10 761 with 1 752 in the urban area and 9009 in the rural area (Housing Sector Plan HSP 2013). The plan is in the process of being reviewed. There are no military veterans on the Department 's database for Senqu. The quantified housing demand is based on information from the 2001 Census, 2007 Household survey and DWA Structure count and can be summarised as follows:

Table 43 Housing demand

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

Source: StatsSA, 2007

To deal with the housing challenge, the Department has implemented the following projects:

- Sterkspruit 4000 units

- Barkly East 298

The table above does represent a true picture of the informal settlements in the area. (HSP 2013). The number of child headed households from the 2007 census is probably overstated but it is a good indication. The housing section of DTPS maintains a housing demand schedule based on information received from Ward councillors.

Census 2011 indicates that 70 % of households live in a formal dwelling and 68.5 % own their own dwelling.

Table 44: Formal and Informal dwellings

% Formal Dwellings		% H/Holds Owned	
2001	2011	2001	2011
71	70.2	68.2	68.5

Source: StatsSA, 2011

Table 45: Types of main dwelling

Municipality	Formal dwellings			Informal dwellings			Traditional dwellings		
	1996	2001	2011	1996	2001	2011	1996	2001	2011
Joe Gqabi	38962	50714	58957	4261	5940	4150	27224	28029	33987
Senqu	17245	24053	26718	1441	1498	1920	9063	8323	9066
EC Total	620970	762575	1065849	145038	166423	130405	522647	549204	476314

Source: StatsSA, 2011

The majority of residents live in formal dwellings whilst the amount living in traditional dwellings remains constant. There has however been a growth in informal dwellings.

Table 46: Type of ownership

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

Source: Statsaa, 2011

The Municipality is in the process of developing a land GIS which should be in place after May 2019 and will then be updated by the the Town Planner. All services available on land (erven) are held by the Finance department. The social viability and amenities of settlements is determined by the Department of Human

Settlement in conjunction with the Municipality as settlement plans are drawn up per settlement as the municipality only acts as an agent. There are no blocked projects in Senqu.

Land Tenure & Demand for Land

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

The rest of the area is either freehold tenure in the former RSA towns or commercially owned farmland. 1712 ha is under communal tenure and 5000 under commercial farmland (JGDM ABP 2010). The major challenges experienced in the area are land invasions of municipal owned or state land. This is due to lack of land being offered for sale and people being unable to afford land but wishing to be closer to prospective employment and urban amenities in the urban areas of Barkly East and Lady Grey. In the smaller rural hamlets of Rhodes, Rossouw and Herschel, people are invading land and building informal settlements in order to move closer to urban amenities or receive RDP housing.

The area-based plan of JGDM 2010 states that the need for land for arable land and grazing has decreased in rural areas and changed to a need for land for residential sites. The main issues in rural areas are farm workers looking for security of tenure, clarification of land tenure in communal areas, certainty of land rights where they overlap and lastly the firm establishment of women's rights. In urban areas, the need is for residential sites and services, upgrading of informal settlements and tenure security (JGDM ABP, 2010).

The SDF has identified land in all towns for future housing developments. A land audit has been undertaken by the Housing Unit which is credible.

Land Redistribution

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

In addition, the Department must look at the variety of land needs and tenure and formulate appropriate responses, The ABP advocates redistribution occurring along the R 58 and tenure reform around the R 392 where there are immense struggles created by overlapping land rights. This affects development in the area as much time is spent trying to ascertain who owns the land rights. An example of this is the housing project in Herschel where the project was delayed due to land right disputes.

Land Invasions & Administration

Land invasions are becoming increasingly prevalent especially in Sterkspruit and Herschel. The municipality is in the process of updating its current land bylaws and serving notice on all land invaders. Signs warning against land invasion have been erected. In addition, the municipality has taken persons to court over land invasions and fenced off areas of potential invasions. Municipal outreaches and roadshows have constantly outlined the problems created by land invasions and warned residents against it. The Municipality has also held many meetings with traditional leaders around land issues and is utilising the NDPG funding to consolidate settlements around Sterkspruit to ensure that communities can receive title deeds.

Migration

About 84 % of people in Senqu had lived in the same dwelling for at least 5 years before the 2007 Survey. Almost 5 % had moved into their dwelling in the previous 5 years (HSP 2011). Most of those who had moved, moved from another location in the Eastern Cape province. About 627 people moved from Gauteng to Senqu and 205 moved from the North-West Province. 175 of the people moving into Senqu came from outside of South Africa. The municipality has no migration plan in place and does not feel that it is a necessity due to the limited number of migration and informal settlements. The current housing delivery is meeting the demand.

Settlement Type

Almost 80 % of residents live in tribal settlements and 6.2 % on farms. Just over 10 % live in urban settlements and 3.7 5 in informal settlements (StatsSa, 2011). 14.3 % live in urban areas and 85.7 % in non-urban areas (Statsaa, 2011). The table 30 below from the 2013 Housing plan indicates how households are divided.

Table 46: Settlement types

Dwelling	Dwelling type		Av. no of rooms	Av no of people
	Count	Col N %	Mean	Mean
House or brick structure on a separate stand or yard	21 381	60.9%	3.8	4.0
Traditional dwelling	10 783	30.7 %	2.3	3.7

Flat in a block	948	2.7 %	2.9	2.4
Town house	129	0.4 %	3.5	2.0
Flat in back yard	0	0 %	-	-
Informal dwelling in backyard	410	1.2 %	2.1	3.3
Informal dwelling not in backyard	1 231	3.5 %	1.3	2.6
Room/flat let on shared property	34	0.1 %	5.0	2.0
Caravan or tent	41	0.1 %	4.0	5.0
Private ship or boat	0	0%	-	-
Worker hostel	65	2 %	1.0	5.0
Other	33	2 %	4.4	6.5
Total	35 105	100 %	3.2	3.8

Source: Senqu Housing Plan 2013

Informal Settlements

There are 216 informal communities. The table below indicates the ones where registration of beneficiaries has begun.

Town	Informal Settlement	Registered beneficiaries
Barkly East	Zola	78
	Ezinyoka	169
	Enkanini	193
	Fairview	
Lady Grey	Emikhikhwini	145
	Reliweni	179
	Top Location	101
	Phantsi Kwesikolo	93
	Pollar Park	46
Rhodes	Zakhele	81

Capacity to manage housing delivery

The Municipality does not have an accredited housing department. In terms of the Standard Charter of Accounts (SCOA) the Municipality has absorbed the staff into the directorate Development & Town Planning

Services It is looking at accreditation and in the meantime the Municipality will play its role in managing housing beneficiaries as well as identifying and allocating land and prioritising municipal services for identified areas.

Land Potential & Constraints

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

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

Analysis of Housing Need

The housing backlog is based on that of the CSIR IDEA 2000 concept based on the 1996 census. This is seen as the most accurate of the housing backlog. The housing backlog is determined as 10 761 with 1 752 in the urban areas and 9009 in the rural area (HSP 2013:31).

Table 47: Housing needs

INSTRUMENTS	OUTCOME & TARGETS			OTHER
	Rural	Social & Rental	Informal Settlements	Child Headed H/Holds
TOTAL	8 340	381	1 641 (3 200)	566
Rural Housing				
Social & Rental				
Incremental				
Financial				

Source: HSP 2013

Around 10 771 households in Senqu presently live within rural, rental or informal structures and earn below R 6 400 per month per household. It is realistic to assume that this represents an indication of the number of

households that are eligible from an income perspective for a housing grant. Of the above total of 10 7771 households, 10 287 earn below R 3 200 per month, which makes them eligible for the full subsidy amount.

Over 60 % reside in brick structures which indicates that urbanisation is occurring and that towns are providing a space for temporary residents which is indicated by the growing number of rental accommodation. The presence of 381 households residing in informal flats and backrooms indicates a clear demand for rental accommodation in urban areas. The 1 272 households residing in informal settlements clearly indicates a demand for informal settlement upgrade or rental housing. The rural settlements around Sterkspruit have shown significant densification due to influx into the urban area with large numbers of informal structures being erected. It is estimated that approximately 2 900 structures require formalisation. There are currently 566 child headed households (Senqu HSP, 2013:37).

Land Requirements for Future Development

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

Parcels of land for future housing needs have been identified around the towns of Sterkspruit, Barkly East and Lady Grey. The land identified in Sterkspruit is near the ESKOM development and near the area identified for light industry. Unfortunately, the area has been invaded and a court interdict provides against any future development until the dispute is resolved. The area is not serviced with any infrastructure apart from Rhodes.

In Barkly East, an area of the commonage near the old rehabilitated solid waste site has been identified for future development as well as land near the entrance of town. The land is not serviced. In Lady Grey, the area near Kwezi-Naledi has been identified for development. The areas are at the back of the current township and is not yet serviced.

Challenges

- **Demand for land.** There is a huge demand for middle to lower income houses in Lady Grey, Barkly East and Sterkspruit yet no land is demarcated and available for future development in these areas. The available sites are not serviced. In addition, much of the land for development falls outside municipal boundaries and under the jurisdiction of traditional authorities with communal land tenure. The

municipality is busy negotiating with traditional authorities to include all the surrounding villages into Sterkspruit municipal boundaries.

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

Interventions

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

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

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

Housing Sector Plan. The Municipality is budgeting to undertake and review the current housing sector plan.

Projects

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

Table 48: Housing Projects delivered

Description	Subsidies	Approval date
Herschel- Orangefontein	200	29 Sept 1995
Barkly East	511	1 August 1997

Lady Grey – PHP	1000	20 Feb 2001
Herschel R/land Phase 2	7000	30 November 2001
Lady Grey Hillside	608	29 July 2004
Lady Grey Existing Houses	50	26 April 2007
Lady Grey Hillside	397	27 June 2008
Barkly East	802	13 July 2009
Rhodes rectification	25	13 July 2009
Lady Grey Edgar	194	28 August 2009
Lady Grey Edgar	194	28 August 2009
Lady Grey Edgar	194	28 August 2009
Barkly East	802	30 September 2010
Rhodes	250	15 July 2011

Table 49: Future Projects

Project Type	Project Name	No of units	Budget	Implementing Agent
Integrated Residential Development Programme	Sterkspruit	4 000	ECDOHS	ECDOHS
Integrated Residential Development Programme	Sterkspruit Mid-Income	500	ECDOHS	ECDOHS
Integrated Residential Development Programme	Sterkspruit rental stock	500	ECDOHS	ECDOHS
Community Residential Unit	CRU Pilot		ECDOHS	ECDOHS
Integrated Residential Development Programme	Barkly East mid-income	500	ECDOHS	ECDOHS
Integrated Residential Development Programme	Barkly East rental stock	500	ECDOHS	ECDOHS
Integrated Residential Development Programme	Barkly East	298	ECDOHS	ECDOHS

Source: Senqu HSP 2013

Health Services

Current Situation

Senqu Health Sub-District consists of 4 hospitals (Cloete Joubert in Barkly East, Lady Grey Hospital, Mlamli and Empilisweni in Sterkspruit), 20 fixed clinics, 1 Satellite clinic, 8 Mobile clinics, 5 health posts and 2 community-based services in Sterkspruit and 1 in Barkly East serving all the farms at Senqu. **The Lady Grey Hospital is currently in a bad state with much of the hospital unusable due to a ceiling collapse.** A nurses training college Lilitha was opened at the Empilisweni Hospital in Sterkspruit in 2014. A large number of people in Senqu remain without access to healthcare, as there are few mobile services in the areas of Sterkspruit due to the dilapidated state of the road infrastructure. The Rossouw area is currently served by the mobile clinic of the NGO- Donald Woods Foundation which has a contract with the Department of Health. The Donald Woods Foundation provides much of the necessary health care and primary health care information for farm workers in the Barkly East area. It is hoped that this agreement will continue.

In Ward 2 the application for construction of a new clinic is in the priority list at head office because the clinic is too dilapidated for renovations. Dental services are available at Empilisweni Hospital. Applications have been submitted for construction of new clinics at N dofela, Esilindini, Khiba villages and the renovation of clinics: Musong, Pelandaba, Herschel and Esilindini.

Challenges

- **Poor infrastructure** – The road to Mlamli – a major hospital is in a very bad condition. Poor maintained gravel roads, lack of or limited water, sanitation, electricity and communication systems, poorly maintained health care buildings, health care equipment and nurse accommodation frustrate health delivery. Empilisweni and Lady Grey both require major renovations in order to make the hospitals safe and usable.
- **Inadequate budget**
- **Inability to attract and retain** health professional staff. There are a high number of staff vacancies
- **Inadequate Mobile and emergency services.** There are not enough ambulances to serve the whole area.
- **No 24-hour PHC facilities**
- **Poor quality of service delivery** – long queues and demotivated, overworked and uncaring staff - drugs and essential clinic supplies not available
- **No Road signs to clinics**

Interventions

- **Committed** Professional staff
- **Good community participation** structures do exist
- **Good policies and procedures** around health care
- **Introduction of VCT, PMTCT and ART services** is occurring across the municipality

Telecommunications

Current Situation

Although most communities have access to telecommunication either in the form of land lines or cell phones, there are still those communities that cannot access these facilities because they can't receive signals behind the mountains. From the table below, it can be seen that the majority of residents utilise cell phones rather than fixed lines which means that they rely on good network coverage. Computer and internet usage is on the increase mainly due to the new smart cell phones which include internet and computer technology.

Interventions

The Municipality has written to Sentech, all the cell phone companies and the SABC to ask for more radio, TV and cell phone towers to be built in these areas. The reception in Rhodes has been improved with the installation of a new tower.

Table 50: H/H with a radio, TV, computer, cell phone, landline and internet

Municipality	Radio		TV		Computer		Cell phone		Landline		Internet
	2001	2011	2001	2011	2001	2011	2001	2011	2001	2011	2011
Joe Gqabi	53004	58123	20735	52161	1472	6060	12525	77949	6034	4132	17594
Elundini	20642	21328	4229	14424	187	1301	3939	29466	886	745	5252
Senqu	20289	22158	7486	21351	392	1721	4743	31167	1277	931	6822
Maletswai	6421	8127	4705	9070	517	1825	2352	9810	1848	1181	3481
Gariep	5652	6510	4315	7316	376	1213	1491	7505	2023	1274	2039
EC Total	952523	1031168	577346	1066990	60065	200664	317980	138209	232800	165434	406738

Source: Statsaa, 2011

Community Facilities

Sport and Recreation Facilities

Current Situation

The Municipality has no proper sport and recreation facilities except those located in the main towns. However, some sports fields are being built in rural areas like Kwa Gcina and Zava. Lady Grey, Sterkspruit and Barkly East have facilities that have been built and one in Sterkspruit (Patrick Shibane was renovated in 2013/14 as well as the facility in Barkly East as they suffered from vandalism). With the high percentage of youth in the population make-up it is essential to provide sports and recreation facilities.

Interventions

The Municipality has put in floodlights in Lady Grey and is also engaged in a programme funded by the German government which promotes sportsfield development in rural areas. In addition, the allocated 15 % of MIG funds will be utilised for building more rural sports fields. Barkly East and Sterkspruit facilities were renovated and upgraded. The Lady Grey Stadium fence is currently being renovated. Netball poles and soccer nets are being purchased for rural fields.

Indoor Community Recreational Facilities

Current Situation

An indoor community recreational facility has been built in each ward. The Municipality has prioritised the renovation of all existing facilities so that they all have the same standard. These facilities are important for social cohesion as they are used for community meetings, to house indoor sports like badminton as well as being utilised for arts and cultural events like dancing.

Communities would like more of these facilities and pay points to be built. There is a Thusong Centre, formerly known as MPCC, located in Sterkspruit that houses various government departments. In addition, the facilities will now include a Councillors Office in order to improve governance.

Table 51: Community facilities audit

Ward	Indoor community recreational facility	Condition
1	Ndofela	Good
2	Storomo	Good
3	Makalakeng	Good built 2013/14
4	Makumsha	Good needs ceiling and door fixed
5	Rossouw	Rossouw was renovated but needs water.
	Hillside	Good needs ceiling and electricity
	Phelendaba	Good
6	Majuba	Good
	Musong	Good
7	Thaba Lesoba	Good needs ceiling
8	Mokhesi	Good. Needs painting and cleaning of fire damage
9	Ngquba	Good. Built in 2015/16

10	Bunga Hall Tienbank	The Bunga Hall was renovated in 2013/14. The current facility is no longer adequate and requires rebuilding. Tienbank is good.
11	Bluegums	Good needs electricity and ceiling
12	Magadla	Good. Built in 2015/16
13	Molweni Bantwana – Herschel Zava	Require water but renovated in 2013/14 Good but needs ceiling
14	Transwilger Lady Grey Kwezi Naledi	Transwilger has been renovated in 2016/17. Lady Grey hall is inadequate and requires renovating. Kwezi Naledi needs a ceiling
15	Nkululeko Rhodes	Nkululeko is in good condition and the new hall in Rhodes was handed over in June 2013 but has no electricity.
16	Barkly East Town Hall Fairview	The hall is in the process of renovation The hall requires renovation
17	Voyizana Sunduza	Good but requires ceiling Needs repairing
SPORTSFIELDS		
14	Lady Grey stadium	Good but needs some maintenance
16	Barkly East stadium	Good just completed renovating
10	Patrick Shibane	Just completed renovations but more renovations are required due to vandalism
2	Kwa-Gcina sports fields	Good
13	Zava Sportsfields	Good
LIBRARIES		
16	Barkly East	Need some repair. All libraries require internet connections

14	Lady Grey	Good
13	Herschel	Good. Needs electricity
10	Sterkspruit	Good built 2014/15

Source: Senqu Community Services 2019

Interventions

The Municipality is busy ascertaining where sports facilities have to be built in the newly demarcated wards so as to have centrally located sports fields. The 15 % of MIG funding for sports facilities has been set aside to build more indoor recreational facilities and sports fields.

Libraries

Current Situation

There are libraries in Lady Grey, Barkly East and Sterkspruit and satellite libraries in Rhodes, Hillside and Rossouw. A librarian is needed in Rhodes. The municipality runs this service as an agency function for the Department of Sports, Arts and Recreation. More funding is however required for this service to fulfil the demand of school and university learners. A new library has been opened in Sterkspruit as the old facility was too small. The Herschel facility was opened in 2013 but still requires water and electricity. Hillside requires water and electricity to be provided.

Safe & Secure Environment

Current Situation

The Municipality is promoting the use and development of community police forums to solve crime in rural areas. The use of drugs is increasing in these areas according to community forums. The Integrated Community Safety Forum was revived but has however become defunct and the new Council must elect a new Councillor to revive and lead the forum. The municipality does however participate in the CPF's.

Interventions

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

Waste Management

Current Situation

Senqu Municipality have two (2) registered /licenced landfill sites in Lady Grey & Barkly East. Sterkspruit is licenced for closure. The Municipality is currently busy with an EIA for Rhodes & Rossouw as they are currently operating as illegal dumping sites. Herschel is also undergoing an EIA as there is no current landfill.

Refuse removal is only operated in Barkly East, Sterkspruit, Rhodes and Lady Grey on a weekly basis. Only 11.2 % of households were served in 2007 and the percentage of serviced households increased from 17.2% in 2001 to 22.6 % in 2007 (Statsaa, 2007). The situation has not improved much as shown in the 2011 statistics below. This is due to the lack of machinery and staff even though improvements have occurred in both. In fact, statistics show that only 4807 households are serviced on a weekly basis. It is planned that there should be a refuse transfer centre in all rural areas so that the service can be expanded to urban areas.

Table 52: Refuse removal

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

Source: Statsaa: 2011

The households in Barkly East produce 4508 kg a day and 137 T a month as opposed to 9 T in Herschel, 9 t in Rhodes, 3 t in Rossouw and 101 T in Lady Grey. 2147 households are served in Barkly East, 149 in Herschel, 1591 in Lady Grey, 144 in Rhodes, 57 in Rossouw and 539 in Sterkspruit (IWMP 2013).

The Municipality is struggling to meet all the legislation pertaining to the management of waste sites. It does however have a designated Waste Management Officer in terms of legislation. Sterkspruit is an unlicensed site which has no access control, is unfenced with waste remaining uncovered and burnt. A new site is being planned and an EIA is under way. Land was expropriated in Esilindini but there is discussion as a new EIA process indicates that the site may not be appropriate. The old site is in the process of being closed down and rehabilitated. Lady Grey site is licenced and classified as GSB. There is no plant or equipment to properly cover and compact waste. The site is in the process of being upgraded and cells lined. The Barkly East site is classified as GSB. There is no plant or equipment to properly cover and compact waste and waste is incinerated and disposed in a cell but is fenced with no access control (IWMP, 2013). The situation has changed in that waste is no longer incinerated and the site is being upgraded. A new site is being developed and an EIA is underway. In Rhodes, the site is unlicensed but Terreco Environmental CC have been appointed to undertake the licensing process. The waste is incinerated and disposed in a cell. An EIA is being undertaken for a new

site. In Rossouw the site is unlicensed but Terreco Environmental CC have been appointed to undertake the licensing process. The process is underway for a new site. Burning of waste occurs on site and it is situated next to the Wasbank River. Herschel has no landfill site and Terreco Environmental CC have been appointed to undertake the EIA process for the development of a landfill site (IWMP,2013). Medical waste for the 4 hospitals and 14 clinics is collected by a company called Compass Waste organised by the Department of Health.

Challenges

- **Permitted sites.** Lady Grey and Barkly East are currently the only permitted sites. Funding has been procured for the building of new sites in Barkly East, Sterkspruit, Hershel, Rossouw and Rhodes whilst upgrades will be done to Lady Grey and Barkly East sites and the old Sterkspruit site will be closed as per environmental legislation
- **Contravention of the Occupational Health and Safety Act.** This risk applies not only to the staff working on the sites but extends to the general public especially scavengers who frequent most of the sites.
- **Limited waste collection services.** Waste services (collection) only offered to urban residents.
- **Recycling and waste avoidance initiatives.** There are very few recycling initiatives in the Municipality, extracting less than 1 % of the potential recyclable material. No initiatives are underway for waste avoidance. Purchasing of mini refuse skips for Sterkspruit town and purchasing of refuse bins has occurred. In addition, waste awareness campaign was conducted.
- **Contravention of legislation.** The disposal of waste is a significant challenge and this is leading to a lack of compliance with legislation, water, air and aesthetic pollution. The landfill sites do not comply with DWA's minimum requirements. There is no facility available to dispose of hazardous material.
- **Plans and policies.** The municipality does not have a **leachate management plan** as waste is stored on site in a cage on a cement floor until it is incinerated and then burnt. **A trade effluent policy** has been developed. The **integrated waste management plan** has been reviewed and adopted in 2013. Waste by laws for Senqu are insufficient. By-Laws have been gazetted but did not comply with NEMA and are being reviewed. The air quality management plan is currently being developed in a district level, which will be cascaded to local municipality
- **Cost effectiveness and waste administration of current services** is poor mainly due to a history of lack of investment in the service in terms of equipment, staff, and planning.
- **Illegal dumping.** Many shop owners particularly in Sterkspruit dump their waste on the sidewalk on day when waste is not collected. In order to counteract this municipality has promoted the usage of cages and collects waste more frequently in the centre of town. The municipality has also taken action against shop owners who persist in this action. However illegal dumping in open fields and borrow pits continues. In Barkly East and Lady Grey garden refuse and building rubble are the main contents of illegal dumping. Bylaws are being developed to address illegal

dumping.

Interventions

- **Increased equipment.** New tip trucks and TLB have been bought. Weighbridges are installed in Barkly East and Lady Grey.
- **Annual waste awareness campaign** is run in the Municipality to make people aware of reducing, recycling and reusing waste to prevent unnecessary collection of waste.
- **Integrated waste management plan and recycling.** The plan proposes recycling options particularly in Sterkspruit. Recycling projects have been started in Barkly East, Sterkspruit and Lady Grey. The Lady Grey recycling deals primarily with bottles.
- **Funding.** MIG Money has been set aside in the budget for the construction of new compliant waste management sites particularly in Sterkspruit and Barkly East. In addition, the annual operations and maintenance budget is used for day to day activities.
- **EIA's and new sites.** A new site has been proposed for Rhodes but objections were received from the community and a new site has to be found. In Rossouw the EIA has been done on the proposed site and submitted for a ROD. The EIA will soon be completed for Hershel and Sterkspruit.
- **Forums.** The Municipality forms part of the District Environmental Management Forum and does not have its own waste management forum.

Water and Sanitation

Current Situation

Joe Gqabi DM is the WSA and WSP. Therefore, no SLA has been signed between the Municipality and District. Senqu has the highest unserved population in the JGDM area. This is due to the fact that most of the population is centred in the former Transkei homeland which experienced a very low level of service before 1994.

Table 53: RDP Water and Sanitation Services Backlog in JGDM

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

Source: (STATSSA 2007and JGDM WSDP 2011)

The 2011 census reveals that Senqu has an unserved population of 7 209 households out of 38 046 which is under 20%. The area is however prone to droughts. Water sources are the Jozanashoek dam, Lady Grey dam, Barkly East dam, boreholes and rivers.

Table 54: Access to piped tap water

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

Source: Statsaa 2011

Whilst most of the population does receive water, sanitation provision which was lagging behind lags with 45 % being unserved has improved with just under 6000 households having no access as can be seen in the table below.

Table 55: Households by type of toilet facilities

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

Source: Statsaa 2011

Although the LM has more water available than the requirements, it is not spread in such a manner as to satisfy the need everywhere. The towns that have been experiencing water shortages are:

- Herschel
- Lady Grey
- Rossouw

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

- Sterkspruit RWS

The level of services provided is mostly of high quality with connections to the yard and into the house itself. Sterkspruit and Rhodes have the highest standard of water followed by Barkly East and then Lady Grey. Water is available 24 hrs/day in the urban areas but the rural areas experience many lengthy outages.

Water Sources

Senqu's main towns are served from dams such as the Barkly East dam and Lady Grey dam. Sterkspruit is served by Jozanashoek dam. Rhodes and Rossouw draw water from boreholes. The communal areas are serviced with water from rivers such as the Orange, Kraai and Telle. Villages and farms also make use of springs. The threat of drought however is a constant threat as there is no water source or dam that is large enough to meet the growing demand for treated potable water.

Challenges

- **Broken water pipes**, non-functioning pipes, water unavailability and poor pressure.
- **Backlog eradication** is the main challenge facing the JGDM. An estimated R 149,603,738 for water and R 93,901,795 for sanitation is required for Senqu backlog eradication
- **Operation and maintenance of existing water services.** There is a high need for ongoing refurbishment and maintenance programme which will ensure sustainability of these schemes.
- **Lady Grey & Barkly East bulk water supply.**
- **Water backlogs and illegal connections in the rural area.**
- **Rehabilitation of the Barkly East & Rhodes reticulation networks.**
- **Installation of section & bulk metering.**
- **Fencing of dams and water source protection.**

Interventions

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

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

Roads, Transport and Stormwater

Table 56: Roads in the Senqu area

Local Municipality	National Roads	Surfaced Trunk Roads	Surfaced Main Roads	Unsurfaced Main Roads	Surfaced District Roads	Unsurfaced District Roads	Minor Roads	Municipal and Access Roads	LM Total Length (km)
Senqu	116.37	-	9.17	290.93	73.01	931.36	767.16	817.36	3,005.37

District Total	653.80	46.40	184.84	737.32	138.09	3,190.98	2,985.47	2,886.91	10,823.82
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Source: Department of Public Works and Roads, 2013

The table above refers to the kilometres of roads in the entire Joe Gqabi District. From this it can be seen that Senqu has the longest amount of unsurfaced main roads and access roads.

Tarred roads

The provincial trunk road, the R58 is in a bad condition and will be moved to SANRAL. Rock falls are also common on the road after heavy rainfalls. This affects tourism as this is the main entrance into the municipality. As such it needs to be a provincial priority. The R 393 between Lady Grey and Sterkspruit is in good condition but roaming livestock due to stolen or poor fencing remain a hazard for drivers in spite of the newly introduced road rangers. The road to Tele Bridge has recently been upgraded (JGDM ITP 2010).

Gravel/ Unsurfaced Roads

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

The Municipality has prioritised certain roads for regravelling and priority upgrading.

Tourism roads

- R 396 from Barkly East to Rhodes as this is an important tourist destination
- Access roads to the 7 gravel passes of Lundeansneck, Jouberts, Otto du Plessis, Carlislehoek DR 03230, Volunteers (MN 20635), Bastervoetpad, and Naudesnek (R 396). These passes incorporate 3 of the highest passes in South Africa. In addition, the roads lead to Tiffindell ski resort – the only ski resort in South Africa.
- DR 393 to Lundeans neck and Sterkspruit from Barkly East
- Upgrade of DR 03214, DR 03221, DR 3222
- Airstrip at Rhodes

Access roads to hospitals and villages

- Khiba T 526 road
- Coville T 510 road
- Mlamli T 606 road

- Manxeba T 511 road.

Access Roads

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

Senqu is responsible for all access and municipal roads in its area. The balance of the roads falls under the powers and functions of the Department of Roads and Public Works (DoRPW). The level of road services in rural areas is low, where most roads are gravel. The Municipality has engaged its municipal wards to identify priority access roads that need tarring. These however will still require a massive financial injection. Current gravel roads backlog in Senqu is 562km.

Streets

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

Rail network

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

Airfields

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

Non-motorised transport

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

Public Transport

The Herschel Taxi association has 164 registered members owning 293 vehicles with 158 operating licenses and runs on 20 local and national routes. Public transport operations in Barkly East and Lady Grey are small and relatively stable. In Sterkspruit no direct travel between villages is allowed and all trips must begin or end in the

central rank at Sterkspruit. It is the busiest hub. The most utilised trips are to Thaba Lesoba, Voyizana, Qhoboshane, Jozanashoek and Umlami. National destinations are Aliwal North, Johannesburg, Welkom, Bloemfontein, Queenstown and Secunda.

Road worthiness and licensing

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

Storm Water Management & Access Roads

The Municipality on an annual basis targets certain priority area for the construction of storm water as per the maintenance plan. The Technical Services department in conjunction with the Community Services Department implements the regular cleaning and maintenance of the existing stormwater infrastructure. Funding has been requested to undertake a stormwater plan in order to highlight the requirements for future and existing stormwater needs.

Challenges

- **Chronic underfunding** and the constant deterioration of roads due to high rainfall conditions
- **Limited maintenance of access roads due to insufficient human resources and machinery**
- **Breakdown of** old out-dated road machinery
- The stormwater management plan requires updating and flood lines need to be determined to ensure that development occurs outside these area
- Lining and upgrading of storm water channels in urban areas as well as installing new stormwater infrastructure
- Not all villages, schools and clinics have **decent access roads** and not all streets in townships are **tarred or paved**
- Limited number of **pedestrian bridges**
- No **cycle lanes**
- **Limited lighting** of pedestrian walks ways although Council is slowly eliminating the backlog in urban areas.
- **Poor** road markings and potholes
- **Limited road signage** especially in rural areas
- **Commuter facilities are primitive.** Bus shelters were built in 2000 in Barkly East and Lady Grey by DoT. The current taxi rank in Barkly East is informal with no amenities and needs upgrading to an area with shelters for waiting passengers. Lady Grey has no taxi facilities but a public toilet and bus stop has been built through the NDPG. Sterkspruit has a taxi rank.
- **Limited machinery and staff** to meet the storm water function especially in rural areas.
- **Fencing of commonage and communal lands along the main R 58 route and road to Sterkspruit.** The fences are constantly being stolen by community members especially RDP housing developments to fence their yards.
- **Stormwater is a problematic issue as the infrastructure was not designed for the huge runoff that**

is required. In addition, there is limited staff and equipment to maintain and keep the drains and furrows open. Huge investment is needed to develop a proper stormwater plan which focuses on what infrastructure is required as well as to how stormwater runoff must be managed to prevent damage to property and possible loss of human life throughout the Municipality.

- **Bridges have reached the end of their life cycle and are constantly breaking.**

Interventions

- **A Roads and Stormwater Master Plan** was developed to categorise roads and determine which ones are priorities. However further work is required to develop a workable plan and not just an annual maintenance plan. The policy allows for sustainable roads (interlock paving) and was approved in 2015. In addition, on an annual basis Ward Councillors indicate which roads and bridges require attention in their areas.
- **Paving** of township streets as part of an EPWP project and paving of sidewalks in all CBD's and the linkages between the townships as part of the pavement management system. This assists pedestrians who do not utilise vehicular transport. The Municipality is also in the process of trying to find funding for a brick and paving brick interlocking project which will provide locally made bricks for the future Senqu paving projects.
- **New road machinery** and Operators.
- **Installation of street lights** in towns such as Herschel
- **Building of more pedestrian bridges and walk ways.** This will also allow for cycling paths. Funding is also set aside for the lighting of pedestrian walk ways.
- **JGDM Integrated Transport Plan, 2010.** The LM utilises the DM's Integrated Transport Plan as it is not a transport authority and is not required to have a plan.
- **Roads Forum** is an intervention although it is not fully functional
- **Taxi and Bus ranks are not adequate.** In addition, they are not properly run and maintained.
- Designated **drop off points** are required in urban areas to decrease congestion.

