



## Section A Executive Summary





## 1.1 DEMOGRAPHIC PROFILE

The Phumelela Local Municipality forms part of the **Mofutsanyane District**. It consists of 7 wards and covers an area of **7,550.4910 km<sup>2</sup>**. The terrain morphology indicates that the most eastern part of Phumelela, including Memel and a stretch of ground towards the northwest, consists of low mountains. The Warden and Vrede areas are strongly undulating irregular land. The whole Phumelela local municipality grounds falls in the Vaal River catchment's drainage region.

According to Census 2001, there were 50 907 persons living in the Phumelela area of jurisdiction, translating into 12 041 households; 93,18% of the population belongs to the African population group, 6,57% to the White population group, 0,19% to the Coloured population group and 0,05% to the Asian group.

**Table / Figure 1.1:** *Age groups in the Phumelela Municipality*

(Source: Census 2001)

<b>Table 1.1: Census 2001 by municipalities and age group</b>		
Age 0 – 4	5,546	10.89%
Age 5-9	5,847	11.49%
Age 10-14	6,458	12.69%
Age 15 – 19	5,881	11.55%
Age 20 – 24	4,529	8.90%
Age 25 – 29	3,729	7.33%
Age 30 – 34	3,217	6.32%
Age 35 – 39	3,058	6.01%
Age 40 – 44	2,712	5.33%
Age 45 – 49	2,280	4.48%
Age 50 – 54	1,915	3.76%
Age 55 – 59	1,444	2.84%
Age 60 – 64	1,402	2.75%
Age 65 – 69	1,048	2.06%
Age 70 – 74	843	1.66%
Age 75 – 79	440	0.86%
Age 80 – 84	363	0.71%
Age 85+	195	0.38%
	<b>50,907</b>	

What is worth noting is the apparent decline in population of the area, if the result of Census 2001 is compared with that of the Community Survey, 2007. According to the latter, the population was 35 090.



**Figure / Table 1.2:** *Comparative perspective on population growth / decline*

(Source: Community Survey, 2007)

	Census 2001	Census 2007
<b>Number of persons</b>	50,906	35,090

	Census 2001	Census 2007
<b>Number of households</b>	11,934	11,531

IsiZulu and Sesotho are the dominant languages in the area. Other languages worth noting are Afrikaans and English, the latter mainly because of its relevance as a language of choice in industry and profession.

**Figure / Table 1.3:** *Languages in the Phumelela local area*

(Source: Census 2001)

<b>Table: Census 2001 by municipalities and language</b>		
Afrikaans	3,444	6.77%
English	186	0.37%
IsiNdebele	27	0.05%
IsiXhosa	303	0.60%
IsiZulu	26,785	52.62%
Sepedi	72	0.14%
Sesotho	19,886	39.07%
Setswana	52	0.10%
SiSwati	123	0.24%
Tshivenda	4	0.01%
Xitsonga	8	0.02%
Other	14	0.03%



**Figure / Table 1.4: Persons with disabilities**

(Source: Census 2001)

Table: Census 2001 by municipalities and type of disability		
None	46,913	92.16%
Sight	1,017	2.00%
Hearing	522	1.03%
Communication	91	0.18%
Physical	1,079	2.12%
Intellectual	166	0.33%
Emotional	655	1.29%
Multiple	462	0.91%

There are a total of 3 992 persons with disabilities in the area.

## 1.2 ACCESS TO SERVICES

If the results of Census 2001 are compared with those of the 2007 Community Survey, the progress that the Municipality has made with service delivery in respect of ensuring access to key basic services are evident:

**Figure / Table 1.5: Comparison: Access to key basic services: 2001 vs 2007**

(Source: Census 2001 and Community Survey, 2007)

Performance Indicator: Basic Services	Percentage (%)	
	Census 2001	Community Survey 2007
Acceptable standard of development: Housing	79.00	82.90
Acceptable standard of development: Refuse disposal	62.40	70.90
Acceptable standard of development: Toilet facilities	32.60	53.30
Acceptable standard of development: Electricity (Lighting)	64.60	78.10
Acceptable standard of development: Water inside the dwelling	13.90	48.20





If a comparative analysis based on a number of key development indicators is done (see Figure below) it is clear that the main development gap in the Phumelela area of jurisdiction is still primarily in among the African and Colored population groups.