Electricity and Energy

Current Situation

Although most of the Senqu communities have access to electricity, there are some communities that still need to be electrified either in the form of electricity installation or in upgrading of their existing lines as most of the lines particularly in Sterkspruit and surrounding villages are low voltage. These are mainly in new housing developments. Council is in the process of compiling an exact backlog list for ESKOM. The most worrying ward is Ward 15 which is near Lundean's Neck where residents do not have electricity at all.

The Senqu Municipality has a licence agreement with the National Energy Regulator of South Africa. In terms of this agreement, Senqu is responsible for supplying electricity to Sterkspruit, Lady Grey and Barkly East. Rural areas (including Rhodes and Herschel) are supplied by ESKOM. However, the Municipality is seeking a licence to supply rural areas. Within the licensed area, the Senqu Annual Report (2011) notes that "the standard of service is mediocre".

Major electricity backlogs are noted in rural areas where 11 498 households do not have access to basic electricity services. Other electricity supply challenges include high leakages attributed to aging infrastructure, poor metering and incorrect accounting. The speed of rural electrification by ESKOM is far too slow, especially in non-grid areas. A master plan has been developed for electricity but its implementation has been delayed by insufficient resources. However, upgrading of infrastructure has occurred annually since 2012 and should be completed by 2019 if resources are available, over 81.8 % of the municipality has been served (Statsaa, 2011).

Table 57: Electricity Usage

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

Source Statsaa 2011

For lighting the majority of residents use electricity with 31 038 using electricity and only 104 for solar. For cooking electricity use still is dominant with 24 640. However, when it comes to heating paraffin is the main fuel with 16 839 (Statsaa, 2011). Council is in talks with ESKOM though about the provision of solar heaters in current and future housing developments.

Challenges

- **Limited funding for Maintenance and upgrading of infrastructure** in areas managed by the Municipality
- **Limited voltage** in the rural areas does not support large scale economic growth
- The implementation of **free basic services** for electrical supply
- Getting communities to accept **non- grid electricity**
- Number of **schools, clinics** and other social facilities that don't have a regular supply of electricity (if any supply at all)
- **Affordability** of the service
- **Difficulty** in obtaining electricity cards as vendors are far from rural areas
- **Electricity losses - 3,783,161 Kwh (Down from 5.6Mwh in previous year) due to theft, poor metering, poor networks and incorrect accounts. Total; loss 7.21%**
- **Electricity backlogs in the rural areas (Eskom) of 5 500 - specifically non-grid areas) being addressed too slowly.** Eskom is licensed for these areas and therefore needs to apply for increased funding in order to eliminate the above.

- **Electrification of street lights at Rhodes, Barkly East (new houses) & Rossouw.** Eskom has refused permission to use their Infrastructure to fit the street lights. Therefore, the amount to do the street lights and construct our own Infrastructure increases
- **Eskom vs Senqu Municipality electrification boundaries.**
- **Solar geysers.** The installation and continuation of the disrupted solar geyser installation programme.
- Funding to retrofit street lights, replace LV Conductor and install Xmas lights and hazard lights

Interventions

- **Eskom** electrification plan
- **Department of Trade and Industry** assisting with the promotion of renewable sources of energy
- The Technical Services Departments wishes to install a **computerised asset management system** which will allow it to accurately gauge the depreciation of electrical and road infrastructure and equipment. This will assist in improving budgeting planning for the Department.

Renewable Energy

In general, however the Municipality and ESKOM have to increase efforts to make the community more conscious and aware of the benefits of renewable energy. Solar is not popular due to the high theft of solar panels but wind turbines could be used provided that the turbines are designed to withstand the high wind speeds and hail encountered in the area. The Municipality has investigated photovoltaic, but is unable to meet the type of demand and supplies only a couple of lights. The expense to the long-term benefit is not worth the cost.

Environmental Legislation and EIA's

The Municipality strives to adhere to all environmental legislation and conducts EIA's where necessary and prescribed by law in order to ensure sustainable service delivery. EIA's are budgeted for in all project plans where necessary. For the forthcoming year, EIA's are required for the following:

PROJECT NAME	EIA REGULATIONS WHICH MAY BE TRIGGERED	LISTED ACTIVITY
Access roads	LN 1 Activity 24	<p>This project needs Environmental Authorization if it fits the following description</p> <p>The development of-</p> <p>(ii) a road with a reserve wider than 13,5 meters, or where no reserve exists where the road is wider than 8 metres; but excluding-</p> <p>(a) roads which are identified and included in activity 27 in Listing Notice 2 of 2014; or</p> <p>(b) roads where the entire road falls within an urban area.</p>
Cemeteries	LN 1 Activity 23	<p>This project needs Environmental Authorization if it fits the following description</p> <p>The development of cemeteries of 2500 square metres or more in size.</p>
Bridge	LN 1 Activity 12	<p>This project needs Environmental Authorization if it fits the following description</p> <p>The development of-</p> <p>(i) canals exceeding 100 square metres in size;</p>

		(ii) channels exceeding 100 square metres in size; (iii) bridges exceeding 100 square metres in size; (iv) dams, where the dam, including infrastructure and water surface area, exceeds 100 square metres in size; (v) weirs, where the weir, including infrastructure and water surface area, exceeds 100 square metres in size; (vi) bulk storm water outlet structures exceeding 100 square metres in size; (vii) marinas exceeding 100 square metres in size; (viii) jetties exceeding 100 square metres in size; (ix) slipways exceeding 100 square metres in size; (x) buildings exceeding 100 square metres in size; (xi) boardwalks exceeding 100 square metres in size; or (xii) infrastructure or structures with a physical footprint of 100 square metres or more; where such development occurs- (a) within a watercourse; (b) in front of a development setback; or (c) if no development setback exists, within 32 metres of a watercourse, measured from the edge of a watercourse; - excluding- (aa) the development of infrastructure or structures within existing ports or harbours that will not increase the development footprint of the port or harbour; (bb) where such development activities are related to the development of a port or harbour, in which case activity 26 in Listing Notice 2 of 2014 applies; (cc) activities listed in activity 14 in Listing Notice 2 of 2014 or activity 14 in Listing Notice 3 of 2014, in which case that activity applies; (dd) where such development occurs within an urban area; or (ee) where such development occurs within existing roads or road reserves.
Community halls		It will depend on size and location of hall
Sport fields		The municipality must consult DEA and DEDEAT for advice since the footprint of the activity is less than 5 hectares
Solid waste sites		License needed

Disaster Management

The Municipality has adopted a corporate disaster management plan in 2005. It has a draft disaster framework which will be adopted in May 2018. The district is currently busy with risk assessment and preliminary report is being presented to the communities for public participation. The district municipality is developing the disaster risk assessment to determine the municipal risk profile per local municipality informed by priority risk as well as identifying the vulnerable communities. The district municipality is participating in the planning structures for the high-risk development. Emergency procurement procedures are in place guided by MFMA and SCM guidelines. Plans are in place to address spillages on the roads: Razzmatazz is always available to clean the road, as for veldt fires control burning is done to areas with high risk and response is good.

The District Municipality has a chief fire officer. The District municipality has 6 personnel

- Manager

- Admin officer
- Four satellite officers (one in Senqu, one in Elundini and two in Walter Sisulu)

It has entered into Mutual Assistance Agreement with Alfred Nzo, Chris Hani district municipalities in the Province and Pixley Ka Seme District Municipality in the Northern Cape.

Senqu Municipality has no capacity to deal with disaster management and as a result the District Municipality has been providing fire services. It has adopted bylaws relating to fire services.

ISD & Capacity to deliver

The Municipality has an ISD Unit with one Officer. The Unit is located within Technical Services. The work of the Officer is to ensure that project steering committees are functional for all projects undertaken by the municipality and that the Ward councillor and Community are kept informed of all project progress. In addition, all community complaints are resolved by the Officer.

The Technical Services Unit houses the PMU which consists of a Manager, Technician and Administrator. The section is under sourced and requires the expertise of a qualified experienced engineer to deal with the huge number of projects they undertake.

The electrical section is run by a superintendent and the roads section by a Manager. The main problems in the electricity department are the sufficient resources to attract the necessary expertise. In order to prevent a loss of skills the department is training electricians in house. In the roads section, the main problems apart from aging and deteriorating equipment like graders are the budget to maintain access roads as well as attract the necessary skills like grader operators.

Free Basic Service Provision

The indigent register is updated annually through CART system. A Free Basic Services Committee has been established and has become functional. This is a political committee and assists the administration in updating information. It was established in January 2019. Although water and sanitation are a district function, they provide all indigent households with 6 kl water free a month and sanitation. For households with no access to electricity they are supplied 10 litres of paraffin and 6 candles per month.

The Municipality has budgeted the following for free basic services for 2019/20 year:

Free Basic Services; Indigent and Cultural and services	7 655 116,66
Free Basic Services; Refuse	4 426 945,10

The FBS unit functions are currently performed by the Debtors Officer with the assistance of staff in the Revenue Section. Indigent Steering Committees are in place although not yet at full operational efficiency. There are no integration plans between the District and the Local Municipality.

CHAPTER FOUR: INSTITUTIONAL TRANSFORMATION

Political Structure

Senqu Municipality was established in terms of the Provincial Gazette Extraordinary, 28 February, Notice 22 of 2000 (with a number of subsequent amendments). Senqu Municipality is a Category B Municipality. Senqu Municipality was established to be a Collective Executive System type (MSA 117 of 1998)". Council currently consists of 34 Councillors of which 17 are Ward Councillors and 17 are Proportional Elective Councillors. In addition, Traditional Authorities form part of the Council. Council is responsible for taking political decisions in relation to service delivery issues and playing an oversight role. Council meetings occur once per quarter. Special Council meetings are only convened whenever there is an urgent issue that needs to be discussed and a decision taken.

Executive Committee

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

Standing Committees

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

- Corporate and Support Services Standing Committee
- Development & Town Planning Services Standing Committee
- Technical Services Standing Committee
- Finance Standing Committee
- Community Services Standing Committee

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

Powers and Functions

Power & Function	Senqu's Capacity	Responsible Department
Air Pollution	The Municipality has no financial resources to develop an air quality plan or engage specific staff for the function	Community Services
Building Regulation	The Municipality has engaged a building inspector but currently has limited resources to engage personnel and ensure implementation of by laws	Development & Town planning Services

Power & Function	Senqu's Capacity	Responsible Department
Child care facilities	The Municipality is in the process of ensuring that current facilities meet minimum health and safety requirements. However, finances are limited.	Community Services
Electricity and gas reticulation	The Municipality only has the licence to supply electricity within its urban areas. The rural areas are supplied by ESKOM. However, the Municipality is negotiating with NERSA to expand its licence to the rural areas.	Technical Services
Firefighting Services	The Municipality is in talks with the District Municipality regarding the viability of taking back this function.	Community Services
Local Tourism	The Municipality promotes local tourism in the region and assists the activities of local tourism organisation	Development & Town planning Services
Municipal Airports	The Municipality has no designated airports.	
Municipal Planning	The Municipality has an IDP and SDF which is reviewed annually. All land management will be enforced as per SPLUMA regulations	Development & Town planning Services
Municipal Health Services	The Municipality only controls waste management as the District Municipality is responsible for food control, water quality, chemical safety, communicable disease control, vector control, environmental pollution control, disposal of the dead and control premises. This is because the District Municipality has the capacity as these areas form part of the Environmental Health Practitioners scope of work. The Municipality may only license a food premise after the District provides a permit indicating that the premise meets the standards required	Community Services
Municipal Public Transport	The Municipality does not have this function as it does not operate any public transport and the District Municipality has the power to regulate passenger transport services. The Municipality has a roads forum and makes recommendations on operating licences to the Department of Transport.	Technical Services
Pontoons, ferries, jetties, piers and harbours	The Municipality is not on the coast	
Stormwater management systems in built up areas	The Municipality has the power and function	Technical Services
Trading regulations	The Municipality fulfils this function through various by laws	Community Services
Potable water and sanitation services	The Joe Gqabi District Municipality fulfils the role of both WSA and WSP	

Power & Function	Senqu's Capacity	Responsible Department
Beaches and amusement facilities	The Municipality has no beaches but maintains its public spaces	Community Services
Billboards and display of advertisements in public places	The Municipality has by laws to regulate this activity but due to limited resources struggles to enforce them	Community Services
Cemeteries, funeral parlours and crematoria	The Municipality licences these premises once the District Municipality issues a certificate of compliance	Community Services
Cleansing	The Municipality regularly cleans streets and public spaces within the urban areas as it lacks capacity and resources to do so in rural areas	Community Services
Control of public nuisances	The Municipality has by laws pertaining to this function but lacks the capacity to enforce by laws	Community Services
Control of undertakings that sell liquor to the public	The Municipality has by laws pertaining to this function but lacks the capacity to enforce by laws	Community Services
Facilities for the accommodation, care and burial of animals	There are no pet cemeteries or kennels in the municipal area	Community Services
Fences and fencing	The Municipality ensures that public areas are fenced and safe and has by laws around fencing of properties	Community Services
Licensing of dogs	The Municipality does not license dogs but has by laws pertaining to the keeping of domestic pets	Community Services
Licensing and control of undertakings that sell food to the public	The District Municipality monitors the premises and issues certificates of compliance after which the Municipality may license the premise	Community Services
Local Amenities	The Municipality ensures that places are kept clean and mown and that community halls are functional but lacks the financial resources to ensure that all areas of scenic, natural, cultural and historical value and interest are well maintained	Community Services & Development & Town planning Services
Local sport facilities	The Municipality maintains municipal owned sport facilities in the urban areas	Community Services
Markets	No markets exist in the municipal area	
Municipal abattoir	The Municipality does not own any abattoirs and the District Municipal Health services are responsible for ensuring that abattoirs in the area maintain hygiene standards	

Power & Function	Senqu's Capacity	Responsible Department
Municipal parks and recreation	The Municipality ensures that places are kept clean and mown.	Community Services
Municipal roads	The Municipality does try to build and maintain municipal roads but due to decades of neglect the financial resources are insufficient to meet the demand.	Technical Services
Noise pollution	The Municipality lacks the resources to monitor noise pollution but there are by laws.	Community Services
Pounds	The Municipality is in the process of upgrading its pound in Lady grey to meet licencing standards.	Community Services
Public places	The Municipality does own commonages around the urban areas but struggles to enforce livestock management or prevent land invasion due to limited human and financial resources	Community Services
Refuse removal, refuse dumps and solid waste disposal	The Municipality does do refuse removal in urban areas but due to financial and human resource constraints fails to adhere to all waste management site regulations. However new waste sites will be constructed once the EIA's have been approved.	Community Services
Street trading	The Municipality has by laws pertaining to the function but has limited capacity to enforce the by laws	Community Services
Street lighting	The Municipality provides street lighting in urban areas.	Technical Services
Traffic and parking	The Municipality has limited capacity to control traffic within its area but does provide a driver's licence testing facility	Community Services

Administrative Structure and Location

The Municipality has offices in the following towns with the main office located in Lady Grey.

Lady Grey	Barkly East	Sterkspruit	Rossouw	Rhodes
Main building DTPS & Community Services building Technical Services Department Tourism Office Library	Main building Traffic Department Library	Main office building Bunga hall offices MPCC	Community Hall	1 office

The current office accommodation is insufficient as the municipality has amended its organizational structure which has increased the number of staff establishment. Thus the 2nd floor of the DTPS & Community Services Office is being renovated to accommodate the need. Payment facilities for municipal services are rendered

at the Main municipal building based in Lady Grey, Main municipal building in Barkly East and at the Offices in Sterkspruit.

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

- Municipal Manager's Office responsible for strategic management, Council administration, communications and internal audit
- Directorate: Financial Services is responsible for expenditure, income, supply chain management, vehicle licencing and testing fees, fleet management and budget planning.
- Directorate: Corporate & Administrative Support Services is responsible for administration, document management, labour relations, capacity building, maintenance of buildings and secretariat services for Council, IGR, special programmes and stakeholder relations.
- Directorate: Community Services is responsible for waste management, firefighting, traffic, bylaw enforcement, cleansing, disaster management, community facilities, library services and commonage management.
- Directorate: Technical Services is responsible for electricity in urban areas, access roads, construction of capital infrastructure including MIG expenditure, ISD and storm water maintenance.
- Directorate: Development & Town Planning Services is responsible for IDP, LED, performance monitoring and evaluation, governance, risk management, GIS, EPWP, town planning, land administration and legal compliance.

The administration is headed by the Municipal Manager, Mr. Yawa. The top management posts are currently vacant but consist of four Section 56 Managers who report directly to the Municipal Manager, Mr. Yawa. All Section 56 Managers apart from the CFO are in the process of being appointed and will sign their annual Performance Agreements aligned to the IDP, budget and SDBIP by 30 July 2019.

Organisational Structure

The new organogram for the Municipality was approved on the 28th March 2018 and is reviewed annually (See annexure) Senqu Municipality undertook a process of ensuring that the aforesaid is achieved by embarking on a Job Evaluation process. It however through this process became apparent that there are positions in the approved organogram that are not funded but whose functions are being performed by incumbents in the funded positions through an internal arrangement. The requirements of the job evaluation process are that the municipality cannot include such functions in the job description of the incumbent who performs them because there is already a position in the organogram that is supposed to perform the function. The municipality then considered this to be unfair on the said incumbents and is now wanting to do away with unfunded positions whose functions are performed or likely to be performed through internal arrangements and to rather include those functions in the job descriptions of incumbents that are performing them and get those job descriptions to be evaluated as such. This process therefore required the municipality to review of the organogram to reflect the changes and to get same approved by Council. The Local Labour Forum was consulted on the proposed changes and both the employer and labour component agreed that the proposed structure should be submitted to council for consideration and adoption.

The cost of filling the organogram and determining the cost of population is will be determined in the final document. Vacant and funded posts have yet to be determined. All job descriptions have been approved and an interim evaluation has occurred. A final TASK evaluation is currently under way. 241 people are currently employed.

Table 58: New Appointments for 2018/19 FY (inserted in final)

Level	Job filled
Managers	
Professionals	
Technicians and Associate Professionals	
Service & Sales Workers	
Elementary Occupations	

Source: Corporate Services 2019

Table 59: Employee Turnover (inserted in final)

Job	Number

Source: Corporate Services 2019

Table 60: Contract Workers

DESIGNATION	DEPARTMENT	CONTRACT PERIOD	TERMINATION DATE
Municipal Manager	MM'S OFFICE	5 YEARS	31 July 2022
CFO	MM'S OFFICE	5 YEARS	28 February 2022
Executive Co-ordinator	MM'S OFFICE	5 YEARS	31 December 2019

Source: Corporate Services 2019

Employment Equity

The Employment Equity Plan of the Municipality was approved in November 2016. It is implemented through the recruitment and selection process and through training and development. Implementation is monitored by the Employment Equity Committee, Training committee and Labour Forum. The objectives of the plan are to increase the number of people with disabilities, increase training for staff, increase the number of learnerships and internships.

Table 61: Employment Equity staffing levels including people with disabilities

Occupational Levels	Male				Female				Foreign Nationals		Total
	A	C	I	W	A	C	I	W	Male	Female	
Top management	2			2	2						6
Senior management	5	1	0	2	5	1	0	4			18
Professionally qualified and experienced specialists and mid-management	16				17	2					35
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents	7			1	4						13
Semi-skilled and discretionary decision making	52	2			27	4					85
Unskilled and defined decision making	59	4			23	1					87
Temporary employees	5				5						10
GRAND TOTAL	146	7		5	83	8		4			253

Source: EEP 2016

Table 62: Employment Equity Goals

Occupational Levels	%	Designated										Total
		Male				Female				Foreign Nationals		
		A	C	I	W	A	C	I	W	Male	Female	
Top Management	Current	2	0	0	2	2	0	0	0	0	0	6
	Target 2017-18		1									1
	2018-19	1				1						2
	2019-20					1						1
	2020-21											0
	2021-22	1					1					2
Senior Management	Current	5	1	0	2	5	1	0	0	4	0	18
Senior Management	Target 2017-18	1										1
	2018-19		1				1					2

Occupational Levels	%	Designated										Total
		Male				Female				Foreign Nationals		
		A	C	I	W	A	C	I	W	Male	Female	
	2019-20											0
2020-21	1				1	1					3	
2021-22												
Professional	Current	16	0	0	0	17	2	0	0	0	0	35
Professionally qualified and experienced specialists and mid management	Target 2017-18	1				2						3
	2018-19					1						1
	2019-20	1				1						2
	2020-21	1				1	1					3
	2021-22	1				1	1					3
Skilled	Current	7			1	4						12
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	Target 2017-18	1					1					2
	2018-19					1	1					2
	2019-20	1				1	1					3
	2020-21	2				2	1					5
	2021-22	1				2	2					5
Semi- skilled	Current	52	2			27	4					85
Semi-skilled and discretionary decision making	Target 2017-18	2				2	1					5
	2018-19	1	1									2
	2019-20		1				1					2
	2020-21		1				1					2

Occupational Levels	%	Designated										Total
		Male				Female				Foreign Nationals		
		A	C	I	W	A	C	I	W	Male	Female	
	2021-22		1			1						2
2	Current	69	4			23	1					87
Unskilled and defined decision making	Target 2017-18	1	3				3					7
	2018-19	1				3	2					6
	2019-20	1	1			1	1					4
	2020-21		1			1	1					3
	2021-22	1				1	1					3
Total permanent		160	18	0	5	102	30	0	0			315
Temporary Employees		5	0	0	0	5	0	0	0			10
Grand Total		165	18	0	5	107	30	0	4			325

Source: EE Plan 2016

The **Employment Equity Forum consists of** Portfolio Head: Corporate Services, Top Management Representative: Director – Corporate Services, Manager HR, LR and Legal Services, Senior Management Representative: Executive Co-coordinator: Political Affairs, Technical Support Staff: HR Practitioner, Training and Development : Skills Development Facilitator ,Secretary, Designated groups Representative, People with Disability : Representative, Professionally Qualified and experienced specialist Mid Management Representative, Skilled Technical and Academically Qualified workers Representative, Semi – Skilled and Discretionary decision making, Unskilled and defined decision making Representative and 1 representative each from the Unions.

The Local labour forum sits quarterly. It sat on the 7 August 2018 and 6 November 2018.

Skills Retention

The Municipality has skills retention and a scarce skills retention policy but experiences difficulties attracting these types of staff and keeping them due to the rural nature of the municipality and the fact that it can't offer competitive salaries. The scarce skills policy was approved by Council by the end of June 2013. The Scarce Skills Committee identifies the scarce and critical skills annually. The identified scarce skills at present are technical planning and strategic management.

HR Strategy & WSP

The Municipality has developed an HR strategy. This will be adopted in May 2019.

Implementation of the **WSP** means an annual compilation of the organisation's prioritised training needs based on the IDP. This is done by the **SDF**. The goals of the annually adopted WSP are to capacitate staff members by implementing training interventions based on identified needs and to comply with the skills development act. This is done by budgeting for training and reclaiming funds from the relevant SETA.

In order for training to occur the Training Committee makes recommendations to the necessary structure to approve the following:

- Bursaries for unemployed - The committee makes recommendations for the Municipal Manager to approve
- For staff training programmes and bursaries, the approval is done by Director Corporate Services. After the implementation of trainings programmes the SDF compiles a report for the training committee members for notification
- Internships are pre-approved by Director Corporate Services and approved by Municipal Manager
- Trainees get selected through the normal recruitment and selection processes of the Municipality

A training policy and study bursary policy have been adopted by Council and the aim is to develop the knowledge, skills and attitudes of all municipal employees, set out the roles and responsibilities of those involved in training and lastly to assist financially disadvantaged employees to finance their own training and development. Ultimately this will ensure the optimum utilization of human resources at all levels of the organisation and contribute to the personal aspirations of the individual.

HR policies consist of the recruitment and selection policy, the leave policy, bursary policy, remuneration policy, promotions and transfer policy, travel and subsistence policy, standby and overtime policy, relieving allowance policy.

Annually a skills audit is done and a WSP developed and adopted by Council. A training committee also assists

in prioritising training. However due to lack of financial resources, the WSP is seldom completed on an annual basis. Training conducted for the 2016/17 financial year was conducted at the cost of R 1 048 597 for employees and R 115 181 for unemployed. 123 employed persons were trained and 14 unemployed. 2017 – 18 training budget was R 2 426 720.20 and unemployed R 20 000.

Table 63: Planned Training beneficiaries

Sector	Females	Males	Unemployed Females	Unemployed Males
Infrastructure & service delivery	25	81	1	1
Community based participation and planning	25	22	1	
Management and Leadership	20	7		
Financial Viability	5	7	3	4

Source: WSP 2017

Table 64 Training 2017/18

Category	No	Types of training	No	Unemployed training	No
HR Officer	1	ND Payroll		ETDP learnership	1
Finance Officer	1	ND Payroll		Electrical Trade test	5
IT Officer	1	Information technology		ETDP learnership	1
Committee Clerk	1	Public Administration			
Acquisition Officer	1	Financial Management			
Councillors	4	Higher certificate in Public administration			
Executive Officer	1	LG Law and Administrator			
Municipal Manager	1	Leadership in Municipal Governance			
PMU & 3 Finance Officers	7	Construction Contract Management			
Councillor	1	Municipal Public Accounts Com Training			
General worker	11	Brush cutting training			
Waste Management General assistants	15	Handling of waste			
Clerks	6	Customer training			
Supervisor		Veld Management			
PMS Officers	3	SAMEA Conference			
SDF	1	Moderator training			
BTO Clerks	2	MScoa for budget managers			
Internal auditors	2	Effective report writing			
Records & archives Clerk	1	Intermediate records & archives training			
HR Practitioner	1	Equity Planning & Reporting Training			
Manager HR	1	Contract Management			
Labour relations Officer	1	NEBOSH Training			
PA's	5	Report writing			
Manager Buildings	1	Rules & ethics training			
Manager IPED & Tourism Officer	2	Social media training			
Payroll Clerk	1	Financial Management Training			
Clerks	3	Supply Chain Management			
DTPS Coordinator	1	Finance for Non-Financial Managers			
Manager Admin & Building	1	Basic Archives Training			
Councillors	4	Rules & ethics Training			
Councillors	34	Management & Leadership			
Councillors	3	Media & Stakeholder Engagement Training			

Source: WSP Training Reports 2017/18 (To be incorporated)

All training programmes that are being implemented for Staff and Councillors are linked to the IDP objectives and they are effective for staff. As a result, they are able to perform their duties.

Internal Control Procedures

All Councillors and Administrative Staff were provided with copies of the code of conduct and were also workshopped on the Code. If the Code of Conduct is not adhered to by either staff or Councillors, disciplinary action is being instituted. No cases of a disciplinary nature were dealt with in the past year.

The Local Labour Forum is fully functional. It sat quarterly on the 19 September 2017, 23 November 2017, 26 March 2018 and the 15th May 2018. It consists of 5 representatives of the labour unions excluding IMATU as it has no presence in the Municipality, Director Corp Services, Manager HR, LR & Legal Services, Portfolio Head of Corp Services, 2 Employer Representatives and the Secretary

Record Keeping & Information Technology

The Council has approved the Records Management Policy, Central Registry Manual and Access to Information Manual during its Council Meeting held on the 27 March 2013 which regulates the access to information. Furthermore, with the assistance of the Provincial Archivist from Department of Sports, Recreation, Arts and Culture training was conducted on the 12 June 2013 to the municipality's employees on the following aspects:

- ❖ Archival legislation and the role of Provincial Archives and Records Services
- ❖ Roles and responsibilities of users in File Plan implementation
- ❖ Importance of good record keeping practices
- ❖ Identification and care of different categories of records
- ❖ Allocation of reference numbers in correspondences
- ❖ Records maintenance
- ❖ Understanding the logic of the file plan

The IT Manager ensures that the IT policy is followed and that all staff members sign the policy acknowledging their role in keeping the municipal IT system safe from intruders. In addition, the server room is kept locked at all times.

Protest Actions

No staff protest actions were held in the previous & current financial year. Mitigating measures are as follows:

- There is a Strike Management Committee (which sits only when there is a protest action)- comprised of Corp Services Director/MM , LR & HR Practitioner, 1 Cllr & organised labour rep.
- There is Essential Services Agreement
- Provisions prescribed in the LRA, Act 66 of 1995 (ss 64 – 77) are / will be followed.

There have been 2 community protest in the past financial year in Lady Grey around the issue of the hospital and political and administrative office bearers. Barkly East had a community protest around political office bearers, employment, land and roads leading to the town from Rhodes. Both the towns were shut for days and

damage to property did occur.

Institutional Cohesion

The Municipality runs wellness days to promote institutional cohesion. A netball and soccer team have been developed to play at the SALGA games as well as play against other sector departments and municipalities. In addition, the Induction programme is also tailored to make employees feel part of the institution and promote institutional cohesion. Internal newsletters also help promote institutional cohesion. The Directorate Corporate Services has completed a survey to gauge employee's satisfaction which reflects dissatisfaction with employee working conditions. A plan has been developed to target the areas of dissatisfaction identified.

CHAPTER FIVE: GOOD GOVERNANCE & PUBLIC PARTICIPATION

IDP Process Plan

Introduction

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

Adopted Process Plan

The MFMA Act 53 of 2003 (S21 1b) states that the Mayor must at least 10 months before the start of the budget year table in the Municipal Council a time schedule outlining key deadlines for the preparation, tabling and approval of the Budget and the Integrated Development Plan. The process plan was adopted on 27 July 2018. The Process Plan outlines the programme to be followed and provides details on issues specified in the Act.

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

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

IDP Process

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

Institutional arrangements and roles and responsibilities

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

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

Other actors

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

Mechanisms for community and stakeholder participation

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

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

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

Mechanisms and procedures for alignment

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

Table 65: Detailed IDP and budget action plan

	Activity	Purpose	Responsibility	Time frame	Met
1.	Discuss process plan with IDP and Budget Steering Committee	To ensure that management and political leadership agrees on the IDP and budget timeframes	Manager IPED & BTO	18 July 2018	
2.	Develop draft IDP Process Plan and present to Council for adoption	Guide development of 2019-2020 IDP Review	Manager IPED	27 July 2018	Met
3.	Adopt Process Plan	To guide the planning, drafting, adoption and review of the IDP and budget Establish committees and consultation forums for the IDP and Budget process	Council	27 July 2018	Met

4.	Publish and make known Process Plan (i.e. key activities and deadlines)	Inform public of the process to be followed in developing the IDP	Manager IPED BTO	3 August 2018	Met
5.	Integrated Participatory Planning Forum	To discuss IDP Review process	Manager IPED Manager IGR	21 August 2018	Met
6.	Public engagement and consultation	Consult local communities on their development needs and priorities. This will be done on a ward by ward basis with the ward committees and Councillors	Manager IPED Public Participation Ward Councillors	4 September – 19 October 2018	Postponed to November 2018
7.	Integrated Participatory Planning Forum	Finalise issues raised in the outreach with Communities	Manager IPED Manager IGR	20 November 2018	Postpone to 7 Dec 2018
8.	Departmental Strategic sessions	Departments meet and revise 5-year priorities, targets and programmes based on NDP and community needs where necessary	HOD's	22 – 30 November 2018	Postponed
9.	IDP & Budget Steering Committee	To look at the cost of the programmes vs available funding	Manager IPED BTO	4 December 2018	postponed
10.	Report on mid-year and performance assessment	Evaluate performance of the municipality to guide future decisions as well as for the new financial year	Municipal Manager to report to Executive Committee	24 January 2019	Met
11.	Draft Annual Report	Draft Annual Report to be completed.	Director D&TPS	18 January 2019	Met
12.	Council	Council	Director Corporate Services	25 January 2019	Met
13.	S 72 engagement with Provincial Treasury	S 72 engagement with Provincial Treasury	BTO	1 February 2019	Met
14.	Advert for comments on draft Annual report	21-day comment period on annual report	Manager: Governance & Compliance	1 – 21 February 2019	Met
15.	Municipal strategic session	Define municipal objectives, strategies, objectives, targets and budget proposals. Refine adjustment budget proposals	Management & Executive Committee	11 – 15 February 2019	Postponed to 18-20 March 2019
16.	IGR meeting	To meet and finalise budget propositions from Sector Departments	Manager IPED	26 February 2019	Postponed to 6 march due to limited no of participants. Postponed to 6 March 2019 and cancelled due to community protest
17.	IDP & Budget Steering Committee Meeting	To meet and finalise budget proposals, incorporate information from the Strategic session and adjustment budget	Manager IPED BTO	28 February 2019	Postponed to 5 March 2019
18.	Audit Committee	To finalise oversight report on draft Annual report	Audit Committee Chairperson	27 February 2019	

19.	Special Council Meeting	To approve adjustment budget	Municipal Manager CFO	22 February 2019	
20.	Integrated Participatory Planning Forum	To meet and discuss draft IDP and budget	Manager IPED	5 March 2019	postponed
21.	IDP & Budget Steering Committee	Compile draft high level SDBIP	Manager IPED, Manager Governance & Compliance, BTO	19 March 2019	Did not meet
22.	Council	Mayor presents draft IDP, Budget and high level SDBIP to Council. Mayor presents final Annual report to council	Mayor	29 March 2019	Met. Council sat on the 27 th March 2019
23.	Departmental SDBIP sessions	To draft departmental SDBIP's	Departments HOD's	1 - 10 April 2019	
24.	Advert for draft IDP and Budget. Advert for final Annual report adoption	Advert for comment period to appear on website, municipal notice boards and in newspapers. Draft IDP & Budget loaded on website	BTO Manager IPED Manager Compliance & Governance	5 April 2019	Met
25.	Submission of draft IDP & Budget	To submit draft IDP and Budget to DLG&TA, Prov & Nat Treasury	BTO Manager IPED	8 April 2019	
26.	Draft budget and benchmarking with Provincial Treasury	Draft budget and benchmarking with Provincial Treasury	BTO	12 April 2019	
27.	Public outreach	Meet communities and receive inputs on the draft budget and IDP	Executive Committee Manager IPED	1 -30 April 2019 1-3 May 2019	
28.	Public comments	Meet communities and invite comments on the budget and IDP	Executive Committee Manager IPED	5 April – 3 May 2019	
29.	IDP & Budget Steering Committee	To finalise SDBIP and PMS targets	CFO Manager IPED	10 May 2019	
30.	Integrated Participatory Planning Forum	To discuss PMS targets	Mayor Manager IPED	16 May 2019	
31.	Table municipal budget and revised IDP	Consolidate plans for delivery of services and attainment of the development trajectory of the Municipality	Mayor	31 May 2019	
32.	Advert of IDP and budget adoption	Advert of IDP and budget adoption	Manager IPED BTO	7 June 2019	
33.	Final IDP to MEC and IDP summaries printed. Final Budget submitted	Submit final IDP and Budget to DLG &TA, Prov & Nat Treasury. Final IDP & Budget to go on website	Manager IPED BTO	4 June 2019	
34.	SDBIP to Mayor	Mayor receives a draft of the SDBIP and annual performance agreements required by s 57(1)(b) of the MSA	Municipal Manager	10 June 2019	

35.	Mayor approves SDBIP and ensures annual performances contracts are drafted according to law.	Mayor must approve SDBIP and ensure that annual performance contracts are concluded in accordance with s 57(2) of the MSA	Mayor	25 June 2019	
36.	SDBIP to Council	SDBIP given to Council for approval	Mayor	28 June 2019	
37.	SDBIP made public	SDBIP made public. Put on website	Manager Compliance and Governance	8 July 2019	

IDP Assessment

The IDP Assessment highlighted issues under service delivery:

Issues will be added when official assessment results are received

Previous IDP Assessments

KPA	Rating 2012/13	Rating 2013/14	Rating 2014/15	Rating 2015/16	Rating 2016/17	Rating 2017/18	Rating 2018/19
Spatial Development Framework	High	High	High	High	High	High	
Service delivery	High	High	High	High	High	High	
Financial Viability	Medium	Medium	High	High	High	High	
Local Economic Development	High	High	High	High	High	High	
Good governance & public participation	High	High	High	High	High	High	
Institutional Arrangements	High	High	High	High	High	High	
Overall Rating	High	High	High	High	High	High	

Public Participation

Public Participation Plan

The Municipality prepares a draft annual public participation plan to Council which goes to Council by the end of the 1st quarter for adoption.

Public Participation Framework/Strategy

The Public Participation Framework has been developed and sent to Council for adoption. The strategy was presented to both the IDP Representative Forum and the Public Participation Forum for comment. The framework outlines the roles and responsibilities of all stakeholders in public participation as well as the mechanisms for undertaking public participation. These include the guidelines for public events that must be followed as well as the processes that members of the public must follow if they wish to submit grievances or complaints.

Challenges and intervention for public participation

- **Geographical –**

The Municipal area consists of 17 wards with many villages. Due to the mountainous terrain and the lack of infrastructure development during the homeland period, the road network is poorly conceived and as a result villages which should be directly connected are normally connected through rerouting to a main road. The Demarcation Board did not consider the terrain with the result that 1 ward has a village which is located almost 4 hours away by road as it falls on the other side of a mountain range.

- **Infrastructure –**

Due to the vastness of the terrain, it is difficult to find a central meeting spot in the ward which is accessible to all by foot and has a facility large enough to accommodate all residents. The Municipality has ensured that all wards at least have one community hall.

- **Education levels –**

It is an ongoing process to educate the community about local government so that they can participate in an effective and efficient manner

- **Traditional leaders –**

The municipality has made a concerted effort to ensure that traditional leaders are included in all public participation events and in Council activities but many still see the municipality as undermining their role and will not work with them.

- **Communication -**

Due to the vastness of the area and mountainous terrain telecommunication networks are limited with the result that it is difficult to communicate with communities due to lack of telephone and email networks.

- **Financial-**

Although a budget is set aside for public participation under the IDP and budget vote, it is not enough as it is expensive to cater for the transport and food that is required for all these occasions. However, departments also have operational budget for their public participation occasions.

- **Sustainability –**

Many communities based organisations do not have a long life span due to in fighting or inactivity by members

- **Apathy –**

Members of the public do not feel the need to participate in government processes due to a variety of factors

Stakeholder Communication Strategy

The Municipality has a communication strategy which identifies and outlines which and how to communicate with stakeholders. It was adopted on the 27th March 2013. The adopted communication strategy relies on Ward Councillors, CDW's and the Executive Committee to ensure that information reaches the public. Other methods such as posters, loudhailers and the local radio station Ekepini and newspapers are used to keep

the community informed. However due to financial constraints and the poor accessibility and poor network coverage of the region, some communities struggle to access information. As a result, the onus is on developing central points where billboards will be erected and information displayed on a regular basis.

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

The municipality has increased the amount of funding that it has given to the communication section. As a result of this funding the municipality has improved its public address system and bought a public loudhailer system for vehicles. In addition, it has procured public notice boards to be located centrally in the wards and a tent.

A stakeholder register has been developed for the IPPF. This is attached as Annexure 3. The IPPF assists the municipality in its efforts to increase the effectiveness and efficiency of public participation by mobilising stakeholders.

Ward Committees

Ward committees have been formed for the 17 wards. Ward Committees are chaired by the Ward Councillors and consist of up to ten elected members. The purpose of the committees is to broaden participation in the democratic process of Council and to assist the Ward Councillor with organizing consultation, disseminating information and encouraging participation from residents in the ward. The Ward Committees gather information from the communities during the IDP process which are forwarded to the IDP and Budget Steering Committee for consideration in the budget process. In addition, problems identified by the ward committees are forwarded to the Corporate Standing Committee for resolution by the responsible Department head. These then get elevated in this way to the Executive Committee and ultimately Council through attachments in the agenda of these meetings. Officials responsible for ward committees then feedback the Council resolutions to the Ward committees through Round Table meetings. Ward committees and Councillors are also utilised to mobilise ward members for the Executive Committee outreaches. In this way both the administration and the political arm of the Municipality are aware of issues raised by Ward committees. The Ward councillor is also assisted in gathering and resolving community issues through the newly launched war rooms in November 2016.

The Municipality underwent **ward based planning** in December 2017 and through ward meetings held in January and February 2018. Wards were trained on the process and then sent back to the wards to verify information through ward meetings. The information was then submitted to DTPS. Ward committees have been trained. Funding has also been allocated on an annual basis to compensate ward committee members for their time but the suggested stipend amount from national treasury will not be met due to the financial constraints of the Municipality.

Wards and villages

Ward	Villages

EC142	
Senqu	
Ward 1	Mbobo, Bhikizana, Walaza, Ndofela
Ward 2	Storomo, Ndingishe, Makalakaleng, Gcina, Qhimira
Ward 3	Makalakaleng, Hohobeng, Ekra, Qhoboshane, Zwelitsha
Ward 4	Mkunyazo, Boomplaas, Hillside, Mfinci, Penhoek, Maqolwaneni
Ward 5	Rossouw, New England, Fort Hook, Hillside, Sidakeni
Ward 6	Mpoki, Musong, Dulciesneck, Majuba, Ndungunya, Rietfontein, Bultfontein
Ward 7	Macacuma, Thaba-Lesoba
Ward 8	Mokhesi, New Rest, Dontsi, Mogoabong
Ward 9	Ngquba, Kromspruit, Lipota, Hinana, Mapolo
Ward 10	Makhetheng, Sterkspruit, Tienbank, Matlapaneng
Ward 11	Ndibinkonzo, Entsimekweni, Skhisazana, Ezintatyameni, Bluegums, Kwa-, Meyi
Ward 12	Esilindini, Bamboespruit, Magadla, Jozanas Nek, Jozana's Hoek, Magwiji
Ward 13	Hershel, Coville, Zava, Naledi, Khiba, Nkopane, Mbonisweni, Mdlokovana
Ward 14	Khwezi Naledi, Lady Grey town, Transwilger
Ward 15	Rhodes, Rockcliff, Dangershoek, Nomlengana, Mosheshsford
Ward 16	Barkly East town, Fairview, Zola
Ward 17	Sunduza, Bensonvale, Tapoleng, Masekeleng, Voyizana, Jovelani

Source: Municipal Demarcation Board 2016

Traditional Leadership

The Municipality is committed to meeting with Traditional leaders to find solutions to the problem of acquiring sufficient land for development outside town boundaries. Traditional leaders are represented in Council and at all standing committees. The Municipality is experiencing some resistance from certain Traditional Leaders but in general the relationship between the Municipality and Traditional Leaders is good. Traditional Leaders have also increased their participation in municipal planning forums such as the IPPF as well as Standing Committees and Council. 7 traditional leaders have been gazetted to attend Council and Standing Committee meetings which they do regularly. The Executive Committee has also made it a policy that nothing may be implemented in wards without the knowledge of Traditional Leaders.

Social Cohesion

The Municipality has several social cohesion programmes. These involve door to door campaigns whereby the municipality and sector department target certain areas and run campaigns on problems being experienced in that area such as child headed households. A plan is then formulated to resolve these issues and all stakeholders state their commitment to resolving these issues.

The Municipality has also resuscitated the Mayoral Cup whereby all sports codes participate in their codes and the winners receive prizes and cups. The Youth festival was also launched in March 2013 whereby the youth are encouraged to showcase their talents in song and art. These will and have become annual events with the latest Mayoral Cup in April 2018.

The municipality participates in community policing forums in order to unite stakeholders to fight against crime.

The municipality also forms part of the moral regeneration programme of the Presidency. The **Integrated Community Safety Forum** that was relaunched in June 2013 under the leadership of the Community Services Portfolio Councillor however needs to be resuscitated as it has failed to sit for a long time. The work of the new forum will be the development of an Integrated Community Safety Plan.

All of these programmes and public participation forums together assist in providing platforms whereby people can meet and discuss their differences and problems. This dialogue leads to nation building as people begin to realise that there is more that unites them than divides them. The Municipality has IGR structures such as the IDP Representative Forum whereby sector departments are engaged with in order to find solutions to service delivery issues. In addition, special meetings are arranged for departments to meet outside the IDP Rep Forum. Sector departments (national and provincial) are also engaged with through Munimec and the District IGR structures such as DIMAFO. Sector departments are also contacted throughout the year to respond on community queries as well as participate in public participation programmes. In addition, engagement with provincial and national departments is facilitated through the Joe Gqabi District IGR structures such as the various committees like governance and administration which are attended by the municipality and the IDP Rep Forum.

The Municipality also participates in all SALGA structures where it can meet and discuss issues with other municipalities. These structures **facilitate inter municipal planning**. The Municipality is not currently engaged in any project which requires that it forges close linkages with other Municipalities. This has however happened in the past whereby the Municipality has assisted the now defunct Gariep municipality financially. In addition, the District DIMAFO structure provides a space for all Mayors and Municipal Managers to meet and discuss on issues which affect the District as a whole. Other relevant District forums are also attended by the Municipality such as the District Support Team, and Communicators Forum. There is no formal inter-municipal planning except for water, sanitation and road infrastructure which is discussed through the Water Forum and District Roads Forum.

Other Public Participation Forums and Players

IDP Representative & Public Participation Forum (Integrated Participatory Planning Forum IPPF)

This forum meets at least four times a year to discuss progress achieved on implementation as well as to give direction around the needs and requirements of the future as contained in IDP. The forum is chaired by the Mayor and is constituted by various government departments, interested parties, organised groups, CBO's, Ward committees and NGO's. Sector department participation is poor though. These 2 meetings have now been combined with the Round table meeting to form an IPPF which meets quarterly.

CDW's & War rooms

CDW's are another resource which the Municipality utilises in order to improve public participation. However, the implementation of this programme remains problematic due to power struggles between ward committees and CDW's. The problem is exacerbated by the fact that CDW's report to and are paid by the Province which means that in essence the municipality has no administrative control over the actions of these individuals. The Municipality has attempted to alleviate the problem by having a quarterly **Round Table** meeting which has now been combined to form an IPPF where issues pertaining to ward issues are discussed. It is chaired by the

Speaker and consists of Ward Councillors, Traditional Leaders, LG & TA and CDW's.

War rooms are another forum at ward level where all roleplayers who represent and interest are represented and sector departments. War rooms are functioning but tension is emerging between them and ward committees due to unclear roles. War room members are also asking for stipends like ward committees.

Economic Development Forum

This forum meets on a quarterly basis and consists of all stakeholders involved in LED. They meet to discuss issues and challenges relating to the implementation of LED and the LED Strategy. It is chaired by a Portfolio Councillor.

Communicator's Forum

This forum meets quarterly to discuss issues pertaining to communicators in the region. It consists of local municipal communicators, GCIS and media representatives.

Complaints & Fraud Management

The Municipality has a Community Care Officer who mans the Presidential Hotline as well as regular liaising with Ward Councillors and Ward Committees to ensure that they are kept abreast of any developments and complaints originating in their wards. The Officer contacts the necessary department with the complaint and then monitors it to ensure that it is resolved.

The section has installed a complaints hotline which will be run by interns. In addition, the section runs annual customer satisfaction surveys as well as implementing the customer charter which outlines the level of service which customers can expect from the municipality. The complaint management system is electronic. The Customer Care Officer enters the complaint into the system and assigns it to the responsible official to deal with. If the Official fails to deal with the complaint, the system after a set amount of time refers it to their superior until it eventually lands up with the Municipal Manager. The system is in the process of being implemented. Complaint boxes are also placed in all community halls and at Municipal Offices. The Municipality has an adopted customer care charter and policy which outlines how complaints should be dealt with. This is contained in Annexure 4.

The Municipality adopted its **fraud prevention plan** in December 2008. The plan outlines what is fraud, a code of conduct for employees and Councillors, procedures for reporting fraud and lastly protection of the whistle-blowers. The plan also outlines the policies and procedures that the municipality must implement in order to prevent fraud like supply chain management. The Internal and External Audit as well as the Audit committee are mandated to expose any evidence of fraud.

Most of the recommendations of the plan have been implemented and all employees are inducted about the Code of Conduct. The fact that Senqu has managed to receive an unqualified audit for 4 years indicates that the fraud prevention plan is effective. A few fraud cases have been dealt with in the past but they have been handed over to the SAPS and are now in the legal system.

Audit & Other Committees

Audit Committee and Audit Action Plan

The Municipality does have a functional and effective audit committee. The Audit committee is an oversight committee of the council. The committee fulfils its mandate through the use of the internal audit unit.

As one of its responsibilities, the audit committee oversees the internal audit unit and ensure that it approves an annual and / or three-year internal audit plan to guide the operations of the internal audit unit. The audit committee submits its quarterly meeting dates to the council for approval and ensures that these meetings do take place.

The chairperson of the audit committee reports on the performance of the internal audit unit and the audit committee at the ordinary council after every quarterly audit committee meeting in accordance with the audit committee charter. The chairperson of the audit committee also prepares an audit committee report on the Auditor General's Audit Report for submission to the MPAC and for inclusion to the Annual Report.

The Committee meets to discuss the annual plan/charter of the internal audit unit. A charter was developed. The quarterly performance reports from the departments are also discussed in this committee. The audit committee has an audit committee charter (ACC) which was approved by the council which guides its operations and this charter is reviewed every year.

The following are the audit opinion for Senqu Municipality for the past few years from 2011/12 financial year to date.

2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18
Unqualified	Unqualified	Clean	Clean	Clean	Clean	Clean

The AG's recommendations on both the audit report and management report are populated in the audit action plan where corrective actions, start implementation date and final implementation date as well as the responsible department or section is indicated. The audit action plan is then used by the responsible individuals in order to ensure that corrective actions are being implemented immediately. The manager of the responsible department then monitors the implementation of the audit action plan every month. At the end of every quarter, the coordinating manager obtains the quarterly progress made on the implementation of corrective actions and submit the status to the Accounting Officer as a monitoring tool. The internal audit unit also requests this quarterly progress on the implementation of the corrective actions from the manager in the Municipal Manager's office, conduct their reviews in order to validate the credibility of the progress which is being reported to the Accounting Officer and issue an audit report to the management and presents the report to the audit committee in line with the approved annual internal audit plan for oversight.

The internal audit unit comprises of the following individuals:

The Chief Audit Executive (CAE);

1 x Internal Audit Supervisor;

1 x Senior Internal Auditor; and

2 x Internal Audit Interns

The internal audit unit has an internal audit charter which is reviewed every year and approved by the audit committee as well as the risk based annual operational internal audit plan which is approved by the audit committee.

The Chief Audit Executive reports at every quarterly audit committee meetings on the implementation of the annual operational internal audit plan, reviews the plan as and when necessary and resubmit it to the audit committee for approval.

The Municipality continues to implement the OPCAR (operation clear audit report) reporting template that monitors corrective matters undertaken to the prior year audit as well as PAF (preparation audit file) which sets in place the framework for all information to be collected for the 2018/19 financial year's audit. The municipality prepares an electronic audit file under the direction of the Chief Finance Officer. The order of documentation is placed in the order of financial statements as indicated in GRAP and hyperlinked to relevant line item of the financial statements. Furthermore, the Audit Action team consisting of key role-players in the

audit is to continue its work to coordinate, resolve problems and share resources to continue with the improved audit results

There are some recurring financial issues raised by AG report. Recurring issues are mainly relating to non-compliance with waste management regulations as well as performance information. The audit action plan reflected in the table below is therefore based on the matters of emphasis as well as the areas of non-compliance identified in the Consolidated Audit

Table 66: Audit Action Plan
To be added

AUDIT FINDING	PROGRESS

The audit action plan has been developed and monitored on a quarterly basis by the Audit Committee to ensure that the departments concerned have corrected or put measures in place to ensure that these issues will not reoccur.

Section 80 Committees

The only section 80 committee in Senqu is the Executive Committee, which sits monthly comprising of the Mayor, Chief Whip and Portfolio Councillors. This is because Senqu has an Executive Committee system. The Executive Committee has 5 sub committees each headed by a Portfolio Councillor. These are Technical Services, Finance, DTPS, Community services and Corporate Services.

Section 79 Committees

- **MPAC Committee**

The MPAC Committee was set up to improve the oversight role of Council. It meets to discuss all issues related to oversight as well as develop the oversight report for Council on an annual basis. The Committee is headed by Cllr M. Mshasha and 6 Councillors. The committee now meets on a monthly basis until it is fully operational and will then meet quarterly

- **Mandate Committee**
- **Remuneration Committee**
- **Strategic and Governance Committee**

These committees were approved by Council
on the 27th March 2013

- **Ethics Committee**

Other Committees

IT Steering Committee

This Committee consists of officials from every department and discusses issues relating to IT. This includes the purchasing of software and hardware as well as problems being experienced with the expansion or current usage of the IT system. It meets quarterly.

Budget & IDP Steering Committee

This committee meets according to the annual IDP and budget process plan. It consists of top management officials from each department, Municipal Manager, Mayor and the Finance Portfolio Councillor. It is headed by the Finance Portfolio Councillor and discusses issues relating to the budget and IDP.

Top Management Meeting

This meeting is chaired by the Municipal Manager which meets monthly and discusses issues pertinent to the administration.

Performance Audit Committee

This Committee meets to evaluate the performance of the municipality and S 56 employees on a quarterly basis. It consists of the members of the Audit Committee.

Supply Chain Committees

Senqu has two committees viz the Specification/Evaluation Committee which ensures that the specifications are correct and in line with scm legislation and approves them for tender advertisements. The Committee also evaluates bids once tenders have closed and forwards their recommendations to the Bid Committee. The Bid Committee makes the final decision on all tenders except for tenders above R 10 million.

HR Committees

HR has several committees.

- **Local Labour Forum** which consists of selected management, Finance and Corporate Services Portfolio Councillors and the labour Unions to discuss labour issues
- **Training Committee** to discuss the implementation and development of the WSP
- **Employment Equity Committee** to discuss recruitment and selection based on EE principles
- **Placement committee** which meet on an adhoc basis to discuss issues relating to the organisational structure
- **Occupational Health and Safety Committee** which discusses issues relating to the health and safety of officials and the buildings.

SPECIAL GROUPS

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

HIV and AIDS

An Officer is responsible for HIV and Aids co-ordination in the municipality. An **HIV and Aids Council** co-ordinates HIV and Aids activities in the region. The Council has developed an HIV & Aids mainstreaming policy which has been adopted by Council 27 March 2013. HIV and AIDS ward Committees headed by Ward councillors have been launched in every ward. Council has also adopted a HIV and AIDS strategy for the Municipality.

Youth Council

The Youth Forum has just been reformed and a youth strategy and plan developed for the coming years. A ward youth committee has been launched for every ward. The municipality is increasing its funding to provide for youth projects and ensure that more youth are assisted to find employment through the youth database. The municipality is committed to channelling all job advertisements and bursaries funded by various departments through to Ward Councillors for distribution to the youth. An annual Youth festival is held.

Elderly Forum

The Municipality has a Forum which implements an annual plan based on activities for the elderly and promoting anti elderly abuse.

Women Forum

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

Persons with Disabilities

Persons with a disability have their own forum, known as the **Disabled Forum** which like the others develops and implements an annual plan based on programmes to promote awareness and recognition for people with disabilities. A database has been developed to indicate disability types so that sector departments may utilise it to increase the level of employment amongst people with disabilities.

Mainstreaming and access to economic opportunity

The Municipality's sector plans all acknowledge the fact that the Senqu population is youthful with a high degree of unemployment. In recognition of this the municipality's infrastructural projects sets youth targets in respect of youth, women and disabled. The municipality also tries where possible to implement job intensive projects.

It is experiencing difficulty in promoting people with disabilities as the database of disabilities is not updated. In addition, most projects in the municipality tend to involve physical labour which excludes most type of disabilities. The poor educational facilities in the area for the disabled also precluded people from many types of work as they do not have the necessary work skills to engage in any decent work opportunities. Council adopted a mainstreaming strategy on the 27 March 2013.

CHAPTER SIX: WARD PRIORITIES AND PROJECTS

Ward Priorities

Ward	Programme	Project	2018	2019	2020	2021	2022
WARD 1							
1	Access road and culverts	From Roma to Magubudela and Thozama to Mangwaneni (Maintenance)	X				
	Sport fields	Mbobo (construction), Ndofela, Walaza, Bikizana (blading and furrows)		X	X		X
	Community Halls	Ndofela (Renovations)				X	
WARD 2							
2	Access roads	Palmietfontein to Storomo School, Qhoboshane and kwa-Gcina, Qhimira (Maintenance)	X				
	Sport fields	Qhoboshane, Palmietfontein and Qhimira (Blading and furrow)	X				
WARD 3							
3	Access roads	Mfinci, Qhoboshane, Makalakaleng (Maintenance)	X				
		Ekra (Construction)			X		
	Sport fields	All villages	X				
WARD 4							
4	Access roads	Mabele Makhumsha, Bebeza, Penhoek and Mkunyzazo (Construction),		X	X		
	Footbridges	Mabele, Makumsha (Construction)		X	X		
	Community Halls	Mkunyzazo (Construction)		X			
		Makumsha (Renovations-including Councillor Office)			X		
	Sport fields	Mabele, Makhumsha, Bebeza, Boomplaas, Penhoek, Mkunyzazo (blading)	X				
WARD 5							
5	Access roads	Construction & Footbridge – Clinic village to Sakhakude,	X				
		Hillside to Vreistat		X			
		Maintenance – Maqolwaneni, Phelandaba, Zingxengele, Ntabamhlophe, Mission, Rossouw				X	
	Job creation						
	Sport fields	Hillside, Mission, Phelandaba, Rossouw, (blading and furrow)	X				
	Pre-schools	Phelandaba, Clinic Village					X
	Community Halls	Renovations & Councillors Office at Ntabamhlophe & Hillside				X	
	Cemetries - fencing, access roads and new	Zingxengele, Mission, Phelandaba, Clinic Village, Ntabamhlophe, Rossouw, Maqolwaneni, Hillside			X		
WARD 6							
6	Access roads	Construction - Majuba, Rietfontein, Bultfontein, DulciesNek and	X				
		Maintenance of unfinished roads and foot bridges in Musong, Mpoki and Ndungunya			X		
	Community Halls	Renovation incl Councillor office Majuba hall				X	
	Pre-schools	Musong and Ndungunya/Letswisa					X

Ward	Programme	Project	2018	2019	2020	2021	2022
	Sport fields	Mpoki, Musong, Majuba, DulciesNek, Ndunguya, Rietfontein, Builtfontein (blading and furrow)	X				
WARD 7							
7	Access roads and culverts	Maintenance: From Hola to Doqaba; Mguli to Doqaba	X				
		Thaba Lesoba – Marallaneng –Trusting.	X				
	Sport fields	Bamboespruit, Thaba Lesoba, Macacuma (blading and furrow)	X				
WARD 8							
8	Access roads	New Rest – Construction (paving),	X				
		Mokhesi & New Rest maintenance	X				
	Four corner Culverts	New Rest to Lepota					X
	High mast lights	Mokhesi, New Rest			X		
	Pre-schools	Tapoleng					X
	Sport fields	Construction in Mokhesi and maintenance of Patrick Shibane Stadium.	X				X
WARD 9							
9	Access roads	Kromspruit, Lepota, Ngquba, Mlamli – Maintenance	X				
	Footbridges	Lepota to Mokhesi and Tapoleng to Lepota.			X		
	Pre-schools	Zwelitsha.				X	
	Cemetries - fencing, access roads and new	All villages.					X
WARD 10							
10	Access roads	Tienbank, Ehlathini, Matlapaneng, Esilindini, Makhetheng; Tienbank roads: Mlamleli –Corner house and Dr Nkwali to Jordan.	X				
	Footbridges	Between Esilindini and Frans		X			
	Hawker stalls	Sterkspruit CBD (Phase 2)		X			
	Cemetries - fencing, access roads and new	Extension, Matlapaneng, Ou Plaas top, Ekuzoleni, Tienbank.				X	
	Playgrounds	Makhetheng, Esilindini, Tienbank, Matlapaneng. (blading and furrow)	X				
	Pre-schools	Matlapaneng					X
	Community Hall	Upgrading of Bhunga hall to a City Hall		X			
	Speed humps	Esilindini/Mqhudini to esilarheni; Zwelitsha/Mfundweni Street; Extension.			X		
WARD 11							
11	Access roads	Dibinkonzo Village: Smith to Sinobomi Project	X				
		Kwelezinja to Ethala,	X				
		Emjikelweni to Ethaleni and Emgqibeleni to Ezintatyaneni (All maintenance)	X				
	Community Halls	Renovation incl councillor offices Blue Gums		X			
	Sport fields	Construction of Blue Gums Sports Field				X	
WARD 12							
12	Access roads	Roads- Jozana's Hoek, Hlomendlini, Esilindini, Magwiji, Jozana's Nek, Magadla (Maintenance)	X				

Ward	Programme	Project	2018	2019	2020	2021	2022
		Foot bridges- Magwiji to Jozana's Hoek			X		
		Jozana's Hoek to Mzomhle				X	
		Munywini/Nodwengu					X
	High mast lights	Esilindini		X			
	Sport fields	Magwiji, Jozana's Hoek, Esilindini, Jozana's Nek, Hlomedlini (blading and furrow)	X				
	Cemetries - fencing, access roads and new	All villages					X
WARD 13							
13	Access roads	Khiba, Coville, Mbonisweni, Herschel, Naledi, Zava, Thabakoloi, Nkopane, Mdlokovane (Maintenance)	X				
	Four corner culverts	Mbonisweni		X			
	High mast lights	Herschel (RDP houses) consider the smaller version (30m) pending the topography and reach			X		
	Sport fields	All villages (blading and furrow)	X				
	Cemetries - fencing, access roads and new	Naledi, Herschel, Zava, Thabakoloi, Nkopane, Khiba					X
	Pre-school	Naledi				X	
	Community Halls	Renovation of Zava and Molweni Bantwana including Councillors offices					X
	Speed humps / Traffic calming	Ntongambini next to Herschel	X				
WARD 14							
14	Slabs and lintels	Khwezi-Naledi at Hillbrow, Steve Tshwete with dish drains		X			
	Paving of streets	Steve Tshwete		X			
		Transwilger (One Street)		X			
		Khwezi-Naledi (One Street)		X			
	Speed humps	Steve Tshwete main road, town next to the hospital, Transwilger main road, Khwezi-Naledi hall	X				
	Renovation of stadium	Steve Tshwete					X
	Construction of new bridge	Next to Withuis and below school				X	
	Pre-School	Extension of 3 Creches		X			X
	Land	For building middle-income houses and churches- Surveying of sites		X			
	Sanitation	Eradication of the bucket system in Lady Grey		X			
		16 toilets at the school		X			
		Toilets in the informal settlements		X			
		Public toilets in town (near Std Bank)		X			
	Storm water	Transwilger and Kwezi Naledi incl Steve Tshwete		X			
	Banks	Need more banks and ATM's in town		X			
	Health	Hospital needs to be fixed		X			
		Clinic needs medicine		X			

Ward	Programme	Project	2018	2019	2020	2021	2022
	Human Settlement	Need asbestos roofed RDP houses repaired (Transwilger)		X			
	New cemetry	Transwilger, Town and Khwezi		X			
WARD 15							
15	Paving of streets	Nkululeko, two streets			X		
	Speedhumps	Rhodes	X				
	Access roads	Dangers' Hoek, Nomlengana, Sjorha, Rockcliff (Maintenance)	X				
	Formalising of informal settlement	Nkululeko township - Survey the required sites					
	Sport fields	Artificial pitch in Nkululeko Sport Ground -second phase.	X				
		Dangers' Hoek, Nomlengana, Sjorha, Rockcliff (blading and furrow)					X
WARD 16							
16	Land for purchase for business and residential sites	Boyce Nondala Location, Lulama Location					
		Barkly East Town					
	Street paving	Boyce Nondala Location	X		X		
	Local economic development	Revitalisation of Barkly East					
		Enterprise development for SMMEs					
		Hawker stalls in Barkly East Town				X	
	Cemeteries (identification of land and establishment of cemeteries)	Boyce Nondala and Lulama Locations	X				
	Job creation	Barkly East, Boyce Nondala and Lulama Locations					
	Commonage	Boyce Nondala and Lulama Locations. Land and fencing of pastures. (Overall land availability is a key strategic issue in this ward)	X				
		Securing of land					
		Fencing			X		
	Pre-school	Boyce Nondala Location				X	
Pedestrian crossing bridge	Crossing from Boyce Nondala to Lulama Locations	X					
Community Hall	Renovation of Fairview		X				
WARD 17							
17	Access roads and foot bridges	Access Roads- Bensonvale, Hinana, Tapoleng, Masekeleng, Sunduza, Jovelani (Maintenance)	X				
		Foot bridges- Bensonvale to Masekeleng and Jovelani to Sunduza		X			
	Storm water drainage	Bensonvale, Jovelani	X				
	Cemetries - fencing, access roads and new	Jovelani, Hinana, Voyizana	X				X
	Fencing of arable land	Bensonvale, Hinana, Tapoleng		X			
	Job creation and youth development	All villages	X				
	Sports field	Construction of sports field at Showground, Tapoleng	X				
		All villages (blading and furrow)				X	

Summary of ward Based Plans

Ward based plans and priorities were updated through ward committee meetings and at an IPPF in December 2018.

In general, all wards suffer from poorly maintained road infrastructure. The more mountainous wards suffer from poor radio, television and cellphone reception. More repeaters are required in the Municipality.

A short summary of wards indicate that most have access to water but that the water pressure is low and supply tends to be erratic. The worst affected wards are the following:

W 3 – 2 villages

W4 – 3 villages

W 6 – 4 villages

W 7 – Macacuma

W8 – 4 villages

W 13 suffers from bad water shortages. Up to 2 years in some areas

W17- 4 villages.