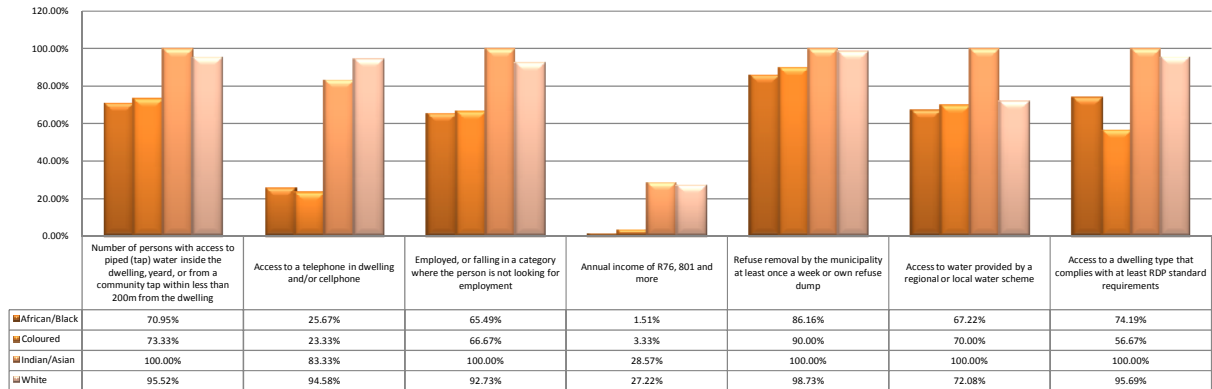




**Figure / Table 1.6: Access to basic services (profile)**

(Source: Community Survey, 2007)

Area	Standard Indicator	African/Black	Coloured	Indian/Asian	White
Water	Number of persons with access to piped (tap) water inside the dwelling, yard, or from a community tap within less than 200m from the dwelling	70.95%	73.33%	100.00%	95.52%
Communication	Access to a telephone in dwelling and/or cellphone	25.67%	23.33%	83.33%	94.58%
Employment status	Employed, or falling in a category where the person is not looking for employment	65.49%	66.67%	100.00%	92.73%
Income	Annual income of R76, 801 and more	1.51%	3.33%	28.57%	27.22%
Basic Services	Refuse removal by the municipality at least once a week or own refuse dump	86.16%	90.00%	100.00%	98.73%
	Access to water provided by a regional or local water scheme	67.22%	70.00%	100.00%	72.08%
	Access to a dwelling type that complies with at least RDP standard requirements	74.19%	56.67%	100.00%	95.69%