Sanitation provision is good apart from W 3- 2 villages, W 4 has no sanitation at Mabele. Ward 8 has 4 villages without and Ward 6 has Mpoki without. Ward 16 suffers from toilets at Rhodes in the informal areas. Electricity is supplied to many except new extensions and a few houses caught between. W 16 at Nomlengana has no electricity, W 1 at Walaza, 6 villages in W2 and 2 villages in W 17.

There are 15 clinics in the area but all suffer from limited supply of medication and staff. There are 64 Junior schools and 13 high schools with none in Wards 8 & 6. Agricultural infrastructure is poorly maintained with requests for more dipping tanks and stock dams as well as fencing. There are only 15 dipping tanks and 11 stock dams. Shearing sheds number 30 in total.

CHAPTER SEVEN: VISION & OBJECTIVES

Vision

“A unified, people-centred, developmental and vibrant municipality”

Mission

In order to achieve its vision, Senqu Municipality will:

- Promote a culture of good governance,
- Promote a culture of performance excellence,
- Develop and maintain appropriate and economically run infrastructure,
- Develop and retain human capital,
- Implement a zero-tolerance campaign against corruption,
- Promote a conducive environment to stimulate economic development,
- Implement appropriate financial management systems to ensure the continued growth and viability of the Municipality,
- Ensure regular and scheduled public interaction with communities to enhance accountability and people-centred planning,
- Provide basic service delivery needs to communities in an equitable manner,
- Encourage the maintenance of a safe and healthy environment,

Values

To achieve its mission, Senqu Municipality embraces the following values:

- People first (Batho pele)
- Integrity and honesty
- Transparency and fairness
- Accountability
- Excellence
- Humility
- Respect and tolerance for cultural diversity
- Discipline

Vision 2030

Senqu Municipality wants to improve the financial viability of the Municipality by increasing the revenue through the following:

- 1) Activating the rural economy by:
 - Improving the condition of the Municipal road infrastructure through additional equipment and staff and signage of areas

- Engaging in partnerships with sector departments to improve road infrastructure
- Packaging tourism products per region and assisting tourism organisation to promote and market the area
- Ensuring that tourism owners are graded and maintain certain standards
- Increasing the reach of the Municipality in rural electrification
- Promoting the usage of alternate energy sources and investment by Independent power suppliers
- Engaging in partnerships with the relevant sector departments to fence off demarcated agricultural areas and decrease stock numbers for communal areas to recover grass
- Mentor projects on how to produce and market goods together with necessary business skills
- Encourage the procurement of goods and services from locally based businesses
- Engage and partner the private sector to create upstream and downstream agricultural industries like the Agri-parks
- Identifying available land for agricultural and residential purposes in partnership with traditional Leaders
- Formalising all rural villages so that those who can pay for services will

2) Develop and maintain urban areas to attract investors and residents by:

- Beautifying CBD areas through the planting of trees and flowers
- Creating jobs in waste industries through recycling
- Maintaining law and order through the enforcement of bylaws
- Regular maintenance of Municipal Buildings
- Creating partnerships with DPW to maintain their buildings in good order
- Fining residents for unsightly and uncared private residences and erfes
- Cutting grass along sidewalks and in cemeteries and parks on a regular basis
- Patch potholes and keep gravelled streets in good conditions
- Pave all new and existing urban roads
- Maintaining and developing new storm water drainage
- Engaging residents to develop underutilised and unserved grounds
- Impounding stray animals
- Maintaining strict stock numbers on the commonage and rotating stock to maintain the veld condition of the commonage
- Improving and maintaining electrical infrastructure
- Forming partnerships with Sentech to improve and maintain the existing telecommunications network
- Improve and maintain telecommunications
- Involve residents in the maintenance and beautification of their environment
- Providing land for development purposes in conjunction with traditional leadership
- Formalising townships around existing urban areas and providing security of tenure
- Increasing the level and frequency of refuse collection
- Enforcing adherence to environmental legislation
- Building and maintaining parks and municipal sports facilities

3) Improve the functioning and transparency of the Municipality by:

- Implementing a performance management system that assesses all staff on an annual basis based on organisational and departmental targets
- Ensuring that community complaints are dealt with in a systemic manner
- Ensuring that an effective public participation system is developed and implemented
- Ensuring that all records and information are effectively filed and maintained
- Training officials in customer relations and how to deal with complaints
- Training officials to be able to communicate effectively in all 3 languages spoken in the area
- Utilising interactive social media platforms to keep residents updated on municipal plans and progress
- Ensuring that all bills are correct to encourage payment for services

4) Stimulating the local economy by:

- Engaging traditional authorities to participate in all development opportunities
- Engaging private business on development opportunities and what the municipality can do to assist
- Engaging with sector departments to increase FET and other tertiary institutions in the area
- Engaging with sector departments to improve the general level of education and health services offered in the area

Municipal Priorities

The following Municipal priorities were identified through the Mayoral outreach, Integrated Participatory Planning Forum and IDP & Budget Steering committee.

1. Service Delivery – solid waste management, electricity losses in Sterkspruit
2. Access roads (villages)
3. Access to land – shortage, bulk unserviced sites, land tenure, invasions, surveying
4. Local economic development
5. Job creation
6. Youth development and employment
7. Revenue enhancement

Key Performance Areas

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

1. Good governance & public participation

2. Municipal transformation and institutional development
3. Municipal financial management and viability
4. Local economic development
5. Basic Service delivery and infrastructure

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

Alignment with District, provincial and National Priorities

Medium Term Strategic Framework	New Growth Path	Provincial Strategic Priorities	Senqu LM & Local Gov. KPA	Outcome
2. Strengthen skills and human resource base. 8. Pursuing African advancement and enhanced international cooperation. 10. Building a developmental state including improvement of public services and strengthening democratic institutions.		Strategic Priority 2: Massive programme to build social and economic infrastructure. Strategic Priority 4: Strengthen education skills and human resources base. Strategic Priority 8: Building cohesive, caring and sustainable communities	Municipal Transformation and Institutional Development	Outcome 1: Quality basic education. Outcome 5: Skilled and capable workforce to support an inclusive growth path. Outcome 3: All people in SA are and feel safe. Outcome 9: Responsive, accountable, effective and efficient Local Government System. Outcome 12: An efficient, effective and development oriented public service and an empowered fair and inclusive citizenship.
5. Intensify the fight against crime and corruption;		Strategic Priority 6: Intensifying the fight against crime & corruption;	Municipal Financial Viability and Management	Outcome 9; Responsive, accountable, effective and efficient Local Government System
5. Intensifying the fight against crime and corruption. 7. Build cohesive, caring and sustainable communities. 8. Pursuing African advancement and enhanced international cooperation. 10, Building a	Job driver 4: investing in social, capital and public services	Strategic Priority 6: Intensify the fight against crime and corruption. Strategic priority 8: Building cohesive and sustainable communities.	Good Governance and Public Participation	Outcome 7: Vibrant, equitable, sustainable rural communities contributing towards food security for all. Outcome 9; Responsive, accountable, effective and efficient Local Government System. Outcome 12: An efficient, effective and development oriented public service and an empowered, fair and inclusive citizenship. Outcome 11: Create a better South Africa, better Africa and a better world.

Medium Term Strategic Framework	New Growth Path	Provincial Strategic Priorities	Senqu LM & Local Gov. KPA	Outcome
developmental state including improvement of public services and strengthening democratic institutions				
<p>1. Speeding up economic growth & transforming economy to create decent work and sustainable livelihoods;</p> <p>4. Comprehensive rural development strategy linked to land and agrarian reform & food security.</p>	<p>Jobs driver 2: main economic sectors</p> <p>Jobs driver 3: Seizing the potential of new economies</p>	<p>Strategic Priority 1: Speeding up growth & transforming the economy to create decent work & sustainable livelihoods;</p> <p>Strategic Priority 3: Rural development, land & agrarian reform and food security;</p> <p>Strategic Priority 2: Massive programme to build social & economic infrastructure.</p> <p>Strategic Priority 8: Building cohesive & sustainable communities.</p>	Local Economic Development	<p>Outcome 4: Decent employment through inclusive economic growth.</p> <p>Outcome 6: An efficient competitive and responsive economic infrastructure network.</p> <p>Outcome 7: Vibrant, equitable, sustainable rural communities contributing towards food security for all.</p> <p>Outcome 8: Sustainable human settlements and improve quality of household life.</p> <p>Outcome 10: Protect and enhance our environmental assets and natural resources.</p>

Municipal Strategic Development Objectives

The detailed inputs, indicators and outputs are contained in the SDBIP and score cards.

Focus area and IDP No	Strategic Objective	New 5-year Target	Annual Goals					Responsible Department
			2017/18	2018/19	2019/20	2020/21	2021/22	
KPA 1: BASIC SERVICE DELIVERY & INFRASTRUCTURE DEVELOPMENT								
TRAFFIC & LAW ENFORCEMENT - BSD01	To ensure that the traffic section operates effectively and efficiently	Investigation of the feasibility of constructing and operating a licencing centre in Sterkspruit by 30 June 2020		Investigation of the feasibility of constructing and operating a Sterkspruit licencing centre				Community Services
		5192 people tested on learners' licences	644 (BE)	644 (BE)	1288 (BE & SS)	1288	1288	
		6845 Number of Road Offense Tickets issued within Senqu Municipality to road users	1369	1369	1369	1369	1369	
		235 vehicles tested for roadworthiness in Barkly East	47	47	47	47	47	
		452 vehicles registered annually	452	452	452	452	452	

Focus area and IDP No	Strategic Objective	New 5-year Target	Annual Goals					Responsible Department
			2017/18	2018/19	2019/20	2020/21	2021/22	
		4874 Vehicles licenced annually	4874	4874	4874	4874	4874	
		2573 tested on drivers licence annually	2573	2573	2573	2573	2573	
ROADS, BRIDGES, STORMWATER AND TRANSPORT INFRASTRUCTURE- BSD02	To provide sustainable infrastructure development by building and maintaining access roads, bridges and storm water	1 annual implemented access road maintenance plan	1 annual implemented access road maintenance plan	1 annual implemented access road maintenance plan	1 annual implemented access road maintenance plan	1 annual implemented access road maintenance plan	1 annual implemented access road maintenance plan	Technical Services
		Construction of roads and stormwater in annually identified wards as per the budget & Capital Investment Plan	No of km: Paved & gravel Roads No of km of stormwater	No of km: Paved & gravel Roads No of km of stormwater	No of km: Paved & gravel Roads No of km of stormwater	No of km: Paved & gravel Roads No of km of stormwater	No of km: Paved & gravel Roads No of km of stormwater	
		Construction of pedestrian and vehicle bridges in annually identified wards as per the budget & Capital Investment Plan	No of bridges:	No of bridges	No of bridges	No of bridges	No of bridges	

Focus area and IDP No	Strategic Objective	New 5-year Target	Annual Goals					Responsible Department
			2017/18	2018/19	2019/20	2020/21	2021/22	
		Construction of speed control humps in identified area		Construction of 3 speed control humps in Rhodes Construction of 10 speed control humps in Lady Grey				Technical services
		Establish a roads & storm water master plan		Appointment of PSP for Roads & storm water master plan	Continued appointment until completion			
		Start process of registered borrow pits				Continued PSP appointment for borrow pits	Continued PSP appointment for borrow pits	
INDOOR RECREATIONAL COMMUNITY FACILITIES - BSD03	To ensure effective management and maintenance of indoor recreational community facilities	All wards to have 1 central indoor recreational facility and maintenance of existing facilities	1 new hall and maintenance and upgrading of existing facilities	Maintenance and upgrading of existing facilities	Maintenance and upgrading of existing facilities	Maintenance and upgrading of existing facilities	Maintenance and upgrading of existing facilities	Community Services & Technical services
CEMETRIES AND PAUPER BURIAL- BSD04	To ensure effective management, construction and	Construct 7 cemeteries	0	1	0	3	3	Community Services with Technical Services

Focus area and IDP No	Strategic Objective	New 5-year Target	Annual Goals					Responsible Department
			2017/18	2018/19	2019/20	2020/21	2021/22	
	maintenance of cemeteries and pauper burials	Maintain cemeteries as per the maintenance plan	Maintained cemeteries	Maintained cemeteries	Maintained cemeteries	Maintained cemeteries	Maintained cemeteries	Community Services
		Facilitate Pauper burials as and when required	No of pauper burials	No of pauper burials	No of pauper burials	No of pauper burials	No of pauper burials	
SPORTS BSD05	To construct, maintain, identify, establish and upgrade existing urban sportsfields	1 annually implemented municipal sportsfield maintenance plan	No of sportsfields maintained	No of sportsfields maintained	No of sportsfields maintained	No of sportsfields maintained	No of sportsfields maintained	Community Services
		Develop 1 central sportsfields by 2021/2022					Bluegums	
		Municipal sports audit on utilised sportsfields in rural areas		Municipal sports audit				
LIBRARIES - BSD06	To provide library services to all residents	All urban areas to have well maintained libraries with staff	Quarterly reports on individual libraries regarding usage	Quarterly reports on individual libraries regarding usage	Quarterly reports on individual libraries regarding usage	Quarterly reports on individual libraries regarding usage	Quarterly reports on individual libraries regarding usage	Community Services
PARKS AND PUBLIC OPEN SPACES - BSD07	To create a healthy and sustainable environment by maintaining and	To develop and maintain parks and caravan parks through an annual maintenance plan	No of parks maintained No of caravan parks	No of parks maintained No of caravan parks	No of parks maintained No of caravan parks	No of parks maintained No of caravan parks	No of parks maintained No of caravan parks	Community Services

Focus area and IDP No	Strategic Objective	New 5-year Target	Annual Goals					Responsible Department
			2017/18	2018/19	2019/20	2020/21	2021/22	
	developing public open spaces	1 implemented annual operation plan by 30 September on greening, street sweeping and cutting of grass	1 implementation plan & quarterly implementation reports	1 implementation plan & quarterly implementation reports	1 implementation plan & quarterly implementation reports	1 implementation plan & quarterly implementation reports	1 implementation plan & quarterly implementation reports	
LICENSING AND CONTROL OF ANIMALS - BSD08	To maintain and control the municipal commonage	No municipal commonage to exceed its annual animal carrying capacity as per the adopted commonage management plan	No of animals as per the commonage management plan	No of animals as per the commonage management plan	No of animals as per the commonage management plan	No of animals as per the commonage management plan	No of animals as per the commonage management plan	Community Services
		Fenced camps and constructed water points as per the commonage management plan annual implementation plan	1 Annual Commonage management plan implementation plan adopted by 31 August. Quarterly implementation reports	1 Annual Commonage management plan implementation plan adopted by 31 August. Quarterly implementation reports	1 Annual Commonage management plan implementation plan adopted by 31 August. Quarterly implementation reports	1 Annual Commonage management plan implementation plan adopted by 31 August. Quarterly implementation reports	1 Annual Commonage management plan implementation plan adopted by 31 August. Quarterly implementation reports	
	To maintain and effectively operate the pounds	1 constructed, functional and compliant central municipal pound in Lady Grey			Construction of Pound in Lady Grey	Quarterly Lady Grey pound reports	Quarterly Lady Grey pound reports	Community Services with Technical Services

Focus area and IDP No	Strategic Objective	New 5-year Target	Annual Goals					Responsible Department
			2017/18	2018/19	2019/20	2020/21	2021/22	
		Upgrading of animal collection points in Barkly East, Rhodes and Sterkspruit				Upgrading of Sterkspruit animal collection point	Upgrading of animal collection points in Barkly East and Rhodes	
WASTE MANAGEMENT BSD 09	To improve the quality of life for residents by increasing the % of households receiving basic refuse collection	Increase h/hold refuse collection in all urban areas through annual operational plan	Increase h/hold refuse collection in all urban areas through annual operational plan	Increase h/hold refuse collection in all urban areas through annual operational plan	Increase h/hold refuse collection in all urban areas through annual operational plan	Increase h/hold refuse collection in all urban areas through annual operational plan	Increase h/hold refuse collection in all urban areas through annual operational plan	Community Services
	To reduce waste through awareness campaigns	Quarterly waste education and awareness campaigns in a community. (4 per quarter)	16 waste education and awareness campaigns	16 waste education and awareness campaigns	16 waste education and awareness campaigns	16 waste education and awareness campaigns	16 waste education and awareness campaigns	
	To effectively manage and reduce waste through the implementation of the IWMP	2 Operational Weighbridges at landfill sites in Lady Grey & Barkly East to indicate amount and type of waste.	Quarterly reports on tonnage at weighbridges.	Quarterly reports on tonnage at weighbridges	Quarterly reports on tonnage at weighbridges	Quarterly reports on tonnage at weighbridges	Quarterly reports on tonnage at weighbridges	

Focus area and IDP No	Strategic Objective	New 5-year Target	Annual Goals					Responsible Department
			2017/18	2018/19	2019/20	2020/21	2021/22	
		Construction of 4 solid waste sites, upgrading of 1 site, closure of 2 sites, 2 lined sites in BE & LG in accordance with NEMWA	2 lined sites in BE & LG in accordance with NEMWA	Start Construction on Herschel, Rhodes & Rossouw sites Design for closure of old Sterk SWS All independent of EIA for new sites	Complete construction of Herschel & Rossouw sites Start construction of new SWS for Sterkspruit Begin closure process of Sterkspruit old SWS Undertake a feasibility study on rural area collection – transfer station, cost of service and no of households covered in urban areas.	Completion of Rhodes SWS Completion of new SWS for Sterkspruit Complete closure of old Sterkspruit SWS Planning for closure of old Rhodes SWS	Completion of Rhodes SWS closure Completion of Rhodes SWS closure	Community Services & Technical Services
FREE BASIC SERVICES BSD10	That all registered indigent households receive free basic electricity and refuse removal	Compilation of an indigent register and annual updating of the indigent register through the B\IFBS Indigent Committee by 15 December	Data Collected & captured	Data updated	Data updated	Data updated	Data updated	Finance
		Annually report on the % of households earning less than 2 state pensions with access to free basic	Annual report	Annual report	Annual report	Annual report	Annual report	

Focus area and IDP No	Strategic Objective	New 5-year Target	Annual Goals					Responsible Department
			2017/18	2018/19	2019/20	2020/21	2021/22	
		electricity of 50 kw per month and refuse removal by 30 June						
ELECTRICITY AND STREET LIGHTING BSD11	To maintain the existing electrical infrastructure through replacement of outdated equipment and installation of new equipment in order to reduce losses and ensure compliance	Installation of AMI meter system, upgrading of distribution networks, maintenance on infrastructure and street lighting. Installation and replacement of 485 fittings	Replace electrical meters and a conductor Install new fittings	Replace electrical meters and a conductor Install new fittings	Replace electrical meters and a conductor Install new fittings	Replace electrical meters and a conductor Install new fittings	Replace electrical meters and a conductor Install new fittings	Technical Services
	To reduce Senqu electricity backlogs by assisting Eskom with electrification of rural areas as identified by Council.	690 rural connections	R 5 000 000 approved by DoE for pre-engineering & construction (323 new connections in wards 2 &3)	Pre-engineering & Construction (DoE dependent)	Pre-engineering & Construction (DoE dependent)	Pre-engineering & Construction (DoE dependent)	Pre-engineering & Construction (DoE dependent)	
OFFICE SPACE BDS12	To provide office space and parking by	Construction of parking bay in Lady Grey	Construction completion for parking bay	Construction for LG	Completion for LG	Reports on Implementation of annual maintenance plan	Reports on Implementation of	Corporate Services &

Focus area and IDP No	Strategic Objective	New 5-year Target	Annual Goals					Responsible Department
			2017/18	2018/19	2019/20	2020/21	2021/22	
	building new offices and renovating existing buildings			Reports on Implementation of annual maintenance plan	Reports on Implementation of annual maintenance plan		annual maintenance plan	Technical Services
		Renovation of 2 nd Floor Offices in LG						
LICENSING OF BUSINESSES BSD 13	To ensure that all businesses operating in the Municipality have licences and are operating according to legislation by 2022	Annual audit of businesses in urban areas by 30 June	Annual audit of businesses in urban areas by 30 June	Annual audit of businesses in urban areas by 30 June	Annual audit of businesses in urban areas by 30 June	Annual audit of businesses in urban areas by 30 June	Annual audit of businesses in urban areas by 30 June	Community Services
		Demarcation of informal trading areas in Sterkspruit by 30 June 2020	*	*	Demarcation of informal trading areas in Sterkspruit by 30 June 2020	*	*	
PRE-SCHOOLS BSD 14	To construct pre-schools in accordance of a Municipal conducted Audit on usage and maintenance of facilities	Municipal Audit on pre-schools conducted	Undertake municipal audit (done but need upgrading)					Community Services

Focus area and IDP No	Strategic Objective	5-year Target	Annual Goals					Responsible Department
			2017-18	2018-19	2019-20	2020-21	2021-2022	
KPA 2: LOCAL ECONOMIC DEVELOPMENT								
TOURISM LED 01	To promote responsible tourism, arts and heritage through continued support to local initiatives	1 Reviewed and implemented tourism plan	Reviewed tourism plan by 30 June 2018	Signage of tourism sites, marketing, support of local events and improving tourism infrastructure	Signage of tourism sites, marketing, support of local events and improving tourism infrastructure	Signage of tourism sites, marketing, support of local events and improving tourism infrastructure	Signage of tourism sites, marketing, support of local events and improving tourism infrastructure	D & TPS
LED 02	To promote and attract development in the local economy through implementation of the LED strategy	1 Reviewed and implemented LED strategy	Reviewed LED strategy plan by 30 June 2018	No of jobs created through the LED iniatives including capital projects (250) i.e. EPWP & CWP	No of jobs created through the LED iniatives including capital projects (250) i.e. EPWP & CWP	No of jobs created through the LED iniatives including capital projects (250) i.e. EPWP & CWP	No of jobs created through the LED iniatives including capital projects (250) i.e. EPWP & CWP	D & TPS
				4 meetings with LED structures	4 meetings with LED structures	4 meetings with LED structures	4 meetings with LED structures	
				Quarterly reporting on 30 % of all infrastructure projects to go to SMMES through sub contractors & buying of products	Quarterly reporting on 30 % of all infrastructure projects to go to SMMES through sub contractors & buying of products	Quarterly reporting on 30 % of all infrastructure projects to go to SMMES through sub contractors & buying of products	Quarterly reporting on 30 % of all infrastructure projects to go to SMMES through sub contractors & buying of products	All

Focus area and IDP No	Strategic Objective	5-year Target	Annual Goals					Responsible Department
			2017/18	2018/19	2019/20	2020/21	2021/22	
KPA 3: LOCAL MUNICIPAL FINANCIAL MANAGEMENT & VIABILITY								
SUPPLY CHAIN MANAGEMENT (ADMINISTRATION AND REPORTING) - MFMV01	To ensure the efficient and effective procurement of goods and services	To ensure that bid committees function in accordance with SCM legislation	Quarterly reports on bid committee functionality	Quarterly reports on bid committee functionality	Quarterly reports on bid committee functionality	Quarterly reports on bid committee functionality	Quarterly reports on bid committee functionality	Finance
		Legislative compliance of supply chain management	Quarterly reports	Quarterly reports	Quarterly reports	Quarterly reports	Quarterly reports	

Focus area and IDP No	Strategic Objective	5-year Target	Annual Goals					Responsible Department
			2017/18	2018/19	2019/20	2020/21	2021/22	
		1 roadshow a year in LG, Sterkspruit & BE	Annual roadshow in LG, BE & Sterkspruit	Annual roadshow in LG, BE & Sterkspruit	Annual roadshow in LG, BE & Sterkspruit	Annual roadshow in LG, BE & Sterkspruit	Annual roadshow in LG, BE & Sterkspruit	
		Annual stock count report to CFO.	Annual stock count.	Annual stock count.	Annual stock count.	Annual stock count.	Annual stock count.	
ASSET MANAGEMENT - MFMV02	To ensure monitoring of Municipal Assets per Department through regular asset checks and reporting	Annual asset count & fleet management report. Quarterly Departmental stock counts undertaken by departmental staff and reported to Department Directors	Annual asset count & fleet management report. Quarterly Departmental asset counts undertaken by departmental staff	Annual asset count & fleet management report. Quarterly Departmental asset counts undertaken by departmental staff	Annual asset count & fleet management report. Quarterly Departmental asset counts undertaken by departmental staff	Annual asset count & fleet management report. Quarterly Departmental asset counts undertaken by departmental staff	Annual asset count & fleet management report. Quarterly Departmental asset counts undertaken by departmental staff	Finance
		Fully GRAP Compliant Asset register	Fully GRAP Compliant Asset register				Development of asset management plan	
		Annual insurance portfolio update and monthly claim reports	Monthly reports of claims to CFO	Monthly reports of claims to CFO	Monthly reports of claims to CFO	Monthly reports of claims to CFO	Monthly reports of claims to CFO	
		Updated asset management plan by 30 June	Updated asset management plan by 30 June	Updated asset management plan by 30 June	Updated asset management plan by 30 June	Updated asset management plan by 30 June	Updated asset management plan by 30 June	
		Annual disposal sale by May	Annual disposal sale by May	Annual disposal sale by May	Annual disposal sale by May	Annual disposal sale by May	Annual disposal sale by May	

Focus area and IDP No	Strategic Objective	5-year Target	Annual Goals					Responsible Department
			2017/18	2018/19	2019/20	2020/21	2021/22	
FINANCIAL MANAGEMENT - MFMV03	To annually assess and report on the % of the budget spent on implementing its WSP and financial viability as expressed by the following ratios: A(debt coverage) = B (total op rev received) - C (op grants) divided by D (debt service payment due within the FY) A (outstanding service debtors to revenue) = B (total outstanding debt) divided by C(actual rev received for services) A (cost coverage) = B (all available cash at a particular time) + C (investments) divided by D (Monthly fixed opl expenditure)	Annual report on financial ratios and norms by Q3 for previous year	Annual report on financial ratios and norms by Q3 for previous year	Annual report on financial ratios and norms by Q3 for previous year	Annual report on financial ratios and norms by Q3 for previous year	Annual report on financial ratios and norms by Q3 for previous year	Annual report on financial ratios and norms by Q3 for previous year	Finance
	To annually report on the % of the Municipality's budget actually spent on capital projects identified a particular financial year in terms of the Municipality's IDP	Annual report by CFO	Annual report by CFO	Annual report by CFO	Annual report by CFO	Annual report by CFO	Annual report by CFO	
	To expand and protect the municipal revenue base by providing accurate	All bills are accurate and delivered and processed monthly	Monthly processing and delivery of bills by 15th of following month	Monthly processing and delivery of bills by 15th of following month	Monthly processing and delivery of bills by 15th of following month	Monthly processing and delivery of bills by 15th of following month	Monthly processing and delivery of bills by 15th of following month	

Focus area and IDP No	Strategic Objective	5-year Target	Annual Goals					Responsible Department
			2017/18	2018/19	2019/20	2020/21	2021/22	
	bills for services rendered	All electricity meters in urban areas to be read 100 % by 30 of each month	All electricity meters in urban areas to be read 100 % by 30 of each month	All electricity meters in urban areas to be read 100 % by 30 of each month	All electricity meters in urban areas to be read 100 % by 30 of each month	All electricity meters in urban areas to be read 100 % by 30 of each month	All electricity meters in urban areas to be read 100 % by 30 of each month	
		Revenue enhancement strategy that will incorporate the moving of all residential customers and small business using below 60 Amp to prepaid	Adopted strategy	Moving all residential customers to prepaid including small businesses using below 60Amp	Implementation	Implementation	Implementation	
		To comply with the MFMA prescripts by submitting various documents such as the AFS	Submission of MFMA required documents timeously	Submission of MFMA required documents timeously	Submission of MFMA required documents timeously	Submission of MFMA required documents timeously	Submission of MFMA required documents timeously	
		Ensure financial viability by regular reports on the amount of expenditure on the capital and operational budget including conditional grants by 10th of following month on expenditure of capital and operational budget including grants	To report monthly by 10th of following month on expenditure of capital and operational budget including grants	To report monthly by 10th of following month on expenditure of capital and operational budget including grants	To report monthly by 10th of following month on expenditure of capital and operational budget including grants	To report monthly by 10th of following month on expenditure of capital and operational budget including grants	To report monthly by 10th of following month on expenditure of capital and operational budget including grants	
		To expand and protect the municipal revenue base by implementing the valuation roll and increasing % of	Annual supplementary and develop valuation roll	Develop roll	Implement roll 1 July 2018/19 FY	Supplementary roll	Supplementary roll	

Focus area and IDP No	Strategic Objective	5-year Target	Annual Goals					Responsible Department
			2017/18	2018/19	2019/20	2020/21	2021/22	
		actual revenue collected						Finance
		To expand and protect the municipal revenue base by increasing % of actual revenue collected to 95 %	95%	95%	95%	95%	95%	
		To decrease unauthorised, irregular, fruitless, wasteful expenditure and minor breaches through regular reporting	Decrease in unauthorised, irregular, fruitless, wasteful expenditure (Council Q) and minor breaches (MM) monthly	Quarterly reports	Quarterly reports	Quarterly reports	Quarterly reports	
PAYROLL - MFMV04	To ensure good payroll management and implementation	All salaries paid timeously as per Council schedule	All salaries to be paid by the 1st of the following month	All salaries to be paid by the 1st of the following month	All salaries to be paid by the 1st of the following month	All salaries to be paid by the 1st of the following month	All salaries to be paid by the 1st of the following month	Finance
BUDGET COMPILATION - MFMV05	To ensure compliance with the MFMA and MSA requirements regarding the adjustment budget and annual budget development and submission requirements	Draft annual budget adopted by end March annually, final annual budget adopted by end May and adjustment by end February.	Draft annual budget adopted by end March annually, final annual budget adopted by end May and adjustment by end February.	Draft annual budget adopted by end March annually, final annual budget adopted by end May and adjustment by end February.	Draft annual budget adopted by end March annually, final annual budget adopted by end May and adjustment by end February.	Draft annual budget adopted by end March annually, final annual budget adopted by end May and adjustment by end February.	Draft annual budget adopted by end March annually, final annual budget adopted by end May and adjustment by end February.	Finance

Focus area and IDP No	Strategic Objective	5-year Target	Annual Goals					Responsible Department
			2017/18	2018/19	2019/20	2020/21	2021/22	
REPORTING - MFMV06	To develop and submit S 71, S 72 & S 52 reports as per MFMA guidelines and prescripts	To develop and submit financial part of S 71, S 72 & S 52 reports as per MFMA guidelines and prescripts	To develop and submit financial part of S 71, S 72 & S 52 reports as per MFMA guidelines and prescripts	To develop and submit financial part of S 71, S 72 & S 52 reports as per MFMA guidelines and prescripts	To develop and submit financial part of S 71, S 72 & S 52 reports as per MFMA guidelines and prescripts	To develop and submit financial part of S 71, S 72 & S 52 reports as per MFMA guidelines and prescripts	To develop and submit financial part of S 71, S 72 & S 52 reports as per MFMA guidelines and prescripts	Finance
IT - MFMV07	To ensure a continually secure, effective and efficient ICT service through implementation of ICT policies and plans and upgrading of ICT equipment	Reports if there is more than 3 hours of downtime on the primary domain controller, email server, financial server (EMS) and backup server	Reports	Reports	Reports	Reports	Reports	Finance
		Upgraded security of IT & server rooms and equipment including servers in all buildings	Procurement of server & reports	Reports	Reports	Reports	Reports	
		To ensure that disaster recovery plans are fully implemented	Reports	Reports	Reports	Reports	Reports	

Focus area and IDP No	Strategic Objective	5-year Target	Annual Goals					Responsible Department
			2017/18	2018/19	2019/20	2020/21	2021/22	
KPA 4: MUNICIPAL TRANSFORMATION & INSTITUTIONAL DEVELOPMENT								
SKILLS DEVELOPMENT - MTID04	To develop and implement an effective HR strategy	To align the HR strategy with the IDP priorities	Annual alignment of HR strategy with IDP priorities	Annual alignment of HR strategy with IDP priorities	Annual alignment of HR strategy with IDP priorities	Annual alignment of HR strategy with IDP priorities	Annual alignment of HR strategy with IDP priorities	Corporate Services

Focus area and IDP No	Strategic Objective	5-year Target	Annual Goals					Responsible Department
			2017/18	2018/19	2019/20	2020/21	2021/22	
	To develop, adopt and implement the workplace skills plan (WSDP). To submit the skills plan and annual training report as legislated	To develop, adopt and implement the workplace skills plan (WSDP). To submit the skills plan and annual training report as legislated	To submit the skills plan and annual training report as legislated	To submit the skills plan and annual training report as legislated	To submit the skills plan and annual training report as legislated	To submit the skills plan and annual training report as legislated	To submit the skills plan and annual training report as legislated	
EMPLOYMENT EQUITY - MTID02	To develop and implement the employment equity plan as per the set targets in accordance with the Employment Equity Act	To develop and implement the employment equity plan as per the set targets in accordance with the Employment Equity Act. To submit the annual report as legislated	Quarterly reports on EE plan implementation. Submission of annual report	Quarterly reports on EE plan implementation. Submission of annual report	Quarterly reports on EE plan implementation. Submission of annual report	Quarterly reports on EE plan implementation. Submission of annual report	Quarterly reports on EE plan implementation. Submission of annual report	Corporate Services
	No of people from employer equity target groups employed in the 3 highest levels of organogram in compliance with a municipal approved employment equity plan	No of people from employer equity target groups employed in the 3 highest levels of organogram in compliance with a municipal approved employment equity plan	Annual report on no of people from employer equity target groups employed in the 3 highest levels of organogram in compliance with a municipal approved employment equity plan	Annual report on no of people from employer equity target groups employed in the 3 highest levels of organogram in compliance with a municipal approved employment equity plan	Annual report on no of people from employer equity target groups employed in the 3 highest levels of organogram in compliance with a municipal approved employment equity plan	Annual report on no of people from employer equity target groups employed in the 3 highest levels of organogram in compliance with a municipal approved employment equity plan	Annual report on no of people from employer equity target groups employed in the 3 highest levels of organogram in compliance with a municipal approved employment equity plan	
RERUITMENT, SELECTION AND EMPLOYEE MANAGEMENT	To ensure that the organisational structure of the Municipality is aligned to its present and future staffing needs and requirements	Annual review of organogram	Annual review of organogram	Annual review of organogram	Annual review of organogram	Annual review of organogram	Annual review of organogram	Corporate Services

Focus area and IDP No	Strategic Objective	5-year Target	Annual Goals					Responsible Department
			2017/18	2018/19	2019/20	2020/21	2021/22	
	To ensure effective management of staff and policy and procedure processes through job descriptions, leave management and clock in systems	Effective implementation of HR policies such as leave	Quarterly reports on adherence to HR policies such as leave, recruitment etc	Quarterly reports on adherence to HR policies such as leave, recruitment etc	Quarterly reports on adherence to HR policies such as leave, recruitment etc	Quarterly reports on adherence to HR policies such as leave, recruitment etc	Quarterly reports on adherence to HR policies such as leave, recruitment etc	
EMPLOYEE WELLNESS PROGRAMME - MTID04	To ensure the physical and mental well-being of employees through the implementation of an employee wellness programme	Annual employee wellness programme by the end of Quarter 1	Annual employee wellness programme by the end of Quarter 1	Annual employee wellness programme by the end of Quarter 1	Annual employee wellness programme by the end of Quarter 1	Annual employee wellness programme by the end of Quarter 1	Annual employee wellness programme by the end of Quarter 1	Corporate Services
OCCUPATIONAL HEALTH AND SAFETY - MTID05	To ensure that all Senqu buildings and staff adhere to and implement OHS legislation	4 OHS meetings. Quarterly reports on adherence of staff and buildings to OHS. Annual OHS awareness campaign	4 OHS meetings. Quarterly reports on adherence of staff and buildings to OHS. Annual OHS awareness campaign	4 OHS meetings. Quarterly reports on adherence of staff and buildings to OHS. Annual OHS awareness campaign	4 OHS meetings. Quarterly reports on adherence of staff and buildings to OHS. Annual OHS awareness campaign	4 OHS meetings. Quarterly reports on adherence of staff and buildings to OHS. Annual OHS awareness campaign	4 OHS meetings. Quarterly reports on adherence of staff and buildings to OHS. Annual OHS awareness campaign	Corporate Services

Focus area and IDP No	Strategic Objective	5-year Target	Annual Goals					Responsible Department
			2017/18	2018/19	2019/20	2020/21	2021/22	
LOCAL LABOUR FORUM - MTID 06	To ensure a good relationship between management and employees through regular interactions on labour issues	Functional LLF meetings quarterly	Functional LLF meetings quarterly	Functional LLF meetings quarterly	Functional LLF meetings quarterly	Functional LLF meetings quarterly	Functional LLF meetings quarterly	Corporate Services
LEGAL SERVICES – 07	To ensure that the Municipality implements sound management controls in order to mitigate against unnecessary litigation	Annual report on the status of municipal lease agreements & litigation	Annual report on the status of municipal lease agreements & litigation	Annual report on the status of municipal lease agreements & litigation	Annual report on the status of municipal lease agreements & litigation	Annual report on the status of municipal lease agreements & litigation	Annual report on the status of municipal lease agreements & litigation	Corporate Services
POLICIES AND BY-LAWS - MTID 08	To review and implement departmental policies, procedures, procedure manuals and bylaws annually	Annual review of identified municipal policies, bylaws, procedures and procedure manuals annually by the end of Quarter 4	Annual review of identified municipal policies, bylaws, procedures and procedure manuals annually by the end of Quarter 4	Annual review of identified municipal policies, bylaws, procedures and procedure manuals annually by the end of Quarter 4	Annual review of identified municipal policies, bylaws, procedures and procedure manuals annually by the end of Quarter 4	Annual review of identified municipal policies, bylaws, procedures and procedure manuals annually by the end of Quarter 4	Annual review of identified municipal policies, bylaws, procedures and procedure manuals annually by the end of Quarter 4	Corporate Services & DTPS

Focus area and IDP No	Strategic Objective	5-year Target	Annual Goals					Responsible Department
			2017/18	2018/19	2019/20	2020/21	2021/22	
BUILDINGS - MTID 09	To ensure that municipal buildings and assets are maintained and secured	Development of annual maintenance plan by 30 August and quarterly implementation reports	Development of annual maintenance plan by 30 August and quarterly implementation reports	Development of annual maintenance plan by 30 August and quarterly implementation reports	Development of annual maintenance plan by 30 August and quarterly implementation reports	Development of annual maintenance plan by 30 August and quarterly implementation reports	Development of annual maintenance plan by 30 August and quarterly implementation reports	Corporate Services
RECORDS MANAGEMENT - MTID10	To ensure that Municipal information is kept secure and filed and archived according to legislation	Fully functional document system by 2022	Document system	Document system	Document system	Document system	Document system	Corporate Services
PERFORMANCE MANAGEMENT AND REPORTING - MTID11	To ensure that a system of departmental and individual performance management system is implemented	An implemented system of departmental and individual performance management system in implemented by 2022	Implemented PMS	Implemented PMS	Implemented PMS	Implemented PMS	Implemented PMS	D & TPS
SPATIAL PLANNING - MTID12	TO implement SPLUMA regulations	Implemented adopted SPLUMA schedule	Land use scheme completed. Policies complete. Promulgated by-law and SDF (institutional) and Sterkspruit SDF (new)	Establishment of land use tribunal (new). Lady Grey SDF	Barkly East SDF, Reviewal of policies, process and approve land use scheme applications	Reviewal of policies, process and approve land use scheme applications	Reviewal of policies, process and approve land use scheme applications	D & TPS
	To ensure adherence to town planning and	Implemented town planning and building control legislation						

Focus area and IDP No	Strategic Objective	5-year Target	Annual Goals					Responsible Department
			2017/18	2018/19	2019/20	2020/21	2021/22	
	building control legislation	Land invasion strategy & implementation thereof	Land invasion strategy completed					
	To manage urbanisation of existing urban areas	To develop a strategy for bulk infrastructure for the development of integrated human settlements by 30 June 2019		Bulk infrastructure plan				
INTEGRATED DEVELOPMENT PLANNING - MTID13	To ensure development and adoption of the IDP and budget process plan and IDP s per legislated timeframes	Adopted IDP and budget process plan and reviewed IDP	Adopted IDP and budget process plan and reviewed IDP	Adopted IDP and budget process plan and reviewed IDP	Adopted IDP and budget process plan and reviewed IDP	Adopted IDP and budget process plan and reviewed IDP	Adopted IDP and budget process plan and reviewed IDP	D & TPS
	To co-ordinate meetings of the IPPF and IDP and Budget steering committee Meetings	Quarterly meetings of IPPF and IDP & budget Steering Committee Meetings	Quarterly meetings of IPPF and IDP & budget Steering Committee Meetings	Quarterly meetings of IPPF and IDP & budget Steering Committee Meetings	Quarterly meetings of IPPF and IDP & budget Steering Committee Meetings	Quarterly meetings of IPPF and IDP & budget Steering Committee Meetings	Quarterly meetings of IPPF and IDP & budget Steering Committee Meetings	
PMU REPORTING MTID14	To ensure capital infrastructure management and reporting	To ensure capital infrastructure management, implementation and reporting	Annual reporting on the MIG expenditure	Ongoing	Ongoing	Ongoing	Ongoing	Technical services
HOUSING MTID15	To ensure equitable access to housing for communities	To review and implement the housing sector plan by 30 June 2018	Housing sector plan (to be reviewed)					D & TPS

Focus area and IDP No	Strategic Objective	5-year Target	Annual Goals					Responsible Department
			2017/18	2018/19	2019/20	2020/21	2021/22	
		Develop and implement a strategy on accreditation for the housing unit by 30 June 2020			Develop and implement a strategy on accreditation for the housing unit by 30 June 2020			

Focus area and IDP No	Strategic Objective	5-year Target	Annual Goals					Responsible Department
			2017/18	2018/19	2019/20	2020/21	2021/22	
KPA 5: PUBLIC PARTICIPATION & GOOD GOVERNANCE								
RISK & FRAUD PREVENTION GGPP01	To promote and instil good governance practices within Senqu municipality	Developed and implemented departmental risk action plans including quarterly risk reports						D & TPS
		Implemented fraud prevention policy						
COMPLIANCE GGPP02	To ensure compliance with all legislated deadlines such as MFMA & MSA, mSCOA regulations, IDP and budget dates	Developed annual compliance register						D & TPS

Focus area and IDP No	Strategic Objective	5-year Target	Annual Goals					Responsible Department
			2017/18	2018/19	2019/20	2020/21	2021/22	
OVERSIGHT - GGPP03	To ensure quarterly sittings of MPAC and the Audit and Performance Committee and the annual preparation of an annual oversight report	Quarterly sittings of MPAC and the Audit and Performance Committee and the annual preparation of an annual oversight report by end of March						Office of the MM
	To ensure that Council, Exco and Top Management meetings are held regularly and that resolutions are implemented.	Quarterly sitting of Council, monthly sitting of Ex-Co, Quarterly Top Management & Quarterly Broad Management with tracked resolutions						Corporate Services
	To ensure good governance through the monitoring of the implementation of the OPCAR and Audit action plan	Annual development and implementation of the audit action plan & dashboard						Office of the MM & DTPS
		Annual development and implementation of an OPCAR						Finance
CUSTOMER CARE & PUBLIC PARTICIPATION GGPP04	To promote interactive communication with customers around service delivery issues	4 quarterly meetings of ward committees & 4 IPPF meetings	4 quarterly meetings of ward committees & 4 IPPF meetings	4 quarterly meetings of ward committees & 4 IPPF meetings	4 quarterly meetings of ward committees & 4 IPPF meetings	4 quarterly meetings of ward committees & 4 IPPF meetings	4 quarterly meetings of ward committees & 4 IPPF meetings	Corporate Services
		Implemented computerised customer care compliant system by 30 June 2018 and annual customer satisfaction surveys	Implemented computerised customer care compliant system by 30 June 2018	Annual customer levels of satisfaction external service provider	Annual customer levels of satisfaction external service provider	Annual customer levels of satisfaction external service provider	Annual customer levels of satisfaction external service provider	

Focus area and IDP No	Strategic Objective	5-year Target	Annual Goals					Responsible Department
			2017/18	2018/19	2019/20	2020/21	2021/22	
	To ensure regular participation of the public and interaction with the public through the public participation plan, Imbizos and meetings such as IPPF etc	Annual adopted annual public participation plan by December. Annual update of stakeholder register. 4 IPPF & 2 outreaches. Mayoral budget speech	Annual adopted annual public participation plan by December. Annual update of stakeholder register. 4 IPPF & 2 outreaches. Mayoral budget speech	Annual adopted annual public participation plan by December. Annual update of stakeholder register. 4 IPPF & 2 outreaches. Mayoral budget speech	Annual adopted annual public participation plan by December. Annual update of stakeholder register. 4 IPPF & 2 outreaches. Mayoral budget speech	Annual adopted annual public participation plan by December. Annual update of stakeholder register. 4 IPPF & 2 outreaches. Mayoral budget speech	Annual adopted annual public participation plan by December. Annual update of stakeholder register. 4 IPPF & 2 outreaches. Mayoral budget speech	
MAINSTREAMING - GGPP05	To promote the mainstreaming and upliftment of HIV and AIDS, women and children, youth, people with disabilities and the elderly into municipal Socio-Economic Programmes and Projects	4 awareness campaigns, monthly condom distribution, 4 LAC meetings. Reviewal of strategy	Reviewal of strategy	4 awareness campaigns, monthly condom distribution, 4 LAC meetings. Reviewal of strategy	5 awareness campaigns, monthly condom distribution, 4 LAC meetings. Reviewal of strategy	6 awareness campaigns, monthly condom distribution, 4 LAC meetings. Reviewal of strategy	7 awareness campaigns, monthly condom distribution, 4 LAC meetings. Reviewal of strategy	Corporate Services
		4 youth meetings, 4 women meetings and 4 elderly meetings	4 youth meetings, 4 women meetings and 4 elderly meetings	4 youth meetings, 4 women meetings and 4 elderly meetings	4 youth meetings, 4 women meetings and 4 elderly meetings	4 youth meetings, 4 women meetings and 4 elderly meetings	4 youth meetings, 4 women meetings and 4 elderly meetings	
		Annual Mayoral cup to develop sport in the Municipality and annual Youth Festival to promote community cohesion	Annual mayor cup to be held by 30 June	Annual mayor cup to be held by 30 June	Annual mayor cup to be held by 30 June	Annual mayor cup to be held by 30 June	Annual mayor cup to be held by 30 June	
			Annual Youth festival to be held by end of September	Annual Youth festival to be held by end of September	Annual Youth festival to be held by end of September	Annual Youth festival to be held by end of September	Annual Youth festival to be held by end of September	Office of the MM
COMMUNICATIONS & MARKETING, GGPP06	To ensure that the communication strategy is implemented so that the public are kept informed about municipal activities and programmes	Development of social media platforms and a policy by June 2018						Office of the MM
		Update & maintain the Municipal website so it is complaint and user friendly						

Focus area and IDP No	Strategic Objective	5-year Target	Annual Goals					Responsible Department
			2017/18	2018/19	2019/20	2020/21	2021/22	
		4 stakeholder engagements a month, 16 radio engagements per year and 4 media opinion pieces	4 stakeholder engagements a month, 16 radio engagements per year and 4 media opinion pieces	4 stakeholder engagements a month, 16 radio engagements per year and 4 media opinion pieces	4 stakeholder engagements a month, 16 radio engagements per year and 4 media opinion pieces	4 stakeholder engagements a month, 16 radio engagements per year and 4 media opinion pieces	4 stakeholder engagements a month, 16 radio engagements per year and 4 media opinion pieces	

SECTOR DEPARTMENTS PROJECTS

(To be added when received)

DEPARTMENT OF HUMAN SETTLEMENTS

DEPARTMENT OF ECONOMIC DEVELOPMENT, ENVIRONMENTAL AFFAIRS & TOURISM

DEPARTMENT OF SPORTS, ARTS, CULTURE AND RECREATION

DEPARTMENT OF SOCIAL DEVELOPMENT

PROVINCIAL TREASURY

Provincial Treasury will continue to provide support the municipality in the following areas amongst others;

- Capacity building through relevant training and workshops;
- Technical support on 2019/2020 tabled and adopted mSCOA compliant budget;
- Review of the 2018/19 Audit Action Plan;
- Assist the municipality with Audited outcome figures/budget/ adjustment/ data strings verifications;
- Assist municipality to recover debts owed by provincial departments in respect of property rates and municipal services;
- Assist the municipality with the verification of indigent register.

DEPARTMENT OF RURAL DEVELOPMENT & AGRARIAN REFORM

To be added when received

SASSA

- ICROP: (Integrated Community Registration Outreach programme)
- Children with invalid Birth registration numbers
- Un-enrolled children
- Regulation 26A
- Reg. 11.1
- U4 Cases
- Paid after Death
- SRD: Malnutrition, Disaster, Undue hardship, Uniform
- SAPO: Swapping of Cards, Payment Options

ESKOM

To be added when received

DEPARTMENT OF TRANSPORT

JOE GQABI DISTRICT MUNICIPALITY

To be added after draft adoption

Municipal Budget 2019/2020

CAPITAL BUDGET (Summary)

VOTE	REV / EXP Type	PROJECT DESCRIPTION	2019/20 IDP Goal	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
				80 058 760	51 925 908	45 933 719
MUNICIPAL BUILDINGS AND VEHICLES						
2155/P501/4100	MIG	Renovations 2d Floor	MTID09	8 533 000	1 000 000	-
2155/P505/4100	Own Funds	Mayoral Residence	MTID09	784 000	824 768	867 656
2155/PNew7/4104	Own Funds	Power Backup System	MTID09	350 000	515 480	542 285
3154/PNew/4105	Own Funds	FLEET VEHICLES	MFMV06	800 000	1 443 344	1 518 398
3155/P508/4104	Own Funds	Server	MFMV07	343 000	360 836	379 599
3156/P687/4118	Own Funds	Senqu Stores Upgrade	MFMV01	784 000	824 768	867 656
4600/New2/4103	Own Funds	Smooth Roller	BSD02	1 200 000	1 340 248	1 409 941
4600/New3/4103	Own Funds	Diamond Cutter	BSD02	29 400	30 929	32 537
4700/P542/4103	Own Funds	Essential tools	BSD11	60 760	63 920	67 244
4700/P876/4105	Own Funds	Cherry Picker	BSD11	1 500 000	1 649 536	-
4700/New4/4105	Own Funds	LDV	BSD11	400 000	-	-
5502/P878/4103	Own Funds	Plant and Equipment	BSD09	49 000	51 548	54 228
5502/PNew8/4103	Own Funds	Plant and Equipment - Dozer	BSD09	-	6 185 760	-
4700/New5/4105	Own Funds	Vehicle LDV	BSD09	400 000	721 672	759 199
ROADS & BRIDGES						
4600/P689/4101	MIG	Roads between Esilindini and Frans	BSD02	5 000 000	-	-
4600/P690/4101	MIG	New Rest Construction - Paving	BSD02	500 000	30 000 000	25 596 000
4600/P833/4101	Own Funds	Tienbank Property Access Construction	BSD02	490 000	515 480	542 285
4600/P804/4101	Own Funds	Construction of 6 km Access Roads with Storm Water control W1	BSD02	4 000 000	-	-
4600/P805/4101	Own Funds	Construction of 6 km Access Roads with Storm Water control W2	BSD02	4 000 000	-	6 000 000
4600/New1/4101	MIG	Transwilger Bridge	BSD02	850 000	-	-
4600/P692/4101	MIG	Boysi Nondala Paved Roads - Phase 1	BSD02	16 138 750	-	-
WASTE MANAGEMENT						
4600/P875/4103	Own Funds	Trash Pump	BSD02	-	20 619	21 691
5502/P820/4109	Own Funds	Solid Waste Site Ward 10	BSD09	4 500 000	-	-

VOTE	REV / EXP Type	PROJECT DESCRIPTION	2019/20 IDP Goal	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
5502/P641/4109	Own Funds	Upgrade BE Solid Waste Site	BSD09	11 212 250	-	-
5502/P642/4109	MIG	Upgrade LG Solid Waste Site	BSD09	2 782 000	-	-
5502/P836/4109	Own Funds	Solid Waste Site - Herschel	BSD09	350 000	-	-
5502/P837/4109	Own Funds	Solid Waste Site - Rhodes	BSD09	410 000	-	-
5502/P838/4109	Own Funds	Solid Waste Site - Rossouw	BSD09	320 000	-	-
ELECTRICITY						
4700/P696/4116	Own Funds	Pre-Paid Electricity Meters	BSD11	1 500 000	2 000 000	2 000 000
4700/P697/4117	CAPEX: DOE - Conditional CAPT Grant	DOE Projects - Pre Engineering Costs - Rural Connections	BSD11	3 200 000	4 377 000	5 275 000
5301/P620/4100	Own Funds	Renovations (Barkly East Town Hall)	BSD03	3 500 000	-	-
CEMETRIES						
5302/P835/4113	MIG	Construction of New Cemetery in Barkly East	BSD04	226 000	-	-
5302/New6/4113	MIG	EIA Herschel & Sterkspruit Cemeteries	BSD04	600 000	-	-
ANIMAL POUND						
5405/P557/4113	MIG	Construction of Lady Grey Animal Pound	BSD08	1 931 000	-	-
SPORTSFIELDS & RECREATION						
5450/P877/4110	Own Funds	Poles & Nets - Sportsfields	BSD05	215 600	-	-
5450/P639/4110	Own Funds	Kwezi Naledi Sportsfields Fence	BSD05	2 000 000	-	-
5451/P640/4102	Own Funds	Renovations Kwezi Naledi Node	BSD07	1 100 000	-	-

OPERATIONAL BUDGET (Summary)

VOTE	PROJECT DESCRIPTION	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
		61 927 571,75	64 796 134,26	68 183 712,04
1100/P003/2826	Training_ 1100: (W) Head Office	238 924,00	251 348,00	264 418,00
1100/P004/2826	MPAC: (W) Head Office	20 776,00	21 856,00	22 993,00
1101/P009/2070	AO Service Del:(W)Head Office	71 023,00	4 716,00	78 601,00
1101/P009/2076	AO Service Del:(W)Head Office	42 394,00	44 598,00	46 917,00
1101/P009/2077	AO Service Del:(W)Head Office	38 430,00	40 428,00	42 530,00
1101/P009/2080	AO Service Del:(W)Head Office	394 744,00	415 271,00	436 865,00

VOTE	PROJECT DESCRIPTION	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
1101/P009/2081	AO Service Del:(W)Head Office	36 888,00	38	40
1101/P009/2092	AO Service Del:(W)Head Office	36 888,00	806,00	824,00
1101/P073/2076	Communication: (W) All	260 337,00	273	288
1101/P073/2175	Communication: (W) All	25 358,00	26	28
1101/P073/2187	Communication: (W) All	23 685,00	24	26
1101/P073/2472	Communication: (W) All	357	166	174
1101/P073/2474	Communication: (W) All	898,00	109,00	747,00
1101/P073/2475	Communication: (W) All	112	118	124
1101/P073/2475	Communication: (W) All	499,00	349,00	503,00
1101/P073/2810	Communication: (W) All	74	78	82
1101/P073/2810	Communication: (W) All	418,00	288,00	359,00
1101/P010/2826	Training_1101: (W) Head Office	18	19	20
1101/P010/2826	Training_1101: (W) Head Office	94	99	105
1101/P012/2074	mSCOA Implement:(W)Head Office	962,00	900,00	095,00
1150/P018/2826	Training_1150: (W) Head Office	1 662	1 748	1 839
1150/P018/2826	Training_1150: (W) Head Office	080,00	508,00	430,00
1201/P032/2810	IDP Printing: (W)Head Office	88	93	98
1201/P032/2810	IDP Printing: (W)Head Office	984,00	611,00	479,00
1201/P033/2560	IDP Public Meetings: (W) All	145	153	161
1201/P033/2560	IDP Public Meetings: (W) All	652,00	226,00	194,00
1201/P033/2895	IDP Public Meetings: (W) All	60	63	67
1201/P036/2810	Fraud Prevention: (W) Head Office	101	106	112
1201/P036/2810	Fraud Prevention: (W) Head Office	304,00	572,00	114,00
1201/P140/2885	Strat Session: (W)Head Office	124	131	138
1201/P140/2885	Strat Session: (W)Head Office	737,00	223,00	047,00
1202/P025/2104	LED Implement: (W)Head Office	52	55	57
1202/P025/2104	LED Implement: (W)Head Office	393,00	117,00	983,00
1202/P026/2415	LED_Lucerne: (W) 16	159	167	176
1202/P026/2415	LED_Lucerne: (W) 16	058,00	329,00	030,00
1202/P027/2162	LED Awareness: (W) All	44	46	48
1202/P027/2162	LED Awareness: (W) All	273,00	575,00	997,00
1202/P027/2188	LED Awareness: (W) All	59	62	66
1202/P027/2188	LED Awareness: (W) All	644,00	745,00	008,00
1202/P028/2826	LED Training: (W) Head Office	6	6	7
1202/P028/2826	LED Training: (W) Head Office	556,00	897,00	256,00
1202/P028/2895	LED Training: (W) Head Office	34	35	37
1202/P028/2895	LED Training: (W) Head Office	173,00	950,00	819,00
1202/P029/2560	LED Networking: (W) All	5	5	6
1202/P029/2560	LED Networking: (W) All	525,00	812,00	114,00
1202/P029/2900	LED Networking: (W) All	3	4	4
1202/P029/2900	LED Networking: (W) All	964,00	170,00	387,00
1202/P030/2185	Agricultural Indaba: (W) All	2	3	3
1202/P030/2185	Agricultural Indaba: (W) All	551,19	132,00	295,00
1202/P030/2560	Agricultural Indaba: (W) All	11	12	12
1202/P030/2560	Agricultural Indaba: (W) All	427,00	021,00	646,00
1202/P030/2895	Agricultural Indaba: (W) All	26	28	29
1202/P030/2895	Agricultural Indaba: (W) All	866,00	263,00	733,00
1202/P031/2560	SMME Development: (W) All	6	7	7
1202/P031/2560	SMME Development: (W) All	875,00	233,00	609,00
1202/P031/2710	SMME Development: (W) All	11	12	12
1202/P031/2710	SMME Development: (W) All	439,00	034,00	660,00
1202/P031/2710	SMME Development: (W) All	25	26	28
1202/P031/2710	SMME Development: (W) All	628,00	961,00	363,00

VOTE	PROJECT DESCRIPTION	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
1202/P651/2280	Job Creation_Holohlahatsi	16 517,00	17 376,00	18 280,00
1203/P037/2104	SPLUMA: (W) All	1 152 088,00	1 211 997,00	1 275 021,00
1203/P037/2472	SPLUMA: (W) All	44 402,00	46 711,00	49 140,00
1203/P037/2930	SPLUMA: (W) All	37 397,00	39 342,00	41 388,00
1203/PNew9/2104	Housing Sector Plan	392 000,00	412 384,00	433 828,00
1203/P038/2723	GIS: (W) Head Office	415 520,00	437 127,00	459 858,00
1203/O033/2104	Land Use Management (W) All	415 520,00	437 127,00	459 858,00
1203/P048/2826	Training_1203: (W) Head Office	28 988,00	30 495,00	32 081,00
1204/P049/2826	Training_1204: (W) Head Office	104 958,00	110 416,00	116 158,00
1204/O029/2081	PMU Assistance: (W) Head Office	519 400,00	546 409,00	574 822,00
1205/P050/2410	Training_1205: (W) Head Office	500,00	526,00	553,00
1206/P020/2185	Tourism Marketing: (W) All	8 724,00	9 178,00	9 655,00
1206/P020/2474	Tourism Marketing: (W) All	11 347,00	11 937,00	12 558,00
1206/P021/2188	Tourism Support: (W) All	17 175,00	18 068,00	19 008,00
1206/P021/2472	Tourism Support: (W) All	40 893,00	43 019,00	45 256,00
1206/P021/2474	Tourism Support: (W) All	30 157,00	31 725,00	33 375,00
1206/P021/2662	Tourism Support: (W) All	6 544,00	6 884,00	7 242,00
1206/P021/2895	Tourism Support: (W) All	12 573,00	13 227,00	13 915,00
1206/P022/2431	LTO Capacitation: (W) All	26 196,00	27 558,00	28 991,00
1206/P022/2474	LTO Capacitation: (W) All	26 721,00	28 110,00	29 572,00
1206/P022/2662	LTO Capacitation: (W) All	14 866,00	15 639,00	16 452,00
1206/P022/2723	LTO Capacitation: (W) All	6 288,00	6 615,00	6 959,00
1206/O030/2461	Tourism Associations Support (W) All	37 397,00	39 342,00	41 388,00
1206/P023/2895	Training_1206: (W) Head Office	2 119,00	2 229,00	2 345,00
1206/P024/2431	Tourism Indaba:(W)Head Office	53 054,00	55 813,00	58 715,00
2151/P059/2077	By-Laws: (W) Head Office	463 180,00	487 265,00	512 603,00
2151/P059/2472	By-Laws: (W) Head Office	2 823,00	2 970,00	3 124,00
2151/P060/2185	Council Support: (W)Head Office	5 506,00	5 792,00	6 093,00
2151/P060/2410	Council Support: (W)Head Office	22 023,00	23 168,00	24 373,00
2151/P060/2472	Council Support: (W)Head Office	16 205,00	17 048,00	17 934,00

VOTE	PROJECT DESCRIPTION	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
2151/P078/2826	Training_2151: (W) Head Office	110 956,00	116 726,00	122 796,00
2151/P654/2280	Job Creation_ PA Corporate	3 304,00	3 476,00	3 657,00
2152/P051/2078	OHS: (W) Head Office	13 874,00	14 595,00	15 354,00
2152/P051/2106	OHS: (W) Head Office	9 828,00	10 339,00	10 877,00
2152/P051/2177	OHS: (W) Head Office	16 477,00	17 334,00	18 235,00
2152/P051/2826	OHS: (W) Head Office	30 206,00	31 777,00	33 429,00
2152/P052/2078	EAP: (W) Head Office	83 104,00	87 425,00	91 971,00
2152/P052/2106	EAP: (W) Head Office	253 259,00	266 428,00	280 282,00
2152/P052/2820	EAP: (W) Head Office	5 781,00	6 082,00	6 398,00
2152/P052/2895	EAP: (W) Head Office	89 589,00	94 248,00	99 149,00
2152/O031/2077	HR SUPPORT (W) Head Office	1 228 920,00	1 292 824,00	1 360 051,00
2152/P079/2826	Training_2152: (W) Head Office	69 972,00	73 611,00	77 439,00
2152/P653/2280	Job Creation_ Own Interns	57 030,00	59 996,00	63 116,00
2152/P659/2280	Job Creation_ LG SETA Interns	7 928,00	8 340,00	8 774,00
2153/P055/2111	Legal Services: (W)Head Office	3 493 446,00	3 675 105,00	3 866 210,00
2153/P080/2826	Training_2153: (W) Head Office	15 894,00	16 720,00	17 589,00
2154/P061/2662	Customer Care: (W)Head Office	392 000,00	412 384,00	433 828,00
2154/P062/2895	Round Table Meet: (W)Head Office	20 776,00	21 856,00	22 993,00
2154/P064/2560	Public Part: (W)Head Office	63 550,00	66 855,00	70 331,00
2154/P064/2895	Public Part: (W)Head Office	183 880,00	109 282,00	114 965,00
2154/P065/2830	Ward Committees: (W) All	2 356 885,00	2 479 443,00	2 608 374,00
2154/P065/2895	Ward Committees: (W) All	164 249,00	172 790,00	181 775,00
2154/P066/2895	Youth Development: (W) All;	21 399,00	22 512,00	23 683,00
2154/P067/2175	Mayoral Tournament: (W) All	645 095,00	678 640,00	713 929,00
2154/P068/2895	Salga Games: (W) All	5 072,00	5 336,00	5 613,00
2154/P069/2895	Woman Development: (W) All	68 164,00	71 709,00	75 438,00
2154/P070/2895	Disabled Program: (W) All	81 920,00	86 180,00	90 661,00
2154/P071/2560	Elderly Persons Prog: (W) All	7 928,00	8 340,00	8 774,00
2154/P072/2474	Childrens Programmes: (W)	35 000,00	2 691,00	2 831,00
2154/P074/2560	World Aids Day: (W) All	5 506,00	5 792,00	6 093,00