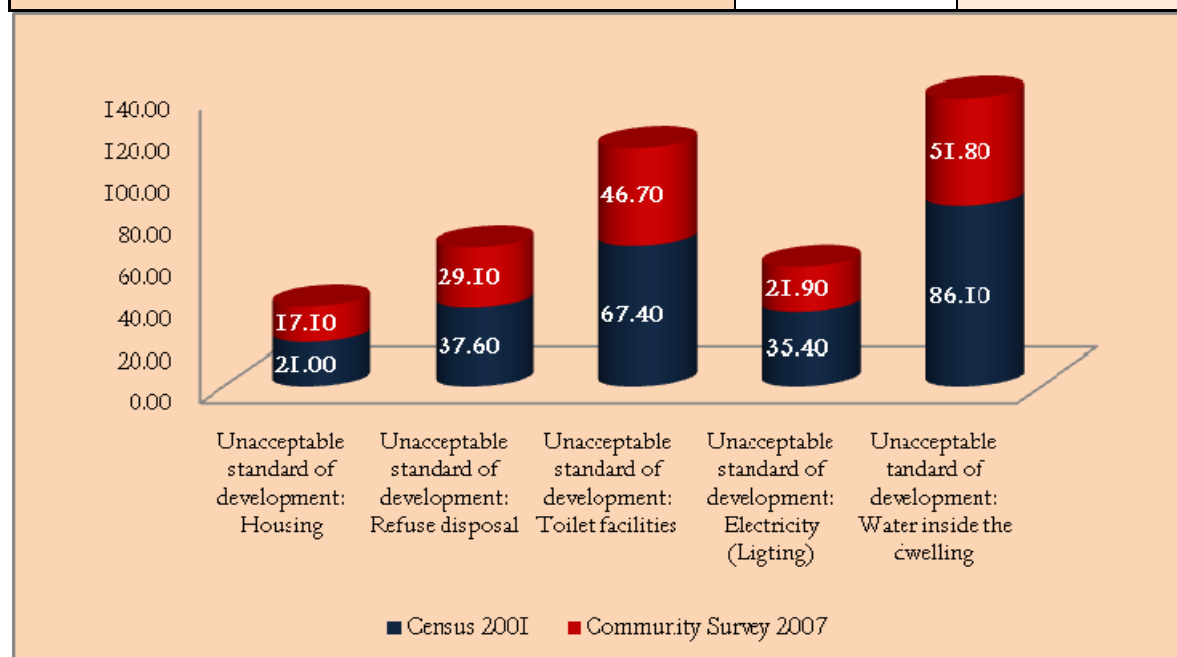
It is also evident from the above-mentioned statistics that the Municipality still faces extensive service delivery challenges to ensure equitable and acceptable standards of access to basic services to the Phumelela community. If the statistics quoted above is reversed, the following gaps in access to acceptable standards of basic services could be concluded:



**Figure / Table 1.7: Comparison: Lack of access to acceptable standard of key basic services: 2001 vs 2007**

(Source: Census 2001 and Community Survey, 2007)

Performance Indicator: Basic Services	Percentage (%)	
	Census 2001	Community Survey 2007
Unacceptable standard of development: Housing	21.00	17.10
Unacceptable standard of development: Refuse disposal	37.60	29.10
Unacceptable standard of development: Toilet facilities	67.40	46.70
Unacceptable standard of development: Electricity (Ligting)	35.40	21.90
Unacceptable tandard of development: Water inside the dwelling	86.10	51.80