VOTE	PROJECT DESCRIPTION	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
2154/P075/2895	Local Aids Forum: (W) All	24 498,00	25 772,00	27 112,00
2154/P076/2895	Ward Aids Forums: (W) All	3 636,00	3 825,00	4 024,00
2154/P077/2560	HIV/Aids Awareness : (W) All	15 101,00	15 886,00	16 712,00
2154/O032/2560	Initiation Form(W) All	20 776,00	21 856,00	22 993,00
2154/O032/2895	Initiation Form(W) All	15 582,00	16 392,00	17 244,00
2154/P081/2826	Training_2154: (W) Head Office	57 977,00	60 992,00	64 164,00
2154/P653/2280	Job Creation_ Own Interns	56 228,00	59 152,00	62 228,00
2155/P056/2186	R&M_Buildings: (W) Head Office	654 444,00	688 475,00	724 276,00
2155/P056/2268	R&M_Buildings: (W) Head Office	62 328,00	65 569,00	68 979,00
2155/P056/2490	R&M_Buildings: (W) Head Office	16 146,00	16 986,00	17 869,00
2155/P057/2187	R&M_Furn & Equip: (W) Head Office	277 456,00	291 884,00	307 062,00
2155/P656/2280	Job Creation_ Office Cleaners: LG	19 821,00	20 852,00	21 936,00
2156/P054/2289	Security Serv: (W)Head Office	2 003 588,00	2 107 775,00	2 217 379,00
3151/P249/2826	Training_3151: (W) Head Office	29 988,00	31 547,00	33 187,00
3153/P230/2074	FMG: (W) Head Office	914 414,00	961 964,00	1 011 986,00
3153/P230/2726	FMG: (W) Head Office	375 655,00	395 189,00	415 739,00
3153/P230/2770	FMG: (W) Head Office	376 992,00	396 596,00	417 219,00
3153/P230/2826	FMG: (W) Head Office	9 442,00	9 933,00	10 450,00
3153/P231/2070	Asset Register: (W) Head Office	311 640,00	327 845,00	344 893,00
3153/P231/2074	Asset Register: (W) Head Office	41 552,00	43 713,00	45 986,00
3153/P234/2074	AFS: (W) Head Office	623 280,00	655 691,00	689 787,00
3153/P235/2070	Budgets: (W) Head Office	103 880,00	109 282,00	114 965,00
3153/P235/2185	Budgets: (W) Head Office	31 164,00	32 785,00	34 490,00
3153/P235/2199	Budgets: (W) Head Office	5 194,00	5 464,00	5 748,00
3153/P235/2895	Budgets: (W) Head Office	41 552,00	43 713,00	45 986,00
3153/P251/2826	Training_3153: (W) Head Office	119 952,00	126 190,00	132 752,00
3153/P251/2915	Training_3153: (W) Head Office	10 136,21	11 977,00	12 600,00
3154/P237/2188	Fleet Manage: (W) Head Office	55 213,00	58 084,00	61 104,00
3154/P237/2723	Fleet Manage: (W) Head Office	259 700,00	273 204,00	287 411,00
3154/P254/2826	Training_3154: (W) Head Office	21 192,00	22 294,00	23 453,00

VOTE	PROJECT DESCRIPTION	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
3155/P238/2490	IT Comp Cost: (W) Head Office	6 359,00	6 690,00	7 038,00
3155/P238/2715	IT Comp Cost: (W) Head Office	384 356,00	404 343,00	425 369,00
3155/P238/2723	IT Comp Cost: (W) Head Office	733 762,00	771 918,00	812 058,00
3155/P238/2724	IT Comp Cost: (W) Head Office	391 628,00	411 993,00	433 417,00
3155/P238/2727	IT Comp Cost: (W) Head Office	146 159,00	153 759,00	161 754,00
3156/P243/2431	Supplier Perf : (W) Head Office	103 880,00	109 282,00	114 965,00
3155/P035/2080	Website: (W)Head Office	186 984,00	196 707,00	206 936,00
3155/P035/2724	Website: (W)Head Office	22 386,00	23 550,00	24 775,00
3155/P252/2826	Training_3155: (W) Head Office	21 991,00	23 135,00	24 338,00
3156/P243/2074	Supplier Perf : (W) Head Office	51 940,00	54 641,00	57 482,00
3156/P244/2074	Stores: (W) Head Office	252 235,00	265 351,00	279 149,00
3156/P244/2280	Stores: (W) Head Office	23 730,00	24 964,00	26 262,00
3156/P244/2410	Stores: (W) Head Office	20 776,00	21 856,00	22 993,00
3156/P256/2826	Training_3156: (W) Head Office	39 984,00	42 063,00	44 250,00
3157/P233/2085	Supp Val Roll: (W) Head Office	579 210,00	609 329,00	641 014,00
3157/P233/2472	Supp Val Roll: (W) Head Office	9 491,00	9 985,00	10 504,00
3157/P240/2074	Billing: (W) Head Office	363 580,00	382 486,00	402 375,00
3157/P240/2104	Billing: (W) Head Office	207 760,00	218 564,00	229 929,00
3157/P240/2410	Billing: (W) Head Office	166 208,00	174 851,00	183 943,00
3157/P240/2473	Billing: (W) Head Office	31 164,00	32 785,00	34 490,00
3157/P240/2610	Billing: (W) Head Office	43 630,00	45 899,00	48 286,00
3157/P240/2810	Billing: (W) Head Office	20 776,00	21 856,00	22 993,00
3157/P240/2930	Billing: (W) Head Office	25 970,00	27 320,00	28 741,00
3157/P241/2109	Debt Collection: (W) Head Office	1 568 553,00	1 650 118,00	1 735 924,00
3157/P241/2410	Debt Collection: (W) Head Office	2 078,00	2 186,00	2 300,00
3157/P245/2280	Customer Records: (W) 10	20 776,00	21 856,00	22 993,00
3157/P255/2826	Training_3157: (W) Head Office	24 990,00	26 289,00	27 656,00
3157/P658/2280	Job Creation_ Meter Reader	6 607,00	6 951,00	7 312,00
3600/P257/2826	Training_3600: (W) Head Office	29 988,00	31 547,00	33 187,00
3600/P660/2280	Job Creation_ eNATIS	13 213,00	13 900,00	14 623,00

VOTE	PROJECT DESCRIPTION	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
3601/P258/2826	Training_3601: (W) Head Office	50 980,00	53 631,00	56 420,00
4551/P099/2415	R&M_Storm Water: (W) All	23 286,00	24 497,00	25 771,00
4551/P922/2188	R&M_Storm Water: (W) 14	280 476,00	295 061,00	310 404,00
4551/P661/2280	Job Creation_ Stormwater: BE	10 571,00	11 121,00	11 699,00
4551/P661/2930	Job Creation_ Stormwater: BE	5 396,00	5 677,00	5 972,00
4551/P662/2280	Job Creation_ Stormwater: LG	16 517,00	17 376,00	18 280,00
4551/P662/2930	Job Creation_ Stormwater: LG	15 107,00	15 893,00	16 719,00
4600/P133/2826	Training_4600: (W) Head Office	90 964,00	95 694,00	100 670,00
4600/P205/2411	R&M_Road: (W) 1	63 498,50	47 632,00	50 109,00
4600/P206/2411	R&M_Road: (W) 2	60 978,71	47 213,00	49 668,00
4600/P207/2411	R&M_Road: (W) 3	71 120,70	76 420,00	80 394,00
4600/P208/2411	R&M_Road: (W) 4	28 222,50	48 636,00	51 165,00
4600/P209/2411	R&M_Road: (W) 5	67 734,00	72 782,00	76 567,00
4600/P210/2411	R&M_Road: (W) 6	67 734,00	67 060,00	70 547,00
4600/P211/2411	R&M_Road: (W) 7	45 438,23	54 546,00	57 382,00
4600/P930/2188	R&M_Road: (W) 8 (potholes)	49 551,00	52 128,00	54 839,00
4600/P930/2410	R&M_Road: (W) 8 (potholes)	7 168,00	7 541,00	7 933,00
4600/P930/2411	R&M_Road: (W) 8 (potholes)	-	10 299,00	10 835,00
4600/P930/2415	R&M_Road: (W) 8 (potholes)	27 528,00	28 959,00	30 465,00
4600/P213/2411	R&M_Road: (W) 9	3 556,04	3 821,00	4 020,00
4600/P214/2188	R&M_Road: (W) 10	129 492,00	136 226,00	143 310,00
4600/P214/2411	R&M_Road: (W) 10	53 340,53	57 315,00	60 295,00
4600/P214/2415	R&M_Road: (W) 10	303 019,00	318 776,00	335 352,00
4600/P215/2411	R&M_Road: (W) 11	67 734,00	72 782,00	76 567,00
4600/P216/2411	R&M_Road: (W) 12	67 734,00	72 782,00	76 567,00
4600/P217/2411	R&M_Road: (W) 13	67 734,00	93 380,00	98 236,00
4600/P218/2410	R&M_Road: (W) 14	2 202,00	2 317,00	2 437,00
4600/P218/2411	R&M_Road: (W) 14	13 038,80	14 011,00	14 740,00
4600/P218/2415	R&M_Road: (W) 14	218 024,00	229 361,00	241 288,00
4600/P219/2411	R&M_Road: (W) 15	32 738,10	35 178,00	37 007,00

VOTE	PROJECT DESCRIPTION	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
4600/P220/2411	R&M_Road: (W) 16	67 734,00	72 782,00	76 567,00
4600/P260/2188	R&M_Vehicles_4600: (W)Head Office	933 620,00	982 168,00	1 033 241,00
4600/P260/2410	R&M_Vehicles_4600: (W)Head Office	115 618,00	121 630,00	127 955,00
4600/P385/2188	R&M_4600: Unplanned Maintenance	69 856,00	73 489,00	77 310,00
4600/P645/2411	R&M_Road: (W) 16 (potholes)	54 390,00	57 218,00	60 193,00
4600/P647/2204	R&M_Road: (W) 17	43 401,00	45 658,00	48 032,00
4600/P647/2411	R&M_Road: (W) 17	71 120,70	105 030,00	110 492,00
4600/P663/2280	Job Creation_ Supervisors Ward 14	11 232,00	11 816,00	12 430,00
4600/P664/2280	Job Creation_ Potholes: BE	5 684,00	5 980,00	6 291,00
4600/P665/2280	Job Creation_ Potholes: LG	4 362,00	4 589,00	4 828,00
4700/P134/2826	Training_4700: (W) Head Office	99 960,00	105 158,00	110 626,00
4700/P202/2173	R&M_Transformers: (W) 14	108 538,00	114 182,00	120 119,00
4700/P202/2411	R&M_Transformers: (W) 14	14 224,14	15 285,00	16 080,00
4700/P221/2173	R&M_Transformers: (W) 10	123 617,00	130 045,00	136 807,00
4700/P942/2173	R&M_Transformers: (W) 8	46 746,00	49 177,00	51 734,00
4700/P223/2186	R&M_Electricity Store: (W)	101 020,00	106 273,00	111 799,00
4700/P224/2186	R&M_Electricity Store: (W)	85 452,00	89 896,00	94 571,00
4700/P225/2186	R&M_Electricity Store: (W)	84 400,00	88 789,00	93 406,00
4700/P228/2060	FBS_Electricity;(W) All	5 880 000,00	6 185 760,00	6 507 420,00
4700/P228/2188	FBS_Electricity;(W) All	27 528,00	28 959,00	30 465,00
4700/P228/2262	FBS_Electricity;(W) All	1 038,00	1 092,00	1 149,00
4700/P228/2280	FBS_Electricity;(W) All	499 560,00	525 537,00	552 865,00
4700/P228/2410	FBS_Electricity;(W) All	181 014,00	190 427,00	200 329,00
4700/P228/2411	FBS_Electricity;(W) All	1 065 387,66	1 144 782,00	1 204 311,00
4700/P228/2475	FBS_Electricity;(W) All	589,00	620,00	652,00
4700/P280/2173	R&M_Transformers: (W) 16	126 338,00	132 908,00	139 819,00
4700/P280/2411	R&M_Transformers: (W) 16	14 323,19	15 390,00	16 190,00
4700/P667/2280	Job Creation_ Elect: Interns	19 821,00	20 852,00	21 936,00
4700/P667/2930	Job Creation_ Elect: Interns	14 826,00	15 597,00	16 408,00
4701/P203/2415	Replace Street lights: (W) 14	124 859,00	131 352,00	138 182,00

VOTE	PROJECT DESCRIPTION	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
4701/P204/2415	Replace Street lights: (W) 16	114 268,00	120 210,00	126 461,00
4701/P982/2415	Replace Street lights: (W) 10	155 820,00	163 923,00	172 447,00
4701/P985/2415	Replace Street lights: (W) 13	97 564,00	102 637,00	107 974,00
4701/P900/2415	R&M_Replace Str Lights: (W) 1	21 507,00	22 625,00	23 802,00
5300/P150/2474	Library Events: (W) Head Office	2 202,00	2 317,00	2 437,00
5300/P150/2560	Library Events: (W) Head Office	8 809,00	9 267,00	9 749,00
5300/P150/2895	Library Events: (W) Head Office	8 310,00	8 742,00	9 197,00
5301/P152/2187	R&M_Tools & Equip_5301 : (W) All	26 905,00	28 304,00	29 776,00
5301/P152/2188	R&M_Tools & Equip_5301 : (W) All	61 207,00	64 390,00	67 738,00
5301/O016/2186	R&M_Halls: (W) 1	16 725,00	17 595,00	18 510,00
5301/O017/2186	R&M_Halls: (W) 3	42 175,00	44 368,00	46 675,00
5301/O018/2186	R&M_Halls: (W) 4	42 175,00	44 368,00	46 675,00
5301/O019/2186	R&M_Halls: (W) 5	47 369,00	49 832,00	52 423,00
5301/O021/2186	R&M_Halls: (W) 12	21 399,00	22 512,00	23 683,00
5301/P153/2186	R&M_Halls: (W) 14	218 771,00	230 147,00	242 115,00
5301/P153/2415	R&M_Halls: (W) 14	24 983,00	26 282,00	27 649,00
5301/P154/2186	R&M_Halls: (W) 10	17 433,00	18 340,00	19 294,00
5301/P154/2415	R&M_Halls: (W) 10	11 001,00	11 573,00	12 175,00
5301/P155/2186	R&M_Halls: (W) 16	5 817,00	6 119,00	6 437,00
5301/P155/2415	R&M_Halls: (W) 16	3 792,00	3 989,00	4 196,00
5301/P156/2186	R&M_Halls: (W) 15	11 674,00	12 281,00	12 920,00
5301/P156/2415	R&M_Halls: (W) 15	32 659,00	34 357,00	36 144,00
5301/P162/2186	R&M_Halls: (W) 2	9 274,00	9 756,00	10 263,00
5301/P162/2415	R&M_Halls: (W) 2	21 505,00	22 623,00	23 799,00
5301/P163/2186	R&M_Halls: (W) 6	47 980,00	50 475,00	53 100,00
5301/P163/2415	R&M_Halls: (W) 6	13 504,00	14 206,00	14 945,00
5301/P164/2186	R&M_Halls: (W) 7	19 614,00	20 634,00	21 707,00
5301/P164/2415	R&M_Halls: (W) 7	19 845,00	20 877,00	21 963,00
5301/P166/2186	R&M_Halls: (W) 17	37 532,00	39 484,00	41 537,00
5301/P166/2415	R&M_Halls: (W) 17	10 692,00	11 248,00	11 833,00

VOTE	PROJECT DESCRIPTION	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
5301/P386/2186	R&M_Halls: (W) 11	23 827,00	25 066,00	26 369,00
5301/P386/2410	R&M_Halls: (W) 11	16 517,00	17 376,00	18 280,00
5301/P386/2415	R&M_Halls: (W) 11	16 068,00	16 904,00	17 783,00
5301/P387/2186	R&M_Halls: (W) 13	22 229,00	23 385,00	24 601,00
5301/P387/2411	R&M_Halls: (W) 13	1 185,35	-	-
5301/P387/2415	R&M_Halls: (W) 13	31 650,00	33 296,00	35 027,00
5301/P282/2826	Training_5301: (W) Head Office	61 975,00	65 198,00	68 588,00
5302/P167/2280	R&M_CEM (Masekeleng): (W) 17	23 286,00	24 497,00	25 771,00
5302/P167/2411	R&M_CEM (Masekeleng): (W) 17	2 387,73	-	-
5302/P167/2415	R&M_CEM (Masekeleng): (W) 17	9 495,00	9 989,00	10 508,00
5302/P167/2930	R&M_CEM (Masekeleng): (W) 17	3 260,00	3 430,00	3 608,00
5302/P168/2415	R&M_CEM Lady Grey: (W) 14	8 812,00	9 270,00	9 752,00
5302/P168/2930	R&M_CEM Lady Grey: (W) 14	3 260,00	3 430,00	3 608,00
5302/P169/2280	R&M_CEM Forthoek&Ncanden	23 286,00	24 497,00	25 771,00
5302/P169/2415	R&M_CEM Forthoek&Ncanden	8 812,00	9 270,00	9 752,00
5302/P169/2930	R&M_CEM Forthoek&Ncanden	3 260,00	3 430,00	3 608,00
5302/P170/2280	R&M_CEM Qhimirha: (W) 2	23 286,00	24 497,00	25 771,00
5302/P170/2415	R&M_CEM Qhimirha: (W) 2	8 812,00	9 270,00	9 752,00
5302/P170/2930	R&M_CEM Qhimirha: (W) 2	3 260,00	3 430,00	3 608,00
5302/P171/2280	R&M_CEM Walaza: (W) 1	23 286,00	24 497,00	25 771,00
5302/P171/2415	R&M_CEM Walaza: (W) 1	8 812,00	9 270,00	9 752,00
5302/P171/2930	R&M_CEM Walaza: (W) 1	3 260,00	3 430,00	3 608,00
5302/P172/2280	R&M_CEM Mkunyazo: (W) 4	23 286,00	24 497,00	25 771,00
5302/P172/2415	R&M_CEM Mkunyazo: (W) 4	8 812,00	9 270,00	9 752,00
5302/P172/2930	R&M_CEM Mkunyazo: (W) 4	3 260,00	3 430,00	3 608,00
5302/P173/2280	R&M_CEM Low&UpBebeza: (W) 4	23 286,00	24 497,00	25 771,00
5302/P173/2415	R&M_CEM Low&UpBebeza: (W) 4	7 167,00	7 540,00	7 932,00
5302/P173/2930	R&M_CEM Low&UpBebeza: (W) 4	3 260,00	3 430,00	3 608,00
5302/P174/2415	R&M_CEM Mapoteng /Zwelit	7 167,00	7 540,00	7 932,00
5302/P174/2930	R&M_CEM Mapoteng /Zwelit	3 260,00	3 430,00	3 608,00

VOTE	PROJECT DESCRIPTION	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
5302/P175/2280	R&M_CEM Mgqibelweni: (W) 11	23 286,00	24 497,00	25 771,00
5302/P175/2415	R&M_CEM Mgqibelweni: (W) 11	7 167,00	7 540,00	7 932,00
5302/P175/2930	R&M_CEM Mgqibelweni: (W) 11	3 260,00	3 430,00	3 608,00
5302/P176/2280	R&M_CEM St Michaels: (W) 6	23 286,00	24 497,00	25 771,00
5302/P176/2415	R&M_CEM St Michaels: (W) 6	8 812,00	9 270,00	9 752,00
5302/P176/2930	R&M_CEM St Michaels: (W) 6	3 260,00	3 430,00	3 608,00
5302/P177/2280	R&M_CEM Magojong/ ThabaLe	23 286,00	24 497,00	25 771,00
5302/P177/2415	R&M_CEM Magojong/ ThabaLe	8 812,00	9 270,00	9 752,00
5302/P177/2930	R&M_CEM Magojong/ ThabaLe	3 260,00	3 430,00	3 608,00
5302/P178/2280	R&M_CEM Bensonvale: (W) 17	23 286,00	24 497,00	25 771,00
5302/P178/2415	R&M_CEM Bensonvale: (W) 17	9 315,00	9 799,00	10 309,00
5302/P178/2930	R&M_CEM Bensonvale: (W) 17	3 260,00	3 430,00	3 608,00
5302/P179/2280	R&M_CEM Qhoboshi/Mzimtsha	23 286,00	24 497,00	25 771,00
5302/P179/2415	R&M_CEM Qhoboshi/Mzimtsha	8 812,00	9 270,00	9 752,00
5302/P179/2930	R&M_CEM Qhoboshi/Mzimtsha	3 260,00	3 430,00	3 608,00
5302/P180/2280	R&M_CEM Khiba: (W) 13	23 286,00	24 497,00	25 771,00
5302/P180/2415	R&M_CEM Khiba: (W) 13	8 812,00	9 270,00	9 752,00
5302/P180/2930	R&M_CEM Khiba: (W) 13	3 260,00	3 430,00	3 608,00
5302/P181/2280	R&M_CEM Jozanas Nek: (W) 12	23 286,00	24 497,00	25 771,00
5302/P181/2415	R&M_CEM Jozanas Nek: (W) 12	8 812,00	9 270,00	9 752,00
5302/P181/2930	R&M_CEM Jozanas Nek: (W) 12	3 260,00	3 430,00	3 608,00
5302/P183/2280	R&M_CEM Mfinci: (W) 3	23 286,00	24 497,00	25 771,00
5302/P183/2415	R&M_CEM Mfinci: (W) 3	8 812,00	9 270,00	9 752,00
5302/P183/2930	R&M_CEM Mfinci: (W) 3	3 260,00	3 430,00	3 608,00
5302/P184/2280	R&M_CEM Macacuma: (W) 7	23 286,00	24 497,00	25 771,00
5302/P184/2415	R&M_CEM Macacuma: (W) 7	8 812,00	9 270,00	9 752,00
5302/P184/2930	R&M_CEM Macacuma: (W) 7	3 260,00	3 430,00	3 608,00
5302/P185/2280	R&M_CEM Magwiji: (W) 12	23 286,00	24 497,00	25 771,00
5302/P185/2415	R&M_CEM Magwiji: (W) 12	8 812,00	9 270,00	9 752,00
5302/P185/2930	R&M_CEM Magwiji: (W) 12	3 260,00	3 430,00	3 608,00

VOTE	PROJECT DESCRIPTION	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
5302/P186/2280	R&M_CEM Bamboes/Madakana	23 286,00	24 497,00	25 771,00
5302/P186/2415	R&M_CEM Bamboes/Madakana	8 812,00	9 270,00	9 752,00
5302/P186/2930	R&M_CEM Bamboes/Madakana	3 260,00	3 430,00	3 608,00
5302/P187/2280	R&M_CEM Mokhesi: (W) 8	23 286,00	24 497,00	25 771,00
5302/P187/2415	R&M_CEM Mokhesi: (W) 8	8 812,00	9 270,00	9 752,00
5302/P187/2930	R&M_CEM Mokhesi: (W) 8	3 260,00	3 430,00	3 608,00
5302/P188/2280	R&M_CEM Mbobo: (W) 1	353 624,00	372 012,00	391 357,00
5302/P188/2415	R&M_CEM Mbobo: (W) 1	8 812,00	9 270,00	9 752,00
5302/P188/2930	R&M_CEM Mbobo: (W) 1	3 260,00	3 430,00	3 608,00
5302/P189/2280	R&M_CEM Storomo: (W) 2	23 286,00	24 497,00	25 771,00
5302/P189/2415	R&M_CEM Storomo: (W) 2	8 812,00	9 270,00	9 752,00
5302/P189/2930	R&M_CEM Storomo: (W) 2	3 260,00	3 430,00	3 608,00
5302/P190/2415	R&M_CEM Rhodes: (W) 15	4 657,00	4 899,00	5 154,00
5302/P190/2930	R&M_CEM Rhodes: (W) 15	3 260,00	3 430,00	3 608,00
5302/P191/2415	R&M_CEM Rossouw: (W) 5	4 657,00	4 899,00	5 154,00
5302/P191/2930	R&M_CEM Rossouw: (W) 5	3 260,00	3 430,00	3 608,00
5302/P192/2415	R&M_CEM Nkululeko: (W) 15	8 812,00	9 270,00	9 752,00
5302/P192/2930	R&M_CEM Nkululeko: (W) 15	3 260,00	3 430,00	3 608,00
5302/P193/2415	R&M_CEM Barkly East: (W) 16	8 812,00	9 270,00	9 752,00
5302/P193/2930	R&M_CEM Barkly East: (W) 16	3 260,00	3 430,00	3 608,00
5302/P194/2415	R&M_CEM Sterkspruit: (W) 10	8 812,00	9 270,00	9 752,00
5302/P194/2930	R&M_CEM Sterkspruit: (W) 10	3 260,00	3 430,00	3 608,00
5450/P157/2186	R&M_Sportsfield (W14)	10 388,00	10 928,00	11 496,00
5450/P157/2415	R&M_Sportsfield (W14)	10 388,00	10 928,00	11 496,00
5450/P197/2415	R&M_Fencing: (W) 14	3 117,00	3 279,00	3 450,00
5450/P198/2415	R&M_Fencing: (W) 16	7 272,00	7 650,00	8 048,00
5450/P200/2415	R&M_Tools & Equip_5450 : (W) All	1 102,00	1 159,00	1 219,00
5450/O023/2415	R&M: Sportsfields (W) 13	11 011,00	11 584,00	12 186,00
5450/O023/2186	R&M: Sportsfields (W) 13	10 388,00	10 928,00	11 496,00
5450/O022/2186	R&M: Sportsfields (W) 2	11 635,00	12 240,00	12 876,00

VOTE	PROJECT DESCRIPTION	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
5450/O022/2415	R&M: Sportsfields (W) 2	11 011,00	11 584,00	12 186,00
5450/O034/2186	R&M Sportsfield (W) 10;Contr	10 388,00	10 928,00	11 496,00
5450/O034/2415	R&M Sportsfield (W) 10;Inven	10 388,00	10 928,00	11 496,00
5450/O035/2186	R&M Sportsfield (W) 15;Contr	10 388,00	10 928,00	11 496,00
5450/O035/2415	R&M Sportsfield (W) 15;Inven	10 388,00	10 928,00	11 496,00
5450/P877/4110	Poles & Nets - Sportsfields	215 600,00	-	-
5502/P137/2826	Training_5502: (W) Head Office	22 991,00	24 187,00	25 445,00
5503/P101/2275	Waste Removal in SS: (W) 10	37 473,00	39 422,00	41 472,00
5503/P101/2410	Waste Removal in SS: (W) 10	22 023,00	23 168,00	24 373,00
5503/P101/2411	Waste Removal in SS: (W) 10	146 121,20	221 049,00	232 544,00
5503/P101/2930	Waste Removal in SS: (W) 10	168 286,00	177 037,00	186 243,00
5503/P102/2275	Waste Removal in LG: (W) 14	12 977,00	13 652,00	14 362,00
5503/P102/2410	Waste Removal in LG: (W) 14	28 545,00	30 029,00	31 591,00
5503/P102/2411	Waste Removal in LG: (W) 14	123 524,03	155 616,00	163 708,00
5503/P102/2930	Waste Removal in LG: (W) 14	99 583,00	104 761,00	110 209,00
5503/P103/2275	Waste Removal in BE: (W) 16	19 264,00	20 266,00	21 320,00
5503/P103/2410	Waste Removal in BE: (W) 16	10 457,00	11 001,00	11 573,00
5503/P103/2411	Waste Removal in BE: (W) 16	225 780,00	242 606,00	255 222,00
5503/P103/2930	Waste Removal in BE: (W) 16	307 935,00	323 948,00	340 793,00
5503/P104/2275	Waste Removal in RH: (W) 15	6 752,00	7 103,00	7 472,00
5503/P104/2410	Waste Removal in RH: (W) 15	1 651,00	1 737,00	1 827,00
5503/P104/2411	Waste Removal in RH: (W) 15	85 012,56	91 348,00	96 098,00
5503/P104/2930	Waste Removal in RH: (W) 15	35 377,00	37 217,00	39 152,00
5503/P105/2411	Waste Removal in Rossouw: (W) 5	2 257,80	5 859,00	6 164,00
5503/P106/2275	Waste Removal in Herschell: (W) 13	7 220,00	7 595,00	7 990,00
5503/P106/2410	Waste Removal in Herschell: (W) 13	4 155,00	4 371,00	4 598,00
5503/P106/2411	Waste Removal in Herschell: (W) 13	21 336,21	22 926,00	24 118,00
5503/P106/2930	Waste Removal in Herschell: (W) 13	34 130,00	35 905,00	37 772,00
5503/P107/2410	Waste Man Awareness: (W) 11	8 582,00	9 028,00	9 497,00
5503/P108/2410	Waste Man Awareness: (W) 10	7 708,00	8 109,00	8 531,00

VOTE	PROJECT DESCRIPTION	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
5503/P109/2410	Waste Man Awareness: (W) 14	5 772,00	6 072,00	6 388,00
5503/P110/2410	Waste Man Awareness: (W) 16	10 874,00	11 439,00	12 034,00
5503/P111/2410	Waste Man Awareness: (W) 15	6 453,00	6 789,00	7 142,00
5503/P112/2415	Solid Waste Site SS: (W) 10	92 309,00	97 109,00	102 159,00
5503/P115/2188	Lady Grey Weigh Bridge: (W) 14	111 933,00	117 754,00	123 877,00
5503/P116/2188	Barkly East Weigh Bridge: (W) 16	112 210,00	118 045,00	124 183,00
5503/P121/2187	R&M_Vehicles_5502: (W) Head Office	545 695,00	574 071,00	603 923,00
5503/P121/2845	R&M_Vehicles_5502: (W) Head Office	22 122,00	23 272,00	24 482,00
5503/P122/2410	National Clean Up Week: (W) All	594,00	625,00	658,00
5503/P123/2474	Waste Campaigns_Schools: (W) All	50 498,00	53 124,00	55 886,00
5503/P124/2410	Solid Waste Removal Rural: (W) All	228 939,00	240 844,00	253 368,00
5503/P124/2411	Solid Waste Removal Rural: (W) All	23 481,12	25 231,00	26 543,00
5503/P125/2187	FBS_Refuse;(W) All	6 245,00	6 570,00	6 912,00
5503/P125/2410	FBS_Refuse;(W) All	4 404 512,00	4 633 547,00	4 874 491,00
5503/P125/2411	FBS_Refuse;(W) All	13 060,10	14 034,00	14 764,00
5503/P125/2785	FBS_Refuse;(W) All	3 128,00	3 291,00	3 462,00
5503/P138/2826	Training_5503: (W) Head Office	119 952,00	126 190,00	132 752,00
5503/P653/2280	Job Creation_ Own Interns	13 213,00	13 900,00	14 623,00
5503/P653/2930	Job Creation_ Own Interns	35 968,00	37 838,00	39 806,00
5504/P139/2826	Training_5504: (W) Head Office	49 980,00	52 579,00	55 313,00
5504/P653/2280	Job Creation_ Own Interns	44 769,00	47 097,00	49 546,00
5504/P668/2280	Job Creation_ Cleaning : SS	1 752 663,00	1 843 801,00	1 939 679,00
5504/P668/2930	Job Creation_ Cleaning : SS	102 811,00	108 157,00	113 781,00
5504/P669/2280	Job Creation_ Cleaning LG	1 141 087,00	1 200 424,00	1 262 846,00
5504/P669/2930	Job Creation_ Cleaning LG	59 947,00	63 064,00	66 343,00
5504/P670/2280	Job Creation_ Cleaning: Rhodes	185 374,00	195 013,00	205 154,00
5504/P670/2930	Job Creation_ Cleaning: Rhodes	5 995,00	6 307,00	6 635,00
5504/P671/2280	Job Creation_ Cleaning: Rossouw	125 332,00	131 849,00	138 705,00
5504/P671/2930	Job Creation_ Cleaning: Rossouw	5 995,00	6 307,00	6 635,00
5504/P672/2280	Job Creation_ Cleaning: BE	1 137 404,00	1 196 549,00	1 258 770,00

VOTE	PROJECT DESCRIPTION	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
5504/P672/2930	Job Creation_ Cleaning: BE	49 956,00	52 554,00	55 287,00

3 YEAR COMPREHENSIVE INFRASTRUCTURE PLAN

LONG TERM PROJECT PIPELINE FIGURES ARE INDICATIVE & MAY CHANGE DEPENDENT ON RESOURCES AND TENDERS				
	Revised MIG	MIG		
PROJECT	2017/18	2018/19	2019/20	2020/21
Boysi Nondala: 10 km Paved Roads with stormwater control (Ph 1)		9 354 000,00	9 500 000,00	
Boysi Nondala: 10 km Paved Roads with stormwater control (Ph 2)				
Construction of two Pedestrian Bridges Bridge in Mabele: Ward 5	3 066 000,00			
Construction of Paved Roads in Wards 10: Tienbank	11 121 232,58	200 000,00		
Construction of Paved Roads in Wards 11: Herschel	11 449 109,22			
Construction of 6 km gravel access roads with storm water control Dibinkonzo Village: Smith to Sinobomi Project				
New Rest Construction - Construction of 6km Paved roads with storm water control			400 000,00	11 900 000,00
Construction of 6 km access roads with storm water control between Esilindini and Frans	1 000 000,00	4 600 000,00		
Construction of 6 km access roads with storm water control W1		4 800 000,00		
Construction of 6 km access roads with storm water control W2			4 600 000,00	
Construction of 6 km access roads with storm water control W3			500 000,00	5 000 000,00
Construction of 6 km access roads with storm water control W4				550 000,00
Construction of 6 km access roads with storm water control W5				
Construction of 6 km access roads with storm water control W6				
Construction of Community Hall - Ward 9	1 284 840,78			
EIA & construction of Jovelani, Hinana, Voyizana Cemeteries (EIA)				
EIA & construction of Naledi, Herschel, Zava, Thabakoloi, Nkopane, Khiba cemeteries.				743 643,12
Planning Project: Cemeteries (BE)	700 000,00	500 000,00	4 000 000,00	

EIA & Construction of Lady Grey Cemeteries				
Construction of Lady Grey Animal Pound	500 000,00	6 112 250,00		
Construction of Animal Pound in Sterkspruit				
Construction of Solid Waste Site Ward 11 - Herschel	90 000,00	0,00	3 100 000,00	
Construction of Solid Waste Site Ward 15 - Rossouw	90 000,00	0,00	2 400 000,00	
EIA & Construction of Solid Waste Site Ward 16 - Rhodes	90 000,00	0,00	4 000 000,00	1 000 000,00
Rehabilitation of old Rhodes SWS				600 000,00
Construction of new Solid Waste Site Sterkspruit		0,00	8 060 750,00	2 200 000,00
Upgrading of Existing Barkly East Solid Waste Site	3 626 945,08	5 500 000,00		
Upgrading of Existing Lady Grey Solid Waste Site	3 626 945,08	4 801 000,00		
High mast lights in Lepota				
Construction of Hawker Stalls in Sterkspruit - LED Project(2018/2019)				600 000,00
Kwa Gcina Sportsfield	709 177,26			
Naledi Sport Field	285 000,00			
Construction of a sport field at Tapoleng (Showground)				
Construction of a sport field at Mokhesi				
Construction of a sportsfield at Bluegums				
Construction of pedestrian bridge in Magwiji to Jozana's Hoek				
Construction of interlock paved road in Lady Grey (Kwezi, Steve & Transwilger) Estimated 8 km				15 350 000,00
Reconstruction of motor bridge at Matlanpaleng				
Construction of Pedestrian bridges at Bensonvale to Masekeleng and Jovelani to Sunduza				
Construction of pedestrian bridge at Clinic village to Sakhakude				
Construction of access roads at Mabele Makhumsha, Bebeza, Penhoek and Mkunyazo- Estimated 6 km				
Construction of Storm water drainage at Bensonvale and Jovelani - Estimated 6 km				
Construction of high mast lighting at Esilindini				537 056,88

High mast lights in Masekeleng				
High mast lights in Mokhesi				
Construction of paved roads in Barkly East				
Planning Project: Land Fill Sites	450 000,00			

REPAIRS & MAINTENANCE PER ASSET TYPE

To be added after draft adoption

CHAPTER EIGHT: FINANCIAL PLAN 2017-2022

In general usage a financial plan is a budget, in other words a plan for spending and saving future income. This plan allocates future income to various types of expenses, such as salaries, insurances and also reserves some income for short term and long-term savings. A financial plan is also an investment plan, which allocates savings to various assets or projects expected to produce future income.