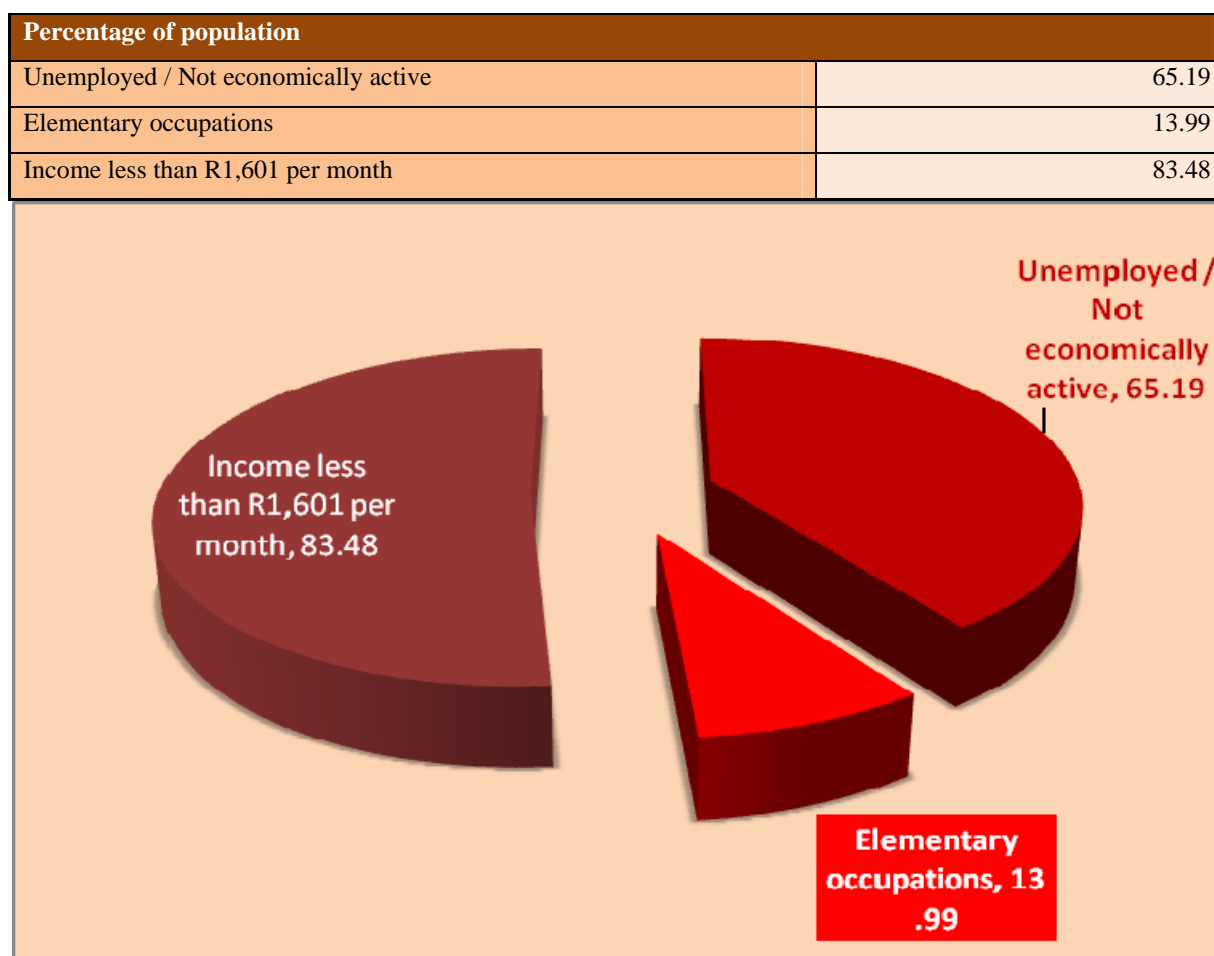


Unemployment, lack of adequate education levels and poverty also remains persistent challenges to the Phumelela Municipality. Although the available statistics are outdated, and based on the results of the 2001 Census, the level of social deprivation in the municipal area is evident from the following statistics:



**Figure / Table 1.8: Perspective on key social indicators**

(Source: Census 2001)



These three social factors are connected and inter-related and the Municipality therefore follows an integrated approach towards addressing the social deprivation in the municipal area.

The Phumelela Municipality's institutional capacity to respond to the identified needs is of critical importance to the Council and Management. The Municipality has experienced major capacity challenges over the last couple of years, because of the vacancy of key management positions, which included that of the Municipal Manager, the Chief Financial Officer and the Manager Administration. It is presently experiencing serious cash flow problems as well.





The positions of Municipal Manager, Manager Administration and Manager Technical Services have since been filled. The intention is to fill the post of Chief Financial Officer as a matter of urgency. The Municipality has also approved a financial turnaround strategy, aimed at ensuring the proper establishment of the financial management function, which would include addressing the cash flow problems presently experienced.

## 1.3 CHALLENGES AND OPPORTUNITIES

The Phumelela Municipality offers its communities, potential investors and other stakeholders several dynamic opportunities. The town is situated close to the important N3 main road between two of the country's primary economic centers, namely those of Durban / Pietermaritzburg and the Gauteng economic hinterland, Johannesburg / Tshwane. The Council's development focus is especially on the following **opportunities**:

**Table 1.9: Phumelela: Opportunities**

Development Opportunity	Focus Initiatives
<i>Economic growth</i>	<ul style="list-style-type: none"> <li>❑ Tourism is the main focus area for expanded economic growth.</li> <li>❑ Job creation is a central theme in the Municipality's local economic development initiatives.</li> <li>❑ The Council supports national government's focus on SMME and BBBEE development. There is also an understanding of the importance of promoting local industries, but due to the rural nature of the area, it is not always possible to obtain the required skills and resources required by the Municipality from local sources.</li> </ul>
<i>Improved Service Delivery</i>	<ul style="list-style-type: none"> <li>❑ It is the Municipality's primary role to ensure basic services to its citizens in an equal and balanced manner. These include services such as water, sanitation, refuse removal, waste disposal and the maintenance of roads, streets and pavements.</li> <li>❑ The maintenance of infrastructure and replacement of ageing infrastructure is a high priority for the Council. Lack of resources severely limits Council's capacity to achieve this.</li> </ul>
<i>Good Governance</i>	<ul style="list-style-type: none"> <li>❑ The Council continuously strives improve the efficiency of its political and administrative systems, structures and processes.</li> <li>❑ It is a high priority for Council to involve its citizens in decisions affecting them.</li> <li>❑ Improved financial viability and consistent efforts to improve the</li> </ul>



Development Opportunity	Focus Initiatives
	efficiency of the municipality's administration and management systems and processes are high priorities.
<i>Integrated Human Settlements</i>	<ul style="list-style-type: none"> <li>❑ The Municipality has managed to increase access to housing by 9,3% over the period 2001-2007.</li> <li>❑ The Municipality currently prioritizes the review of its Spatial Development Framework and the design of an appropriate land use management system.</li> </ul>
<i>Social and Community Development</i>	<ul style="list-style-type: none"> <li>❑ It is important for the Council to ensure good quality and well-maintained sport facilities, parks and community halls for its communities.</li> </ul>

However, the Municipality also faces several important **challenges** in service rendering. Most of these relates back to limited municipal capacity. Some of the most noticeable of these are:

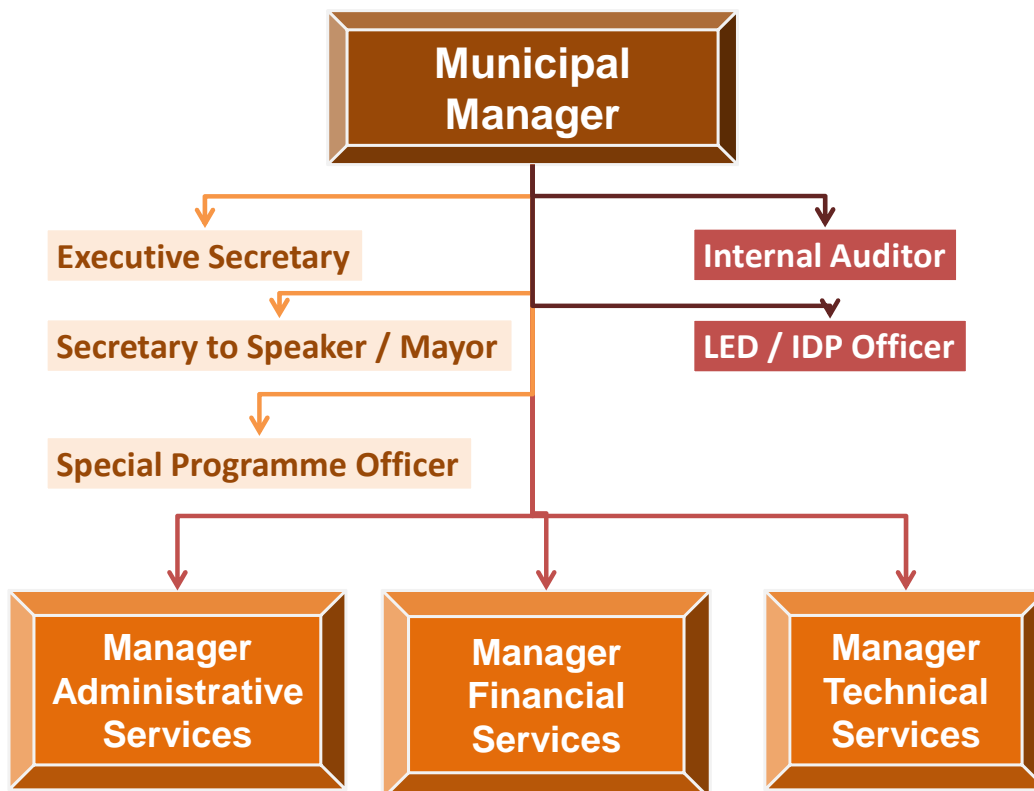
**Table 1.10: Phumelela: Challenges**

Development Challenge	Risk / Threat																
<i>Capacity limitations</i>	<ul style="list-style-type: none"> <li>❑ The Municipality's capital budget for the 2009/10 financial year amounts to R16,378,000; allowing for the following projects to be undertaken:</li> </ul> <table border="1"> <thead> <tr> <th>Project</th><th>Cost / Budget</th></tr> </thead> <tbody> <tr> <td>Roads Thembalihle</td><td>4,178,000</td></tr> <tr> <td>Roads paved Zamani</td><td>3,500,000</td></tr> <tr> <td>Roads paved Ezenzeleni</td><td>3,500,000</td></tr> <tr> <td>High Mast Lighting Thembalihle</td><td>700,000</td></tr> <tr> <td>Rural water supply</td><td>1,500,000</td></tr> <tr> <td>Warden upgrade of Water treatment works</td><td>3,000,000</td></tr> <tr> <td></td><td><b>16,378,000</b></td></tr> </tbody> </table> <p>This money was obtained from the MIG (Municipal Infrastructure Grant) made available to the Municipality.</p>	Project	Cost / Budget	Roads Thembalihle	4,178,000	Roads paved Zamani	3,500,000	Roads paved Ezenzeleni	3,500,000	High Mast Lighting Thembalihle	700,000	Rural water supply	1,500,000	Warden upgrade of Water treatment works	3,000,000		<b>16,378,000</b>
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<i>Critical vacancies</i>	<ul style="list-style-type: none"> <li>❑ Several key management posts were vacant over the last couple of years, including that of the Municipal Manager, the Manager Administration and the Chief Financial Officer. (The latter is still vacant).</li> <li>❑ Due to the indicated financial constraints, the Municipality is not in a position to recruit all the critical skills and expertise (such as engineering</li> </ul>																



Development Challenge	Risk / Threat
	and financial skills) required for service rendering to its communities according to the quality that it wishes to achieve.

**Figure 1.11:** *Administrative Organisational Structure*





## 1.4 IDP PROCESS AND APPROACH

The **approach** followed with the compilation of this IDP was as follows:

- (1) Considering legislative, regulatory and policy guidelines for strategic and integrated development planning in municipalities.
- (2) Distribution of roles and responsibilities.
- (3) Identify and clearly define the core functions of the municipality.
- (4) Analyze the context and environment in which the municipality operates and must render services to determine the extent of needs and demands to be put on the IDP and municipal budget.
- (5) Formulate IDP strategies to reflect the municipality's response to the needs and demands for its services determined during the analysis' phase.
- (6) Community engagements to inform the community about IDP priorities, strategies and projects and make sure that their wishes and demands are incorporated into the IDP.
- (7) Integrating the different Plans, Programmes and Strategies of the municipality into a consolidated draft Integrated Development Plan (IDP).

The core functions of the Phumelela Local Municipality are legislatively prescribed in the **Constitution of the Republic of South, 1996**, with specific reference to Chapter 7, sections 152 and 153 and Schedules 4 and 5.

**Table 1.12:** *Municipal Core Functions (Constitutional)*

### 152. Objects of local government

1. The objects of local government are -
  - a. to provide democratic and accountable government for local communities;
  - b. to ensure the provision of services to communities in a sustainable manner;
  - c. to promote social and economic development;
  - d. to promote a safe and healthy environment; and
  - e. to encourage the involvement of communities and community organizations in the matters of local government.
2. A municipality must strive, within its financial and administrative capacity, to achieve the objects set out in subsection (1).





### 153. Developmental duties of municipalities

A municipality must

- a. structure and manage its administration, and budgeting and planning processes to give priority to the basic needs of the community, and to promote the social and economic development of the community; and
- b. participate in national and provincial development programmes.