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

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

- Revenue Collection/Income Generation Expenditure and Control
- Supply Chain Management
- Budgeting
- Accounting and Reporting Information Technology Assets and Stores
- Motor Vehicle Licensing and Registration

Capital & Operating Budget

The five-year financial plan includes an Operating Budget and Capital Investment Programme for the five years ending June 2021.

a) Budget Assumptions

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

External factors

In economic and fiscal terms, South Africa has reached a crossroads. The good news is that the domestic economic slowdown appears to have bottomed out. After growing by only 0.5 per cent in 2016, the economy is projected to grow by 1.3 per cent in 2017 and 2 per cent in 2018. Furthermore, the country has experienced a decline in mining growth and weakened agricultural outputs as a result of the drought while growth in transport and telecommunications, electricity, gas and water have declined because of weakened demand. In developed economies, the combination of weak economic growth, low or negative interest rates, and elevated asset prices has increased the likelihood of renewed financial volatility. Countries that are highly reliant on foreign savings,

such as South Africa, will remain vulnerable to global financial volatility and rapid capital outflows. While global economic weakness plays a large role in South Africa's economic growth performance, domestic constraints stand in the way of investment, output and trade.

General inflation outlook and its impact on the municipal activities

The credit outlook of South Africa remains under pressure. The low gross domestic product growth contributed to the negative outlook, and that the country's gross debt is expected to rise to 54% by 2019 due to increasing financing needs.

Interest rates for borrowing and investment of funds

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

Collection rate for revenue services

The base assumption is that tariff and rating increases will increase at a rate slightly higher than CPI over the long term. It is also assumed that current economic conditions, and relatively controlled inflationary conditions, will continue for the forecasted term. The rate of revenue collection is currently expressed as a percentage (84 per cent) of annual billings. The current revenue collection is above 76% and in 2017/18 was 80 %. Cash flow is assumed to be 84 per cent of billings. The performance of any increased collections or arrear collections will however only be considered a source of additional cash in-flow once the performance has been carefully monitored.

Growth or decline in tax base of the municipality

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

Salary increases

There is a collective agreement on salary increases in place for the budget year, and the guidance on increases as contained in Circular 58 of National Treasury was used to budget accordingly.

Impact of national, provincial and local policies

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

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

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

Financial Ratios

	Ratio	Norm Range	Senqu LM
A	Asset Management		
1	Capital expenditure to Total Expenditures	10 % - 20 %	25 %
2	Impairment of Property, plant & equipment, Investment Property & Tangible Assets (Carrying Value)	0 %	0 %
3	Repairs & Maintenance as a % of property, plant and equipment and Investment Property (Carrying Value)	8 %	2 %
B	Debtors Management		
1	Collection Rate	95 %	88%
2	Bad Debts written off as % provision for Bad debt	100 %	16 %
3	Total Debtors Days	30 days	63 days
C	Liquidity Management		
1	Cash/Cost Coverage Ratio (Excl. Unspent conditional Grants)	1-3 months	12 months
2	Current ratio	1.5 -2.1	6.97
D	Liability Management		
1	Capital Cost (Interest Paid and Redemption as a % of Total Operating Revenue)	6% - 8 %	1 %
2	Debt (Total Borrowings)/Revenue	45 %	4 %
E	Sustainability		
1	Level of cash backed reserves (Net assets – Accumulated Surplus)	100 %	111 %

Financial performance

	Ratio	Norm	Senqu LM
A	Efficiency		
1	Net operating Surplus Margin	= or> 0 %	-5 %
2	Net Surplus/ Deficit Electricity	0 %-15 %	11 %
3	Net surplus/ Deficit Water	= or> 0 %	N/A

	Ratio	Norm	Senqu LM
4	Net surplus / Deficit Refuse	= or> 0 %	49%
5	Net surplus / Deficit Sanitation & Waste Water	= or> 0 %	N/A
B	Distribution Losses		
1	Electricity Distribution Losses (percentage)	7 % - 10 %	12 %
2	Water Distribution Losses (percentage)	15 % - 30 %	N/A
C	Revenue Management		
1	Growth in Number of Active Service Accounts	None	-1%
2	Revenue Growth (%)	=CPI	1 %
3	Revenue Growth (%) – Excluding Capital grants	=CPI	5 %
4	Creditors Turnover rate		21 days

Percentage of salary budget (Cllr remuneration and employee costs) to operational budget

2019/2020 Budget 40.60%
 2018/2019 Budget 42.53 %
 2017/2018 Budget 41 %
 2016/2017 Budget 44 %
 2015/2016 Budget 42.44 %
 2014/2015 Budget 38.38 %

Percentage repairs and maintenance on capital budget

2019/2020 Capital Budget 2.2%
 2018/2019 Capital Budget 2.4 %
 2017/2018 Capital Budget 2.5 %
 2016/2017 Capital Budget 2 %
 2015/2016 Capital Budget 2.31%

Percentage of budgeted income realised for past 2 years per category

2017-2018 Income vs Budgeted Income 104%
 2016/2017 Income vs Budgeted Income 107 %

 2017/2018 Budget 45 %
 2016/2017 Budget 41.13 %
 2015/2016 Budget 42.44 %
 2014/2015 Budget 38.38 %
 2011/2012 Budget 91%
 2010 /2011 Budget 82%

Ability of the Municipality to spend

Table 67: Capital budget expenditure

Description R thousand	Current Year 2018/19	2019/20 Medium Term Revenue & Expenditure Framework		
	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Total Capital Expenditure	79 895	85 250	63 104	47 198
<i>Roads Infrastructure</i>	29 200	30 979	30 515	32 138
<i>Storm water Infrastructure</i>	–	–	–	–
<i>Electrical Infrastructure</i>	9 228	4 700	6 377	7 275
<i>Solid Waste Infrastructure</i>	23 193	19 574	–	–
Infrastructure	61 621	55 253	36 892	39 413
Community Facilities	6 970	7 357	–	–
Sport and Recreation Facilities	524	2 216	–	–
Community Assets	7 494	9 573	–	–
Operational Buildings	6 070	14 101	12 650	1 735
Other Assets	6 070	14 101	12 650	1 735
Licences and Rights	400	69	72	76
Intangible Assets	400	69	72	76
Computer Equipment	1 842	1 057	1 032	1 086
Furniture and Office Equipment	110	230	242	255
Machinery and Equipment	858	1 868	8 401	2 355
Transport Assets	1 500	3 100	3 815	2 278
TOTAL CAPITAL EXPENDITURE - Asset class	79 895	85 250	63 104	47 198

The municipality remains committed to a large capital program with a significant portion funded by grants from National Government.

The capital budget of R85,3 million for 2019/20 is 6,7 per cent more when compared to the 2018/19 Adjustment Budget. The increase can mainly be attributed to projects that rolled over from 2018/2019 to 2019/2020. The capital programme decreases to R63,1 million in 2020/21 and R47,2 million in 2021/22. The decrease is directly related to the decrease in proposed expenditure to be financed from internally generated funds.

A portion of the capital budget will be funded from own revenue (R66,42 million or 33,96%) over the MTREF with no anticipated borrowings and the main funding source being Grants to the value of R129,14 million (66,04%).

The municipality should be mindful of the fact that the large capital program, especially from internally generated funds, places enormous pressure on the accumulated cash reserves of the Senqu Municipality. This could significantly impact on the long term sustainability of the entity.

The table below highlights the actual expenditure for 2017/2018 and the pre audit for 2018/19 and indicates the ability of the municipality to spend.

Table 68: Expenditure

Description R thousand	2017/18	Current Year 2018/19	2019/20 Medium Term Revenue & Expenditure Framework		
	Audited	Full year forecast	Budget Year	Budget Year	Budget Year
	Outcome	Budget	2019/20	2020/21	2021/22
<u>Expenditure By Type</u>					
Employee related costs	81 280	85 236	88 932	94 089	99 106
Remuneration of councillors	11 704	12 955	13 522	14 225	14 964
Debt impairment	6 348	5 963	7 500	11 134	11 713
Depreciation & asset impairment	21 933	20 272	21 058	22 153	23 305
Finance charges	2 876	3 016	3 133	3 296	3 467
Bulk purchases	25 599	35 691	36 750	38 661	40 671
Other materials	–	14 223	14 511	15 542	16 350
Contracted services	20 206	33 312	35 717	37 575	39 529
Transfers and subsidies	–	586	609	640	674
Other expenditure	30 039	29 935	30 603	33 061	34 781
Loss on disposal of PPE	2 455	–	–	–	–
Total Expenditure	202 441	241 188	252 335	270 376	284 560

Table 69: Budgeted Financial Performance (Revenue & Expenditure)

Description	2017/18	Current Year 2018/19	2019/20 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
R thousand					
<u>Revenue By Source</u>					
Property rates	5 997	8 247	8 536	9 048	9 591
Service charges - electricity revenue	31 861	41 712	40 911	43 365	45 967
Service charges - refuse revenue	10 119	9 101	9 647	10 226	10 840
Rental of facilities and equipment	1 234	110	116	123	131
Interest earned - external investments	20 577	15 000	16 500	16 854	17 865
Interest earned - outstanding debtors	3 204	2 266	2 402	2 546	2 699
Fines, penalties and forfeits	411	158	168	178	188
Licences and permits	1 295	1 121	1 189	1 260	1 335
Agency services	975	943	999	1 059	1 123
Transfers and subsidies	144 367	144 318	157 443	163 775	173 392
Other revenue	10 030	4 803	1 857	1 968	2 086
Total Revenue (excluding capital transfers and contributions)	230 071	227 779	239 767	250 403	265 217
<u>Expenditure By Type</u>					
Employee related costs	81 280	85 236	88 932	94 089	99 106
Remuneration of councillors	11 704	12 955	13 522	14 225	14 964
Debt impairment	6 348	5 963	7 500	11 134	11 713
Depreciation & asset impairment	21 933	20 272	21 058	22 153	23 305
Finance charges	2 876	3 016	3 133	3 296	3 467
Bulk purchases	25 599	35 691	36 750	38 661	40 671
Other materials	–	14 223	14 511	15 542	16 350
Contracted services	20 206	33 312	35 717	37 575	39 529
Transfers and subsidies	–	586	609	640	674
Other expenditure	30 039	29 935	30 603	33 061	34 781
Loss on disposal of PPE	2 455	–	–	–	–
Total Expenditure	202 441	241 188	252 335	270 376	284 560
Surplus/(Deficit)	27 630	(13 410)	(12 567)	(19 973)	(19 343)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	33 606	48 528	39 761	42 858	46 518
Transfers and subsidies - capital (in-kind - all)	19	–	–	–	–
Surplus/(Deficit) for the year	61 255	35 119	27 194	22 884	27 175

Operating Budget

Table 70: Operating Budget

Functional Classification Description R thousand	2017/18	Current Year 2018/19	2019/20 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
<u>Revenue - Functional</u>					
<i>Governance and administration</i>	117 076	113 545	120 531	126 760	134 163
Executive and council	6 948	7 015	7 254	7 597	7 959
Finance and administration	110 128	106 530	113 277	119 163	126 204
Internal audit	—	—	—	—	—
<i>Community and public safety</i>	1 752	1 723	4 289	4 456	4 695
Community and social services	1 645	1 631	1 639	1 647	1 718
Sport and recreation	0	8	8	9	10
Public safety	106	84	2 641	2 800	2 968
<i>Economic and environmental services</i>	40 536	49 121	41 041	40 689	43 608
Planning and development	6 469	2 049	2 095	2 206	2 362
Road transport	34 068	47 072	38 946	38 482	41 245
<i>Trading services</i>	104 329	111 915	113 664	121 353	129 266
Energy sources	66 916	75 463	73 925	79 288	84 679
Waste management	37 413	36 452	39 738	42 065	44 587
<i>Other</i>	3	3	3	3	3
Total Revenue - Functional	263 696	276 307	279 528	293 261	311 735
<u>Expenditure - Functional</u>					
<i>Governance and administration</i>	82 122	96 519	101 126	108 203	113 878
Executive and council	23 130	27 589	28 448	30 333	31 914
Finance and administration	57 340	66 188	69 749	74 809	78 741
Internal audit	1 651	2 741	2 929	3 061	3 223
<i>Community and public safety</i>	17 807	13 724	15 995	16 985	17 883
Community and social services	8 824	9 860	10 199	10 843	11 416
Sport and recreation	1 756	2 067	2 166	2 272	2 392
Public safety	7 227	1 798	3 630	3 870	4 075
<i>Economic and environmental services</i>	36 597	42 204	41 298	43 891	46 199
Planning and development	14 423	17 089	18 817	20 116	21 175
Road transport	22 016	24 948	22 311	23 591	24 830
Environmental protection	158	167	170	184	194
<i>Trading services</i>	64 426	87 063	92 195	99 454	104 661
Energy sources	39 413	52 186	54 448	58 404	61 449
Waste water management	3 553	4 236	4 408	4 655	4 901
Waste management	21 460	30 642	33 339	36 395	38 312
<i>Other</i>	1 489	1 678	1 720	1 842	1 940
Total Expenditure - Functional	202 441	241 188	252 335	270 376	284 560
Surplus/(Deficit) for the year	61 255	35 119	27 194	22 884	27 175

Capital Budget & Borrowing

Table 71 details the estimated Capital Investment Programme for the five years starting. The Capital Investment Programme remains subject to the availability of funding.

Table 71: Capital Investment Programme

Vote Description R thousand	2015/16	2016/17	2017/18	Current Year 2018/19		2019/20 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Capital Expenditure - Functional								
<i>Governance and administration</i>	1 755	3 644	5 093	7 103	8 141	12 260	5 670	4 912
Executive and council	213	95	1 272	335	694	123	129	136
Finance and administration	519	1 363	3 821	6 168	7 047	12 069	5 469	4 701
Internal audit	1 022	2 185	–	600	400	69	72	76
<i>Community and public safety</i>	13 911	8 770	3 567	11 582	7 944	9 573	–	–
Community and social services	13 891	484	1 814	2 000	1 359	4 326	–	–
Sport and recreation	–	8 155	1 160	1 950	1 015	3 316	–	–
Public safety	20	131	594	7 632	5 570	1 931	–	–
<i>Economic and environmental services</i>	18 559	19 665	27 823	25 714	29 483	36 532	42 248	33 961
Planning and development	86	1 416	70	150	184	246	259	272
Road transport	18 473	18 248	27 752	25 564	29 300	36 287	41 990	33 689
<i>Trading services</i>	4 660	9 989	9 498	33 168	34 327	26 886	15 186	8 324
Energy sources	3 216	7 187	6 404	10 067	10 815	6 686	8 117	7 370
Waste water management	–	2 455	–	–	–	–	–	–
Waste management	1 444	347	3 094	23 101	23 512	20 199	7 069	953
<i>Other</i>	–	4	–	–	–	–	–	–
Total Capital Expenditure - Functional	38 885	42 071	45 981	77 567	79 895	85 250	63 104	47 198
Funded by:								
National Government	31 996	33 684	33 606	41 850	45 528	39 761	42 858	46 518
Provincial Government	–	–	–	3 000	3 000	–	–	–
Other transfers and grants	–	–	19	–	–	–	–	–
Transfers recognised - capital	31 996	33 684	33 625	44 850	48 528	39 761	42 858	46 518
Internally generated funds	6 889	8 387	12 356	32 717	31 367	45 490	20 247	679
Total Capital Funding	38 885	42 071	45 981	77 567	79 895	85 250	63 104	47 198

d) Debt Management Framework

The ability of a municipality to raise long term borrowing is largely dependent on its creditworthiness and financial position. As with all other municipalities, Senqu Municipality's borrowing strategy is primarily informed by the affordability of debt repayments.

As indicated in the table above no borrowing for capital projects is planned. The municipality is still well within the limits of its borrowing capacity, but will raise very limited loans in the near future in order to curtail possible rising debt servicing costs.

Table 72 below details the Debt Management Framework. Loans will only be raised to fund the Capital Investment Programme.

Table 72: Debt Management Framework

Borrowing - Categorised by type R thousand	2017/18	Current Year 2018/19	2019/20 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Parent municipality					
Annuity and Bullet Loans	10 360	9 505	8 634	7 747	6 843
Total Borrowing	10 360	9 505	8 634	7 747	6 843

Grants Receivable

The municipality has managed to spend most of the grant funding. A certain amount of INEG and MIG was not fully spent at 30 June 2019. But the municipality was able to apply for roll-overs on the unspent portion because the funds were already committed. The national treasury has approved the roll-overs and the municipality has full spent the roll-overs.

Table 73 below details the Grants receivable in the 2019/2020 and outer years

Table 73: Grants Receivable

Description	2019/20 Medium Term Revenue & Expenditure Framework		
	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
R thousand			
RECEIPTS:			
<u>Operating Transfers and Grants</u>			
National Government:	155 943	162 275	171 830
Local Government Equitable Share	142 681	150 953	160 000
Finance Management	1 700	1 700	1 700
Nat Gov : Councillor Remuneration	7 254	7 597	7 959
Municipal Infrastructure Grant (MIG)	1 924	2 025	2 171
Nat Gov : EPWP Incentive Grant	2 384	–	–
Provincial Government:	1 500	1 500	1 562
Libraries	1 500	1 500	1 562
Total Operating Transfers and Grants	157 443	163 775	173 392
<u>Capital Transfers and Grants</u>			
National Government:	39 761	42 858	46 518
Municipal Infrastructure Grant (MIG)	36 561	38 481	41 243
Integrated National Electrification Programme	3 200	4 377	5 275
Total Capital Transfers and Grants	39 761	42 858	46 518
TOTAL RECEIPTS OF TRANSFERS & GRANTS	197 204	206 633	219 910

Table 74: Grants Expenditure

Description	2019/20 Medium Term Revenue & Expenditure Framework		
	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
R thousand			
EXPENDITURE:			
<u>Operating expenditure of Transfers and Grants</u>			
National Government:	155 943	162 275	171 830
Local Government Equitable Share	142 681	150 953	160 000
Finance Management	1 700	1 700	1 700
Nat Gov : Councillor Remuneration	7 254	7 597	7 959
Municipal Infrastructure Grant (MIG)	1 924	2 025	2 171
Nat Gov : EPWP Incentive Grant	2 384	–	–
Provincial Government:	1 500	1 500	1 562
Libraries	1 500	1 500	1 562
Total operating expenditure of Transfers and Grants:	157 443	163 775	173 392
<u>Capital expenditure of Transfers and Grants</u>			
National Government:	39 761	42 858	46 518
Municipal Infrastructure Grant (MIG)	36 561	38 481	41 243
Integrated National Electrification Programme	3 200	4 377	5 275
Total capital expenditure of Transfers and Grants	39 761	42 858	46 518
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS	197 204	206 633	219 910

Financial Strategy

Senqu Municipality’s three (3) key economic sectors are Agriculture, Services and the Tourism sectors, with the latter (Tourism), having the potential to grow. The unemployment rate was 26.6 per cent in the fourth quarter of 2016. These economic challenges will continue to pressurise municipal revenue generation and collection levels hence a conservative approach is advised for projecting revenue. The Municipality will have to improve their efforts to limit non-priority spending and to implement stringent cost-containment measures.

a) Revenue Raising Strategy

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

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

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

The above principles guide the annual increase in the tariffs charged to the consumers and the ratepayers aligned to the economic forecasts. Investment revenue contributes significantly to the revenue base of the Municipality. It needs to be noted that these allocations have been conservatively estimated and as part of the cash backing of reserves and provisions. The actual performance against budget will be carefully monitored. Any variances in this regard will be addressed as part of the mid-year review and adjustments budget. The tables below provide detail investment information and investment particulars by maturity.

TABLE 75: DETAIL INVESTMENT INFORMATION

CASH BACKED RESERVES/ACCUMULATED SURPLUS RECONCILIATION

Description R thousand	2019/20 Medium Term Revenue & Expenditure Framework		
	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Cash and investments available			
Cash/cash equivalents at the year end	232 433	222 425	234 298
Cash and investments available:	232 433	222 425	234 298
Application of cash and investments			
Unspent conditional transfers	10 203	10 203	10 203
Other working capital requirements	(9 107)	(5 563)	(2 039)
Other provisions	13 203	14 074	14 970
Reserves to be backed by cash/investments	199 768	191 584	202 072
Total Application of cash and investments:	214 068	210 299	225 207
Surplus(shortfall)	18 365	12 126	9 092

TABLE 76 – INVESTMENT PARTICULARS BY MATURITY

Investments by Maturity Name of institution & investment ID	Type of Investment	Capital Guarantee (Yes/ No)	Opening balance	Interest to be realised	Closing Balance
Parent municipality					
Standard Bank 38 848 973 1 - 005	32 day	32 day	47 094	5 194	–
Standard Bank 38 848 606 6 - 001	Call Deposit	Call Deposit	5 358	484	5 842
Standard Bank 38 848 916 2 - 002	Call Deposit	Call Deposit	104 911	10 822	115 733
					–
TOTAL INVESTMENTS AND INTEREST			157 363		173 863

b) Asset Management Strategy

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

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

- Compliance with Council's Insurance and Payments Procedure
- Effecting adequate insurance of all assets
- Maintenance of Council's Assets

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

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

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

Asset Register

The Municipality has compiled a Fully GRAP Compliant Asset register that were tested by during the 2017 Audit were no findings pertaining to the Register were raised by the AG. Senqu Municipality has implemented a system of internal control consistent with the transcripts of the Municipal Asset Management and Insurance policy to ensure that all assets are accounted for and the useful lives of the assets are reassessed on an annual basis. Strict Control is also kept on the safeguarding of assets to ensure that service delivery is not disrupted in any way or form.

c) Capital Financing Strategy

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

Financial Management Policies (See Annexure 1)

a) General Financial Philosophy

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

- To fully Implement the MFMA and all its underlying reforms
- Implementation of the Legislature relevant to municipal finances and the municipality as a whole
- Effective Management of the Budget Process
- Providing strategic and specialised financial information and guidance through the Budget and Treasury Office in support of all other departments within the municipality
- Efficient and Effective Management of Municipal Revenue
- Establishment of a Supply Chain Management Unit and the full implementation of the municipal supply chain policy
- Establishment of a FBS/Indigent Support Unit
- Maintenance of Internal Financial Control
- Production of Financial Performance Reports
- To Retain the Financial Viability of the Municipality
- To have an Unqualified Audit Report

b) Tariff Policy

A tariff policy must be compiled, adopted and implemented in terms of Section 74 of the Local Government: Municipal Systems Act 2000, such policy to cover, among other things, the levying of fees for municipal services provided by the municipality itself or by way of service delivery agreements. The tariffs policy has been compiled taking into account, where applicable, the guidelines set out in Section 74 (see part 9 of this policy) of the Municipal Systems Act No. 32 of 2000. In setting its annual tariffs the council shall at all times take due cognisance of the tariffs applicable elsewhere in the economic region, and of the impact which its own tariffs may have on local economic development.

All tariffs are being indicated in a tariff schedule, which is an addendum to the policy and is reviewed and amended by Council annually.

c) Rates Policy

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

The Constitution enjoins local government to be developmental in nature, in addressing the service delivery properties of our country and promoting the economic and financial viability of our municipalities. There is a need to provide local government with access to a sufficient and buoyant source of revenue necessary to fulfil its developmental responsibilities. Revenues derived from property rates represent a critical source of income for municipalities to achieve their constitutional objectives, especially in areas neglected in the past because of discriminatory legislation and practices and it is essential that municipalities exercise their powers to impose rates within a statutory framework which enhances certainty, uniformity and simplicity across the nation and which take account of historical imbalances and the burden of rates on the poor.

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

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

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

Affordability – the ability of a person to pay rates will be taken into account by the municipality. In dealing with the poor / indigent ratepayers the municipality will provide relief measures through exemptions, reductions or rebates. In applying its Valuations and Rates Policy, the Council adheres to all the requirements, as set out below, of the Property Rates Act no. 6 of 2004 including any regulations promulgated in terms of that Act.

d) Free Basic Services and Indigent Support Policy

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

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

Policy Objectives

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

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

e) Credit Control & Debt Collection Policy

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

Principles underlined in the policy is as follows

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

f) Supply Chain Management Policy

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

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

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

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

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

The Municipality remains committed to the full implementation of the SCM Regulations, MFMA requirements and the Municipal SCM policy. Control measures were implemented to address the findings raised by the AG and additional controls were also implemented by the municipality to be in a position to ensure compliance with SCM and PPPFA regulations such as the redesign of evaluation forms and the review of the SCM policy. Senqu Municipality also plans to implement demand and procurement management plans for the 2016- 2017 Budget year to ensure enhanced compliance through proper planning.

The SCM unit within the municipality is also being capacitated and this in turn ensures that the SCM Policy is being properly enforced and implemented.

Accounting principles & Policies applied in Annual Financial Statements

The budget and treasury section has developed an AFS preparation plan and an audit file that is updated regularly. The municipality is not going to miss the deadline of 31 August for the submission of the annual financial statements to the auditor general.

Basis of Preparation

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

The standards are summarised as follows:

GRAP 5	Borrowing Costs
GRAP 6	Consolidated and Separate Financial Statements
GRAP 7	Investments in Associate
GRAP 8	Interests in Joint Ventures
GRAP 101	Agricultural
GRAP 102	Intangible assets

IPSAS 20	Related Party Disclosure
IFRS 3 (AC140)	Business Combinations
IFRS 4 (AC141)	Insurance Contracts
IFRS 6 (AC143)	Exploration for and Evaluation of Mineral Resources
IAS 12 (AC102)	Income Taxes
SIC – 21 (AC421)	Income Taxes – Recovery of Revaluated Non-Depreciable Assets
SIC – 25 (AC425)	Income Taxes – Changes in the Tax Status on an Entity or its Shareholders
SIC – 29 (AC429)	Service Concessions Arrangements – Disclosures
IFRIC 2 (AC435)	Members' Shares in Co-operative Entities and Similar Instruments
IFRIC 4 (AC437)	Determining whether an Arrangement contains a Lease
IFRIC 9 (AC442)	Reassessment of Embedded Derivatives
IFRIC 12 (AC445)	Service Concession Arrangements
IFRIC 13 (AC446)	Customer Loyalty Programmes
IFRIC 14 (AC447) IAS19	The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction
IFRIC 15 (AC448)	Agreements for the Construction of Real Estate
IFRIC 16 (AC449)	Hedges in a Net Investment in a Foreign Operation

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

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

GRAP 23	Revenue from Non-Exchange Transactions	1 April 2012
GRAP 26	Impairment of cash-generating assets	1 April 2012
GRAP 100 (Revised)	Non-current Assets held for Sale and Discontinued Operations	1 April 2011

The Municipality resolved to formulate an accounting policy based on the following GRAP standards which have been issued but are not yet effective.

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

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

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

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

- cost of items with a similar nature currently in the municipality's asset register;

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

Presentation of Budget Information

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

Standards, Amendments to Standards and Interpretations issues but not yet effective

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

Standard	Description	Effective Date
GRAP 6 (Revised)	Consolidated and Separate Financial Statements No significant impact is expected as the municipality does not participate in such business transactions.	Unknown
GRAP 7 (Revised)	Investments in Associate No significant impact is expected as the municipality does not participate in such business transactions.	Unknown
GRAP 8 (Revised)	Interest in Joint Ventures No significant impact is expected as the municipality does not participate in such business transactions.	Unknown
GRAP 18	Segment Reporting Information to a large extent is already included in the notes to the annual financial statements.	Unknown
GRAP 24	Presentation of Budget Information in Financial Statements Information to a large extent is already included in the notes to the annual financial statements.	1 April 2012
GRAP 25	Employee Benefits Information to a large extent is already included in the notes to the annual financial statements.	Unknown
GRAP 103	Heritage Assets	1 April 2012

	No adjustments necessary as the municipality has any significant heritage assets.	
GRAP 104	Financial Instruments Information to a large extent is already included in the notes to the annual financial statements.	Unknown
GRAP 105	Transfer of Functions Between Entities Under Common Control No significant impact is expected as the municipality does not participate in such business transactions.	Unknown
GRAP 106	Transfer of Functions Between Entities Not Under Common Control No significant impact is expected as the municipality does not participate in such business transactions.	Unknown
GRAP 107	Mergers No significant impact is expected as the municipality does not participate in such business transactions.	Unknown

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

Financial Instruments

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

Revenue

Revenue from Non-Exchange Transactions

Revenue from non-exchange transactions is generally recognised to the extent that the related receipt or receivable qualifies for recognition as an asset and there is no liability to repay the amount. Revenue from property rates is recognised when the legal entitlement to this revenue arises. Collection charges are recognised when such amounts are legally enforceable. Penalty interest on unpaid rates is recognised on a time proportionate basis as an exchange transaction.

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

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

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

When, as a result of a non-exchange transaction, a municipality recognises an asset, it also recognises revenue equivalent to the amount of the asset measured at its fair value as at the date of acquisition, unless it is also required to recognise a liability. Where a liability is required to be recognised it will be measured as the best estimate of the amount required to settle the present obligation at the reporting date, and the amount of the increase in net assets, if any, recognised as revenue. When a liability is subsequently reduced, because the taxable event occurs or a condition is satisfied, the amount of the reduction in the liability will be recognised as revenue.

Revenue from Exchange Transactions

Service charges relating to electricity and water are based on consumption and a basic charge as per Council resolution. Meters are read on a monthly basis and are recognised as revenue when invoiced. Provisional estimates of consumption are made monthly when meter readings have not been performed. The provisional estimates of consumption are recognised as revenue when invoiced. Adjustments to provisional estimates of consumption are made in the invoicing period in which meters have been read. These adjustments are recognised as revenue in the invoicing period. Billings for electricity are done monthly for customers served directly by the municipality as per the norms and standards of revenue management. **Monthly billing** and reconciliation takes place and ESKOM bills the other customers. Customers are **billed annually** for rates. Electricity losses are limited by replacing credit metering with pre-paid metres. We are also replacing all 3 phase with KvA.