#### Schedule 4, Part B

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

- ☐ Air pollution
- ☐ Building regulations
- ☐ Child care facilities
- ☐ Electricity and gas reticulation
- ☐ Firefighting services
- ☐ Local tourism
- ☐ Municipal airports
- ☐ Municipal planning
- ☐ Municipal health services
- ☐ Municipal public transport
- ☐ Municipal public works only in respect of the needs of municipalities in the discharge of their responsibilities to administer functions specifically assigned to them under this Constitution or any other law
- ☐ Pontoons, ferries, jetties, piers and harbours, excluding the regulation of international and national shipping and matters related thereto
- ☐ Stormwater management systems in built-up areas
- ☐ Trading regulations

Water and sanitation services limited to potable water supply systems and domestic waste-water and sewage disposal systems

#### Schedule 5, Part B

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

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



During a strategic planning session conducted with the councilors and senior managers of the Phumelela Local Municipality; at which opportunity the indicated sections of the Constitution, 1996 were used as the basis for analysis, the following were identified as key **municipal core functions**:

**Table 1.13 (b): Municipal Core Functions**

Constitutional Core Functions	Core functions of the Municipality	Weight	Priority weight	Accumulative weight
Air pollution	X	1.00%	1.00%	1.00%
Building regulations	X	2.00%	2.00%	3.00%
Child care facilities	X	2.00%	2.00%	5.00%
Electricity and gas reticulation	X	5.00%	5.00%	10.00%
Firefighting services	X	1.00%	1.00%	11.00%
Local tourism			0.00%	11.00%
Municipal airports	X	0.50%	0.50%	11.50%
Municipal planning (all-inclusive; including physical planning)	X	5.00%	5.00%	16.50%
Stormwater management systems	X	9.50%	9.50%	26.00%
Trading regulations	X	3.00%	2.00%	28.00%
Water and sanitation services	X	11.00%	10.00%	38.00%
<b>Other</b>				
Municipal Sport and Recreation	X	5.00%	5.00%	46.00%
Municipal Roads and Traffic	X	5.00%	5.00%	51.00%
Budgeting and MIG	X	5.00%	5.00%	56.00%
Property Evaluation	X	2.00%	2.00%	58.00%
Revenue enhancement	X	3.00%	3.00%	61.00%
Indigent and Free Basic Services	X	2.00%	2.00%	63.00%
Local Economic Development	X	4.00%	4.00%	67.00%
Municipal Land and Commonage	X	2.00%	2.00%	69.00%
Refuse Removal	X	5.00%	5.00%	74.00%
Landfill site	X	2.00%	2.00%	76.00%
Graves and parks	X	5.00%	5.00%	81.00%
Streetlighting	X	5.00%	5.00%	86.00%
Community participation	X	2.00%	2.00%	88.00%
Infrastructure	X	8.00%	8.00%	96.00%
Poverty Alleviation	X	4.00%	4.00%	100.00%

The IDP Process Plan has been based on the legislative and operational guidelines of the following statutory and functional guidelines:

**Table 1.14: Statutory Framework for Municipal Planning**

Consideration	Statutory / functional guideline
Identification of municipal core functions	<input type="checkbox"/> Chapters 3 and 7, as well as Schedules 4 and 5 of the Constitution, 1996 <input type="checkbox"/> The Municipal Structures Act, 1998



Consideration	Statutory / functional guideline
Process and format requirements for the IDP	<input type="checkbox"/> Chapters 5 of the Municipal Systems Act, 2000 <input type="checkbox"/> Chapter 2 of the Municipal Planning and Performance Management Regulations, 2001 <input type="checkbox"/> The operational guidelines of the IDP Guidepack
Community Participation in the IDP planning process	<input type="checkbox"/> Chapter 4 of the Municipal Systems Act, 2000 <input type="checkbox"/> Chapter 4 of the Municipal Planning and Performance Management Regulations, 2001 <input type="checkbox"/> The operational guidelines of the IDP Guidepack
Alignment between the IDP and the budget	<input type="checkbox"/> Requirements of the Municipal Finance Management Act, 2003 <input type="checkbox"/> The operational guidelines of the IDP Guidepack
Implementation control: Development of an Integrated Monitoring and Evaluation System	<input type="checkbox"/> SDBIPs: Municipal Finance Management Act, 2003 and MFMA Circulars No. 12 and 13. <input type="checkbox"/> Development of a PMS aligned with the IDP: Regulations for the Performance Management of Municipal Managers and Managers Directly Accountable to the MM, 2006; Chapter 6 of the Municipal Systems Act, 2000 and Chapter 3 of the Municipal Planning and Performance Management Regulations, 2001.

The following role-players were involved in the process of the 2009/10 IDP review:

**Figure / Table 1.15:** *Role-Players in the IDP review Process*

Role-players	Responsibilities
<b>Municipal Council</b>	<input type="checkbox"/> Conduct a strategic planning session in preparation for the IDP review during January 2009. <input type="checkbox"/> Consider the draft IDP during sessions on 27 and 30 March 2009. <input type="checkbox"/> Approve the appointment of an IDP Steering Committee and an IDP Representative Forum. <input type="checkbox"/> Will consider the IDP by the end of May 2009.
<b>May and Councilors</b>	<input type="checkbox"/> Councilors were instrumental in linking integrated development planning activities to their respective constituencies / wards. <input type="checkbox"/> Participate in organising IDP engagement sessions.
<b>Municipal Manager and senior managers</b>	<input type="checkbox"/> Involved in the planning and IDP organising and drafting processes. <input type="checkbox"/> Provided relevant technical, sector and financial information. <input type="checkbox"/> Contribute technical expertise in the consideration and finalisation of strategies and projects. <input type="checkbox"/> Provide departmental and budgetary inputs and support.



Role-players	Responsibilities
<b>IDP Steering Committee and Representative Forum</b>	<ul style="list-style-type: none"> <li>❑ Provided inputs related to the various planning processes.</li> <li>❑ Determined applicable mechanisms and procedures for alignment of IDP strategies and projects with actual needs in the municipal area and municipal capacity.</li> </ul>
<b>IDP Technical Committee</b>	<ul style="list-style-type: none"> <li>❑ This committee will monitor the implementation of the IDP.</li> <li>❑ Work towards improved IDP credibility.</li> <li>❑ Oversee and report regarding quarterly, mid-year and annual municipal performance.</li> </ul>

## 1.5 STRATEGIC DIRECTION OF THE COUNCIL

The Phumelela Municipality has adopted the following monitoring and evaluation structures and process to measure progress with the implementation of the IDP:

**Table 1.16:** *Municipal PMS*

Structure, Systems, Process	
<b>(1) Organisational Performance Management System</b>	<p>(1.1) Compilation of a 3-5 year IDP Implementation Plan, based on the objectives of the IDP, with measurable performance indicators and targets, link with the municipal, structure and budget.</p> <p>(1.2) Compilation of a single-year Service Delivery and Budget Implementation Plan (SDBIP), based on the objectives of the IDP, with measurable performance indicators and targets, link with the municipal, structure and budget.</p> <p>(1.3) Design and operationalisation of a municipal performance scorecard.</p> <p>(1.4) Conduct quarterly organisational performance evaluations.</p> <p>(1.5) Performance reporting: Monthly budget reports, quarterly performance reporting to the Council, mid-year budget and performance reporting, the Annual and Oversight Reports.</p>





**(2) *Individual Performance Management System***

(2.1) Compile Performance Plans for senior managers that became part of their Performance Agreement with the Municipality against which they will be evaluated. These Performance Plans must be based on individual managers' responsibilities for achieving the objectives of the IDP.

(2.2) Conduct individual evaluations of the performance of senior managers, based on the performance indicators and targets in their Performance Plans. These evaluations will be conducted quarterly.

- The IDP Process Plan for the 2010/11 IDP Review is attached as **Appendix A**.