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

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

The amount of revenue arising on a transaction is usually determined by agreement between the entity and the purchaser or user of the asset or service. It is measured at the fair value of the consideration received or receivable taking into account the amount of any trade discounts and volume rebates allowed by the entity. In most cases, the consideration is in the form of cash or cash equivalents and the amount of revenue is the amount of cash or cash equivalents received or receivable. However, when the inflow of cash or cash equivalents is deferred, the fair value of the consideration may be less than the nominal amount of cash received

or receivable. When the arrangement effectively constitutes a financing transaction, the fair value of the consideration is determined by discounting all future receipts using an imputed rate of interest. The imputed rate of interest is the more clearly determinable of either:

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

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

Grants, Transfers and Donations (Non-Exchange Revenue)

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

Unauthorised Expenditure

Unauthorised expenditure is accounted for as an expense in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

Irregular Expenditure

Irregular expenditure is accounted for as expenditure in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

Fruitless and Wasteful Expenditure

Fruitless and wasteful expenditure is accounted for as expenditure in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

Significant accounting judgements and estimates

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

Post-Retirement Medical Obligations and Long Service Awards

The cost of post-retirement medical obligations and long service awards are determined using actuarial valuations.

Impairment of Receivables

The calculation in respect of the impairment of debtors is based on an assessment of the extent to which debtors have defaulted on payments already due, and an assessment of their ability to make payments based on their creditworthiness.

Property, Plant and Equipment

The useful lives of property, plant and equipment are based on management's estimation. Infrastructure's useful lives are based on technical estimates of the practical useful lives for the different infrastructure types, given engineering technical knowledge of the infrastructure types and service requirements.

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

Intangible Assets

The useful lives of intangible assets are based on management's estimation. Management considers the impact of technology, availability of capital funding, service requirements and required return on assets to determine the optimum useful life expectation, where appropriate.

Investment Property

The useful lives of investment property are based on management's estimation. Management considers the impact of technology, availability of capital funding, service requirements and required return on assets to determine the optimum useful life expectation, where appropriate.

Provisions and Contingent liabilities

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

Revenue Recognition

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

In making their judgement, management considered the detailed criteria for the recognition of revenue as set out in GRAP 9: Revenue from Exchange Transactions and GRAP 23: Revenue from Non-Exchange Transactions.).

Provision for Landfill Sites

The provision for rehabilitation of the landfill site is recognised as and when the environmental liability arises. The provision is calculated by a qualified environmental engineer. The provision represents the net present value of the expected future cash flows to rehabilitate the landfill site at year end.

Provision for Performance bonuses

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

Provision for Staff leave

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

Pre-paid electricity estimation

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

Componentisation of infrastructure assets

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

Taxes – value added tax

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

Amended Disclosure Policy

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

Information & Communication Technology

The ICT Software used by Senqu Local Municipality is summarized in Table 77 below:

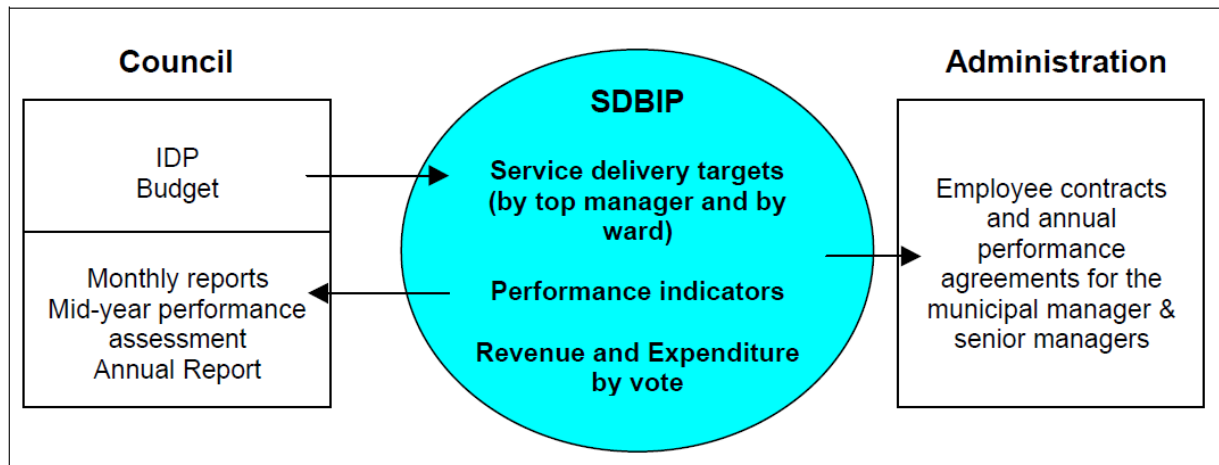
Table 77: ICT software

Company	Programme	Application
Sebata	Sebata Financial Management Solutions	Sebata Consolidated Billing Sebata Ledger Sebata Payroll Sebata Assets Sebata Stores Sebata Cashbook Sebata Financial Management Solutions
Microsoft	MS Office	MS Word MS Excel MS PowerPoint MS Publisher Adobe MS Outlook
Sophos	Sophos Protection	Sophos Antivirus
Standard Bank	Standard Bank Business Online	Standard Bank Business Online Electronic Banking
SITA	eNatis	Motor Vehicle Registration

Source: Senqu Municipality

The SDBIP

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



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

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

The National Treasury Circular 13 describes in detail the approach to SDBIP's. Basically, there is a high level SDBIP for the purpose of high level monitoring by stakeholders, backed by full detail all the way to the individual employee. Starting from the top (the Municipal Manager), all staff operate under KPI's within the identified KPA's. In effect the SDBIP becomes the implementation tool for the budget and the basis for non-financial monitoring. At the highest level every vote could be aligned to an IDP strategy and some KPI's. These then form the basis of future monthly and in year reporting. The draft SDBIP is contained in Annexure 8.

Valuation Roll

In terms of The Municipal Property Rates Act of 2004, Chapters 4, 5, 6 and 7 a municipal valuation process of all properties within a municipal jurisdiction must be completed by a municipality within the ambit of this Act (MPRA) given due consideration to rights of community members and the municipality/municipal valuator which will conduct the valuation process. A valuation roll was done in 2017 with the first supplementary which is published on the Senqu website on www.senqu.gov.za. It was open to the public for objections from the 15th May to 25 June 2018. Community meetings were held and the process of lodging objections was done. Yearly Supplementary Valuation Rolls are being conducted in years that general valuation does not take place. We are currently doing the new supplementary roll. The gazette number will be provided once the process of section 49 notices is done however the gazette number for the current valuation roll can be also submitted as per last supplementary roll.

In order to achieve the above an informative consultation process with community members will be embarked upon explaining activities to be performed by the municipal valuers and the rights of community members regarding the entire valuation process. This informative consultation process will also afford community members an opportunity to gain clarity on any uncertain matters which they might have. All meeting dates and places will be formally advertised and placed on notice boards in municipal offices.

The municipality is currently using General valuation roll for property valuations and the service are also linked to the General valuation roll and as they are demand driven the SLAs are signed for service required. The general valuation roll is performed as per the deeds search records and cadastral data from the chief surveyor general, these are the basic requirements as per MPRA act. Senqu Municipality is currently using Sebata billing System which capable of billing monthly, Quarterly, bi annually and annually depending on the demand. Currently we do have a challenge on electrical losses and the plan to curb those losses is always provided by technical director and Nersa.

The Vote for valuation reserves is part of the budget and the amount awarded to the winning bidder is also available at SCM as it reflects on the tender document. Currently the municipality has the current valuation on website and as soon as the new general valuation roll is opened for public consumption the municipality will add the new General valuation roll to the website.

Internal Controls

The municipality has an effective internal control system in place as evidenced by its VUNA award for 3 consecutive year's unqualified audit. All issues relating to the audit are addressed in Chapter 5. Risk management is conducted on an annual basis by the DTPS department and risk assessment reports generated quarterly per department.

Supply Chain Management

Senqu has three committees as per legislation. "Bid Committees" means the committees established in terms of this policy to prepare bid specifications, bid documentation, evaluate responsive bids and, where so authorised, to adjudicate responsive bids and any reference in section 117 of the Municipal Finance Management Act to municipal tender committees shall be construed as a reference to the aforesaid committees. These Committees are:

The Specification Committee which ensures that the specifications are correct and in line with scm legislation and approves them for tender advertisements. The Evaluation Committee evaluates bids once tenders have closed and forwards their recommendations to the Adjudication Bid Committee. The third committee is the Adjudication Bid Committee that makes the final decision on tenders except for tenders above R 10 million.

The unit consists of 11 staff members, including 2 managers, who handle bids, expenditure, demand management, acquisition management and contract management. The Unit assists the Compliance and Governance Manager to monitor the performance of suppliers and bidders. The turnover rate of procurement is between 45 days if adjudication sits regularly. Contract management is with PMU at Technical Services.

mSCOA STANDARD CHARTER OF ACCOUNTS

The municipality is committed to the mSCOA project as it was a pilot site. The mSCOA project steering committee sits regularly and is attended by senior officials of the municipality, the system provided and provincial treasury.

The Municipal Council took a resolution to execute the mSCOA project. The Municipality established a mSCOA Steering committee and has restructured its Organogram to fit into the mSCOA requirements.

All budget projects are structured to be mSCOA compliant and the financial system has been restructured to accommodate this. mSCOA was fully implemented during the 2015/16 Financial year. The Municipality has suffered many problems with the implementation of mSCOA and these are expected to continue as processes and systems are unfolded. The Municipality is striving to go live with mSCOA as from 1 July 2018. This did not go as planned and as a result the municipality has taken the hybrid approach in implementing mSCOA.

CHAPTER NINE: PERFORMANCE MANAGEMENT SYSTEM

Monitoring & Evaluation System & Unit

The M& E unit consists of the Manager Governance and Compliance with a risk management Officer and an intern. The Unit is responsible for the development of the Institutional SDBIP, departmental SDBIP, S56 Managers scorecards and that of the line managers' scorecards. In order for administrative efficiency the PMS scorecard is combined with the SDBIP so that only one report is received. The SDBIP, PMS and IDP objectives, strategies, indicators and targets are aligned on an annual basis. The evaluations for the 2018/19 financial year will be completed in line with the PMS policy which states that Directors will only be formally assessed once the final annual report is approved. It is therefore impossible to accurately state what percentage of the SDBIP targets was met. Managers will also be assessed. Annual assessments are done after the approval of the Annual Report by Council and the quarterly ones are done within 30 days after the end of each quarter.

In order to verify that targets are met, the responsible individuals submit quarterly reports with their portfolio of evidence to the Head of Department who checks it and submits it to the Manager Governance & Compliance. It is checked and a quarterly assessment is carried out. Formal assessment is only done in the second and fourth quarter.

MPAC

The MPAC has been trained again just to ensure that members are fully conversant with their roles and responsibilities. The Committee meets and discusses the departmental quarterly reports submitted by Directors and develops an annual S 46 report on performance assisted by the Manager Compliance and governance. As MPAC has improved its capacity, so has its ability to interrogate the evidence provided by directors to support that targets have been met. As a result, the compliance with reporting and submitting of evidence has been much improved.

PMS Implementation and Roll Out

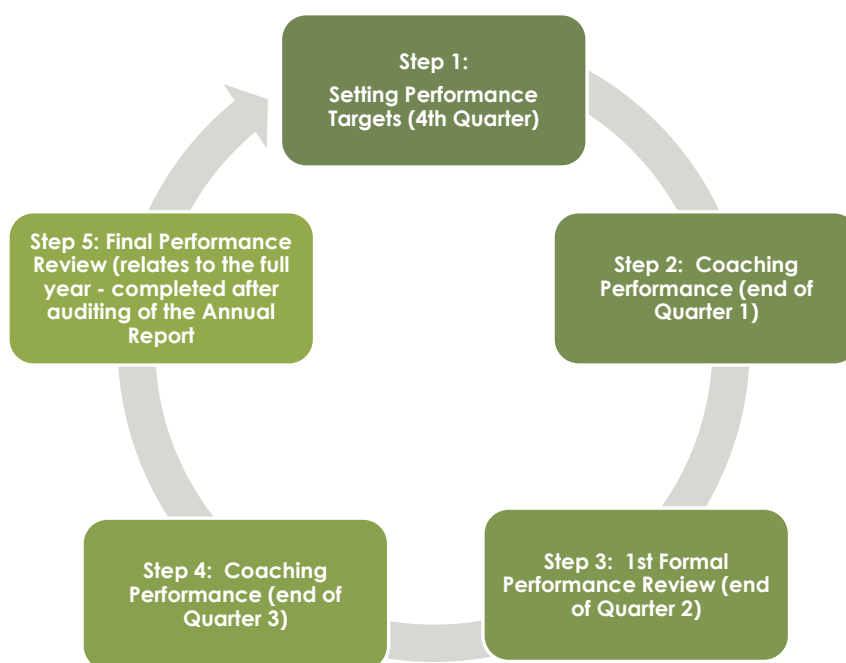
The Municipality has implemented an organisational PMS as per the policy adopted in 2015. Roll out to Managers below S56 occurred in 2014/15. It is expected that further roll out to personnel under managers will occur in the 2017/18 financial year and continue into 2018/19. This did not happen and will be pursued in 2019/2020.

Summary of Performance Management Policy

The policy was adopted by Council in 2016.

Employee Performance Management System The Employee Performance Management Cycle

The employee Performance Management System involves the following cycle which extends from 1 July – 30 June annually:



Annually, the following steps are taken:

Step 1: Fourth Quarter (Planning for the next cycle).

- Scorecards for staff are developed and all targets are written according to the prescriptions relating to the setting of performance targets. There is alignment between scorecards, the SDBIP, Budget and IDP;
- Manager and subordinate discuss and agree on targets;
- Areas for development are identified and reflected in a Personal Development Plan (PDP) or customized action plan that is signed by both parties in order to show commitment to achievement. This reflects the training and development needs that must take place in order to ensure that the subordinate is able to meet the required targets; and
- The Municipal Manager and s56 Directors and Middle Manager's sign annual performance agreements, applicable for this period.

Step 2: First Quarter Coaching and Reinforcement – informal Assessment

- At the end of this quarter the manager and subordinate meet to discuss actual performance against required performance. Achievements are commended and appropriate Action Plans developed in order to address any highlighted performance issues; and

- Action Plans are monitored so that appropriate action occurs and targets are met.

First Formal Review: Assessment

- Manager and subordinate meet to discuss the formal assessment and the rating of actual performance against expected performance for all performance indicators. (The manner of ratings follows below). Agreement is reached on ratings and commitment (action plans) to required action to ensure that required targets are achieved.
- Institutional Performance (Targets) (includes Directorates individual targets) are formally assessed through the s72 performance report in Q2

Third Quarter: Coaching and Reinforcement– informal Assessment

- At the end of this quarter the manager and subordinate meet to discuss actual performance against required performance;
- Achievements are commended and appropriate Action Plans developed in order to address any highlighted performance issues; and
- Action Plans are monitored so that appropriate action occurs.

Fourth Quarter: Final Review and Assessment (Formal Panel Assessment)

- This assessment occurs after the auditing of the s46 / Annual Report. This is necessitated in order to be able to verify (from an external source) the achievement of targets/the extent to which targets have been achieved.
- Assessment of performance for all performance indicators is undertaken and in this instance assessment is undertaken by a panel, constituted according to the Framework and detailed below;
- As detailed within the Framework and Policy, slight differences will be observed in the final assessment (panel constitution and process).

Note:

- Two informal assessment which occur twice a year - after the first and the third quarter
- The formal assessment occurs twice a year – after the second and fourth quarter the 2nd quarter is done through s72 performance reporting and the 4th Quarter assessment which reflects an annual assessment may only occur after the Auditor General has audited the s46 / Annual Report; and
- Portfolios' of Evidence are kept by all applicable (The Municipal Manager, the Directors and other identified Managers and staff in order to validate claims of performance.

Developing Scorecards

When developing scorecards, the following basic principles apply:

- Each scorecard for the Municipal Manager and s56 Directors and middle managers is compiled of Key Performance Areas (that make up 80% of the scorecard weighting) and Core Management Competencies (that make up 20% of the scorecard weighting);
- Performance Agreements are concluded annually for the Municipal Manager and s56 Directors and middle managers;
- Staff at lower levels will make use of a generic scorecard that will be utilized to evaluate performance and will constitute 100 points. This will become effective at the time that the PMS is applicable to them;

- Senqu Municipality has adopted the **five National Key Performance Indicators** as contained within the 5-year Local Government Strategic Agenda as their Key Performance Area's (KPA's) within the organisational performance scorecard.

- Individual performance scorecards: - population of individual performance scorecards are dependant on the area/level of importance and the amount of emphasis that this National KPA would carry within this particular Directorate /Department/Division and the position and therefore it may be that some scorecards will be populated with all five (5) of the national key indicators and some may only consist of three (3) or four (4) of the **five National Key Performance Indicators**. The weightings may vary/ differ, depending entirely on the responsibilities of the position itself. The only prescription is that the total number allocated for the weights of the KPA's is **80% and the** remainder of the scorecard will be made up of Core Management Competencies (CMC's) which will represent. **Three compulsory CMC's**

- Evidence Portfolios are required to validate achievement for both the KPA's and CMC's

Accordingly, the KPA's are reflected as follows:

Basic Service Delivery

This KPA applies to all service delivery related activities and functions such as: basic water, sanitation, electricity, refuse and roads. It is also acknowledged as including issues relating to social infrastructure, such as: housing, health, education, welfare and cemeteries.

Local Economic Development

LED relates to all activities and functions that promote economic development and alleviate poverty. These may include:

- Economic Development and poverty alleviation strategies and awareness programmes;
- Social infrastructure and social programmes such as HIV/AIDS, ABET and the like;
- Efforts to stimulate the economy; and
- Poverty alleviation activities.

Governance and Public Participation

All aspects relating to organizational and administrative governance and all aspects of public participation are considered. More specifically this includes:

- The manner in which local government aligns and integrates with the provincial and national spheres of government on cross cutting issues;
- Activities that indicate all levels of community consultation and participation;
- Functionality of Ward Committees and Community Development Workers; and
- The involvement of Traditional Councils in municipal affairs.

Municipal Transformation and Organisational Development

The manner in which the institution is capacitated to conduct its affairs with required levels of conformance is examined. More specifically, the following issues are required to be reported on:

- Capacitation of officials at an administrative and political level. Human Resource development and management is examined;
- The manner in which the organization is structured in order to meet the needs of the IDP;
- The manner in which the organization is held accountable to the public via the required performance management system; and

- The manner in which all internal policies and processes facilitate day to day functioning and administration and address aspects such as gender, equity, disability and general management.

Municipal Financial Viability and Management

Strictly in accordance with the MFMA and standard accounting and financial management practices the organization is required to:

- Comprise policies and processes relating to revenue generation, debt and credit management as well as assets and liability control and auditing;
- Ensure that all auditing responsibilities and reporting are required to be undertaken and these include the submission of the financial statements to the Auditor-General (AG) as well as the findings of the AG on the municipal affairs of this organization; and
- Ensure that there is compliance with the Municipal Financial Management Act and the Service Delivery and Budget Implementation Plan.
- Each KPA is individually weighted according to the level of importance and the amount of emphasis that this KPA would carry within this particular Directorate / Department/Division and position. Between positions and Directorates / Departments the weightings may vary/ differ, depending entirely on the responsibilities of the position itself. The only prescription is that, that the total number allocated for the weights of the KPA's is 80%.
- The remainder of their scorecard adding up to 20% and made up of Core Management Competencies (CMC's). **Three compulsory CMC's** are required in terms of the Performance Regulations/pms policy and are detailed as follows:

- Financial Management
- People Management and Empowerment
- Client Orientation and Customer Focus

The 3 compulsory CMC's **and ONLY ONE ADDITIONAL CMC** may be chosen from a list reflected within the Performance Regulations and performance agreements. As with the KPA's the targets for the CMC's must be reflected in the institutional scorecard, the SDBIP and the individual scorecards. The targets contained within the CMC's must be different to those reflected within the KPA's. If necessary targets that have already been agreed to may be removed from the KPA's and reflected within the CMC's. Under no circumstances may targets be duplicated between the two. Alignment of all KPA's and CMC's and the various scorecards must occur.

Evidence of performance achieved must be reflected in the Portfolios of Evidence in respect of BOTH CMC's and KPA's.

Note: In all instances – **whether for KPA's or CMC's Portfolios of Evidence must include evidence to validate claims of performance.** Historically, less attention has been paid to validating performance on CMC's. This is an issue as the failure to supply supporting documentation will invalidate any assessment and must result in a rating of "1" for that particular indicator.

Rating of Employee Performance

The rating of an employee's level of performance, whether in the category of s56 or as a middle manager, requires that ratings occur in terms of the rating calculator reflected below:

LEVEL	TERMINOLOGY	DESCRIPTION
5	Outstanding performance	Performance far exceeds the standard expected of an employee at this level. The appraisal indicates that the employee has achieved above the fully effective results against all performance criteria and indicators as specified in the PA and Performance Plan and maintained this in all areas of responsibility throughout the year.
LEVEL	TERMINOLOGY	DESCRIPTION
4	Performance significantly above expectations	Performance is significantly higher than the standard expected in the job . The appraisal indicates that the employee has achieved above fully effective results against more than half of the performance criteria and indicators and fully achieved all others throughout the year .
3	Fully effective	Performance fully meets the standards expected in all areas of the job. The appraisal indicates that the employee has fully achieved effective results against all significant performance criteria and indicators as specified in the PA and Performance Plan .
2	Performance not fully effective	Performance is below the standard required for the job in key areas . Performance meets some of the standards expected for the job. The review / assessment indicates that the employee has achieved below fully effective results against more than half the key performance criteria and indicators as specified in the PA and Performance Plan.
1	Unacceptable performance	Performance does not meet the standard expected for the job . The review / assessment indicates that the employee has achieved below fully effective results against almost all of the performance criteria and indicators as specified in the PA and Performance Plan . The employee has failed to demonstrate the commitment or ability to bring performance up to the level expected in the job despite management efforts to encourage improvement.

The Regulations encourage assessment of actions taken in terms of the following questions/statements (as a guide):

Duration of Task	<ul style="list-style-type: none"> Was the target achieved within the projected timeframe?
Level of Complexity	<ul style="list-style-type: none"> What problem-solving techniques occurred? What innovative action was taken? What level of operation/complexity occurred?
Cost	<ul style="list-style-type: none"> To what extent were costs maintained within budget? Was the budget exceeded? Were savings apparent?
Constraints	<ul style="list-style-type: none"> What constraints were expected: Did these occur? To what extent did this affect the desired outcome? What actions /especially proactive where taken to resolve the issue?

NOTE:

Assessment and Rating for the Municipal Manager and s56 Directors and Middle Managers

- During the **first “formal” review (December)** the “Manager” will assess the subordinate’s performance by using the rating scale of 1 to 5 and the reasons for variances. Similarly, the subordinate will conduct a self- assessment. When meeting, both parties will attempt to reach agreement on the ratings. Where no agreement is reached as to the final score the decision will be made by the next higher level of authority (as per the dispute resolution mechanism). The results of the assessment will guide the manager and subordinate to take appropriate steps to improve performance ongoing (through the development of action plans); and
- During the **final review assessment (formal panel assessment)** (for the period 1 July to 30 June), performance will also be rated according to these level descriptors **although it will be rated by a performance assessment panel.** Agreement that has been established for this purpose (as detailed within the Regulations and Framework). Variances are taken into account and examined/motivated appropriately.

Note: No final assessment should take place prior to the Annual Report being approved. At this point all the performance information has been audited and considered to be a true reflection of reality. Only verified information and claims to performance are considered to be true.

- Assessments are based on the degree to which a performance indicator has been met. Failure to produce adequate evidence will result in the lowest rating being awarded i.e. a rating of “1” rating.

Assessment and Rating for other Staff

Staff will be rated according to performance on a set of stipulated targets (generic issues). The slightly modified rating scale of 1 - 5 will be utilized (adjusted/modified slightly).

In both assessment reviews the immediate manager and related subordinates will discuss assessments and validate all assessments made.

8.5.4 Scoring of Employees Performance (applicable to the Municipal Manager and s56 Directors and Middle Managers only)

Note: Rating and Scoring are two distinct processes.

The rating is used to determine the actual score from the total possible score for each output. Each performance scorecard is made up of 100 points. These are divided up by the weight allocations --- The KPA's (80 points) and CMC's (20 points).

The following example is provided in order to show how the ratings are translated into scores. The process of changing into scores is completed by the PMS Facilitator after the ratings have been awarded by each person on the panel.

Performance Bonuses

The applicability of the PMS Framework is being cascaded over a period of time from the level of s56 manager down to middle managers reporting to s56 employees and finally to all levels below in a cascade effect.

At every level below the relevant manager/supervisor, the subordinate's scorecard will be informed by the extent to which they are required to meet certain performance indicators that will in turn enable the manager/supervisor to meet their performance targets. In this manner it is ensured that there is alignment at every level (between IDP, SDBIP, Budget and Scorecards).

- Performance Bonuses applicable to s56 managers**

In order for the Municipal Manager, s56 Directors and Middle Managers to qualify for a performance bonus, the ratings of all panellists are required to be consolidated and changed into averaged scores (representative of the entire panel). These are consolidated by the Performance Management Facilitator appointed for this purpose.

The panel constitution for the Municipal Manager and s56 Managers (as reflected within the Regulations) is detailed below:

EVALUATION OF THE MM	EVALUATION OF S56 DIRECTORS ACCOUNTABLE TO THE MM
Mayor	MM
Chairperson of the audit committee or Audit Committee Member	Chairperson of the audit committee or Audit Committee Member
Mayor from another municipality	MM from another municipality
Ward committee member nominated by Mayor	Portfolio Councillor or Exco Member as nominated by the Mayor
Exco Member as nominated by the Mayor	Governance and Compliance Manager
Governance and Compliance Manager	PMS Facilitator
PMS Facilitator	

The Municipal Manager and s56 Directors are required to prepare and present a Portfolio of Evidence – substantiating claims of performance for each and every Performance Indicator for KPA's and CMC's. This,

together with the audit of the Annual Report will validate /authenticate claims of performance – necessary in order to justify/verify the final consolidated score and any applicable bonus. Bonuses are awarded according to the following sliding scale – achieved by doubling the score (a total of 100 as per each scorecard), so as to reflect a total out of 200 – applicable to the rating scale.

<u>Score / 200</u>	<u>% Bonus for s56 Managers</u>
130 (65%)	5 % of total annual remuneration package
134	6 % of total annual remuneration package
138	7 % of total annual remuneration package
142	8 % of total annual remuneration package
146	9 % of total annual remuneration package
150	10 % of total annual remuneration package
154	11 % of total annual remuneration package
158	12 % of total annual remuneration package
162	13 % of total annual remuneration package
166+ (83% +)	14 % of total annual remuneration package

The sliding scale applicable to s56 Managers is reflected as follows:

As per the Performance Regulations, the Municipal Manager and s56 Directors s56 will be able to qualify for performance bonuses according to the following ratings (reflected in the table below):

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

• **Merit awards applicable to the Municipal Manager and s56 Directors (budget permitting)**

Merit awards for the Municipal Manager and s56 Directors are determined by assessing performance against required targets. Once performance criteria have been established, performance targets are reviewed regularly. At the end of the financial year, actual performance is compared against the agreed performance targets to determine the magnitude of the merit award. The merit award is calculated as a percentage of the total annual remuneration package of the employee, as indicated in the table hereunder.

<u>Score / 200</u>	<u>Merit Award for s56 Managers</u>
130 to 141 (65% - 70%)	1% of total package
142 to 149 (71% - 74%)	2% of total package
150 to 161 (75% - 80%)	3% of total package

162 to 165 (81 – 82%)	4% of total package
166+ (83% +)	5% of total package

- **Performance Bonuses applicable to Middle Managers**

Middle Managers are required to prepare and present a Portfolio of Evidence – substantiating claims of performance for each and every Performance Indicator for KPA's and CMC's. Bonuses are awarded according to the following sliding scale – achieved by doubling the score (a total of 100 as per each scorecard), so as to reflect a total out of 200 – applicable to the rating scale.

In order for Middle Managers to qualify for a performance bonus, the ratings of all panellists are required to be consolidated and changed into averaged scores (representative of the entire panel). These are consolidated by the Performance Management Facilitator appointed for this purpose.

The panel assessment panel for middle managers is constituted as follows:

ASSESSMENT PANEL FOR MIDDLE MANAGERS
Director (for relevant Directorate)
Manager (Relevant to Division) being reviewed (self-score and motivation /POE).
PMS Facilitator
Manager: Governance and Compliance or nominated other

All Middle Managers are required to prepare and present a Portfolio of Evidence – substantiating claims of performance for each and every Performance Indicator for KPA's and CMC's. This, together with the audit of the Annual Report will validate /authenticate claims of performance – necessary in order to justify/verify the final consolidated score and any applicable bonus. Bonuses are awarded according to the following sliding scale – (a total of 100 as per each scorecard), so as to reflect a total out of 200 – applicable to the rating scale.

Noted each KPA is individually weighted according to the level of importance and the amount of emphasis that this KPA would carry within this particular Directorate / Department/Division and position. Between positions and Directorates / Departments the weightings may vary/ differ, depending entirely on the responsibilities of the position itself. The only prescription is that , the total number allocated for the weights of the KPA's is 80%. The remainder of the scorecard adds up to 20% and made up of Core Management Competencies (CMC's). The Three compulsory CMC's are required in terms of the Performance Regulations/pms policy

The consolidated scores are doubled and bonuses are applicable as per the following sliding scale

The sliding scale applicable to Middle Managers' is reflected as follows:

Score / 200	% Bonus of Middle Manager's Basic Salary
130-133	10 % Middle Manager's Basic Salary
134-137	20% Middle Manager's Basic Salary
138-141	30% Middle Manager's Basic Salary
142-145	40% Middle Manager's Basic Salary
146-149	50% Middle Manager's Basic Salary
150-153	60% Middle Manager's Basic Salary

154-157	705 Middle Manager's Basic Salary
158-161	80% Middle Manager's Basic Salary
162-165	90% Middle Manager's Basic Salary
166	100% Middle Manager's Basic Salary

Performance Bonuses applicable to all other staff (below Middle Management level)

All other staff will be eligible to achieve a performance bonus providing they achieve a stipulated rating during the final review that is applicable to the assessment of annual performance and is detailed in the table that follows. Only one formal assessment occurs – after the 4th Quarter. While this is not a legislated requirement it is important to assess performance throughout the organisation. Using the rating scale of 1 to 5 for achievement on targets as specified in terms of a standardized scorecard, the ratings of all panellists will be averaged and an average rating for each incumbent will be obtained which will translate to an overall rating that ranges from 1 to 5. More specifically, the following rating scale applies and the employee, their Manager and the Director form a panel which assesses and rates performance for each indicator on the generic scorecard. The rating for each indicator is averaged amongst the panellists and all final ratings are added together and averaged (rounded up) in order to achieve an overall final rating that is equivalent to a 1,2,3,4 or 5 overall.

The rating calculator and standard definitions are reflected as follows:

LEVEL	TERMINOLOGY	DESCRIPTION
5	Outstanding performance	Performance exceeds targets in 80% of indicators.
4	Performance above expectations	Performance is higher than the standard expected in terms of the target. Consider action over and above what is expected/use of initiative.
3	Meets the Standard	Performance fully meets the standard required by the targets.
2	Not fully effective	Performance is below the standard .
1	Unacceptable performance	Performance does not meet the standard expected for the job .

The panel assessment panel for other staff (below Middle Management) is constituted as follows:

PANEL FOR STAFF BELOW MIDDLE MANAGEMENT
--

Director (for relevant Directorate)
Manager (Relevant to Section) being reviewed
The Employee Being Assessed
PMS Facilitator

Performance rewards for **other staff** are applicable as follows:

AVERAGE RATING	MERIT AWARD
5	60% of monthly basic package
4	40% of monthly basic package

Performance rewards for **other staff** are applicable as follows continued:

AVERAGE RATING	MERIT AWARD
3	20% of monthly basic package
2	0%
1	0%

All annexures will be added after the final document is complete

ANNEXURE 1: MUNICIPAL SECTOR PLANS, POLICIES & BY LAWS

MUNICIPAL POLICIES

MUNICIPAL BYLAWS

ANNEXURE 2: ABRIDGED ORGANOGRAM

ANNEXURE 3: STAKEHOLDER REGISTER

ANNEXURE 4: CUSTOMER CARE

ANNEXURE 5: COUNCIL RESOLUTION FOR IDP PROCESS PLAN

ANNEXURE 6: COUNCIL RESOLUTION FOR DRAFT IDP ADOPTION

ANNEXURE 7: COUNCIL RESOLUTION FOR FINAL IDP ADOPTION

ANNEXURE 8: DISASTER MANAGEMENT FRAMEWORK

ANNEXURE 9: FINAL SDBIP

ANNEXURE 10: COUNCIL RESOLUTION FOR HR STRATEGY

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New Growth Path

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Senqu LED Strategy 2018

Senqu Housing Sector Plan 2013

Senqu Tourism Plan 2018

Statsaa Census 2011 & Community Survey 2016

StatsSA Midyear population estimates 2016

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Copies of the Document or sector plans may be ordered electronically from the IPED Manager via an email request to viedgeb@senqu.gov.za or downloaded from the municipal website <http://www.senqu.gov.za>